



Annual Report

**CAVE
SHEPHERD
& CO**

Cave Shepherd & Co. Limited
2025 Annual Report and
Audited Financial Statements





**CAVE
SHEPHERD
& CO**

shaping tomorrow together

Contents

REPORTS

2	Notice of Annual General Meeting
3	Corporate Information
4-5	Subsidiary and Associate Companies
7-11	Directors' Report
12-17	Operating Companies Year in Review
18-21	Corporate Social Responsibility
22-35	Corporate Governance
36-38	Management Proxy Circular

FINANCIALS

39-41	Financial Highlights
42-43	Five Year Summary
44-49	Independent Auditors' Report
50-51	Consolidated Statement of Financial Position
52	Consolidated Statement of Changes in Equity
53-54	Consolidated Statement of Income and Comprehensive Income
55	Consolidated Statement of Cash Flows
56-158	Notes to the Consolidated Financial Statements

OTHER INFORMATION

159	Proxy Form
160-161	Notes

Notice of the Annual General Meeting

Notice is hereby given that the **FIFTY-FIFTH ANNUAL GENERAL MEETING** of the Shareholders of CAVE SHEPHERD & CO. LIMITED will be held at the **Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados** on **Thursday, April 23rd 2026, at 5.30 p.m. The Agenda is as follows:**

1. To receive and consider the Audited Consolidated Financial Statements for the year ended December 31st, 2025, together with the Reports of the Directors and Auditors thereon.

2. To elect Directors:

(i) the following Directors retire by rotation in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws and being eligible, offer themselves for re-election for the term stated:

Mr. Rawdon J. H. Adams	3 Years
Ms. Maureen D. Davis	3 Years
Mr. Adrian H. Padmore	3 Years

(ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised and restated by-laws and being eligible, offers himself for re-election for the term stated:

Sir Geoffrey Cave, K.A.	1 Year
-------------------------	--------

3. To appoint Auditors for the ensuing year and for Directors to fix their remuneration.

4. To discuss any other business of the Company which may properly be considered at the Annual General Meeting.

By order of the Board of Directors



Hanna M. Chrysostom
Group Corporate Secretary

PROXIES:

Shareholders who are unable to attend the Meeting in person may complete and return the enclosed form of proxy at least 48 hours before the appointed time of the Meeting, or adjourned Meeting, to any of the addresses noted below;

DELIVERY OF PROXIES:

- Mail: Group Corporate Secretary, Cave Shepherd & Co. Limited, One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados, BB11059
- Email: corporatesecretary@caveshepherd.com

Corporate Information

BOARD OF DIRECTORS

Sir Geoffrey Cave, *Chairman*
Mr. Rawdon J. H. Adams
Mrs. Maureen D. Davis
Mr. Robert M. Harvey-Read
Mr. Edward J. L. Ince
Mr. Adrian H. Padmore
Mr. Richard G. Simpson
Ms. Kira L. Thompson-Aird
Mr. Roger M. Cave, *Chief Executive Officer*

GROUP CORPORATE SECRETARY

Ms. Hanna M. Chrysostom

REGISTERED OFFICE

One + Haggatt Hall
Haggatt Hall
St. Michael
Barbados, BB11059
Telephone: +1 246 539 3000
Email: info@caveshepherd.com

CORPORATE OFFICE

One + Haggatt Hall
Haggatt Hall
St. Michael, Barbados, BB11059
Telephone: +1 246 539 3000
Email: info@caveshepherd.com
www.caveshepherd.com

AUDIT COMMITTEE

Mr. Rawdon J. H. Adams, *Chairman*
Mr. Robert M. Harvey-Read
Mr. Adrian H. Padmore

CORPORATE GOVERNANCE & NOMINATION COMMITTEE

Mr. Adrian H. Padmore, *Chairman*
Mr. Rawdon J. H. Adams
Ms. Kira L. Thompson-Aird

REGISTRAR & TRANSFER AGENT

Barbados Central Securities Depository Inc.
8th Avenue
Belleville, St. Michael
Barbados, BB11114
Telephone: +1 246 436 9871
Email: info@bse.com.bb
www.bse.com.bb

ATTORNEY-AT-LAW

Fraser Law
Upstairs "Ingleside"
Crn. 7th Avenue
Belleville & Pine Road
St. Michael, Barbados

EXTERNAL AUDITORS

Ernst & Young Ltd
One Welches
Welches
St. Thomas
Barbados, BB22025

PRINCIPAL BANKERS

RBC Royal Bank (Barbados) Limited
Broad Street, Bridgetown
Barbados

CIBC Caribbean Bank (Barbados) Limited
Michael Mansoor Building
Warrens, St. Michael
Barbados

Subsidiary Companies

NAME	CAPITAL	PRINCIPAL COUNTRY OF OPERATION
Cave Shepherd Inc.	Equity \$100,000 - 100% owned Loan Capital - Nil	United States
Cave Shepherd (Cayman) Ltd.	Equity \$20,000 - 100% owned Loan Capital - Nil	Cayman
Cave Shepherd SRL	Equity \$13,050,100 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd (St. Lucia) Inc.	Equity \$10,000,100 - 80% owned Loan Capital - Nil	St. Lucia
MyStorage Inc.	Equity \$100 - 80% owned Loan Capital - Nil	Barbados
Cave Shepherd Card (Holdings) Inc.	Equity \$15,000,000 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd Card (Barbados) Inc.	Equity \$15,000,000 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd Captive Insurance Inc.	Equity \$1,000,000 - 100% owned Loan Capital - Nil	Barbados
Fortress Fund Managers Limited	Equity \$9,352,500 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Insurance Company Limited	Equity \$3,000,000 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Staff Share Scheme Inc.	Equity \$1,000 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Advisory & Investment Services Ltd.	Equity \$2,000 - 75.18% owned Loan Capital - \$400,000	Barbados
DGM Holdings Inc.	Equity \$81,200 - 72.7% owned Loan Capital - Nil	St. Lucia
DGM Trust Corporation	Equity \$16,000,100 - 72.7% owned Loan Capital - Nil	Barbados
DGM Directors Inc.	Equity \$1 - 72.7% owned Loan Capital - Nil	Barbados
DGM Management Services Limited	Equity \$30,000 - 72.7% owned Loan Capital - Nil	Barbados
DGM Captive Management Inc.	Equity \$51,000 - 72.7% owned Loan Capital - Nil	Barbados
DGM Management Services Limited	Equity \$6,000 - 72.7% owned Loan Capital - Nil	St. Lucia
DGM Captive Management (Alberta) Limited	Equity \$15,000 - 72.7% owned Loan Capital - Nil	Canada

During the year, Cave Shepherd (St. Lucia) Inc. was formed as a direct subsidiary of Cave Shepherd SRL. Cave Shepherd (St. Lucia) Inc. was formed as the parent company for the acquisition of Store All Inc., a storage business in Barbados.

During the year, MyStorage Inc. was formed as a direct subsidiary of Cave Shepherd (St. Lucia) Inc. MyStorage Inc. was formed to acquire land to be used in the operations of Store All Inc.

Associate Companies

	OWNERSHIP	JURISDICTION
Bridgetown Cruise Terminals Inc.	20%	Barbados
G.C.S. Limited	40%	Barbados
G.C.S. (Grenada) Ltd.	40%	Grenada
G.C.S. (St. Lucia) Ltd.	40%	St. Lucia
Ganzeer (Antigua) Ltd.	40%	Antigua
CSGK Finance (Holdings) Limited	50%	Barbados
SigniaGlobe Financial Group Inc.	50%	Barbados
CS&C Joint Venture	20%	Barbados
The Sunset Joint Venture	16%	Barbados
Contonou Shores Ltd.	35%	Bahamas
Canouan CS&F Investments Limited	35%	St. Lucia
Pick UP Taxi Inc.	24.5%	Barbados

“We remain focused on sustaining profitability while investing in growth, technology and operational enhancements across the Group.”

Who we are



CAVE SHEPHERD & CO

shaping tomorrow together



Credit Card and Digital
Payment Solutions

100% OWNERSHIP



Captive Insurance, Trust and
Corporate Services for
Global Businesses

72.7% OWNERSHIP



Mutual Funds, Pension
and Investment Products

75.18% OWNERSHIP



A Wide Range of Banking and
Investment Services

50% OWNERSHIP



Destination Retail

40% OWNERSHIP



Local taxi ride-sharing App

24.5% OWNERSHIP

Directors' Report

“ The strong results this year continue to reflect the consistent contributions from our core financial operating companies and associates...”



Cave Shepherd & Co. Limited (the “Company”) earned a profit attributable to equity holders of the Company of \$17.5 million for the year ended December 31, 2025, compared with \$15.1 million for the year ended December 31, 2024, an increase of 15%. This performance equates to earnings per share (EPS) of \$0.94, compared with \$0.81 in the prior year.

The Cave Shepherd Group’s (the “Group”) strong results this year continued to reflect the consistent contributions from its core financial operating companies and associates including Cave Shepherd Card (Barbados) Inc. (“Payce Digital”), Fortress Fund Managers Limited (“Fortress”), SigniaGlobe Financial Group Inc. and DGM Financial Group Inc. In addition, the non-financial companies which include G.C.S. Limited (“Ganzee”) and Pick Up Taxi Inc. along with the Company’s real estate joint ventures all produced improved results.

The Group recorded strong gains from its financial assets of \$1.3 million in the current year from its Fortress mutual fund investments and its money-market funds compared to \$200 thousand in the prior year.

From a balance sheet perspective, the Group closed the year with total equity of \$120.2 million compared with \$106.5 million in 2024 with a very strong working capital position of \$101.5 million up from \$82.3 million in 2024.

The Barbadian economy continues to show robust growth, supported by low levels of unemployment, low inflation and declining debt to GDP ratios. Continued strength in tourism arrivals, alongside a growing pipeline of hotel and tourism-related projects have all contributed to much-improved investor confidence in our economy.

The world, however, continues to face unprecedented geo-political tensions and trade challenges which together make for much greater uncertainty. Local and regional businesses and government leaders will need to focus more on exploring new opportunities and alternative source markets and trading partners. The old ‘trade book’ which we knew, has certainly changed and the urgent need for enhanced trade and co-operation between our Caricom partners has become more critical than ever.

Operating Companies - Year in Review

CAVE SHEPHERD CARD (BARBADOS) INC. – PAYCE DIGITAL

Payce Digital recorded net profit of \$6.8 million for the year ended December 31, 2025, compared with \$6.6 million in the prior year, an increase of 2%. This overall performance does not accurately reflect the tremendous progress on a number of very successful strategic and operational initiatives that were advanced during the year. Total revenue grew to \$19.1 million this year with sales turnover surpassing \$100 million and credit balances growing to \$68 million, an increase of 9% from 2024.

Total bad debt expenses remain enviable by industry standards, keeping below 1% throughout the year although there was an unexpected increase in the last quarter which resulted in higher overall provisions in accordance with accounting standards. We remain confident that this is not a matter of concern, and that the portfolio will continue to perform at the highest standards and grow in the years ahead.

Operationally, considerable progress has been made on a number of key projects, including developments towards a new technology platform, a new strategic partnership with IDB Invest for a new \$10 million financing facility for the Card portfolio, and the launch of an exciting loyalty program in October with immediate discounts with several leading merchants.

The new Captive Insurance company which is a subsidiary in the PayceDigital group produced an excellent profit of over \$1.6 million in its first full year of operations.

Overall, this business has built a solid platform and is further developing the infrastructure and capability for substantial future growth as digital payments become much more widely accepted. Discussions are progressing well for potential regional expansion in Guyana.

FORTRESS FUND MANAGERS LIMITED

Fortress Fund Managers had another very profitable year with net income after tax of \$7.2 million, an increase of 4.6% from \$6.9 million in the prior year.

From an investment point of view, it was truly an exceptional year. The performance of most of the mutual funds was outstanding with several posting significant double-digit returns for investors and all the funds reaching record levels in terms of their net asset values and the level of assets in each fund. In fact, as we now enter our thirtieth year in business since our humble inception with the Growth Fund back in December 1996, Fortress has achieved the milestone of over one billion Barbados dollars in assets from eleven mutual and pension funds domiciled here and in the Cayman Islands.

Fortress continues to grow and expand the depth and capacity of its team in the areas of pensions, investments and operations, with four new team members, and the business is well positioned for continued growth in the years ahead.

One of Fortress' long-standing Independent Directors, Mr. John Howard, who also serves as Chairman of the company's Audit & Risk Committee, has resigned as a director after serving over ten years in this capacity. We extend our sincerest gratitude and thanks to John for his many years of sound guidance, leadership and invaluable advice.

SIGNIAGLOBE FINANCIAL GROUP INC.

SigniaGlobe delivered another solid year of performance with net profit of \$7.9 million for the year, compared with \$7.2 million in the prior year, an increase of 9.7%. Shareholders' equity has grown to \$68 million up from \$67 million in the prior year, after paying dividends to shareholders of \$3.6 million in 2025. The company's loan portfolio has grown to \$386 million with deposits now of \$400 million.

“SigniaGlobe delivered another solid year of performance with net profit of \$7.9 million for the year... an increase of 9.7%.”

SigniaGlobe continues to lead the market in the financing of used vehicles and recorded its highest year of loan disbursements in 2025. The company's non-performing loan percentages continue to trend downwards following the uptick from the difficult COVID-19 period and the company's other activities including foreign exchange trading, custodial services and the passive investment portfolios all contributing well to the company's earnings stream.

SigniaGlobe continues to make progress on digitizing its operations for greater operational efficiencies while still enhancing its customer service. A new product initiative in pursuing fast-approval unsecured loans is proving to be very exciting and interesting to our long-standing customers and considerable work is ongoing to advance the SigniaGlobe brand in the region, with the immediate focus being on the Guyana market.

DGM FINANCIAL GROUP INC.

DGM Financial Group had an excellent year in 2025 with net income after tax of \$2 million, an increase of 33% from \$1.5 million in 2024.

The company recorded strong revenue growth from a growing number of new clients across all lines of business led by the captive insurance management, with solid contributions from the trust, corporate secretarial and directorship service lines. The new subsidiary in Calgary completed its first full year of operations with strong revenue growth and profitability with prospects for several new clients in 2026. The company continues to strengthen its management team with a new hire in the operations role and aggressive business development continues in seeking new clients in the US, UK and Canadian markets.

DGM continues to be a very important US dollar earner for the Group in the growing global business sector in both Barbados and Canada.

G.C.S. LIMITED - GANZEE

G.C.S. Limited, trading as Ganzee, had another strong year with net after-tax profits of \$3.6 million compared with \$3.1 million in the prior year, an increase of 15%. Total revenue reached \$21.7 million from eighteen stores across Barbados, Grenada and St. Lucia.

The St. Lucia operations have begun to stabilize after a difficult start and the expanded shops in both the Barbados and Grenada seaports are contributing

to stronger sales in the current winter season. The new "Harry's Rum Shop" in the departure lounge at the Barbados airport was opened in May 2025 and is proving to be an attractive food and beverage opportunity for locals and visitors alike as they get the last 'true' taste of Barbados before leaving our shores.

The increased numbers, in both long stay and cruise visitors, is critical for the continued growth of the Ganzee business and the many new local hotel developments offer exciting prospects for the years ahead.

We take this opportunity to wish Allison Graham, a senior executive member in the travel retail division of our partner, Tourvest, many years of a happy and enjoyable retirement and we extend our sincere thanks for her outstanding contribution to the development and leadership of Ganzee over the past twenty years. Her creativity and vision were instrumental to Ganzee's success, particularly in the early stages of the partnership with Tourvest, and deserve special recognition.

PICK UP TAXI INC. - PICKUP

PickUp Taxi Inc. had an outstanding year in 2025 in terms of rides, new taxi partners joining the app and increased revenues and profits which almost doubled to \$473 thousand up from \$239 thousand in the prior year.

The young company, which just celebrated five years in operation, continues to strengthen its team and deliver 'high-touch', responsive and personalized levels of service to its customers and the local taxi community, factors which have propelled it to become the chosen and leading ride-hailing app for visitors and locals.

The entry of a new global competitor in October 2025 significantly intensified competition in the local market. However, pickUp's taxi partners and customers have remained loyal and ride numbers and revenues have continued to grow each month compared with prior year levels. Early indications in 2026 point to another very strong year ahead.

We are also well advanced towards the development of a new app, which is scheduled to launch later this year and we remain very excited about the prospects for this growing technology business in the years ahead.

INVESTMENTS / OTHER ITEMS

The Cave Shepherd financial assets which are invested in a combination of equity, bond and money market mutual funds all performed well during the year and delivered solid gains of \$1.3 million for the Company. These investments are all highly liquid and put the Company in a solid position to be able to quickly respond to both new investment opportunities, which we are actively seeking, in addition to any immediate needs or challenges that may arise.

Our two main property investments, CS&C and The Sunset Joint Ventures, both had solid performances in 2025 with net rental incomes in line with their long-term leases and a small revaluation gain of \$200 thousand on The Sunset Joint Venture.

SHAREHOLDER RETURNS

The Company's share price on the Barbados Stock Exchange increased to \$9.80 per share at the end of the year, up from \$7.50 at the end of 2024. The Company paid \$0.36 per share in total dividends in 2025 which was unchanged from 2024, but we are pleased to report that the Company increased the dividend paid in February 2026 to \$0.20 per share. There were no shares repurchased during the year, and the Company issued 132,836 new shares under the employee stock option, share purchase and shares in lieu of bonus plans during the year.

CAVE SHEPHERD COMMUNITY FUND

In 2025, the Cave Shepherd Community Fund continued to advance the Group's commitment to its philanthropic pillars of Community, Collaboration and Empowerment in addition to its legacy covenant initiative making a positive start in one of its key areas of focus, youth development, with the launch of a three-year sponsorship of the Learnit Technology Programme at St. Patrick's R.C. Primary School. The

Fund's first-year contribution totalled \$31,656. Upon completion of the programme, the school is expected to be fully equipped, with both students and educators trained to effectively utilise the technology, thereby supporting long-term educational outcomes.

CONTINUOUS LEARNING & DEVELOPMENT

The Group remains committed to building a strong culture of continuous learning and development, investing in targeted training initiatives through our "SkillForge Training & Development Programme" and our virtual "Lunch & Learn Series" that together strengthens our teams' capability, encourages innovation, and supports long-term organizational performance. These programs not only offer our team members new digital and leadership skills but help to foster greater collaboration and comradery across the Group.

Subsequent to The Year End

STORE ALL INC.

On January 5, 2026, the Company closed a transaction which involved the amalgamation of a new Cave Shepherd subsidiary with a number of Store All's companies to form Store All Inc. which owns and operates the leading self-storage business in Barbados. Store All currently operates from three locations; Wildey, Gibbons and Lears.

Cave Shepherd's net equity investment amounted to \$8 million for an 80% share of the business and involved a re-financing of the amalgamated company by CIBC Caribbean in the amount of \$16 million and an issue of preference shares to the previous owner for \$2 million.

"The Company's share price on the Barbados Stock Exchange increased to \$9.80 per share at the end of the year, up from \$7.50 at the end of 2024..."

Store All has a solid and loyal customer base and an experienced team that has been delivering exceptional service with convenient locations providing well-organized, safe, secure and immaculate storage solutions to their clients.

MYSTORAGE INC.

In an effort to add additional capacity to the existing Store All business, the Company created a sister subsidiary, MyStorage Inc., which purchased an adjoining vacant lot in Lears (Lot 9), St. Michael. This involved a further equity investment of \$400 thousand for an 80% share and a loan from SigniaGlobe for \$1.5 million. This company will complete the clearing, resurfacing and paving of Lot 9, Lears and has entered into a long-term lease arrangement with Store All Inc. which will in-turn own manage and operate the new self-storage units on Lot 9.

THE SUNSET JOINT VENTURE

In February of 2026, Cave Shepherd entered into an agreement to sell its 16% share of The Sunset Joint Venture. This joint venture owns and manages the Sunset Mall property in Sunset Crest in Holetown. This transaction is expected to close at the end of the first quarter of 2026.

LOOKING FORWARD

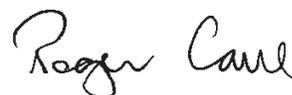
The Group entered 2026 with a strong liquidity position and the Board remains focused on sustaining profitability while investing in growth, technology and operational enhancements across the Group.

We would like to thank our dedicated team members across the Group for their outstanding work during the year, collectively helping to deliver another very solid performance.

We thank you, our loyal shareholders, for your continued support and of course our valued customers, financiers, depositors, investors, service providers and regulators whose combined efforts make this unique Company what it is.

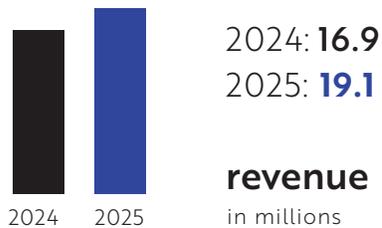


Sir Geoffrey Cave, K.A.
Chairman

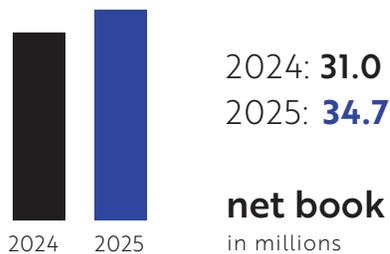


Mr. Roger M. Cave
Chief Executive Officer

March 5th, 2026



revenue
in millions



net book value
in millions



net income after tax
in millions



Alison Browne-Ellis
Chief Executive Officer
Cave Shepherd Card (Barbados) Inc.

100%
ownership

In 2025, Cave Shepherd Card (Barbados) Inc. delivered another strong year of operational performance, recording unprecedented transaction volumes of over one million transactions, underpinned by total sales turnover of over \$100 million. The card portfolio expanded to \$68.3 million, representing 9% growth over the prior year, while maintaining a strong credit profile with average portfolio delinquency held below 1% throughout the fiscal year. Despite this robust operating performance, financial results, excluding the Captive, for 2025 were marginally below the prior year, reflecting higher bad debt provisions arising from accounting standards and internal credit policy requirements during the final quarter.

The business continued to experience sustained growth in digital payment adoption, with increasing customer engagement through the Payce Digital App; recording an 11% year on year uplift. In parallel, the Group's newly established Captive Insurance business generated net earnings of \$1.6 million, making a meaningful contribution to overall Group results.

In September 2025, the company entered into a strategic partnership with IDB Invest to secure a BBD\$10 million financing facility. This milestone partnership represented IDB Invest's first engagement with a non bank financial institution in Barbados. The company also advanced its regional growth agenda through continued exploration of the Guyana market opportunity.

Maintaining a strong focus on customer centric innovation, the company successfully deployed an upgraded Know Your Customer (KYC) onboarding platform, entered into a new partnership with EveryData (Credit Bureau) and later launched the "Payce Digital Loyalty Program".

Significant advancements have also been made to introduce a more modernized card operating system that will fuel the company's future growth through new product development and service offerings.



2024: **12.6**
2025: **13.8**

revenue
in millions



2024: **11.0**
2025: **13.4**

net book value
in millions



2024: **6.9**
2025: **7.2**

net income after tax
in millions



Peter Arender
Chief Executive Officer
& Chief Investment Officer
Fortress Fund Managers Limited

75.18%
ownership

Fortress Fund Managers had another strong year in 2025, surpassing \$1 billion in total assets under management for the first time and increasing net income to a new high. Group pension plans continued to represent approximately half of total assets, an important area of focus for the company. Across Fortress' range of Barbados dollar and US dollar mutual funds, investment returns and new client subscriptions both contributed to growth in the business.

Our mission at Fortress is to "make financial security achievable and appealing for all by combining sensible long-term investments with exceptional customer service". This year, we continued the daily work of serving our wide range of clients and investing for the long-term in high-quality, well-valued assets in the Caribbean and around the world. It was a volatile year in global financial markets as the new US administration sought to quickly alter trade relationships and terms, and geopolitical

tensions increased. Investors eventually adapted to the changing conditions and excitement over the buildout of artificial intelligence supported large parts of the global equity markets. The Fortress funds' strong returns this year were powered by outsized gains in the less well-known areas of international and emerging markets, showing the importance of global diversification and a disciplined focus on value wherever it might be found.

In the local Barbados market, we still face the challenge of deploying new Barbados dollars in a small capital market with currency controls. This limits our ability to grow the Fortress Barbados dollar funds. US dollar investments face no such challenges as new US dollar investment can be deployed immediately in almost any size. During the year, we saw increasing take up of our US dollar funds among those clients with US dollars to invest and we expect to see further broadening of our client base in the years ahead.



2024: **6.7**
2025: **7.8**
revenue
in millions



2024: **5.4**
2025: **6.2**
net book value
in millions



2024: **1.5**
2025: **2.0**
net income after tax
in millions



Wayne Fields
President
DGM Financial Group

72.7%
ownership

DGM Financial Group performed well in 2025, ending the year with revenue up 16.4% and net profits 33.3% up on the prior year's results.

Revenue growth drove the strong results as the company successfully secured business from 18 new clients with revenue of an additional US\$400 thousand for 2025. The captive management, corporate secretarial and directorship service lines drove the increased business.

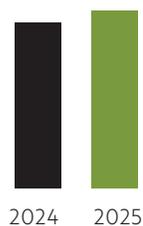
DGM's office in Alberta has done well in 2025 as it ended the year with seven clients and generating revenue of CDN\$314 thousand compared with CDN\$75 thousand in 2024. The future looks solid for this company with three new potential clients in 2026.

As the company continues to grow organically, DGM recruited a senior resource in the captive management division.

The financial services market remains strong, and the company continues to dedicate time and resources to developing new business. DGM ended the year with 16 additional new clients with projected new revenue commencing from 2026 of US\$140 thousand and a number of other prospective new clients with the expectation that some of these opportunities should materialise and continue to drive further growth in 2026.

2024: **28.9**2025: **32.2****revenue**

in millions

2024: **63.9**2025: **68.3****net book value**

in millions

2024: **7.2**2025: **7.9****net income after tax**

in millions

**Paul Ashby**Chief Executive Officer
SigniaGlobe Financial Group**50%**
ownership

SigniaGlobe's 2025 financial performance reflects an improvement over the prior year with profit before tax and net profit each increasing by 10.6%. This growth was from the expansion of both net interest income and non-interest income.

2025's net interest income crossed the \$20 million threshold, expanding from the prior year's \$19.6 million to \$21.0 million. This improvement was achieved through a record high of loan disbursements during the year, driven by the company's continued prominence in used vehicle financing. Throughout the year, the company's passive investment portfolio also grew by 45.2%, generating additional interest earnings.

Reported interest revenue was also bolstered by the recovery of accrued interest on recovered non-accrual facilities. These recoveries accompanied wider delinquency improvements that reduced the company's non-performing loan ratio throughout the year.

Non-interest income also improved year-over-year, with custodian services revenue expanding by 8.9%

to \$693 thousand and remaining a steady contributor to the SigniaGlobe's profitability. The strategic focus placed on recovering outstanding balances on written off debt facilities also yielded a 75% improvement over the prior year, with \$813 thousand recorded in 2025.

As the company advances into 2026, its sustained growth and profitability will be driven by the successful execution of three strategic priorities. First, the controlled expansion of unsecured lending will be essential to preserving and enhancing interest margins, positioning the company for stronger financial performance. Second, driving operational efficiency while elevating the overall customer experience which will be achieved through the continued expansion of digital channels, carefully balanced with the maintenance of strong, relationship-based customer engagement. Finally, regional expansion, the central pillar of the long-term vision for the SigniaGlobe brand. Meaningful progress toward this objective in the coming year will be critical to strengthening market presence and ensuring sustainable growth.



2024: **20.0**
2025: **22.2**

revenue
in millions



2024: **7.3**
2025: **8.6**

net book value
in millions



2024: **3.1**
2025: **3.6**

net income after tax
in millions



Clifford Nolan
General Manager
G.C.S. Limited

40%
ownership

G.C.S. Limited trading primarily under the Ganzee brand had another solid performance in 2025. Revenue increased by 11% to \$22.2 million and overall net profit after tax was \$3.6 million which represents 16% of revenue.

This was a year of consolidation for the company, with the new operations in St. Lucia stabilising and showing improvements. During the year, the shops in the cruise terminals in both Grenada and Barbados were expanded, with the impact of these expansions resulting in strong sales in those locations for the 2025/2026 winter season. In Grenada, the business also converted some rented space into a warehouse that is expected to lay the foundation for improved inventory management and ultimately improved sales. "Harry's Rum Shop" opened on schedule in May 2025 in the departure lounge at Grantley Adams International

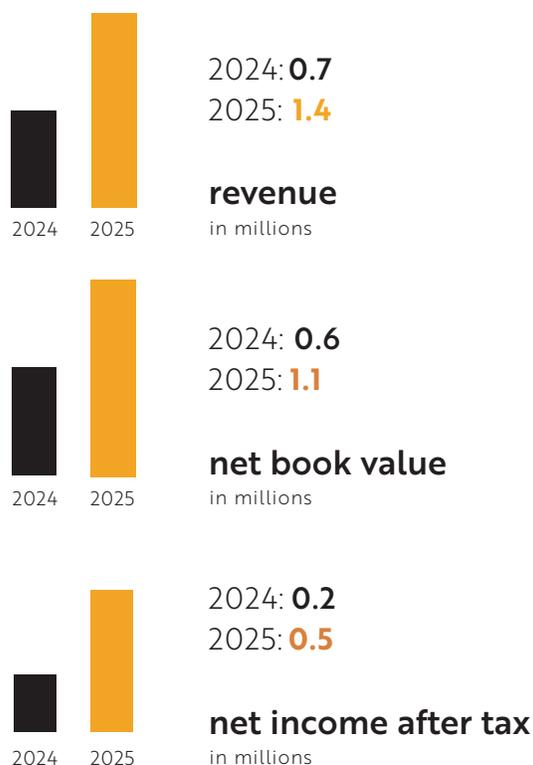
Airport, Barbados (G.A.I.A.) and is proving to be a popular spot with staff that work at G.A.I.A. as well as flight crews. Colourful branded domino and checkers tables complete the rum shop experience.

The company continues to seek out expansion opportunities within the wider Caribbean and has strengthened the executive management team with a view to accelerate growth.

Allison Graham, who has worked with the company for over 20 years initially as its general manager and subsequently as Tourvest's representative on the company's Board of Directors has retired and resigned from her directorship effective December 2025. The company wishes her all the best and a happy and healthy retirement.

pickUP

Barbados



Hannah Gill
Regional Manager
PickUp Taxi Inc.

24.5%
ownership

Pick Up Taxi Inc. closed its fifth year of operation with net profits up 98% in 2025, driven by strong ride volume growth and a steady increase in drivers onboarded to the platform.

Despite the entry of a global competitor in October 2025, ride numbers and revenues have continued to grow month-over-month, reinforcing the company's position as the dominant ride-hailing platform in Barbados.

Significant investments have been made in the company's underlying technology, with upgrades expected to materialize by Q3 2026. These improvements will strengthen operational capacity, improve efficiency, and pave the way for new transport and mobility service offerings, including custom in-app features built specifically for the local market. In tandem with this digital investment, the team has expanded from two to seven professionals, sharpening

the company's focus on high-touch, 24/7 localized support for both riders and drivers.

Pick Up Taxi's driver partners remain the foundation of the business, and the company continues to invest in their success through initiatives including pre-approved Payce Digital credit cards and vehicle financing through SigniaGlobe. In 2026, a dedicated Driver Success team will lead hospitality and financial literacy workshops aimed at strengthening the sector and deepening the bonds that set Pick Up Taxi apart from global competitors.

Early indications in 2026 point to another strong year ahead. The company remains focused on leveraging its enhanced technology, expanded team, and deepened stakeholder relationships to maintain market leadership and deliver continued value to its drivers, riders, and investors.

Corporate Social Responsibility

During 2025, the Cave Shepherd Community Fund (the "Fund") continued to advance the Group's commitment to Corporate Social Responsibility by supporting initiatives that positively impact the communities in which the Group operates. Building on the framework established following the Fund's creation, activities during the year focused on delivering structured and sustainable community investment aligned with the Company's philanthropic objectives. The Fund operates in partnership with the Barbados Community Foundation ("BCF") and various community organisations.

FINANCIAL POSITION AND STEWARDSHIP

The Fund remained capitalised by the initial contribution of **\$500,000** made by Cave Shepherd & Co. Limited in 2024. In accordance with the Company's commitment, an additional contribution of **\$99,620** was pledged during 2025, representing 1% of gross profit for the year.

DURING THE YEAR:

- **\$400,000** was invested in the Fortress Growth Fund, generating consistent investment returns.
- Total disbursements amounted to **\$102,206**, inclusive of **\$50,900** in annual legacy covenants.
- Administrative fees payable to the BCF under the Fundholder Agreement totalled **\$10,041**.

As awareness of the Fund increased, a broader range of funding requests were evaluated during the year. Support was provided across key focus areas, including youth, financial literacy and community development, in alignment with our Corporate Social Responsibility priorities and three main pillars.



Community

Making people's lives better by supporting social well-being, economic opportunities, safe and healthy communities, green spaces and environmental sustainability.



Collaboration

Creating a culture of giving and volunteerism through inclusion, transparency and collaboration, building a sense of connection and fulfillment, as we shape a better tomorrow - together.



Empowerment

Giving our youth and young adults the chance to thrive, overcome obstacles, reach their full potential and become valuable contributors in their communities and country.



together we can do more

Consistent with the Company's long standing commitment, more than 50 charitable and non governmental organisations across Barbados received support through the annual legacy covenant initiative, with total contributions of \$50,900. Beneficiaries included care homes, educational institutions, religious organisations, and community outreach programmes.

Additional support was provided to back to school initiatives, community fundraisers, and programmes addressing social welfare and wellness. This year 15 staff volunteers once again participated in the festive meal initiative hosted by The Salvation Army in support of vulnerable groups and a contribution of \$5,000.00 was made.

ANNUAL LEGACY COVENANT INITIATIVE

\$50,900

**>50 NGOs
& Charitable
Organizations**

SALVATION ARMY

\$5,000

+15 staff volunteers





Key initiatives supported include:

LEARNIT TECHNOLOGY PROGRAMME VALUED AT

\$100,000

St. Patrick's R.C. Primary School

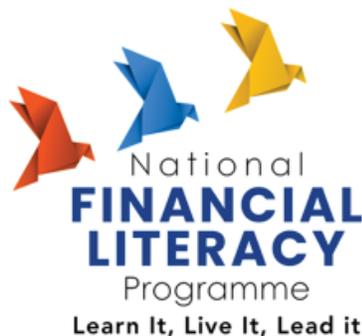
During 2025, the Fund launched a three year sponsorship of the Learnit Technology Programme at St. Patrick's R.C. Primary School. The sponsorship, valued at over \$100,000, is being implemented on a phased basis. Upon completion, the school is expected to be fully equipped, with students and educators trained to effectively utilise the technology, supporting long term educational outcomes.

FLITE SUMMER EXPERIENCE

\$10,000

National Financial Literacy Programme

A contribution of \$10,000 was made in support of the FLITE Summer Experience. This included the award of Gifts of Shares to top performing participants, reinforcing the importance of financial literacy and early investment awareness. The programme, organised by the Ministry of Energy and Business, provided a five day immersive financial education camp for 100 students aged 15 to 18.





There is a strong sense of optimism about the positive contribution the Barbados Trailway Project can make to long-term environmental sustainability, & community wellness.

Looking forward

BARBADOS TRAILWAY PROJECT



Towards the end of 2025, the Fund reaffirmed its commitment to the Barbados Trailway Project. The Fund is encouraged by the potential of this initiative and is committed to supporting its development in a meaningful and impactful manner. Discussions are currently ongoing regarding the scope and scale of the Fund's involvement. There is a strong sense of optimism about the positive contribution the Barbados Trailway Project can make to long-term environmental sustainability, community wellness, and the advancement of national development objectives, and Cave Shepherd looks forward to playing a constructive role in its success.

Corporate Governance

The Board of Directors (the "Board") of Cave Shepherd & Co. Limited (the "Company") is committed to exercising strong corporate governance practices that enhance all stakeholders' value and promote the long-term growth and financial viability of the Company. The Company adheres to all legal and regulatory requirements, guidelines and recommendations applicable to it as outlined by the Barbados Stock Exchange and the Financial Services Commission.

BOARD OF DIRECTORS

The Board is comprised of knowledgeable and experienced Directors. The maximum number of Directors permitted by the Company's revised by-laws is ten (10) with a minimum of three (3). The Board currently consists of nine (9) members; five (5) of whom are non-executive, three (3) are independent and one (1) is executive.

The following outlines the biographical details, experience and shareholdings of the Directors.



NON-EXECUTIVE CHAIRMAN

Sir Geoffrey Cave

K.A., C.B.E., B.C.H., Hon. LLD (UWI)
Born 1942

nationality **Barbadian**
date of first election **1970**
term of office **2026**

Sir Geoffrey Cave is currently Non-Executive Chairman of Cave Shepherd & Co. Limited. He was first elected Chairman of the Board of Directors in 1970 when it became a public company. Sir Geoffrey also serves as Chairman of subsidiary DGM Holdings Inc.

In November 2016, on Barbados' 50th Anniversary of Independence, he was awarded the honour of Knight of St. Andrew for his outstanding contribution to business. Sir Geoffrey served as an Independent Senator appointed by the Governor-General of Barbados during the period 2009 to 2013. In 2007, the University of the West Indies conferred on him an Honorary Degree of Doctor of Laws (LLD) and in the Queen's New Years' Honour's List in 2003, he was appointed Commander of the Most Excellent Order of the British Empire. His distinguished career in business in Barbados and the region was recognised in 2001 when he was awarded a Caribbean Master Entrepreneur Award. At the turn of the century, Sir Geoffrey was awarded the Barbados Centennial Honour.



CHIEF EXECUTIVE OFFICER

Roger M. Cave

CA, CFA
Born 1966

nationality **Barbadian**
date of first election **1997**
term of office **2027**

Roger Cave joined the Board of Cave Shepherd & Co. Limited in 1997 and was appointed Chief Executive Officer effective June 1st, 2023. He is the Founder and Chairman of Fortress Fund Managers Limited ("Fortress"), a subsidiary of Cave Shepherd & Co. Limited, Chairman of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital and a Director of DGM Financial Group. Mr. Cave also serves as a Director on the Boards of several subsidiaries, including Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Holdings) Inc., Cave Shepherd (St. Lucia) Inc., MyStorage Inc. and Store All Inc., as well as associate companies SigniaGlobe Financial Group Inc. and G.C.S. Limited.

In addition, he currently serves as an Independent Director of the Barbados Private Sector Association and is a member of the Executive Committee of the CARICOM Private Sector Organisation. He is also a Director of the Fairfax Group of Companies.

Mr. Cave is a graduate of Bishop's University, Canada where he obtained a BBA. He is a CFA charter holder as well as a Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants of Barbados (FCA).



NON-EXECUTIVE DIRECTOR

Mr. Rawdon J. H. Adams

BSc., MSc.
Business Executive
Born 1967

nationality **Barbadian**
date of first election **2025**
term of office **2026**

Rawdon Adams was elected to the Board of Cave Shepherd & Co. Limited in 2025, where he serves as Chairman of the Audit Committee and a member of the Corporate Governance & Nomination Committee.

He is Managing Director of Caribbean Strategic Advisors and Principal Consultant at Adams Advisory Limited, with extensive experience in investment, banking and digital payments spanning equity analysis, quantitative investment strategy and regional development finance.

His board and regulatory roles include Deputy Chair of the Barbados National Insurance and Social Security Service, Chair of Sagicor Bank's Risk and Compliance Committee, Director of London Life and Casualty (Barbados) Corporation, and past Chair of the CARICOM Development Fund's Finance and Investment Committee and Commissioner of the Financial Services Commission of Barbados.

He holds an M.Sc. in Political Sociology from the London School of Economics & Political Science and a B.Sc. in Economics from the University of South Carolina.

**NON-EXECUTIVE DIRECTOR****Maureen D. Davis**

Business Executive
Born 1964

nationality **Barbadian**
date of first election **2007**
term of office **2026**

Maureen Davis joined the Board of Cave Shepherd & Co. Limited in 2007. Mrs. Davis is a Retail Development Consultant and previously held the position of Chief Development Officer of Duty Free Caribbean (Holdings) Ltd., from that company's formation in 2000 to 2021. Her management experience in the regional duty-free sector spans over 35 years and extends across the Caribbean region.

Mrs. Davis also serves on the Board of the Tourism Development Corporation, the Cave Hill School of Business and is a Council Member of the Barbados Museum and Historical Society.

**NON-EXECUTIVE DIRECTOR****Robert M. Harvey-Read**

B. Comm
Business Executive
Born 1964

nationality **Barbadian**
date of first election **2008**
term of office **2027**

Robert Harvey-Read was elected to the Board of Cave Shepherd & Co. Limited in 2008. He is a member of the Audit Committee.

Mr. Harvey-Read is a National Account Executive with CSSI Services – a US tax-engineering firm offering niche tax services to real estate investors and businesses with an R&D component. He has held several leadership and developmental roles both in business and non-profit organizations in Barbados, Grenada, and the US.

Mr. Harvey-Read holds a Bachelor of Business Management from Ryerson University in Canada.

**NON-EXECUTIVE DIRECTOR****Edward J. L. Ince**

BSc
Business Executive
Born 1962

nationality **Barbadian**
date of first election **2012**
term of office **2028**

Edward Ince joined the Board of Cave Shepherd & Co. Limited in 2012. He currently serves as a Director on the Boards of Cave Shepherd (St. Lucia) Inc., MyStorage Inc. and Store All Inc.

Mr. Ince has extensive experience in the creation and management of businesses across the Caribbean and Central America. He is a co-founder of Prism Services, a payments and operations outsourcing company. In addition, he serves on the Boards of Republic Bank Ltd. and Productive Business Solutions Ltd., a company listed on the Jamaica Stock Exchange.

Mr. Ince is a graduate of York University, Canada where he obtained a BSc. (Hons) in Computer Science.

**INDEPENDENT DIRECTOR****Adrian H. Padmore**

HND.
Business Executive
Born 1967

nationality **Barbadian**
date of first election **2016**
term of office **2026**

Adrian Padmore was elected to serve on the Board of Cave Shepherd & Co. Limited in 2016, where he serves as Lead Independent Director, Chairman of the Corporate Governance & Nomination Committee and a member of the Audit Committee.

Mr. Padmore is currently co-founder and Managing Director of FleetMASTERS Limited. He is also a Director and Senior Advisor with Caribbean Strategic Advisors.

He previously served as Chairman of Export Barbados (BIDC) and Barbados Institute of Management & Productivity (BIMAP) from 2022 to 2025. Mr. Padmore is a past Managing Director of Bryden Stokes Limited and was General Manager of the West India Biscuit Company Limited ("WIBISCO") from 2002 to 2017.

With over 30 years of experience, Mr. Padmore has extensive expertise across the manufacturing, export, retail, and distribution sectors, and has worked extensively in Barbados, the wider Caribbean, and the United States.

Mr. Padmore is a graduate of Coventry University, UK where he obtained a HND in Mechanical Engineering. He's also a graduate of the Ivey Executive Program.



INDEPENDENT DIRECTOR

Ms. Kira L. Thompson-Aird

BA

Business Executive

Born 1974

nationality **Barbadian**

date of first election **2025**

term of office **2028**

Kira Thompson-Aird was appointed to the Board of Cave Shepherd & Co. Limited in 2025. She is a member of the Corporate Governance & Nomination Committee.

Ms. Thompson-Aird is an experienced professional working across diverse sectors, including logistics, financial services, operations, retails, wholesale, distribution and business development. She currently serves as a director at Renwick, Thompson & Co. Ltd. in Grenada and previously worked with H.H.V. Whitchurch & Co. Ltd in Dominica.

She was the former President of the Dominica Association of Industry & Commerce (DAIC) Board and Acting Chair of the CARICOM Development Fund (CDF) Board. She is a member of the Executive Committee of the CARICOM Private Sector Organisation (CPSO) focusing on public-private partnerships and regional economic growth.

Ms. Thompson-Aird is a graduate of the Florida International University where she obtained a Bachelor of Arts.



NON-EXECUTIVE DIRECTOR

Richard G. Simpson

Business Executive

Born 1959

nationality **Barbadian**

date of first election **2007**

term of office **2028**

Richard Simpson was elected to serve on the Board of Cave Shepherd & Co. Limited in 2007. He joined Cave Shepherd & Co. Limited in 1983 and worked in several departments of retail operations, including Duty Free Caribbean (Holdings) Ltd. (now Bridgetown Duty Free) where he managed the Facilities function until his retirement at the end of the year 2020.

Directors' Shareholdings

Directors' shareholdings in Cave Shepherd & Co. Limited as at December 31st, 2025 and as at March 5th, 2026, are as follows:

	Shares as at December 31st, 2025		Shares as at March 5th, 2026	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
R. G. Cave	5,738,194	-	5,738,194	-
R. J. H. Adams	-	-	-	-
R. M. Cave	563,949	-	593,949	-
M. D. Davis	174,335	-	174,355	-
R. M. Harvey-Read	2,465	-	2,465	-
E. J. L. Ince	140,687	-	140,687	-
A. H. Padmore	-	-	-	-
R. G. Simpson	58,816	-	58,816	-
K. L. Thompson-Aird	-	-	-	-

Directors' interest in the Share Option Plan of Cave Shepherd & Co. Limited as at December 31st, 2025 is as follows:

Year	Granted	Vested	Exercised	Unvested	Expired	Total	Exercise Price
2025	40,000	26,667	-	13,333	-	40,000	\$7.50
2024	40,000	40,000	-	-	-	40,000	\$6.50
2023	40,000	40,000	40,000	-	-	-	\$4.50
	120,000	106,667	40,000	13,333	-	80,000	

Other Shareholdings

Substantial shareholdings other than Directors holding more than 5% of the issued shares:

Shares as at December 31st, 2025

Aerie Limited	2,282,928
Landview Limited	2,213,517

Top 10 largest shareholdings:

Shares as at December 31st, 2025

Beach Fronts Limited	5,738,194
Aerie Limited	2,282,928
Landview Limited	2,213,517
Island Securities Ltd	556,675
Rockcliff Investments Ltd	322,356
Landgrade Ltd	232,567
Saba Ltd	211,973
Maureen Davis	168,335
Kala Inc.	161,997
Peter Neville Boos	160,000

Board Operations

The Board's key responsibilities which it exercises through decision making and oversight are strategic planning, risk management, succession planning, shareholder communications and public disclosures, corporate governance, legal and regulatory compliance and performance evaluations. The position description for the Chairman is clearly defined.

The Board determines its own organization. The Board has Audit and Corporate Governance & Nomination Committees to assist it in fulfilling its duties.

The Board had four (4) formal meetings. Generally, the Board manages an annual schedule of critical items designed to ensure that it fulfils

its obligations. The Board reviewed and approved financial statements, interim and final dividend payments, the appointment of an independent director, reviewed the recommendations made under the 2024 Financial Services Commission Fitness & Propriety Guideline and Technology and Cyber Risk Management Guideline and the progress of Cave Shepherd's strategy. The Board also considered different business opportunities, reviewed and managed Company risk and received reports on the work carried out by its Audit and Corporate Governance & Nomination Committees

Directors' record of attendance at Board and Committee Meetings are reflected in the table below.

	Board Meetings	Audit Committee Meetings	Corporate Governance & Nomination Committee Meetings	Total
R. G. Cave	4/4			4/4
R. M. Cave	4/4			4/4
R. J. H. Adams	4/4	1/2	2/4	7/10
M. D. Davis ¹	4/4		2/4	6/4
R. M. Harvey-Read	4/4	2/2		6/6
E. J. L. Ince	4/4			4/4
A. H. Padmore	4/4	1/2	4/4	9/10
K. L. Thompson-Aird	3/4		2/4	5/8
R. G. Simpson	4/4			4/4

¹Served as a temporary member of the Corporate Governance & Nominations Committee pending the appointment of new directors.

ONGOING DIRECTOR DEVELOPMENT

During 2025, ongoing Directors' education focused on anti-money laundering and terrorist financing methods and updates on several

regulatory changes in Barbados, as well as accountability of the Board.

BOARD EVALUATIONS

In 2025, the Board undertook its annual performance evaluation. The Board delegated this function to the Corporate Governance & Nomination Committee with the assistance of the Group Corporate Secretary. The performance evaluation addressed the performance and effectiveness of the individual Directors and the Board's performance as a whole.

The performance evaluation was conducted electronically and results of the survey were submitted by each Director on a confidential basis to the Group Corporate Secretary who compiled a report. The survey confirmed that the Board is operating effectively and the report was submitted to the Board for discussion.

Board Committees

There are two (2) committees of the Board – the Audit Committee and the Corporate Governance & Nomination Committee. These Committees play an integral part in the governance process of the Company in that they assist the Board with the proper discharge of its functions by providing an opportunity for more in-depth discussions. The Committees are required to regularly report to the Board on findings, assessments and proposed courses of action. The position descriptions for the Chairmen of the Committees are clearly defined.

THE AUDIT COMMITTEE

Members: Rawdon J. H. Adams, Chairman
Robert M. Harvey-Read
Adrian H. Padmore

The majority of the members of the Audit Committee are independent directors who are financially literate with a sound understanding of the accounting principles and who possess the experience in analysing and evaluating financial statements.

The Audit Committee assists the Board in overseeing the external audit process and managing all aspects of the relationship with the Auditors. It provides a direct channel of communication between the Auditors and the Board and assists the Board in ensuring that the audits are conducted in a thorough, objective and cost-effective manner. The Committee also reviews interim and audited financial statements and oversees the internal audit process, reviewing the Internal Auditor's assessment of the adequacy and effectiveness of the Company's internal controls, legal and regulatory compliance and risk management.

The Charter of the Audit Committee can be found on the Company's website at www.caveshepherd.com.

AUDIT COMMITTEE OPERATIONS

The principal business for 2025 included:

- Reviewing and approving the external audit plan and timetable and approving external audit fees;
- Reviewing and approving the internal audit plan and approving internal audit fees;
- Reviewing and recommending for approval to the Board interim and annual audited financial statements;
- Reviewing and implementing the recommendations made under the Financial Services Commission's 2024 Technology and Cyber Risk Management Guidelines
- Reviewing and recommending for approval to the Board Company policies within its remit;
- Reviewing and recommending for approval to the Board the Audit Committee's Charter;
- Reviewing and recommending for approval to the Board the Chairman's Position Description; and
- Conducting its annual performance evaluation.

AUDIT AND AUDIT RELATED FEES

Audit Fees for the Cave Shepherd Group are as follows:

	2025 (000's)	2024 (000's)
Audit fees	\$350	\$327
Audit related fees	\$174	\$195
Tax fees	\$20	\$22
TOTAL	\$544	\$544

THE CORPORATE GOVERNANCE & NOMINATION COMMITTEE

Members: Adrian H. Padmore, Chairman
 Rawdon J. H. Adams
 Kira L. Thompson-Aird

The Corporate Governance & Nomination Committee develops and recommends to the Board policies and procedures to establish and maintain good corporate governance practices. The Committee is also responsible for reviewing and advising the Board on the nomination and appointment of Directors and assists the Board in maintaining a culture of honesty, integrity, transparency and accountability.

The Corporate Governance & Nomination Committee's Charter can be found on the Company's website at www.caveshepherd.com.

CORPORATE GOVERNANCE & NOMINATION COMMITTEE OPERATIONS

The principal business for 2025 included:

- Reviewing and implementing the recommendations under the 2025 Financial Services Commission's Fitness & Propriety Guideline
- Reviewing and recommending to the Board various Company policies, Board and Corporate Governance & Nominations Committee Charters and the Chairmen Position Descriptions for the Board of Directors and the Corporate Governance & Nomination Committee within its remit;
- Reviewing compliance with legal and regulatory requirements; and
- Overseeing and conducting the Board and Committee annual performance evaluations.

Executive Management & Corporate Secretary

The following sets forth the name and year of appointment of the current four (4) members of Executive Management and the Group Corporate Secretary, as well as a short description of their business experience, education and activities:



CHEIF EXECUTIVE OFFICER

Roger M. Cave

CA, CFA

Born 1966

Roger Cave joined the Board of Cave Shepherd & Co. Limited in 1997 and was appointed Chief Executive Officer effective June 1st, 2023. He is the Founder and Chairman of Fortress Fund Managers Limited ("Fortress"), a subsidiary of Cave Shepherd & Co. Limited, Chairman of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital and a Director of DGM Financial Group. Mr. Cave also serves as a Director on the Boards of several subsidiaries, including Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Holdings) Inc., Cave Shepherd (St. Lucia) Inc., MyStorage Inc. and Store All Inc., as well as associate companies SigniaGlobe Financial Group Inc. and G.C.S. Limited.

In addition, he currently serves as an Independent Director of the Barbados Private Sector Association and is a member of the Executive Committee of the CARICOM Private Sector Organisation. He is also a Director of the Fairfax Group of Companies.

Mr. Cave is a graduate of Bishop's University, Canada where he obtained a BBA. He is a CFA charter holder as well as a Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants of Barbados (FCA).

Barbadian

nationality

2023

year of appointment



CHIEF FINANCIAL OFFICER

Ian P. Gibson

FCA, CPA-CGA
Born 1962

Ian Gibson is the Chief Financial Officer ("CFO") of Cave Shepherd & Co. Limited. In this role, he is responsible for the administrative, financial, and risk management operations of the Company.

Mr. Gibson also serves as a Director on the Boards of several subsidiaries, including Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Barbados) Inc., Cave Shepherd Card (Holdings) Inc., Cave Shepherd (St. Lucia) Inc., MyStorage Inc. and Store All Inc., as well as associate companies G.C.S. Limited and Bridgetown Cruise Terminal Inc.

He joined the Company in 1995 as Financial Controller, having previously been employed with a leading audit firm.

Mr. Gibson is a Fellow of the Institute of Chartered Accountants of Barbados (FCA) – Practising Member and a member of the Chartered Professional Accountants of Canada (CPA-CGA).

Barbadian

nationality

2000

year of appointment



GROUP CORPORATE SECRETARY/ LEGAL COUNSEL

Hanna M. Chrysostom

LLB, MBA
Born 1977

Hanna Chrysostom is the Group Corporate Secretary/ Legal Counsel of Cave Shepherd & Co. Limited. She is responsible for ensuring the integrity of the Company's governance framework and as Legal Counsel she also offers legal and regulatory advice and conducts legal research for the Company.

She has had a diverse legal career with over twenty (20) years of experience in corporate and commercial law and litigation. She has worked in private practice and as In-House Counsel for a major international telecommunications company.

Ms. Chrysostom holds a Master of Business Administration from the University of Durham, UK.

Trinidadian

nationality

2013

year of appointment



**CHIEF EXECUTIVE OFFICER, CAVE
SHEPHERD CARD (BARBADOS) INC.**

Alison Browne-Ellis

MBA
Born 1979

Alison Browne-Ellis is the Chief Executive Officer of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital. She is responsible for the strategic leadership of the company and also acts as a Director of subsidiary, Cave Shepherd Captive Insurance Inc.

Mrs. Browne-Ellis joined Cave Shepherd & Co. Limited as its Director, Card Services in 2011. Prior to this, she spent 13 years at a leading bank. To date, her background spans over 28 years of experience in the financial services and credit card management industry.

Mrs. Browne-Ellis serves as a board member of the National Payment System Council of the Central Bank of Barbados and is member of the Inter-American Development Bank Bold Catalyst Board.

Mrs. Browne-Ellis holds a Master of Business Administration from the University of Surrey, UK and an Executive Diploma from the Ivey Business School, Western University, Canada.

Barbadian

nationality

2021

year of appointment



**CHIEF EXECUTIVE OFFICER & CHIEF
INVESTMENT OFFICER, FORTRESS
FUND MANAGERS LIMITED**

Peter Arender

CFA
Born 1970

Peter Arender is Chief Executive Officer & Chief Investment Officer of Fortress Fund Managers Limited. He has 30 years' experience in financial markets and joined Fortress in 2009. His focus has been on expanding Fortress' capabilities to manage global assets, and on developing and applying disciplined, long-term strategies to the portfolio management process. Prior to joining Fortress, he was Chief Investment Officer of a privately held offshore bank in Barbados, portfolio manager at Acker Finley Asset Management in Toronto, and a Vice President of Institutional Bond Sales at Toronto Dominion Securities.

Mr. Arender is a graduate of the University of Toronto. He is a CFA charter holder, a past member of the board of the CFA Society Barbados, and a past-president of the CFA Society Toronto.

Barbadian

nationality

2023

year of appointment

Executive Management's Shareholdings (all beneficial)

Executive Management's shareholdings as at December 31st, 2025 and as at March 5th, 2026 are as follows:

	Shares as at December 31st, 2025	Shares as at March 6th, 2026
	No. of Shares held	No. of Shares held
R. M. Cave	563,949	593,949
I. P. Gibson	94,704	100,439
H. M. Chrysostom	42,759	47,061
A. E. Browne-Ellis	52,867	58,602
P. L. Arender	-	-

Management Proxy Circular

Management is required by the Companies Act Cap. 308 of the Laws of Barbados (the "Act") to send forms of proxy with the Notice convening the Meeting. By complying with the Act, Management is deemed to be soliciting proxies within the meaning of the Act.

This Management Proxy Circular accompanies the Notice of the Fifty-Fifth Annual General Meeting of Shareholders of Cave Shepherd & Co. Limited (the "Company") to be held at the **Lloyd Erskine Sandiford Centre on Thursday, April 23rd 2026, at 5:30 p.m.**

1. APPOINTMENT AND REVOCATION OF PROXY

A form of proxy is enclosed and, if it is not your intention to be present at the Meeting, you are asked to complete, sign, date and return the proxy. **Proxies to be exercised at the Meeting must be deposited no later than 4:00 p.m. on Monday, April 20th 2026.**

Any Shareholder having given a proxy has the right to revoke it by depositing an instrument in writing, executed by the Shareholder or his/her attorney authorised in writing, or if the Shareholder is a body corporate, partnership, estate, trust or association, by any officer or attorney thereof duly authorised at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, with the Group Corporate Secretary of the Company at the addresses listed for delivery of proxy in the Notice of the Meeting.

The persons named in the enclosed form of proxy are Directors of the Company. If you wish to appoint some other person to represent you at the Meeting, you may do so by inserting the name of your appointee, who need not be a Shareholder, in the blank space provided on the proxy form.

2. RECORD DATE AND VOTING OF SHARES

The Directors of the Company have fixed **Tuesday, March 17th 2026 as the Record Date for determining the Shareholders entitled to receive Notice of the Meeting** and have given notice thereof by advertisement as required by the Companies Act. Only the Shareholders of the Company at the close of business on that day will be entitled to receive Notice of the Meeting. Shareholders are voting on the following the:

1. Adoption of the Audited Consolidated Financial Statements for the year ended December 31st, 2025.
2. Election of Directors; and
3. Appointment of Auditors for the ensuing year and for Directors to fix their remuneration.

Only Shareholders of the Company on the Record Date will be entitled to vote at the Meeting. On a show of hands, each Shareholder shall have one vote. On a poll, each Shareholder is entitled to one vote for each share held. As at the date hereof there are 18,658,999 common shares without par value of the Company issued and outstanding.

ITEM 1 – PRESENTATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS’ REPORT

The Audited Consolidated Financial Statements of the Company for the year ended December 31st, 2025 and the Auditors’ Report thereon can be found on the Company’s website www.caveshepherd.com.

ITEM 2 – ELECTION OF DIRECTORS

The maximum number of Directors permitted by the revised by-laws of the Company is ten (10) and the minimum is three (3). The Board of Directors presently consists of nine (9) Members. The number of Directors to be elected at the Meeting is four (4).

- (i) the following Directors retire by rotation in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws and being eligible, offer themselves for re-election for the term stated:

Mr. Rawdon J. H. Adams	3 Years
Mrs. Maureen D. Davis	3 Years
Mr. Adrian H. Padmore	3 Years

- (ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised and restated by-laws and being eligible, offers himself for re-election for the term stated:

Sir Geoffrey Cave, K.A.	1 Year
-------------------------	--------

With respect to Messrs. Rawdon J. H. Adams, Adrian H. Padmore and Mrs. Maureen D. Davis, the term of office for each person so elected will expire at the close of the third Annual General Meeting of the Shareholders of the Company following his election or until his successor is elected or appointed. Each of these nominees is now a Director of the Company and will retire at the close of the Fifty-Fifth Annual General Meeting in accordance with the provisions of the revised and restated by-laws of the Company, but being qualified, is eligible for re-election. Mr. Rawdon J. H. Adams was elected as a Director at the Shareholders’ Meeting held on April 24th 2025 and Mrs Maureen D. Davis and Mr. Adrian H. Padmore were elected as Directors at the Shareholders’ Meeting held on April 27th 2023. These nominees are being recommended in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws.

Sir Geoffrey Cave is currently a Director of the Company and is being proposed for re-election as Director. The nominee, having attained the age of 72, is being recommended by the Board in accordance with paragraph 3.10 of the revised and restated by-laws.

The Management of the Company does not contemplate that any persons named above will, for any reason, become unable or be unwilling to serve as a director.

A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to elect the above-named Nominees.

The Directors recommend that Shareholders VOTE FOR the election of the above-named Nominees.

ITEM 3 - APPOINTMENT OF AUDITORS

Ernst & Young Ltd of One Welches, St. Thomas, Barbados are the incumbent Auditors of the Company. It is proposed to re-appoint, Ernst & Young Ltd as Auditors of the Company to hold office until the next Annual General Meeting of Shareholders.

A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to appoint the incumbent Auditors.

The Directors recommend that Shareholders VOTE FOR the re-appointment of Ernst & Young Ltd.

DISCRETIONARY AUTHORITY

The enclosed form of proxy confers discretionary authority upon the persons named with respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the Meeting.

Management knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting enclosed herewith. However, if any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the shares represented by proxies in favour of management nominees will be voted on any such matter in accordance with the best judgement of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the Notice of the Meeting.

The contents of this Management Proxy Circular and the sending thereof to the Shareholders of the Company have been approved by the Directors of the Company.

No Directors' statement was submitted pursuant to Section 71 (2) of the Companies Act.

No Auditors' statement is submitted pursuant to Section 163 (1) of the Act.

No Shareholders' proposal and/or statement is submitted pursuant to Sections 112 (a) and 113 (2) of the Act.

Dated March 5th, 2026



Hanna M. Chrysostom
Group Corporate Secretary

Financial Highlights

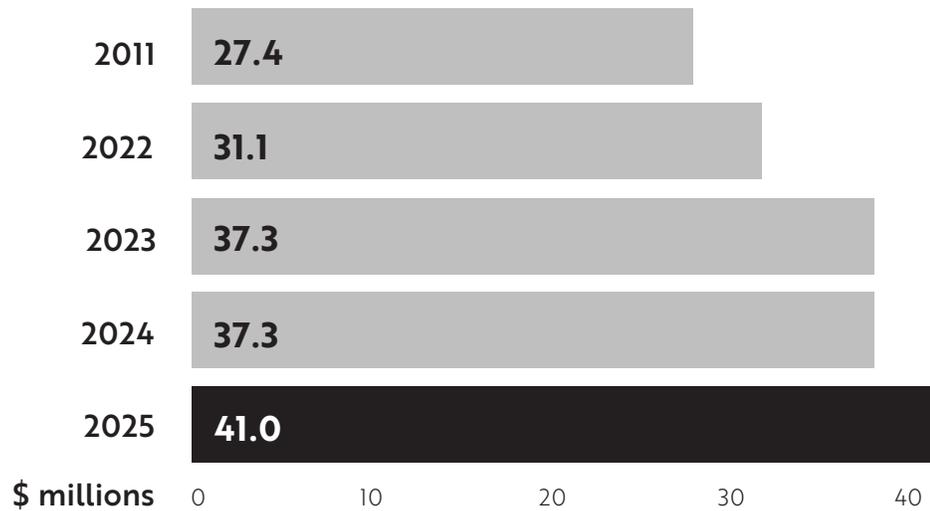
For the year ended December 31st, 2025

Expressed in Barbados dollars

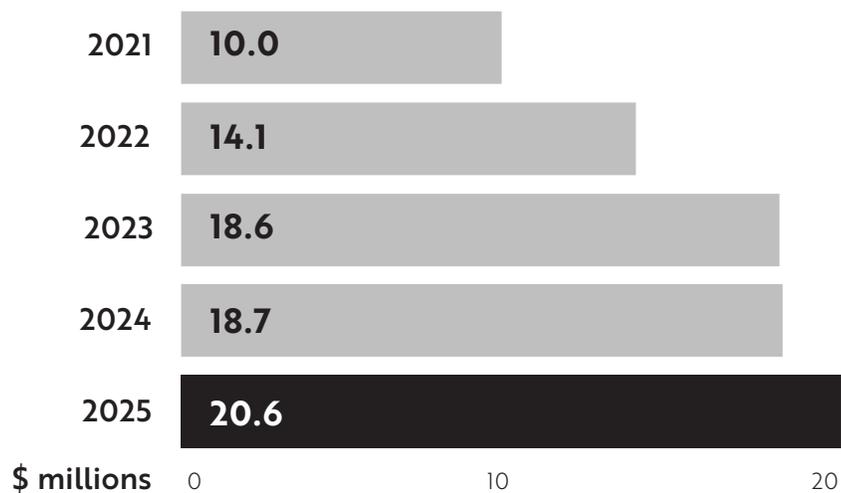
	2025 \$	2024 \$
RESULTS FOR THE YEAR (in \$ millions)		
Revenue from operations and other gains	41.02	37.27
Profit before taxation	20.58	18.71
Corporation tax	(1.04)	(1.40)
Net profit from continuing operations	19.54	17.31
Net profit attributable to equity holders of the Company	17.48	15.05
YEAR END POSITION (in \$ millions)		
Working capital	101.50	82.26
Total assets	188.05	173.44
Total equity	120.19	106.45
PER SHARE OF CAPITAL STOCK (in dollars)		
Profit before taxation and non-controlling interests	1.10	1.01
Net profit attributable to equity holders of the Company	0.94	0.81
Dividends declared	0.38	0.36
Equity	6.44	5.75
Market price per share	9.80	7.50
FINANCIAL RATIOS (in percentages)		
Return on average equity – continuing operations	18.2%	18.3%
Return on average equity – equity holders	15.4%	14.7%

Financial Highlights

revenue

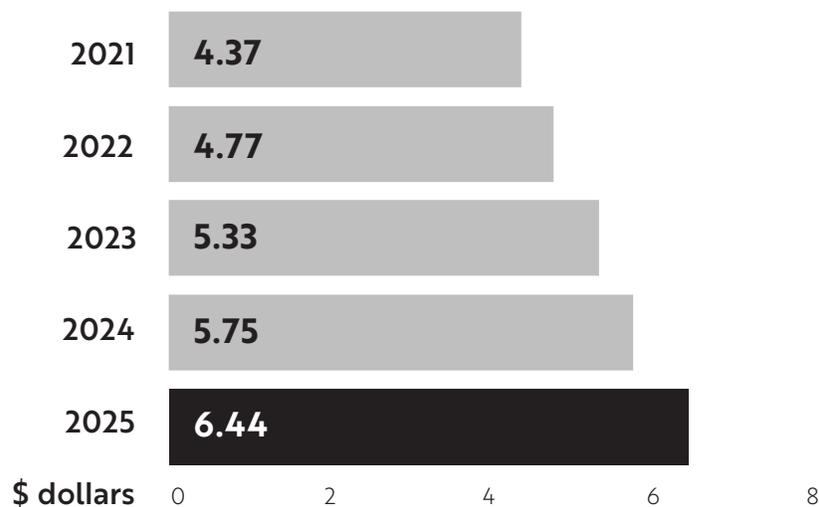


profit from continuing operations before tax

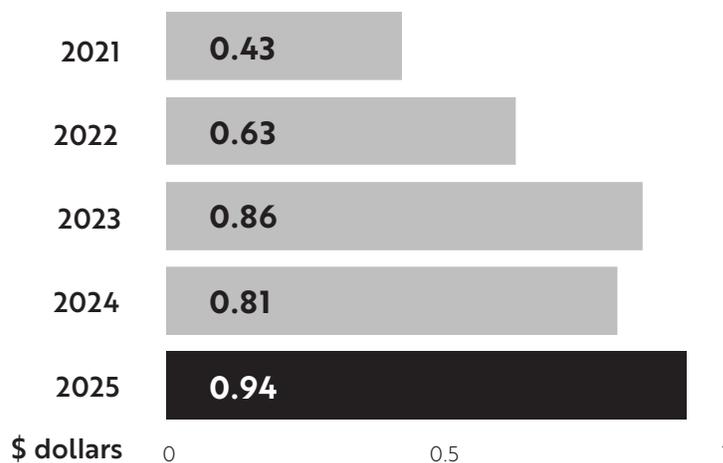


Financial Highlights

book value per share



earnings per share



Five Year Summary

Year End Position (in \$ millions)	2025	2024	2023	2022	2021
Current Assets					
Cash, restricted cash and short term deposits	44.1	33.6	40.4	31.6	25.5
Financial Assets at Fair Value through Profit and Loss	15.1	16.3	9.3	9.1	24.2
Trade and Other Receivables and Prepayments	72.1	69.1	62.9	56.3	43.3
Other Current Assets	0.7	0.4	0.3	0.2	0.5
Total Current Assets	132.0	119.4	112.9	97.2	93.5
Less Current Liabilities	30.5	37.1	31.8	35.0	26.2
Working Capital	101.5	82.3	81.1	62.2	67.3
Investments and Other Assets	56.1	54.0	49.8	47.9	46.4
Discontinued Operations	0.0	0.0	0.7	0.7	0.8
	157.6	136.3	131.6	110.8	114.5
FINANCED BY:					
Long-term Borrowings	37.4	29.8	33.5	22.6	34.1
Total Equity	120.2	106.5	98.1	88.2	80.4
	157.6	136.3	131.6	110.8	114.5
No. of Shares Outstanding (in millions)	18.7	18.5	18.4	18.5	18.4
Share of Associates Revenue (in \$ millions)	26.4	23.6	22.0	20.5	16.4
Results For The Year (in \$ millions)					
Revenue from operations and other gains	41.0	37.3	37.3	31.1	27.4
Net operating profit including results of Associates	19.2	18.5	18.3	16.1	10.0
Profit before taxation from continuing operations	20.6	18.7	18.6	14.1	10.0
Net profit/(loss) from discontinued operations	0.0	0.0	0.0	0.0	0.4
Net comprehensive income/(loss) attributable to equity holders of the Company	17.5	15.1	15.8	11.7	8.0
Dividends Declared	7.1	6.7	6.2	5.0	3.3

Five Year Summary

Ratios	2025	2024	2023	2022	2021
Per Share Of Capital Stock (in dollars)					
Earnings/(Losses)	0.94	0.81	0.86	0.63	0.43
Dividends Declared	0.38	0.36	0.34	0.27	0.18
Net Book Value	6.44	5.75	5.33	4.77	4.37
Financial Ratios					
Current Ratio	4.33	3.21	3.55	2.78	3.57
Gearing Ratio	0.08	0.16	0.19	0.24	0.20
Returns/(Losses) (%)					
Total Revenue - equity holders	18%	18%	20%	17%	13%
On Average Equity - equity holders	15%	15%	17%	14%	10%



**Shape the future
with confidence**

Ernst & Young Ltd
P.O. Box 261
Bridgetown, BB11000
Barbados, W.I.

Tel: 246 430 3900
Fax: 246 426 9551
246 430 3879
246 430 1352
www.ey.com

Street Address
One Welches
Welches
St. Thomas, BB22025
Barbados, W.I.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cave Shepherd & Co. Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



**Shape the future
with confidence**

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Investments in associated companies	
<p>Investments in associates represents approximately 26% of the assets on the consolidated statement of financial position.</p> <p>As detailed in Note 2 <i>Material Accounting Policy Information</i>, under the equity method of accounting for associates, these associates are initially stated at cost and are adjusted thereafter for the Group’s share of its associates’ post-acquisition profits or losses which is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves which is recognised in other comprehensive income and accumulated in reserves.</p>	<p>We analyzed the Group’s methodology and equity pick-up calculations of the underlying associates for the year ended 31 December 2025 which included the following audit procedures:</p> <ul style="list-style-type: none"> • We evaluated the reasonableness of Management’s assessment of control versus significant influence. • We issued instructions and performed independent reviews of the working papers of the non-EY auditors of the Group’s material associates. • We tested the reasonableness of the year end equity pickup calculations in the consolidated accounts, including compliance with accounting policies consistent with Group reporting, where applicable. • We assessed Management’s assumptions over the carrying values of the associates and related balances. • Additionally, we considered whether the Group’s disclosures related to these investments were appropriately reflected in the notes to the consolidated financial statements.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Expected Credit Loss Allowance</p> <p>IFRS 9 requires the Group to record an allowance for ECLs for all loans and advances to customers and other financial assets not held at fair value through profit and loss, together with loan commitments and financial guarantee contracts.</p> <p>The estimation of ECLs is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Furthermore, models used to determine credit impairment are complex, and certain inputs used are not fully observable. Management compensates for any model and data deficiencies by applying judgmental overlays to ECL model outputs.</p>	<p>We evaluated the updates to the modelling techniques and methodologies developed by the Group in order to estimate ECLs and assessed their compliance with the requirements of IFRS 9.</p> <ul style="list-style-type: none">• We tested the completeness and accuracy of input data to the models used to determine the ECLs. We assessed the reasonableness of the methodologies and assumptions applied in determining 12 month and lifetime probabilities of default (PD), loss given default (LGD), exposure at default (EAD) and staging. We assessed external source data and assumptions, particularly with respect to forward looking information (FLI).• We involved our EY valuation specialists to assess the appropriateness of the models and the assumptions used, including analyzing modelling accuracy and consistency of impairment parameters. They also assessed the reasonableness of the FLI.• We assessed the reasonableness of all qualitative adjustments or overlays derived outside of specific model output.• We assessed the adequacy of disclosures in the consolidated financial statements.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

We communicate with the Audit Committee 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.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's members shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

The engagement partner in charge of the audit resulting in this independent auditor's report is Ms. Tracy Marshall.

Ernst + Young Ltd

BARBADOS
13 March 2026

Consolidated Statement of Financial Position

As at December 31, 2025

Expressed in thousands of Barbados dollars

	2025	2024
	\$	\$
Current Assets		
Cash and short-term deposits (note 4)	42,031	31,666
Restricted cash (note 4)	2,042	1,971
Financial assets at fair value through profit and loss (note 5)	15,103	16,343
Trade and other receivables and prepayments (note 6)	72,103	69,044
Income tax receivable	219	-
Due by associates (note 7)	474	377
	131,972	119,401
Current Liabilities		
Borrowings (note 21)	11,828	14,756
Trade and other payables (note 9)	6,637	6,343
Current portion of lease obligation liabilities (note 22)	367	612
Insurance contract liabilities (note 10)	66	53
Due to affiliates (note 8)	234	281
Current portion of unsecured fixed income notes payable (note 18)	6,000	9,000
Deferred income	856	834
Income tax payable	-	1,144
Dividends payable (note 19)	4,482	4,116
	30,470	37,139
Working Capital	101,502	82,262
Investments in associates (note 11)	49,077	46,551
Non-current financial assets at fair value through profit and loss (note 5)	1,938	1,993
Property, plant and equipment (note 14)	2,272	2,184
Right-of-use assets (note 15)	2,793	3,311
Lease obligation liabilities (note 22)	(2,690)	(2,916)
Fixed income certificates payable (note 17)	(11,640)	(12,870)
Unsecured fixed income notes payable (note 18)	(12,000)	(13,000)
Long term loan (note 20)	(10,000)	-
Redeemable preference shares (note 12)	(1,063)	(1,063)
Deferred tax liability (note 23)	(1)	(1)
Net Assets	120,188	106,451

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at December 31, 2025

Expressed in thousands of Barbados dollars

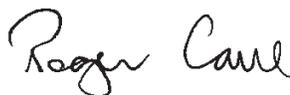
	2025	2024
	\$	\$
Capital and Reserves attributable to the Equity holders of the Company		
Share capital (note 24)	39,924	39,458
Share option reserve (note 25)	413	379
Retained earnings (note 26)	73,316	62,865
	113,653	102,702
Non-controlling interests	6,535	3,749
Total Equity	120,188	106,451

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Board of Directors on March 5th 2026.



Sir Geoffrey Cave
Director



Mr. Roger M. Cave
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

Expressed in thousands of Barbados dollars

	Attributable to equity holders of the Company			Non-controlling Interests	Total
	Share Capital	Retained Earnings	Share Option Reserve		
	\$	\$	\$	\$	
Balance as at December 31, 2023	39,086	54,537	391	4,081	98,095
Net profit and total comprehensive income for the year	-	15,052	-	2,236	17,288
Total comprehensive income for the year	-	15,052	-	2,236	17,288
	39,086	69,589	391	6,317	115,383
Dividends (36¢ per share)	-	(6,682)	-	-	(6,682)
Dividends paid and payable to non-controlling interests	-	-	-	(2,698)	(2,698)
Employee share options (note 25)	-	-	141	-	141
Expired share options	-	88	(88)	-	-
Exercised share options (note 24)	65	-	(65)	-	-
Reclassification	-	(130)	-	130	-
Issue of shares (note 24)	307	-	-	-	307
Balance as at December 31, 2024	39,458	62,865	379	3,749	106,451
Net profit and total comprehensive income for the year	-	17,480	-	2,060	19,540
Total comprehensive income for the year	-	17,480	-	2,060	19,540
	39,458	80,345	379	5,809	125,991
Dividends (36¢ per share)	-	(7,108)	-	-	(7,108)
Dividends paid and payable to non-controlling interests	-	-	-	(1,274)	(1,274)
Employee share options (note 25)	-	-	203	-	203
Expired share options	-	79	(79)	-	-
Exercised share options (note 24)	90	-	(90)	-	-
Issue of shares (note 24)	376	-	-	-	376
Issue of shares to non-controlling interest (note 12)	-	-	-	2,000	2,000
Balance as at December 31, 2025	39,924	73,316	413	6,535	120,188

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Income and Comprehensive Income

For the year ended December 31, 2025
Expressed in thousands of Barbados dollars

	2025	2024
	\$	\$
Revenue and other gains		
Revenue from operations (note 27)	39,443	36,801
Insurance service result (note 28)	1,543	461
Other gains (note 29)	29	10
	41,015	37,272
Expenses		
Employee benefits expense (note 31)	12,122	10,997
Depreciation (note 14)	538	599
Depreciation of right-of-use asset (note 15)	635	664
Other operating expenses	11,170	10,144
Credit loss expense	1,647	369
	26,112	22,773
Profit before undernoted items	14,903	14,499
Finance costs	(1,963)	(1,821)
	12,940	12,678
Net operating profit	12,940	12,678
Share of results of associates (note 11)	6,304	5,812
Gains on financial assets (note 30)	1,337	218
	20,581	18,708
Profit before taxation	20,581	18,708
Income tax expense (note 32)	(1,041)	(1,402)
	19,540	17,306
Net profit from continuing operations	19,540	17,306
Discontinued operations		
Net loss from discontinued operations (note 13)	-	(18)
	19,540	17,288
Net profit and total comprehensive income for the year	19,540	17,288
Attributable to:		
Equity holders of the Company	17,480	15,052
Non-controlling interests	2,060	2,236
	19,540	17,288

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Income and Comprehensive Income

For the year ended December 31, 2025
Expressed in thousands of Barbados dollars

	2025	2024
	\$	\$
Earnings per share for profit attributable to the equity holders of the Company during the year		
- basic (note 33)	\$0.94	\$0.81
- diluted (note 33)	\$0.90	\$0.79
Earnings per share for continuing operations		
- basic (note 33)	\$0.94	\$0.81
- diluted (note 33)	\$0.90	\$0.79

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025
Expressed in thousands of Barbados dollars

	2025	2024
	\$	\$
Net cash generated from operations (note 34)	8,916	2,665
Cash flows from investing activities		
Purchase of property, plant and equipment (note 14)	(628)	(501)
Purchase of financial assets at fair value through profit and loss	(1,450)	(7,900)
Proceeds on disposal of property, plant and equipment	31	63
Proceeds on disposal of discontinued operations (note 11)	-	690
Proceeds on disposal of financial assets at fair value through profit and loss	4,083	80
Dividends received (note 27)	478	635
Dividends received from associates (note 11)	3,778	3,725
Net cash generated from/(used in) investing activities	6,292	(3,208)
Cash flows from financing activities		
Proceeds from issue of shares (note 24)	376	307
Issue of non-controlling interest shares (note 12)	2,000	-
Restricted cash (note 4)	(71)	3,642
(Repayment of)/Proceeds from borrowings (note 21)	(2,928)	803
Proceeds from long term loan (note 20)	10,000	-
Proceeds for issue of preference shares	-	1,063
Proceeds from unsecured fixed income notes (note 18)	-	3,000
Payment of unsecured fixed income notes (note 18)	(4,000)	(2,000)
Payment of lease obligations (net)	(588)	(594)
Fixed income certificates payable	(1,230)	90
Dividends paid to shareholders	(6,711)	(6,664)
Dividends paid to non-controlling interest (note 12)	(1,516)	(2,266)
Dividends paid to preference shareholder (note 12)	(175)	-
Net cash used in financing activities	(4,843)	(2,619)
Net increase/(decrease) in cash and cash equivalents	10,365	(3,162)
Cash and cash equivalents net of borrowings – beginning of year	31,666	34,828
Cash and cash equivalents net of borrowings – end of year	42,031	31,666
Represented by:		
Cash at bank and in hand (note 4)	23,484	21,823
Short-term deposits (note 4)	14,613	2,397
Money market funds (note 4)	3,934	7,446
	42,031	31,666

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

1. General Information

The principal activities of Cave Shepherd & Co. Limited ('the Company') and its subsidiaries (together 'the Group') are the provision of financial services, insurance retailing and holding of investments.

The Company is a limited liability company incorporated and domiciled under the Laws of Barbados. The address of its registered office is One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados.

The Company is listed on the Barbados Stock Exchange.

In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of \$3,500. In the prior year, the investment cost of \$708 was classified as discontinued operations in the consolidated statement of financial position. In the prior year, the Company received a distribution of \$690 bringing the investment to nil at December 31, 2024. The share of results in BCTI amounting to a loss of \$Nil (2024 – loss of \$18) was classified as discontinued operations in the consolidated statement of income.

The income from continuing operations is mainly comprised of financial services. See segmented reported policy in Note 2(q).

2. Material Accounting Policy Information

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit and loss as disclosed in Note 2(h).

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 consolidated financial statements are disclosed in Note 2(k).

The Group has prepared the financial statements that it will continue to operate as a going concern.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(a) Basis of Preparation ... *continued*

New standards and amendments adopted by the Group

The Group applied, for the first time, certain standards and amendments that became applicable for the 2025 financial year. However, there was no impact on the amounts reported and/or disclosures in the consolidated financial statements.

Lack of exchangeability – Amendments to IAS21 – Effective January 1, 2025

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments resulted in no material change to the consolidated financial statements.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(a) Basis of Preparation ... *continued*

New standards, amendments and interpretations issued but not effective for the financial year beginning on or after January 1, 2025 and not early adopted

The following is a list of standards and interpretations issued that are not yet effective up to the date of the issuance of the Group's consolidated financial statements. The Group intends to adopt these standards, if applicable, when they become effective:-

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (Effective January 1, 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (Effective January 1, 2026)
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (Effective January 1, 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (Effective January 1, 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Effective January 1, 2027)

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(c) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Subsidiaries... *continued*

The excess 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 in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between 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.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(c) Consolidation...continued

Subsidiaries...continued

These consolidated financial statements include the financial statements of the Company and its subsidiary companies:

	Country of incorporation and place of business	Nature of business	Ordinary shares held (%)	Ordinary shares held by non- controlling interests (%)
Cave Shepherd Inc. Cave Shepherd (Cayman) Ltd.	Florida Cayman	Holding company	100	-
Cave Shepherd SRL	Barbados	Holding company	100	-
Cave Shepherd (St. Lucia) Inc.	St. Lucia	Holding company	80	20
MyStorage Inc. Cave Shepherd	Barbados	Storage company	80	20
Card (Holdings) Inc. Cave Shepherd	Barbados	Holding company	100	-
Card (Barbados) Inc.	Barbados	Financial services company	100	-
Cave Shepherd Captive Insurance Inc.	Barbados	Insurance company	100	-
Fortress Fund Managers Limited	Barbados	Financial services company	75.2	24.8
Fortress Insurance Company Ltd.	Barbados	Financial services company	75.2	24.8
Fortress Staff Share Scheme Inc.	Barbados	Financial services company	75.2	24.8
Fortress Advisory & Investment Services Limited.	Barbados	Financial services company	75.2	24.8

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(c) Consolidation...*continued*

Subsidiaries...*continued*

During the year, Cave Shepherd (St. Lucia) Inc. was formed as a direct subsidiary of Cave Shepherd SRL. Cave Shepherd (St. Lucia) Inc. was formed as the parent company for the acquisition of Store All Inc., a storage business in Barbados, acquired by the Group in 2026.

During the year, MyStorage Inc. was formed as a direct subsidiary of Cave Shepherd (St. Lucia) Inc. MyStorage Inc. was formed to acquire land to be used in the operations of Store All Inc.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(c) Consolidation... *continued*

Subsidiaries... *continued*

These consolidated financial statements include the financial statements of the Company and its subsidiary companies:

	Country of incorporation and place of business	Nature of business	Ordinary shares held (%)	Ordinary shares held by non- controlling interests (%)
DGM Holdings Inc.	St. Lucia	Holding company	72.7	27.3
DGM Trust Corporation	Barbados	Services company	72.7	27.3
DGM Directors Inc.	Barbados	company	72.7	27.3
DGM Management Services Limited	Barbados	Services company	72.7	27.3
DGM Captive Management Inc.	Barbados	Services company	72.7	27.3
DGM International Consulting Inc.	St. Lucia	Services company	72.7	27.3
DGM Captive Management (Alberta) Limited	Canada	Services company	72.7	27.3

The above entities are all considered part of the DGM Financial Group.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(c) Consolidation... *continued*

Associates

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. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income and accumulated 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 equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

The associates and interest therein are set out below:

Bridgetown Cruise Terminals Inc.	20%
G.C.S. Limited	40%
G.C.S. (Grenada) Ltd.	40%
G.C.S. (St. Lucia) Ltd.	40%
Ganzee (Antigua) Ltd.	40%
CSGK Finance (Holdings) Limited	50%
SigniaGlobe Financial Group Inc.	50%
CS&C Joint Venture	20%
The Sunset Joint Venture	16%
Contonou Shores Ltd.	35%
Canouan CS&F Investments Limited	35%
Pick Up Taxi Inc.	24.5%

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(c) Consolidation... *continued*

Associates... *continued*

In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of \$3,500. In the prior year, the Company received a distribution of \$690 bringing the investment to nil at December 31, 2024. The share of results in BCTI amounting to a loss of \$Nil (2024 – loss of \$18) was classified as discontinued operations in the consolidated statement of income.

(d) Revenue Recognition

Revenue earned by the Group is recognised on the following basis:

- Interest income
Interest income is recognised on the accrual basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income.
- Commission income
Commission income on credit cards is recognised on an accrual basis upon generation of sales through merchants.
- Dividend income
Dividend income is recognised when the right to receive payment is established.
- Management fee income
Management fee income of Fortress Fund Managers Limited is recognised based on the actual net asset values of the Funds it manages. As Fortress Fund Managers Limited is the manager of all the Funds, a percentage of the management fees are refunded to avoid double charging on assets invested between the Funds. The refund is based on the net asset value of the investments calculated monthly and payable in arrears.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(e) Insurance contracts

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues creditor life insurance to cardholders of Cave Shepherd Card (Barbados) Inc. (CSCBI[®]). The Group agrees to pay CSCBI based on the events of Short-Term Disability, Long Term Disability, Limited Benefits and /or death of a cardholder.

The Group does not issue any contracts with direct participating features.

Separating components from insurance contracts

The Group assesses its non-life insurance to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(e) Insurance contracts...*continued*

Level of aggregation...*continued*

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group adds new contracts in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(e) Insurance contracts...continued

Contract boundary...continued

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, Or
- Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement – Premium Allocation Approach

	<i>IFRS 17 Options</i>	<i>Adopted approach</i>
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for Creditor Life to Cardholders assumed is one year or less and so qualifies automatically for PAA.

Insurance contracts – initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues, as the coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(e) Insurance contracts...continued

Insurance contracts – initial measurement...continued

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group chooses to expense insurance acquisition cash flows as they occur.

Insurance contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(e) Insurance contracts...continued

Insurance contracts – subsequent measurement...continued

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, and portfolios of insurance contracts issued that are liabilities. Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.. The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(f) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the 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 are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated on a straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold Improvements	10 years
Furniture and Equipment	3 to 5 years
Motor Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income.

(g) Trade Receivables

Receivables from credit card holders are carried at anticipated realisable value. A provision for impairment of credit card 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 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 effective interest rate. The amount of the provision is recognised in the consolidated statement of income. The credit risk of the receivables portfolio is assumed by the Group. The discount fee on these receivables is included in the consolidated statement of income when earned. Refer to accounting policies of Financial Assets in note 2(h).

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(h) Financial Instruments

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial assets...continued

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVPL)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, amounts due by and loans due by associates.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial assets...continued

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial assets...continued

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial assets...continued

Based on the above process, the Group allocates its credit card receivables and other non-current financial assets into Stage 1, Stage 2, Stage 3 and POCl, as described below:

- Stage 1: When credit card receivables are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When credit card receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the credit card receivables has been reclassified from Stage 3.
- Stage 3: Credit card receivables considered credit-impaired. The Group records an allowance for the LTECLs.
- POCl: Purchased or originated credit impaired (POCl) assets are financial assets that are credit impaired on initial recognition. POCl assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted effective interest rate (EIR). ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial assets...continued

The calculation of ECLs

The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, a best case, a worst case). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. Provisions for ECLs for undrawn loan commitments are also assessed. The calculation of ECLs (including the ECLs related to the undrawn element) of revolving facilities such as credit cards is explained below.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information *...continued*

(h) Financial Instruments *...continued*

Financial assets *...continued*

The mechanics of the ECL method are summarised below:

- Stage 1: - The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: - When credit card receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: - For credit card receivables considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: - POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit- adjusted EIR.

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.

Purchased or originated credit impaired (POCI) financial assets

For POCI financial assets, the Group only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information *...continued*

(h) Financial Instruments *...continued*

Financial assets *...continued*

Credit card facilities

The Group's product offering includes a credit card facility, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products, is five years. The treatment outlined does not limit the calculation to the one-day period outlined in the credit card receivables agreements, but to five years instead. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage.

The interest rate used to discount the ECLs for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently charged no interest. The calculation of ECLs, including the estimation of the expected period of exposure and discount rate is made on a collective basis for retail products. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

Forward looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as inflation, GDP growth and unemployment rates. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(h) Financial Instruments...continued

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to associates and affiliates and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(h) Financial Instruments...*continued*

Financial liabilities...*continued*

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(i) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of the Group's financial assets and liabilities with non-related parties are not materially different to their carrying amounts. The fair value of the Group's financial assets and liabilities with related parties that are interest-free are not materially different to their carrying amounts given the short-term nature of these balances.

(j) Current and Deferred Income Taxes

The tax expense comprises current and deferred taxes. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which appropriate tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(j) Current and Deferred Income Taxes...continued

Deferred income 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.

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

(k) Critical Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

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.

- **Estimated impairment of intangible assets and non-financial assets**

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policies stated in Notes 2(n) and 2(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

- **Income and deferred taxes**

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(k) Critical Accounting Estimates and Assumptions...*continued*

- **Income and deferred taxes**...*continued*

In calculating the provision for deferred taxation, management uses judgement to determine the profitability the future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

- **Leases**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., significant customisation to the leased asset).

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(k) Critical Accounting Estimates and Assumptions...*continued*

- Leases...*continued*

Determining the lease term of contracts with renewal and termination options – Group as lessee... *continued*

The Group included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain to be exercised.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- Insurance contracts

The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(k) Critical Accounting Estimates and Assumptions...continued

Insurance contracts...continued

- **Liability for incurred claims**

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by claim years. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

- **Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(k) Critical Accounting Estimates and Assumptions...continued

• Impairment of financial assets...continued

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

• Fair value of financial instruments that are not traded

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(l) 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 Barbados dollars, which is the Group's functional and presentation currency.

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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items are included in the consolidated statement of income.

Group companies

The results and financial position of all group 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:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- Income and expenses for each statement of income 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 dates of the transactions).
- All resulting differences are recognised in the consolidated statement of other comprehensive income.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the consolidated statement of financial position.

(n) Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill 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.

Management Contracts

Management contracts acquired in a business combination are recognised at their estimated fair values at the acquisition date. The management contracts have a finite useful life and are carried at estimated realisable value less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the management contracts which is 10 years.

(o) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...*continued*

(p) Employee Benefits

Pension plan valuation

The Group operates a defined contribution pension plan for the employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to privately administered pension insurance 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.

Termination benefits

Termination benefits are payable when employment is terminated by the Group 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: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Profit-sharing and bonus plans

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

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(p) Employee Benefits...continued

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's average share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity. When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

The granting by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(p) Employee Benefits...continued

Share-based payments...continued

The Fortress Group operates a staff share scheme which allows its employees to indirectly hold shares in that company. Employees can purchase shares in Fortress Staff Share Scheme Inc. at a discounted price to the calculated fair value of the shares. Employees can redeem shares previously purchased at the end of each financial year, at the fair value determined as at that date. As the shares are redeemable at the option of the employees they have been classified as financial liabilities and carried at fair value. As the fair value of the shares is determined on an annual basis, the difference is charged or credited to the consolidated statement of income with a corresponding adjustment to the financial liability.

(q) 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, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The Board allocates resources and assesses performance of the business from the perspective of mainly other services which include financial, rental of property, commissions on credit card operations and management fees earned. The Board assesses the performance of the operating segments based on a measure of operating results of the segments. Investment income and net finance income are not allocated to segments. Segment assets consist primarily of property, plant and equipment, trade and other receivables and prepayments, balances due by associates and operating cash and excludes financial investments and pension plan surplus. Segment liabilities comprise operating liabilities and balances due to associates and affiliates. Capital expenditure comprises additions to property, plant and equipment.

(r) Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(s) **Share Capital**

Common 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, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or 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 equity holders.

(t) **Trade Payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

(u) **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(v) **Dividend Distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Company's directors.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information...continued

(w) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The group leases various properties and are typically made for fixed periods of 3 to 10 years but may have extension options. 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, but leased assets may not be used as security for borrowing purposes.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 3 years to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

2. Material Accounting Policy Information... *continued*

(w) Leases... *continued*

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included as a separate item on the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(x) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, (which includes price risk, interest rate risk and currency risk), credit risk and liquidity risk in the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(a) Market risk

(i) Price risk

The Group is exposed to market price risk arising primarily from changes in equity prices. To manage this risk the Group holds a diversified portfolio of investments in accordance with its investment policy.

Sensitivity

The effects of an across the board 10% change in equity prices of the Group's financial assets held for trading and at fair value through profit or loss are set out below:

	Carrying Value \$	Effect of 10% change at December 31, 2025 \$
Unlisted securities	15,103	1,510
	15,103	1,510

	Carrying Value \$	Effect of 10% change at December 31, 2024 \$
Unlisted securities	16,343	1,634
	16,343	1,634

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk...continued

(ii) Interest rate risk

The majority of the Group's interest-bearing financial assets and liabilities are short-term deposits, credit card receivables, loans due by associates, unsecured fixed income notes and fixed income certificates payable. Except for short-term deposits, interest is charged on these financial assets and liabilities at fixed rates. As a result, the Group is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Group has a material interest-bearing asset in trade receivables which arises through its credit card operation. Interest is charged on all unpaid balances that are 30 days and older. Interest is charged at a fixed rate in line with industry standards. The nature of the credit card industry is such that interest rates show little variation and are stable in nature; as a result the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The table below summaries the Group's exposure to interest rate risk. It includes the Group's financial assets and liabilities categorised by the earlier of contractual re-pricing or maturity dates.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk...continued

(ii) Interest rate risk...continued

At December 31, 2025	0-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and short-term deposits	8,447	-	33,584	42,031
Restricted cash	2,042	-	-	2,042
Financial assets held for trading and at fair value through profit and loss	-	-	15,103	15,103
Trade and other receivables	66,597	-	5,079	71,676
Due by associates	-	-	474	474
Non-current financial assets at fair value through profit and loss	250	1,688	-	1,938
Total financial assets	77,336	1,688	54,240	133,264
Financial liabilities				
Borrowings	11,828	-	-	11,828
Trade and other payables	-	-	6,637	6,637
Due to affiliates	-	-	234	234
Current portion of lease obligation liabilities	367	-	-	367
Insurance contract liabilities	-	-	66	66
Current portion of unsecured fixed income notes payable	6,000	-	-	6,000
Deferred income	-	-	856	856
Lease obligation liabilities	2,206	484	-	2,690
Fixed income certificates payable	11,640	-	-	11,640
Unsecured fixed income notes payable	12,000	-	-	12,000
Long term loan	10,000	-	-	10,000
Redeemable preference shares	1,063	-	-	1,063
Total financial liabilities	55,104	484	7,793	63,381
Total interest sensitivity gap	22,232	1,204	46,447	69,883

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk...continued

(ii) Interest rate risk...continued

At December 31, 2024	0-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and short-term deposits	9,843	-	21,823	31,666
Restricted cash	1,971	-	-	1,971
Financial assets held for trading and at fair value through profit and loss	-	-	16,343	16,343
Trade and other receivables	62,793	-	5,945	68,738
Due by associates	-	-	377	377
Non-current financial assets at fair value through profit and loss	250	1,743	-	1,993
Total financial assets	74,857	1,743	44,488	121,088
Financial liabilities				
Borrowings	14,756	-	-	14,756
Trade and other payables	-	-	6,343	6,343
Due to affiliates	-	-	281	281
Current portion of lease obligation liabilities	612	-	-	612
Insurance contract liabilities	-	-	53	53
Current portion of unsecured fixed income notes payable	9,000	-	-	9,000
Deferred income	-	-	834	834
Lease obligation liabilities	2,432	484	-	2,916
Fixed income certificates payable	12,870	-	-	12,870
Unsecured fixed income notes payable	13,000	-	-	13,000
Redeemable preference shares	1,063	-	-	1,063
Total financial liabilities	53,733	484	7,511	61,728
Total interest sensitivity gap	21,124	1,259	36,977	59,360

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk...continued

(i) Currency risk

The Group holds financial assets denominated in currencies other than Barbados dollars, the functional currency of the Group. Consequently, except where assets and liabilities are denominated in currencies fixed to the Barbados dollar, the Group is potentially exposed to currency risk. The Group has no significant exposure to currency risk as the foreign currencies within the Group do not fluctuate noticeably against the Barbados dollar. The Group's policy is not to enter into any hedging transactions to mitigate currency risk.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment entered into with the Group.

The maximum exposure of the Group to credit risk is set out in the following table:

	2025	2024
	\$	\$
Cash and short-term deposits	42,031	31,666
Restricted cash	2,042	1,971
Trade and other receivables	71,676	68,738
Due by associates	474	377
Non-current financial assets at FVPL	1,938	1,993
	118,161	104,745

Significant amounts of cash at bank and short-term deposits are maintained with CIBC Caribbean Bank (Barbados) Limited and RBC Royal Bank (Barbados) Ltd.

All trade receivable customers are rated by credit management who assesses the credit quality of the customer, taking into account financial position, past experience and other factors. Individual risk limits are set based on internal or external information in accordance with limits set by the board. The utilisation of credit limits and payments on account are regularly monitored. Credit limits may be adjusted upwards if management is satisfied with account performance. Risk Management utilises sophisticated reporting to constantly monitor account performance minimising default loss. All impaired or possible doubtful amounts are provided for and no loss beyond these provisions is anticipated.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has delivered payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(b) Credit risk...continued

The Group's exposure to individual counterparty credit risk on its significant amounts of cash and cash equivalents is set out below:

	2025	2024
	\$	\$
Cash and short-term deposits		
CIBC Caribbean Bank (Barbados) Limited (unrated)	13,521	11,108
RBC Royal Bank (Barbados) Limited (unrated)	1,958	1,603
Morgan Stanley Private Wealth Management (A-1 by Standard and Poor's)	3,934	7,446
Other banks (unrated)	22,618	11,509
	42,031	31,666

(c) Credit risk – Loans and Receivables

Credit risk - loans and receivables is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for customers, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of customers. Customer limits are established by the use of a credit risk classification system, which assigns each customer a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Definition of default and cure

Default

The definition of default for the purpose of determining expected credit losses is consistent with the regulatory definition of default which considers following indicators:

- a customer is highly vulnerable to non-payment, e.g. a bankruptcy petition has been filed;
- a customer has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner;
- a customer has failed to pay one or more of its financial obligations (rated or unrated) - if the credit card exposure is more or equal to 90 days past due it is automatically assessed as defaulted.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(c) Credit risk – Loans and Receivables...continued

An assessment of significant increase in credit risk (SICR) incorporates all relevant, reasonable and supportable information that is available without undue cost or effort. The Company assesses when a significant increase in credit risk has occurred based on the following criteria:

- Qualitative indicators: the customer is on the Watchlist and/or there are some significant adverse changes in business, financial and/or economic conditions in which the customer resides or operates;
- Backstop criteria: a backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Although the Company uses past due status information as the only borrower specific quantitative information, it also considers other reasonable and supportable forward-looking information that is available without undue cost or effort to assess whether lifetime ECL should be recognized for loans that are not more than 30 days past due. Management believes that this approach meets the objective of recognizing lifetime ECL for all significant increases in credit risk. For example, the quality of credit card portfolio is highly dependent on unemployment rate, and because of some increases in unemployment rates due to specific reasons, the risk of default might be determined to have increased significantly, even if those customers are not past due at reporting date. The Company will analyse such events case by case, apply bottom-up approach and recognize loss allowance at the amount equal to lifetime ECL, while it will continue recognising a loss allowance at an amount equal to 12 months ECL for the credit cards recently originated as they would not have experienced a significant increase in credit risk since initial recognition. While expected to be rare, it is still possible that certain risks could arise which may not immediately be identifiable or quantifiable at the instrument level and the Company will need to apply overlays in these cases.

Cure

Based on Company management's decision, assets will not move directly from Stage 3 to Stage 1. Once an asset reaches Stage 3, the account is moved over to Internal Classifications until the full outstanding balance owing is repaid in full by the customer. Subsequent to full repayment, customers are required to honour a six-month waiting period prior to being considered for re-activation of an account. Ultimately, this re-activation process follows a full credit due diligence process, in line with the Credit Management Policy.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ... *continued*

(c) Credit risk – Loans and Receivables... *continued*

The Company's internal rating and PD estimation process

An Internal credit rating system was implemented based on the information currently available in the Company. This rating system seeks to assess the credit quality of the customer based on specific information available at the initial point of assessment and/or application.

The model proposed for this system was based on income, employment length and credit limits on the accounts. These parameters are assessed, and points are assigned according to income brackets, years employed and credit limits.

Impairment assessment

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's models.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ... *continued*

(c) Credit risk – Loans and Receivables... *continued*

Loss given default

For corporate and investment Grouping financial instruments, LGD values are assessed at least every three months and reviewed and approved by management. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its credit card receivables based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in payment status or other factors that are indicative of losses in the group. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(d) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close market positions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amount, as the impact of discounting is not significant.

December 31, 2025	0-3 months	4 months – 5 years	Over 5 years	Total
	\$	\$	\$	\$
Borrowings	11,828	-	-	11,828
Trade and other payables	6,637	-	-	6,637
Due to affiliates	234	-	-	234
Lease obligation liabilities	-	3,110	629	3,739
Insurance contract liabilities	66	-	-	66
Deferred income	-	856	-	856
Fixed income certificates payable	-	12,251	-	12,251
Unsecured fixed income notes payable	2,034	17,536	-	19,570
Long term loan	-	10,000	-	10,000
Dividends payable	3,732	-	-	3,732
Dividends payable to non-controlling interest	540	-	-	540
Dividends payable to preference shareholders	210	-	-	210
Redeemable preference shares	-	1,063	-	1,063
	25,281	44,816	629	70,726

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ... *continued*

(d) Liquidity risk ... *continued*

December 31, 2024	0-3 months	4 months – 5 years	Over 5 years	Total
	\$	\$	\$	\$
Borrowings	14,756	-	-	14,756
Trade and other payables	6,343	-	-	6,343
Due to affiliates	281	-	-	281
Lease obligation liabilities	-	3,581	629	4,210
Insurance contract liabilities	53	-	-	53
Deferred income	-	834	-	834
Current income tax liability	-	1,144	-	1,144
Fixed income certificates payable	-	13,546	-	13,546
Unsecured fixed income notes payable	4,034	19,536	-	23,570
Dividends payable	3,334	-	-	3,334
Dividends payable to non-controlling interest	782	-	-	782
Redeemable preference shares	-	1,063	-	1,063
	29,583	39,704	629	69,916

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(d) Liquidity risk...continued

Maturity profiles – Creditor Life Insurance

The following table summarizes the maturity profile of portfolios of insurance contracts issued that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 year	1–5 years	>5 years	No maturity	Total
December 31, 2025					
Liability for incurred claims	49	-	-	-	49
Liability for incurred claim adjustment expenses	17	-	-	-	17
TOTAL	66	-	-	-	66
December 31, 2024					
Liability for incurred claims	30	-	-	-	30
Liability for incurred claim adjustment expenses	23	-	-	-	23
TOTAL	53	-	-	-	53

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

d) Liquidity risk...continued

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The gearing ratios at December 31, 2025 and December 31, 2024 were 8.74% and 16.20% respectively.

Fair value estimation

This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset that are not based on observable market data (Level 3).

Fair values

Fair value information is based on information available to management as at the dates presented. The method and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

(i) Short-term financial assets and liabilities

The carrying amounts of short-term financial assets and liabilities comprising the Group's cash and cash equivalents, trade and other receivables, short-term borrowings, due to/from related parties, trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Long-term financial assets and liabilities

Management has determined that the fair value of all long-term financial instruments substantially equate to their carrying amounts, as these instruments bear rates which are reflective of current market rates.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(d) Liquidity risk...continued

Fair value estimation ...continued

The following table presents the Group's assets that are measured at fair value at December 31, 2025:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss	-	13,844	1,259	15,103
Non-current financial assets at fair value through profit and loss	-	-	1,938	1,938
	-	13,844	3,197	17,041

The following table presents the Group's assets that are measured at fair value at December 31, 2024:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss	-	15,084	1,259	16,343
Non-current financial assets at fair value through profit and loss	-	-	1,993	1,993
	-	15,084	3,252	19,346

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group 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.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize 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.

There have been no transfers between Level 1 and Level 2 instruments during the year.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(d) Liquidity risk...continued

Fair value estimation ...continued

The following table presents the changes in Level 3 instruments for the year ended December 31, 2025. Level 3 instruments are primarily financial assets designated at fair value through profit and loss at inception and represents the Group's investments in unquoted equity securities and Government of Barbados bonds.

	2025	2024
	\$	\$
At the beginning of the year	3,252	2,272
Purchases	-	1,000
Disposal	-	-
Unrealised losses on financial assets at FVPL	(55)	(20)
At the end of the year	<u>3,197</u>	<u>3,252</u>

In the prior year, the Group purchased Government of Barbados bonds for a total consideration of \$1,000.

The Group's Fixed Income Certificates and Unsecured Fixed Income Notes were recently issued at current market rates. Therefore, the carrying value is the approximate market value.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(e) Insurance risk

The Group principally issues creditor life insurance contracts.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

The Group's insurance contract liabilities related to the Creditor Life Insurance contract amounting to \$66 (2024 - \$53) is geographically concentrated in Barbados only.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(e) Insurance risk ...continued

Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

December 31, 2025

	Change in assumptions	Impact on profit before tax	Impact on equity	Impact on equity net
Expected time to settlement (delay)	+6 months	\$14	\$14	\$14
	+12 months	\$26	\$26	\$26
Expected loss ratio	+ 10 %	\$(6)	\$(6)	\$(6)
	- 10 %	\$6	\$6	\$6

December 31, 2024

	Change in assumptions	Impact on profit before tax	Impact on equity	Impact on equity net
Expected time to settlement (delay)	+ 10 %	-	-	-
	- 10 %	-	-	-
Expected loss ratio	+ 10 %	\$(2)	\$(2)	\$(2)
	- 10 %	\$2	\$2	\$2

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(e) Insurance risk ...continued

Claims development table ...continued

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

As required by IFRS 17, in setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross undiscounted liabilities for incurred claims for 2025 – Creditor Life insurance:

	2024	2025	Total
	\$	\$	
Claim year			
Gross estimates of the amount of the claims			
At end of claim year	34	103	
One year later	31	-	
Gross estimates of the amount of the claims	31	103	134
At end of claim year	(4)	(78)	
One year later	(7)	-	
Cumulative payments to date	(7)	(78)	(85)
Gross liabilities for incurred claims	24	25	49
Gross liabilities for claim adjustment expenses			17
Total gross liabilities for incurred claims and claim adjustment expenses			66

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

3. Financial Risk Management ...continued

(e) Insurance risk ...continued

Claims development table...continued

Gross undiscounted liabilities for incurred claims for 2024 – Creditor Life insurance:

	2024 \$	Total
Claim year		
Gross estimates of the amount of the claims		
At end of claim year	34	
One year later	-	
Gross estimates of the amount of the claims	34	34
At end of claim year	34	
One year later	-	
Cumulative payments to date	(4)	(4)
Gross liabilities for incurred claims	30	30
Gross liabilities for claim adjustment expenses		23
Total gross liabilities for incurred claims and claim adjustment expenses		53

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

4. Cash and Short-Term Deposits and Restricted Cash

	2025	2024
	\$	\$
Cash at bank and in hand	23,484	21,823
Short-term deposits (a)	14,613	2,397
Money market funds (b)	3,934	7,446
	42,031	31,666
Restricted cash (c)	2,042	1,971
	44,073	33,637

- (a) Short-term deposits comprise of deposits with financial institutions at a nil interest rate. Cash with a financial institution is in a US daily dollar account with an interest rate of 0.00% and is used to invest in equity securities in foreign stock exchanges.
- (b) Money market funds are held with Morgan Stanley in a Treasury Liquidity Fund.
- (c) Restricted cash mainly represents the collateral security requirements of Visa International and surplus payments due to members of the Cave Shepherd defined benefit pension plan on windup. The amount due to the defined benefit pension plan in the prior year of \$71 represents the amounts due to members from liquidation of the assets held by that plan (note 16).

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

5. Financial Assets at Fair Value through Profit and Loss

	2025	2024
	\$	\$
Unlisted securities		
• Mutual funds	13,525	14,765
• Other	1,578	1,578
	15,103	16,343
Non-current financial asset at fair value through profit and loss		
• Government of Barbados bond	1,938	1,993
	17,041	18,336

Included within financial assets at fair value through profit and loss of \$15,103 (2024 - \$16,343) is an amount of \$13,525 (2024 - \$14,765), which represents investments in mutual funds managed by a subsidiary.

Changes in fair values of financial assets at fair value through profit and loss are recorded in the consolidated statement of income (note 30).

6. Trade and Other Receivables and Prepayments

	2025	2024
	\$	\$
Credit card receivables	74,487	70,432
Less: provision for IFRS 9 impairment (Stage 1 & 2)	(1,331)	(932)
Less: provision for impairment (IFRS 9 - Stage 3)	(6,559)	(6,707)
Credit card receivables - net	66,597	62,793
Other receivables	5,069	5,935
Corporation tax recoverable	10	10
Prepayments	427	306
	72,103	69,044

Credit card receivables comprise local and international VISA Card purchases.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

	2025				2024
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
<u>Credit Card Receivables</u>					
Performing balances	65,028	2,900	-	67,928	63,725
Non-performing balances	-	-	6,559	6,559	6,707
Gross carrying amount	65,028	2,900	6,559	74,487	70,432
Loss allowance	(847)	(484)	-	(1,331)	(932)
Loss allowance	-	-	(6,559)	(6,559)	(6,707)
Carrying amount	64,181	2,416	-	66,597	62,793

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

IFRS 9 Carrying Values

	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit Card Receivables				
Gross carrying amount as at December 31, 2024	61,165	2,560	6,707	70,432
Transfers:				
Transfer from Stage 1 to Stage 2	(2,060)	2,060	-	-
Transfer from Stage 1 to Stage 3	(1,203)	-	1,203	-
Transfer from Stage 2 to Stage 1	1,425	(1,425)	-	-
Transfer from Stage 2 to Stage 3	-	(740)	740	-
Transfer from Stage 3 to Stage 2	-	13	(13)	-
Transfer from Stage 3 to Stage 1	1,796	-	(1,796)	-
New financial assets originated	1,773	161	54	1,988
Changes in principal and interest	2,132	271	(336)	2,067
Gross carrying amount as at December 31, 2025	65,028	2,900	6,559	74,487

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

IFRS 9 Carrying Values

	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit Card Receivables				
Gross carrying amount as at December 31, 2024	56,857	2,320	6,376	65,553
Transfers:				
Transfer from Stage 1 to Stage 2	(1,833)	1,833	-	-
Transfer from Stage 1 to Stage 3	(812)	-	812	-
Transfer from Stage 2 to Stage 1	1,410	(1,410)	-	-
Transfer from Stage 2 to Stage 3	-	(555)	555	-
Transfer from Stage 3 to Stage 2	-	56	(56)	-
Transfer from Stage 3 to Stage 1	665	-	(665)	-
New financial assets originated	1,584	115	22	1,721
Changes in principal and interest	3,294	201	(337)	3,158
Gross carrying amount as at December 31, 2024	61,165	2,560	6,707	70,432

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

Loss Allowances - 2025

	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit card receivables				
Loss allowance as at December 31, 2024	556	376	6,707	7,639
Transfers:				
Transfer from Stage 1 to Stage 2	(19)	19	-	-
Transfer from Stage 1 to Stage 3	(11)	-	11	-
Transfer from Stage 2 to Stage 1	209	(209)	-	-
Transfer from Stage 2 to Stage 3	-	(109)	109	-
Transfer from Stage 3 to Stage 2	-	13	(13)	-
Transfer from Stage 3 to Stage 1	1,796	-	(1,796)	-
New financial assets originated	23	27	54	104
Changes to inputs used in ECL calculation	(1,707)	367	1,487	147
Loss allowance as at December 31, 2025	847	484	6,559	7,890

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

Loss Allowances - 2024

	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit card receivables				
Loss allowance as at December 31, 2023	676	432	6,376	7,484
Transfers:				
Transfer from Stage 1 to Stage 2	(22)	22	-	-
Transfer from Stage 1 to Stage 3	(10)	-	10	-
Transfer from Stage 2 to Stage 1	263	(263)	-	-
Transfer from Stage 2 to Stage 3	-	(104)	104	-
Transfer from Stage 3 to Stage 2	-	56	(56)	-
Transfer from Stage 3 to Stage 1	665	-	(665)	-
New financial assets originated	14	17	22	53
Changes to inputs used in ECL calculation	(1,030)	216	916	102
Loss allowance as at December 31, 2024	556	376	6,707	7,639

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

As at December 31, 2025, trade receivables of \$63,037 (2024 - \$60,098) were fully performing.

Trade receivables arise through the issue of credit through the credit card operations. Credit is issued on a revolving basis and ageing of accounts is monitored with reference to the number of days the minimum payment is past due. As of December 31, 2025, trade receivables of \$3,560 (2024 - \$2,695) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2025	2024
	\$	\$
Up to 3 months	2,905	2,566
3 to 6 months	337	104
Over 6 months	318	25
	3,560	2,695

As at December 31, 2025, trade receivables of \$6,559 (2024 - \$6,707) were impaired and fully provided for. The ageing of these receivables is as follows:

	2025	2024
	\$	\$
Up to 3 months	-	21
3 to 6 months	567	294
Over 6 months	5,992	6,392
	6,559	6,707

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

6. Trade and Other Receivables and Prepayments...continued

Movements on the Group Stage 3 provision for impairment of trade receivables are as follows:

	2025	2024
	\$	\$
Beginning of year	6,707	6,376
Provision for receivables impairment	2,812	1,907
Amounts recovered	(1,714)	(1,492)
Receivables written off during the year as uncollectible	(1,246)	(84)
End of year	6,559	6,707

The creation and release of provisions for impaired receivables have been included in the consolidated statement of income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables are neither past due nor impaired. The Group does not hold any collateral as security.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

7. Due by Associates

The amounts due by associates are interest free, unsecured and have no stated terms of repayment.

8. Due to Affiliates

The amounts due to affiliates are interest free, unsecured and have no stated terms of repayment.

The amounts due to affiliates comprise of the following:

	2025	2024
	\$	\$
Defined benefit pension plan (note 16)	-	71
Other	234	210
	234	281

The amount due to the defined benefit pension plan represents the amounts due to members from liquidation of the assets held by that plan (note 16). These amounts were repaid during the year.

9. Trade and Other Payables

	2025	2024
	\$	\$
Trade and other payables	6,637	6,343

During 2008, the Fortress Group established a staff share scheme for its employees. Included in trade and other payables is a balance of \$1,318 (2024 - \$1,265) which relates to 1,317,866 (2024 - 1,282,782) non-voting redeemable shares in Fortress Staff Share Scheme issued to employees of that company.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

10. Insurance contract liabilities

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for creditor life insurance product line, is disclosed in the table below:

As at December 31, 2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	\$		\$		\$
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at beginning of year	-	-	(53)	-	(53)
Insurance contract assets as at beginning of year	-	-	-	-	-
Net insurance contract liabilities as at beginning of year	-	-	(53)	-	(53)
Insurance revenue	1,704	-	-	-	1,704
Insurance service expenses	-	-	(62)	-	(62)
Incurred claims and other expenses	-	-	(82)	-	(82)
Changes to liabilities for incurred claims	-	-	(17)	-	(17)
Investment components	-	-	-	-	-
Insurance service result	1,704	-	(161)	-	1,543
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	1,704	-	(161)	-	1,543

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

10. Insurance contract liabilities...continued

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	\$		\$		\$
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Cash flows:					
Premiums received	(1,704)	-	-	-	(1,704)
Claims and other expenses paid	-	-	148	-	148
Total cash flows	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end of year - December 31, 2025	-	-	(66)	-	(66)

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

10. Insurance contract liabilities... continued

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for creditor life insurance product line, is disclosed in the table below:

As at December 31, 2024	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	\$	\$	\$	\$	\$
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at beginning of year	-	-	-	-	-
Insurance contract assets as at beginning of year	-	-	-	-	-
Net insurance contract assets as at beginning of year	-	-	-	-	-
Insurance revenue	545	-	-	-	545
Insurance service expenses	-	-	(50)	-	(50)
Incurred claims and other expenses	-	-	(10)	-	(10)
Changes to liabilities for incurred claims	-	-	(24)	-	(24)
Investment components	-	-	-	-	-
Insurance service result	545	-	(84)	-	461
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	545	-	(84)	-	461

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

10. Insurance contract liabilities...continued

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	\$		\$		\$
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Cash flows:					
Premiums received	(545)	-	-	-	(545)
Claims and other expenses paid	-	-	31	-	31
Total cash flows	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end of year	-	-	(53)	-	(53)

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates

Movement in investments in associates is as follows:

	2025	2024
	\$	\$
At the beginning of the year	46,551	44,466
Purchase of investment in associate	-	-
	46,551	44,466
Dividends received	(3,778)	(3,727)
Share of results, before tax	6,992	6,443
Share of tax	(688)	(631)
Share of results, net of tax	6,304	5,812
At the end of the year	49,077	46,551

The Group considers The Sunset Joint Venture as an associate as it has significant influence over this company through representation on its' Board of Directors (note 39).

The lease arrangement between Bridgetown Cruise Terminal Inc. (BCTI) and Barbados Port Inc. (BPI) expired on December 31, 2021 and the operations were transferred to Barbados Port Inc. effective January 1, 2022. The Group's investment was therefore classified as discontinued operations. In the prior year, the company received a distribution of \$690 from BCTI bringing their investment to zero at 31st December 2024.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates... continued

The Group's interests in its principal associates, all of which are unlisted, are as follows:

Name	Country of Incorporation	Assets	Liabilities	Revenues	Profit after tax	interest held
		\$	\$	\$	\$	%
2025						
G.C.S. Limited	Barbados	4,249	807	8,866	1,426	40%
CSGK Finance (Holdings) Limited	Barbados	240,189	205,938	16,116	3,899	50%
CS&C Joint Venture	Barbados	7,869	1,873	740	617	20%
The Sunset Joint Venture	Barbados	2,636	356	292	249	16%
Pick Up Taxi Inc.	Barbados	622	91	347	113	24.5%
Contonou Shores Ltd.	Bahamas	2,402	-	-	-	35%
Canouan CS&F Investments Limited	St. Lucia	175	-	-	-	35%
		258,142	209,065	26,361	6,304	

Name	Country of Incorporation	Assets	Liabilities	Revenues	Profit after tax	interest held
		\$	\$	\$	\$	%
2024						
G.C.S. Limited	Barbados	3,686	770	8,015	1,243	40%
CSGK Finance (Holdings) Limited	Barbados	219,566	187,421	14,432	3,632	50%
CS&C Joint Venture	Barbados	8,050	2,165	788	585	20%
The Sunset Joint Venture	Barbados	3,032	422	316	291	16%
Pick Up Taxi Inc.	Barbados	474	56	28	61	24.5%
Contonou Shores Ltd.	Bahamas	2,402	-	-	-	35%
Canouan CS&F Investments Limited	St. Lucia	175	-	-	-	35%
		237,385	190,834	23,579	5,812	

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates...continued

The amounts recognised in the statement of financial position are as follows:

Associates

	2025	2024
	\$	\$
	49,077	46,551

The amounts recognised in the statement of income are as follows:

Associates

	2025	2024
	\$	\$
	6,304	5,812

Name of entity	Place of business/country of incorporation	% of ownership interest	Nature of relationship	Measurement method
G.C.S. Limited	Barbados	40%	Note 1	Equity
CSGK Finance (Holdings) Limited	Barbados	50%	Note 2	Equity
CS & C Joint Venture	Barbados	20%	Note 3	Equity

Note 1: G.C.S. Limited retails destination apparel, souvenirs and gift items.

Note 2: CSGK Finance (Holdings) Limited is a financial services company which trades as SigniaGlobe Financial Group Inc.

Note 3: The CS & C Joint Venture is an investment property holding joint venture.

These associated companies are privately held companies and there is no quoted market price for their shares.

There are no contingent liabilities related to the Group's interest in the associates.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates ...continued

The following tables illustrate the summarised financial information of the Group's associates:

Summarised Statement of Financial Position

Name	G.C.S. Limited	CSGK Finance (Holdings) Limited	CS & C Joint Venture	Other	Total
	\$	\$	\$	\$	\$
2025					
Current assets	9,572	465,709	849	2,169	478,299
Current liabilities	2,017	57,442	115	481	60,055
Non-current assets	1,050	14,669	38,496	24,210	78,425
Non-current liabilities	-	354,434	9,250	2,117	365,801
Net assets	8,605	68,502	29,980	23,781	130,868
Interest in associates before intangibles	3,442	34,053	5,996	5,129	48,620
Intangibles on investments in associates	-	198	-	259	457
Interest in associates	3,442	34,251	5,996	5,388	49,077

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates ... *continued*

Summarised Statement of Financial Position... *continued*

Name	G.C.S. Limited	CSGK Finance (Holdings) Limited	CS & C Joint Venture	Other	Total
	\$	\$	\$	\$	\$
2024					
Current assets	8,254	424,142	1,749	2,250	436,395
Current liabilities	1,924	51,692	532	352	54,500
Non-current assets	961	14,996	38,501	26,001	80,459
Non-current liabilities	-	323,156	10,292	2,510	335,958
Net assets	7,291	64,290	29,426	25,389	126,396
Interest in associates before intangibles	2,916	31,947	5,885	5,346	46,094
Intangibles on investments in associates	-	198	-	259	457
Interest in associates	2,916	32,145	5,885	5,605	46,551

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

11. Investments in Associates...continued

Summarised Statement of Income

	G.C.S. Limited	CSGK Finance (Holdings) Limited	CS & C Joint Venture	Other	Total
	\$	\$	\$	\$	\$
2025					
Revenue	22,165	32,232	3,702	3,241	61,340
Post tax profit from continuing operations	3,565	7,797	3,086	2,019	16,467
Dividends received from associate	(900)	(1,792)	(507)	(579)	(3,778)

	G.C.S. Limited	CSGK Finance (Holdings) Limited	CS & C Joint Venture	Other	Total
	\$	\$	\$	\$	\$
2024					
Revenue	20,037	28,865	3,940	2,088	54,930
Post tax (loss)/profit from continuing operations	3,108	7,261	2,923	2,070	15,362
Dividends received from associate	(900)	(1,859)	(854)	(114)	(3,727)

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

12. Material partly-owned subsidiaries

Financial information of the major subsidiaries, Fortress Fund Managers Limited, DGM Financial Group and cave Shepherd (St. Lucia) Inc. (note 2(c)) with material non-controlling interest is presented below:

Summarised Statement of Financial Position

	2025	2024
	\$	\$
Current		
Assets	25,062	21,875
Liabilities	(6,225)	(6,835)
Total current net assets	18,837	15,040
Non-current		
Assets	3,410	3,656
Liabilities	(2,481)	(2,383)
Total non-current net assets	929	1,273
Net Assets	19,766	16,313

Summarised Income Statement

	2025	2024
	\$	\$
Revenue	21,192	19,290
Profit before income tax	10,103	9,123
Income tax expense	(848)	(786)
Post tax profit from continuing operations	9,255	8,337
Net profit and total comprehensive income from continuing operations	9,255	8,337
Total comprehensive income allocated to non-controlling interests	2,485	2,236
Dividends paid to non-controlling interests	1,516	2,266
Dividends paid to preference shareholders	175	-

In the prior year, the Group, issued 106,288 non-voting, redeemable, non-cumulative preference shares for \$1,063.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

12. Material partly-owned subsidiaries ...continued

Summarised financial information on subsidiaries with material non-controlling interests...continued

Summarised Cash Flows

	2025	2024
	\$	\$
Cash flows from operating activities		
Cash generated from operations	10,385	9,151
Interest received	298	216
Corporation tax paid	(1,323)	(271)
Net cash generated from operating activities	9,360	9,096
Net cash used in investing activities	(88)	(725)
Net cash used in financing activities	(6,709)	(4,872)
Net increase in cash and cash equivalents	2,563	3,499
Cash and cash equivalents at the beginning of the year	18,152	14,653
Cash and cash equivalents at the end of the year	20,715	18,152

During the year, Cave Shepherd (St. Lucia) Inc. was incorporated as a direct subsidiary of Cave Shepherd SRL. Cave Shepherd (St. Lucia) Inc. was formed as the parent company for the acquisition of Store All Inc., a storage business in Barbados. The company is capitalised with \$10,000 of which Cave Shepherd SRL owns 80% (\$8,000) and 20% in non-controlling interest (\$2,000).

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

13. Discontinued Operations

In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of \$3,500. At December 31, 2022, BCTI was classified as discontinued operations and the results of this company are presented below:

	2025	2024
	\$	\$
Share of results of associate - BCTI	-	(18)
Loss for the year from discontinued operations	-	(18)

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

14. Property, Plant and Equipment

	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Total
Year ended December 31, 2024				
Opening net book value	691	306	1,330	2,327
Additions	421	80	-	501
Disposals	-	(17)	(28)	(45)
Depreciation charge	(326)	(96)	(177)	(599)
Closing net book value	786	273	1,125	2,184
At December 31, 2024				
Cost	6,430	616	1,770	8,816
Accumulated depreciation	(5,644)	(343)	(645)	(6,632)
Net book value	786	273	1,125	2,184
Year ended December 31, 2025				
Opening net book value	786	273	1,125	2,184
Additions	487	86	55	628
Disposals	(2)	-	-	(2)
Depreciation charge	(249)	(114)	(175)	(538)
Closing net book value	1,022	245	1,005	2,272
At December 31, 2025				
Cost	6,892	622	1,795	9,309
Accumulated depreciation	(5,870)	(377)	(790)	(7,037)
Net book value	1,022	245	1,005	2,272

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

15. Right-of-use Assets

	Total
	\$
Year ended December 31, 2024	
Opening net book value	1,963
Additions	2,012
Depreciation charge	(664)
Closing net book value	3,311
At December 31, 2024	
Cost	5,289
Accumulated depreciation	(1,978)
Net book value	3,311
Year ended December 31, 2025	
Opening net book value	3,311
Additions	117
Depreciation charge	(635)
Closing net book value	2,793
At December 31, 2025	
Cost	5,406
Accumulated depreciation	(2,613)
Net book value	2,793

Refer to note 22 for further disclosures on right-of-use assets.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

16. Pension Plan Surplus

The Group has established a defined contribution plan and a defined benefit pension plan. The defined benefit pension plan is in the process of being wound up with the assets of the plan liquidated and held as restricted cash by the Company. The defined contribution pension plan was valued by independent actuaries every three years.

The benefits that members receive at retirement under the defined contribution plans depend on their account balances at retirement and the cost of purchasing an annuity. The last full actuarial valuation of the plan was performed as of January 1, 2023.

The parent company, Cave Shepherd & Co. Ltd. ("CSC") is responsible for the establishment of the plan and oversight of their administration. CSC's Board has delegated the responsibility of management and administration of the plans and the investment of the plan's assets to The Trustees of the plan. A separate trust fund has been established for the plan to receive and invest contributions and pay benefits due under each plan. Each year the Trustees review the level of funding such as asset-liability matching. All benefits are calculated and paid out in accordance with the rules of the pension plans. The plan assets include significant investments in quoted equity shares and bonds.

The Cave Shepherd defined benefit pension plan was closed to new entrants effective June 1, 2002. The Trustees of the plan and the Company decided to wind up the plan, effective May 31, 2023. The required statutory notification was given to the Financial Services Commission and the Plan's members and on November 29, 2023, approval was granted for the distribution of assets including the surplus, in accordance with the proposed scheme detailed in the wind-up Actuarial Valuation Report as at May 31, 2023 as allowed under the Occupational Pension Benefits Act, Cap 350B.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

16. Pension Plan Surplus... *continued*

Due to the wind up of the defined benefit plan, all of its assets have been liquidated. The table below shows the distribution of the Plan's assets and settlement of liabilities as at December 31, 2025 which comprises of cash held by the Company and is included in restricted cash in the consolidated statement of financial position.

	2025	2024
	\$	\$
Receivables (note 8)	-	71
Payables	-	-
	-	71
Liabilities in respect of:		
Active members	-	-
AVCs	-	-
Deferred pensioners	-	-
Other	-	71
	-	71
Members' surplus	-	-
	-	71

The actuarial assumptions in the wind up valuation disclosed that the liabilities provided represent the cost of securing active members' and deferred pensioners' current accrued pensions and existing pensioners' current monthly pensions with the selected insurance company at the wind-up date.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

17. Fixed Income Certificates Payable

The Fixed Income Certificates Payable will mature on June 30, 2027 bear interest at 3.50% and 3.75% (2024 – 3.50% and 3.75%) per annum and have the option of being renewed at the end of June 2026 for a further two years.

18. Unsecured Fixed Income Notes Payable

The Unsecured Fixed Income Notes payable are set out below:

	2025	2024
	\$	\$
Balance at beginning of year	22,000	21,000
Issued	-	3,000
Repaid	(4,000)	(2,000)
Balance at end of year	18,000	22,000

These Unsecured Fixed Income Notes are comprised as follows:

	2025	2024
	\$	\$
(a) \$20 million Note facility	2,500	6,000
(b) \$30 million Note facility		
• 1 st tranche	12,500	13,000
• 2 nd tranche	3,000	3,000
	15,500	16,000
Balance at end of year	18,000	22,000
Current portion	(6,000)	(9,000)
	12,000	13,000

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

18. Unsecured Fixed Income Notes Payable...continued

- (a) In 2021, the Company issued a new \$20 million multi-year Note facility. These Unsecured Fixed Income Notes will mature in two to four years, bear interest at 3.25% to 3.75% per annum and have the option of being renewed for a further two years. In 2021, the Company issued the first tranche for \$6,000 at interest rates of 3.25% and 3.75%. The 2-year first tranche note of \$3 million and the 4-year first tranche note of \$500 was repaid.
- (b) In 2023, Cave Shepherd Card (Barbados) Inc. ("CSCBI") issued a \$30 million multi-year Note facility. These Unsecured Fixed Income Notes will mature in two to four years, bear interest at 3.75% - 4.50% per annum and have the option of being renewed for a further two years. In the prior year, CSCBI issued the second tranche of \$Nil (2024 - first tranche of \$3,000) at interest rates ranging from 4.25% to 4.50% (2024 - 3.75% to 4.50%). The 2-year first tranche note of \$500 was repaid.

19. Dividends Payable

The Dividends payable comprise the following:

	2025	2024
	\$	\$
Dividend payable to equity holders of the Company	3,732	3,334
Dividend payable to non-controlling interest	540	782
Dividend payable to preference shareholders	210	-
	4,482	4,116

20. Long Term Loan

On July 7, 2025, Cave Shepherd Card (Barbados) Inc. (CSCBI) signed a Loan Agreement with Inter-American Investment Corporation (IDB Invest) to provide a \$10 million loan for the financing of the credit card portfolio. The loan bears interest at a variable rate equal to the sum of the Applicable Benchmark Rate, plus the Applicable Spread of 1.75% per annum, *however*, that at no time shall the Variable Rate be less than the Applicable Floor of 3.44% per annum. This loan is repayable on over a period of 5 years with a moratorium on principal of 1 year.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

20. Long Term Loan...continued

The loan is secured by demand debenture dated July 9, 2025 creating a fixed charge over the fixed and floating assets of CSCBI. As at the reporting date, CSCBI had drawn down \$10 million (2024 - \$Nil) of this loan. RBC Royal Bank (Barbados) Limited and IDB Invest have entered into an Intercreditor Agreement as of July 10, 2025 and have agreed to a pari passu treatment in respect of the liens and charges over the fixed and floating assets of CSCBI.

21. Borrowings

On January 31, 2022, Cave Shepherd Card (Barbados) Inc. (CSCBI) signed a Facility Letter with RBC Royal Bank (Barbados) Limited to provide a \$20 million Working Capital Line (WCL) for the financing of the credit card portfolio. The WCL bears interest at prime less 5.25% (currently 2.75%), is repayable on demand and may be drawn down and repaid by CSCBI at their discretion. The WCL is secured by demand debenture creating a fixed charge over the fixed and floating assets of CSCBI. As at the reporting date, CSCBI had drawn down \$11,828 (2024 - \$14,756) of this facility.

As at the reporting date, the Group has other overdraft facilities of \$6 million (2024 - \$6 million) of which \$Nil (2024 - \$Nil) were utilised.

22. Lease obligation liabilities

The Group has lease contracts for various items of buildings in its operations. Leases of buildings generally have lease terms between 3 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are lease contracts that include extension and termination options and variable lease payments, which are further discussed in note 2.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

22. Lease obligation liabilities...continued

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2025	2024
	\$	\$
Balance at beginning of year	3,311	1,963
Additions	117	2,012
Depreciation expense	(635)	(664)
Balance at end of year	2,793	3,311

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025	2024
	\$	\$
Balance at beginning of year	3,528	2,110
Additions	117	2,012
Interest	206	162
Lease payments	(794)	(756)
Balance at end of year	3,057	3,528
Current	367	612
Non-current	2,690	2,916
	3,057	3,528

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

23. Deferred Tax Liability

The deferred tax liability in the statement of financial position consists of the following:

	2025	2024
	\$	\$
Accelerated depreciation	54	9
Right-of-use assets and liabilities	13	11
Stock options	(37)	(34)
IFRS 9 Stage 1 & 2	(31)	13
Deferred tax liability	(1)	(1)

Deferred tax assets of \$104 (2024 - \$109) are not recognised for tax loss carry-forwards in some Group companies as the realisation of the related tax benefits through future taxable profits is not probable.

The Group has tax loss carry-forwards amounting to \$19,770 (2024 - \$15,244), which have expiry dates ranging between 2026 and 2032.

24. Share Capital

	2025		2024	
	No. of shares	\$	No. of shares	\$
Authorised				
The Company is authorised to issue an unlimited number of common shares of no-par value				
Issued				
Beginning of year	18,526,163	39,458	18,422,829	39,086
Issued	17,645	155	17,704	119
Exercised share options (note 25)	115,191	311	85,630	253
End of year	18,658,999	39,924	18,526,163	39,458

The Company issued 5,669 (2024 - 5,667) shares for \$56 (2024 - \$43) to key employees as shares in lieu of bonus and 11,976 (2024 - 12,037) shares were issued under the Employee Share Purchase Scheme for \$99 (2024 - \$76).

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

25. Share Based Payment

During 2020 the shareholders approved a continuation of the Employee Share Option Plan (ESOP) for key management employees within the Group. The Plan covers the issue of up to a further 1,200,000 shares over five years. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. The options are exercisable in three equal tranches with the first tranche being immediately upon being granted, the second tranche after one year and the third tranche after two years from the date of grant. The options have a contractual option term of five years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Average exercise price per share option	Options	Average exercise price per share option	Options
Outstanding at beginning of year	5.01	662,334	4.36	636,000
Granted	7.50	220,000	6.50	215,000
Exercised	4.27	(115,191)	4.49	(85,630)
Forfeited	0.00	-	4.50	(1,666)
Expired	4.18	(80,809)	4.57	(101,370)
Outstanding at end of year	8.87	686,334	5.01	662,334
Exercisable at end of year	5.85	613,000	4.83	590,667

Of the 686,334 outstanding options (2024 – 662,334), 613,000 options (2024 – 590,667) were exercisable.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

25. Share Based Payment...continued

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant-vest	Expiry date	Exercise price	Shares	
			2025	2024
2021-2021	2026	4.10	-	81,333
2021-2022	2026	4.10	-	40,667
2022-2022	2027	4.18	76,667	91,333
2022-2023	2027	4.18	38,333	45,667
2023-2023	2028	4.50	92,222	125,555
2023-2024	2028	4.50	46,112	62,778
2024-2024	2029	6.50	142,000	143,334
2024-2025	2029	6.50	71,000	71,667
2025-2025	2030	7.50	146,667	-
2025-2026	2030	7.50	73,333	-
			686,334	662,334

The weighted average fair value of options granted during 2025 was determined using the Binomial Pricing model was \$0.99 (2024 - \$0.80) per option. The significant inputs into the model were weighted average share price of \$8.87 (2024 - \$5.01) at the grant date, exercise price shown above, volatility 20%, dividend yield of 3% per annum, an expected option life of 4.5 years and an annual risk-free interest rate of 5.50% (2024 - 5.50%) per annum. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years.

During the year, 115,191 (2024 - 85,630) options granted between 2021 and 2024 were exercised and this resulted in these shares being issued with a value of \$90 (2024 - \$65) being transferred from share option reserve to share capital. During the year, 80,809 (2024 - 101,370) options granted between 2021 and 2024 (2020 and 2022) expired.

A total expense of \$203 (2024 - 141) is recognised in the consolidated statement of income for share options granted during the year which is attributed to the remaining 1/3 of the 2023 and 2/3 of the 2025 options granted being vested at year end. All other option grants were fully vested and expensed by December 31, 2025.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

26. Retained Earnings

	2025	2024
	\$	\$
Parent company	18,903	19,137
Subsidiary companies	24,867	16,710
Associated companies	29,546	27,018
	73,316	62,865

27. Revenue from Operations

	2025	2024
	\$	\$
Management fees	20,623	19,012
Finance income	14,074	12,995
Commissions	1,733	1,613
Interchange fees	1,369	1,261
Other	914	1,036
Dividend income	478	635
Rent	252	249
	39,443	36,801

28. Insurance service result

The breakdown of the insurance service result is presented below:

	2025	2024
	\$	\$
Insurance revenue	1,704	545
Insurance service expenses:		
Insurance service expense	(62)	(50)
Incurred claims and other expenses	(82)	(10)
Changes to liabilities for incurred claims	(17)	(24)
Other	(161)	(84)
	1,543	461

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

29. Other Gains

	2025	2024
	\$	\$
Gain on disposal of property, plant and equipment	29	17
Pension plan surplus gain (note 16)	-	(7)
	29	10

30. Gains on Financial Assets

	2025	2024
	\$	\$
Unrealised gain on financial assets at fair value through profit and loss	1,337	218

31. Employee benefits expense

Employee benefits expense comprise:

	2025	2024
	\$	\$
Salaries	10,131	9,348
National Insurance, group health and life	533	491
Medical	332	286
Pension – defined benefit plan expense	-	-
Pension – defined contribution plan costs	347	294
Employee share option expenses (note 25)	203	141
Other personnel expenses	576	437
	12,122	10,997

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

32. Income Tax Expense

The income tax expense is comprised of the following:

	2025	2024
	\$	\$
Current tax on profits for the year	1,041	1,402

The tax on the profit before tax differs from the theoretical amount that would arise using the basic rate of corporation tax as follows:

	2025	2024
	\$	\$
Profit before taxation	20,581	18,708
Corporation tax calculated at 9% (2024 – 9%)	1,853	1,684
Effect of lower tax rate	(295)	(46)
Movement in deferred tax asset not recognised	367	290
Tax effect of items not allowed in determining taxable profit	(884)	(526)
Tax charge	1,041	1,402

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

33. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Parent for the year by the weighted average number of common shares in issue during the year.

	2025	2024
	\$	\$
Net profit attributable to the equity holders of the parent	17,480	15,052
Weighted average number of ordinary shares issued	18,630,954	18,501,206
Basic earnings per share	\$0.94	\$0.81
Weighted average number of ordinary shares for diluted earnings per share	19,317,287	19,163,540
Diluted earnings per share	\$0.90	\$0.79

	2025	2024
	\$	\$
Net profit from continuing operations	17,480	15,070
Weighted average number of ordinary shares issued	18,630,954	18,501,206
Basic earnings per share	\$0.94	\$0.81
Weighted average number of ordinary shares for diluted earnings per share	19,317,287	19,163,540
Diluted earnings per share	\$0.90	\$0.79

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

34. Net Cash Generated from Operations

The reconciliation of profit before taxation to net cash generated from operations is as follows:

	2025	2024
	\$	\$
Cash flows from operating activities		
Profit before taxation from continuing operations	20,581	18,708
Loss before taxation from discontinued operations (note 13)	-	(18)
Net profit before taxation	20,581	18,690
Adjustments for:		
Depreciation (note 14)	538	599
Right-of-use depreciation (note 15)	635	664
Share of results of associates (note 11)	(6,304)	(5,812)
Share of results of associates – discontinued operations (note 13)	-	18
Realised and unrealised gain on financial assets at fair value through profit and loss (note 30)	(1,337)	(218)
Gain on disposal of property, plant and equipment (note 29)	(29)	(17)
Employee share option plan expense (note 25)	203	141
Redeemable preference shares dividend expense	385	-
Dividend income (note 27)	(478)	(635)
Finance costs	1,963	1,821
Operating profit before working capital changes	16,157	15,251
Net change in non-cash working capital items related to operations:		
- Trade and other receivables and prepayments	(3,059)	(6,179)
- Due by associates	(97)	(87)
- Due by affiliates	-	6
- Trade and other payables	132	(319)
- Insurance contract liabilities	13	53
- Deferred income	22	48
- Due to associates	-	-
- Due to affiliates	(47)	(3,897)
Cash generated from operations	13,121	4,876
Corporation taxes paid	(2,404)	(500)
Interest paid	(1,801)	(1,711)
Net cash generated from operations	8,916	2,665

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

35. Related Party Transactions

The following transactions were carried out with associates in the normal course of business:

	2025	2024
	\$	\$
Rental income	252	249
Management fees	11,502	10,519

Key Management Compensation:

	2025	2024
	\$	\$
Salaries	3,128	2,945
NIS	49	49
Medical	79	73
Pension, group life	114	112
Share Option Plan	111	79

In addition to disclosures on related party balances in notes 7 and 8, the balance was due to a related party:

	2025	2024
	\$	\$
Directors and Key Management	(9)	(5)

	2025	2024
	\$	\$
Directors' fees	186	184

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

36. Assets under Management

The activities of Fortress Insurance Company Ltd., a subsidiary of Fortress Fund Managers Limited, require that it commonly acts as trustees and/or in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals and trusts. Those assets that are held in a fiduciary capacity, and income generated by them, are not included in these financial statements. The company recognizes certain fees and commissions earned from these activities which are included in statement of income.

The following table represents the assets and related liabilities held in fiduciary capacity.

	2025	2024
	\$	\$
Carrying amount of assets	105,773	89,686
Carrying amount of associated liabilities	(105,773)	(89,686)
Net position	-	-

37. Commitments

There are no significant capital expenditures contracted for at the statement of financial position date but not yet incurred. There are no other significant commitments at the reporting date.

38. Comparatives

Certain comparative figures have been presented on a basis consistent with the current year.

39. Subsequent Events

On January 5, 2026, The Group acquired an 80% shareholding in Store All Inc., a storage company, based in Barbados.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

39. Subsequent Events...continued

Total consideration on acquisition is as follows:

	Notes	Fair value recognised on acquisition \$
Assets		
Cash on hand and at bank		1,184
Other current assets		257
Land	(a)	5,850
Buildings	(a)	6,803
Plant and Equipment	(a)	5,386
Total assets		19,480
Liabilities		
Accounts Payables and accruals		953
Preference shares	(b)	2,000
Other long-term liabilities		8
Total liabilities		2,961
Total identifiable net assets at fair value		16,519
Non-controlling interest measured at fair value	(c)	(2,034)
Provisional goodwill arising on acquisition		2,385
Intangibles arising on acquisition	(d)	7,670
Purchase consideration transferred		24,540

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

39. Subsequent Events...continued

- (a) This represents the fair value of the land, buildings and plant and equipment acquired at Pine Commercial, Gibbons and Lears.
- (b) Preference shares of \$2 million were issued to the previous owner at an interest rate of 5% per annum for a period of 5 years.
- (c) Non-controlling interest represents a 20% interest in Store All Inc.
- (d) Intangibles comprise the following:

	2025 \$
Customer lists	5,835
Trade name	1,835
	<u>7,670</u>

On January 5, 2026, Store All Inc. signed the following loan agreements with CIBC Caribbean Bank (Barbados) Limited:

- i. Demand Instalment Loan of \$16 million for the acquisition of Store All Inc. from the previous owner. This loan bears interest at prime less 5.30% (currently 2.75%) per annum, for a term of 15 years with a moratorium on the principal for the first 3 years. This loan is amortized over a period of 12 years and will be refinanced at the end of 7 years. This loan was fully drawn down on January 5, 2026.
- ii. Demand Construction Loan of \$2 million for the development of land at Lot 8 Lears, St. Michael. This loan bears interest at prime less 5.30% (currently 2.75%) per annum, for a term of 15 years with a moratorium on the principal for the first 3 years. This loan is amortized over a period of 12 years and will be refinanced at the end of 7 years. This loan has not yet been drawn down.

These loan facilities are secured by a fixed and floating charge debenture on the assets of Store All Inc. stamped to cover \$18 million. It is further secured by a pledge of Store All shares and the Company has provided Debt Service and Cost Service Overrun guarantees to the bank.

Notes to the Consolidated Financial Statements

December 31, 2025

Expressed in thousands of Barbados dollars

39. **Subsequent Events**...*continued*

Subsequent to year end, MyStorage Inc. acquired Lot 9 Lears, St. Michael for a total consideration of \$1.5 million. On December 22, 2025, the company signed a loan offer with SigniaGlobe Financial Group Inc. to finance the purchase of this property for \$1.50 million. This loan bears interest at a rate of prime less 3.75% (currently 5%) per annum for a term of 10 years with a moratorium on the principal for 1 year. As at the year-end, the loan was not drawn down.

The loan is secured by Fortress Global Fund shares held by Cave Shepherd (Cayman) Ltd. stamped to cover \$1.50 million. This security is to be replaced by a legal mortgage over the property stamped to cover \$1.50 million.

Subsequent to year end, the Company signed an offer letter from Eppley Caribbean Property Fund Limited SCC for the sale of its 16% interest in The Sunset Joint Venture for \$2.75 million.

CAVE SHEPHERD & CO. LIMITED
Company No. 21716

PROXY FORM

**FOR USE AT THE FIFTY-FIFTH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD
AT LLOYD ERSKINE SANDIFORD CENTRE ON THURSDAY, APRIL 23RD, 2026, AT 5.30 P.M.**

The undersigned Shareholder(s) of Cave Shepherd & Co. Limited (the "Company") hereby appoint(s) **SIR GEOFFREY CAVE**, Chairman, or failing him, **MR. ROGER M. CAVE**, Chief Executive Officer and Director, or instead of either of them:

.....
(PLEASE PRINT NAME OF PROXY ON THIS LINE ONLY IF YOU WISH TO APPOINT A PROXY OTHER THAN THE
CHAIRMAN OR CHIEF EXECUTIVE OFFICER)

of
(PLEASE PRINT PROXY'S ADDRESS HERE)

As my/our proxy to participate, vote and otherwise act for and on behalf of the undersigned in respect of all matters that may properly come before the **FIFTY-FIFTH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, APRIL 23rd 2026** and any adjournment thereof.

.....
Name of Shareholder(s)

.....
Signature of Shareholder (s)

.....
Date (DD/MM/YYYY)

Notes

1. You have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the management nominee. If you wish to designate as proxy a person other than the management nominee, you should strike out their names and insert in the space provided the name of the person you wish to designate as proxy.
2. When signing in a fiduciary or representative capacity, please provide full title as such. In the event of a Joint Shareholder, each should sign. A company should sign by an officer or attorney duly authorised in writing or under corporate seal.
3. If this form of proxy is not dated in the space provided, it is deemed to bear the date on which it was mailed to the Shareholder.
4. **To be valid, this proxy must be signed and deposited with the Group Corporate Secretary at Cave Shepherd & Co. Limited, One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados BB11059 or emailed to corporatesecretary@caveshepherd.com, no later than 4.00 p.m. (Barbados time) on Monday April 20th 2026 or if the Meeting is adjourned not less than 48 hours (excluding Sundays and Bank Holidays) before any adjourned Meeting.**

Please complete and return



**CAVE
SHEPHERD
& CO**

shaping tomorrow together

Cave Shepherd & Co. Limited
One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados BB11059

www.caveshepherd.com