

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Nine months ended September 30, 2021

# COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Nine months ended September 30, 2021

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Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the period ending 30<sup>th</sup> September 2021 (+20%) when compared to the same period of 2020. The Company's expectation is that growth will continue for the remainder of the year as COVID-19 related restrictions are more relaxed and the economy recovers, led by rebound of the tourism sector. The Retail and OFF-Premises channels have demonstrated rapid improvement driven by consumer spending preferences for home and small gathering consumption rather than at events attended in large numbers. Going into the fourth quarter of the year, the Company anticipates that with the approach of the festive season and further easing of curfews and other restrictions, there will be further improved growth to revenue as the Hotel and On-Premises channels continue to experience boost to their performance.

Operating expenses has increased to \$23M for the period (+13%) which is in line with the increase in production to mirror the increase in consumer purchases. The current disruption of the global supply chain has resulted in increases to the cost of goods and production materials. The Company anticipates that this disruption will result in approximately a 10% increase in cost over the remainder of the year. CBL will continue to implement cost mitigation and other measures to maintain the profit margin.

In third quarter, CBL continues to show profitability with Net Profit of \$1.9M in comparison to the Net Loss of \$0.8M for the comparative period 2020. Overall, CBL realized comprehensive income of \$6,120,543 for the first nine months of 2021. Management will continue to adjust its business strategies as we restore operating results to pre-Covid 19 levels.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

September 30, 2021, with corresponding figures for December 31, 2020  
(Expressed in Bahamian dollars)

	September 2021	December 2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,337,331	5,599,574
Trade receivables, net	2,853,979	3,030,847
Prepaid expenses and other assets	3,059,862	5,485,331
Inventories	27,336,695	23,963,687
Total current assets	42,587,867	38,079,439
<b>Non-current assets:</b>		
Property, plant and equipment	43,363,025	43,790,031
Right of use asset	8,131,659	6,612,032
Goodwill	4,487,242	4,487,242
Other intangible assets	1,799,759	1,957,788
Total non-current assets	57,781,685	56,847,093
Total assets	\$ 100,369,552	94,926,532
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 18,929,576	17,872,736
Short-term lease liability	2,159,807	2,408,602
Loans and borrowings	5,732,100	9,026,583
Total current liabilities	26,821,483	29,307,921
<b>Non-current liabilities:</b>		
Long-term lease liability	6,266,740	4,457,825
Total liabilities	33,088,223	33,765,746
<b>Equity:</b>		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	9,284,462	8,084,462
Retained earnings	29,117,546	24,197,003
Total equity	67,281,329	61,160,786
Total liabilities and equity	\$ 100,369,552	94,926,532

## COMMONWEALTH BREWERY LIMITED

### Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the three months ended September 30, 2021, with corresponding figures for the three months ended September 30, 2020

(Expressed in Bahamian dollars)

	September 2021	September 2020
<b>Income:</b>		
Revenue	\$ 29,130,148	22,533,163
Excise	(3,019,124)	(2,436,463)
Net revenue	26,111,024	20,096,700
<b>Operating expenses:</b>		
Raw materials, consumables and services	17,180,996	14,502,425
Personnel costs	4,525,768	4,565,364
Depreciation	1,695,719	1,612,162
Amortisation	107,829	102,252
Total operating expenses	23,510,312	20,782,203
Other expense/(income), net	387,393	(72,964)
Results from operating activities	2,213,319	(612,539)
Finance expenses	237,341	154,426
Total comprehensive income/(loss)	\$ 1,975,978	(766,965)
Basic and diluted earnings per share	\$ 0.07	(0.03)

## COMMONWEALTH BREWERY LIMITED

### Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the nine months ended September 30, 2021, with corresponding figures for the nine months ended September 30, 2020

(Expressed in Bahamian dollars)

	September 2021	September 2020
<b>Income:</b>		
Revenue	\$ 83,339,131	69,420,233
Excise	(8,369,930)	(7,043,326)
Net revenue	74,969,201	62,376,907
<b>Operating expenses:</b>		
Raw materials, consumables and services	50,173,293	46,642,303
Personnel costs	13,039,970	14,143,960
Depreciation	5,012,278	4,675,561
Amortisation	318,792	296,768
Total operating expenses	68,544,333	65,758,592
Other expense, net	939,572	41,952
Results from operating activities	5,485,296	(3,423,637)
Finance expenses	564,753	499,628
Total net profit/(loss)	\$ 4,920,543	(3,923,265)
<b>Other Comprehensive Income</b>		
Gain on revaluation of property	1,200,000	-
Total comprehensive income/(loss)	\$ 6,120,543	(3,923,265)
Basic and diluted earnings per share	\$ 0.16	(0.13)

## COMMONWEALTH BREWERY LIMITED

### Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2021

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2020	150,000	12,377,952	16,351,369	8,084,462	24,197,003	61,160,786
Net Profit	—	—	-	-	4,920,543	4,920,543
Revaluation Gain	—	—	-	1,200,000	-	1,200,000
Balance at September 30, 2021	\$ 150,000	12,377,952	16,351,369	9,284,462	29,117,546	67,281,329

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the nine months ended September 30 2021, with corresponding figures for the nine months ended September 30, 2020

(Expressed in Bahamian dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Net (loss)/income	\$ 4,920,543	(3,923,265)
Adjustments for:		
Depreciation	5,012,278	4,675,561
Amortisation	318,792	296,768
Impairment loss recognized on trade receivables	188,116	848,799
Gain on disposal of property, plant and equipment	(9,823)	(27,526)
Finance expense	564,753	499,628
Net cash from operation activities	10,994,659	2,369,965
Changes in non-cash working capital	292,110	(6,861,791)
Net cash from operations before changes in working capital	11,286,769	(4,491,826)
<b>Cash flows from financing activities</b>		
Interest paid	(564,753)	(499,628)
Proceeds from loans and borrowings	-	8,000,000
Repayment of loans and borrowings	(3,294,483)	(3,094,360)
Net cash used in financing activities	(3,859,236)	4,406,012
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(1,621,361)	(2,031,185)
Additions to intangible assets	(160,763)	(36,632)
Repayment of lease liabilities	(1,917,475)	(1,768,532)
Proceeds from sale of property, plant and equipment	9,823	1,738
Net cash used in investing activities	(3,689,776)	(3,834,611)
Net decrease in cash and cash equivalents	3,737,757	(3,920,425)
Cash and cash equivalents, beginning of year	5,599,574	5,979,119
Cash and cash equivalents, end of year	\$ 9,337,331	2,058,694

## **1. Accounting Policies**

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.