

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Twelve months ended December 31, 2021

# **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Financial Statements (Unaudited)

Twelve months ended December 31, 2021

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Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the period ending 31<sup>st</sup> December 2021 (+26%) when compared to the same period of 2020. Key drivers for the continued growth were a strong festive season, further easing of COVID-19 related restrictions and continued economic recovery, led by a rebound of the tourism sector. The Retail and Off-Premises channels have demonstrated rapid improvement driven by a shift in consumer spending to home and small gathering consumption rather than at events attended in large numbers.

Operating expenses has increased to \$27M for the period (+19%) 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. CBL will continue to implement cost mitigation and other measures to mitigate any profit margin dilution.

In the fourth quarter, CBL continues to show profitability with Net Profit of \$3.3M in comparison to the Net Profit of \$2.6M for the comparative period of 2020. Overall, CBL realized comprehensive income of \$9.4m for the full year of 2021 which is an impressive turnaround versus the total comprehensive loss of \$5.7m in 2020. Management will continue to closely monitor its business strategies as we navigate the ongoing market volatility whilst building for the future.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

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

	December 2021	December 2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 12,333,392	5,599,574
Trade receivables, net	3,822,015	3,030,847
Prepaid expenses and other assets	2,388,609	5,485,331
Inventories	21,060,072	23,963,687
Total current assets	39,604,088	38,079,439
<b>Non-current assets:</b>		
Property, plant and equipment	43,515,337	43,790,031
Right of use asset	7,842,602	6,612,032
Goodwill	4,487,242	4,487,242
Other intangible assets	1,697,984	1,957,788
Total non-current assets	57,543,165	56,847,093
Total assets	\$ 97,147,253	94,926,532
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 13,427,473	17,872,736
Short-term lease liability	2,063,364	2,408,602
Loans and borrowings	4,999,993	9,026,583
Total current liabilities	20,490,830	29,307,921
<b>Non-current liabilities:</b>		
Long-term lease liability	6,093,743	4,457,825
Total liabilities	26,584,573	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	32,398,897	24,197,003
Total equity	70,562,680	61,160,786
Total liabilities and equity	\$ 97,147,253	94,926,532

## COMMONWEALTH BREWERY LIMITED

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

For the three months ended December 31, 2021, with corresponding figures for the three months ended December 31, 2020

(Expressed in Bahamian dollars)

	December 2021	December 2020
<b>Income:</b>		
Revenue	\$ 33,449,577	26,579,853
Excise	(3,102,792)	(2,494,619)
Net revenue	30,346,785	24,085,234
<b>Operating expenses:</b>		
Raw materials, consumables and services	20,799,103	16,620,098
Personnel costs	4,404,053	4,163,557
Depreciation	1,612,115	1,664,937
Amortisation	101,775	101,807
Total operating expenses	26,917,046	22,550,399
Other (expense)/income, net	(36,227)	1,244,219
Results from operating activities	3,393,512	2,779,054
Finance expenses	112,159	186,646
Total comprehensive income/(loss)	\$ 3,281,353	2,592,408
Basic and diluted earnings per share	\$ 0.11	0.09

## COMMONWEALTH BREWERY LIMITED

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

For the twelve months ended December 31, 2021, with corresponding figures for the twelve months ended December 31, 2020

(Expressed in Bahamian dollars)

	December 2021	December 2020
<b>Income:</b>		
Revenue	\$ 116,788,708	95,893,532
Excise	(11,472,723)	(9,537,945)
Net revenue	105,315,985	86,355,587
<b>Operating expenses:</b>		
Raw materials, consumables and services	70,972,396	63,155,847
Personnel costs	17,444,023	18,307,517
Depreciation	6,624,393	6,340,498
Amortisation	420,567	398,575
Total operating expenses	95,461,379	88,202,437
Other (expense)/income	(975,799)	1,202,267
Results from operating activities	8,878,807	(644,583)
Finance expenses	676,913	686,274
Total net profit/(loss)	\$ 8,201,894	(1,330,857)
<b>Other Comprehensive Income</b>		
Gain on revaluation of property	1,200,000	(4,389,306)
Total comprehensive income/(loss)	\$ 9,401,894	(5,720,163)
Basic and diluted earnings per share	\$ 0.27	(0.04)

## COMMONWEALTH BREWERY LIMITED

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

For the twelve months ended December 31, 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	—	—	-	-	8,201,894	8,201,894
Revaluation Gain	—	—	-	1,200,000	-	1,200,000
Balance at December 31, 2021	\$ 150,000	12,377,952	16,351,369	9,284,462	32,398,897	70,562,680

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the twelve months ended December 30, 2021, with corresponding figures for the twelve months ended December 31, 2020

(Expressed in Bahamian dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Net (loss)/income	\$ 8,201,894	(1,330,857)
Adjustments for:		
Depreciation	6,624,393	6,340,498
Amortisation	420,567	398,575
Impairment loss recognized on trade receivables	239,694	1,155,627
Gain on disposal of property, plant and equipment	(9,816)	(35,788)
Finance expense	676,912	686,274
Net cash from operation activities	16,153,644	7,214,329
Changes in non-cash working capital	761,664	(2,362,694)
Net cash from operations before changes in working capital	16,915,308	4,851,635
<b>Cash flows from financing activities</b>		
Interest paid	(676,912)	(686,274)
Proceeds from loans and borrowings	-	8,000,000
Repayment of loans and borrowings	(4,026,590)	(6,809,672)
Net cash used in financing activities	(4,703,502)	504,054
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(2,886,413)	(3,325,795)
Additions to intangible assets	(160,763)	(36,632)
Repayment of lease liabilities	(2,483,679)	(2,408,595)
Proceeds from sale of property, plant and equipment	52,867	35,788
Net cash used in investing activities	(5,477,988)	(5,735,234)
Net decrease in cash and cash equivalents	6,733,818	(379,545)
Cash and cash equivalents, beginning of year	5,599,574	5,979,119
Cash and cash equivalents, end of year	\$ 12,333,392	5,599,574

## **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.