

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Three months ended March 31, 2022

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Three months ended March 31, 2022

Financial Update

Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the period ending 31st March 2022 (+20%) when compared to the same period of 2021. Key drivers for the continued growth were a further easing of COVID-19 related restrictions and continued economic recovery, led by a rebound of the tourism and hotel sector.

Operating expenses has increased to \$24M for the period (+14%) which is driven by increased sales and increase supply costs. There were continuous disruptions to the global supply chain that lead to higher input costs for the Company.

In the first quarter, CBL continues to show profitability with Net Profit of \$1.3M in comparison to the Net Loss of \$0.3M for the comparative period of 2021. CBL remains cautiously optimistic as local COVID economic recovery progresses. Management is also closely monitoring its business strategies and taking additional measures to limit the impact of the global supply chain. Still, price increases and out of stocks will be inevitable. CBL will continue to invest in its brands, technology, people and the community as part of its long-term strategy.

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

March 31, 2022, with corresponding figures for December 31, 2021

(Expressed in Bahamian dollars)

	March 2022	December 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,526,455	12,333,392
Trade receivables, net	4,131,868	3,528,302
Prepaid expenses and other assets	6,565,539	5,723,037
Inventories	23,697,275	21,060,072
Total current assets	40,921,137	42,644,803
Non-current assets:		
Property, plant, and equipment	42,724,750	43,515,336
Right of use asset	8,529,869	7,842,602
Goodwill	4,487,242	4,487,242
Other intangible assets	1,597,922	1,697,985
Total non-current assets	57,339,783	57,543,165
Total assets	\$ 98,260,920	100,187,968
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17,532,854	16,465,270
Short-term lease liability	2,205,772	2,063,364
Loans and borrowings	-	4,999,995
Total current liabilities	19,738,626	23,528,629
Non-current liabilities:		
Long-term lease liability	6,666,853	6,093,743
Total liabilities	26,405,479	29,622,372
Equity:		
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	9,284,462
Retained earnings	33,691,658	32,401,813
Total equity	71,855,441	70,565,596
Total liabilities and equity	\$ 98,260,920	100,187,968

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the three months ended March 31, 2022, with corresponding figures for the three months ended March 31, 2021

(Expressed in Bahamian dollars)

	March 2022	March 2021
Income:		
Revenue	\$ 29,029,240	24,244,250
Excise	(2,912,059)	(2,449,437)
Net revenue	26,117,181	21,794,813
Operating expenses:		
Raw materials, consumables, and services	18,397,843	15,622,056
Personnel costs	4,442,959	4,111,897
Depreciation	1,546,441	1,682,488
Amortisation	102,907	104,938
Total operating expenses	24,490,150	21,521,379
Other expense, net	51,596	434,082
Results from operating activities	1,575,435	(160,648)
Finance expenses	285,590	123,510
Total comprehensive (loss)	\$ 1,289,845	(284,158)
Basic and diluted earnings per share	\$ 0.04	(0.01)

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2022

(Expressed in Bahamian dollars)

	Share capital	Share premium	Contributed surplus	Revaluation surplus	Retained earnings	Total equity
Balance at December 31, 2021	150,000	12,377,952	16,351,369	9,284,462	32,401,813	70,565,596
Comprehensive income	—	—	-	-	1,289,845	1,289,845
Balance at March 31, 2022	\$ 150,000	12,377,952	16,351,369	9,284,462	33,691,658	71,855,441

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2022, with corresponding figures for the three months ended March 31, 2021

(Expressed in Bahamian dollars)

	2022	2021
Cash flows from operating activities		
Net (loss)	\$ 1,289,845	(284,158)
Adjustments for:		
Depreciation	1,546,441	1,682,488
Amortisation	102,907	104,938
Impairment (gain)/loss recognized on trade receivables	(94,244)	98,224
(Gain) on disposal of property, plant and equipment	-	(8,394)
Finance expense	285,590	123,510
Net cash from operation activities	3,130,539	1,716,608
Changes in non-cash working capital	(2,893,202)	1,340,632
Net cash from operations before changes in working capital	237,337	3,057,240
Cash flows from financing activities		
Repayment of loans and borrowings	(4,999,995)	(1,098,161)
Interest paid	(285,590)	(123,510)
Net cash used in financing activities	(5,285,585)	(1,221,671)
Cash flows from investing activities		
Additions to property, plant and equipment	(191,251)	(373,459)
Additions to intangible assets	(2,844)	(80,850)
Repayment of lease liabilities	(564,604)	(600,465)
Proceeds from sale of property, plant and equipment	10	8,394
Net cash used in investing activities	(758,689)	(1,046,380)
Net increase in cash and cash equivalents	(5,806,937)	789,189
Cash and cash equivalents, beginning of quarter	12,333,392	5,599,574
Cash and cash equivalents, end of quarter	\$ 6,526,455	6,388,763

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.