

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Twelve months ended December 31, 2022

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Twelve months ended December 31, 2022

Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the period ending 31st December 2022 (+19%) when compared to the same period of 2021. Key drivers for the continued growth were post pandemic recovery through easing of restrictions and a rebound of the tourism sector. These factors delivered strong growth in all channels with hotels and on-trade growth ahead of other channels. Revenue growth was delivered across most categories through premiumization of the portfolio in primarily spirits, malts, and beer.

Operating expenses has increased to \$111M for the period (+17%) which is primarily driven by increased production and logistics expenses, increased selling and marketing expenses, as well as increased payroll expenses. Certain of these increases were consistent with the result of post pandemic activities. 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 \$6M in comparison to the Net Profit of \$3.3M for the comparative period of 2021. Overall, CBL realized comprehensive income of \$13.7M for the full year of 2022 which displays the sustained growth versus the total comprehensive income of \$9.4m in 2021. 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, 2022, with corresponding figures for December 31, 2021
(Expressed in Bahamian dollars)

	December 2022	December 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,783,179	12,333,392
Trade receivables, net	3,491,290	3,528,302
Prepaid expenses and other assets	5,487,403	5,723,037
Inventories	26,241,019	21,060,072
Total current assets	46,002,891	42,644,803
Non-current assets:		
Property, plant and equipment	41,520,503	43,515,336
Right of use asset	8,972,772	7,842,602
Goodwill	4,487,242	4,487,242
Other intangible assets	1,878,085	1,697,985
Total non-current assets	56,858,602	57,543,165
Total assets	\$ 102,861,493	100,187,968
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,224,481	16,465,270
Short-term lease liability	2,440,283	2,063,364
Loans and borrowings	-	4,999,995
Total current liabilities	17,664,764	23,528,629
Non-current liabilities:		
Long-term lease liability	6,951,633	6,093,743
Total liabilities	24,616,397	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	40,081,313	32,401,813
Total equity	78,245,096	70,565,596
Total liabilities and equity	\$ 102,861,493	100,187,968

COMMONWEALTH BREWERY LIMITED

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

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

(Expressed in Bahamian dollars)

	December 2022	December 2021
Income:		
Revenue	\$ 39,955,991	33,449,577
Excise	(1,873,801)	(3,102,792)
Net revenue	38,082,190	30,346,785
Operating expenses:		
Raw materials, consumables and services	25,101,618	20,799,103
Personnel costs	5,131,054	4,404,053
Depreciation	1,599,461	1,612,115
Amortisation	118,957	101,775
Total operating expenses	31,951,090	26,917,046
Other (expense)/income, net	-	(36,227)
Results from operating activities	6,131,100	3,393,512
Finance expenses	117,837	112,159
Total comprehensive income/(loss)	\$ 6,013,263	3,281,353
Basic and diluted earnings per share	\$ 0.20	0.11

COMMONWEALTH BREWERY LIMITED

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

For the twelve months ended December 31, 2022, with corresponding figures for the twelve months ended December 31, 2021

(Expressed in Bahamian dollars)

	December 2022	December 2021
Income:		
Revenue	\$ 134,989,917	116,788,708
Excise	(9,677,692)	(11,472,723)
Net revenue	125,312,225	105,315,985
Operating expenses:		
Raw materials, consumables and services	85,070,125	70,969,479
Personnel costs	19,251,892	17,444,024
Depreciation	6,482,284	6,624,393
Amortisation	457,636	420,567
Total operating expenses	111,261,937	95,458,463
Other (expense)/income	264,309	(975,799)
Results from operating activities	14,314,597	8,881,723
Finance expenses	635,097	676,913
Total net profit/(loss)	\$ 13,679,500	8,204,810
Other Comprehensive Income		
Gain on revaluation of property	-	1,200,000
Total comprehensive income/(loss)	\$ 13,679,500	9,404,810
Basic and diluted earnings per share	\$ 0.46	0.27

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the twelve months ended December 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
Net Profit	—	—	-	-	13,679,500	13,679,500
Dividends	—	—	-	-	(6,000,000)	(6,000,000)
Balance at December 31, 2022	\$ 150,000	12,377,952	16,351,369	9,284,462	40,081,313	78,245,096

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the twelve months ended December 30, 2022, with corresponding figures for the twelve months ended December 31, 2021

(Expressed in Bahamian dollars)

	2022	2021
Cash flows from operating activities		
Net (loss)/income	\$ 13,679,500	8,204,810
Adjustments for:		
Depreciation	6,482,284	6,624,393
Amortisation	457,636	420,567
Impairment loss recognized on trade receivables	1,120,425	239,694
Loss on disposal of property, plant and equipment	-	246,827
Finance expense	635,097	676,913
Net cash from operation activities	22,374,942	16,413,204
Changes in non-cash working capital	(7,308,240)	571,590
Net cash from operations before changes in working capital	15,066,702	16,984,794
Cash flows from financing activities		
Interest paid	(635,097)	(676,913)
Payment of Dividends	(6,000,000)	-
Repayment of loans and borrowings	(4,999,995)	(4,026,590)
Net cash used in financing activities	(11,635,092)	(4,703,503)
Cash flows from investing activities		
Additions to property, plant and equipment	(2,124,290)	(2,847,944)
Additions to intangible assets	(637,737)	(160,764)
Repayment of lease liabilities	(2,219,796)	(2,548,581)
Proceeds from sale of property, plant and equipment	-	9,816
Net cash used in investing activities	(4,981,823)	(5,547,473)
Net decrease in cash and cash equivalents	(1,550,213)	6,733,818
Cash and cash equivalents, beginning of year	12,333,392	5,599,574
Cash and cash equivalents, end of year	\$ 10,783,179	12,333,392

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.