

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Twelve months ended December 31, 2023

# COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Twelve months ended December 31, 2023

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## Financial Update

Commonwealth Brewery Ltd. (CBL) saw its Net Revenues for the full year increase +5.0%, driven by continued volume growth. Revenue growth was delivered in our core on-trade channels and 700 Wines & Spirits alongside continued growth through our strategic brands in beer, malt and spirits categories. For the fourth quarter Net Revenue declined by single digits due to slower volume pace than expected, mainly in December.

Operating expenses increased to \$118M for the year (+5.7%) driven primarily by continued inflationary pressure increasing production, logistics, selling and marketing expenses. The increases were partially mitigated by targeted cost savings and productivity gains. Financing expenses also increased for the year with \$0.3M mainly caused by unfavourable FX costs.

Results from operating activities for the full year grew +1.8% compared to the previous year. For the full year of 2023, CBL realized comprehensive income of \$13.6M compared to \$13.7M in 2022. This result was tempered by a weak fourth quarter, particularly the month of December.

CBL generated \$15.3M in net cash flow from operating activities during the year, a marginal improvement of \$0.1M versus 2022. The Company paid \$13.8M in cash dividends to shareholders, a significant increase of \$7.8M compared to 2022.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

December 31, 2023, with corresponding figures for December 31, 2022

(Expressed in Bahamian dollars)

	December 2023	December 2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 7,170,379	10,783,179
Trade receivables, net	5,709,257	3,491,290
Prepaid expenses and other assets	4,005,227	6,403,972
Inventories	30,149,599	26,418,447
Total current assets	47,034,462	47,096,888
<b>Non-current assets:</b>		
Right of use asset	6,560,940	8,972,772
Property, plant and equipment*	40,304,473	41,520,503
Goodwill	4,487,242	4,487,242
Other intangible assets	1,410,085	1,878,085
Total non-current assets	52,762,740	56,858,602
Total assets	\$ 99,797,202	103,955,490
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 14,743,679	16,318,479
Short-term Lease Liability	2,128,748	2,440,283
Total current liabilities	16,872,427	18,758,762
<b>Non-current liabilities:</b>		
Long-term Lease liability	4,882,101	6,951,632
Total liabilities	21,754,528	25,710,394
<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	9,284,462
Retained earnings	39,878,891	40,081,313
Total equity	78,042,674	78,245,096
Total liabilities and equity	\$ 99,797,202	103,955,490

\* Revaluation of property not finalized at date of publishing, to be included in audited financial statements

# COMMONWEALTH BREWERY LIMITED

## Interim Statement of Profit or Loss (Unaudited)

For the three months ended December 31, 2023, with corresponding figures for the three months ended December 31, 2022

(Expressed in Bahamian dollars)

	December 2023	December 2022
<b>Income:</b>		
Revenue	\$ 36,849,272	39,955,991
Excise	(1,886,343)	(1,873,801)
Net revenue	34,962,929	38,082,190
<b>Operating expenses:</b>		
Raw materials, consumables and services	23,478,819	25,101,618
Personnel costs	5,061,129	5,131,054
Depreciation	1,486,625	1,599,461
Amortisation	119,982	118,957
Total operating expenses	30,146,555	31,951,090
Other income	198,058	-
Results from operating activities	5,014,432	6,131,100
Finance expenses	173,013	117,837
Total net profit	\$ 4,841,419	6,013,263
<b>Other comprehensive income</b>		
Gain on revaluation of property*	-	-
Total net profit and comprehensive income	4,841,419	6,013,263
Basic and diluted earning per share	\$ 0.16	0.20

\* Revaluation of property not finalized at date of publishing, to be included in audited financial statements

# COMMONWEALTH BREWERY LIMITED

## Interim Statement of Profit or Loss (Unaudited)

For the twelve months ended December 31, 2023, with corresponding figures for the twelve months ended December 31, 2022

(Expressed in Bahamian dollars)

	December 2023	December 2022
<b>Income:</b>		
Revenue	\$ 138,922,023	134,989,917
Excise	(7,313,752)	(9,677,692)
Net revenue	131,608,271	125,312,225
<b>Operating expenses:</b>		
Raw materials, consumables and services	91,299,412	85,070,125
Personnel costs	19,589,505	19,251,892
Depreciation	6,203,855	6,450,587
Amortisation	478,872	457,636
Total operating expenses	117,571,644	111,230,240
Other income	532,730	53,850
Results from operating activities	14,569,357	14,135,835
Finance expenses	971,779	456,335
Total net profit	\$ 13,597,578	13,679,500
<b>Other comprehensive income</b>		
Gain/loss on revaluation of property*	-	-
Total net profit and comprehensive income	13,597,578	13,679,500
Basic and diluted earning per share	\$ 0.45	0.46

\* Revaluation of property not finalized at date of publishing, to be included in audited financial statements

## COMMONWEALTH BREWERY LIMITED

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

For the twelve months ended December 31, 2023

(Expressed in Bahamian dollars)

	Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2022	150,000	12,377,952	16,351,369	9,284,462	40,081,313	78,245,096
Comprehensive income	-	-	-	-	13,597,578	13,597,578
<b>Transacitons with owners recorded directly to equity</b>						
Dividends declared \$0.46 per share	-	-	-	-	(13,800,000)	(13,800,000)
Balance at December 31, 2023	150,000	12,377,952	16,351,369	9,284,462	39,878,891	78,042,674

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the twelve months ended December 31, 2023, with corresponding figures for the twelve months ended December 31, 2022

(Expressed in Bahamian dollars)

	December 2023	December 2022
<b>Cash flows from operating activities</b>		
Net income	\$ 13,597,578	13,679,500
Adjustments for:		
Depreciation	6,203,855	6,450,587
Amortisation	478,872	457,636
Impairment loss recognized on cash and cash equivalents and trade receivables	1,083,213	1,120,425
Loss on disposal of property, plant and equipment	56	-
Interest expense	424,136	635,097
Net cash from operations before changes in working capital	21,787,710	22,343,245
Changes in non-cash working capital	(6,519,922)	(7,094,236)
Net cash from operationing activities	15,267,788	15,249,009
<b>Cash flows from financing activities</b>		
Payment of Dividends	(13,800,000)	(6,000,000)
Other Financing cost - stamp duty	-	(71,333)
Repayment of loans and borrowings	-	(4,999,995)
Interest paid	(424,136)	(635,097)
Net cash used (from)/in financing activities	(14,224,136)	(11,706,425)
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment (excl. ROU asset)	(2,575,993)	(2,124,290)
Additions to property, plant and equipment - ROU asset	-	-
Additions to intangible assets	(10,872)	(637,736)
Repayment of lease liability	(2,069,531)	(2,331,465)
Gain/(Loss) from sale of property, plant and equipment	(56)	694
Net cash used in investing activities	(4,656,452)	(5,092,797)
Net increase/(decrease) in cash and cash equivalents	(3,612,800)	(1,550,213)
Cash and cash equivalents, beginning of year	10,783,179	12,333,392
Cash and cash equivalents, end of year	7,170,379	10,783,179

## 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.

## 2. Reclassification

During the year, the following amounts previously reported as exchange gain/loss have been reclassified to finance expenses.

	Effect on 2022
Statement of Profit or Loss and Other Comprehensive Income	
Decrease in Other income	\$ 178,762
Decrease in Finance expenses	(178,762)
There was no effect on total net profit as a result of these changes.	<u>\$ -</u>