

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Six months ended June 30, 2024

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Six months ended June 30, 2024

Financial Update

Commonwealth Brewery Ltd. (CBL) experienced a 1.7% decline in revenue for the first six months of the year, primarily due to an unexpected disruption in the local market in June. The company saw a 2.3% revenue growth compared to the previous year during the first five months, however, this growth was negatively impacted during the month of June as certain of our main business customers interrupted normal purchases to address matters related to tax enforcement. Revenue growth was achieved in our other core channels including 700 Wines & Spirits which had a 1% Revenue growth for the first six months, driven by our strategic locally produced portfolio and an increase in consumer demand.

Operating expenses declined by 1.2% driven by targeted cost savings and productivity gains. Results from operating activities for the first six month of the year declined 7.4% compared to the previous year as a result of the weak second quarter. In the first half of 2024, CBL realized a net profit of \$6.1M compared to \$6.5M in 2023.

CBL generated \$6.0M in net cash flow from operating activities during the first half year of 2024, a substantial improvement of \$5.8M versus 2023.

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

June 30, 2024, with corresponding figures for December 31, 2023

(Expressed in Bahamian dollars)

	June 2024	December 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,530,843	7,636,646
Trade receivables, net	5,400,696	6,165,371
Prepaid expenses and other assets	3,813,196	4,084,135
Inventories	34,456,746	30,149,599
Total current assets	55,201,481	48,035,751
Non-current assets:		
Right of use asset	6,859,716	6,560,940
Property, plant and equipment	45,908,840	47,103,591
Goodwill	4,487,242	4,487,242
Other intangible assets	1,168,618	1,410,087
Total non-current assets	58,424,416	59,561,860
Total assets	\$ 113,625,897	107,597,611
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17,413,751	17,772,895
Short-term Lease Liability	2,524,330	2,128,748
Total current liabilities	19,938,081	19,901,643
Non-current liabilities:		
Long-term Lease liability	4,782,583	4,882,101
Total liabilities	24,720,664	24,783,744
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	16,083,580	16,083,580
Retained earnings	43,942,332	37,850,966
Total equity	88,905,233	82,813,867
Total liabilities and equity	\$ 113,625,897	107,597,611

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the three months ended June 30, 2024, with corresponding figures for the three months ended June 30, 2023

(Expressed in Bahamian dollars)

	June 2024	June 2023
Income:		
Revenue	\$ 34,280,999	36,497,859
Excise	(1,717,996)	(2,017,139)
Net revenue	32,563,003	34,480,720
Operating expenses:		
Raw materials, consumables and services	22,868,122	23,111,474
Personnel costs	4,403,715	4,898,689
Depreciation	1,569,705	1,614,531
Amortisation	120,733	119,188
Total operating expenses	28,962,275	29,743,882
Other income/(expenses)	116,742	107,109
Results from operating activities	3,717,470	4,843,947
Finance expenses	174,865	292,467
Total net profit	\$ 3,542,605	4,551,480
Other comprehensive income		
Gain on revaluation of property	-	-
Total net profit and comprehensive income	3,542,605	4,551,480
Basic and diluted earning per share	\$ 0.12	0.15

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the six months ended June 30, 2024, with corresponding figures for the six months ended June 30, 2023

(Expressed in Bahamian dollars)

	June 2024	June 2023
Income:		
Revenue	\$ 66,738,916	67,876,974
Excise	(3,711,825)	(3,634,258)
Net revenue	63,027,091	64,242,716
Operating expenses:		
Raw materials, consumables and services	43,896,972	44,108,802
Personnel costs	9,399,768	9,758,658
Depreciation	3,045,255	3,192,083
Amortisation	241,467	239,701
Total operating expenses	56,583,462	57,299,244
Other income	83,294	105,731
Results from operating activities	6,526,923	7,049,203
Finance expenses	435,557	575,435
Total net profit	\$ 6,091,366	6,473,768
Other comprehensive income		
Gain on revaluation of property	-	-
Total net profit and comprehensive income	6,091,366	6,473,768
Basic and diluted earning per share	\$ 0.20	0.22

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2024

(Expressed in Bahamian dollars)

	Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2023	150,000	12,377,952	16,351,369	16,083,580	37,850,966	82,813,867
Net Profit	-	-	-	-	6,091,366	6,091,366
Balance at June 30, 2024	150,000	12,377,952	16,351,369	16,083,580	43,942,332	88,905,233

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2024, with corresponding figures for the six months ended June 31, 2023

(Expressed in Bahamian dollars)

	June 2024	June 2023
Cash flows from operating activities		
Net income	\$ 6,091,366	6,473,767
Adjustments for:		
Depreciation	3,045,255	3,192,083
Amortisation	241,467	239,701
Impairment loss recognized on cash and cash equivalents and trade receivables	(56,314)	(356,875)
Finance expense	238,402	575,435
Net cash from operations before changes in working capital	9,560,176	10,124,111
Changes in non-cash working capital	(3,577,048)	(9,989,204)
Net cash from operationing activities	5,983,128	134,907
Cash flows from financing activities		
Repayment of loans and borrowings	-	-
Interest paid	(238,402)	(186,879)
Net cash used (from)/in financing activities	(238,402)	(186,879)
Cash flow from investing activities		
Additions to property, plant and equipment	(481,689)	(808,250)
Additions to intangible assets	2	-
Repayment of lease liability	(1,368,815)	(1,192,926)
(Loss) from sale of property, plant and equipment	(27)	(33)
Net cash used in investing activities	(1,850,529)	(2,001,209)
Net increase/(decrease) in cash and cash equivalents	3,894,197	(2,053,181)
Cash and cash equivalents, beginning of period	7,636,646	10,783,179
Cash and cash equivalents, end of period	11,530,843	8,729,998

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.