

Unaudited Financial Statements of
COMMONWEALTH BREWERY LIMITED

Six months ended June 30, 2022

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Six months ended June 30, 2022

Financial Update

Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the period ending 30th June 2022 (+19%) 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 increased by \$6.5M for the period (+14%) driven by increased sales and increases in supply costs. There are continuous disruptions to the global supply chain which leads to higher input costs for the Company.

Net Profit for the first half of the year increased by 109.1%, to \$6.1M, compared to \$3M for the corresponding period of 2021. Net Revenue grew by 18.2% during the second quarter, resulting in a 58.1% increase in Net Profit for the quarter, compared to Q2 2021.

CBL is cautiously optimistic regarding the continuation of the economic recovery supporting the above operating improvements. Management is closely monitoring its business strategies and taking necessary measures to limit the impact of the global supply chain difficulties being experienced.

On June 28th, 2022, the company declared a dividend payment of \$0.20 per share, totalling \$6M, with respect to the 2021 operating results.

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

June 30, 2022, with corresponding figures for December 31, 2021
 (Expressed in Bahamian dollars)

	June 2022	December 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,595,424	12,333,392
Trade receivables, net	5,397,154	3,528,302
Prepaid expenses and other assets	6,380,388	5,723,037
<u>Inventories</u>	<u>25,974,629</u>	<u>21,060,072</u>
Total current assets	50,347,595	42,644,803
Non-current assets:		
Property, plant, and equipment	42,226,736	43,515,336
Right of use asset	8,606,246	7,842,602
Goodwill	4,487,242	4,487,242
<u>Other intangible assets</u>	<u>1,480,036</u>	<u>1,697,985</u>
Total non-current assets	56,800,260	57,543,165
Total assets	\$ 107,147,855	100,187,968
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 21,414,737	16,465,270
Short-term lease liability	2,242,017	2,063,364
Dividends payable	6,000,000	-
<u>Loans and borrowings</u>	<u>-</u>	<u>4,999,995</u>
Total current liabilities	29,656,754	23,528,629
Non-current liabilities:		
<u>Long-term lease liability</u>	<u>6,728,325</u>	<u>6,093,743</u>
Total liabilities	36,385,079	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	32,598,993	32,401,813
Total equity	70,762,776	70,565,596
Total liabilities and equity	\$ 107,147,855	100,187,968

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the three months ended June 30, 2022, with corresponding figures for the three months ended June 30, 2021
 (Expressed in Bahamian dollars)

	June 2022	June 2021
Income:		
Revenue	\$ 35,131,875	29,964,733
Excise	(3,131,873)	(2,901,369)
Net revenue	32,000,002	27,063,364
Operating expenses:		
Raw materials, consumables, and services	20,890,577	17,350,610
Personnel costs	4,445,218	4,402,306
Depreciation	1,547,706	1,634,071
Amortisation	117,887	106,025
Total operating expenses	27,001,388	23,493,012
Other (expense)/income, net	23,143	(118,097)
Results from operating activities	5,021,757	3,452,255
Finance expenses	114,421	203,900
Total net profit	5,136,178	3,248,355
Other Comprehensive Income		
Gain on revaluation of property	-	1,200,000
Total comprehensive income	\$ 5,136,178	4,448,355
Basic and diluted earnings per share	\$ 0.16	0.15

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the six months ended June 30, 2022, with corresponding figures for the six months ended June 30, 2021
 (Expressed in Bahamian dollars)

	June 2022	June 2021
Income:		
Revenue	\$ 64,161,115	54,208,983
Excise	(6,043,932)	(5,350,806)
Net revenue	58,117,183	48,858,177
Operating expenses:		
Raw materials, consumables, and services	39,288,420	32,972,665
Personnel costs	8,888,177	8,514,203
Depreciation	3,094,147	3,316,559
Amortisation	220,794	210,963
Total operating expenses	51,491,538	45,014,390
Other expense, net	(28,454)	(552,179)
Results from operating activities	6,597,191	3,291,608
Finance expenses	400,011	327,411
Total net profit/(loss)	6,197,180	2,964,197
Other Comprehensive Income		
Gain on revaluation of property	-	1,200,000
Total comprehensive income/ (loss)	\$ 6,197,180	4,164,197
Basic and diluted earnings per share	\$ 0.21	0.14

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 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	—	—	—	—	6,197,180	6,197,180
Dividends	—	—	—	—	(6,000,000)	(6,000,000)
Balance at June 30, 2022	\$ 150,000	12,377,952	16,351,369	9,284,462	32,598,993	70,762,776

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2022, with corresponding figures for the six months ended June 31, 2021
 (Expressed in Bahamian dollars)

	2022	2021
Cash flows from operating activities		
Net Profit	\$ 6,197,180	2,964,197
Adjustments for:		
Depreciation	3,094,147	3,316,559
Amortisation	220,794	210,963
Impairment (gain)/loss recognized on trade receivables	(54,516)	121,465
(Gain) on disposal of property, plant and equipment	-	(10,346)
Finance expense	400,011	327,411
Net cash from operation activities	<u>9,857,616</u>	<u>6,930,249</u>
Changes in non-cash working capital	1,694,570	3,203,461
Net cash from operations before changes in working capital	<u>11,552,186</u>	<u>10,133,710</u>
Cash flows from financing activities		
Repayment of loans and borrowings	(6,830,261)	(2,196,322)
Interest paid	(400,011)	(327,411)
Net cash used in financing activities	<u>(7,230,272)</u>	<u>(2,523,733)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(191,251)	(2,443,069)
Additions to intangible assets	206,759	(160,763)
Repayment of lease liabilities	(1,129,082)	(1,229,003)
Proceeds from sale of property, plant and equipment	22	10,346
Net cash used in investing activities	<u>(1,113,552)</u>	<u>(3,822,489)</u>
Net increase in cash and cash equivalents	3,208,362	3,787,488
Cash and cash equivalents, beginning of period	9,387,062	5,599,574
Cash and cash equivalents, end of period	\$ 12,595,424	9,387,062

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.