

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Nine months ended September 30, 2022

## **COMMONWEALTH BREWERY LIMITED**

Management comments on Interim Financial Statements (Unaudited)

Nine months ended September 30, 2022

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Commonwealth Brewery Ltd. (CBL) continued to experience strong growth in Net Revenue during the quarter ending 30<sup>th</sup> September 2022 (+11%) when compared to the same period of 2021. The Company's expectation is that growth will continue for the remainder of the year as the pandemic related restrictions are more relaxed and the economy recovers, albeit ongoing inflation is challenging full recovery. The hotel and on-trade channels have demonstrated rapid improvement driven by increased tourism and acceleration of on-premise consumption with the return of events and nightlife occasion. Going into the fourth quarter of the year, the Company anticipates that with the approach of the festive season there will be continued growth of revenue.

Operating expenses has increased to \$27M for the quarter (+16%) which is reflective of the ongoing inflationary pressure. CBL, is experiencing rising costs associated with raw and packing materials, energy and logistics closely linked to global supply chain shortages. The Company anticipates that this disruption will result in further increases in cost over the remainder of the year. CBL will continue to implement cost mitigation and other measures to maintain the profit margin.

In third quarter, CBL continues to show profitability with Net Profit of \$2.2M in comparison to the Net Profit of \$2.0M for the comparative period 2021. Overall, CBL realized comprehensive income of \$8,372,280 for the first nine months of 2022. Management will continue to explore options to further mitigate the impact of rising costs on our customers and consumers despite the ever-changing market conditions.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

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

	September 2022	December 2021
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,344,270	12,333,392
Trade receivables, net	3,898,691	3,528,302
Prepaid expenses and other assets	6,827,495	5,723,037
Inventories	31,318,855	21,060,072
Total current assets	45,389,311	42,644,803
<b>Non-current assets:</b>		
Property, plant and equipment	41,760,523	43,515,336
Right of use asset	8,425,799	7,842,602
Goodwill	4,487,242	4,487,242
Other intangible assets	1,362,150	1,697,985
Total non-current assets	56,035,714	57,543,165
Total assets	\$ 101,425,025	100,187,968
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 19,669,526	16,465,270
Short-term lease liability	2,232,044	2,063,364
Loans and borrowings	-	4,999,995
Total current liabilities	21,901,570	23,528,629
<b>Non-current liabilities:</b>		
Long-term lease liability	6,585,579	6,093,743
Total liabilities	28,487,149	29,622,372
<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	34,774,093	32,401,813
Total equity	72,937,876	70,565,596
Total liabilities and equity	\$ 101,425,025	100,187,968

## COMMONWEALTH BREWERY LIMITED

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

For the three months ended September 30, 2022, with corresponding figures for the three months ended September 30, 2021

(Expressed in Bahamian dollars)

	September 2022	September 2021
<b>Income:</b>		
Revenue	\$ 30,872,811	29,130,148
Excise	(1,759,960)	(3,019,124)
Net revenue	29,112,851	26,111,024
<b>Operating expenses:</b>		
Raw materials, consumables and services	20,114,883	17,180,996
Personnel costs	5,232,662	4,525,768
Depreciation	1,756,980	1,695,719
Amortisation	117,886	107,829
Total operating expenses	27,222,411	23,510,312
Other expense, net	396,839	387,393
Results from operating activities	2,287,279	2,213,319
Finance expenses	112,182	237,341
Total comprehensive income/(loss)	\$ 2,175,097	1,975,978
Basic and diluted earnings per share	\$ 0.07	0.07

# COMMONWEALTH BREWERY LIMITED

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

For the nine months ended September 30, 2022, with corresponding figures for the nine months ended September 30, 2021

(Expressed in Bahamian dollars)

		September 2022	September 2021
<b>Income:</b>			
Revenue	\$	95,033,926	83,339,131
Excise		(7,803,891)	(8,369,930)
Net revenue		87,230,035	74,969,201
<b>Operating expenses:</b>			
Raw materials, consumables and services		59,403,303	50,173,293
Personnel costs		14,120,838	13,039,970
Depreciation		4,851,127	5,012,278
Amortisation		338,679	318,792
Total operating expenses		78,713,947	68,544,333
Other expense, net		368,385	939,572
Results from operating activities		8,884,473	5,485,296
Finance expenses		512,193	564,753
Total net profit/(loss)	\$	8,372,280	4,920,543
<b>Other Comprehensive Income</b>			
Gain on revaluation of property		-	1,200,000
Total comprehensive income/(loss)	\$	8,372,280	6,120,543
Basic and diluted earnings per share	\$	0.28	0.16

## COMMONWEALTH BREWERY LIMITED

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

For the nine months ended September 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
Net Profit	—	—	-	-	8,372,280	8,372,280
Dividends declared	—	—	-	-	(6,000,000)	(6,000,000)
Balance at September 30, 2022	\$ 150,000	12,377,952	16,351,369	9,284,462	34,774,093	72,937,876

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the nine months ended September 30 2022, with corresponding figures for the nine months ended September 30, 2021

(Expressed in Bahamian dollars)

	2022	2021
<b>Cash flows from operating activities</b>		
Net (loss)/income	\$ 8,372,279	4,920,543
Adjustments for:		
Depreciation	4,851,127	5,012,278
Amortisation	338,679	318,792
Impairment loss recognized on trade receivables	(42,566)	188,116
Gain on disposal of property, plant and equipment	-	(9,823)
Finance expense	512,193	564,753
Net cash from operation activities	14,031,713	10,994,659
Changes in non-cash working capital	(8,491,529)	292,110
Net cash from operations before changes in working capital	5,540,184	11,286,769
<b>Cash flows from financing activities</b>		
Interest paid	(514,727)	(564,753)
Repayment of lease liabilities	(1,626,731)	(1,917,475)
Payment of dividends	(6,000,000)	-
Repayment of loans and borrowings	(3,294,483)	(3,294,483)
Net cash used in financing activities	(13,141,453)	(5,776,711)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(1,385,009)	(1,621,361)
Additions to intangible assets	(2,844)	(160,763)
Proceeds from sale of property, plant and equipment	-	9,823
Net cash used in investing activities	(1,387,853)	(1,772,301)
Net decrease in cash and cash equivalents	(8,989,122)	3,737,757
Cash and cash equivalents, beginning of year	12,333,392	5,599,574
Cash and cash equivalents, end of year	\$ 3,344,270	9,337,331

## **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.