



Part of the **HEINEKEN** Company



ANNUAL REPORT
2025

CELEBRATING **40 YEARS**
OF BREWING IN THE BAHAMAS

40 YEARS OF BREWING IN THE BAHAMAS

COMMONWEALTH BREWERY LIMITED

Part of the **HEINEKEN** Company



OUR HISTORY



1980s FOUNDATION & FIRST BREWS

1984

License issued to Heineken Bahamas



1985

CBL being built on 23.5 Acres



1986

Arrival of Brew Kettle and bottling line



1987

First Brew of Heineken, Guinness and Vitamalt



1988

First Kalik Brew and Packaged



1990s GROWTH & RECOGNITION

1990

Kalik Receives first Gold Medal to Quality from IQS



1992

Kalik Gold Launched



1996

Vitamalt Original renamed Vitamalt Classic



1997

Kalik Light First Brewed



2000s EXPANSION & DIVERSIFICATION

2000

Bottle Recycling Centre Launched



2008

THW Plant Relocation & Kegs Introduction



2010

Commonwealth Brewery #1 in the Caribbean, Central America and Northern Latin America - Guinness Award



2010

Eclipse bottle introduced



2010s INNOVATION & LEADERSHIP

2010

Kalik Lime Launch



2011

CBL becomes publicly traded company with 2% Bahamian owned



2014

Kalik Radler Launch



2016

700 Wines & Spirits Opens Its Doors



2017

New Radler Flavors Launched Pine Colada, Cranberry, Mango & Grapefruit



2020s RESILIENCE & FUTURE FOCUS

2020

Heineken launches the Evergreen Business Strategy



2021

Kalik Redesigned Labels



2022

16 oz Vitamalt Can Production Begins



2023

New Sleek Cans and Sustainable Packaging debut



2024

Portfolio Expansion with Ricardo RTD "Smashin' Gombay" and "Hard Switcha" as well as Kalik Radler Lychee



2025

Building on the progress and learnings of EverGreen 2025, EverGreen 2030 introduced a stronger focus on Accelerating Growth, Stepping Up Productivity, and Focusing Future-Fit.



2026

Ricardo Rum Brand Refresh





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BUILT ON RESILIENCE. POSITIONED FOR GROWTH.

On behalf of the Board of Directors, I am pleased to present the 2025 Annual Report of Commonwealth Brewery Limited (CBL).

The Bahamian economy continued to demonstrate stability throughout 2025, supported by healthy tourism activity, sustained foreign investment, and a dynamic private sector. Despite ongoing global uncertainty, The Bahamas remained relatively well-positioned, benefiting from its status as a premier tourism destination and continued investment across key sectors of the economy.

For CBL, 2025 was a year that underscored the resilience of our business and the strength of the foundations built over four decades. While the operating environment remained challenging, the company remained focused on creating sustainable value for shareholders, maintaining financial discipline, and advancing its long-term strategic objectives.

Global economic conditions remained complex throughout the year. Inflationary pressures, geopolitical tensions, supply chain disruptions, and elevated transportation costs continued to affect businesses worldwide. Although inflation moderated from the historic highs experienced in recent years, consumers and businesses alike continued to face increased costs and economic uncertainty. For small, import-dependent economies such as The Bahamas, these pressures remained a meaningful consideration for both households and businesses.

Against this backdrop, CBL generated net revenue of \$127.6 million for the year ended December 31, 2025, compared to \$128.7 million in 2024. Net profit totaled \$10.0 million compared to \$14.2 million in the prior year. While profitability declined from the performance achieved in 2024, the company delivered a credible result in a challenging environment and remained financially sound, supported by disciplined management and prudent stewardship of resources.

The Board remained focused on strategic oversight, capital discipline, risk management, and ensuring that the Company remained well-positioned to pursue sustainable growth opportunities. CBL continues to benefit from a diversified business model, strong market positions across multiple beverage categories, and long-standing relationships with customers, consumers, and business partners. These strengths provide a solid foundation for navigating changing market conditions and creating long-term value.

As one of The Bahamas' leading manufacturers, distributors, and retailers, CBL continues to play an important role in the national economy. Beyond the products we bring to market, the company supports hundreds of Bahamian jobs and sustains a broad network of suppliers, retailers, hospitality operators, distributors, and service providers. Our operations contribute significantly through taxes, duties, capital investment, and commercial activity, reinforcing our longstanding contribution to national development and economic growth.

The Board remains committed to the principles of sound corporate governance, responsible stewardship, and sustainable value creation. These principles guide our decision-making and support the long-term resilience of the company while ensuring that we continue to meet the expectations of our shareholders and broader stakeholder community.

The Board recognizes that effective governance requires balancing growth opportunities with prudent risk management. In an increasingly dynamic global environment, our responsibility is to ensure that the company remains resilient, financially disciplined, and positioned to respond effectively to both challenges and opportunities.

One of the defining strengths of CBL continues to be its people. The Board extends its sincere appreciation to our employees whose professionalism, adaptability, and commitment enabled the company to successfully navigate another demanding year. Their dedication remains fundamental to our success and the strength of the organization.

The Board would also like to acknowledge an important leadership transition during the year. In 2025, we welcomed Etienne Bachellier as Managing Director. We are confident that his leadership, experience, and strategic perspective will help guide the company through its next phase of development. We look forward to working closely with him and the management team as they continue to execute the company's strategic priorities.

We also extend our gratitude to our customers, consumers, business partners, regulators, and shareholders for their continued trust and support. The confidence they place in our company strengthens our resolve to continue creating value and pursuing excellence in all aspects of our business.

Looking ahead, we remain optimistic about the future. While global economic uncertainty, inflationary pressures, and geopolitical risks continue to warrant caution, the underlying fundamentals of both the Bahamian economy and our business remain sound. Continued strength in tourism, ongoing investment across the country, and a stable domestic operating environment provide reasons for confidence as we enter the year ahead.

The pace of change across the global economy continues to accelerate. Shifting consumer behaviors, technological advancement, evolving regulatory expectations, and increasing focus on sustainability are reshaping the business landscape. Against this backdrop, the Board's role is to ensure that CBL remains adaptable, financially resilient, and positioned to capitalize on future opportunities.

The coming year will hold special significance as Commonwealth Brewery Limited celebrates 40 years of brewing in The Bahamas. Since our establishment in 1986, CBL has grown into one of the country's most recognized and respected companies. Over four decades, we have evolved alongside The Bahamas, contributing to its economic development while building a business that has become deeply woven into the fabric of Bahamian life.

This milestone provides an opportunity not only to celebrate our achievements, but also to recognize the employees, customers, business partners, and shareholders whose support has made this journey possible. It is equally an opportunity to reaffirm our commitment to the future and to the continued growth and success of this proudly Bahamian company.

As we reflect on our history, we remain firmly focused on the future. The Board is confident that the company possesses the talent, capabilities, and financial strength required to continue creating value

in an increasingly dynamic and competitive marketplace. We remain committed to building a business that is commercially successful, responsibly governed, and positioned for sustainable long-term growth.

On behalf of the Board of Directors, I thank you for your continued trust and support. Together, we look forward to building on our legacy, creating lasting value for our stakeholders, and writing the next chapter in Commonwealth Brewery Limited's proud history and beyond.



JULIAN W. FRANCIS | **CHAIRMAN**



MANAGING DIRECTOR'S REVIEW

BUILDING MOMENTUM. SHAPING THE FUTURE.

As Commonwealth Brewery Limited celebrates 40 years of brewing in The Bahamas, we have much to be proud of. Since brewing started in 1986, CBL has grown from a local brewery into one of the country's most recognized and respected companies. Over four decades, our brands have become woven into the fabric of Bahamian life, supporting celebrations, communities, businesses, and generations of consumers.

This milestone is more than a reflection on our history; it is a reminder of the strength of the foundations upon which we continue to build. The entrepreneurial spirit, resilience, and commitment to excellence that defined CBL's early years remain as relevant today as they were 40 years ago.

As I reflect on my first year as Managing Director, I have been inspired by the passion of our employees, the loyalty of our customers, and the tremendous opportunities that lie ahead for our business.

While 2025 presented its share of challenges, it also reinforced what makes CBL successful. The year was marked by continued inflationary pressures, rising energy costs, evolving consumer purchasing habits, and changes to the regulatory landscape. Consumers became increasingly value-conscious while carefully managing household budgets. At the same time, the industry faced additional pressure from revised taxes on imported spirits, new licensing requirements for liquor retailers, and ongoing supply chain challenges.

Against this backdrop, CBL remained profitable, generating net profit of \$10 million. While these results were below the prior year, they demonstrate the resilience of our business and our teams' commitment to delivering results in a demanding environment.

Despite these challenges, we continued to make meaningful progress across the organization.

STRENGTHENING OUR PORTFOLIO

Kalik continued to reinforce its position as The Beer of The Bahamas through successful consumer campaigns including Kalik Victory Fest, Kalik In Our Hands, and Kalik Pop the Top. These initiatives strengthened consumer engagement while reinforcing Kalik's deep connection to Bahamian culture. Momentum continued into the fourth quarter with the introduction of the

new Kalik 16oz can and the signing of a multi-year sponsorship agreement with Junkanoo, ensuring that our flagship brand remains closely aligned with one of the country's most celebrated cultural traditions.

Beyond Kalik, we continued to evolve and strengthen our portfolio to meet changing consumer preferences and unlock new growth opportunities. In 2025, we welcomed Red Bull to our portfolio, marking an exciting expansion into the energy drinks category and further diversifying our offering. We also introduced Vitamalt Vanilla, strengthening our non-alcoholic beverage portfolio and laying the groundwork for broader expansion in 2026.

Our commercial teams also delivered several successful activations throughout the year, including Garden Pour and Made in The Bahamas, creating meaningful engagement with consumers and trade partners while showcasing the breadth and diversity of our growing portfolio.

INVESTING IN OUR BUSINESS

Our retail business continued to evolve during 2025, with three 700 Wines & Spirits locations undergoing refurbishment to enhance the customer experience and strengthen our retail footprint.

Behind the scenes, our supply chain team continued to drive improvements in safety, service, and operational efficiency. Through a disciplined focus on continuous improvement, the team strengthened service levels, improved performance, and helped create a safer and more efficient operating environment.

These efforts reflect our broader commitment to building a more agile, efficient, and customer-focused organization. By investing in our infrastructure, capabilities, and operating processes, we are strengthening the foundations necessary to support sustainable growth and long-term success.

INVESTING IN OUR PEOPLE

Our people remain our greatest strength and one of CBL's most important competitive advantages.

During 2025, CBL reinforced its position as an employer of choice, achieving its highest employee retention levels since 2019. This reflects not only the strength of our culture, but also our commitment to creating an environment where employees can grow, develop, and build meaningful careers.

The year also saw 29 employees earn promotions, reflecting the depth of talent within the organization and our commitment to developing future leaders. Among these was the promotion of Carlos Sands to Sales Director, an important milestone that highlights both his contributions to the business and our continued focus on strengthening Bahamian leadership capability across the organization.

More than 90% of employees participated in training and development initiatives during the year, reinforcing our commitment to continuous learning and professional growth. We also launched the HEINEKEN Lead Unlock Programme, a comprehensive leadership development framework designed to equip current and emerging leaders with the skills, capabilities, and mindset needed to lead effectively in a rapidly evolving business environment.

At the same time, we continued strengthening our culture of recognition, engagement, and performance, ensuring that employees feel valued, empowered, and connected to the company's success.

As we look ahead, developing our people will remain a strategic priority. The long-term success of CBL depends not only on the strength of our brands and operations, but also on our ability to attract, retain, and develop talented individuals who will shape the future of our business. By investing in our people today, we are building the leadership, capabilities, and culture that will drive sustainable success for years to come.

BUILDING ON OUR MOMENTUM IN 2026

CBL carried strong momentum into 2026, delivering encouraging unaudited results for the first six months, with revenue growth, market share gains in key categories, and improved profitability.

Net revenue increased by 3.9% to \$65.7 million, supported by sustained demand across our beer and spirits portfolios and continued strength in



tourism and hospitality. Despite ongoing cost pressures, disciplined cost management and strong commercial execution contributed to improved operating performance.

These encouraging results demonstrate the resilience of our business, the effectiveness of our strategic initiatives, and our ability to translate growth opportunities into improved financial performance. As we celebrate our 40th anniversary, this momentum reinforces our confidence in CBL's direction and our ability to deliver sustainable, long-term value for shareholders.

LOOKING AHEAD

As we celebrate our 40th year of brewing in The Bahamas, our focus is firmly on the future. 2026 has presented significant opportunities for growth across our business. In beer, we will continue investing behind our core brands while exploring new ways to engage consumers, strengthen our market leadership, and build on the deep connections our brands have established with Bahamian consumers.

In wines and spirits, we are well positioned to capitalize on our strengthened partnerships with Moët Hennessy, Diageo, Royal Unibrew, and Gallo Wines. These strategic relationships create exciting opportunities to expand our premium portfolio, accelerate innovation, and respond to evolving consumer preferences. Major global events, particularly the 2026 FIFA World Cup, have also presented opportunities to drive consumer engagement, create impactful brand activations, and unlock new commercial opportunities across our portfolio.

Vitamalt Vanilla represents another exciting opportunity. Following its introduction in 2025, we will continue focusing on expanding availability, increasing consumer awareness, and establishing the brand as a meaningful contributor to future growth.

In retail, 2026 marks the 10th anniversary of our 700 Wines & Spirits retail brand, an important milestone that reflects a decade of serving customers across The Bahamas. We will build on this achievement by enhancing customer experiences, strengthening our store network, and creating new opportunities to engage and reward our loyal customers. Across the business, we will remain focused on improving efficiency, modernizing our operations, leveraging technology, and advancing transformation initiatives that support long-term competitiveness and sustainable growth.

As we celebrate four decades of brewing excellence, our ambition remains clear: to build on the strength of our brands, our partnerships,

and our people to create an even stronger Commonwealth Brewery Limited for the next generation.

CONCLUSION

Our 40th anniversary celebrations have provided an opportunity not only to reflect on our proud history but also to reaffirm our commitment to the future. The celebrations, including our landmark anniversary festival at the Clifton Pier Brewery in October, have brought together employees, customers, partners, and members of the wider community in recognition of the people and relationships that have shaped CBL's journey over four decades.

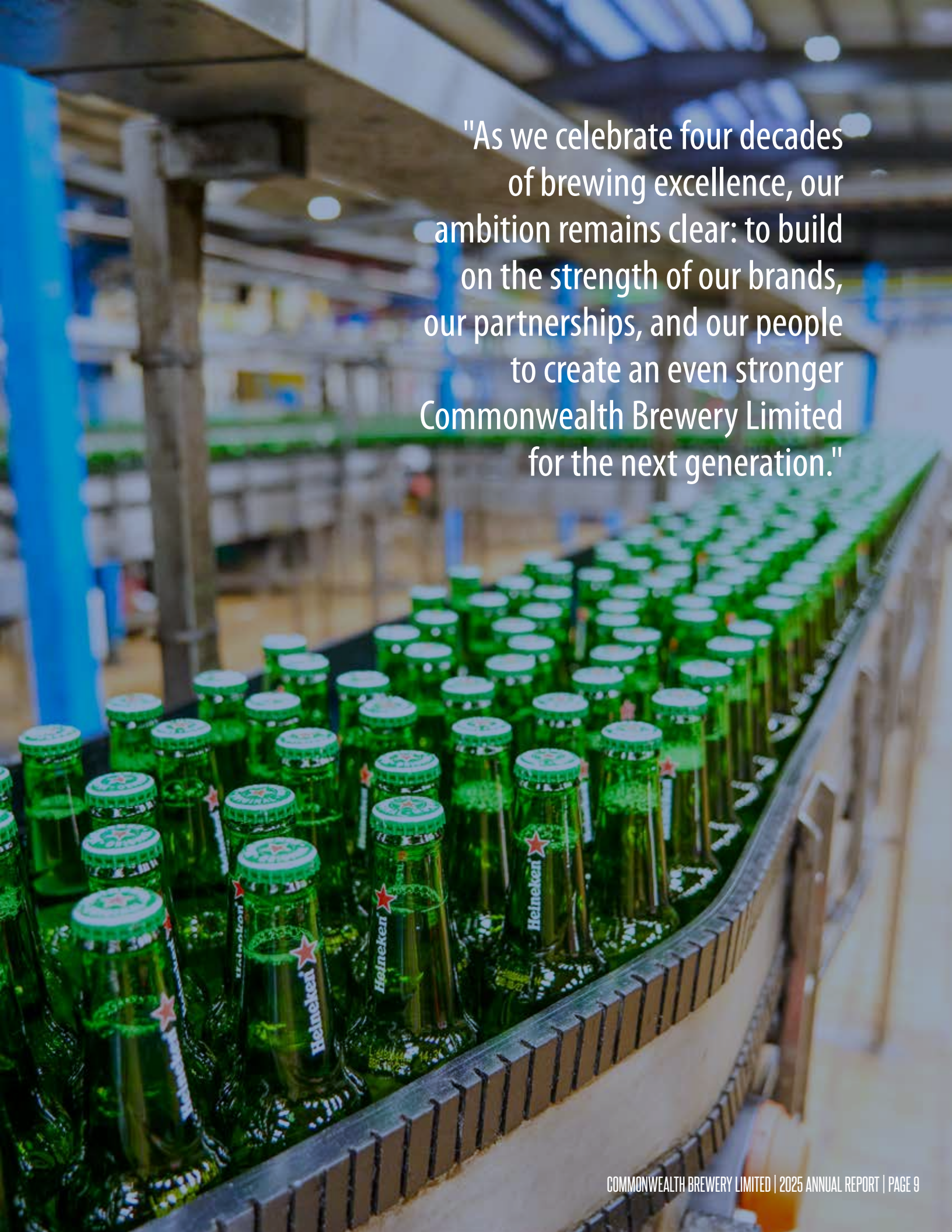
These moments have reinforced the strength of our connection to The Bahamas and the pride we share in being a company that has grown alongside the nation. They are also a reminder that our greatest achievements are not simply measured by the years behind us, but by the opportunities we create for the generations ahead.

While challenges will undoubtedly remain, I am optimistic about the future. CBL continues through 2026 with strong brands, talented people, trusted partnerships, and a clear ambition for growth. Our encouraging performance during the first half of the year reinforces that confidence and demonstrates the resilience and potential of our business. Most importantly, we celebrate this milestone year with a deep appreciation for the legacy that has brought us here and a determination to build an even stronger company for the next generation.

I would like to thank our employees, customers, consumers, business partners, and shareholders for their continued support and trust. It is a privilege to lead this remarkable organization, and I look forward to working alongside our talented team as we write the next 40 years in CBL's proud history.



ETIENNE BACHELLIER | **MANAGING DIRECTOR**



"As we celebrate four decades
of brewing excellence, our
ambition remains clear: to build
on the strength of our brands,
our partnerships, and our people
to create an even stronger
Commonwealth Brewery Limited
for the next generation."



COMMONWEALTH BREWERY LIMITED

DIRECTORS



JULIAN W. FRANCIS | CHAIRMAN

Mr. Francis is a former governor of the Central Bank of The Bahamas and brings a wealth of knowledge and experience to the Board. He was previously the Chairman of The Bahamas Telecommunications Company Limited (BTC) and has held other chairmanships and posts in both governmental and private organisations. He holds Bachelor's (with special honours) and Master's degrees in Finance from New York University.



ETIENNE BACHELLIER | MANAGING DIRECTOR

Mr. Etienne Bachellier was appointed Managing Director of Commonwealth Brewery Limited (CBL) in June 2025, bringing more than a decade of international leadership experience within HEINEKEN. Since joining HEINEKEN France in 2012, he has held senior commercial and marketing positions across France, the Netherlands and Belgium, building a strong track record in strategic brand development, portfolio premiumization, innovation and business growth.

Prior to joining CBL, Mr. Bachellier served as Marketing Manager at Alken-Maes in Belgium, where he successfully drove market share growth, improved profitability and strengthened the company's premium brand portfolio. His extensive international experience, commercial expertise and people-focused leadership continue to support CBL's strategic growth, operational performance and long-term development in The Bahamas.



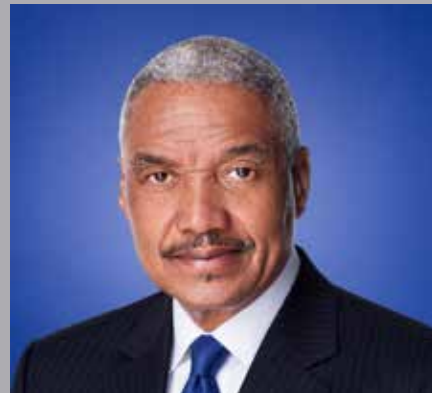
ED FIELDS | DIRECTOR

Ed Fields is a distinguished Bahamian business executive and corporate director with over four decades of leadership experience spanning tourism, hospitality, financial services, corporate affairs and business development. As Principal of EF Consultants, he brings extensive expertise in corporate governance, strategic planning, financial oversight and stakeholder engagement. His career includes senior executive roles at Atlantis Paradise Island, Nassau Cruise Port and Ocean Club Residences & Marina. He has served on prominent boards, including the Nassau Airport Development Board, Bahamas Hotel Tourism Association and Nassau Paradise Island Promotion Board. Mr. Fields holds a Master's degree in Public Administration from the University of Georgia and a Bachelor's degree in Government from Saint John's University.



PIOTR NOWAKOWSKI | DIRECTOR

Mr. Nowakowski is the Chief Financial Officer of Heineken Americas, a position he's held since March 2024. Mr. Nowakowski has worked for 25 years in the Heineken company in various countries and on various positions within the Finance function. Most recently he held the position of Chief Financial Officer of Heineken Brazil, one of the biggest operations of Heineken globally. Mr. Nowakowski holds a Master of Science in Economics degree from Academy of Economics in Katowice, Poland.



LESLIE MILLER | DIRECTOR

Mr. Miller is a Bahamian athlete, businessman, and politician who has served as chairman of New Providence Port Authority, the Bahamas Electricity Corporation, Town Planning, and the Water and Sewerage Corporation. He was elected a Member of Parliament for the Blue Hills and Tall Pines constituencies and has served variously as Minister of Trade and Industry and Minister of Agriculture and Marine Resources.



CHADEAU WILSON | SECRETARY

Mr. Chadeau Wilson began his professional career in the Audit practice at Deloitte & Touche in Cincinnati, Ohio, before joining Commonwealth Brewery Limited (CBL) in 2018. During his tenure at CBL, he held several key finance leadership positions, including Strategic Business Controller and Senior Manager, Planning and Control. He subsequently served as Finance Director at Brasserie Nationale d'Haïti, a HEINEKEN company, before his recent appointment as Regional Business Controller for HEINEKEN Americas.

Mr. Wilson is a Certified Public Accountant (CPA) and holds degrees in Finance and Accounting from Xavier University in Cincinnati, Ohio.

EXECUTIVE MANAGEMENT TEAM



ETIENNE BACHELLIER
MANAGING DIRECTOR



GARY LEWIS
FINANCE DIRECTOR



NATASHA O'BRIEN
SUPPLY CHAIN DIRECTOR





PAUL HAVEN
HUMAN RESOURCES DIRECTOR



ANDRE WOLDT
MARKETING DIRECTOR



CARLOS SANDS
SALES DIRECTOR



This Management Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements of Commonwealth Brewery Limited (CBL or the company) for the year ended December 31, 2025, including the accompanying notes. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and are expressed in Bahamian dollars. This MD&A is dated September 16, 2026.

This MD&A may contain forward-looking statements based on assumptions and expectations at the date of publication. Actual outcomes may differ materially because of changes in market conditions, operating performance, regulatory developments and other factors.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL PERFORMANCE

REVENUE

B\$136.34 million in 2024, a decline of 1.5%. Excise expense fell to B\$6.78 million from B\$7.64 million. Consequently, net revenue was B\$127.58 million, compared with B\$128.70 million in the prior year, a modest decrease of 0.9%. Against evolving consumer purchasing patterns, the company demonstrated resilience across its diversified manufacturing, distribution and retail operations.

Performance across the group's reportable segments reflected the breadth of its commercial footprint. Wholesale revenue declined by 3.5% to B\$75.38 million from B\$78.08 million, while retail revenue grew by 1.2% to B\$58.98 million from B\$58.26 million. This retail growth helped offset softer wholesale revenue. Management continued to support locally produced brands, develop the beverage portfolio and respond to changing customer preferences across channels.

Management's operational assessment for the year indicates that consumers remained value-conscious, with growth concentrated in mainstream and economy offerings. Local brands, including Kalik, Ricardo and Eclipse, were important elements of the portfolio strategy, complemented by innovation such as Ricardo ready-to-drink products. These brand, category and channel observations are management commentary and are not separately quantified or independently verified in the audited consolidated financial statements.

OPERATING EXPENSES & PROFITABILITY

Cost of goods sold decreased by 3.7% year-over-year, primarily Total operating expenses were B\$113.06 million, an increase of 0.9% from B\$112.08 million in 2024, despite lower revenue. Raw materials, consumables and services decreased by 0.5% to B\$86.39 million from B\$86.82 million, providing some offset to higher costs elsewhere. Personnel costs increased by 6.4% to B\$20.35 million from B\$19.12 million, while depreciation rose to B\$5.84 million from B\$5.65 million. Amortisation remained broadly stable at B\$0.48 million. These results highlight both areas of cost stability and the importance of ongoing expense discipline.

Other expense, net, amounted to B\$1.90 million in 2025, compared with other income of B\$0.13 million in 2024. This included a B\$1.77 million provision associated with the Anheuser-Busch International distribution licence dispute, recognised following the Privy Council ruling and described in Notes 14 and 16 of the audited statements. The provision materially affected reported profitability for the year. Results from operating activities were B\$12.62 million, compared with B\$16.75 million in 2024, a decrease of 24.6%. Finance expenses eased to B\$0.96 million from B\$0.99 million, while profit before income tax was B\$11.66 million compared with B\$15.76 million. After income tax expense of B\$1.64 million, the company remained profitable, generating net profit of B\$10.02 million, compared with B\$14.23 million in 2024, a decrease of 29.6%. Basic and diluted earnings per share were B\$0.33, compared with B\$0.47 in the prior year.

Despite the pressures on reported earnings, CBL maintained profitable operations in 2025. Its diversified portfolio, growing retail revenue and continued operating cash generation provide a foundation for management's focus on cost discipline, commercial competitiveness and operational improvement. In assessing the year's profitability, shareholders should also consider the significant legal provision recognised during the reporting period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025, CBL reported total assets of B\$111.62 million, compared with B\$113.51 million at the end of 2024. Current assets remained broadly stable at B\$55.05 million, compared with B\$55.26 million, although the working capital mix changed. Cash and cash equivalents were B\$7.62 million, down 39.4% from B\$12.58 million, and net trade receivables declined by 24.6% to B\$7.27 million from B\$9.65 million. Inventories increased by 15.8% to B\$36.44 million from B\$31.46 million, while prepaid expenses and other assets rose to B\$3.72 million from B\$1.58 million.

Current liabilities increased to B\$22.82 million from B\$18.59 million, largely reflecting higher accounts payable and accrued expenses. The company, nevertheless, maintained a current ratio above 2.0 times, at approximately 2.41 times versus 2.97 times in 2024. Total liabilities were B\$25.37 million compared with B\$23.18 million, while total equity remained substantial at B\$86.25 million, compared with B\$90.33 million, with the decline primarily reflecting dividends declared in excess of profit earned during 2025.

CAPITAL RESOURCES & CASH FLOWS

The company continued to generate solid cash flows from operations, with net operating cash of B\$16.44 million in 2025, compared with B\$17.23 million in 2024. Capital expenditure on property, plant and equipment increased to B\$4.51 million from B\$3.58 million, reflecting continued investment in the group's manufacturing, distribution and retail asset base. Net cash used in financing activities was B\$16.88 million, compared with B\$8.72 million in 2024, principally reflecting B\$14.10 million in dividends paid and lease-related payments. Following these cash outflows, cash and cash equivalents declined by B\$4.96 million over the year.

Dividends declared in 2025 totalled B\$14.10 million, equivalent to B\$0.47 per share, compared with B\$6.00 million, or B\$0.20 per share, in 2024. This distribution reflects a significant return to shareholders during the year. Future dividend declarations remain subject to the Board's assessment of the group's financial position, cash requirements and applicable shareholder approval arrangements. The company continues to manage liquidity prudently in support of its operating and investment needs.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2025, the company had customs bond guarantees of

B\$1.97 million, compared with B\$2.27 million in 2024. Lease obligations are recognised in the consolidated statement of financial position in accordance with IFRS 16, and should not be described as wholly off-balance sheet commitments. Note 14 also describes the continuing Department of Inland Revenue dispute concerning assessments of B\$596,003 for 2016 and B\$560,403 for 2017 relating to intra-group inventory transfers for Business Licence purposes. The company prevailed in arbitration, but the Department has retained its right to appeal, and the matter remains pending; no liability was recognised in respect of those assessments.

Separately, the company recognised a B\$1.77 million provision in respect of the Anheuser-Busch International dispute. Management continues to monitor its legal and contingent obligations and evaluate provisions and disclosures in accordance with applicable accounting requirements. Other litigation arising in the ordinary course of business is addressed in Note 14.

TRANSACTIONS WITH RELATED PARTIES

CBL engages in transactions with its parent company and other HEINEKEN company entities in the normal course of business. These include know-how, royalties, technology services, supply chain services, and inventory sales. Note 15 of the audited consolidated financial statements details related party balances, transactions and key management compensation. Amounts with the parent at December 31, 2025 included trade receivables of B\$0.21 million and accounts payable and accrued expenses of B\$2.13 million. Transactions with the parent included know-how fees of B\$2.41 million and IT-related and other fees of B\$2.61 million.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The preparation of the consolidated financial statements requires management to exercise judgement and make estimates that may affect reported assets, liabilities, income and expenses. Note 3 identifies significant accounting policies, judgements and estimation uncertainties, including expected credit losses, property valuations, goodwill impairment and provisions for legal matters.

Goodwill from the 2000 acquisition of Butler & Sands Company Limited was B\$4.49 million at December 31, 2025, unchanged from 2024. As set out in Note 9, goodwill is subject to annual impairment testing based on projected cash flows, discount rates and long-term growth assumptions. The independent auditors identified the related impairment assessment as a key audit matter in their report.

The 2024 comparative financial information has been restated for the retrospective application of the Domestic Minimum Top-Up Tax and corrections relating to certain lease arrangements under IFRS 16 and property revaluation, as detailed in Note 27. Accordingly, all financial comparisons in this MD&A use the restated 2024 figures presented in the 2025 audited consolidated financial statements.



A LANDMARK INVESTMENT IN BAHAMIAN CULTURE: KALIK SECURES HISTORIC MULTI-YEAR JUNKANOO PARTNERSHIP

In 2025, we reinforced our unwavering commitment to Bahamian culture, heritage and national identity through one of the most significant sponsorship agreements in the history of our flagship brand, Kalik. In November, Commonwealth Brewery Limited formalized a landmark, six-figure, multi-year partnership establishing Kalik, The Beer of The Bahamas, as the Official Alcohol Beverage Sponsor of Junkanoo in New Providence for the 2025 to 2029 period.

This historic agreement represented far more than a commercial sponsorship. It was a significant long-term investment in the preservation, celebration and continued development of The Bahamas' most iconic cultural tradition. Through our partnership with the Ministry of Youth, Sports and Culture and the National Junkanoo Committee, we strengthened our role as a committed corporate partner in advancing Bahamian cultural expression and supporting the communities, artists and organizations that sustain this extraordinary national tradition.

Under the agreement, Kalik secured official sponsorship rights for the annual Boxing Day and New Year's Day Junkanoo Parades in New Providence, together with associated official festivals, events and cultural activities. The four-year commitment established a framework for sustained corporate support, providing greater continuity and opportunities for collaboration in the planning, promotion and execution of these nationally significant celebrations.

A PARTNERSHIP ROOTED IN BAHAMIAN IDENTITY

For generations, Junkanoo has represented the creativity, resilience, unity and cultural pride of the Bahamian people. Its vibrant costumes, distinctive rhythms, intricate craftsmanship and spirited performances have made it one of the most recognizable expressions of Bahamian identity, bringing together communities while showcasing our heritage to audiences at home and internationally.

As The Beer of The Bahamas, Kalik has maintained a longstanding and authentic connection to this cultural institution. From the excitement of Bay Street on Boxing Day and New Year's morning to the countless hours of preparation in Junkanoo shacks across the country, our brand has been part of the celebrations and shared experiences that define Bahamian life.

Our decision to enter into a formal, multi-year agreement reflected our belief that iconic national brands have an important role to play in supporting the cultural traditions that contribute to our collective identity. It also demonstrated our intention to move beyond individual event sponsorships toward more structured, meaningful and sustainable partnerships with the communities we serve.

Importantly, the agreement represented Kalik's most significant sponsorship commitment to Junkanoo to date, underscoring the strategic importance of cultural investment within our broader approach to brand development, community engagement and corporate responsibility.

BUILDING ON DECADES OF MEANINGFUL SUPPORT

Our relationship with Junkanoo extends well beyond the official parades and formal sponsorship arrangements. Over the years, we have supported the Junkanoo community through practical contributions, direct engagement and initiatives designed to recognize the dedication and creativity of participating groups.

This support has included the donation of cardboard, an essential material used in traditional Junkanoo costume construction, helping groups access resources needed to bring their elaborate designs to life. We have also supported Victory Fest celebrations, providing opportunities for winning groups to benefit directly from their achievements and reinforcing the importance of recognizing the tremendous commitment involved in preparing for Junkanoo. Our longstanding presence within Junkanoo shacks has further strengthened our relationships with the artists, designers, musicians and volunteers whose dedication sustains this important cultural tradition. These connections have allowed us to engage with the Junkanoo community beyond the parade route, recognizing the months of preparation, collaboration and craftsmanship that make each celebration possible.

Through our continued involvement, we have sought to ensure that our support reaches beyond the spectacle of the parades to acknowledge the people and communities responsible for keeping Junkanoo alive.

STRENGTHENING CULTURAL SUSTAINABILITY AND COMMUNITY PARTNERSHIPS

The 2025 agreement marked an important evolution in our approach to cultural sponsorship, emphasizing the value of long-term commitments in supporting the sustainability of national traditions. By establishing a multi-year partnership, we aimed to contribute to greater stability and continuity in corporate support for Junkanoo while strengthening collaboration among public and private sector stakeholders. This approach reflected our broader commitment to building enduring relationships that create value beyond individual campaigns or events.

Junkanoo also plays an important role in community development, bringing together generations of Bahamians through artistic expression, mentorship, teamwork and shared cultural experiences. The tradition supports the development of creative skills, encourages intergenerational knowledge transfer and provides a platform for Bahamians to participate in the preservation of their national heritage.

Our investment therefore aligned with our wider commitment to community engagement and the celebration of Bahamian talent. By supporting Junkanoo, we recognized not only its cultural significance but also its contribution to social connection, national pride and the vibrancy of the communities in which we operate.

The partnership also provided opportunities to strengthen Junkanoo's visibility as a distinctive element of The Bahamas' cultural and tourism offering. As interest in authentic cultural experiences continues to grow, we believe sustained collaboration among government, cultural organizations and the private sector can play an important role in promoting Bahamian heritage to wider audiences.

REINFORCING KALIK'S POSITION AS THE BEER OF THE BAHAMAS

From a brand perspective, the agreement reinforced Kalik's unique position within the Bahamian market and its longstanding association with national celebrations, cultural traditions and shared experiences. Since its introduction in 1988, Kalik has developed into one of the country's most recognizable homegrown brands. Its connection to Junkanoo reflects an authentic relationship built over decades, grounded in shared Bahamian heritage and a commitment to celebrating the people and traditions that make The Bahamas unique.

The multi-year sponsorship provided a platform to deepen this connection, strengthen brand visibility and create meaningful opportunities for consumer engagement during some of the country's most anticipated cultural celebrations.

More importantly, it reinforced our commitment to ensuring that Kalik remains a brand that Bahamians can identify with and take pride in, not simply through its products, but through its continued investment in the traditions and experiences that bring our communities together.

A LASTING COMMITMENT TO OUR CULTURAL HERITAGE

The signing of our historic Junkanoo partnership in November 2025 represented a defining milestone in Kalik's cultural sponsorship legacy and an important demonstration of Commonwealth Brewery Limited's long-term commitment to The Bahamas.

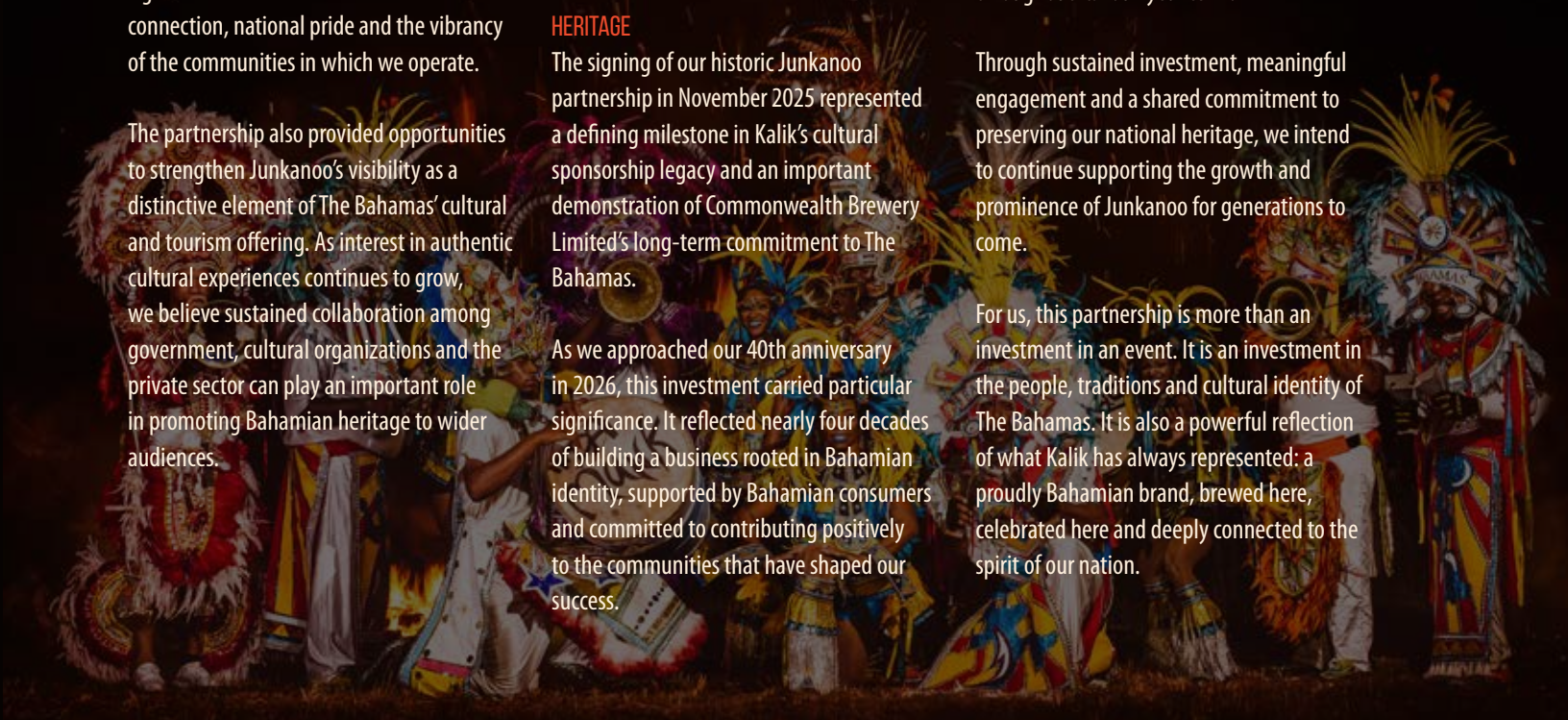
As we approached our 40th anniversary in 2026, this investment carried particular significance. It reflected nearly four decades of building a business rooted in Bahamian identity, supported by Bahamian consumers and committed to contributing positively to the communities that have shaped our success.



Looking ahead, our focus remains on working collaboratively with the Ministry of Youth, Sports and Culture, the National Junkanoo Committee and the wider Junkanoo community to maximize the cultural and community value of this partnership throughout its four-year term.

Through sustained investment, meaningful engagement and a shared commitment to preserving our national heritage, we intend to continue supporting the growth and prominence of Junkanoo for generations to come.

For us, this partnership is more than an investment in an event. It is an investment in the people, traditions and cultural identity of The Bahamas. It is also a powerful reflection of what Kalik has always represented: a proudly Bahamian brand, brewed here, celebrated here and deeply connected to the spirit of our nation.



KALIK CELEBRATES BAHAMIAN LOYALTY WITH POP THE TOP PROMOTION

In 2025, we continued to strengthen consumer engagement and brand loyalty through Kalik's exciting Pop The Top promotion, reinforcing its position as The Beer of The Bahamas and celebrating the enduring connection between our flagship brand and Bahamian consumers.

The nationwide campaign rewarded loyal Kalik consumers with opportunities to win cash prizes through specially marked bottle caps. By collecting four designated Grand Prize caps, participants qualified for exciting rewards, including \$1,000 cash prizes and the opportunity to compete for a \$20,000 grand prize.

The promotion generated excitement across The Bahamas, with \$1,000 prize winners announced in Bimini, Grand Bahama and Eleuthera during the campaign. The participation of consumers from across the Family Islands reflected Kalik's strong national appeal and our continued commitment to ensuring that brand promotions and consumer rewards extend beyond New Providence.

Beyond the prizes, Pop The Top provided an opportunity to deepen our connection with consumers, drive brand engagement and recognize the loyalty that has supported Kalik for nearly four decades. The campaign also reinforced our focus on creating memorable consumer experiences that celebrate Bahamian culture, community and national pride.



Through initiatives such as Pop The Top, we continued to invest in strengthening Kalik's market presence, supporting consumer engagement and building lasting brand affinity across generations.

The 2025 campaign reflected our commitment to keeping Kalik relevant, engaging and deeply connected to the communities we serve. As The Beer of The Bahamas, Kalik remains an important symbol of national pride and celebration, while continuing to play a central role in our portfolio and long-term brand development strategy.



STRENGTHENING OUR PORTFOLIO THROUGH OUR PARTNERSHIP WITH **RED BULL**



In 2025, we strengthened our beverage portfolio through a strategic partnership with Red Bull, one of the world's leading energy drink brands. As the exclusive local distributor in The Bahamas, we expanded our presence in the energy drink category, reinforcing our commitment to portfolio diversification, innovation and delivering internationally recognized brands to Bahamian consumers.

The addition of Red Bull represented an important milestone in our strategy to capitalize on evolving consumer preferences and growing demand for non-alcoholic beverages. Leveraging our established distribution network and extensive market expertise, we focused on expanding the brand's availability across key retail and commercial channels, including supermarkets, convenience stores, gas stations, gyms and entertainment establishments throughout The Bahamas.

Our partnership also created new opportunities for our retail and trade partners by introducing a globally recognized brand with strong consumer appeal and growth potential. This addition further strengthened our competitive position within the non-alcoholic beverage segment while supporting our broader ambitions for sustainable growth and market expansion.

To support the successful integration of Red Bull into our operations, we worked closely with the Red Bull team to deliver a comprehensive onboarding and training programme. Our employees benefited from product knowledge sessions, retail market visits and cross-functional engagements involving our marketing, trade marketing, sales and finance teams. These activities extended across New Providence, Grand Bahama and Eleuthera, ensuring alignment on brand execution, distribution priorities and commercial objectives.

Beyond strengthening our portfolio, the partnership provided valuable opportunities for employee development, enhancing our teams' product expertise, commercial capabilities and experience working with another globally recognized brand.

The introduction of Red Bull in 2025 marked another important step in our continued evolution as a diversified beverage company. By combining the strength of an internationally established brand with our local market knowledge and distribution capabilities, we laid a solid foundation for long-term growth, reinforcing our commitment to delivering value to our consumers, customers, business partners and shareholders.



EXPANDING OUR PORTFOLIO WITH PREMIUM SOUTH AFRICAN WINES AND CIDER

In 2025, we continued to advance our portfolio diversification strategy with the introduction of an exciting collection of premium South African wines and cider to the Bahamian market. Building on the integration of Distell into the HEINEKEN global portfolio, this expansion marked another important milestone in our evolution as a diversified beverage company, strengthening our presence in the wines and spirits category and broadening the choices available to consumers.

As the exclusive local distributor of the Distell portfolio, we leveraged our established distribution network and 700 Wines & Spirits retail presence to introduce a selection of internationally recognized brands, including Nederburg, Durbanville Hills, Obikwa, 4th Street, Chamdor and Savanna Premium Cider. The expanded offering provided consumers with access to a diverse range of products, from accessible everyday wines and premium varietals to non-alcoholic sparkling alternatives and refreshing cider.

The introduction of these brands reflected our commitment to responding to evolving consumer preferences while capitalizing on opportunities within the growing premium beverage segment. With South Africa recognized for its rich winemaking heritage, the portfolio brought distinctive varietals, quality craftsmanship and new flavour experiences to the Bahamian market.

Beyond expanding our product assortment, the initiative created opportunities to strengthen relationships with our retail and trade partners, enhance our competitive position and introduce consumers to new beverage categories. Through product education, in-store promotions and consumer engagement activities, we focused on building brand awareness, encouraging product discovery and making wine appreciation more accessible to a broader audience.

The addition of Chamdor's non-alcoholic sparkling wines also complemented our efforts to provide greater choice across drinking occasions, while Savanna Premium Cider introduced further diversity to our portfolio and supported our ambition to explore emerging consumer preferences.

The expansion of our South African wine and cider portfolio in 2025 reinforced our commitment to innovation, strategic partnerships and sustainable business growth. By combining the strength of HEINEKEN's international brand portfolio with our local market expertise and distribution capabilities, we continued to enhance our value proposition, diversify our revenue opportunities and deliver a broader range of quality beverage experiences to consumers throughout The Bahamas.



700 WINES & SPIRITS ADVANCES RETAIL EXPANSION AND MODERNIZATION



In 2025, we continued to invest in the growth and modernization of our 700 Wines & Spirits retail network, reinforcing our commitment to delivering an enhanced shopping experience, expanding our presence across The Bahamas and strengthening our relationships with the communities we serve.

A significant milestone during the year was the relocation and expansion of our Governor's Harbour store in Eleuthera, which opened in August 2025. Driven by increasing consumer demand and continued development on the island, the upgraded location provided a larger, more modern retail environment designed to better serve our growing customer base.

As part of our premium retail portfolio, the new Governor's Harbour store introduced an enhanced shopping experience, featuring an expanded product assortment, exclusive offerings and improved store aesthetics. The investment reflected our commitment to providing customers in the Family Islands with the same high standards of quality, convenience and service offered throughout our network. Importantly, the store continued to provide employment opportunities for Eleuthera residents, reinforcing our focus on local talent and community development.

Our retail expansion efforts also included the opening of a new 700 Wines & Spirits location in Cat Island and upgrades to our John Marshall store in Exuma. These investments further strengthened our presence in key Family Island markets, improved accessibility for consumers and supported our ambition to deliver a more consistent and elevated retail experience across the country.

Beyond physical improvements, our modernization strategy focused on creating more engaging retail environments, broadening our product offerings and strengthening customer service capabilities. These initiatives complemented our ongoing investments in employee training, customer engagement and operational excellence, ensuring that our retail business continued to evolve alongside changing consumer expectations.

The progress achieved in 2025 established a strong foundation for the next phase of our retail development. Looking to 2026, we are continuing our store modernization programme, with further enhancements across our network aimed at improving the customer experience, strengthening operational efficiency and supporting sustainable growth.

Through these investments, we remain committed to positioning 700 Wines & Spirits as a leading destination for wines, spirits and premium beverages in The Bahamas, while creating lasting value for our customers, employees, communities and shareholders.



ELEVATING THE CUSTOMER EXPERIENCE AT 700 WINES & SPIRITS

In 2025, we continued to strengthen the customer experience across our 700 Wines & Spirits retail network, reinforcing our commitment to service excellence, employee development and continuous improvement. As one of The Bahamas' leading beverage retail chains, our focus remained on creating a more engaging, knowledgeable and personalized shopping experience for every customer.

A key initiative during the year was the introduction of a comprehensive training programme designed to enhance the capabilities of our frontline retail teams. Recognizing that exceptional customer service begins with our people, we invested in developing the product knowledge, communication skills and customer engagement techniques necessary to deliver a consistently high standard of service across our stores.

The programme combined practical customer service training with specialized product education, including wine varietals, flavour profiles and food pairings. Team members were equipped with the knowledge and confidence to provide informed recommendations, better understand customer preferences and deliver personalized guidance for different occasions. Particular emphasis was placed on effective listening, meaningful customer interaction and professional communication. This investment in our people complemented broader efforts to modernize our retail environment, including improvements to store aesthetics, expanded product assortments, enhanced customer loyalty initiatives and more interactive in-store promotions. Together, these

initiatives reflected our commitment to strengthening the 700 Wines & Spirits brand and creating a more rewarding shopping experience.

Throughout the year, we observed encouraging progress in employee confidence, customer engagement and service delivery. Feedback from retail managers highlighted increased interaction between team members and customers, while employees reported greater confidence in making product recommendations and responding to more detailed customer inquiries. Early customer feedback was also positive, reinforcing the value of our continued investment in frontline capabilities.

To support ongoing improvement, we also introduced digital customer feedback channels, allowing us to better understand customer expectations and identify opportunities to further enhance our service standards. This approach reinforced our focus on continuous learning, performance evaluation and responsiveness to evolving consumer needs.

Our investments in retail training and customer experience during 2025 laid an important foundation for the continued development of 700 Wines & Spirits. By empowering our people, enhancing our retail environments and strengthening customer relationships, we continued to advance our ambition of delivering a best-in-class shopping experience while supporting the long-term growth and competitiveness of our retail business.

VITAMALT EXTENDS CUSTOMER APPRECIATION ACROSS THE BAHAMAS

In 2025, we continued to strengthen consumer engagement and brand loyalty through our Vitamalt Shopping Spree campaign, extending the initiative beyond New Providence to communities in Exuma and Grand Bahama. Building on the success of the previous year's promotion, the campaign formed part of our broader Discover the Refreshing Flavors of the Caribbean initiative, celebrating our loyal consumers and recognizing their continued support for one of The Bahamas' most beloved beverage brands.

The expansion reflected our commitment to ensuring that consumers throughout The Bahamas have opportunities to participate in meaningful brand experiences, regardless of their location. By bringing the Vitamalt Shopping Spree to Family Island communities, we reinforced our focus on inclusivity, consumer appreciation and building stronger connections with the people who support our brands.

Through our collaboration with AML Foods Limited, we rewarded loyal Vitamalt consumers with exciting shopping experiences while strengthening our relationships with retail partners and local communities. The initiative generated positive consumer feedback, particularly among participants who appreciated being included in promotional activities traditionally concentrated in New Providence.

Beyond rewarding consumer loyalty, the campaign demonstrated the importance of community connection in our approach to brand development. By extending our reach to Exuma and Grand Bahama, we created opportunities to engage consumers more directly, enhance brand visibility and reinforce Vitamalt's position as a trusted and recognizable brand across the country.



The success of the 2025 Vitamalt Shopping Spree campaign underscored our commitment to building brands that connect with consumers beyond the point of purchase. Through meaningful partnerships, inclusive promotions and memorable consumer experiences, we continued to strengthen brand loyalty while delivering value to our customers, retail partners and communities throughout The Bahamas.



DEVELOPING TALENT. STRENGTHENING CULTURE. BUILDING FOR THE FUTURE.





Our people remain central to Commonwealth Brewery Limited's success and long-term sustainability. In 2025, we maintained a stable workforce of 349 employees, while making meaningful progress in talent development, employee engagement, workplace safety and operational efficiency.

Employee retention strengthened, with turnover declining to 13.37%, its lowest level since 2019. Internal career development also gained momentum, with 29 employee promotions compared to 20 in 2024, reflecting our commitment to developing talent and creating opportunities for advancement. Leadership development initiatives, including the launch of LEAD Unlock and targeted management training, further strengthened our leadership pipeline and organisational capabilities.

Our efforts to build an engaged and inclusive workplace continued to deliver positive results. HEINEKEN's annual Employee Climate Survey, which measures employee sentiment, engagement, and workplace perceptions, reported 83% engagement, while the employee Net Promoter Score improved by nine points. Recognition remained a cornerstone of our culture, with 92% of employees receiving recognition through NECTAR, CBL's internal employee rewards and recognition programme, up 12 percentage points from the previous year. Our Gender Scorecard also advanced to Bronze status, reflecting continued progress in diversity and inclusion.

Workplace safety and employee wellbeing remained priorities, supported by a 91% Safety Climate rating and continued implementation of the Hearts & Minds and Thrive programmes. These initiatives reinforced personal accountability, proactive safety behaviours and a culture of care across the organisation.

Governance and employee relations remained strong. No employee relations cases were escalated to conciliation or tribunal during the year, while mandatory training completion increased significantly to 93%, compared to 71% in 2024. Progress in digitising employee records and strengthening workforce analytics also supported more efficient and accountable HR operations.

Our 2026 priority is to build a more agile, capable and future ready workforce. We will continue investing in leadership development, succession planning, employee engagement and operational excellence, aligned with HEINEKEN's EverGreen 2030 ambitions.

Our commitment remains to create an environment where people are valued, talent is developed and every employee has the opportunity to contribute to CBL's continued success.

BREWING A BETTER WORLD. BUILDING A SUSTAINABLE BAHAMAS

At Commonwealth Brewery Limited (CBL), sustainability is central to how we operate, invest and create lasting value. As one of The Bahamas' leading beverage manufacturers, distributors and retailers, we recognise our responsibility to protect natural resources, develop our people, support our communities and promote responsible consumption.

Guided by HEINEKEN's global Brew a Better World strategy, our sustainability agenda focuses on three priorities: environmental responsibility, positive social impact and responsible consumption. In 2025, we advanced these commitments through strategic investments, community partnerships and initiatives that reinforce our contribution to a more resilient and sustainable Bahamas

EVERGREEN 2030: ACCELERATING GROWTH. STRENGTHENING OUR FUTURE.

In 2025, HEINEKEN introduced EverGreen 2030, a renewed global strategy designed to accelerate growth, sharpen productivity and build a more agile, future ready business.

Building on EverGreen 2025, which established foundations in growth, innovation, digital transformation, sustainability and people development, the new strategy consolidates five priorities into three focused ambitions: Accelerate Growth, Step Up Productivity and Focus Future Fit.

For CBL, this means strengthening our brands and premium portfolio, embracing new consumer opportunities, improving operational efficiency and investing in the capabilities required for long term competitiveness.

The shift towards greater productivity and disciplined investment aligns directly with our plans to modernise critical manufacturing infrastructure, improve asset reliability and develop technical talent. At the same time, the continued evolution of HEINEKEN's Brew a Better World agenda reinforces the importance of integrating environmental performance, responsible consumption and community impact into our business decisions.

EverGreen 2030 provides a clear direction for CBL's next chapter: grow stronger, operate smarter and deliver greater value for our shareholders and The Bahamas.

PROTECTING OUR ENVIRONMENT

Strengthening Efficiency and Operational Resilience

Environmental performance remains a priority for CBL, particularly in an island nation where energy costs, climate vulnerability and waste management challenges underscore the importance of resource efficiency.

In 2025, water consumption intensity increased by 4.8%, from 4.20 to 4.40 hectolitres of water per hectolitre produced. Carbon emissions also increased by approximately 9%, from 2.74 to 3.00 kilotonnes.

These results fell short of our ambitions, reflecting critical equipment failures, maintenance resource constraints and reduced local production volumes resulting from supply disruptions. The challenges highlighted the need for greater investment in operational reliability and technical capabilities.

Importantly, CBL has secured targeted investments to address these challenges and improve future performance, focusing on three areas.

- **Preventative Maintenance:** With HEINEKEN regional technical support, we are implementing structured asset care and preventative maintenance programmes across critical utilities infrastructure to improve reliability and reduce unplanned downtime.
- **Critical Infrastructure:** Planned capital upgrades will strengthen manufacturing and supply reliability while introducing opportunities for more energy-efficient technology and improved resource utilisation.
- **People and Capabilities:** Investment in sustainable maintenance staffing, technical competencies and continuous improvement will strengthen operational excellence and long-term performance.

Together, these initiatives support our commitment to reducing resource consumption, improving efficiency and building a more resilient manufacturing operation.

TURNING WASTE INTO COMMUNITY VALUE

initiatives give valuable new life to materials generated by our business while supporting local agriculture, cultural preservation and community livelihoods.

Looking ahead, we will continue exploring renewable energy, resource efficiency and recycling opportunities, aligning operational improvements with HEINEKEN's broader environmental ambitions.

CBL continues to demonstrate how responsible resource management can deliver practical benefits beyond our operations.

Each year, we donate tonnes of spent grains from our brewing process to local farmers, providing organic material that supports soil enrichment and agricultural activities.

Similarly, much of the cardboard packaging received through our import operations is recovered and repurposed by local Junkanoo groups for costume construction. This initiative reduces waste while supporting the craftsmanship and creativity behind one of The Bahamas' most treasured cultural traditions.

These circularity initiatives give valuable new life to materials generated by our business while supporting local agriculture, cultural preservation and community livelihoods.

SUSTAINABILITY & CORPORATE RESPONSIBILITY

Looking ahead, we will continue exploring renewable energy, resource efficiency and recycling opportunities, aligning operational improvements with HEINEKEN's broader environmental ambitions.

CREATING POSITIVE SOCIAL IMPACT

Supporting Our Communities



CBL's contribution to The Bahamas extends beyond the beverages we produce and distribute. Through employment, professional development, charitable giving and cultural partnerships, we continue to support economic and social development across the country.

Our longstanding commitment to corporate citizenship continued in 2025, with direct charitable donations exceeding \$160,000. Among the organisations benefiting from our support were The Bahamas AIDS Foundation and The Bahamas Red Cross, alongside numerous charitable and civic partners working to improve the lives of Bahamians.

These contributions support essential community services, vulnerable populations and initiatives that strengthen the social fabric of our country.

Beyond financial giving, our partnerships with local farmers, Junkanoo groups and community organisations reflect our

commitment to creating meaningful value through the resources, relationships and capabilities of our business.

Preserving Bahamian Culture

In November 2025, CBL reinforced its longstanding commitment to Bahamian culture through a landmark, multiyear agreement establishing Kalik as the Official Alcohol Beverage Sponsor of Junkanoo in New Providence from 2025 to 2029.

This significant six figure investment supports the Boxing Day and New Year's Day parades, along with official Junkanoo festivals and related cultural activities.

More than a sponsorship, the partnership demonstrates our commitment to preserving and promoting a defining expression of Bahamian identity while supporting the artists, musicians, craftspeople and communities who bring Junkanoo to life.

PROMOTING RESPONSIBLE CONSUMPTION

Responsible Retailing. Greater Consumer Choice.

As a leading participant in The Bahamas' alcoholic beverage industry, CBL recognises its responsibility to promote moderation, prevent underage alcohol sales and encourage informed consumer choices.

Check In Before You Check Out

In 2025, CBL partnered with the Royal Bahamas Police Force to launch Check In Before You Check Out, a responsible retailing initiative aimed at reducing underage access to alcohol. Through our 700 Wines & Spirits network, employees in New Providence and the Family Islands received targeted training to strengthen age verification procedures, identify potentially underage customers and consistently request valid government issued identification.



The programme also encourages collaboration with neighbourhood police officers when suspected underage purchasing attempts require further attention.

By equipping frontline employees with practical tools and strengthening cooperation with law enforcement, CBL is taking proactive steps to prevent underage alcohol sales and contribute to the broader national effort to reduce underage drinking.

Encouraging Moderation Through Consumer Choice

CBL continues to expand consumer choice through nonalcoholic alternatives, including Heineken 0.0 and Vitamalt.

Heineken 0.0 recorded double-digit growth in 2025 compared to 2024. This performance reflects growing consumer interest in nonalcoholic beer and highlights the opportunity to align responsible consumption with evolving market preferences.

We will continue strengthening the availability and visibility of nonalcoholic offerings

LOOKING AHEAD

Building a Stronger, More Sustainable CBL

As CBL celebrates 40 years of brewing in 2026, our focus is firmly on the future.

With EverGreen 2030 providing renewed strategic direction, we are prioritising investments that improve manufacturing reliability, resource efficiency and organisational capability while continuing to strengthen our contribution to Bahamian communities.

From supporting local farmers and Junkanoo groups through resource reuse to investing more than \$200,000 in charitable initiatives, promoting responsible retailing and expanding nonalcoholic choices, our sustainability agenda reflects the breadth of our responsibility as a leading Bahamian business.

As we enter our fifth decade, our ambition is to build a more efficient, resilient and responsible CBL, delivering sustainable value for our shareholders while making a meaningful difference to the people, communities and environment of The Bahamas.

"With EverGreen 2030 providing renewed strategic direction, we are prioritising investments that improve manufacturing reliability, resource efficiency and organisational capability while continuing to strengthen our contribution to Bahamian communities."

Commonwealth Brewery Limited





CONSOLIDATED FINANCIAL STATEMENTS

COMMONWEALTH BREWERY LIMITED

YEAR ENDED DECEMBER 31ST, 2025

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Independent Auditors' Report to the Shareholders of Commonwealth Brewery Limited

Opinion

We have audited the consolidated financial statements of Commonwealth Brewery Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 27 of the consolidated financial statements which indicates that the comparative information presented as at and for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p><i>Impairment of Goodwill</i></p> <p>See Note 9 to the consolidated financial statements.</p>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As of December 31, 2025, the carrying value of the goodwill in the consolidated statement of financial position amounted to \$4,487,242 (2024: \$4,487,242).</p> <p>Goodwill represents the excess of the cost of acquisition over the net fair value of the identifiable assets and liabilities of Butler & Sands Company Limited and its subsidiaries (B&S) recognised at the date of acquisition by the Group in the year 2000 of a 100% ownership interest. The goodwill is allocated to the operation of B&S supplier relationships as a cash generating unit (CGU).</p> <p>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGU is based on a value in use calculation determined by discounting the future cash flows generated from the continuing use of the CGU. These calculations use several key assumptions, including estimates of future sales revenue, terminal value growth rate and the weighted-average cost of capital (discount rate).</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • involving our own valuation specialist to assist in evaluating the reasonableness of the valuation methodology applied, as well as the appropriateness of discount rates used, which included comparing the weighted-average cost of capital (WACC) with independently calculated WACC range using assumptions based on industry knowledge, comparable public companies, and externally derived data; • evaluating the appropriateness of the assumptions applied to key inputs such as sales revenue and long-term growth rates and the reasonableness of financial projections based on our knowledge of the Group and the industry; • performing our own sensitivity analysis, which included assessing the impairment test results across a range of discount rates to assess overall reasonableness; and • evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Other Matter Relating to Comparative Information

The consolidated financial statements of the Group for the years ended December 31, 2024 and December 31, 2023 (from which the consolidated statement of financial position as at January 1, 2024 has been derived), excluding the adjustments described in Note 27 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 15, 2025 and May 30, 2024, respectively. As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2025, we audited the adjustments described in Note 27 that were applied to restate the comparative information presented as at and for the year ended December 31, 2024 and the consolidated statement of financial position as at January 1, 2024. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended December 31, 2024 or December 31, 2023 (not presented herein) or to the consolidated statement of financial position as at January 1, 2024, other than with respect to the adjustments described in Note 27 to the consolidated financial statements. Accordingly, we do not



express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 27 are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's 2025 Annual Report but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Shaneska Kemp.

KPMG (Bahamas) Ltd.

Nassau, Bahamas
September 16, 2026

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Financial Position

As at December 31, 2025, with corresponding figures for 2024 and 2023
(Expressed in Bahamian dollars)

	Note(s)		31 December 2025	31 December 2024 restated*	1 January 2024 restated*
Assets					
Current assets:					
Cash and cash equivalents	4	\$	7,616,066	12,576,334	7,636,646
Trade receivables, net	5		7,272,302	9,648,550	6,165,371
Prepaid expenses and other assets	6		3,721,522	1,577,852	4,084,135
Inventories	7		36,435,555	31,457,381	30,149,599
Total current assets			55,045,445	55,260,117	48,035,751
Non-current assets:					
Right of use asset	8		4,074,504	5,983,023	7,730,532
Property, plant and equipment	10		47,563,552	46,851,040	46,658,709
Goodwill	9		4,487,242	4,487,242	4,487,242
Other intangible assets	11		448,975	927,153	1,410,087
Total non-current assets			56,574,273	58,248,458	60,286,570
Total assets	24	\$	111,619,718	113,508,575	108,322,321
Liabilities and equity					
Current liabilities:					
Accounts payable and accrued expenses	12, 23	\$	20,655,492	16,427,859	17,772,895
Short-term lease liability	8, 23		2,162,828	2,162,828	2,128,748
Total current liabilities			22,818,320	18,590,687	19,901,643
Non-current liabilities:					
Long-term lease liability	8, 23		2,550,371	4,586,902	6,317,697
Total liabilities	24		25,368,691	23,177,589	26,219,340
Equity:					
Share capital	13		150,000	150,000	150,000
Share premium			12,377,952	12,377,952	12,377,952
Contributed surplus			16,351,369	16,351,369	16,351,369
Revaluation surplus	10		15,638,698	15,638,698	15,638,698
Retained earnings			41,733,008	45,812,967	37,584,962
Total equity			86,251,027	90,330,986	82,102,981
Total liabilities and equity		\$	111,619,718	113,508,575	108,322,321

*The comparative information is restated due to correction of prior period error for property revaluation and certain lease arrangements under IFRS 16. See Note 27

These consolidated financial statements were approved for issue on behalf of the Board of Directors on 14th September 2026 by:

Etienne Bachellier

Julian Francis

Director

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2025, with corresponding figures for 2024
(Expressed in Bahamian dollars)

	Note(s)		31 December 2025	31 December 2024 restated*
Income:				
Revenue	24	\$	134,357,842	136,340,279
Excise			(6,775,642)	(7,636,313)
Net revenue			127,582,200	128,703,966
Operating expenses:				
Raw materials, consumables and services	17		86,392,225	86,823,643
Personnel costs	15, 18		20,347,757	19,122,330
Depreciation	10		5,841,087	5,654,474
Amortisation	11		478,177	482,934
Total operating expenses			113,059,246	112,083,381
Other (expense)/income	16		(1,901,567)	126,722
Results from operating activities			12,621,387	16,747,307
Finance expenses	8		959,709	990,307
Profit before income tax	19, 24	\$	11,661,678	15,757,000
Income tax expense	26		1,641,637	1,528,995
Total net profit		\$	10,020,041	14,228,005
Basic and diluted earning per share	19	\$	0.33	0.47

*The comparative information is restated due to retrospective application of Domestic Minimum Top-Up Tax and correction of prior period error for certain lease arrangements under IFRS 16 (See Note 27)

See accompanying notes to consolidated financial statements.

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Changes in Equity

Year ended December 31, 2025, with corresponding figures for 2024
(Expressed in Bahamian dollars)

	Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 1 January 2023, as previously reported	\$ 150,000	12,377,952	16,351,369	16,083,580	37850966	\$82,813,867
Impact of correction of errors (Note 27)	-	-	-	(444,882)	(266,004)	(710,886)
Balance as at 1 January 2023 (restated)	150,000	12,377,952	16,351,369	15,638,698	37,584,962	82,102,981
Net profit	-	-	-	-	14,228,005	14,228,005
Transactions with owners recorded directly to equity:						
Dividends declared \$0.20 per share (Note 20)	-	-	-	-	(6,000,000)	(6,000,000)
Restated balance as at 31 December 2024	150,000	12,377,952	16,351,369	15,638,698	45,812,967	90,330,986
Net profit	-	-	-	-	10,020,041	10,020,041
Transactions with owners recorded directly to equity:						
Dividends declared \$0.47 per share (Note 20)	-	-	-	-	(14,100,000)	(14,100,000)
Balance at December 31, 2025	\$ 150,000	12,377,952	16,351,369	15,638,698	41,733,008	86,251,027

*The comparative information is restated due to correction of prior period error for property revaluation and certain lease arrangements under IFRS 16. See Note 27

See accompanying notes to consolidated financial statements.

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with corresponding figures for 2024
(Expressed in Bahamian dollars)

	Note(s)	31 December 2025	31 December 2024 restated*
Cash flows from operating activities			
Net profit		\$ 10,020,041	14,228,005
Adjustments for:			
Depreciation	10	5,841,087	5,654,474
Amortisation	11	478,177	482,934
Expected credit reversal recognized on trade receivables	5	(382,940)	(407,674)
Expected credit loss recognized on trade receivables	5	731,382	183,288
Impairment/(Reversal) in net realizable value provision	7	142,670	(139,772)
Interest expense	8	363,116	497,642
Loss on disposal of property, plant and equipment	10	251,826	-
Tax expense		1,641,637	1,528,995
Net cash from operations before changes in working capital		19,086,996	22,027,892
Changes in working capital	21	(1,009,075)	(3,265,555)
Income taxes paid	17	(1,641,637)	(1,528,995)
Net cash from operating activities		16,436,284	17,233,342
Cash flow from investing activities			
Additions to property, plant and equipment	10	(4,512,772)	(3,576,653)
Net cash used in investing activities		(4,512,772)	(3,576,653)
Cash flows from financing activities			
Dividends paid	20	(14,100,000)	(6,000,000)
Repayment of lease liability	8	(2,420,664)	(2,219,359)
Interest paid	8	(363,116)	(497,642)
Net cash used in financing activities		(16,883,780)	(8,717,001)
Net (decrease)/increase in cash and cash equivalents		(4,960,268)	4,939,688
Cash and cash equivalents, beginning of year		12,576,334	7,636,646
Cash and cash equivalents, end of year	4	\$ 7,616,066	12,576,334

*The comparative information is restated due to retrospective application of Domestic Minimum Top-Up Tax and correction of prior period error for certain lease arrangements under IFRS 16 (See Note 27).

See accompanying notes to consolidated financial statements.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

1. General information

Commonwealth Brewery Limited (“CBL” or “the Company”) was incorporated under the laws of The Commonwealth of The Bahamas on November 17, 1983 and commenced trading in March 1987. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as “the Group” and individually as “Group entities”). Details of the principal subsidiaries are set out in note 23 to the consolidated financial statements.

The principal activity of the Group is the production of alcoholic and non-alcoholic beverages, liquor importation, distribution and sales.

The Group’s registered office is located at Clifton Pier, Nassau, Bahamas.

The Group is a subsidiary of Heineken International B.V. (“Heineken” or “the Parent”). Heineken is incorporated under the laws of The Netherlands and its corporate office is located at Tweede Weteringplantsoen 21, 1017 ZD, P. O. Box 28, 1000 AA Amsterdam, The Netherlands. The ultimate parent of CBL is Heineken N.V. located at the same address. 75% of shares of the Group are owned by Heineken and remaining 25% are owned by the Bahamian public and listed on the Bahamas International Stock Exchange (BISX).

2. New IFRS Accounting Standards/amendments and interpretations issued but were not yet effective for year ended December 31, 2025

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

Management has not yet assessed whether the relevant adoption of these standards and interpretations in future periods will have a material impact on the financial statements of the Group.

New and amended standards		Effective for annual periods beginning on or after
IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

2. New IFRS Accounting Standards/amendments and interpretations issued but were not yet effective for year ended December 31, 2025 *(continued)*

2.1 IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

3. Material accounting policy information

Following is a summary of the material accounting policy information which has been applied consistently by the Group in preparing these consolidated financial statements.

(a) *Statement of compliance*

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(b) *Basis of preparation*

These consolidated financial statements are prepared under the historical cost convention, except for land and buildings included in property, plant and equipment, which are carried at revalued amounts.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information (*continued*)

(b) *Basis of preparation (continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(c) *Basis of consolidation*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group. All intragroup assets and liabilities, equity, income and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(c) *Basis of consolidation (continued)*

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(d) *Functional and presentation currency*

These consolidated financial statements are presented in Bahamian dollars, the Group's functional and reporting currency. The Bahamian dollar is the currency of the country where the Group's entities are domiciled and is the prime operating currency.

Transactions in foreign currencies are translated into Bahamian dollars at exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in such currencies at the year-end date are translated at the rates prevailing at that date.

Any differences arising on translation are recognised as exchange gains/losses within other income in the consolidated statement of profit or loss and other comprehensive income.

(e) *Use of estimates and judgements*

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management where appropriate. Revisions to estimates are recognised prospectively.

The following notes include information about:

- critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements; and
- information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes 3(h) and 23(b) Trade receivables – estimate of expected credit losses – key assumptions in determining collective loss component among groups of similar customers

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(e) Use of estimates and judgements (continued)

Notes 3(j) and 10 Property, plant and equipment – judgement on valuation of land and buildings, whether the carrying value differs materially from fair value and an independent valuation is to be obtained; estimates made in determining the valuation of land and buildings using significant unobservable inputs including estimated market rental rates, capitalization rates, land values per acre and assumptions regarding the useful economic life of the assets.

Note 9 Goodwill – estimates applied for the value in use calculations

Note 14 Commitments and contingencies – judgement was applied in determining the amounts recognised, including settlement range, negotiation outcome, and inclusion of legal costs.

(f) Financial instruments

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price, the trade receivable will be initially measured at the amount of that unconditional right.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Classification of financial assets

Debt instruments and other financial assets that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(f) Financial instruments *(continued)*

Classification as financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The Group does not hold financial liabilities that are classified as held-for-trading, derivatives or designated as such on initial recognition. Hence all are carried at amortized cost.

Measurement

Financial instruments are measured initially at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on any financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. The Group did not have instances where transaction price did not represent the fair value at initial recognition.

Subsequent to initial recognition, financial assets and financial liabilities not at fair value through profit or loss are carried at amortised cost using the effective interest method, less in the case of financial assets, impairment losses, if any.

Derecognition

The Group derecognises a financial asset when the contractual rights for cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

The Group derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks with an original maturity of ninety days or less which form an integral part of the Group's cash management.

(h) Trade receivables

Trade receivables are stated at amortised cost net of an allowance for doubtful debts. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime Expected Credit Losses using the simplified approach as per the accounting standard. The Expected Credit Losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(h) Trade receivables *(continued)*

debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group considers a trade receivable to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, or the receivable is more than 90 days past due.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an allocation of those production overhead costs based on normal operating capacity, that relate to bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When management determines the net realisable value of any inventories is less than cost, that specific inventory is written down to its net realisable value.

(j) Property, plant and equipment

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, except land and buildings, which are carried at revalued amounts.

Specifically in relation to land and buildings, the directors review the carrying value every three years. Whenever the directors determine that the carrying value differs materially from the fair value, an independent valuation is obtained, and the land and buildings are revalued.

The surplus on revaluation (which is not reversing a previous revaluation deficit) is recorded in other comprehensive income, in the revaluation surplus account, and is transferred to retained earnings when the revalued asset is derecognised. When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount on the asset.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(j) *Property, plant and equipment (continued)*

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of that item and any gain or loss is recognised within other income in the consolidated statement of profit or loss and other comprehensive income.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of the items of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. No depreciation is charged on land and capital work in progress.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	15 to 40 years
Plant and machinery	5 to 30 years
Furniture, fixtures and equipment	3 to 25 years
Vehicles and transportation equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted, if necessary.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(k) Goodwill and intangible assets

Goodwill

Goodwill is carried at cost less impairment losses, if any. Goodwill arose on the acquisition of the Group's 100% ownership interest in Butler & Sands Company Limited and its subsidiaries in the year 2000. Goodwill represents the excess of the cost of acquisition over the net fair value of the identifiable assets and liabilities of Butler & Sands Company Limited and its subsidiaries recognised at the date of acquisition. Goodwill is tested for impairment annually, or more regularly if there are indicators.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The computer software is carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is computed on the straight-line method over an estimated useful life of up to seven years. Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

(l) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of goodwill is estimated each year at the same time as goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or its related cash generating unit ("CGU") exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use represents the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025
(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(l) **Impairment** *(continued)*

Non-financial assets (continued)

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income except for previously revalued assets where the impairment loss is first applied to any revaluation surplus and any excess is recognised in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill associated with the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised except for assets normally carried at revalued amounts.

(m) **Related parties**

A related party is a person or entity that is related to the entity that is preparing its consolidated financial statements ("reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information (*continued*)

(m) *Related parties (continued)*

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

(n) *Leases*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of assets.

Lease payments included in the measurement of the lease liability comprise:

- (i) Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- (ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) The amount expected to be payable by the lessee under residual value guarantees;
- (iv) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- (i) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(n) *Leases (continued)*

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- (i) The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- (ii) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used). When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset has been reduced to zero.
- (iii) A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(n) Leases *(continued)*

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Revenue recognition

Products sold

The majority of the Group's revenue is generated by the sale and delivery of products to customers. The product portfolio of the Group mainly consists of beer, soft drinks, spirits and tobacco.

Products are own-produced finished goods from the Group's brewing activities, but also contain purchased goods for resale from the Group's wholesale and retail activities. The Group's customer group can be split between on-trade customers like restaurants and bars and off-trade customers like retailers and wholesalers. Revenue is recognised when control over products has transferred and the Group's performance obligation has been fulfilled to the customer. For the majority of the sales, control is transferred to the customer at a point in time either at delivery of the products or upon pickup by the customer from the Group's premises.

Revenue recognized is based on the price specified in the contract, net of returns, discounts, sales taxes and excise taxed collected on behalf of third parties.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(q) Revenue recognition *(continued)*

Customer loyalty programme

The Group operates a loyalty programme through which retail customers accumulate points on purchases of qualified goods that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the goods (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation.

The transaction price is allocated between the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction (deferred revenue) recognized in accrued expenses (Note 12). Revenue from the loyalty points is recognised when the points are redeemed by the customer. Loyalty points earned during the period expire by February of the subsequent period.

(r) Employee benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to the fund. The Group has no legal or constructive obligation to pay further contributions. Contributions to the Group's defined contribution pension plans are recognised as an employee benefit expense in the consolidated statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

(s) Finance income

Interest income is accrued on a daily basis using the effective interest rate method.

(t) Earnings per share

Earnings per share are based on consolidated net income divided by the weighted average number of ordinary shares outstanding during the year.

(u) Dividends

Dividends are recognised as a liability in the period in which they are declared.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025
(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(v) Operating segments

Business segments are components of an enterprise about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance.

Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

For management purposes, the Group is currently organised into two business segments: (i) Wholesale and (ii) Retail, which are segregated based on the customer type. Wholesale customers are business to business and Retail are primarily direct to final consumer. These divisions are the basis on which the Group reports its operating segment information.

(w) Income Taxes and other taxation

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and are therefore accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The Group has determined that the global minimum top-up tax—which it is required to pay under Pillar Two legislation—is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

3. Material accounting policy information *(continued)*

(w) *Income Taxes and other taxation (continued)*

Value Added Tax

On 1 January 2015, the Bahamas Government implemented a consumer VAT. Output VAT related to the sale of goods is payable to the Government upon delivery of goods and property rights to customers. Input VAT related to goods and services purchased is generally recoverable against output VAT. It is presented net on the Consolidated Statement of Financial Position as it is offset and settled on a net basis.

4. Cash and cash equivalents

		2025	2024
Cash on hand	\$	23,000	20,275
Cash held with banks		7,593,066	12,556,059
Cash and cash equivalents	\$	7,616,066	12,576,334

The Group has an unsecured overdraft facility of \$3,000,000 (2024: \$3,000,000) for the operating account. As the Bank has the ability to offset with all accounts within the relationship, the balance is presented net of the used facility. At December 31, 2025, the Bank has a legally enforceable right of set-off in respect of certain bank balances and the overdraft facilities. As no overdraft balances were outstanding at the reporting date (2024: nil), no offsetting has been recognised.

5. Trade receivables, net

		2025	2024
Trade receivables, gross	\$	8,622,923	10,650,729
Allowance for doubtful debts		(1,350,621)	(1,002,179)
	\$	7,272,302	9,648,550

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

5. Trade receivables, net *(continued)*

Aging analysis of trade receivables, gross, as at December 31, 2025:

December 31st 2025	Not past due	0-30 days	31-180 days	> 180 days	Total
Expected Credit Loss Rate	0.8%	5.6%	53.2%	96.0%	
Estimated total gross carrying amount at default	5,180,706	1,804,401	852,376	785,440	8,622,923
Lifetime ECL	(42,207)	(101,046)	(453,555)	(753,813)	(1,350,621)

December 31st 2024	Not past due	0-30 days	31-180 days	> 180 days	Total
Expected Credit Loss Rate	0%	3.0%	11.5%	80.7%	
Estimated total gross carrying amount at default	6,185,961	2,586,580	856,430	1,021,758	10,650,729
Lifetime ECL	-	(78,666)	(98,815)	(824,698)	(1,002,179)

Allowance for expected credit losses and movement in allowance for doubtful accounts is as follows:

	2025	2024
Balance at beginning of the year	\$ 1,002,179	1,226,565
Additions to allowance	731,382	183,288
Allowance used	(363,377)	(218,896)
Allowance released	(19,563)	(188,778)
Balance at end of the year	\$ 1,350,621	1,002,179

Maximum exposure to credit risk for trade receivables at December 31, by geographic region:

	2025	2024
The Bahamas	\$ 8,412,902	10,537,801
Caribbean	-	1,458
Europe	210,021	111,470
	\$ 8,622,923	10,650,729

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

6. Prepaid expenses and other assets

		2025	2024
Other receivables	\$	1,658,642	475,409
Prepaid expenses		2,062,880	1,102,443
	\$	3,721,522	1,577,852

The other receivables balance contains and advances and deposits of \$678,564 (2024: \$609,364).

7. Inventories

		2025	2024
Goods bought for resale	\$	22,633,620	18,105,817
Raw materials and packaging		7,648,806	7,798,295
Finished goods		2,176,174	2,136,099
Spare parts		2,890,553	2,356,282
Work-in-progress		730,616	715,952
Other stock items		626,322	472,802
		36,706,091	31,585,247
Write down to net realisable value		(270,536)	(127,866)
	\$	36,435,555	31,457,381

Movement in the write down to net realisable value:

		2025	2024
Balance at beginning of year	\$	127,866	267,638
Addition/(Reversal) of write-down		142,670	(139,772)
Balance at end of year	\$	270,536	127,866

As outlined in note 17, the cost of inventories recognized as an expense during the year was \$61,942,773 (2024: \$63,326,684).

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

8. Leases & Finance Expense

The Group leases stores, an office, and cars in the ordinary course of business. Some leases contain extension and termination options, which are included in the lease term if the Group is reasonably certain to exercise an extension option and reasonably certain not to exercise a termination option. Refer to the table below for the carrying amount of ROU assets per asset class at the date of the consolidated statement of financial position:

	Land and buildings	Motor Vehicles	Total
2025			
Balance at 1 January	5,379,790	603,233	5,983,023
Depreciation charged for the year	(1,978,765)	(313,889)	(2,292,654)
Additions to right-of-use assets	384,135	-	384,135
Balance at 31 December 2025	3,785,160	289,344	4,074,504
2024 restated			
*Balance at 1 January	7,002,059	728,473	7,730,532
Depreciation charged for the year	(1,945,969)	(324,183)	(2,270,152)
Additions to right-of-use assets	323,700	198,943	522,643
Balance at 31 December 2024	5,379,790	603,233	5,983,023
		2025	2024
Expense relating to short-term & variable leases		1,496,966	1,359,249
Cash outflow for leases		2,420,664	2,219,359
Finance Expense		2025	2024
Interest expense on lease liabilities		362,299	488,767
Exchange gain/loss		596,593	492,665
Interest Expense on Overdraft		817	8,875
		959,709	990,307

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

8. Leases & Finance Expense *(continued)*

Reconciliation of movements in liabilities to cash flows arising from financing activities.

	Lease Liabilities
Balance at 1 January 2025	6,749,730
Changes from financing cash flows	
Payment of lease liabilities	(2,782,963)
Total changes from financing cash flows	(2,782,963)
Other changes	
Liability-related	
New Leases	384,133
Interest expense	362,299
Total liability-related other changes	746,432
Balance at 31 December 2025	4,713,199

	Lease Liabilities
Balance at 1 January 2024	8,446,445
Changes from financing cash flows	
Payment of lease liabilities	(2,708,125)
Total changes from financing cash flows	(2,708,125)
Other changes	
Liability-related	
New Leases	522,643
Interest expense	488,767
Total liability-related other changes	1,011,410
Balance at 31 December 2024	6,749,730

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

Year ended December 31, 2025

(Expressed in Bahamian dollars)

9. Goodwill

Goodwill comprises the following:

	2025	2024
Balance at the beginning and end of year	4,487,242	4,487,242

Goodwill is tested for impairment annually. The recoverable amount of the Cash Generating Unit ("CGU") which includes the goodwill is based on a value in use calculation. The value in use has been determined by discounting the future cash flows generated from the continuing use of the CGU.

The key assumptions used for the value in use calculations are as follows:

- Cash flows are projected based on actual operating results and the annual plan. Cash flows for a further five-year period are projected using expected annual growth rates.
- Cash flows after the first five years were projected using growth rate, based on internal sources, in order to calculate the terminal recoverable amount.
- Weighted average cost of capital ("WACC") is applied in determining the recoverable amount of the CGU.

The WACC and expected growth rate are as follows:

	2025	2024
WACC	11.42%	11.40%
Expected growth rate (short term and terminal)	2.00%	1.70%

The values assigned to the key assumptions represent management's assessment of future trends in the wine & spirits industry and are based on both external and internal sources (historical data). The directors believe that any reasonably possible change in key assumptions on which recoverable amounts are based will not lead to a materially different outcome. Based on the value in use calculation management has determined that there has not been any impairment in the carrying amount of goodwill as at 31 December, 2025 and 2024.

Sensitivity Analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

COMMONWEALTH BREWERY LIMITED

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(Expressed in Bahamian dollars)

10. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture, fixtures and equipment	Vehicle and transportation equipment	Capital work in progress	Total
Cost/revalued amount:							
Balance at December 31, 2023 (restated)	10,280,776	31,250,832	43,249,308	25,077,419	1,793,793	1,748,455	113,400,583
Revaluation	-	-	-	-	-	-	-
Additions	-	555,482	1,193,792	1,716,469	163,339	(52,429)	3,576,653
Transfers	-	809,906	-	290,032	-	(1,099,938)	-
Balance at December 31, 2024	10,280,776	32,616,220	44,443,100	27,083,920	1,957,132	596,088	116,977,236
Revaluation	-	-	-	-	-	-	-
Additions	-	703,007	90,416	1,628,268	235,450	1,855,631	4,512,772
Disposals	-	-	(428,457)	-	-	(151,287)	(579,744)
Transfers	-	-	-	208,806	-	(208,806)	0
Balance at December 31, 2025	10,280,776	33,319,227	44,105,059	28,920,994	2,192,582	2,091,626	120,910,264
Accumulated depreciation:							
Balance at December 31, 2023 (restated)	-	7,375,940	35,830,875	21,834,600	1,700,459	-	66,741,874
Depreciation	-	911,374	931,200	1,497,392	44,356	-	3,384,322
Balance at December 31, 2024	-	8,287,314	36,762,075	23,331,992	1,744,815	-	70,126,196
Depreciation	-	869,889	1,100,477	1,512,414	65,654	-	3,548,434
Disposals	-	-	(327,918)	-	-	-	(327,918)
Balance at December 31, 2025	-	9,157,203	37,534,634	24,844,406	1,810,469	-	73,346,712
Net book value:-							
December 31, 2025	10,280,776	24,162,024	6,570,425	4,076,588	382,113	2,091,626	47,563,552
December 31, 2024	10,280,776	24,328,906	7,681,025	3,751,928	212,317	596,088	46,851,040

*The comparative amounts within Property, Plant and Equipment have been restated to correct a prior-year classification error between cost and accumulated depreciation. The correction had no impact on total net book value.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

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(Expressed in Bahamian dollars)

10. Property, plant and equipment (continued)

Reclassification between cost and accumulated depreciation within Buildings, Plant and machinery, Furniture, fixtures and equipment, Vehicle and transportation equipment, capital work in progress categories were made in the prior year.

Previously presented 2023			Reclassification		Revised 2023	
Category	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	10,280,776	-	-	-	10,280,776	-
Buildings	28,227,924	3,908,700	3,022,908	(3,467,240)	31,250,832	7,375,940
Plant and machiner	43,454,362	36,132,394	(205,054)	301,519	43,249,308	35,830,875
Furniture, fixtures &	29,024,095	25,534,870	(3,946,676)	3,700,270	25,077,419	21,834,600
Vehicle and transpo	1,781,128	1,687,794	12,665	(12,665)	1,793,793	1,700,459
Capital work in pro	1,599,064	-	149,391	-	1,748,455	-
Total	114,367,349	67,263,758	(966,766)	521,884	113,400,583	66,741,874

Depreciation	2025	2024
Depreciation of property, plant and equipment	3,548,434	3,384,322
Depreciation of ROU assets	2,292,653	2,270,152
	5,841,087	5,654,474

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties' revaluation reserve will not be reclassified subsequently to profit or loss. The directors do not intend to make any distribution from the properties revaluation reserve per Group policy.

The Group's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. The latest revaluation of land and buildings was performed as at December 31, 2023 by an external, independent appraiser, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value of buildings has been categorized as a Level 3 fair value measurement. Significant unobservable inputs used in the valuation include estimated market rental rates, capitalization rates, land values per acre and assumptions regarding the useful economic life of the assets.

An increase in estimated market rental rates or land values would result in a higher fair value measurement. An increase in the capitalization rate would result in a lower fair value measurement. The valuation was performed by an independent professional valuer using the income capitalization approach, supported by the cost approach. The valuation was determined using an income capitalization approach supported by a cost approach.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

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10. Property, plant and equipment *(continued)*

Quantitative information about significant unobservable inputs are shown below:

Valuation Technique	Significant Unobservable Inputs	Range / Input Used
Income Capitalization Approach	Market rent (\$/sq.ft.)	\$12.00 per sq.ft.
Income Capitalization Approach	Capitalization rate	10.0%
Cost Approach	Land value per acre	\$300,000 per acre
Cost Approach	Excess land value	\$500,000 per acre
Cost Approach	Effective age / remaining economic life	15 years / 35 years

The fair value of land and buildings are included in Level 3 at the end of the reporting period. There were no transfers between the hierarchy Levels during the year. The gain of 2023: \$6,354,236 from the revaluation of land and buildings was recognized in other comprehensive income.

There are no capital commitments on work in progress projects.

Had there been no revaluation, the carrying value of land would have been \$5,657,350 (2024: \$5,657,350) and of buildings would have been \$13,202,171 (2024: \$13,359,933).

11. Other intangible assets

Intangible assets consist of computer software as follows:

	2025	2024
Cost:		
Balance at January 1	6,785,342	6,785,342
Balance at December 31	6,785,342	6,785,342
Accumulated amortisation:		
Balance at January 1	5,858,189	5,375,255
Amortisation	478,178	482,934
Balance at December 31	6,336,367	5,858,189
Net book value:	448,975	927,153

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12. Accounts payable and accrued expenses

Accounts payable and accrued expenses comprise the following:

	2025	2024
Accounts payable - third parties	16,422,514	14,266,843
Accounts payable - related parties	2,128,258	1,312,366
Accrued expenses	334,653	848,650
Provision for Legal Settlement (Note 29)	1,770,067	-
	20,655,492	16,427,859

13. Share capital

Authorised, issued and fully paid share capital at December 31, 2025 and 2024:

	No. of shares	Amount
Ordinary shares of \$0.005 par value per share	30,000,000	\$ 150,000

Shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Share Premium

At December 31, 2025, the share premium amounted to \$12,377,952 (2024: \$12,377,952) and represents the amount received by the Company from shareholders in excess of the par value of shares issued.

Contributed surplus

Contribution surplus represents the value of an ownership interest in Burns House Limited (BHL) acquired and contributed to the Company by its controlling shareholder, without the issuance of additional shares or other consideration by the Company. As the transaction represented a contribution from the controlling shareholder in its capacity as owner, the contribution was recognized directly in equity within contributed surplus and not in profit or loss. Subsequent to the transaction, BHL became a wholly owned subsidiary of the Company. In 2018, the Company and BHL have been merged, with the surviving entity being the Company.

14. Provisions and contingencies

At December 31, 2025 the Group recognized a provision of \$1,770,067 for Anheuser-Busch International over the termination of a distribution license (Note 29). The provision relates to an ongoing legal dispute with Anheuser-Busch InBev ("ABI") following the Privy Council ruling in favour of ABI. The ruling confirmed the Company's obligation in respect of termination-related claims, including associated legal costs.

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

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14. Provisions and contingencies *(continued)*

The provision is presented within current liabilities, and the corresponding expense is recognised within other income/(expense) in the statement of profit or loss, reflecting the non-operating nature of the item.

Significant judgement was applied in determining the amount recognised, including:

- Settlement range: Based on legal correspondence and negotiation dynamics, management expects the final settlement to fall within a defined range of \$1.5 million to \$1.7 million
- Negotiation outcome: The provision reflects management's assessment of the most likely outcome of negotiations, considering the Company's current legal position following the ruling
- Inclusion of legal costs: The estimated settlement amount includes legal costs and associated claims as communicated by ABI.

Other commitments and contingencies

At December 31, 2025 the Group was contingently liable under customs bond guarantees of \$1,966,705 (2024: \$2,272,997). These facilities are under joint and several liability of the Group in favor of each other.

At December 31, 2025 the Group was contingently liable to the Department of Inland Revenue on its assessment of intra-company inventory transfers between its subsidiaries for Business Licence purposes. The Group was assessed \$560,403 (2017) and \$596,003 (2016) and a Bank Guarantee was issued during arbitration. The Group was successful in their defence through arbitration concluding that the Group assessment of intra-company inventory transfers should not incur VAT therefore no liability is presented on the statement of financial position. The Department of Inland Revenue has kept their right to appeal open, and the matter is still pending.

Pending Litigation

Legal proceedings are pending against the Group in the ordinary course of business. Management considers that the aggregate liability resulting from these proceedings will not be material.

Corporate Credit Card

At December 31, 2025 the Group had Corporate Credit Card issued to the Management Team of \$80,000 (2024: \$70,000) in collective credit.

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15. Balances and transactions with related parties

For the purpose of this note, affiliates include other Heineken group entities and directors. Additional related party transactions are disclosed in other notes to the consolidated financial statements.

	2025	2024
<i>Balances with the Parent</i>		
Trade receivables, net (note 5)	210,021	111,470
Accounts payable and accrued expenses (note 12)	2,128,258	1,312,366
<i>Transactions with the Parent</i>		
Know-how fee (note 17)	2,410,998	522,298
IT related and other fee (note 17)	2,611,516	2,762,330
Royalties (note 17)	193,483	223,256
Sale of inventory	73,008	60,840
<i>Balances with affiliates</i>		
Trade receivables, net (note 5)	-	1,458
Accounts payable and accrued expenses (note 12)	43,028	154,176
Royalties (note 12)	33,375	56,487
<i>Transactions with affiliates</i>		
IT related fee and other fee (note 17)	359,146	768,659
Supply chain fee (note 17)	357,004	344,689
Director's fee (note 17)	42,000	42,000
Sale of inventory	3,342	1,231

Know-how fee

Effective May 18, 2010, the Group entered into an agreement with the Parent to pay 0.4% per annum of revenue to Heineken as a know-how fee. Related payments are made and/or accrued for in the normal course of business.

Royalties

Royalties are calculated as a percentage of revenue and are payable to the Parent based on the relevant agreement. Related payments are made and/or accrued for in the normal course of business.

COMMONWEALTH BREWERY LIMITED

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15. Balances and transactions with related parties *(continued)*

Sale of inventories, IT related fee and supply chain fee

IT related fee, supply chain fee and service fees are charged by Heineken and other Heineken group entities as incurred and are included in raw materials, consumables and services (see note 17). Related payments are made and/or accrued for in the normal course of business.

Sale of inventories relate to sales of locally produced goods made to Parent and affiliates.

Compensation of key management personnel

Compensation of key management personnel for the year ended December 31, 2025 comprised \$2,014,642 (2024: \$2,270,260) for salaries and other short-term benefits and \$86,221 (2024: \$64,332) for pension benefits.

Included in key management costs are costs relating to a Long-Term Incentive Plan. This is a share-based plan which provides senior employees with Heineken N.V. shares based on the performance of the Heineken Group as a whole. The amount recognized amounted to \$19,949 (2024: \$31,544).

16. Other (expense)/ income, net

	2025	2024
Miscellaneous (expense)/income	(131,500)	126,722
Provision for Legal Matter (Note 29)	(1,770,067)	-
	(1,901,567)	126,722

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17. Raw materials, consumables and services

	2025	2024 restated*
Cost of inventories	61,942,773	63,326,684
Distribution & Marketing expenses	4,572,664	3,738,711
IT expenses	2,889,420	3,075,513
Know-how fee	2,410,998	522,298
Royalties	2,211,033	2,348,839
Bank charges	1,957,794	1,841,871
Utilities	1,851,911	1,783,893
Business License	1,608,788	1,699,746
Business License Credit	(1,641,637)	(1,528,995)
Other expenses	1,352,295	1,856,781
Repairs & Maintenance	1,108,103	2,027,451
Professional Services	1,023,727	909,990
Security services	936,995	937,328
Occupancy expenses	1,496,966	1,359,249
Insurance	711,604	1,154,206
Group Service Fees	677,416	1,113,347
Communications	603,046	498,399
Duties and taxes	310,307	193,940
Expected Credit (Recovery)/Loss	368,022	(35,608)
	86,392,225	86,823,643

*The comparative information is restated due to retrospective application of Domestic Minimum Top-Up Tax and correction of prior period error for certain lease arrangements under IFRS 16 (See Note 27)

18. Employee pension plans

In 1997, the Group commenced a defined contribution pension plan. In accordance with the terms of the plan both employer and employees are required to contribute 5% (2024: 5%) of the participants' earnings to the plan. Employees are permitted to make additional contributions in order to increase their retirement benefits. The Group's contribution net of forfeitures to the plan included in personnel costs was \$552,631 (2024: \$470,545).

Employees are eligible to become participants of the plan upon the completion of a probationary period, provided they have attained the age of 18 years. The plan is mandatory for all employees who joined the Group after 1 January 1997 and optional for those who joined prior to 1 January 1997.

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19. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the consolidated net income divided by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Net Profit	\$ 10,020,041	\$ 14,228,005
Weighted average number of shares	30,000,000	30,000,000
Basic and diluted earnings per share	\$ 0.33	\$ 0.47

20. Dividends

Dividends declared by the Group amounted to \$14,100,000 at 0.47 per share (2024: \$6,000,000 at 0.20 per share).

The Group paid stamp duties and other financing costs of \$224,973 (2024: \$125,000) related to the distribution of dividends.

21. Changes in working capital

	2025	2024
Decrease/(increase) in trade receivables	2,027,806	(3,258,792)
(Increase)/decrease in prepaid expenses and other assets	(2,143,670)	2,506,283
(Increase) in inventory	(5,120,844)	(1,168,010)
Increase/(decrease) in accounts payable and accrued expenses	4,227,633	(1,345,036)
	(1,009,075)	(3,265,555)

22. Principal subsidiaries

The following dormant subsidiaries, which are incorporated in The Bahamas, are owned by the Group.

	Percentage (%) Owned	
	2025	2024
John Marshall Liquors Company Limited	100	100
Todhunter-Mitchell Distillers Limited	100	100

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23. Financial instruments and associated risks

The Board of Directors has established a risk management framework whose primary objective is to protect the Group from events that hinder the sustainable achievement of the Group's performance objectives.

There are a number of risks inherent in the drinks industry that the Board has identified and manages on an ongoing basis. Among these risks, the more significant are market, credit and liquidity. In accordance with IFRS 7, Financial Instruments, the Group presents qualitative information about its exposure to risk and the objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout this note.

(a) Market risk

Market risk is the risk that future changes in market conditions such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group has the option to enter into derivative or other financial liabilities to manage market risks. Generally, the Group seeks to apply hedge accounting or establish natural hedges to minimise the impact of market risks in the profit or loss. Foreign currency, interest rate and commodity hedging operations are governed by internal policies and rules. During the year, the financial risk to the Group was immaterial so no hedging transactions were entered into.

(i) Currency risk

The Group is party to financial instruments or enters into transactions denominated in currencies other than its functional currency. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the Bahamian dollar. Raw materials, packaging and finished products are purchased principally from Europe and are payable in Euros. The Group does not hedge against movements in foreign currency exchange rates.

The average exchange rate between the B\$ and the Euro was B\$1 = Euro 0.89 (2024: B\$1 = Euro 0.94). The spot rate at December 31, 2025 was B\$1 = Euro 0.85 (2024: B\$1 = Euro 0.90).

Sensitivity analysis

A 10 percent strengthening of the B\$ against the Euro at December 31, 2025 would have increased equity and net income by approximately \$115,593 (2024: \$107,486) resulting from EUR denominated accounts payable of \$1,155,925 (2024: 1,074,862). This analysis assumes that all other variables, in particular interest rates, remain constant. A 10 percent weakening of the B\$ against the Euro at December 31, 2025 would have had the equal but opposite effect on equity and net

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(Expressed in Bahamian dollars)

23. Financial instruments and associated risks *(continued)*

(a) Market risk *(continued)*

income of the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk refers to the risk of loss due to adverse movements in interest rates. The Group's interest rate risk arises from borrowings and its banking facilities. The Group manages its exposure to fluctuations in interest rates by linking its cost of borrowing to prevailing domestic or international interest rates. The Group has limited interest rate risk due to no significant interest rate sensitive assets or liabilities.

(b) Credit risk

Credit risk is the risk of a loss to the Group when a customer or counterparty fails to pay. All operations are required to comply with Credit Policy and procedures. The Group reviews and updates the Credit Policy periodically to ensure that adequate controls are in place to mitigate risk.

Credit risk arises mainly from the Group's receivables from customers such as trade receivables. At the balance sheet date, there were no significant concentrations of credit risk.

The Group Credit Committee has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under these policies, all customers requiring credit above a certain amount are reviewed and new customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms conditions are offered. This review can include external ratings, where available, and in some cases external references. Credit limits are determined for each customer and are reviewed regularly. Customer that fail to meet the Group's credit requirements transact only with the Group's on either prepayment or cash on delivery basis.

The Group establishes allowances for trade and other receivables using an expected credit loss model. These allowances cover specific loss components that relate to individual exposures, and collective loss component established for groups of similar customers. The collective loss allowance is determined based on historical data of payment statistics and updated periodically to incorporate forward-looking information.

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(Expressed in Bahamian dollars)

23. Financial instruments and associated risks *(continued)*

(b) Credit risk (continued)

Due to the macro-economic environment and uncertainties including increasing inflationary pressure on the Group's customers, judgement is required in the calculation of expected credit losses. As part of this assessment, the Group's has incorporated all reasonable and supportable information available such as whether there has been a breach of payment terms or deterioration of payment against payment terms, a request for extended payment terms or a request for waived payment terms.

The Group's maximum exposure to credit risk is as follows:

	2025	2024
Cash held with banks (note 4)	7,593,066	12,556,059
Trade receivables, net (note 5)	7,272,302	9,648,550
Other receivables, net (note 6)	1,658,642	475,409
Balance at end of the year	16,524,010	22,680,018

Cash at bank amounting to \$7,593,066 (2024: \$12,556,059) was deposited with regulated financial institutions. Accordingly, management considers this to bear minimal credit risk. The Group does not have a significant concentration of credit risk as it transacts and deals with various customers and counterparties and the resultant ECL is immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and other commitments when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest

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(Expressed in Bahamian dollars)

23. Financial instruments and associated risks *(continued)*

(c) Liquidity risk (continued)

date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	0 - 12 Months	1 - 5 Years	5+ Years	Total	Carrying Amount
nts payable and accrued liabilities	20,655,492	-	-	20,655,492	20,655,492
liabilities	2,222,824	-	-	2,222,824	2,162,828
erm lease liabilities	-	2,742,174	11,200	2,753,374	2,550,371
æ at December 31, 2025	22,878,316	2,742,174	11,200	25,631,690	25,368,691

	0 - 12 Months	1 - 5 Years	5+ Years	Total	Carrying Amount
nts payable and accrued liabilities	16,427,859	-	-	16,427,859	16,427,859
erm liabilities	2,690,317	-	-	2,690,317	2,162,828
erm lease liabilities	-	4,828,159	12,800	4,840,959	4,586,902
æ at December 31, 2024	19,118,176	4,828,159	12,800	23,959,135	23,177,589

24. Segment information

The Group has adopted IFRS 8, Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker evaluates segment performance primarily based on revenue, operating profit, assets and liabilities. Other segment information is not regularly provided or reviewed and accordingly has not been separately disclosed. This standard has been applied to all years presented in the consolidated financial statements. Information regarding the Group's reportable segments is presented below.

The Group's revenue from operations by reportable segment is as follows:

Segment revenue

	2025	2024
Wholesale	75,379,651	78,080,559
Retail	58,978,191	58,259,720
	134,357,842	136,340,279

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24. Segment information *(continued)*

The Group's net profit by reportable segment is as follows:

	2025	2024
Wholesale	6,690,450	8,641,792
Retail	5,508,204	5,467,993
Unallocated	(2,178,613)	118,220
	10,020,041	14,228,005

The Group's assets by reportable segment are as follows:

	2025	2024
Wholesale	67,660,767	68,805,740
Retail	38,146,349	38,791,871
Unallocated	5,812,602	5,910,964
Total assets	111,619,718	113,508,575

For the purposes of monitoring segment performance and allocating resources between segments, the only assets allocated by segment are trade and other receivables, inventories and property, plant & equipment.

The Group's liabilities by reportable segment are as follows:

	2025	2024
Wholesale	21,647,458	19,777,760
Retail	4,355,354	3,979,181
Unallocated	(634,121)	(579,352)
	25,368,691	23,177,589

The Group's additions to property, plant and equipment by reportable segment are as follows:

	2025	2024
Wholesale	4,105,013	3,343,895
Retail	407,759	232,758
	4,512,772	3,576,653

Included in revenues arising from direct sales from the Group's wholesale segment to its customers is \$11,295,099 (2024: \$9,465,186) which arose from sales to the Group's top five customers.

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Notes to Consolidated Financial Statements

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25. Fair values of financial instruments

The carrying values of financial assets and liabilities are considered to approximate their fair values due to the following reasons:

- (a) immediate or short-term maturity; and/or
- (b) interest rates approximate current market rates

The fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued expenses are not considered to be materially different from their carrying values due to their short-term nature.

26. Domestic Minimum Top-Up Tax

The Bahamas has agreed to participate in the two-pillar international tax approach developed by the Organisation for Economic Co-operation and Development ("OECD"), which includes the implementation of a global minimum corporate income tax rate of 15% ("Pillar Two"). On November 28, 2024, the Government of The Bahamas enacted the Domestic Minimum Top-Up Tax Act, 2024 (the "DMTT Act") to implement a Qualified Domestic Minimum Top-Up Tax ("DMTT") through the incorporation and application of the OECD Global Anti-Base Erosion ("GloBE") Model Rules.

The DMTT Act is deemed to have come into force on January 1, 2024. The legislation applies to fiscal years of multinational enterprise ("MNE") groups that commence in 2024 where the income of a constituent entity is subject to an Income Inclusion Rule ("IIR") or Undertaxed Profits Rule ("UTPR") in another jurisdiction in that year. For all other in-scope MNE groups, the DMTT applies to fiscal years commencing on or after January 1, 2025.

The DMTT represents a profit-based tax and is accounted for as current income tax in accordance with IAS 12 *Income Taxes*. The tax is calculated by applying a 15% rate to the Company's GloBE income, after deducting a substance-based income exclusion based on eligible payroll costs and the carrying value of eligible tangible assets, as defined under the GloBE Model Rules.

The Business Licence (Amendment) Act, 2025 and the Domestic Minimum Top-Up Tax (Amendment) Act, 2025 clarify, with retroactive effect to January 1, 2024, that Business Licence Tax continues to be payable as a separate operating tax and is not replaced by the DMTT. The Business Licence Tax is not a tax based on taxable profit and therefore falls outside of the scope of IAS 12. Amounts paid under the DMTT Act are treated as a credit against Business Licence tax payable for the relevant fiscal year, limited to the amount of the DMTT liability. Any excess Business Licence Tax paid over the DMTT liability may be carried forward and applied against DMTT payable in subsequent years. Business Licence Tax continues to be recognised as an operating expense in the statement of profit or loss, with the corresponding credit for DMTT.

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Notes to Consolidated Financial Statements

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26. Domestic Minimum Top-Up Tax (*continued*)

For the year ended December 31, 2024, the Company was within the scope of the DMTT due to the application of an Income Inclusion Rule at the level of the ultimate parent entity. Accordingly, a current tax expense in respect of DMTT has been recognised. The Business Licence credit mechanism generates a credit equal to the DMTT amount that can be applied against the Business Licence due for the same period, but does not change the DMTT amount itself. Therefore, applying the Business Licence credit reduces the Business Licence payable, but does not reduce the income tax expense (i.e. DMTT) recognised in the statement of profit or loss.

In accordance with the amendments to IAS 12 issued in May 2023, the Company has not recognised deferred tax assets or liabilities arising from the application of Pillar Two income taxes. The Company applies the mandatory temporary exception for the recognition and disclosure of deferred taxes related to Pillar Two.

Management continues to monitor developments relating to the implementation and administration of Pillar Two, including future compliance and reporting requirements under the DMTT Act.

27. Correction of prior-period errors

(a) Restatement arising from Domestic Minimum Top-Up Tax (DMTT) legislation

The Government of The Bahamas enacted the Domestic Minimum Top-Up Tax Act, 2024 (the "DMTT Act") on November 28, 2024, implementing a Qualified Domestic Minimum Top-Up Tax consistent with the OECD Pillar Two Global Anti-Base Erosion ("GloBE") Model Rules.

The legislation is deemed to have come into effect on January 1, 2024 and applies to multinational enterprise ("MNE") groups that fall within the scope of Pillar Two.

In the Company's previously issued financial statements for the year ended December 31, 2024, no current income tax expense was recognised in respect of the DMTT. At that time, management concluded that the Company was not within the scope of the DMTT legislation for 2024 because the Company was not itself subject to an Income Inclusion Rule ("IIR") or Undertaxed Profits Rule ("UTPR").

During 2025, management reassessed the application of the legislation and concluded that the Company was within the scope of the DMTT for the year ended December 31, 2024 as a result of the application of an Income Inclusion Rule at the level of the ultimate parent entity. Accordingly, a DMTT liability and related income tax expense should have been recognised in the 2024 financial statements.

Nature of Restatement

As a result of the retrospective effective date of the DMTT Act, the Group recognised the impact of DMTT for the financial year ended December 31, 2024.

Accordingly, the comparative financial information has been restated to reflect the recognition of current income tax expense and the related liability arising from DMTT for that period.

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Notes to Consolidated Financial Statements

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27. Correction of prior-period errors (*continued*)

(a) Restatement arising from Domestic Minimum Top-Up Tax (DMTT) legislation (*continued*)

Assessment and Accounting Treatment

- Management has concluded that the omission of the DMTT liability and related current tax expense in the previously issued financial statements represents a prior period error within the scope of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- The error arose from an incorrect assessment of the Company's applicability under enacted tax legislation in effect at the reporting date rather than from a change in estimate or the enactment of new legislation.
- Accordingly, the comparative financial information has been restated to recognise the DMTT liability and related current income tax expense for the year ended December 31, 2024. A DMTT expense of \$1,528,995 was recognised by crediting business license expense recognised in the consolidated statement of profit or loss line item "Raw materials, consumables and services" using the credit mechanism.

The DMTT is considered an income tax within the scope of IAS 12, as it represents a tax based on taxable profit under the GloBE Model Rules.

In accordance with IAS 12:

- The Group recognised current income tax expense in respect of DMTT for the applicable period; and
- Measured the related liability based on the best estimate of the amount payable at the reporting date.

In line with the amendments to IAS 12 issued in May 2023, the Group has applied the mandatory temporary exception from recognising deferred taxes related to Pillar Two income taxes, and therefore no deferred tax assets or liabilities have been recognised in respect of DMTT.

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27. Correction of prior-period errors (continued)

(a) Restatement arising from Domestic Minimum Top-Up Tax (DMTT) legislation (continued)

Assessment and Accounting Treatment (continued)

	2025	2024	2024	
				restated*
Income:				
Revenue	\$ 134,357,842	136,340,279	-	136,340,279
Excise	(6,775,642)	(7,636,313)	-	(7,636,313)
Net revenue	127,582,200	128,703,966	-	128,703,966
Operating expenses:				
Raw materials, consumables and services	86,392,225	88,352,639	(1,528,995)	86,823,644
Personnel costs	20,347,757	19,122,330	-	19,122,330
Depreciation	5,841,087	6,258,602	(604,128)	5,654,474
Amortisation	478,177	482,934	-	482,934
Total operating expenses	113,059,246	114,216,505	(2,133,123)	112,083,382
Other (expense)/income	(1,901,567)	612,630	(485,908)	126,722
Results from operating activities	12,621,387	15,100,091	1,647,215	16,747,306
Finance expenses	959,709	990,307	-	990,307
Profit before income tax	\$ 11,661,678	14,109,784	1,647,215	15,756,999
Income tax expense	1,641,637	-	1,528,995	1,528,995
Total net profit	\$ 10,020,041	14,109,784	118,220	14,228,004
Basic and diluted earning per share	\$ 0.334	0.470	0.004	0.474

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27. Correction of prior-period errors (continued)

(a) Restatement arising from Domestic Minimum Top-Up Tax (DMTT) legislation (continued)

Assessment and Accounting Treatment (continued)

	Previously reported	Adjustment	As restated
Cash flows from operating activities			
Net profit	\$ 14,109,785	118,220	14,228,005
Adjustments for:			-
Depreciation	6,258,602	(604,128)	5,654,474
Amortisation	482,934	-	482,934
Expected credit reversal recognized on trade receivables	(407,674)	-	(407,674)
Expected credit loss recognized on trade receivables	183,288	-	183,288
Reversal in net realizable value provision	(139,772)	-	(139,772)
Interest expense	497,642	-	497,642
Loss on disposal of property, plant and equipment	-	-	-
Tax expense	-	1,528,995	1,528,995
Net cash from operations before changes in working capital	20,984,805	1,043,087	22,027,892
Changes in working capital	(3,265,555)	-	(3,265,555)
Income taxes paid	-	(1,528,995)	(1,528,995)
Net cash from operating activities	17,719,250	(485,908)	17,233,342
Cash flow from investing activities			
Additions to property, plant and equipment	(3,576,653)	-	(3,576,653)
Net cash used in investing activities	(3,576,653)	-	(3,576,653)
Cash flows from financing activities			
Dividends paid	(6,000,000)	-	(6,000,000)
Repayment of lease liability	(2,705,267)	485,908	(2,219,359)
Interest paid	(497,642)	-	(497,642)
Net cash used in financing activities	(9,202,909)	485,908	(8,717,001)
Net increase in cash and cash equivalents	4,939,688	-	4,939,688
Cash and cash equivalents, beginning of year	7,636,646	-	7,636,646
Cash and cash equivalents, end of year	\$ 12,576,334	-	12,576,334

COMMONWEALTH BREWERY LIMITED

Notes to Consolidated Financial Statements

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27. Correction of prior-period errors (continued)

(b) Restatement arising from IFRS 16 Leases and Property Revaluation

During 2025, the Group identified prior-period errors in the accounting for certain lease arrangements under IFRS 16. As a result, as of 31 December 2024, right-of-use assets and lease liabilities were understated by \$315,959 and \$463,743, respectively, and retained earnings were overstated by \$147,784. In addition, as of 1 January 2024, right-of-use assets and lease liabilities were understated by \$1,169,592 and \$1,435,596, respectively, and retained earnings were overstated by \$266,004.

The Group also identified a prior-period error relating to the accounting for a property revaluation completed in 2023. As a result, the carrying amount of buildings within property, plant and equipment and the related revaluation surplus were overstated by \$444,882.

The errors have been corrected retrospectively by restating the opening balances of assets, liabilities and equity at 1 January 2024 and the comparative amounts for the year ended 31 December 2024. The corrections have no effect on the Group's cash balances. Based on the current financial-statement schedules there is no material effect on income tax expense or basic and diluted earnings per share.

1 January 2024	As previously reported	Adjustments	As restated
Assets			
Current assets:			
Total current assets	48,035,751	-	48,035,751
Non-current assets:			
Right of use asset	6,560,940	1,169,592	7,730,532
Property, plant and equipment	47,103,591	(444,882)	46,658,709
Others	5,897,329		5,897,329
Total non-current assets	59,561,860	724,710	60,286,570
Total assets	107,597,611	724,710	108,322,321
Liabilities and equity			
Current liabilities:			
Accounts payable and accrued expenses	17,772,895	-	17,772,895
Short-term lease liability	2,128,748	-	2,128,748
Total current liabilities	19,901,643	-	19,901,643
Non-current liabilities:			
Long-term lease liability	4,882,101	1,435,596	6,317,697
Total liabilities	24,783,744	1,435,596	26,219,340
Equity:			
Others	28,879,321		28,879,321
Revaluation surplus	16,083,580	(444,882)	15,638,698
Retained earnings	37,850,966	(266,004)	37,584,962
Total equity	82,813,867	(710,886)	82,102,981
Total liabilities and equity	107,597,611	724,710	108,322,321

COMMONWEALTH BREWERY LIMITED

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(Expressed in Bahamian dollars)

27. Correction of prior-period errors (continued)

(b) Restatement arising from IFRS 16 leases and Property Revaluation (continued)

31 December 2024	As previously reported	Adjustments	As restated
Assets			
Current assets:			
Total current assets	55,260,117	-	55,260,117
Non-current assets:			
Right of use asset	5,667,064	315,959	5,983,023
Property, plant and equipment	47,295,922	(444,882)	46,851,040
Others	5,414,395	-	5,414,395
Total non-current assets	58,377,381	(128,923)	58,248,458
Total assets	113,637,498	(128,923)	113,508,575
Liabilities and equity			
Current liabilities:			
Accounts payable and accrued expenses	16,427,859	-	16,427,859
Short-term lease liability	2,253,720	(90,892)	2,162,828
Total current liabilities	18,681,579	(90,892)	18,590,687
Non-current liabilities:			
Long-term lease liability	4,032,267	554,635	4,586,902
Total liabilities	22,713,846	463,743	23,177,589
Equity:			
Others	28,879,321		28,879,321
Revaluation surplus	16,083,580	(444,882)	15,638,698
Retained earnings	45,960,751	(147,784)	45,812,967
Total equity	90,923,652	(592,666)	90,330,986
Total liabilities and equity	113,637,498	(128,923)	113,508,575

COMMONWEALTH BREWERY LIMITED

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28. Capital management

The Group is not subject to externally imposed capital requirements except that under The Companies Act 1992, the Group may not declare and pay a dividend if there are reasonable grounds for believing that:

- (a) the Group is unable or would, after the payment of dividends, be unable to meet its liabilities as they become due; or
- (b) the realisable assets of the Group will be less than the sum of its total liabilities and outstanding share capital.

There were no changes in the Group's approach to capital management during the year.

With effect from 1 January 2011 the Group's policy is to distribute 100% of consolidated net income as dividends subject to the provisions of The Companies Act 1992 as outlined above. The frequency of the payout is at the discretion of the Board of Directors and is subject to approval at the annual shareholders' meeting.

29. Subsequent event

Subsequent to the reporting date, the Company received formal correspondence, via its legal advisors, in relation to the ongoing dispute with Anheuser-Busch InBev (ABI) following the Privy Council ruling.

The correspondence indicates (Note 14) that ABI has asserted a total claim of approximately BSD 1.77 million, inclusive of legal costs, and has indicated a willingness to settle the matter at approximately BSD 1.6 million. Management is currently engaged in ongoing negotiations and expects the final settlement to be within the range of approximately BSD 1.5 million to BSD 1.7 million.

Management has assessed this information as providing additional evidence of conditions that existed at the reporting date. Accordingly, the financial statements reflect a provision representing management's best estimate of the obligation in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, with the related expense presented within other income/(expense) in the statement of profit or loss.

The final settlement amount remains subject to agreement between the parties.

