

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Three months ended March 31, 2025

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Three months ended March 31, 2025

Financial Update

The first quarter of the year saw Commonwealth Brewery Ltd. report a modest 3% decline in net revenue, primarily attributed to the Easter holiday falling in the second quarter this year as compared to the first quarter in the previous year. Typically, the company experiences an uptick in consumer demand during Easter, driven by increased traffic at On-Premise accounts and heightened At-Home consumption. However, in this period, shifting consumer behaviours and economic factors contributed to a variation in the sales pattern.

Ongoing global and regional market trends indicate a continued contraction in the alcoholic beverage sector following the post-COVID boom. These shifts are evident across categories as consumers increasingly seek new brands and flavour profiles while aiming for greater value in their purchases. Within this landscape, competition for market share among the Beer, Wine, and Spirits segments highlights Spirits as the most promising area for growth, given its diverse categories and ability to cater to a wide range of price points. Beer also demonstrates resilience, particularly within the Mainstream and Economy segments, fueled by significant growth in local brands-Kalik and Eclipse.

Regionally, consumer spending patterns have evolved, with basket sizes decreasing in the Beer and Spirit segments due to a shift towards more affordable Mainstream and Economy options. This underscores changing consumer preferences, driven by economic uncertainty and a desire to maximize value while exploring new products. The shift in demand also reflects broader economic influences, including tourism dynamics. While overall tourist numbers are increasing, the continued shift from stop-over travellers to cruise passengers presents new spending challenges. Coastal stores near cruise ports continue to benefit from this trend, but there has been a contraction in airport stores and inland retail outlets, highlighting the impact of changing travel and spending patterns.

Despite these challenges, CBL remains agile and strategically positioned to capitalize on changing consumer behaviours. The company utilises its broad portfolio and extensive footprint across The Bahamas to adapt quickly. Innovation remains a key focus, exemplified by the recent launch of Vitamalt Vanilla, aimed at engaging consumers and capturing emerging market opportunities. This is demonstrated as well through cost reduction measures as Operating Expenses decreased 3% during the period. Through such initiatives, the company demonstrates its resilience and commitment to maintaining competitiveness, ensuring it can navigate current economic uncertainties and capitalise on growth prospects in an evolving market landscape.

Net profit for the first quarter of 2025 remained steady at \$2.6M, consistent with the same period in 2024, largely due to effective management of operating costs. Additionally, CBL generated \$1.7M in net cash flow from operating activities during the first quarter of 2025—a significant increase from the \$0.6M recorded in the comparable period of 2024.

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

March 31, 2025, with corresponding figures for December 31, 2024

(Expressed in Bahamian dollars)

	March 2025	December 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,290,897	12,576,334
Trade receivables, net	5,978,228	8,440,233
Prepaid expenses and other assets	3,652,939	2,380,703
Inventories	33,083,547	31,457,381
Total current assets	56,005,611	54,854,651
Non-current assets:		
Right of use asset	4,892,384	5,667,064
Property, plant and equipment	46,692,636	47,295,922
Goodwill	4,487,242	4,487,242
Other intangible assets	806,418	927,153
Total non-current assets	56,878,680	58,377,381
Total assets	\$ 112,884,291	113,232,032
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 13,995,582	16,111,684
Short-term lease liability	2,057,954	2,253,720
Total current liabilities	16,053,536	18,365,404
Non-current liabilities:		
Long-term lease liability	3,434,917	4,032,267
Total liabilities	19,488,453	22,397,671
Equity:		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	16,083,580	16,083,580
Retained earnings	48,432,937	45,871,460
Total equity	93,395,838	90,834,361
Total liabilities and equity	\$ 112,884,291	113,232,032

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the three months ended March 31, 2025, with corresponding figures for the three months ended March 31, 2024

(Expressed in Bahamian dollars)

	March 2025	March 2024
Income:		
Revenue	\$ 31,107,015	32,457,917
Excise	(1,518,438)	(1,993,829)
Net revenue	29,588,577	30,464,088
Operating expenses:		
Raw materials, consumables and services	19,822,845	21,028,852
Personnel costs	5,119,063	4,996,053
Depreciation	1,636,854	1,475,550
Amortisation	120,733	120,733
Total operating expenses	26,699,495	27,621,188
Other expense / (income)	129,877	(33,448)
Results from operating activities	2,759,205	2,876,348
Finance expenses	197,728	240,174
Total net profit	\$ 2,561,477	2,636,174
Basic and diluted earning per share	\$ 0.09	0.09

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2025

(Expressed in Bahamian dollars)

		Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2024	\$	150,000	12,377,952	16,351,369	16,083,580	45,871,460	90,834,361
Total net profit and comprehensive income		-	-	-	-	2,561,477	2,561,477
Balance at March 31, 2025	\$	150,000	12,377,952	16,351,369	16,083,580	48,432,937	93,395,838

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2025, with corresponding figures for the three months ended March 31, 2024

(Expressed in Bahamian dollars)

	Mar-25	Mar-24
Cash flows from operating activities		
Net income	\$ 2,561,477	2,636,174
Adjustments for:		
Depreciation	1,636,854	1,475,550
Amortisation	120,733	120,733
Impairment loss recognized on cash and cash equivalents and trade receivables	90,840	(80,208)
Loss on disposal of property, plant and equipment	18	(49)
Interest expense	119,982	116,774
Net cash from operations before changes in working capital	4,529,904	4,268,974
Changes in non-cash working capital	(2,839,105)	(3,709,604)
Net cash from operating activities	1,690,799	559,370
Cash flows from financing activities		
Interest paid	(119,982)	(116,774)
Net cash used in financing activities	(119,982)	(116,774)
Cash flow from investing activities		
Additions to property, plant and equipment (excl. ROU asset)	(252,722)	(227,322)
Additions to property, plant and equipment - ROU asset	(6,166)	(1,645,438)
Additions to intangible assets	2	-
Repayment of lease liability	(597,350)	454,885
Proceeds from sale of property, plant and equipment	(18)	49
Net cash used in investing activities	(856,254)	(1,417,826)
Net decrease in cash and cash equivalents	714,563	(975,230)
Cash and cash equivalents, beginning of quarter	12,576,334	7,170,379
Cash and cash equivalents, end of quarter	\$ 13,290,897	6,195,149

1. Accounting Policies

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.