

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Twelve months ended December 31, 2020

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Twelve months ended December 31, 2020

Commonwealth Brewery Limited experienced a decline in Net Revenue during the fourth quarter – down 25% compared to the fourth quarter 2019. The cost mitigating programs drove down operating expenses by 28%. The result from operating activities was \$2.8M for the quarter.

Net revenue for the year as a whole was down by \$34M or 28% compared to 2019, reflecting the devastating impact of C-19 on our economy. Relentless focus on cost has limited the loss on operating activities to only \$0.6M. Our efforts in reducing working capital and limiting capital expenditure enabled us to payback over 80% of the \$8M C-19 facility while securing liquidity.

Commonwealth Brewery Limited will continue to be affected by the C-19 pandemic in 2021. We will navigate the crisis with the following priorities: Safety & Health of our Employees, our Customers and the Public; Satisfying our Customer & Consumer needs; Relentless Focus on Cost & Liquidity. While building a bright future, the main projects for 2021 are Rightsizing our organization, Building a Customer Centric Culture, Optimizing our Portfolio and improving our capabilities with Digital & Technology

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

December 31, 2020, with corresponding figures for December 31, 2019
(Expressed in Bahamian dollars)

| | December 2020 | December 2019 |
|---------------------------------------|---------------|---------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 5,599,574 | 5,979,119 |
| Trade receivables, net | 3,442,203 | 6,866,047 |
| Prepaid expenses and other assets | 2,667,086 | 5,575,456 |
| Inventories | 23,963,687 | 28,748,459 |
| Total current assets | 35,672,550 | 47,169,081 |
| Non-current assets: | | |
| Property, plant and equipment | 48,179,337 | 49,744,732 |
| Right of use asset | 6,612,032 | 6,290,324 |
| Goodwill | 4,487,242 | 4,487,242 |
| Other intangible assets | 1,957,788 | 2,319,731 |
| Total non-current assets | 61,236,399 | 62,842,029 |
| Total assets | \$ 96,908,949 | 110,011,110 |
| Liabilities and equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 15,465,847 | 28,909,306 |
| Short-term lease liability | 2,408,602 | 1,854,766 |
| Loans and borrowings | 9,026,583 | 7,836,255 |
| Total current liabilities | 26,901,032 | 38,600,327 |
| Non-current liabilities: | | |
| Long-term lease liability | 4,457,825 | 4,529,834 |
| Total liabilities | 31,358,857 | 43,130,161 |
| 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 | 12,473,768 | 12,473,768 |
| Retained earnings | 24,197,003 | 25,527,860 |
| Total equity | 65,550,092 | 66,880,949 |
| Total liabilities and equity | \$ 96,908,949 | 110,011,110 |

COMMONWEALTH BREWERY LIMITED

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

For the three months ended December 31, 2020, with corresponding figures for the three months ended December 31, 2019

(Expressed in Bahamian dollars)

| | December 2020 | December 2019 |
|---|---------------|---------------|
| Income: | | |
| Revenue | \$ 26,579,853 | 35,920,491 |
| Excise | (2,494,619) | (3,942,755) |
| Net revenue | 24,085,234 | 31,977,736 |
| Operating expenses: | | |
| Raw materials, consumables and services | 16,620,098 | 23,464,998 |
| Personnel costs | 4,163,557 | 6,258,858 |
| Depreciation | 1,664,937 | 1,445,433 |
| Amortisation | 101,807 | 93,624 |
| Total operating expenses | 22,550,399 | 31,262,913 |
| Other income, net | 1,244,219 | 6,168,324 |
| Results from operating activities | 2,779,054 | 6,883,147 |
| Finance expenses | 186,646 | 293,280 |
| Total comprehensive income | \$ 2,592,408 | 6,589,867 |
| Basic and diluted earnings per share | \$ 0.09 | 0.22 |

COMMONWEALTH BREWERY LIMITED

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

For the Twelve months ended December 31, 2020, with corresponding figures for the Twelve months ended December 31, 2019

(Expressed in Bahamian dollars)

| | December 2020 | December 2019 |
|---|----------------|---------------|
| Income: | | |
| Revenue | \$ 96,000,086 | 134,140,916 |
| Excise | (9,537,945) | (13,483,368) |
| Net revenue | 86,462,141 | 120,657,548 |
| Operating expenses: | | |
| Raw materials, consumables and services | 63,262,401 | 86,637,857 |
| Personnel costs | 18,307,517 | 23,692,558 |
| Depreciation | 6,340,498 | 5,441,249 |
| Amortisation | 398,575 | 161,956 |
| Total operating expenses | 88,308,991 | 115,933,620 |
| Other income, net | 1,202,267 | 6,368,392 |
| Results from operating activities | (644,583) | 11,092,320 |
| Finance expenses | 686,274 | 736,615 |
| Total comprehensive (loss)/income | \$ (1,330,857) | 10,355,705 |
| Basic and diluted earnings per share | \$ (0.04) | 0.35 |

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the Twelve months ended December 31, 2020

(Expressed in Bahamian dollars)

| | Share capital | Share premium | Contributed surplus | Revaluation surplus | Retained earnings | Total equity |
|------------------------------|------------------|------------------|------------------------|------------------------|----------------------|-----------------|
| Balance at December 31, 2019 | 150,000 | 12,377,952 | 16,351,369 | 12,473,768 | 25,527,860 | 66,880,949 |
| Comprehensive (loss) | — | — | - | - | (1,330,857) | (1,330,857) |
| Balance at December 31, 2020 | \$ 150,000 | 12,377,952 | 16,351,369 | 12,473,768 | 24,197,003 | 65,550,092 |

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the Twelve months ended December 31, 2020, with corresponding figures for the Twelve months ended December 31, 2019

(Expressed in Bahamian dollars)

| | 2020 | 2019 |
|--|----------------|--------------|
| Cash flows from operating activities | | |
| Net (loss)/income | \$ (1,330,857) | 10,355,705 |
| Adjustments for: | | |
| Depreciation | 6,340,498 | 5,466,274 |
| Amortisation | 398,575 | 161,957 |
| Impairment loss recognized on trade receivables | 1,155,627 | 385,446 |
| Gain on disposal of property, plant and equipment | (35,788) | (1,038,898) |
| Finance expense | 686,274 | 736,615 |
| Net cash from operation activities | 7,214,329 | 16,067,099 |
| Changes in non-cash working capital | (3,321,981) | 5,352,155 |
| Net cash from operations before changes in working capital | 3,892,348 | 21,419,254 |
| Cash flows from financing activities | | |
| Interest paid | (686,274) | (736,615) |
| Dividends paid | - | (8,325,000) |
| Proceeds from loans and borrowings | 8,000,000 | - |
| Repayment of loans and borrowings | (6,809,672) | (8,163,738) |
| Net cash used in financing activities | 504,054 | (17,225,353) |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (2,366,508) | (4,481,845) |
| Additions to intangible assets | (36,632) | (2,328,257) |
| Repayment of lease liabilities | (2,408,595) | (1,612,627) |
| Proceeds from sale of property, plant and Equipment | 35,788 | 1,117,483 |
| Net cash used in investing activities | (4,775,947) | (7,305,246) |
| Net decrease in cash and cash equivalents | (379,545) | (3,111,345) |
| Cash and cash equivalents, beginning of year | 5,979,119 | 9,090,464 |
| Cash and cash equivalents, end of period | \$ 5,599,574 | 5,979,119 |

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.