COMMONWEALTH BREWERY LIMITED
THE BAHAMAS
Part of the HEINEKEN Company

ANNUAL REPORT 2024


IT'S NOT A BEER...
IT'S A RADLER
KALIK Radler
LYCHEE
KALIK
Radler
LYCHEE
Drink Responsibly, Bey 18+

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CHAIRMAN'S REPORT

TO OUR VALUED SHAREHOLDERS:

Despite a complex and evolving economic environment, Commonwealth Brewery Limited (CBL) delivered a performance that reflects the strength of our brands, the resilience of our operations, and our ongoing commitment to sustainable growth and financial discipline.

GLOBAL AND LOCAL ECONOMIC CONTEXT

The global economy in 2024 continued to experience volatility, marked by persistent inflationary pressures, rising interest rates, and geopolitical uncertainty. While major markets began to stabilize, consumer confidence remained cautious. Many multinationals adjusted their pricing and portfolio strategies to reflect shifts in discretionary spending and heightened cost sensitivity.

JULIAN W. FRANCIS | CHAIRMAN

Closer to home, The Bahamas faced its own economic headwinds. Growth in tourism—though positive overall—softened in the latter half of the year, while inflation continued to weigh on household purchasing power. These conditions influenced consumer behavior across sectors, including the beverage industry. Nevertheless, the country maintained relative economic stability, supported by strong fiscal oversight and moderate job growth.

In this climate, CBL's ability to adapt quickly and remain aligned with the evolving needs and preferences of Bahamian consumers proved essential.

BUSINESS PERFORMANCE

We are pleased to report modest volume growth across our portfolio, with particularly strong performance in the mainstream and economy segments. This outcome reflects a broader shift toward value-based purchasing—an ongoing trend seen both globally and locally.

While total volume increased slightly, overall revenue declined compared to 2023, driven largely by contraction in the premium segment, which proved more sensitive to cost-conscious consumer behavior. As a result, average revenue per unit fell year-over-year. This mirrors global patterns where premium brands have come under pressure in inflationary environments.

Notably, our local brands continued to perform exceptionally well. The successful introduction of ready-to-drink (RTD) beverages added incremental growth and renewed excitement to the category. Meanwhile, industry staples such as Kalik and Eclipse maintained strong value propositions. This performance is a testament to CBL's ability to innovate, stay culturally connected, and consistently exceed consumer expectations.

OPERATIONAL EFFICIENCY

Recognizing the headwinds of 2024, we maintained strict cost discipline and strategic focus. A multifaceted approach—including lower input costs, streamlined operations, and prudent inventory management—yielded significant cost savings. At the same time, we increased targeted investments in our backoffice operations that help to maintain our competitiveness in a vibrant digital and brand-conscious marketplace.

FINANCIAL POSITION

CBL's financial position remains strong. Total current assets increased meaningfully, buoyed by a significant rise in cash and cash equivalents. This improvement reflects enhanced liquidity management, stronger working capital controls, and a disciplined approach to credit and receivables.

As a result, we are pleased to announce another year of dividend payments declared to shareholders —underscoring our solid financial foundation and commitment to returning value to our investors.

OUTLOOK

While global uncertainty persists and local economic pressures continue to shape consumer behavior, we remain confident in our ability to navigate the road ahead. We will continue to strengthen our brand portfolio, drive digital and commercial innovation, and enhance operational efficiencies.

We anticipate that consumer preferences will remain fluid in the year ahead, with continued demand for value, convenience, and culturally resonant brands. Fortunately, these are the very attributes that define our portfolio and anchor our strategy for 2025 and beyond.

Our long-term fundamentals remain strong. With a sharp focus on execution and prudent financial stewardship, we are well-positioned to deliver sustainable value to our stakeholders.

CLOSING

On behalf of the Board of Directors, I extend heartfelt thanks to our employees for their dedication and passion, to our customers for their loyalty and trust, and to you—our shareholders—for your continued confidence and support. As we look to the future, we do so with optimism, clarity, and a deep commitment to delivering long-term value for The Bahamas and beyond.

JULIAN W. FRANCIS | **CHAIRMAN**

MANAGING DIRECTOR'S REPORT

In 2024, Commonwealth Brewery Limited (CBL) delivered consistent performance and maintained strong operational momentum, despite ongoing global economic instability and inflationary pressures. Efficient supply chain management, agile commercial teams, and disciplined execution drove our ability to adapt quickly to shifting consumption patterns.

We focused on optimizing operations through production efficiency, procurement discipline, and an effective route-to-market strategy. Our manufacturing and logistics teams supported modest volume growth, particularly in mainstream and economy brands, reflecting increased demand for value-driven offerings.

While revenue declined year-over-year due to softness in the premium segment, our operational infrastructure enabled us to scale efficiently, minimize disruptions, and maintain strong trade and retail delivery while our sales volumes and market coverage remained robust, underscoring the resilience of our model.

ANCA OLTEANU | MANAGING DIRECTOR

STRATEGIC DIRECTION

As we approach the conclusion of our Heineken Evergreen 2025 strategy, our focus remained anchored in its five strategic pillars:

Drive Superior Growth

CBL delivered modest volume by sharpening commercial focus and expanding our portfolio to meet changing consumer preferences. We gained share in core segments through targeted activations, increased visibility for high-performing local brands, and the launch of innovative products—especially in the low- and no-alcohol space. Investments in digital sales tools and retail execution enabled our teams to connect with customers and drive sell-through in key outlets.

Fund the Growth and Fuel the Profit

Operational efficiency remained a priority. We implemented productivity initiatives that reduced waste, optimized logistics, and improved production schedules. Through strategic procurement and cost discipline, we absorbed inflationary pressures while maintaining profitability and price stability.

Raise the Bar on Sustainability and Responsibility

We remain at the forefront of sustainability and social responsibility. In fiscal 2024, we achieved a 2.6% reduction in carbon emissions and an 8.9% decrease in water consumption; clear progress toward our environmental goals. At the same time, we continued to partner with organisations like the Royal Bahamas Police Force to promote responsible consumption. These efforts reflect our steadfast commitment to making a positive impact in the communities we serve.

Become the Best-Connected Brewer

We advanced our digital and social connectivity. Internally, we adopted collaborative platforms that enhanced communication and decision-making. Externally, we strengthened customer engagement through data-driven trade marketing, personalized activations, and omnichannel campaigns. Our social media efforts around key brand moments significantly boosted consumer awareness.

Unlock the Full Potential of Our People

In 2024, our people strategy focused on development, diversity, and engagement. We expanded leadership programs, introduced structured career pathing, and reinforced internal mobility. We partnered with the Ministry of Labour's Labour on the Blocks initiative, drawing over 60 applicants, and strengthened ties with the Ministry of Youth and the University of The Bahamas through employment and internship opportunities.

We are proud of our 47% female workforce—surpassing global benchmarks and reflecting our inclusive culture. Through onboarding, mentorship, and wellness initiatives, we achieved an 18% reduction in employee turnover and increased engagement. As of December 2024, we employed 347 individuals—underscoring our growth and appeal as an employer of choice.

LOOKING AHEAD

As we move forward in 2025, we remain mindful of global and local uncertainties, such as inflation, which is expected to further tighten consumer spending. The evolution of consumer preferences will, therefore, continue to shape our outlook.

In this environment, we must stay focused on our core priorities: investing in our brands, remaining innovative and optimising our route-to-consumer strategy. By staying agile and attuned to customer needs, we are confident in our ability to sustain momentum.

On behalf of the leadership team, I thank our employees, partners, customers, and shareholders. Your continued trust and support have been instrumental to our progress. Together, we are shaping a more agile, resilient, and forward-thinking CBL, ready to meet the future with confidence and purpose.

ANCA OLTEANU | **MANAGING DIRECTOR**

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 NewYork University.

ANCA OLTEANU | MANAGING DIRECTOR

Ms. Anca Olteanu is the Managing Director of Commonwealth Brewery Ltd. She began her career more than 15 years ago at Procter & Gamble and served more recently in Heineken's Global Procurement Team in the Netherlands, as Packaging Strategic Sourcing Director. Ms. Olteanu holds a degree in Law, a master's degree in Business Management from the Economic Studies Academy of Bucharest, along with certifications in International Business Management from the International Institute for Management Development in Switzerland.

ED FIELDS | DIRECTOR

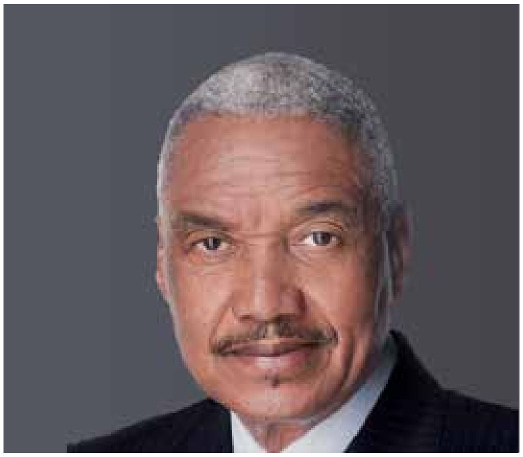
Mr. Fields is the Director of Business Development for Nassau Cruise Port Ltd. and has a vast knowledge of and experience in the Public Relations, Financial Services, Insurance and Hospitality industries. Mr. Fields has more than 20 years' experience as Senior Vice-President of Public Affairs and Retail Services with Atlantis Resort in the capacity of Government Affairs Consultant. Mr. Fields holds a Master's Degree in Public Administration from University of Georgia and a Bachelor of Arts in Government Studies from St. John's University in Minnesota.

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.

CHADEAU WILSON | SECRETARY

Mr. Wilson began his post university career at Deloitte & Touche in Cincinnati, OH in the Audit practice. Five years later he started with Commonwealth Brewery Limited (CBL) in 2018. He held numerous positions including Strategic Business Controller and Senior Manager, Planning and Control. He was recently promoted to Finance Director at Brasserie Nationale d'Haïti, a Heineken company. He is a Certified Public Accountant and holds degrees in both Finance and Accounting from Xavier University in Cincinnati, OH.



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.

EXECUTIVE MANAGEMENT TEAM

ANCA OLTEANU
MANAGING DIRECTOR

GARY LEWIS
FINANCE DIRECTOR

NATASHA O'BRIEN
SUPPLY CHAIN DIRECTOR

ANDRE WOLDT
MARKETING DIRECTOR

PAUL HAVEN
HUMAN RESOURCES DIRECTOR

WENRICK CLARKE
SALES DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024 and its related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Bahamian dollars. This MD&A is dated July 16, 2025.

The MD&A might from time to time contain forward-looking statements that involve numerous assumptions. Readers should be cautious when interpreting these statements because any change in assumptions could cause actual results to differ materially from the expectations in those statements.

FINANCIAL PERFORMANCE

REVENUE

For the fiscal year ended December 31, 2024, total revenue declined by 1.9% year-over-year, primarily attributed to shifts in global consumer spending behaviour. Although total volumes registered a modest increase of 0.9%, growth was primarily driven by the Mainstream and Economy segments, reflecting our responsiveness to changing consumer preferences. While the Premium segment experienced some softness, this shift in segment mix underscores consumers' growing focus on value. As a result, revenue per unit and average contribution were slightly lower than the prior year. Nevertheless, our ability to capture volume gains in a challenging economic environment highlights the strength and flexibility of our portfolio as we continue to adapt to evolving market dynamics.

Local brands continued to perform extremely well, delivering strong volume and value growth of 5%. This performance was largely driven by the successful launch of Ron Ricardo Ready-to-Drink (RTD) products, as well as sustained momentum from our flagship Kalik brand. Eclipse demonstrated continued resilience and growth, reinforcing its position in the Economy segment as a key volume driver within the portfolio.

Channel performance remained mixed throughout the year. The on-premise channel delivered the strongest growth, reflecting increased consumer engagement and outlet activation strategies. The off-trade and retail channels followed closely behind, showing steady performance as at-home consumption remained elevated. In contrast, the hotel and events channel saw a slight decline, influenced by softer tourism flows in the latter part of the year and reduced event-driven demand.

OPERATING EXPENSES

Cost of goods sold decreased by 3.7% year-over-year, primarily due to lower input costs and improved inventory management practices. This reduction contributed positively to gross margin preservation despite top-line revenue softness. The decline in COGS reflects targeted efforts to streamline sourcing and optimize production scheduling. The remaining expenses decreased by 9.2% through disciplined cost control initiatives as a part of our continuing evergreen strategy overall, Commonwealth Brewery Ltd. (CBL) maintained strong cost discipline while selectively increasing strategic investment in areas that enhance market competitiveness and long-term efficiency such as Marketing and IT investments. These efforts enabled the Company to mitigate gross margin pressure stemming from revenue mix changes as Total Operating Expense declined by 4.5% compared to 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total current assets increased by 15.0% year-over-year, reflecting an overall strengthening of CBL's short-term financial position. The growth was primarily driven by a significant increase in cash and cash equivalents, which rose by 64.7%. This increase was supported by improved working capital management and the timing of cash inflows, bolstering CBL's liquidity. Trade receivables grew by 56.5%, consistent with higher credit sales volumes, particularly in the second half of the year. Inventories increased by 4.3%, aligned with volume growth in the Mainstream and Economy segments. Inventory levels were actively managed to support product availability while minimizing obsolescence risk.

CAPITAL RESOURCES

At December 31, 2024, CBL had no material commitment of capital resources in place. The company generates sufficient cash from operations and financing activities for its own needs.
The company's dividend policy is to distribute net income when excess cash is available. The frequency and pay-out ratio for any dividend remains at the discretion of the Board of Directors and is subject to approval at the Annual General Meeting of shareholders.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2024 the company had no off-balance sheet arrangements with any party. The majority of the company's commitments relate to lease contracts for commercial real estate, most of which are short-term in duration of one to five years. The main contingent liabilities are related to customs bond guarantees and standby letters of credit.

As of December 31, 2024 CBL and its group of companies ("The Group") were contingently liable to The Bahamas Department of Inland Revenue upon assessment of intra-company stock transfers between its subsidiaries for business license purposes. The Group was assessed $596,003 in 2016 and $560,403 in 2017, which required the issuance of a Bank Guarantee. The company successfully challenged the matter in arbitration and is currently awaiting further response by the Government of The Bahamas.

TRANSACTIONS WITH RELATED PARTIES

A number of transactions and agreements are in place between CBL and other entities of the Heineken Group. These transactions and agreements relate to the secondment of senior employees, purchasing of raw and packaging materials, supply chain consultancy, transport of products, bottling, trademark licensing, IT services and management fee, dividends and borrowings. The amounts related to these transactions are specified in Note 15 of the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Note 3 of the consolidated financial statements outlines significant CBL accounting policies and estimates. Management does not consider these accounting policies and estimates to be of a critical nature, however, because they require the company to make assumptions about matters that are highly uncertain. Different estimates, therefore, are reasonably likely to occur from period to period and could have a material impact on financial results.
Note 9 details the assumption used to annually test impairment on Goodwill. By nature, Goodwill is subject to the risk of impairment if key assumptions—such as projected sales volume of acquired wine and spirits brand—change. The company carries $4,487,242 net in Goodwill, generated by the acquisition of 100% ownership interest in Butler & Sands Company Limited in the year 2000. Using reasonable expectations, CBL could experience only a limited change in key assumptions, which would not have a material impact on results.

KALIK RADLER LYCHEE: A BOLD NEW CHAPTER IN BAHAMIAN BREWING INNOVATION

In November 2024, CBL and Kalik—The Beer of The Bahamas—unveiled the newest flavour in the Kalik Radler family: Kalik Radler Lychee. This exciting innovation captured the imagination of Bahamians nationwide, with a wave of social media buzz and enthusiastic anticipation among local beer lovers and Radler fans alike.

Crafted as a refreshingly light blend of premium beer and real fruit juice, Kalik Radler Lychee (2% ABV) delivers a vibrant tropical experience with every sip. The new flavour emerged as the clear favourite following a 2023 online campaign that invited consumers to vote on which fruit they most wanted to taste in a Kalik Radler. The answer was clear—Bahamian taste buds were ready for something bold and refreshingly different.

Inspired by the rising popularity of lychee martinis and tropical cocktails at bars across the country, our team saw an opportunity to blend global flavour trends with local preferences. Kalik Radler Lychee reflects our commitment to keeping Kalik on the pulse of Bahamian culture—brewed for the people, by the people, right here at home.

Thanks to the expertise of CBL's award-winning brewmaster team and the hard work of our local supply chain, Kalik Radler Lychee is proudly brewed and bottled here in The Bahamas. This successful flavour launch is yet another testament to the strength of our local innovation pipeline and our ability to deliver market-driven products with world-class quality.

To mark the launch, we also introduced *www.kalikradler.com*, an engaging digital hub designed to keep our community connected to everything Radler. From product updates and limited-time offers to exclusive event access, the platform reflects our growing digital-first approach to brand engagement.

With Kalik Radler Lychee, we've not only expanded our flavour portfolio—we've deepened our bond with consumers and reaffirmed our position as the country's leading innovator in beer.

RICARDO RTDS LEAD INNOVATION IN FAST-GROWING BEVERAGE CATEGORY

In 2024, Ricardo – The Rum of The Bahamas – solidified its reputation as a bold and culturally connected brand with the successful launch of its first ready-to-drink (RTD) cocktails: Smashin' Goombay and Hard Switcha. These high-proof, island-inspired beverages represent a significant step forward in product innovation, consumer relevance, and market leadership for both the Ricardo brand and CBL.

Launched in February 2024, under the vibrant campaign "Turn Up Da Flava," Ricardo's RTD line was conceptualised, developed, and blended entirely by the local team at CBL. With an 8% ABV and flavour profiles rooted in authentic Bahamian taste experiences, these cocktails were created to resonate deeply with a new generation of consumers who value quality, convenience, and cultural authenticity.

The launch not only marked Ricardo's entry into the high-growth RTD segment but also signalled CBL's commitment to staying ahead of consumer trends and driving innovation from within. The creations brought excitement and relevance to our local audience by pairing our premium Ricardo Rum with familiar Bahamian flavours.

The RTDs, Smashin' Goombay and Hard Switcha, deliver a ready-to-enjoy experience without compromising on taste, strength, or style. The development process involved extensive recipe testing, consumer sampling, and collaboration with CBL's Brewery Operations team to ensure each variant met the highest standards of quality and flavour integrity.

The campaign rollout featured eye-catching in-store displays, social media activations, and engaging point-of-sale visuals that captured shoppers' attention and drove immediate product trial. The RTDs' bold packaging design, paired with Ricardo's iconic branding, created strong shelf presence and fast-moving consumer interest across the country.

With RTDs currently among the fastest-growing beverage categories globally, Ricardo's launch was both timely and strategic. The success of the product has reinforced CBL's position as a dynamic industry leader, capable of responding to shifting market preferences while staying true to its local roots.

As the demand for premium, flavorful, and convenient drink options continues to rise, Ricardo is well-positioned to expand its presence in the RTD category, offering even more ways for Bahamians to enjoy the rum they know and love.

KALIK LAUNCHES "IN OUR HANDS" CULTURAL CAMPAIGN: HONORING HERITAGE, EMPOWERING GENERATIONS

In December 2024, Kalik – The Beer of The Bahamas launched its newest cultural campaign, "In Our Hands," a deeply resonant initiative designed to engage Bahamian communities around the shared responsibility of preserving and evolving national culture. More than a traditional brand campaign, In Our Hands is a reflection of Kalik's enduring commitment to celebrating Bahamian identity and deepening stakeholder connection through authentic storytelling.

The campaign debuted with a powerful short film entitled "242 to the World," a multigenerational narrative centered on the national tradition of Junkanoo. It tells the story of a grandfather, a Junkanoo icon, and his grandson—capturing the emotional bridge between legacy and future, tradition and transformation. Set against the energy and color of Bay Street, the ad reminds viewers that the richness of Bahamian culture exists because it is protected, passed on, and reimagined by those who hold it "in their hands."

As the Beer of The Bahamas, Kalik recognises its unique position as a cultural ambassador, not just a beverage brand. This campaign represents a deliberate investment in community identity and national pride. It calls on all Bahamians—young and old—to reflect on their role in preserving and shaping the traditions that define the Bahamian experience.

Critically, In Our Hands also underscores Kalik's commitment to empowering local creative talent. The campaign was fully developed and produced in The Bahamas, featuring Bahamian actors, filmmakers, and production teams. This local-first approach ensures that Bahamian stories are told by Bahamians, for Bahamians, reinforcing Kalik's role as a supporter of national arts and storytelling.

By anchoring the campaign in culture, Kalik continues to strengthen ties with key stakeholders—consumers, artists, retailers, and communities—through shared values and meaningful engagement. The campaign also opens the door for dialogue and collaboration around the future of Bahamian traditions in an ever-modernising world.

As a national brand rooted in celebration and unity, Kalik's In Our Hands is both a tribute and a call to action. It reminds us that the preservation of culture is a collective journey—and one that Kalik is proud to champion alongside the people of The Bahamas.

700 WINES & SPIRITS RETURNS TO MARSH HARBOUR: A STORY OF RESILIENCE AND RENEWAL

Five years after Hurricane Dorian devastated Marsh Harbour and much of the Abaco community, 700 Wines & Spirits proudly marked a significant milestone with the grand reopening of its Marsh Harbour store—right at its original, pre-Dorian location on Don McKay Boulevard. The reopening symbolises not only the strength and resilience of the community but also a renewed commitment to rebuilding what was lost.

Reopened in early 2024 with a grand opening in April, the brand-new 4,000-square-foot store is a modern, fully stocked retail space designed to serve the central and southern Abaco communities better. Beyond retail, the store will also serve as a hub for future 700 Wines & Spirits events and community initiatives on the island.

True to the spirit of local recovery, the reconstruction effort prioritized Abaco-based contractors and workers, ensuring that the economic benefits of the project stayed within the community. In a meaningful move, several team members who had been displaced or affected by the storm were welcomed back to work in the new store—bringing continuity, familiarity, and experience to the customer experience.

This reopening reflects Commonwealth Brewery Limited's (CBL) broader mission of supporting recovery and growth across all Bahamian islands. From the northern cays to the southern settlements, CBL remains committed to expanding access, investing in communities, and delivering the trusted quality and service of 700 Wines & Spirits.

As the doors reopen, the Marsh Harbour location is once again a welcoming space for longtime customers and new faces alike—offering not just beers, fine wines, and spirits, but a tangible sign of progress, pride, and shared recovery.

Cheers to Ketel One Botanical, a featured booth

The ladies of the The Kalik Shop, CBL's B2B Digital Platform, were all smiles

The perfect pour. Pablo Cruz, supplier of Louis Felipe Edwards wines is pictured pouring the perfect glass of wine

Cheers with Heineken Silver. Markita Stubbs, Heineken Brand Manager, and Simone Huyler, Compensation and Benefits Manager, shined bright at Heineken Silver's booth

Vitamalt's newest flavours, Coconut Hibiscus, Ginger and Acai, were proudly on display

CBL'S 2ND ANNUAL TRADE SHOW: A CELEBRATION OF CUSTOMER CENTRICITY AND INNOVATION

In the summer of 2024, Commonwealth Brewery Limited (CBL) hosted its 2nd Annual Trade Show. This immersive, one-of-a-kind experience reinforced the company's commitment to being both agile and customer-focused. Following the success of its inaugural event in 2023, which was hosted for a select group of valued clients, CBL responded to overwhelming positive feedback by making the trade show an annual tradition.

The 2024 event showcased over 70 products from 12 brands, offering customers the chance to discover an exceptional portfolio of premium spirits, wines, and beers. Throughout the venue, attendees could be seen engaging directly with brand representatives, carefully reviewing product catalogs, and placing orders in real-time alongside their sales executives. The interactive environment fostered open dialogue, relationship-building, and deeper understanding of the products CBL brings to market. The event highlights the Company's commitment to customer centricity with a focus on empowering them with product knowledge and confidence in the selections they offer their patrons.

Attendees were introduced to several of the year's newest product innovations, including Ricardo RTD, Smashin' Goombay and Hard Switcha RTDs, as well as the newest Vitamalt flavors: Coconut & Hibiscus, Ginger, and Acai. These offerings reflect CBL's ongoing commitment to diversifying our product range and anticipate evolving consumer preferences.

In addition to product showcases, the event offered enriching educational opportunities. Guests participated in training sessions focused on industry and market trends, sparkling wine insights, and strategies to maximise menu performance. These sessions were designed to equip trade partners with the tools and knowledge they need to grow their businesses in an increasingly competitive landscape.

A key highlight of this year's event was the dedicated booth for The Kalik Shop, CBL's B2B digital ordering platform. Customers explored the platform hands-on, with many registering on the spot. The Trade Show significantly boosted Kalik Shop's visibility, reaffirming its value as a convenient and modern solution for CBL's wholesale customers.

As CBL looks to the future, the company remains committed to creating meaningful experiences for its customers and introducing innovative products and services that support their success. The 2nd Annual Trade Show was not just a showcase—it was a statement of partnership, progress, and shared vision.

CBL'S BAREFOOT WINES TEAM LEADS EARTH DAY BEACH RESCUE AT JAWS BEACH

In celebration of Earth Day, Commonwealth Brewery Limited's (CBL) Barefoot Wines team returned to the pristine shores of Jaws Beach on Saturday, April 20, 2024, to host its annual beach clean-up—an initiative now in its second decade. For over 10 years, Barefoot Wines has championed coastal preservation through its beach rescue campaigns, raising awareness of the importance of protecting The Bahamas' fragile marine environments.

The event brought together more than 100 dedicated volunteers from CBL, along with corporate partners Rotary Clubs of Old Fort and Nassau Sunset, CG Atlantic, The United States Embassy, and Bahamas Waste. Working side by side, volunteers collected litter and debris from the shoreline and nearby waters, reinforcing a collective commitment to environmental stewardship.

The successful clean-up concluded with a well-deserved meal and a refreshing glass of chilled Barefoot wine, celebrating the participants' efforts and shared commitment to sustainability.
CBL remains dedicated to "Brewing a Better World" and supporting community-led environmental initiatives. The company hosted another clean-up event in the third quarter of 2024, continuing our mission to preserve The Bahamas' natural beauty for future generations.

HEINEKEN SENDS BAHAMIAN CONSUMERS AND EMPLOYEE TO COACHELLA FOR A VIP MUSIC EXPERIENCE

In 2024, Heineken and Commonwealth Brewery Limited (CBL) raised the bar on unforgettable brand experiences with a once-in-a-lifetime opportunity for local consumers to attend the iconic Coachella Music Festival in California—VIP style.

In February, the Heineken team launched an island-wide enter-to-win promotion, giving consumers across The Bahamas a chance to attend one of the world's most celebrated music festivals. To enter, customers had to purchase a 6-pack of any Heineken product at participating retailers. Each receipt served as an entry into the draw, generating a wave of excitement nationwide.

The inspiration for the promotion arose after the CBL introduced Heineken Silver and assumed control of the local Carnival Concert experience. We were thrilled to redefine the way Bahamians engage with music events. In 2024, the team took it a step further—by sending our consumers straight to the source of one of the most iconic music festivals in the world.

On April 19, two lucky winners—Sonya Green and Khouri Forbes—along with their guests, jetted off to Los Angeles for an all-expense-paid, three-day Coachella adventure. Held in the heart of the Colorado Desert, Coachella featured over five electrifying stages with performances from international superstars including Doja Cat, Tems, and Coi Leray.

Winners were also granted exclusive access to the Heineken House. This immersive pop-up venue brought together the bold spirit of Heineken with cutting-edge production and unforgettable music moments. Inside, artists like T-Pain and Lupe Fiasco delivered show-popping sets in a futuristic space designed for intimate yet high-energy performances. At the same time, guests enjoyed crisp, refreshing Heineken Silver.

In keeping with its strong employee engagement philosophy, CBL also extended the opportunity internally. Skylar Hanna, a store clerk at 700 Wines & Spirits, was selected as the lucky employee winner of an all-expense-paid trip to Coachella, representing the CBL team at one of the most talked-about global events of the year.

The campaign reflects Heineken's ongoing commitment to meaningful brand engagement and support of bold, memorable experiences that resonate with today's consumers. CBL and the Heineken team are already developing plans to provide even more Bahamians with the opportunity to create unforgettable memories both locally and abroad.

CELEBRATING THE HEART OF OUR BUSINESS: OUR PEOPLE

At Commonwealth Brewery Limited (CBL), we understand that our success is built on the strength, talent, and dedication of our people. In 2024, we proudly celebrated those who go above and beyond through our annual CBL Cheers Award and Anniversary Milestone Celebration, held on Monday, June 17 at the 1 JFK Office Grounds.

The event honoured employees across the organisation for their exceptional service, commitment to excellence, and embodiment of the company's core behaviors — Deliver, Shape, Connect, Develop — all while playing to win and celebrating success.

Linkcoya Ferguson-Smith, Safety, Health and Environment Manager, was named Manager of the Year, reflecting her outstanding leadership and impact. Toni-Ann Smith, Customer Service Coordinator, and Geraldo Burnside, Packaging Engineering Technician, earned the title of Employee of the Year, while Erica Rose (Purchasing Officer), Carolyn King (Accounts Supervisor), and Debbie Forbes (Customer Service Manager) were proudly awarded Employee Choice of the Year, as voted by their peers.

In addition to performance awards, we celebrated 52 team members marking service anniversaries ranging from 5 to 25 years, culminating in a special tribute to Kendal Deveaux, Retail Asset Manager, who was recognised for an extraordinary 44 years of service — our longest-serving current employee. In 2024, we also recognised three Supply Chain employees whose combined service exceeded 110 years, a testament to the deep loyalty and institutional knowledge that continues to drive our success.

The CBL Cheers Award is more than a celebration — it is a powerful reflection of our culture of recognition, appreciation, and people-first leadership. As we move forward, we remain committed to fostering a workplace where achievement is celebrated and employees are empowered to thrive.

Employee of The Year Toni Ann Smith (R) pictured with Managing Director Anca Olteneau (L)

Employee of The Year Geraldo Burnside (L) pictured with Managing Director Anca Olteneau (R)

Manager of The Year Linkcoya Smith (L) pictured with Managing Director Anca Olteneau (R)

SWEAT IT OUT SATURDAY PROMOTES WELLNESS & TEAM SPIRIT AT CBL

AAt Commonwealth Brewery Limited (CBL), we believe that our people are our greatest asset—and supporting their health and wellbeing is a top priority. As part of our ongoing commitment to fostering a healthy workplace culture, our Human Resources team launched "Sweat It Out Saturday," a dynamic wellness event designed to encourage physical activity, camaraderie, and fun.

Held several times in 2024, this high-energy event welcomed employees from across departments, regardless of fitness level, to participate in a series of exciting fitness challenges. From team relays to endurance exercises, the activities were designed to get everyone moving, laughing, and working together in the spirit of friendly competition.

The event not only promoted physical health but also strengthened cross-functional relationships and boosted team morale. It was a day filled with positive energy, shared goals, and plenty of memorable moments. The winning team also earned a well-deserved massage session at Baha Retreat Spa, a relaxing way to unwind and celebrate their achievement.

Sweat It Out Saturday reminded us that wellness can be both rewarding and fun, and it reinforces our culture of support and positivity while encouraging employees to prioritise their health.

Through initiatives like Sweat It Out Saturday, CBL continues to champion a holistic approach to employee wellbeing—one that nurtures not just productivity, but the happiness and health of every team member.

CBL CELEBRATES MEN'S MONTH WITH TEAM SPIRIT & WELLNESS ON THE COURT

In November 2024, Commonwealth Brewery Limited (CBL) proudly recognised Men's Month with a series of activities centred around wellness, camaraderie, and employee engagement. One of the standout events was the company's annual Men's Basketball Tournament. The event brought employees together in the spirit of friendly competition, teamwork, and healthy living.

Hosted as part of CBL's internal wellness and inclusion initiatives, the tournament served as a powerful reminder that investing in our people means more than providing the tools to succeed professionally—it also means creating opportunities for personal connection and physical wellbeing.

The tournament drew enthusiastic participation across departments, with employees forming teams and rallying support from colleagues, family, and friends who packed the stands to cheer them on. The energy was high, and the atmosphere electric, as players showcased their skills and team spirit on the court.

The highlight of the event was a thrilling championship match, which saw the Red Team emerge victorious, earning not only the title, but bragging rights for the year ahead. The tournament fostered healthy competition, but more importantly, it strengthened cross-functional relationships and reinforced CBL's commitment to building a vibrant, inclusive workplace culture.

Men's Month is about more than just recognising the contributions of our male employees. It's also about promoting balance, wellness, and unity across our teams and is a perfect example of how fun and wellness can go hand-in-hand. As CBL continues to prioritize employee wellbeing through diverse engagement initiatives, the Men's Month celebration stands as a shining example of how a company can bring its values to life—not only through products, but through people.

COMMONWEALTH BREWERY HOSTS HEALTH AND SAFETY WEEK

At Commonwealth Brewery Limited (CBL), employee and customer wellbeing remains a top priority. In line with this, CBL hosted its annual Health & Safety Week in Q2 2024 under the theme "Safety at Heart," promoting a culture of awareness and proactive care in the workplace.

The week featured engaging activities including a Brewery Safety Funday with Hazard Hunts, a Healthy Smoothie Station, and interactive webinars on mental health and the Employee Assistance Program. Employees also received CPR certification training to enhance emergency preparedness.

The event concluded on April 26th with a radio remote in partnership with the Royal Bahamas Police Force, where participants experienced the dangers of impaired driving using Drunk Buster Simulation Goggles—a vivid reminder of the importance of sober driving.

This initiative also aligned with CBL's broader safety strategy, which includes driver awareness programs and the promotion of responsible transportation practices. These programs are designed not only for CBL's operational drivers but also to reinforce the company's message that "safety is everyone's responsibility."

Through initiatives like Health & Safety Week, CBL continues to foster a culture where care, accountability, and proactive safety measures are deeply embedded in daily operations. By investing in our people and encouraging healthy, safe behaviours, we are building a stronger and more resilient organisation; one that puts people first.

HEINEKEN CHAMPIONS THE FINISH LINE: A BOLD DEBUT AT MARATHON BAHAMAS

Heineken made a bold and refreshing debut at Marathon Bahamas as a proud first-time sponsor of one of The Bahamas' most celebrated sporting events. After a years-long hiatus, Marathon Bahamas returned to the streets of New Providence in 2024 with nearly 2,000 runners from across the globe. Heineken was there to meet them at the finish line with world-class refreshment and an unmistakable sense of celebration.

From seasoned marathoners to first-time 5K finishers, competitors enjoyed a post-race experience anchored by Heineken Silver, Heineken Original, and the increasingly popular Heineken 0.0. The activation elevated the event's energy and aligned with Heineken's identity as a premium lifestyle brand that celebrates progress, achievement, and connection.

Heineken believes in being part of the moments that matter—whether it's crossing a finish line or raising a glass to your personal best. Marathon Bahamas allowed us to engage consumers at a meaningful touchpoint—where health, celebration, and community intersect.

Athletes and spectators gravitated toward the Heineken station, where the sleek and smooth Heineken Silver quickly became the refreshment of choice. Meanwhile, Heineken 0.0 proved why it's the go-to for health-conscious consumers who don't want to compromise on taste. For many runners, sipping a cold 0.0 post-race was a well-earned ritual—celebrating performance while staying in stride with wellness goals.

This debut marks a new chapter in Heineken's local engagement strategy—aligning the brand with events that inspire connection, elevate experience, and foster positive community impact. While Commonwealth Brewery Limited (CBL) has long supported Marathon Bahamas through brands like Kalik and Vitamalt, this time Heineken took centre stage—amplifying visibility and deepening its connection with a diverse Bahamian audience.

Beyond the race, the partnership reflects Heineken's broader purpose: to create memorable experiences that bring people together, celebrate achievements, and promote a balanced approach to living well.

CBL CELEBRATES INTERNATIONAL WOMEN'S DAY: INSPIRING INCLUSION FROM THE INSIDE OUT

At Commonwealth Brewery Limited (CBL), fostering an inclusive, equitable, and empowering work environment is a key part of our culture. In March 2024, CBL proudly joined millions around the world in recognising International Women's Day (IWD), celebrating the achievements of women and reaffirming our commitment to building a more inclusive workplace and society.

Under the global Heineken theme #InspireInclusion, CBL hosted a two-day observance that encouraged thoughtful reflection, meaningful conversation, and active allyship.

On March 7 2024, CBL employees participated in Heineken's Global IWD Online Event, a dynamic virtual gathering of colleagues from across the world. The event challenged participants to consider how they can be stronger allies to those who feel marginalised or excluded—both inside and outside the workplace. It served as a powerful reminder that creating inclusive spaces requires conscious effort and shared responsibility.

The celebration continued on March 8, when ten women from across CBL departments attended the BAF Global Group Women's Day Brunch at Margaritaville Beach Resort. The event, which brought together women leaders from diverse industries, focused on themes such as self-awareness, empowerment, and mentorship. Key takeaways included the importance of knowing yourself, building others, and celebrating your wins—messages that resonated deeply with attendees and aligned with CBL's values of growth, collaboration, and recognition.

CBL's International Women's Day celebration reflects the company's broader commitment to diversity, equity, and inclusion (DEI)—not just during observance days, but throughout the year. By participating in global conversations and supporting local initiatives, CBL continues to champion a workplace where every voice is valued, and every person is empowered to thrive.

CONSOLIDATED
FINANCIAL STATEMENTS

COMMONWEALTH BREWERY LIMITED

YEAR ENDED DECEMBER 31ST, 2024

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Commonwealth Brewery Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Commonwealth Brewery Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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 Group in accordance with the 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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.

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Key Audit Matter	Summary of the Key Audit Matters	How the scope of our audit responded to the Key Audit Matters
Impairment of goodwill	As at December 31, 2024 Goodwill of $4,487,242 was carried in the consolidated statement of financial position and is subject to an annual impairment test, the details of which are set out in note 9. Management's annual impairment assessment is considered to be a matter of key significance because the assessment process is complex and relies on significant estimates and assumptions. There are a number of underlying assumptions used to determine the value-in-use, including the long-term growth and discount rate applied on net cash-flows. The details on the accounting for goodwill and disclosure requirements under IAS 36 Impairment of Assets are included in notes 3 and 9 to the consolidated financial statements.	In evaluating the impairment of goodwill, we reviewed the value-in-use calculations prepared by management. We performed various procedures, including the following: • We assessed the Group's design and implementation of controls relating to the preparation of the cash flow forecasts. • We tested key inputs into the cash flow forecast against historical performance and in comparison to the management's strategic plans. • We compared the growth rates used to historical data regarding economic growth rates. • We involved a fair value specialist to assist with the testing of the weighted average cost of capital (discount rate) and growth rate used by management in the goodwill impairment testing. • We performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value-in-use and the appropriateness of management's disclosures.

Other Information

Management and those charged with governance are responsible for the Other Information. The Other Information comprises all the information in the Group's 2024 Annual Report other than the consolidated financial statements and our auditors' report thereon (the Other Information). 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 identified 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 therein, we are required to communicate the matter 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 as issued by the IASB, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 to 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 determined the matters that were of most significance in the audit of the consolidated 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 Lawrence Lewis.

Deloitte & Touche

Nassau, Bahamas
July 15, 2025

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Financial Position

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

	Note(s)		2024	2023
Assets				
Current assets:				
Cash and cash equivalents	4	$	12,576,334	7,636,646
Trade receivables, net	5		9,648,550	6,165,371
Prepaid expenses and other assets	6		1,577,852	4,084,135
Inventories	7		31,457,381	30,149,599
Total current assets			55,260,117	48,035,751
Non-current assets:				
Right of use asset	8		5,667,064	6,560,940
Property, plant and equipment	10		47,295,922	47,103,591
Goodwill	9		4,487,242	4,487,242
Other intangible assets	11		927,153	1,410,087
Total non-current assets			58,377,381	59,561,860
Total assets	24	$	113,637,498	107,597,611
Liabilities and equity				
Current liabilities:				
Accounts payable and accrued expenses	12	$	16,427,859	17,772,895
Short-term lease liability	23		2,253,720	2,128,748
Total current liabilities			18,681,579	19,901,643
Non-current liabilities:				
Long-term lease liability	23		4,032,267	4,882,101
Total liabilities	24		22,713,846	24,783,744
Equity:				
Share capital	13		150,000	150,000
Share premium			12,377,952	12,377,952
Contributed surplus			16,351,369	16,351,369
Revaluation surplus	10		16,083,580	16,083,580
Retained earnings			45,960,751	37,850,966
Total equity			90,923,652	82,813,867
Total liabilities and equity		$	113,637,498	107,597,611

These consolidated financial statements were approved for issue on behalf of the Board of Directors on June 30, 2025 by:

________________ Director　　　________________ Director

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2024, with corresponding figures for 2023
(Expressed in Bahamian dollars)

	Note(s)		2024	2023
Income:				
Revenue	24	$	136,340,279	138,922,023
Excise			(7,636,313)	(7,313,752)
Net revenue			128,703,966	131,608,271
Operating expenses:				
Raw materials, consumables and services	17		88,352,639	93,331,115
Personnel costs	15, 18		19,122,330	19,589,505
Depreciation	10		6,258,602	6,203,855
Amortisation	11		482,934	478,872
Total operating expenses			114,216,504	119,603,347
Other income	16		612,630	536,508
Results from operating activities			15,100,091	12,541,432
Finance & other expenses	8		990,307	971,779
Total net profit	19, 24	$	14,109,785	11,569,653
Other comprehensive income				
Items that will not be reclassified subsquently to profit or loss				
Gain on revaluation	10		-	6,799,118
Total net profit and comprehensive income		$	14,109,785	18,368,771
Basic and diluted earning per share	19	$	0.47	0.39

See accompanying notes to consolidated financial statements.

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Changes in Equity

Year ended December 31, 2024, with corresponding figures for 2023
(Expressed in Bahamian dollars)

			Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2022		$	150,000	12,377,952	16,351,369	9,284,462	40,081,313	78,245,096
Net profit			-	-	-	-	11,569,653	11,569,653
Other comprehensive income			-	-	-	6,799,118	-	6,799,118
Transactions with owners recorded directly to equity:								
Dividends declared $0.46 per share	(Note 20)		-	-	-	-	(13,800,000)	(13,800,000)
Balance as at 31 December 2023		$	150,000	12,377,952	16,351,369	16,083,580	37,850,966	82,813,867
Net profit			-	-	-	-	14,109,785	14,109,785
Other comprehensive income			-	-	-	-	-	-
Transactions with owners recorded directly to equity:								
Dividends declared $0.20 per share	(Note 20)		-	-	-	-	(6,000,000)	(6,000,000)
Balance at December 31, 2024		$	150,000	12,377,952	16,351,369	16,083,580	45,960,751	90,923,652

See accompanying notes to consolidated financial statements.

COMMONWEALTH BREWERY LIMITED

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with corresponding figures for 2023
(Expressed in Bahamian dollars)

	Note(s)		2024	2023
Cash flows from operating activities				
Net profit		$	14,109,785	11,569,653
Adjustments for:				
Depreciation	10		6,258,602	6,203,855
Amortisation	11		482,934	478,872
Impairment (recovery) loss recognized on cash and cash equivalents and trade receivables	17		(35,608)	1,083,213
Impairment loss on prepaid expenses and other assets			-	2,031,704
Impairment loss on reversal inventory	7		(139,772)	(464,926)
Interest expense	8		497,642	424,136
Net cash from operations before changes in working capital			21,173,583	21,326,507
Changes in working capital	21		(3,454,333)	(5,280,971)
Net cash from operating activities			17,719,250	16,045,536
Cash flow from investing activities				
Additions to property, plant and equipment	10		(3,576,653)	(2,575,993)
Additions to intangible assets	11		-	(10,874)
Net cash used in investing activities			(3,576,653)	(2,586,867)
Cash flows from financing activities				
Dividends paid	20		(6,000,000)	(13,800,000)
Repayment of lease liability			(2,705,267)	(2,381,066)
Interest paid	8		(497,642)	(424,136)
Net cash used in financing activities			(9,202,909)	(16,605,202)
Net increase (decrease) in cash and cash equivalents			4,939,688	(3,146,533)
Cash and cash equivalents, beginning of year			7,636,646	10,783,179
Cash and cash equivalents, end of year	4	$	12,576,334	7,636,646

See accompanying notes to consolidated financial statements.

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.

2. New accounting standards/amendments and International Financial Reporting Standards (IFRS) interpretations that are effective for year ended December 31, 2024

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The following amendments and interpretations are effective for the year ended December 31, 2024.

2.1 Amendments to IAS 1 Classification of Liabilities as Current/Noncurrent

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

2. New accounting standards/amendments and International Financial Reporting Standards (IFRS) interpretations that are effective for year ended December 31, 2024 *(continued)*

2.1 Amendments to IAS 1 Classification of Liabilities as Current/Noncurrent *(continued)*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services..

2.2 Amendments to IAS 1 Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

2.3 Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

(Expressed in Bahamian dollars)

2. New accounting standards/amendments and International Financial Reporting Standards (IFRS) interpretations that are effective for year ended December 31, 2024 *(continued)*

2.3 Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback *(continued)*

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

New accounting standards and IFRS interpretations that are not yet effective

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 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 standard		**Effective for annual periods beginning or after**
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	January 1, 2025
IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

3. Material accounting policy information

Following is a summary of the material accounting policy information which have 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 International Financial Reporting Standards ("IFRS").

(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.

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 measurement 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

3. Material accounting policy information *(continued)*

(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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The carrying amount of non-controlling interests is the amount of these interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

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.

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.

3. Material accounting policy information *(continued)*

(e) *Use of estimates and judgements*

The preparation of consolidated financial statements in conformity with IFRS 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.

Information about critical judgements in applying accounting policies and estimates that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 3(f)	Financial instruments
Note 3(h)	Trade receivables
Note 3(i)	Inventories
Note 3(j)	Property, plant and equipment
Note 3(l)	Impairment
Note 3(p)	Provisions
Note 9	Goodwill
Note 14	Commitments and contingencies

(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 recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI).

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

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.

Recognition

The Group recognises financial instruments initially at the trade date, which is the date when it becomes a party to the contractual provisions of the instruments.

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 financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

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.

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

3. Material accounting policy information *(continued)*

(h) ***Trade receivables*** *(continued)*

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.

Provision for obsolescence is established when management determines the net realisable value of the inventories to be less than cost.

(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.

The directors review the carrying value annually. 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 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.

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.

3. Material accounting policy information *(continued)*

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

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 property, plant and equipment, and are recognised on a net basis 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.

(k) *Goodwill and intangible assets*

Goodwill

Goodwill is carried at cost less accumulated amortisation and 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 less accumulated amortisation thereon to December 31, 2004, at which time amortisation ceased and goodwill was deemed to have an indefinite useful life. Thereafter, goodwill is tested for impairment annually.

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 five years.

3. Material accounting policy information *(continued)*

(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. 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 arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income except for revalued assets where the impairment loss is first applied to the 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).

3. Material accounting policy information *(continued)*

(m) *Related parties* *(continued)*

(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.

(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.

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.

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

3. Material accounting policy information *(continued)*

(n) ***Leases*** *(continued)*

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).

(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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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 right-of-use assets are presented as a separate line in the consolidated statement of financial position.

3. Material accounting policy information *(continued)*

(n) *Leases* *(continued)*

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.

Variable rents that do not depend on an index or rate are not included in the measurement 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) *Foreign currencies*

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.

(r) *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.

3. Material accounting policy information *(continued)*

(r) *Revenue recognition* *(continued)*

Products sold (continued)

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 its performance obligation has been fulfilled to the customer. For the majority of the sales, control is transferred 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.

Services

Revenue from services, which is included in miscellaneous income, is recognised in the consolidated statement of profit or loss and other comprehensive income when the services are rendered.

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. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers. Loyalty points earned during the period expire by February of the subsequent period.

(s) *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.

3. Material accounting policy information *(continued)*

(s) ***Employee benefits*** *(continued)*

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.

(t) ***Finance income***

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

(u) ***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.

(v) ***Dividends***

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

(w) ***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.

(x) ***Taxation***

The Bahamas has agreed to participate in a two-pillar international tax approach developed by the Organisation for Economic Co-operation and Development ("OECD"), which includes establishing a global minimum corporate tax rate of 15% ("Pillar Two"). On November 28, 2024, the Government of The Bahamas enacted the Domestic Minimum Top-Up Tax Act, 2024 to implement, through the incorporation and application of the GloBE model rules, a domestic minimum top-up tax for multinational enterprises ("MNE").

3. Material accounting policy information *(continued)*

(x) ***Taxation*** *(continued)*

The legislation came into force on January 1, 2024 and is applicable to the fiscal years of an MNE Group that commence in the year 2024 only where the Company's or a Constituent Entity's income is subject to an Income Inclusion Rule ("IIR") or to an Under Taxed Profits Rule ("UTPR") in another jurisdiction in that year. For all other in scope MNE Groups, the legislation is applicable to fiscal years that commence in 2025. The Company is not subject to an IIR or UTPR in 2024 and therefore, no current tax expense has been recognised. Further, there are no deferred tax assets and liabilities related to Pillar Two income taxes. Management is in the process of assessing the Company's exposure to Pillar Two income taxes.

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 off set and settled on a net basis.

(Expressed in Bahamian dollars)

4. Cash and cash equivalents

		2024	2023
Cash on hand	$	20,275	20,275
Cash held with banks		12,556,059	7,616,371
Cash and cash equivalents	$	12,576,334	7,636,646

The Group has an unsecured overdraft facility of $3,000,000 (2023: $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, 2024, the balance of the facility used was $nil (2023: $nil).

5. Trade receivables, net

		2024	2023
Trade receivables, gross	$	10,650,729	7,391,936
Allowance for doubtful debts		(1,002,179)	(1,226,565)
	$	9,648,550	6,165,371

Aging analysis of trade receivables, gross, as at December 31, 2024:

December 31st 2024	Not past due	0-30 days	31-180 days	> 180 days	Total
Expected Credit Loss Rate	0%	3%	12%	81%	
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)

December 31st 2023	Not past due	0-30 days	31-180 days	> 180 days	Total
Expected Credit Loss Rate	0%	12%	38%	90%	
Estimated total gross carrying amount at default	3,796,293	2,120,433	723,170	773,889	7,413,785
Lifetime ECL	-	(253,359)	(275,590)	(697,616)	(1,226,565)

(Expressed in Bahamian dollars)

5. Trade receivables, net *(continued)*

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

		2024	2023
Balance at beginning of the year	$	1,226,565	1,877,246
Decrease in allowance		(224,386)	(650,681)
Balance at end of the year	$	1,002,179	1,226,565

	2024	2023
Amounts written off as uncollectible	188,778	1,301,362

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

		2024	2023
The Bahamas	$	10,537,801	7,310,155
Caribbean		1,458	-
Europe		111,470	81,781
	$	10,650,729	7,391,936

6. Prepaid expenses and other assets

		2024	2023
Other receivables	$	475,409	2,929,731
Prepaid expenses		1,102,443	1,154,404
	$	1,577,852	4,084,135

(Expressed in Bahamian dollars)

7. Inventories

		2024	2023
Goods bought for resale	$	18,105,817	17,761,316
Raw materials and packaging		7,798,295	6,389,903
Finished goods		2,136,099	2,794,565
Spare parts		2,356,282	1,962,093
Work-in-progress		715,952	859,024
Other stock items		472,802	650,336
		31,585,247	30,417,237
Provision for obsolescence		(127,866)	(267,638)
	$	31,457,381	30,149,599

Movement in the provision for obsolescence:

		2024	2023
Balance at beginning of year	$	267,638	732,564
Decrease in provision		(139,772)	(464,926)
Balance at end of year	$	127,866	267,638

As outlined in note 17, the cost of inventories recognized as an expense during the year was $63,326,684 (2023: $65,776,292).

(Expressed in Bahamian dollars)

8. Right of Use (ROU) assets

The group leases stores, an office, and cars in the ordinary course of business. Many 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:

Right of use (ROU) assets		**2024**	**2023**
Real estate	$	5,550,460	6,345,139
Motor vehicles		116,604	215,801
Cost amount ROU assets	$	5,667,064	6,560,940

Depreciation expense of ROU assets		**2024**	**2023**
Real estate	$	2,493,412	2,175,267
Motor vehicles		380,869	236,565
Depreciation expense ROU assets	$	2,874,281	2,411,832

Finance & other expenses	**2024**	**2023**
Interest expense on lease liabilities	488,767	421,584
Exchange Gain/Loss	492,665	547,643
Interest Expense	8,875	2,552
Total Finance & other expenses	990,307	971,779

(Expressed in Bahamian dollars)

9. Goodwill

Goodwill comprises the following:

	2024	2023
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:

	2024	2023
WACC	11.40%	12.72%
Expected growth rate (short term and terminal)	1.70%	2.00%

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 reasonable 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, 2024 and 2023.

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 each of the group of 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 related CGU.

(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, 2022 (restated)	6,740,000	24,792,997	42,246,025	27,917,565	1,770,026	1,525,625	104,992,238
Revaluation	3,540,776	3,258,342	-	-	-	-	6,799,118
Additions	-	176,585	1,208,337	1,106,530	11,102	73,439	2,575,993
Balance at December 31, 2023	10,280,776	28,227,924	43,454,362	29,024,095	1,781,128	1,599,064	114,367,349
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	29,593,312	44,648,154	31,030,596	1,944,467	446,697	117,944,002
Accumulated depreciation:							
Balance at December 31, 2022 (restated)	-	3,007,205	35,118,963	23,712,901	1,632,666	-	63,471,735
Depreciation	-	901,495	1,013,431	1,821,969	55,128	-	3,792,023
Balance at December 31, 2023	-	3,908,700	36,132,394	25,534,870	1,687,794	-	67,263,758
Depreciation	-	911,374	931,200	1,497,392	44,356	-	3,384,322
Balance at December 31, 2024	-	4,820,074	37,063,594	27,032,262	1,732,150	-	70,648,080
Net book value:-							
December 31, 2024	10,280,776	24,773,238	7,584,560	3,998,334	212,317	446,697	47,295,922
December 31, 2023	10,280,776	24,319,224	7,321,968	3,489,225	93,334	1,599,064	47,103,591

(Expressed in Bahamian dollars)

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

Reclassification between cost and accumulated depreciation within Buildings ($1,733,895), Plant and machinery ($425,184), Furniture, fixtures and equipment ($1,842,484), Vehicle and transportation equipment ($6,333) categories were made in the prior year. The net book values in all categories remain unchanged.

Previously presented 2023			Reclassification		Revised 2023	
Category	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	6,740,000	-	-	-	6,740,000	-
Buildings	26,526,892	4,741,100	(1,733,895)	1,733,895	24,792,997	3,007,205
Plant and machinery	41,820,841	34,693,779	425,184	(425,184)	42,246,025	35,118,963
Furniture, fixtures and equipment	26,075,081	21,870,417	1,842,484	(1,842,484)	27,917,565	23,712,901
Vehicle and transportation equipment	1,776,359	1,638,999	(6,333)	6,333	1,770,026	1,632,666
Capital work in progress	1,525,625	-	-	-	1,525,625	-
Total	**104,464,798**	**62,944,295**	**527,440**	**(527,440)**	**104,992,238**	**63,471,735**

Depreciation	**2024**	**2023**
Depreciation of property, plant and equipment	3,384,322	3,792,023
Depreciation of ROU assets	2,874,280	2,411,832
	6,258,602	6,203,855

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 31 December, 2023 by a qualified independent appraiser, using the both the cost approach and income approach at a discount rate ranging from 10% to 11%. This resulted in a gain of 2024: nil (2023: $6,799,118).

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: $6,799,118 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 (2023: $5,657,350) and of buildings would have been $13,359,933 (2023: $12,103,308).

(Expressed in Bahamian dollars)

11. Other intangible assets

Intangible assets consist of computer software as follows:

	2024	2023
Cost:		
Balance at January 1	6,785,342	6,774,468
Additions	-	10,874
Balance at December 31	6,785,342	6,785,342
Accumulated amortisation:		
Balance at January 1	5,375,255	4,896,383
Amortisation	482,934	478,872
Balance at December 31	5,858,189	5,375,255
Net book value:	**927,153**	**1,410,087**

12. Accounts payable and accrued expenses

Accounts payable and accrued expenses comprise the following:

	2024	2023
Accounts payable - third parties	14,266,843	10,690,509
Accounts payable - related parties	1,312,366	2,079,657
Accrued expenses	848,650	5,002,729
	16,427,859	17,772,895

13. Share capital

Authorised, issued and fully paid share capital at December 31, 2024 and 2023:

	No. of shares	Amount
Ordinary shares of $0.005 each	30,000,000	$ 150,000

14. Commitments and contingencies

Other commitments and contingencies

At December 31, 2024 the Group was contingently liable under customs bond guarantees of $2,192,997 (2023: $1,798,906). These facilities are under joint and several liability of the Group in favor of each other.

At December 31, 2024 the Group was contingently liable to the Department of Inland Revenue on their assessment of intra-company stock 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 pending the outcome of arbitration. The matter is still pending as of the date of issuance.

At December 31, 2024 the Group was contingently liable to Anheuser-Busch International over the termination of a distribution license. The matter is pending appeal as of the date of issuance.

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 Cards

At December 31, 2024 the Group had Corporate Credit Card issued to the Management Team of $80,000 (2023: $70,000) in collective credit.

(Expressed in Bahamian dollars)

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.

	2024	2023
Balances with the Parent		
Trade receivables, net (note 5)	111,470	81,781
Accounts payable and accrued expenses (note 12)	1,312,366	1,609,802
Transactions with the Parent		
Know-how fee (note 17)	522,298	529,297
IT related and other fee (note 17)	2,762,330	2,258,246
Royalties (note 17)	223,256	266,201
Balances with affiliates		
Trade receivables, net (note 5)	1,458	-
Accounts payable and accrued expenses (note 12)	154,176	407,133
Royalties (note 12)	56,487	62,722
Transactions with affiliates		
IT related fee and other fee (note 17)	768,659	603,066
Supply chain fee (note 17)	344,689	135,632
Director's fee (note 17)	42,000	42,000

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.

Purchase of inventories, IT related fee and supply chain fee

The Group sources certain inventories from its affiliates. 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.

Compensation of key management personnel

Compensation of key management personnel for the year ended December 31, 2024 comprised \$2,270,260 (2023: \$1,877,799) for salaries and other short-term benefits and \$64,332 (2023: \$29,823) for pension benefits.

(Expressed in Bahamian dollars)

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

Compensation of key management personnel (continued)

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 $31,544 (2023: $46,947).

16. Other income, net

	2024	2023
Miscellaneous income	612,630	536,508
Loss on disposal of property, plant and equipment	-	-
	612,630	536,508

17. Raw materials, consumables and services

	2024	2023
Cost of inventories	63,326,684	65,776,292
Other expenses	3,265,171	5,509,932
Distribution & Marketing expenses	3,738,711	3,193,873
IT expenses	3,075,513	2,556,776
Royalties	2,348,839	2,294,783
Repairs & Maintenance	2,027,451	1,736,310
Duties and taxes	1,893,686	1,835,566
Bank charges	1,841,871	1,754,462
Utilities	1,783,893	2,284,744
Occupancy expenses	1,359,249	2,027,678
Insurance	1,154,206	1,086,612
Group Service Fees	1,113,347	738,698
Security services	937,328	922,879
Know-how fee	522,298	529,297
Expected Credit (Recovery)/Loss	(35,608)	1,083,213
	88,352,639	**93,331,115**

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% (2023: 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 $470,545 (2023: $430,815).

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.

(Expressed in Bahamian dollars)

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.

		2024	2023
Net profit	$	14,109,784	11,569,653
Weighted average number of shares		30,000,000	30,000,000
Basic and diluted earnings per share	$	0.47	0.39

20. Dividends

Dividends declared by the Group amounted to $6,000,000 (2023: $13,800,000). Dividends declared are based on basic earnings per share rounded to two decimal places.

The Group paid stamp duties and other financing costs of $125,000 (2023: $81,274) related to the distribution of dividends.

21. Changes in working capital

	2024	2023
Increase in trade receivables	(3,447,570)	(3,757,294)
Decrease in prepaid expenses and other assets	2,506,283	2,319,837
Increase in inventory	(1,168,010)	(3,266,226)
(Decrease)/Increase in accounts payable and accrued expenses	(1,345,036)	(577,288)
	(3,454,333)	(5,280,971)

22. Principal subsidiary

The following significant operating subsidiary, which is incorporated in The Bahamas, is owned by the Group. This subsidiary currently holds real-estate contracts.

	Percentage (%) Owned	
	2024	**2023**
Todhunter-Mitchell Distillers Limited	100	100

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.

(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 0.94 (2023: B$1 = Euro 0.92). The spot rate at December 31, 2024 was B$1 = Euro 0.93 (2023: B$1 = Euro 0.90).

Sensitivity analysis

A 10 percent strengthening of the B$ against the Euro at December 31, 2024 would have increased equity and net income by approximately $107,486 (2023: $105,024). This analysis assumes that all other variables, in particular interest rates, remain constant. A 10 percent weakening of the B$ against the Euro at December 31, 2024 would have had the equal but opposite effect on equity and net 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 as due to no significant interest rate sensitive assets or liabilities.

(Expressed in Bahamian dollars)

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

(b) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group.

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

	2024	2023
Cash held with banks (note 4)	12,556,059	7,616,371
Trade receivables, net (note 5)	9,648,550	6,165,371
Other receivables, net (note 6)	475,408	2,929,731
Balance at end of the year	22,680,017	16,711,473

Management actively monitors the aging of receivables and establishes an allowance as circumstances warrant. The Group does not anticipate any losses in excess of the allowance for doubtful accounts as a result of this exposure.

Cash at bank amounting to $12,556,059 (2023: $7,616,371) 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.

(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.

(Expressed in Bahamian dollars)

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

(c) Liquidity risk (continued)

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 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
Accounts payable and accrued liabilites	16,427,859	-	-	16,427,859	16,427,859
Short term liabilities	2,690,317	-	-	2,690,317	2,253,720
Long term lease liabilities	-	4,828,159	12,800	4,840,959	4,032,267
Balance at December 31, 2024	19,118,176	4,828,159	12,800	23,959,135	22,713,846

	0 - 12 Months	1 - 5 Years	5+ Years	Total	Carrying Amount
Accounts payable and accrued liabilites	17,772,895	-	-	17,772,895	17,772,895
Short term liabilities	2,741,190	-	-	2,741,190	2,128,748
Long term lease liabilities	-	7,499,276	32,000	7,531,276	4,882,101
Balance at December 31, 2023	20,514,085	7,499,276	32,000	28,045,361	24,783,744

The total cash outflow related to leases during 2024 amount to $3,192,582. (2023: $2,802,650)

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. 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

	2024	**2023**
Wholesale	78,080,559	90,808,467
Retail	58,259,720	48,113,556
	136,340,279	138,922,023

(Expressed in Bahamian dollars)

24. Segment information *(continued)*

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

	2024	2023
Wholesale	8,641,791	7,057,488
Retail	5,467,993	4,512,165
	14,109,784	11,569,653

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

	2024	2023
Wholesale	8,606,968	7,057,488
Retail	5,467,993	4,512,165
	14,074,961	11,569,653

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:

	2024	2023
Wholesale	19,067,000	20,804,563
Retail	3,646,846	3,979,181
	22,713,846	24,783,744

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

	2024	2023
Wholesale	3,253,479	2,343,235
Retail	323,174	232,758
	3,576,653	2,575,993

Included in revenues arising from direct sales from the Group's wholesale segment to its customers is $9,465,186 (2023: $10,786,208) which arose from sales to the Group's top five customers.

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. 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.

28. Significant event

There have been no events subsequent to December 31, 2024 that require adjustments to or disclosure in the consolidated financial statements. We have evaluated subsequent events through June 30, 2025, the date on which the financial statements were authorized to issue.

COMMONWEALTH
BREWERY LIMITED
THE BAHAMAS
Part of the HEINEKEN Company