Harbor Coffee Roasters

Annual Summary, fiscal year ended December 31, 2025

Prepared for the owners and our bank by Nadia Perrin, general manager. February 2026.

Overview

2025 was the year we outgrew the back room. Wholesale volume rose 23% as three new cafes and a regional grocery chain joined our accounts, and the second roaster went live in April. Retail sales through our Water Street shop were flat, and online subscriptions grew 11%. Revenue passed $1.0 million for the first time. Margins were squeezed by green coffee prices in the first half, which we only partly passed on.

Financial highlights

	2025	2024	Change
Revenue	$1,048,300	$872,900	+20.1%
Cost of goods sold	$612,400	$490,100	+25.0%
Gross profit	$435,900	$382,800	+13.9%
Gross margin	41.6%	43.9%	-2.3 pts
Operating expenses	$361,200	$318,700	+13.3%
Net operating income	$74,700	$64,100	+16.5%
Cash at year end	$96,450	$58,200	+65.7%
Loan balance (equipment)	$41,000	$63,000	-34.9%

Sales by channel

Channel	Revenue	Share
Wholesale (cafes, grocery)	$586,400	55.9%
Retail shop	$251,600	24.0%
Online subscriptions	$173,300	16.5%
Events and gift boxes	$37,000	3.5%

Operations

We roasted 118 tonnes of green coffee, up from 95. The second roaster cut our average batch queue from four days to one, and on-time shipping reached 97%. We lost one wholesale account (a restaurant that closed) and gained six. Staff grew from seven to nine, including a part-time quality lead. Two retail-shop employees completed barista certification.

Risks and outlook

Green coffee prices remain volatile and we have contracted about 60% of 2026 needs at fixed prices. Our largest grocery account is 14% of revenue, which is more than we would like. For 2026 we plan to open a small tasting room next to the roastery, raise wholesale prices 4% in April, and build cash to $120,000

before any further equipment purchases.

This summary is unaudited and is not a substitute for the financial statements prepared by our accountant.