



Investor Presentation

May 2021

Big Rock Brewery Inc. (TSX: BR)

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These slides and the accompanying verbal presentation reference non-GAAP financial measures, including "normalized net revenue", "earnings before interest, taxes, depreciation and amortization ("EBITDA") "normalized EBITDA", "adjusted EBITDA", "EBITDA margin" to net debt" and free cash flow ("FCF"). These are non-GAAP financial measures and should not be considered as an alternative to net income, operating income, or any other measure of financial performance calculated and presented in accordance with GAAP. These non-GAAP measures have inherent limitations and therefore undue reliance should not be placed on them.

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Why Big Rock?...A Turnaround Growth Story

A turnaround story committed to investing in the future of alcoholic beverages...

	2017		2020		% Change
Financial Metrics					
EBITDA	\$1.9 million		\$5.1 million		+168%
EBITDA Margin	4.1%		11.6%		+183%
Debt / LTM EBITDA	>5x		<1x		~400%
Market Cap*	\$46.5 million		\$33.2 million		-28.6%
Net Revenue	~\$45 million		~\$45 million		-
Product Category	<u>Production</u>	<u>Brand</u>	<u>Production</u>	<u>Brand</u>	
Beer	✓	✓	✓	✓	
Cider	✓	✓	✓	✓	
Vodka Soda			✓	✓	
Hard Tea			✓	✓	
Non-Alcoholic			✓		

*Based on market capitalization at year end



Reasons to Buy Big Rock Today



1. Brand



2. Owned manufacturing footprint with scale



3. Expanding EBITDA margins, free cash flow yield and strong balance sheet



4. Proven ability to innovate in beverage alcohol at scale



5. Trusted relationships



6. Experienced management team



Our People

TRANSFORMATION SPECIALIST



Wayne Arsenault President & CEO

- Corey Nutrition Company*
- Moosehead Breweries*
- Molson Coors**
- Coca-Cola**

*Business turnaround

**Plant turnaround(s)

Well positioned to execute the turnaround growth strategy

NAMED EXECUTIVE OFFICERS

Executive	Prior Experience
Wayne Arsenault <i>President & CEO</i>	Corey Nutrition Company Inc., Moosehead Breweries, Molson Coors, Coca-Cola
Don Sewell <i>Chief Financial Officer</i>	National Bank Financial Inc., Peters & Co. Limited
Paul Gautreau* <i>VP, Operations & Brewmaster</i>	35 years at Big Rock
Sam Galick <i>VP, Operations</i>	Moosehead Breweries, Molson Coors, Coca-Cola
Paul Howden <i>VP, Sales</i>	Coca-Cola
Brad Goddard <i>Director, Business Development & Government Relations</i>	Steam Whistle Brewing

*retiring June 1, 2021

BOARD OF DIRECTORS

Director	Current Role
Michael G. Kohut <i>Chairman</i>	CFO, Hammerhead Resources Inc.
Kathleen McNally-Leitch <i>Vice Chair</i>	Independent Businesswoman
Jim Riddell <i>Director</i>	Chairman, President & CEO, Paramount Resources Ltd.
Stephen J. Giblin <i>Director</i>	Independent Businessman
P. Donnell Noone <i>Director</i>	Principal & Managing Partner, VN Capital Management, LLC
Alanna McDonald <i>Director</i>	President, Maybelline Garnier essie at L'Oreal USA
P.L. (Lonny) Tetley <i>Corporate Secretary</i>	Partner, Burnet, Duckworth & Palmer LLP



Summary of Asset Base

Big Rock's current portfolio of assets, production expertise and management experience provides a unique platform for future growth...

CURRENT STATISTICS (ANNUAL)

POST 2021 CAPITAL PLAN

Owned

Alberta
CALGARY BREWERY
 5555 76 Ave SE
 Calgary, AB T2C 4L8



- Brewing, packaging and warehousing facilities, restaurant and head office on 10.8 acres of land
- Brew Size*: 200 hl system and 20 hl system
- Packaging Capacity**: >1,200,000 hl
- High-speed capabilities on 355ml standard cans only

Total packaging capacity of >1.6 million hectolitres, high-speed capabilities on multiple can formats and tunnel pasteurization

Leased

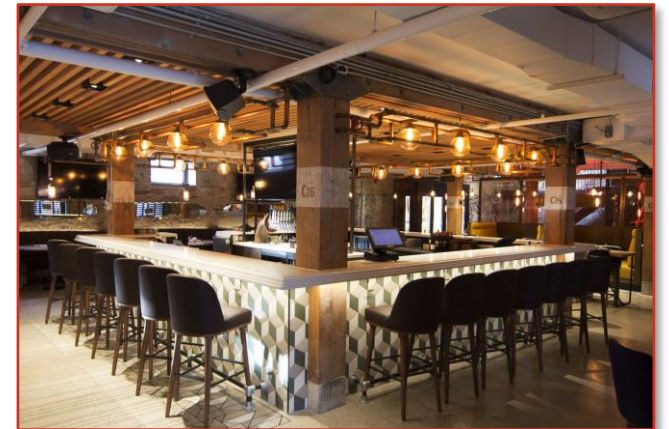
British Columbia
VANCOUVER BREWERY
 310 West 4th Avenue
 Vancouver, BC V5Y 1G9



- Brewing, packaging and warehousing facility, restaurant, retail space and office: ~13,000 sq. ft.
- Brew Size*: 25 hl system
- Packaging Capacity**: ~100,000 hl
- Packaging Capabilities: 473ml cans, kegs

OTHER ASSETS

- Liberty Commons at Big Rock Brewery (leased)



Leased

Ontario
ETOBICOKE BREWERY
 3-1589 The Queensway
 Etobicoke, ON, M8Z 5W9



SOLD[^]

- Brewing, packaging and warehousing facility and retail space: ~13,000 sq. ft.
- Brew Size*: 35 hl system
- Packaging Capacity**: ~100,000 hl
- Packaging Capabilities: 473ml cans, bottles, kegs

- Edmonton Warehouse and Distribution Centre (owned)

[^]\$2.1 million cash; expected to close on or before June 14, 2021

*Only required for beer and malt-based beverages.
**Capacities have been revised to a 50-week, 24/7 operation at 80% OEE.



The Big Rock Way

VISION

Triple Our Size...compete for 'Canada's Largest Independent Brewer'

VALUES

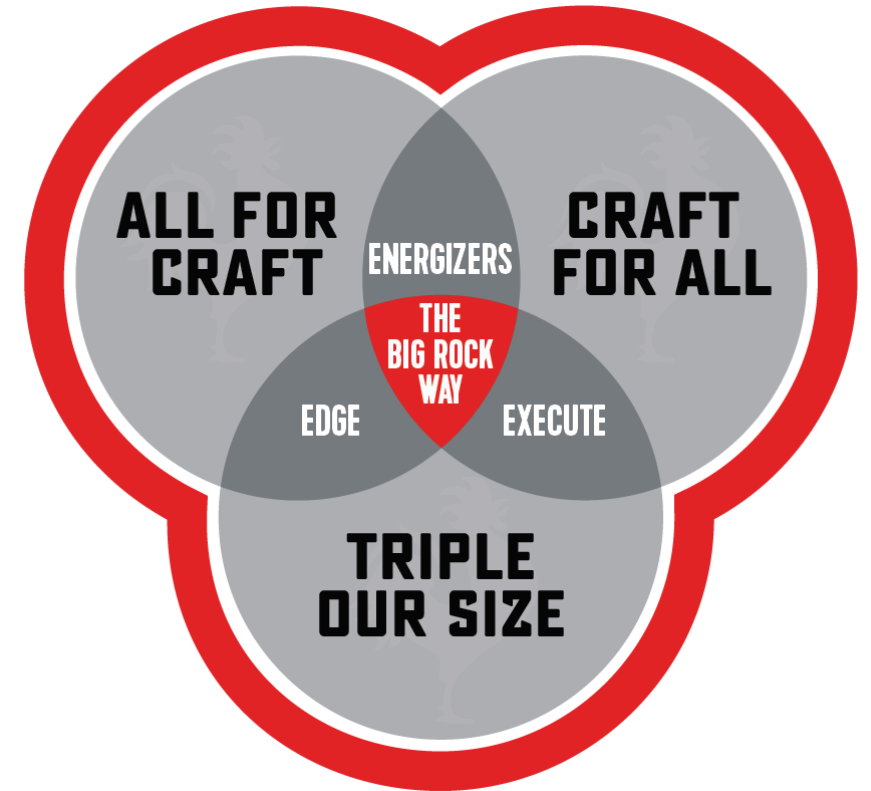
Energizers with Edge who can Execute

MISSION STATEMENT

"All for Craft, Craft for All"

THE BIG ROCK WAY

90-day projects working ON the business
Driving/encouraging OWNERS not RENTERS





Long Term Strategy

EXECUTION ROAD MAP

1 - Gear Up

Strategic Capital Plan



OPTIMIZE CAPACITY /
WASTE REDUCTION

- Complete Calgary capital investment project to enable growth pipeline, innovation process and minimize waste
- Complete IT and digital transformation projects to maximize returns on growth
- Optimize underperforming assets

2 - Fill Up

Pursue Material Volume Growth in Calgary



IMPROVE UTILIZATION
TO REDUCE COST

- Win material co-packing contracts from robust business development pipeline
- Achieve growth targets in owned, licensed and private label brand portfolios
- Achieve growth targets in new, on-trend innovations

3 - Drink Up

M&A and Brand Investment



GROW HIGH
MARGIN MIX

- Pursue portfolio complementing acquisitions
- Fuel growth in owned brands
- Meaningful investments in 'better-for-you' innovations

A long-term sustainable growth model



Diverse Portfolio

Well diversified portfolio - defensive against economic fluctuations

Well positioned for 2021 shift to larger pack sizes and variety packs

Decreasing price/gross margin

Big Rock Signature

White Peaks Hard Steeped Tea

Rock Creek Cider

AGD

Bow Valley

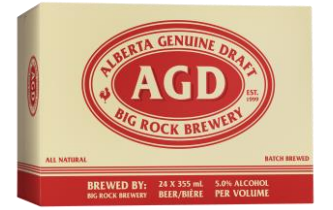


ALLIED

PARTNERS

...and more!






CO-PACKING





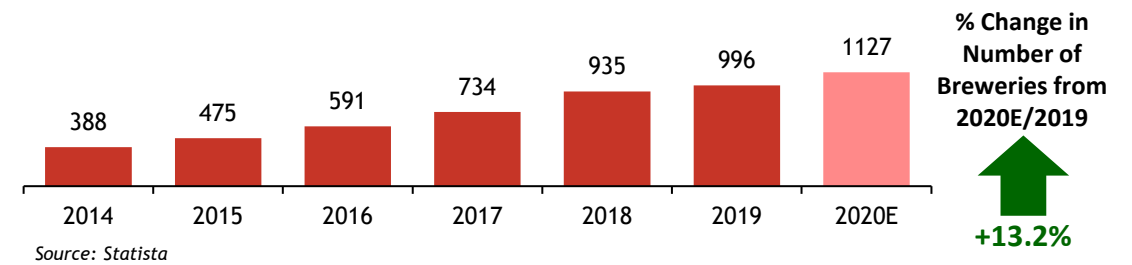
The Headwinds of Beer

GLOBAL MARKET TRENDS

	 RTDs	 Spirits	 Beer	 Wine	 Cider
Pre-Covid Trend Volume CAGR 2014 to 2019	+7.8%	(2.0%)	(0.9%)	+0.4%	+0.3%
Immediate Covid Impact % Change 2019 to 2020	+43.1%	(9.7%)	(9.2%)	(9.3%)	(12.2%)
Category Resilience Volume CAGR 2019 to 2024	+21.8%	(0.7%)	(0.9%)	(1.3%)	(1.0%)

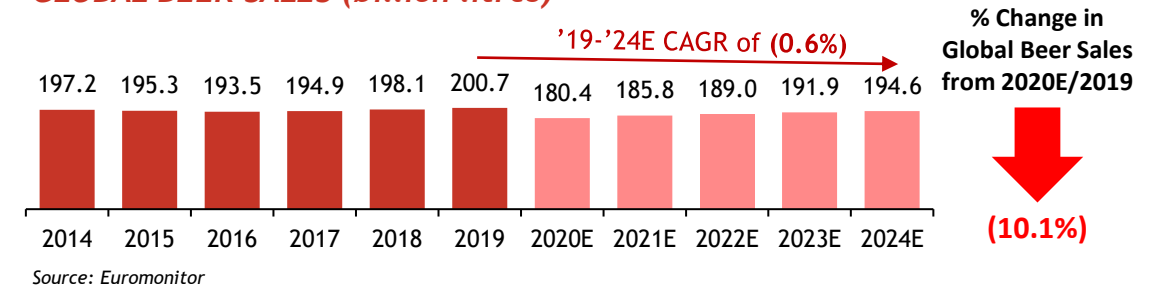
Source: IWSR

NATIONAL BREWERIES



Since 2013/2014, craft beer has gained market share across Canada and significant capital investment has been made resulting in a material increase in the number of breweries...

GLOBAL BEER SALES (billion litres)



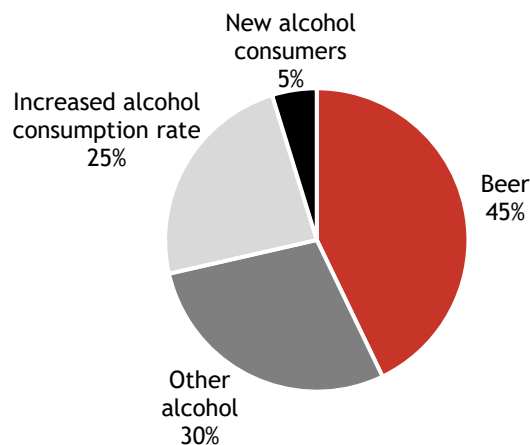
...however, since that time beer consumption has been in decline nationally and globally

The continued increase in the number of breweries is unsustainable in an environment of declining beer consumption



Significant RTD Growth Leading to Major Capital Investments

COMPOSITION OF HARD SELTZER GROWTH



Source: JP Morgan

VODKA SODA TRENDS IN CANADA

Vodka Soda Sales in Canada				
(24-pack cases)	2018	2019	2020	YoY
National	1,101,960	3,162,760	8,791,654	178%
BC	604,046	1,531,150	2,819,372	84%
ON	344,460	1,026,332	3,236,209	215%
AB	63,101	388,830	1,530,796	294%
NS	53,584	137,290	404,171	194%
Other Provinces*	36,500	79,158	801,106	912%

* Excludes Quebec

Source: Association of Canadian Distillers; Spirits Canada

SELECT RECENT INVESTMENTS

Brand	Description
Brunswick Bierworks	• Investment by Clairvest Group Inc.
Bud Light	• Announced \$150MM investment into Georgia facility to expand capacity
Corona	• Announced \$40MM investment to launch hard seltzer
Molson Coors	• Increased seltzer production capacity by more than 400% at Fort Worth and Milwaukee breweries
Truly	• Plans to invest up to \$200MM in 2020; majority of capital to be spent on increasing seltzer production capacity
Waterloo Brewing	• Investment of \$13.4MM to provide capacity required to meet demands of rapidly growing owned brands and co-pack business
White Claw	• Announced \$250MM investment to create a new production plant in Arizona • Announced \$400MM investment to create a new production plant in South Carolina

Source: Company Public Disclosures

Canada

- Significant capital investments in manufacturing infrastructure are being made by major brands **in the United States**
- Smaller co-packers have announced expansion plans in Canada to support demand
- A robust pipeline of volume growth opportunities exists for Big Rock to capitalize on at its Calgary facility

As consumer demand has taken off for hard seltzers, industry participants are investing heavily into new manufacturing infrastructure to support growth



2021 Capital Plan

Previous Capital Plan: \$8.8 million

Revised Capital Plan: \$9.5 million*

Growth Capital: \$8.8 million

- Can-line Upgrade
- Tunnel Pasteurization
- IT & Digital Transformation Projects

**increased from \$0.6 million to \$1.3 million*

Maintenance Capital: \$0.7 million



OPTIMIZE CAPACITY /
WASTE REDUCTION



IMPROVE UTILIZATION
TO REDUCE COST

- Enables pursuit of robust business development pipeline
- Improves ability to maximize asset utilization year-round
- Enhances quality control and reduces waste
- Enhances ability to align innovation process with market demand long-term (e.g. 'better-for-you' category)
- Enhanced customer and consumer ordering experience through adoption of technology (sales portal / e-commerce)
- Optimize business processes to support growth strategy (demand planning, warehouse management, business intelligence, etc.)

Incremental capital projects in Alberta drive outsized returns given Big Rock's existing asset base and distribution network



Etobicoke Brewery Divestiture Summary

TRANSACTION SUMMARY



Total Consideration: \$2.1 million cash
(net of transaction costs)

- Asset sale agreement
- Assignment of lease complete

Financial Highlights:

- **\$0.2** million annual cash cost savings
- Reduction in lease liabilities of **\$1.4** million
- Increase in cash outstanding



Use of Proceeds:

- IT & Digital Transformation Budget Expansion
 - **+\$0.65** million to **\$1.25** million
- Debt/lease liability reduction of **\$1.4** million



Expected Closing Date: June 14, 2021

KEY TAKEAWAYS



OPTIMIZES ASSET BASE

- Increases margins due to cash cost savings and earnings improvement
- Focuses the business on assets with scale



CLEAR USE OF PROCEEDS

- Fund the 2021 capital plan (the 'Gear Up' phase)
- De-lever and optimize the balance sheet



CONTINUED ONTARIO MARKET SUPPORT

- via Liberty Commons location in Toronto



Financial Highlights

Q1 2021 vs. Q1 2020 Results

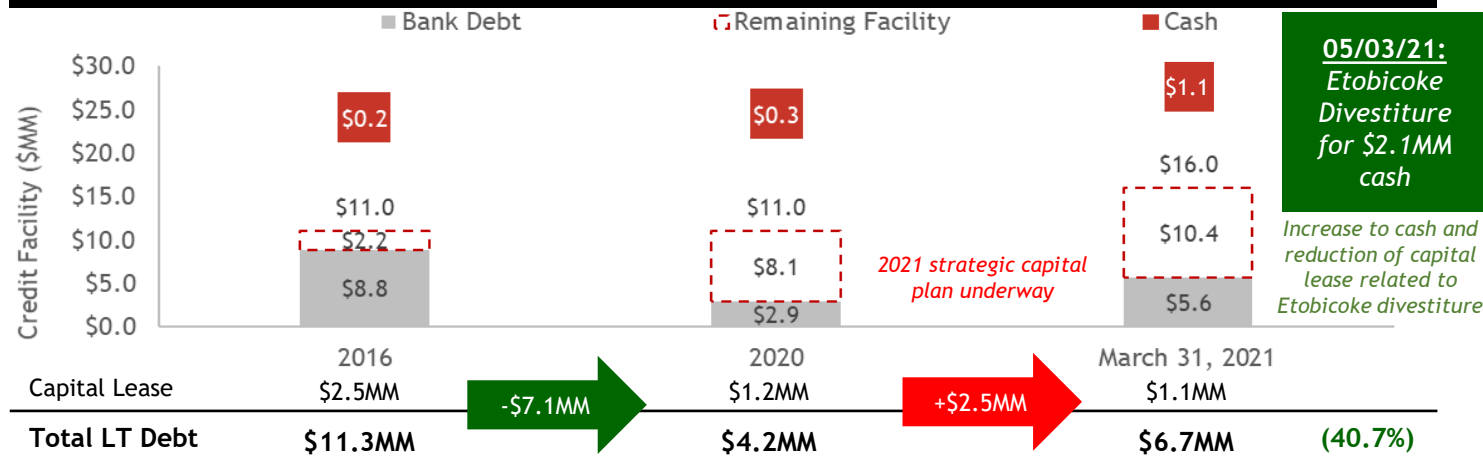
Metric	Results
Sales Volume (hl):	-2.4%, from 36,490 hl to 35,600 hl
Net Revenue: (\$/hl)	+18.7%, from \$8.9 million to \$10.6 million +21.7%, from \$244.67 to \$297.72
Gross Margins (%):	-1.3% to 33%
Adj. EBITDA* (\$MM):	from \$0.02 million to \$0.79 million
Adj. EBITDA* Margin (%):	+7.2%, from 0.2% to 7.4%
Operating Income/(Loss) (\$MM):	from \$(0.9) million to \$(0.5) million
Selling, Marketing, and G&A costs (\$MM):	+2.3%, from \$3.7 million to \$3.8 million
Cash (as at 03/31/21) (\$MM):	\$1.1 million
Total credit facilities - Total Drawn (as at 03/31/21) (\$MM)	\$16 million \$5.6 million or 35%

* Adjusted EBITDA excludes share-based compensation expense

“Big Rock Brewery Announces Strong First Quarter Results”

Big Rock Brewery Inc. (TSX: BR)

Balance Sheet Snapshot



Despite two years of major challenges, we have managed to improve the balance sheet and profitability significantly

Pro Forma 2021 Capital Plan - Illustrative Growth Scenario

Metric	Existing Operations [^]	Illustrative Growth*
Total Volume	200,000 - 220,000 hl	400,000 hl
Revenue	\$42 - \$45 million	\$55 - \$65 million**
Gross Margin	38% - 42%	43% - 46%
EBITDA Margin	10% - 12%	13% - 15%

2021 capital plan enabling growth

[^]in COVID-19 environment

*Assumes sustained regulatory policy
**Accounts for large variance in co-pack terms



Big Rock in the Community

British Retail Consortium

QUALITY



TRACEABILITY

RIGOROUS TESTING

North America's ONLY Craft Brewer to carry the certification

Opportunity to become International Manufacturer

Over \$1 million in community sponsorships every year

Federal Government Advocacy



- ✓ Actively advocating for progressive policy

Sustainability Committee

- ✓ LED conversions - bulbs & fixtures
- ✓ Streamline packaging materials (Aluminium recovered)
- Waste water treatment
- CO₂ recovery
- Organic Certification in progress

Provincial Government Advocacy



- ✓ Actively advocating for progressive policy
- ✓ Active member of the Alberta Small Brewers' Association

Supporter of Community





Long Term Value Creation

	FROM	Value Creation	TO	WHY?	
Operating Leverage	<ul style="list-style-type: none"> <30% Gross Margins <ul style="list-style-type: none"> High fixed overhead costs (especially BC & Ontario) <10% EBITDA margins <30% packaging capacity utilization 		<ul style="list-style-type: none"> >40% Gross Margins <ul style="list-style-type: none"> Low fixed overhead costs >18% EBITDA margins >80% packaging capacity utilization 	<ul style="list-style-type: none"> ✓ People ✓ Asset Base ✓ Diversified Portfolio ✓ Manufacturing Expertise ✓ Brand ✓ Warehousing and Distribution Network ✓ Trusted Relationships 	
Capital Allocation	<ul style="list-style-type: none"> Risk mitigation investments Adoption of technology History of shareholder value destruction 		<ul style="list-style-type: none"> Investments supporting long term top-line growth Consistent shareholder returns 		
Cash Flow	(-)		(+)		<ul style="list-style-type: none"> Consistent operating cash flow per share growth Free cash flow supporting growth and shareholder returns
Earnings	(-)		(+)		
Balance Sheet (LT Debt / EBITDA)	5.2x <i>(in 2016)</i>		<2.0x		



Investor & Contact Information

Stock Exchange and Listed Securities

Big Rock Brewery Inc. is listed on the Toronto Stock Exchange (TSX) under the ticker symbol “BR”

Investor and Analyst Inquiries

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Officers

Wayne Arsenault
President & CEO

Don Sewell
Chief Financial Officer

Board of Directors

Michael G. Kohut, Chairman

Kathleen McNally-Leitch

Jim Riddell

Stephen J. Giblin

Alanna McDonald

P. Donnell Noone

Share Registrar and Transfer Agent

Odyssey Trust Company
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T2P 3C4

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Corporate Counsel

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Toronto, ON
M6K 3E7
T: 416-304-6403



Appendix



History of Big Rock

1985

Big Rock was founded by Ed McNally - Western Canada's first Craft Brewery

- *A retired lawyer and barley farmer, Ed saw an opportunity to offer Albertans an alternative to the corn syrup laced North American lagers utilizing Calgary's access to Rocky Mountain water and the provinces abundance of world-class barley*

1996

Ed cut the ribbon on Big Rock's current Calgary location on 76 Avenue SE

- *Housing the best brewing equipment made in Canada, premium packaging equipment from Germany and enough capacity, at the time, to scale Big Rock into a dominate player on the still-fledgling North American Craft brewing scene*

1997

Big Rock began trading on the TSX and at the time, was creating waves with export into 21 US states

- *Achieving company highs that included the top selling Craft brand in California, Grasshopper, before pressure from multi-nationals on US distributors created an environment where growth was no longer sustainable*
- *The exit from the US market and significant inter-provincial trade barriers left Big Rock with a facility built to supply the world, employees eager to work, and local suppliers anxious to see their volumes grow, yet very few markets to grow in - Big Rock pivoted it's business*

2005

Following Ed's reduced involvement (2005) and eventual passing (2014), Big Rock went through several management team changes

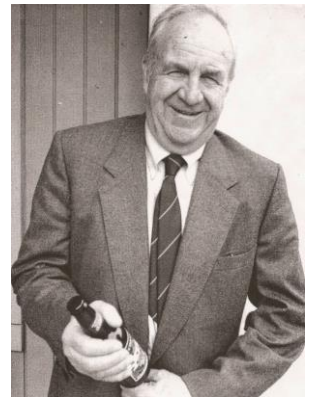
- *All trying to achieve organic growth in a vastly growing Craft market and ultimately complicating and confusing it's identity*

With new Big Rock management, led by Wayne Arsenault, the culture at Big Rock has been revitalized and the business is transitioning from a 'family-owned' business into a true 'public shareholder' company focused on value creation and sustainable growth

- *With a formal management system instilled, ever-improving processes and an ever improving understanding of costs, Big Rock is positioned to take advantage of the capacity and scale of the assets Ed built and provide economic stimulus to the Canadian economy at a scale that is unachievable by most other independent brewers in Canada*
- *In a market where growth has stagnated, management believes the Corporation's future growth will be the driving force for Craft gaining market share in Alberta and Canada going forward*



TODAY



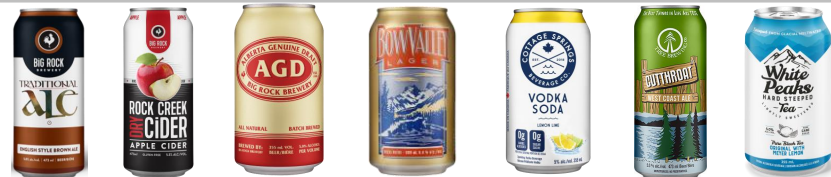


Current Snapshot

Big Rock Today

Traded:	TSX: BR
Recent Price (as at 5/04/21):	\$6.10
Basic Shares Outstanding:	6.98 million
Market Cap (as at 5/04/21):	\$42.6 million
Founded:	1985
Employees:	130+

Brands:



Breweries/Brewpubs: Calgary, Vancouver and Toronto

2020 Net Sales: \$44.0 million

Cash (as at 3/31/21): \$1.1 million

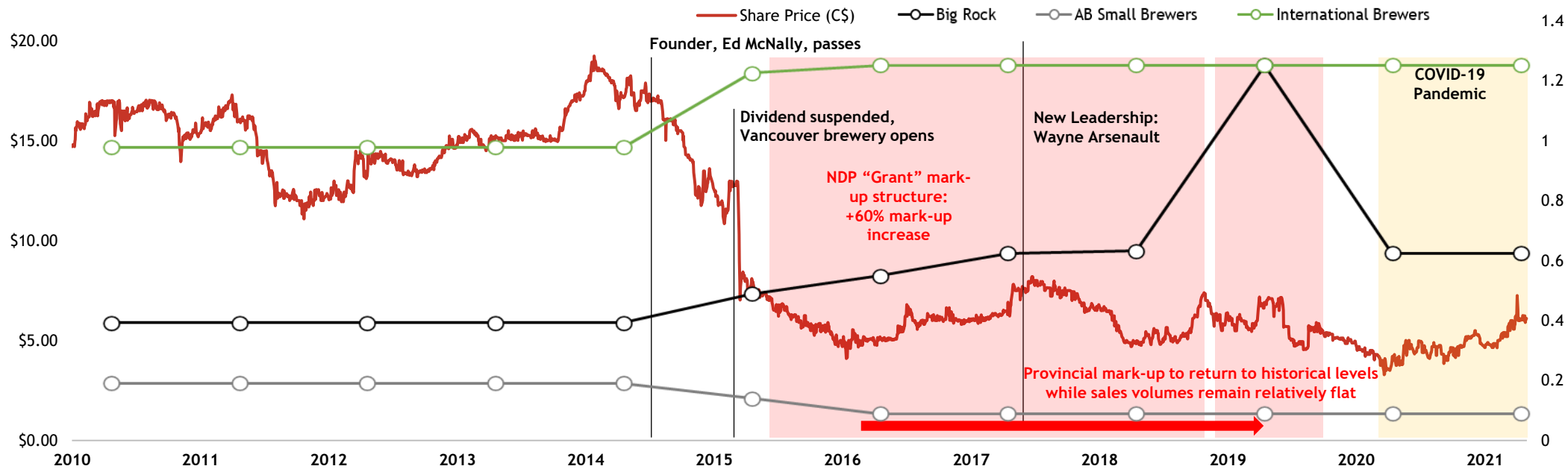
Total Credit Facilities: \$16 million
- Total Drawn (as at 3/31/21) \$5.6 million

Capital Lease (as at 3/31/21): \$1.1 million
- Pro forma (expected as at 6/14/21) \$0 million





Historical Performance Summary



Source: Thomson Reuters

(\$000)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BR Sales Vol. (hl)	212,472	220,973	217,646	184,802	168,268	181,857	199,454	208,565	201,577	171,563	172,996
Net Revenue	45,130	45,183	46,057	41,587	36,755	39,594	43,126	46,573	48,748	42,653	43,984
Gross Profit Margin	54.1%	52.7%	54.1%	51.3%	48.5%	44.5%	43.2%	40.6%	42.7%	28.9%	37.5%
EBITDA Margin	17.1%	15.0%	19.6%	15.9%	8.1%	4.1%	5.6%	4.1%	8.5%	(2.5%)	11.6%
Net Profit Margin	13.6%	5.6%	9.0%	6.1%	1.7%	(2.7%)	(1.1%)	(2.2%)	0.7%	(6.9%)	(1.5%)
Debt	3,383	2,683	2,042	-	-	5,136	8,844	6,416	5,775	6,415	4,157

The business performance and financial position enables Big Rock to be opportunistic



Heritage of Innovation

A History of Innovations & Awards

- Founded on a tradition of innovation, starting with our founder Ed McNally who wanted to create better quality beers, with unique taste profiles



2020 Innovations, including but not limited to...



- ✓ New Director of Brewing Operations and Brewmaster, Graham Kendall, brings over 30 years of industry and technical experience from AB InBev, Beam Suntory & Great Western Malting
- ✓ New marketing leadership
- ✓ New and growing entrance into RTD category
- ✓ Innovation-enabling capital plan
- ✓ Consumer-focused, data-driven innovation process



Category Insights



Customer Insights



Portfolio Optimization



BIG ROCK BREWERY

Big Rock & Big Rock's Brands' Performance



Market Positioning

2021 Innovations...



...and more to come!

- Partner Brands (Private Label) innovations

