



BIG ROCK BREWERY ANNOUNCES STRONG FIRST QUARTER RESULTS

May 4, 2021 – Calgary, Alberta – Big Rock Brewery Inc. (TSX: BR) (“Big Rock” or the “Corporation”) today announced its financial results for the three months ended March 31, 2021.

“We are pleased that we are able to continue to yield strong results despite the prolonged restrictions imposed by governments in relation to COVID-19,” said President & CEO Wayne Arsenault. “We are happy with the success we are seeing in the growth of our co-packing business where our increased revenues continue to be supported by the addition of new customers during the quarter. We look forward to some resurgence in our higher margin product mix when the government restrictions subside and the global pandemic is behind us, however, our extensive brand portfolio and strong financial position have allowed us to invest in the future of the Corporation and set ourselves up to achieve future returns for our shareholders. As of today, the strategic 2021 capital plan remains on-plan and on-budget.”

Financial Highlights

For the three months ended March 31, 2021, compared to the three months ended March 31, 2020, the Corporation reported:

- adjusted earnings before interest, taxes, depreciation and amortization (“**adjusted EBITDA**”) of \$0.8 million versus \$nil (see “*Non-GAAP Measures*”);
- net revenue increased by 18.7%, from \$8.9 million to \$10.6 million;
- sales volumes decreased 2.4% from 36,490 hl to 35,600 hl;
- net loss of \$0.5 million versus a net loss of \$0.9 million; and
- operating loss of \$0.5 million, compared to an operating loss of \$0.9 million.

During the first quarter of 2021, the Corporation announced the expansion of its credit facilities to a total of \$16 million to support its 2021 strategic capital plan. The Corporation has drawn an additional \$3.0 million under its credit facilities during the quarter of which \$1.8 million was spent towards the Corporation’s 2021 capital plan. As at March 31, 2021, the Corporation had a cash balance of \$1.1 million, was undrawn on its \$6 million operating credit facility and had \$4.4 million undrawn and available under its \$10 million term facility.

The impact of the credit facility expansion along with the net proceeds from the sale of the Etobicoke brewery which was recently announced on May 3, 2021 and is expected to close on or before June 14, 2021, affords Big Rock significant financial flexibility. As a result, the Corporation announced the increase of its strategic 2021 capital budget, upsizing the IT and digital transformation plan by \$0.65 million, bringing the total 2021 capital plan to \$9.5 million.

Operating Highlights

Big Rock reported a net loss of \$0.5 million or \$0.07 per common share, compared to a net loss of \$0.9 million or \$0.13 per common share in the first quarter of 2020. Adjusted EBITDA (see “*Non-GAAP Measures*”) increased \$0.8 million as compared to the first quarter of 2020. The improved performance this quarter versus the prior year quarter was driven by the following:

- a \$1.5 million increase in revenue as a result of the Corporation's growing co-packing business with the addition of new customers during the first quarter;
- partially offset by higher costs of good sold associated with the increase in packaging materials costs due to the shift in sales mix from kegs to packaged goods, increased filtration and cleaning costs related to the changing production mix, and increased utilities costs; and
- significant reductions in selling and marketing expenses as sponsorships, events and trade marketing expenditures in particular have been reduced as a result of spending restrictions imposed by the ongoing COVID-19 pandemic.

Summary of Results

\$000, except hl and per share amounts	Three months ended March 31	
	2021	2020
Sales volumes (hl) ⁽¹⁾	35,600	36,490
Gross revenue	\$ 14,303	\$ 12,633
Net revenue	10,599	8,928
Cost of sales	7,087	5,853
Adjusted EBITDA ⁽²⁾	789	20
Operating loss	(501)	(921)
Net loss	(455)	(898)
Loss per share (basic & diluted)	\$ (0.07)	\$ (0.13)
\$ per hl		
Net revenue	\$297.72	\$244.67
Cost of sales	\$199.07	\$160.40

⁽¹⁾ Excludes contract manufacturing volumes due to the nature of the agreements.

⁽²⁾ Non-GAAP measure. See "Non-GAAP Measures".

Outlook & Strategy

Big Rock's long-term growth strategy is defined by the following three phases: 'Gear up', 'Fill up' and 'Drink up'. This strategy supports the Corporation's vision to become Canada's largest independent brewer.

As the Corporation looks ahead to the second quarter and beyond, the focus remains on the execution of its strategic 2021 capital plan, announced on February 9, 2021, as the new packaging equipment is expected to be delivered to the Calgary facility early in the third quarter. Meanwhile, the Corporation has commenced initiatives to broaden its revenue streams by entering into certain distribution and sales agency agreements which are expecting to see growth beginning in the second quarter. The Corporation continues to pursue new co-packing volumes to fulfill anticipated available capacity enabled by the improved packaging capabilities following the commissioning of the new equipment at the Calgary facility beginning in the fourth quarter of 2021. The Corporation expects that the capital upgrades and recently expanded IT budget will enable the business to maximize returns with growth. As a result, the Corporation remains focused on the execution of its capital plan in order to deliver on its revenue growth strategy in 2022.

Near the end of the first quarter of 2021, the Corporation launched White Peaks which is a hand-crafted hard tea made with real steeped tea and is produced and developed at the Calgary facility. The Corporation is expecting the launch of White Peaks to enhance and compliment the current portfolio of beverage alcohol products and is encouraged by its additional new product launches coming throughout the remainder of 2021.

Big Rock looks forward to providing an update on the 2021 capital plan following the release of its second quarter results in late July 2021.

A complete discussion of the Corporation's vision and strategy is included in Management's Discussion and Analysis for the three months ended March 31, 2021 and investor presentation available on the Corporation's website at www.bigrockbeer.com or on SEDAR at www.sedar.com.

Additional Information

The interim condensed consolidated financial statements and Management's Discussion and Analysis for the three months ended March 31, 2021 dated May 4, 2021, can be viewed on Big Rock's website at www.bigrockbeer.com and on SEDAR at www.sedar.com under Big Rock Brewery Inc.

Big Rock is also pleased to announce that the Annual Meeting of Big Rock shareholders will be held on May 13, 2021 at 2:00 p.m. (Mountain Standard Time). Further details of the Annual Meeting will follow in due course.

Non-GAAP Measures

The Corporation uses certain financial measures referred to in this press release to quantify its results that are not prescribed by Generally Accepted Accounting Principles. This press release contains the term "Adjusted EBITDA". This financial measure does not have a standardized meaning under the Corporation's Generally Accepted Accounting Principles and therefore may not be comparable to similar measures presented by other issuers. The calculation of EBITDA is a non-GAAP measure, whose nearest GAAP measure is net income, or net loss as applicable, with the reconciliation between the two as follows:

(\$000)	Three months ended March 31		
	2021	2020	Change
Net loss	\$ (455)	\$ (898)	\$ 443
Addback:			
Interest	79	160	(81)
Taxes	(100)	(182)	82
Depreciation and amortization	885	999	(114)
Share based payments	380	(59)	439
Adjusted EBITDA⁽¹⁾	\$ 789	\$ 20	\$ 769

Forward-Looking Information

Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events or Big Rock's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking information are not facts, but only predictions and generally can be identified by the use of statements that include words or phrases such as, "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "likely", "may", "project", "predict", "propose", "potential", "might", "plan", "seek", "should", "targeting", "will", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Big Rock believes that the expectations reflected in those forward-looking

statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon by readers, as actual results may vary materially from such forward-looking statements. These statements speak only as of the date of this news release and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this news release contains forward-looking statements pertaining to the following:

- Big Rock's business plans, outlook and strategy;
- the Corporation's expectations regarding the COVID-19 pandemic and the duration of the impacts thereof and challenges and opportunities presented thereby;
- Big Rock's expectations regarding future sales of its higher margin products;
- the Corporation's 2021 capital plan, including the results and focus thereof;
- Big Rock's expectations with respect to its ability to achieve growth and future returns for its shareholders;
- the sale of the Corporation's Etobicoke brewery and the anticipated timing thereof;
- the growth of the Corporation's co-packaging business and the anticipated timing of the delivery and commissioning of its new packaging equipment; and
- Big Rock's expectations with respect to its future financial position and its ability to take advantage of future opportunities.

With respect to the forward-looking statements listed above and contained in this news release, management has made assumptions regarding, among other things:

- volumes in the current fiscal year will remain constant or will increase;
- input costs for brewing and packaging materials will not materially increase or decrease;
- there will be no material change to the regulatory environment in which Big Rock operates;
- there will be no material supply issues with Big Rock's vendors; and
- that the duration and extent of the COVID-19 pandemic will not be long-term.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements contained herein include the risk factors set out in the Corporation's annual information form and also include, but are not limited to:

- delays in implementation of the 2021 capital program and failure to realize the benefits of the same;
- the inability to grow demand for Big Rock's products;
- the worldwide economic and social impact of the COVID-19 pandemic; and
- the duration and extent of the COVID-19 pandemic.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements included in this news release are made as of the date hereof and Big Rock does not undertake any obligation to publicly update such forward-looking information and statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

About Big Rock Brewery Inc.

In 1985, Ed McNally founded Big Rock to contest the time's beer trends. Three bold, European-inspired offerings - Bitter, Porter and Traditional Ale - forged an industry at a time heavy on easy drinking lagers and light on flavour. Today, our extensive portfolio of signature beers, ongoing seasonal offerings, six ciders (Rock Creek Cider® series), custom-crafted private label products and other notable, licensed alcoholic

beverages keeps us at the forefront of the craft beer revolution and still proudly contesting the beer and alcoholic beverage trends of today. Big Rock has brewing operations in Calgary, Alberta, Vancouver, British Columbia, and Toronto, Ontario. Big Rock trades on the TSX under the symbol “BR”. For more information on Big Rock visit www.bigrockbeer.com

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