



BIG ROCK BREWERY ANNOUNCES SECOND QUARTER 2022 RESULTS

August 15, 2022 – Calgary, Alberta – Big Rock Brewery Inc. (TSX: BR) (“Big Rock” or the “Corporation”) today announced its financial results for the three and six months ended June 30, 2022.

Financial Summary

For the three months ended June 30, 2022, compared to the three months ended June 30, 2021, the Corporation reported:

- sales volumes of 42,409 hectolitres (“hl”) (excluding co-packing volumes);

The remaining trends are reflective of total operations, including co-packing:

- net revenue of \$15.8 million;
- operating loss of \$0.5 million;
- net loss of \$0.6 million; and
- Adjusted EBITDA (See “Non-GAAP Measures”) of 0.6 million.

For the six months ended June 30, 2022, compared to the six months ended June 30, 2021, the Corporation reported:

- net revenue increased by 1.3%, from \$24.2 million to \$24.6 million;
- sales volumes, excluding co-packing, decreased 7.5% from 81,833 hl to 75,688 hl as a result of decreased sales in the value beer category;
- net loss of \$1.9 million versus a net income of \$0.3 million; and
- operating loss of \$2.0 million, compared to operating income of \$0.6 million.

Summary of Results

\$000, except hl and per share amounts	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Sales volumes (hl) ⁽¹⁾	42,409	46,233	75,688	81,833
Gross revenue	\$ 20,324	\$ 18,626	\$ 33,036	\$ 32,929
Net revenue	15,823	13,690	24,610	24,289
Cost of sales	11,966	8,312	18,039	15,399
Adjusted EBITDA ⁽²⁾	645	1,978	(6)	2,767
Operating income (loss)	(469)	1,068	(1,957)	567
Net income (loss)	(588)	786	(1,859)	331
Income (loss) per share (basic and diluted)	\$ (0.09)	\$ 0.11	\$ (0.28)	\$ 0.05

⁽¹⁾ Excludes co-packing 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' to enable further capability to grow, 'Fill up' to increase volume and realize operational efficiencies, and 'Drink up' to invest and "premiumize" the portfolio. This strategy supports the Corporation's vision to become Canada's largest independent brewer.

Big Rock's branded sales have been negatively affected by unfavorable industry trends, specifically in the value beer segment. For the six months ended June 30, 2022, Canadian domestic beer sales are down 6.4% compared to prior period. As a response to this, Big Rock is focusing on continued product innovation and development in the premium category. The Corporation's co-packing segment continues to grow as a total percentage of revenue and as total volume throughput continues to increase, the Corporation expects to continue to realize overhead, and labor cost efficiencies as co-packing volume increases, and operating efficiency improves with the completed capital equipment upgrades in the Calgary facility. Big Rock's co-packing agreements are currently on track to achieve approximately 60% year-over-year growth in 2022.

The Corporation continues to experience inflationary pressures impacting raw material and packaging material pricing related to its owned volumes, as well as longer lead times combined with increased delivery and distribution charges linked to ongoing supply chain issues caused by the lasting impact of COVID 19. In response to the Corporation's pressures, Big Rock has strategically engaged in group purchasing strategies to mitigate cost increases and has also put in place certain fixed price contracts on raw materials and utilities to stabilize prices going forward.

Additional Information

The interim condensed consolidated financial statements and Management's Discussion and Analysis for the three and six months ended June 30, 2022 dated August 15, 2022, can be viewed on Big Rock's website at www.bigrockbeer.com and on SEDAR at www.sedar.com under Big Rock Brewery Inc.

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. Adjusted EBITDA is defined as net loss before interest, taxes, depreciation and amortization and share based payments. Management believes that this measure facilitates the understanding of the Corporation's results from operations. The nearest GAAP measure to Adjusted EBITDA is net income, or net loss as applicable, with the reconciliation between the two as follows:

(\$000, except where indicated)	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Net income (loss)	\$ (588)	\$ 786	\$ (1,374)	\$ (1,859)	\$ 331	\$ (2,190)
Addback:						
Interest	181	138	43	339	217	122
Taxes	(111)	281	(392)	(483)	181	(664)
Depreciation and amortization	810	790	20	1,629	1,675	(46)
Share based payments	353	126	227	399	506	(107)
Gain on disposal of assets	—	(143)	143	(31)	(143)	112
Adjusted EBITDA ⁽¹⁾	\$ 645	\$ 1,978	\$ (1,333)	\$ (6)	\$ 2,767	\$ (2,773)

⁽¹⁾ Non-GAAP measure. See “Non-GAAP Measures”.

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 anticipated benefits to be derived from Big Rock’s long-term growth strategy;
- Big Rock’s vision to become Canada’s largest independent brewer;
- Big Rock’s focus on continued product innovation and development in the premium category;
- that Big Rock’s group purchasing strategies will improve its purchasing power and mitigate cost increases;
- that Big Rock’s fixed price contracts on raw materials and utilities will mitigate price volatility going forward;
- Big Rock’s expectations that it will continue to realize overhead and labor cost efficiencies as volume throughput grows with anticipated growth in co-packing volume;
- that Big Rock’s co-packing agreements are on track to achieve approximately 60% year-over-year growth in 2022; and
- Big Rock’s expectations that its operating efficiency will improve as a result of the new capital equipment upgrades at its Calgary facility.

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

- that Big Rock's long-term growth strategy will support it in becoming Canada's largest independent brewer;
- that Big Rock's group purchasing strategies will improve its purchasing power;
- that Big Rock's new capital equipment upgrades at its Calgary facility will improve its operating efficiency;
- volumes in the current fiscal year will remain constant or will increase;
- 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 and FOFI contained herein include the risk factors set out in the Corporation's annual information form and also include, but are not limited to:

- that Big Rock's group purchasing strategies may not improve its purchasing power and mitigate cost increases;
- that Big Rock's fixed price contracts on raw materials and utilities may not mitigate price volatility;
- that Big Rock's new capital equipment upgrades at its Calgary facility may not improve its operating efficiency;
- that the year-over-year growth in Big Rock's co-packing arrangements may be less than anticipated;
- the inability to grow demand for Big Rock's products; and
- the duration and extent of the COVID-19 pandemic.

Any financial outlook or future oriented financial information (in each case "FOFI") contained in this news release regarding prospective financial position, including, but not limited to, that Big Rock's group purchasing strategies will improve its purchasing power and mitigate cost increases; that Big Rock's fixed price contracts on raw materials and utilities will mitigate price volatility going forward; and that Big Rock's co-packing agreements are on track to achieve approximately 60% year-over-year growth in 2022, is based on reasonable assumptions about future events, including those described above, based on an assessment by management of the relevant information that is currently available. The actual results will likely vary from the amounts set forth herein and such variations may be material. Readers are cautioned that any such FOFI contained herein should not be used for purposes other than those for which it is disclosed herein. Such information was made as of the date of this news release and the Company disclaims any intention or obligation to update or revise any such information, whether as a result of new information, future events, or otherwise, unless required pursuant to applicable law.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements and FOFI contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements and FOFI 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

For further information, please contact:

Wayne Arsenault, President & Chief Executive Officer, or Ron Love, Chief Financial Officer:

Phone: (403) 720-3239
Fax: (403) 720-3641
Email: investors@bigrockbeer.com