

BIG ROCK BREWERY INC.**Condensed Consolidated Statements of Comprehensive Income (Loss)****unaudited***(In thousands of Canadian dollars, except per share amounts)*

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
Revenue					
Net revenue	3	11,940	12,982	36,550	37,271
Cost of sales	4	8,445	8,444	26,484	23,843
Gross profit		3,495	4,538	10,066	13,428
Expenses					
Selling expenses	4	3,289	2,750	8,274	7,815
General and administrative	4	1,180	1,271	4,376	4,191
Depreciation and amortization	4	173	163	520	501
Operating expenses		4,642	4,184	13,170	12,507
Operating income (loss)		(1,147)	354	(3,104)	921
Finance expenses		283	104	622	321
Other		(47)	(102)	(1)	(264)
Income (loss) before income taxes		(1,383)	352	(3,725)	864
Income tax (recovery) expense					
Deferred		(329)	115	(812)	296
		(329)	115	(812)	296
Net income (loss) and comprehensive income (loss)		(1,054)	237	(2,913)	568
Per share amounts					
Basic and diluted	5	\$ (0.15)	\$ 0.03	\$ (0.42)	\$ 0.08

See accompanying condensed notes to the condensed consolidated financial statements

BIG ROCK BREWERY INC.
Condensed Consolidated Statements of Financial Position
unaudited
(In thousands of Canadian dollars)

As at	Note	September 30, 2022	December 30, 2021
ASSETS			
Current			
Cash		1,162	228
Accounts receivable		2,265	2,167
Inventories	6	8,812	6,719
Prepaid expenses and deposits		208	463
		12,447	9,577
Non-current			
Property, plant, and equipment	7	41,239	42,654
Intangible assets		2,428	2,591
		43,667	45,245
Total assets		56,114	54,822
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		10,082	5,753
Current debt	9	11,398	2,685
Lease liabilities	8	668	738
Share-based compensation payable	10	697	641
		22,845	9,817
Non-current			
Long-term debt	9	—	7,529
Lease liabilities	8	3,140	3,628
Deferred income taxes		1,333	2,145
		4,473	13,302
EQUITY			
Shareholders' capital	10	113,217	113,620
Contributed surplus	11	2,889	2,480
Accumulated deficit		(87,310)	(84,397)
		28,796	31,703
Total liabilities and shareholders' equity		56,114	54,822
Going concern	2		
Commitments and contractual obligations	15		
Subsequent events	16		

See accompanying condensed notes to the condensed consolidated financial statements

BIG ROCK BREWERY INC.
Condensed Consolidated Statements of Cash Flows
unaudited
(In thousands of Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
OPERATING ACTIVITIES					
Net income (loss) for the period		(1,054)	237	(2,913)	568
Items not affecting cash:					
Depreciation and amortization	4	1,102	829	2,616	2,504
Gain on sale of assets		(14)	(12)	(45)	(155)
Share-based payments	11	132	151	535	657
Amortized debt issuance costs		—	4	69	9
Gain on extinguishment of liabilities		—	(89)	—	(89)
Deferred income tax expense (recovery)		(329)	116	(812)	297
Net change in non-cash working capital related to operations		(163)	1,236	(550)	3,791
Cash provided by (used in) operating activities		4,159	1,256	1,677	248
FINANCING ACTIVITIES					
Advances (repayment) of term debt	9	(2,128)	532	1,184	4,999
Repayment of share-based compensation payable		—	(17)	—	(61)
Purchase of shares held in trust		(205)	—	(403)	(470)
Repayment of license obligation		—	(499)	—	(516)
Repayment of lease liabilities		(161)	(177)	(558)	(1,706)
Cash provided by (used in) financing activities		(2,494)	(161)	223	2,246
INVESTING ACTIVITIES					
Purchase of property, plant, and equipment	7	(753)	(852)	(1,062)	(4,866)
Purchase of intangibles		(25)	(317)	(222)	(537)
Net proceeds on sale of property, plant, and equipment		275	142	318	2,311
Net change in non-cash working capital related to investing		—	(70)	—	346
Cash used in investing activities		(503)	(1,097)	(966)	(2,746)
Net increase (decrease) in cash		1,162	(2)	934	(252)
Cash, beginning of period		—	2	228	252
Cash, end of period		1,162	—	1,162	—
Supplemental cash flow information					
Interest paid		369	101	621	305

See accompanying condensed notes to the interim consolidated financial statements

BIG ROCK BREWERY INC.

Condensed Consolidated Statements of Changes in Shareholders' Equity

unaudited*(In thousands of Canadian dollars)*

	Note	Shareholders' capital	Contributed surplus	Accumulated deficit	Total
Balance as at December 30, 2021		113,620	2,480	(84,397)	31,703
Share-based payments	11	—	535	—	535
Purchase of shares held in trust		(529)	—	—	(529)
Shares held in trust issued		126	(126)	—	—
Net loss and comprehensive loss		—	—	(2,913)	(2,913)
Balance as at September 30, 2022		113,217	2,889	(87,310)	28,796

	Note	Shareholders' capital	Contributed surplus	Accumulated deficit	Total
Balance as at December 30, 2020		113,792	2,170	(81,140)	34,822
Share-based payments	11	—	427	—	427
Purchase of shares held in trust		(470)	—	—	(470)
Shares held in trust issued		195	(195)	—	—
Net loss and comprehensive income		—	—	568	568
Balance as at September 30, 2021		113,517	2,402	(80,572)	35,347

See accompanying condensed notes to the condensed consolidated financial statements

BIG ROCK BREWERY INC.

Notes to the Condensed Interim Consolidated Financial Statements

(In thousands of Canadian dollars, unless otherwise stated)

1. CORPORATE INFORMATION

Big Rock Brewery Inc. (“**Big Rock**” or the “**Corporation**”) is incorporated in Canada, with limited liability under the legislation of the Province of Alberta, and its shares are listed on the Toronto Stock Exchange and trade under the symbol “BR”.

Big Rock is a regional producer of premium, all-natural craft beers and cider, which are sold in six provinces and two territories in Canada. The head office, principal address, and records office of the Corporation are located at 5555 - 76th Avenue SE, Calgary, Alberta T2C 4L8.

These condensed interim consolidated financial statements include the accounts of Big Rock and all its wholly-owned subsidiaries. Subsidiaries are those enterprises controlled by the Corporation. The following companies have been consolidated within the Consolidated Financial Statements:

Subsidiary	Registered	Holding	Functional Currency
Big Rock Brewery Inc.	Alberta	Parent Company	Canadian dollar
Big Rock Brewery Operations Corp.	Alberta	100%	Canadian dollar
Big Rock Brewery Limited Partnership	Alberta	100%	Canadian dollar

Intercompany balances and transactions, and any unrealized gains or losses arising from inter-company transactions, are eliminated in preparing the Consolidated Financial Statements.

2. BASIS OF PREPARATION

Going concern

The interim financial statements for the three and nine months ended September 30, 2022 have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine months ended September 30, 2022, the Corporation incurred a net loss of \$2.9 million. The Corporation has \$4.0 million drawn on its operating facility as at September 30, 2022. The credit facility imposes a number of positive and negative covenants on the Corporation more fully described in Note 9. As at September 30, 2022, the Corporation was in breach of these covenants resulting in the credit facility balance of \$11.4 million (total operating and term facilities) being classified as a current liability. The Corporation did not rectify the breach within the current period and is in default under the terms of the amended credit facility. This results in the lender having the right to demand repayment and/or realize on the security at any time under the terms of the agreements, under any of the Security Documents and under Applicable Law. On August 12, 2022 Big Rock and ATB signed an Acknowledgement and Reservation of Rights letter where ATB imposed additional conditions on the Corporation.

The Corporation has been in negotiations with its primary lender to re-structure the terms of the Corporations credit facilities. Please refer to Note 9 - Debt, for further explanation.

In addition to the matters above, the Corporation does not have sufficient cash flows to cover forecasted expenses for 2023 and under the existing terms of the lending agreements management is forecasting further breaches in covenants within the next 12 months. To address this situation the Corporation has implemented the following initiatives; 1) Mr. Stephen Giblin, Chairman of the Board of Directors, has assumed the position of Interim CEO of the Corporation, 2) The Board of Directors has established a sub-committee of the board and engaged a consultant to conduct a search for a new CEO, 3) The Board Company has established a special committee to complete a review of the available options for the Corporation to secure capital. 4) The Corporation has engaged a consultant to assist the Special Committee in a review of options to secure capital. Please refer to Note 16 - Subsequent Events.

The continuing operations of the Corporation are dependent upon its ability to reach an agreement with the lender to rectify the event of default and restructure the terms of the credit facility. The Corporation will also need to raise adequate capital and to maintain profitable

BIG ROCK BREWERY INC.

Notes to the Condensed Interim Consolidated Financial Statements

(In thousands of Canadian dollars, unless otherwise stated)

operations in the future and repay its liabilities arising from normal business operations as they become due. There is no assurance that the Company will be able to rectify the event or default and/or obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Corporation.

Due to these factors, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include adjustments to the recoverability and classification of recorded asset and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as the accounting policies applied in these condensed interim consolidated financial statements are based on IFRS as issued, outstanding and effective November 14, 2022.

Certain disclosures that are normally required to be included in the notes to the annual audited financial statements have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 30, 2021.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 14, 2022.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business and have been prepared on the historical cost basis, presented in Canadian dollars. All values are rounded to the nearest thousand dollars except where otherwise indicated.

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual audited consolidated financial statements of the Corporation for the year ended December 30, 2021. These condensed consolidated interim financial statements do not include all of the information and disclosures required in the Corporation's annual consolidated financial statements and should be read in conjunction with the Corporation's annual audited consolidated financial statements for the year ended December 30, 2021.

3. NET REVENUE

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Gross product revenues	\$ 17,411	\$ 17,969	\$ 50,447	50,898
Federal excise taxes	(1,642)	(1,080)	(4,320)	(4,233)
Provincial liquor tax programs	(3,829)	(3,907)	(9,577)	(9,394)
Net revenue	\$ 11,940	\$ 12,982	\$ 36,550	\$ 37,271

Gross product revenues include wholesale beer, cider and other alcoholic beverage revenues, co-packing revenues as well as retail store and restaurant sales. Net revenue includes gross revenues net of excise taxes and provincial government liquor taxes.

BIG ROCK BREWERY INC.
Notes to the Condensed Interim Consolidated Financial Statements
(In thousands of Canadian dollars, unless otherwise stated)

4. EXPENSES BY NATURE

Expenses related to depreciation, amortization and personnel are included within the following line items on the consolidated statements of comprehensive loss:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Depreciation and amortization				
Cost of sales	\$ 929	\$ 666	\$ 2,096	\$ 2,003
Depreciation and amortization	173	163	520	501
Salaries, wages, and benefits				
Cost of sales	1,737	1,748	5,285	5,249
Selling expenses	1,524	757	2,555	2,639
General and administrative	335	410	2,133	1,637
Share based payments				
General and administrative	147	151	399	657

5. PER SHARE AMOUNTS

The calculation of per share amounts is based on the following:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Net income (loss) - basic	\$ (1,054)	\$ 237	\$ (2,913)	\$ 568
Effect of dilutive securities	—	—	—	—
Net income (loss) - diluted	\$ (1,054)	\$ 237	\$ (2,913)	\$ 568
Weighted average shares				
Issued common shares	6,946	6,982	6,946	6,982
Effect of shares held in trust	—	(64)	—	(46)
Weighted average shares - basic	6,946	6,918	6,946	6,936
Effect of dilutive securities	—	280	—	274
Weighted average shares - diluted	6,946	7,198	6,982	7,210
Per share amounts				
Basic and diluted	\$ (0.15)	\$ 0.03	\$ (0.42)	\$ 0.08

6. INVENTORIES

As at	September 30, 2022	December 30, 2021
Raw materials and containers	2,730	2,535
Brews in progress	695	831
Finished product	4,308	2,445
Consignment product	1,046	831
Retail store	33	77
Total inventories	8,812	6,719

During the nine months ended September 30, 2022, charges of \$0.4 million (2021 - \$0.7 million) were recorded to the Interim Consolidated Statements of Comprehensive Income (Loss) relating to obsolete inventories. There were no reversals of amounts previously charged to income in respect of inventory write-downs during the nine months ended September 30, 2022 and 2021.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(In thousands of Canadian dollars, unless otherwise stated)***7. PROPERTY, PLANT, AND EQUIPMENT**

	Land and buildings	Machinery and equipment	Office furniture and equipment	Right of use assets	Total
Cost					
As at December 30, 2021	26,280	38,059	2,432	3,883	70,654
Additions	—	942	76	44	1,062
Disposals	(1)	(1,411)	—	—	(1,412)
As at September 30, 2022	26,279	37,590	2,508	3,927	70,304
Accumulated depreciation					
As at December 30, 2021	5,650	19,638	2,259	453	28,000
Depreciation	526	1,191	108	430	2,255
Disposals	—	(1,165)	—	(25)	(1,190)
As at September 30, 2022	6,176	19,664	2,367	858	29,065
Net book value					
As at December 30, 2021	20,630	18,421	173	3,430	42,654
As at September 30, 2022	20,103	17,926	141	3,069	41,239

8. LEASE LIABILITIES

	September 30, 2022	December 30, 2021
Lease liabilities, beginning of period	4,366	6,113
Additions	44	450
Disposals	—	(1,319)
Interest expense	126	214
Lease payments	(728)	(1,092)
	3,808	4,366
Current	668	738
Long-term	3,140	3,628

9. DEBT

The Corporation has a credit facility with a financial institution owned by the Government of Alberta. The credit facility includes a revolving operating loan facility (the “**Operating facility**”) of \$6 million and an evergreen term loan facility (the “**Term debt**”) of \$10 million. Advances under both credit facilities may be made by way of Canadian prime rate loans and letters of credit.

As a result of the prior amendment to the Corporation’s commitment letter with its lender as at March 31, 2022, for the period from April 1, 2022 to September 30, 2022, both facilities bear interest rates at prime plus a basis point spread that is subject to a pricing grid based upon the Corporation’s funded debt to earnings before interest, taxes, and depreciation, less an amount for maintenance capital. Both facilities are also subject to a standby fee on committed amounts undrawn. Term Debt payments of principal and interest are monthly.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(In thousands of Canadian dollars, unless otherwise stated)*

Details on amounts outstanding under these facilities are as follows:

As at	September 30, 2022	December 30, 2021
Operating facility - principal	4,014	1,480
Term debt - principal and accrued interest	7,445	8,814
Debt issue costs	(61)	(80)
	11,398	10,214
Current	11,398	2,685
Long-term	—	7,529

The facilities impose a number of positive and negative covenants on the Corporation, including the maintenance of certain financial covenants, which are tested at each reporting date. They include the maintenance of a rolling 12-month fixed charge ratio, which is required to be a minimum of 1.15 to 1, calculated as the rolling 12-month earnings before interest, taxes, and depreciation, less an amount for maintenance capital, compared to the rolling 12-month fixed charges. Fixed charges are the sum of interest, dividends and income taxes paid, and principal repayments. In addition, the Corporation's borrowings cannot exceed a borrowing base which is determined by the fair value of the Corporation's assets.

On August 12, 2022 Big Rock and ATB signed an Acknowledgement and Reservation of Rights letter where ATB imposed additional conditions on the Corporation that was followed up with a further review prior to the end of August 2022. This letter imposed additional conditions including the weekly reporting of cash flow projections and presentation of a plan on or before August 29, 2022 (the "Plan") that was subsequently presented to ATB. The Plan reviewed the overall business strategy and included a multi-year financial forecast and plans for addressing near-term liquidity challenges and overall capitalization of the business. (Please refer to Note 16 - Subsequent Events).

The Corporation has been in negotiations with ATB its primary lender to re-structure the terms of the Corporation's credit facilities.

10. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of common shares with no par value.

<i>(thousands)</i>	As at September 30, 2022		As at December 30, 2021	
	# of shares	\$ Amount	# of shares	\$ Amount
Outstanding, beginning of period	6,946	113,620	6,968	113,792
Shares held in trust purchased	(16)	(600)	(72)	(471)
Shares held in trust issued	16	197	50	299
Outstanding, end of period	6,946	113,217	6,946	113,620

Common shares outstanding include 30 and 13 shares held in trust as at September 30, 2022 and December 30, 2021.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(In thousands of Canadian dollars, unless otherwise stated)***11. SHARE-BASED PAYMENTS**

Share based compensation expense, included in general and administrative expenses, and recognized in the interim consolidated statements of comprehensive income (loss) for the periods ended September 30, 2022 and 2021 include:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Equity settled plans:				
Options expense	6	10	12	42
Restricted share unit expense	204	120	402	385
	210	130	414	427
Cash settled plans:				
SARs fair value adjustments	72	21	121	230
Total share-based payments	282	151	535	657

The following table is a summary continuity of the number of share-based awards outstanding:

<i>(in thousands)</i>	Options	Performance options	RSUs	SARs	Performance SARs
December 30, 2021	285,000	69,000	226,520	370,479	81,000
Exercised	-	-	(57,524)	(12,726)	-
Expired	-	-	(61,010)	(109,491)	-
September 30, 2022	285,000	69,000	107,986	248,262	81,000

12. CAPITAL RISK MANAGEMENT

The Corporation defines its capital to include common shares plus short-term and long-term debt less cash balances. There are no externally imposed capital requirements on the Corporation. The Corporation's objectives are to safeguard the Corporation's ability to continue as a going concern, to support the Corporation's normal operating requirements and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. This allows management to maximize the profitability of its existing assets and create long-term value and enhance returns for its shareholders.

As at	September 30, 2022	December 30, 2021
Cash	1,162	(228)
Debt	11,398	10,214
Lease liabilities	3,808	4,366
Shareholders' equity		
Shareholders' capital	113,217	113,620
Contributed surplus	2,889	2,480
Accumulated deficit	(87,310)	(84,397)
Total shareholders' equity	28,796	31,703
Total capitalization (total debt plus shareholders' equity, net of cash balances)	45,614	46,055

The Corporation manages the capital structure through prudent levels of borrowing, cash flow forecasting, and working capital management. Adjustments are made by considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, Big Rock may issue new shares, issue or renegotiate its debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. Capital requirements of the Corporation are managed by the preparation of an annual expenditure budget which is approved

BIG ROCK BREWERY INC.

Notes to the Condensed Interim Consolidated Financial Statements

(In thousands of Canadian dollars, unless otherwise stated)

by the Board of Directors and monitored on a regular basis by management. The budget is updated as necessary depending on numerous factors, including capital deployment, results from operations, general industry conditions and government policy changes.

In addition, the Corporation monitors its capital using ratios of (i) net debt (debt plus license obligation less cash) to earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and (ii) EBITDA to interest, debt repayments, and dividends. Net debt to EBITDA is calculated by dividing net debt by EBITDA. EBITDA to interest, debt repayments, and dividends is calculated by dividing EBITDA by the combined interest, debt repayments, and dividend amounts. Refer also to Note 2 and Note 9.

13. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Corporation’s principal financial instruments are its outstanding amounts drawn from its credit facilities, which, after cash flow from operations, are its main source of financing. Financial assets and liabilities arising directly from its operations and Big Rock’s activities include accounts receivable, debt, accounts payable and accrued liabilities, finance lease, and share-based payments liabilities.

Big Rock’s financial instruments and their designations are:

Classification of Financial Instrument	Designated as	September 30, 2022		December 30, 2021	
		Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
Financial assets					
Cash	—	1,162	1,162	228	228
Accounts receivable	Loans and receivables	2,265	2,265	2,167	2,167
Financial liabilities					
Accounts payable and accrued liabilities	Amortized cost	10,082	10,082	5,753	5,753
Debt	Amortized cost	11,398	11,398	10,214	10,214
Lease liabilities	Amortized cost	3,808	3,808	4,366	4,366

14. SEGMENTED INFORMATION

For management purposes, the Corporation is organized into operating segments based on its products, services, location, and distribution methods. Ten operating segments have been identified. These segments have been aggregated into two reportable segments: the wholesale segment, which manufactures and distributes beer, cider, and other alcoholic beverages to and through provincial liquor boards which are subsequently sold on to end consumers and the retail segment, which sells beverages, food, and merchandise to end consumers on premises owned and/or operated by the Corporation.

The wholesale segment has similar production processes, types of customers and products that are shipped to customers rather than sold on-site. The retail segment has been aggregated to reflect the products and services sold directly to the end consumer through premises owned and operated by Big Rock.

Management monitors the results of its operating segments separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated on a number of measures, the most significant being profit or loss, which is measured consistently with the definition of profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

BIG ROCK BREWERY INC.

Notes to the Condensed Interim Consolidated Financial Statements

(In thousands of Canadian dollars, unless otherwise stated)

Operating assets and liabilities are managed on a corporate basis. General and administrative expenses, current taxes, deferred taxes, and capital expenditures are not allocated to segments as they are also managed on a corporate basis. Inter-segment revenues are eliminated on consolidation and are reflected in the “eliminations” column. All other adjustments and eliminations are part of detailed reconciliations presented below.

Profit by Segment

Nine months ended September 30	Wholesale		Retail		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	35,469	36,746	1,358	1,845	(277)	(1,320)	36,550	37,271
Cost of sales	25,550	22,990	1,211	2,173	(277)	(1,320)	26,484	23,843
Gross profit	9,919	13,756	147	(328)	—	—	10,066	13,428
Selling expenses	8,212	7,788	62	27	—	—	8,274	7,815
Segment profit (loss)	1,707	5,968	85	(355)	—	—	1,792	5,613
General and administrative cost							4,376	4,191
Depreciation and amortization							520	501
Operating income (loss)							(3,104)	921
Finance expense							622	321
Other							(1)	(264)
Income (loss) before income taxes							(3,725)	864

Three months ended September 30	Wholesale		Retail		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	11,406	12,702	616	614	(82)	(334)	11,940	12,982
Cost of sales	8,185	8,126	342	652	(82)	(334)	8,445	8,444
Gross profit	3,221	4,576	274	(38)	—	—	3,495	4,538
Selling expenses	3,287	2,742	2	8	—	—	3,289	2,750
Segment profit (loss)	(66)	1,834	272	(46)	—	—	206	1,788
General and administrative cost							1,180	1,271
Depreciation and amortization							173	163
Operating income (loss)							(1,147)	354
Finance expense							283	104
Other income							(47)	(102)
Income (loss) before income taxes							(1,383)	352

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Big Rock has entered into various commitments for expenditures over the next five years:

	2022	2023	2024	2025	2026	thereafter
Utilities contracts	13	52	52	52	43	—
Raw material purchase commitments	304	1,347	246	—	—	—
Marketing sponsorships	5	221	145	—	—	—
Total	322	1,620	443	52	43	—

BIG ROCK BREWERY INC.

Notes to the Condensed Interim Consolidated Financial Statements

(In thousands of Canadian dollars, unless otherwise stated)

16. SUBSEQUENT EVENTS

Subsequent to the quarter ended September 30, 2022, the Corporation has focused on several key initiatives. On October 27, 2022, the board of directors effected a change in CEO of the Corporation with Stephen Giblin assuming the role of Interim CEO. Mr. Giblin will also remain Board Chair at Big Rock Brewery. The Board of Directors has established a sub-committee of the board and engaged a consultant to conduct a search for a new CEO. The Board Company has established a special committee to complete a review of the available options for the Corporation to secure capital. The Corporation has engaged a consultant to assist the Special Committee in a review of options to secure capital. The Corporation has been engaged in negotiations with their primary lender to re-structure the terms of the Corporations credit facilities