

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

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
Revenue					
Net revenue	3	16,274	12,774	44,041	33,700
Cost of sales	4	11,468	8,864	30,361	23,927
Gross profit		4,806	3,910	13,680	9,773
Expenses					
Selling expenses	4	3,101	2,693	8,476	7,934
General and administrative	4	1,461	1,478	4,235	4,742
Depreciation and amortization	4	90	86	320	410
Operating expenses		4,652	4,257	13,031	13,086
Operating income (loss)		154	(347)	649	(3,313)
Finance expenses		252	716	629	2,077
Loss on dispositions - net	8	—	2,107	—	633
Gain on extinguishment of liabilities	10	—	(2,232)	—	(2,232)
Other income		—	—	(114)	—
Net income (loss) and comprehensive income (loss)		(98)	(938)	134	(3,791)
Per share amounts					
Basic	5	\$ (0.00)	\$ (0.13)	\$ 0.01	\$ (0.54)
Diluted		\$ (0.00)	\$ (0.13)	\$ 0.01	\$ (0.51)
Segmented information	16				

See accompanying notes to the condensed interim consolidated financial statements.

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

As at	Note	September 30, 2025	December 30, 2024
ASSETS			
Current			
Cash		724	372
Accounts receivable	6	5,586	2,804
Inventories	7	7,341	6,349
Prepaid expenses and deposits		1,639	1,389
Assets held for sale		51	51
		15,341	10,965
Non-current			
Property, plant, and equipment	8	31,563	28,198
Intangible assets		617	766
Deferred income tax		134	134
		32,314	29,098
Total assets		47,655	40,063
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9	10,139	11,824
Current portion of lease liabilities	10	579	165
Current portion of debt	11	3,786	18,683
Share-based payments	13	6	141
		14,510	30,813
Non-current			
Lease liabilities	10	2,817	53
Debt	11	4,501	—
		7,318	53
Total liabilities		21,828	30,866
EQUITY			
Shareholders' capital	12	130,463	113,910
Contributed surplus		3,128	3,185
Accumulated deficit		(107,764)	(107,898)
		25,827	9,197
Total liabilities and shareholders' equity		47,655	40,063
Going concern	2		
Commitments and contractual obligations	17		

See accompanying notes to the condensed interim consolidated financial statements.

On behalf of the Board of Directors: "Stephen Giblin"
Stephen Giblin, Director

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

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
OPERATING ACTIVITIES					
Net income (loss) and comprehensive income (loss)		(98)	(938)	134	(3,791)
Items not affecting cash:					
Depreciation and amortization	4	622	551	1,691	2,205
Loss on dispositions - net	8	—	2,107	—	633
Share-based payments	13	19	77	80	(54)
Amortized debt issue costs		—	42	—	31
(Gain) loss on debt modification		—	(42)	—	42
Gain on extinguishment of liabilities	10	—	(2,232)	—	(2,232)
		543	(435)	1,905	(3,166)
Change in non-cash working capital related to operating activities	18	864	2,208	(5,149)	3,232
Cash provided by (used in) operating activities		1,407	1,773	(3,244)	66
FINANCING ACTIVITIES					
Advances (repayment) of operating facility	11	727	(5,703)	(220)	(3,010)
Advances (repayment) of second lien financing facility	11	—	4,200	(9,000)	4,200
Repayment of term debts	11	(148)	(186)	(1,176)	(533)
Repayment of lease liabilities	10	(48)	(153)	(192)	(435)
Common shares issued	12	—	—	17,400	—
Shares issued in settlement of stock-based compensation		—	—	—	135
Share issue costs		—	—	(984)	—
Repayments of share-based payments liability	13	(51)	—	(135)	—
Change in non-cash working capital related to financing activities	18	96	—	96	—
Cash provided by (used in) financing activities		576	(1,842)	5,789	357
INVESTING ACTIVITIES					
Purchase of property, plant, and equipment	8	(1,373)	(1,589)	(1,883)	(3,242)
Proceeds from government grant	8	—	—	250	—
Proceeds from sale of property, plant, and equipment		—	152	—	2,880
Change in non-cash working capital related to investing activities	18	(517)	1,717	(560)	—
Cash (used in) provided by investing activities		(1,890)	280	(2,193)	(362)
Net increase in cash		93	211	352	61
Cash, beginning of period		631	889	372	1,039
Cash, end of period		724	1,100	724	1,100

See accompanying notes to the condensed interim consolidated financial statements.

BIG ROCK BREWERY INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

Unaudited

(In thousands of Canadian dollars)

	Note	Shareholders' capital	Contributed surplus	Accumulated deficit	Total
As at December 30, 2024		113,910	3,185	(107,898)	9,197
Share-based payments	13	—	80	—	80
Common shares issued, net of share issue costs	12	16,416	—	—	16,416
Shares issued from treasury	12	137	(137)	—	—
Net income and comprehensive income		—	—	134	134
As at September 30, 2025		130,463	3,128	(107,764)	25,827

	Note	Shareholders' capital	Contributed surplus	Accumulated deficit	Total
As at December 30, 2023		113,775	3,182	(94,431)	22,526
Share-based payments	13	—	81	—	81
Shares held in trust issued	12	90	(90)	—	—
Shares issued from treasury	12	45	(45)	—	—
Net loss and comprehensive loss		—	—	(3,791)	(3,791)
As at September 30, 2024		113,910	3,128	(98,222)	18,816

See accompanying notes to the condensed interim consolidated financial statements.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are 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, ciders, ready to drink and non-alcoholic products, 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.

2. BASIS OF PREPARATION**Going concern**

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 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, 2025, the Corporation used cash in operations of \$3.2 million and reported net income of \$0.1 million. As at September 30, 2025 the Corporation had a working capital surplus of \$0.8 million and \$3.1 million drawn on its operating facility.

There remains a material uncertainty that may cast significant doubt on the Corporation’s ability to continue as a going concern. These financial statements do not include adjustments to the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Corporation 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 IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee. These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting on a basis consistent with the accounting, estimation and judgement policies described in the Corporation’s audited consolidated financial statements as at and for the year ended December 30, 2024.

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 consolidated financial statements and notes thereto for the year ended December 30, 2024.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 6, 2025.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value through profit and loss. These consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Corporation and its subsidiaries. All values are rounded to the nearest thousand dollars except where otherwise indicated.

The condensed interim consolidated financial statements require management to make estimates and judgments that affect the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures. Accordingly, actual results may differ from estimated amounts. Significant estimates and judgments used in the preparation of the condensed interim consolidated financial statements are described in the audited financial statements and notes thereto for the year ended December 30, 2024.

Basis of consolidation

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

Company	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

Inter-company balances and transactions, and any unrealized gains or losses arising from inter-company transactions, are eliminated in preparing the condensed interim consolidated financial statements.

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, 2024. These condensed interim consolidated 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, 2024.

The preparation of these condensed interim consolidated financial statements requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses. The key sources of estimation uncertainty and critical judgements applied are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 30, 2024. There have been no significant changes in estimates or judgements in the first nine months of 2025.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)***3. NET REVENUE**

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Gross product revenues	20,452	\$ 17,061	\$ 55,125	\$ 44,141
Federal excise taxes	(1,753)	(1,974)	(4,364)	(4,003)
Provincial liquor tax programs	(2,425)	(2,313)	(6,720)	(6,438)
Net revenue	\$ 16,274	\$ 12,774	\$ 44,041	\$ 33,700

Gross product revenues include wholesale beer, cider and other alcoholic and non-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.

4. EXPENSES BY NATURE

Expenses related to depreciation, amortization and personnel are included within the following line items on the condensed interim consolidated statements of net income (loss) and comprehensive income (loss):

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Depreciation and amortization				
Cost of sales	\$ 532	\$ 465	\$ 1,371	\$ 1,795
Depreciation and amortization	90	86	320	410
Salaries, wages, and benefits				
Cost of sales	1,664	1,657	4,580	4,957
Selling expenses	683	626	1,980	1,831
General and administrative	606	712	1,803	1,978
Share based payments				
General and administrative	(32)	77	(55)	(54)

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	
	2025	2024	2025	2024
Net (loss) income - basic and diluted	\$ (98)	\$ (938)	\$ 134	\$ (3,791)
Weighted average shares				
Weighted average shares - basic	24,443	6,990	24,443	6,982
Effect of dilutive securities	(6)	—	126	523
Weighted average shares - diluted	24,437	6,990	24,569	7,505
Per share amounts				
Basic	\$ (0.00)	\$ 0.13	\$ 0.01	\$ (0.54)
Diluted	\$ (0.00)	\$ 0.13	\$ 0.01	\$ (0.51)

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)***6. ACCOUNTS RECEIVABLE**

As at	September 30, 2025	December 30, 2024
Provincial liquor boards	2,646	1,338
Co-packing customer receivables	2,179	1,099
Federal and provincial tax program receivables	431	161
Other receivables	330	206
Total accounts receivable	5,586	2,804

The aging of trade receivables is as follows:

As at	September 30, 2025	December 30, 2024
Current	4,348	1,852
Past due 0-30 days	334	144
Past due 31-60 days	15	9
Past due > 60 days	414	265
Total trade receivables	5,111	2,270

7. INVENTORIES

As at	September 30, 2025	December 30, 2024
Raw materials and containers	2,389	1,839
Brews in progress	450	620
Finished product	3,184	2,616
Consignment product	1,285	1,236
Retail store	33	38
Total inventories	7,341	6,349

During the nine months ended September 30, 2025, charges of \$0.8 million (2024 - \$0.6 million) were recorded to the condensed interim consolidated statements of loss and comprehensive loss relating to damaged or obsolete inventories. For the three months ended September 30, 2025, \$0.3 million (2024 - \$0.1 million) of charges relating to damaged or obsolete inventories were recorded. The amount of inventory recognized as an expense in the nine months ended September 30, 2025 was \$13.2 million. For the three months ended September 30, 2025, \$5.5 million was recognized as an expense.

There were no reversals of amounts previously recorded in respect of inventory write-downs during the nine months ended September 30, 2025, nor during the year ended December 30, 2024.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)***8. PROPERTY, PLANT, AND EQUIPMENT**

	Land and buildings	Machinery and equipment	Office furniture and equipment	Right of use assets	Total
Cost					
As at December 30, 2024	18,206	33,609	1,386	773	53,974
Additions	32	1,814	37	3,274	5,157
Government grant	—	(250)	—	—	(250)
As at September 30, 2025	18,238	35,173	1,423	4,047	58,881
Accumulated depreciation					
As at December 30, 2024	4,570	19,280	1,288	638	25,776
Depreciation	352	837	29	324	1,542
As at September 30, 2025	4,922	20,117	1,317	962	27,318
Net book value					
As at December 30, 2024	13,636	14,329	98	135	28,198
As at September 30, 2025	13,316	15,056	106	3,085	31,563

	Land and Buildings	Machinery and equipment	Office furniture and equipment	Right of use assets	Total
Cost					
As at December 30, 2023	26,668	34,200	2,436	3,765	67,069
Additions	—	3,242	—	—	3,242
Dispositions	(1,591)	(334)	—	(2,992)	(4,917)
As at September 30, 2024	25,077	37,108	2,436	773	65,394
Accumulated depreciation					
As at December 30, 2023	7,036	19,734	2,356	1,275	30,401
Depreciation	509	913	30	302	1,754
Dispositions	(335)	(78)	—	(991)	(1,404)
As at September 30, 2024	7,210	20,569	2,386	586	30,751
Net book value					
As at December 30, 2023	19,632	14,466	80	2,490	36,668
As at September 30, 2024	17,867	16,539	50	187	34,643

During the nine months ended September 30, 2025, the Corporation spent \$1.2 million on the purchase of a more sustainable ready to drink beverage (“RTD”) manufacturing process. The new system will increase the RTD volume. The Corporation spent an additional \$0.7 million on other equipment improvements and furniture and fixtures.

In the first half of 2025, the Corporation entered into a new warehouse lease agreement in Calgary, Alberta. The lease has a commencement date of June 1, 2025 and a term of 5 years. As a result, the Corporation recognized \$3.2 million related to this right of use asset.

A government grant of \$0.3 million was received in the first quarter of 2025 related to the cartoner project that was completed in 2024.

During the first nine months of 2024, the Corporation purchased and commissioned a new paper hi-cone machine at a cost of \$1.3 million.

In the third quarter of 2024, the Corporation also purchased packaging equipment (QuikFlex™ 2100G3) for \$1.8 million, which has provided a solution for in-line packaging of canned products and variety packing.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)

During the second quarter of 2024, the Corporation entered into a cross-docking arrangement with a third party and sold its Edmonton warehouse for proceeds, net of closing costs, of \$2.7 million. The warehouse had a net book value of \$1.2 million, resulting in a gain on sale of \$1.5 million.

On July 31, 2024, the Corporation's lease of the Vancouver Brewery expired and consistent with recent operational realignments, management decided not to renew the contract. A loss of \$2.0 million was recognized on disposal of the right of use asset related to the lease. As part of the closure of the Vancouver location, the Corporation sold all the assets associated with the brewery for a net loss on sale of \$0.1 million, net of repair and restoration costs.

Impairment

During the nine months ended September 30, 2025, the Corporation determined that there are no indicators of impairment.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	September 30, 2025	December 30, 2024
Trade payables	4,101	4,146
Container deposits	503	518
Accrued interest on debt	—	2,265
Federal excise tax payable	800	636
Accruals and other	4,735	4,259
Total accounts payable and accrued liabilities	10,139	11,824

10. LEASE LIABILITIES

As at	September 30, 2025	December 30, 2024
Lease liabilities, beginning of year	218	3,002
Additions	3,274	—
Disposals	—	(2,201)
Interest expense	96	74
Lease payments	(192)	(657)
	3,396	218
Current	579	165
Non-current	2,817	53
	3,396	218

Big Rock has lease liabilities for contracts related to buildings, vehicle and equipment leases. The weighted average discount rate for the nine months ended September 30, 2025 was 8.8 percent (2024 - 4.3 percent). As at September 30, 2025 the undiscounted future lease payments were \$4.1 million (December 30, 2024 - \$0.2 million)

In the first half of 2025, the Corporation entered into a new warehouse lease agreement in Calgary, Alberta. The lease has a commencement date of June 1, 2025 and a term of 5 years.

Lease disposals in 2024 include a reduction of \$2.0 million of building lease liabilities upon assignment of the warehouse building lease.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)

11. DEBT

The Corporation has a credit facility with ATB Financial (“ATB”) which includes a revolving operating loan facility (the “**Operating facility**”) of \$6.0 million and an evergreen term loan facility (the “**Term debt**”) of \$10.0 million. Advances under both credit facilities may be made by way of Canadian prime rate loans and letters of credit.

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.

During the nine months ended September 30, 2025, the Corporation repaid \$0.2 million of its operating facility, \$1.2 million on its ATB term facilities and the \$9.0 million second lien financing facility with VN Capital through a debt-to-equity transaction on January 19, 2025.

Details on amounts outstanding under these facilities are as follows:

As at	September 30, 2025	December 30, 2024
Operating facility - principal	3,145	3,365
Term debt - principal and accrued interest	5,249	15,425
Debt issue costs	(107)	(107)
	8,287	18,683
Current	3,786	18,683
Non-current	4,501	—

Term Debt payments of principal and interest are monthly. Details on amounts drawn under the Term Debt are as follows:

	Expiry date	September 30, 2025	December 30, 2024
Tranche 1	March 31, 2025	—	9,000
Tranche 2	April 30, 2025	—	154
Tranche 3	February 28, 2026	—	381
Tranche 4	September 9, 2027	288	367
Tranche 5	February 28, 2031	2,303	2,400
Tranche 6	December 31, 2031	2,658	3,123
Total term debt outstanding		5,249	15,425

The facilities impose a number of covenants on the Corporation, including the maintenance of certain financial covenants, which are tested at each reporting date. They include 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, with the first calculation being December 31, 2025.

In addition, the Corporation must have a current minimum ratio of 1.25:1.00 which is assessed quarterly. The Corporation is required to perform a monthly assessment of its EBITDA targets which are defined in the loan agreement. ATB has first and floating charge debentures over all assets held by the Corporation.

As at September 30, 2025, the Corporation was in compliance with all its covenants.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)***12. 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, 2025		As at December 30, 2024	
	# of shares	\$ Amount	# of shares	\$ Amount
Outstanding, beginning of year	6,998	113,910	6,974	113,775
Common shares issued through private placement	17,400	16,416	—	—
Shares issued from treasury	45	137	16	90
Shares held in trust issued	—	—	8	45
Outstanding, end of period	24,443	130,463	6,998	113,910

On January 21, 2025 the Corporation issued 17,400,000 common shares relating to the private placement, and an additional 44,787 common shares were issued from treasury in the first half of 2025.

Effective April 29, 2024, Big Rock granted 30,000 stock options and 212,477 restricted share units to certain employees, officers, directors and advisors of the Corporation pursuant to the Corporation's long term incentive plan. An additional 16,215 common shares were issued from treasury and 7,425 from shares held in trust in satisfaction of the restricted share units that had vested.

13. SHARE-BASED PAYMENTS

Share-based compensation expense, included in general and administrative expenses, and recognized in the condensed interim consolidated statements of net income (loss) and comprehensive income (loss) include:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Equity settled plans:				
Options expense	3	(5)	15	(25)
Restricted share unit expense	16	82	65	106
	19	77	80	81
Cash settled plans:				
RSUs fair value adjustments	(51)	—	(135)	(135)
Total share-based payments	(32)	77	(55)	(54)

14. FINANCIAL INSTRUMENTS***Categories of financial instruments***

The Corporation's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, debt and share-based payments.

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

The Corporation's categories of financial instruments are:

Classification of Financial Instrument	Designated as	September 30, 2025		December 30, 2024	
		Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
Financial assets:					
Cash	Amortized cost	724	724	372	372
Accounts receivable	Amortized cost	5,586	5,586	2,804	2,804
Financial liabilities:					
Accounts payable and accrued liabilities	Amortized cost	10,139	10,139	11,824	11,824
Debt	Amortized cost	8,287	8,287	18,683	18,683
Share-based payments	Fair value - Level 1	6	6	141	141

Fair value measurement

Big Rock uses the following hierarchy for determining and disclosing the fair value of financial instruments

- Level 1 - quoted prices in active markets
- Level 2 - inputs other than quoted prices that are observable
- Level 3 - unobservable inputs

Risk management

The Corporation's financial risk management policies associated with these financial instruments and the policies on how to mitigate these risks remain consistent with those disclosed in the consolidated annual financial statements dated December 30, 2024. No significant changes in exposure to foreign exchange, interest rate, credit or liquidity risk during the interim period.

Commodity price risk

The Corporation is exposed to commodity price risk in the areas of utilities (primarily electricity and natural gas), malted barley, water, glass and aluminum, where fluctuations in the market price or availability of these items could impact Big Rock's cash flow and production. To minimize the impact of this risk, the Corporation enters into contracts which secure supply and set pricing to manage the exposure to availability and pricing.

Tax risk

Big Rock requires various permits, licenses, and approvals from several government agencies to operate in its market areas. In Alberta, Big Rock's largest market, the AGLC provides the necessary licensing approvals. Other licenses have been obtained from various other government authorities. Management believes that Big Rock is in compliance with all licenses, permits, and approvals.

Each provincial authority has its own tax or "mark-up" structure by which fees are levied on brewers' sales within that jurisdiction. These regulations may be changed from time to time, which may positively or negatively impact Big Rock's profitability. The Corporation has adopted a proactive approach with provincial governments and continues to evaluate its long-term business plan in order to mitigate the risk of future mark-up rate structure fluctuations.

Market Risk

The Corporation is exposed to other price risks arising from the potential of import tariffs on raw materials and brewing equipment. Key inputs such as hops, specialty malts and packaging materials are sourced internationally. Changes in tariffs, particularly in relation to the U.S. trade policies can materially affect costs and the value of related financial instruments such as trade

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)

payables. Big Rock has been engaging with policymakers and carefully reviewing our procurement strategies to mitigate the potential operational and economic impact these changes may have.

15. CAPITAL RISK MANAGEMENT

The Corporation defines its capital to include common shares plus current and non-current debt and lease liabilities less cash balances. 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, 2025	December 30, 2024
Debt	8,287	18,683
Lease liabilities	3,396	218
Total debt	11,683	18,901
Shareholders' equity		
Shareholders' capital	130,463	113,910
Contributed surplus	3,128	3,185
Accumulated deficit	(107,764)	(107,898)
Total shareholders' equity	25,827	9,197
Total debt and shareholders' equity	37,510	28,098
Less: Cash	(724)	(372)
Total capitalization (total debt plus shareholders' equity, net of cash balances)	36,786	27,726

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. Capital requirements of the Corporation are managed by the preparation of an annual expenditure budget which is approved 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 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 11.

16. 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 and non-alcoholic beverages to and through provincial liquor boards which are subsequently sold on to end consumers, as well as the results from co-packing/contract arrangements. The retail segment, which sells beverages, food, and merchandise to end consumers on premises owned and/or operated by the Corporation.

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements**

(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)

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 condensed interim consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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	
	2025	2024	2025	2024	2025	2024	2025	2024
Net revenue	43,717	33,032	418	757	(94)	(89)	44,041	33,700
Cost of sales	30,121	23,701	334	315	(94)	(89)	30,361	23,927
Gross profit	13,596	9,331	84	442	—	—	13,680	9,773
Selling expenses	8,460	7,921	16	13	—	—	8,476	7,934
Segment profit	5,136	1,410	68	429	—	—	5,204	1,839
General and administrative cost							4,235	4,742
Depreciation and amortization							320	410
Operating income (loss)							649	(3,313)
Finance expenses							629	2,077
Loss on dispositions - net							—	633
Gain on extinguishment of liabilities							—	(2,232)
Other income							(114)	—
Income (loss) before income taxes							134	(3,791)

Three months ended September 30	Wholesale		Retail		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
Net revenue	16,130	12,444	176	361	(32)	(31)	16,274	12,774
Cost of sales	11,366	8,758	134	137	(32)	(31)	11,468	8,864
Gross profit	4,764	3,686	42	224	-	-	4,806	3,910
Selling expenses	3,093	2,684	8	9	-	-	3,101	2,693
Segment profit	1,671	1,002	34	215	-	-	1,705	1,217
General and administrative cost							1,461	1,478
Depreciation and amortization							90	86
Operating income (loss)							154	(347)
Finance expenses							252	716
Loss on dispositions - net							—	2,107
Gain on extinguishment of liabilities							—	(2,232)
Net loss before income taxes							(98)	(938)

BIG ROCK BREWERY INC.**Notes to the Condensed Interim Consolidated Financial Statements***(All tabular amounts are in thousands of Canadian dollars, unless otherwise stated)***17. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

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

	2025	2026	2027	2028	2029	Thereafter
Utilities contracts	156	624	—	—	—	—
Raw material purchase commitments	726	103	53	—	—	—
Marketing sponsorships	—	115	100	—	—	—
Capital commitments	1,318	—	—	—	—	—
Total	2,200	842	153	—	—	—

During the first quarter, the Corporation entered into a \$2.1 million purchase commitment for the purchase of an RTD improvement system which will increase the RTD volume output with a focus on safety and higher quality of product. To date \$0.8 million has been paid on this project with the balance to be paid throughout the last quarter of 2025.

18. SUPPLEMENTAL CASH FLOW DISCLOSURES

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Cash provided by (used in):				
Accounts receivable	(45)	2,361	(2,782)	(677)
Inventories	(128)	1,531	(992)	2,317
Prepaid expenses and deposits	82	327	(250)	950
Accounts payable and accrued liabilities and other liabilities	534	(294)	(1,589)	642
Total change in non-cash working capital	443	3,925	(5,613)	3,232
Total change in non-cash working capital allocated to:				
Operating	864	2,208	(5,149)	3,232
Financing	96	—	96	—
Investing	(517)	1,717	(560)	—
	443	3,925	(5,613)	3,232

Supplemental cash-flow information

Interest paid	255	326	632	907
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