



## *Investor Deck*

Big Rock Brewery Inc. (TSX: BR)



# Disclaimer

Certain statements contained in this presentation 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 expectations as to future events 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 presentation should not be unduly relied upon by investors as actual results may vary materially from such forward-looking statements. These statements speak only as of the date of this presentation and are expressly qualified, in their entirety, by this cautionary statement. In particular, this presentation contains forward-looking statements pertaining to Big Rock's ability to execute on its turnaround growth strategy; that Big Rock's fixed price contracts and large raw material purchases being negotiated will lead to completed contracts and the anticipated benefits to be derived therefrom; anticipated growth in Big Rock's owned brands; Big Rock's expectations that it will win material co-packing contracts; Big Rock's ability to achieve growth targets in owned, licensed and private label brand portfolios as well as new, on-trend innovations; the estimated volume and value CAGR for certain products; the anticipated packing capabilities and benefits of the of the new can line; Big Rock's anticipated total volume, revenue, and EBITDA margin; that Big Rock is well positioned to execute on its long-term sustainable growth plan; Big Rock's ability to improve brewery utilization and increase gross margins; Big Rock's ability to generate consistent operating cash flow growth and free cash flow and its ability to support growth; Big Rock's go-forward capital plan and its ability to enable the pursuit of a robust business development pipeline, maximize asset utilization year-round, enhance quality control, reduce waste, align innovation process with market demand long-term, enhance customer and consumer ordering experiences through the adoption of technology and optimize business processes to support its growth strategy; that Big Rock is well positioned to take advantage of the capacity and scale of its assets; management's expectations that Big Rock's future growth will be the driving force for craft gaining market share in Alberta and Canada going forward. Certain of the above listed forward-looking statements constitute future-oriented financial information and financial outlook information (collectively, "FOFI") about Big Rock's prospective financial position, including, but not limited to: estimated volume and value CAGR for certain products; Big Rock's anticipated total volume, revenue, and EBITDA margin; Big Rock's ability to achieve growth targets in owned, licensed, and private label brand portfolios as well as new, on-trend innovations; Big Rock's ability to generate consistent operating cash flow growth and free cash flow and its ability to support growth. FOFI contained in this presentation were made as of the date hereof and is provided for the purpose of describing Big Rock's anticipated future business operations. With respect to the forward-looking statements and FOFI listed above and contained in this presentation, management has made assumptions regarding, among other things: that volumes in the current fiscal year will remain constant, not materially decrease, or will increase; that input costs for brewing and packaging materials will remain constant or will not significantly increase or decrease; that there will be no material change to the regulatory environment in which Big Rock operates; there will be no supply issues with Big Rock's vendors nor significant changes in consumer demand; that Big Rock's long-term growth strategy will support it in becoming Canada's largest independent brewer; that Big Rock's new capital equipment upgrades at its Calgary facility will improve its operating efficiency; that Big Rock's expanded production capacity, combined with new production capabilities associated with pasteurization, will position Big Rock to execute its growth plans with respect to co-packing arrangements. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements and FOFI contained herein include the risk factors set out in Big Rock's annual information form, which is available at [www.sedar.com](http://www.sedar.com), and also include, but are not limited to: the risk that Big Rock's group purchasing strategies may not improve its purchasing power or mitigate cost increases; the risk that Big Rock may not win material co-packing contracts; the risk that Big Rock's products may not be defensive against economic fluctuations; the risk that Big Rock's new can line may not provide it with the anticipated benefits; the risk that Big Rock's anticipated total volume, revenue and EBITDA margin may be less than anticipated; the risk that Big Rock may be unable to execute on its long-term sustainable growth plan; the risk that Big Rock may not generate consistent operating cash flow growth or free cash flow; increased challenges posed supply chain constraints, management's assumptions in respect of the new can line; and the inability to continue to grow demand for Big Rock's products.

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



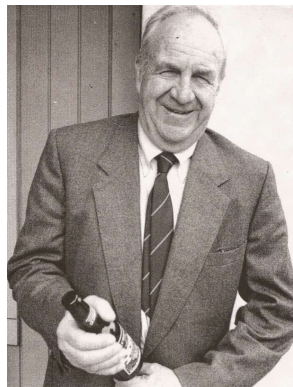
# *Company Overview*



# Brief History of Big Rock

**Founded**

**1985**



Big Rock Brewery is founded by Ed McNally, a Calgary-based lawyer dissatisfied with the selection of beer available in his city

**New Facility**

**1996**

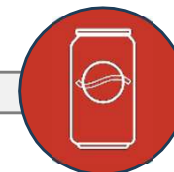
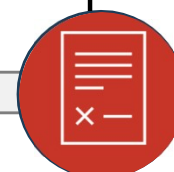
Big Rock moves into its current facility located in South East Calgary



**Brand Licenses**

**2019**

Ready To Drink co-pack entry begins - Agreement signed with Iconic Co.



**Canning**

**1996**

Big Rock becomes one of the first craft brewers to offer its product in Beverage Can format

**Public Listing**

**1997**

Big Rock shares begin trading under the ticker TSX: BR

**Ready to Drink**

**2020**

Big Rock introduces its first Ready-To-drink (RTD), White Peaks.







# Owned Asset Base

## Production Line



Brewhouse – 1996



Keg Line – 1996

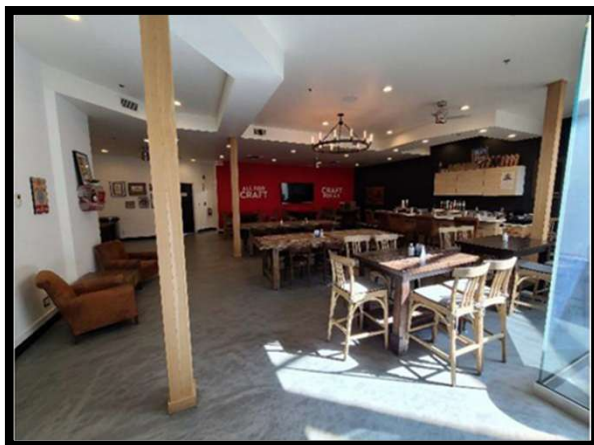


New Canning Line – 2022  
(\$8MM)

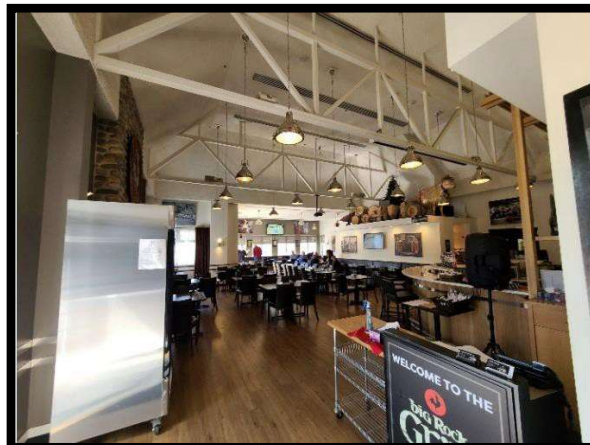


New Cartoner – 2024  
(\$1.5M)

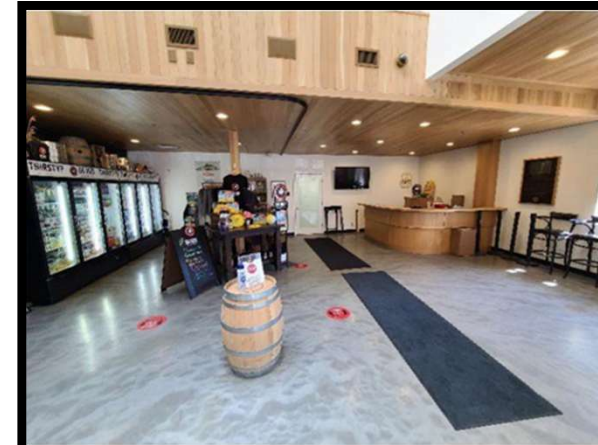
## Office Tap Room



## Restaurant (Big Sky BBQ)



## Retail Space





# Diversified Portfolio

## Our Beers, Ciders & RTD's

We are proud to offer a wide range of great beverages across a number of categories

### Signature Brands



### Ready-to-Drink



### Recent Innovations



### Cider



### Value Brands



### Non-Alcoholic





# Corporate Overview

**Real Estate  
Value**  
\$42.7 million<sup>(1)</sup>

**Enterprise  
Value**  
\$29.4 million<sup>(2)</sup>

**Employee  
Count**  
120+

		2020 ACT	2021 ACT	2022 ACT	2023 ACT	2024 L/E	2025 FCAST
Wholesale volumes	(hl)	172,996	163,630	158,496	157,203	141,453	137,950
Net revenue	(\$000s) \$	43,984	\$ 45,982	\$ 47,098	\$ 43,677	\$ 44,338	\$ 63,012
Cost of sales	(\$000s)	27,499	31,160	36,616	30,726	31,895	45,440
Gross profit	(\$000s)	16,485	14,822	10,482	12,951	12,443	17,572
Adjusted EBITDA	(\$000s) \$	5,850	\$ 2,148	\$ (3,388)	\$ 2,188	\$ (1,392)	\$ 5,202
Avg. Share Price	(\$)	\$ 4.47	\$ 5.77	\$ 3.59	\$ 1.74	\$ 1.27	n/a
Gross margin	(%)	37%	32%	22%	30%	28%	28%
EBITDA margin	(%)	13%	5%	-7%	5%	-3%	8%

(1) Based on 3<sup>rd</sup> party appraisal reports and the net book value of Machinery and Equipment as of Sep. 30, 2024.

(2) Based on November 28 close. Includes cash and debt



# *Return to Profitability*





# *Returning to profitability*

## **Our actions taken & path forward**

1. Investing in new management
2. Capitalizing on current trends with a focus on the RTD market through
  - Securing incremental co-pack volumes
  - Strategic capital investments that increases our RTD production capacity and efficiency
3. Addressing input costs with contracts already secured which have resulted in significant cost savings
4. Rationalizing of non-core assets
5. Investing in our legacy brands to promote growth and introducing new products to form the foundation for future wholesale business
6. Investing in capital projects to enhance additional capabilities (cartoning) and profitability



# New Management - New President & CEO

## Leadership

- A key factor in Big Rock's transformation is the strength of our revitalized leadership team, which brings over 97 years of combined experience in the beverage industry. With their expertise, we will streamline processes, implement best practices, and foster innovation, positioning the company for sustained profitability and growth.



David Kinder

## President & CEO

*Joined: January 2024*

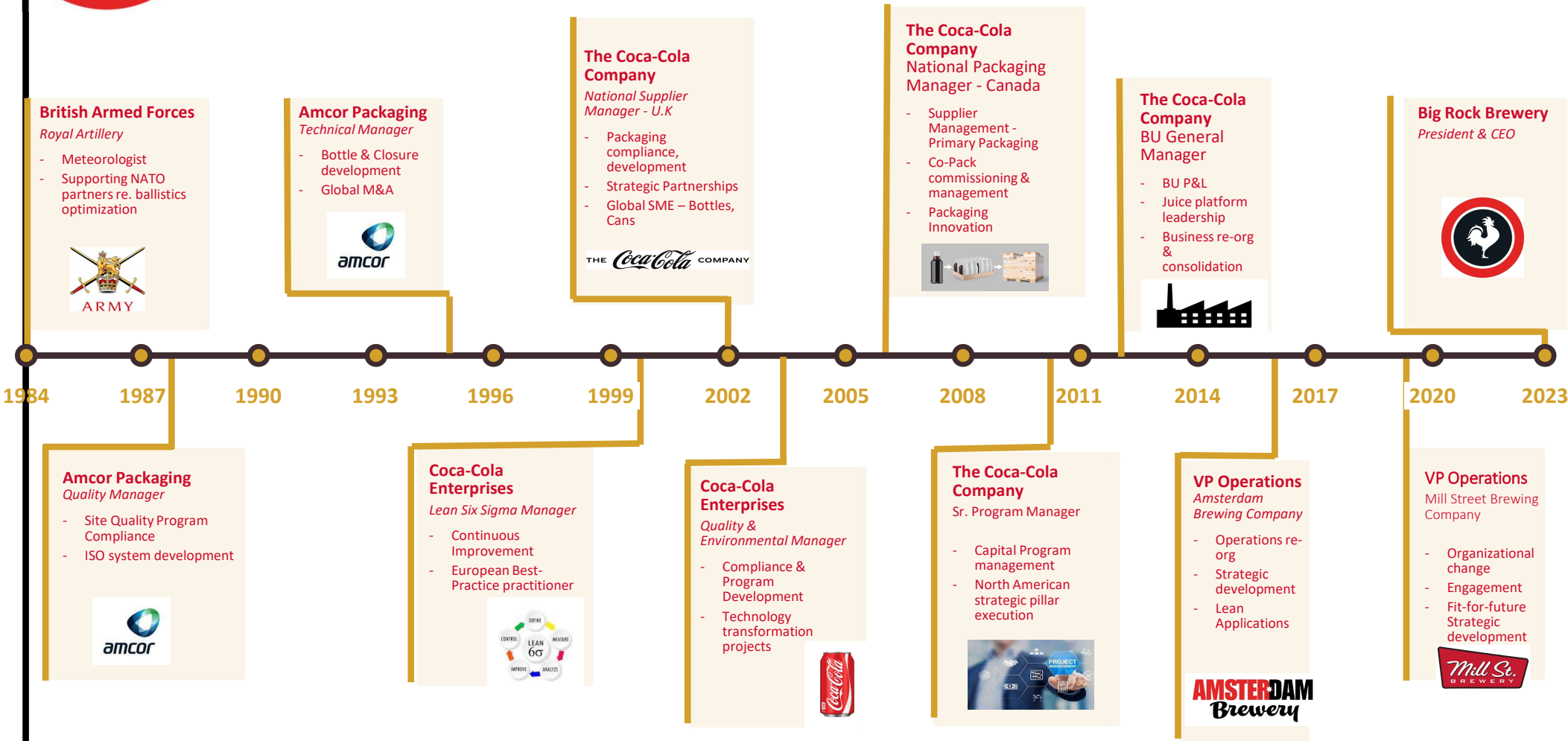
36 years of experience in the beverage industry

## Past Experience

- VP Operations - **ABI/Mill Street Brewery (5 yrs)**
- VP Operations - **Amsterdam Brewing Co. (2 yrs)**
- GM & Global Roles - **Coca-Cola Company (17 yrs)**



# New Management - David on a page....





# New Management - Key Leadership

Jason Higgins

New

VP Sales & Marketing

Joined: 2023

20+ years in beverage industry

- Olé Cocktail Company
- Full Pint Ventures
- ABI/Labatt Breweries

Brad Goddard

VP Business Development

Promoted: 2023

23+ years in beverage industry

- AB Small Brewers Assoc
- Canadian Craft Brewers Assoc
- Steam Whistle Brewing

James Chong

New

Chief Financial Officer

Joined: 2024

25+ years of experience

Kimberly Overton

Director, Human Resources

Joined: 2018

23+ years of HR Leadership experience

Robert Ritchie

New

Director, Brewery Operations

Joined: 2024

11+ years of Operations experience

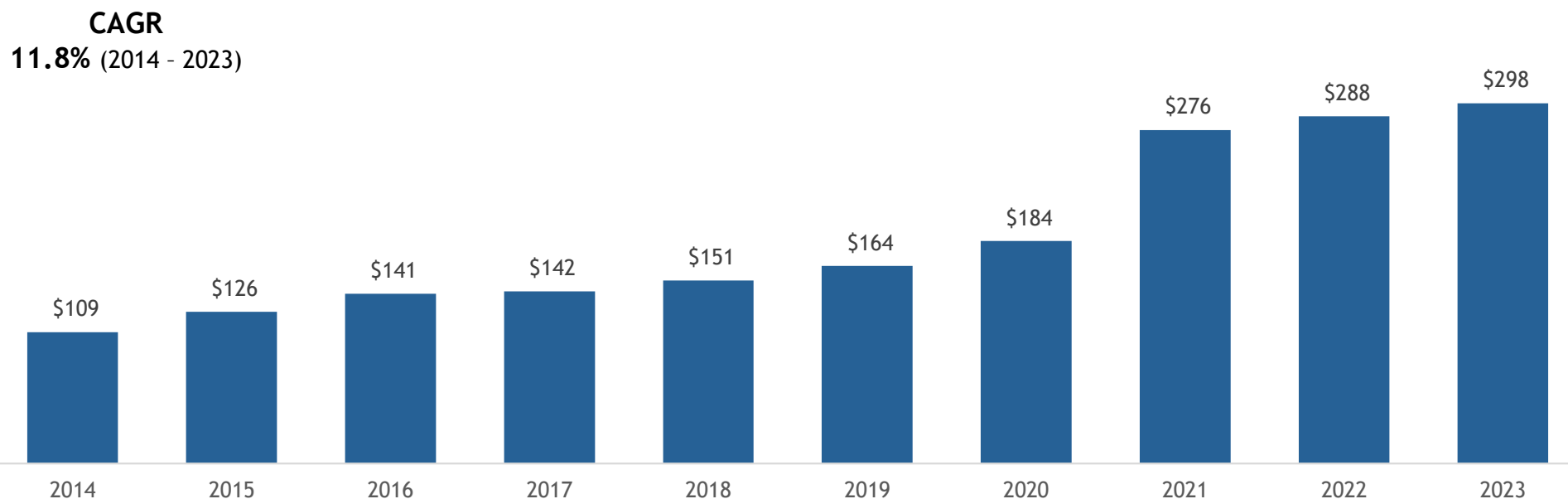
- ABI/Mill Street Brewery (5 years)



# Capitalizing on Trends - Market Analysis

Canadians are increasing their consumption of RTDs and ciders at a compounded annual growth rate of 11.8% since 2014

National RTDs/Cider Sales (\$CAD millions)<sup>1</sup>



(1) Statistics Canada - Value of sales of alcoholic beverages of liquor authorities and other retail outlets, by beverage type





# Capitalizing on Trends - Co-Packing Volumes

## Key Opportunity: 2025F Marginal EBITDA Impact \$3.4M

- One of Big Rock's most significant growth opportunities lies in the co-pack production space, where we can harness our existing capacity to partner with leading brands and generate volumes that are essential for offsetting fixed costs.

## Recent Success

- In 2024, we secured two major multi-year contracts, contributing over 100,000 HLs annually and enhancing EBITDA by \$3.4 million compared to 2024,
- We are projecting a record level of co-pack volumes in 2025.

## Future Growth

- Leveraging our recent success, Big Rock is currently pursuing additional contracts that could contribute additional substantial volume.

## Recent Successful Contracts

**100,000 HL+**

Annual production volumes



**\$3.4M+**

Improvement to 2024 EBITDA





# Capitalizing on Trends - Capital Investment

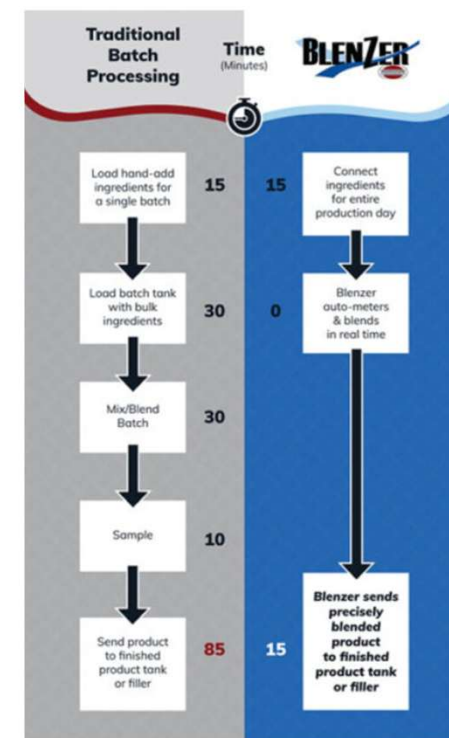
## The Next Step - RTD Upgrade / In-Line Blending System

### The Opportunity

- Introduction of an in-line precision blending system will allow Big Rock to produce RTDs on an on-demand basis allowing us to load more RTD volume into a given shift, eliminate a choke-point in our production cycle, and further capitalize on the capabilities of the canning line installed in 2022. *The margin on these incremental volumes has been captured as part of the incremental co-packing margin (see prior slide);*
- In addition, this capability will also provide opportunity to capture additional co-packing volumes;

### The Cost

- Expected capital expenditure of \$2.1M
- Payback of 1.5 years based on projected volumes in 2025





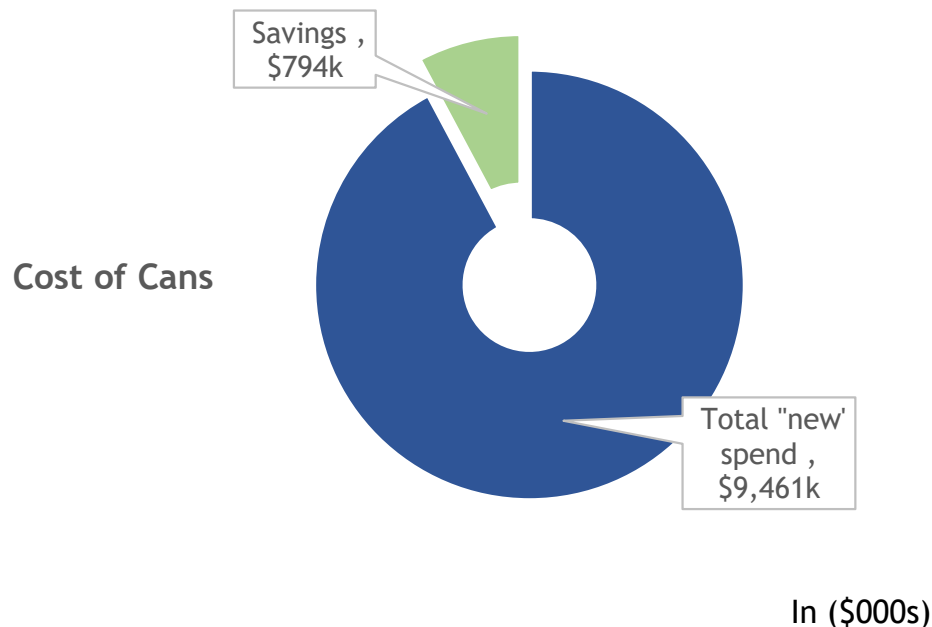
# Input Costs

## Input Costs: 2025F Marginal EBITDA Impact \$794k

- Annual expenditures are approximately \$38M and management has been working with suppliers to optimize pricing. As one example, annual savings of \$794k were negotiated by management on the \$10.3M spent annually on Cans.
- Remaining gross expenditures of \$27.7M represents an opportunity for the future.

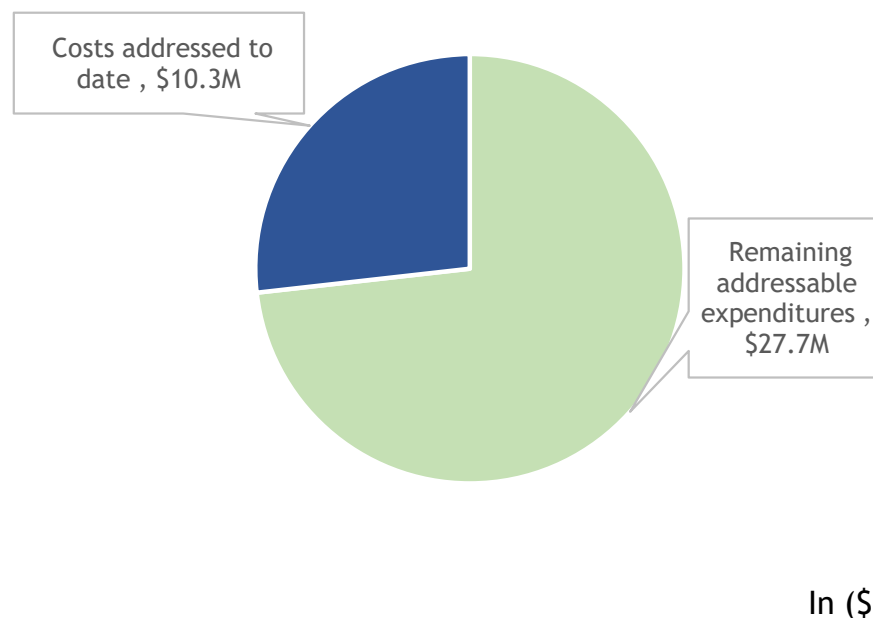
### Can Sourcing (an example)

- In Q2 2024, management negotiated with our major Bev-Can supplier to establish annual cost savings of \$794k (on an annual spend of more than \$10.3M).



### The Tip of the Iceberg

- As an example, a 1% reduction in costs would result in an additional \$263k in potential annual savings.

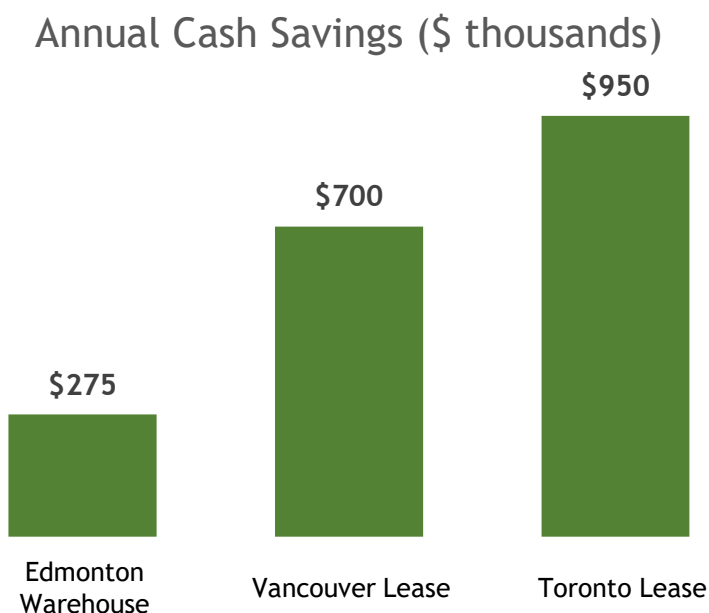




# Rationalization of Non-Core Assets

## Rationalization of non-core assets: 2025F Marginal EBITDA Impact **\$770k**

- Management has rationalized non-core assets which have had a negative affect on profitability. This includes the Edmonton Warehouse, the Vancouver Brewery, and the soon to be rationalized Toronto Brewery, leading to combined cash savings of nearly \$2M annually<sup>1</sup> (\*2026 FY +).



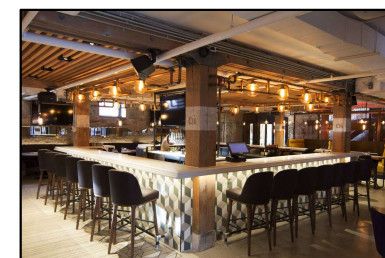
**Edmonton Warehouse**  
(Divested June 2024)



**Vancouver BrewPub**  
(Savings Effective Aug 2024)



**Toronto BrewPub**  
(\*Savings Effective May 2025)



<sup>1</sup>Incremental cash impact exceeds EBITDA impact due to IFRS 16 treatment of principal payments.



# Investing in our Brands

## Portfolio Review and Refresh



- Our brands at the higher end of the value spectrum position Big Rock in the shift towards “premiumization” of beer.
- Value Brands at the other end of the spectrum help to insulate the portfolio from economic fluctuations and to leverage the value consumer category.
- Portfolio & branding review initiated to realign brand architecture & strengthen Big Rock brand positioning for future growth. Q2 2025 rollout to coincide with 40<sup>th</sup> Anniversary.

## Capitalize on success in RTD space



- Our Ready-to-Drink (RTD) brand (White Peaks) outpacing category, +16% growth in volumes and revenue YoY in YTD 2024.
- White Peaks Original awarded Judges Selection at 2024 Alberta Beverage Awards.

## Revitalize investments in existing and innovation brands



- In 2023, Big Rock significantly cut-back on expenditures in sales, marketing, and innovation. With our new sales team led by Jason Higgins, we are excited to continue to revitalize our brands and innovation campaigns.
- Pacer Golden Ale awarded Judges Selection at 2024 Alberta Beverage Awards.
- Innovation to target 18 to 35 age bracket.





# Capital Investment

## Capital Investment:

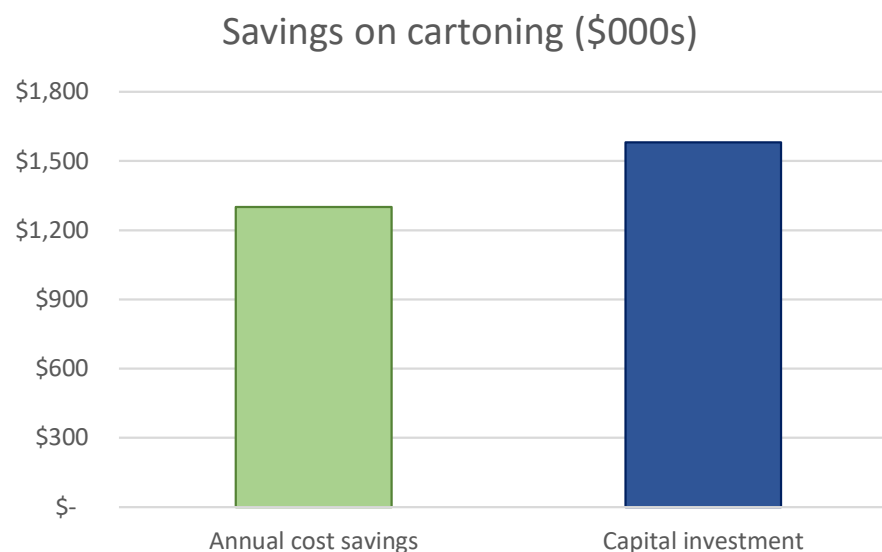
- In June 2024, we created our in-house cartoning capability, through the purchase of a brand new, state-of-the-art cartoning machine.
- This removes our third-party re-pack costs, and we are better able to bid/win new co-pack business due to this enhanced value & pack configuration opportunity.
- This addition also improves quality & shortens the supply-chain (no secondary re-pack handling required).



**\$12.5M invested in capital equipment 2021 - 2024**

## Cartoning Savings

- Annual cost savings of at least **\$1.3M** (2025 marginal EBITDA impact) on a one-time investment of \$1.6M



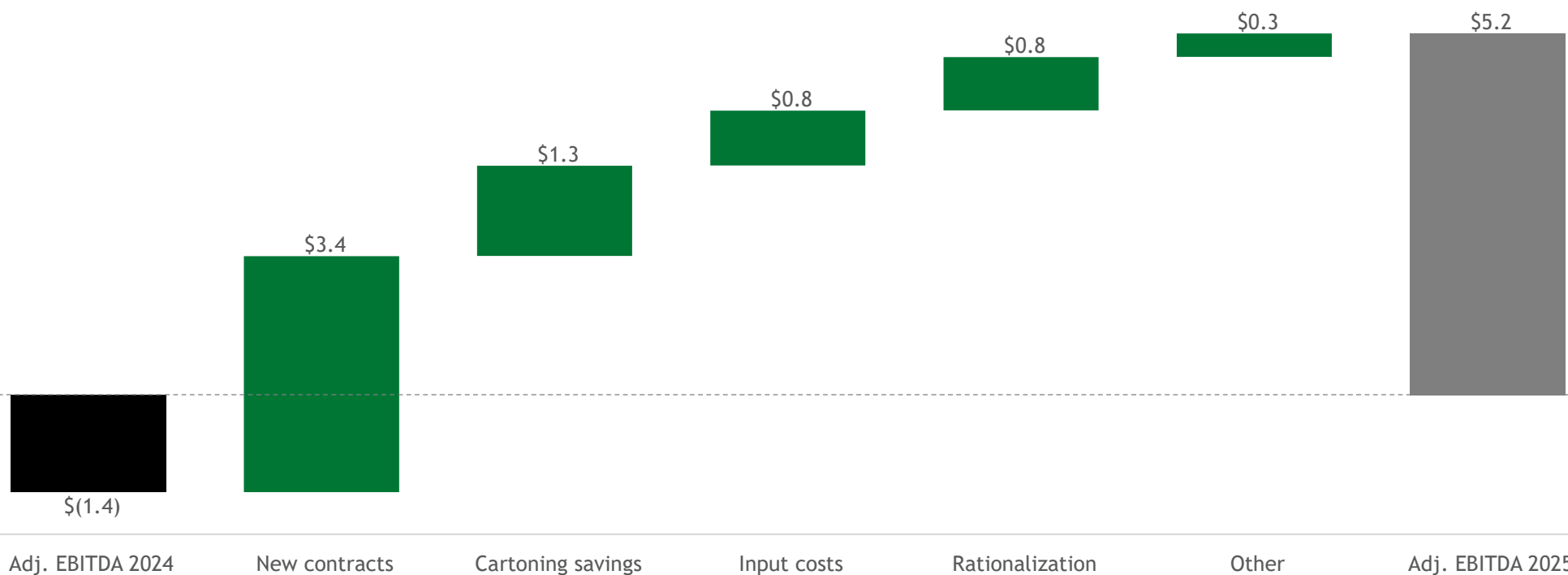


# Projected Return to Profitability

## Established Plan for Growth in Profitability

- New management has already been successful in identifying and executing on meaningful contributions to Big Rock's bottom line. These measures are expected to fully come into effect in 2025 and beyond with the introduction of new co-packing volumes, in addition to cost reduction measures;

Profitability Improvement



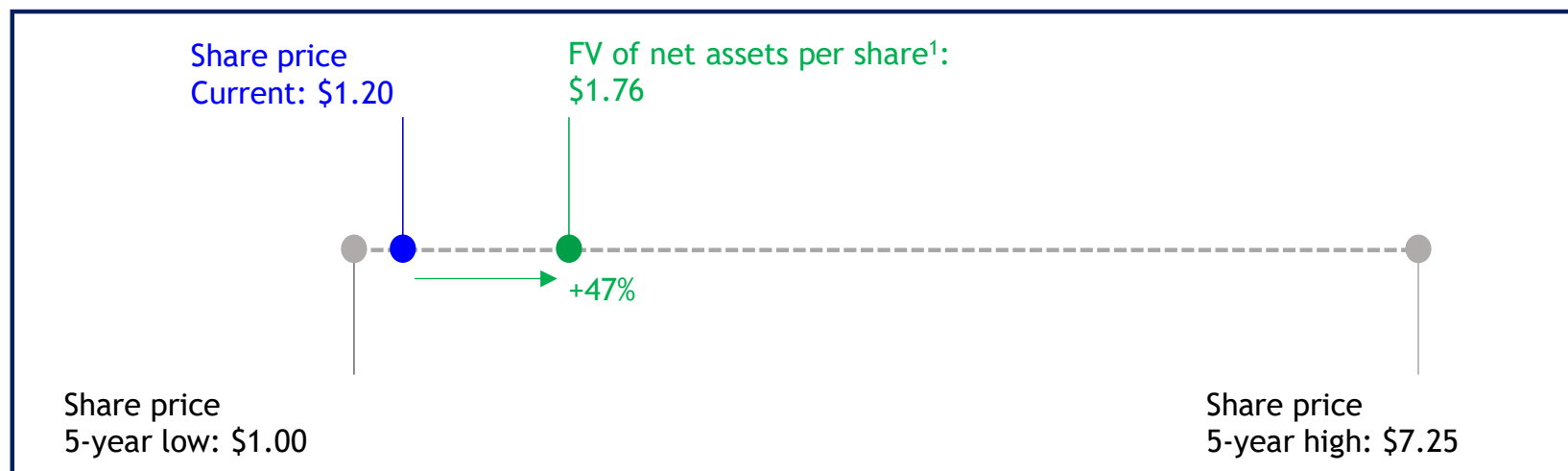


# Value Proposition - Share Price vs Value

## Current share price overview

- Historical performance has led to the share price of Big Rock trading below both the fair and book value of net assets. This provides confidence that, in addition to our operational opportunities, there is considerable tangible asset backing for the shares.

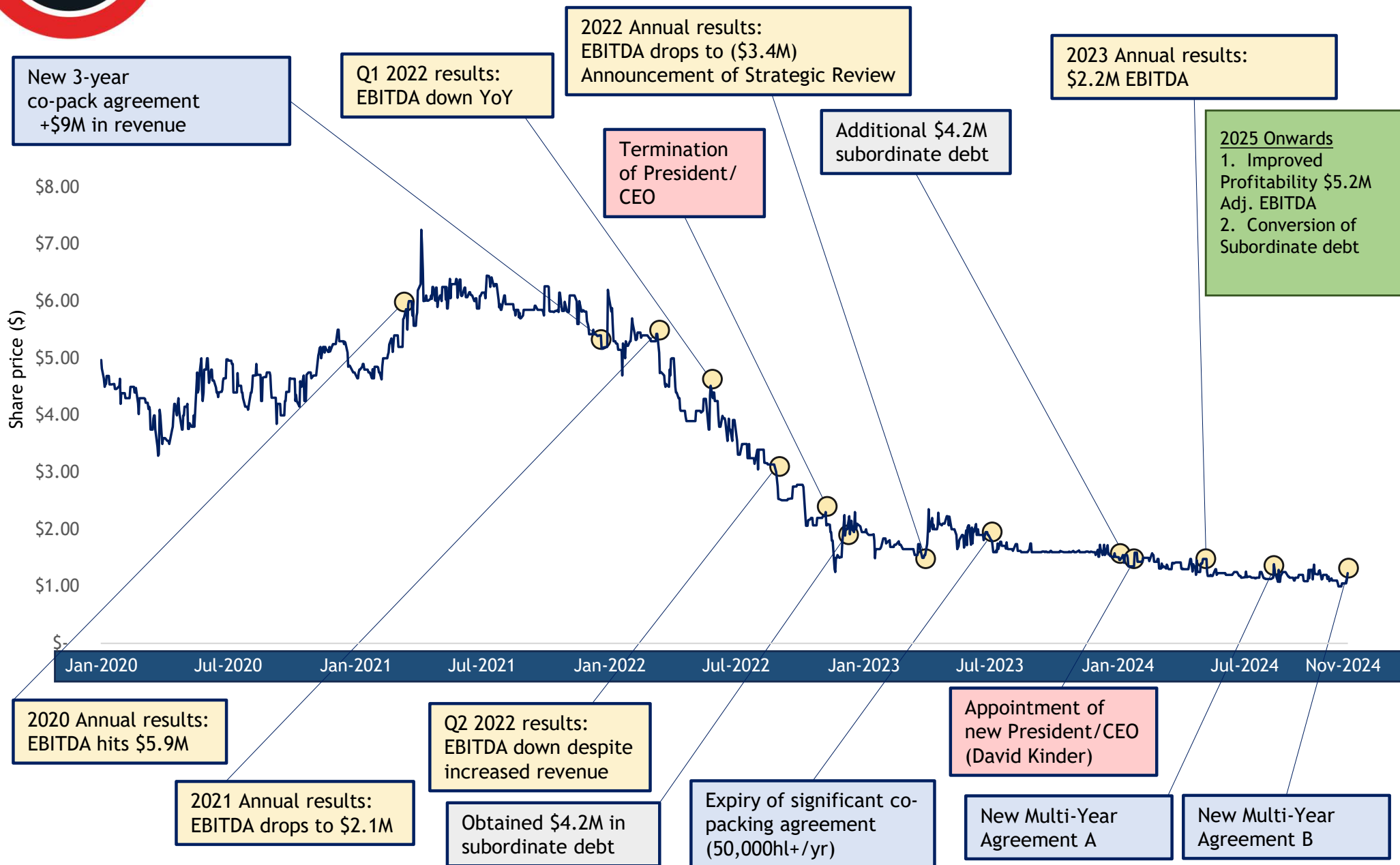
## Per share overview



<sup>1</sup>Post transaction estimated fair value net assets per share: \$1.76, assuming \$17M is raised at \$1.00/share



# Financial - Market Performance







**BIG ROCK**  
BREWERY

**ROCK**

**BIG ROCK**  
BREWERY

**BIG ROCK**  
BREWERY