MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Big Rock Brewery Inc. (the "**Corporation**" or "**Big Rock**") for the three months ended March 31, 2025.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Corporation and accompanying notes as at and for the three months ended March 31, 2025 (the "**Interim Financial Statements**"), the audited consolidated financial statements of the Corporation and the accompanying notes as at and for the year ended December 30, 2024 (the "**Annual Financial Statements**") and the Corporation's Management Discussion & Analysis for the year ended December 30, 2024. The Interim Financial Statements have been prepared using International Financial Reporting Standards ("**IFRS**") and all tabular amounts are reported in thousands of Canadian dollars unless otherwise noted. Additional information about the Corporation, including the Corporation's Annual Information Form for the year ended December 30, 2024 (the "**AIF**"), can be found on SEDAR+ at www.sedarplus.ca and on Big Rock's corporate website at www.bigrockbeer.com. Readers should also read the section "Forward-Looking Information" contained at the end of this MD&A. This MD&A is dated May 13, 2025.

COMPANY OVERVIEW

Big Rock is headquartered in Calgary, Alberta. The Corporation produces premium, all-natural craft beers, ciders, and other alcoholic and non-alcoholic beverages. As one of Canada's largest independently owned craft brewers, Big Rock has an extensive family of permanent ales and lagers, the Rock Creek series of craft ciders, the White Peaks family of hard tea beverages, a continually changing selection of seasonal and limited-edition beers and other licensed alcoholic beverages. In addition to its wholesale operations, the Corporation has an extensive co-packing/contract production business producing lagers, ales and ready to drink ("RTD") products for partners who market, sell and distribute such products in Western Canada.

Founded in 1985, Big Rock was the first craft brewery in Alberta and stands as a pioneer in the Canadian craft beer industry. Big Rock produces, markets and distributes its premium, high-quality craft beers, ciders, RTD beverages, and non-alcoholic beverages, primarily in Canada. The Corporation owns and operates a production facility in Alberta. Today, Big Rock's primary brewing, packaging and warehousing facility is in Calgary, Alberta and has been in operation since 1996. Big Rock has a distribution facility in Calgary and a cross-docking arrangement in Edmonton, and sales staff resident in Alberta, BC, Saskatchewan, as well as sales agencies in place in Manitoba, and Ontario.

Given the Corporation's footprint in Western Canada, the Corporation also has several private label agreements, licensing arrangements and contract manufacturing arrangements.

FIRST QUARTER 2025 HIGHLIGHTS

For the three months ended March 31, 2025, compared to the three months ended March 31, 2024, the Corporation reported:

- total sales volumes up 51.2% to 68,344 hl compared to 45,204 hl, driven by contract sales volumes that more than doubled and consistent wholesale volumes;
- net revenue increased by 30.5% to $11.2 million from $8.6 million;
- gross margin increased to 33.1% compared to 20.2%;
- operating income increased to $0.1 million compared to an operating loss of $(2.3) million;
- net loss decreased by $(3.1) million to $nil; and
- Adjusted EBITDA increased by $2.2 million to $0.7 million. Adjusted EBITDA is a non-GAAP (as defined herein) financial measure, see "*Non-GAAP Measures*".

$000, except hl and per share amounts	Three months ended March 31	
	2025	2024
Sales volumes - wholesale (hl)	**31,892**	32,352
Sales volumes – contract (hl)	**36,452**	12,852
Total sales volumes (hl)	**68,344**	45,204
Gross revenue	**$ 14,203**	$ 11,288
Net revenue	**11,200**	8,582
Cost of sales	**7,491**	6,845
Adjusted EBITDA [1]	**688**	(1,473)
Operating income (loss)	**100**	(2,299)
Net loss	**(49)**	(3,073)
Loss per share (basic & diluted)	**$ (0.00)**	$ (0.44)

(1) Non-GAAP financial measure. See "*Non-GAAP Measures*".

OUTLOOK & STRATEGY

Big Rock's long-term growth strategy is to maximize the utilization and value of its capacity and capital investments to drive growth in volume, improve productivity and lower cost of sales and operating expenses from its own house of brands and from volumes produced pursuant to co-packing arrangements. With greater operational efficiencies derived from greater production volumes, the Corporation aims to improve its competitiveness and gain market share within its contract production business. The Corporation remains focused on innovation and co-creation of new products with the Corporation's strategic partners and expects to capitalize on increased market demand in certain product categories to enable the Corporation to gain market share.

The Corporation continues to strengthen its relationships with its co-packing partners as the Corporation is beginning to see the mitigation of the historically seasonal nature of the industry. The increased margins and overhead absorption is a direct result of the continued growth of the co-packing portion of the business.

Big Rock's sales volumes for the first quarter of 2025 were up 51.2% compared to the same period in 2024. Revenues (including beer, cider, non-alcoholic and RTD beverages) increased 30.5% in the first quarter compared to the same period in 2024. This continues to demonstrate the strength of the Corporation's efforts to align with consumer demand and focus on premium product innovation and development as well as lean into the co-packing segment of our business.

As Big Rock continues to advance its strategic goals and efforts throughout 2025 to solidify the Corporation's operational and financial strength, its management team continues to identify key capital investments to support these endeavors and meet the needs for Big Rock's own products and those of its co-packing partners. In the first quarter of 2025, the Corporation began installation of a more sustainable RTD manufacturing system which will increase our RTD volume output with a focus on safety and higher quality of product. This RTD project will provide in-line blending opportunities and improve de-aerated water capabilities simultaneously which will create further RTD growth in the future.

Big Rock has also decided not to renew the lease of the Liberty Village brewery in Ontario which expires on April 30, 2025. The streamlining of operations will improve cashflows and allow the Corporation to focus on the core sales areas.

On January 21, 2025, Big Rock announced the closing of its Debt Settlement of all indebtedness and liabilities owing by the Corporation to VN Capital. VN Capital was issued Common Shares at a price of $1.00 per Common Share for gross proceeds of $9.0 million, pursuant to the Debt Settlement. Big Rock also announced the closing of its previously announced concurrent Private Placement of Common Shares at a price of $1.00 per Common Share for gross proceeds of $8.4 million.

The net result of this recapitalization has created a substantially deleveraged balance sheet while providing the capital required to grow Big Rocks capability and capacity in the RTD beverage market segment.

The Corporation has developed and maintains financial projections for fiscal 2025 that show sufficient cash flows to cover forecasted expenses and is projecting a return to profitability. ATB has imposed a number of positive and negative covenants on the Corporation including a rolling 12-month fixed charge ratio, which is required to be a minimum of 1.15 to 1, and a current minimum ratio of 1.25:1.00 which is assessed monthly. The Corporation is required to perform a monthly assessment of its EBITDA targets which are defined in the loan agreement. As at March 31, 2025 the Corporation is in compliance with all financial covenants.

Due to the current macroeconomic uncertainty, including the threat of tariffs on aluminum and other materials, as well as recent changes to the Alberta mark-up rate on alcohol sales, 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.

GOING CONCERN DISCLOSURE

Management of the Corporation is appropriately conservative and will continue to take actions to increase revenues and lower costs to provide confidence that the Corporation will meet expectations for the 2025 fiscal year.

Despite improved production performance, there remains a material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern. The Interim Financial Statements include a “Going Concern” note, but do not include adjustments to the recoverability and classification of recorded asset 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 Interim Financial Statements.

SELECTED QUARTERLY FINANCIAL INFORMATION

Big Rock experiences seasonal fluctuations in sales volumes, net revenue, and net income with the second and third quarters typically being stronger than the first and fourth quarters. These seasonal variations are dependent on numerous factors, including weather, timing of community events, consumer behaviour, customer activity and overall industry dynamics, mainly in Western Canada. The selected quarterly information is consistent with these industry trends.

The following is a summary of selected financial information for the last eight completed quarters:

($000, except hl and per share amounts)	**Q1/25**	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23
Sales volumes – Wholesale (hl)	**31,892**	33,808	41,705	40,519	32,352	35,314	44,451	43,660
Sales volumes – Contract (hl)	**36,452**	28,779	24,277	16,690	12,852	9,952	8,949	26,293
Total sales volumes (hl)	**68,344**	62,587	65,982	57,209	45,204	45,266	53,400	69,953
Net revenue	**11,200**	9,664	12,774	12,344	8,582	8,971	11,553	12,702
Cost of sales	**7,491**	8,723	8,864	8,218	6,845	6,236	8,098	8,904
Operating income (loss)	**100**	(2,830)	(347)	(667)	(2,299)	(1,508)	55	43
Adjusted EBITDA [1]	**688**	(1,022)	281	165	(1,473)	(701)	999	1,188
Net (loss) income	**(49)**	(9,676)	(938)	220	(3,073)	(2,111)	(227)	(340)
(Loss) income per share (basic & diluted)	**$(0.00)**	$(1.41)	$ (0.13)	$ 0.03	$ (0.44)	$ (0.31)	$ (0.05)	$ (0.04)

[1] Non-GAAP financial measure. See "*Non-GAAP Measures*".

RESULTS OF OPERATIONS

Adjusted EBITDA

The calculation of Adjusted EBITDA is a non-GAAP financial measure, whose nearest GAAP measure is net income, or net loss (as applicable), with the reconciliation between the two as follows:

($000, except where indicated)	Three months ended March 31		
	2025	2024	Change
Net loss	**$ (49)**	$ (3,073)	$ 3,024
Addback:			
Interest	**164**	774	(610)
Depreciation and amortization	**540**	827	(287)
Share based payments	**33**	(1)	34
Adjusted EBITDA [1]	**$ 688**	$ (1,473)	$ 2,161

[1] See "*Non-GAAP Measures*".

Adjusted EBITDA in the three months ended March 31, 2025 increased by $2.2 million compared to the same period in 2024. The increase in adjusted EBITDA is primarily attributable to increased sales volumes and higher gross margin related to variances in product mix.

Net Revenue

Net revenue includes wholesale beer, cider, alcoholic and non-alcoholic beverage sales (net of excise taxes and provincial government liquor taxes), co-packing revenues, and retail restaurant and store sales from Big Rock's Alberta and Ontario locations. Geographically, Alberta continued to represent the largest share of the Corporation's sales in 2025, followed by BC and Saskatchewan.

($000, except sales volumes)	Three months ended March 31		
	2025	2024	Change
Sales volumes (hl)	**68,344**	45,204	23,140
Gross revenue	**$ 14,203**	$ 11,288	$ 2,915
Federal excise taxes	**(1,158)**	(829)	(329)
Provincial liquor tax programs	**(1,845)**	(1,877)	32
Net revenue	**$ 11,200**	$ 8,582	$ 2,618
$ per hl			
Net revenue per hl	**$ 163.88**	$ 189.85	$ (25.97)

Sales volumes for the first quarter of 2025 increased by 51.2% mainly due to new co-packing sales contracts that were entered into in the last half of 2024. Wholesale volumes decreased slightly by 1.4% in 2025 compared to the first quarter in 2024. Even with the continued declining market for alcoholic beverage consumption in Canada and increased excise taxes the Corporation was able to increase its net revenue from the prior year.

Cost of Sales

($000, except where indicated)	Three months ended March 31		
	2025	2024	Change
Operating expenses and raw materials	**$ 5,841**	$ 4,762	$ 1,079
Salaries and benefits	**1,239**	1,418	(179)
Depreciation and amortization	**411**	665	(254)
Cost of sales	**$ 7,491**	$ 6,845	$ 646
Percentage of revenue	**68.3%**	79.8%	

Cost of sales for the quarter ended March 31, 2025 increased period-over-period by $0.6 million compared to 2024. These increase in costs is primarily driven by increased production volumes in the quarter.

Cost of sales as a percentage of net revenue was lower in the first quarter of 2025 compared to the same periods in 2024. This was largely due to efficiencies in operations as well as a change in product mix.

Selling Expenses

($000, except where indicated)	Three months ended March 31		
	2025	2024	Change
Delivery and distribution costs	**$ 1,297**	$ 948	$ 349
Salaries and benefits	**615**	603	12
Marketing and sales expenses	**353**	745	(392)
Selling expenses	**$ 2,265**	$ 2,296	$ (31)
Percentage of revenue	**20.2%**	26.8%	

Selling expenses stayed consistent at $2.3 million in the first quarter of 2025 compared to 2024, as increased delivery and distribution costs related to third party storage and handling and increased sales volumes, were partially offset by savings in marketing and sales expenses.

General and Administrative Expenses

($000, except where indicated)	Three months ended March 31		
	2025	2024	Change
Salaries and benefits	**$ 602**	$ 690	$ (88)
Share based payments	**33**	(1)	34
Professional fees	**—**	295	(295)
Other administrative expenses	**580**	594	(14)
General and administrative expenses	**$ 1,215**	$ 1,578	$ (363)
Percentage of revenue	**11.1%**	18.4%	

General and administrative expenses for the three months and year ended March 31, 2025 decreased by $0.4 million compared to the same period in 2024 due to a decrease in administrative staffing as well as professional fees in the first quarter of 2025.

Finance Expense

Finance expenses of $0.2 million in the first quarter of 2025 were $0.6 million lower than the corresponding period in 2024. The decrease is due to a decrease in interest expense on the short-term debt from VN Capital as it was repaid in full in January 2025.

SEGMENTED INFORMATION

The Corporation has two reportable business segments, wholesale and retail, which are monitored by executive management for the purpose of making decisions about resource allocation and performance management. The wholesale segment reflects the results from the manufacturing and distribution of beer, cider, and other alcoholic and non-alcoholic beverages to provincial liquor boards, grocery chains, and on-premises customers which are subsequently sold to end consumers as well as the results from co-packing arrangements. The retail segment includes sales of beverages, food, and merchandise to consumers through premises owned and/or operated by the Corporation.

Segment performance is evaluated on several measures, the most significant being gross profit net of selling expenses. Transfer prices between operating segments are applied on an arm's length basis in a manner similar to transactions with third parties. The Corporation's operating assets and liabilities, general and administrative expenses, income taxes, and capital expenditures are managed on a corporate-wide basis.

SEGMENTED RESULTS

Year ended March 31	Wholesale		Retail		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	**2025**	2024
Net revenue	11,132	8,469	99	143	(31)	(30)	**11,200**	**8,582**
Cost of sales	7,439	6,793	83	82	(31)	(30)	**7,491**	**6,845**
Gross profit	3,693	1,676	16	61	–	–	**3,709**	**1,737**
Selling expenses	2,264	2,292	1	4	–	–	**2,265**	**2,296**
Segment profit	**1,429**	**(616)**	15	**57**	–	**–**	**1,444**	**(559)**
General and administrative cost							**1,215**	1,578
Depreciation and amortization							**129**	162
Operating income (loss)							**100**	(2,299)
Finance expense							**164**	774
Other income							**(15)**	–
Loss before income taxes							**(49)**	(3,073)

LIQUIDITY AND CAPITAL RESOURCES

Capitalization

($000)	**March 31, 2025**	December 30, 2024
Debt	**7,740**	18,683
Lease liabilities [1]	**98**	218
Less: Cash	**(612)**	(372)
Net debt [2]	**7,226**	18,529
Shareholders' equity:		
Shareholders' capital	**130,385**	113,910
Contributed surplus	**3,159**	3,185
Accumulated deficit	**(107,947)**	(107,898)
Total shareholders' equity	**25,597**	9,197
Total capitalization [3]	**32,823**	27,726
Net debt to total capitalization ratio [4]	**22.0%**	66.8%

(1) Includes current and non-current portions.
(2) Capital management measure. See "*Non-GAAP Measures*".
(3) Non-GAAP financial measure. See "*Non-GAAP Measures*".
(4) Non-GAAP ratio. See "*Non-GAAP Measures*".

Capital Strategy

The Corporation's capital consists of debt and equity. To maintain or adjust the Corporation's capital structure, Big Rock may issue new public securities, issue or renegotiate its debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents. The budget is updated as necessary depending on numerous factors, including capital deployment, results from operations, general industry conditions, and government policy changes.

See "*Going Concern*" in this MD&A.

Net Working Capital

Net working capital is a capital management measure and is defined as current assets less accounts payable, accrued liabilities, and current portion of debt (see *"Non-GAAP Measures")*. The Corporation had a net working capital surplus of $1.8 million as of March 31, 2025. This represents an improvement of $21.7 million from December 30, 2024 resulting from a reclassification of debt associated with the VN Capital second lien facility and the reclassification of ATB loan balances from non-current to current. (see *"Liquidity and Capital Resources - Debt"*).

Debt

During the three months ended March 31, 2025, the Corporation repaid $1.0 million of its ATB operating facility, $0.9 million on its ATB term facilities and repaid 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 the Corporation's credit facilities are as follows:

($000)	**March 31, 2025**	December 30, 2024
Operating facility – principal	**2,285**	3,365
Term debt - principal and accrued interest	**5,562**	15,425
Debt issue costs	**(107)**	(107)
	7,740	18,683
Current	**3,060**	18,683
Non-current	**4,680**	—

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

($000)	Expiry date	**March 31, 2025**	December 30, 2024
Tranche 1	March 31, 2025	—	9,000
Tranche 2	April 30, 2025	—	154
Tranche 3	February 28, 2026	**97**	381
Tranche 4	September 9, 2027	**342**	367
Tranche 5	February 28, 2031	**2,368**	2,400
Tranche 6	December 31, 2031	**2,755**	3,123
Total term debt outstanding		**5,562**	15,425

At March 31, 2025, the Corporation had $3.0 million available on its operating facility. The Corporation remains current with each of its remittances to the Canada Revenue Agency.

In January 2025 the Corporation amended its credit facilities with ATB to include several positive and negative covenants on the Corporation, including the maintenance of certain financial covenants which are tested monthly. The rolling fixed charge ratio was waived by ATB for the entirety of fiscal 2024. Beginning in 2025, the rolling fixed charge ratio shall not be less than 1.15:1.00 reported on an annual basis based on a trailing 12-month period, with the first calculation being December 31, 2025. The Corporation is also subject to a current ratio that is to be monitored and tested monthly and shall not be less than 1.25:1.00. In addition, the Corporation is subject to an EBITDA covenant where the Corporation's EBITDA shall be no less than reflected in the table below.

Fiscal quarter ending:	**Minimum EBITDA – year-to-date, ($000)**
March 31, 2025	365
June 30, 2025	1,230
September 30, 2025	2,230
December 30, 2025	2,600

In addition, the Corporation's borrowings cannot exceed a borrowing base which is determined by the fair value of the Corporation's assets.

Lease Liabilities

Big Rock currently has lease liabilities for contracts related to real estate and vehicle leases.

($000)	**March 31, 2025**	December 30, 2024
Lease liabilities, beginning of year	**218**	3,002
Disposals	**—**	(2,201)
Interest expense	**1**	74
Lease payments	**(121)**	(657)
Lease liabilities, end of year	**98**	218
Current	**64**	165
Non-current	**34**	53

Capital Expenditures

During the three months ended March 31, 2025, $0.2 million was spent on capital expenditures required to create a more sustainable RTD manufacturing process. The new system will increase the RTD volume output with a focus on safety and higher quality of product.

Equity

As of the date of this MD&A, the Corporation had 24,397,843 common shares outstanding.

In addition, as of the date of this MD&A, there are no common shares potentially issuable to satisfy the Corporation's outstanding restricted share units. None of the Corporation's outstanding share options are "in the money".

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Big Rock has entered into various commitments for expenditures covering utilities, raw materials, and marketing initiatives. The commitments, for the next five years are as follows:

($000)	2025	2026	2027	2028	2029
Utilities contracts	468	624	—	—	—
Raw material and packaging purchase commitments	1,277	140	72	—	—
Marketing sponsorships	107	115	100	—	—
Total	**1,852**	**879**	**172**	—	—

OFF BALANCE SHEET ARRANGEMENTS

Big Rock does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet, other than the operating leases summarized in "*Commitments and Contractual Obligations*" herein.

RISK FACTORS

The Corporation is exposed to business risks that are inherent to the alcoholic beverage industry, as well as those governed by the individual nature of the Corporation's operations, the details of which are set out in the AIF, which is available on SEDAR+ at www.sedarplus.ca.

GOING CONCERN

The Interim Financial Statements for the three months ended March 31, 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. The Corporation noted improvements in sales volumes on a year-over-year basis and during the three months ended March 31, 2025, the Corporation decreased its net loss to $nil compared to $13.5 million as at December 30, 2024 and also improved its working capital to a surplus of $1.8 million, from a deficit of $19.8 million at December 30, 2024. In the first quarter the Corporation used cash in operations of $5.1 million and had $2.3 million drawn on its operating facility as at March 31, 2025. The ATB credit facility imposes a number of positive and negative covenants on the Corporation more fully described in Note 11 of the Interim Financial Statements.

There remains a material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern. The Interim 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 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 Interim Financial Statements. Such adjustments could be material.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

There have been no changes in Big Rock's critical accounting estimates in the three months ended March 31, 2025. Further information on the Corporation's accounting policies, critical estimates, and judgements can be found in the notes to the 2024 Annual Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Big Rock did not use any derivative financial instruments or other instruments in the three months ended March 31, 2025 and March 31, 2024.

CERTIFICATION OF DISCLOSURES IN QUARTERLY FILINGS

In accordance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Corporation quarterly issues a Certification of Interim Filings ("**Certification**"). The Certification requires certifying officers to state that they are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**").

The Certification requires certifying officers to state that they designed DC&P, or caused it to be designed under their supervision, to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the certifying officers by others; (ii) information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities legislation. In addition, the Certification requires certifying officers to state that they have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

There were no changes in the Corporation's internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. The Corporation has procedures in place relating to DC&P and ICFR and will continue to monitor such procedures as the Corporation's business evolves.

NON-GAAP MEASURES

The Corporation uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by IFRS nor by Generally Accepted Accounting Principles ("**GAAP**"). These financial measures do not have any standardized meaning under the Corporation's GAAP and therefore may not be comparable to similar measures presented by other issuers. The following terms "net working capital", "net debt", "total capitalization", "Adjusted EBITDA" and "net debt to total capitalization ratio" are not recognized measures under GAAP and may not be comparable to that reported by other companies. In addition to net loss and cash flow from operating activities, management of the Corporation uses these non-GAAP measures to evaluate the Corporation's operating performance and leverage.

Net working capital: is a capital management measure that is defined as current assets less accounts payable, accrued liabilities, and current portion of debt. It is utilized by the Corporation as a measure of liquidity and to assess the Corporation's ability to repay current obligations from current assets.

Net debt: is a capital management measure that is defined as the Corporation's current and non-current portions of debt, and lease liabilities less cash. It is utilized by the Corporation to assist with assessing borrowing levels and obligations. A reconciliation of net debt is provided under "*Liquidity and Capital Resources – Capitalization*".

Total capitalization: is a non-GAAP financial measure calculated by adding shareholders' equity and net debt. It is utilized by the Corporation in the assessment of the financial leverage of the Corporation in comparison to its equity to assess the Corporation's ability to meet current commitments and obligations as well as the capacity for growth. A reconciliation of total capitalization to cash, total debt and total shareholders' equity and a reconciliation of net debt to cash and total debt are provided under "*Liquidity and Capital Resources – Capitalization*".

Adjusted EBITDA: is a non-GAAP financial measure that the Corporation uses to measure operating performance and borrowing capacity. Adjusted EBTDA is calculated by adding back to net income, interest, income taxes, depreciation and amortization, impairment of property, plant and equipment, impairment on co-packing customer receivable, share based payment adjustments, gains and losses on disposal of assets and gain on extinguishment. A reconciliation of Adjusted EBITDA to net loss, the nearest GAAP measure, is contained under "*Results of Operations – Adjusted EBITDA*".

Net Debt to Total Capitalization Ratio: is a non-GAAP financial ratio that is calculated by dividing net debt by total capitalization. It is utilized by the Corporation in assessing its capital structure and the financial health and optimal structure to fund operations and growth for Big Rock. A reconciliation and calculation of net debt to capitalization ratio is contained under "*Liquidity and Capital Resources – Capitalization*".

Readers are cautioned that these measures should not be construed as an alternative to net income, cash flows from operating activities or other relevant GAAP measures as calculated under GAAP.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A 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 MD&A 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 MD&A and are expressly qualified, in their entirety, by this cautionary statement.

This MD&A contains forward-looking statements pertaining to, among other things, the following:

- Big Rock's long-term growth strategy and the anticipated benefits to be derived therefrom;
- Big Rock's expectations that with greater operational efficiencies derived from greater production volumes, the Corporation will aim to improve its competitiveness and gain market share within its branded portfolio;
- Big Rock's expectation that the Corporation will remain focused on innovation and co-creation of new products with its strategic partners;
- Big Rock's expectation that the Corporation will capitalize on increased market demand in certain product categories to enable the Corporation to gain market share;
- Big Rock's expectation that its focus on co-packing partnerships will increase margins and overhead absorption as volumes increase;
- Big Rock's expectations with respect to its new multi-year co-packing agreements, including that they will collectively increase production volumes by more than 100,000 hl annually;
- Big Rock's belief that 2025 first quarter results demonstrate the strength of the Corporation's efforts to align with consumer demand and focus on premium product innovation and development as well as lean into the co-packing segment of its business;
- Big Rock's expectations regarding its strategic goals and efforts throughout 2025;
- Big Rock's plans to continue to maintain its manufacturing licenses and brew high-quality products in BC and Ontario;
- Big Rock's expectations regarding the new warehouse lease in Calgary, including that such are expected to improve cash flow by reducing third party logistics costs in 2025 and allowing the Corporation to leverage its distribution license;
- Big Rock's expectations regarding the current macroeconomic uncertainty, including the threat of tariffs on aluminum and other materials, as well as recent changes to the Alberta mark-up rate on alcohol sales, including that Big Rock will continue to engage with policymakers and carefully reviewing its procurement strategies to mitigate the potential operational and economic impact these changes may have;
- Big Rock's ability to maintain or adjust its capital structure through issuing new public securities, issuing or renegotiating its debt, acquiring or disposing of assets or adjusting the amount of cash or cash equivalents;
- Big Rock's expectations regarding the non-alcoholic market and its growth;
- Big Rock's updated financial projections for fiscal 2025 and the expectations that it will have sufficient cash flows to cover forecasted expenses and will return to profitability;
- that Big Rock is positioned for further growth;
- that Big Rock will continue to take actions to increase revenues and lower costs to provide confidence that the Corporation will meet expectations for the 2025 fiscal year;
- Big Rock's business plans, outlook, and strategy;
- Big Rock's ability to maintain or adjust its capital structure through issuing new public securities, issuing or renegotiating its debt, acquiring or disposing of assets or adjusting the amount of cash or cash equivalents;
- Big Rock's future term debt payments of principal and interest and the anticipated timing thereof; and
- Big Rock's anticipated commitments and contractual obligations and the anticipated timing thereof.

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

- Big Rock's ability to continue as a going concern;
- volumes in the current fiscal year will remain constant or will increase;
- 2025 co-packing volumes will continue to exceed prior year levels;
- that the non-alcoholic market will continue to rapidly grow;
- 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;

- seasonal fluctuations in demand;
- that innovation and co-creation of new products with Big Rock's strategic partners will increase market demand and further enable the Corporation to gain market share; and
- that a continued focus on streamlining processes around forecasting and production planning will enable the Corporation to continue to realize operational efficiencies and drive margin growth; and
- the potential scope and duration of tariffs, export taxes, export restrictions or other trade actions.

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 AIF and include, but are not limited to:

- 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;
- the risk that Big Rock may not have an increase in market demand or market share;
- the risk that Big Rock may not realize the benefits of increased co-packing production;
- the risk that Big Rock may not realize operational efficiencies or margin growth;
- the risk that Big Rock may not have sufficient cash flows to cover forecasted expenses or return to profitability;
- the risk that Big Rock may not be in compliance with its financial covenants under its ATB credit facilities; and
- that the U.S. and/or Canadian governments increase the rate or scope of new tariffs effected on March 4, 2025 (and subsequently paused on March 6, 2025, if they come into effect in the future) or impose new tariffs on the import of goods from one country to the other.

Any financial outlook or future oriented financial information (in each case "**FOFI**") contained in this MD&A regarding prospective financial position, including, but not limited to: Big Rock's expectations that innovation and co-creation of new products with its strategic partners will increase market demand and further enable the Corporation to gain market share; Big Rock's expectations that its continued focus on streamlining processes around forecasting and production planning will enable the Corporation to continue to realize operational efficiencies and drive margin growth; Big Rock's updated financial projections for fiscal 2025 and the expectations that it will have sufficient cash flows to cover forecasted expenses and will return to profitability; that Big Rock will continue to take actions to increase revenues and lower costs to provide confidence that the Corporation will achieve budget for the year; Big Rock's ability to maintain or adjust its capital structure through issuing new public securities, issuing or renegotiating its debt, acquiring or disposing of assets or adjusting the amount of cash or cash equivalents; Big Rock's future term debt payments of principal and interest and the anticipated timing thereof; and Big Rock's anticipated commitments and contractual obligations, are 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 MD&A and the Corporation 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 MD&A 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.