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

		Three months ended March 31	
	Note	**2026**	2025
Revenue			
Net revenue	3	**10,116**	10,062
Cost of sales	4	**6,995**	6,353
Gross profit		**3,121**	3,709
Expenses			
Selling expenses	4	**2,464**	2,265
General and administrative	4	**1,498**	1,182
Depreciation and amortization	4	**133**	129
Operating expenses		**4,095**	3,576
Operating (loss) income		**(974)**	133
Finance expenses		**168**	164
Share based compensation expense		**472**	33
Other expense (income)		**169**	(15)
Net loss and comprehensive loss		**(1,783)**	(49)
Per share amounts	5		
Basic and diluted		**(0.07)**	**(0.00)**
Segmented information	17		

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	**March 31, 2026**	December 30, 2025
ASSETS			
Current			
Cash		**151**	537
Accounts receivable	6	**4,575**	4,779
Inventories	7	**10,385**	8,042
Prepaid expenses and deposits		**1,148**	1,473
Assets held for sale		**51**	51
		16,310	14,882
Non-current			
Property, plant, and equipment	8	**31,591**	31,849
Intangible assets	9	**643**	567
Deferred income tax		**134**	134
		32,368	32,550
Total assets		**48,678**	47,432
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	10	**11,805**	8,937
Current portion of debt	12	**5,664**	4,864
Lease liabilities	11	**564**	564
Share-based liability		**—**	6
		18,033	14,371
Non-current			
Debt	12	**3,962**	4,635
Lease liabilities	11	**2,981**	3,136
Other liabilities		**124**	113
		7,067	7,884
EQUITY			
Shareholders' capital	13	**131,350**	131,177
Contributed surplus		**2,555**	2,544
Accumulated deficit		**(110,327)**	(108,544)
		23,578	25,177
Total liabilities and shareholders' equity		**48,678**	47,432

Going concern	2
Commitments and contractual obligations	18

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 March 31	
	Note	**2026**	2025
OPERATING ACTIVITIES			
Net loss and comprehensive loss		**(1,783)**	(49)
Items not affecting cash:			
Depreciation and amortization	4	**707**	540
Share-based payments	14	**472**	33
Amortized debt issue costs	12	**10**	—
Gain on debt modifications	12	**(113)**	—
		(707)	524
Change in non-cash working capital related to operating activities	19	**204**	(5,607)
Cash used in operating activities		**(504)**	(5,083)
FINANCING ACTIVITIES			
Advances (Repayment) of operating facility	12	**386**	(1,080)
Repayment of second lien financing facility	12	—	(9,000)
Repayment of term debts	12	**(156)**	(863)
Repayment of lease liabilities	11	**(236)**	(120)
Common shares issued	13	**—**	17,400
Share issue costs	13	**—**	(984)
Change in non-cash working capital related to financing activities	19	**81**	—
Cash provided by financing activities		**75**	5,353
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	8	**(398)**	(187)
Purchase of intangible assets	9	**(126)**	—
Proceeds from government grant	8	**—**	250
Change in non-cash working capital related to investing activities	19	**567**	(93)
Cash provided by (used in) investing activities		**43**	(30)
Net (decrease) increase in cash		**(386)**	240
Cash, beginning of period		**537**	372
Cash, end of period		**151**	612

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, 2025		131,177	2,544	(108,544)	25,177
Share-based payments	14	—	478	—	478
Withholding tax on issuance of shares	13	—	(294)	—	(294)
Shares issued from treasury	13	173	(173)	—	—
Net loss and comprehensive loss		—	—	(1,783)	(1,783)
As at March 31, 2026		**131,350**	**2,555**	**(110,327)**	**23,578**

	Note	Shareholders' capital	Contributed surplus	Accumulated deficit	Total
As at December 30, 2024		113,910	3,185	(107,898)	9,197
Share-based payments	14	—	33	—	33
Common shares issued, net of share issue costs	13	16,416	—	—	16,416
Shares issued from treasury	13	59	(59)	—	—
Net loss and comprehensive loss		—	—	(49)	(49)
As at March 31, 2025		**130,385**	**3,159**	**(107,947)**	**25,597**

See accompanying notes to the condensed interim consolidated financial statements

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 beverages 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 months ended March 31, 2026, 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 three months ended March 31, 2026, the Corporation incurred a net loss of $1.8 million, used cash in operations of $0.5 million. As at March 31, 2026 the Corporation had a working capital deficit of $1.7 million, $4.9 million drawn on its operating facility and $4.8 million outstanding on its term debt.

There remains a material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern. These condensed interim consolidated 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, 2025.

Certain disclosures that are normally required to be included in the notes to the annual audited financial statements have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 30, 2025.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 14, 2026.

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 condensed interim 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.

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

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, 2025.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of Big Rock and all its wholly-owned subsidiaries. Subsidiaries are those enterprises controlled by the Corporation.

The following companies have been consolidated within these condensed interim consolidated financial statements:

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

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, 2025. 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, 2025.

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, 2025. There have been no significant changes in estimates or judgements in the first quarter of 2026.

3. NET REVENUE

	Three months ended March 31	
	2026	2025
Wholesale revenues	**9,510**	9,750
Co-pack and other revenues	**3,280**	3,315
Federal excise taxes	**(1,063)**	(1,158)
Provincial liquor tax programs	**(1,611)**	(1,845)
Net revenue	**10,116**	10,062

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

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

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 loss and comprehensive loss:

	Three months ended March 31	
	2026	2025
Depreciation and amortization		
Cost of sales	**574**	411
Depreciation and amortization	**133**	129
Salaries, wages, and benefits		
Cost of sales	**1,692**	1,239
Selling expenses	**746**	615
General and administrative	**858**	602
Share-based payments		
General and administrative	**472**	33

5. PER SHARE AMOUNTS

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

	Three months ended March 31	
($ thousands, except per share amounts)	**2026**	2025
Net loss - basic and diluted	**(1,783)**	**(49)**
Weighted average shares		
Issued common shares	**24,574**	**24,414**
Effect of shares held in trust	—	—
Weighted average shares – basic and diluted	**24,574**	**24,414**
Per share amounts:		
Basic and diluted	**$ (0.07)**	$ (0.00)

6. ACCOUNTS RECEIVABLE

As at	**March 31, 2026**	December 30, 2025
Provincial liquor boards	**1,700**	1,577
Co-packing customer receivables	**2,459**	2,162
Federal and provincial tax program receivables	**165**	577
Other receivables	**389**	611
Expected credit loss provision	**(138)**	(148)
Total accounts receivable	**4,575**	4,779

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

The aging of trade receivables is as follows:

As at	March 31, 2026	December 30, 2025
Current	**2,662**	2,806
Past due 0-30 days	**369**	162
Past due 31-60 days	**25**	188
Past due > 60 days	**223**	346
Total trade receivables	**3,279**	3,502

7. INVENTORIES

As at	March 31, 2026	December 30, 2025
Raw materials and containers	**2,720**	2,612
Brews in progress	**804**	547
Finished product	**5,333**	3,720
Consignment product	**1,489**	1,126
Retail store	**39**	37
Total inventories	**10,385**	8,042

During the three months ended March 31, 2026, charges of $0.4 million (2025 - $0.2 million) were recorded to the condensed interim consolidated statements of loss and comprehensive loss relating to damaged or obsolete inventories. The amount of inventory recognized as an expense in the three months ended March 31, 2026 was $2.7 million (2025 – $2.7 million).

There were no reversals of amounts previously recorded in respect of inventory write-downs during the three months ended March 31, 2026, nor during the year ended December 30, 2025.

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, 2025	18,238	35,548	1,456	4,078	59,320
Additions	—	398	—	—	398
As at March 31, 2026	18,238	**35,946**	**1,456**	**4,078**	**59,718**
Accumulated depreciation					
As at December 30, 2025	5,036	20,385	1,328	722	27,471
Depreciation	107	314	40	195	656
As at March 31, 2026	**5,143**	**20,699**	**1,368**	**917**	**28,127**
Net book value					
As at December 30, 2025	13,202	15,163	128	3,356	31,849
As at March 31, 2026	**13,095**	**15,247**	**88**	**3,161**	**31,591**

In the first quarter of 2026 the Corporation incurred costs of $0.4 million related to the finalization of the RTD project.

During the three months ended March 31, 2025, the Corporation purchased $0.2 million related to RTD project.

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.

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

Impairment

During the three months ended March 31, 2026, the Corporation determined that there are no indicators of impairment.

9. INTANGIBLE ASSETS

In the first quarter of 2026 the Corporation incurred costs of $0.1 million related to the acquisition and implementation of a warehouse management system to support logistics operations. The project is in the testing and implementation phase and has costs incurred have been capitalized as intangible assets under development.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**March 31, 2026**	December 30, 2025
Trade payables	**7,957**	5,153
Container deposits	**495**	515
Federal excise tax payable	**64**	345
Accruals and other	**3,289**	2,924
Total accounts payable and accrued liabilities	**11,805**	8,937

During the first quarter of 2026, accounts payable increased $2.9 million which is consistent with the increase in inventory.

11. LEASE LIABILITY

As at	**March 31, 2026**	December 30, 2025
Lease liabilities, beginning of year	**3,700**	218
Additions	—	3,726
Interest expense	**81**	169
Lease payments	**(236)**	(413)
	3,545	3,700
Current	**564**	564
Long-term	**2,981**	3,136
	3,545	3,700

Big Rock has lease liabilities for contracts related to buildings, vehicle and equipment leases. The weighted average discount rate for the three months ended March 31, 2026 was 8.9 percent (2025 – 3.3 percent).

In the year ended December 30, 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. The Corporation also entered into new vehicle lease agreements with terms between 36-48 months and a value of $0.5 million.

12. 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 $8.0 million. Advances under both credit facilities may be made by way of Canadian prime rate loans and letters of credit. ATB has first and floating charge debentures over all assets held by the Corporation.

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

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.

On March 9, 2026 the Corporation entered into an amendment to the term loan facility agreement with ATB. The amendment modified the debt repayment schedule, resulting in increased monthly term debt payments, effective March 31, 2026. The modification did not result in derecognition of the existing debt, as the revised terms were determined not to be substantially different from the original terms. Accordingly, the debt continues to be accounted for as a modification, with the carrying amount adjusted for revised cash flows using the original effective interest rate.

The amendment was accounted for as a modification of a financial liability in accordance with IFRS 9 and resulted in a gain of $0.1 million, recognized in finance costs during the period.

During the three months ended March 31, 2026, the Corporation repaid $0.2 million of its ATB Financial ("**ATB**") operating facility and advanced $0.4 million on its ATB term facilities.

As at	**March 31, 2026**	December 30, 2025
Debt, beginning of year	**9,499**	18,683
Advances of operating facility	**386**	1,099
Repayment of second lien financing facility	—	(9,000)
Repayment of term debt	**(156)**	(1,292)
Debt issue costs	**10**	9
Gain on debt modification	**(113)**	—
	9,626	9,499

Details on amounts outstanding under these facilities are as follows:

As at	**March 31, 2026**	**December 30, 2025**
Operating facility – principal	**4,850**	4,464
Term debt – principal and accrued interest	**4,864**	5,133
Debt issue costs	**(88)**	(98)
	9,626	9,499
Current	**5,664**	**4,864**
Long-term	**3,962**	**4,635**

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

	Expiry date	**March 31, 2026**	December 30, 2025
Tranche 4	September 9, 2027	**229**	262
Tranche 5	February 28, 2031	**2,167**	2,267
Tranche 6	December 31, 2031	**2,468**	2,604
Total term debt outstanding		**4,864**	5,133

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

The facilities impose a number of positive and negative covenants on the Corporation, including the maintenance of certain financial covenants, which are tested at each reporting date. They include 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 March 31, 2026, the Corporation was in compliance with all its covenants for the first quarter of 2026.

As at December 30, 2025, Big Rock achieved each of the covenants included in the arrangement with ATB.

13. SHARE CAPITAL

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

	As at March 31, 2026		As at December 30, 2025	
(thousands)	# of shares	$ Amount	# of shares	$ Amount
Outstanding, beginning of year	**24,494**	**131,177**	6,998	113,910
Common shares issued through private placement	**—**	**—**	17,400	16,416
Shares issued from treasury	**80**	**173**	96	168
FV of awards exercised/released in prior periods	**—**	**—**	—	683
Outstanding, end of year	**24,574**	**131,350**	24,494	131,177

14. SHARE-BASED PAYMENTS

Share based compensation expense, included in general and administrative expenses, and recognized in the condensed interim consolidated statements of loss and comprehensive loss for the three months ended March 31, 2026 and 2025 include:

As at	**2026**	2025
Equity settled plans:		
Options expense	**4**	8
Restricted share unit expense	**474**	25
	478	33
Cash settled plans:		
SARs fair value adjustments	**(6)**	—
Total share-based payments	**472**	33

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

15. 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. The Corporation's categories of financial instruments are:

Classification of Financial Instrument	Designated as	March 31, 2026		December 30, 2025	
		Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
Financial assets:					
Cash	Amortized cost	**151**	**151**	537	537
Accounts receivable	Amortized cost	**4,575**	**4,575**	4,779	4,779
Financial liabilities:					
Accounts payable and accrued liabilities	Amortized cost	**11,805**	**11,805**	8,937	8,937
Debt	Amortized cost	**9,626**	**9,626**	9,499	9,499
Share-based payments	Fair value - Level 1	—	—	6	6

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, 2025. 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.

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

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 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.

16. CAPITAL RISK MANAGEMENT

The Corporation defines its capital to include common shares plus short-term and long-term debt 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	**March 31, 2026**	December 30, 2025
Debt	**9,626**	9,499
Lease liabilities	**3,545**	3,700
Total debt	**13,171**	13,199
Shareholders' equity		
Shareholders' capital	**131,350**	131,177
Contributed surplus	**2,555**	2,544
Accumulated deficit	**(110,327)**	(108,544)
Total shareholders' equity	**23,578**	25,177
Total debt and shareholders' equity	**36,749**	38,376
Less: cash	**(151)**	(537)
Total capitalization (total debt plus shareholders' equity, net of cash balances)	**36,598**	37,839

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 plus license obligation less cash) to earnings before interest, taxes, depreciation, and amortization ("**EBITDA**") and (ii) EBITDA to interest, debt repayments, and dividends. Net debt to EBITDA is calculated by dividing net debt by EBITDA. EBITDA to interest, debt repayments, and dividends is calculated by dividing EBITDA by the combined interest, debt repayments, and dividend amounts.

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

17. SEGMENTED INFORMATION

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

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

Management monitors the results of its operating segments separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated on a number of measures, the most significant being profit or loss, which is measured consistently with the definition of profit or loss in the 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

Three months ended March 31	Wholesale		Retail		Eliminations		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Net revenue	**10,058**	9,994	**73**	99	**(15)**	(31)	**10,116**	10,062
Cost of sales	**6,946**	6,301	**64**	83	**(15)**	(31)	**6,995**	6,353
Gross profit	**3,112**	3,693	**9**	16	**—**	—	**3,121**	3,709
Selling expenses	**2,457**	2,264	**7**	1	**—**	—	**2,464**	2,265
Segment profit	**655**	1,429	**2**	15	**—**	—	**657**	1,444
General and administrative cost							**1,498**	1,182
Depreciation and amortization							**133**	129
Operating (loss) income							**(974)**	133
Finance expense							**168**	164
Share based compensation expense							**472**	33
Other expense (income)							**169**	(15)
Loss before income taxes							**(1,783)**	(49)

18. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

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

	2026	2027	2028	2029	2030
Utilities contracts	468	—	—	—	—
Raw material purchase commitments	583	6	—	—	—
Marketing sponsorships	165	100	—	—	—
Total	**1,216**	**106**	—	—	—

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

19. SUPPLEMENTAL CASH FLOW DISCLOSURES

	Three months ended March 31	
	2026	2025
Cash provided by (used in):		
Accounts receivable	**204**	(1,785)
Inventories	**(2,637)**	(729)
Prepaid expenses and deposits	**325**	166
Property, plant, and equipment and intangibles	**567**	(8)
Accounts payable and other liabilities	**2,393**	(3,344)
Total change in non-cash working capital	**852**	(5,700)

Total change in non-cash working capital allocated to:		
Operating	**204**	(5,607)
Financing	**81**	—
Investing	**567**	(93)
	852	(5,700)

Supplemental cash-flow information		
Interest paid	**272**	164
Taxes paid	**—**	—