

JAMES WATT: CAPTAIN'S LOG DECEMBER 2023

Hey Everyone,

I wanted to give you all an update as we near the end of 2023. It's been a year of high highs, low lows, and incredibly challenging market conditions.

Thousands of businesses have fallen victim to the macro-economic environment, especially here in the UK. It is always so sad to witness so many businesses going under. In savagely tough trading conditions, all we can do is focus steadfastly on our core business and going over and above to look after our customers whilst managing our pennies we as tightly as possible.

The tough things for us this year include making a very small loss despite really strong topline growth, not controlling our spend as effectively as we should have and not running our operations quite as efficiently as we would have liked.

Despite the challenges we have also delivered some phenomenal growth and results as a team which, provided we can tighten up on profitability across the business, will put us in a great place going into 2024 and beyond.

Here is a look of some of the things we should be incredibly proud of as a team:

1) Sunday Times Top Employer



We were named as one of Sunday Times Best Places to Work in the UK in 2023 based on an anonymous companywide survey.

2) Brand Health

Our brand health scores have had the strongest year in our history, and we have seen a phenomenal 47% increase in purchase intent over 2023.

BRAND HEALTH 2023 TREND

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Awareness	82.9	84.8	83.2	83.4	84.8	85.3	87.0	86.3	87.2	90.9	90.8
Consideration	20.3	22.1	20.6	20.8	24.4	24.5	25.9	26.8	26.9	28.0	28.3
Purchase Intent	8.4	8.6	9.1	6.4	10.1	10.3	10.3	11.7	11.9	12.4	12.3



We were recently named the 2nd most loved beer brand in the UK, ahead of huge brands such as Heineken & Stella.



3) Grocery Performance

UK grocery is the engine room of our business and by far our most important sales channel. Our sales in UK grocery this year have been nothing short of outstanding. Here are some highlights:

- In the latest 4 weeks we have outperformed the market by 28% with BrewDog up 24% and the market down 4%.
- Our share of UK Grocery is the highest it has ever been at 4.8% of value.
- BrewDog is the fastest growing brewer across every time period – Latest 4 weeks up we are 24% and Heineken is down 14%.
- Latest 26 weeks BrewDog are the only top 10 brewer in growth.
- Tesco will finish 2023 on 170K HL. Their biggest ever year with BrewDog + 30% growth vs 2022.
- 4.2 cans of BrewDog beer are sold per second in the UK Grocery.



4) Key Brand Performance

Punk IPA Punk is in 10% growth in the last 12 weeks, and we have 11% more customers in Punk in the last 4 weeks vs. 2022.

Punk is also 50% larger than the entire Beavertown portfolio – not just Neck Oil – over the last 4 weeks.

Lost is the fastest growing beer brand in UK grocery over the last 4 weeks up 45%.

In 2023 Lost Lager has grown 70% in Tesco and 47% in Sainsburys in 2023.

Lost is 5% larger in terms of volume in the last 12 months vs. Punk.

We have 180% more Lost customers than 12 months ago and 40% of Lost shoppers go on to try craft for the first time after they buy Lost.

Hazy Jane is the UK Off-trade's 3rd biggest craft beer brand.
Hazy Jane is the UK's number 1 New England IPA for both on & off trade.
Hazy Jane is the 2nd fastest growing craft brand in the on trade and up 106% year to date.
Hazy Jane is a £25m grocery brand & up 8% versus 2022.

5) New Brand Performance



Wingman, since its launch in September, is the best-selling craft beer 4 pack in UK grocery. This is a phenomenal performance for a brand-new brand!
Wingman rate of sale is 332% higher than Planet Pale.
75% of Wingman sales have been fully incremental to BrewDog & 40% of customers come from lager.



Black Heart is an amazing 13.7% of Guinness sales in UK grocery the last 8 weeks. Especially amazing given they have 3x our distribution. 28% of customers try craft for the first time after buying Black Heart. Black Heart is 35% of the Stout category in Morrison's since the launch of our 4 and 8 packs in September.

Our Shore Leave 4 pack has a rate of sale which is 292% higher than the Doom Bar 4 pack and the bottle has 93% of the Doom Bar bottle rate of sale.

18% of Shore Leave shoppers buy craft for the first-time post trying this product.

69% of Shore Leave sales are incremental to the BrewDog portfolio.

6) Alcohol Free In The USA

Our mixed pack is the best-selling AF missed pack in America.

Our mixed pack is up 122% year on year.

We are now the 7th biggest supplier of AF cans in American market.

7) UK Bar Performance

Despite a very tough market for hospitality, we managed to outperform our competitive set. The market is down round 1% for the year and we are up 2% in our UK retail business. Our German bars also had a strong end to the year and are tracking up 12% year to date.

Last week was also our busiest ever week in our global retail business. The team blew the doors off, and we took £176k more than the record week before! The forecast for our global bar business for the week was £3.1m and we came in at £3.54m which is up 49% versus 2022, although we did have train strikes over this period in 2022.

8) New BrewDog Bar Openings



Over the course of 2023 we have opened world class new bar locations in Hong Kong, Amsterdam, Gatwick Airport, Wandsworth, and Chandigarh in India.

We also have a great pipeline of new openings already lined up for 2023 including Denver, Perth in Australia, and further transport hub BrewDog bars.

9) International Sales

Here are some stand out stats from our international business in 2022:

France: BrewDog is the #1 Craft Brand with 15.7% share.

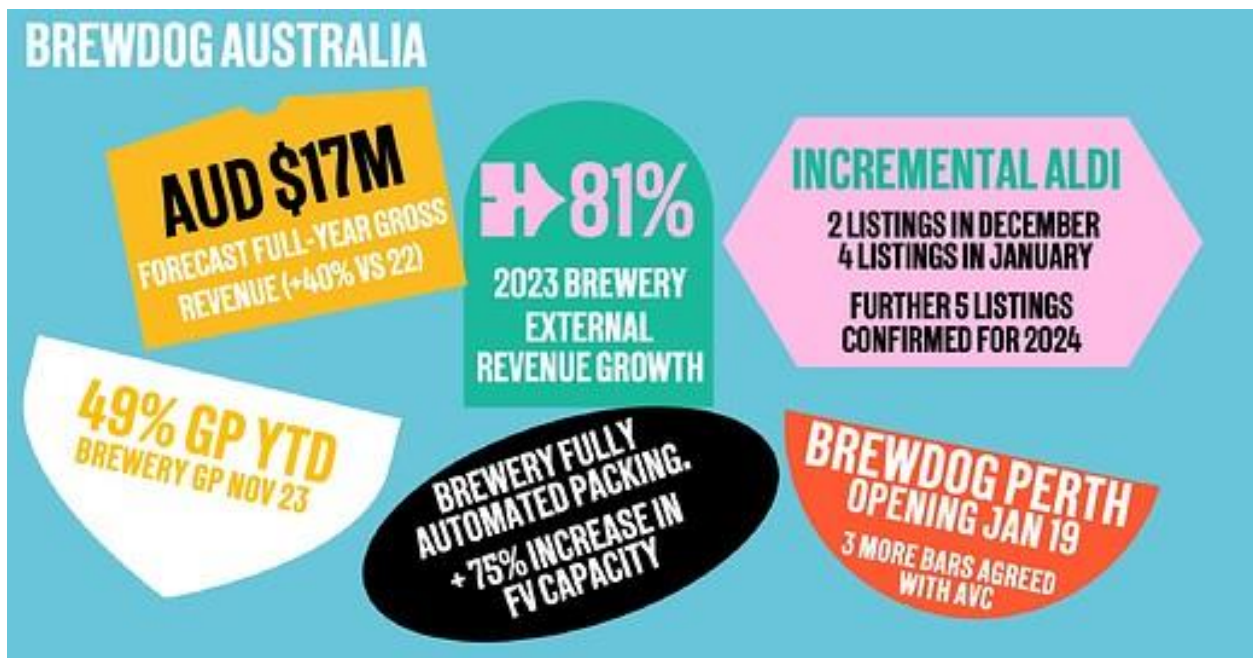
Italy: we are up 17.3% YTD. BrewDog is the 2nd largest craft brand overall – but on a growth trajectory to become #1 in early FY24.

Dubai: we have an 85% share of craft beer in the Dubai On-Trade.

Spain: BrewDog is the #1 Import Craft Beer, with Off-Trade volumes +33% year on year.

Japan: our sales are up 49% in this key market in 2023.

10) Australia



Under Ed Bott's leadership, Australia has had a very strong year in 2023. Wholesale volumes from our brewery in Brisbane are up 82% versus 2022 and we now have iconic BrewDog bars in Sydney, Melbourne, Brisbane and soon to be Perth in addition to our beautiful tap room in Fortitude valley.

Moving into 2024

2024 is about 3 very simple things for us at BrewDog:

1. Continuing to drive sales.
2. Running our business more efficiently.
3. Better managing our costs

We need to keep up our momentum in the market and continue to take market share from our huge competitors. Having Punk, Hazy and Lost stay in solid growth is imperative as we look to hit the afterburners on our big new 2023 launches: Wingman, Black Heart and Shore Leave.

In 2023 we have made huge investments in our production capacity, our infrastructure and sustainability. It is important that we work hard as a team to unlock the true benefits of our on-site bio-energy facility, our new 500 HL brewhouse, our new high speed canning line and our brilliant new dry hopping system.

These benefits should drive improvements in our financial performance and give us more ability to invest in our growth.

And as we grow, we need to look to spend every single penny of BrewDog money as if it were our own, because, in reality, with the Hop Stock ownership program, it really is. I am sure if we work hard together as a team, we can spend our money more carefully and efficiently than we have in 2023 and it is imperative we do just that.

Let's go!

We are looking to build one of the top 5 beer businesses on the planet as we fly the flag for better beer and a better way to do business. We are currently 14th in the world, and 2nd in the UK but with far better momentum than any of our competitors.

We have world class beers, a brilliant team, a fantastic community of over 227,000 Equity Punks and a brilliant global brand footprint.

By focussing on our beer quality, by doing all we can to look after our customers amazingly well and by working diligently on efficiency and cost management we can continue our upward trajectory and really put BrewDog on the map globally.

By working together to improve our financial performance, we can invest more in the things we really care about: our people, our beer, and the planet.

Thank you all for all your hard work in 2023 and let's make 2024 our best year yet.

Hold Fast,

James