

JAMES WATT: CAPTAIN'S LOG SEPTEMBER 2023

Hey Everyone,

I just wanted to touch base and give you an update from our business overall as we are almost halfway through what is undoubtedly going to be one of the biggest months in our history, aka Super September!

Here are the latest things we should be excited about from across our business:

1) New Bar Openings

Lots happening with new bars over the rest of 2023.

We have our outstanding location in Amsterdam Station due to open week commencing 9th October. Our new Hong Kong location looks set to open week commencing 16th October, and on the week of 20th October, we are going to add to our presence in Waterloo station by opening a BrewDog Pub concept in the station, building on bars like The Duke Of Battersea and Birdcage.

The week commencing 4th December will see us open the door to our showstopping site in Gatwick Airport and our long-awaited new location in Perth, Australia.

Chandigarh, our 5th Indian location is almost ready to go, and we are just waiting for the final sign off from building control and there is also an outside chance that Milan and Lincoln could also open later this year.

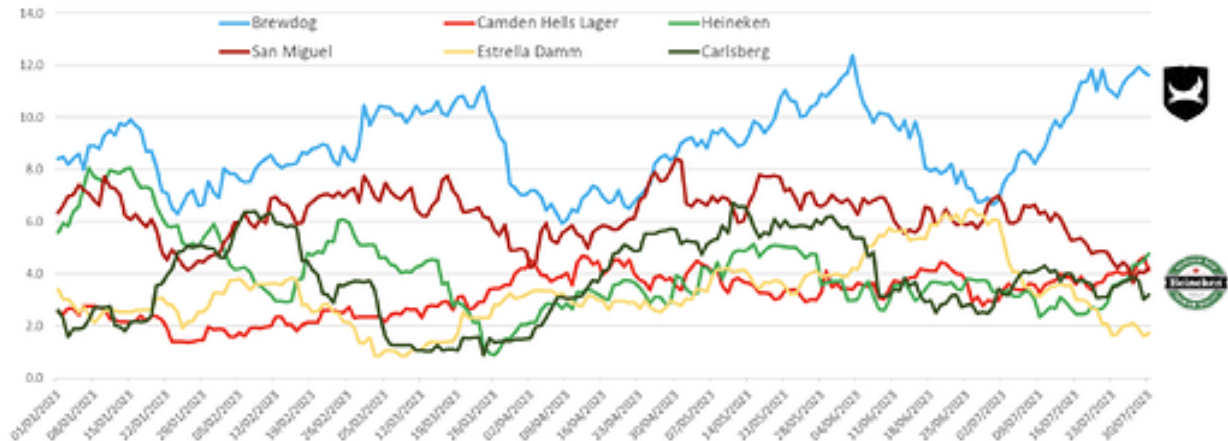
As we look into 2024, we are on track to open Dubai, Denver and an Edinburgh Waverly location in January and February, and the pipeline beyond that looks just as exciting as the brilliant opening schedule we are ending 2023 with.

2) Brand Health

Brand health continues it's very positive trend in 2023:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Awareness	82.9	84.8	83.2	83.4	84.8	85.3	87.0	86.3
Consideration	20.3	22.1	20.6	20.8	24.4	24.5	25.9	26.8
Purchase Intent	8.4	8.6	9.1	6.4	10.1	10.3	10.3	11.7

And this chart shows our purchase intent versus our competitive set:



3) September Beer Launches

September is by far the most exciting month ever in history in terms of national new beer launches.

Firstly, Black Heart is now out of its Tesco exclusive period and is going nationwide with Sainsbury's & Morrisons with a whopping 4,000 additional distribution points now live! Since we launched this beer, it has been a huge success, and we are 96% ahead of the Tesco forecasted sales volume here.



Secondly, Shore Leave launches nationwide in all the major UK grocers, with 6,000 new distribution points going live next week.

Shore Leave is our first foray into the huge ale category and is a deliciously moreish amber ale brewed, which is a transatlantic fusion of British malts and American hops.



Thirdly, Wingman is due to land next with another amazing 6,000 brand-new distribution points across the UK off-trade. Wingman is our brand-new session IPA and will replace Planet Pale in our line-up. We worked with a new agency called Earthlings as well as a fantastically talented illustrator to create the design for the packaging.



As well as these huge launches, we also have some smaller batch of new beers dropping this month too.

We have a new collaboration with Grind, a fantastic sustainable coffee company with whom we brewed an epic 6% coffee infused stout, and we are launching a 2nd collaboration with Candy Kittens, an Eton Mess inspired IPA.

I am also incredibly excited about Hop Frenzy, an insanely hoppy new IPA that combines west coast IPA hops with east coast IPA drinkability. And finally, we also have Oktoberfest landing, our tribute to a classic German lager which is best enjoyed, somewhat predictably, in October.



We also have 3 brand new, tiny batch NanoDog beers coming over the next 4 weeks too, with #5, #6 and #7 landing soon. The next are a hazy hopped-up IPA showcasing the strata hop, a bourbon oak aged barley wine and a Vietnamese coffee imperial stout.



4) New COO

James Arrow has now joined us as our new COO, having previously been MD of Boots Opticians, one of the leading opticians in the UK with over 500 stores.

Prior to joining Boots Opticians in 2019, James spent over a decade at Dixons Carphone in a variety of senior roles including eCommerce, trading, operations, sales, and transformation. During the merger of Dixons and Carphone Warehouse, James was part of the senior leadership integration team. James has also previously held several other operational roles in his career, including as a Regional Manager in Supply Chain for Currys.

He began his career as a graduate in grocery retail for Asda, working across all elements of the supply chain and logistics functions.

Over the past few years, we've focused on hiring exceptional new talent into the business and strengthening our leadership team. James brings an incredible array of experience and is a critical hire as we evolve as a brand, scale globally and importantly, drive profitability across our business. BrewDog is passionate about its people, beer and our planet. James shares those passions, and I'm looking forward to welcoming him to our fantastic crew.

James Arrow's joining our team follows the appointment of Chris Fielden as BrewDog's first Chief Supply Chain Officer, John Graham as CEO of BrewDog USA, and the announcement that C&A Chief Executive Giny Boer has joined our board as an independent non-executive director.

5) Challenges

And whilst we have so many fantastic things happening all over our business, we also have some challenges we need to lean into.

We continue to operate in an incredibly tough economic environment where it has become all too common to see companies, large and small cease to exist every single day, with Wilko being the latest high-profile casualty of the recession.

Due to inflation, our cost base is much higher than it was only a year ago and this inflation also leaves our consumers with far less disposable income to spend.

To get through this economic storm, we need to focus steadfastly on 2 simple things:

Firstly, offering fantastic customer experiences anytime someone chooses to spend their hard-earned money in our bars or by buying our beer in a store or online.

And secondly, be incredibly disciplined and diligent with how we spend money across the business to ensure we remain on an even keel financially as we navigate these tumultuous times.

Whilst our wholesale sales are well ahead of plan, the pressure on our cost base means profitability is behind plan. We need to work hard as a team on this point.

Our optimism needs to be slightly tethered by an element of financial realism, given how challenging our current operating environment is.

But if we keep brewing brilliant beers, if we keep doing all we can to look after our customers, and if we keep a firm eye on the pennies, then we can continue to build this remarkable business which we collectively own.

Hold Fast,

James