BREWDOG

BREWED IN ELLON

ANNUAL REPORT

AND ACCOUNTS

FOR THE YEAR
ENDING 2023

UNITED WE STAND FOR BETTER BEER

FIERCELY DEFIANT AND INDEPENDENT

A LETTER FROM THE CHAIR

THIS IS MY SECOND ANNUAL REPORT AS CHAIR OF BREWDOG. IT'S BEEN ANOTHER YEAR OF CHALLENGE, CHANGE, EXCITEMENT AND OPTIMISM.

I would like to start by acknowledging the simply extraordinary contribution of our co-founder and former CEO James Watt. He has lived and breathed BrewDog, alongside Martin, from day one. His passion, commitment and genuine love of our company have helped us become the business we are today. When he came to me to tell me he had plans to stand down, while obviously disappointed, it made perfect sense. James' entrepreneurial zeal makes him, I believe, one of the UK's great business creators, and he set out clearly his vision for the future. I am so pleased however we were able to persuade him to remain on the board so our business can continue to benefit from his guidance and ideas that have driven us up to this point.

It was a natural, but very pleasing decision to appoint James Arrow as his replacement. James brings with him a very different, but very advanced skillset that will drive BrewDog into the next phase of its development as a business. We have achieved great things. We have really shaken up the industry. We have built a market leading position in numerous markets yet we are still only really getting started. But we also need to put in the place the right systems, processes, people and infrastructure that will turn BrewDog from a high growth disruptor into a truly global and profitable global craft brewer. I firmly believe in James we have the right person who can help us deliver on those objectives.

I would also like to highlight other recent changes in our senior team, with James Taylor joining as our new CFO and Chris Fielden, who joined as our first chief supply chain officer, a new role with responsibility for sourcing, production, packaging and distribution. Both have already made significant contributions and on behalf of the Board, I would like to thank them all for their hard work. Lauren Carrol took up the helm of our brand and marketing world in 2022, and has been pivotal in growing our brand and positioning over the last two years. She has also taken a much more strategic role in how the BrewDog brand evolves, following James Watt's departure as CEO, as well as adding ecommerce to her remit, which has already seen significant improvements this year as a result. Stuart Harrison was also recently promoted to Group Sales Director, having held a series of transformational roles in sales since he joined us in 2019, and Jonny Reid, who holds one of the longest tenures in BrewDog history and has been working with our growing export markets for over a decade, has taken up the helm for our international export business.

I AM ALWAYS STRUCK BY THE PASSION OUR PEOPLE HAVE FOR OUR BRAND, FOR OUR BEER AND FOR THEIR COLLEAGUES.

I would also like to take the opportunity to thank all our people. We work in a sector that continues to be buffeted by challenges outside our control. It's not always easy, but as I visit Ellon and our sites across the world, I am always struck by the passion our people have for our brand, for our beer and for their colleagues. This is how we as a business get through the tough times to emerge stronger.

OPERATIONALLY WE DELIVERED IN 2023. WE HAVE LAID THE FOUNDATIONS FOR A STRONGER 2024 AND BEYOND.

Despite the challenges, we had an excellent year in 2023, but more importantly, we set a clear platform to drive sustainable profit growth in 2024 and beyond. Our US business in particular has seen significant change, but this has strengthened the foundations and I see massive potential for profitable growth now in the US as we focus on our core markets and drive performance at the brewery.

Our global bar footprint is in excellent shape and we now have great relationships with partners in a number of new markets, not least building our presence at international airport hubs. On that note, I would also like to thank James Brown for his huge contribution to our bar business over the last decade. Under his leadership we have built a great bar business, and he was the brainchild of our flagship Waterloo and Vegas bars. Some people thought we were mad when we announced these bars... they are now both generating revenues of over £10 million each.

Looking ahead I am filled with excitement and enthusiasm. Operationally we delivered in 2023. We have laid the foundations for a stronger 2024 and beyond.

Thank you all for your continued support. As we have always said, our Equity Punks are our biggest fans and our biggest critics. You are all critical to the success of our business and a vital part of what makes BrewDog what it is today.

Thank you again,

AL



ALLAN LEIGHTON
CHAIRMAN

A LETTER FROM THE CEO

I WOULD FIRST LIKE TO EXPRESS MY GRATITUDE AND PRIDE IN THE OPPORTUNITY TO LEAD THIS AMAZING BUSINESS AND FOLLOW IN THE FOOTSTEPS OF OUR CO-FOUNDER JAMES WATT – WHOSE RELENTLESS DRIVE, AMBITION AND DISRUPTIVE CREATIVITY GOT US TO WHERE WE ARE TODAY. I'M PLEASED JAMES REMAINS A KEY BOARD MEMBER AND PART OF THE TEAM.

Having navigated some of the most challenging periods in recent memory over the past few years – a global pandemic, the impact of the Ukraine war and a cost of living crisis – our resolute focus for 2023 was to return BrewDog to a sustainable and profitable footing and I'm pleased to share that we have taken significant steps towards that goal.

We achieved a huge amount in the past twelve months; having successfully introduced BrewDog to new consumers by expanding into new categories, new countries and growing our global bar footprint. All of which clearly show the appeal of our brilliant beers, the power of our brand, and the strong appetite for quality craft beer in the UK and around the world. From a financial perspective, increasing our net revenue by 12% was a very good achievement that reflects the continued hard work, dedication, and commitment of our crew in the UK and around the world. I'm equally pleased to report that our underlying trading EBITDA losses reduced significantly in 2023, reflecting our collective efforts to address inefficiencies in the way we operate which will continue to be a priority for the business.

Operationally we have also made great strides. We continued to expand into new categories with the launch of Black Heart, which is now firmly established as the #2 brand in the Stout category, and Lost Lager continues to attract new customers – achieving rapid growth in the UK Grocery sector. We now have four of the top five craft beer brands in UK supermarkets, and Wingman is the number 1 craft NPD in terms of value and volume in 2024, despite only launching in October 2023.

WINGMAN IS THE NUMBER 1 CRAFT NPD IN TERMS OF VALUE AND VOLUME IN 2024, DESPITE ONLY LAUNCHING IN OCTOBER 2023.

Our bars business continues to perform strongly, with Las Vegas and London Waterloo both delivering over £10m in annualised sales – which is clear evidence of our investment in fantastic hero locations really paying off. And we have continued our bar expansion plan, working with local partners on new openings across Europe, USA and Australia, and entering new markets such as Thailand for the first time. Meanwhile, working with our franchise partners, we are successfully growing our presence at major transport hubs.

Our U.S business, which has undergone some restructuring, is really firing on all cylinders with the Columbus brewery delivering an impressive 20% revenue growth. Meanwhile, the wider international business is also performing well, with our breweries in Germany and Australia growing at 20% and 31% respectively, and our European distributors achieving 9% growth.

IT IS VITAL WE REMAIN FOCUSED ON DELIVERING SUSTAINABLE PROFITABLE GROWTH.

We have much to do, and doing this with the power of the people in our organisation will make us an even better business. As BrewDog continues to grow and evolve in the years ahead, it is vital we remain focused on delivering sustainable profitable growth – which will allow us to continue to invest in our beers, our bars and most importantly, our crew.

James



JAMES ARROW
CEO

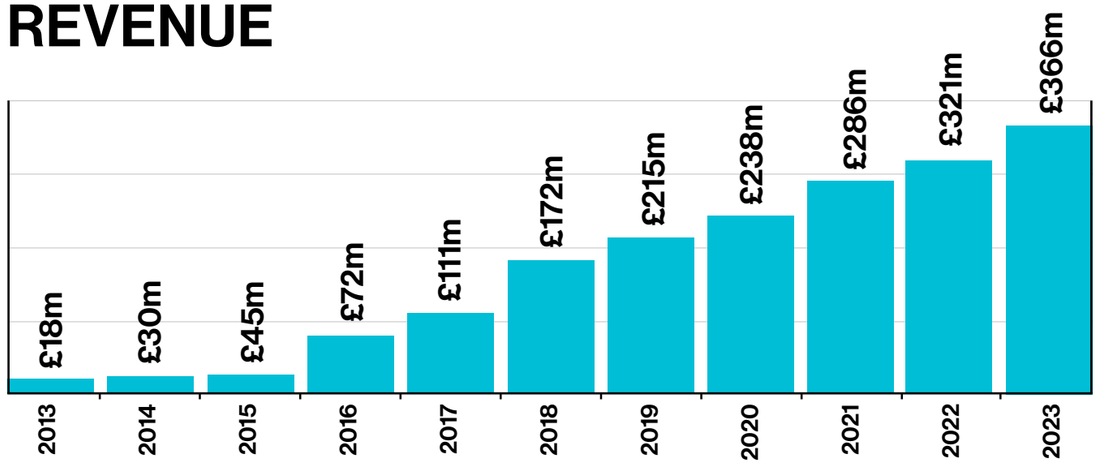
All this clearly demonstrates that the future is incredibly bright at BrewDog.

I would like to thank our Equity Punk shareholder community for the input they have given me since joining, which has helped me learn more about the DNA of the BrewDog business. Their consistent and much valued ideas have shaped where we are today, and continue to be a great source of feedback.

The teams have pushed hard to deliver these results and have enabled us to be in a very strong position to now rapidly grow profitability and deliver on the remarkable potential of this great brand.

2023 IN NUMBERS

GROSS GROUP REVENUE



GROSS REVENUE GREW 14% IN 2023

BREWDOG USA

BREWDOG USA GROSS REVENUE GREW 20% IN 2023



PUNK IPA REMAINS THE NO.1 CRAFT BEER IN THE UK







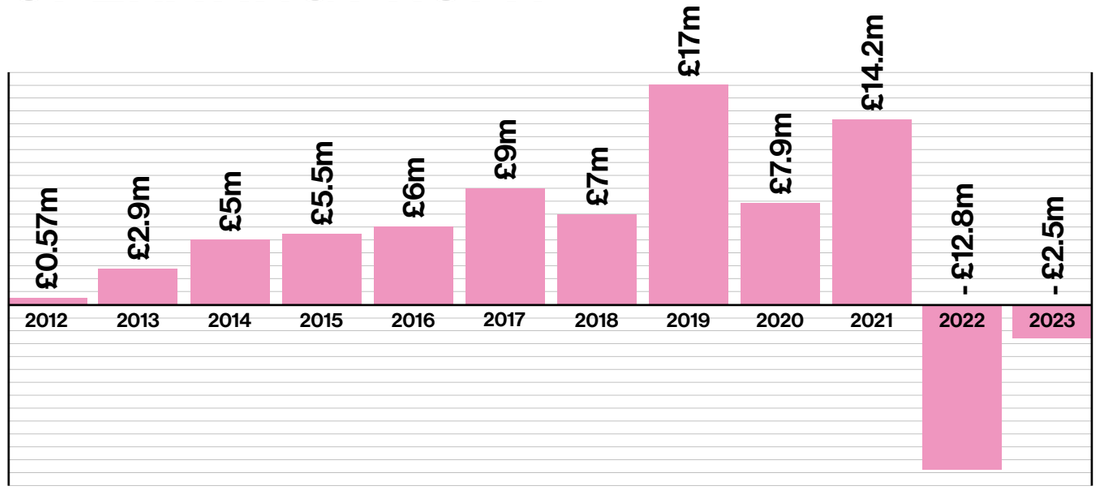




	BREWDOG PUNK IPA	BREWDOG HAZY JANE	BREWDOG MIXED PACK	BREWDOG ELVIS JUICE	BREWDOG HAZY JANE GUAVA
Value % Share	19.4	12.5	4.5	2.9	1.9

*Source: Circana Total UK Grocery full year 2023

OPERATING PROFIT



34% AVERAGE ANNUAL GROWTH RATE OVER THE LAST 10 YEARS

WINGMAN LAUNCHED LATE IN 2023, BUT AS OF SUMMER 2024, WINGMAN AND ITS PREDECESSOR WOULD ACCOUNT FOR **2.4% VALUE SHARE. WINGMAN IS NOW THE 5TH BIGGEST CRAFT BRAND** – EXPECT TO SEE THIS BEER FLYING UP THE RANKS NEXT YEAR!



BREWDOG'S HISTORY



2007

BrewDog was born. BrewDog was started by two men and a dog in a ramshackle outfit in rugged North East Scotland. James Watt & Martin Dickie set out with a desire to change the way people see beer in the UK.



2008

BrewDog releases Tokyo, the world's strongest beer at the time, and press accuse BrewDog of being responsible for 'the downfall of Western civilisation'. The brewery starts export into Sweden, Japan and America.



2009

Having exhausted traditional financing options, BrewDog was on the brink of incredible growth, but lacked the investment to achieve it. So, they turned to their community, raising £750,000 from 1,329 people, and the brewer's crowdfunding journey began. By the end of the year, the business had grown 200%.



2010

BrewDog Aberdeen opens its doors as the first craft beer bar under the BrewDog banner. Hardcore IPA wins gold at the World Beer Cup, and BrewDog released the new world's strongest beer - The End of History – a 55% ice-distilled Belgian-style beer brewed with nettles and juniper.



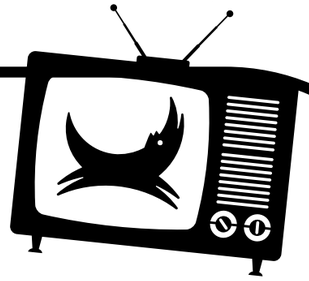
2011

Bars open in Edinburgh, Glasgow and London, Sunk Punk – a beer brewed at the bottom of the ocean – is released, the business grows 200% again, and £2.2 million is raised via Equity for Punks II, with 5,000 new shareholders joining the ranks.



2012

6 new venues are added to the roster of BrewDog bars, Dead Pony Club is launched, and BrewDog moves its brewing operations to a brand new purpose-built facility in Ellon, Aberdeenshire.



2013

10,000 investors buy in to Equity for Punks III from 22 countries, and the Brew Dogs TV show airs in the USA. A new look was unveiled for BrewDog.



2014

12 new BrewDog bars open their doors as far afield as Shepherd's Bush and Tokyo, as well as a taproom at BrewDog HQ.



2015

The first canning line is installed in BrewDog's brewery in Aberdeenshire, our US facility is announced, and 17 BrewDog bars arrive on the scene.



2016

The first edition of DIY Dog is released – unveiling the recipes to all our beers for anyone to try at home.



2017

Hazy Jane is born, quickly becoming one of our best selling beers, and Equity for Punks V launches.



2018

BrewDog opens The DogHouse – the world's first hotel inside a brewery – in Columbus Ohio, and Equity for Punks V closes on a world record £22.6 million.



2019

We launch breweries in Berlin and Brisbane, shortening the distance our beer travels to reach craft beer fans around the world.





2020

A rebrand kicked off 2020, before COVID-19 took hold in one of the most challenging years in living memory. We found ways to support our community by pivoting our distillery to produce hand sanitiser, donating hundreds of thousands of bottles to key workers and the NHS. We also refreshed our mission to address our responsibility to protect the planet.



2021

Our crowdfunding round focused on sustainability initiatives breaks our own world record, achieving £30.2 million from 73,000 people, bringing our total shareholder community to more than 200,000 people worldwide!



2022

We opened major landmark venues in Waterloo, London and Las Vegas, Nevada, and started planting trees in the Lost Forest.



2023

Phase 1 is completed at the Lost Forest, planting 500,000 trees to remove carbon from our atmosphere.



2024

We continue to strive to be the best employer we possibly can be, achieving Top Employer status for another year.

2023 AT A GLANCE



TOP EMPLOYER

We achieved Top Employer status, as well as being named one of the best companies to work for in the UK.



PEATLAND PROGRESS

We restored 150 hectares of peatland in the Lost Forest, ensuring the efficient sequestering of CO_2e for years to come.

BRAND NEW FOR THE BREWERY

We commissioned Brew House 2, increasing our site brewing capacity to 2.5million HL! We also implemented a new hopping system, enabling £1.4m productivity improvement.







WHAT IF IT'S BETTER?

We launched our new stout, Black Heart, to wide acclaim.



RAISING THE BAR

We opened new sites Gatwick Airport, Hong Kong and Amsterdam!

AHOY, SAILOR!

Shore Leave hit the shelves, offering a refreshing new approach to the stale ale category.





ALWAYS GOT YOUR BACK

Wingman landed in 2023, our brand new Session IPA stole the show in the second half of the year!

WE 'TOOK OFF' WITH BA

Our arty community designed the can for our latest exclusive for British Airways.





TREEPLANTING UNDERWAY

Phase 1 of the Lost Forest was completed, planting the first batch of saplings in our 9,308 acre plot of land in the Scottish Highlands.

IT'S BETTER WITH FRIENDS

We partnered with Fussy, Grind, Candy Kittens, Peter Crouch and more!





3 HERO LAUNCHES IN 2023

BLACK HEART

Our 21st Century stout set out with one question. What if it's better? Taking on a historic powerhouse is no mean feat, but in the first 12 months since launch, we have taken 10% of Guinness' share from supermarket sales in the UK, and we are the only non-Guinness product in the top 7 stout products sold in UK supermarkets too.

WINGMAN

Our brand-new session IPA took our brand in an entirely new direction, and offered a delicious, sessionable beer in a vibrant new get-up. Wingman's rate of sale in UK supermarkets is more than 300% that of Planet Pale, one of our recently retired beers of a similar recipe. 40% of Wingman customers are normally lager drinkers, so it's doing a great job of achieving our mission of making other people as passionate about great craft beer as we are! With animations, CGI hot air balloons around planet Earth, and a full-size mascot costume, Wingman's got a lot up his sleeve!





SHORE LEAVE

One of the stalest categories in UK beer is ale. It's seen very little innovation, and most of the beers available are packaged in clear glass, which would normally be bad news for light-sensitive hop compounds, but most of these beers barely even showcase a decent hop bill. Shore Leave flips that on its head. This beer is hop forward whilst still being sumptuously smooth and easy-drinking. There's plenty of momentum for this beer already, in a huge UK beer category, so we expect to see growth for this core beer in 2024. This is another beer doing an awesome job of bringing people into craft – 18% of Shore Leave drinkers go on to try craft beer after they try our new amber ale!

NEW BREWS

In 2023, alongside our 3 hero launches we also took a renewed approach to small batch, experimental beers. We invested in new brewery equipment to create awesome, alternative, weird and wonderful brews that capture the imagination and delight the taste buds. Reinvigorating stale categories has been an effective approach for our brew team this year, but in parallel they've been dialling in incredible new beers such as a cherry maple stout, hoppy saison, Vietnamese coffee stout, barley wine and more.



NANODOG



ELF

One of our most popular collaborations of all time, our Elf beer took centre stage at Christmas, offering a deliciously festive lager for fans of the modern Christmas classic.



AIR GRAPHIC CONTROL

In 2023 we re-released the run(a)way success that is Speedbird, a transatlantic IPA, exclusive to British Airways. But we decided it needed a lick of paint, and turned to our community to give us a hand! The winning design was released for the freshest batch of Speedbird, which took off in January 2023.

AND THE REST...

Throughout the year we've seen numerous small batch beers released, just to keep it interesting!

HOP FRENZY





NEON DREAM

ALE TO THE KING





BORN TO DIE 2023



ARCADE MADE

OUR BARS

BrewDog launched its first bar in its hometown of Aberdeen in 2010, and since then we have opened more than 100 craft beer venues around the world. We invest in our staff, offering pay increases and bonuses for passing Cicerone beer qualifications, and rewarding outstanding service with secret shopper bonuses for high performing teams. Guests in our bars are treated to a wide range of beers on tap including BrewDog core range and experimental small batch beers, alongside guest beers from the most eclectic, exciting new breweries we can find from around the world. Alongside your beer, you can indulge in awesome burgers, pizzas or our world-famous wings (chicken or cauliflower!). Our menu is more than 50% vegan and vegetarian, offering something for everyone.





HERO VENUES

From London Waterloo to Las Vegas Nevada, our hero sites are mega hop havens for craft beer pilgrims across planet Earth. These venues are bigger, bolder and better, and their space enables us to add a touch of magic such as an ice cream van, secret cocktail speakeasy, bowling alleys and even a podcast studio. Both these venues exceeded revenues over £10m for 2023 alone!

THE HOPPIEST PLACE ON EARTH

Ever wanted to stay inside a brewery? The first ever BrewDog Hotel – The DogHouse Columbus – allowed you a view from your room over the barrel store. Since launching in 2018 we have opened a series of hoppy hotels around planet Earth, offering an elevated stay with beery touches at every turn. Fancy a shower beer? There's a fridge built into the bathroom! Need a late night bite? 24 hour hot dogs are on hand.

Welcome to the Doghouse. Enjoy your stay.



HOP HAVENS

The engine room of any craft beer scene is the incredible, local craft beer bars and venues that showcase the most eclectic, fresh beers they can get their hands on. We pride ourselves on offering an iconic, go-to venue in which to explore great craft beer and food.





OUTPOSTS

Brewing beer is our bread and butter. Our Outposts showcase all that we love about beer by shortening the distance between the people who make our beer, and the people who drink it. At BrewDog Outposts, we make tiny batches of limited release BrewDog beers on site, meaning you can taste the freshest beer we have to offer, and see it being made as well! We love sharing our passion for brewing, and Outposts offer the ultimate way to do that.

UPCOMING SITES

We have plans to open more venues around the world in the next few years including the below...



PLANES TRAINS AND HOP LOADED BEERS

Following the incredible success of BrewDog Edinburgh Airport (which will also be getting a spruce up this year, stay tuned for more there!), we are excited to be opening a further travel hub location in the heart of Edinburgh at the bustling Waverley station. Alongside the Doghouse hotel, BrewDog Cowgate and BrewDog Lothian Road, this will round out our presence in the city, offering awesome Scottish-brewed craft beer to locals and tourists alike.

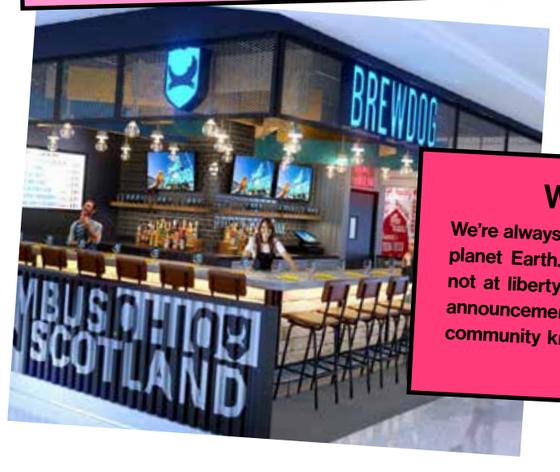
On the other side of the Atlantic we opened a new Airport bar at Columbus International Airport in 2024!

BREWDOG PLOENCHIT

Craft beer in Thailand is an exciting, eclectic and vibrant landscape, and we're excited to have finally established a footprint for BrewDog-brewed beer in Bangkok! BrewDog Ploenchit launched in 2024, and is already performing really well in this brand new market for BrewDog bars.



We are currently on track for a record year of franchise openings around the world, with significant expansion into travel hubs underway, and new markets opening up such as Belfast and Dubai. It's a very exciting time for the bars division!



WHERE TO NEXT?

We're always on the lookout for new bar sites around planet Earth. There's more in the works that we're not at liberty to discuss yet, but as soon as there's announcements to be made, we'll let our Equity Punk community know before unveiling the details on our social media channels.


BREWDOG.COM