

TBA Beverage Inc.
1575 Vernon Drive, Vancouver,
BC, V6A 3P8, Canada
www.TBABeverage.com



APRIL 20,2020

To the suppliers and service providers of TBA Beverage Inc., formerly Factory Brewing Ltd. operating as Craft Collective Beerworks:

TBA was founded in 2016 to fill a niche in the marketplace that was not being fulfilled by other operations. The company quickly grew to becoming a reliable and high-quality supplier of our own branded alcohol beverages as well as a contract manufacturer to augment the capacity of other brewers and distillers. Due to the rapid expansion the company grew quickly in a manner out of step with cash flow requirements. A recent management change has refocused the company on our own branded products as the path to enduring success. These efforts have proved fruitful in streamlining results and setting the company on a path to long term success. Unfortunately, with the downturn in the hospitality sector alongside some legacy internal issues it has become apparent that a restructuring is necessary to ensure that the company can consolidate our recent successes and emerge as a Company valued by employees, customers and suppliers.

Since the recent pandemic hit our revenue has been cut by approximately half with the shutting down of restaurants and pubs. We have seen strong retail sales since the pandemic has hit, but sadly, they are insufficient to cover the cost of operations. TBA has received an increased line of credit from its secured lender to help it during this process and the secured lender has committed to supporting this restructuring process.

TBA has received significant interest from founder investors to reinvest in the company post restructuring which will allow us to follow through on our many measures that will further strengthen the company. We do not have any plans to cut back on our output during the restructuring.

At this time, the company has chosen a path which will involve the filing of a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act. The notice of intention was filed on April 14, 2020, and it will provide the company with the necessary time and flexibility to formulate a restructuring plan that will result in a financially healthier company going forward.

TBA will continue to operate in the normal course of business and the company must and will pay normal prices for all goods and services after the date of the filing.

We sincerely value all of our suppliers, customers, employees, and other stakeholders, and truly appreciate your ongoing support as we go through this process.

We sincerely thank you all for your cooperation, support, and understanding during this period, and wish all of your families and yourselves, all the best health during this pandemic.

If you have any questions, please do not hesitate to contact me at:

Alex@TBAbeverage.com or 604.788.3888. or Jason Chang at Jchang@adpinv.com

Sincerely,

TBA Beverage Inc.

A handwritten signature in black ink, appearing to read 'Alex Milne', with a stylized flourish at the end.

Alex Milne

President