



20th October 2009

**love** the beer...  
**own** part of the company.

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## **BREWDOG PLC**

(incorporated in Scotland under the Companies Act 1985 with registered Number SC311560)

### **Offer of up to 10,000 ‘B’ Ordinary Shares at a subscription price of £230 per share**

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# Introduction

You love the BrewDog beers, now we want you to own a part of the company!

In a typically innovative BrewDog project, Equity for Punks, we are offering you the chance to officially join the team by owning part of our company, and with that part of our brewery and our beers.

Ever wished you owned your own brewery?

Want to know what it is like to buy your own beer in a shop?

Want to know what it feels like to order a round of your own beer for your mates in the bar?

Want to own a piece of an energy self-sufficient brewery?

and

Want to share in BrewDog's future growth potential?

Want a lifetime 20% discount on our online store?

**Well keep reading!**

We want you to be involved in what we are doing!





# Introduction

Since we started brewing in April 2007 we have been a very high growth company, the growth is continuing and we want you to invest in our future and share in our vision for BrewDog. Your investment will enable us to continue our strong growth and provide the funding we need to build our new state of the art Eco-Brewery, a brewery you will have a share in.

We are looking for 10,000 BrewDog loving individuals to purchase shares in our company, making up 9% of shares in the Company. You can own a share in the company which is redefining the UK beer market with those shares being offered at £230 per share. You can make your investment online via

**[www.equityforpunks.com](http://www.equityforpunks.com)** – go to Part C of this document (Terms and Conditions) to find out how.

This is your chance to buy into the BrewDog dream and share in our vision.



There were a number of more traditional funding options to develop our business. But BrewDog is not about convention. We have always sought to break the mould and do things differently. Equity for Punks is a cutting edge and novel way of raising finance and no other UK brewer has attempted to raise money in this way. We believe that the best way to develop BrewDog and further grow our business is to ask you, the people who enjoy our beers, to be involved in BrewDog's future. By investing in BrewDog when we are just over 2 years old, not only can you share in our future growth potential, you can also own a share in a fast-growing, fun and dynamic business.

## BrewDog: Beer for Punks

BrewDog is about breaking rules, taking risks, upsetting trends and unsettling institutions but first and foremost, great tasting beer.

Come and join us on a journey

# History of the business so far

Martin and James were bored of the industrially brewed lagers and stuffy ales that dominate the UK beer market. We decided the best way to remedy our dissatisfaction was to brew our own beers. Consequently in April 2007 BrewDog's brewery was opened. We set out to brew contemporary and progressive beers all brewed with an innovative twist and customary BrewDog bite combined with our innovative approach to branding and marketing.

Both only 24 years old at the time, we committed our modest life savings, loans and some leased equipment, which enabled us to start a brewery in Fraserburgh, Aberdeenshire. Initially, operating the brewery was tough: a never-ending cycle of brewing, bottling, book-keeping, deliveries, sleeping on the office floor. We soon opened up some export markets and our major break-through was finishing 1st, 2nd, 3rd and 4th in the Scotland Regional Beer section of the Tesco Drinks Awards 2008.

We have grown to be one of the largest independent breweries in Scotland, some of our achievements along the way include:

- [Export contracts awarded with American, Japanese, Canadian and European Importers - BrewDog now available in 15 countries](#)
- [Securing National Listings with Sainsbury's , Tesco, Oddbins and ASDA](#)
- [Scotland's Shell Livewire Young Entrepreneur of the Year 2007](#)
- [Tenon Scottish Entrepreneur of the Year 2008](#)
- [James winning BBC 3 business reality show 'The Last Millionaire' in 2008](#)
- [World Beer Awards 2007 - World's Best Imperial Stout - Rip Tide](#)
- [World Beer Awards 2007 - World's Best Strong Pale Ale - Physics](#)
- [World Beer Cup 2008 - Gold Medal for Paradox- there were entries from 54 countries](#)
- [Winner of Best Drink at 2008 Scotland Food and Drink Excellence Awards](#)
- [Winner of best design, 2008 Scotland Marketing Society Awards](#)
- [Winner 2008 Drinks Business Awards, Young Achievers of the Year](#)
- [Winner 2009 Tesco Drinks Awards for 77 Lager](#)
- [Winner 2008 HSBC Start up Stars Award](#)
- [Young Gun Award 2009](#)

We currently employ 27 people and have a young, dynamic and driven management team whose focus is growing BrewDog

The UK beer market is worth around \$43 billion annually within this the market for ales account for \$6 billion annually. Our turnover for 2008 was £0.8 million with like for like sales to 31 July 2009 being more than double the same period in 2008. We believe that turnover to 31 December 2009 will be close to £2 million. If you want to know more about the business and financial stuff then check it out in Part D (Financial Review).

# The Beers

At BrewDog, we take classic beer styles and give them a contemporary edge and customary BrewDog bite. All our beers are made with 100% fresh, natural ingredients with no additives, preservative or pasteurisation. We are on a mission to show people how rewarding and exciting craft beer can be. We want to educate the British public as to the benefits of fresh natural beers and the wonderful depth of taste, character and experience they can bring.

**We are on a mission  
to show people how rewarding and  
exciting craft beer can be.**

In just over 2 years we have managed to build a reputation for the quality and innovation of our brewing. A multitude of awards and recognition judged by the world's leading beer experts have flowed and helped establish BrewDog as one of the world's leading craft brewers and cement our place at the absolute forefront of craft brewing in the UK. The single most important thing for everyone at BrewDog is ensuring we make the best beer we possibly can. We feel our beers can convert dispassionate beer drinkers into beer aficionados. We want to make other people as passionate about great beer as we are, hopefully while having some fun along the way!





# The BrewDog Brand

The BrewDog brand is bold, edgy, irreverent and uncompromising. The iconoclastic nature of our brand has been one of the keys to our success so far and we believe that it will be a key driver for our future growth. In a staid, monotonous and traditional UK beer industry we have created a brand which is vibrant, contemporary, dynamic and one with which drinkers can easily relate.

We wanted to create a brand and packaging which reflected the unique character of our personality and products. In order to gain a foothold in an extremely competitive market, we didn't want to produce another "me too" range of products. We wanted our products to look radically different and to create an 'underground' vibe and to indicate their handmade heritage. Our objective was to strategically position the brand through developing an identity, packaging and promotional tools that disregarded precedents set by the market leaders. Our objective was to create a new set of communication rules – The BrewDog Way!

## The Marketing

We make Beer for Punks and are the ultimate rebel with a cause. Our mischievous yet witty, transparent yet opinionated approach is unlike any other drinks brand. Our marketing has not always been conventional; a mix of edgy positioning, courting controversy and a strong online presence has worked really well for us. We are never going to compete with the large beer companies in terms of advertising budgets, so we have to take the occasional risk and be creative in order to raise awareness. Our website now receives over 100,000 hits per month and we use blogs and video blogs to keep customers completely up to date with all things BrewDog.



## BrewDog's marketing strategy

has always involved shortening the distance as much as possible

between ourselves and the people who drink our beers:

**Equity for Punks**  
is the ultimate incarnation of this philosophy.



# The BrewDog Brand

## Our Other Brands

In purchasing shares you would also own part of the other 2 new brands we have created. The intention is to have a few additional stand alone brands, separate from the BrewDog family of beers in our portfolio.

### Zeitgeist



Zeitgeist is an idiosyncratic, alternative black lager. It seeks to recreate the spirit, attitude and autonomy of an age gone by. Its inspiration is found more than 200 years ago. Zeitgeist takes an age old classic and gives it relevance and an avant-garde edge.

Zeitgeist has already

- Secured National Distribution with Tesco
- Secured full distribution in Systembolaget in Sweden
- Secured Scotland wide listing with ASDA
- Secured export deals to 5 countries

### Abstrakt

Introducing the world's first concept beer brand. More art than beer, Abstrakt will make directional boundary pushing beers.

- Abstrakt will only ever brew and release a beer once.
- Abstrakt will release a small amount edition batches per year
- The beers will only be branded by their release number, e.g. AB:01
- All beers will be packaged in half Champagne bottles
- The brand will be supported by [www.abstrakt.com](http://www.abstrakt.com)
- All bottles are numbered limited editions
- Abstrakt launches January 2010



# BrewDog's Future and the use of the money raised

As a young fast growing company we have had to be inventive as to how we raise money to grow our business. At BrewDog we are anti-establishment, we like to break the mould. We do not want to go down the normal route of bank and private equity funding. In continuing our strategy of doing things differently we feel we have found a much better funding solution with Equity for Punks.

For us at BrewDog, Equity for Punks is about so much more than raising finance:

- It is about developing a culture and a community around our brewery.
- It is about involving people who enjoy our beers in the ownership of the company.
- It is about doing things differently and not conforming to convention.
- It is about putting together a unique and exciting, rewarding investment package which will offer a fun filled journey for investors.
- It is about being 'BrewDog'.

Our current brewery in Fraserburgh is operating almost at capacity. Our aggressive brewery expansion program over 2009 meant we increased our production capacity by 90% allowing strong brand growth and increased sales and distribution ahead of building our new brewery. All of the capital equipment we invested in over 2009 will also make the move to our new brewery with us, all our equipment purchases over the last 12 months have been with our extensive expansion plans in mind.



# BrewDog's Future and the use of the money raised

We recently signed a contract for an 8-acre site to the north of Aberdeen. On this site, we intend to build an energy self sufficient brewery, powered by renewable energies, for example: windmills, bio-mass generators and a brew-house heat recovery system and an anaerobic digester. We will be one of the first businesses to set up in the high profile "Energetica" corridor outside Aberdeen and will be a flagship for

renewable energy in Scotland. The increased capacity of this new brewery will enable us to meet the domestic and international demand for our beers as well as provide capacity to grow our business in the future. This technically advanced and energy self sufficient brewery will enable us to brew loads more BrewDog beers and continue the expansion of our company and excite even more imaginations.



## Facts and Figures

Subject to a smooth planning process we intend to be operational on our new site by mid 2011. The total costs of the project are approximately £3.25 million, broken down and financed as follows:

Item	Estimated Cost	Balance to fund	Notes
Land and Buildings	850,000	425,000	50% funded by bank debt*
Planning and Utilities	150,000	150,000	
Environmental Technology	500,000	250,000	50% funded by asset finance*
Brewing Equipment	800,000	400,000	50% funded by asset finance*
Bottling Equipment	450,000	225,000	50% funded by asset finance*
Working Capital	500,000	500,000	
<b>Total</b>	<b>3,250,000</b>	<b>1,950,000</b>	* We have a letter of intent from a bank for a minimum of these amounts.

# BrewDog's Future and the use of the money raised

We are going to install an automated 50 Hectolitres brew-house, this will be capable of brewing up to 400 Hectolitres of beer per day (a massive increase on the 50 Hectolitres of beer we can currently brew per day). Our new facility will have an overall capacity of 25 million bottles per annum, (again a big increase on our current 4 million bottle capacity). However we will have plenty of space around the building, this will be readily expandable and this will be a facility designed to be able to grow with our company and with further expansion in mind.



Raising the minimum amount of just over £500,000, we will still proceed with the new brewery. We would have to buy a less automated brewhouse and also use our existing bottling equipment rather than purchase a new more efficient system. The new smaller balance of funding would be financed with increased bank debt and equipment finance.



This is a  
technically  
advanced  
and energy  
self sufficient  
brewery

## Environment

At BrewDog, we are dedicated to making our new flagship brewery completely carbon neutral, energy self sufficient and effluent zero. This will be achieved using the most exciting and innovative technologies in both beer production and energy generation, saving and capture. We want to be the benchmark for socially and environmentally responsible business practice with our education of beer drinkers to enjoy beers for their taste, quality and flavour and running a brewery that has a positive effect on the environment in which it is situated. The more we can raise with Equity for Punks the more environmentally sustainable we can make our new Eco-Brewery.



# The Management Team

At BrewDog we have assembled a talented, driven and dynamic management team, guided and advised by two of the US drinks industry's most successful operators. It is a management team determined to put a serious dent in the beer industry. The way we run our business and who owns it at the moment is explained in Part F (Additional Information).



**James Watt**  
**Managing Director**  
**and Co-Founder**  
**(94 kgs)**

James Watt took an honours degree in Law and Economics at Edinburgh

University and graduated in 2004. James only lasted 2 weeks working as a lawyer before deciding he did not want to spend his life in the legal profession. Four hard years on the North Atlantic followed as James worked on a trawler. After 3 years of study and sea-time, James had become a fully qualified deep sea captain. His time at sea instilled a tremendous work ethic, sense of responsibility and team working ability. In 2007 and aged only 24 James set up BrewDog with life-long friend Martin Dickie. James has been named Scottish Young Entrepreneur of the Year (twice), Scottish Entrepreneur of the Year (at only 26) and was shortlisted for European Entrepreneur of the Year in 2009. He has also starred in and won the BBC business-reality TV series The Last Millionaire. He has been integral to the growth of the Company, putting the management team together and the development of the BrewDog brand and it's risqué and innovative marketing strategy as well as pioneering BrewDog's online marketing. James negotiated deals with Tesco, ASDA, Oddbins and Sainsbury's and secured export contracts to 14 countries. His focus is building a team and a brand which can redefine the beer industry in the UK.



**Martin Dickie**  
**Head Brewer**  
**and Co-Founder**  
**(86.5kgs)**

Martin Dickie graduated with a first class honours degree in Brewing

and Distilling from Heriot-Watt University in 2004. Despite a life-long fascination with whisky Martin opted for a career in the brewing industry and, after gaining experience at Belhaven, joined Thornbridge as Head Brewer, a start up brewery in Derbyshire. Here, Martin was instrumental in setting up the brewery, developing the beers and expanding the production facility. Martin won stacks of awards for his beers during this time and gained invaluable experience of running a craft brewery. In 2007, and aged only 24 Martin, set up BrewDog with James Watt. Martin is the creative genius behind all the beers at BrewDog as well as handling the production side of the business. He is a rebel artist on a mission to change people's perceptions about beer and challenge their taste buds. In less than 2 years his beers have a multitude of international awards including a Gold at the 2008 World Beer Cup and 2 World Beer Awards. Martin also guided BrewDog to winning the prestigious 2008 HSBC Start up Stars Award. Martin has also assembled a team of the most talented brewers in Europe and BrewDog is now world renowned for the quality of their beers.

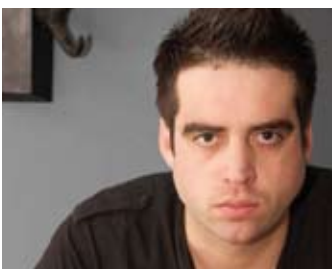
# The Management Team



## **Keith Greggor** Director

In 1985 Keith moved to the US to work with Paddington, he led numerous brands highlighted

by Baileys achieving its highest share and taking Malibu rum through its tipping point. Keith became COO at Skyy Spirits in 1998. He increased value/turnover/profit more than tenfold. Keith's interest in Skyy Spirits was acquired by Campari in 2006 with Skyy Spirits valued at over \$500m at the time. Keith Greggor and Tony Foglio, through The Griffin Group, recently invested into our business and joined our management team. Keith will also play an active role in our management team and use his experience to guide our growth.



## **Richard Mclelland** Sales and Marketing Manager

Richard quickly made a name for himself in the

drinks industry with his own particular brand of do or die brand marketing, initially working with Diageo. As right hand man to Andy Ferguson, MD of LIQUIDE Ltd they turned Red Bull into a 1.2 million case phenomenon in Scotland alone. Since joining the Brewdog team he has helped them break into the UK on-trade, assisted in developing export markets and been integral to new product development.



## **Des Mulcahy** Operations Manager

Des' entrepreneurial streak lead him out of the corporate world and he

started his own property company 51 FIFTY Ltd. Des muscled his way onto the beer scene 18 months ago as a founder of the acclaimed 'Beer Exposed' exhibition. In July 2009, Des was delighted to join BrewDog which could benefit from his experience and organizational expertise. A successful past supported by an unbreakable attitude will bring with it an uncompromising support base to continue our growth and build towards our future plans.



## **Tony Folgio** Board Member

An industry veteran of 40 years, Tony began in the beer business. In 1993, he was elected

president and CEO at Paddington. In 1997 IDV consolidated into IDV North America with revenues in excess of \$1 billion naming Tony as president. Tony became president and CEO of a start up, Skyy Spirits in 1998. He led this small start up to phenomenal success. In 2006 Tony sold his Skyy interest to Campari. Tony is now returning to the beer industry through The Griffin Group's stake in BrewDog. He remains one of the most well known and successful industry executives in the U.S. today.

# Current Trading and Prospects



As we build our distribution and our customer base we are already dealing with an impressive portfolio of clients both domestically and also exporting to 15 overseas markets. The pedigree of our retailers in the U.K. and distribution partners abroad and the excellent relationships we have with them is a key strength of our business. As well as being integral to us today we have significant room to grow with all our major customers. The fact we have established such a distribution base and calibre of customer is testament to the hard-work we have put in over the last few years and the quality of our beers.

## Domestic Based Main Customers

**Tesco** – Punk IPA is listed in 420 stores nationally. 77 Lager, Punk 4 packs and Zeitgeist also available nationwide. Trashy Blonde and The Physics also available in Scottish Stores.

**Oddbins** – Punk IPA, Trashy Blonde and Paradox available nationwide.

**ASDA** – Punk IPA available nationally, Trashy Blonde and Rip Tide also listed in Scottish stores.

**Sainsbury's** – 5 BrewDog beers available in all their Scottish stores. Dogma, Hardcore and Chaos Theory available nationwide.

**Waverley TBS** – Distribution of our cask ales through their guest ales program.

**Belhaven** – Distribution of our beers to the Scottish on-trade.

**Molsen Coors UK** – Distribution of bottles and casks to UK on-trade.

## Main International Customers

**Preiss Imports** – USA Distribution of our beers to 26 states in the USA.

**Cask Sweden** – Full distribution in System bolaget (420 Stores) for Punk IPA, Zeitgeist and 77 Lager. Equates to 1.5m bottles annually.

**Servaali Oy, Finland** – Distribution in ALKO for Punk IPA, Trashy Blonde and Hardcore IPA.

**Ales & Co, Italy** – Full distribution in Italian on-trade, specialist retailers and smaller multiples.

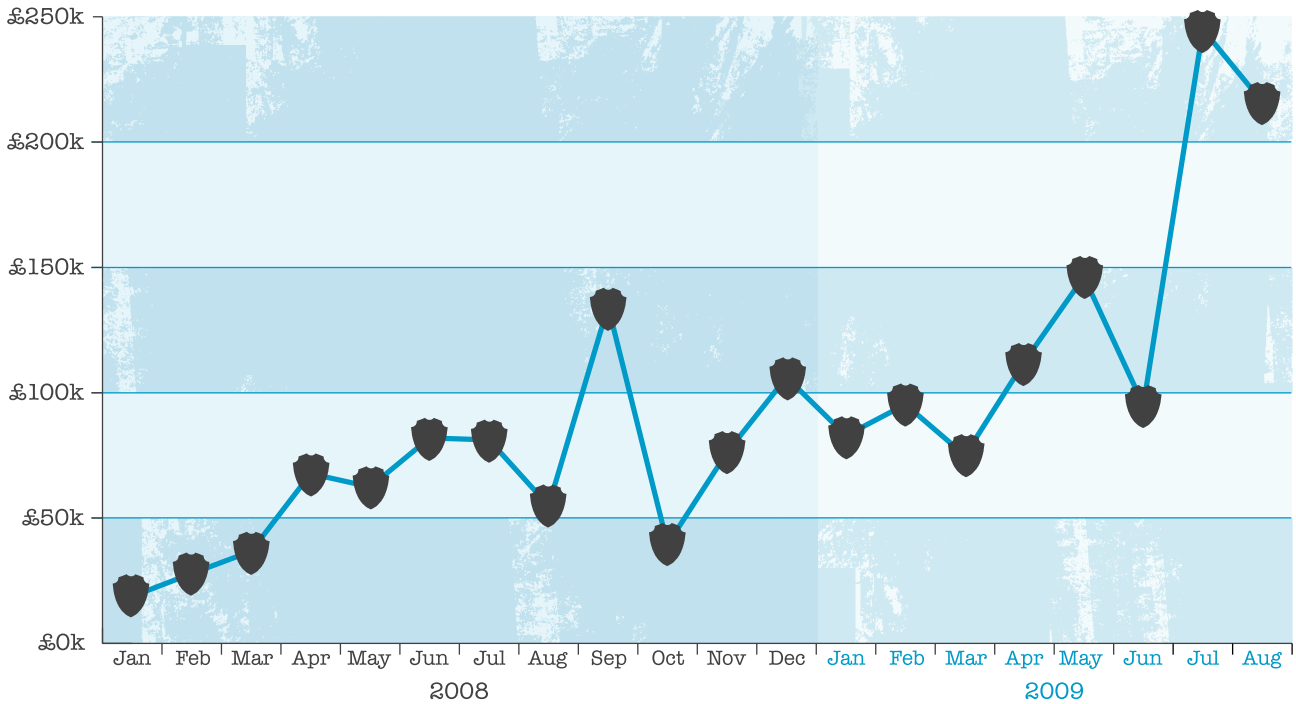
In addition we also export our beers to 11 other countries including **Japan, Spain, Canada, Australia, Denmark** and **Norway**.

With all of these main customers we have strong sales and tremendous growth potential.



# Current Trading and Prospects

**Our sales growth continues to be very strong as you can see from the monthly turnover graph.**



As shown by our audited accounts for 2009 so far, we are showing a small profit and strong sales growth of over 130% for the first 7 months of 2009. For us building our company at this rate and remaining profitable is a powerful performance. It is central to our philosophy and strategy to grow both sales and profits sustainably. Since the start of 2008 we have increased brewing capacity by 25 times. Our balance sheet position gives us a good platform and stability going forward. Martin and James' commitment to the business can be seen from the capital committed and the minimal wages we are paid. For us it is vitally important to ensure the financial side of our business is sound and stable and our in-house financial controller has over 25 years accounting experience, with significant involvement in the food and drink industry.

The strength of the balance sheet has been assisted by the investment we received from The Griffin Group which is run by Keith Greggor and Tony Foglio. To have the backing and support of people who have achieved so much within the drinks industry is a great acknowledgement of the potential of BrewDog. This is a future and a journey we want you to be part of.



# Are you an Equity for Punks Punk?

This is much more than an investment opportunity. As well as becoming part of the BrewDog community you will also have a vote at the AGM and be able to discuss how our company is run and developed on the forum at [www.equityforpunks.com](http://www.equityforpunks.com). We believe this is about buying into the BrewDog vision, philosophy and ideal. This is about not only investing but playing an active part in our future. This opportunity differs from a conventional investment in that we are offering you the chance to get involved in the running of the company.

Via [www.equityforpunks.com](http://www.equityforpunks.com) all shareholders will be involved in giving their opinions and in helping reach decisions regarding the business. They will also be provided with financial and management information annually as well as monthly video updates. There will also be a forum on the website for shareholders to discuss anything BrewDog. In addition, shareholders can vote on specific key decisions via the website, thus you will have a real influence in how BrewDog is actually run. Shareholders will be allowed to vote on issues such as product development, marketing and expansion decisions. We will also organise an AGM which all shareholders will be entitled to attend where we will discuss all aspects of the Company's development and get your detailed feedback on this. And for those not able to attend the AGM in person, a video version will be posted on the website and issues can be debated in the forum.

In addition we will develop a system to allow shareholders to trade their shares on the website as soon as we can.

During our many years in beverage alcohol we have only seen a few game changing players come in fresh to the industry, BrewDog is one of them.

**Keith Greggor.**



We believe that the best way to develop BrewDog and further grow our business is to ask you, the people who enjoy our beers, to be involved in BrewDog's future. By investing in BrewDog, not only can you share in our future growth, you can be involved in a fast-growing, fun and dynamic business.

It is time to crawl out from under your rock, shake off the sedation of convention and dive headfirst into the world of craft beer.

**You've got BrewDog to thank for it.**



## PART B

### RISK FACTORS

#### Potential risk factors

An investment in the Company may not be suitable for all addressees of this Share Offer Document. Investors are accordingly advised to consult an independent financial advisor authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making a decision to invest.

The Company considers the following risk factors to be the most relevant in considering an investment in the Company.

#### 1. Risks relating to the share issue and the 'B' Ordinary Shares

- Transfers of shares issued in connection with this document will be governed by the provisions of the New Articles and in particular:
  - (a) The rights attaching to the B Ordinary Shares do not permit transfers to be made before 31 December 2012; and
  - (b) No shareholder in the Company (whether owning A Ordinary Shares or B Ordinary Shares) will receive a dividend until 31 December 2012 at the earliest.
- The value of the shares may go down as well as up and investors may not recover the amount invested. There is as yet no recognised market for the shares to be issued by the Company. Accordingly it may be difficult even after 31 December 2012 for investors to sell their shares at a reasonable price and in some circumstances it may be difficult to sell them at any price or otherwise realise their investment. In addition, it may be difficult to obtain reliable information about the value of their shares or the extent of the risks to which they are exposed. Do not invest in this unless you have carefully thought about whether you can afford it and whether it is right for you.
- Certain information in this Share Offer Document is based on current taxation and other legislation and any change in the levels and bases of such taxation or such legislation may affect the value of an investment in the Company.

#### 2. Risks associated with the Company's operations and business

- The directors expect the Company's business plan to evolve as the Company develops and there is therefore no guarantee that the development of the business will proceed as envisaged in this Share Offer Document.
- If the amount raised in accordance with this Offer is less than the maximum amount, there may be an impact on the ability of the Company to achieve its plans as envisaged in this document or further financing may be required in order for its plans to be achieved, either of which may have a negative impact upon investors and the growth of the Company.
- The costs of building the new brewery may be higher than those set out in Part A. Although the directors have undertaken projections and obtained quotes for the different parts of the brewery, costs may increase significantly prior to the brewery being built which may result in a smaller or possibly less sophisticated or environmentally sustainable brewery being built.
- The required further financing may not be obtained on a timely basis for the necessary funding of the new brewery or the letter of intent received by the Company may not translate into a full offer of funding which may delay the start of the building project.

- The management team employed to drive forward the Company may not be as successful as expected, either because the team was not in place on a timely basis or because the team was not suitable to the Company and its business. The completion of the management team may not be achieved in the timings or at the costs currently envisaged.
- The Company's operating and other expenses could increase without a corresponding increase in turnover, materially impacting the Company's financial results. Factors which could increase operating and other expenses include:
  - (a) increases in the rate of inflation;
  - (b) increases in taxes and other statutory charges;
  - (c) changes in laws, regulations or government policies which increase the costs of compliance with such laws, regulations or policies;
  - (d) significant increases in insurance premiums; and
  - (e) increases in borrowing costs.
- The Directors are dependent on key directors and personnel for its future success. The Directors cannot give assurances that they or members of the management team will remain with the Company. The failure to retain or recruit suitable replacements for any of the Directors or other key employees could damage the Company's business.
- The Company has agreements with all of its key suppliers and is reliant on positive and continuing relationships with its suppliers. Termination of those agreements, variation in their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent) could have a negative effect on the Company.
- The Company's brewing business is highly concentrated on one site at Fraserburgh and a prolonged disruption to brewing activities (e.g. due to fire or industrial action) at its brewing site could have a negative effect on the Company's ability to brew its products. This could have a negative effect on the Company's operating results, financial condition and prospects.
- An increase in the cost of raw materials or energy could affect the Company's profitability. Commodity price changes may result in unexpected increases in the cost of raw materials, glass bottles and other packaging materials used by the Company. The Company may also be adversely affected by shortages of raw materials or packaging materials. In addition, energy cost increases could result in higher transportation, freight and other operating costs. The Company may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit.
- It is important that the Company has the ability to maintain and increase the image of its existing products. The image and reputation of the Company's products may be impacted for various reasons including litigation, complaints from customers/regulatory bodies resulting from quality failure, illness or other health concerns. Such concerns, even when unsubstantiated, could be harmful to the Company's image and the reputation of its products. Deterioration in the Company's brand equity (brand image, reputation and product quality) may have a negative effect on its operating results, financial condition and prospects.
- Computer and/or website and/or information system breakdowns could impair the Company's ability to service its customers.

### **3. Risks associated with the brewing industry and the general economy**

- Changes in the general economic climate could have a detrimental impact on consumer expenditure and on the Company's revenue. It is possible that recessionary pressures and other economic factors (such as declining incomes, future potential rising interest rates, higher unemployment and tax increases) may decrease the disposable income that customers have available to spend on drinking and



share offer document.

**love** the beer... **own** part of the company.

may adversely affect customers' confidence and willingness to spend. This could lead to a reduction in the Company's revenues.

**4. Risks associated with the regulatory framework applicable to the Company**

- The brewing industry in the United Kingdom is highly regulated at both national and local levels and brewing operations require licences, permits and approvals. Delays and failures to obtain required licences or permits could negatively affect the Company's operations.
- United Kingdom government sponsored campaigns against excessive drinking, licensing reforms relating to the sale of alcoholic beverages and changes in drink driving laws may reduce demand for the Company's products and any change in the brewing legislation could impact upon future products which the Company may produce.





## PART C

### TERMS AND CONDITIONS OF THE OFFER

#### 1. Introduction

The Company proposes to issue up to 10,000 'B' Ordinary Shares in order to raise gross proceeds of up to £2,300,000 (approximately £2,140,000 net of expenses) by way of the Offer.

Upon completion of the Offer (if the Maximum Offer Shares are subscribed for), the 'B' Ordinary Shares will represent approximately 9 per cent. of the Enlarged Issued Share Capital.

The 'B' Ordinary Shares to be issued pursuant to the Offer will have the rights set out in the New Articles.

The Offer is an opportunity for Potential Applicants to apply to subscribe for 'B' Ordinary Shares at the Issue Price in accordance with the terms of the Offer.

A summary of the arrangements relating to the Offer is set out below. This Share Offer Document and the Application Forms contain the formal terms and conditions of the Offer. Your attention is drawn to paragraph 4 of this Part C (*Terms and conditions of the Offer*), which gives details of the procedure for application and payment for the 'B' Ordinary Shares.

#### 2. The Offer

Subject to the terms and conditions set out below and in the Application Forms, Potential Applicants are being given the opportunity to apply for any number of 'B' Ordinary Shares (subject to the limit of the Maximum Offer Shares) at the Issue Price (payable in full on application and free of all expenses).

The 'B' Ordinary Shares will be issued credited as fully paid and will have the rights attached to them under the New Articles. The 'B' Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Offer.

#### 3. Conditions and further terms of the Offer

The Offer is conditional upon the receipt of an Application Form from Potential Applicants by the Final Acceptance Date for an aggregate of at least 2,174 'B' Ordinary Shares.

Accordingly, if this condition is not satisfied or waived, the Offer will not proceed and any applications made by Potential Applicants will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for 'B' Ordinary Shares cannot occur after the 'B' Ordinary Shares have been issued.

Definitive certificates in respect of 'B' Ordinary Shares taken up are expected to be posted to all successful Applicants in the week commencing 10 January 2010.

All monies received by the Registrar in respect of 'B' Ordinary Shares will be placed on deposit by the Registrar in a non-interest bearing account.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Share Offer Document or if all the Offer Shares are subscribed for before the Final Acceptance Date (on a "first come, served" basis), the Company will make an appropriate announcement on its website.

#### 4. Procedure for application and payment

All 'B' Ordinary Shares will be issued in certificated form.

#### 4.1 Hard Copy Application Forms

(a) General

Subject as provided in paragraph 6 of this Part C (*Terms and conditions of the Offer*) in relation to Overseas Applicants, Potential Applicants may complete the Hard Copy Application Form if they wish to subscribe for any number of 'B' Ordinary Shares and pay by cheque or bankers draft. The instructions and other terms set out in the Application Form form part of the terms of the Offer to Potential Applicants.

(b) Application procedures

Potential Applicants wishing to apply to acquire 1 or more 'B' Ordinary Shares (up to the number of the Maximum Offer Shares) should print off and complete the Hard Copy Application Form in accordance with the instructions printed on it. Completed Hard Copy Application Forms should be returned to Computershare by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE using the reply paid envelope enclosed (for use within the UK) service (who will act as Receiving Agent in relation to the Offer), so as to be received by the Registrar, in either case, by no later than 11.00 a.m. on 6 January 2010, after which time Hard Copy Application Forms will not be valid. Potential Applicants should note that Hard Copy Applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If a Hard Copy Application Form is being sent by first-class post in the UK, Potential Applicants are recommended to allow at least four working days for delivery. Hard Copy Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

Completed Hard Copy Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Cheques should be drawn on a personal account in respect of which the Potential Applicant has sole or joint title to the funds and should be made payable to "Computershare re Equity for Punks" and crossed "A/C Payee Only". Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Potential Applicant has title to the underlying funds) will be subject to the Money Laundering Regulations which would delay Potential Applicants receiving their 'B' Ordinary Shares (see paragraph 5 of this Part C (*Terms and conditions of the Offer*)). Payments via CHAPS, BACS or electronic transfer will not be accepted when completing a Hard Copy Application Form.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Potential Applicants in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Offer are fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Offer does not become unconditional, no 'B' Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to Potential Applicants as soon as practicable following the lapse of the Offer.

All documents and remittances sent by post by, from or on behalf of an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

#### 4.2 Electronic Application Forms

(a) General

Subject as provided in paragraph 6 of this Part C (*Terms and conditions of the Offer*) in relation to Overseas Applicants, Potential Applicants may complete the Electronic Application Form if they wish to subscribe for up to 39 'B' Ordinary Shares and pay using Electronic Payment. The instructions and other terms set out in the Electronic Application Form form part of the terms of the Offer to Potential Applicants. If Applicants wish to subscribe for more than 39 'B' Ordinary Shares they should do so by using the Hard Copy Application Form.

(b) Application procedures

Potential Applicants wishing to apply to acquire 'B' Ordinary Shares and pay by Electronic Payment should complete the Electronic Application Form in accordance with the instructions on it. Completed Electronic Application Forms should be submitted via the Website no later than 11.00 a.m. on 6 January 2010, after which time Electronic Application Forms will not be valid. Potential Applicants should note that applications, once submitted via the Website, will be irrevocable and receipt thereof will not be acknowledged.

All Electronic Application Forms must be submitted while making Electronic Payment via the Website.

Any checks which the Registrar requires to carry out under the Money Laundering Regulations may delay Potential Applicants receiving their 'B' Ordinary Shares (see paragraph 5 of this Part C (*Terms and conditions of the Offer*)).

4.3 Other conditions of Application

(a) The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions, or if it otherwise does not strictly comply with the terms and conditions of the Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 6 January 2010; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 6 January 2010 from authorised persons (as defined in FSMA) specifying the 'B' Ordinary Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

(b) Multiple applications will not be accepted.

4.4 Effect of application

By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and the Receiving Agent that he has the right, power and authority, and has taken all action necessary, to make the application under the Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for 'B' Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees that all applications under the Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of Scotland;
- (iii) confirms that in making the application he is not relying on any information or representation in relation to the Company other than those contained in this Share Offer

Document and any documents incorporated by reference, and the applicant accordingly agrees that no person responsible solely or jointly for this Share Offer Document including any documents incorporated by reference or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Share Offer Document including any documents incorporated by reference, he will be deemed to have had notice of all information in relation to the Company contained in this Share Offer Document (including information incorporated by reference);

- (iv) confirms that in making the application he is not relying and has not relied on S&W CF or any other person affiliated with S&W CF in connection with any investigation of the accuracy of any information contained in this Share Offer Document or his investment decision;
- (v) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the 'B' Ordinary Shares (other than as contained in this Share Offer Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- (vi) requests that the 'B' Ordinary Shares be issued to him on the terms set out in this Share Offer Document and the Application Form, subject to the Memorandum of Association and the New Articles;
- (vii) represents and warrants to the Company and the Receiving Agent that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for 'B' Ordinary Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the 'B' Ordinary Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for 'B' Ordinary Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for 'B' Ordinary Shares under the Offer; and
- (vii) represents and warrants to the Company and the Receiving Agent that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

All enquiries in connection with the procedure for application and completion of either of the Application Forms should be made to the Registrar on the helpline on 0870 707 1816, or, if calling from overseas, +44 870 707 1816. Calls to this number are charged at approximately 8 pence per minute from a BT landline, other telephone provider costs may vary. Please note the Registrar cannot provide financial advice on the merits of the Offer or as to whether applicants should take up their Offer Entitlements.

**Potential Applicants who do not want to apply for the 'B' Ordinary Shares under the Offer should take no action and should not complete or return an Application Form.**

## **5. Money Laundering Regulations**

### **5.1 Application Forms**



To ensure compliance with the Money Laundering Regulations, the Registrar may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (“**acceptor**”), including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Offer in respect of such number of ‘B’ Ordinary Shares as is referred to therein (for the purposes of this paragraph 5, the “**relevant ‘B’ Ordinary Shares**”) shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Registrar determines that the verification of identity requirements apply to any acceptor or application, the relevant ‘B’ Ordinary Shares (notwithstanding any other term of the Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Registrar is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Registrar nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates. If, within a reasonable time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

**Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent and the Company from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.**

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for the ‘B’ Ordinary Shares is less than €15,000 (approximately £13,900).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to “Computershare re Equity for Punks” in respect of an application by a Potential Applicant and crossed “A/C Payee

Only” in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers’ draft to such effect. However, third party cheques will be subject to the Money Laundering Regulations which would delay Potential Applicants receiving their ‘B’ Ordinary Shares. The account name should be the same as that shown on the Application Form; or

- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar at the address set out in the section headed “Directors, secretary, registered office and advisers”.

To confirm the acceptability of any written assurance referred to in paragraph 5.1(b) above, or in any other case, the acceptor should contact the Registrar on the helpline on 0870 707 1816, or, if calling from overseas, +44 870 707 1816 (calls to this number are charged at approximately 8 pence per minute from a BT landline, other telephone provider costs may vary).

If the Application Form(s) is/are in respect of ‘B’ Ordinary Shares with an aggregate subscription price per applicant of €15,000 (approximately £13,900) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of ‘B’ Ordinary Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor’s own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 6 January 2010, the Registrar has not received evidence satisfactory to it as aforesaid, the Registrar may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest by cheque or directly to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## 6. Overseas Applicants

This Share Offer Document has not been approved by the FSA, being the competent authority in the UK.

Accordingly, the making of the Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Applicants who are in any doubt as to their position should consult their professional advisers without delay.

### 6.1 General

**The distribution or downloading of this Share Offer Document and an Application Form and the making of the Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the**

**laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for 'B' Ordinary Shares under the Offer.**

No action has been or will be taken by the Company or any other person to permit a public offering or distribution of **this Share Offer Document** (or any other offering or publicity materials or application form(s) relating to the 'B' Ordinary Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this Share Offer Document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Share Offer Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be available to Excluded Overseas Applicants or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this Share Offer Document and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Share Offer Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for 'B' Ordinary Shares under the Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor any of its representatives is making any representation to any offeree or purchaser of 'B' Ordinary Shares regarding the legality of an investment in the 'B' Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) downloading a copy of this Share Offer Document and/or an Application Form, in connection with the Offer or otherwise, should not distribute or send either of those documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Share Offer Document and/or an Application Form is downloaded or received (by whichever means) by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for 'B' Ordinary Shares unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Share Offer Document and/or an Application Form into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part C (*Terms and conditions of the Offer*) and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.8 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for 'B' Ordinary Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for 'B' Ordinary Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of 'B' Ordinary Shares whose registered address would be in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates.

The attention of Overseas Applicants is drawn to paragraphs 6.2 to 6.8 below.

Notwithstanding any other provision of this Share Offer Document or the Application Form, the Company reserves the right to permit any Potential Applicant who is an Excluded Overseas Shareholder to apply for 'B' Ordinary Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Applicants who wish, and are permitted, to apply for 'B' Ordinary Shares should note that payment must be made in sterling denominated cheques or bankers' drafts in respect of Hard Copy Applications and Electronic Payment in the case of Electronic Applications.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Applicants will not qualify to participate in the Offer and will not be entitled to download, print or complete an Application Form.

The 'B' Ordinary Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of 'B' Ordinary Shares is being made by virtue of this Share Offer Document or the Application Forms into any Restricted Jurisdiction. Downloading or receipt (by whichever means) of this Share Offer Document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Share Offer Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2 United States

This Share Offer Document is intended for use only in connection with offers and sales of 'B' Ordinary Shares outside the United States and is not to be downloaded by, sent or given to any person within the United States. The 'B' Ordinary Shares offered hereby are not being registered under the Securities Act, for the purposes of sales outside of the United States.

This Share Offer Document may not be transmitted in or into the United States whether in electronic or any other format.

Subject to certain exceptions, the 'B' Ordinary Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

Each person to which the 'B' Ordinary Shares are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the 'B' Ordinary Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing or purchasing the 'B' Ordinary Shares, as the case may be, that:

- (i) it is acquiring the 'B' Ordinary Shares from the Company in an **“offshore transaction”** as defined in Regulation S under the Securities Act; and



- (ii) the 'B' Ordinary Shares have not been offered to it by the Company by means of any **“directed selling efforts”** as defined in Regulation S under the Securities Act.

Each subscriber or purchaser acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber or purchaser by its subscription for, or purchase of, the 'B' Ordinary Shares, as the case may be, are no longer accurate, it shall promptly notify the Company. If such subscriber or purchaser is subscribing for, or purchasing, the 'B' Ordinary Shares as a fiduciary or agent for one or more investor accounts each subscriber or purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

### 6.3 Canada

This Share Offer Document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Share Offer Document or the merits of the 'B' Ordinary Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the 'B' Ordinary Shares are not being offered for purchase by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. Neither this Share Offer Document nor an Application Form may be downloaded or sent to any shareholder in the Company whose registered address is in Canada. If any Application Form is received by any shareholder in the Company whose registered address is elsewhere but who is, in fact, a Canadian Person or the agent of a Canadian Person so resident, he should not apply under the Offer.

For the purposes of this paragraph 6.3, **“Canadian Person”** means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

### 6.4 Australia

Neither this Share Offer Document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (i) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the 'B' Ordinary Shares; or (ii) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia). Accordingly, neither this Share Offer Document nor any Application Form will be available to be downloaded by Potential Applicants with registered addresses in, or to residents of, Australia.

### 6.5 Other Restricted Jurisdictions

The 'B' Ordinary Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of 'B' Ordinary Shares is being made by virtue of this Share Offer Document or the Application Forms into any Restricted Jurisdiction.

### 6.6 Other overseas territories

Application Forms sent in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, subscribe for 'B' Ordinary Shares under the Offer in accordance with the

instructions set out in this Share Offer Document and the Application Form. Such Potential Applicants who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any 'B' Ordinary Shares.

#### 6.7 Representations and warranties relating to Overseas Applicants

Any person completing and returning an Application Form or requesting registration of the 'B' Ordinary Shares comprised therein represents and warrants to the Company and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant 'B' Ordinary Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire 'B' Ordinary Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring 'B' Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such 'B' Ordinary Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of 'B' Ordinary Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of 'B' Ordinary Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this sub-paragraph

#### 6.8 Waiver

The provisions of this paragraph 6 and of any other terms of the Offer relating to Overseas Applicants may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

### 8. Issue

The result of the Offer is expected to be announced on 8 January 2010 at the latest.

Share certificates in respect of the 'B' Ordinary Shares validly applied for are expected to be despatched by post in the week commencing 10 January 2010. No temporary documents of title will be issued pending the issue of definitive certificates. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Potential Applicants are referred to paragraphs 4.1 and 4.2 of this Part C (*Terms and conditions of the Offer*), and the Application Forms.

The results of the Offer will be announced and made public through an announcement on the Website as soon as possible after the results are known.

### 9. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend or extend the latest date for acceptance under the Offer and all related dates set out in this Share Offer Document by way of an announcement on the Website but Potential Applicants may not receive any further written communication.



If a supplementary document is published by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Offer specified in this Share Offer Document, the latest date for acceptance under the Offer shall be extended to the date that is at least three Business Days after the date of publication of the supplementary document (and the dates and times of principal events due to take place following such date shall be extended accordingly).

#### **10. Taxation**

Certain statements regarding UK taxation in respect of the 'B' Ordinary Shares and the Offer are set out in paragraph 15 in Part E (*Additional information*). Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser.

#### **11. Governing law and jurisdiction**

The terms and conditions of the Offer as set out in this Share Offer Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of Scotland. The courts of Scotland are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offer, this Share Offer Document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Offer, this Share Offer Document or the Application Forms. By taking up 'B' Ordinary Shares under the Offer in accordance with the instructions set out in this Share Offer Document and, where applicable, either of the Application Forms, Potential Applicants irrevocably submit to the jurisdiction of the courts of Scotland and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

#### **Further information**

Your attention is drawn to the further information set out in this Share Offer Document and also to the terms, conditions and other information printed on either Application Form.

**PART D**  
**FINANCIAL REVIEW**

**PROFIT AND LOSS ACCOUNT**

	<b>Period 1/1/09 to 31/7/09</b>	<b>Unaudited year ended 31/12/08</b>	<b>Unaudited Period 7/11/06 to 31/12/07</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	851,035	789,443	139,703
Cost of sales	680,556	446,455	73,106
<b>GROSS PROFIT</b>	170,479	342,988	66,597
Administrative expenses	196,796	298,157	112,791
	(26,317)	44,831	(46,194)
Other operating income	36,134	57,343	19,858
<b>OPERATING PROFIT/(LOSS)</b>	9,817	102,174	(26,336)
Interest receivable and similar income	105	29	80
	9,922	102,203	(26,256)
Interest payable and similar charges	8,585	17,679	4,735
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1,337	84,524	(30,991)
Tax on profit on ordinary activities	-	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION</b>	1,337	84,524	(30,991)



## BALANCE SHEET

	31 July 2009	Unaudited 31 December 2008	Unaudited 31 December 2007
	£	£	£
<b>FIXED ASSETS</b>			
Tangible assets	413,475	334,810	272,073
<b>CURRENT ASSETS</b>			
Stocks	233,214	109,779	39,582
Debtors	340,115	138,753	42,104
Cash at bank	484,583	95	-
	1,057,912	248,627	81,686
<b>CREDITORS</b>			
Amounts falling due within one year	665,791	362,577	279,647
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>	392,121	(113,950)	(197,961)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	805,596	220,860	74,112
<b>CREDITORS</b>			
Amounts falling due after more than one year	159,889	167,227	105,003
<b>NET ASSETS/(LIABILITIES)</b>	645,707	53,633	(30,891)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	114	100	100
Share premium	590,723	-	-
Profit and loss account	54,870	53,533	(30,991)
<b>SHAREHOLDERS' FUNDS</b>	645,707	53,633	(30,891)

## CONTINGENT LIABILITIES

The Company has entered into a contract to purchase an area of land for £40,000 plus all legal costs and this contract will become binding when planning approval is granted.

After the period end the Company has erected brewing equipment without seeking the requisite planning approval from Aberdeenshire Council. They are currently seeking retrospective planning approval and the directors are confident it will be obtained. Failure to obtain the necessary planning will mean the Company have to reassess how to meet planned production.



## BALANCE SHEET

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### CAPITAL COMMITMENTS

	2009	2008	2007
	£	£	£
Contracted out but not provided for in the financial statements	49,300	-	-

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The Company has entered into contracts for the purchase of brewing equipment and the associated planning and installation costs.

### CASH FLOW STATEMENT

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	Period 1/1/09 to 31/7/09	Unaudited year ended 31/12/08	Unaudited Period 7/11/06 to 31/12/07
	£	£	£
<b>Cash generated from operations</b>			
Operating profit/(Loss)	9,817	102,174	(26,336)
Reconciliation to cash generated from operations:			
Depreciation	35,502	59,877	29,586
(Profit)/Loss on disposal of fixed assets	(5,662)	83	-
Increase in stocks	(123,435)	(70,197)	(39,582)
Increase in debtors	(201,362)	(96,649)	(42,104)
Increase in creditors	293,742	22,123	198,062
	8,602	17,411	119,626
<b>Cash from other sources</b>			
Interest received	105	29	80
Sale of tangible fixed assets	29,042	-	-
New loans in year	30,000	40,000	57,000
Amount introduced by directors	155	866	10,241
Share issue	590,737	-	100
	650,039	40,895	67,421
<b>Application of cash</b>			
Interest paid	(2,425)	(7,867)	(2,045)
Interest element of hire purchase payments	(6,160)	(9,812)	(2,690)
Purchase of tangible fixed assets	(74,949)	(15,823)	(207,238)
Loan repayments in year	(29,437)	(13,976)	(7,471)
Capital repayments in year	(30,911)	(32,701)	(7,503)
Amount withdrawn by directors	(5,146)	(2,141)	-
	(149,028)	(82,320)	(226,947)

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share offer document.  
**love** the beer... **own** part of the company.

<b>Net increase/(decrease) in cash</b>	509,613	(24,014)	(39,900)
Cash at bank less overdraft at beginning of period	(63,914)	(39,900)	-
<b>Cash at bank less overdraft at end of period</b>	445,699	(63,914)	(39,900)
Consisting of:			
Cash at bank	484,583	95	-
Overdraft included in "bank loans and overdrafts falling due within one year"	(38,884)	(64,009)	(39,900)
	445,699	(63,914)	(39,900)

The financial information for the periods to 31 December 2007 and 31 December 2008 has been prepared in accordance with United Kingdom Generally Accepted Accounting Policies ("UK GAAP"). It does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the periods ended 31 December 2007 and 31 December 2008.

The financial information does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008 were approved by the Board on 10 March 2009 and delivered to the Registrar of Companies. Those accounts did not require to be audited.

## BACKGROUND

BrewDog Limited was formed by James Watt and Martin Dickie on 7 November 2006 and commenced trading on 4 April 2007. James and Martin are directors and shareholders in the Company. They initially invested £50 each in the issued share capital representing a 50% shareholding in the Company.

## FINANCING

The directors have secured finance from a number of different sources to facilitate the growth of the business. The finance obtained can be summarised as follows:

### 2007

Aberdeenshire Council interest free loan of £15,000 advanced on 6 February 2007. Monthly repayments from August 2007 for 5 years.

The Prince's Scottish Youth Business Trust loan of £5,000 advanced on 21 February 2007. Monthly repayments over 3 years.

Bank of Scotland plc term loan of £30,000 advanced on 19 March 2007. Now repaid in full early and replaced by loan from HSBC advanced in June 2009.

Aberdeenshire Council Working Capital loan of £7,000 advanced on 27 March 2007. Monthly repayments with over 5 years to March 2012.



Bank of Scotland hire purchase finance to acquire a van in April 2007 with £12,325 financed. Monthly repayments over 4 years.

Bank of Scotland hire purchase finance to acquire a bottling line in July 2007 with £83,147 financed. Monthly repayments over 5 years.

## 2008

Lombard North Central plc hire purchase finance to acquire 4 beer fermenters and a Masterkeg machine, advanced £50,000 in March 2008. Monthly repayments over 4 years.

The Prince's Scottish Youth Business Trust loan of £25,000 advanced on 13 March 2008. Monthly repayments over 4½ years starting 6 months from draw down.

Close Brewery Rentals Limited hire purchase finance to acquire 2 beer fermenters in June 2008 with £36,622 financed. Monthly repayments over 3 years.

Aberdeenshire Council loan of £15,000 advanced on 27 August 2008. Monthly repayments over 5 years.

HSBC hire purchase finance to acquire 2 beer fermenters in October 2008 with £42,007 financed. Monthly repayments over 4 years.

## 2009

ING hire purchase finance to acquire a Mitsubishi L200 Warrior van in March 2009 with £7,000 financed. Monthly repayments over 3 years.

HSBC hire purchase finance to acquire 6 beer fermenters in May 2009 with £55,598 financed. Monthly repayments over 4 years.

HSBC bank term loan of £30,000 advanced on 5 June 2009. Monthly repayments over 3 years.

On 22 June 2009 The Griffin Group LLC acquired 12.5% of the issued share capital of the company for £600,008.

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## SALES ANALYSIS

	<b>Audited 7 months to 31/7/09</b>	<b>Unaudited year ended 31/12/08</b>	<b>Unaudited Period 7/11/06 to 31/12/07</b>
	<b>£</b>	<b>£</b>	<b>£</b>
UK multiple	242,782	152,699	
Europe	158,074	193,004	
Americas	179,676	201,583	
Far East & Asia	17,482	31,761	
Online sales	47,117	17,046	
Other UK sales	205,904	193,350	
	<hr/>	<hr/>	<hr/>
	851,035	789,443	139,703

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## PART E

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Directors, whose names are set out in paragraph 6 of this Part E (*Additional Information*) of this Share Offer Document, and the Company, accept responsibility for the information contained in this Share Offer Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this Share Offer Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Incorporation and registration

- 2.1 The Company was incorporated in Scotland on 7 November 2006 under the 1985 Act as a private company limited by shares with registered number SC311560 and with the name BrewDog Limited. On 15 October 2009, it re-registered as a public limited company pursuant to section 90 of the 2006 Act and changed its name to BrewDog plc.
- 2.2 The registered office of the Company is Unit 1, Kessock Workshops, Fraserburgh, AB43 8UE. The head office of the Company is also Unit 1, Kessock Workshops, Fraserburgh AB43 8UE. The telephone number is 01346 519 009.
- 2.3 The principal legislation under which the Company operates is the 1985 Act and the 2006 Act. The liability of the members is limited.

#### 3. Company organisation and information on Company holdings

Other than BrewDog USA LLC (a non-operating company where the Company owns 50% of the issued shares), the Company holds no shares in any other company.

#### 4. Share capital of the Company

- 4.1 On incorporation, the authorised share capital of the Company was £1,000,000 divided into 500,000 'A' shares with a nominal value of £1.00 each and 500,000 'B' shares with a nominal value of £1.00 each. Of such shares, one 'A' share was taken by each of the two subscribers to the Memorandum of Association.
- 4.2 On 22 June 2009:
- 4.2.1 the 50 issued 'A' ordinary shares of £1 each and 50 'B' ordinary shares of £1 each in the capital of the Company were reclassified as 100 ordinary shares of £1 each;
- 4.2.2 those 100 ordinary shares of £1 each were sub-divided into 10,000 ordinary shares of 1p each;
- 4.2.3 the remaining 499,950 unissued 'A' ordinary shares of £1 each and 499,950 unissued 'B' ordinary shares of £1 each were reclassified and sub-divided into 99,999,000 ordinary shares of 1p each; and
- 4.2.4 1,429 ordinary shares of 1p each were issued fully paid together with a premium of £419.87 per share to the Griffin Group LLC (total subscription price of £600,008.52).
- 4.3 On 12 October 2009:
- 4.3.1 a further 4,988,571 ordinary shares of 1p each were allotted to the existing shareholders;

- 4.3.2 the 5,000,000 issued ordinary shares of 1p each in the capital of the Company were redesignated and consolidated as 100,000 'A' ordinary shares of 50p each in the capital of the Company;
- 4.3.3 500,000 of the unissued ordinary shares of 1p in the capital of the Company were redesignated and consolidated into 10,000 'B' ordinary shares of 50p each; and
- 4.3.4 the remaining 94,000,000 unissued shares in the capital of the Company were redesignated and consolidated into 1,890,000 'A' ordinary shares of 50p each;

Therefore the share capital of the Company is £1,000,000 divided into 1,990,000 'A' ordinary shares of 50p each and 10,000 'B' ordinary shares of 50p each.

- 4.3 No Ordinary Shares have been issued between 12 October 2009 and 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document).
- 4.5 Accordingly, as at 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document, the Company's authorised share capital was £1,000,000 divided into 1,990,000 'A' ordinary shares of 50p each and 10,000 'B' ordinary shares of 50p each, of which 100,000 'A' ordinary shares of 50p each have been issued as fully paid or credited as fully paid.
- 4.6 The 'B' Ordinary Shares will be issued in registered form and share certificates will be sent to the registered members by first class post.
- 4.7 The Shares are not admitted to the Official List and are not admitted to trading on the London Stock Exchange's main market for listed securities or the AIM Market.
- 4.8 As at 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document), the Company did not hold any shares in treasury.

## 5. Summary of the Memorandum of Association and the New Articles

### The Memorandum of Association

The Memorandum of Association has been updated in accordance with the Companies Act 2006 and all key provisions are contained within the New Articles. The Memorandum of Association is available for inspection as set out in paragraph 18 of this Part E.

### The New Articles contain provisions to the following effect:

#### 5.1 Votes of Members

Each holder of an 'A' Ordinary Share or a 'B' Ordinary Share has one vote in respect of each share held and accordingly such shares rank *pari passu* at any general meeting of the Company.

#### 5.2 Dividends

##### 5.2.1 Company may declare dividends

- (a) Subject to the Companies Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Subject to the Companies Acts, any determination by the Board of the amount of profits at any time available for distribution shall be conclusive.
- (b) No dividend shall be declared or paid on any Shares until 31 December 2012.
- (c) The 'A' Ordinary Shares and the 'B' Ordinary Shares rank *pari passu* in relation to the declaration and payment of any dividend.

### 5.2.2 Board may pay interim dividends and fixed dividends

- (a) Subject to the Statutes, the Board may pay interim dividends if it appears to the Board that they are justified by the financial position of the Company. If the share capital of the Company is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights to dividends as well as on shares which confer preferential or special rights to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed date if it appears to the Board that the financial position of the Company justifies the payment. If the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss which they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

## 5.3 Return of capital

On a return of capital on a winding up or otherwise, the 'A' Ordinary Shares and the 'B' Ordinary Shares rank *pari passu*.

## 5.4 B Shares

### 5.4.1 Discount Rights of 'B' Ordinary Shares

- (a) Each holder of at least one (1) 'B' Ordinary Share shall have the right to buy such products (but to include all beer, ale and other brewed beverages) together with any such other products as the Board may determine at [www.brewdog.com](http://www.brewdog.com) (the "Website") for twenty percent (20%) less than the retail price such products are sold for on the Website (the "Discount Right"). Each holder of 'B' Ordinary Shares will be given specific log-in details for the Website following the issue of the B Ordinary Shares.
- (b) The products purchased shall be for the personal consumption and use of the purchaser and the purchaser shall not be permitted to resell any products. In the event the Board considers that a holder of 'B' Ordinary Shares is purchasing products in contravention of the provisions Article 44 of the New Articles, the Board may (but shall not be required to) suspend that holder's Discount Rights. The holder may appeal such decision and the Board will take into account any information provided in determining whether to reinstate the Discount Right of that holder. Any further decision of the Board shall be final, which may take any decision in their entire discretion.

5.4.2 The Discount Right shall exist for the lifetime of the holder of the 'B' Ordinary Share. Any person acquiring the 'B' Ordinary Shares pursuant to Articles 41 and 42 of the New Articles (transmission of shares upon death) shall not be entitled to exercise the Discount Right.

## 5.5 Permitted Share Transfers

5.5.1 Members shall be permitted to transfer the legal title to and/or beneficial ownership of a share if the Member holds 'A' Ordinary Shares:

- (a) if a company, to any holding company or subsidiary of that Member or to any other subsidiary of any such Member's holding company; or
- (b) to a person who is the beneficial owner of such share or (in the case of the legal title only) to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof other than in accordance with the provisions of these Articles; or

- (c) to a member of his or her immediate family, including spouse (or ex spouse), parents, step-parents, adoptive parents, grand parents, children, step-children, adopted children, grand children, brothers, sisters, mother in law, father in law, brothers in law, sisters in law, daughters in law and sons in law; or
  - (d) with the prior written consent of the holders of not less than 90 per cent (by number) of the aggregate number of shares for the relevant time being in issue.
- 5.5.2 Until 31 December 2012, holders of 'B' Ordinary Shares will not be permitted to transfer their shares unless the Board determines otherwise.
- 5.5.3 From 31 December 2012 and subject to such of the restrictions of these Articles as may be applicable, a member holding 'B' Ordinary Shares may transfer all or any of such 'B' Ordinary Shares by an instrument of transfer in any usual form or in any other form which the Board may approve. Subject to the Statutes, the transferor shall be deemed to remain the holder of the 'B' Ordinary Shares until the name of the transferee is entered in the register of members in respect of it.

## 5.6 Transfer of a Controlling Interest

- 5.6.1 The Articles provide that in the event that an offer from a potential buyer is accepted for 66 per cent or more of the issued share capital of the Company, that buyer shall be obliged to extend such an offer to all other shareholders of the Company on the same terms.
- 5.6.2 In the event that within the period prescribed in the Articles, all other shareholders have not accepted such an offer, they will be deemed to have accepted such an offer and be obliged to deliver up an executed stock transfer form and share certificate and failing which the Directors may instruct a person to execute the stock transfer form on behalf of such a shareholder and hold the remittance for such shares until instructed to transfer the sums to that shareholder.

## 5.7 Mandatory Transfer Notices

- 5.7.1 If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under Article 37.1 of the Articles or otherwise in accordance with the provisions of the Articles, such person and any Associate of such person who is a Member shall, unless and to the extent (if any) that the Directors otherwise determine at the relevant time, be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported transfer or other disposal, a Transfer Notice in respect of all Shares of which such person and any such Associate of such person is then the holder.

## 5.8 Right to Refuse Registration

- 5.8.1 If the board refuses to register a transfer it shall within two months after the date on which the transfer was lodged send the transferee notice of the refusal together with its reasons for the refusal. The Board will endeavour to approve any transfers of the 'B' Ordinary Shares made after 31 December 2012 but maintains its discretion not to register such a transfer.
- 5.8.2 The board may also refuse to register a transfer of a share in the following circumstances:
- (a) if it is not lodged, duly stamped (if necessary), at the registered office or at such other place as the Board may appoint and accompanied by the certificate for the shares to which it relates (where a certificate has been issued in respect of the shares and the Articles do not provide for such a transfer to be valid without production of the certificate) and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) if it is not in respect of one class of share only;
  - (c) if it is not in favour of four or fewer transferees;



- (d) if it is in favour of a minor, bankrupt or person of mental ill health; or
- (e) where the Board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Companies Act 2006.

## **5.9 Pre-emption rights**

- 5.9.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a share or any interest or right in or arising from a share shall be subject to the provisions contained in Article 38 of the Articles and any such transfer or other disposal made otherwise than in accordance with those provisions shall be void.

## **5.10 Lien and forfeiture**

- 5.10.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company's lien on a share shall extend to any amount payable in respect of it.

## **5.11 General meetings**

- 5.11.1 Meeting at more than one place and/or in a series of rooms

- (a) A general meeting or adjourned meeting may be held at more than one place. The notice of meeting will specify the place at which the chairman will be present and a note accompanying the notice will specify any other place(s) at which the meeting will be held simultaneously (but any failure to do this will not invalidate the notice of meeting).

- 5.11.2 Chairman

- (a) The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting.

- 5.11.3 Quorum

- (a) No business shall be transacted at any general meeting unless two members are present in person or by proxy and entitled to vote and that shall be a quorum for all purposes.

- 5.11.4 Notices for General Meetings

An annual general meeting shall be convened by at least 21 clear days' notice. All other general meetings shall be convened by at least 14 clear days' notice.

## **5.12 Notices to Overseas Applicants**

Document shall not be provided to any shareholder by mail. A member who supplies an electronic address shall be entitled to receive information at that address but the Board may at any time without prior notice (and whether or not the Company has previously sent or supplied any documents or information in electronic form to that electronic address) refuse to send or supply any documents or information to that electronic address if it believes that its refusal is necessary or expedient in relation to any legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange or other authority in, any territory, or that for any other reason it should not send or supply any documents or information to that electronic address.

## **5.13 Directors**

- 5.13.1 Executive Directors

- (a) The Board may from time to time appoint one or more of its body to hold any employment or executive office with the Company for such period (subject to the Companies Acts) and on such other terms as the Board or any committee authorised by the Board may decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the Director may have against the Company or that the Company may have against the Director for any breach of any contract of service between him and the Company. A Director so appointed may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in such manner as the Board or any committee authorised by the Board may decide.

#### 5.13.2 Power of Company to appoint Directors

- (a) Subject to the Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy on or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

#### 5.13.2 Appointment and Removal

- (a) No person other than a Director retiring shall be appointed or reappointed a Director at any general meeting unless:
- (i) he is recommended by the Board; or
  - (ii) not less than seven nor more than 42 clear days before the day appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been delivered to the Office (or received in electronic form at the electronic address at which the Company has or is deemed to have agreed to receive it) of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors together with notice executed by that person of his willingness to be appointed or reappointed.

#### 5.13.3 Right of Appointment

- (a) Any shareholder holding at least ten (10%) per cent of the issued share capital of the Company shall be entitled from time to time to appoint a person as a director of the Company and to remove any such person from office.

### 5.14 Borrowing powers

The Company is empowered to borrow money.

### 5.15 Proxies

- 5.15.1 Appointments of proxies may only be in electronic form and the proxy shall be executed by or on behalf of the appointor.
- 5.15.2 Subject as provided in the Articles, in the case of an appointment of proxy purporting to be executed on behalf of a corporation by an officer of that corporation it shall be assumed, unless the contrary is shown, that such officer was duly authorised to do so on behalf of that corporation without further evidence of that authorisation.

A proxy need not be a member of the Company.

**5.16 Untraceable shareholders****5.17 Transmission of Shares on death**

- 5.17.1 If a member dies, the survivor or survivors where he was a joint holder, and his executors where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his shares; but nothing contained in the Articles shall release the estate of a deceased member from any liability in respect of any share solely or jointly held by him.

**5.18 Notices if Calls Unpaid**

- 5.18.1 If a call or instalment of a call remains unpaid after it has become due and payable, the Board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as remains unpaid together with any interest which may have accrued thereon and any costs, charges and expenses incurred by the Company by reason of such non-payment.
- 5.18.2 The notice shall specify a further day (not being less than 14 clear days from the date of the notice) on or before which, and the place where the payment required by the notice is to be made and shall indicate that if the notice is not complied with the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
- 5.18.3 The Board may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.

**5.19 Calls**

- 5.19.1 The Board may, subject to the terms of issue, from time to time make calls upon the members in respect of any money unpaid on their shares (whether in respect of the nominal amount or by way of premium). Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be made payable by instalments. A call may, at any time before receipt by the Company of any sum due under the call, be revoked in whole or in part and payment of a call may be postponed in whole or in part, as the Board may determine.
- 5.19.2 A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

**5.20 Certificates**

- 5.20.1 Every person whose name is entered in the register of members as a holder of shares in the Company is entitled, within the time specified by the Statutes and without payment, to one certificate for all the shares of each class registered in his name.

**6. Directors and Corporate Governance**

The management expertise and experience of each of the directors of the Company is set out in Part A of this Share Offer Document (*Letter from James Watt, Managing Director of BrewDog plc*).

**7. Compensation**

- 7.1 In the financial year ended 31 December 2008, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any description whatsoever) to each of the Directors (as at 31 December 2008) by the Company was £5,044. Such remuneration was paid as follows:



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<i>Name</i>	<i>Fee/Basic</i>	<i>Bonus</i>	<i>Benefits</i>	<i>Pension</i>	<i>Total</i>
	<i>Salary</i>			<i>Contribution</i>	
	<i>£,000</i>	<i>£,000</i>	<i>£,000</i>	<i>£,000</i>	<i>£,000</i>
James Watt	Nil	Nil	Nil	Nil	Nil
Martin Dickie	£5,044	Nil	Nil	Nil	£5,044
Keith Greggor (not appointed during the financial year)	n/a	n/a	n/a	n/a	n/a

The Company has not set aside or accrued any amounts in the financial year ended 31 December 2008 to provide pension, retirement or similar benefits to any of the Directors.

7.2 In addition to being directors of the Company, the Directors hold or have held the directorships of the companies and/or are or were partners of the partnership specified opposite their respective names below within the five years prior to the date of this Share Offer Document:

<i>Director</i>	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
James Watt	JBW (77) Limited, Buzzfire Limited, Valve 77 Limited, Westward BF 350 Limited	N/a
Martin Dickie	N/a	N/a
Keith Greggor	N/a	N/a

7.3 None of the Directors has, within the period of five years preceding the date of this Share Offer Document:

- (a) had any convictions in relation to fraudulent offences;
- (b) been a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership, liquidation, administration or other similar insolvency proceeding of such company (nor is any bankruptcy, receivership, liquidation, administration or insolvency proceeding pending or in progress); or
- (c) received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

7.5 There are no family relationships between any of the Directors.

## 8. Directors' shareholdings and other interests

8.1 As at 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document), the number of shares held by the Directors (all of which are held beneficially except as shown below) in the existing share capital of the Company and (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with section 252 of the 2006 Act) are as follows:

<i>Name</i>	<i>Number of Shares prior to the Offer</i>	<i>Percentage of Company's issued share capital (per cent.) prior to the Offer</i>	<i>Number of Shares immediately after the Offer if Maximum Offer Shares issued</i>	<i>Percentage of Company's Enlarged Issued Share Capital (per cent.)</i>
James Watt	43,750	43.75%	43,750	39.77%
Martin Dickie	43,750	43.75%	43,750	39.77%
Keith Greggor (shares held by the Griffin Group)	12,500	12.5%	12,500	12.5%

8.2 As at 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document), the Directors held, in aggregate, 100,000 Shares, representing 100 per cent. of the issued share capital of the Company. Immediately after the Offer, the Directors' shareholding will still be 100,000 'A' Ordinary Shares representing 91.01 per cent. of the Enlarged Issued Share Capital.

As at 15 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document), the Directors had no options and other rights to acquire Shares other than the Griffin Group LLC (whom Keith Greggor is a director of) have the right to have such number of shares allotted to them as shall equate to them retaining 12.5% of the Enlarged Issued Share Capital (meaning that in the event that 10,000 'B' Ordinary Shares are subscribed for this is a right for a further allotment of 1,429 'A' ordinary shares of 50p each).

8.3 Save as disclosed in this Share Offer Document, none of the Directors have any interests, whether beneficial or non-beneficial, in the issued share capital or loan capital of the Company nor does (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with section 252 of the 2006 Act).

8.4 There are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.

8.5 There are no outstanding loans granted by any member of the Company to any of the Directors and there are no guarantees provided by any member of the Company for the benefit of any of the Directors.

## 9. Employees

9.1 As at 15 October 2009 (being the latest practicable date prior to publication of this Share Offer Document), the Company had 27 employees (including the Executive Directors).

## 10. Related party transactions

10.1 Save as disclosed in paragraph 10.2 below, no related party transactions between the Company or members of the Company were entered into between incorporation and 16 October 2009 (being the latest practicable date prior to the publication of this Share Offer Document).

10.2 The following transactions constitute the related party transactions between the Company and members of the Company:

10.2.1 James Watt provided a loan to the Company which as at 31 July 2009 stood at an outstanding balance of £2,714;

10.2.2 JBW (77) Limited, a company in which James Watt has an interest, provided a loan to the Company which as at 31 July 2009 stood at an outstanding balance of £84,355;

10.2.3 Martin Dickie provided a loan to the Company which as at 31 July 2009 stood at an outstanding balance of £1,261; and

10.2.4 The Company contracts with Preiss Imports to import beer into the US. Preiss imports is controlled by Keith Greggor and Anthony Foglio.

## 11. Principal property, plant and equipment

11.1 Property, plant and equipment and environment

The Company's material fixed assets are as follows:

<i>Property</i>	<i>Form of Tenure</i>
Unit 1, Kessock Workshops, Fraserburgh AB43 8UE	<i>Leased</i>



11.2 Environmental Issues affecting the Company

The Company is not aware of any material environmental issues adversely affecting the utilisation of the Company's properties.

**13. Litigation**

13.1 The Company regularly pursues those who do not pay for products through small claims actions. As at 15 October 2009 (being the latest practicable date prior to the issue of this Share Offer Document) the aggregate amount which the Company was pursuing for the recovery of bad debts was £2,286.

13.2 Save as disclosed in paragraph 13.1 above, there are no, and have been no, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against it of which the Company is aware) during the period of 12 months prior to the date of this Share Offer Document which may have, or may have had in the recent past, a significant effect on the Company's and/or the Company's financial position or profitability.

**14. Significant change**

Other than as disclosed in this Share Offer Document, there has been no significant change in the financial or trading position of the Company since 31 July 2009, the date to which the last audited financial information relating to the Company was prepared.

**15. Taxation**

The following information, which sets out the taxation treatment for holders of Shares, is based on existing law in force in the UK and what is understood to be current HM Revenue & Customs ("HMRC") practice, each of which may be subject to change, possibly with retroactive effect. It is intended as a general guide only and applies to potential shareholders who are resident or ordinarily resident in the UK for tax purposes (except to the extent that specific reference is made to potential shareholders resident or ordinarily resident outside the UK), who will hold the Offer Shares as investments and who are the absolute beneficial owners of those Shares but is not applicable to all categories of potential shareholders, and in particular, is not addressed to (i) special classes of potential shareholders such as dealers in securities or currencies, broker-dealers or investment companies and (ii) potential shareholders who have acquired their Shares by virtue of or in connection with their or another's office or employment.

The information does not purport to be comprehensive or to describe all potential relevant tax considerations and does not generally consider tax relief or exemptions. Potential shareholders who are in doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK, are strongly recommended to consult their professional advisers.

15.1 Dividends

Under current UK tax legislation the Company will not be required to withhold UK tax from any dividends paid by the Company.

An individual potential shareholder resident (for tax purposes) in the UK who receives a dividend from the Company will be entitled to a tax credit equal to one-ninth of the cash dividend received which he may set off against his total income tax liability for the tax year in which the dividend is received. Basic rate taxpayers will normally have no further liability to tax on the dividend. In the current tax year, higher rate taxpayers will be liable to tax on the sum of the dividend plus the tax credit at the higher rate of 32.5 per cent. against which liability the tax credit can be offset. The effective rate of tax to a higher rate taxpayer is 25 per cent. of the cash dividend received.

Subject to certain limited exceptions, a corporate Shareholder resident (for tax purposes) in the UK will not be liable to UK corporation tax on any dividend received from the Company. Such corporate Shareholders will not be able to reclaim repayment of the tax credit attaching to any dividend.

UK pension funds are generally exempt from tax on dividends they receive and will not be able to reclaim the tax credit attaching to any dividend paid by the Company.

The right of a potential shareholder who is not resident (for tax purposes) in the UK to a tax credit in respect of a dividend received from the Company and to claim payment of any part of that tax credit from HMRC will depend on the existence of and the prevailing terms of any double taxation convention between the UK and the country in which the potential shareholder is resident. Such a potential shareholder should consult his own tax adviser concerning his tax liability on dividends received, whether he is entitled to claim any part of the tax credit, and if so, the procedure for doing so.

## 15.2 Chargeable gains - Disposal of 'B' Ordinary Shares

A disposal of 'B' Ordinary Shares acquired under the Offer by a Potential Applicant who is resident, or in the case of an individual, ordinarily resident in the UK for tax purposes in the relevant year of assessment may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax (where the Shareholder is an individual) or UK corporation tax on chargeable gains (where the Potential Applicant is within the charge to UK corporation tax), depending on the circumstances and subject to any available exemption or relief.

An individual Potential Applicant who ceases to be resident or ordinarily resident in the UK (for tax purposes) for a period broadly of less than five years and who disposes of the 'B' Ordinary Shares during that period may also be liable to UK capital gains tax on his return to the UK (subject to any available exemption or relief).

A Potential Applicant who is not resident or, in the case of an individual, ordinarily resident for tax purposes in the UK (and is not temporarily non-resident as described above) will not be liable for UK tax on capital gains realised on the sale or other disposal of his 'B' Ordinary Shares unless such 'B' Ordinary Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Such Potential Applicant may be subject to foreign taxation on any gain subject to the terms of any applicable double tax treaty.

## 15.3 Inheritance tax ("IHT")

The Offer Shares are assets situated in the UK for the purposes of UK IHT. The gift of such shares by, or on the death of, an individual Potential Applicant may give rise to a liability of UK IHT.

## 15.4 Stamp duty and stamp duty reserve tax ("SDRT")

No stamp duty or SDRT will be payable on the issue of the 'B' Ordinary Shares unless 'B' Ordinary Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services (a "Clearance Service") or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts (a "Depositary Receipts System"). In this event, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the consideration payable, or in certain circumstances, the value of the 'B' Ordinary Shares (rounded up to the nearest £5 in the case of stamp duty).

Any transfer by Potential Applicants in the 'B' Ordinary Shares will be subject to stamp duty or SDRT in the normal way. The transfer on sale of 'B' Ordinary Shares will generally be liable to stamp duty at the rate of 0.5 per cent. (rounded to the nearest multiple of £5) of the consideration paid. An unconditional agreement to transfer such shares will generally be liable to SDRT at the rate of 0.5 per cent. of the consideration paid, but such liability will be cancelled if the agreement is completed by a duly-stamped transfer within six years of the agreement having become unconditional.

**The statements in this paragraph are intended as a general guide to the current UK stamp duty and SDRT position and do not apply (i) to persons such as market makers, dealers, brokers, intermediaries and persons (or nominees or agents for such persons) who issue depositary receipts or operate clearance services to whom special rules apply or (ii) as regards transfers of shares to any of the persons mentioned in (i).**

## 16. Expenses

The total costs, charges and expenses payable by the Company in connection with the Offer are estimated to be £157,610 (exclusive of VAT).

**17. General**

17.1 The current auditors of the Company are Ritson Smith, which is a member of the Institute of Chartered Accountants' of Scotland and which were involved with the compilation of the statutory financial statements of the Company for the financial years ended 31 December 2007 and 31 December 2008 (bit did not carry out an audit) and audited the financial information for the 7 month period to 31 July 2009.

17.2 The financial information referred to in this Share Offer Document does not constitute statutory accounts within the meaning of section 240(5) of the 1985 Act. Statutory accounts of the Company for the financial years ended 31 December 2007 and 31 December 2008 have been delivered to the Registrar of Companies. The Company's auditor did not make a report under section 235 of the 1985 Act in respect of each of those statutory accounts, as an audit was not required pursuant to such section.

**18. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours (9am to 5pm) on any weekday (Saturdays, Sundays and public holidays in Aberdeen and London excepted) at the offices of CMS Cameron McKenna LLP, 6 Queens Road, Aberdeen AB15 4ZT up to and including the date of Issue:

- (a) the Memorandum of Association;
- (b) the New Articles;
- (c) the unaudited financial statements of the Company for the financial years ended 31 December 2007 and 31 December 2008 and audited financial statements of the Company for the period to 31 July 2009;
- (d) the financial information incorporated in Part D (*Financial Review*) of this Share Offer Document; and
- (e) this Share Offer Document.



## DEFINITIONS AND DOCUMENTS AVAILABLE

### 1. Definitions

The following definitions apply throughout this Share Offer Document, unless the context requires otherwise:

“1985 Act”	the Companies Act 1985
“2006 Act”	the Companies Act 2006
“Application Forms”	the Hard Copy Application Form and/or the Electronic Application (as the context requires)
“‘B’ Ordinary Shares”	‘B’ ordinary shares of 50p each proposed to be issued by the Company pursuant to the Offer
“Board”	the board of directors of the Company
“Business Day”	any day on which banks are generally open in Aberdeen and London for the transaction of business, other than a Saturday or Sunday or a public holiday
“certificated form”	Shares issued in the form of a share certificate
“Company”	BrewDog plc, a company registered in Scotland with registered number SC311560
“Computershare”	Computershare Investor Services PLC
“Directors”	the directors of the Company, whose names are set out on page and “ <b>Director</b> ” shall mean any one of them
“Electronic Application Form”	the application form which may be completed online from the Website for use by Potential Applicants relating to applications for ‘B’ Ordinary Shares when they wish to pay by Electronic Payment
“Electronic Payment”	Payment by VISA Debit, Maestro, Mastercard or VISA Credit Card will be accepted by the Receiving Agent, who may in its absolute discretion reject any payment
“Enlarged Issued Share Capital”	the 110,000 Shares which will be the maximum number of shares in issue following completion of the Offer
“EU”	the European Union
“Excluded Overseas Shareholder”	other than as agreed in writing by the Company, and S&W CF and as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
“Executive Directors”	James Watt and Martin Dickie, being the executive directors of the Company
“Existing Shares” or “Existing Ordinary Shares”	Shares in issue as at the date of this Share Offer Document



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<b>“FSA”</b>	the Financial Services Authority
<b>“Final Acceptance Date”</b>	6 January 2010
<b>“Hard Copy Application Form”</b>	the Application Form which may be downloaded from the Website for use by Potential Applicants relating to applications for ‘B’ Ordinary Shares when they wish to pay by cheque or bankers draft
<b>“HMRC”</b>	HM Revenue & Customs
<b>“Issue”</b>	The issue of the ‘B’ Ordinary Shares to the successful Potential Applicants
<b>“Issue Price”</b>	£230 per New ‘B’ Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Maximum Offer Shares”</b>	Such number of ‘B’ Ordinary Shares at the Issue Price as is equivalent at any given time to the subscriptions under this Offer being not more than EUR2,500,000
<b>“Memorandum of Association”</b>	the Company’s memorandum of association
<b>“Money Laundering Regulations”</b>	the Money Laundering Regulations 2007 (SI 2007/2 157)
<b>“Net Proceeds”</b>	approximately £2,142,390, being the net proceeds from the issue of the ‘B’ Ordinary Shares under the Offer
<b>“New Articles”</b>	The articles of association adopted on 12 October 2009
<b>“Non-Executive Directors”</b>	Keith Greggor, being the non-executive director of the Company
<b>“S&amp;W CF”</b>	Smith & Williamson Corporate Finance Limited
<b>“Official List”</b>	the Official List of the UK Listing Authority
<b>“Offer”</b>	the invitation by the Company to Potential Applicants to apply to subscribe for ‘B’ Ordinary Shares on the terms and conditions set out in this Share Offer Document and in the Application Form
<b>“Overseas Applicants”</b>	Potential Applicants who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions
<b>“Potential Applicants”</b>	Means applicants for ‘B’ Ordinary Shares other than applicants from Restricted Jurisdictions and any other applicants who are not entitled to receive this offer pursuant to the securities regulations in their





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	jurisdiction
“Receiving Agent”	Computershare
“Registrar”	Computershare
“Regulation S”	Regulation S promulgated under the Securities Act
“Restricted Jurisdiction”	each of Australia, Canada, Japan, Republic of Ireland, New Zealand, South Africa and the United States
“Securities Act”	the United States Securities Act of 1933 (as amended)
“Shareholders”	holders of Shares, each individually being a “Shareholder”
“Statutes”	the 1985 Act, the 2006 Act and every other statute (and any subordinate legislation, order or regulations made under any of them) concerning companies and affecting the Company, in each case, as they are for the time being in force
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“Website”	<a href="http://www.equityforpunks.com">www.equityforpunks.com</a>

In this Share Offer Document all references to times and dates are a reference to those observed in London, UK. In this Share Offer Document the symbols “£” and “p” refer to pounds and pence sterling respectively.

## 2. Relevant documentation and incorporation by reference

### (a) Financial information

The following documentation, which was made available to Potential Applicants at the relevant time as described in paragraph (b) below, contains information which is relevant to the Offer:

- **Unaudited BrewDog Annual Report and Accounts for the financial year ended 31 December 2007;**
- **Unaudited BrewDog Annual Report and Accounts for the financial year ended 31 December 2008;**
- **Audited BrewDog Financial Statements for the 7 month period to 31 July 2009**

The annual reports contain the unaudited financial statements of the Company for the financial years ended 31 December 2008 and 31 December 2007 together with the audited financial statements of the Company for the 7 month period to 31 July 2009.

### (b) Availability of documentation

Copies of the documents of which part or all are incorporated in this Share Offer Document are available as provided in paragraph 20 of Part E (*Additional information*). Except to the extent expressly set out above in this section headed “Relevant documentation and incorporation by reference”, neither the content of the Company’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s website (or any other website) is incorporated into, or forms part of, this Share Offer Document and investors should not rely on it.

### 3. Directors, Secretary, Registered Office And Advisers

<b>Executive Directors</b>	James Watt Martin Dickie
<b>Non-Executive Directors</b>	Keith Greggor
<b>Company Secretary</b>	Daniel Ralph
<b>Registered office and telephone number</b>	Unit 1, Kessock Workshops Fraserburgh AB43 8UE  + 44 1346 519 009
<b>Solicitors to the Company</b>	CMS Cameron McKenna LLP 6 Queens Road Aberdeen AB15 4ZT
<b>Auditors and Reporting Accountants</b>	Ritson Smith 16 Carden Place Aberdeen AB10 1FX
<b>Registrar and Receiving Agent for the Offer</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

#### 4. Forward-Looking Statements

Some of the statements under *Summary Information*, Part A (*Letter from James Watt, Managing Director, BrewDog plc*), Part B (*Risk Factors*), and Part D (*Financial Review*) and elsewhere in this Share Offer Document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Company's products and services). These statements include forward-looking statements both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the Part B ("*Risk Factors*"), which should be read in conjunction with the other cautionary statements that are included in this Share Offer Document. Any forward-looking statements in this Share Offer Document reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial conditions, growth strategy and liquidity.

These forward-looking statements speak only as of the date of this Share Offer Document. Save as required by the FSA or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Potential Applicants should specifically consider the factors identified in this Share Offer Document, which could cause actual results to differ before making an investment decision.