



**EQUITY  
FOR  
PUNKS**

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

**IMPORTANT NOTICE** This Share Offer Document, which is not a prospectus, but which is a financial promotion, is issued by BrewDog plc (“BrewDog”) and has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Crowe Clark Whitehill LLP (“CCW”), which is authorised and regulated by the Financial Services Authority, on behalf of BrewDog and is for use only by BrewDog and the Potential Applicants to whom it is addressed. CCW is acting for BrewDog only and will not be responsible to any other person for providing protections afforded to clients and will not give any advice to any Potential Applicants or to any other person as recipients of this Share Offer Document or otherwise.

All information contained in this Share Offer Document has been provided by BrewDog and has not been independently verified by CCW. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and opinions contained herein and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information or opinions, for any errors, omissions or mis-statements, negligent or otherwise, or for any other communication, written or otherwise in connection with the proposed investment. Potential Applicants should read the whole of this Share Offer Document. In particular, your attention is drawn to the contents of pages 24 to 27 headed “**Risk Factors**”.

Accordingly, neither CCW nor BrewDog shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in this Share Offer Document or in any future communication in connection with such proposed investment. All recipients are strongly recommended to take independent professional advice where appropriate.

## **BREWDOG PLC**

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

### **Offer of up to 90,000 New B Shares at a subscription price of £95 per every 4 New B Shares subscribed for**

This Share Offer Document does not constitute a formal offer, being capable of acceptance, or invitation to purchase or acquire any securities in any company or any interest therein, nor shall it form the basis of any contract for the sale of securities in any company.

The New B Shares will be unlisted securities. No application is being made for admission of the New B Shares to be admitted to the Official List of the United Kingdom Listing Authority or to the AIM Market of the London Stock Exchange. Further, neither the United Kingdom Listing Authority nor the London Stock Exchange has examined or approved the contents of this document. The New B Shares will not be dealt on any other investment exchange (whether recognised or otherwise) and no application has been or is being made for the New B Shares to be admitted to trading on any such exchange or market.

The New B Shares have not been and will not be registered under the United States Securities Act 1933 or under the securities legislation of any state of the United States and may not be offered or sold in the United States or to any US persons. The New B Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, the Republic of Ireland., South Africa, Japan or any other jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions.

If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

The key dates to note in relation to the Offer are that the Share Offer Document will be sent to Shareholders on 6 July 2011 (with the AGM notice) and will be generally available from 8 July 2011. The AGM will take place on 23 July 2011 and the closing date for applications is 6 January 2012 (as more fully described in the Expected Timetable of Principal Events on page 64).



**PART A** Letter from James Watt, Head of Stuff

**PART B** Risk Factors

**PART C** Terms and conditions of the Offer

**PART D** Financial Information

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Definitions

Expected timetable of principal events

Relevant documentation and incorporation by reference

Directors, secretary, registered office and advisers

Forward-looking statements

**IMPORTANT** A summary of the key terms of the Offer is set out at page 23 of this Share Offer Document. Potential Applicants should not only read the summary, when considering an investment in BrewDog, but should read the whole of this Share Offer Document and documents included by reference.

# Introduction to BrewDog



# BEER FOR PUNKS



**BrewDog's beers are the epitome of pure punk. We brew uncompromising, bold and irreverent beer, beer with a soul and a purpose.**

Our approach has the same contempt of the mass beer market that the old-school punks had for pop-culture.

BrewDog is a modern day rebellion, a long overdue antidote against faceless corporate bureaucracy and the bland, soulless beer they industrially produce.



**Ditch the mainstream and say hello to BrewDog.**

# Introduction to the offer



In 2009 we pioneered a ground-breaking new generation of business model. Equity for Punks turned the concept of business ownership on its head. Equity for Punks was a break from the mundane route of asking the banks and private equity for money, a new and alternative business model. Over 1,000 people invested and the Equity for Punks concept was met with huge media interest.

And now it is back! Bigger and better than ever before. Welcome back to Equity for Punks and your chance to own part of BrewDog.

We are releasing a second wave of B Shares, entitling shareholders to a lifetime discount in our bars and in our online shop, creative influence over what we reckon to be one of the world's most forward-thinking breweries as well as an invitation to BrewDog's soon-to-be legendary AGM.

New B Shares are being offered 4 at a time for £95. Up to 90,000 New B Shares are being made available which would represent 8% of the shares in BrewDog if all the shares on offer were taken up.

We need to raise a minimum of £100,000 to open one of the new BrewDog bars we have planned and if we raise at least £1,000,000 we can build the brewery we really want!

- 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 a bar that your own part of?
- Want a lifetime discount in our online store and in our bars?
- Want the opportunity to buy our limited edition beers before they go on general release?
- Want to share in the potential future growth of BrewDog?

**We'll keep reading punks.  
This is your lucky day.**

**Our marketing strategy has always been to try to shorten 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.**



## 'Two punks: one mission'

Martin and I were bored of the industrially brewed lagers and stuffy ales that dominate the UK market. We decided the best way to remedy our dissatisfaction was to brew our own beers. Consequently in April 2007 the BrewDog brewery was born.

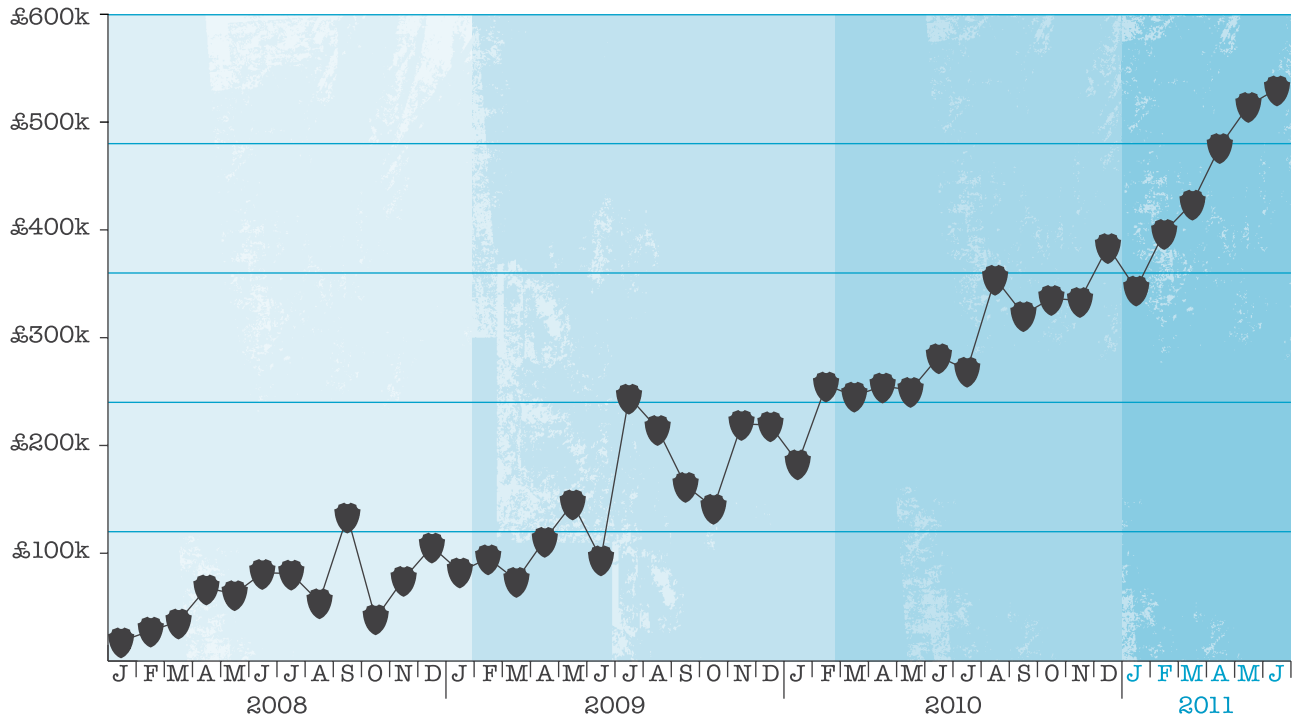
Both only 24 at the time, we leased a building, got some bank loans, spent our money on stainless steel tanks and started making some hardcore beers. BrewDog started with a £30,000 bank loan and a big mission.

In just 4 years, BrewDog has radically re-envisaged perceptions of craft beer by breaking down convention and unsettling institutions; not to mention creating some rock 'n' roll, award-winning brews along the way.

With our awesome team, we are dedicated to making bold, contemporary and progressive craft beers showcasing some of the world's classic beer styles. All with an innovative twist and customary BrewDog bite.

# Sales growth

**BrewDog's Monthly Sales**



As you will see from the above chart, we have experienced phenomenal growth since we started our business.

Our beers are now available in:

- [27 different countries worldwide](#)
- [In Tesco, Sainsbury's, Morrisons and ASDA](#)
- [The "World's Best Restaurant" for 2010 and 2011 - NOMA in Copenhagen \(an award sponsored by S. Pellegrino\)](#)
- [The 5 Star Mandarin Oriental in London](#)
- [The Tate Modern in London](#)
- [The prestigious Park hotel chain in Tokyo](#)
- [and some of the best beer bars and beer shops all over the world](#)

However this is just the beginning for BrewDog. We are determined to completely redefine the beer drinking culture in the UK showing beer drinkers there is an alternative to the tasteless and mass produced fizzy yellow beers which dominate the UK market.

BrewDog has a DIY punk-rock ethic which people can relate to, a mission that drinkers can buy into, an ability to engage consumers across new and old media and a huge level of brand awareness. With more and more people becoming evangelical about what we do, we are very excited about our future.

We currently employ over 60 people and have a young, dynamic and driven management team whose sole focus is growing BrewDog. Our turnover in 2010 was £3.33 million which was up from £1.78 million in 2009. We also reported strong profits in 2010 of £270,000 (after tax). We are especially proud of our profitability in 2010 given the amount of time and effort we had to invest to almost double the size of our business in the year.

Like for like sales are up over 75% this year so far and we believe we are on track to hit our turnover target of £6.5 million for 2011. If you want to know more about the business and financial stuff then check it out in Part D 'Financial Information'.

# The BrewDog beers

## The Core Range



Our hoppy and assertive American West Coast inspired craft beers combined with our punk marketing and bold packaging have already built a strong following for our beers and company.

## Abstrakt & Collaborations



In addition to our core range beers, we also have our limited release Abstrakt series as well as occasional brews and cool collaborations with our favourite brewers.



The Kegged Range

Craft beer in  
keg is the  
future of the UK  
beer market.

BrewDog is  
leading the way  
in the category.

PUNK  
IPA

LAGER

5 A.M.  
SAINT

HARDCORE  
IPA

# The BrewDog brand

The BrewDog brand is bold, edgy, irreverent and uncompromising. BrewDog's iconoclastic nature has been one of the keys to our growth. In a tired, monotonous and traditional UK beer industry we have created a brand which is vibrant, contemporary, dynamic and one with which drinkers can easily relate.

# Marketing & awards



Our marketing is not conventional; a mix of edgy positioning, courting controversy and a strong online presence. Our website now receives over 300,000 hits per month and we use blogs and video blogs to keep customers completely up to date with all things BrewDog.



We have plenty of awards to back up our credentials.

- Scotland's Shell Livewire Young Entrepreneur of the Year
- Tenon Scottish Entrepreneur of the Year
- Winner HSBC Start up Stars Award
- Gold Medal, 2010 World Beer Cup for Hardcore IPA
- Gold Medal, 2008 World Beer Cup for Paradox





“Here’s to the crazy ones. The Rebels.  
The troublemakers. The ones who see things  
differently. While some may see them as the  
crazy ones, we see genius. Because the people  
who are crazy enough to think they can change  
the world, are the ones who do.”

Steve Jobs

# Customer focus

As we build our distribution and our customer base we are already dealing with a fantastic portfolio of clients both domestically and internationally. The pedigree of our retailers and distribution partners and the excellent relationships we have with them is a key strength of our business. We have significant, long term growth potential with all our major customers. This 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 Customers

**TESCO**

**Sainsbury's**

**M**  
MORRISONS

**ASDA**

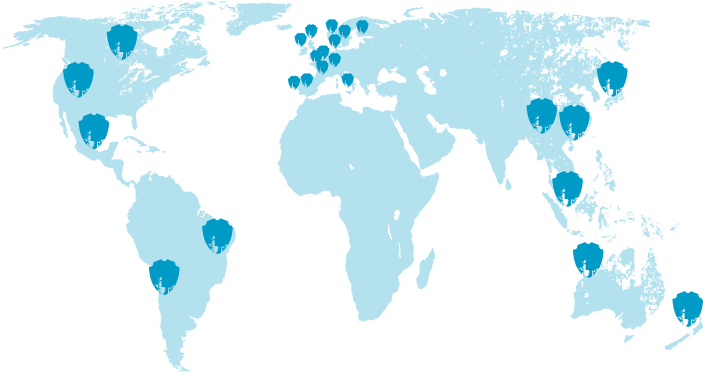
Mitchells  
& Butlers

MODER!  
**TATE**

**SELFRIDGES & CO**

**MANDARIN ORIENTAL**  
THE HOTEL GROUP

## International Customers



**Anchor Brewers and Distillers** (America)  
**Cask Sweden** (Sweden)  
**Braunstein** (Denmark)  
**Ales & Co** (Italy)  
**Whisk-e** (Japan)  
**Hop & Spirit** (Australia)  
**Diamond Beer** (Finland)  
**IBB** (France)

**BrewDog is available in the following countries around the World:** UK, Ireland, France, Spain, Portugal, Italy, Holland, Germany, Belgium, Denmark, Sweden, Norway, Finland, USA, Canada, Brazil, Mexico, Chile, Australia, New Zealand, Singapore, Hong Kong, China, Japan.

### Case Study: System Bolaget, Sweden

We have experienced tremendous sales growth in System Bolaget this year. Punk IPA is now listed in 326 System Bolaget stores in Sweden with BrewDog bottle sales up over 200% in this retail outlet from 2009. In total we sold over 60,000 of BrewDog cases in Sweden in 2010.

“BrewDog is the hottest beer brand in Sweden right now. Limited edition BrewDog beers sell out in hours and the sales on the core range continue to grow exponentially. Their full flavour beers with the punk rock ethos and killer branding looks set to continue taking Sweden by storm in 2011.” **Richard Keller** - Managing Director, Cask Sweden (BrewDog's Swedish Importer).

# BrewDog's Future & use of the money raised.



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 investment package and a fun filled journey for investors.

Due to the strength of the domestic and international demand for our beers, the new brewery we had originally intended to build, and for which we raised funds under the original Equity for Punks offer, will not give us nearly enough capacity to keep up. Therefore a large part of the finance we are looking to raise through Equity for Punks will be used to build a much bigger brewery with more capacity giving us what we hope will be significantly better long term growth potential.

We already own a stunning 8 acre site just outside Aberdeen and we also have outline planning permission (subject to satisfying certain conditions) in place which would allow us to build the new BrewDog brewery. On this site we are planning to build an energy self-sufficient brewery, powered by windmills and bio-mass generators, making it a flagship for renewable energy. This is a brewery we want you to own part of.



|                          | Current Brewery Site | New Brewery Site                     |
|--------------------------|----------------------|--------------------------------------|
| Capacity                 | 28,000 HL            | 150,000HL                            |
| Expandable to            | 28,000HL             | 500,000HL                            |
| Space                    | 800 m2               | 8000m2                               |
| Staff on site            | 32                   | 60                                   |
| Packaging Speed          | 2,000 bph            | 18,000 bph                           |
| Energy generated on site | nil                  | Lots                                 |
| Water Usage per HL       | 8:1                  | 4:1                                  |
| Yields                   | 70%                  | 85%+                                 |
| Quality of Effluent      | -                    | -                                    |
| Status                   | Leased               | Owned (subject to mortgage as below) |
| Turnover Potential       | £6m                  | £110m                                |

At the moment, we outsource some of our brewing of 77 Lager and zeitgeist, for export markets to our friends at Meantime Brewery in London (being around 8% of our current production) but would much rather be brewing these beers at BrewDog too – our new brewery will let us do that.

The new facility will enable us to brew more beer, employ more people and keep up with international demand, all in a much more efficient way. The new facility will also be easily upgradable and should allow us plenty of space to expand in future if we continue to grow as we expect. The new brewery is designed with further expansion in mind. The fact we own the entire site is of key long term significance in contrast to our current premises which are leased.

| Item                     | Balance to fund   | Notes   |
|--------------------------|-------------------|---|
| Building and Utilities   | £2,500,000        | 66% funded by commercial loan from a bank   |
| Brew House               | £1,000,000        | 50% funded by asset finance   |
| Tanks and Packaging      | £1,100,000        | 50% funded by asset finance   |
| Environmental Technology | £1,500,000        | 50% funded by asset finance   |
| <b>Total</b>             | <b>£6,100,000</b> | * we have a letter of indicative support from a bank for funding at the levels indicated in the table above. This support is subject to full credit approval. |

The other funding for the project will be from existing funds, third party financing and the proceeds of this Equity for Punks offer. If we don't raise £1,000,000 through this Equity for Punks offer we will have to build a smaller brewery with less environmental technology.

## Environment

At BrewDog we believe in producing great beer in a way that will not have a detrimental impact on the planet. The new facility will be as environmentally friendly as possible with most of the energy needed to brew the beers generated on site. As well as increasing our capacity, we want to be a flagship development for renewable technologies. **We love squirrels. Really.**

# Our bars

Beer was never meant to be bland,  
tasteless and apathetic.

At BrewDog we are setting  
the record straight.





Our bars are libraries of beery masterpieces. A focal point for the craft beer proletariat in our struggle with the industrial beer bourgeoisie. A place where people can indulge in everything that is great about craft beer from the depth of flavour and character, to the passion of the people behind the world's best beers.

We pride ourselves on serving only the best, most exciting and most flavoursome craft beers we can get our paws on from all corners of the planet. A bar where you can escape the pathetic monotony of mass market industrial beers made by faceless multinational corporations. Instead we serve beers from the likes of BrewDog, Anchor Stone, Mikkeller, Struise, Alesmith and many more.

No Tennents. No Carling. No Smirnoff. No Televisions.

**We are not cool.**

**We are not pretentious.**

**We just care. And we are your friends.**



The first BrewDog bar opened in Aberdeen in October 2010. We then opened a BrewDog bar in Edinburgh in March 2011. We expect our bar in Glasgow to open by mid July 2011 and we expect to have another 2 BrewDog bars open before the end of September 2011 (in Camden and Manchester). We plan to have 10 BrewDog bars in operation by the end of 2012.

Based on our experience to date, the cost of opening a new leased BrewDog bar is approximately £100,000. All our bars have been trading extremely well since they opened: Aberdeen has averaged monthly revenues of circa £30,000 whilst Edinburgh has averaged monthly revenues of circa £50,000. Both are solidly profitable.

In addition to building an environmentally friendly new brewery with the proceeds of Equity for Punks, we also want to grow our business by opening more BrewDog bars. By investing you will help us open more bars where you can go and drink your beers with a great discount!

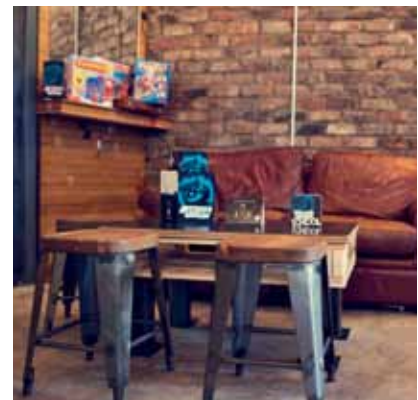
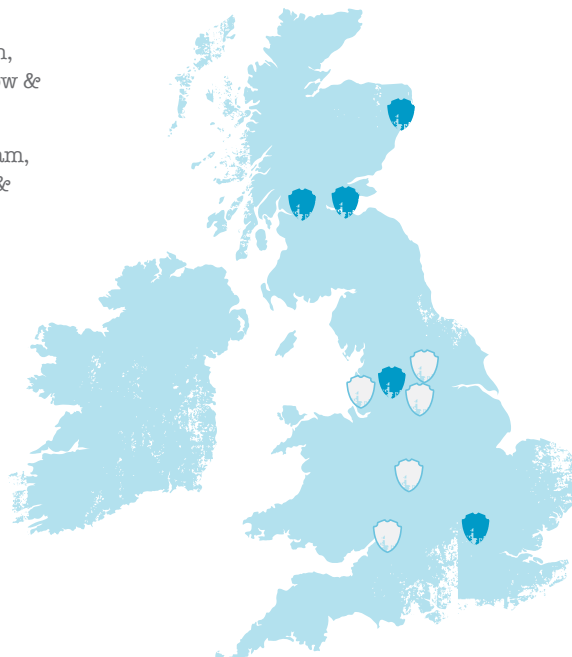
When we opened our first BrewDog bar in Aberdeen, this was a new venture for us and leasing the property was not an option as the property was only available for outright purchase. To protect BrewDog against any downside and to preserve our capital, the Aberdeen bar is operated and owned by BrewDog Aberdeen Ltd. BrewDog owns 25% of this company and the stake was paid for in beer. We have since formed BrewDog Bars Ltd, 100% owned by BrewDog, to lease and operate all new BrewDog bars including Edinburgh, Glasgow, Camden and Manchester.



Aberdeen, Camden,  
Edinburgh, Glasgow &  
Manchester.



Bristol, Birmingham,  
Leeds, Liverpool, &  
Sheffield.



#### **BrewDog Aberdeen**

17 Gallowgate, Aberdeen  
AB25 1EB

#### **BrewDog Camden**

113 Bayham Street,  
London  
NW1 0AG

#### **BrewDog Edinburgh**

143 Cowgate, Edinburgh  
EH1 1JS

#### **BrewDog Glasgow**

1397 Argyle Street  
G3 8AN

#### **BrewDog Manchester**

Announcement on  
location coming soon

# The Management team



**James Watt**  
**Head of Stuff and Co-Founder**

James was a fully qualified deep sea Captain having earlier completed an honours degree in Law and Economics. He trading being a salty sea dog for a BrewDog in 2007 to persue his passion for great craft beer when he set up BrewDog with Martin.



**Martin Dickie**  
**Beer Pirate and Co-founder**

Martin Dickie has a first class honours degree in Brewing and Distilling from Herriot Watt University. He is a renegade artist on a mission to change people's perceptions about beer and challenge their taste buds.



**Keith Greggor**  
**Director**

Beverage alcohol professional with decades of successful brand building with brands such as Baileys, Mailbu, Skyy. Now President & CEO of Anchor Brewers and Distillers, owners of San Francisco's famous Anchor Steam and distributors of BrewDog in the US, he plays an active role in management and guiding growth.



**Tony Folgio**  
**Board Member**

An industry veteran of over 30 years. Former President & COO of IDV North America managing revenues in excess of \$1 billion, former CEO of the wildly successful Skyy Spirits which sold to Campari for over \$500M. Now Chairman of Anchor, he is one of the most well-known US industry figures.



**Narayanan Madasamy**  
**Operations Director**

With brewery experience on 4 continents, Narayanan is the one who makes BrewDog tick. Providing operation stability as well as handling all of our logistics and purchasing. He is also awesome at singing.



**Bruce Gray**  
**Head of BrewDog Bar Division**

Bruce has a strong on-trade background with extensive experience of opening new venues and managing multiple sites, throw in his passion for great beer making him ideal to head up our bar division.



**Stewart Bowman**  
**Head Brewer**

Loves Hops, Loud Music, Tattoos and making rock 'n roll beers. Our hardcore Head Brewer has been with us from the start.

# Our assets

So what exactly are you buying into? A young business with revenues of over £3.3 million last year growing revenue at a rate of almost 100% per year whilst growing profits too and, we believe, on target to reach revenue of £6.5 million by the end of 2011. But that is not all. As well as growth potential we also have valuable assets on the balance sheet and awesome assets which are not valued in the accounts: you are buying into all of these.

## Assets on the Balance Sheet:

### Our 5.25% stake in Anchor Brewers

Anchor Brewers is a classic American craft brewing icon, based in San Francisco. By buying part of BrewDog, you are also buying part of Anchor Brewers, which is kinda cool.

### Our Land outside Aberdeen

Formally valued at £300,000, we expect the value to rise significantly on completion of the new brewery project (as we spend the money to build our new brewery).

### BrewDog Bars Ltd

BrewDog Bars Ltd is a 100% subsidiary completely owned and controlled by BrewDog plc. BrewDog Bars Ltd operates the BrewDog bar in Edinburgh, has taken on the lease of the Glasgow bar that should open in July 2011, has signed up heads of terms to open the bar in Camden and expects to do the same for Manchester and will operate any new BrewDog bars opened in the future.





### **25% of BrewDog Aberdeen Limited**

BrewDog Aberdeen Ltd is owned 25% by BrewDog plc and 75% by James Watt. This company owns the Aberdeen property outright and also operates the BrewDog bar in Aberdeen.

### **Capital & Retained Profit**

We have capital reserves including £435,000 in a deposit account – this money is earmarked for building the new brewery. Between capital reserves and retained profit we have over £700,000 however we need to raise further finance through this Equity for Punks offer to finance our plans for the new brewery and to open new bars.

### **Equipment**

We currently own over £600,000 of brewing equipment including our bottling line and over 25 fermentation tanks. You can find out more about how this is financed in Part D.

### **Our new brewery**

You will also own part of our new brewery!

## **Other Assets**

### **The Brand**

The BrewDog brand already has a huge reputation and, we believe, a massive amount of brand equity. Although the brand is not valued in the accounts, we believe it is by far our most valuable asset. The brand and the global reputation we have built for brewing world class craft ales is key to fulfilling our long term plans.

### **The People**

Combined with our brand, we have James, Martin, Keith and the rest of the talented team completely focused on turning BrewDog into a huge success for everyone involved. Keith and Tony have a huge history of insane achievements (they built Skyy Vodka into a billion dollar brand) and James and Martin have already proved capable of guiding BrewDog to exponential growth and solid underlying financial performance too.

### **The Customers**

A huge asset of our young business is the calibre of our customers, from the retailers and export partners we have to the very loyal consumers who enjoy our beers. Our diversified customer base includes blue chip retailers in 10 countries, governments in 4 countries and some of the most respected importers in the business. We have great growth potential and awesome long term working relationships with all our key partners.

# Are you an Equity for Punks, Punk?

This is much more than an investment opportunity. This is about buying into the BrewDog vision, philosophy and ideal. This opportunity differs from a conventional investment in that we are offering you the chance to get involved in the running of the company through the equityforpunks.com website, forum and our AGM.

What you get for your investment:

- Lifetime discounts in all our bars and on orders placed in our online shop at [www.brewdog.com](http://www.brewdog.com)
- Exclusive first options on all our special and limited edition releases.
- Being able to attend our (soon-to-be legendary) AGM
- Being able to participate in brewing our annual 'By Shareholders, For Shareholders' Beer.
- Having your say in how the company is run and being able to vote on some key decisions online.
- Your own BrewDog ID Card (for claiming your discounts)
- A welcome pack with some killer, shareholder only, BrewDog merchandise
- Owning your very own part of BrewDog, our new eco-brewery and part of all of our BrewDog Bars

We believe that that the best way to develop BrewDog and further grow our business is to again ask you, the people who enjoy our beers, to be involved in BrewDog's future.

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.**

Our growth so far has been phenomenal. With that growth all set to continue we want you to share in our future success and own your very own part of BrewDog. This is going to be an awesome journey and we want to take you with us on it.

**This is your front row seat to the craft beer revolution.**



# Summary information

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this Share Offer Document and any document incorporated by reference. You should read the whole of this document and in particular the Risk Factors on pages 24 to 27. Any decision to invest in the New B Shares should be based on consideration of this Share Offer Document and any document incorporated by reference as a whole.

## **Background**

In 2009 we pioneered a ground-breaking new generation of business model. Equity for Punks turned the concept of business ownership on its head. Equity for Punks was a break from the mundane route of asking the banks and private equity for money, a new and alternative business model. Over 1,000 people invested and the Equity for Punks concept was met with huge media interest. And now it is back!

We currently employ over 60 people and have a young, dynamic and driven management team whose sole focus is growing BrewDog. Our turnover in 2010 was £3.33 million which was up from £1.78 million in 2009. We also reported strong profits in 2010 of £270,000 (after tax), a big improvement on 2009 where we did just a little better than break-even (at the pre-tax level) (showing a small loss after tax). We are especially proud of our profitability in 2010 given the amount of time and effort we had to invest to almost double the size of our business in the year.

## **Reasons for the Offer**

We have opened 2 new bars in the last 9 months, expect to open 3 more before the end of September and plan to have 10 BrewDog bars operational before the end of 2012. We also want to build a much bigger new brewery than was previously planned with more capacity giving us what we hope will be significantly better long term growth potential. In order to do so we are seeking to issue up to 90,000 New B Shares raising £2,137,500 (before expenses). New B Shares are being offered 4 at a time for £95. If all 90,000 New B Shares were issued, this would represent 8% of the Enlarged Issued Share Capital of BrewDog. We need to raise a minimum of £100,000 to open one of the new bars we have planned and if we raise at least £1,000,000 we can build the brewery we really want (which is estimated to cost £6,100,000 in total).

## **Key Dates for the Offer and the AGM**

The key dates for the Offer are that the Share Offer Document will be issued to Shareholders on 6 July 2011 and be generally available from 8 July 2011. This will allow existing BrewDog shareholders to buy shares in this Equity for Punks offer before anyone else.

The AGM for shareholders will be held on 23 July 2011 at 2pm at the BrewDog Bar, 143 Cowgate, Edinburgh EH1 1JS and the closing date for the Offer is 6 January 2012. The notice of the AGM and the notices of the class meetings of A Shares and Existing B Shares is available at [www.brewdog.com/equityforpunks](http://www.brewdog.com/equityforpunks)

The closing date for applications from Potential Applicants is 6 January 2012.

## **Tax**

It should be noted that the tax treatment of any investment depends upon the individual circumstances of each Potential Applicant and may be subject to future change.

BrewDog's most recent financial statements are summarised in Part D (**Financial Information**).

The risk factors to take into account when considering an investment in the New B Shares are set out in Part C (**Risk Factors**). The detailed terms and conditions of the Offer are set out in Part B (**Terms and Conditions of the Offer**).

## PART B

### RISK FACTORS

**Any investment in New B Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Share Offer Document, before making any investment decision. The risks listed do not necessarily comprise all those associated with an investment in the New B Shares and are not set out in any particular order of priority. Additional risks and uncertainties may also have an adverse effect on BrewDog's business and an investment in the New B Shares.**

An investment in BrewDog may not be suitable for all addressees of this Share Offer Document. Potential Applicants are accordingly advised to consult an independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in investments of this kind before making any decision to invest. A Potential Applicant should consider carefully whether an investment in BrewDog is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

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

#### **1. Risks in investing in unquoted securities and the New B Shares**

- An investment in the New B Shares described in this Share Offer Document is speculative and should only be undertaken by investors capable of evaluating the potential risks and merits of such an investment and who have sufficient resources to bear any loss that might result from such an investment.
- The New Articles are summarised in Paragraph 5 Part E (Additional Information) of this Share Offer Document. Potential Applicants ought to review these carefully to ensure they are familiar with the rights and restrictions pertaining to the New B Shares, some of which are highlighted below.
- BrewDog is an unlisted company. There are also no plans to seek a public quotation on any recognised investment exchange or other market for the New B Shares. BrewDog will not be subject to the Listing Rules of the United Kingdom Listing Authority, the AIM Rules, the UK Corporate Governance Code or any other similar rules or regulations applying to companies with securities admitted to or traded on a regulated market or exchange. Accordingly, shareholders in BrewDog will have neither the rights nor protections available to shareholders in publicly quoted companies.
- Transfers of shares issued in connection with this Share Offer Document will be governed by the provisions of the New Articles and in particular, the rights attaching to the New B Shares do not permit transfers to be made before 31 December 2012.
- No shareholder in BrewDog (whether owning A Ordinary Shares or B Shares) will be entitled to receive a dividend until 31 December 2012 at the earliest. There is no guarantee that dividends will be paid after this date.
- The value of the New B 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 New B shares to be issued by the Company. Accordingly it may be difficult even after 31 December 2012 for investors to sell their shares at what they consider to be 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. In the worst case scenario, BrewDog may not be successful and its shareholders could lose all of the money that they have invested. Potential Applicants should therefore not invest in BrewDog unless they have carefully thought about whether they can afford it and whether such an investment it is right for them.

- 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.
- The holders of the A Shares will at all times be able to carry any vote to be made at a general meeting in relation to general commercial matters. The holders of the A Shares will not be capable of approving any resolution which would impact upon the rights of the B Shares without a separate resolution of the holders of the B Shares being passed.

## **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 Company has obtained outline planning consent for its new BrewDog brewery. Full planning permission has not yet been obtained and is subject to fulfilling a number of conditions set down by Aberdeenshire Council. If the Company is unable to obtain full planning permission it will not be able to build the new brewery.
- 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 less environmentally sustainable brewery being built.
- Some or all of the BrewDog bars could lose their licences to sell alcoholic beverages or have their hours of operation curtailed as a result of hearings of the licensing boards in the relevant councils or borough areas where each of the bars is located or as a result of any changes in legislation governing licensed premises.
- The costs of establishing and operating the new licensed premises in the next 18 months may be higher than those set out in Part A. Although the directors have undertaken projections and opened similar sized licensed premises in other cities in the last year, costs may be greater in the other intended destinations and may increase as a result of economic or other factors out with the Company's control.
- The required further financing may not be obtained on a timely basis for the necessary funding of the Company to be made. Furthermore there is no guarantee that any further funding rounds will be priced at a share value greater than the 'B' Shares being offered through this Share Offer Document in which case investors in this round may be materially diluted.
- 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.
- Some of the Company's assets may not be realisable at the value ascribed to them by the Directors. The Company's 15% stake in Griffin Brewers and Distillers LLC, which the Directors have valued at circa £1.7m, may according to the Company's auditors, in fact be valued at circa £0.5m. There is no guarantee that either of these two valuations represents a fair price or achievable price were this investment ever to be sold.
- The Company is 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, variations 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 (in addition to the outsourced brewing as detailed in Part A) 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 enhance 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 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 90,000 B Shares (the “**New B Shares**”) in order to raise gross proceeds of up to £2,137,500 (approximately £2,091,000 net of expenses) by way of the Offer.

Upon completion of the Offer, assuming all New B Shares are subscribed for, the New B Shares will represent approximately 8 per cent. of the Enlarged Issued Share Capital of the Company.

The New B Shares to be issued pursuant to the Offer will have the rights set out in the New Articles and will rank *pari passu* with the Existing B Shares.

The Offer is an opportunity for Potential Applicants to apply to subscribe for New B Shares at the Issue Price in accordance with the terms of the Offer. All existing holders of Existing B Shares have the right to subscribe for their proportionate entitlement of the New B Shares available for issue at the Issue Price in preference to any other Potential Applicants.

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 New B 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 New B Shares at the Issue Price (payable in full on application and free of all expenses) with the minimum number of ‘B’ Shares which can be subscribed for being 4 New B Shares for an aggregate subscription price of £95 and shares only being able to be applied for in multiples of 4.

The New B Shares will be issued credited as fully paid and will have the rights attached to them under the New Articles. The New B 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 Application Forms from Potential Applicants by 6 January 2012, the Final Acceptance Date, for an aggregate of 4,216 B Shares, raising a minimum of £100,130 for the Company, before expenses.

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 Potential Applicant’s sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for New B Shares cannot occur after the New B Shares have been issued.

Definitive certificates in respect of the New B Shares taken up are expected to be posted to all successful Applicants in the week commencing 27 January 2012.

All monies received by the Registrar in respect of New B 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 (subject to the pre-emption rights of the holders of the Existing B Shares and otherwise on a “first come first served” basis), the Company will make an appropriate announcement on its website.

#### 4. Procedure for application and payment

All New B 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 New B 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 4 or more New B Shares (shares only being able to be applied for in multiples of 4) 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 (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 2012, 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 BrewDog plc" 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 New B 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 New B Shares will be issued and all monies will be returned (at the Potential 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 a Potential Applicant (or as the Potential Applicant may direct) will be sent at the Potential 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 544 New B 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 Potential Applicants wish to subscribe for more than 544 New B Shares they should do so by using the Hard Copy Application Form.

##### (b) Application procedures

Potential Applicants wishing to apply to acquire New B 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 2012, 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 New B 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 2012; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 6 January 2012 from authorised persons (as defined in FSMA) specifying the New B 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 New B 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 CCW or any other person affiliated with CCW 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 New B 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 New B Shares be issued to him on the terms set out in this Share Offer Document and the Application Form, subject to the provisions of 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 New B Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New B 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 New B 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 New B Shares under the Offer; and
- (viii) 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 New B 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 New B Shares as is referred to therein (for the purposes of this paragraph 5, the “**relevant ‘B’ 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 New B 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 Potential 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 Potential 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 New B Shares is less than €15,000 (approximately £13,000).

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 BrewDog plc" 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 New B 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 New B Shares with an aggregate subscription price per applicant of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of New B 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 2012, 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 New B 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 New B 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 New B 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 New B Shares regarding the legality of an investment in the New B 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 New B 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 New B 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 New B Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Excluded Overseas Applicant 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 New B 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 Applicant to apply for New B 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 New B 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 New B 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 New B 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 New B Shares outside the United States and is not to be downloaded by, sent or given to any person within the United States. The New B 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 New B 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 New B Shares are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the New B Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing or purchasing the New B Shares, as the case may be, that:

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

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

Any person completing and returning an Application Form or requesting registration of the New B 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 New B 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 New B 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 New B Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New B 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 New B 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 New B 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.

## 7. Issue

The result of the Offer is expected to be announced on 13 January 2012 at the latest.

Share certificates in respect of the New B Shares validly applied for are expected to be despatched by post in the week commencing on 27 January 2012. 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.

## 8. 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).

## 9. Taxation

Certain statements regarding UK taxation in respect of the New B Shares and the Offer are set out in paragraph 15 in Part E (*Additional information*). Potential Applicants 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.

## 10. 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' 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 INFORMATION

The information below is extracted from the Company's audited financial statements for the years ended 31 December 2010 and 31 December 2009 and its unaudited financial statements for the year ended 31 December 2008. These financial statements are incorporated by reference into this document and are available for viewing as set out in paragraph 18 of Part E (Additional Information) of this Share Offer Document.

The audit report for the year ended 31 December 2010 was qualified by the Company's auditors' opinion that the Directors' valuation of the Company's investment in Griffin Brewers should be reduced by £1.2m and the Company's revaluation reserve should also be reduced by £1.2million.

#### PROFIT AND LOSS ACCOUNT

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|  | <b>Audited<br/>year ended<br/>31<br/>December<br/>2010<br/>£</b> | <b>Audited year<br/>ended 31<br/>December<br/>2009<br/>£</b> | <b>Unaudited<br/>year ended<br/>31<br/>December<br/>2008<br/>£</b> |
|--|--|--|--|
| <b>TURNOVER</b>  | 3,331,717  | 1,781,234  | 789,443  |
| Cost of sales  | 2,437,178  | 1,433,318  | 446,455  |
| <b>GROSS PROFIT</b>  | 894,539  | 347,916  | 342,988  |
| Administrative expenses  | 729,798  | 390,087  | 298,157  |
|  | 164,741  | (42,171)   | 44,831   |
| Other operating income   | 56,458   | 60,360   | 57,343   |
| <b>OPERATING PROFIT</b>  | 221,199  | 18,189   | 102,174  |
| Interest receivable and similar income                           | 20,983   | 199  | 29   |
|  | 242,182  | 18,388   | 102,203  |
| Interest payable and similar charges                             | 20,613   | 18,241   | 17,679   |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION</b>         | 221,569  | 147  | 84,524   |
| Tax on profit on ordinary activities                             | (46,436)   | 10,572   | -  |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD<br/>AFTER TAXATION</b> | 268,005  | (10,425)   | 84,524   |



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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|   | <b>Audited 31<br/>December<br/>2010</b> | <b>Audited<br/>31 December<br/>2009</b> | <b>Unaudited<br/>31 December<br/>2008</b> |
|---|---|---|---|
|   | <b>£</b>                                | <b>£</b>                                | <b>£</b>                                  |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>                       | 268,005                                 | (10,425)                                | 84,524                                    |
| Revaluation of tangible fixed assets                              | 259,144                                 | -                                       | -   |
| Revaluation of fixed asset investments                            | 1,696,706                               | -                                       | -   |
| <b>TOTAL RECOGNISED GAINS AND LOSSES<br/>RELATING TO THE YEAR</b> | <b>2,223,855</b>                        | <b>(10,425)</b>                         | <b>84,524</b>                             |

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**BALANCE SHEET**

|  | <b>Audited 31<br/>December<br/>2010</b> | <b>Audited<br/>31 December<br/>2009</b> | <b>Unaudited<br/>31 December<br/>2008</b> |
|--|---|---|---|
|  | <b>£</b>                                | <b>£</b>                                | <b>£</b>                                  |
| <b>FIXED ASSETS</b>                              |   |   |   |
| Tangible assets                                  | 955,065                                 | 477,959                                 | 334,810                                   |
| Investments                                      | 1,696,757                               | -                                       | -   |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
|  | 2,651,822                               | 477,959                                 | 334,810                                   |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>CURRENT ASSETS</b>                            |   |   |   |
| Stocks   | 304,748                                 | 219,412                                 | 109,779                                   |
| Debtors  | 746,736                                 | 463,632                                 | 138,753                                   |
| Cash at bank                                     | 651,976                                 | 323,688                                 | 95  |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
|  | 1,703,460                               | 1,006,732                               | 248,627                                   |
| <b>CREDITORS</b>                                 |   |   |   |
| Amounts falling due within one year              | (769,671)                               | (645,122)                               | (362,577)                                 |
| <b>NET CURRENT ASSETS/<br/>(LIABILITIES)</b>     | <hr/>                                   | <hr/>                                   | <hr/>                                     |
|  | 933,789                                 | 361,610                                 | (113,950)                                 |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> | 3,585,611                               | 839,569                                 | 220,860                                   |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>CREDITORS</b>                                 |   |   |   |
| Amounts falling due after more than one year     | (184,107)                               | (193,843)                               | (167,227)                                 |
| <b>PROVISIONS FOR LIABILITIES</b>                | -                                       | (10,572)                                | -   |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>NET ASSETS</b>                                | 3,401,504                               | 635,154                                 | 53,633                                    |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>CAPITAL AND RESERVES</b>                      |   |   |   |
| Called up share capital                          | 51,640                                  | 50,000                                  | 100                                       |
| Share premium                                    | 1,082,901                               | 542,046                                 | -   |
| Revaluation reserve                              | 1,955,850                               | -                                       | -   |
| Profit and loss account                          | 311,113                                 | 43,108                                  | 53,533                                    |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |
| <b>SHAREHOLDERS' FUNDS</b>                       | 3,401,504                               | 635,154                                 | 53,633                                    |
|  | <hr/>                                   | <hr/>                                   | <hr/>                                     |

## CASH FLOW STATEMENT

|   | Audited<br>year ended<br>31/12/10<br>£ | Audited year<br>ended<br>31/12/09<br>£ | Unaudited<br>year ended<br>31/12/08<br>£ |
|---|--|--|--|
| <b>Net cash inflow/ (outflow) from operating activities</b>                   |  |  |  |
| Operating profit  | 221,199                                | 18,189                                 | 102,174                                  |
| Depreciation  | 62,047                                 | 54,236                                 | 59,877                                   |
| Loss/(Profit) on disposal of fixed assets                                     | 4,774                                  | (4,111)                                | 83                                       |
| Increase in stocks  | (85,336)                               | (109,633)                              | (70,197)                                 |
| Increase in debtors   | (217,933)                              | (324,878)                              | (96,649)                                 |
| Increase in creditors   | 71,644                                 | 258,658                                | 22,123                                   |
| <b>Net cash inflow/ (outflow) from operating activities</b>                   | <b>56,395</b>                          | <b>(107,539)</b>                       | <b>17,411</b>                            |
| <b>Returns on investments and servicing of finance</b>                        |  |  |  |
| Interest received   | 158                                    | 199                                    | 29                                       |
| Interest Paid   | (3,242)                                | (5,436)                                | (7,867)                                  |
| Interest element of hire purchase payments                                    | (17,371)                               | (12,805)                               | (9,812)                                  |
| <b>Net cash outflow for returns on investments and servicing of finance</b>   | <b>(20,455)</b>                        | <b>(18,042)</b>                        | <b>(17,650)</b>                          |
| <b>Capital expenditure and financial investment</b>                           |  |  |  |
| Purchase of tangible fixed assets   | (150,520)                              | (81,154)                               | (15,823)                                 |
| Purchase of fixed asset investments   | (50)                                   | -                                      | -  |
| Sale of tangible fixed assets   | -                                      | 29,040                                 | -  |
| <b>Net cash outflow for capital expenditure and financial investment</b>      | <b>(150,570)</b>                       | <b>(52,114)</b>                        | <b>(15,823)</b>                          |
| <b>Financing</b>  |  |  |  |
| New loans in year   | -                                      | 30,000                                 | 40,000                                   |
| Loan repayments in year   | (23,795)                               | (40,007)                               | (13,976)                                 |
| Capital repayments in year  | (92,282)                               | (65,296)                               | (32,701)                                 |
| Share issue   | 653,202                                | 591,946                                | -  |
| Share issue costs   | (119,189)                              | -                                      | -  |
| Amount introduced by directors  | -                                      | -                                      | 866                                      |
| Amount withdrawn by directors   | -                                      | -                                      | (2,141)                                  |
| <b>Net cash inflow/(outflow) from financing</b>                               | <b>417,936</b>                         | <b>516,643</b>                         | <b>(7,952)</b>                           |
| <b>Net increase/(decrease) in cash</b>  | <b>303,306</b>                         | <b>338,948</b>                         | <b>(24,014)</b>                          |
| Cash at bank less overdraft at beginning of period                            | 275,034                                | (63,914)                               | (39,900)                                 |
| <b>Cash at bank less overdraft at end of period</b>                           | <b>578,340</b>                         | <b>275,034</b>                         | <b>(63,914)</b>                          |
| Consisting of:  |  |  |  |
| Cash at bank  | 651,976                                | 323,688                                | 95                                       |
| Overdraft included in "bank loans and overdrafts falling due within one year" | (73,636)                               | (48,654)                               | (64,009)                                 |
|   | <b>578,340</b>                         | <b>275,034</b>                         | <b>(63,914)</b>                          |

The financial information for the period to 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 period 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.

Statutory accounts for the year ended 31 December 2009 were approved by the Board on 25 June 2010, audited by Ritson Smith and delivered to the Registrar of Companies.

Statutory accounts for the year ended 31 December 2010 were approved by the Board on 29 June 2011, audited by Ritson Smith and delivered to the Registrar of Companies.

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## **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.

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## **FINANCING**

The directors have secured finance from a number of different sources over the last 3 years to facilitate the growth of the business. The finance obtained can be summarised as follows:

### **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 hire purchase finance to acquire 2 beer fermenters in August 2009 with £46,163 financed. Monthly repayments over 4 years.

HSBC hire purchase finance to acquire 4 vessel brewhouse in September 2009 with £32,400 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.

## 2010

In January 2010 Equity for Punks completed and shares were issued generating cash of £639,400. Further shares were issued in September 2010 generating further cash of £13,800.

ING hire purchase finance to acquire a Vauxhall Corsa van in February 2010 with £6,315 financed. Monthly repayments over 4 years.

HSBC hire purchase finance to acquire a beer fermenter in May 2010 with £24,303 financed. Monthly repayments over 4 years.

HSBC hire purchase finance to acquire a beer fermenter in September 2010 with £10,511 financed. Monthly repayments over 4 years.

HSBC hire purchase finance to acquire a beer fermenter in September 2010 with £21,606 financed. Monthly repayments over 4 years.

HSBC hire purchase finance to acquire 2 beer fermenters, a Renault Master van and a Peugeot Partner van in December 2010 with £71,527 financed. Monthly repayments over 4 years.

## 2011

HSBC hire purchase finance to acquire 2 beer fermenters in April 2011 with £30,612 financed. Monthly repayments over 4 years.

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## SALES ANALYSIS

|                   | <b>Audited<br/>year ended<br/>31/12/10<br/>£</b> | <b>Audited year<br/>ended<br/>31/12/09<br/>£</b> | <b>Unaudited<br/>year ended<br/>31/12/08<br/>£</b> |
|-------------------|--|--|--|
| UK                | 1,820,931  | 992,188  | 335,461  |
| Europe            | 744,077  | 423,203  | 184,362  |
| Americas          | 360,667  | 330,533  | 237,859  |
| Rest of the world | 406,042  | 35,310   | 335,461  |
|                   | <hr/>  | <hr/>  | <hr/>  |
|                   | 3,331,717  | 1,781,234  | 789,443  |

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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, for which they accept responsibility, 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 2006 Act. The liability of the members is limited.

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

The Company has the following interests and subsidiary undertakings:

- 3.1 BrewDog Aberdeen Limited (an operating company where the Company owns 25% of the issued shares);
- 3.2 BrewDog Bars Limited (an operating company where the Company owns 100% of the issued shares);
- 3.3 Griffin Brewers and Distillers LLC (“**Griffin Brewers**”) (a holding company where the Company owns 150,000 common units of stock in (constituting 15% of the issued stock of Griffin Brewers) and in turn Griffin Brewers owns 3,500 common units of stock in Anchor Brewers (providing the Company with a 5.25% indirect interest in Anchor Brewers).

The Company holds no shares in any other company.

#### 4. Share capital of the Company

- 4.1 No A Shares or B Shares have been issued between 1 January 2011 and 30 June 2011 (being the latest practicable date prior to the publication of this Share Offer Document).
- 4.2 Accordingly, as at 30 June 2011 (being the latest practicable date prior to the publication of this Share Offer Document, the Company’s issued share capital was £51,609.50 divided into 100,403 A Shares and 2,816 B Shares.
- 4.3 Subject to the resolutions being passed at the AGM:
- 4.3.1 the 105 ‘A’ Ordinary Shares of £0.50 each in the capital of the Company held by Graham Crawford Dunbar (50 ‘A’ Ordinary Shares), Stewart Bowman (45 ‘A’ Ordinary Shares) and Diane Mary Adams Dunbar (10 ‘A’ Ordinary Shares) will be reclassified as 105 ‘B’ Shares of £0.50 each;

- 4.3.2 the existing issued share capital (following the re-classification referred above), being £51,609.50 divided into 100,298 'A' Ordinary Shares of £0.50 each and 2921 'B' Shares of £0.50 each, will be sub-divided into 1,002,980 'A' Ordinary Shares of £0.05 each and 29,210 'B' Shares of £0.05 each;
- 4.3.3 the directors will have authority to allot 90,000 New B Shares at £23.75 per New B Share; and
- 4.3.3 new Articles of Association of the Company will be adopted in terms of which, *inter alia*, the authorised share capital of the Company was revoked.
- 4.4 Following the issue of shares pursuant to this Offer, share certificates will be sent to all registered members of New B Shares by first class post. Upon receipt, all existing shareholders who have been allotted New B Shares should immediately return their existing share certificates to the Company at its registered office for cancellation by the Company. Following the issues of New B Shares pursuant to this Offer, Shareholders who have not applied for New B Shares will be sent a new certificate with respect to their sub-divided holding of Existing B Shares. Upon receipt, those existing shareholders should immediately return their old share certificate to the Company at its registered office for cancellation by the Company.
- 4.5 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.
- 4.6 As at 30 June 2011 (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**

Subject to the resolution proposed at the AGM being duly passed, the New Articles will be adopted in substitution for, and to the exclusion of, the existing Articles of Association (together with the provisions of the Company's existing Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as forming part of the Company's Articles of Association). As such, all key provisions are contained within the New Articles and the Memorandum of Association is a historic document containing no substantive provisions.

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

#### **5.1 Votes of Members**

Each holder of an A Share or a B 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 Shares and the B 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 Shares and the B Shares rank *pari passu*.

### 5.4 B Shares

#### 5.4.1 Discount Rights of B Shares:

- (a) Each holder of at least four (4) B Shares shall have the right to buy such products (to include all beer, ale and other brewed beverages) together with any such other products (“**Products**”) as the Board may determine at [www.BrewDog.com](http://www.BrewDog.com) (the “**Website**”) for ten percent (10%) less than the retail price such Products are sold for on the Website;
- (b) Each holder of at least 8 B Shares shall have the right to buy Products for fifteen percent (15%) less than the retail price such Products are sold for on the Website;
- (c) Each holder of at least 10 B Shares shall have the right to buy Products for twenty percent (20%) less than the retail price such Products are sold for on the Website;
- (d) Each holder of B Shares will have a right to buy any Products at any BrewDog Bar for five percent (5%) less than the retail price such Products are sold for at the relevant BrewDog Bar;
- (d) Each new holder of New B Shares will be given specific log-in details for the Website following the issue of the New B Shares;
- (e) 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 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 shareholder’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 Rights shall exist for the lifetime of the holder of the B Shares. Any person acquiring the B Shares pursuant to Articles 41 and 42 of the New Articles (transmission of shares upon death) shall not be entitled to exercise the Discount Rights.

## **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 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 the New 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 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 the New Articles as may be applicable, a member holding B Shares may transfer all or any of such B 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 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 New 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. This is in addition to any obligations which the buyer may have in law or pursuant to the Takeover Code
- 5.6.2 In the event that within the period prescribed in the New 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 New 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 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 two 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**

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**

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

The Company shall be entitled to sell at the best price reasonably obtainable any shares of a holder where a shareholder is untraceable within the meaning of Article 34 of the New Articles.

### 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 the New 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**

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.

## **5.21 Revocation of Authorised Share Capital**

The Company's existing authorised share capital is revoked. This follows the repeal of section 2(5) of the Companies Act 1985 which means that companies are no longer required to have an authorised share capital. The authorised share capital would, if retained, restrict the number of shares that the directors are authorised to allot pursuant to Article 7.2 referred below.

## **5.22 Authority to Allot**

- 5.22.1 Article 7.2: the directors are generally authorised to allot shares in accordance with section 551 of the Companies Act 2006 for a prescribed period and up to an aggregate nominal amount. The relevant period and amount for 2011 is stated in resolution 6 of this notice and the intention is for this authority to be renewed on an annual basis at the Company's AGM.
- 5.22.2 Article 7.3: the directors are authorised to allot shares (otherwise than in connection with a rights issue) up to a maximum of five percent (5%) of the issued share capital without applying the statutory rules of pre-emption. Shareholders statutory pre-emption rights are preserved in respect of any shares allotted in connection with a rights issue.

## **6. Directors and Corporate Governance**

The management expertise and experience of, among others, each of the directors of the Company (being James Bruce Watt, Alan Martin Dickie and Charles Keith Greggor) is set out in Part A of this Share Offer Document (*Letter from James Watt, Head of Stuff, BrewDog*).

## **7. Compensation**

- 7.1 In the financial year ended 31 December 2010, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any

description whatsoever) to each of the Directors by the Company was £31,500. Such remuneration was paid as follows:

| <i>Name</i>           | <i>Fee/Basic Salary<br/>£,000</i> | <i>Bonus<br/>£,000</i> | <i>Benefits<br/>£,000</i> | <i>Pension<br/>Contribution<br/>£,000</i> | <i>Total<br/>£,000</i> |
|-----------------------|-----------------------------------|------------------------|---------------------------|---|------------------------|
| James Bruce Watt      | 15,750                            | n/a                    | n/a                       | n/a                                       | 15,750                 |
| Alan Martin Dickie    | 15,750                            | n/a                    | n/a                       | n/a                                       | 15,750                 |
| Charles Keith Greggor | 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 2010 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/<br/>partnerships</i>  | <i>Previous directorships/<br/>partnerships</i> |
|-----------------------|---|---|
| James Bruce Watt      | JBW (77) Limited, Buzzfire Limited, Musa 77 Limited, BrewDog Aberdeen Limited, BrewDog Bars Limited   | Westward BF 350 Limited, Valve 77 Limited       |
| Alan Martin Dickie    | BrewDog Aberdeen Limited, BrewDog Bars Limited, Buzzfire Limited  | None  |
| Charles Keith Greggor | Kelso Ventures, LLC<br>The Griffin Group, LLC<br>Griffin Brewers & Distillers, LLC<br>Anchor Brewers & Distillers, LLC<br>Anchor Distilling Company, LLC<br>Anchor Brewing Company, LLC<br>Anchor Properties, LLC<br>Vin de Soleil, LLC<br>D.A. Folkes, LLC | None  |

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 30 June 2011 (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 'A' ordinary shares of £0.50 each prior to the Offer prior to the Offer</i> | <i>Percentage of Company's issued share capital (per cent.) prior to the Offer</i> | <i>Number of 'A' ordinary shares of £0.05 each immediately after the Offer if Offer is fully subscribed</i> | <i>Percentage of Company's Enlarged Issued Share Capital (per cent.) after the Offer if the Offer is fully subscribed</i> |
|---|--|--|---|---|
| James Bruce Watt  | 43,697   | 42.33%   | 436,970   | 38.93%  |
| Alan Martin Dickie  | 43,698   | 42.34%   | 436,980   | 38.94%  |
| Charles Keith Greggor (shares held by the Griffin Group LLC & Digby Holdings LLC) | 12,903   | 12.5%  | 129,030   | 11.50%  |

8.2 As at 30 June 2011 (being the latest practicable date prior to the publication of this Share Offer Document), the Directors held, in aggregate, 100,298 A Shares, representing 97.17 per cent. of the issued share capital of the Company. Immediately after the Offer, the Directors' shareholding will still be 1,002,980 A Ordinary Shares representing 89.37 per cent of the Enlarged Issued Share Capital, assuming all the New B Shares are fully subscribed for.

As at 30 June 2011 (being the latest practicable date prior to the publication of this Share Offer Document), the Directors had no options and other rights to acquire any shares in the Company.

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 Other than the matter detailed at paragraph 10.2, here 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 30 June 2011 (being the latest practicable date prior to publication of this Share Offer Document), the Company and its subsidiaries had 60 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 30 June 2011 (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 JBW (77) Limited, a company in which James Watt has an interest, provided a loan to the Company which as at 31 December 2010 stood at an outstanding balance of £84,355;

10.2.3 The Company contracts with Anchor Brewing Company LLC (a subsidiary of Anchor Brewers) to import beer into the US. Anchor Brewers is indirectly controlled by Keith Greggor and Anthony Foglio;

10.2.4 The Company contracts with BrewDog Aberdeen Limited in terms of the supply of kegs of beer to the bar in Aberdeen. The balance due from BrewDog Aberdeen Limited as at 31 December 2010 was £1,758;

10.2.5 BrewDog Bars Limited will enter into a lease for the bar in Glasgow from JBW (77) Limited at a market rent to be agreed;

10.2.6 As set out in paragraph 3.3 of this Part E, the Company (indirectly) owns shares in Anchor Brewers, a company controlled by Anthony Folgio and Keith Greggor; and

10.2.7 James Watt and Martin Dickie have provided personal guarantees to the bank limited to £55,000.

## **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>         |
| Site at Potterton, Aberdeen                     | <i>Owned</i>          |
| Brewing Equipment                               | <i>Owned</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.

## **12. Litigation**

12.1 The Company regularly pursues those who do not pay for products through small claims actions. As at 31 December 2010 the aggregate amount which the Company was pursuing for the recovery of bad debts was £10,817.



12.2 Save as disclosed in paragraph 12.1 above, there are no, and have been no, governmental, legal or arbitration proceedings or disputes (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 financial position or profitability or are expected by the Directors to have a significant effect on the Company's financial position or profitably in the future.

### **13. 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 December 2010, the date to which the last audited financial information relating to the Company was prepared nor are the Directors aware of any circumstances which may have such a significant change.

### **14. Taxation**

The following information, which sets out the taxation treatment for holders of New B 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 New B Shares as investments and who are the absolute beneficial owners of those New B 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 New B 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 Applicants 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.

#### **14.1 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.

#### 14.2 Chargeable gains - Disposal of New B Shares

A disposal of New B 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' 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 New B Shares unless such New B 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.

#### 14.3 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.

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

No stamp duty or SDRT will be payable on the issue of the New B Shares unless New B 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 New B Shares (rounded up to the nearest £5 in the case of stamp duty).

Any transfer by Potential Applicants in the New B Shares will be subject to stamp duty or SDRT in the normal way. The transfer on sale of New B 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).**

## **15. Expenses**

The total costs, charges and expenses payable by the Company in connection with the Offer are estimated to be £46,500 (exclusive of VAT).

## **16. General**

16.1 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 year ended 31 December 2008 (but did not carry out an audit) and audited the statutory financial statements of the Company for the financial years ended 31 December 2009 and 31 December 2010. Ritson Smith's audit opinion for the financial statements for the year ended 31 December 2010 was qualified as detailed elsewhere in this Share Offer Document.

16.2 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 2008, 31 December 2009 and 31 December 2010 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 the statutory accounts for the financial years ended 31 December 2008, as an audit was not required pursuant to such section.

## **17. 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 New Articles;
- (b) the unaudited financial statements of the Company for the financial year ended 31 December 2008 and audited financial statements of the Company for the financial years ended 31 December 2009 and 31 December 2010;
- (c) the financial information incorporated in Part D (*Financial Information*) of this Share Offer Document; and
- (d) this Share Offer Document.

## DEFINITIONS

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

|  |   |
|--|---|
| <b>“1985 Act”</b>                      | the Companies Act 1985  |
| <b>“2006 Act”</b>                      | the Companies Act 2006  |
| <b>“AGM”</b>                           | The Annual General Meeting of the Company to be held on 23 July 2011  |
| <b>“Anchor Brewers”</b>                | Anchor Brewers and Distillers LLC, a company incorporated in Delaware   |
| <b>“Application Forms”</b>             | the Hard Copy Application Form and/or the Electronic Application (as the context requires)  |
| <b>“A Shares”</b>                      | The 100,403 A ordinary shares of £0.50 each in issue prior to the date of this Offer Document, due to become 1,002,980 A ordinary shares of £0.05 (subject to the resolutions being duly passed at the AGM) |
| <b>“B Shares”</b>                      | together the Existing B Shares and the New B Shares   |
| <b>“Board”</b>                         | the board of directors of the Company   |
| <b>“Business Day”</b>                  | 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   |
| <b>“certificated form”</b>             | Shares issued in the form of a share certificate  |
| <b>“BrewDog” or “Company”</b>          | BrewDog plc, a company registered in Scotland with registered number SC311560   |
| <b>“Computershare”</b>                 | Computershare Investor Services PLC   |
| <b>“Directors”</b>                     | the directors of the Company, whose names are set out in paragraph 6 of Part E of this Share Offer Document and <b>“Director”</b> shall mean any one of them  |
| <b>“Electronic Application Form”</b>   | the application form which may be completed online from the Website for use by Potential Applicants relating to applications for New B Shares when they wish to pay by Electronic Payment                   |
| <b>“Electronic Payment”</b>            | Payment by UK Debit card will be accepted by the Receiving Agent, who may in its absolute discretion reject any payment   |
| <b>“Enlarged Issued Share Capital”</b> | the 1,122,190 shares which will be the maximum number of A Shares and B Shares in issue   |

|  |  |
|--|--|
|  | following completion of the Offer  |
| <b>“EU”</b>  | the European Union   |
| <b>“Excluded Overseas Applicant”</b>                   | other than as agreed in writing by the Company, and CCW and as permitted by applicable law, Potential Applicants who are located or have registered addresses in a Restricted Jurisdiction             |
| <b>“Executive Directors”</b>                           | James Bruce Watt and Alan Martin Dickie, being the executive directors of the Company  |
| <b>“Existing Shares” or “Existing Ordinary Shares”</b> | The A and B Shares in issue as at the date of this Share Offer Document  |
| <b>“Existing B Shares”</b>                             | The 2,816 B ordinary shares of £0.50 each in issue prior to the date of this Offer Document, due to become 29,210 B ordinary shares of £0.05 (subject to the resolutions being duly passed at the AGM) |
| <b>“FSA”</b>   | the Financial Services Authority   |
| <b>“Final Acceptance Date”</b>                         | 6 January 2012   |
| <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 New B Shares when they wish to pay by cheque or bankers draft               |
| <b>“HMRC”</b>  | HM Revenue & Customs   |
| <b>“Issue”</b>   | The issue of the New B Shares to the successful Potential Applicants   |
| <b>“Issue Price”</b>                                   | £23.75 per New B Ordinary Share  |
| <b>“London Stock Exchange”</b>                         | London Stock Exchange plc  |
| <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 £2,091,000, being the net proceeds from the issue of the New B Shares under the Offer  |
| <b>“New Articles”</b>                                  | The articles of association to be adopted at the AGM   |
| <b>“New B Shares”</b>                                  | Up to 90,000 B ordinary shares of £0.05 each proposed to be issued by the Company pursuant to the Offer  |
| <b>“Non-Executive Directors”</b>                       | Charles Keith Greggor and Anthony Philip Foglio (as alternate only for Charles Keith Greggor), being the non-executive directors of the Company  |
| <b>“CCW”</b>   | Crowe Clark Whitehill LLP  |

|                                  |   |
|----------------------------------|---|
| <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 New B 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 New B 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 jurisdiction  |
| <b>“Receiving Agent”</b>         | Computershare   |
| <b>“Registrar”</b>               | Computershare   |
| <b>“Regulation S”</b>            | Regulation S promulgated under the Securities Act   |
| <b>“Restricted Jurisdiction”</b> | each of Australia, Canada, Japan, Republic of Ireland, New Zealand, South Africa and the United States  |
| <b>“Securities Act”</b>          | the United States Securities Act of 1933 (as amended)   |
| <b>“Shareholders”</b>            | holders of A Shares or B Shares, each individually being a <b>“Shareholder”</b>   |
| <b>“Statutes”</b>                | 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   |
| <b>“Takeover Code”</b>           | The City Code on Takeovers and Mergers  |
| <b>“UK” or “United Kingdom”</b>  | the United Kingdom of Great Britain and Northern Ireland  |
| <b>“United States” or “US”</b>   | the United States of America, its territories and possessions, any State of the United States and the District of Columbia  |
| <b>“Website”</b>                 | <a href="http://www.brewdog.com/equityforpunks">www.brewdog.com/equityforpunks</a> and <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.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|  |                 |
|--|-----------------|
| Offer Document issued to existing Shareholders                       | 6 July 2011     |
| Offer Document generally available to Potential Applicants           | 8 July 2011     |
| AGM  | 23 July 2011    |
| Final Acceptance Date  | 6 January 2012  |
| Announcement as to Offer   | 13 January 2012 |
| Latest Date for Share Certificates Issued to holders of New B Shares | 27 January 2012 |

## RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

### (a) Financial information

The following documentation, which is 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 2008**
- **Audited BrewDog Financial Statements for the financial year ended 31 December 2009**
- **Audited BrewDog Financial Statements for the financial year ended 31 December 2010**

The unaudited financial statements of the Company for the financial year ended 31 December 2008 together with the audited financial statements of the Company for the financial years ended 31 December 2009 and 31 December 2010.

### (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 17 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.



## **DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS**

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

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Share Offer Document constitute forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to the 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 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 and the Directors' 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.

The Craft Beer Revolution.



“If we will disbelieve  
everything because we cannot  
certainly know all things, we  
shall do much - what as wisely  
as he who would not use his  
legs, but sit still and perish,  
because he had no wings to fly.”

John Locke

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