



Equity for Punks
2013

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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 42,105 New B Shares at a subscription price of £95 per New B Share

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 UKLA 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 FSMA.

DEAD PONY CLUB **5 A.M. SAINT** **PUNK IPA** **LIBERTINE BLACK ALE** **HARDCORE IPA**

Part A

**Letter from James Watt,
Captain & Co-founder**

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an introduction to BrewDog



We love craft beer.

And our simple mission is to make other people as passionate about great craft beer as we are.

This passion defines us. It is our terminal addiction. It underpins every single thing we do.

At BrewDog we believe in putting the flavour and craftsmanship back into people's beer glasses.

At BrewDog we believe that now is the time that beer stops tasting of nothing and starts tasting of a brave new world of possibilities.

We live and die by what is in your beer glass. Each and every single time.

We have sworn our allegiance.

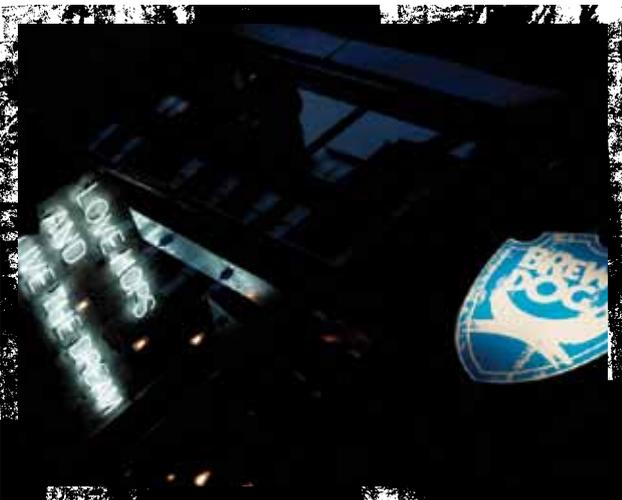
There is no turning back.

We are the change.

And so are you.

We are BrewDog and this is the craft beer revolution.

So help me dog.



an introduction to the offer



Ever wished you owned a brewery and were able to buy your own beer in a bar you own part of?

Want a lifetime discount in all BrewDog Bars?

Want a lifetime discount on our online shop?

Want an annual invite for you and a friend to our AGM?

These are just some of the additional benefits of investing in our hardcore company.

We are an alternative small company, owned by thousands of people who love craft beer. They are our shareholders, our friends, our community and the heart and soul of our business. And this is your chance to join them.

In 2011 we tore up convention, turned the traditional business model on its head and we had almost 6000 people invest in Equity for Punks, raising just over £2M. The offer was ultimately over-subscribed and had to close early and some craft beer lovers didn't manage to buy the shares they wanted in BrewDog.

Now it's back.
Bigger and Better
than ever.

No fat cats (or dogs). No pretentious investment bankers. No venture capitalists. No overbearing parent company. Just loads of people who care passionately about great beer.

We are releasing a third wave of B shares which are being offered at £95 each. Up to 42,105 New B Shares are being made available, which would represent 3.6% of the Shares in BrewDog if all the New B Shares were taken up. We plan to raise nearly £4M this time and have loads of great plans for your investment

We have been the fastest growing food & drinks manufacturer in the UK over the last 3 years.



two punks: one mission

Martin and I were bored of the industrially brewed lagers and stuffy ales that dominated the UK market.

We decided the best way to fix this undesirable predicament was to brew our own beers. Consequently, in April 2007 BrewDog was born.

Both only 24 at the time, we leased a building, got some bank loans, spent money on stainless steel and started making some hardcore craft beers.

We brewed tiny batches, filled bottles by hand and sold our beers at local markets and out of the back of our beat up old van.

Our biggest mission when we set up BrewDog was to make other people as passionate about great craft beer as we are. And that is still our biggest mission today.



igniting a revolution

What started off as a dream became a reality as we moved from a brewery we cobbled together on a shoestring to our new world class craft brewery in Ellon.

We have been the fastest growing food & drinks manufacturer in the UK over the last 3 years.

We have grown from our humble origins in a derelict old garage to a thriving business which employs over **180** people, operates **11** craft beer bars in the UK and ships beer to **38** different countries. We turned over **£10.5M** in 2012 and made a profit of **£486,000** and we expect to turn over **£20M** this year.

With that all set to continue, this is your opportunity to get involved.

BrewDog in numbers

38

export markets globally

186

team members

12

BrewDog bars

167%

average annual growth over last 5 years

5.5

acre HQ brewery site

6291

existing Equity Punk shareholders

number **1**

fastest growing food & drinks manufacturer in the UK over the last 3 years*

*Sunday Times Fast Track 100 list, published December 2012



the benefits of investing

1. Own part of BrewDog

You will own part of our company, our brewery, our bars and our beers; an equity stake in our dynamic and profitable business. Our growth so far has been phenomenal. And the growth is all set to continue.

This is much more than an investment. This is about buying into the BrewDog vision, philosophy and ideal

2. Epic discounts

By investing, you will entitle yourself to a lifetime discount in all of our BrewDog bars and on our online shop as well as our upcoming BottleDog shops and our brewing academy.

3. Your own Equity Punk card

So that you can claim your discounts and take advantage of other Equity Punk Exclusive offers.

4. Beer Bucks

Along with your official share certificate we will send you £10 of beer bucks. With the beer bucks you can toast your investment, on us, in a bar you now own part of.

5. AGM invite

An annual invite for you and a friend to our soon to be legendary AGM. Epic live music, beer tastings, loads of cool people and the low-down on all things BrewDog and how your investment is performing.

6. Shareholder brewday invite

Beer by the people, for the people. This annual event lets you visit the brewery, hang out and help us brew a new beer, exclusively for our shareholders. Oh and expect live music, a BBQ and other stuff too.

7. Exclusive first options

All Equity Punk investors receive the first access on all our limited release and special edition beers. Investing is a great way to ensure you don't miss out on these small batch brews.

8. Get involved

Have your say on how the company is run and vote on key decisions on the Equity Punks forum and website.

This is your front row seat to the craft beer revolution

This is Equity for Punks

the BrewDog Brewery

Located on our 5.5 acre site in Ellon, just north of Aberdeen, our state of the art eco-brewery is one of the most technologically advanced and environmentally friendly breweries in the world.

Having raised more than £2M through Equity for Punks in 2011, we spent £6m building and kitting out our new brewery. The balance of the funding came from retained profits and bank finance.

Completed in late 2012, the Ellon brewery is kitted out with all new equipment which is cutting edge in the craft beer world. From a state of the art centrifuge which allows us to completely avoid filtration, to a 'Hop Cannon' we developed with the manufacturer and which we are in the process of applying for a patent for, everything at the new brewery is focussed on making completely awesome beers.

We have not yet got close to supplying the current global demand from our customers. We have the space and most of the equipment needed to enable us to really scale up our brewery's production and if we raise the full £4m, we would use £1.5m of your investment to help us to buy more equipment, which will help us unlock that potential and further grow our capacity and business.

Vital Stats

100 HL
BrewHouse

6000 HL of
fermentation
capacity

25 fermentation
tanks

48 head bottling
machine

70,000 HL of
annual capacity

3,500 m²
building

1 Hop Cannon
(it rocks)





our beers

BrewDog core range



Our 5 core range beers are available in bottle and keg format all year round.

When it comes down to it, we are pretty selfish. We can't help it. We have a terminal addiction to making beers we want to drink.

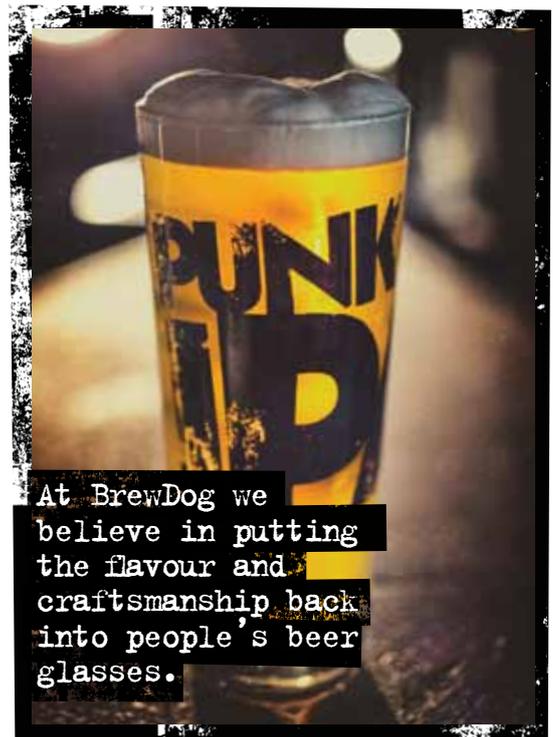
All of our beers are brewed in the north east of Scotland using mountains of malt, silly amounts of hops, pure Scottish water and our house yeast.

Our core range is built on classic beer styles re-imagined, re-envisioned and revitalised, all with the customary BrewDog bite.

limited release beer



In addition to our core range beers, we also brew our limited release Abstrakt series as well as occasional brews and cool collaborations with our favourite brewers ensuring our customers have a constant and rotating supply of beery awesomeness.



At BrewDog we believe in putting the flavour and craftsmanship back into people's beer glasses.

future beers and brewery plans

With your investment we would look to scale up production at our brewery in order to meet the current demand for our beers. We look to achieve this by purchasing additional brewing equipment. By doing this we can grow our production over 10 fold to 500,000 HL per year. In addition, in the future we would look to build an interactive pilot brewery which would be open to the public, a rock 'n' roll visitor centre, a bar & restaurant and a shop on site, which we have loads of space for.

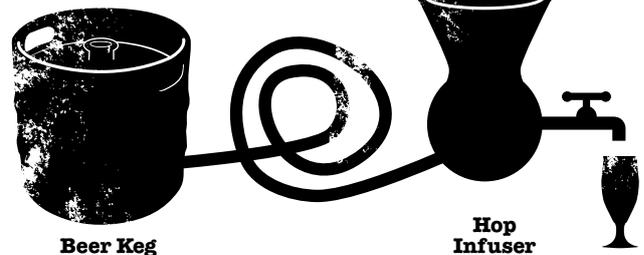
With currently only one third of our site utilised and with demand exceeding current supply by 35% we have both the space and demand to enable significant growth. These plans are going to help us to brew more beer and to share our passion for great craft beer with even more people.



We will also look to launch our brand new ice distilled beer Watt Dickie internationally. This innovative product sits at 35% and blurs the distinction between beers and spirits. The beer is produced using a patent pending extreme ice distillation technique which we have developed in-house. The response from our customers has been phenomenal.

Our current production method here is time consuming, we are extremely limited in how much we can make. Your investment will enable us to invest in the equipment we need to scale production of our most innovative beverage. We estimate costs to develop and purchase the equipment for making Watt Dickie to be around £250,000.

Hop Head



With the new funds raised, we will also develop and launch a new hop infused beer, called 'Hop Head', which is a beer which is dry hopped on the bar at the point of dispense. We estimate costs to complete development and purchase the equipment to put this in all our current bars at £50,000.

A closed loop, pressurised, chilled system infuses the hops into the beer in a glass chamber right in front of the customer as the beer is poured into the glass.

We are in the final stages of prototype development before we roll the concept out in all of our bars.



our bars

Beer Meccas, Hop Temples and Cathedrals of Malt. Beacons of hope, laughter and occasional hell-raising in the citadel. Home to movers, seekers, warriors, and serious craft beer junkies.

BrewDog Bars are places where you can become indulged 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.

As well as showcasing BrewDog beers, our craft beer bars are libraries of beery masterpieces from the likes of BrewDog, Stone, Mikkeller, Struise, Alesmith and many more.

No clown kings.

No compromise.

No shots.

No televisions.

Just good, honest, crafted beer.

Part | A



Aberdeen



Edinburgh



Glasgow



Camden



Nottingham



Newcastle



Manchester



Shoreditch



Bristol



Birmingham



Leeds



Stockholm

We are not cool.

We are not pretentious.

We just care.

And we are your friends.

future BrewDog bars

We currently operate 11 bars in the UK and have an interest in one craft beer bar company on the continent. Our bars raise awareness of our brand, sell loads of our beer and contribute hugely to our group overall, as well as providing the perfect environment to share our passion for amazing beer.

Since our Second Equity for Punks offer, we have used the funds raised to open an additional 8 bars. It now typically costs around £200,000 to open a new BrewDog bar.

The BrewDog Bar in Stockholm is operated by our local partners with our support and guidance.

It now typically costs around £200,000 to open a new BrewDog bar.

We currently have similar deals in place where our partners will open international BrewDog Bars in Brussels, Tokyo, Sao Paulo and New Delhi and these will all be opening over the next 12 months with our support and guidance.

With some of the money raised under Equity for Punks, we would look to open further bars in the UK and also look to open wholly owned and operated BrewDog Bars in Germany and in the United States of America. These would cost around £350,000 each to open.

In the UK, we are looking to open BrewDog bars in Sheffield, Liverpool, Brighton, South London and West London and have already identified sites in these locations.

We want to give you more places to enjoy great craft beer.



Bar trading results	2012	2013 until May
Turnover	£4.3m	£2.13m
Gross Profit	£2.3m	£1.25m
Net Profit	£149k	£117k

At BrewDog we live and die by what is in your beer glass. Each and every single time.



In addition to our bars we are going to open one or two specialist craft beer bottle shops, starting with a site in London due to open in September 2013.

The shop will be called BottleDog and will focus on stocking a selection of the best bottled beers on the planet, offering growler fills, selling home brewing supplies and ingredients and hosting both tasting classes and home brewing classes.

Equity Punk investors will be entitled to a lifetime 5% discount in our BottleDog shops.

London brewing academy

We are at an early stage in planning the Brewing Academy, and estimate it will cost around £1M to develop. In addition to growing capacity to keep up with the demand for our beers, launching new beers internationally and opening new craft beer bars we also want to use the funds raised to help us open the BrewDog London Brewing Academy.

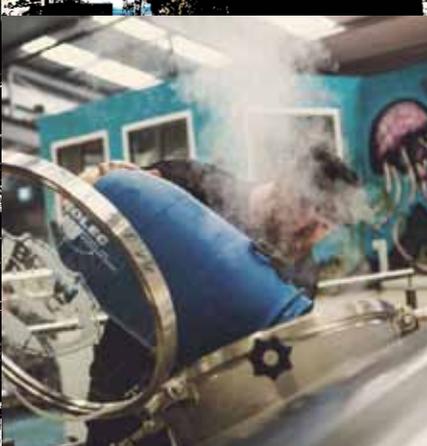
Our brewing academy will be a bottle shop, home brewing supply shop, 10 barrel craft brewery with interactive brewing sessions, home brewing classes and a BrewDog bar all rolled into one. This won't be a polished, over-styled copper heavy brew-pub. But a ramshackle Punk DIY brew-pub that people can relate to. It will also be the perfect way for us to promote better understanding and appreciation of beer and have some fun along the way.

The BrewDog Brewing Academy would have:

- A 10HL craft brewery.
- Open Brewing Sessions.
- Beer School Tasting Classes & Certified Cicerone Courses.
- Home Brewing Classes.
- A Home Brew Supply Shop.
- Interactive Brewing.
- Beer & Food Pairing Sessions.
- A pop up space to showcase local food producers.
- Live Music.
- A shop selling growler fills, guest bottles and beer merch.

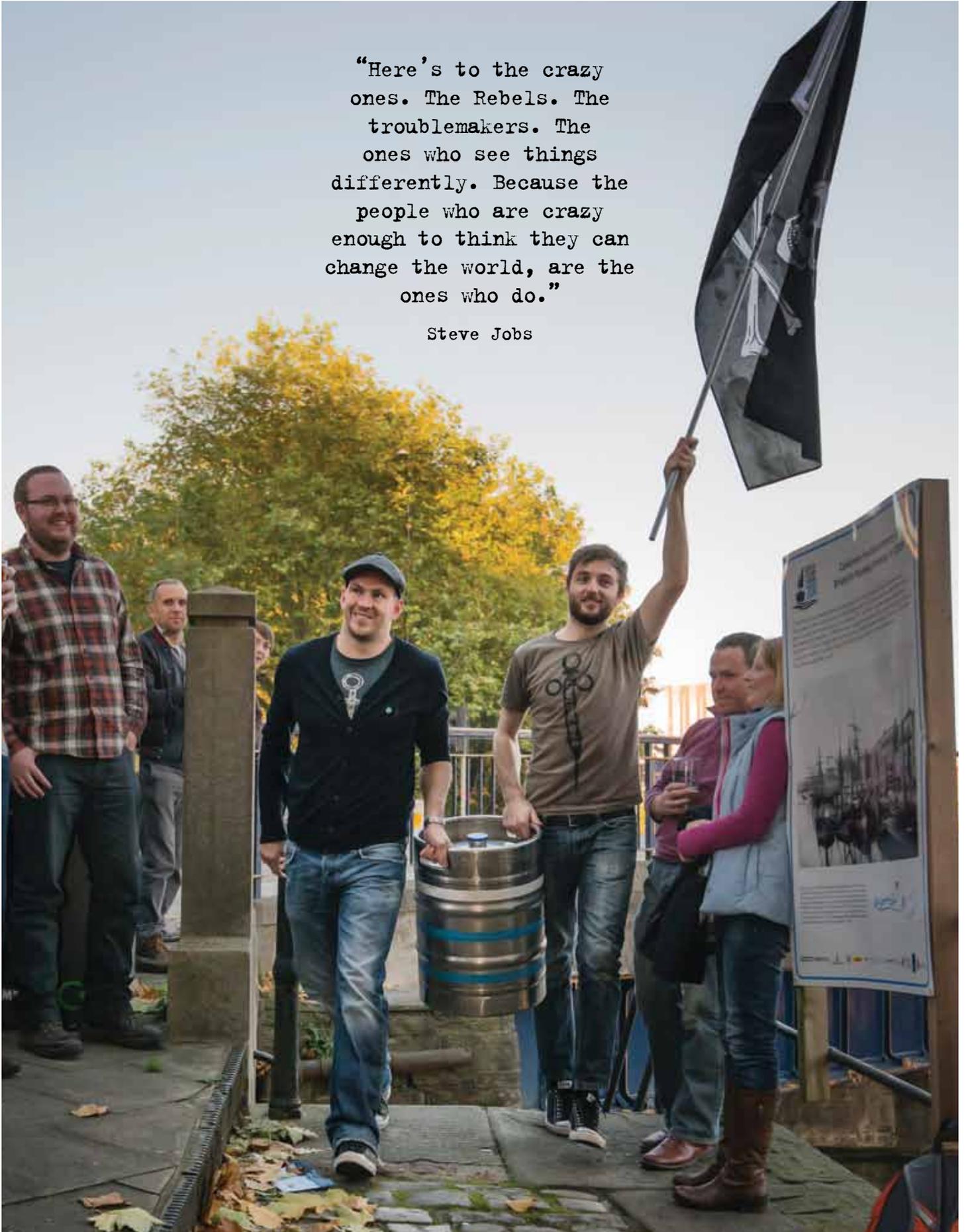


BREWING ACADEMY



“Here’s to the crazy ones. The Rebels. The troublemakers. The ones who see things differently. 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 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

Waitrose ^{MODERN} TATE Sainsbury's SELFRIDGES&C^o

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: Australia, Belgium, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Holland, Hong Kong, Ireland, Italy, Japan, Mexico, New Zealand, Norway, Portugal, Russia, Singapore, South Africa, South Korea, Spain, Sweden, Thailand, Turkey, UK, USA.

“BrewDog is blazing a trail in the Japanese craft beer market. From entering the market by selling to a couple of bars in Tokyo in 2008, BrewDog is now leading the way in a craft beer cultural phenomenon that is sweeping the nation with Punk IPA the most recognisable and iconic craft beer brand in Japan. BrewDog sales volumes more than doubled in 2012 and are set to more than double in 2013 and with a BrewDog Bar planned for Tokyo in late 2013 we see tremendous potential for BrewDog going forward in this thriving country”

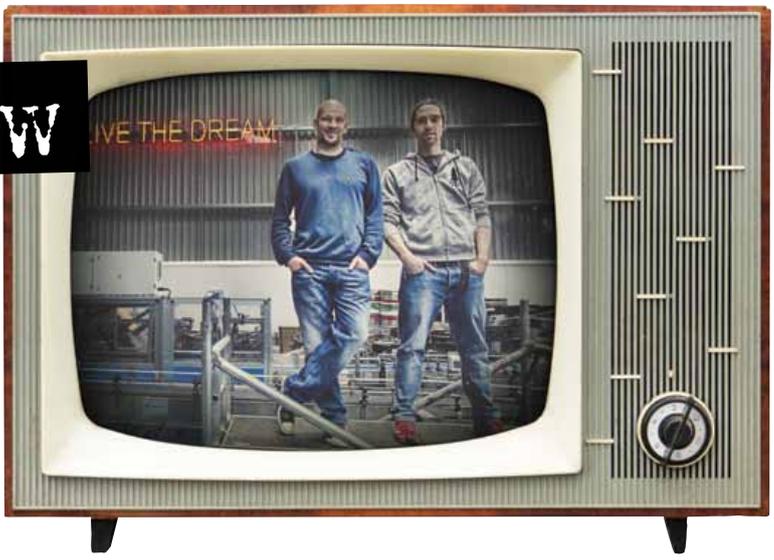
David Groll, Managing Director Whisk-e (BrewDog's Japanese Importer)



Our marketing
 Our marketing is not conventional; a mix of edgy positioning, innovative PR and a strong online social media 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 over 1 million online interactions with our customers per month.

BrewDogs: the TV show

Universal and Esquire Magazine have commissioned and filmed a brand new TV show called BrewDogs presented by Martin and myself. The series will be great exposure for our beers and company and goes on air in September. The show will initially air on national TV in the USA and we will look to ensure it is aired in as many other countries as possible.



the management team



James Watt
Captain and Co-founder

James was a fully qualified deep sea Captain having earlier completed an honours degree in Law and Economics. He traded in being a salty sea dog for a BrewDog in 2007 to pursue 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

Keith has decades of successful brand building with brands such as Skyy Vodka. Now President & CEO of Anchor Brewers and Distillers in San Francisco, he plays an active role in management and guiding BrewDog's growth.



Neil Simpson
Finance Director

Neil Simpson joined BrewDog in August 2012 taking with him over 20 years of experience (10 of those at partner level) advising and acting for a wide variety of businesses through the Ritson Smith accountancy practice. Neil is a qualified chartered accountant with the Institute of Chartered Accountants in Scotland.



Martin Dempster
Operations Director

With a PhD in technology, Martin looks after all BrewDog's logistics, stocks, warehousing, shipping and computing systems. As well as running operations, his focus is on building a scalable operating platform at the core of our company to provide the structure needed for future growth.

LOVE HOPS AND LIVE THE DREAM

are you an Equity for Punks punk?

At BrewDog we believe in having the conviction to do things on our own terms. And by living the Punk DIY ethos, we can change the world with craft beer. One glass at a time.

We believe 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.

Our growth so far has been phenomenal and with the 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.

Our 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.

Become a card carrying craft beer revolutionary, a 21st century Equity Punk.

March under the banner of better beer.

And don't look back.

This is

Equity
for
Punks

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 25 to 28. 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 2011 almost 6,000 people invested in Equity for Punks raising just over £2m.

Using the money raised, we have grown from our humble origins to a company which employs over 180 people, operates 11 craft beer bars in the UK and ships beer to 38 different countries. We turned over £10.5m in 2012 and made a profit of £486,000. We expect to turnover £20m this year.

We are the fastest growing food and drinks manufacturer in the UK over the last 3 years and have an average annual growth rate of 167% over the last 5 years. Our new brewery has a 100 HL BrewHouse and has an annual capacity of 70,000 HL.

We currently only occupy 35% of the our site at Ellon and demand is currently exceeding supply by 35% and have the space and demand to enable significant growth.

Reasons for the Offer

We have a number of plans which require capital to allow our business to grow further. We want to extend our brewery to provide for additional capacity, build a London brewing academy, start production of our most innovative beverage yet, Watt Dickie and open more bars both here in the UK and also abroad. In order to do so we are seeking to issue up to 42,105 New B Shares raising £3,999,975 (before expenses). New B Shares are being offered for £95 each. If all 42,105 New B Shares were issued, this would represent 3.6% of the Enlarged Issued Share Capital of BrewDog. We need to raise a minimum of £200,000 to open one of the new bars we have planned.

Key Dates for the Offer and the AGM

The key dates for the Offer are that the Share Offer Document will be generally available to Shareholders on 18 June 2013 and be generally available from 20 June 2013.

The closing date for the Offer is 22 January 2014.

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 B (Risk Factors)**. The detailed terms and conditions of the Offer are set out in **Part C (Terms and Conditions of the Offer)**.

Parts B – E

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 FSMA 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 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 UKLA, 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 Articles.
- Any dividends will be declared and paid in accordance with the provisions of the Articles and the Companies Act 2006. There is no guarantee that dividends will be paid by the Company.
- The value of the New B Shares may go down as well as up and investors may not be able to sell their shares at the Issue Price and therefore may not recover the amount they have invested. There is as yet no recognised market for the New B Shares to be issued by the Company. Accordingly it may be difficult 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 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.
- 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 in the various jurisdictions in which bars in which BrewDog has an interest are or may be located.
- 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 outwith the Company's control.
- The funds that the Company is hoping to raise under the Offer may not be sufficient to fund its business plan going forward and therefore the Directors may need to raise additional capital in due course. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or to the Shareholders. Further equity financing may be dilutive to the Shareholders or result in an issuance of securities whose rights, preferences and privileges are senior to those of holders of A Shares or B Shares. The Directors may seek debt finance to fund the Company's business. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. Debt financing may require the Company to enter into covenants restricting its future operational and financial activities.
- The Company's success depends on the activities of its executive management team. If one or more of the current management team were unable or unwilling to continue in his or her position, the Company's business would be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring such replacements could be costly and might require the Company to grant significant equity awards or incentive compensation, which could adversely impact its financial results.
- 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 including the Company's 5% stake in Griffin Brewers and Distillers LLC, which the Directors have valued at circa £0.6m, may not be realisable at the value ascribed to them by the Directors.
 - 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 Ellon 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.
 - BrewDog will not own or operate the BrewDog bars which are or may be established overseas pursuant to a licensing arrangement. As a result, BrewDog will not be able to directly influence their operation, save as may be specifically provided in the individual licence agreement between BrewDog and the respective licensees.

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.
- Government sponsored campaigns (in the United Kingdom and in other countries where BrewDog has an interest in bars or where BrewDog sells its products) 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 42,105 B Shares (the “**New B Shares**”) in order to raise gross proceeds of up to £3,999,975 (approximately £3,864,975 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 3.6 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 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. The Offer will be made available to existing shareholders in the Company on 18 June 2013, meaning that the existing shareholders will have the opportunity to subscribe for New B Shares in advance of 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).

The New B Shares will be issued credited as fully paid and will have the rights attached to them under the 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 **22 January 2014**, the Final Acceptance Date, for an aggregate of 2,106 New B Shares, raising a minimum of £200,070 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 2014**.

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, 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 one (1) or more New B Shares should print off and complete the Hard Copy Application Form in accordance with the instructions printed on it. Completed Hard Copy Application Forms should be returned to Computershare by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal office hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE (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 **22 January 2014**, 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 136 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 136 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 **22 January 2014**, 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 **22 January 2014**; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on **22 January 2014** 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 may 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 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 New ‘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 **22 January 2014**, 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 UKLA, 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 **22 January 2014** 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 2014**. 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 New 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 2012, 31 December 2011 and 31 December 2010. 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 £1.2m.

PROFIT AND LOSS ACCOUNT

	Audited year ended 31 December 2012	Audited year ended 31 December 2011	Audited year ended 31 December 2010
	£	£	£
TURNOVER	10,654,514	5,918,508	3,331,717
Cost of sales	7,653,103	4,263,639	2,437,178
GROSS PROFIT	3,001,411	1,654,869	894,539
Administrative expenses	2,603,852	1,229,806	729,796
	397,559	425,063	164,741
Other operating income	118,196	41,740	56,458
OPERATING PROFIT	515,755	466,803	221,199
Interest receivable and similar income	3	9,111	20,983
Income from interest in associated undertakings	24,421	7,509	-
	540,179	483,423	242,182
Interest payable and similar charges	54,243	59,322	20,613
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	485,936	424,101	221,571
Tax on profit on ordinary activities	48,823	69,630	(46,436)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION	437,113	354,471	268,007
Minority interest - equity	-	657	-
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD	437,113	355,128	268,007

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current and previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Audited 31 December 2012	Audited 31 December 2011	Audited 31 December 2010
	£	£	£
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	485,936	424,101	221,571
Realisation of investment revaluation gains of previous years	113,020	1,018,151	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	598,956	1,442,252	221,571
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION AND MINORITY INTERESTS	550,133	1,373,279	268,007

BALANCE SHEET

	Audited 31 December 2012 £	Audited 31 December 2011 £	Audited 31 December 2010 £
FIXED ASSETS			
Intangible assets	4,902	-	-
Tangible assets	9,245,884	2,110,283	955,065
Investments	655,792	753,614	1,696,757
	<hr/>	<hr/>	<hr/>
	9,906,578	2,863,897	2,651,822
CURRENT ASSETS			
Stocks	1,068,902	865,390	304,748
Debtors	1,489,305	1,524,124	746,736
Cash at bank	1,048,179	2,056,876	651,976
	<hr/>	<hr/>	<hr/>
	3,606,386	4,446,390	1,703,460
CREDITORS			
Amounts falling due within one year	(2,960,597)	(1,571,584)	(769,671)
NET CURRENT ASSETS	645,789	2,874,806	933,789
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	10,552,367	5,738,703	3,585,611
CREDITORS			
Amounts falling due after more than one year	(4,107,583)	(117,679)	(184,107)
PROVISIONS FOR LIABILITIES	(80,744)	(31,921)	-
MINORITY INTERESTS	-	657	-
	<hr/>	<hr/>	<hr/>
NET ASSETS	6,364,040	5,589,760	3,401,504
	<hr/>	<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	56,720	55,566	51,640
Share premium	3,248,114	2,902,101	1,082,901
Revaluation reserve	824,679	937,699	1,955,850
Profit and loss account	2,234,527	1,694,394	311,113
	<hr/>	<hr/>	<hr/>
SHAREHOLDERS' FUNDS	6,364,040	5,589,760	3,401,504
	<hr/>	<hr/>	<hr/>

CASH FLOW STATEMENT

	Audited year ended 31 December 2012 £	Audited year ended 31 December 2011 £	Audited year ended 31 December 2010 £
Net cash inflow/ (outflow) from operating activities			
Operating profit	515,755	466,803	221,199
Depreciation	243,337	101,888	62,047
Loss/(Profit) on disposal of fixed assets	46,667	3,238	4,774
Increase in stocks	(203,512)	(560,642)	(85,336)
Decrease/(Increase) in debtors	72,206	(451,233)	(217,933)
Increase in creditors	973,336	611,359	71,644
Net cash inflow/ (outflow) from operating activities	1,647,789	171,413	56,395
Returns on investments and servicing of finance			
Interest received	3	29,936	158
Interest Paid	(17,229)	(5,784)	(3,242)
Interest element of hire purchase payments	(37,014)	(20,972)	(17,371)
Net cash outflow for returns on investments and servicing of finance	(54,240)	3,180	(20,455)
Taxation	4,034	(5,879)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(7,430,965)	(1,216,565)	(150,520)
Purchase of fixed asset investments	(8,277)	-	(50)
Sale of tangible fixed assets	5,360	-	-
Sale of fixed asset investments	113,020	855,311	-
Net cash outflow for capital expenditure and financial investment	(7,320,862)	(361,254)	(150,570)
Financing			
Net loan advanced/(repaid)during the year	1,978,234	(24,018)	(23,795)
Net hire purchase advanced/(repaid) during the year	2,382,640	(121,843)	(92,282)
Share issue	347,167	1,859,089	653,202
Share issue costs	-	(42,152)	(119,189)
Amount introduced by directors	-	-	-
Amount withdrawn by directors	(4,131)	-	-
Net cash inflow from financing	4,714,567	1,671,076	417,936
Net increase/(decrease) in cash	(1,008,712)	1,478,536	303,306
Cash at bank less overdraft at beginning of period	2,056,876	578,340	275,034
Cash at bank less overdraft at end of period	1,048,164	2,056,876	578,340
Consisting of:			
Cash at bank	1,048,179	2,056,876	651,976
Overdraft included in "bank loans and overdrafts falling due within one year"	(15)	-	(73,636)
	1,048,164	2,056,876	578,340

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

Statutory accounts for the year ended 31 December 2011 were approved by the Board on 24 April 2012, audited by Ritson Smith and delivered to the Registrar of Companies.

Statutory accounts for the year ended 31 December 2012 were approved by the Board on 26 April 2013, audited by Johnston Carmichael LLP and delivered to the Registrar of Companies.

BACKGROUND

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

FINANCING

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

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.

HSBC hire purchase finance to acquire a Renault Traffic Van in September 2011 with £12,081 financed. Monthly repayments over 3 years.

Equity for Punks II was launched in June 2011 and in 2011 shares were issued generating cash of £1,848,937.

2012

Equity for Punks closed in December 2011 with the final shares issued in January 2012 generating cash of £223,844.

HSBC hire purchase finance in February 2012 of £38,253 towards the cost of 2 100HL fermenter tanks. Monthly repayments over 4 years.

HSBC hire purchase finance in March 2012 of £12,902 towards the cost of a key keg filling machine. Monthly repayments over 4 years.

HSBC hire purchase finance in April 2012 of £13,809 towards the cost of a mobile CIP machine. Monthly repayments over 4 years.

HSBC hire purchase finance in April 2012 of £21,737 towards the cost of lab equipment. Monthly repayments over 4 years.

Regional Selective Assistance grant awarded in February 2012 of £500,000 to assist with the costs of the brewery build in Ellon. The first £200,000 was paid in September 2012 with the second £200,000 paid in March 2013. The remaining £100,000 is due in June 2013.

In September 2012 HSBC hire purchase finance of £924,926 was received towards the cost of the Rolec brewhouse. Monthly repayments over 5 years.

In September 2012 HSBC hire purchase finance of £1,058,716 was received towards the cost of the Cold Block. Monthly repayments over 5 years.

Share capital issues to directors in September and October 2012 with cash generated of £81,000.

HSBC bank term loan finance of £1,820,000 received October 2012 to assist with financing the building of the new brewery. Monthly repayments over 15 years.

In November 2012 HSBC hire purchase finance of £525,675 was received towards the cost of the bottling line. Monthly repayments over 5 years.

HSBC bank term loan finance to BrewDog Bars Limited of £220,000 received at the end of 2012 with a further £30,000 in February 2013 to assist with fit out costs for new bar openings. Repayment in 4 tranches over 3 years to June 2015.

2013

In February 2013 HSBC hire purchase finance of £406,807 was received towards the cost of the labeller and conveyors on the bottling line. Monthly repayments over 5 years.

In April 2013 £693,720 of directors' loans were received to finance the purchase of a 2 acres land site at Ellon adjacent to the current Ellon property. These loans are repayable on demand.

In May 2013 HSBC hire purchase finance of £148,760 was received towards the cost of 2 600HL fermentation tanks and a Vauxhall Vivaro van. Monthly repayments over 5 years.

SALES ANALYSIS

	Audited year ended 31 December 2012	Audited year ended 31 December 2011	Audited year ended 31 December 2010
	£	£	£
UK	6,546,071	3,513,300	1,820,931
Europe	3,237,054	1,403,462	744,077
Americas	303,607	295,679	360,667
Rest of the world	567,782	706,067	406,042
	<hr/> 10,654,514	<hr/> 5,918,508	<hr/> 3,331,717

PART E

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names are set out in paragraph 6.1 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 Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX. The head office of the Company is also Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX. The telephone number is 01358 724 924.
- 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 50,000 common units of stock (constituting 5% of the issued stock of Griffin Brewers) and in turn Griffin Brewers owns 3,500,000 common units of stock in Anchor Brewers (providing the Company with a 1.75% indirect interest in Anchor Brewers).
- BrewDog previously held 150,000 common units of stock in Griffin Brewers but sold 100,000 common units of stock in December 2011 and January 2012 to various parties for an aggregate amount of \$1,750,000.
- 3.4 BrewDog plc owns 50% of the issued share capital of Mikkeller BrewDog Limited (company number SC426023). Mikkeller BrewDog Limited is a joint venture company held between the Company and Craft Beer Bar Holding APS which is intended to be used as a vehicle for launching a ‘Mikkeller’ branded bar in London. Mikkeller BrewDog Limited has not traded to date.
- 3.5 BrewDog plc owns 1% of the issued share capital of BrewDog Belgium SPRL (a company registered in Belgium with company number 0501 789 017). BrewDog Belgium SPRL is party to a licence agreement with the Company under which BrewDog Belgium SPRL is licensed to open and operate BrewDog branded bars in Belgium and / or Luxembourg in return for the payment to the Company of licence fees based on the revenues of such bars. Robert Rothstein, a shareholder in the Company holding B Shares, is also a shareholder in BrewDog Belgium SPRL. BrewDog Belgium SPRL is opening the BrewDog Bar in Brussels mentioned in Part A.

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 2013 and 12 June 2013 (being the latest practicable date prior to the publication of this Share Offer Document).
- 4.2 Accordingly, as at 12 June 2013 (being the latest practicable date prior to the publication of this Share Offer Document, the Company's issued share capital was £56,720 divided into 1,014,969 A Shares and 119,430 B Shares.
- 4.3 Subject to the resolutions being passed at the AGM, the directors will have authority to allot 42,105 New B Shares at £95 per New B Share.
- 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.
- 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 12 June 2013 (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 Articles

The Memorandum of Association

The Memorandum of Association is a historic document containing no substantive provisions.

The 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) Prior to 31 December 2012, no dividend shall have been declared or paid on any Shares.
- (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 one (1) B Share will 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 (the “**Website**”) for five percent (5%) less than the retail price such Products are sold for at the relevant BrewDog Bar;
- (b) Each holder of at least one (1) B Shares shall have the right to buy Products for ten percent (10%) less than the retail price such Products are sold for on the Website;
- (c) Each holder of at least two (2) 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;
- (d) Each holder of at least three (3) 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;
- (e) 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;
- (f) 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 of Article 44 of the 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 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 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 From 31 December 2012, holders of B Shares are permitted to transfer their shares.

5.5.3 From 31 December 2012 and subject to such of the restrictions of the 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 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 Articles, all other shareholders have not accepted such an offer, they will be deemed to have accepted such an offer and be obliged to deliver up an executed stock transfer form and share certificate and failing which the Directors may instruct a person to execute the stock transfer form on behalf of such a shareholder and hold the remittance for such shares until instructed to transfer the sums to that shareholder.

5.7 Mandatory Transfer Notices

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

5.8 Right to Refuse Registration

5.8.1 If the board refuses to register a transfer it shall within two months after the date on which the transfer was lodged send the transferee notice of the refusal together with its reasons for the refusal. The Board will endeavour to approve any transfers of the

B 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 Shareholders

A shareholder whose registered address is not within the United Kingdom and who notifies the Company of an address within the United Kingdom at which documents or information may be supplied to him shall be entitled to have such things supplied to him at that address, but otherwise no such member shall be entitled to receive any document or information from the Company. Such address may, at the Board's discretion, be an electronic 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 registered office of the Company (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 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 Calls

- 5.18.1 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.
- 5.18.2 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.

5.19 Notices if Calls Unpaid

- 5.19.1 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.

5.19.2 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.

5.19.3 The Board may accept the surrender of any share liable to be forfeited and, in such case, references in the Articles to forfeiture shall include surrender.

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

Following the repeal of section 2(5) of the Companies Act 1985, companies are no longer required to have an authorised share capital. Following adoption of the Articles, the Company does not have an authorised share capital. The authorised share capital would, if it had been 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 equal to the Section 551 Amount.

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

6.1 The management expertise and experience of, among others, each of the directors of the Company (being James Bruce Watt, Alan Martin Dickie, Charles Keith Greggor, Martin Dempster and Neil Allan Simpson) is set out in Part A of this Share Offer Document (*Letter from James Watt, Captain & Co-Founder, BrewDog*).

6.2 Anthony Foglio is an alternate director for Charles Keith Greggor. As such, he is unable to vote on any resolution of the board if Charles Keith Greggor has already voted.

7. Compensation

7.1 In the financial year ended 31 December 2012, 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 £141,667.

Such remuneration was paid as follows:

<i>Name</i>	<i>Fee/Basic Salary</i>	<i>Bonus</i>	<i>Benefits</i>	<i>Pension Contribution</i>	<i>Total</i>
James Bruce Watt	50,000	nil	nil	nil	50,000
Alan Martin Dickie	50,000	nil	nil	nil	50,000
Charles Keith Greggor	nil	nil	nil	nil	nil
Martin Dempster (from 28 Dec2012)	nil	nil	nil	nil	nil
Neil Allan Simpson (from 1 August 2012)	41,667	nil	nil	nil	41,667

The Company has not set aside or accrued any amounts in the financial year ended 31 December 2012 to provide pension, retirement or similar benefits to any of the Directors.

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

<i>Director</i>	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
James Bruce Watt	JBW (77) Limited, Buzzfire Limited, Musa 77 Limited, BrewDog Aberdeen Limited, BrewDog Bars Limited, Mikkeller BrewDog Limited	Westward BF 350 Limited, Valve 77 Limited, Drop In Doctor Ltd
Alan Martin Dickie	BrewDog Aberdeen Limited, BrewDog Bars Limited, Akounts Limited, Doctor Gonzo Limited	None
Charles Keith Greggor	Kelso Ventures, LLC The Griffin Group, LLC Griffin Brewers & Distillers, LLC Anchor Brewers & Distillers, LLC Anchor Distilling Company, LLC Anchor Brewing Company, LLC Anchor Properties, LLC Vin de Soleil, LLC D.A. Folkes, LLC	None
Martin Dempster	None	None
Neil Allan Simpson	BrewDog Bars Limited, Mikkeller BrewDog Limited	Director of Ritson Smith Limited, partner in the firm of Ritson Smith

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.

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

8. Directors' shareholdings and other interests

8.1 As at 12 June 2013 (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 £0.05 each prior to the Offer)</i>	<i>Percentage of Company's issued share capital (per cent.) prior to the Offer</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	436,970	38.52%	37.14%
Alan Martin Dickie	381,980	33.67%	32.47%
Charles Keith Greggor (shares held by the Griffin Group LLC & Digby Holdings LLC)	129,030	11.37%	10.97%
Martin Dempster	800	0.07%	0.07%
Neil Allan Simpson	11,189	0.99%	0.95%

8.2 As at 12 June 2013 (being the latest practicable date prior to the publication of this Share Offer Document), the Directors held, in aggregate, 959,969 A Shares representing 84.6 per cent. of the issued share capital of the Company. Immediately after the Offer, the Directors' shareholding will still be 959,969 A Shares representing 81.6 per cent of the Enlarged Issued Share Capital, assuming all the New B Shares are fully subscribed for.

As at 12 June 2013 (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 save as set out in paragraphs 8.3 and 8.4 below.

8.3 Pursuant to a share subscription and option agreement between Neil Allan Simpson and the Company dated 28 June 2012, Neil Allan Simpson:

- (a) subscribed for 11,189 A Shares at a price of £6.94 per A Share; and
- (b) has the option to subscribe for up to 11,189 A Shares in aggregate in the period of ten (10) years from 28 June 2012 at a price of £6.94 per A Share.

8.4 Pursuant to a share subscription and option agreement between Martin Dempster and the Company dated 23 October 2012, Martin Dempster:

- (a) subscribed for 11,189 A Shares at a price of £7.50 per A Share; and
- (b) has the option to subscribe for up to 5,000 A Shares in aggregate in the period from 30 June 2017 until 23 October 2022 at a price of £23.75 per A Share.

8.5 Pursuant to various share purchase agreements between Alan Martin Dickie and the following transferees, Alan Martin Dickie has transferred the following shares on 5 September 2012:

<u>Transferor</u>	<u>Transferee</u>	<u>No and Class of Shares</u>	<u>Price per Share</u>
Alan Martin Dickie	Digby Holdings LLC, a California limited liability company with its principal place of business at 840 Powell Street, San Francisco, California 94108, U.S.A., Entity Number 200800710189	10,000 A Shares	£14.75
Alan Martin Dickie	Kelso Ventures LLC, a limited liability company formed in the State of Delaware, U.S.A. with its registered office at c/o National Registered Agents Inc., 160 Green Tree Drive, Suite 101, Dover, Delaware 19904, U.S.A. and with a place of business at 4 Rebele Lane, Novato, California 94947, U.S.A., File Number 3462866	10,000 A Shares	£11.91
Alan Martin Dickie	Andrew Paul, 792 Elizabeth Street, San Francisco, California 94114, U.S.A.	10,000 A Shares	£14.75
Alan Martin Dickie	Philip Bowman, 66 Abingdon Road, London, W8 6AP, UK	15,000 A Shares	£14.75
Alan Martin Dickie	Simon George Francis Berry, 4 Foster Road, London, W4 4NY,	10,000 A Shares	£14.75

- 8.6 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).
- 8.7 Other than the matters detailed at paragraph 10.2, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.
- 8.8 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 12 June 2013 (being the latest practicable date prior to publication of this Share Offer Document), the Company and its subsidiaries had 186 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 in the three year period ended on 12 June 2013 (being the latest practicable date prior to the publication of this Share Offer Document) which are still subsisting.
- 10.2 The following transactions constitute the related party transactions between the Company and members of the Company entered in the three year period ended on 12 June 2013 (being the latest practicable date prior to the publication of this Share Offer Document) which are still subsisting:
- 10.2.1 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;
 - 10.2.2 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 2012 was £21,389;
 - 10.2.3 BrewDog Bars Limited has entered into a lease for the bar in Glasgow from JBW (77) Limited, a company in which James Watt has an interest, at a market rent of £46,000 per annum;
 - 10.2.4 as set out in paragraph 3.3 of this Part E, the Company (indirectly) owns shares in Anchor Brewers, a company controlled by Anthony Foglio and Keith Greggor;
 - 10.2.5 as set out in paragraph 3.5 and paragraph 13, the Company owns shares in BrewDog Belgium SPRL and is party to a licence agreement in respect of the BrewDog brand. Robert Rothstein, a shareholder in the Company, is also a shareholder in BrewDog Belgium SPRL; and
 - 10.2.6 in April 2013 £693,720 of directors' loans were received to finance the purchase of a 2 acres land site at Ellon adjacent to the current Ellon property. These loans are repayable on demand and the following amounts remain payable as at 12 June 2013:

(a) £346,581 to Alan Martin Dickie; and

(b) £346,723 to James Watt.

The Directors have confirmed that these loans will not be repaid out of sums invested pursuant to this share offer but will be repaid from funds generated by the Company as the Company's cashflow permits such repayments.

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>
Brewery at Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX	<i>Owned</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 30 April 2013 the Company was not pursuing any party for the recovery of bad debts.

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. Bar Licensing Arrangements

13.1 The Company is currently party to four licence agreements under which the licensees have the right to open and operate BrewDog branded bars in certain territories. Under these agreements, the licensees are obliged to pay BrewDog a licence fee which is a percentage of the revenues of the bars once the first bar has been opened. In particular, the Company is party to agreements with the following licensees:

(a) BrewDog Belgium SPRL: Belgium and Luxembourg;

(b) BrewDog Brazil SRL: Brazil;

(c) BrewDog Bar Sweden AB: Sweden; and

(d) Mayaland Hospitality India Private Limited: India.

13.2 The bar in Sweden is currently the only bar in operation under such a licence agreement.

14 Significant change

Other than as disclosed in this Share Offer Document, there has been no significant change in the financial or trading position of the Company since 31 December 2012, 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.

15. 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.

15.1 Dividends

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

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

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

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

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

15.2 Chargeable gains - Disposal of 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.

15.3 Inheritance tax ("IHT")

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

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

No stamp duty or SDRT will be payable on the issue of the 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).

16. Expenses

The total costs, charges and expenses payable by the Company in connection with the Offer are estimated to be £135,000 (exclusive of VAT).

17. General

17.1 The current auditors of the Company are Johnston Carmichael, which is a member of the Institute of Chartered Accountants' of Scotland. Johnston Carmichael merged with Ritson

Smith in 2012, the firm which was 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, 31 December 2010 and 31 December 2011.

- 17.2 The financial information referred to in this Share Offer Document does not constitute statutory accounts within the meaning of section 240(5) of the 1985 Act. Statutory accounts of the Company for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 have been delivered to the Registrar of Companies.

18. Documents available for inspection

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

- (a) the Articles;
- (b) audited financial statements of the Company for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012; and
- (c) this Share Offer Document.

DEFINITIONS

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

“1985 Act”	the Companies Act 1985
“2006 Act”	the Companies Act 2006
“AGM”	the Annual General Meeting of the Company to be held on 22 June 2013
“Anchor Brewers”	Anchor Brewers and Distillers LLC, a company incorporated in Delaware
“Application Forms”	the Hard Copy Application Form and/or the Electronic Application (as the context requires)
“Articles”	the articles of association of the Company
“Associate”	has the meaning set out in the Articles
“A Shares”	The 1,014,969 A ordinary shares of £0.05 each in issue prior to the date of this Offer Document
“B Shares”	together the Existing B Shares and the New B Shares
“Board”	the board of directors of the Company
“BrewDog” or “Company”	BrewDog plc, a company registered in Scotland with registered number SC311560
“Business Day”	any day on which banks are generally open in Aberdeen and London for the transaction of business, other than a Saturday or Sunday or a public holiday
“CCW”	Crowe Clark Whitehill LLP
“certificated form”	Shares issued in the form of a share certificate
“Computershare”	Computershare Investor Services PLC
“Directors”	the directors of the Company, whose names are set out in paragraph 6 of Part E of this Share Offer Document and “Director” shall mean any one of them
“Discount Rights”	means the discount rights set out in Article 44 of the Articles
“Electronic Application Form”	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

“Electronic Payment”	payment by UK Debit card will be accepted by the Receiving Agent, who may in its absolute discretion reject any payment
“Enlarged Issued Share Capital”	the 1,014,969 A Shares and 161,535 B Shares which will be the maximum number of A Shares and B Shares in issue following completion of the Offer
“EU”	the European Union
“Excluded Overseas Applicant”	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
“Executive Directors”	James Bruce Watt, Alan Martin Dickie, Martin Dempster and Neil Simpson, being the executive directors of the Company
“Existing Shares” or “Existing Ordinary Shares”	The A and B Shares in issue as at the date of this Share Offer Document
“Existing B Shares”	The 119,430 B ordinary shares of £0.05 each in issue prior to the date of this Offer Document
“FCA”	the Financial Conduct Authority
“Final Acceptance Date”	22 January 2014
“FSMA”	the Financial Services and Markets Act 2000 as amended
“Hard Copy Application Form”	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
“HMRC”	HM Revenue & Customs
“Issue”	The issue of the New B Shares to the successful Potential Applicants
“Issue Price”	£95 per New B Share
“London Stock Exchange”	London Stock Exchange plc
“Memorandum of Association”	the Company’s memorandum of association
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (SI 2007/2 157)
“Net Proceeds”	approximately £3,999,975, being the net proceeds from the issue of the New B Shares under the Offer
“New B Shares”	up to 42,105 B ordinary shares of £0.05 each proposed to be issued by the Company pursuant to the Offer

“Non-Executive Directors”	Charles Keith Greggor and Anthony Philip Foglio (as alternate only for Charles Keith Greggor), being the non-executive directors of the Company
“Official List”	the Official List of the UK Listing Authority
“Offer”	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
“Overseas Applicants”	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
“Potential Applicants”	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
“Receiving Agent”	Computershare
“Registrar”	Computershare
“Regulation S”	Regulation S promulgated under the Securities Act
“Restricted Jurisdiction”	each of Australia, Canada, Japan, Republic of Ireland, New Zealand, South Africa and the United States
“Securities Act”	the United States Securities Act of 1933 (as amended)
“Section 551 Amount”	has the meaning set out in the Articles
“Shareholders”	holders of A Shares or B Shares, each individually being a “Shareholder”
“Statutes”	the 1985 Act, the 2006 Act and every other statute (and any subordinate legislation, order or regulations made under any of them) concerning companies and affecting the Company, in each case, as they are for the time being in force
“Takeover Code”	The City Code on Takeovers and Mergers
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the FCA acting in its capacity as competent

authority for Part VI of FSMA

“United States” or “US”

the United States of America, its territories and possessions, any State of the United States and the District of Columbia

“Website”

www.brewdog.com/equityforpunks and
www.equityforpunks.com

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 generally available to existing shareholders	18 June 2013
Offer Document generally available to Potential Applicants	20 June 2013
AGM	22 June 2013
Final Acceptance Date	22 January 2014
Latest Date for Share Certificates Issued	Week commencing 27 January 2014

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:

- **Audited BrewDog Financial Statements for the financial year ended 31 December 2010**
- **Audited BrewDog Financial Statements for the financial year ended 31 December 2011**
- **Audited BrewDog Financial Statements for the financial year ended 31 December 2012**

(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 18 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

Executive Directors	James Bruce Watt Alan Martin Dickie Martin Dempster Neil Allan Simpson
Non-Executive Directors	Charles Keith Greggor Anthony Philip Foglio (as alternative director)
Company Secretary	Alan Martin Dickie
Registered office and telephone number	Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX + 44 (0)1358 724 924
Solicitors to the Company	CMS Cameron McKenna LLP 6 Queens Road Aberdeen AB15 4ZT
Auditors	Johnston Carmichael 16 Carden Place Aberdeen AB10 1FX
Registrar and Receiving Agent for the Offer	Computershare Investor Services PLC The Pavilions Bridgwater Road 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.

WITHOUT US WE ARE NOTHING

“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

invest now at:
www.brewdog.com/equityforpunks

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