

BrewDog plc

Registration Document

Offer for Subscription

21 APRIL 2015

This document, the Securities Note and the Summary, which together comprise a prospectus ("the Prospectus") relating to the Company, have been prepared in accordance with the Prospectus Rules made under section 73A and in accordance with section 84 of FSMA and the Prospectus has been approved by and filed with the FCA.

No application has been made, nor is intended to be made, for any shares (include the New B Shares) in the capital of the Company to be dealt in or listed on any stock exchange or market. The New B Shares will rank *pari passu* with existing issued B Shares from the date of issue.

The Company and its Directors, whose names appear on page 9 of this document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

BrewDog plc

Incorporated in Scotland under the Companies Act 2006 with registered number SC311560

Offer for Subscription

for up to £25 million of New B Shares
at a subscription price of £47.50 per New B Share

Share capital of the Company immediately following the Offer, assuming Full Subscription and the passing of all resolutions to be proposed at the AGM:

Share class	No. of Shares	Nominal value
A Ordinary Shares	5,074,845	1p
B Ordinary Shares	1,348,446	1p

The subscription list for the Offer will open on 21 April 2015 and will close on the earlier of Full Subscription and 20 April 2016. The minimum subscription under the Offer is £95 for 2 New B Shares and the Offer is not underwritten. Assuming Full Subscription, the total raised under the Offer will be approximately £25 million before issue costs.

Your attention is drawn to the risk factors set out on pages 4-6 of this document. An investment in the Company is only suitable for Investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise.

This document should be read in conjunction with the Summary and Securities Note, which may be obtained from the Company's website www.brewdog.com and the offices of the Company's solicitors:

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

telephone: 020 3192 5690
download: www.blears.com
email: frank@blears.com

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Risk Factors

Your capital is at risk if you invest in the Company and you may lose some or all of your investment.

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 the Prospectus, 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 recipients of the Prospectus. 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.

Risks associated with the New B Shares

- 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.
- 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.

Risks associated with the Company's operations and business

- 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.
- 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, with an adverse effect on the Company's profitability.
- The costs of establishing and operating the new licensed premises may be higher than expected. 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, with a resulting adverse effect on the Company's profitability.
- The Company may undertake further equity financing which may be dilutive to existing Shareholders or result in an issuance of securities whose rights, preferences and privileges are senior to those of holders of B Shares, reducing the value of B Shares subscribed for under the Offer and the Company may take such actions without the specific consent of the holders of B Shares.
- 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's profitability.
- 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 leading to reduce revenue from sales and/or reputational damage.
- BrewDog will not own the BrewDog bars which are or may be established overseas pursuant to a licensing arrangement and, although BrewDog will operate some of these, most of them will be operated by local operators. As a result, BrewDog will not always be able to directly influence their operation, save as may be specifically provided in the individual licence agreement between BrewDog and the respective licensees. The bars operators may, therefore, take decisions which lead to reductions in profitability and/or reputational damage negatively affecting the value of shares in BrewDog.

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 therefore 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.

- The Company uses agricultural commodities in the manufacturing of its beers. Commodity markets are volatile and unexpected changes in commodity prices can reduce a producer's profit margin, and make budgeting difficult. Many factors can affect commodity prices, including but not limited to political and regulatory changes, weather, seasonal variations, technology and market conditions. Some of the commodities used by the Company are key ingredients in its beers and may not be easily substituted. In particular, the Company uses large quantities of hops imported from the United States and may be reliant on a single supply contract for this ingredient.

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 or renew required licences or permits could negatively affect the Company's operations and lead to increased costs, reducing profitability.
- 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, reducing profitability.

Forward-Looking Statements

You should not place undue reliance on forward-looking statements. This Registration Document includes statements that are (or may be deemed to be) "forward-looking statements", which can be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Registration Document, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. Any such statements do not, nor are intended to, qualify the Company's working capital statement. Information in this document will be updated as required by the Prospectus Rules.

Definitions

Where used in this document the following words and expressions will, unless the context otherwise requires, have the following meanings:

"1985 Act"	Companies Act 1985, as amended from time to time
"2006 Act"	Companies Act 2006, as amended from time to time
"AGM"	the annual general meeting of the Company to be held on 6 June 2015
"Applicant"	Investor who subscribes for New B Shares pursuant to the Prospectus
"Articles"	the articles of association of the Company as at the date of this document
"A Shares"	A ordinary shares of 5p each in the capital of the Company, to be subdivided into A ordinary shares of 1p each at the AGM
"B Shares"	B ordinary shares of 5p each in the capital of the Company, to be subdivided into B ordinary shares of 1p each at the AGM
"Business Days"	any day, other than a Saturday or Sunday, on which clearing banks in London are open for all normal banking business
"Company"	BrewDog plc (registered number SC311560)
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 02878738)
"Directors" or "Board"	directors of the Company
"Existing Shareholders"	holders of Existing Shares
"Existing Shares"	Shares with are in issue at the date of this document
"FCA"	Financial Conduct Authority
"FSMA"	Financial Services and Markets Act 2000, as amended from time to time
"Full Subscription"	the raising of approximately £25 million under the Offer
"Group"	means together BrewDog and BrewDog Bars Limited
"Investor"	subscriber for New B Shares under the Offer
"IRR"	internal rate of return, which, when applied to the relevant cash flows, produces a net present value of zero (expressed as a percentage)
"London Stock Exchange"	the main market for listed securities of the London Stock Exchange plc (registered number 02075721)
"Management"	individuals engaged in the business of the Company
"Offer Price"	price per New B Share under the Offer being £47.50
"Offer"	offer for subscription of New B Shares being made on the terms set out in the Prospectus
"Permitted Jurisdictions"	jurisdictions into which the Offer is specifically made, being Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Eire, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain and Sweden
"Potential Applicants"	applicants for New B Shares pursuant to the Offer other than those from Restricted Jurisdictions
"Prospectus"	the Registration Document, the Securities Note and the Summary which together describe the Offer in full
"Prospectus Rules"	prospectus rules issued by the FCA pursuant to Part VI of the FSMA
"Registrar"	Computershare Investor Services PLC (registered number 03498808)
"Registration Document"	this document which has been prepared in accordance with the Prospectus Rules in connection with the Offer
"Restricted Jurisdictions"	each of Australia, Canada, Japan, New Zealand, the United States and any other jurisdiction in which the making of the Offer would contravene local securities law or regulation
"Securities Note"	document which has been prepared in accordance with the Prospectus Rules in connection with the Offer
"Share(s)"	A Shares and/or B Shares (as the context dictates)
"Shareholders"	holders of Shares
"Summary"	summary of the Offer which has been prepared in accordance with the Prospectus Rules in connection with the Offer

Part I – The Company

1. Business Overview

BrewDog plc is a brewer of craft beers and one of the fastest growing food and drinks manufacturer of any kind in the UK over the last three years.¹ There are 27 BrewDog bars across the UK and internationally, many of which are operated by local partners. These bars promote craft beers from BrewDog as well as other breweries from around the world, and offer an environment in which to indulge in and explore the world of beer. BrewDog has previously carried out three crowd-funding style public offers. Each of these has been extremely popular. The most recent two offers were oversubscribed and closed ahead of schedule. BrewDog now has over 14,500 shareholders each of whom enjoy a range of benefits and discounts as well as being part of the BrewDog story. With more than 20 bars in the UK, Italy, Sweden (plus others in Brazil and Japan), and distribution into more than 50 countries worldwide, BrewDog has amassed an international following in the hundreds of thousands. BrewDog's social media presences alone accounts for more than 150,000 users.

BrewDog remains a small company in the context of the entire UK beer industry. Despite our ambitious expansion plans we are still less than 7% of the size of Sierra Nevada and still just a fraction of the size of the likes of Lagunitas, Stone, DogFish Head and Victory. BrewDog is currently 0.046% of the UK beer market, meaning that just one in every 2,200 beers drunk in the UK is a BrewDog beer. We can grow 10 times our current size and we will still be less than 0.5% of the UK beer market. We are absolutely tiny in the context of UK beer consumption overall and we are determined to grow and also expand the craft beer category to get as many people as we can to share the passion we have for craft beer.

BrewDog produces a wide range of craft beers. The Headliners range consists of sub-6% beers of varying styles, often based on classic beer styles with a modern twist. The Amplified range offers slightly higher ABV beers with bolder flavour profiles than the Headliners. The Small Batch range is a series of limited release beers, which are released throughout the year and feature custom artwork on the labels. Finally, the Abstrakt range showcases the weird and wonderful world of barrel ageing. The funds raised through Equity for Punks IV will enable BrewDog to expand out into craft distilling as well as launching new bars around the world and other new ventures as detailed in the Securities Note.

BrewDog does not currently own any patents but it has pending patent applications for the "Hop Cannon" used at the Ellon brewery.

As a brewer of craft beers the Company is dependent on commercial contracts with providers of hops. The Company currently has contracts in place to supply its required volume of hops until 2017 (factoring in forecasted growth).

¹ <http://www.fasttrack.co.uk/fasttrack/leagues/dbfastDetails.asp?siteID=1&compID=3540&yr=2014>

2. Directors

The Company has a Board, comprising four executive Directors and one non-executive Director.

James Bruce Watt

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 to become a BrewDog in 2007, pursuing his passion for great craft beer by setting up the company with Martin Dickie. James was awarded Great British Entrepreneur of the Year in 2014, and is Europe's only Master Cicerone.

Alan Martin Dickie

Martin Dickie has a first class honours degree in Brewing & 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. Along with James, Martin hosts the hit international TV show BrewDogs.

Charles Keith Greggor

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.

Martin Dempster

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

Neil Allan Simpson

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.

Remuneration

In the financial year ended 31 December 2014, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any description) to each of the Directors of the Company was £451,370 as set out in the table below.

Director	Fee/Basic Salary	Bonus	Benefits	Pension Contribution	Total
James Bruce Watt	£125,000	Nil	Nil	Nil	£125,000
Alan Martin Dickie	£125,000	Nil	Nil	Nil	£125,000
Charles Keith Greggor	Nil	Nil	Nil	Nil	Nil
Martin Dempster	£72,290	Nil	Nil	Nil	£72,290
Neil Allan Simpson	£129,080	Nil	Nil	Nil	£129,080
TOTAL	£451,370	Nil	Nil	Nil	£451,370

The Company has not set aside or accrued any amounts in the financial year ended 31 December 2014 to provide pension, retirement or similar benefits to any of the Directors.

Director	Number of "A" Ordinary Shares held prior to the Offer	Percentage of Company's issued share capital prior to the Offer	Percentage of Company's issued share capital after to the Offer (assuming Full Subscription)
James Bruce Watt	436,970	37.05%	33.33%
Alan Martin Dickie	381,980	32.39%	29.14%
Charles Keith Greggor	139,030*	11.79%	10.61%
Martin Dempster	800	0.07%	0.06%
Neil Allan Simpson	11,189	0.95%	0.85%
TOTAL	969,969	82.25%	73.99%
*Held through Griffin Group LLC & Digby Holdings LLC			

Options

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

Pursuant to a share subscription and option agreement between Neil Simpson and the Company dated 28 June 2012, Neil Simpson has the option to subscribe for up to 11,189 A Shares in aggregate in the period from 28 June 2012 until 27 June 2022 at a price of £6.94 per A Share.

Pursuant to a share subscription and option agreement between Nikola Marjanovic and the Company dated 14 June 2013, Nikola Marjanovic has the option to subscribe for up to 4,550 A Shares in aggregate in the period from 14 June 2013 until 31 March 2017 at a price of £23.75 per A Share.

Pursuant to a share subscription and option agreement between David McDowall and the Company dated 15 January 2015, David McDowall has the option to subscribe for up to 4,000 A Shares in aggregate in the period from 1 January 2021 until 1 August 2024 at a price of £23.75 per A Share.

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.

As at 20 April 2015 (being the latest practicable date prior to the publication of the Prospectus), the Directors had no options and other rights to acquire any shares in the Company beyond those set out above.

None of the Directors has, within the period of five years preceding the date of the Prospectus:

- (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);
- (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.

Directors' Terms of Office

James Bruce Watt - director since 07/11/2006
Alan Martin Dickie - director since 07/11/2006
Charles Keith Greggor - director since 22/06/2009
Neil Allan Simpson - director since 06/08/2012
Martin Dempster - director since 28/12/2012

Directors' Other Interests

In addition to being directors of the Company, the Directors hold or have held directorships of the companies and/or are or were partners of the partnerships specified below within the five years prior to the date of the Prospectus.

Director	Current Directorships/Partnerships	Previous Directorships/Partnerships (last five years)
James Bruce Watt	JBW (77) Limited JBW (Aberdeen) Limited Musa 77 Limited BrewDog Bars Limited BrewDog GmbH	Buzzfire Limited Westward BF 350 Limited Valve 77 Limited Drop In Doctor Ltd Mikkeller BrewDog Limited
Alan Martin Dickie	JBW (77) 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 Anchor Taphouses, LLC D.A. Folkes, LLC	Vin de Soleil, LLC
Martin Dempster	None	None
Neil Allan Simpson	BrewDog Bars Limited BrewDog GmbH	Ritson Smith Ltd Ritson Smith (partner) Mikkeller BrewDog Limited

3. Operation of the Company and Board Practices

The Company is an unlisted company and therefore does not specifically comply with the provisions of the UK Corporate Governance Code nor the AIM rules, Listing Rules or Disclosure and Transparency Rules of the UK Listing Authority.

The Board comprises five members, one of whom is a non-executive director.

The Board as a whole is responsible for determining the remuneration of the Directors, reviewing the Company's annual and half yearly accounts and for supervising its auditors and has not delegated these responsibilities to any remuneration or audit committees respectively.

No member of the Board has a service contract with the Company which provides for any benefits on termination of employment.

4. Major Shareholders

Other than members of the Management, no person or company owns more than 3% of the Company's issued share capital or voting rights. The Company is not directly or indirectly owned or controlled by any individual, company or other body.

No major shareholder in the Company has voting rights which are different from any other shareholder.

There are no arrangements in place which are known to the Company the operation of which may at a subsequent date result in a change of control of the Company.

5. Employees

As at 20 April 2015 (being the latest practicable date prior to the publication of the Prospectus), the Company and its subsidiaries had 365 employees (excluding the Executive Director).

6. Related Party Transactions

Save as disclosed in the table below, no related party transactions between the Company or members of the Company were entered into in the three year period ended on 20 April 2015 (being the latest practicable date prior to the publication of the Prospectus) which are still subsisting.

Contracting Party	Counterparty	Contract	Relation to Company
The Company	Anchor Brewing Company LLC (a subsidiary of Anchor Brewers)	Import of beer into the US	Anchor Brewers is indirectly controlled by Keith Greggor The Company indirectly owns shares in Anchor Brewers as set out in section 7 below
BrewDog Bars Limited	JBW (77) Limited	BrewDog Bars Limited leases BrewDog's bar in Glasgow from JBW (77) Limited	James Watt owns 100% of the shares of JBW (77) Limited
BrewDog Bars Limited	JBW (Aberdeen) Limited	BrewDog Bars Limited leases BrewDog's bar in Glasgow from JBW (Aberdeen) Limited	James Watt owns 100% of the shares of JBW (Aberdeen) Limited
The Company	BrewDog Belgium SPRL	Licence Agreement in respect of BrewDog brand	The Company owns shares in BrewDog Belgium SPRL
The Company	Musa (77) Limited	Musa (77) Limited operates a restaurant in Aberdeen which the Company uses for entertaining	James Watt owns 100% of the shares in this company
The Company	Brew By Numbers Limited	The Company contract brews craft beer	The Company owns shares in Brew By Numbers Limited

BrewDog Bars Limited	Brew By Numbers Limited	BrewDog Bars Limited purchases craft beer from Brew By Numbers Limited	The Company owns shares in Brew By Numbers Limited
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In April 2013, £693,720 of directors' loans were received to finance the purchase of a 2 acre land site at Ellon adjacent to the current Ellon property. These loans were repaid on 13 August 2013.

7. The Company's Holdings

The Company is the principal operational and holding company of the Group and has the following interests and subsidiary undertakings:

Company	Holding	Description
BrewDog Bars Limited (SC389114)	100% of the issued shares	Bar operating company
Griffins Brewers and Distillers LLC ("GBD")	50,000 common units of stock constituting 5% of the issued stock	GBD in turn owns 3.5 million common units of stock in Anchor Brewers providing the Company with an indirect interest of 1.75% in Anchor Brewers
BrewDog Belgium SPRL	1% of issued shares	Established to identify a site in Brussels for a bar. Robert Rothstein, a holder of B Shares in the Company, is also a shareholder of BrewDog Belgium SPRL
BrewDog GmbH	100% of the issued shares	Established to operate bars in Germany
Brew By Numbers Limited	23% of issued shares	Craft brewery
Curious Audacious Products AB	8% of issued shares	Craft brewery registered in Sweden

The Company holds no shares in any other company, has no other investments (completed or in progress) and has made no firm commitments in respect of future investments.

8. Property, Plant and Equipment

The Company's material tangible fixed assets are as follows:

Property	Form of tenure / Encumbrances
Brewery at Balmaccassie Commerical Park, Ellon, Aberdeenshire, AB41 8BX	Owned
Site at Potterton, Aberdeen	Owned
Brewing Equipment	Owned

9. Directory

Executive Directors

James Bruce Watt
Alan Martin Dickie
Martin Dempster
Neil Allan Simpson

Non-Executive Directors

Charles Keith Greggor

Company Secretary

Alan Martin Dickie

Registered Office

BrewDog plc, Balmacassie Commerical Park
Ellon, Aberdeenshire AB41 8BX
Scotland

Company Number

SC311560

Solicitors to the Company

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

CMS Cameron McKenna LLP
6 Queens Road
Aberdeen AB15 4ZT

Auditors

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen, AB10 1YL

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Part II – Operating and Financial Review

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out below.

OVERVIEW

BrewDog has continued to grow year on year from formation in 2007. Notwithstanding the higher base each year growth has not slowed. The move to the state of the art new brewery in Ellon, Aberdeenshire at the end of 2012 has helped to increase production and ensure that we do everything we can to supply amazing high quality craft beers to our customers time and time again.

There has been major capital expenditure in both bars and brewery over the last few years and there are plans to increase this level of investment as we try to get great craft beer to the people. We have also significantly increased the team to over 350 people to ensure that we can deliver this plan now and for the future.

All of this has been made possible through Equity for Punks, our innovative public share offering with over 14,000 people investing.

The following table sets out the Group's revenue, operating profit and EBITDA for the 3 years ended 31 December 2012, 2013 and 2014:

	Year Ended 31 December		
	2014	2013	2012
	£ 000s	£ 000s	£000s
Revenue	29,615	18,087	10,655
Operating Profit	3,852	2,514	516
EBITDA	4,925	3,155	806

Revenue increased 63% in 2014 compared to 70% growth in 2013. EBITDA has increased by 291% in 2013 with a further 56% increase in 2014. There are a number of risks which can have an impact on the Group's performance. These are referred to on pages 4 – 6.

BALANCE SHEET

Please see page 19 for the balance sheet.

All revenue streams for the Group have increased in the last 3 years. The table sets out the geographical breakdown of income for the 3 years ended 31 December 2012, 2013 and 2014:

	Year Ended 31 December		
	2014	2013	2012
	£ 000s	£ 000s	£000s
UK	19,891	11,470	6,546
Europe	7,467	5,060	3,237
Americas	645	484	304
Rest of the World	1,611	1,073	568
	-----	-----	-----
	29,615	18,087	10,655
	=====	=====	=====

Export sales have increased as have sales in the UK to both the on and off trade. UK growth has been assisted by the opening of 14 BrewDog bars and 1 BrewDog BottleDog in this period. 2013 and 2014 have seen an increase in the sales teams for the UK and overseas to support the planned growth.

Gross profit remained constant at 38% in 2014 compared to 2013. Margins are being maintained despite volume pressures. We have secured raw material supplies along with economies of scale as we continue to grow in our current facility in Ellon.

Administrative costs remain a constant percentage of revenues at 25% in 2014 compared to 2013. The costs have increased as the business has grown with the main increases being in staff wages and salaries costs as we grow the team to meet current business challenges and prepare the Group for 2015.

CASH FLOW

Please see page 20 for the cash flow statement.

Capital Expenditure

£7,431k in 2012 of capital expenditure with £1,240k of this being the fit out cost of 6 new bar sites. The balance of the expenditure was on buildings and equipment to open the new state of the art brewery in Ellon.

2013 saw a reduction in capital expenditure to £4,643k. We consolidated our bar network and spent £576k on the opening of 2 new sites. The remainder of the capital expenditure in 2013 was on additional plant to increase our capacity in Ellon and also start the building of new warehousing and office at the Groups head office in Ellon.

Capital expenditure increased in 2014 to £8,192k. £1,836k of this was incurred in the opening of 6 new bars and a bottle shop. The warehousing and new office in Ellon started in 2013 were completed and further investment in plant was incurred to once again increase production capacity.

Total capital investment from 2012 to 2014 amounts to £20.2 million.

Financing

The significant investment in buildings, equipment and people has been financed in a number of ways. Improved profitability has generated cash inflows from operating activities. This has been supplemented by the following sources of finance:

	Year Ended 31 December		
	2014	2013	2012
	<i>£ 000s</i>	<i>£ 000s</i>	<i>£000s</i>
Issue of shares	242	3,813	347
New bank financing	2,575	30	2,040
New hire purchase agreements	1,869	930	3,461
Capital grants	231	783	235

The second round of Equity for Punks closed in January 2012. Equity for Punks 3 launched in June 2013 and closed early in December 2013 with the last of the funds received in January 2014. Equity for Punks raised £4.25 million less costs.

Bank financing to BrewDog plc are term loans against the property in Ellon. The term of these loans is 15 years. £250k between 2012 and 2013 was advance to BrewDog Bars Limited and is due to be repaid in full by June 2015. In 2014 £575k was advanced to BrewDog Bars Limited to assist with the fit out costs for the new bars opened in that year. This is a 12 month rolling facility.

Hire purchase agreements have been entered into secured against the production equipment at Ellon. Hire purchase funding is up to 90% of the asset value and is generally being repaid by monthly capital and interest repayments over 5 years.

Regional Selective Assistance grants in 2012 of £200k, 2013 of £300k and 2014 of £200k have been received to assist with the capital costs of developing Ellon and the creation of new employment in the area. Further support to with this has been received from the Scottish Government with the award of a grant of £514k with £484k received in 2013 and £31k received in 2014.

Part III – Historical Financial Information

1. Introduction

Consolidated audited historical information for the Company and the Group, covering the latest two financial years, have been prepared in accordance with UK Generally Accepted Accounting Practice, and are available from the Company's registered office and from the registered offices of the Company's solicitors at the addresses specified below:

The Company

BrewDog plc
Balmacassie Commercial Park
Ellon
Aberdeenshire
AB41 8BX

The Company's Solicitors

RW Blears LLP
125 Old Broad Street
London
EC2N 1AR

The information below is extracted from the Company's audited financial statements for the years ended 31 December 2013 and 31 December 2014. These financial statements are available for viewing as set out above.

None of the audit reports for the Company's financial statements for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 contained any qualifications or disclaimers.

2. Historical Financial Information

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Audited year ended 31 December 2014	Audited year ended 31 December 2013
	£	£
TURNOVER	29,614,985	18,087,583
Cost of sales	(18,157,781)	(11,202,251)
GROSS PROFIT	11,457,204	6,885,332
Administrative expenses	(7,778,734)	(4,652,562)
Other operating income	173,559	281,725
OPERATING PROFIT	3,852,029	2,514,495
Interest receivable and similar income	4,807	11,462
Income from interests in associated undertakings	2,972	24,058
	3,859,808	2,550,015
Interest payable and similar charges	(209,144)	(189,246)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,650,664	2,360,769
Tax on profit on ordinary activities	(1,00,597)	(142,475)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION	2,650,067	2,218,294
RETAINED PROFIT FOR THE		

**GROUP
CARRIED FORWARD**

2,650,067

2,218,294

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 CONSOLIDATED HISTORICAL PROFITS AND LOSSES

	Audited year ended 31 December 2014	Audited year ended 31 December 2013
	£	£
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,650,664	2,360,769
Realisation of investment revaluation gains of previous years	-	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,650,664	2,360,769
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION AND MINORITY INTERESTS	2,650,067	2,218,294

CONSOLIDATED BALANCE SHEET

	Audited year ended 31 December 2014 £	Audited year ended 31 December 2013 £
FIXED ASSETS		
Intangible assets	1,962	2,942
Tangible assets	20,359,978	13,250,122
Investments	667,241	648,343
	21,029,181	13,901,407
CURRENT ASSETS		
Stocks	2565,821	1,599,032
Debtors	5,083,309	2,710,965
Cash at bank	2,233,209	3,242,012
	9,882,339	7,552,009
CREDITORS		
Amounts falling due within one year	(7,861,251)	(4,138,382)
NET CURRENT ASSETS	2,021,088	3,413,627
TOTAL ASSETS LESS CURRENT LIABILITIES	23,050,269	17,315,034
CREDITORS		
Amounts falling due after more than one year	(5,976,435)	(3,774,794)
PROVISIONS FOR LIABILITIES	(702,314)	(207,968)
ACCRUALS AND DEFERRED INCOME	(1,083,778)	(936,878)
NET ASSETS	15,287,742	12,395,394
CAPITAL AND RESERVES		
Called up share capital	58,969	58,825
Share premium	7,301,206	7,059,069
Revaluation reserves	824,679	824,679
Profit and loss account	7,102,888	4,452,821
SHAREHOLDERS' FUNDS	15,287,742	12,395,394

CONSOLIDATED CASH FLOW STATEMENT

	Audited year ended 31 December 2014	Audited year ended 31 December 2013
	£	£
Net cash inflow/(outflow) from operating activities	2,731,143	2,228,151
Operating profit	3,852,029	2,514,495
Amortisation of intangible fixed assets	980	1,960
Depreciation	1,054,953	636,301
Loss/(Profit) on disposal of fixed assets	(8,506)	1,758
Increase in stocks	(966,789)	(530,130)
Decrease/(Increase) in debtors	(2,372,344)	(1,219,850)
Increase in creditors	1,237,853	909,230
Net cash inflow/(outflow) from operating activities	2,731,143	2,228,151
Returns on investments and servicing of finance		
Interest received	4,807	11,462
Interest paid	(87,505)	(70,287)
Interest element of hire purchase payments	(121,639)	(118,959)
Net cash outflow for returns on investments and servicing of finance	(204,337)	(160,284)
Taxation	(65,752)	(1,799)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(5,358,352)	(3,712,228)
Purchase of fixed asset investments	(100,000)	-
Sale of tangible fixed assets	67,500	250
Net cash outflow for capital expenditure and financial investment	(5,390,852)	(3,711,978)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(21,222)	-
Receipts from disposal of associate	67,500	6,621
Net cash outflow for acquisitions and financing	(2,883,520)	(1,639,289)
Financing		
Issue of ordinary shares	242,281	3,813,060
New long term bank loan	2,000,000	-
Other new short term loans	574,776	-
Government grant received	230,508	783,067
Repayment of long term bank loans	(316,176)	(95,234)
Repayment of other loans	-	(3,644)
Repayment of finance leases	(856,672)	(664,112)
Net cash inflow from financing	1,874,717	3,833,137

Net increase/(decrease) in
cash

(1,008,803)

2,193,848

3. Auditors' Reports for years ended 31 December 2013 and 31 December 2014

Extracted from the Company's financial statements for the year ended 31 December 2014

Independent Auditors' Report to the Members of BrewDog plc

We have audited the financial statements of Brewdog plc for the year ended 31 December 2014 set out on pages 8 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information an explanation we require for our audit.

David Wilson (Senior Statutory Auditor)

For and on behalf of Johnston Carmichael LLP

Chartered Accountants

Statutory Auditor

Bishop's Court

29 Albyn Place

Aberdeen

AB10 1YL

Extracted from the Company's financial statements for the year ended 31 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BREWDOG PLC

We have audited the financial statements of Brewdog plc for the year ended 31 December 2013, set out on pages 8 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting

estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information an explanation we require for our audit.

David Wilson (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Chartered Accountants and Registered Auditor
Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

4. Significant Change

Since 31 December 2014, being the date of the last published audited accounts of the Company, there have been no significant changes in the financial or trading position of the Group.

Part IV – Pro Forma Financial Information

Section 1 – Accountants Report on the Pro Forma Financial Information

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen, AB10 1YL

The Directors
BrewDog plc
Balmacassie Commercial Park
Ellon
Aberdeenshire
AB41 8BX

21 April 2015

Dear Sirs

BrewDog plc (the “Company”)

We report on the pro forma financial information (the “**Pro Forma Financial Information**”) set out in Section 2 of Part IV of the Registration Document dated 21 April 2015 (“**Registration Document**”) of BrewDog plc, which has been prepared on the basis described in the notes to the Pro Forma Financial, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December 2014. This report has been prepared in accordance with the requirements of paragraph 20.2 of Annex XXV of Appendix 3.1.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with paragraph 20.2 of Annex XXV of the Prospectus Rules.

It is our responsibility to form an opinion, in accordance with Annex XXV paragraph 20.2 and Annex II paragraphs 1 to 6 of the Prospectus Rules, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you as required by paragraph 7 of Annex II of the Prospectus Rules.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Registration Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Registration Document in compliance with paragraph 1.2 of Annex XXV and paragraph 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules.

Yours faithfully

Johnston Carmichael LLP

Regulated by the Institute of Chartered Accountants of Scotland

Johnston Carmichael LLP is a limited liability partnership registered in Scotland, registered no. SO303232. A list of the names of members is open to inspection at the registered office at Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL.

Section 2 – Pro Forma Financial Information

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect of the Offer on the Company's net assets as if the Offer had taken place on 31 December 2014 and had been fully subscribed. This unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. The unaudited pro forma statement of net assets is compiled on the basis set out below from the UK GAAP consolidated balance sheet of the Company as at 31 December 2014, as set out in Part III (Historical Financial Information). It may not, therefore, give a true picture of the Company's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below and in accordance with Annex II to the Prospectus Rules.

	As at 31 December 2014	Adjustment Offer Proceeds	Unaudited pro forma total
	£	£	£
FIXED ASSETS			
Intangible assets	1,962	-	1,962
Tangible assets	20,359,978	-	20,359,978
Investments	667,241	-	667,241
	21,029,181	-	21,029,181
CURRENT ASSETS			
Stocks	2,565,821	-	2,565,821
Debtors	5,083,309	-	5,083,309
Cash at bank	2,233,209	24,800,000	27,033,209
	9,882,339	24,800,000	34,682,339
CREDITORS			
Amounts falling due within one year	(7,861,251)	-	(7,861,251)
NET CURRENT ASSETS	2,021,088	24,800,000	26,821,088
TOTAL ASSETS LESS CURRENT LIABILITIES	23,050,269	24,800,000	47,850,269
CREDITORS			
Amounts falling due after more than one year	(5,976,435)	-	(5,976,435)
PROVISIONS FOR LIABILITIES	(702,314)	-	(702,314)
ACCRUALS AND DEFERRED INCOME	(1,083,778)	-	(1,083,778)
NET ASSETS	15,287,742	24,800,000	40,087,742
CAPITAL AND RESERVES			
Called up share capital	58,969	5,263	64,232
Share premium account	7,301,206	24,794,737	32,095,943
Revaluation reserve	824,679	-	824,679
Profit and loss account	7,102,888	-	7,102,888
SHAREHOLDERS' FUNDS	15,287,742	24,800,000	40,087,742

(1) The financial information has been extracted, without material adjustments from the financial information set out in Part III (*Historical Financial Information*) prepared in accordance with UK GAAP.

(2) Adjustments to reflect the net proceeds of the Offer receivable by the Company, of £24.8 million, being gross proceeds of £25 million less estimated expenses of £200,000 (exclusive of VAT).

(3) The unaudited pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

(4) The unaudited pro forma statement of net assets does not reflect any trading or other transaction undertaken by the Company since 31 December 2014.

(5) The increase in share capital represents the maximum number of New B Shares to be issued under the Offer (526,316) with a nominal value of 1p each.

Part V – 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.

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% against which liability the tax credit can be offset. The effective rate of tax to a higher rate taxpayer is 25% 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.

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.

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.

Inheritance Tax (“IHT”)

The New B Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of New B Shares by, or on the death of, an individual Shareholder may (subject to certain exemptions and reliefs) be subject to UK inheritance tax, even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift. Special rules apply to gifts where the donor reserves or retains some benefit and these rules could give rise to a liability to UK inheritance tax on the death of the donor.

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% 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% (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% 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).

Part VI – General Information on the Company

1. Incorporation and Administration

The Company was incorporated and registered Scotland as a private company with limited liability on 7 November 2006 with registered number SC311560, 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.

The principal legislation under which the Company operates is the 2006 Act. The principal activity of the Company since that date has been to operate as a brewer of craft beers. The Company is domiciled in Scotland in the UK. The registered office of the Company and its principal place of business is Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX. The telephone number is 01358 724924.

2. Share Capital

2.1 Shares issued by the Company as at 31 December 2014 are summarised as follows:

Class of Share	Amount paid up (£)	Amount unpaid (£)	Number of Shares	Aggregate Nominal Value (£)
A Ordinary	0.05	-	873,950	43,697.50
A Ordinary	4.70	-	129,030	6,451.50
A Ordinary	6.94	-	11,189	559.45
A Ordinary	7.50	-	800	40
B Ordinary	23	-	29,210	1,460.50
B Ordinary	23.75	-	90,220	4,511
B Ordinary	95	-	44,996	2,249.80
TOTAL	-	-	1,179,395	58,969.75

2.2 As at 20 April 2015, the last practicable date prior to the publication of this document, the issued share capital of the Company was 1,014,969 A Shares of 5 pence each and 164,426 B Shares of 5 pence each, all fully paid.

2.3 Subject to the relevant resolutions being passed at the AGM:

(i) the existing 1,014,969 A ordinary shares of 5p each in the capital of the Company will be subdivided into 5,074,845 A ordinary shares of 1p each in the capital of the Company;

(ii) the existing 164,426 B ordinary shares of 5p each will be subdivided into 822,130 B ordinary shares of 1p each in the capital of the Company; and

(iii) the Directors will have the authority to allot 526,316 New B Shares at £47.50 per Share, pursuant to the Offer.

2.4 Save for the options in favour of Martin Dempster, Nikola Marjanovic, David McDowall and Neil Simpson described on page 10, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.

3. The Company

3.1 There has not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months prior to the date of this Prospectus which may have or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

- 3.2 Other than pursuant to the Offer and the authorities referred to above in sub-paragraph 2.3 above, no material issue of shares (other than where offered to Shareholders pro rata to existing holdings) will be made within one year without the prior approval of Shareholders in general meeting.
- 3.3 The B Shares will be in registered form and can be held in certificated or uncertificated form. Title to certificated B Shares will be evidenced in the register of members of the Company and title to uncertificated B Shares will be evidenced by entry into the operator register maintained by the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE (which will form part of the register of members of the Company). CREST is a paperless settlement system enabling securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. The Company has applied for the B Shares to be admitted to CREST and the Articles permit the holding of B Shares under the CREST system. Accordingly, settlement of transactions in the B Shares may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of B Shares who wish to receive and retain share certificates will be able to do so.
- 3.4 It is the Company's current policy not to pay dividends but to reinvest profits to fuel the growth of the Company.

4. Memorandum of Association and Articles of Association

The Memorandum of Association and the Articles of Association are available for inspection at the address specified in paragraph 9 below.

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

The Articles contain provisions to the following effect:

4.1 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.

4.2 Dividends

4.2.1 Final 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) The A Shares and B Shares rank *pari passu* in relation to the declaration and payment of any dividend.

4.2.2 Interim and Fixed Dividends

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.

4.3 Return of capital

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

4.4 B Shares

4.4.1 Discount Rights of B Shares:

- (a) Each holder of at least two (2) B Shares 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 ten per cent (10%) less than the retail price such Products are sold for at the relevant BrewDog Bar;
- (b) Each holder of at least four (4) B Shares shall have the right to buy Products for ten per cent (15%) less than the retail price such Products are sold for on the Website;
- (c) Each holder of at least six (6) B Shares shall have the right to buy Products for fifteen per cent (20%) less than the retail price such Products are sold for on the Website;
- (d) Each new holder of New B Shares will be given specific log-in details for the Website following the issue of the New B Shares;
- (e) The Products purchased shall be for the personal consumption and use of the purchaser and the purchaser shall not be permitted to resell any Products. In the event the Board considers that a holder of B Shares is purchasing Products in contravention of the provisions of Article 46 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.

4.4.2 Each holder of at least two (2) B Shares shall have the right to buy any products at any BrewDog bar for five per cent (5%) less than the retail price such products are sold for at the relevant BrewDog bar.

4.4.3 The Discount Rights shall exist for the period for which holders of B Shares hold such Shares. Person acquiring the B Shares pursuant to Articles 42 and 43 (transmission of shares upon death) shall not be entitled to exercise the Discount Rights.

At the date of this document, the rights set out at 4.4.4 through 4.4.6 below are not enshrined in the Articles. The inclusion of these rights in the Articles will be put to shareholders at the AGM and is subject to their approval.

4.4.4 Other Rights of B Shares:

Each holder of at least two (2) B Shares will have the right to:

- (a) an Equity Punk membership card issued by the Company allowing the holder to take advantage of exclusive offers, Beatnik beers and BrewDog special event;
- (b) a £10 'beer bucks' voucher which can redeemed at any BrewDog bar (where the shareholder has subscribed pursuant to the public offer made by the Company on 21 April 2015);
- (c) a free 'birthday beer' (including any standard measure of any of the Company's draft beers) in any BrewDog bar on the birthday of the holder;

- (d) an invitation to the Brew Day shareholder annual event;
- (e) exclusive first access to limited release and special edition beers brewed by the Company;
- (f) an invitation to all new BrewDog bar launches;
- (g) membership of the Beatnik Brewing Collective, where shareholders have the opportunity to vote on what beers the Company brews and create Beatnik beers for sale only to shareholders;
- (h) access to the members only section of the website (the Equity for Punks community);
- (i) access to the bonus referral benefits when you refer friends who subscribe for B Shares in the Company:

5 referrals	Three bottles of special edition barrel-aged beer
10 referrals	A personalised Liberty growler engraved with your shareholder number, plus £20 beer bucks'
20 referrals	A personalized VIPUNK Dickies workshirt embroidered with your shareholder number
50 referrals	An all expense paid trip to the Brewery to brew a special edition Beatnik Brewing beer with James and Martin and join them for a beer dinner at MUSA

- (j) membership of the Equity for Punks Beer Club which collates the best beers from all over the world and ships them to its members' doors - holders of 20 or more B Shares will have the first six crates shipped to them for free.

4.4.5 Each holder of at least ten (10) B Shares shall have the right to buy any products at any BrewDog bar for 10 per cent (10%) less than the retail price such products are sold for at the relevant BrewDog bar.

4.4.6 Each holder of at least twenty (20) B Shares shall receive a year's membership to Abstrakt Addicts entitling them to receive three bottles of artisanal, experimental beers for each of the next four releases following their subscription.

4.4.7 Each holder of at least forty (40) B Shares shall receive a year's membership to Bottlebox beer club, members of which are entitle to receive six shipments a year of the most exciting beers collated by BrewDog direct to their door.

4.4.7 A class meeting of the B ordinary shareholders is required to change the rights attributable to them.

4.5 Permitted Share Transfers

4.5.1 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.

4.5.2 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 means of a relevant electronic system in such a manner as provided for in the Uncertificated Securities Rules and, subject to these rules and the statutes generally, the transferee shall be deemed to be the holder of the B Shares at the point of electronic settlement of the transfer.

4.6 Transfer of a Controlling Interest

- 4.6.1 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.
- 4.6.2 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.

4.7 Mandatory Transfer Notices

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 38.1 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.

4.8 Right to Refuse Registration

- 4.8.1 If the board refuses to register a transfer it shall within two months after the date on which the transfer was lodged or the instructions to the relevant electronic system were received, send the transferee notice of the refusal together with its reasons for the refusal.
- 4.8.2 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.

4.9 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 the Articles and any such transfer or other disposal made otherwise than in accordance with those provisions shall be void.

4.10 Lien and Forfeiture

- 4.10.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company's lien on a share shall extend to any amount payable in respect of it.
- 4.10.2 If a call or installment 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 installment as remains unpaid together with any interest which may have accrued thereon and any costs, charges or expense incurred by the Company by reasons of such non-payment. 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 installment is payable will be liable to be forfeited.
- 4.10.3 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.

4.11 General Meetings

- 4.11.1 The Board may convene a general meeting whenever it thinks fit and shall do so on requisition in accordance with the Companies Act 2006.
- 4.11.2 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.
- 4.11.3 No business shall be transacted at any general meeting unless two members are present in person or by proxy and allowed to vote and that shall be a quorum for all purposes.

4.12 Directors

- 4.12.1 Unless otherwise determined by ordinary resolution of the Company, the number of directors (disregarding alternates) shall not be less than two but shall not be subject to any maximum number.
- 4.12.2 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.
- 4.12.3 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.

4.12.4 No person other than a director retiring shall be appointed or reappointed as a director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) 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.

4.12.5 Without prejudice to the power of the Company in general meeting under the Articles to appoint any person to be a director, the Board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, and any director so appointed shall hold office only until the next following annual general meeting.

4.13 Borrowing

The Company is empowered to borrow money.

4.14 Proxies

4.14.1 Appointments of proxies may only be in electronic form and the proxy shall be executed by or on behalf of the appointor.

4.14.2 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.

5.14.3 A proxy need not be a member of the Company.

4.15 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 35.

4.16 Transmission of Shares on Death

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.

4.17 Calls

4.17.1 Subject to the terms of issue, the Board may 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.

- 4.17.2 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.

4.20 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.

4.21 Authority to Allot

- 4.21.1 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.

- 4.21.2 In accordance with, and within the terms of, the above authority, the Directors may allot equity securities during a prescribed period wholly for cash:

- (a) in connection with a rights issue, subject to section 561 of the Companies Act 2006;
- (b) up to an aggregate nominal amount equal to the Section 561 Amount, otherwise than in connection with a rights issue, as if section 561 of the Companies Act 2006 did not apply.

5. Material Contracts

There are no contracts, other than those entered into in the ordinary course of business, that have been entered into by the Company within the two years immediately preceding publication of the Prospectus which are or may be material to the Company. There are no other contracts (not being contracts entered into in the ordinary course of business) which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

6. General

- (a) Aside from those interests noted in the table on page 10 (Directors' Interests), the Company is not aware of any persons who, directly or indirectly, exercises or could exercise control over the Company.
- (b) Other than the matters disclosed at paragraph 6 on page 12, there are no conflicts of interest between any Director or any member of the Company's administrative, management or supervisory bodies and his duties to the Company and the private interests and/or duties he may also have.
- (c) None of the Company's major holders of Shares have voting rights different from other holders of Shares.
- (d) Other than as set out in the table at paragraph 6 on page 12 the Company has not entered into any related party transactions since the date of its respective incorporation and up to the date of this document.
- (e) Johnston Carmichael LLP are the auditors of the Company and are registered in accordance with the Statutory Audit Directive (2006/43/EC) and are 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 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.

- (f) Reporting to Shareholders - the Company's annual report and accounts are made up to 31 December in each year and are normally published in February. The Company's next accounting period will end on 31 December 2015.
- (g) All material contracts of the Company will be in English and the Company will communicate with Investors and/or Shareholders in English.
- (h) Complaints about the Company should be referred to the chairman of the Board of Directors of the Company at Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX.
- (i) As at the date of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.
- (j) The Company and the Directors consent to the use of the Prospectus and accept responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of securities by any financial intermediary which was given consent to use the prospectus. This consent is valid from the date of the Prospectus until the close of the Offer, for the purpose of introducing subscribers for New B Shares. The Offer will close on the earlier of Full Subscription and 20 April 2016. Advisers may use the Prospectus only in the Permitted Jurisdictions.
- (k) **In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the Offer at the time that the Offer is made.** Any Adviser using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph (j) above.
- (l) All third party information in this document has been identified as such by reference to its source and has been accurately reproduced and, so far as the Company is aware, and is able to ascertain from information published by the relevant party, no facts have been omitted which would render such information inaccurate or misleading.

7. Stamp Duty, Stamp Duty Reserve Tax and Close Company Status

The Company has been advised that no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue of the Shares issued under the Offer.

The transfer on sale of any Shares will be liable to ad valorem stamp duty normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the nearest £5). An unconditional agreement to transfer Shares also gives rise to an obligation to account for SDRT, which is payable within seven days of the start of the month following that in which the agreement was entered into. The payment of stamp duty gives rise to a right to repayment of any SDRT paid. There will be no stamp duty or SDRT on the transfer of the Shares into CREST unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5%. A transfer of Shares effected on a paperless basis through CREST will generally be subject to SDRT at a rate of 0.5% of the value of the consideration. Following the issue of the Shares pursuant to the Offer, the Company is likely to be a close company for tax purposes.

8. Consents

RW Blears LLP, Johnston Carmichael LLP and Computershare Investor Services PLC have each given and have not withdrawn their written consents to the issue of this document with the references to them in the form and context in which they appear and letters of consent in this respect are held at the offices of RW Blears LLP.

9. Documents for Inspection

Copies of the following documents are available for inspection at the offices of RW Blears LLP at 125 Old Broad Street, London EC2N 1AR and at the registered office of the Company at Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX during normal business hours on any weekday (public holidays excepted) from the date of this document until the closing date of the Offer:

- (a) the Memorandum of Association and Articles of the Company;
- (b) the consent letters referred to in paragraph 8 above;

- (c) the Prospectus; and
- (d) the Company's audited annual accounts for the years ended 31 December 2012, 31 December 2013 and 31 December 2014.

21 April 2015