



BREWDOG PLC

SUMMARY

SECTION 1: INTRODUCTION

This summary document forms part of a prospectus dated 9 September 2020 (the “**Prospectus**”) issued by BrewDog plc (the “**Company**”) and which has been approved, on that date, by the Financial Conduct Authority, the competent authority for the United Kingdom under Part IV of the Financial Services and Markets Act 2000. The FCA may be contacted at: Financial Conduct Authority, 12 Endeavour Square, London E20 1JN

The Prospectus is constituted of this summary, a registration document and a securities note published by BrewDog plc. The Prospectus describes an offer for subscription (“**Offer**”) of B Shares of £0.001 each in the Company (“**New B Shares**”). The Company is proposing to raise up to £7.5 million pursuant to the Offer. The Offer may be increased at the discretion of the Directors to no more than £50 million.

The Issuer’s contact details are:

Address	Email	Website	Telephone	LEI
Balmacassie Industrial Estate, Ellon, Aberdeenshire, AB41 8BX	info@brewdog.com	www.brewdog.com	01358 724924	213800DAEV1 T2UOHJE09

Warning: This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described herein should be based on a consideration of the prospectus as a whole by the prospective investor. Investors could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the claimant investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the New B Shares.

SECTION 2: KEY INFORMATION ON THE ISSUER

Who is the Issuer of the securities?

The issuer of the securities which are the subject of this Prospectus is BrewDog plc (the “**Company**”). The Company is a public limited liability company which is registered and domiciled in Scotland with registered number SC311560. Its Legal Entity Identifier is 213800DAEV1T2UOHJE09. The principal legislation under which the Company operates is the Companies Act 2006 (the “**Act**”) and the regulations made thereunder.

BrewDog has been one of the fastest growing food and drinks manufacturers in the UK over the last eight years. It is primarily a brewer of craft beers but also operates over 100 bars in the UK and internationally (which includes those operated under franchise) and one craft beer hotel. Over the last five years, BrewDog’s revenues have grown by an average annual rate of approximately 49% and since 2009 the Company and its US subsidiary BrewDog USA Inc. have raised over £79 million through its Equity for Punks crowdfunding offers and crowdfunded bond issues.

The Company is the main trading company of the Group and has seven wholly owned UK subsidiaries, BrewDog Retail Limited, which is the operating company in respect of the Group’s UK bars, Lone Wolf Spirits Limited, which is dormant, BrewDog Admin Limited, which is dormant, BrewDog International Limited, which is the holding company for the international bars business, Draft House Holding Limited, which is the holding company for a UK craft beer bar business, Overworks Limited, which is dormant and Hawkes Cider Limited, which is dormant.

The Company has two US subsidiaries, BrewDog USA Inc, which is the holding company for the US operations, and BrewDog Media Inc; an Australian subsidiary, BrewDog Group Australia Pty Ltd; a Belgian subsidiary, BrewDog Belgium SPRL; a Brazilian subsidiary, BrewDog do Brasil Comércio de Alimentos e Bebidas Ltda; a German subsidiary, BrewDog GmbH; a Swedish



subsidiary, Brüdög Sweden AB, which is the holding company for the Swedish bars business; a Hong Kong subsidiary, Brewdog Group HK Limited; and a Spanish subsidiary, BD Casanova SL. A number of the Company's subsidiaries have their own subsidiaries.

As at 8 September 2020, TSG Consumer Partners, through two limited partnership vehicles registered in the Cayman Islands, hold 16,160,849 Preferred C Shares and 891,383 A Shares (representing approximately 23% of the Company's issued share capital).

As at 8 September 2020, the following key members of the Company's management hold, in aggregate, A Shares representing approximately 52.07% of the total shares in issue as follows:

The Company's auditors are Ernst & Young LLP of Blenheim House, Fountainhall Road, Aberdeen AB15 4DT.

Shareholder	Number of A Shares held	Percentage of issued share capital
James Watt	18,004,237	24.56%
Martin Dickie	15,744,233	21.48%
Charles Keith Greggor*	3,822,039	5.21%
Neil Simpson	597,736	0.82%

* Held through Griffin Group LLC and Kelso Ventures LLC

What is the key financial information regarding the Issuer?

Certain key historical information of the Company is set out below:

	Audited period end to 31 December 2019 (£ '000)	Audited period end to 31 December 2018 (£ '000)	Audited period end to 31 December 2017 (£ '000)
Gross Revenue	214,896	171,619	110,870
Operating profit/loss	3,733	391	2,704
Net Profit	1,050	(1,493)	870

Balance Sheet

	Audited period end to 31 December 2019 (£ '000)	Audited period end to 31 December 2018 (£ '000)	Audited period end to 31 December 2017 (£ '000)
Total assets	361,559	233,199	203,224
Total equity	177,060	164,994	146,823

Consolidated Cash Flows

	Audited period end to 31 December 2019 (£ '000)	Audited period end to 31 December 2018 (£ '000)	Audited period end to 31 December 2017 (£ '000)
Net cash inflow/(outflow) from operating activities	4,700	(6,029)	4,865
Net cash outflow used in investing activities	(14,726)	(57,208)	(25,216)
Net cash flow from financing activities	6,212	13,717	105,690
Net (decrease) / increase in cash	(3,814)	(49,520)	85,339
Cash and cash equivalents at end of year	35,164	38,978	



What are the key risks that are specific to the Issuer?

- On 11 March 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. The UK and other governments worldwide have taken steps to contain the outbreak of the virus, including advising self-isolation and implementing travel restrictions, quarantines and cancellations of gatherings and events. The effect on the UK and the global economy so far has been significant and has impacted the prospects of many businesses, including that of the Company. In respect of the period between the last financial year ending on 31 December 2019 and 30 June 2020 (being the date of the most recent unaudited management accounts of the Group), overall gross revenue was £108,025,463 (against a budget of £126,682,293). This has resulted in an overall net loss during this period of £8,151,071. The retail division which covers the Company's on-sales business has been particularly affected by the pandemic; it achieved gross revenues of just under half of the budgeted amount in the period between 31 December 2019 and 30 June 2020, which resulted in a net loss of £9,242,044 for this part of the business. The overall long term impact of the pandemic on the Group remains uncertain at the time of publication of this Prospectus. The Company has no current plans to alter or delay the implementation of its strategic priorities, and in the opinion of the Company, the working capital available to the Group is sufficient for its present requirements, that is, for at least 12 months from the date of this document. However, it remains the case that any further tightening of restrictions (including any newly imposed 'lock-down' periods on the general public) in the future could have a material impact on the long term trading activity and growth ambitions of the Group, including its ability to execute its chosen growth strategies, and ultimately in the long term could reduce the value of the Company's shares.
- Whilst the Company has opened brewing facilities in Columbus (Ohio, USA), Germany (Berlin) and is about to launch its first brewing operation in Australia (Brisbane), the Company's UK and European brewing business is highly concentrated on one site at Ellon (Scotland) and a prolonged disruption to brewing activities (e.g. due to fire or industrial action) at the Ellon brewing site could have a negative effect on the Company's ability to brew its products. This in turn 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 bars in which BrewDog has an interest are or may be located, with an 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 (such as further Preferred C Shares or other classes with enhanced rights) whose rights, preferences and privileges are senior to those of holders of B Shares, reducing the value of the New B Shares and the Company may take such actions without the specific consent of the holders of B Shares.
- The Company has implemented proposals whereby 10% of its profits are distributed evenly amongst its staff each year and a further amount up to £1 million per year is given to the BrewDog Foundation, which will distribute the money to the charities that it selects. This policy of annual charitable donations will reduce the amount of profits available to pay dividends to Shareholders and to reinvest in the expansion of the Company's business.
- The Company has agreements with 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.

SECTION 3: KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities being offered pursuant to the Offer are B Shares of £0.001 each ("**New B Shares**"). The Company's share capital currently comprises A Shares of £0.001 each, B Shares of £0.001 each and Preferred C Shares of £0.001 each. As at the date of this document 43,790,943 A Shares, 13,352,887 B Shares and 16,160,849 Preferred C Shares are in issue (all fully paid up).

The maximum number of New B Shares to be issued pursuant to the Offer is approximately 298,210 if the Offer is fully subscribed at £7.5 million. If the full stretch goal of £50 million is reached, approximately 1,988,071 New B Shares will be issued.



The New B Shares will rank equally in all respects with each other and with the existing B Shares.

The Board may, in its absolute discretion, refuse to register any transfer of a Share. It is the Company's current policy not to pay dividends but to reinvest profits to fuel the growth of the Company.

Where will the securities be traded?

The New B Shares will not be traded on any regulated market nor are the New B Shares the object of any application for admission to trading on any regulated market.

Is there a guarantee attached to the securities?

There is no guarantee attached to the New B Shares.

What are the key risks that are specific to the securities?

- The value of BrewDog shares can go down as well as up and, if you invest, you might not get your money back. Past performance is not necessarily a guide to future performance.
- Before making a decision, think about whether investing is right for you and don't invest more than you can afford.
- BrewDog is an unlisted company and whilst this may change in the future, there can be no guarantee that it will become listed or on what timescale. As such, BrewDog is not subject to the Listing Rules of the FCA, 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 the protections available to shareholders in publicly quoted companies.
- The Offer is dependent on the approval of Shareholders at our AGM (expected to be held in September 2020). In the unlikely event the resolutions are not passed, the Offer will not go ahead.
- Over half of the shares in BrewDog are owned by our founders and staff. As such, they can vote decisions through at general meetings, even those which investors in the Offer, as minority shareholders, might disagree with.
- Just over 22% of the issued shares of BrewDog are Preferred C Shares which carry a liquidation preference over the A Shares and B Shares meaning B Shareholders could find their entitlement to the proceeds of a liquidation or total capital return reduced or nil.
- The Directors have the right to refuse to register any transfer of shares. This means we can prevent multinational monolithic beer companies from buying shares in BrewDog.
- The discounts and other benefits to which Investors are entitled may be changed (including being removed or replaced) at the discretion of the Company from time to time.

SECTION 4: KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in this security?

The Offer comprises B Shares in the Company offered at a price of £25.15 each in blocks of two B Shares. Applications must be submitted no later than 28 January 2021 (unless the Offer has closed earlier due to reaching full subscription or extended at the discretion of the Directors). The minimum subscription is £50.30 for two New B Shares. The maximum subscription via online application is £12,575 for 500 New B Shares. There is no maximum subscription when investing by cheque with a paper Application Form, which is appended to the Prospectus. Pending the issue of the New B Shares, subscription monies will be held by the Receiving Agent in a non-interest bearing account.

Copies of the Summary, the Securities Note and the Registration Document are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of BrewDog, at Balmacassie Commercial Park, Ellon, Aberdeenshire, AB41 8BX, Scotland on the BrewDog website at www.brewdog.com/equityforpunks and from the offices of RW Blears LLP, the Company's legal adviser, at 15 Old Square, Lincoln's Inn, London WC2A 3UE.

Approximately 298,210 B Shares will be issued pursuant to the Offer if fully subscribed at its initial target of £7.5 million. The New



B Shares issued under the Offer would therefore represent approximately 0.41% of the total Shares in issue at the close of the Offer if the Offer is fully subscribed (but not increased). If the full stretch goal of £50 million is reached, approximately 1,988,071 New B Shares, will be issued together representing 2.64% of the total Shares in issue at the close of the Offer.

The total initial expenses of the Offer are estimated to be £500,000. The Offer may be increased at the discretion of the Directors to no more than £50 million and it is estimated that the expenses will be approximately a further £100,000 for each additional £10 million raised. No expenses will be charged to the investor by the Company in respect of the Offer.

Why is this prospectus being produced?

The Directors believe that the Offer will provide additional capital to support the further growth of the Company. The Company intends to use the net proceeds of the Offer for general corporate purposes and as more specifically set out below.

If the full initial goal of £7.5 million is achieved, the Company intends to fund the following projects:

Head of Cost	Estimated Funding Requirement
Direct Wind Power	£1 million
CO2 Recovery	£1 million
Anaerobic Digester Unit	£1 million
Spent grain to green gas	£750,000
BrewDog tomorrow bar (x3)	£1 million
Columbus Hop Farm	£750,000
Electric Vehicle Fleet	£1.5 million

If the full stretch goal of £50 million is achieved, the Company intends to fund the following projects:

BrewDog Hubs	£1 million
Solar	£3 million
Canning line	£5 million
French brewery	£12.5 million
Asia brewery	£12.5 million
Eco Distillery	£5 million
Future-proof products	£2.5 million

If the Offer raises less than our full stretch goal of £50 million, we will still progress with these projects, but they may shift in order of priority. The projects above are listed roughly in order of priority but this may change.

The Offer is not underwritten.

As far as the Issuer is aware, no person involved in the issue of the New B Shares has an interest material to the Offer and there are no conflicts of interest which are material to the Offer.





BREWDOG