



BROO Limited

ACN 060 793 099

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Australia

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26 August 2020

Broo Limited - Successful completion of Placement to raise \$1.25 million and Launch of Rights Issue

Broo Ltd ACN 060 793 099 (ASX: BEE) ("**Broo**" or "**Company**") is pleased to announce that it has successfully completed a private placement raising \$1,254,945.86 (before costs) from sophisticated and professional investors (**Placement Participants**) through the issue of 70,274,770 fully paid ordinary shares in the Company (**Shares**) at \$0.018 per Share and, subject to shareholder approval being obtained at the Company's general meeting, one (1) free attaching option to acquire a Share (**Option**) exercisable at \$0.03 on or before 31 October 2022 for every two (2) Placement Shares issued (**Placement**).

61 Financial Information Technology Pty Ltd acted as lead manager to the Placement and received applications in excess of the funds raised closing within a day following a strong demand from professional and sophisticated investors.

In parallel, the Company also announces a non-renounceable pro-rata rights issue (**Rights Issue**) whereby the Company will be offering for issue:

- (a) up to approximately 156,068,102 Shares in the capital of the Company (**New Shares**) at an issue price of A\$0.018 (1.8 cents) per New Share for every five (5) fully paid Shares held in the Company as at 7:00 p.m. AEST on 3 September 2020 (Record Date); and
- (b) in addition, one (1) Option with an exercise price of A\$0.03 (3 cents) and expiring on 31 October 2022, for every two (2) New Shares subscribed for under the offer,

(collectively, the "**Entitlement**"). The Rights Issue offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 7.00pm (AEST) on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

The Rights Issue offer will provide an opportunity for all Eligible Shareholders to participate in the capital raising on the same basis and price as the Placement.

Details of the Placement

The Company has received firm commitments for \$1,254,945.86 from sophisticated and professional investors as defined by section 708(8) and 708(11) of the *Corporations Act 2001(Cth)* (**Corporations Act**) under the Placement. Monies raised under the Placement will be used to fund beer production orders under the contract brewing agreement it has entered into with CUB Pty Ltd (as announced on 12 August 2020) (**CUB Agreement**) and the transaction costs associated with the Placement, as well as for working capital.

The issue of the 70,274,770 Placement Shares under the Placement will not be subject to shareholder and will be made within the Company's 25% placement capacity under the ASX Listing Rules 7.1 and 7.1A.

A total of 5,847,529 Placement Shares will be issued within the Company's 15% placement capacity under ASX Listing Rule 7.1 and a total of 64,427,241 Placement Shares will be issued within the Company's additional 10% placement capacity under ASX Listing Rule 7.1A.



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Each Placement Share will be issued at a price of \$0.018. Placement Participants will also be entitled to one free attaching Option exercisable at \$0.03 each on or before 31 October 2022 for every two Placement Shares issued under the Placement, subject to shareholder approval of the issue of the Placement Options for the purpose of ASX Listing Rule 7.1 (**Placement Options**). The Company will convene a general meeting seeking shareholder approval of the issue of the Placement Options, anticipated to be late-October 2020.

The issue price of \$0.018 per Placement Share represents a 24.84% discount to the 15-day VWAP of the Company's Shares prior to the trading halt announced on 24 August 2020.

Settlement and issue of the Placement Shares is expected to occur on or around Friday 28 August 2020.

The issue of the Placement Options will occur following the general meeting of the Company, subject to shareholder approval of the issue of the said Options.

The Placement Shares (and the Shares issued on the exercise of the Placement Options, if any) will be fully paid ordinary shares in the Company and will rank equally with Shares currently on issue.

The Company will apply the ASX for the quotation of the Placement Shares and the Placement Options, subject to compliance with requirements under the ASX Listing Rules.

Details of the Rights Issue

The Rights Issue is a non-renounceable pro-rata offer of 1 New Share in the Company for every 5 Shares held by Eligible Shareholders registered at 7pm (AEST) on the Record Date at an issue price of \$0.018 per New Share, together with 1 free attaching Option exercisable at \$0.03 on or before 31 October 2020 (**New Options**) for every 2 New Shares subscribed for, to raise up to \$2,809,225 (before costs). Any fractional Entitlements under the Rights Issue offer will be rounded up to the nearest whole number.

The Rights Issue offer will be made pursuant to a prospectus and will not be underwritten.

The rights to subscribe for the New Shares and New Options in accordance with an Entitlement under the Rights Issue offer are non-renounceable which means that Eligible Shareholders who do not wish to subscribe for some or all of their Entitlement will be unable to sell their respective Entitlements.

The Company will apply the net proceeds from the Rights Issue offer towards the transaction costs associated with the Rights Issue offer as well as for funding beer production orders under the CUB Agreement and working capital.

The Rights Issue offer will also include a shortfall offer under which Eligible Shareholders who take up their full Entitlement may apply for additional New Shares and New Options not taken up by other Eligible Shareholders (**Shortfall Offer**). There is no guarantee that applicants under the Shortfall Offer will receive all or any of the additional New Shares and New Options they apply for under the Shortfall Offer. In the event of oversubscriptions from the Shortfall Offer, Shortfall Offer applications will be scaled back on a pro-rata basis based on the application amount. Directors retain the right to place any shortfall following acceptance of Shortfall Offer applications at their discretion (**Shortfall Placement**).

Shareholders as at the Record Date that have a registered address outside Australia and New Zealand (**Ineligible Shareholders**) will not be eligible to participate in the Rights Issue offer. In accordance with ASX



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Listing Rule 7.7.1, the Company has determined that it would be unreasonable to extend the Offer to Ineligible Shareholders.

Holders of existing Options issued in the capital of the Company will need to exercise their Options and be Eligible Shareholders as recorded in the Company's register of Shareholders as at 7pm (AEST) on the Record Date if they wish to participate in the Rights Issue offer.

Under the Rights Issue offer, Eligible Shareholders may:

- take up all of their Entitlement;
- take up all of their Entitlement and apply for additional New Shares and New Options under the Shortfall Offer;
- allow all of their Entitlement to lapse; or
- take up part of their Entitlement and allow the balance to lapse.

Shareholder approval is not required for the Rights Issue.

The New Shares (and the Shares issued on the exercise of the New Options) will be fully paid ordinary shares in the Company and will rank equally with Shares currently on issue.

The Company will apply the ASX for the quotation of the New Shares and the New Options, subject to compliance with requirements under the ASX Listing Rules.

Full details of the Rights Issue will be set out in the prospectus for the Rights Issue, which will be lodged by the Company with ASIC and ASX on or about 31 August 2020.

The proposed timetable and important dates of the Rights Issue are set out below.

Announce Rights Issue and lodge Appendix 3B with ASX	Wednesday, 26 August 2020
Lodge Prospectus with ASIC and ASX	Monday, 31 August 2020
"Ex" date	Wednesday, 2 September 2020
Record Date for determining Entitlements	7pm (AEST) on Thursday, 3 September 2020
Prospectus and personalised Entitlement and Acceptance Forms dispatched to Eligible Shareholders	Tuesday, 8 September 2020
Last day to extend Offer Closing Date*	Thursday, 17 September 2020
Offer Closing Date*	5pm (AEST) on Tuesday, 22 September 2020



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Shares quoted on a deferred settlement basis*	Wednesday, 23 September 2020
ASX notified of under subscriptions *	Friday, 26 September 2020
Issue date of New Shares and New Options and dispatch of holding statements*	Monday, 28 September 2020
Appendix 2A lodged with ASX*	Monday, 28 September 2020
Quotation of New Shares and New Options issued under the Rights Issue	Tuesday, 29 September 2020

**The Directors may extend the Offer Closing Date by giving at least 3 Business Days' notice to ASX prior to the Offer Closing Date. As such, the date the Securities are expected to commence trading on ASX may vary. The Directors also reserve the right not to proceed with the Rights Issue offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.*

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Broo Limited

About Broo Ltd

Broo Ltd is a unique Australian beer company that distinguishes itself from competitors through strong brands, company ethos, unique marketing platform and quality beer products. The Company is primarily focused on the production, marketing and sale of two beer products, Broo Premium Lager and Australia Draught.