



BROO Limited

ACN 060 793 099

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1 September 2020

Dear Shareholder,

Broo Limited – Pro-Rata Non-Renounceable Rights Issue

As announced on 26 August 2020, Broo Limited ACN 060 793 099 (ASX:BEE) ('the Company' or '**BEE**') is proposing to undertake a 1:5 pro-rata non-renounceable rights issue ('**Offer**') to eligible shareholders of up to approximately 156,068,102 fully paid ordinary shares ('**New Shares**') at an issue price of A\$0.018 per New Share ('**Issue Price**'), together with one (1) free-attaching Option to acquire one ordinary share exercisable at A\$0.03 on or before 31 October 2022 ('**New Options**') for every two (2) New Shares subscribed for and issued. New Shares will rank equally with all ordinary shares already on issue ('**Shares**'). The Company will apply for official quotation of New Shares and New Options subject to meeting ASX requirements.

The Offer is being made to all shareholders of the Company ('**Shareholders**') named on its register of members at 7.00pm (AEST) on 3 September 2020 ('**Record Date**') whose registered address is in Australia or New Zealand ('**Eligible Shareholders**').

The Offer will be made on the basis of one (1) New Share for every five (5) Shares held by Eligible Shareholders as at 7.00 pm (AEST) on the Record Date to raise approximately A\$2,809,225 before costs of the Offer.

The Company lodged a prospectus for the Offer ('**Prospectus**') with the Australian Securities and Investments Commission and the Australian Securities Exchange (**ASX**) on 31 August 2020. A copy of the Prospectus is available on ASX's and the Company's website.

Following completion of the Offer, assuming a 100% acceptance, the Company would have issued:

- (a) approximately 156,068,102 New Shares resulting in total Shares on issue of approximately 936,408,615 post-completion of the Offer (assuming no other Shares are issued after the Record Date); and
- (b) approximately 78,034,051 New Options.

It is noted that in addition to the New Options referred to in paragraph (b), the Company has offered to issue 35,137,385 New Options to the investors pursuant to the recent placement as announced on 26 August 2020 and 20,000,000 New Options to Lead Manager, subject to the Company obtaining shareholder approval at the general meeting to be held in late October 2020.

These New Options are in addition to 15,000,000 unlisted options, exercisable at \$0.02 each on or before 8 January 2022 and 10,000,000 unlisted options, exercisable at \$0.02 each on or 30 June 2022.

Funds raised from the Offer will, after paying the expenses of the Offer, be allocated for general working capital and beer production.

Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 8 September 2020. Their entitlement will be set out on their personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements will be rounded up to the nearest whole number of New Shares and New Options.

Ineligible Shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**'Ineligible Shareholder'**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to ASX Listing Rule 7.7.1(a) after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your professional adviser or Justyn Stedwell, BEE's company secretary on +613 8395 5446.

Yours sincerely,

Justyn Stedwell
Company Secretary
For and on behalf of
Broo Limited