



## ASX ANNOUNCEMENT

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ABN 22 103 014 320  
ASX: GRB

12 April 2019

### GAGE ROADS COMPLETES \$8 MILLION PLACEMENT

Gage Roads Brewing Co Ltd ("**Gage Roads**" or "**The Company**") (ASX: **GRB**) is pleased to announce that it has successfully completed a bookbuild and received irrevocable commitments to raise \$8 million at an issue price of \$0.095 per share (84,210,526 shares) from institutions and sophisticated investors (**Placement**).

The Placement was very well supported by both existing and new high-quality investors.

The capital raised will be applied towards the implementation of the Company's packaging line expansion program. The program includes the installation of a new commercial scale canning line, a new high-speed bottle filler and other plant improvements. These improvements drive increased plant efficiencies that will result in lower operating costs and improved earnings.

The market for beer in can format is in significant growth, currently representing 11% of the craft beer market and growing rapidly at 134% per annum (Source: IRI: MAT to 03/03/2019).

Using our small-scale pilot canning line, we have released *Single Fin Summer Ale*, *Alby Draught* and *Alby Crisp* in can format and received overwhelmingly positive feedback and support from our independent retail customers and consumers. The Company is further looking to launch a number of exciting new brands in can format for this upcoming summer season. Over time the Company expects beer in can format to form up to 25% of the Company's proprietary brand sales.

The new can filler, bottle filler and plant improvements provide cost efficiencies and reduced waste. With this new machinery installed, the Company is targeting additional earnings of \$1.5 million to \$2.5 million by FY22.

Managing Director John Hoedemaker was pleased with the confidence in the business and the strategy: "The strong support from the investment community is both indicative of the success of the proprietary brand strategy as well as a vote of confidence for the Company's capital

Gage Roads Brewing Co Limited is one of Australia's leading craft breweries. Since commencing brewing operations in 2004, Gage Roads Brewing Co Limited has been at the forefront of the thriving craft beer industry, producing some of Australia's most popular beer and cider brands including Alby, Hello Sunshine, Matso's Broome Brewery and the Gage Roads range of craft beers.

Gage Roads Brewing Co's distribution extends across Australia through its national sales and marketing team, Good Drinks Australia, providing its portfolio of award-winning beer and cider to Australia's leading retailers and hospitality venues.

expansion program that is designed to deliver incremental earnings to all shareholders.”

### **Placement**

The Placement will comprise the issue of 84.2 million fully paid ordinary shares (“**New Shares**”) at an issue price of \$0.095 per New Share to institutional and sophisticated investors, raising \$8.0 million (before costs).

The New Shares issued under the Placement will be issued under the Company’s existing capacity under ASX Listing Rules 7.1. The New Shares will rank equally with existing fully paid ordinary shares. Settlement of the Placement is expected to be completed on Tuesday, 23 April 2019.

Argonaut Securities Pty Ltd acted as Lead Manager and Hartleys Limited acted as Co-Manager to the Placement.

### **Investor Presentation**

Please refer to the attached presentation which provides further details on our strategy update, packaging line expansion and the Placement.

Marcel Brandenburg  
Company Secretary  
Gage Roads Brewing Co Ltd  
Tel: (08) 9314 0000

# GAGE ROADS BREWING CO LTD

## STRATEGY UPDATE, PACKAGING LINE EXPANSION & CAPITAL RAISING

12 April 2019





# EXECUTIVE SUMMARY

- GRB to undertake \$7.8 million investment in a capital expenditure program to provide commercial scale canning capabilities at its Palmyra plant
- Current trial of cans has proven very successful and has validated a business case for further investment
- Cans expected to grow to a significant portion of all GRB's proprietary volume by FY22
- New highly efficient bottle filler included in program to improve overall plant efficiency, replaces existing bottle filler
- Provides additional competitive advantages
- Equipment to be sourced from reputable, world leading brewing and packaging manufacturers
- Packaging Line Expansion Strategy funded via \$8 million placement to institutions and sophisticated investors

# STRATEGY UPDATE



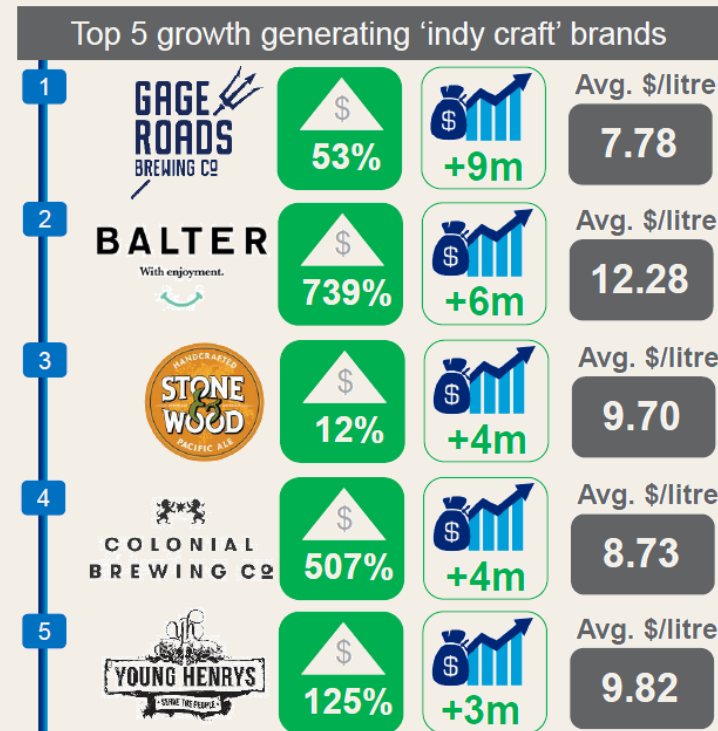
# PROPRIETARY BRAND STRATEGY – FY16-FY21



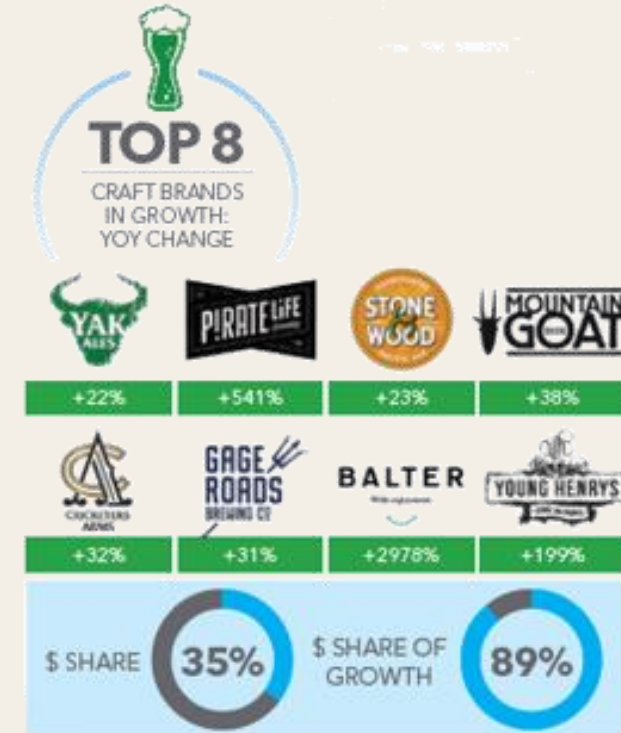
- Independence
- Build national sales capability
- “Brand-in-Hand” marketing strategy
- Unlock independent retail market
- Unlock on-premise market
- Maintain National Chains Volumes
- Increase proportion of GRB proprietary brands
- To drive growth in GP (targeting 70%)
- To drive growth in EBITDA (targeting \$1/L)
- ✓ One of Australia’s leading independent craft breweries
- ✓ Good Drinks, Sydney sales office, JP Murphy Head of Sales
- ✓ Optus stadium – 1 million L, Fringe Festival, Taproom Strategy
- ✓ GRB pack sales to Independents up 181% FY18, up 55% YTD FY19
- ✓ GRB draught sales to Independents up 218% FY18, up 62% YTD FY19
- ✓ GRB national chain volumes maintained
- ✓ GRB portion of sales mix grown to 64% YTD FY19, Matso’s integrated
- ✓ GP% up to 61% in FY18, up to 66% in H1 FY19, targeting 70%
- ✓ EBITDA up 28% to \$4.5 m FY18. Up 59% to \$2.1m H1 FY19

# BRAND PERFORMANCE

- In strong growth phase
- A strong developed market with the national chains
- Proprietary Brands Strategy achieving strong growth in new independent retail and on-premise markets, WA, QLD, NSA, VIC
- Gage Road is the 5th largest craft brand in the retail channel
- Scale & efficiencies = \$50 - \$65 carton price points, high volume part of the craft category



(Source: IRI MarketEdge, MAT To 03/06/18)



(Source: IRI MarketEdge, MAT To 31/12/17)



“Single Fin is the fastest growing craft beer brand in Australia” (IRI MarketEdge MAT 04/11/18)

## Q3 FY19 HIGHLIGHTS

- Proprietary brand strategy on track
- Total YTD proprietary volume up 67%
- GRB branded volume to independents up 55%
- GRB branded volume to national chains on par with prior year
- GRB branded draught volume (excl. “brand-in-hand volume”) up 62%
- Matso’s brands continue to perform strongly
- Contract brewing volumes in line with FY19 expectations

SALES IN MILLION LITRES	YTD FY19	YTD FY18	GROWTH
Underlying Gage Roads Brands	3.8	3.0	27%
'Brand-in-hand" volume	0.8	0.5	62%
<b>Total Gage Roads branded volume</b>	<b>4.6</b>	<b>3.5</b>	<b>32%</b>
Matso's Brands	1.2	-	100%
<b>Total Good Drinks volume</b>	<b>5.9</b>	<b>3.5</b>	<b>67%</b>
Contract-brewed Products^	3.3	5.4	-39%
<b>Total Volume</b>	<b>9.2</b>	<b>8.9</b>	<b>3%</b>

^ Prior period contains Matso’s brands volumes



# PACKAGING LINE EXPANSION



**GOOD  
DRINKS**



**GAGE  
ROADS  
BREWING CO.**



# PROJECT OVERVIEW

- **Canning line - 450 CPM**
  - Krones can filler
  - Efficient conveyor systems
  - Flexible pack formats
- **Bottle filler upgrade – 450 BPM**
  - Krones bottle filler
  - Flash pasteurization
- **Site improvements**
  - Re-locate fermentation tanks external
  - Dome shelter
- **Total project costs \$7.8 million**
- **Timing – 9 months**
  - Commence: April 2019
  - Complete: December 2019





# RATIONALE

- **Can Market (Macro)**
  - Total canned beer up 14% vs bottled 1.3%\*
  - Craft cans: 11% market share up 134%\*
  - Craft bottles: 89% of market up 5%\*
  - Majority of new product development is in cans, driving growth
- **Cans - Good Drinks**
  - Single Fin trial successful
  - Alby cans launch planned for May 2019
  - Up to 6 new can products being developed
  - Raw material efficiencies
  - Cans expected to a significant portion of sales mix by FY22
  - Maintain \$50 - \$65 per case price at improved margins

\*IRI : MAT to 03/03/2019



# FINANCIAL BENEFITS

- Improvements in variable production costs and waste
  - Improvements for both can and bottle volumes
  - 450 cpm/bpm provides improved labour and variable production efficiencies
  - New bottle and can filler technology reduces wastage
  - New centrifuge technology reduces wastage
- Cans COGS savings
  - Cost efficiencies in raw materials
  - No labels or crown seals
- Targeting incremental EBITDA of \$1.5 million to \$2.5 million per annum by FY22





# PROJECT FUNDING

- Capital Raising
  - Placement of 84.2 million shares at \$0.095 per share to raise \$8.0 million (before costs)
  - Argonaut Securities – Lead Manager
  - Hartleys Limited – Co-Manager
  - Timing – April 2019

SOURCES OF FUNDS	\$M
Placement	8.0
Company's own funds	0.2
<b>Gross Proceeds</b>	<b>8.2</b>

USES OF FUNDS	\$M
Project Capex	7.8
Offer Costs	0.4
<b>Total Uses</b>	<b>8.2</b>

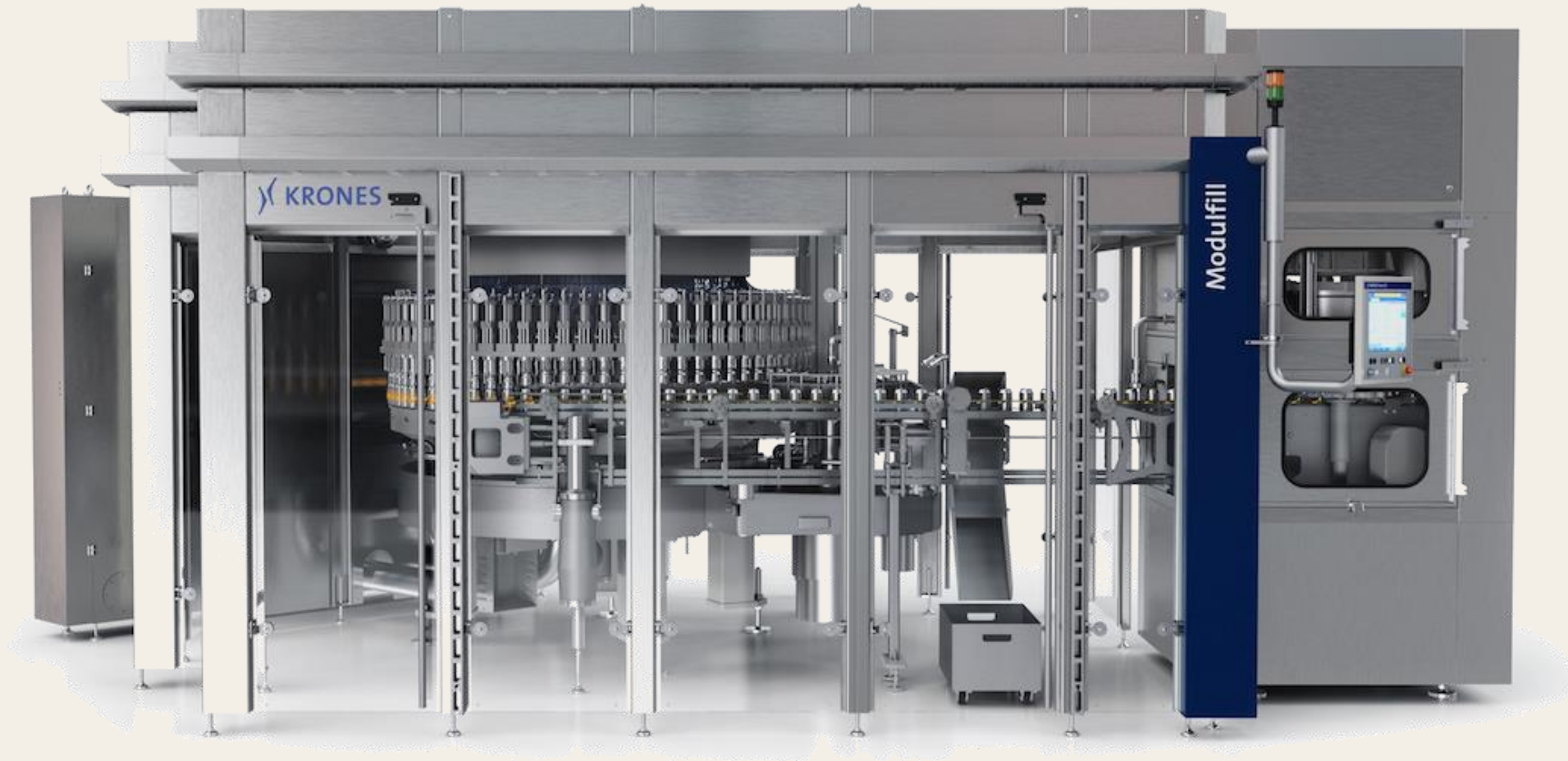
PRO FORMA CAPITAL STRUCTURE	UNITS	CURRENT	PRO FORMA
Share Price	<i>AUD / share</i>	\$0.095	
Shares on Issue	<i>M</i>	1,031.1	1,115.3
Unlisted Options on Issue	<i>M</i>	15	15
<b>Undiluted Market Capitalisation @ \$0.095 per share</b>	<b><i>AUD M</i></b>	<b>98.0</b>	<b>106.0</b>
Cash Balance	<i>AUD M</i>	4.8*	12.8
<b>Enterprise Value</b>	<b><i>AUD M</i></b>	<b>93.2</b>	<b>93.2</b>

# EQUIPMENT



# Equipment

## Can Filler





# Equipment

## Case Packer



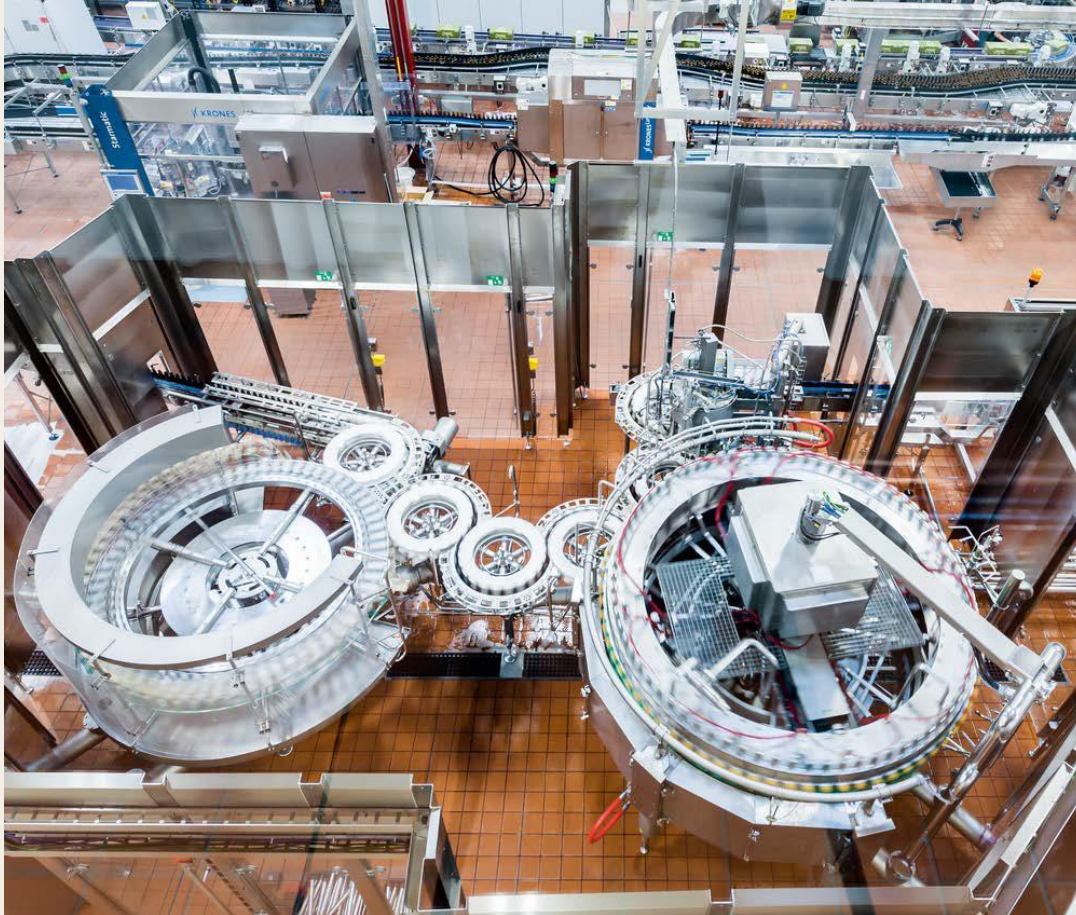
## Palletiser





# Equipment

## New bottle filler





# CAPITAL RAISING SUMMARY



# EQUITY RAISING OVERVIEW

OFFER STRUCTURE & SIZE	<ul style="list-style-type: none"> <li>Placement to raise up to approximately \$8.0 million (before costs) through the issue of up to approximately 84.2 million fully paid ordinary shares in the Company (“<b>New Shares</b>”)</li> </ul>
OFFER PRICING	<ul style="list-style-type: none"> <li>Offer price of \$0.095 per share, representing a: <ul style="list-style-type: none"> <li>Discount of 2.1% to the last close (Tuesday, 9 April 2019) of \$0.0970 per share; and</li> <li>Discount of 2.7% to the 5 day VWAP of \$0.0976 per share</li> </ul> </li> </ul>
USE OF PROCEEDS	<ul style="list-style-type: none"> <li>Funding of capital investment program for the Packaging Line Expansion Strategy, Offer Costs, and for general working capital purposes</li> </ul>
LEAD MANAGER & SOLE BOOKRUNNER CO-MANAGER	<ul style="list-style-type: none"> <li>Argonaut Securities Pty Limited has been appointed as Lead Manager &amp; Sole Bookrunner in respect of the Placement. Hartleys Limited has been appointed as Co-Manager in respect of the Placement</li> </ul>
ELIGIBLE INVESTORS	<ul style="list-style-type: none"> <li>Placement to be made to domestic and international institutions and other eligible investors without a disclosure document.</li> </ul>
NEW SHARES	<ul style="list-style-type: none"> <li>New Shares issued under the Placement will be listed on ASX and rank pari passu with existing shares (ASX:GRB) utilising the Company’s available placement capacity under ASX Listing Rule 7.1.</li> </ul>

# INDICATIVE PLACEMENT TIMETABLE

KEY EVENT	INDICATIVE DATE (AWST TIME)
Trading Halt	Post Market Close, Tuesday, 9 April 2019
Announcement of the results of the Placement on ASX	Pre-Open, Friday, 12 April 2019
Anticipated Placement DvP Settlement Date	Tuesday, 23 April 2019



# APPENDIX: INTERNATIONAL OFFER RESTRICTION



This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **European Economic Area - Germany and Luxembourg**

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

## **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# APPENDIX: INTERNATIONAL OFFER RESTRICTION



## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). This document is personal to the recipient only and not for general circulation in Switzerland.

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

# APPENDIX: KEY RISKS

## Introduction

The Shares offered under this Equity Raising Investor Presentation are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Equity Raising Investor Presentation and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Equity Raising Investor Presentation.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## Company specific

### Potential for significant dilution

Upon implementation of the Offer, the number of Shares in the Company will increase from 1,031.1 million currently on issue to 1,096.1 million. This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

## Industry specific

### Demand

The Company operates within the consumer goods sector in which demand for its products is subject to changes in consumer preferences and tastes. The nature of the business is such that its revenues are not secured and may fluctuate significantly over time. Any significant decrease in demand, and accordingly in sales volumes, would be likely to have a material adverse effect on the profitability of the Company.

### Competition

The Company competes with a wide range of participants in the brewing industry. There can be no assurance that the actions or competitors or changes in consumer preferences will not adversely affect the Company's performance. It is also possible that new competitors will enter the brewing (particularly in the premium brewing segment where there have been a number of recent new entrants) and this also may adversely affect the Company's performance.

### Acquisitions, Joint Ventures and Shareholder Dilution

The Company may assess strategic acquisitions and joint ventures as one of its growth strategies. The Company may pursue strategic acquisitions of businesses that complement its existing business. There can be no assurance that the Company will be able to successfully identify and implement such opportunities, acquire or integrate such businesses.

The consideration payable in respect of any such acquisition may consist wholly or partly of new Shares issued to the vendors, in which case the shareholdings of existing Shareholders will be diluted. Further, the Company may seek to raise additional capital, in order to fund acquisitions, or for other purposes, by new issues of Shares. This would also have the effect of diluting the shareholdings of existing Shareholders. The Company may also elect to fund acquisitions using existing or new bank facilities. The Directors will adopt prudent financial practices in assessing the appropriate funding mix.

### Intellectual Property

The Company's commercial success depends in part on its ability to protect its intellectual property assets. The commercial value of these assets is dependent on legal protections provided by a combination of copyright, patent, confidentiality, trade mark, trade secrecy laws and other intellectual property rights. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or that competitors will not be able to produce non-infringing competitive products.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has interests, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations.

### Brand Factors

The Company's products and services are sold under a number of brands. The Company's brands and its image are key assets to the Company. Should the brand or image be damaged in any way or lose its market appeal, the Company's business could be adversely impacted.

# APPENDIX: KEY RISKS

## **Damage to facilities and warehouses**

The Company owns or leases production, bottling and packaging facilities and warehouses. Damage to or destruction of these facilities could result in the loss of production capability or the loss of stock, adversely impacting the Company's financial results. It cannot be certain that the financial impact of any such event would be mitigated, fully or partially, by insurance.

## **Adverse change in input costs**

The Company's financial performance is subject to a variety of input costs, which may change beyond the Company's control. This includes changes in the pricing of raw materials including malt, hops, bottles and packaging, fluctuations to changes in exchange rates relating to materials purchased in foreign markets and changes in and changes in utility costs such as electricity, gas and waste water services.

## **General Risks**

### **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- a) general economic outlook;
- b) introduction of tax reform or other new legislation;
- c) interest rates and inflation rates;
- d) changes in investor sentiment toward particular market sectors;
- e) the demand for, and supply of, capital; and
- f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Equity Raising Investor Presentation.

### **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Equity Raising Investor Presentation.

Therefore, the Shares to be issued pursuant to this Equity Raising Investor Presentation carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Equity Raising Investor Presentation.



# IMPORTANT NOTICES

## Forward-Looking Statements

This document contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements.

Statements in this document regarding Gage Roads Brewing Company Limited's (the "Company") business or proposed business, which are not historical facts, are "forward-looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

## Disclaimer

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