



BROO Limited

ACN 060 793 099

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Australia

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8 October 2021

ASX Announcement

Broo Ltd secures commitments for \$3.6 million convertible note capital raising

Broo Limited (ASX: BEE) ("**Company**") is pleased to announce it has raised \$3.6m (before costs) via a secured convertible note financing from a group of sophisticated and professional investors ("**Capital Raise**").

Under the terms of the convertible note subscription deed, the subscription monies will be advanced to the Company in 3 tranches. The first tranche of \$1m was advanced today (8 October 2021), a further tranche of \$1m shall be advanced by 15 October 2021 and a final tranche of \$1.6m will be advanced subject to the Company receiving shareholder approval for the issuance of such tranche of notes at its upcoming Annual General Meeting scheduled for late November 2021.

A total of 240 million notes will be issued for \$3.6m. Each one (1) note is convertible into one (1) ordinary share in the Company at a conversion price of \$0.015 per note.

The Capital Raise will allow Broo to continue to grow its current operations and accelerate its growth plans. The funds raised by the Company under the Capital Raise will be used to fund beer production costs, marketing and distribution initiatives and for general working capital purposes.

The convertible notes have a term of 12 months, with interest payable monthly on the notes at 12% per annum. As a condition of funding, the convertible notes are to be secured over the Company and its business and property assets.

The notes can be converted at any time during the term and up to 30 days following the end of term. At the end of the term, a noteholder may elect to redeem the note and seek repayment of monies advanced, rather than convert the note into BEE shares.

The investor group will have a right to nominate a director to the Board of the Company.

The first two tranches of notes to raise \$2m will be issued under the Company's placement capacity under ASX Listing Rule 7.1.

The final tranche of notes to raise \$1.6m are to be issued conditional upon the Company obtaining shareholder approval for the issuance under ASX Listing Rule 7.1 at the Company's upcoming AGM.

61 Corporate Advisory Pty Ltd ACN 651 715 669 acted as lead manager to the Capital Raise and is entitled to a fee of 6% of funds raised.

This announcement was approved for release by the Board.

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



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Further Information

For further information, please contact the Company on + 61 (3) 5984 2222.

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.