

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares held in certificated form prior to the Ex-entitlement Date, please send this document but not the accompanying personalised Form of Proxy and, if relevant, the Application Form as soon as possible to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, this document and any accompanying documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. **In particular, such documents should not be forwarded to, or transmitted in or into, the United States, Canada, Australia, the Republic of South Africa, New Zealand or Japan.** If you have sold or otherwise transferred part only of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is not a prospectus for the purposes of the Prospectus Regulations and has not been approved by the UK Financial Conduct Authority (in its capacity as the UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA. In issuing this document the Company is relying on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Applications in respect of the Open Offer from persons not falling within such exemptions will be rejected and the Open Offer contained in this document is not capable of acceptance by such persons. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions, Admission will become effective and that dealings will commence in the New Ordinary Shares by 8.00 a.m. on 17 April 2020.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.



The City Pub Group plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 07814568)

Placing of 30,000,000 New Ordinary Shares at 50 pence per share

Open Offer of up to 14,015,634 New Ordinary Shares at 50 pence per share and Notice of General Meeting

LIBERUM

Nominated Adviser & Joint Corporate Broker



Joint Corporate Broker

This document should be read as a whole and in conjunction with the accompanying Form of Proxy and Notice of General Meeting. Your attention is drawn to the letter from the Executive Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below, to the section headed "Risk Factors" in Part III of this document and to the section headed "Questions and Answers about the Open Offer" in Part V of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 April 2020. The procedure for application and payment for Qualifying Shareholders is set out in Part II of this document, and, where relevant, will be set out in the Application Form to be sent to Qualifying Non-CREST Shareholders.

The New Ordinary Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

This document and the accompanying Application Form are not for publication or distribution, directly or indirectly, in or into the United States of America. The New Ordinary Shares have not been, nor will be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

The New Ordinary Shares have not been, nor will be, registered under, nor do they or will they qualify for distribution under any of the relevant securities laws of Canada, Australia, New Zealand, the Republic of South Africa or Japan. Shareholders outside the UK and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Liberum Capital Limited, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for The City Pub Group plc and for no one else in relation to the matters described in this document and will not be responsible to anyone other than The City Pub Group plc for providing the protections afforded to customers of Liberum Capital Limited or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. Liberum Capital Limited has not authorised the contents of, or any part of, this document for the purposes of FSMA and no liability whatsoever is accepted by Liberum Capital Limited for the accuracy of any information or opinions contained in this document or for the omission of any information. Liberum Capital Limited, as nominated adviser and joint broker to the Company, owes certain responsibilities to London Stock Exchange plc which are not owed to the Company or its Directors or any other person.

Joh. Berenberg Gossler & Co. KG, London Branch (Berenberg) which is a member of the London Stock Exchange and which is authorised and regulated in Germany by the German Federal Financial Supervisory Authority (BaFin) and subject to limited regulation in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in relation to the matters described in this document and will not be responsible to any other person for providing the protections afforded to customers of Berenberg or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. Berenberg has not authorised the contents of, or any part of, this document for the purposes of FSMA and no liability whatsoever is accepted by Berenberg for the accuracy of any information or opinions contained in this document or for the omission of any information. Berenberg, as joint broker to the Company, owes certain responsibilities to London Stock Exchange plc which are not owed to the Company or its Directors or any other person.

Notice of the General Meeting of The City Pub Group plc to be held at 11.00 a.m. on Thursday 16 April 2020 at the offices of the Company, Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH is set out at the end of this document. To be valid, the Form of Proxy for use at the General Meeting, which accompanies this document, must be completed, signed and returned so as to be received by the Company's registrars, Equiniti Limited, by no later than 11.00 a.m. on 14 April 2020. The completion and return of the Form of Proxy will not prevent you from attending, speaking and voting at the General Meeting in person, if you so wish (and are so entitled). A summary of the action to be taken by Shareholders is set out in paragraph 10 of the letter from the Executive Chairman of the Company included in Part I of this document and in the Notice of General Meeting.

In light of public health advice in response to the COVID-19 outbreak, including to limit travel and public gatherings, the Company strongly encourages all shareholders to submit their Form of Proxy, appointing the Chairman as proxy, rather than attend the meeting in person.

This document and, where applicable, the Application Form, does not constitute a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules nor does it constitute or form part of an offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any Shares or other securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "United States" or "US")), Canada, Australia, New Zealand, the Republic of South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

This document includes "forward looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

In accordance with the AIM Rules, this document will be available to Shareholders on the Company's website at www.citypubcompany.com from the date of this document, free of charge.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement to participate in the Open Offer	6.00 p.m. on 25 March 2020
Announcement of the Placing and the Open Offer	on 27 March 2020
Despatch of the Circular, the Form of Proxy and, to certain Qualifying Non-CREST Shareholders, the Application Form	on 30 March 2020
Ex-entitlement Date for the Open Offer	7.00 a.m. on 30 March 2020
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	on 31 March 2020
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 7 April 2020
Latest time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 8 April 2020
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 9 April 2020
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 14 April 2020
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 15 April 2020
General Meeting	11.00 a.m. on 16 April 2020
Announcement of the result of the General Meeting and Open Offer	on 16 April 2020
Admission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 17 April 2020
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 17 April 2020
Expected date of despatch of definitive share certificates for the New Ordinary Shares in certificated form (certificated holders only)	on 29 April 2020

Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or who are located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which are set out in paragraph 6 of Part II of this document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company (with the agreement of Liberum), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
- (5) Assumes that the Resolutions that are set out in the Notice of General Meeting are passed.
- (6) If you require assistance please contact Equiniti on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PLACING AND OPEN OFFER STATISTICS

Market price per Existing Ordinary Share ¹	56 pence
Issue Price per New Ordinary Share	50 pence
Discount to the market price of an Existing Ordinary Share ²	10.7%
Number of Ordinary Shares in issue as at the Latest Practicable Date	61,668,791
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	30,000,000
Percentage of Enlarged Share Capital represented by Placing Shares*	28.4%
Gross proceeds of the Placing receivable by the Company	£15 million
Entitlement of Qualifying Shareholders under the Open Offer**	5 Open Offer Shares for every 22 Existing Ordinary Shares held
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer**	14,015,634
Estimated gross proceeds of the Open Offer receivable by the Company ³	approximately £7 million
Number of Ordinary Shares in issue immediately following completion of the Placing and the Open Offer ³	105,684,425
Approximate market capitalisation at Admission at the Issue Price ³	£52.8 million
New Ordinary Shares as a percentage of the Enlarged Share Capital ³	approximately 41.6%
TIDM	CPC
ISIN – Ordinary Shares	GB00BYWRS683
ISIN – Open Offer Basic Entitlements	GB00BMGJ2205
ISIN – Open Offer Excess Entitlements	GB00BMGJ2312
SEDOL	BYWRS68
LEI	213800OHELCFJ6GLZC03

* Assumes that the Resolutions that are set out in the Notice of General Meeting are passed.

** But subject to maximum proceeds equivalent to Euro 8 million. Entitlement of Qualifying Shareholders and maximum number of New Ordinary Shares to be issued pursuant to the Open Offer may be reduced to reflect this maximum on the basis of the Euro/Sterling exchange rate on the relevant day.

Notes:

- 1 Mid-Market Closing Price on AIM on the Latest Practicable Date.
- 2 Being the percentage discount which the Issue Price represents to the Mid-Market Closing Price on the Latest Practicable Date.
- 3 Assumes the maximum possible number of New Ordinary Shares under the Open Offer are allotted.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Clive Royston Watson (<i>Executive Chairman</i>) Tarquin Owen Williams (<i>Chief Financial Officer</i>) Rupert James Lindsay Clark (<i>Managing Director</i>) Alexander John Derrick (<i>Managing Director</i>) Richard John Roberts (<i>Non-Executive Director</i>) Richard Öther Prickett (<i>Non-Executive Director</i>) Neil Robert Ceidrych Griffiths (<i>Non-Executive Director</i>) All of whose business address is Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH
Company Secretary:	James Alexander Dudgeon
Registered Office:	Essel House 2nd Floor 29 Foley Street London W1W 7TH
Company Website:	www.citypubcompany.com
Telephone Number	0207 559 5106
Nominated Adviser, Joint Broker	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
Joint Broker	Joh. Berenberg, Gossler & Co. KG, London Branch 60 Threadneedle Street London EC2R 8HP
Lawyers to the Company	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH
Lawyers to the Nominated Adviser	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrars	Equiniti Limited Aspect House Spencer Road Lancing BN99 6DA
Financial Public Relations Adviser	Instinctif Partners 65 Gresham Street London EC2V 7NQ

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“29.9% Aggregate Limit”	a restriction on any Shareholder acquiring any New Ordinary Shares pursuant to the Placing and/or the Open Offer which would, when aggregated with any existing interests in shares held by such Shareholder, result in such Shareholder holding an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of the Company
“Act”	the Companies Act 2006, as amended
“Admission”	admission of the Placing Shares and Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require)
“AIM Rules for Companies”	the rules of AIM as set out in the publication entitled “AIM Rules for Companies” published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules of AIM as set out in the publication entitled “AIM Rules for Nominated Advisers” published by the London Stock Exchange from time to time
“Announcement”	the RIS announcement issued by the Company dated 27 March 2020 announcing the proposed Placing and Open Offer
“Appendix”	the appendix to the Announcement setting out the terms and conditions of the Placing
“Application Form”	the application form accompanying this document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
“Basic Entitlement”	the Open Offer Shares which a Qualifying Shareholder is entitled to subscribe for under the Open Offer calculated on the basis of 5 Open Offer Shares for every 22 Existing Ordinary Shares held by that Qualifying Shareholder as at the Record Date (subject to any adjustment required to remain within the Maximum Limit)
“Berenberg”	Joh. Berenberg Gossler & Co. KG, a Kommanditgesellschaft (a German form of limited partnership) established under the laws of the Federal Republic of Germany, registered with the Commercial Register at the Local Court in the City of Hamburg under registration number HRA 42659, whose registered office is at Neuer Jungfernstieg 20, 20354 Hamburg, Germany, acting through its London Branch at 60 Threadneedle Street, London, EC2R 8HP

“Board” or “Directors”	the board of directors of the Company, whose names are listed on page 5 of this document
“Bookbuild”	the accelerated bookbuild process conducted in relation to the Placing which established the demand for and total number of Placing Shares to be issued pursuant to the Placing at the Issue Price
“Business Day”	any day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
“certificated” or “in certificated form”	an Ordinary Share or other security recorded on a company’s share register as being held in certificated form (that is not in CREST)
“Circular” or “this document”	this circular of the Company giving (amongst other things) details of the Placing and Open Offer and incorporating the Notice of General Meeting
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Company” or “City Pub Group”	The City Pub Group plc, a public limited company incorporated in England and Wales under registered number 07814568
“CREST”	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the compendium of documents entitled “CREST Manual” published by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CREST CCSS Operating Manual and the CREST Glossary of Terms
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
“CREST Proxy Instruction”	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear’s specifications
“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member

“Deferred Shares”	the deferred shares of 1 pence each in the capital of the Company to be created as part of the Reorganisation
“Enlarged Share Capital”	the entire issued share capital of the Company following Admission, assuming no other Ordinary Shares are issued between the date of this document and Admission and assuming 44,015,634 New Ordinary Shares are issued
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the Operator of CREST (as defined in CREST Regulations)
“Excess Applications”	applications pursuant to the Excess Application Facility
“Excess Application Facility”	the mechanism whereby a Qualifying Shareholder, who has taken up his Basic Entitlement in full, can apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder’s Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, as more fully set out in Part II of this document
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this document
“Excess Open Offer Entitlement”	in respect of each Qualifying Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility
“Existing Issued Share Capital”	the entire Issued Share Capital of the Company on 26 March 2020 (the latest practicable date prior to publication of this document)
“Excluded Overseas Shareholders”	other than as agreed by the Company, Liberum and Berenberg or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
“Existing Ordinary Shares”	the 61,668,791 Ordinary Shares of 50 pence each in the capital of the Company in issue on 26 March 2020, (the latest practicable date prior to publication of this document) all of which are admitted to trading on AIM
“Form of Proxy”	the form of proxy accompanying this Circular for use by Shareholders in relation to the General Meeting
“FSMA”	the Financial Services and Markets Act 2000

“General Meeting”	the general meeting of the Shareholders of the Company to be held at the offices of the Company at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH at 11.00 a.m. on 16 April 2020, notice of which is set out at the end of this document
“Group”	the Company, its subsidiaries and subsidiary undertakings
“Issue Price”	50 pence per New Ordinary Share
“Latest Practicable Date”	means 5.00 p.m. on 26 March 2020
“Liberum”	Liberum Capital Limited, a company incorporated and registered in England with No 04533970 whose registered office is 25 Ropemaker Street, London EC2Y 9LY
“London Stock Exchange”	London Stock Exchange plc
“Maximum Limit”	the Sterling equivalent of Euro 8 million which can be raised by the Company pursuant to the Open Offer calculated on the basis of the Euro/Sterling rate of exchange on 26 March 2020
“Money Laundering Regulations”	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“New Ordinary Shares”	the Placing Shares and the Open Offer Shares to be issued by the Company pursuant to the Placing and the Open Offer
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Open Offer”	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and in the case of the Qualifying Non-CREST Shareholders only, the Application Form
“Open Offer Entitlements”	an entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder under the Open Offer (and, for the avoidance of doubt, references to Open Offer Entitlements include Basic Entitlements and Excess Open Offer Entitlements)
“Open Offer Shares”	the 14,015,634 new Ordinary Shares of 1 pence each to be offered to Qualifying Shareholders under the Open Offer and conditional on the Reorganisation taking effect
“Ordinary Shares”	ordinary shares of £0.50 each in the capital of the Company prior to the Reorganisation taking effect and which will have a nominal value of 1 pence each following the Reorganisation taking effect
“Overseas Shareholders”	Shareholders with registered addresses outside the UK or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK

“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placee”	an eligible institutional investor procured by Liberum who has agreed to subscribe for Placing Shares in the Placing
“Placing”	the conditional placing by Liberum (on behalf of the Company) of the Placing Shares pursuant to the Placing and Open Offer Agreement
“Placing and Open Offer Agreement”	the conditional agreement dated 27 March 2020 relating to the Placing and Open Offer made between the Company, Liberum and Berenberg as described in paragraph 7 of Part 1 of this document
“Placing Shares”	the 30,000,000 new Ordinary Shares of 1 pence each to be issued by the Company pursuant to the Placing and conditional on the Reorganisation taking effect
“Prospectus Regulations”	the Regulation 2017/1129 of the European Parliament and the Council
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders
“Record Date”	6.00 p.m. on 25 March 2020
“Registrars” or “Equiniti” or “Receiving Agent”	Equiniti Limited of Aspect House, Spencer Road, Lancing BN99 6DA
“Regulatory Information Service” or “RIS”	has the meaning given in the AIM Rules for Companies
“Reorganisation”	the proposed subdivision of each of the Existing Ordinary Shares into 50 Ordinary Shares of 1 pence nominal value each and the immediate redesignation of each of 49 of such Ordinary Shares of 1 pence each as Deferred Shares of 1 pence nominal value each, further details of which are set out in paragraph 9 of Part 1 of this document
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting and “Resolution” shall be a reference to any one of them
“Restricted Jurisdictions”	the United States and each of Canada, Australia, New Zealand, the Republic of South Africa and Japan
“Shareholders”	the holders of Ordinary Shares for the time being, each individually a “Shareholder”

“Takeover Code”	the City Code on Takeovers and Mergers of the United Kingdom (as amended)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “uncertificated form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and, title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
USE	unmatched stock event

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

PART I

LETTER FROM THE EXECUTIVE CHAIRMAN OF THE CITY PUB GROUP PLC

The City Pub Group plc

(Incorporated and registered in England and Wales with registered no. 07814568)

Directors:

Clive Royston Watson (*Executive Chairman*)
Tarquin Owen Williams (*Chief Financial Officer*)
Rupert James Lindsay Clark (*Managing Director*)
Alexander John Derrick (*Managing Director*)
Richard John Roberts (*Non-Executive Director*)
Richard Öther Prickett (*Non-Executive Director*)
Neil Robert Ceidrych Griffiths (*Non-Executive Director*)

Registered Office:

Essel House
2nd Floor
29 Foley Street
London
W1W 7TH

To the holders of Ordinary Shares

30 March 2020

Dear Shareholder

Proposed Placing of 30,000,000 New Ordinary Shares and Open Offer of up to 14,015,634 New Ordinary Shares and Notice of General Meeting

1. Introduction

Placing and Open Offer

The Company announced on 27 March 2020 that it is proposing to undertake a Placing to raise £15 million (before expenses) together with an Open Offer to raise approximately £7 million (before fees and expenses), in each case through the issue of New Ordinary Shares at the Issue Price. Liberum is acting as nominated adviser and joint broker in connection with the Placing and Open Offer and Berenberg is acting as joint broker in connection with the Open Offer.

The Issue Price represents a discount of 10.7 per cent. to the Closing Price on the Latest Practicable Date. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will occur on or around 17 April 2020. The Placing and the Open Offer are conditional, *inter alia*, on the passing of the Resolutions at the General Meeting. The Resolutions are contained in the Notice of General Meeting at Part VI of this document. The Placing Shares are not subject to clawback and are not part of the Open Offer.

The purpose of this letter is to set out the background to, and the reasons for, the Placing and the Open Offer. It explains why the Directors consider the Placing and the Open Offer to be in the best interests of the Company and its Shareholders as a whole. The Board recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors who are interested in the Company's shares have irrevocably undertaken to do themselves in respect of their own beneficial shareholdings.

Shareholder approval is being sought in respect of the Placing and the Open Offer at the General Meeting which is convened for 11.00 a.m. on 16 April 2020 at the offices of the Company at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH.

In light of public health advice in response to the COVID-19 outbreak, including to limit travel and public gatherings, the Company strongly encourages all shareholders to submit their Form of Proxy, appointing the Chairman of the meeting as proxy, rather than attend the meeting in person. Only the formal business of the Resolutions will be carried out at the meeting and no update will be provided.

Your attention is drawn to:

- (a) paragraph 4 of Part II of this document which sets out the actions to be taken by Qualifying Shareholders seeking to participate in the Open Offer;
- (b) the section headed “Risk Factors” in Part III of this document;
- (c) the section headed “Taxation” in Part IV of this document;
- (d) the section headed “Questions and Answers about the Open Offer” in Part V of this document; and
- (e) the Notice of General Meeting contained in Part VI of this document and paragraph 10 of this letter which explain the purpose of the General Meeting and action to be taken by you in relation to the Notice of General Meeting.

2. Background to and reasons for the Placing and Open Offer

City Pub Group was, prior to the onset of the COVID-19 virus, a fast growing business which had developed from a start-up in 2011 to a highly cash generative and profitable business with a high quality estate of predominately freehold pubs.

On 17 March 2020, the Company announced that recent trading had been impacted by COVID-19 and its wider effects.

Since that date the Government announced the closure of all pubs and restaurants and, on 23 March, a strict lockdown across the country.

The Company has taken a number of steps to significantly reduce its monthly costs including temporary and permanent reductions in the number of employees, unpaid leave and salary sacrifice of staff, reduction in the salary of Directors by 50% until the pubs re-open and halting training and recruitment costs. Certain variable costs have been suspended e.g. BT, Sky and other entertainment and promotional activities.

The Company will also be pursuing the Government’s announced support of reimbursement of 80% of employees costs for those on salaries of £30,000 p.a. or less, is in discussions with Landlords with a view to achieving rent holidays and reduce other commitments, is in discussions with suppliers regarding extending credit terms and is also intending to submit claims under relevant insurance policies for both COVID-19 and for its pubs being closed down. The Company will also benefit from a business rates holiday in line with Government announcements.

The Company intends to retain key head office staff and pub managers in order to protect the business. Whilst headcount will be reduced in the near term, it is important that the Company maintains a nucleus of experienced staff who Directors’ believe will help the business to hit the ground running when normal trading conditions return. The Directors also intend to implement new sales and marketing technology platforms in order to further centralize marketing and sales activities and streamline operations.

As announced on 17 March, the Board is confident the Company has sufficient working capital to maintain its operations for at least another six months without further capital. The Directors estimate that the monthly cash requirement, including retained employee costs and no deferral in rent, will be approximately £350,000 per month. Current net debt is approximately £32 million against a portfolio consisting of freehold assets (90%), with a net book value of £116 million as at 29 December 2019.

The Company has a strong and supportive relationship with its bank. Whilst its bank have waived key covenant tests until December 2020, its £35 million bank facility, repayable in 2022, is fully drawn and its £15 million accordion facility remains subject to credit committee approval.

The Company is therefore proposing to raise funds via a Placing to raise £15 million (before expenses) and up to a further approximately £7 million via the Open Offer in order to:

- Strengthen the Company’s balance sheet in the event that the ongoing suspended trading environment is extended;
- Improve operational execution as a result of a more streamlined business;
- Enable the Company to plan ahead for when more normal levels of business return; and

- Position the Company, should the right opportunities arise, to expand the Company's portfolio of pubs at a time when Directors' believe acquisition prices will be reduced in the short term.

The Directors believe that if the Placing is successful, the Company will be well placed to grow the business and recover shareholder value once its pubs reopen.

The cost base will be reduced and, although the cost base will increase when the pubs reopen, the Company will be well financed to enable the pub portfolio to be expanded at a time when the Directors believe acquisition prices will be reduced.

During the closure period, the senior management will focus on improving the operations structure of the business so that it can be operated and managed more effectively. The Company intends to continue with its cost reduction measures after completion of the Placing and Open Offer and to focus on improving shareholder value once its pubs reopen.

3. Current Trading

Further to the update to the market on 17 March 2020:

- For the first 11 weeks to 15 March 2020, total turnover was up 11% against the same period last year. Like for like sales for the same period were down 4.5%;
- For the 12 weeks to 22 March 2020, total turnover was up 2.5% against the same period last year;
- Following the UK Government announcement on 20 March 2020, all the Company's pubs have closed as a result of measures required to combat the spread of COVID-19.

4. Importance of Vote

Shareholders should note that unless the Resolutions are passed by Shareholders at the General Meeting, the Placing and Open Offer cannot be implemented. In such circumstances, the Company will not receive the proceeds of either the Placing or the Open Offer, will not be able to strengthen its balance sheet and take the action set out in paragraph 1 above and will not have sufficient working capital for the remainder of the financial year without raising other funds, taking other action or the business operations recommencing.

The Directors consider that not to complete the Placing and Open Offer would not be in the best interests of the Company or its Shareholders as a whole and that any alternative financing, if available, could be on less favourable terms and could lead to more substantial dilution for Shareholders than would be the case under the proposed Placing and Open Offer. Accordingly, the Directors believe that the passing of the Resolutions is in the best interests of Shareholders and recommend that Shareholders vote in favour of all of the Resolutions.

5. Details of the Placing and Open Offer

The Directors have given careful consideration as to the structure of the proposed fundraising and have concluded that the Placing and the Open Offer is the most suitable option available to the Company and its Shareholders at this time.

Through the Placing, 30,000,000 Placing Shares will be issued to Placees at 50 pence per Placing Share (i.e. the Issue Price) to raise gross proceeds of £15 million; and

Up to 14,015,634 New Ordinary Shares will be issued to Qualifying Shareholders through the Open Offer at 50 pence per New Ordinary Share to raise gross proceeds of up to approximately £7 million (assuming full take up under the Open Offer).

The Placing was made available to certain eligible existing institutional shareholders and certain new institutional investors.

The allotment and issue of the Placing Shares and the Open Offer Shares is conditional on the approval by Shareholders of the Resolutions required for the Directors to allot the Placing Shares and the Open Offer

Shares and for statutory pre-emption rights to be disapplied in respect of such allotments. The Resolutions include the relevant approvals required for the Placing and Open Offer.

The Resolutions also contain the relevant approvals to effect the Reorganisation, details of which are set out in paragraph 9 of Part I of this document and the Placing and Open Offer is also conditional on the approval of Shareholders to the Reorganisation.

Principal Terms of the Placing

Liberum, as agent for the Company, has agreed to procure Placees by way of an accelerated bookbuild process on the terms of the Placing and Open Offer Agreement. Placees applied to subscribe for the Placing Shares on the basis of the Terms and Conditions of the Placing set out in the Appendix to the Announcement.

The Placing is not being underwritten.

The Placing Shares are not subject to clawback and are not part of the Open Offer.

The Placing is intended to raise £15 million (before expenses). It is expected that the Placing proceeds will be received by the Company by 17 April 2020.

Principal terms of the Open Offer

The Directors consider it important that Qualifying Shareholders have the opportunity to participate in the fundraising, and the Directors have concluded that the Open Offer is the most suitable option available to the Company and its Shareholders.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 5 Open Offer Shares for every 22 Existing Ordinary Shares held on the Record Date.

The Open Offer will raise gross proceeds of up to approximately £7 million.

The Issue Price represents a discount of approximately 10.7 per cent. to the Closing Price on the Latest Practicable Date.

The Placing and the Open Offer are separate and distinct transactions involving the issue of New Ordinary Shares. However the Open Offer is conditional on the Placing and will not be implemented independently if for any reason the Placing lapses. Following the close of the subscription period under the Open Offer, any Open Offer Shares not subscribed for by Qualifying Shareholders may be placed by the Company with institutional investors to satisfy further demand at that time.

Basic Entitlement

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

5 Open Offer Shares for every 22 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 14,015,634 New Ordinary Shares.

Allocations under the Open Offer

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the 29.9 per cent. Aggregate Limit.

Excess Application Facility

Subject to availability and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form and should refer to paragraph 4.1(c) of Part II of this document for further information. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of Part II of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess Applications may be allocated in such manner as the Directors (in consultation with Liberum) may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Application procedure under the Open Offer

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown in Box 7 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and also in respect of their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 31 March 2020.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The Basic Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 31 March 2020. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part II of this document and, where relevant, on the Application Form.

Conditionality

The Placing and the Open Offer are conditional upon, among other things, the following:

- the passing (without amendment) at the General Meeting of the Resolutions and the Resolutions becoming unconditional;
- the London Stock Exchange agreeing to admit (subject only to allotment where relevant) the Placing Shares and the Open Offer Shares to trading on AIM;
- Admission taking place by not later than 8.00 a.m. on 17 April 2020 (or such later date as Liberum may agree as the date for Admission, but in any event not later than 8.00 a.m. on 30 April 2020); and
- the Placing and Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission.

If the conditions set out above are not satisfied or waived (where capable of waiver):

- the Placing and the Open Offer will lapse;
- the Placing Shares will not be issued and all monies received from the Placees in respect of the Placing Shares will be returned to the Placees (at the Placees' risk and without interest) as soon as possible thereafter;
- any Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

The Placing and the Open Offer are separate and distinct transactions involving the issue of Ordinary Shares. However the Open Offer is conditional on the Placing and will not be implemented independently if for any reason the Placing lapses.

Application for Admission

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 17 April 2020 (or such later time and/or date as may be agreed between the Company and Liberum, being no later than 8.00 a.m. on 30 April 2020). No temporary document of title will be issued.

The New Ordinary Shares will be issued free of all liens, charges and encumbrances and will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the date of this document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Important notice

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company.

The Placing and the Open Offer are separate and distinct transactions involving the issue of New Ordinary Shares. However the Open Offer is conditional on the Placing and will not be implemented independently if for any reason the Placing lapses.

Qualifying Shareholders are being invited to participate in the Open Offer and (subject to certain exceptions) will have received an Application Form with this document. However Qualifying Shareholders are not entitled to participate in the Placing unless expressly invited by the Company and Liberum to do so.

In issuing this document and structuring the Placing and the Open Offer in this manner, the Company is relying on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the date on which the shares are marked 'ex-entitlement' is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.

6. Effect of the Placing and the Open Offer

Upon completion of the Placing and the Open Offer, the New Ordinary Shares will represent approximately 41.6 per cent. of the Enlarged Share Capital (assuming the Open Offer is subscribed in full).

7. The Placing and Open Offer Agreement

Pursuant to the terms of the Placing and Open Offer Agreement, Liberum, as joint broker for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares and Berenberg as joint broker, has been appointed as agent to assist with the Open Offer.

The Placing and Open Offer Agreement is conditional upon, among other things, the conditions set out above (please see 'conditionality' in paragraph 5 of this Part I) and none of the warranties or undertakings given to Liberum and Berenberg prior to Admission being or becoming untrue, inaccurate or misleading.

The Placing and Open Offer Agreement contains customary warranties given by the Company in favour of Liberum and Berenberg in relation to, among other things, the accuracy of the information in this document and other matters relating to the Group and its business.

In addition, the Company has agreed to indemnify Liberum (and its affiliates) and Berenberg (and its affiliates) in relation to certain liabilities which they may incur in respect of the Placing and the Open Offer.

Liberum has the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission. In particular, in the event of breach of the warranties or a material adverse change or if the Placing and Open Offer Agreement does not become unconditional.

8. Use of Proceeds

The proceeds of the Placing and Open Offer will be:

- Primarily to strengthen the Company's balance sheet in the event that the ongoing suspended trading environment in the wake of COVID-19 continues;
- To improve operational execution as a result of a more streamlined business;
- To enable the Company to plan ahead for when more normal levels of business return; and
- To position the Company, should the right opportunities arise, to expand the Company's portfolio of pubs at a time when Directors' believe acquisition prices will be reduced in the short term.

9. Details of the Reorganisation

As a result of the recent fall in the share price of the Company as part of the general fall in the markets as a result of COVID-19, the price of an Ordinary Share has reduced to around the nominal value of the Ordinary Shares of 50 pence each. Whilst the Issue Price per New Ordinary Share will be equal to the current nominal value of 50 pence of the Ordinary Shares, section 580 of the Act prohibits the allotment of shares at a discount to their nominal value.

The Company therefore proposes to implement the Reorganisation so as to reduce the nominal value of the Ordinary Shares. The Reorganisation will take place before Admission and is expected to be

implemented after the General Meeting and the passing of the Resolutions. Under the Reorganisation, each Existing Ordinary Share of 50 pence nominal value will be subdivided into 50 Ordinary Shares of one pence nominal value and each of 49 of these ordinary shares of one pence each will be immediately re-designated as a Deferred Share of one pence nominal value, with very limited rights.

The Placing and Open Offer is conditional upon (among other things) the completion of the Reorganisation. The proportion of the issued share capital of the Company held by each Shareholder immediately following the Reorganisation will remain unchanged. In addition, apart from having a different nominal value, each Ordinary Share of one pence nominal value will carry the same rights as set out in the Articles that currently apply to the Existing Ordinary Shares.

All uncertificated Ordinary Shares held in Shareholders' stock accounts in CREST will be amended as soon as possible after 8.00 a.m. on 17 April 2020 to confirm the new nominal value of one pence. No new share certificates will be issued in respect of Ordinary Shares in certificated form in connection with the Reorganisation and no action will, or needs to, be taken in respect of such Ordinary Shares.

The Deferred Shares created on the Reorganisation becoming effective, will have no voting or dividend rights and, on a return of capital on a winding up, will have no valuable economic rights. No share certificates will be issued in respect of the Deferred Shares, nor will they be admitted to trading on AIM or any other investment exchange. A request will be made to the London Stock Exchange to reflect on AIM the subdivision of the Existing Ordinary Shares.

The Articles of Association, as proposed to be amended by Resolution 2 of the Resolutions, will set out the rights attaching to the Deferred Shares. These rights will grant irrevocable authority to the Company to, *inter alia*, transfer the Deferred Shares to a person nominated by the Directors for no consideration and without requiring to obtain the consent of any holder of Deferred Shares and to purchase any or all of the Deferred Shares without any further approval from the holders of the Deferred Shares, appoint any person on behalf of the holders of the Deferred Share to execute a contract for the purchase of the Deferred Shares for an aggregate consideration of one penny to be paid to such person selected by lot and who is not required to account to any of the other shareholders, and to cancel the deferred shares without payment to the holders. The buy back of the Deferred Shares would be effected by notice to the registered office of the Company addressed to a person nominated by the Directors to act on behalf of the holders of the Deferred Shares.

The Directors intend to take steps to buy back and cancel the Deferred Shares at a suitable time following completion of the Placing and Open Offer.

10. General Meeting

The Directors do not currently have authority to allot all of the New Ordinary Shares under the Placing and Open Offer and, accordingly, the Company is seeking approval of Shareholders to grant additional authority to the Directors to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment at the General Meeting.

As a result of the recent volatility in the share price of the Company explained in paragraph 9 above, the current share price is at a level close to the nominal value of the ordinary shares of 50 pence each. A company is prohibited by the Act from issuing shares at less than their nominal value.

Accordingly, the Directors consider it appropriate to take steps to reduce the nominal value of the Ordinary Shares in the capital of the Company prior to the issue of the New Ordinary Shares. Resolutions 1 and 2 proposed at the General Meeting are to take the necessary steps to reduce the nominal value from 50 pence to 1 pence.

Deferred Shares are created as part of this process and the changes to the Articles of Association proposed by Resolution 2, will enable the Directors to transfer or buy back some or all of the Deferred Shares at a suitable time after completion of the Placing and Open Offer. The aggregate price to buy back all of the Deferred Shares is 1 pence. The passing of Resolutions 1 – 3, including the changes to the Articles of Association set out in Resolution 2, authorise the Directors to take all necessary action to complete the Reorganisation and to effect a transfer and/or buy back of the Deferred Shares at a suitable time following completion of the Placing and Open Offer.

Shareholders will hold the same number of Ordinary Shares following completion of the Reorganisation and there will be no change to the rights attaching to the Ordinary Shares. Although Shareholders will also hold Deferred Shares for a period of time after completion of the Placing and Open Offer, the Deferred Shares will not be admitted to AIM and will carry no effective economic rights.

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 11.00 a.m. on 16 April 2020 at the offices of the Company at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions in order to approve the authorities required to allot and issue the New Ordinary Shares and to effect the Reorganisation of the share capital of the Company.

In light of the UK Government's public health advice in response to the COVID-19 outbreak including to limit travel and public gatherings wherever possible, the Company strongly encourages all Shareholders to submit their Form of Proxy, appointing the Chairman of the meeting as proxy, rather than attend the meeting in person. Only the formal business of the Resolutions will be carried out at the meeting and no update will be provided.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

Resolution 1: Subdivision of each ordinary share and re-designation of certain shares as deferred shares

This ordinary resolution will subdivide each ordinary share of 50 pence each into 50 ordinary shares of 1 pence each and will re-designate 49 of such 50 new ordinary shares of 1 pence each as deferred shares of 1 pence each.

Resolution 2: Amendment to Articles of Association

Conditional on passing Resolutions 1 and 3, this special resolution will amend the Articles of Association to introduce the rights attaching to the Deferred Shares.

Resolution 3: Buyback of Deferred Shares

Conditional on passing Resolutions 1 and 2, this special resolution grants authority to the Directors to buyback and cancel the Deferred Shares in accordance with the Articles of Association (as amended) at a suitable time following completion of the Placing and Open Offer.

Resolution 4: Authority to allot New Ordinary Shares

Conditional on the passing of resolutions 1, 2, 3 and 5, this ordinary resolution will grant the Directors authority to allot up to 44,015,634 New Ordinary Shares in connection with the Placing and Open Offer. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution. This authority will be in addition to the authorities given to the Directors at the annual general meeting of the Company which took place on 20 May 2019.

Resolution 5: Disapplication of pre-emption rights in respect of the New Ordinary Shares

Conditional on the passing of Resolutions 1 – 4 (inclusive), this special resolution disapplies statutory pre-emption rights in respect of the allotment up to 44,015,634 New Ordinary Shares to be allotted pursuant to the authority granted by Resolution 4 in connection with the Placing and Open Offer. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution. This authority will be in addition to the authorities given to the Directors at the annual general meeting of the Company which took place on 20 May 2019.

Save in respect of the allotment of the Placing Shares and Open Offer Shares, the grant of options to employees under employee share plans or other similar incentive arrangements and pursuant to the exercise of exiting options in respect of Ordinary Shares, the Directors have no current intention to allot shares or rights to subscribe or convert into shares, in the capital of the Company.

Action to be taken in respect of the General Meeting

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's Registrars Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by post by no later than 11.00 a.m. on 14 April 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST electronic proxy appointment service or by using the procedures described in the CREST Manual . Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted by CREST must be transmitted so as to be received by the issuers agent (ID: RA19) by no later than 11.00 a.m. on 14 April 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for an adjourned meeting).

11. Dilutive impact of Placing and Open Offer

The proposed issue of the Placing Shares and the Open Offer Shares pursuant to the Fundraising will dilute existing shareholdings of Shareholders. Qualifying Shareholders will be able to mitigate the extent of this dilution by applying for Open Offer Shares in the Open Offer.

The maximum dilution which a Shareholder will be subject to if he/she does not participate in the Open Offer, as a result of completion of the Placing and Open Offer (assuming the Open Offer is taken up in full) is 41.6 per cent.

12. Recommendations

Shareholders should note that, if the Resolutions are not passed by Shareholders at the General Meeting, the Placing and Open Offer will not be implemented and that, as explained in paragraph 4 of this Part 1, the Company will not receive any of the anticipated proceeds of the Placing and Open Offer. Without the anticipated proceeds of the Placing and Open Offer, the Company will not have sufficient working capital for the remainder of the financial year without a further fundraise or further action being taken or business operations recommencing.

Accordingly, the Directors consider that the Placing and Open Offer and the passing of the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions, as they intend to do in respect of their beneficial holdings of an aggregate of 4,445,792 Existing Ordinary Shares, representing approximately 7.2 per cent. of the Existing Ordinary Shares.

Yours faithfully

Clive Watson
Executive Chairman

PART II

TERMS AND CONDITIONS OF THE OPEN OFFER

1 Introduction

As explained in Part I of this document, the Company proposes to issue up to 14,015,634 Open Offer Shares at the Issue Price in order to raise approximately £7 million (before fees and expenses) by way of the Open Offer (assuming that the Open Offer is subscribed in full and subject to the Maximum Limit (which is the Sterling equivalent of Euro 8 million)).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

The Open Offer has not been underwritten. There may be no more than 14,015,634 Open Offer Shares issued under the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 7.00 a.m. on 30 March 2020, when the Existing Ordinary Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied (subject to the terms and conditions set out in this document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part II which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part II.

2 The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price (payable in full on application and free of all expenses) and will have a Basic Entitlement of:

5 Open Offer Shares for every 22 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date. Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders with fewer

than 22 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part II for further details of the Excess Application Facility.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 4.2(a) to 4.2(l) of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 7 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 3, 4 and 5 on the Application Form. Excess Applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 14,015,634 Open Offer Shares.

Following the close of the subscription period under the Open Offer, any Open Offer Shares not subscribed for by Qualifying Shareholders may be placed by the Company with institutional investors to satisfy any further demand at such time.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 7.00 a.m. on 30 March 2020 is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible

since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 31 March 2020.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3 Conditions and further terms of the Open Offer

The Open Offer is conditional, *inter alia*, upon the following:

- the passing, without amendment, of the Resolutions at the General Meeting and the Resolutions becoming unconditional;
- the London Stock Exchange agreeing to admit (subject only to allotment where relevant) the Placing Shares and the Open Offer Shares to trading on AIM;
- Admission becoming effective by not later than 8.00 a.m. on 17 April 2020 (or such later time and/or date as may be agreed between the Company and Liberum, being no later than 8.00 a.m. on 30 April 2020);
- the Placing and Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- the implementation of the Placing.

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 17 April 2020 (or such later time and/or date as may be agreed between the Company and Liberum, being no later than 8.00 a.m. on 30 April 2020), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form on or before 29 April 2020. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 17 April 2020.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 17 April 2020, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4 Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Basic Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, strongly encouraged to vote at the General Meeting by completing and returning the Form of Proxy enclosed with this document.

4.1 If you have an Application Form in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the number of Open Offer Shares which represents their Basic Entitlement under the Open Offer, as shown by the total number of Basic Entitlements allocated to them set out in Box 7. Box 8 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 2, 4 and 5.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 22 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 22 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Facility (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 2, 4 and 5 of the Application Form. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, by completing Boxes 2, 3, 4 and 5 of the Application Form (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1(b) of this Part II).

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 9 April 2020. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2(b) of this Part II.

(c) *Excess Application Facility*

Subject to availability and to the below, and assuming that Qualifying Non-CREST Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder’s Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, may do so by completing Boxes 2, 3, 4 and 5 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Shareholder’s 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted along with a cheque or banker’s draft written in black ink drawn in the appropriate form using the accompanying reply-paid envelope (if posted from the UK only) to Equiniti Aspect House, Spencer Road, Lancing BN99 6DA (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 April 2020, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Equiniti Limited re: The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added either the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post dated cheques will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) with the prior consent of Liberum to accept either:

- (i) Application Forms received after 11.00 a.m. on 15 April 2020; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 15 April 2020 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, Liberum, or the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

(e) *Effect of application*

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company, Liberum and Berenberg that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under

any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; agrees with the Company, Liberum and Berenberg that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;

- (ii) confirms to the Company, Liberum and Berenberg that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group contained in this document;
- (iii) confirms to the Company, Liberum and Berenberg that in making the application he is not relying and has not relied on Liberum or any other person affiliated with Liberum or Berenberg or any other person affiliated with Berenberg in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (iv) confirms to the Company, Liberum and Berenberg that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company, Liberum and Berenberg;
- (v) represents and warrants to the Company, Liberum and Berenberg that he is the Qualifying Shareholder originally entitled to the Basic Entitlements or that he received such Basic Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company, Liberum and Berenberg that if he has received some or all of his Basic Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the Articles of Association of the Company;
- (viii) represents and warrants to the Company, Liberum and Berenberg that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (ix) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Liberum, Berenberg or any of their respective affiliates, by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act;
- (x) by becoming registered as a holder of Open Offer Shares, he acknowledges and agrees that the processing by the Company and/or the Registrars and/or Liberum and/or Berenberg of any personal data relating to him in the manner described above is undertaken for the purposes of: (a) performance of the contractual arrangements between them; and

(b) to comply with applicable legal obligations. In providing the Company and/or the Registrars and/or Liberum and/or Berenberg with information, he hereby represents and warrants to each of them that he has notified any data subject of the processing of their personal data (including the details set out above) by the Company, the Registrars and/or Liberum and/or Berenberg and their respective affiliates and group companies, in relation to the holding of and using, their personal data for the Purposes. Any individual whose personal information is held or processed by a data controller: (a) has the right to ask for a copy of their personal information held; (b) to ask for any inaccuracies to be corrected or for their personal information to be erased; (c) object to the ways in which their information is used, and ask for their information to stop being used or otherwise restricted; and (d) ask for their personal information to be sent to them or to a third party (as permitted by law). A data subject seeking to enforce these rights should contact the relevant data controller. Individuals also have the right to complain to the UK Information Commissioner's Office about how their personal information has been handled; and

- (xi) represents and warrants to the Company, Liberum and Berenberg that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986

All enquiries in connection with the procedure for application and completion of the Application Form, please contact Equiniti on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., London time Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.

4.2 *If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Basic Entitlement together with a credit Excess CREST Open Offer Entitlements equal to 10 times their Record Date holding of Ordinary Shares. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlement they have been credited then they should contact the Shareholder helpline on 0371 384 2050 or +44 121 415 0259 (if calling from outside of the UK to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlement to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline, subject always to the 29.9 per cent. Aggregate Limit) (see paragraph 4.2(c) of this Part II for further details). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 22 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 22 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.2(c) of this Part II).

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying

CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 3.00 p.m. on 31 March 2020, or such later time and/or date as may be agreed between the Company, Liberum and Berenberg, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) *Bona fide market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlements and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant CREST Open Offer Entitlements and Euroclear's Claims Processing Unit will not generate market claims for Excess CREST Open Offer Entitlements and any Qualifying Shareholder who requires Excess CREST Open Offer Entitlement to be credited to their CREST Account should contact Equiniti on 0371 384 2050 or, if phone from outside the UK, +44 121 415 0259. Lines are open from 8.30 a.m. – 5.30 p.m. (London Time) Monday to Friday excluding public holidays in England and Wales will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability and to the below, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess

CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlement and the Excess CREST Open Offer Entitlements will thereafter be transferred accordingly. Euroclear's Claims Processing Unit will not generate market claims for the Excess CREST Open Offer Entitlements.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility, subject always to the 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's sole risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above.

(e) *Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlement. This is GB00BMGJ2205;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of Equiniti in its capacity as Receiving Agent. This is 2RA73;
- (vi) the member account ID of Equiniti in its capacity as Receiving Agent. This is RA347701;

- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(e)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 April; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 April 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 April 2020 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 April 2020 (or such later time and/or date as may be agreed between the Company and Liberum, being no later than 8.00 a.m. on 30 April 2020), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BMGJ2312;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti in its capacity as Receiving Agent. This is 2RA74;
- (vi) the member account ID of Equiniti in its capacity as Receiving Agent. This is RA347702;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 April 2020; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 April 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 April 2020 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 April 2020 (or such later time and/or date as may be agreed between the Company, Liberum and Berenberg, being no later than 8.00 a.m. on 30 April 2020), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer can be applied for through an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 April 2020. After depositing their Basic Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 8 April 2020 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements from CREST is 4:30 p.m. on 7 April 2020, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility as the case may be prior to 11.00 a.m. on 15 April 2020.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of

a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 April 2020 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 April 2020. In this connection CREST members and (where applicable) their CREST sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question, without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company, Liberum and Berenberg that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company, Liberum and Berenberg that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company, Liberum and Berenberg that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person

responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Group contained in this document;

- (v) confirms to the Company, Liberum and Berenberg that in making the application he is not relying and has not relied on Liberum or any other person affiliated with Liberum or Berenberg or any other person affiliated with Berenberg in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (vi) confirms to the Company, Liberum and Berenberg that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company, Liberum and Berenberg;
- (vii) represents and warrants to the Company, Liberum and Berenberg that he is the Qualifying Shareholder originally entitled to the Basic Entitlements and Excess CREST Open Offer Entitlements or that he has received such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) represents and warrants to the Company, Liberum and Berenberg that if he has received some or all of his Basic Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (ix) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles of Association of the Company (as amended by the Resolutions);
- (x) represents and warrants to the Company, Liberum and Berenberg that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (xi) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Liberum, Berenberg or any of their respective affiliates, by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act;
- (xii) acknowledges and agrees that, pursuant to the General Data Protection Regulation as implemented in the United Kingdom by the Data Protection Act 2018 ("**GDPR**") the Company and/or the Registrars and/or Liberum and/or Berenberg, may hold personal data (as defined in the GDPR) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Company, the Registrars and/or Liberum and/or Berenberg will only process such information for the purposes set out below (collectively, the "**Purposes**"), being to: (a) process his personal data to the extent and in such manner as is necessary for the performance of their obligations under the contractual arrangements between them, including as required by or in connection with his holding of Ordinary Shares in CREST, including processing personal data in connection with credit and money laundering checks on him; (b) communicate with him as necessary in connection with his affairs and generally in connection with his holding

of Ordinary Shares in CREST; (c) provide personal data to such third parties as the Company, the Registrars and/or Liberum and/or Berenberg may consider necessary in connection with his affairs and generally in connection with his holding of Ordinary Shares or as the GDPR may require, including to third parties outside the European Economic Area; (d) without limitation, provide such personal data to their respective affiliates for processing, notwithstanding that any such party may be outside the European Economic Area; and (e) process his personal data for the Company's, the Registrars' and/or Liberum's and/or Berenberg's internal administration.

- (xiii) by becoming registered as a holder of Open Offer Shares, he acknowledges and agrees that the processing by the Company and/or the Registrars and/or Liberum and/or Berenberg of any personal data relating to him in the manner described above is undertaken for the purposes of: (a) performance of the contractual arrangements between them; and (b) to comply with applicable legal obligations. In providing the Company and/or the Registrars and/or Liberum and/or Berenberg with information, he hereby represents and warrants to each of them that he has notified any data subject of the processing of their personal data (including the details set out above) by the Company, the Registrars and/or Liberum and/or Berenberg and their respective affiliates and group companies, in relation to the holding of, and using, their personal data for the Purposes. Any individual whose personal information is held or processed by a data controller: (a) has the right to ask for a copy of their personal information held; (b) to ask for any inaccuracies to be corrected or for their personal information to be erased; (c) object to the ways in which their information is used, and ask for their information to stop being used or otherwise restricted; and (d) ask for their personal information to be sent to them or to a third party (as permitted by law). A data subject seeking to enforce these rights should contact the relevant data controller. Individuals also have the right to complain to the UK Information Commissioner's Office about how their personal information has been handled; and

represents and warrants to the Company, Liberum and Berenberg that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

(l) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion but with the prior consent of Liberum and Berenberg:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption,

failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

5 Money Laundering Regulations

5.1 *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent, the Company, Liberum and Berenberg from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

- (a) The verification of identity requirements will not usually apply:
- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC)); or
 - (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
 - (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
 - (iv) if the aggregate subscription price for the Open Offer Shares is less than €10,000 (approximately £9,100 as at the Latest Practicable Date).
- (b) In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:
- (i) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand

corner, the following applies. Cheques, should be written in black ink and made payable to “Equiniti Limited re: Jewel Open Offer A/C” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only” in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers’ draft to such effect. The account name should be the same as that shown on the Application Form; or

- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(a)(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Equiniti Aspect House, Spencer Road, Lancing BN99 6DA.
- (iii) To confirm the acceptability of any written assurance referred to in paragraph 5.1(b)(ii) above, or in any other case, the acceptor please contact Equiniti on 0371 384 2050 or if phoning outside the UK +44 121 415 0259. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- (iv) If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 15 April 2020, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 **Basic Entitlements and Excess CREST Open Offer Entitlements in CREST**

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

6 Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or Liberum or Berenberg or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and neither Basic Entitlements nor Excess CREST Open Offer Entitlements will be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor Liberum nor Berenberg (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company and Liberum determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part II and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.8 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.8 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a Basic Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

Subject to certain exceptions, this document is intended for use only in connection with offers of Open Offer Shares outside the United States and neither this document nor any Application Form is to be sent or given to any person within the United States. The Open Offer Shares offered hereby are not being registered under the US Securities Act, for the purposes of sales outside of the United States.

This document may not be transmitted in or into the United States and may not be used to make offers or sales to US holders of Existing Ordinary Shares.

Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

- (i) it is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and
- (ii) the Open Offer Shares have not been offered to it by the Company or Liberum or any of their affiliates by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act.

Each subscriber acknowledges that the Company, Liberum and Berenberg will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer Shares are no longer accurate, it shall promptly notify the Company, Liberum and Berenberg. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the US Securities Act.

6.3 **Canada**

This document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares are not being offered for subscription by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. No Application Form will be sent to and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a stock account in CREST of any Shareholder in the Company whose registered address is in Canada. If any Application Form is received by any Shareholder in the Company whose registered address is elsewhere but who is, in

fact, a Canadian Person or the agent of a Canadian Person so resident, he should not apply under the Open Offer.

For the purposes of this paragraph 6.3, “Canadian Person” means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

6.4 **Australia**

Neither this document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (i) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the Open Offer Shares; or (ii) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia). Accordingly, no Application Form will be issued to, and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a CREST stock account of, Shareholders in the Company with registered addresses in, or to residents of, Australia. For the avoidance of doubt, the Investor, (which is an entity incorporated in, and with a significant presence in, Australia), will not be participating in the Open Offer.

6.5 **Other Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements. The Open Offer shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.6 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

6.7 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Liberum, Berenberg and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction;

- (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it;
 - (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and
 - (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:
 - (A) appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
 - (B) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
 - (C) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).
- (b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part II represents and warrants to the Company, Liberum and Berenberg that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.8 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion with the prior consent of Liberum and Berenberg. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7 **No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8 Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 16 April 2020. Application will be made to AIM for admission to trading of the New Ordinary Shares. It is expected that, subject to the Placing and the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 17 April 2020.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 April 2020 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 17 April 2020). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post on 29 April 2020. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 of this Part II, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

9 Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service.

10 Taxation

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in Part IV of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11 Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open

Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

12 Further Information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Application Form.

PART III

RISK FACTORS

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. This Part III contains what the Directors believe to be certain of the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Company.

This document contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE GROUP

Coronavirus (COVID-19)

The impact of COVID-19, including as a result of recommended actions from Government to avoid pubs and restaurants and subsequent instruction to close pubs and restaurants and comply with a general lockdown, has had an adverse effect on demand for the Company's products and will adversely impact on the Company's trading and financial performance. The extent of the impact will depend on the length of time pubs and restaurants are required to remain closed and social contact restricted.

Prior operating results as an indication of future results

The Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Company's results prior to COVID-19 as an indication of future performance. Factors that may affect the Company's operating results include increased competition for pub acquisitions and an increased level of expenses as it continues to expand its pub portfolio. It is possible that, in the future, the Company's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

Borrowing and Security

Group Companies have granted security to lenders in the form of fixed and floating charges over certain of the freehold properties. Should any fall in asset values or lack of sufficient operating income result in a Group Company breaching clauses within the Group's credit agreements. Group Companies may be required either to pay higher interest costs and/or to make early repayment of such borrowing, in whole or in part, together with any attendant costs. In addition, the lenders will have the right to enforce their security which may impact on the proportion retained in the Group's portfolio. In addition, in such circumstances, the Company's ability to pay a dividend may be restricted, the financial condition of the Group could be adversely impacted and the Group may be required to sell sufficient assets to repay such amount of the borrowings.

Decline in UK economy

Any economic downturn either globally or locally in any area in which the Company operates may have an adverse effect on demand for the Company's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Company's operations and business results.

The UK's Withdrawal from the European Union

The UK formally left the European Union on 31 January 2020 (**Brexit**). The implications of Brexit for the Company are and will continue to be uncertain during the negotiation of the UK's ongoing trading relationship with the EU, including any potential regulatory or tax changing. The business of the Group is dependent on being able to source skilled labour, much of which comes from the EU.

Terrorist Activity

The threat of terrorism in the UK impacts the operation of the Group including managing the safety of customers and employees. A prolonged terrorist campaign could ultimately reduce consumer spending habits and reduce demand for the Company's products.

Dependence on key executives and personnel

The Group's future development and prospects are substantially dependent on the continuing services and performance of the Executive Directors and pub managers and its ability to continue to attract and retain highly skilled and qualified pub managers. The Directors cannot give assurances that they or members of the management team will remain with the Group, although the Directors believe the Group's culture and remuneration packages are attractive. If members of the Group's key senior teams depart, the Group may not be able to find effective replacements in a timely manner, or at all and its business may be disrupted or damaged. The loss of the services of any of the Directors, pub managers, chefs and other key employees could damage the Group's business.

Due to the nature of the Group's pubs, individual managers can be key to achieving budgeted performance. The risk of losing those managers might affect the profitability of the business, particularly in the larger pubs in the estate.

The significant reduction in headcount as a result of the COVID-19 measures means that it will take time to recruit relevant staff when pubs and restaurants reopen.

Growth strategy and risks relating to potential future acquisitions and disposals

The continuing growth of the Group is largely dependent on its ability to identify and execute acquisitions of free-of-tie, managed pubs in Southern England. If the Group is unable to find suitable acquisition targets at an acceptable price, this may have a material and adverse effect on the Group's future success. The price of such pubs may be affected by interest rates, the Sterling exchange rate, inward investment into the UK, the demand for housing and other factors outside of the Group's control.

In addition to the limited number of traditional free houses or other suitable properties in Southern England in the areas to which the Group has decided to confine its operations, the Group may face competition

from other organisations, which may be larger or better funded than itself, either within or outside the pub sector, when seeking to acquire new properties.

The property market has been buoyant in recent times, and the scarcity of free houses in Southern England area has made such properties highly attractive. A future down-turn in the market might make it more difficult to dispose of pubs, should this be strategically desirable, at a profit.

Acquisitions by the Company may require the use of significant amounts of cash, dilutive issues of equity securities and the incurring of debt, each of which could materially and adversely affect the Company's business, results of operations, financial condition or the market price of the Ordinary Shares. In addition, acquisitions involve numerous risks, including difficulties in assimilating the operations of any acquired business or company and the diversion of management's attention from other business concerns.

Integrating further acquisitions

The Group's existing portfolio of pubs has been created through a series of acquisitions of individual pubs often as going concerns. The main driver of future revenue and profit growth will be the Group's ability to retain its existing portfolio and add additional quality pubs and pub restaurants or small pub groups.

Often the acquired pubs require significant investment in order to bring them up to the standard required by the Group and the renovation and relaunch of an acquisition requires substantial management time and resources and any subsequent increase in profitability may not be sufficient to repay the costs of acquisition and renovation.

In addition, there can be no guarantee that the Group will continue to be able to find appropriate targets for acquisition at suitable prices or that it will be able to renovate them on schedule and within budget or that the relaunched business will be sufficiently profitable to repay the cost of acquisition and renovation. Any such failure could have an adverse impact on the Group's operating results, financial condition and prospects and management's ability to execute its growth plan and meet its financial targets. There are also certain legal, commercial and tax risks inherent in any acquisition of a group or a going concern business.

In addition, the Company will need to identify suitable acquisition opportunities, investigate and pursue such opportunities and negotiate property acquisitions on suitable terms, all of which require significant expenditure. The Company therefore will incur certain third party costs, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance as to the level of such costs and, given that there can be no guarantee that the Company will be successful in its negotiations to acquire any given property, the greater the number of potential acquisitions that do not reach completion, the greater the likely adverse impact of such costs on the Company's financial condition, business, prospects and results of operations.

The success of the planned expansion will depend on various factors, many of which are beyond the control of the Company, including the following:

- the ability to identify and secure available and suitable sites in its target locations on an acceptable legal and financial basis;
- the ability to secure all necessary approvals and licences to begin operating on such new sites in a timely manner and on acceptable terms;
- the competition for sites;
- delays in the development of new sites; and
- general economic conditions.

The Directors believe that the risk of finding sites will be mitigated through the significant number of opportunities they are presented with on a regular basis by the agent community as well as landlords with significant portfolios and sites which become available as a result of the impact of Covid-19.

Acquisition due diligence may not identify all risks and liabilities

Prior to entering into an agreement to acquire property, the Company will perform due diligence on the proposed property. In so doing, it would typically rely in part on professional third parties to conduct specialist aspects of this due diligence, including legal reports on title and independent property valuations. To the extent that the Company or its third party advisors underestimate or fail to identify risks and liabilities associated with the investment in question, the Group may incur unexpected liabilities, for example, defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. If there is a failure of due diligence, there may be a risk that properties are or have been acquired which are not consistent with the Company's acquisition strategy or that properties are or have been acquired that fail to perform in line with expectations.

Risks relating to any future property disposals

On a disposal of a property, the Group may be required to give warranties to the purchaser and accordingly the Group may be exposed to liabilities in relation to future warranty claims or contingent liabilities in respect of any disposals. The Group may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in contracts for sale. The purchaser may in rare circumstances also have the ability to rescind a contract for sale.

When properties disposed of are leasehold properties, the Group remains liable to perform the tenant's obligations in the lease in the event the purchaser fails to do so. Although purchasers are required to indemnify the Group against this contingent liability, should the purchaser fail to comply with the tenant's lease obligations, and the Group is unable to recover pursuant to the indemnity due to the insolvency of the purchaser or otherwise, the Group may suffer a loss as a result of its obligation to continue performing the tenant's obligations (including the payment of rent under the lease).

Certain other obligations and liabilities associated with the ownership of such assets (such as certain environmental liabilities) can also continue to exist notwithstanding any disposal. The Group may also remain liable for any debt or other financial obligations related to that property. This may have a material adverse effect on the Group's performance and financial condition.

Material loss may arise in excess of any insurance proceeds or from uninsured events

The Group's properties could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose its capital invested in the affected property as well as anticipated future revenue from that property. Material uninsured losses could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

Fluctuations in the property market in the United Kingdom could reduce the value of the Group's properties

Although the Group's principal activity is not the holding of properties as an investment, the Group does own freehold properties. The property market in the United Kingdom is subject to fluctuations and a national downturn in the property market could lead to a sustained reduction in the Group's freehold property values. There can be no certainty that following any such downturn, property values would recover at any particular time, or at all. In addition, valuations of pubs are impacted by the trading performance of the pubs, with poorer trading generally leading to lower valuations. The valuation of property and property-related assets is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property valuations are made on the basis of assumptions which may prove not to reflect the true position. There is no assurance that valuations of the Group's pubs and related assets will reflect actual sale prices. In addition, there can be no certainty that if any property impairments were required to be made in the future pursuant to the Company's accounting policies, they would be able to be made from the Group's revaluation reserves. This could have an adverse impact on the Group's operating results, financial condition and prospects.

Licences, permits and approvals

The Group's pubs are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, alcoholic drinks control, entertainment licences, competition, health and safety, sanitation and data protection. These laws and regulations impose a significant administrative burden on the Group, as managers have to devote significant time to compliance with these requirements and therefore have less time to dedicate to the business. If additional or more stringent requirements were to be imposed in the future, it would increase this burden, which could adversely affect the Group's operating results (as a result of increased costs or lower revenues) and, in turn, adversely affect the Group's financial condition and prospects.

The pub industry in the UK is highly regulated at both national and local levels and pub operators require licences, permits and approvals. Delays and failures to obtain the required licences or permits could adversely affect the operations of the Group. These laws and regulations impose a significant administrative burden on each pub of the Group and additional or more stringent requirements could be imposed in future. To the extent that this increases costs or reduces the Group's ability to sell alcoholic beverages, it could have an adverse impact on the Group's operating results, financial conditions and prospects.

Each of the Group's existing and planned future pubs is or will need to be licensed to permit, amongst other things, the sale of alcoholic drinks. Difficulties or failures in obtaining or maintaining required licences or approvals could delay or prohibit the operation of the Group's pubs. Should any of the Group's licences be withdrawn or amended, the ability of the Group's pubs to sell alcoholic drinks may be reduced and the profitability of any such pub could be adversely impacted and this in turn, may have an adverse effect on the Group's operating results, financial condition and prospects.

Health and Safety regulation

The Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Group believes it has appropriate policies and procedures in place, these may need to adapt which may require additional expenditure. Furthermore, in order to ensure the Group's sites remain fully compliant with legislative requirements there will always be the need to maintain premises, not only generally but if an ad hoc issue arises, which again will require capital expenditure.

Additional Capital requirements

The Group's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and potential acquisitions. It is difficult for the Directors to predict accurately the timing and amount of the Group's capital requirements. If the plans or assumptions set out in the Group's business plan change or prove to be inaccurate, or if the Group makes any material acquisitions, this may necessitate further financing. Any additional equity financing may be dilutive to the Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its anticipated expansion.

Computer and/or information systems breakdowns

If any of the Group's operational, financial, human resources, communication or other systems were to be disabled or did not operate properly (including as a result of computer viruses, problems with the internet, sabotage or cyber attack) notwithstanding the controls put in place by the Group to prevent such disablement or failure to operate, the Group could suffer disruption to its business, loss of revenues, loss of data, regulatory intervention or reputational damage. This could have an adverse impact on the Group's operating results, financial condition and prospects.

Access to finance

When the Group's debt facilities are due for repayment or, at the point of refinancing, the Group will be dependent upon access to financing from banks or equity markets or through asset sales to meet its repayment obligations. Access to such financing will depend on market conditions at the time and if conditions in credit and/or equity markets are unfavourable, the Group may not be able to obtain replacement financing or may only be able to obtain such financing at a higher cost or on more restrictive terms. In such circumstances, the Company may have to raise finance by other means such as equity issues

or asset sales on terms which might have an impact on Shareholder returns. Furthermore, the terms of any refinancing might limit investment activity, total shareholder returns and/or the level of dividends the Company is able to pay.

The terms of the Group's debt facilities require the consent of the debt provider to certain key matters or transactions. In the event that consent is not granted by the debt provider at the relevant time which results in default under the debt facilities and a requirement to repay borrowing, this could have an adverse impact on the Group's operating results financial condition and prospects.

Increases in operating and other expenses

The Group's operating and other expenses could increase without a corresponding increase in revenues, Factors which could increase operating and other expenses include:

- increases in the rate of inflation;
- increases in taxes and other statutory charges;
- changes in laws, regulations or government policies and the increased costs of compliance with such laws, regulations or policies;
- significant increases in insurance premiums;
- unforeseen capital expenditure arising as a result of defects affecting the Group's properties which need to be rectified or failure to perform by sub-contractors;
- increases in borrowing costs; and
- increase in national minimum wage.

Force Majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics including the Coronavirus (COVID-19) outbreak or quarantine restrictions.

RISKS RELATING TO COMPANIES OPERATING IN THE LEISURE SECTOR

General economic climate

All the Group's pubs are located in England and all of its brewed beer sales occur in the United Kingdom. The Group's business is therefore subject to general economic conditions in the United Kingdom. In particular, the revenue and results of the Group are affected by the level of consumer confidence and expenditure on leisure activities and discretionary spend. Economic factors such as rising interest rates, declining wages, higher unemployment, tax increases, lack of consumer credit and falling house prices could all adversely affect the level of consumer confidence and expenditure which could adversely affect the Group's operating results, financial condition and prospects.

Declining sales of beer

A significant portion of the Group's revenue is currently derived from the sale of beer to its customers. Sales of beer (by volume) in England and Wales have decreased over the years, and have decreased more rapidly in recent years, principally as a result of the changing preferences and demographics of consumers such as increased demand for non-beer products such as wine and other alcoholic beverages and increased customer expenditure on food.

Growing health and drink-driving concerns, the smoking ban and the availability of canned or bottled beer at lower prices in many off-licences and supermarkets have also contributed to the decline of beer sales at pubs in excess of the general negative market trend in beer sales. Whilst the Group's pubs will continue to offer a broad selection of drinks other than beer, both alcoholic and non-alcoholic, as well as a wide range of food to continue to attract customers, continued decline in the UK beer market could have an adverse effect on the Group's revenues if the Group is unable to increase its revenues from non-beer products.

Changing consumer habits

The Group's financial results can be materially impacted by any other material change in consumer habits within the United Kingdom. Examples of other changes in consumer habits that may impact the Group's financial performance include increasing emphasis on healthier lifestyles (and the corresponding reduction in alcohol consumption) and the increasing breadth of choice of leisure amenities in the United Kingdom. Changes in consumer tastes, increased demand for gluten free, allergen free and other specialist foods our methods of preparation, impact of the 'sugar tax' any minimum price for alcohol and demographic trends may also affect the appeal of the Group's pubs to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its offering adequately and sufficiently promptly, which could have a negative impact on the Group's financial performance.

Attitudes towards alcohol consumption

In the United Kingdom, consumption of alcoholic beverages has become the subject of considerable social and political attention in recent years due to increasing public concern over adverse health consequences associated with the misuse of alcohol (including alcoholism) and alcohol-related social problems (including drink-driving, binge drinking and under-age drinking). Changes in consumer tastes in both food and drink may adversely affect the appeal of the Group's pubs to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its brands, formats, offerings and premises. This, in turn, would have an adverse effect on the Group's operating results, financial condition and prospects.

Alcohol

The government is considering initiatives to deal with so-called "binge drinking", such as the introduction of a mandatory code that would impose a series of mandatory conditions on all alcohol retailers. If such a mandatory code, or similar measures, were to be implemented by the UK government, then, notwithstanding that the Group currently supports measures for the responsible retailing of alcohol, the additional conditions imposed on pubs might impact the manner in which all pubs operate and could take effect regardless of the past record of individual pubs. One measure which is debated from time to time by the UK government and in the media is the raising of the legal drinking age to 21, while another measure which is being contemplated would involve the introduction of minimum prices for alcoholic drinks. Such measures may reduce the flexibility of the Group, its pub managers or its licensees to implement the business strategies that they consider to be most likely to maximise profitability, and accordingly could have an adverse impact on the Group's operating results, financial condition and prospects.

Car drivers and passengers account for a significant proportion of pub customers in the United Kingdom and any future legislation to reduce further the legal blood alcohol limit for drivers in the United Kingdom could affect trading in the Group's pubs and may result in customers drinking less or frequenting pubs less often. This could lead to a reduction in revenues for certain pubs in the Group and lead to a decline in the Group's overall income from alcoholic drink sales. An increased focus on the potentially harmful effects of alcohol may reduce sales of alcoholic beverages and thus adversely impact the Group's operating results, financial condition and prospects.

Food related health concerns and liability

The food and beverage industries can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health concerns or other issues stemming from one product or a number of products including products provided by the Group. The Group cannot guarantee that its internal controls and training will be fully effective in preventing all food borne illnesses. Furthermore, some food borne illness incidents could be caused by third party food suppliers and transporters outside of the Group's control. One or more instances of food borne illness at one of the Group's sites could result in increased costs and/or reduced turnover, and negatively affect the Group's profitability and prospects. Furthermore, if any person becomes ill, or alleges becoming ill, as a result of each food at one of the Group's pubs, the Group may be liable for damages, or be subject to regulatory action or adverse publicity. Such litigation, concerns and complaints and any adverse publicity surrounding such issues may have a material adverse effect on the Group or on the leisure sector generally and therefore on the Group.

The Group is susceptible to major local, national or international food or beverage contamination or other health scares (for example, salmonella and E. coli, "swine flu" or "H1N1" and other airborne diseases) affecting the type of food and beverages sold in, and attendance levels at, the Group's pubs. Such contamination or scares could affect consumer confidence and preferences, resulting in reduced attendance or expenditure at the Group's pubs, or could lead to increased costs for the Group (including in relation to sourcing alternative suppliers or products). In addition, a serious contamination or scare at one of the Group's pubs could negatively affect the reputation of that pub.

A serious food or beverage contamination or other health and safety incident could therefore negatively impact the Group's operating results, financial condition and prospects.

Complaints or litigation from customers, landlords, local authorities and/or third parties

The Group could be the subject of complaints or litigation from individuals or groups of pub customers and/or class actions alleging illness or injury (e.g. passive smoking or alcohol abuse) or raising other health or operational concerns, and from other third parties in relation to nuisance and negligence. It may also incur additional liabilities as a freehold and/or leasehold property owner (including environmental liability). If the Group were to be found liable in respect of any complaint or litigation, this could adversely affect the Group's results or operations and could also adversely affect the Group's reputation.

Financial controls and internal reporting procedures

The Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail the Group may be unable to produce financial statements accurately or on a timely basis or expose the Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Group has in place could adversely affect the Company's share price.

Taxation and legislative changes

This document has been prepared on the basis of current legislation, regulation, rules and practices in the UK and the Directors interpretation thereof. Such interpretation may not be correct and legislation, regulation, rules and practice may change, possibly with retrospective effect. The taxation of an investment in the Company depends on the individual circumstances of shareholders.

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to shareholders or alter post tax returns to shareholders.

Any change in legislation, regulation, rules or practice may have an adverse effect on the returns available on an investment in the Company.

Competitive Risk

The Group's pubs compete for customers with a wide variety of other pubs and restaurants as well as off-licences, supermarkets and takeaways, some of which may offer higher amenity levels or lower prices and be backed by greater financial and operational resources. The Group also faces competition from other leisure activity providers, home entertainment providers and hotel operators or other providers of accommodation. Continuing and increased competition from other operators, off-licences, restaurants, retailers, alternative leisure activity providers, home entertainment providers and hotel operators could adversely affect the Group's operating results, financial condition and prospects.

The pub industry in the UK has undergone periods of consolidation through joint ventures, mergers and acquisitions. Further consolidation in the pub industry in the UK could lead to the emergence of larger competitors, who may have greater financial and operational resources than the Group. The Group may not be able to respond to the pricing pressures that may result from further consolidation of the pub industry in the UK and may not be able to compete successfully for the acquisition of pubs and pub-owning companies with larger competitors.

Increasing food, drink, labour and other costs

An increase in any of the Group's operating costs may negatively affect the Group's profitability. Factors such as increased labour and employee benefit costs and goods costs and inflation may adversely affect the Group's operating costs. Many of the factors affecting costs are beyond the Group's control, such as increases in food and drink prices, and increases in distribution cost due to fuel price increases. Certain ingredients are subject to price fluctuations as a result of seasonality weather, demand and other factors. The Group has no control over fluctuations in price and the availability of products caused by these factors.

In addition, the Group is dependent upon a pool of employees being available, many of whom are hourly employees whose pay is subject to the UK national minimum wage.

National Living Wage

In July 2015 it was announced that the existing national minimum wage in the UK would be replaced from April 2016 by a new national living wage for over 25s. The national living wage will increase to £8.72 in April 2020 for over 25's, with corresponding increases in National Minimum Wage for other age groups.

While it is possible that a proportion of any increased costs could be passed on to the Group's customers, any increases in food, labour or other costs could have a material adverse effect on the Group's business, profitability and results of operations.

Supplier Risks

The Group has agreements, formal and informal, with all of its key suppliers. Termination of these agreements, variation of 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 or experience other significant financial difficulties) could have a negative impact on the Group's ability to ensure that its pubs are properly supplied with food and beverage products and could increase costs if it becomes necessary to find alternative suppliers.

The food side of the Group's operations depend on timely deliveries of, and the quality of fresh ingredients, including fresh produce and dairy products. The Group depends substantially on third party distributors and suppliers for such deliveries. The Group has enjoyed high service standards from its suppliers historically, however delivery delays and/or a reduction in the quality or volume of produce received could adversely impact the Group's business and ability to service its customers to the required standard if the Group is unable to obtain replacement quality ingredients on commercially agreeable terms in the open market. In the event of a major disruption to the timely supply of quality, fresh ingredients, alternative suppliers of good and/or distribution services (as the case may be) may not be available or may be available only on unacceptable commercial terms.

The Group has entered into a number of three year fixed supply agreements with its major suppliers for fixed periods of time which add more cost certainty in relation to these supplies and associated margins. The Group may not be able to achieve the same or more favourable terms when such agreements come to be extended or replaced and any increase in costs or variation in terms could, have an adverse impact on the Groups operating results, financial conditions and prospects.

Negative Publicity

Negative publicity relating to one of the Group's sites, food quality, food contamination, health inspection scores, accommodation quality, or employee relationships may have a negative impact on the trading performance of the relevant pub and potentially the Group's other sites, regardless of whether the allegations are valid or whether the Group is at fault.

Incidents involving the abuse of alcohol, use of illegal drugs and violence on the Group's premises may occur. Such activity may directly interrupt the operations of the Group and could result in litigation or regulatory action, either of which could adversely affect the Group's operating results, financial condition and prospects.

Leasehold properties

While the majority of pubs in the Groups current portfolio are freehold, a significant number are leasehold interests. The Group is subject to rent reviews and increases in the rents, rates and other costs associated with leasehold premises and termination of leasehold interests all of which could adversely affect the Group's operating results, financial condition and prospects.

RISKS RELATING TO THE ORDINARY SHARES

The market of the Ordinary Shares may fluctuate significantly

The market price of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Company's control, including among others:

- (a) changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- (b) fluctuations in stock market prices and volumes, and general market volatility; and
- (c) the introduction of new legislation affecting pubs, restaurants and the leisure industry.

Any or all of these events could result in a material decline in the market price of the Ordinary Shares, regardless of the actual performance of the Group. Shareholders should be aware that the value of the Ordinary Shares may go down as well as up and may not reflect the underlying asset values or prospects of the Company.

Future issues of Ordinary Shares will result in immediate dilution

The Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute Shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on and/or increase the volatility of the market price of the Ordinary Shares.

Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the fundraising.

The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

In addition, the issue of additional Ordinary Shares by the Company, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

The proposed issue of the New Offer Shares in the Placing and Open Offer will also dilute existing shareholdings of Shareholders. Qualifying Shareholders will be able to mitigate the extent of this dilution by applying for Shares in the Open Offer.

Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material fall in the market price of the Ordinary Shares. The ability of an investor to sell Ordinary Shares will also depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Group and he/ she may lose all of his/her investment.

Risk relating to Open Offer entitlements

If a Shareholder does not take up his Open Offer Entitlement, his interest in the Company will be diluted. Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing and Open Offer. In addition, to the extent that Shareholders do not take up their Basic Entitlement under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced.

Investment in publicly quoted securities

The New Ordinary Shares will be traded on AIM and no application is being made for the admission of the Ordinary Shares to the Official List. Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the "Official List" in the UK and traded on the London Stock Exchange's main market for listed securities. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

An investment in Ordinary Shares traded on AIM may be difficult to realise. Although AIM has been in existence since June 1995, Admission to AIM does not guarantee that there will be a liquid market for New Ordinary Shares. An active public market for New Ordinary Shares may not develop or be sustained after Admission and the market price of the Ordinary Shares may fall below the Issue Price. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. The Ordinary Shares may be illiquid and, accordingly, an investor may find it difficult to sell Ordinary Shares, either at all or at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Group and he/ she may lose all of his/her investment.

The share price of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

No guarantee that the Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded could decline.

Dividends

There can be no assurance as to whether the Company will grant any dividends or to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Group is subject to the discretion of the Shareholders or, in the case of interim dividends, to the discretion of the Directors and will depend upon, among other things, the Groups earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws and generally accepted accounting principles and practice from time to time.

Forward-looking Statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision.

The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Group. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Group.

PART IV

TAXATION

The following information is given in summary form and as a general guide only and is based on tax legislation and, where relevant, current HM Revenue & Customs practice, at the date of this document. Such legislation and practice is liable to change (in some cases with retrospective effect). The information relates to the tax position of holders of New Ordinary Shares in the capital of the Company who are resident and domiciled in the United Kingdom for tax purposes.

The statements below do not constitute advice to any Shareholder or potential investor on his or her personal tax position, and may not apply to certain classes of investor (such persons carrying on a trade in the United Kingdom or holding the shares as trustees, or United Kingdom insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of New Ordinary Shares. Any Shareholder or potential investor should obtain advice from his or her own investment or taxation adviser before subscribing for New Ordinary Shares.

1 Taxation of dividends

1.1 Income tax

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

Individual Shareholders resident in the UK receiving dividends from the Company may be liable to income tax on such dividends, subject to any applicable reliefs and exemptions. In the tax year ending 5 April 2020, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income would still count towards the basic, higher and additional rate thresholds). For dividends received in excess of £2,000 in a tax year, the dividend income would be taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively.

1.2 Corporation tax

With certain exceptions for traders in securities, a holder of New Ordinary Shares that is a company resident (for taxation purposes) in the United Kingdom and receives a dividend paid by the Company, should generally not be subject to tax in respect of the dividend.

2 Taxation of chargeable gains

- (a) Under current HM Revenue & Customs practice, the subscription by a Shareholder for shares under the Open Offer up to his minimum entitlement is expected to be treated as a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. To the extent that it is so treated, a Shareholder should not be treated as disposing of the shares already held by him in the Company; the shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the new shares were offered, and the cost of acquisition of the new shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a shareholder for shares under the Open Offer in excess of his minimum entitlement should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HM Revenue & Customs practice mentioned above will be followed, particularly where an open offer is not made to all shareholders.
- (b) A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the Company may be liable to capital gains tax in relation thereto at a flat rate of either 10 or 20 per cent. (in the tax year ending 5 April 2020), of any chargeable gain thereby realised (after taking into account any applicable reliefs and exemptions). To the extent that any chargeable gains or part thereof, aggregated with taxable income arising in a tax year, exceed the upper limit of the basic rate

income tax band, capital gains tax will be charged at 20 per cent. (in the tax year ending 5 April 2020). In computing the gain, the Shareholder should be entitled to deduct from proceeds the cost to him of the shares (together with incidental costs of acquisition and disposal).

- (c) A UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 19 per cent.). In computing the chargeable gain liable to corporation tax, the Shareholder should be entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

3 Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty should be payable on the issue by the Company of New Ordinary Shares. No stamp duty or stamp duty reserve tax should be payable on transactions in shares traded on AIM where the shares are not also listed on a recognised stock exchange.

Shareholders and/or potential investors who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser. Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult his or her own professional adviser.

PART V

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part V are intended to be in general terms only and, as such, you should read Part II of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is duly authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part V deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part II of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Basic Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part II of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. *If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. (London Time) Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, financial, tax or investment advice.*

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his/her or its own appropriate professional advisers for advice.

1 What is an Open Offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this particular instance, shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlements in full.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 14,015,634 Open Offer Shares at a price of 50 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 5 Open Offer Shares for every 22 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements, subject always to the 29.9 per cent. Aggregate Limit. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may (in consultation with Liberum and Berenberg) determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Basic Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing.

2 I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 7.00 a.m. on 30 March 2020 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3 I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- (i) how many Existing Ordinary Shares you held at the close of business on the Record Date;
- (ii) how many Open Offer Shares are comprised in your Basic Entitlement; and
- (iii) how much you need to pay if you want to take up your right to buy all your entitlement to Open Offer Shares

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque or banker’s draft written in black ink drawn in the appropriate form, by post to Equiniti Aspect House, Spencer Road, Lancing BN99 6DA so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 April 2020, after which time Application Forms will no longer be valid.

4 I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

4.1 If you do not want to participate in the Open Offer

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Basic Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 15 April 2020, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility. If you do not take up your Basic Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their economic interest would be proportionately diluted by the issue of New Ordinary Shares pursuant to the Placing.

4.2 If you want to take up some but not all of your Basic Entitlement

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2, 4 and 5 of your Application Form. For example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write ‘25’ in Box 2 and ‘25’ in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this

example, '25') by 50 pence, which is the price of each Open Offer Share (giving you an amount of £12.50 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable), together with a cheque or banker's draft for that amount, by post to Equiniti Aspect House, Spencer Road, Lancing BN99 6DA so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 April 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

Completed Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Equiniti Limited re: The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk by no later than 29 April 2020.

4.3 If you want to take up all of your Basic Entitlement

If you want to take up all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and 4 of your Application Form. For example, if you are entitled to take up 50 shares and want to take up all 50 shares, then you should write '50' in Box 2 and '50' in Box 4. The amount you need to pay for the Open Offer Shares is set out in Box 8. You should write this amount in Box 5 and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to "Equiniti Limited re: The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only", by post to Equiniti Aspect House, Spencer Road, Lancing BN99 6DA so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 April 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Equiniti Limited : Re The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only". Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by completing the account name on the back of the cheque or draft and adding the branch stamp) may not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk by no later than 29 April 2020.

4.4 If you want to apply for more than your Basic Entitlement

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4. For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 2, '25' in Box 3 and '75' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by 50 pence, which is the price of each Open Offer Share (giving you an amount of £37.50 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence. You should then return your Application Form (ensuring that all joint holders sign (if applicable) by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing BN99 6DA so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 April 2020. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and be drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Equiniti Limited re: The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk by no later than 29 April 2020.

5 I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part II of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlements under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

6 I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- (a) Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 25 March 2020 and who have converted them to certificated form;
- (b) Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 25 March 2020 but were not registered as the holders of those shares at 5.00 p.m. on 25 March 2020; and
- (c) certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agent, Equiniti, on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7 Can I trade my Basic Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Basic Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Basic Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

8 What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9 What if the number of Open Offer Shares to which I am entitled is not a whole number; am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10 I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Share?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 15 April 2020, you should contact the buyer or the person company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 25 March 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11 I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Equiniti Limited re: The City Pub Group plc Open Offer A/C" and crossed "A/C Payee Only". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

12 Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13 I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form by post together with the monies in the appropriate form, to Equiniti Aspect House, Spencer Road, Lancing BN99 6DA. If you post your Application Form by first class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14 I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 15 April 2020, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15 How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16 I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that the Receiving Agent will post all new share certificates by 29 April 2020.

17 If I buy Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18 What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Basic Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part II of this document.

19 What should I do if I need further assistance?

Should you require further assistance please call the Receiving Agent, Equiniti 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART VI

NOTICE OF GENERAL MEETING

The City Pub Group plc

(Incorporated and registered in England and Wales with registered no. 07814568)

Notice is hereby given that a General Meeting of The City Pub Group plc (the “Company”) will be held at 11.00 a.m. on 16 April 2020 at the offices of the Company at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 4 will be proposed as ordinary resolutions and Resolution 2, 3 and 5 will be proposed as special resolutions.

RESOLUTION 1 – Subdivision of shares and re-designation as Deferred Shares

That, subject to and conditional on the passing of Resolutions 2 and 3, each Ordinary Share of 50 pence in the issued share capital of the Company be sub-divided into 50 Ordinary Shares of 1 pence each and that each of 49 of such Ordinary Shares of 1 pence be immediately re-designated as a Deferred Share of 1 pence each; the remaining ordinary shares of 1 pence each having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Ordinary Shares of 50 pence each in the capital of the Company as set out in the Company’s articles of association, as amended by Resolution 2, and with the deferred shares of 1 pence each, having the rights and being subject to the restrictions set out in the Company’s articles of association, as amended by Resolution 2.

RESOLUTION 2 – Amendment to Articles of Association

That, subject to and conditional upon the passing of Resolutions 1 and 3, the Articles of Association of the Company be amended by the insertion of a new Article 6A immediately after Article 6, as follows:

6A. Deferred Shares

“(A) The Deferred Shares of 1 pence each in the capital of the Company (“**Deferred Shares**”) shall have the rights, and shall be subject to the restrictions, set out in Articles 6A (i) to (v) below:

- (i) A Deferred Share:
 - (a) does not entitle its holder to receive any dividend or other distribution;
 - (b) does not entitle its holder to receive a share certificate in respect of the relevant shareholding;
 - (c) does not entitle its holder to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;
 - (d) entitles its holder on a return of capital on a winding up of the Company (but not otherwise) only to the repayment of the amount paid up on that share after payment of the capital paid up on each ordinary share in the share capital of the Company and the further payment of £10,000,000 on each such ordinary share;
 - (e) does not entitle its holder to any further participation in the capital, profits or assets of the Company.
- (ii) The Deferred Shares shall not be capable of transfer at any time other than with the prior written consent of the directors of the Company.
- (iii) The Company may at its option and is irrevocably authorised at any time after the creation of the Deferred Shares to:
 - (a) appoint any person to act on behalf of any or all holder(s) of a Deferred Share(s), without obtaining the sanction of the holder(s), to transfer any or all of such shares held by such holder(s) for nil consideration to any person appointed by the directors of the Company;

- (b) without obtaining the sanction of the holder(s), but subject to the Act and Uncertified Securities Regulations: 196
 - (1) purchase any or all of the Deferred Shares then in issue and to appoint any person to act on behalf of all holders of Deferred Shares to transfer and to execute a contract of sale and a transfer of all the Deferred Shares to the Company for an aggregate consideration of one penny payable to one of the holders of Deferred Shares to be selected by lot (who shall not be required to account to the holders of the other Deferred Shares in respect of such consideration); and
 - (2) cancel any Deferred Share without making any payment to the holder.
- (iv) Any offer by the Company to purchase the Deferred Shares may be made by the Directors of the Company depositing at the registered office of the Company a notice addressed to such person as the Directors shall have nominated on behalf of the holders of the Deferred Shares.
- (v) The rights attaching to the Deferred Shares shall not be, or be deemed to be, varied, abrogated or altered by:
 - (a) the creation or issue of any shares ranking in priority to, or *pari passu* with, the Deferred Shares;
 - (b) the Company reducing its share capital or share premium account;
 - (c) the cancellation of any Deferred Share without any payment to the holder thereof; or
 - (d) the redemption or purchase of any share, whether a Deferred Share or otherwise, nor by the passing by the members of the Company or any class of members of any resolution, whether in connection with any of the foregoing or for any other purpose, and accordingly no consent thereto or sanction thereof by the holders of the Deferred Shares, or any of them, shall be required.”.

RESOLUTION 3 – Buyback of Deferred Shares

That, subject to and conditional upon the passing of Resolutions 1 and 2, the Company be authorised for the purposes of section 694 of the Companies Act 2006 to make one or more off market purchases (as defined in section 693(2) of the Companies Act 2006) of its Deferred Shares of 1 pence each in accordance with terms of the Articles of Association of the Company, as amended in accordance with Resolution 2 above; such power to apply until 16 April 2025.

RESOLUTION 4 – Authority to allot New Ordinary Shares

That subject to and conditional on the passing of Resolutions 1, 2, 3 and 5, the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**2006 Act**”), in addition to all existing authorities to the extent unused, to exercise all powers of the Company to allot ordinary shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £440,156.34 on, and subject to, such terms as the directors may determine, but so that this authority is limited to the allotment of ordinary shares in connection with the Placing and the Open Offer (as defined in the document containing the notice convening this meeting). This authority, unless renewed, extended, varied or revoked by the Company in a general meeting, shall expire 90 days after the date of the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted in the Company after such expiry and the directors may allot shares in the Company in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

RESOLUTION 5 – Disapplication of pre-emption rights

That, subject to and conditional on the passing of Resolutions 1, 2, 3 and 4 above, the directors of the Company be and they are hereby empowered pursuant to section 570(1) of the Companies Act 2006 (the “**2006 Act**”), in addition to all existing authorities to the extent unused, to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 4 above as if section 561(1) of the 2006 Act did not apply to any such allotment. This power, unless renewed, extended, varied or revoked by the Company in general meeting, shall expire 90 days after the date of the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted in the Company after such expiry and the directors

may allot such securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

By Order of the Board

James Dudgeon
Company Secretary
30 March 2020

Registered Office

Essel House
2nd Floor
29 Foley Street
London
W1W 7TH

IMPORTANT NOTICE RE COVID-19

In light of the UK Government's health advice in response to the COVID-19 outbreak, including to limit travel and public gatherings wherever possible, the Company encourages all Shareholders to submit their Form of Proxy, appointing the Chairman of the meeting as proxy, rather than attend the meeting in person. Only the formal business of the Resolutions will be carried out at the meeting and no update will be provided.

NOTES TO THE NOTICE OF GENERAL MEETING

1. A member entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies of their own choice to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A member can only appoint a proxy using the procedures set out in these notes and the notes to the accompanying form of proxy.
2. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. The proxy need not be a member of the Company, but must attend the General Meeting to represent the member. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies.
3. In the absence of instructions, the person appointed as proxy may vote or abstain from voting as he/she thinks fit on the specified Resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the Resolutions) which may properly come before the General Meeting.
4. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names of the holders stand in the Company's register of members in respect of the joint holding.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that each representative is appointed to exercise the rights attached to a different share or shares held by the member.
6. Pursuant to regulation 41 of the CREST Regulations, the Company specifies that only those members registered on the Register of Members at 6.30 p.m. on 14 April 2020 (the "Specified Time") (or if the General Meeting is adjourned to a time more than 48 hours after the Specified Time, taking no account of any part of a day that is not a working day, by close of business on the day which is two working days prior to the time of the adjourned General Meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the General Meeting is adjourned to a time not more than 48 hours after the Specified Time (taking no account of any part of a day that is not a working day), that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned General Meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining rights to attend and vote.

Appointment of proxy using hard copy proxy form

7. Members may appoint a proxy or proxies by completing and returning a form of proxy by post to the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or an attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power of authority) must be included with the proxy form. Any such power of attorney or other authority cannot be submitted electronically.
8. To be effective, the appointment of a proxy, or the amendment to the instructions given for a previously appointed proxy, must be received by the Company's registrars by the method outlined in note 7 above no later than 11.00 a.m. on 14 April 2020. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Appointment of proxy using CREST electronic proxy appointment service

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA19) by the latest time(s) for receipt of proxy appointments specified in this notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the CREST Regulations.

Termination of proxy appointments

13. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the General Meeting.
14. In order to terminate the authority of a proxy, or a corporate representative of a corporation, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke such appointment to the Company's registrars. To be effective, the notice of termination must be received by the Company's registrars by the method outlined in note 7 above no later than 11.00 a.m. on 14 April 2020.

Voting Rights

15. As at 26 March 2020, being the latest practicable date prior to the printing of this Notice, the Company's issued capital consisted of 61,668,791 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 26 March 2020 are 61,668,791.
16. Resolutions 1 and 4 are proposed as Ordinary Resolutions. This means that for these Resolutions to be passed more than half of the votes cast on such Resolutions must be in favour of such Resolutions. Resolutions 2, 3 and 5 are proposed as Special Resolutions. This means that for such Resolutions to be passed, at least three-quarters of the votes cast on such Resolutions must be in favour of such Resolutions.

Communications

17. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the General Meeting as at 26 March 2020, being the latest practicable date prior to the printing of this Notice, will be available on the Company's website at www.citypubcompany.com.

