

THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT SUCH AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 596/2014 AS AMENDED AND TRANSPOSED INTO UK LAW IN ACCORDANCE WITH THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").

11 April 2023

The Black Sheep Brewery plc

(the "Company")

Adviser appointment for Review of Strategic Options

The Black Sheep Brewery plc, the award-winning Yorkshire brewery and pub operator, announces that it has appointed Teneo as its financial adviser as it commences a strategic review to explore the funding options available to the Company (the "Strategic Review"). The Company has plans to take the business forward with the further development of its core beers and new products to build on its strong brand in Yorkshire, the North and nationally. The Company is currently experiencing good sales volumes of its beers, however there remains a significant constraint on funding in light of the prevailing economic conditions.

The Board is currently considering all options, one such option being a merger or an acquisition of the Company, in whole or in part, if such a solution offers the best outcome for shareholders and other stakeholders whilst providing a stable base for the future of the business.

As a UK-registered public company, the Company is subject to the City Code on Takeovers and Mergers (the "Code"). As a consequence of this announcement, an 'offer period' has now commenced in respect of the Company in accordance with the rules of the Code and the attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below. The Company is not currently in talks with any potential offeror and is not in receipt of any approach with regard to a possible offer. There can be no certainty that any offer will be made nor as to the terms of any such offer.

Charlene Lyons, Chair & CEO said:

"We are pleased to have seen so many customers enjoying Black Sheep beers over the Easter bank holiday weekend, one of our busiest trading periods of the year. However, we believe that now is the right time to conduct this Strategic Review to secure the best outcome for our valued shareholders and other stakeholders.

The Brewery has exciting and ambitious plans for the future and interesting projects in the pipeline. Forward funding is an issue for many businesses in the tight market brought about by the after-effects of Covid-19 on the hospitality sector and this is exacerbated by the cost-

of-living issues affecting consumer spending. We are confident that the wider investment market will see the opportunities presented by this well-established and highly regarded brand.”

Enquiries

The Black Sheep Brewery plc

Charlene Lyons (Chair & CEO)

Via Recognition PR

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The person responsible for arranging for the release of this announcement on behalf of the Company is Charlene Lyons, Chair and Chief Executive Officer.

Teneo is acting for The Black Sheep Brewery plc in connection with any potential Offer and will not be responsible to anyone other than its clients for providing the protections offered to clients of Teneo or for providing advice in relation to a potential Offer, the contents of this announcement or any matters referred to in this announcement. Teneo is authorised and regulated in the United Kingdom by the Institute of Chartered Accountants in England & Wales for a range of investment business activities. Teneo is registered in England and Wales with Company Number 13192958 and its registered office is 6 More London Place, London SE1 2DA.

About Black Sheep Brewery

Black Sheep Brewery is an award-winning brewer and pub operator based in Yorkshire. It brews an eclectic mix of classic and modern styles of beer and has a national platform in on-trade, off-trade and e-commerce. Black Sheep Brewery shares are traded on the multilateral trading facility Asset Match (<https://assetmatch.com/>).

Important information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

This announcement (including any information incorporated by reference in this announcement) contains statements about the Company that are or may be deemed to be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, may be forward looking statements.

These forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking

statements. Due to such uncertainties and risks, readers should not rely on such forward-looking statements, which speak only as of the date of this announcement. The Company disclaims any obligation or responsibility to update publicly or review any forward-looking or other statements contained in this announcement, except as required by applicable law.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdictions.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638

0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

The Panel has granted a dispensation from the requirements in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code must be made via a Regulatory Information Service (RIS). Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made by email to reception@blacksheep.co.uk and will be published on <https://www.blacksheepbrewery.com/investors/>. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@thetakeoverpanel.org.uk).

Rule 2.9 disclosure

For the purposes of Rule 2.9 of the Code, the Company confirms that as at close of business on 6 April 2023, being the last practicable business day prior to the date of this announcement, its issued share capital consisted of 2,432,172 ordinary shares of £1 each in issue (the "Ordinary Shares"). The International Securities Identification Number for the Ordinary Shares is GB0033426023.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) on Black Sheep Brewery's website at <https://www.blacksheepbrewery.com/investors/> by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, the content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

The Panel has granted the Company a dispensation from the requirements under the Code that announcements (other than this announcement and any announcement ending the offer period) must be published via a Regulatory Information Service (RIS). The Company is instead required to publish all announcements on the website at <https://www.blacksheepbrewery.com/investors/>.