

The West Berkshire Brewery plc
(Incorporated in England and Wales with registered number 03667842)

CONVERTIBLE LOAN NOTE APPLICATION PACK – AUTUMN 2019

This document is the application pack for the convertible loan notes created by the Board of The West Berkshire Brewery plc on 27 September 2019 (the **Notes**). This pack sets out:

1. A summary of the key features of the Notes.
2. The process by which eligible investors may apply for Notes.
3. Some important information and notices, including risk factors.
4. An application form.

1. Key features of the Notes

The key features of the Notes are as follows:

Class of security:	A debt instrument that is convertible into ordinary shares in the capital of the Company in certain circumstances, as summarised below.
Proposed issue:	Up to £1,500,100 of Notes.
Issue price:	£700 per Note and subject to a minimum investment of £35,000 (and thereafter in increments of £7,000), subject to Board discretion to allow investments in multiples of £7,000 without applying the £35,000 minimum investment for "qualified investors" (as defined in section 2 below).
Interest:	6% per annum, payable bi-annually on 31 January and 31 July each calendar year.
Maturity Date:	5 years after the date of issue, at which point the Notes may be redeemed at the Noteholder's request (unless they have already been redeemed or converted by then). The Notes may also be redeemed at the option of the Company at any time prior to conversion, including before the Maturity Date.
Conversion price:	Convertible into ordinary shares in the capital of the Company at a deemed issue price of £3.50 per ordinary share (i.e., each Note would convert into 200 ordinary shares).
Conversion events:	The Noteholders are entitled to convert the Notes at the conversion price at any time after the Maturity Date, or such earlier date as may be agreed with the Company (unless they have already been redeemed by then). Separately, if there is an "Exit" (as defined in the Loan Note Instrument and broadly comprising the sale of the Company or its business or the flotation of the Company) then the Noteholders shall have the right to convert at the conversion price prior to the Exit.

Security:	The Notes are unsecured, but as they are debt instruments they rank ahead of all equity.
Transfer:	Freely transferable.
Constitution:	The Notes have been constituted by a Loan Note Instrument, a copy of which is available on request. Prospective investors are encouraged to review the Loan Note Instrument. The summary of the key terms set out above is not a substitute for reviewing the full Loan Note Instrument.

2. Application Terms

1. Applications for Notes are subject to the terms and conditions (a) included in the Application Form set out at the end of this pack, and (b) set out below. Applications must be made on the accompanying Application Form.
2. The Note is available to existing shareholders of the Company as well as to qualifying investors (the "Offer"). Further details of qualification are set out below. As with previous fund raisings by the Company, the Board do not consider it to be a good use of shareholder funds to produce a full FCA-approved prospectus for the offer of Notes. The Company is therefore constrained by the prospectus exemptions set out in section 86 of the Financial Services and Markets Act 2000 (FSMA) and the main available exemption is in relation to "qualified investors", which covers institutional investors and other investors who elect to be treated as professional clients for the purpose of the fundraising. The Company will therefore retain discretion to allow existing shareholders and certain others to invest in multiples of £7,000 without applying the £35,000 minimum if they can be brought within the category of "qualified investor" for the purposes of FSMA (most likely by electing to be treated as professional clients). If you would like to explore this option, please contact Tom Lucas in the first instance at tom.lucas@wbbrew.co.uk. The acceptance of applications, in whole or in part, and the issue of the Notes will be at the sole discretion of the Board; wherever possible the Board is intending to accommodate existing shareholders who wish to participate in the fundraising, and who are eligible to do so.
3. The basis of allocation will be determined by the Directors in their absolute discretion. The Directors reserve the right: (i) to reject any application in whole or in part or to scale down any applications or to accept applications on a "first come first served" basis; (ii) to extend the period during which the subscription list remains open; and (iii) to treat any application as valid and binding on an applicant even if the Application Form is not complete in all respects or is not accompanied by a power of attorney where required.
4. The Application Form should be completed in full and sent or delivered to the address set out on the Application Form together with a remittance for the full amount payable.
5. If any application is not accepted in full, or is accepted for fewer Notes than the number applied for, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by electronic transfer or by crossed cheque in favour of the applicant, through the post to the applicant's address set out on the Application Form at the risk of the person(s) entitled thereto within 7 days of the closing of the Offer.
6. The Company reserves the right to treat as valid and binding upon the applicant any application, even if the accompanying Application Form is not completed in all respects in accordance with the instructions.

7. The right is reserved to reject any application in respect of which the applicant's funds have not arrived within 7 days of the date notified to the applicant for remittance of funds.
8. By completing and delivering an Application Form each applicant:
 - (i) offers to subscribe for the number of Notes specified in his or her Application Form (or such lesser number for which his or her application is accepted) at the offer price of £700 per Note (being the nominal value of each Note) on the terms of and subject to this document, including these terms and conditions, and the Loan Note Instrument;
 - (ii) agrees that his or her application shall not be revoked and this paragraph shall constitute a collateral contract between him or her and the Company which will become binding upon despatch by post of his or her Application Form;
 - (iii) warrants that his or her remittance will be honoured on first presentation and agrees that if such remittance is not so honoured, he or she will not be entitled to receive a certificate in respect of the Notes applied for or to enjoy or receive any rights or distributions in respect of any Notes unless and until he or she makes payment in cleared funds for such Notes and such payment is accepted by the Company (which acceptance shall be in the Company's absolute discretion and may be on the basis that he or she indemnifies the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of his remittance to be honoured in first presentation) and that, at any time prior to unconditional acceptance by the Company of such late payment in respect of such Notes, the Company (without prejudice to any other rights) may avoid the agreement to allocate such Notes to him or her and may re-allocate Notes to some other person, in which case he or she will not be entitled to any refund or payment in respect of such Notes (other than the refund to him or her at his or her risk of any proceeds of the funds accompanying his or her application, without interest);
 - (iv) agrees that any monies returnable to him or her may be retained by the Company pending clearance of his or her remittance and that such monies will not bear interest;
 - (v) agrees with the Company promptly, on request, to disclose in writing any information which the Company may request in connection with his or her application and authorises the Company to disclose any information relating to his or her application it may consider appropriate;
 - (vi) agrees that any definitive certificate to which he or she might become entitled and monies to be returned to him or her may be retained pending clearance of his remittance or pending investigation of any suspected breach of the warranties of this section and that such monies will not bear interest;
 - (vii) agrees that all applications, acceptance of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that he or she submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of it in connection with any such applications, acceptances of applications and contract in any other manner permitted by law or in any court of competent jurisdiction;
 - (viii) confirms that in making such application he or she is not relying on any information or representation in relation to the Company other than the information contained in this document and accordingly he or she 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 other information or representation;
 - (ix) agrees that, having had the opportunity to read this document, he or she shall be deemed to have had notice of all information and representations concerning the Company contained therein;

- (x) warrants that he or she is not under the age of 18;
 - (xi) agree that all certificates, documents, monies and cheques sent by post to, by or on behalf of the Company will be sent at the risk of the person(s) entitled thereto to the address specified in the Application Form (or in the case of multiple applicants the first named);
 - (xii) warrants that, if an Application Form is signed on behalf of somebody else, the signatory has the authority to do so and such person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions; and
 - (xiii) authorise the Company or its agents to do all things necessary to effect registration into the applicant's name(s) of any Notes for which his or her application is accepted and authorize any representative of the Company to execute and/or complete any document of title required therefor.
9. Application Forms must be sent by post or delivered by hand to The West Berkshire Brewery plc, The Old Dairy, Frilsham Home Farm, Yattendon, Berkshire, RG18 0XT, marked for the attention of Tom Lucas, together with the appropriate remittance, as soon as possible and in any event so as to be received not later than 12 noon on 31 October 2019. The Board reserves the right to extend the closing date at its discretion.
10. Allocations of Notes will be made at the discretion of the Board of the Company.
11. It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 1993 and 2001 as amended, updated, replaced or superseded from time to time, the Company may at its absolute discretion require verification of identity from any person lodging an Application Form and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of cheque or bankers' draft drawn on an account in the name of a person or persons other than the applicant or (ii) appears to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required. If within a reasonable period of time following a request for verification of identity and in any case by no later than 3.00 pm on the relevant date of issue the Company has not received evidence satisfactory to it as aforesaid, the Company may, at its absolute discretion, reject any such application in which event the remittance submitted in respect of that application will be returned to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover any loss suffered by it as a result of the failure to produce satisfactory evidence of identity).
12. The risk factors and important legal notices set out in sections 3.1 and 3.2 below form part of these terms and conditions.

3.1 Risk Factors

The Board considers it appropriate to draw the attention of prospective investors to certain significant risks, as well as opportunities, which exist in respect of the business of the Company. Prospective investors should carefully consider the risks described, as if any of the risks actually occur, the Company's business, financial condition, results or future operations could be adversely affected. In such circumstances the value of the Company's shares and its ability to service its debts could decline and you could lose all or part of your investment. The following specific risk factors have been identified by the Board; however, there may be additional risks which have not been identified by the Board:

- The success of the Company is dependent on a number of factors, not least the quality of the Company's management, the quality and location of the pubs it invests in and the general state of the economy.
- The share capital of the Company is not presently listed or dealt in or on any stock exchange. No application is being made for admission of the Notes or any shares into which they may convert to AIM or the Official List of the UK Listing Authority. The Company has no immediate plans to seek a listing on any investment exchange of its shares and therefore your opportunity to re-sell Notes or any shares into which they may convert may be highly restricted. The underlying value of the Notes or any shares into which they may convert and any investment in the Company can fluctuate and there is a risk that you may lose part or all of your investment; it may also be difficult to establish a price or value for your Notes or any shares into which they may convert or any investment in the Company as they are not traded on any stock exchange.
- If the Company does not secure sufficient investment it may cease to satisfy the basic test of solvency, which is to be able to pay its debts as they fall due.
- Brexit, and particularly a "no deal" Brexit, represents a significant risk to the Company, its customers and therefore its business.

The investment opportunity offered in this document may not be suitable for all recipients of this document. Prospective investors are therefore strongly recommended to consult a professional adviser who specialises in investments of this nature before making their decision to invest.

3.2 Important Legal Notices:

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the content of this document, you should consult your stockbroker, bank manager, solicitor or other professional adviser authorised under the Financial Services and Markets Act 2000 ("FSMA"), who specialises in advising on investment in shares and other securities or, if you are taking advice in another jurisdiction, from an appropriately authorised independent professional adviser. The content of this document has not been approved by the Financial Conduct Authority nor by an authorised person within the meaning of FSMA.

In issuing this document, the Company is relying on the exemptions set out in Sections 86(1)(a) and 86(1)(c) of FSMA. Accordingly, this document does not constitute a prospectus as defined in the Prospectus Rules of the FCA and has not been prepared in accordance with the requirements of the Prospectus Rules. Furthermore, the Company is only issuing this document to its existing shareholders, pursuant to the exemption set out in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"), and to certain other permitted investors for the purposes of the FPO. Accordingly, this document has not been approved as a financial promotion for the purposes of Section 21 of FSMA. This document may not be distributed to anyone else. **If you are not an existing shareholder of the Company or an investor who is qualified to receive unapproved financial promotions then this document is not intended for you and it should be returned to the Company immediately.**

This document should be read as a whole. You must rely on your own examination of the legal, taxation, financial and other consequences of an investment in the Company, including the merits of investing and the risks involved. You should not treat the content of this document as advice relating to legal, taxation or investment matters. An investment in the Company involves a significant degree of risk and may not be suitable for all recipients of this document. You should carefully consider whether an investment in the Company is suitable for you in the light of your personal circumstances and the financial resources available to you. To the fullest extent permitted by law, no representation or warranty is made, nor assurance given, that the statements, views,

projections or forecasts (if any) contained in this document are correct or that the Company's objectives can be achieved.

No shares in the capital of the Company are presently listed on or dealt in or on any stock exchange. No application is being made for admission of the Notes or any shares in the Company to AIM or the Official List of the UK Listing Authority. The Company does not have any immediate plans to seek a listing on any investment exchange for any of its shares and therefore the ability to sell any shares will accordingly be highly restricted unless and until such listing takes place. The underlying value of any shareholding in the Company can fluctuate and there is a risk that you may lose part or all of your investment; it may also be difficult to establish a price or value for any Notes or any shareholding in the Company given the absence of any trading on any stock exchange.

It is the responsibility of any person outside the UK wishing to purchase Notes to satisfy themselves as to the full observance of the laws of any relevant territory outside the UK in connection with such purchase, including obtaining any required governmental or other consents or observing any other applicable formalities. This document does not constitute an offer, or the solicitation of an offer to subscribe for any of the Notes, to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The Offer is not being made, directly or indirectly, in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa or Japan or their respective territories and this document should not be distributed, forwarded or transmitted in or into such territories.

Forward Looking Statements

This document includes "forward looking statements", which include all statements other than statements of historical facts, including, without limitation, those regarding the Company'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 Company 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 Company's present and future business strategies and the environment in which the Company 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.

3.3 How To Apply

- (a) **Ensure you have read this document carefully.**
- (b) **Complete the Application Form at the end of this document, ensuring you:**
 - (c) Enter your contact details in box 1;
 - (d) Enter the number of Notes you are applying for in box 2;
 - (e) Enter the amount of your aggregate investment (Total number of Notes x £700 per Note) in box 3; this must be a minimum of £35,000 and in increments of £7,000 thereafter, unless otherwise agreed on a case by case basis with the Board for "qualified investors" for the purposes of FSMA; if you would like to explore the possibility of becoming a "qualified investor"

for the purposes of FSMA, please contact Tom Lucas in the first instance at tom.lucas@wbbrew.co.uk to discuss further;

- (f) Sign the declaration in box 5; and
- (g) Send your remittance to the account provided or by cheque to the address provided;

All before the deadline of 12 noon on 31 October 2019 (or such later date as the Board may determine, in its sole discretion).

If you have any queries on the procedure for application and payment, you should contact Tom Lucas in the first instance, at tom.lucas@wbbrew.co.uk or on +44 (0)1635 767094.

Please email dealing@assetmatch.com to confirm your investment and to request the application form.