

The Black Sheep Brewery plc

Trading Update

Following our announcement earlier this month on recent Executive changes at Black Sheep Brewery, we provide an update on current trading.

The Board remains committed to its strategy of developing the Black Sheep brand, expanding into pub operations and improving the business's operational performance and will continue to seek investment to fund key improvement and growth projects.

In a difficult cask beer market, Black Sheep has continued to grow revenue as a result of the York Brewery acquisition and the performance of the York Brewery brands.

Profitability has been impacted by market conditions and we have also incurred one-off restructuring costs in making changes to our leadership team and relocating the York Brewery operations.

We are pleased to report that our packaging line development is on schedule and on budget, with kegging due to commence in April followed by bottling and canning in the summer. This project was enabled by the share placing we announced in the Autumn of 2019.

We also remain in the midst of negotiations to acquire a small pub chain in our Yorkshire heartland. These talks, which have taken longer than we had hoped, remain ongoing and we shall make further announcements as appropriate.

Although this has been a difficult trading period, we are encouraged that we have a strong commercial leadership team, led by Charlene Lyons, focused on delivering our stated strategy, which includes a strong marketing plan to continue to build the Black Sheep brand and generate strong sales growth in our local market.

We could not do any of this without the continued support of our staff, customers and our shareholders and we thank all of you for your loyalty to the business and its products.

Andy Slee
Chairman

20th January 2020