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If you have sold or otherwise transferred all your shares in The Black Sheep Brewery plc (subject to the restrictions on distribution described below and in the enclosed announcement), please send this letter and its enclosures as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The distribution of this letter and its enclosures in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this letter comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Registered office: Wellgarth, Masham, Ripon, North Yorkshire, HG4 4EN

Directors:

Charlene Lyons
Rob Theakston
Jonathan Theakston
Arran Todd

*Chair and Chief Executive Officer
Managing Director
Executive Director
Secretary*

11 April 2023

To: The Black Sheep Brewery plc (the "Company") shareholders and persons with information rights

The Black Sheep Brewery plc

Dear Shareholder

On 11 April 2023, the Company announced the commencement of a strategic review to explore the funding options available to the Company.

The Company has plans to take the business forward with the development of new products to build on its strong brand in Yorkshire, the North and nationally.

The Board is currently considering all options, one such option being a merger or 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"). In accordance with Rule 2.11 of the Takeover, please find attached a copy of the Announcement. You will also find a copy of the Announcement on the Company's website (<https://www.blacksheepbrewery.com/investors/>). The contents of that website are not incorporated into this communication or the Announcement. This letter is not to be taken as a summary of the information in the Announcement and should not be regarded as a substitute for reading the full Announcement.

Please be aware that addresses, electronic addresses and certain other information provided by the Company's shareholders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to an Offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

Yours sincerely

Charlene Lyons
Chair & Chief Executive Officer
For and on behalf of the board of The Black Sheep Brewery plc

Legal and regulatory

This notification is being given to you in accordance with Rule 2.11(a)(ii) of the Takeover Code.

The directors of the Company whose names are set out above (the "Directors") accept responsibility for the information contained in this communication (including any expressions of opinion). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this communication is in accordance with the facts and does not omit anything likely to affect the import of such information.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 1% 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 pm (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 Takeover 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).