

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The City Pub Group plc

Essel House 2nd Floor
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England
W1W 7TH

13 December 2023

*To the holders of options granted in 2018 under The City Pub Group plc Company Share Option Plan (formerly known as the City Pub (East) Plc Company Share Option Plan) (the **CSOP**)*

Dear Participant

Recommended acquisition of The City Pub Group plc (City Pubs) by Young & Co.'s Brewery, P.L.C. (Young's): How it affects your option granted under the CSOP in 2018

Introduction

On 16 November 2023, the directors of Young's and City Pubs announced that they had reached agreement on the terms of a recommended offer pursuant to which Young's will acquire the entire issued and to be issued ordinary share capital of City Pubs (the **Transaction**). In summary (and subject to the terms of the Transaction, which is subject to the conditions and further terms set out in the Scheme Document), for each City Pubs Share sold to Young's under the Transaction, a City Pubs Shareholder will receive 108.75 pence in cash and 0.032658 New Young's A Shares.

This Letter tells you about the impact of the Transaction on the option that was granted to you in 2018 under the CSOP. In this Letter a share option granted to you under the CSOP in 2018 is referred to as a **2018 Option**.

Please read everything in this Letter and its appendices carefully.

You will find a list of definitions in **Appendix A** which explain the key defined terms used in this Letter (any capitalised terms not included in Appendix A will have the meaning given to them in the Scheme Document).

Your 2018 Option

You are receiving this Letter because you hold a 2018 Option. Please note that this letter does not apply to any other options granted under the CSOP. If you hold any other option under the CSOP or options or awards under any other City Pubs share plan (such as the LTIP or the JSOP), you will have received a separate letter in relation to each such option. Please also read those letters carefully as the treatment will be different from the treatment of the 2018 Option.

Your 2018 Option is currently exercisable and, in consequence of the Transaction, your 2018 Option will remain exercisable until (at the latest) six weeks after the Effective Date.

However, the exercise price of your 2018 Option is 170 pence per City Pubs Share which is significantly in excess of the value of the Consideration (based on the value of a Young's A Share as at the latest date practicable in advance of the date of this Letter). If you were to exercise your 2018 Option, you would need to pay more to exercise the 2018 Option than the value of the Consideration you would receive from the disposal of the City Pubs Shares you acquire from that 2018 Option. **Therefore, it has been assumed that you would not choose to exercise your 2018 Option as there would be no**

economic advantage for you to do so. In this context, no proposals are required to be made by Young's to you in relation to your 2018 Option.

If, for any reason, you do wish to exercise your 2018 Option, please contact [REDACTED] as soon as possible, in order to allow you to take any required action (including payment of the relevant exercise price). If you exercise your 2018 Option and you retain any resulting City Pubs Shares until the Scheme Record Time, they will be automatically transferred to Young's on the Effective Date and you will receive the Consideration.

Questions

If you have any questions on the contents of this Letter, please contact [REDACTED]. However, please be aware that no legal, tax, financial or investment advice on the Transaction or its effect on your 2018 Option can be provided by City Pubs. **If you are in any doubt as to the action you should take, you should seek your own independent professional advice.**

Yours faithfully

**Clive Watson
Executive Chairman**

For and on behalf of City Pub Group plc

TRANSACTION SUMMARY

1. How does the Transaction work?

The Transaction will result in City Pubs and its subsidiaries becoming wholly-owned subsidiaries of Young's.

The Transaction will be carried out through what is called a "scheme of arrangement". This is a procedure that has to be first approved by City Pubs Shareholders at a shareholder meeting, to be held on 17 January 2024, and then requires final approval by the Court on a date referred to in this Letter as the "Sanction Date". This is not the date on which the Transaction will be completed. The Transaction is currently due to complete **two business days after the Court Sanction Hearing when the Scheme becomes effective**. If you want to read more about this, please go to the City Pubs website at <https://www.citypubcompany.com/investors/> and the Young's website at <https://www.youngs.co.uk/investors> where you will find the Scheme Document that was sent to City Pubs Shareholders around the date of this Letter.

2. What can City Pubs Shareholders receive under the Transaction?

The terms of the Transaction are set out in full in the Scheme Document. However, in summary (and subject to the terms of the Transaction), for each City Pubs Share sold to Young's through the Scheme, a City Pubs Shareholder will receive 108.75 pence in cash and 0.032658 New Young's A Shares.

3. When will the Transaction take place?

The date of the Court Sanction Hearing is still to be confirmed but it is expected to be in the first quarter of 2024 with the Effective Date expected to be two business days after the Court Sanction Hearing, subject to City Pubs Shareholder approval and receipt of the relevant regulatory and merger control approvals. An expected timeline of key events relating to the Transaction is available in the Scheme Document.

Once the date of the Court Sanction Hearing is known, City Pubs will announce this via a Regulatory Information Service (with such announcement being made available on City Pubs' website at <https://www.citypubcompany.com/investors/>).

4. Will the Transaction definitely go ahead?

The Transaction is conditional on various approvals and consents including: (i) approval by City Pubs Shareholders at a meeting to be held on 17 January 2024; (ii) certain regulatory and merger control approvals; and (iii) the sanction of the Court. You should note that there is no certainty that City Pubs Shareholders will approve the Transaction and the Court will sanction the Scheme.

5. What if the Transaction does not go ahead?

If the Transaction does not complete, your 2018 Option will continue as normal under the rules of the CSOP.

Appendix A

Defined Terms

2018 Option	an option to acquire City Pubs Shares granted under the CSOP in 2018;
City Pubs	The City Pub Group plc, incorporated in England and Wales with registered number 07814568 and whose registered office is at Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH;
City Pubs Shareholders	the holders of City Pubs Shares;
City Pubs Shares	the ordinary shares of 1 pence each in the capital of City Pubs;
Consideration	for each City Pubs Share held, 108.75 pence in cash and 0.032658 New Young's A Shares;
Court	the High Court of Justice in England and Wales;
Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
Court Sanction Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;
CSOP	The City Pub Group plc Company Share Option Plan (formerly known as the City Pub (East) Plc Company Share Option Plan) and the City Pub (West) Plc Company Share Option Plan (each as amended from time to time);
Effective Date	the date upon which the Scheme becomes effective in accordance with its terms;
JSOP	The City Pub Group plc Joint Share Ownership Plan;
Letter	this letter from City Pubs explaining the impact of the Transaction on the 2018 Option;
LTIP	The City Pub Group plc Long-Term Incentive Plan;
New Young's A Shares	the new Young's A Shares proposed to be issued pursuant to the Transaction;
Sanction Date	the date of the Court Order;

Scheme	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between City Pubs and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court (where relevant) and agreed to by City Pubs and Young's, as set out in Part IV (The Scheme of Arrangement) of the Scheme Document;
Scheme Document	the document dated on or around the date hereof sent by City Pubs to the City Pubs Shareholders, of which the Scheme forms part;
Scheme Record Time	6:00 p.m. on the Business Day immediately prior to the Effective Date or such later time as Young's and City Pubs may agree;
Young's	Young & Co.'s Brewery, P.L.C., incorporated in England and Wales with registered number 00032762 and whose registered office is at Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ; and
Young's A Shares	the A ordinary shares of 12.5 pence each in the capital of Young's.