

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION OF THE CITY PUBS SHARES TO TRADING ON AIM, THE MARKET OF THAT NAME OPERATED BY THE LONDON STOCK EXCHANGE.

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, City Pubs and Young's disclaim any responsibility or liability for the violation of such restrictions by such persons.

If you are in any doubt about the Transaction, the contents of this document or as to the action you should take, you are recommended to seek your own personal financial, tax and/or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom. If you are in a territory outside of the United Kingdom you should immediately consult an appropriately authorised independent financial adviser.

Recommended acquisition of

The City Pub Group plc

by

Young & Co.'s Brewery, P.L.C.

**to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

This document and the information incorporated by reference into this document, together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of City Pubs in Part I (Letter from the Chairman of City Pubs) of this document, which contains the unanimous recommendation of the City Pubs Directors that you vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting. A letter from Houlihan Lokey and Liberum explaining the Scheme appears in Part II (Explanatory Statement) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

It is important that Scheme Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views.

If you have sold or otherwise transferred all of your City Pubs Shares, please send this document (but not the accompanying personalised Forms of Proxy) at once 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. However, such documents should not be forwarded, distributed or transmitted, directly or indirectly, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Neither this document nor any of the accompanying documents do, or are intended to, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or a prospectus equivalent document.

The action to be taken by City Pubs Shareholders is set out on pages 9 to 12 and in paragraph 19 of Part II (Explanatory Statement) of this document. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting. Voting in respect of each Meeting will be conducted on a poll and City Pubs

Shareholders are asked to complete and sign the enclosed BLUE and WHITE Forms of Proxy in accordance with the instructions printed thereon and return them by post to the registrar of City Pubs, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to be received as soon as possible and, in any event, no later than 48 hours (excluding any part of a day that is not a Business Day) before the relevant Meeting (or in the case of an adjournment, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting). For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy. You can also submit your proxy electronically at www.sharevote.co.uk so as to be received by not later than 48 hours (excluding any part of a day that is not a Business Day) before the relevant meeting. You will need to accept relevant terms and conditions and enter the Voting ID, Task ID and Shareholder Reference Number (SRN) provided on the Forms of Proxy.

City Pubs Shareholders who hold City Pubs Shares in uncertificated form (that is, in CREST) may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages 10 and 11 of this document. If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and it will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

If you have any questions about this document, the Court Meeting or the General Meeting or are in any doubt as to how to complete the Forms of Proxy or how to appoint a proxy through the CREST electronic proxy appointment service or online, please call Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used). Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by City Pubs or the City Pubs Directors, Young's or the Young's Directors, or by Houlihan Lokey, Liberum, Panmure Gordon, J.P. Morgan Cazenove or Stifel, or any other person involved in the Transaction. Neither the delivery of this document nor holding the Meetings, the Court Sanction Hearing, or the filing of the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the City Pubs Group or the Young's Group since the date of this document or that the information in, or incorporated into, this document is correct as at any time subsequent to its date.

Certain terms used in this document are defined in Part VIII (Definitions) of this document.

IMPORTANT NOTICES

Disclaimers

Houlihan Lokey UK Limited (“Houlihan Lokey”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to City Pubs and no one else in connection with the Transaction and will not be responsible to anyone other than City Pubs for providing the protections afforded to clients of Houlihan Lokey or for providing advice in relation to the Transaction or any other matters referred to in this document. Neither Houlihan Lokey nor any of its affiliates owes or accepts any duty, liability, or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this document, any statement contained herein or otherwise.

Liberum Capital Limited (“Liberum”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively to City Pubs and no one else in connection with the Transaction and will not be responsible to anyone other than City Pubs for providing the protections afforded to clients of Liberum or for providing advice in relation to the Transaction or any other matters referred to in this document. Neither Liberum nor any of its affiliates owes or accepts any duty, liability, or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Liberum in connection with this document, any statement contained herein or otherwise.

Panmure Gordon (UK) Limited (“Panmure Gordon”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for City Pubs and no one else in connection with the Transaction and will not be responsible to anyone other than City Pubs for providing the protections afforded to clients of Panmure Gordon nor for providing advice in relation to the Transaction or any other matters referred to in this document. Neither Panmure Gordon nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Gordon in connection with this document, any statement contained herein or otherwise.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), and which is authorised in the United Kingdom by the Prudential Regulation Authority (the “PRA”) and regulated by the PRA and the Financial Conduct Authority, is acting as financial adviser exclusively for Young’s and no one else in connection with the Transaction and will not be responsible to anyone other than Young’s for providing the protections afforded to clients of J.P. Morgan Cazenove or for providing advice in relation to the Transaction or any other matters referred to in this document.

Stifel Nicolaus Europe Limited (“Stifel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Young’s and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Young’s for providing the protections afforded to clients of Stifel nor for providing advice in relation to the Transaction or any other matters referred to in this document. Neither Stifel nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Stifel in connection with this document, any statement contained in this document, the Transaction or otherwise. No representation or warranty, express or implied, is made by Stifel as to the contents of this document.

Overseas jurisdictions

This document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code and the AIM Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside of the UK.

The release, publication or distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the

companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Transaction to City Pubs Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another person to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities law of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Young's or required by the Takeover Code, and permitted by applicable law and regulation, the Transaction and the New Young's A Shares to be issued pursuant to the Transaction to City Pubs Shareholders will not be made available, in whole or in part, directly or indirectly in, into, or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality, or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and any formal documentation relating to the Scheme and the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Transaction. If the Transaction is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of New Young's A Shares pursuant to the Transaction to City Pubs Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. City Pubs Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

The Transaction will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Registrar of Companies.

Notice to US investors in City Pubs

The Transaction relates to the shares of an English company with a quotation on AIM and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the U.S. Securities Exchange Act of 1934 (the "U.S. Exchange Act"). Accordingly, the Transaction is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved or disapproved any offer, or passed comment upon the adequacy or completeness of any of the information included in this document. The financial information included in this document (or, if the Transaction is implemented by way of an Offer, the Offer Document) has been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not

be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If, in the future, Young's exercises its right, with the consent of the Panel (where necessary), to implement the Transaction by way of an Offer, which is to be made into the United States, such Offer will be made in compliance with the applicable U.S. laws and regulations.

It may be difficult for U.S. holders of City Pubs Shares to enforce their rights and any claim arising out of the U.S. federal laws in connection with the Transaction since Young's and City Pubs are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders of City Pubs Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's jurisdiction or judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Young's, its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Young's Shares outside of the U.S., other than pursuant to the Transaction, until the date on which the Transaction becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, each of Houlihan Lokey, Liberum, Panmure Gordon, J.P. Morgan Cazenove and Stifel will continue to act as an exempt trader in City Pubs Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the U.S. Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com.

U.S. City Pubs Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the U.S. and that such consequences, if any, are not described herein. U.S. City Pubs Shareholders are urged to consult with legal, tax and financial advisers in connection with making any decision in relation to the Transaction.

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Transaction, and other information published by Young's and City Pubs, contains statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Young's and City Pubs (as applicable) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Transaction on Young's and City Pubs (including their future prospects, developments and strategies), the expected timing and scope of the Transaction and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Young's, City Pubs, any member of the Young's Group's or any member of the City Pubs Group's operations and potential synergies resulting from the Transaction; and (iii) the effects of global economic conditions and governmental regulation on Young's, City Pubs, any member of the Young's Group's or any member of the City Pubs Group's business.

Although Young's and City Pubs believe that the expectations reflected in such forward-looking statements are reasonable, Young's and City Pubs can give no assurance that such expectations

will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Neither Young's nor City Pubs assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise) except as required by applicable law.

The factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to complete the Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; and changes in the anticipated benefits from the proposed transaction not being realised as a result of: changes in general economic and market conditions in the countries in which Young's and City Pubs operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Young's and City Pubs operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Young's nor City Pubs, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither Young's nor City Pubs is under any obligation, and Young's and City Pubs expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts, profit estimates or quantified benefits statements

No statement in this document is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for City Pubs or for Young's for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for City Pubs or for Young's.

Dealing disclosure and opening position requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one (1) 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) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the tenth (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 tenth (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 Takeover Code, any person who is, or becomes, interested in one (1) 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 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code 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 of the Takeover Code.

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 of the Takeover Code).

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.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Publication on website

In accordance with Rule 26.1 of the Takeover Code, a copy of this document and the documents required to be published under Rule 26 of the Takeover Code will be made available free of charge (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) on the website of Young's at <https://www.youngs.co.uk/investors> and on the website of City Pubs at <https://www.citypubcompany.com/investors/> by no later than 12 noon (London time) on the Business Day following the date of this document. The content of any website referred to in this document is not incorporated into and does not form part of this document.

Requesting hard copies

In accordance with Rule 30.3 of the Takeover Code, City Pubs Shareholders, persons with information rights and City Pubs Share Plan Participants may request a hard copy of this document (and any information incorporated by reference in this document) by contacting the registrar of City Pubs, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used). Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Alternatively, a request in writing may be submitted to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Scheme process

In accordance with Section 5 of Appendix 7 to the Takeover Code, City Pubs will announce through a Regulatory Information Service key events in the Scheme process including the outcomes of the Meetings and the Court Sanction Hearing.

Unless otherwise consented to by the Court and the Panel, any modification or revision to the Scheme will be made no later than the date which is 14 days prior to the Meetings (or any later date to which such Meetings are adjourned).

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by City Pubs Shareholders, persons with information rights and other relevant persons for the receipt of communications from City Pubs may be provided to Young's during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

This document is dated 13 December 2023

ACTION TO BE TAKEN

THE CITY PUBS DIRECTORS, WHO HAVE BEEN SO ADVISED BY HOULIHAN LOKEY AND LIBERUM AS TO THE FINANCIAL TERMS OF THE TRANSACTION, CONSIDER THE TERMS OF THE TRANSACTION TO BE FAIR AND REASONABLE. IN PROVIDING THEIR ADVICE TO THE CITY PUBS DIRECTORS, HOULIHAN LOKEY AND LIBERUM HAVE EACH TAKEN INTO ACCOUNT THE COMMERCIAL ASSESSMENTS OF THE CITY PUBS DIRECTORS. HOULIHAN LOKEY AND LIBERUM ARE PROVIDING INDEPENDENT FINANCIAL ADVICE TO THE CITY PUBS DIRECTORS FOR THE PURPOSES OF RULE 3 OF THE TAKEOVER CODE.

ACCORDINGLY, IN ORDER TO IMPLEMENT THE TRANSACTION, THE CITY PUBS DIRECTORS RECOMMEND UNANIMOUSLY THAT YOU VOTE, OR PROCURE THE VOTE, IN FAVOUR OF THE SCHEME AT THE COURT MEETING AND THE RESOLUTION TO BE PROPOSED AT THE GENERAL MEETING AS THE CITY PUBS DIRECTORS WHO ARE INTERESTED IN CITY PUBS SHARES HAVE IRREVOCABLY UNDERTAKEN TO DO IN RESPECT OF THEIR OWN BENEFICIAL HOLDINGS OF CITY PUBS SHARES, AND THAT YOU TAKE THE ACTION DESCRIBED BELOW.

This section should be read in conjunction with the rest of this document and, in particular, the section headed “**Actions to be taken by City Pubs Shareholders**” set out in paragraph 19 of Part II (Explanatory Statement) of this document on pages 46 to 48 of this document and the notices of the Court Meeting and the General Meeting at the end of this document set out in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting) of this document, respectively.

1. The documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting to be held on 17 January 2024;
- a WHITE Form of Proxy for use in respect of the General Meeting to be held on 17 January 2024; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a City Pubs Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated in paragraph 5 of this section below.

2. Voting at the Court Meeting and the General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDERS’ OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A PROXY ONLINE OR THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (AS APPROPRIATE) AS SOON AS POSSIBLE.

The Scheme will require approval at a meeting of the Scheme Shareholders convened pursuant to an order of the Court (the “**Court Meeting**”) to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.00 a.m. on 17 January 2024. Implementation of the Scheme will also require, amongst other things, the passing of the Resolution by City Pubs Shareholders at the General Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.15 a.m. on the same date (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting) of this document, respectively.

Scheme Shareholders entitled to attend and vote at the Court Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the Court Meeting. A proxy need not be a Scheme Shareholder.

City Pubs Shareholders entitled to attend and vote at the General Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a City Pubs Shareholder.

Scheme Shareholders and City Pubs Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the applicable methods (by post, online or through CREST) set out below. Scheme Shareholders and City Pubs Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy for each Meeting. The Chair of the relevant Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant Meeting. Any other person appointed as proxy will be able to attend, submit questions and/or any objections and vote at the Court Meeting or attend, speak and vote at the General Meeting.

Scheme Shareholders and City Pubs Shareholders are required to cast or amend proxy voting instructions in respect of the relevant Meeting no later than 48 hours (excluding any part of a day that is not a Business Day) before the relevant Meeting (or in the case of any adjournment, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting).

2.1 ***Sending Forms of Proxy by post***

You should:

- A. complete, sign and return the BLUE Form of Proxy for use at the Court Meeting so as to be **received no later than 10.00 a.m. on 15 January 2024**; and
- B. complete, sign and return the WHITE Form of Proxy for use at the General Meeting so as to be **received no later than 10.15 a.m. on 15 January 2024**,

or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for such adjourned meeting.

Forms of Proxy to be returned by post must be sent to the registrar of City Pubs, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and it will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy, it will be invalid.

Scheme Shareholders and City Pubs Shareholders are entitled to appoint a proxy in respect of some or all of their City Pubs Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST as described in sub-paragraph 2.2 of this section or online as described in sub-paragraph 2.3 of this section, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders and City Pubs Shareholders who wish to appoint by post more than one proxy in respect of their holding of City Pubs Shares should contact Equiniti for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

2.2 ***Electronic appointment of proxies through CREST***

CREST members who wish to appoint a proxy or proxies for the Meetings (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated

in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (participant ID: RA19) no later than 10.00 a.m. on 15 January 2024 in the case of the Court Meeting and no later than 10.15 a.m. on 15 January 2024 in the case of the General Meeting (or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of CREST and timings.

City Pubs may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

2.3 Online appointment of proxies

Forms of Proxy may alternatively be submitted electronically using the Sharevote online voting service at www.sharevote.co.uk, with City Pubs Shareholders and Scheme Shareholders using their Voting ID, Task ID and SRN as shown on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti no later than 10.00 a.m. on 15 January 2024 in respect of the BLUE Form of Proxy for the Court Meeting and no later than 10.15 a.m. on 15 January 2024 in respect of the WHITE Form of Proxy for the General Meeting (or in the case of adjournment(s), not later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting(s)).

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be emailed to proxylvotes@equiniti.com at any time before the time that the Court Meeting is due to commence and it will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders.

You are strongly advised to sign and return your BLUE Form of Proxy (by post) for the Court Meeting and your WHITE Form of Proxy (by post) for the General Meeting or (in each case) transmit a proxy appointment and voting instruction (online or through CREST) for the Court Meeting and the General Meeting as soon as possible. Scheme Shareholders and City Pubs Shareholders are strongly encouraged to appoint the Chair of the meeting as their proxy for each Meeting. The Chair of the relevant Meeting will vote in accordance with the voting instructions of the appointing Scheme Shareholder or City Pubs Shareholder. If any other person is appointed as proxy, he or she will be permitted to attend and vote at the Court Meeting or the General Meeting.

3. Results of the Meetings

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on the website of City Pubs at <https://>

www.citypubcompany.com/investors/ once the votes have been counted and verified. The results will also be published on the website of Young's at <https://www.youngs.co.uk/investors>.

4. City Pubs Share Plans

City Pubs Share Plan Participants will be contacted separately regarding the effect of the Scheme on their rights under the City Pubs Share Plans.

5. Shareholder helpline

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or online, please contact the registrar of City Pubs, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used). Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme.

Event	Time and/or date
Publication of this document	13 December 2023
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE form)	10.00 a.m. on 15 January 2024 ⁽¹⁾
General Meeting (WHITE form)	10.15 a.m. on 15 January 2024 ⁽²⁾
Voting Record Time for the Court Meeting and the General Meeting	6.30 p.m. on 15 January 2024 ⁽³⁾
Court Meeting	10.00 a.m. on 17 January 2024
General Meeting	10.15 a.m. on 17 January 2024 ⁽⁴⁾
The following dates are indicative only and are subject to change⁽⁵⁾	
Court Sanction Hearing	A date ("D") to be determined following the satisfaction or (if applicable) waiver of Conditions 2(A)(i), 2(B)(i), 3 and 4 (inclusive) of Part A of Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, City Pubs Shares	D+1 Business Days
Scheme Record Time	6.00 p.m. on D+1 Business Days
Dealings in City Pubs Shares suspended	7.30 a.m. on D+2 Business Days
Effective Date of the Scheme	D+2 Business Days
Cancellation of admission of City Pubs Shares to trading on AIM	By 8.00 a.m. on D+3 Business Days
Admission of the New Young's A Shares to trading on AIM	By 8.00 a.m. on D+3 Business Days
Crediting of New Young's A Shares to CREST accounts	By no later than 8.00 a.m. on D+3 Business Days
Latest date for share certificates in respect of New Young's A Shares to be issued (if applicable)	Within 14 days of the Effective Date
Latest date for despatch of cheques and crediting of CREST for Cash Consideration due under the Scheme	Within 14 days of the Effective Date
Long-Stop Date	16 May 2024 ⁽⁶⁾

Notes:

- (1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the Court Meeting. A copy of a completed and signed BLUE Form of Proxy not so lodged may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and will still be valid.
- (2) WHITE Forms of Proxy for the General Meeting must be lodged no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the General Meeting. WHITE Forms of Proxy for the General Meeting not lodged by this time will be invalid.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the date falling two Business Days before the date of the adjourned Meeting.
- (4) To commence at 10.15 a.m. or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates and times are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) a copy of the Court Order is delivered to the Registrar of Companies.

- (6) This is the latest date by which the Scheme may become Effective unless Young's and City Pubs agree (and the Panel and, if required, the Court permit) a later date or if the Panel requires an extension to the Long-Stop Date pending final determination of an issue under section 3(g) of Appendix 7 to the Takeover Code.
- (7) City Pubs Share Plan Participants will be contacted separately to inform them of the effect of the Scheme on their rights under the City Pubs Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.

All references in this document to times are to London time unless otherwise stated.

The dates and times given are indicative only and are based on the current expectations of City Pubs and Young's and may be subject to change (including as a result of changes to the regulatory timetable). If any of the expected times and/or dates above change (a) the revised times and/or dates will be notified to City Pubs Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on the website of City Pubs at <https://www.citypubcompany.com/investors/> and of Young's at <https://www.youngs.co.uk/investors> and (b) if required by the Panel, City Pubs will send notice of the change(s) to City Pubs Shareholders and, for information only, to City Pubs Share Plan Participants.

CONTENTS

	Page
IMPORTANT NOTICES.....	3
ACTION TO BE TAKEN	9
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	13
PART I LETTER FROM THE CHAIRMAN OF CITY PUBS	16
PART II EXPLANATORY STATEMENT.....	26
PART III CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE TRANSACTION.....	49
PART IV THE SCHEME OF ARRANGEMENT	61
PART V FINANCIAL INFORMATION AND FURTHER INFORMATION ON YOUNG'S A SHARES	71
PART VI PROPERTY VALUATION REPORT	74
PART VII ADDITIONAL INFORMATION.....	101
PART VIII DEFINITIONS	121
PART IX NOTICE OF COURT MEETING	129
PART X NOTICE OF GENERAL MEETING.....	132

PART I

LETTER FROM THE CHAIRMAN OF THE CITY PUB GROUP PLC

(Incorporated in England and Wales with registered number 07814568)

Directors:

Clive Watson
Rupert Clark
Holly Elliott
Emma Fox
Neil Griffiths
Richard Prickett

Registered Office:

Essel House 2nd Floor,
29 Foley Street,
London,
England,
W1W 7TH

13 December 2023

To City Pubs Shareholders and, for information only, to City Pubs Share Plan Participants

Dear City Pubs Shareholder,

RECOMMENDED ACQUISITION OF THE CITY PUB GROUP PLC

BY YOUNG & CO.'S BREWERY, P.L.C.

1. 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**").

I am writing to you today to set out the background to the Transaction and the reasons why the City Pubs Directors consider the terms of the Transaction to be fair and reasonable and are unanimously recommending that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that City Pubs Shareholders vote in favour of the Resolution to be proposed at the General Meeting. In addition, paragraphs 3 and 7 of this letter set out, respectively, Young's reasons for the Transaction and its intentions with regard to the management, employees, and locations of business of City Pubs. I also draw your attention to the letter from Houlihan Lokey and Liberum set out in Part II (Explanatory Statement) of this document which gives details about the Transaction and the Scheme and also to the additional information set out in Part VII (Additional Information) of this document.

In order to approve the terms of the Transaction, Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting to be held on 17 January 2024 at 10.00 a.m., and City Pubs Shareholders will need to pass the Resolution to be proposed at the General Meeting (which is also to be held on 17 January 2024 at 10.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned), in each case by the requisite majority. Details of the actions you are asked to take are set out on pages 9 to 12 and in paragraph 19 of Part II (Explanatory Statement) of this document. The recommendation of the City Pubs Directors is set out in paragraph 15 of this letter.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible.

Further details of the Scheme and the Meetings are set out in paragraphs 9 and 10 of Part II (Explanatory Statement) of this document and the terms of the Scheme are set out in full in Part IV (The Scheme of Arrangement) of this document.

2. Summary of the terms of the Transaction

Under the terms of the Transaction, City Pubs Shareholders will be entitled to receive:

**for each City Pubs Share: 108.75 pence in cash
and
0.032658 New Young's A Shares**

Based upon the Closing Price of a Young's A Share of 1,110 pence on 15 November 2023, being the last Business Day prior to the Announcement Date, the Transaction represents a total implied value of 145 pence per City Pubs Share, valuing the entire issued and to be issued ordinary share capital of City Pubs at approximately £162 million.

The terms of the Transaction represent a premium of approximately:

- 46 per cent. to the Closing Price of 99 pence per City Pubs Share on 15 November 2023 (being the last Business Day prior to the Announcement Date); and
- 65 per cent. to the volume weighted average Closing Price of 88 pence per City Pubs Share over the 3 months ended 15 November 2023 (being the last Business Day prior to the Announcement Date).

Under the terms of the Transaction, City Pubs Shareholders will, in aggregate, receive approximately 3,612,894 New Young's A Shares. Immediately following completion of the Transaction, existing Young's Shareholders will represent approximately 94 per cent. of the Combined Group in terms of economic entitlement (and 90 per cent. of the Combined Group's voting rights) and City Pubs Shareholders will represent approximately 6 per cent. of the Combined Group in terms of economic entitlement (and 10 per cent. of the Combined Group's voting rights).

The New Young's A Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Young's A Shares in issue at the time the New Young's A Shares are issued pursuant to the Transaction, including in respect of the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date. The holders of the Young's A Shares and the holders of the New Young's A Shares shall also each have the right to receive notices of general meetings of Young's and to attend, speak and vote at them; those rights do not apply to the Young's Non-Voting Shares. However, the Young's Non-Voting Shares are treated equally with the Young's A Shares and shall be treated equally with the New Young's A Shares for all purposes of participation in profits or assets. Irrespective of the date on which the Effective Date falls, City Pubs Shareholders who receive New Young's A Shares pursuant to the Scheme shall not be entitled to receive any final dividend or interim dividend declared or paid by Young's by reference to a record date falling prior to the Effective Date. Applications will be made to the London Stock Exchange for the New Young's A Shares to be admitted to trading on AIM.

If any dividend, distribution and/or other form of capital return is announced, declared, made, paid or becomes payable by City Pubs in respect of the City Pubs Shares on or after the Announcement Date and prior to the Effective Date, Young's reserves the right to (at the sole discretion of Young's) reduce the Consideration by the amount of all or part of any such dividend, distribution and/or other form of capital return. If (but only to the extent) Young's exercises this right or makes such a reduction in respect of a dividend, distribution and/or other form of capital return, City Pubs Shareholders would be entitled to receive and retain the relevant portion of any such dividend, distribution and/or other form of capital return (as applicable).

In the event that the Transaction is to be implemented by way of an Offer, City Pubs Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

3. Background to and reasons for the Transaction

Young's is a leading managed operator of premium pubs and bedrooms across London and the south of England, with a rich 192-year history. It runs a predominantly freehold estate in prime locations, and its pubs sit at the heart of their local communities. Young's prides itself on its

premium, differentiated offering and the individuality of each of its pubs and bedrooms, providing customers with a distinctive experience made possible by over 6,000 highly trained and engaged team members. Young's has closely followed the City Pubs estate for some time and holds City Pubs' premium, well-invested and wet-led approach in high regard. Young's also recognises the skillset, expertise and experience of City Pubs' employees.

The Transaction represents a rare opportunity to acquire a high-quality pub and bedroom portfolio of scale, allowing Young's to increase its managed trading estate by 50¹ pubs to 279 pubs (an increase of more than 20 per cent.). The Transaction will also allow Young's to substantially increase the number of premium bedrooms within the estate by adding 240² bedrooms (an increase of more than 25 per cent., taking the total to 1,065 bedrooms).

City Pubs' highly attractive, predominantly freehold estate spans premium locations including across affluent towns and cities in London and the south of England. City Pubs' predominantly wet-led offering is highly complementary to Young's, and fits Young's strategy to operate premium, individual and differentiated pubs and bedrooms.

The highly complementary nature of the Transaction is expected to allow the Combined Group to take advantage of strategic, operational and financial benefits. In particular:

- Young's notes City Pubs' head office costs in the 52 weeks ended 25 December 2022 of £5.6 million and believes it will be able to integrate the two estates, and operate the incremental pubs and bedrooms, with very limited additional overheads;
- the Transaction is expected to generate margin benefits including through purchasing synergies with an approximate gross margin differential of 3 per cent. between Young's (as at 3 April 2023) and City Pubs (as at 25 December 2022); and
- Young's believes it will also be able to achieve additional operational synergies at pub level by leveraging its best-in-class operating practices, scale and booking platforms and digital technology, while also enhancing the customer experience.

Taking into account the significant anticipated operational synergies, the impact of City Pubs' recent acquisitions of two pubs with an estimated combined EBITDA of £0.6 million, as well as the disposals of three loss-making pubs in City Pubs' current financial year, the Transaction represents an opportunity to acquire a portfolio of high-quality pubs and bedrooms at a pub-level EBITDA multiple lower than Young's would generally expect were it to acquire similar high quality freehold pubs and bedrooms on an individual basis. The synergy benefits are expected to be largely achieved over two years with exceptional costs weighted towards the first year.

City Pubs' predominantly freehold portfolio of premium, individual and well-invested pubs and bedrooms presents an attractive opportunity for Young's to drive future growth. Through operational alignment with the broader Young's estate, Young's anticipates increased like-for-like food, drink and bedroom sales across the City Pubs estate, while continuing Young's strategy of consistent year-on-year investment at attractive returns in its pubs and bedrooms.

The Transaction will strategically expand Young's presence in prime locations across London and the south of England. Young's will continue to be dedicated to creating a pub and room business, growing its team, valuing the environment, and making a positive mark on the communities it is at the heart of. The addition of City Pubs' 240² well-invested bedrooms across London and the south of England will enhance Young's high-quality customer offering.

The culture of Young's and City Pubs' businesses are closely aligned, both championing an entrepreneurial approach, underpinned by strong ambience and customer service and facilitated by supportive and engaging team members. The City Pubs estate therefore closely fits Young's strategy to operate premium, individual and differentiated pubs and bedrooms. The Young's Directors recognise the value of City Pubs' strong customer relationships and trusted teams, as well as the attractive growth opportunities that City Pubs has been pursuing; particularly, the consistent investments made to improve the estate (most notably the addition of nine pubs which operate under the Mosaic name, in which City Pubs has acquired a controlling and approximate economic interest of 53 per cent., and the two recently acquired pubs in London and Oxford). City Pubs' track

¹ Includes the nine Mosaic Pubs in which City Pubs has a controlling and approximate economic interest of 53 per cent.

² Includes 15 bedrooms from Mosaic Pubs in which City Pubs has a controlling and approximate economic interest of 53 per cent.

record and expertise provides the Young's Directors with confidence that the Transaction will help deliver on a local, customer-focused strategy for the Combined Group.

The Transaction therefore represents a significant opportunity to accelerate Young's existing growth strategy and create value for all stakeholders of the Combined Group. In particular, Young's notes that the Transaction is expected to be earnings enhancing in the first full year of ownership, retaining a strong balance sheet with a target to return to below 2.5x leverage over the short to medium term (on a pre-IFRS 16 basis).

4. Background to and reasons for the City Pubs Directors' recommendation

Despite the ongoing challenges faced by the pub sector and the broader macroeconomic environment, the City Pubs Board is pleased with City Pubs' resilient operational and financial progress in recent years and (as set out in the City Pubs Interim Results) the 12.4 per cent. like-for-like sales achieved in the first 38 weeks of the current financial year. The City Pubs Board believes that City Pubs continues to deliver on the strategy set at the time of its 2017 IPO, of growing its estate over time through acquisitions and driving returns through operational excellence. In addition, with its focus on predominantly freehold property and the well-invested nature of its estate, City Pubs has strong asset backing and, with net debt at 25 June 2023 of £5.2 million at a historically low level, the City Pubs Board believes City Pubs has amongst the lowest gearing in the sector.

As a result, the City Pubs Board is confident that the City Pubs Group is well-positioned to create shareholder value as an independent business over the longer term within an improving UK economy. However, the City Pubs Board would also highlight that as the economy continues to adjust to higher interest rates, and with competition to acquire high-quality premium pubs in the right locations remaining high, it has had to adopt a more measured approach to the City Pubs Group's expansion than it would ideally have liked. As a result, City Pubs' head office costs as a percentage of sales are currently high relative to the scale of City Pubs and rising costs and the ongoing imposition of duty and business rates taxes continue to put pressure on margins.

The City Pubs Board has continually sought ways of creating value and liquidity for City Pubs Shareholders against the backdrop of challenging stock market conditions which, in the City Pubs Board's opinion, undervalues the City Pubs Shares and provided limited opportunities for City Pubs Shareholders to realise their investment.

In light of the above, on 5 October 2022, the City Pubs Board commenced a programme to buy back City Pubs Shares (which was extended in September 2023, and subsequently terminated on 16 November 2023 following the announcement of the Transaction) (the "**City Pubs Share Buy-Back Programme**"). In aggregate, the City Pubs Share Buy-Back Programme repurchased a total of 1,920,279 City Pubs Shares at an average price of 84 pence per City Pubs Share, returning approximately £1.6 million to City Pubs Shareholders by 15 November 2023 (being the last Business Day prior to the Announcement Date and termination of the City Pubs Share Buy Back Programme).

The average daily volume traded in City Pubs Shares during the period from the commencement of the City Pubs Share Buy-Back Programme to 15 November 2023 (being the last Business Day prior to the Announcement Date) was 109,928 City Pubs Shares, including the City Pubs Shares repurchased by City Pubs pursuant to the City Pubs Share Buy-Back Programme. This low level of liquidity has made it challenging for City Pubs Shareholders to monetise their holdings through the market, should they wish to do so.

Whilst the City Pubs Board has confidence in its standalone strategy for City Pubs, it is cognisant of the material premium that the Transaction represents against the prevailing risk for small consumer-facing businesses with exposure to macroeconomic uncertainties. The City Pubs Board has, therefore, reached the conclusion that the cash certainty and ongoing exposure to the Combined Group provided by the Transaction, which is the culmination of a number of proposals received from and negotiated with Young's, provide City Pubs Shareholders with a significant acceleration to potential value creation, reduced operational execution risk and ongoing upside potential which, the City Pubs Board believes, represents an attractive risk-adjusted outcome for City Pubs Shareholders, compared to a continued holding in an independent City Pubs.

The City Pubs Board highlights that the premium offered by the terms of the Transaction represents approximately:

- 46 per cent. to the Closing Price of 99 pence per City Pubs Share on 15 November 2023 (being the last Business Day prior to the Announcement Date); and
- 65 per cent. to the volume weighted average Closing Price of 88 pence per City Pubs Share over the 3 months ended on 15 November 2023 (being the last Business Day prior to the Announcement Date).

The City Pubs Board notes that 75 per cent. of the Consideration is payable in cash, which provides City Pubs Shareholders with the near-term opportunity to realise a significant proportion of their otherwise relatively illiquid shareholdings in City Pubs in cash at a material premium which reflects an attractive multiple.

The City Pubs Board further notes that 25 per cent. of the Consideration is payable in New Young's A Shares, which provides City Pubs Shareholders with ongoing participation in the expected success of the Combined Group. Immediately following completion of the Transaction, City Pubs Shareholders will represent approximately 6 per cent. of the Combined Group in terms of economic entitlement (and 10 per cent. of the Combined Group's voting rights) and will benefit from a more liquid shareholding in a relatively large and well-capitalised group.

The City Pubs Board acknowledges the strength of the strategic rationale in Young's acquiring City Pubs (as outlined by Young's in paragraph 3 of this letter) and recognises the advantages to City Pubs of being part of a larger, highly complementary and well-regarded group. The City Pubs Board anticipates that the combination of City Pubs and Young's, a business with a long established and strong culture and an approach City Pubs has long admired, represents a significant opportunity to accelerate Young's existing growth strategy and to create value for all stakeholders of the Combined Group. The City Pubs Board notes that the Transaction is expected by Young's to be earnings enhancing in the first full year of ownership.

In summary, the City Pubs Board believes that the Transaction offers an attractive risk-adjusted outcome for City Pubs Shareholders, relative to City Pubs' prospects as a standalone business.

In addition to the financial terms of the Transaction, in its evaluation of Young's as a suitable owner of City Pubs from the perspective of all City Pubs stakeholders, the City Pubs Board has also taken into account Young's intentions for the business, management and employees and other stakeholders of City Pubs, as set out in paragraph 7 of this letter.

The City Pubs Board is delighted that Young's places great importance on the depth of skillsets, expertise and experience of the employees of City Pubs and recognises that employees of City Pubs will be key to the future success of the Combined Group. Furthermore, the City Pubs Board is also pleased that Young's has stated that it holds City Pubs' premium, well-invested and wet-led approach in high regard and considers the Transaction to represent a significant opportunity to accelerate Young's existing growth strategy and create value for all stakeholders of the Combined Group.

The City Pubs Board acknowledges that, following the Effective Date, as part of its assessment of potential overhead synergies, Young's intends to identify areas of overlap of roles currently undertaken by Young's and City Pubs personnel, and that this is expected to result in a headcount reduction including in certain of City Pubs' management (including the executive directors of the City Pubs Board), corporate and support functions. The City Pubs Board notes that Young's does not intend there to be any material reduction in headcount among City Pubs' highly trained pub and bedrooms teams. Whilst the City Pubs Board regrets the necessity for any headcount reductions, it acknowledges the likely benefits to City Pubs in the next phase of its growth by becoming part of the Combined Group, and anticipates ongoing City Pubs employees will be able to benefit from potential new opportunities within the Combined Group.

5. Irrevocable undertakings and letter of intent

Each of the City Pubs Directors has given to Young's an irrevocable undertaking to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or in the event that the Transaction is implemented by way of an Offer, to accept or procure the acceptance of such Offer) in respect of their entire beneficial holdings of, in aggregate, 5,260,351 City Pubs Shares, representing, in aggregate, approximately 5.0 per cent. of the total issued share capital of City Pubs as at the close of business on the Last Practicable Date.

In addition to the irrevocable undertakings from the City Pubs Directors, Young's has received:

- irrevocable undertakings to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and Resolution to be proposed at the General Meeting (or, in the event that the Transaction is implemented by way of an Offer, to accept or procure the acceptance of such Offer) from Gresham House Asset Management Ltd, Otus Capital Management Limited and Unicorn Asset Management Limited ("**Unicorn**") in respect of a total of 18,626,192 City Pubs Shares in aggregate and representing approximately 17.8 per cent. of City Pubs' total issued ordinary share capital as at the close of business on the Last Practicable Date; and
- a letter of intent to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Transaction is implemented by way of an Offer, to accept or procure the acceptance of such Offer) from Canaccord Genuity Asset Management LTD in respect of 8,421,315 City Pubs Shares and representing approximately 8.1 per cent. of City Pubs' total issued ordinary share capital as at the close of business on the Last Practicable Date.

Accordingly, Young's has received irrevocable undertakings and a letter of intent, including those irrevocable undertakings from the City Pubs Directors who own City Pubs Shares, in respect of, in aggregate, 32,307,858 City Pubs Shares representing approximately 30.9 per cent. of City Pubs' total issued ordinary share capital as at the close of business on the Last Practicable Date.

On 23 November 2023, Unicorn announced that it had sold 700,000 City Pubs Shares subject to the irrevocable undertaking originally provided by Unicorn to Young's in respect of the Transaction. The irrevocable undertaking provided by Unicorn now applies in respect of the 2,875,370 City Pubs Shares held by Unicorn representing approximately 2.8 per cent. of the issued ordinary share capital of City Pubs at the Last Practicable Date. Accordingly, all references to the irrevocable undertaking provided by Unicorn in this document reflect this revised number of City Pubs Shares.

On 6 December 2023, Otus announced that it had sold 1,599,783 City Pubs Shares subject to the irrevocable undertaking provided by Otus to Young's in respect of the Transaction. The irrevocable undertaking originally provided by Otus now applies in respect of the 9,981,054 City Pubs Shares held by Otus representing approximately 9.5 per cent. of the issued ordinary share capital of City Pubs at the Last Practicable Date. Accordingly, all references to the irrevocable undertaking provided by Otus in this document reflect this revised number of City Pubs Shares.

Further details of these irrevocable undertakings (including the circumstances in which they fall away) are set out in paragraph 8 of Part VII (Additional Information) of this document.

6. Property Valuation Report

The City Pubs Interim Results, announced on 21 September 2023, contained a statement from the City Pubs Directors as follows:

"The Directors' valuation of the pub estate, now including the Mosaic Pubs, is c.£171 million."

City Pubs' portfolio of 53³ properties including the full ownership value of Mosaic Pubs (the "**Estate**") has been subsequently valued by CBRE acting as an external valuer as defined by the RICS Valuation – Global Standards (2022) (the "**Red Book**"). As at 29 November 2023 the Estate was valued by CBRE on the basis of market value (as defined by the Red Book) at an aggregate of £182,585,000 (the "**CBRE Valuation**"). The CBRE Valuation is contained within the Property Valuation Report set out in Part VI (Property Valuation Report) of this document. The Property Valuation Report is included in this document in accordance with Rule 29 of the Takeover Code.

For the purposes of Rule 29.5 of the Takeover Code, the City Pubs Directors confirm that CBRE has confirmed to them that an updated valuation of the Estate as at the date of this document would not be materially different to the CBRE Valuation.

Rule 29.6 of the Code requires that this document contain an estimate by the City Pubs Directors of the amount of any potential tax liability ("**Estimated Tax Liability**") which would arise if all of City Pubs' interests in the Estate were to be sold at the amount of the valuation set out in Part VI (Property Valuation Report) ("**Disposal**") and a comment as to the likelihood of any such liability

³ The Estate includes three properties which are not currently trading as public houses and therefore are excluded from the 50 trading pubs referred to in paragraph 3 of this letter.

crystallizing. The City Pubs Directors are unable to calculate the amount of any potential tax liability for the following key reasons:

- The Estate is held by a number of subsidiaries within the City Pubs Group and includes the Mosaic Pubs for which City Pubs has a controlling and approximate economic interest of 53 per cent. Calculating the Estimated Tax Liability for a Disposal would require splitting out the Estate into the interests of individual subsidiaries and an individual assessment of those subsidiaries' tax computations.
- The City Pubs Group has made numerous acquisitions of properties since its incorporation, none of which were made with a view to a later disposal. Accordingly, details of the taxable acquisition value of those properties may not be readily available to City Pubs. This significantly complicates the calculation of the Estimated Tax Liability in respect of those properties, and by extension for the Estate as a whole.
- To date, the City Pubs Directors have operated City Pubs with an objective of growing an estate of premium, unbranded, individualised pubs and not with a view to disposing of the Estate as a whole. The limited number of disposals of pubs made by City Pubs to date have been carried out on a small scale and resulting tax liabilities have been calculated on an individual basis for each disposal.
- If the Disposal were to give rise to an overall capital gain, City Pubs might be able to utilise capital losses in the City Pubs Group to offset that gain and shelter all / some of it from tax. The quantum and availability of capital losses would need to be assessed at the relevant time, and in light of the particular circumstances, of any Disposal.
- Capital allowances in respect of each property in the Estate are volatile in nature and vary from year-to-year. In addition, the actual capital allowances position that would result from a Disposal would depend on the final commercial agreements with the buyers of the Estate, which cannot be included accurately in a hypothetical calculation.

In light of the above the Takeover Panel has consented to the City Pubs Directors not including an Estimated Tax Liability for the purposes of Rule 29.6 of the Takeover Code. City Pubs notes that if a gain did arise on a Disposal this would be subject to corporation tax, currently at a rate of 25 per cent., subject to the availability of any reliefs such as capital losses.

7. Intentions of Young's for the City Pubs business

Young's strategic plans for City Pubs

As set out in paragraph 3 of this letter, City Pubs' portfolio of individual and well-invested pubs and bedrooms is highly complementary to Young's existing estate and presents a compelling opportunity for Young's to enhance the customer experience across the combined estate. As such, Young's believes the opportunity offered by the expanded portfolio, and the highly complementary cultures and history of the two businesses, will accelerate Young's existing growth strategy and provide a platform for future growth to benefit all stakeholders of the Combined Group.

To help deliver on the optimal business plan for the Combined Group following the Effective Date, and align the pubs and bedrooms to Young's existing estate, Young's intends to:

- use its extensive experience of managing premium pubs and bedrooms to help generate revenue upside through operational alignment of the two estates;
- identify areas of duplication or overlap across the Combined Group to deliver on purchasing, operational and overhead synergies, as well as other efficiency improvements and productivity enhancements;
- seek to align the supply chain of City Pubs with Young's;
- review optimal capital and resource allocation across the combined estate (expected to be completed within the period of approximately six months from the Effective Date), which may, following such exercise, result in the re-allocation of investment between properties, and/or the rationalisation of certain parts of the combined estate; and
- carry out a review of the City Pubs estate and the positioning of the relevant pubs and bedrooms within their local markets (expected to be completed within the period of

approximately six months from the Effective Date) and, if appropriate in light of Young's overall strategy, re-position certain of the acquired properties.

Management, employees and pensions

Young's places great importance on the depth of skillset, expertise and experience of the employees of City Pubs and recognises that the employees of City Pubs will be key to the future success of the Combined Group. Young's welcomes the opportunity to incorporate the skills and experience of these employees into the Combined Group, and anticipates that City Pubs employees will be able to benefit from potential new opportunities within the Combined Group following the Effective Date.

Young's confirms that the existing contractual and statutory employment rights of all City Pubs management and employees will be safeguarded in accordance with applicable law. Young's also intends to carry out a review for the purposes of, where possible, aligning the terms and conditions of employment of City Pubs employees with those of Young's.

Young's also does not intend to make any change to the level of contributions payable to, or value of risk benefits under, City Pubs' defined contribution pension arrangements or the admission of new members or accrual of benefits to existing members. No member of the City Pubs Group participates in any defined benefit pension scheme.

As stated above, following the Effective Date, Young's intends to review the operations of the City Pubs estate to assess the potential for overheads synergies. This will include an assessment of any overlap of roles currently undertaken by Young's and City Pubs personnel. In particular, certain of City Pubs' management (including the executive directors of the City Pubs Board), corporate and support functions, including in relation to City Pubs' status as an AIM-listed publicly traded company, may no longer be required on a standalone basis, or else may be reduced in scope. This is expected to result in a headcount reduction, expected to be significant in those areas but limited in number relative to City Pubs' wider employee headcount. Given the strategic fit and cultural alignment between the two businesses' operations (and subject to its review of optimal capital and resource allocation across the combined estate referred to above under the heading "*Young's strategic plans for City Pubs*"), Young's does not intend there to be any material reduction in headcount to City Pubs' highly trained pub and bedrooms teams.

At this stage, no final decisions have been made in relation to the extent or composition of headcount reductions. The evaluation and implementation of any headcount reductions will be subject to all necessary information and consultation requirements in accordance with the legal obligations of the Combined Group.

Young's acknowledges the experience and quality of the leadership skills of the City Pubs Board. However, in light of the overlap with Young's existing board, it is expected that each of the Executive City Pubs Directors will leave their employment with City Pubs. In addition, it is intended that each Non-Executive City Pubs Director shall resign from their office with effect from the Effective Date.

Save as set out above, Young's does not currently intend to make any material change in the balance of skills and functions of the City Pubs management and employees.

Management incentive arrangements

Young's intends to review the management, governance and incentive structures of City Pubs. As at the date of this document, Young's has not entered into, and has not had discussions or proposals to enter into, any form of incentivisation arrangements with members of City Pubs' management. Young's also does not expect to enter into, or have discussions or proposals to enter into, any such arrangements with members of City Pubs' management prior to the Effective Date.

Headquarters, locations, research and development and fixed assets

Young's intends for the headquarters of the Combined Group to be at Young's existing head office in London. As such, Young's intends, following a transition period, to terminate the lease on City Pubs' existing headquarters in London (29 Foley Street, London W1W 7TH). Subject to the plan for City Pubs' existing headquarters, and the carrying out of its review of optimal capital and resource allocation across the combined estate (referred to above under the heading "*Young's strategic plans*"),

for City Pubs”), Young’s does not otherwise intend to undertake any material restructuring or change in the locations of City Pubs’ or Young’s fixed assets or places of business.

City Pubs has no research and development function and Young’s has no plans in this regard.

Trading facilities

The City Pubs Shares are currently admitted to trading on AIM. As described in paragraph 13 of Part II (Explanatory Statement) of this document, prior to the Effective Date, it is intended that applications will be made to the London Stock Exchange for admission of the City Pubs Shares to trading on AIM to be cancelled with effect from or shortly following the Business Day after the Effective Date. It is also intended that City Pubs will be re-registered as a private limited company and for this to take effect as soon as practicable following the Effective Date.

No statements in this paragraph 7 constitute “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

8. Deferred Shares

On 4 December 2023, City Pubs purchased, and cancelled, all of the Deferred Shares for an aggregate consideration of one penny paid to one of the holders of the Deferred Shares selected by lot. The Deferred Shares will not form part of the Transaction or the Scheme.

9. City Pubs Share Plans

The Transaction will affect City Pubs Share Plan Participants. In summary, Young’s and City Pubs have agreed that Young’s, where applicable, will make appropriate proposals to the City Pubs Share Plan Participants in accordance with Rule 15 of the Takeover Code.

Further details of these proposals are contained in separate documentation being sent to City Pubs Share Plan Participants on or around the same date as this document, and are summarised in paragraph 7 of Part II (Explanatory Statement) of this document.

10. Dividends

If any dividend, distribution and/or other form of capital return is announced, declared, made, paid or becomes payable by City Pubs in respect of the City Pubs Shares on or after the Announcement Date and prior to the Effective Date, Young’s reserves the right to (at the sole discretion of Young’s) reduce the Consideration by the amount of all or part of any such dividend, distribution and/or other form of capital return. If (but only to the extent) Young’s exercises this right or makes such a reduction in respect of a dividend, distribution and/or other form of capital return, City Pubs Shareholders would be entitled to receive and retain the relevant portion of any such dividend, distribution and/or other form of capital return (as applicable).

11. Overseas Shareholders

Overseas Shareholders should refer to paragraph 18 of Part II (Explanatory Statement) of this document, which contains important information relevant to such holders.

12. United Kingdom taxation

Your attention is drawn to paragraph 17 of Part II (Explanatory Statement) of this document headed “United Kingdom taxation”. Although this document contains certain tax-related information, it is intended only as a general guide and does not constitute tax advice. Accordingly, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

13. Actions to be taken by City Pubs Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by City Pubs Shareholders in respect of the Scheme are set out on pages 9 to 12 and in paragraph 19 of Part II (Explanatory Statement) of this document.

14. Further information

You are advised to read the whole of this document and not just rely on the summary information contained in this letter or the Explanatory Statement.

Your attention is drawn in particular to the further information contained in Part II (Explanatory Statement), Part III (Conditions to the implementation of the Scheme and to the Transaction), Part IV (The Scheme of Arrangement) and Part VII (Additional Information) and the notices of the Meetings set out in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting) of this document, which provides further details concerning the Scheme.

A copy of this document (and all information incorporated into this document by reference to another source), as well as all the documents required to be published by Rule 26 of the Takeover Code are and will be available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection on the website of City Pubs at <https://www.citypubcompany.com/investors/> and the website of Young's at <https://www.youngs.co.uk/investors>.

15. Recommendation

The City Pubs Directors, who have been so advised by Houlihan Lokey and Liberum as to the financial terms of the Transaction, consider the terms of the Transaction to be fair and reasonable. In providing their advice to the City Pubs Directors, Houlihan Lokey and Liberum have taken into account the commercial assessments of the City Pubs Directors. Houlihan Lokey and Liberum are providing independent financial advice to the City Pubs Directors under Rule 3 of the Takeover Code.

Accordingly, the City Pubs Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that City Pubs Shareholders vote in favour of the Resolution to be proposed at the General Meeting as the City Pubs Directors, who are interested in City Pubs Shares, have irrevocably undertaken to do in respect of their entire beneficial holdings of 5,260,351 City Pubs Shares (representing, in aggregate, approximately 5.0 per cent. of the total issued share capital of City Pubs as at the close of business on the Last Practicable Date), as more fully described in paragraph 8 of Part VII (Additional information) of this document.

Yours faithfully,

Clive Watson

Executive Chairman

The City Pub Group plc

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)



Houlihan Lokey

Houlihan Lokey UK Limited
One Curzon Street
London W1J 5HD

LIBERUM

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY

13 December 2023

To City Pubs Shareholders and, for information only, to City Pubs Share Plan Participants

Dear City Pubs Shareholder,

RECOMMENDED ACQUISITION OF CITY PUBS BY YOUNG'S

1. 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 is to be implemented by means of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court.

Your attention is drawn to the letter from the Chairman of City Pubs set out in Part I (Letter from the Chairman of City Pubs) of this document, which forms part of this Explanatory Statement. The letter contains, among other things: (a) information on the background to and reasons for the Transaction; and (b) the unanimous recommendation by the City Pubs Directors that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that City Pubs Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

The City Pubs Directors, who have been so advised by Houlihan Lokey and Liberum as to the financial terms of the Transaction, consider the terms of the Transaction to be fair and reasonable. In providing their advice to the City Pubs Directors, Houlihan Lokey and Liberum have taken into account the commercial assessments of the City Pubs Directors. Houlihan Lokey and Liberum are providing independent financial advice to the City Pubs Directors under Rule 3 of the Takeover Code.

Accordingly, the City Pubs Directors recommend unanimously that the Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that City Pubs Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the City Pubs Directors, who are interested in City Pubs Shares, have irrevocably undertaken to do in respect of their entire beneficial holdings of City Pubs Shares.

We have been authorised by the City Pubs Directors to write to you to explain the terms of the Transaction and the Scheme and to provide you with other relevant information. In giving our advice, neither Houlihan Lokey nor Liberum is advising the City Pubs Directors in relation to the Transaction and is not acting for any City Pubs Director in their personal capacity nor for any City Pubs Shareholder in relation to the Transaction. Neither Houlihan Lokey nor Liberum will be responsible to any such person for providing the protections afforded to our clients or for advising any such person in relation to the Transaction. In particular, neither Houlihan Lokey nor Liberum owes any duties or responsibilities to any particular City Pubs Shareholder concerning the Transaction.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part IV (The Scheme of Arrangement) of this document. Your attention

is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part I (Letter from the Chairman of City Pubs), the Conditions and certain further terms set out in Part III (Conditions to the implementation of the Scheme and to the Transaction) and the additional information set out in Part VII (Additional Information) of this document.

2. Summary of the terms of the Transaction

Under the terms of the Transaction, City Pubs Shareholders will be entitled to receive:

**for each City Pubs Share: 108.75 pence in cash
and
0.032658 New Young's A Shares**

Based upon the Closing Price of a Young's A Share of 1,110 pence on 15 November 2023, being the last Business Day prior to the Announcement Date, the Transaction represents a total implied value of 145 pence per City Pubs Share, valuing the entire issued and to be issued ordinary share capital of City Pubs at approximately £162 million.

The terms of the Transaction represent a premium of approximately:

- 46 per cent. to the Closing Price of 99 pence per City Pubs Share on 15 November 2023 (being the last Business Day prior to the Announcement Date); and
- 65 per cent. to the volume weighted average Closing Price of 88 pence per City Pubs Share over the 3 months ended 15 November 2023 (being the last Business Day prior to the Announcement Date).

Under the terms of the Transaction, City Pubs Shareholders will, in aggregate, receive approximately 3,612,894 New Young's A Shares. Immediately following completion of the Transaction, existing Young's Shareholders will represent approximately 94 per cent. of the Combined Group in terms of economic entitlement (and 90 per cent. of the Combined Group's voting rights) and City Pubs Shareholders will represent approximately 6 per cent. of the Combined Group in terms of economic entitlement (and 10 per cent. of the Combined Group's voting rights).

The New Young's A Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Young's A Shares in issue at the time the New Young's A Shares are issued pursuant to the Transaction, including in respect of the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date. The holders of the Young's A Shares and the holders of the New Young's A Shares shall also each have the right to receive notices of general meetings of Young's and to attend, speak and vote at them; those rights do not apply to the Young's Non-Voting Shares. However, the Young's Non-Voting Shares are treated equally with the Young's A Shares and shall be treated equally with the New Young's A Shares for all purposes of participation in profits or assets. Irrespective of the date on which the Effective Date falls, City Pubs Shareholders who receive New Young's A Shares pursuant to the Scheme shall not be entitled to receive any final dividend or interim dividend declared or paid by Young's by reference to a record date falling prior to the Effective Date. Applications will be made to the London Stock Exchange for the New Young's A Shares to be admitted to trading on AIM.

If any dividend, distribution and/or other form of capital return is announced, declared, made, paid or becomes payable by City Pubs in respect of the City Pubs Shares on or after the Announcement Date and prior to the Effective Date, Young's reserves the right to (at the sole discretion of Young's) reduce the Consideration by the amount of all or part of any such dividend, distribution and/or other form of capital return. If (but only to the extent) Young's exercises this right or makes such a reduction in respect of a dividend, distribution and/or other form of capital return, City Pubs Shareholders would be entitled to receive and retain the relevant portion of any such dividend, distribution and/or other form of capital return (as applicable).

In the event that the Transaction is to be implemented by way of an Offer, City Pubs Shares will be acquired, pursuant to the Offer, fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and

together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

The Transaction is expected to become Effective in Q1 2024, subject to the satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document, with the New Young's A Shares expected to be admitted to trading on AIM on the Business Day following the Effective Date.

3. Financial effects of the Transaction

On Young's and the Combined Group

Following the Transaction becoming Effective, the earnings, assets and liabilities of the City Pubs Group will be incorporated into the consolidated earnings, assets and liabilities of the Young's Group. The consolidated earnings, assets and liabilities of the Combined Group would thereby be altered accordingly. In addition, the consolidated liabilities of the Young's Group would also be increased to reflect the borrowings incurred in order to fund the Transaction (plus any related accrued interest payable).

Further details of the effect of the Transaction on the Young's Group and the Combined Group are set out in paragraph 3 of Part I (Letter from the Chairman of City Pubs) of this document.

Financial effect of the Transaction on City Pubs Shareholders

If the Transaction completes, Scheme Shareholders will be entitled to receive 108.75 pence in cash and 0.032658 New Young's A Shares per City Pubs Share.

The following table shows, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects of the Transaction on the capital value and income for a holder of one City Pubs Share, receiving the Consideration.

Column (A) is based on the Closing Price of Young's A Shares and City Pubs Shares on the Last Practicable Date.

Column (B) is based on the Closing Price of Young's A Shares and City Pubs Shares on 15 November 2023 (being the last Business Day prior to the Announcement Date).

<i>Illustrative effect on capital value of one City Pubs Share</i>	(A)	(B)
Cash Consideration payable under the Transaction ⁽¹⁾	108.75 pence	108.75 pence
Value of 0.032658 New Young's A Shares ⁽²⁾	35.11 pence	36.25 pence
Total value of the consideration payable under the Transaction	143.86 pence	145.00 pence
Less: market value of one City Pubs Share ⁽³⁾	136.50 pence	99.00 pence
Illustrative increase in capital value	7.36 pence	46.00 pence
<i>Representing an increase in capital value of approximately⁽⁴⁾</i>	<i>5 per cent.</i>	<i>46 per cent.</i>
<i>Illustrative effect on gross income of one City Pubs Share</i>		
Gross annual dividend income from 0.032658 New Young's A Shares ⁽⁵⁾	0.67 pence	0.67 pence
Gross income from reinvestment of the Cash Consideration ⁽⁶⁾	2.08 pence	2.01 pence
Total gross income under the terms of the Transaction in respect of one City Pubs Share	2.75 pence	2.68 pence
Less: gross dividend income from one City Pubs Share ⁽⁷⁾	0.00 pence	0.00 pence
Illustrative increase in gross income	2.75 pence	2.68 pence

Notes:

(1) Based on the Cash Consideration of 108.75 pence per City Pubs Share.

(2) The values of 0.032658 New Young's A Shares of 35.11 pence (in Column A), and of 36.25 pence (in Column B), implied by the terms of the Transaction, are calculated based on the Closing Prices per Young's A Share of:

(a) 1,075.00 pence per Young's A Share on the Last Practicable Date; and

(b) 1,110.00 pence per Young's A Share on 15 November 2023 (being the last Business Day prior to the Announcement Date) multiplied, respectively, by 0.032658.

(3) Based, respectively, on the Closing Price of a City Pubs Share of (a) 136.50 pence on the Last Practicable Date (in Column A) and of (b) 99.00 pence on 15 November 2023 (being the last Business Day prior to the Announcement Date) (in Column B).

- (4) Calculated as the increase in capital value as a proportion of the market value of one City Pubs Share in percentage terms.
- (5) The gross dividend income from 0.032658 New Young's A Shares is based on the aggregate gross dividends of 20.52 pence per Young's A share paid in respect of the financial year ended 3 April 2023 multiplied by 0.032658.
- (6) Based on the proportionate income received for the 12-month period ended 3 April 2023 as a result of using the Cash Consideration to purchase Young's A Shares at a Closing Price per Young's A Share of:
 - (a) in the case of Column A, 1,075.00 pence per Young's A Share on the Last Practicable Date; and
 - (b) in the case of Column B, 1,110.00 pence per Young's A Share on 15 November 2023 (being the last Business Day prior to the Announcement Date).
- (7) City Pubs Group paid no dividends in the financial years of 2021 and 2022.

City Pubs Shareholders should note that the value of the consideration they will ultimately receive for their City Pubs Shares pursuant to the Transaction will depend upon the market value of the New Young's A Shares received by them following the Effective Date.

4. Information relating to Young's

General

Young's is an AIM-listed owner and operator of 229 managed trading pubs based across London and the south of England. The estate is predominantly freehold with a premium, wet-led proposition. Young's pubs and bedrooms aim to sit at the heart of their local communities, with an award-winning design and excellence in ambience as well as in service and location. The individuality of each of the premises provides a distinctive and memorable feel and the people who work in them have pride and passion for the work they do. Young's looks to create long-term sustainable growth through strategic investments in the estate, people and communities, delivering value for all stakeholders.

Current trading and prospects

In its unaudited interim results for the 26 weeks ended 2 October 2023, Young's included the following statements on current trading and the outlook for Young's:

"Recent trading continues to perform well and in line with our expectations. Total sales for the last six weeks are up by 5.8% and up by 3.3% on a like-for-like basis. The Rugby World Cup has bolstered trading and propelled Guinness sales to new highs as customers cheered on their home nations. Christmas bookings are already looking strong, supported by the significant investments we have made in our existing estate and the addition of fantastic premium freehold pubs.

...the business is operationally cash generative with a robust balance sheet. We remain focused on maintaining our premium position within the pub and bedrooms sector and are confident in our winning strategy of operating premium, individual and well-invested managed pubs and bedrooms, crucial to our continuing success and the delivery of superior returns for our shareholders."

A copy of the interim results, announced on 16 November 2023, is incorporated into this document by reference and is available on the Young's website at:

<https://www.youngs.co.uk/youngs/uploads/sites/2/2023/11/2023-interim-report.pdf>.

5. Information relating to City Pubs

General

City Pubs, which was founded by Clive Watson (the Executive Chairman of City Pubs) in 2011, owns and operates an estate of premium, unbranded, individualised pubs. The City Pubs Shares were admitted to trading on AIM in November 2017, at which time City Pubs owned and managed a portfolio of 34 premium pubs. Since then, City Pubs has grown both organically and by acquisition, acquiring high quality, predominantly wet-led pubs, complemented by a strong food proposition. City Pubs has also invested in outside spaces and gardens as well as appointed accommodation.

As at 15 November 2023 (being the last Business Day prior to the Announcement Date), and following the disposal of three pubs during the current financial year, the City Pubs Group's pub estate, including the Mosaic Pubs, comprised 50 managed trading pubs, located predominantly in London and in affluent cities and market towns across the south of England and Wales, of which 33 were freehold and 17 leasehold and with 240³ rooms for accommodation. In the 52 weeks

³ Includes 15 bedrooms from Mosaic Pubs in which City Pubs has a controlling and approximate economic interest of 53 per cent.

ended 25 June 2023, the three pubs disposed of recorded aggregate operating losses of approximately £0.54 million.

City Pubs has control of, as well as an approximate 53 per cent. economic interest in, the Mosaic Pubs which are located in London and Birmingham. Four of the Mosaic Pubs are operated directly by City Pubs and operationally integrated into its estate. The other five Mosaic Pubs, while under City Pubs' control, are currently managed through a separate management company, but are in the process of being integrated into the City Pubs Group estate.

For the 52 weeks ended 25 December 2022 (“**FY22**”), the City Pubs Group recorded audited revenue of £57.8 million (2021: £35.4 million) and adjusted EBITDA (post IFRS 16) of £10.1 million (2021: £5.9 million). Head office costs in FY22 were approximately £5.6 million and are expected to be similar in the current financial year.

Current trading and prospects

On 21 September 2023, City Pubs announced its unaudited financial statements for the 26 weeks ended 25 June 2023 (the “**City Pubs Interim Results**”). A copy of the City Pubs Interim Results is incorporated by reference into this document and available on the City Pubs website at <https://www.citypubcompany.com/wp-content/uploads/sites/77/2023/10/THE-CITY-PUB-GROUP-INTERIM-REPORT-2023.pdf>.

The City Pubs Interim Results included the following statement on the outlook for City Pubs:

“The Company is in a strong position with very low net debt and what we believe is amongst the lowest gearing in the sector. We look forward to a strong second half – Christmas bookings are significantly up and the Company is well placed to take advantage of new acquisition opportunities. The Mosaic estate has been integrated and is showing significant increases in LFL sales. The economy remains challenging but we are well placed to take advantage of any future upturn.”

The City Pubs Board remains confident that City Pubs can deliver results for the 53 weeks ending 31 December 2023 in line with its expectations.

6. Financing of the Transaction

Young's intends to finance the Cash Consideration payable to City Pubs Shareholders pursuant to the Transaction from new third party debt.

Young's entered into a new £130 million loan facilities agreement with Barclays Bank plc, HSBC UK Bank Plc and National Westminster Bank Plc on 16 November 2023 in connection with the financing of the Cash Consideration payable to City Pubs Shareholders pursuant to the Transaction (the “**Acquisition Facilities Agreement**”).

J.P. Morgan Cazenove, in its capacity as sole financial adviser to Young's, is satisfied that sufficient cash resources are available to Young's to satisfy in full the Cash Consideration payable to the City Pubs Shareholders pursuant to the Transaction.

Further information on the financing of the Transaction is set out in paragraph 7 of Part VII (Additional Information) of this document.

7. City Pubs Share Plans

The City Pubs Group operates the City Pubs Share Plans to reward and retain its employees.

City Pubs Share Plan Participants will be contacted separately on or around the date of this document regarding the effect of the Scheme on their rights under the City Pubs Share Plans and, where applicable, will be provided with details of the appropriate proposals being made by Young's in accordance with Rule 15 of the Takeover Code (“**Share Plan Letters**”).

A summary of the effect of the Scheme on the rights of the City Pubs Share Plan Participants and the proposals being made by Young's is set out below. In the event of any conflict between the summary set out below and the rules of the relevant City Pubs Share Plan, and/or the Share Plan Letters and/or the proposed amendments to the City Pubs Articles, the rules of the relevant City Pubs Share Plan, or the terms of the Share Plan Letters or the amendments to the City Pubs Articles, if approved at the General Meeting (as the case may be) will prevail.

Subject to the proposed amendments to the City Pubs Articles being approved at the General Meeting, the Scheme will apply to any City Pubs Shares (which would not otherwise be Scheme Shares) which are unconditionally allotted, issued or transferred to satisfy the exercise of options or other rights under the City Pubs Share Plans on or after the passing of the Resolution and before the Scheme Record Time.

Additionally, the proposed amendments to the City Pubs Articles will mean that any City Pubs Share allotted and issued (or transferred from treasury) on or after either:

- (a) the date of this document, but prior to the Scheme Record Time, pursuant to the exercise of any 2022 CSOP Option which continues to be held at the Scheme Record Time by the participant to whom it was issued pursuant to the exercise of any 2022 CSOP Option; or
- (b) the Scheme Record Time to satisfy the exercise of any option under the City Pubs Share Plans (subject to the Scheme becoming Effective),

will be immediately transferred to Young's (and/or such other nominee(s) of Young's as it may determine) in exchange for the provision by Young's of either (i) if the City Pubs Share is issued pursuant to the exercise of a 2022 CSOP Option, the All Cash Consideration; or (ii) otherwise, the same Consideration due to City Pubs Shareholders under the Scheme.

Further information in respect of the proposed amendments to the City Pubs Articles is contained in the notice of the General Meeting in Part X (Notice of General Meeting) of this document.

City Pubs CSOP

All options granted under the City Pubs CSOP except the 2022 CSOP Options ("**Vested CSOP Options**") are currently exercisable, and, in consequence of the Transaction and in accordance with participants' contractual rights under the rules of the City Pubs CSOP, will remain exercisable until the date which falls six weeks after the Effective Date.

The 2022 CSOP Options will, in consequence of the Transaction and in accordance with participants' contractual rights under the rules of the City Pubs CSOP, become exercisable on the Effective Date, and may be exercised no later than six weeks after the Effective Date.

All options under the City Pubs CSOP will lapse six months following the date on which the Court sanctions the Scheme at the Court Sanction Hearing to the extent not exercised.

The exercise price of the options granted in 2018 under the City Pubs CSOP ("**2018 CSOP Options**") is significantly in excess of the value of the Consideration (as at the Last Practicable Date). Therefore, it is not expected that the 2018 CSOP Options will be exercised by participants, and it has been agreed by Young's and City Pubs that Young's will not make proposals under Rule 15 of the Takeover Code to the holders of the 2018 CSOP Options.

Under the appropriate proposal set out in the relevant Share Plan Letter relating to the City Pubs CSOP, participants are invited to exercise their options to the greatest extent possible conditional on: (i) in the case of the Vested CSOP Options, the Scheme being sanctioned by the Court; and (ii) in the case of the 2022 CSOP Options, the Scheme becoming Effective. If the holder of a Vested CSOP Option exercises their Vested CSOP Option in accordance with the proposal, any City Pubs Shares acquired will be issued or transferred to the participant (or their nominee) prior to the Scheme Record Time, and such City Pubs Shares will then be acquired by Young's for the Consideration pursuant to the Scheme. If City Pubs Shares are issued at or after the Scheme Record Time pursuant to the exercise of Vested CSOP Options, such City Pubs Shares will be acquired by Young's for the same Consideration as is due to City Pubs Shareholders under the Scheme pursuant to the City Pubs Articles (subject to the proposed amendments to the City Pubs Articles being approved at the General Meeting).

If the holder of a 2022 CSOP Option exercises their 2022 CSOP Option on or after the Effective Date (whether in accordance with the proposal or otherwise, and subject to the proposed amendments to the City Pubs Articles being approved at the General Meeting) any City Pubs Shares acquired will be issued to the participant (or their nominee), and such City Pubs Shares will be acquired by Young's for the All Cash Consideration pursuant to the City Pubs Articles.

It has been agreed by City Pubs and Young's that holders of 2022 CSOP Options will receive the All Cash Consideration, rather than the Consideration, in order that such holders may benefit from an exemption from income tax and National Insurance contributions on the exercise of their 2022

CSOP Options. Such exemption would not apply if the holder of a 2022 CSOP Option received a mixture of cash and share consideration on a disposal pursuant to the Transaction of the City Pubs Shares acquired on the exercise of their 2022 CSOP Option. If a 2022 CSOP Option becomes exercisable after the date of this document and prior to the Scheme Record Time, any City Pubs Shares that are issued or transferred from treasury prior to the Scheme Record Time to satisfy the exercise of such a 2022 CSOP Option, and which are retained by the holder of the 2022 CSOP Option at the Scheme Record Time, will (subject to the proposed amendments to the City Pubs Articles being approved at the General Meeting) be acquired by Young's on or after the Effective Date for the All Cash Consideration pursuant to the City Pubs Articles.

Although it is not envisaged that any income tax or National Insurance contributions will arise on the exercise of any options under the City Pubs CSOP in connection with the Transaction, if any National Insurance contributions liability does arise the City Pubs Remuneration Committee has determined that it will not require the participant to pay the employer National Insurance contributions.

City Pubs LTIP

Options granted under the City Pubs LTIP will, in consequence of the Transaction and in accordance with participants' contractual rights under the rules of the City Pubs LTIP, vest and become exercisable in full (to the extent not already exercisable) upon the Scheme being sanctioned by the Court at the Court Sanction Hearing. All options granted under the City Pubs LTIP will lapse on the Effective Date to the extent not exercised.

Under the appropriate proposal set out in the Share Plan Letter relating to the City Pubs LTIP, participants are invited to exercise their options to the greatest extent possible conditional on the Scheme being sanctioned by the Court. If a participant exercises their option under the City Pubs LTIP in accordance with the proposal, any City Pubs Shares will be issued or transferred to the participant (or their nominee) prior to the Scheme Record Time, and such City Pubs Shares will then be acquired by Young's for the Consideration pursuant to the Scheme. If City Pubs Shares are issued at or after the Scheme Record Time pursuant to the exercise of an option under the City Pubs LTIP prior to the Effective Date, and subject to the proposed amendments to the City Pubs Articles being approved at the General Meeting, such City Pubs Shares will be acquired by Young's for the same Consideration as is due to City Pubs Shareholders under the Scheme pursuant to the City Pubs Articles.

Under the terms on which options under the City Pubs LTIP were granted, the holders of such options will not be required to pay the employer National Insurance contributions arising on the exercise of such options.

City Pubs JSOP

The City Pubs Shares subject to awards granted under the City Pubs JSOP have a threshold amount that is significantly in excess of the value of the Consideration, so participants of the City Pubs JSOP will not receive material value as a result of the Transaction. Such City Pubs Shares will be acquired by Young's pursuant to the Scheme and the consideration will be received by the trustee of the City Pubs EBT. The trustee will pay a nominal sum in cash (equal to 0.01 per cent. of the value of each City Pubs Share subject to an award granted under the City Pubs JSOP) to each participant.

City Pubs EBT

As at the date of this document, there are no City Pubs Shares in the City Pubs EBT which would be available to satisfy the exercise of outstanding options under the City Pubs CSOP and the City Pubs LTIP. Therefore, City Pubs intends to issue new City Pubs Shares to satisfy the exercise of options under the City Pubs LTIP and City Pubs CSOP (save to the extent that the trustee of the City Pubs EBT acquires further City Pubs Shares prior to the Scheme Record Time that may be used to satisfy the exercise of such options). City Pubs intends to request the trustee of the City Pubs EBT to use any cash assets that it holds (and any further cash funding provided by City Pubs, where necessary) to subscribe for new City Pubs Shares in order that it may satisfy the exercise of outstanding options under the City Pubs LTIP.

8. The effect of the Scheme on the City Pubs Directors' interests

The names of the City Pubs Directors and details of their interests in relevant City Pubs securities are set out in Part VII (Additional Information) of this document. Scheme Shares held by the City Pubs Directors at the Scheme Record Time will be subject to the Scheme.

Details of the irrevocable undertakings provided by the City Pubs Directors are set out in paragraph 8 of Part VII (Additional Information) of this document.

Particulars of the service contracts (including termination provisions), consultancy agreements and emoluments of the City Pubs Directors are set out in paragraph 4 of Part VII (Additional Information) of this document.

In common with the other City Pubs Share Plan Participants, the City Pubs Directors who hold options will be able to receive City Pubs Shares under such options to the extent that such options vest and are exercised.

The effect of the Scheme on the interests of City Pubs Directors does not differ from its effect on the like interests of any other Scheme Shareholder or City Pubs Share Plan Participant.

9. Description of the Scheme

The Transaction will be implemented by way of a Court-sanctioned scheme of arrangement between City Pubs and the Scheme Shareholders who are on the register of members of City Pubs at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Scheme Shareholders at the Court Meeting and approval of the Resolution by the City Pubs Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (The Scheme of Arrangement) of this document.

The purpose of the Scheme is to provide for Young's to become the owner of the entire issued and to be issued ordinary share capital of City Pubs. This is to be achieved by the transfer of the Scheme Shares held by the Scheme Shareholders to Young's in consideration for which the Scheme Shareholders will receive 108.75 pence in cash and 0.032658 New Young's A Shares on the basis described in this Part II (Explanatory Statement).

The New Young's A Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form. The New Young's A Shares will be issued by Young's to Scheme Shareholders no later than 14 days after the Effective Date. Fractions of New Young's A Shares will not be allotted or issued pursuant to the Transaction, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Young's A Shares and all fractions of New Young's A Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of, amongst other things, broking fees) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Combined Group.

The implementation of the Scheme is subject to the Conditions and certain further terms and conditions set out in Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document, and will only become Effective if, among other things, the following events occur on or before 11.59 p.m. on the Long-Stop Date (or such later date as Young's and City Pubs may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of Scheme Shareholders entitled to vote and present and voting, in person or by proxy, at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares voted (or at any adjournment, postponement or reconvention of such meeting) on or before 17 January 2024;
- the Resolution is passed by the requisite majority of City Pubs Shareholders at the General Meeting to be held on or before 17 January 2024 which will require the approval of City Pubs Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy;

- certain regulatory approvals as described in Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document, including from the CMA, are obtained (or waived, as applicable);
- following the Meetings, the Scheme with or without modification (but subject to any such modification being acceptable to Young's and City Pubs) is sanctioned by the Court on or before the date falling 22 days after the anticipated date of the Court Sanction Hearing set out in this document (or such later date, if any, as may be agreed between Young's and City Pubs and, if required, the Court may allow); and
- following such sanction, a copy of the Court Order is delivered to the Registrar of Companies.

The Transaction shall lapse if:

- the Court Meeting and the General Meeting are not held on or before the twenty second (22nd) day after the expected date of such Meetings, as set out in this document (or such later date as may be agreed between Young's and City Pubs);
- the Court Sanction Hearing is not held on or before the twenty second (22nd) day after the expected date of such hearing, as set out in this document (or such later date as may be agreed between Young's and City Pubs); or
- the Scheme does not become Effective on or before 11.59 p.m. on the Long-Stop Date.

Once the necessary approvals from the Scheme Shareholders and the City Pubs Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or General Meeting (and, if they attended and voted, whether or not they voted in favour); and (ii) the Consideration for the transfer of the Scheme Shares to Young's will be settled no later than fourteen (14) days after the Effective Date. In addition, share certificates in respect of the City Pubs Shares will cease to be valid and entitlements to City Pubs Shares held within CREST will be cancelled.

Any City Pubs Shares issued or transferred from treasury before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution, amongst other matters, provides that the City Pubs Articles shall be amended to incorporate provisions requiring any City Pubs Shares issued or transferred from treasury (i) as a result of the exercise of any 2022 CSOP Options which continue to be held at the Scheme Record Time by the participants to whom they were issued pursuant to the exercise of such 2022 CSOP Options, or (ii) at or after the Scheme Record Time (other than to Young's and/or its nominees), to be automatically transferred to Young's and/or its nominee(s)). The consideration due for any such City Pubs Shares acquired by Young's will be either (i) if the City Pubs Share is issued or transferred from treasury pursuant the exercise of a 2022 CSOP Option, the All Cash Consideration; or (ii) otherwise, the same Consideration due to City Pubs Shareholders under the Scheme. Otherwise, any such City Pubs Shares will be acquired on the same terms as under the Transaction (other than terms as to timings and formalities). The provisions of the City Pubs Articles (as amended) will avoid any person (other than Young's and/or its nominees) holding shares in the capital of City Pubs after the Effective Date. Paragraph 7 of this Part II (Explanatory Statement) contains further information on why the All Cash Consideration is being made available to the holders of the 2022 CSOP Options.

10. The Meetings

Before the Court's sanction can be sought for the Scheme, for the Scheme to become Effective it will require the approval of Scheme Shareholders at the Court Meeting. The Scheme must be approved by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, the Resolution must be passed at the General Meeting to authorise the City Pubs Directors to (a) implement the Scheme, and (b) amend the City Pubs Articles as described in paragraph 11 of this Part II (Explanatory Statement). To be passed, the Resolution requires the approval of City Pubs Shareholders present and voting (either in person or by proxy) representing at least 75 per cent. of the votes cast at the General Meeting.

The Court Meeting will be held on 17 January 2024 at 10.00 a.m., with the General Meeting held on the same day at 10.15 a.m. (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned).

Notices of both the Court Meeting and the General Meeting are set out in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting) of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of City Pubs at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all City Pubs Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting).

Any City Pubs Shares which Young's or any other member of the Young's Group (or their respective nominees) may acquire before the Court Meeting are not Scheme Shares and therefore none of Young's or any other member of the Young's Group (or their respective nominees) is entitled to vote at the Court Meeting in respect of any City Pubs Shares held or acquired by it or them.

Court Meeting

The Court Meeting has been convened at the direction of the Court for 10.00 a.m. on 17 January 2024 to enable Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present, either in person or by proxy, will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting representing at least 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy, in particular your BLUE Form of Proxy for use in respect of the Court Meeting, or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible, in each case appointing the Chair of the Court Meeting as your proxy. City Pubs Shareholders are strongly encouraged to vote by appointing the Chair of the relevant Meeting as your proxy. Doing so will not prevent you from attending, voting and speaking in person at either the Court Meeting or the General Meeting, or any adjournment thereof.

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the Court Meeting will be announced by City Pubs via a Regulatory Information Service as soon as practicable after the Court Meeting.

You will find the notice of Court Meeting in Part IX (Notice of Court Meeting) of this document.

General Meeting

In addition, the General Meeting has been convened for 10.15 a.m. on 17 January 2024 (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned) to consider and, if thought fit, pass the Resolution to approve:

- the authorisation of the City Pubs Directors to take all such actions as they may consider necessary or appropriate to give effect to the Scheme; and
- the amendment of the City Pubs Articles in the manner described in paragraph 11 of this Part II (Explanatory Statement).

The Resolution will require votes in favour from City Pubs Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy. The vote of City Pubs Shareholders at the General Meeting will be held by way of a poll. Each City Pubs Shareholder who is entered on the register of members of City Pubs at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each City Pubs Share so held. WHITE Forms of Proxy for use in respect of the General Meeting may not be emailed.

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the General Meeting will be announced by City Pubs via a Regulatory Information Service as soon as practicable after the General Meeting.

You will find the notice of the General Meeting in Part X (Notice of General Meeting) of this document.

Court Sanction Hearing

Under the Companies Act, the Scheme requires the sanction of the Court. City Pubs will give adequate notice of the date and time of the Court Sanction Hearing, once known, by issuing an announcement through a Regulatory Information Service.

The Court Sanction Hearing is expected to be held at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London EC4A 1NL. However, the Court Sanction Hearing may be held remotely. Scheme Shareholders are entitled to attend and be heard at the Court Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or represented by counsel.

Following the sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is expected to occur two Business Days after the date of the Court Sanction Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Upon the Scheme becoming Effective, it will be binding on all City Pubs Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or on the Resolution to be proposed at the General Meeting.

Entitlement to vote at the Meetings

Each Scheme Shareholder or City Pubs Shareholder who is entered in the register of members of City Pubs at 6.30 p.m. on 15 January 2024 will be entitled to attend, submit questions and/or any objections (in the case of the Court Meeting only) and/or vote on all resolutions to be proposed at the Court Meeting and the General Meeting.

If either Meeting is adjourned, only those Scheme Shareholders or City Pubs Shareholders on the register of members of City Pubs at 6.30 p.m. on the day which is two Business Days before the date of the adjourned meeting will be entitled to attend (in person or by proxy in the case of both Meetings), submit questions and/or any objections (in the case of the Court Meeting only) and/or vote on all resolutions to be proposed at the Court Meeting and the General Meeting. Each eligible Scheme Shareholder or City Pubs Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a City Pubs Shareholder. However, Scheme Shareholders and City Pubs Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy for each Meeting. The Chair of the relevant Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant Meeting. Any other person appointed as proxy will be able to attend, submit questions and/or any objections and vote at the Court Meeting or attend and vote at the General Meeting.

The completion and return of a Form of Proxy by post (or the appointment of a proxy appointment or voting instruction online, through CREST or by any other procedure described in this document) will not prevent you from attending, voting and speaking at either the Court Meeting or the General Meeting, or any adjournment thereof.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (including by appointing a proxy), please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used), or write to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Further information on the actions to be taken is set out in paragraph 19 of this Part II (Explanatory Statement) and on pages 9 to 12 of this document.

Modifications to the Scheme

The Scheme contains a provision for City Pubs and Young's jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be adverse to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

11. Amendments to the City Pubs Articles

It is proposed, as part of the Resolution, among other things to amend the City Pubs Articles to ensure that any City Pubs Shares issued or transferred from treasury under the City Pubs Share Plans or otherwise on or after the passing of the Resolution and before the Scheme Record Time will be subject to and bound by the Scheme (other than City Pubs Shares issued or transferred from treasury pursuant to the exercise of any 2022 CSOP Option which are retained by the holder of such 2022 CSOP Option at the Scheme Record Time). It is also proposed to amend the City Pubs Articles so that any City Pubs Shares issued or transferred from treasury either pursuant to the exercise of any 2022 CSOP Option at any time after the date of this document and which are retained by the holder of such 2022 CSOP Option at the Scheme Record Time or to any person other than Young's (and/or its nominee(s)) at or after the Scheme Record Time will be automatically acquired by Young's (and/or its nominee(s)). The consideration due for any such City Pubs Shares acquired by Young's (and/or its nominee(s)) will be either (i) if the City Pubs Share is issued or transferred from treasury pursuant the exercise of a 2022 CSOP Option, the All Cash Consideration; or (ii) otherwise, the same Consideration due to City Pubs Shareholders under the Scheme. Otherwise, any such City Pubs Shares will be acquired on the same terms as Scheme Shares under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Young's (and/or its nominee(s)) holding City Pubs Shares after dealings in such shares have ceased (the final day of dealings in the City Pubs Shares is expected to be the first Business Day after the Court Sanction Hearing). The Resolution set out in the notice of General Meeting on pages 132 to 136 of this document, among other things, seeks the approval of City Pubs Shareholders for such amendment at the General Meeting.

12. Offer-related arrangements

Confidentiality Agreement

On 31 August 2023, Young's and City Pubs entered into a confidentiality agreement pursuant to which they undertook, among other things, to: (i) keep, and procure that certain of their permitted parties keep, certain information relating to City Pubs and the Transaction confidential and not to disclose it to third parties (other than permitted parties) unless required by law or regulation, among other exceptions; and (ii) use such confidential information for the sole purpose of evaluating, negotiating, advising or implementing the Transaction (the "**Confidentiality Agreement**"). These confidentiality obligations will remain in force for the period of two years from the date of the Confidentiality Agreement.

Cooperation Agreement

City Pubs and Young's have entered into a cooperation agreement dated 16 November 2023 (the "**Cooperation Agreement**") pursuant to which Young's has agreed to use all reasonable endeavours to obtain any regulatory clearances, or procure that any regulatory clearances are obtained and to satisfy the Conditions, or procure that the Conditions are satisfied, as soon as is reasonably practicable after entry into the Cooperation Agreement. City Pubs and Young's have agreed to co-operate with each other and provide each other with all reasonable information, assistance and access in a timely manner for the purposes of implementing the Transaction and/or in connection with any regulatory clearances. City Pubs and Young's have also agreed to co-operate to promptly provide each other with such documentation, information, assistance and access as may reasonably be required for the preparation of the key shareholder documentation.

The Cooperation Agreement will be terminated, amongst other things (i) upon written notice served by Young's where: (a) the City Pubs Director's recommend a competing proposal; (b) if the City Pubs Board's recommendation changes in a manner that is adverse in the context of the Transaction; and/or (c) certain milestones in connection with the Scheme are not achieved in accordance with agreed timeframes; (ii) upon written notice of either party where: (a) prior to the Long-Stop Date, a competing offer becomes effective or is declared unconditional; (b) the Transaction is withdrawn, terminates or lapses in accordance with its terms; (c) prior to the Long-Stop Date, a Condition which is either not capable of being waived or, where capable of being waived, Young's has confirmed that it will not waive said Condition, becomes incapable of satisfaction by the Long-Stop Date in circumstances where invocation of the relevant Condition is permitted by the Panel; and/or (d) the Scheme and/or the Resolution are not approved at the Meetings; or (iii) if the parties agree in writing.

The Cooperation Agreement also contains provisions that will apply in respect of the proposals to be made in regard to the City Pubs Share Plans, pursuant to Rule 15 of the Takeover Code.

13. Delisting of City Pubs Shares

Prior to the Scheme becoming Effective, applications will be made to the London Stock Exchange for the admission of the City Pubs Shares to trading on AIM to be cancelled with effect from or shortly after the Effective Date. The last day of dealings in, and for registration of transfers of, City Pubs Shares is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. on that day other than to Young's (or as Young's may direct) pursuant to the City Pubs Articles, as proposed to be amended by the Resolution at the General Meeting.

On the Effective Date, City Pubs will become a wholly-owned subsidiary of Young's.

14. Settlement of the Cash Consideration

Subject to the Scheme becoming Effective, settlement of the Cash Consideration to which any City Pubs Shareholder is entitled under the Scheme will be effected in the following manner:

A. City Pubs Shares in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds City Pubs Shares in uncertificated form, the Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Young's procuring that its registrar, Computershare, creates through Euroclear an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated City Pubs Shares in respect of the Consideration due to him, her or it.

The CREST payment obligations will be created within 14 days after the Effective Date. As from the Scheme Record Time, each holding of City Pubs Shares credited to any stock account in CREST will be disabled and all City Pubs Shares will be removed from CREST in due course.

Young's reserves the right to pay all, or any part of, the Consideration referred to above to all or any Scheme Shareholder(s) who hold City Pubs Shares in uncertificated form in the manner referred to in sub-paragraph 14B of this Part II (Explanatory Statement) if, for any reason, it wishes to do so or if, for any reason, it is not able to effect settlement in accordance with this sub-paragraph A.

B. City Pubs Shares in certificated form (that is, not in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds City Pubs Shares in certificated form, settlement of the Consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (i) by way of an electronic payment to the account indicated in the standard electronic payment mandate, if the relevant Scheme Shareholder has set up a standing electronic payment mandate with the registrar of City Pubs, Equiniti, for the purpose of receiving dividend payments;

- (ii) by first class post (or international standard post, if overseas), by cheque drawn on a branch of a UK clearing bank; or
- (iii) by such other method as may be approved by the Panel and the Court.

All such cash payments will be made in Pounds sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned or, in the case of joint holders, to the joint holder whose name stands first in the register of members of City Pubs in respect of such joint holding (save that, in the case of joint holders, Young's reserves the right to make such payments to all joint holders on the register of members of City Pubs). Cheques, and electronic payments, will be despatched no later than the fourteenth day following the Effective Date to the person(s) entitled to them at the addresses as appearing in the register of members of City Pubs at the Scheme Record Time. None of City Pubs, the City Pubs Group, Young's, the Young's Group, any nominee(s) of Young's or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way and such cheques shall be sent at the risk of the persons entitled to them. The encashment of any cheque, and making of electronic payments, in each case, as is referred to in this paragraph shall be a complete discharge for the monies represented by it.

C. *City Pubs Shares acquired by City Pubs Share Plan Participants*

Notwithstanding sub-paragraphs 14A and 14B of this Part II (Explanatory Statement), in the case of City Pubs Shares acquired by (or held on behalf of) City Pubs Share Plan Participants after the Court Sanction Hearing and prior to the Scheme Record Time, pursuant to the exercise of options under the City Pubs Share Plans, settlement of the Cash Consideration shall be determined by City Pubs (including, but not limited to, by directing Young's to pay the aggregate Cash Consideration due in respect of those Scheme Shares to City Pubs no later than the fourteenth day following the Effective Date, for City Pubs in turn to pay such Cash Consideration to the City Pub Share Plan Participants through payroll (net of any exercise price, income tax and employee National Insurance contributions) as soon as reasonably practicable after the Effective Date in accordance with the Share Plan Letters and the rules of the relevant City Pubs Share Plan).

15. Settlement of the New Young's A Shares

Subject to the Scheme becoming Effective (and except as provided in paragraph 18 of this Part II (Explanatory Statement)), settlement of the New Young's A Shares to which any City Pubs Shareholder is entitled under the Scheme will be effected in the following manner:

A. *City Pubs Shares in uncertificated form (that is, in CREST)*

Where, at the Scheme Record Time, a Scheme Shareholder holds City Pubs Shares in uncertificated form, the New Young's A Shares to which such Scheme Shareholder is entitled will be issued to such person in uncertificated form through CREST. Young's will procure that Euroclear is instructed to credit the appropriate stock account of such Scheme Shareholder with such person's entitlement to New Young's A Shares as soon as practicable following the Effective Date and in any event within 14 days of such date. As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course. Young's reserves the right to issue the New Young's A Shares referred to above to all or any Scheme Shareholder(s) in certificated form in the manner referred to in sub-paragraph 15B of this Part II (Explanatory Statement) if, for reasons outside its control, it is not able to effect settlement in accordance with this sub-paragraph A.

B. *City Pubs Shares in certificated form (that is, not in CREST)*

Where, at the Scheme Record Time, a Scheme Shareholder holds City Pubs Shares in certificated form, the New Young's A Shares to which such Scheme Shareholder is entitled will be issued in certificated form. Definitive certificates for New Young's A Shares will be despatched by first class post to the address appearing in the register of members of City Pubs at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Definitive certificates will be despatched not later than the fourteenth day following the Effective Date.

C. *City Pubs Shares acquired by City Pubs Share Plan Participants*

Notwithstanding sub-paragraphs 15A and 15B of this Part II (Explanatory Statement), in the case of City Pubs Shares acquired by (or held on behalf of) City Pubs Share Plan Participants after the Court Sanction Hearing and prior to Scheme Record Time, pursuant to the exercise of options under the City Pubs Share Plans, the New Young's A Shares to which the City Pubs Share Plan Participants are entitled will be issued in certificated form. Definitive certificates for New Young's A Shares will be despatched by first class post to the Company Secretary of City Pubs at City Pubs' registered office, to be held on behalf of the City Pubs Share Plan Participants in accordance with the Share Plan Letters. Definitive certificates will be despatched by Young's not later than the fourteenth day following the Effective Date.

16. Settlement of Consideration – general

A. *Fractional entitlements*

Fractions of pence will not be paid to Scheme Shareholders (or, where sub-paragraph 14C of this Part II (Explanatory Statement) applies, to City Pubs or such other recipient as is determined by City Pubs) and cash entitlements will be rounded down to the nearest penny.

Fractions of the New Young's A Shares will not be allotted or issued pursuant to the Transaction, but entitlements of City Pubs Shareholders will be rounded down to the nearest whole number of New Young's A Shares and all fractions of New Young's A Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to City Pubs Shareholders who would otherwise have been entitled to such fractions (or, where sub-paragraph 15C of this Part II (Explanatory Statement) applies, to City Pubs or such other recipient as is determined by City Pubs to receive Cash Consideration on behalf of the City Pubs Share Plan Participants in accordance with sub-paragraph 14C of this Part II (Explanatory Statement)) (in each case, rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Combined Group.

B. *General*

All documents and remittances sent to City Pubs Shareholders will be sent at their own risk.

In relation to New Young's A Shares issued in certificated form, temporary documents of title will not be issued pending the despatch by post of definitive certificates for such New Young's A Shares as referred to in sub-paragraphs 15B and 15C of this Part II (Explanatory Statement). Pending the issue of definitive certificates for such New Young's A Shares, former Scheme Shareholders wishing to register transfers of such New Young's A Shares may certify their share transfer forms against the register of members of Young's by contacting the registrar of Young's, Computershare, by writing to The Pavilions, Bridgwater Road, Bristol, BS13 8AE or by calling the Young's shareholder helpline on +44 (0)370 707 1420. On the registration of any such transfers, the transferee will receive a share certificate. Under the terms of the Scheme, all mandates relating to the payment of dividends and other instructions given to City Pubs by Scheme Shareholders in force at the Scheme Record Time relating to holdings of Scheme Shares will, unless and until amended or revoked, be deemed as from the Effective Date to be an effective mandate or instruction in respect of the corresponding New Young's A Shares. If you do not wish any mandates and other instructions that you have given to City Pubs to apply to your New Young's Shares, please contact Equiniti on the shareholder helpline before the Scheme Record Time to amend or withdraw such mandates or instructions. Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Young's might otherwise be, or claim to be, entitled against such Scheme Shareholder.

On and from the Effective Date, each certificate representing a holding of Scheme Shares will have ceased to be a valid document of title and at the request of City Pubs should be destroyed or delivered up to City Pubs, or to any person appointed by City Pubs to receive the same for cancellation. On and from the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Except with the consent of the Panel and subject to the provisions of sub-paragraph 16D of this Part II (Explanatory Statement), settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Young's might otherwise be, or claim to be, entitled against such Scheme Shareholder.

C. Listing of the New Young's A Shares

Applications will be made for the New Young's A Shares to be admitted to trading on AIM.

It is expected that admission will become effective, and that normal settlement in the New Young's A Shares will commence on the London Stock Exchange, at 8.00 a.m. on the first Business Day following the Effective Date.

No application has been made or is currently intended to be made by Young's for the New Young's A Shares to be admitted to listing or trading on any other exchange.

D. Dividends

If any dividend or other distribution or capital return is proposed, declared, made, paid or becomes payable by City Pubs in respect of a City Pubs Share on or after the Announcement Date and prior to the Effective Date, Young's will have the right to reduce the value of the Consideration payable for each City Pubs Share by up to the amount per City Pubs Share of such dividend, distribution or capital return, in which case any reference in this document to the Consideration payable under the terms of the Transaction will be deemed to be a reference to the Consideration as so reduced. In such circumstances, City Pubs Shareholders will be entitled to receive and retain the relevant portion of such dividend and/or other distribution and/or other capital return by reference to the amount by which the Consideration payable under the terms of the Scheme is so reduced.

To the extent that any such dividend and/or distribution and/or other capital return is declared, made or paid or becomes payable and it is: (i) transferred pursuant to the Transaction on a basis which entitles Young's alone to receive the dividend or distribution and to retain it; or (ii) cancelled, the Consideration payable under the terms of the Transaction will not be subject to change in accordance with this sub-paragraph. Any exercise by Young's of its rights referred to in this sub-paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Transaction.

17. United Kingdom taxation

The following information is intended only as a general guide to current UK tax legislation in force and HMRC's published practice (which may not be binding on HMRC) as at the date of this document as it applies to disposing of Scheme Shares, both of which may change (possibly with retroactive effect). It is intended only for Scheme Shareholders who are solely resident in the United Kingdom for tax purposes and who hold their Scheme Shares beneficially as investments. The comments do not address the position of certain classes of shareholder such as dealers in securities, trustees, tax-exempt institutions, insurance companies and collective investment schemes and do not apply to shareholders who have (or who are deemed to have) acquired their shares by virtue of an office or employment, or shareholders who are or will be officers or employees of an entity or group forming part of City Pubs Group or Young's Group, nor do the comments address the position for any Scheme Shareholders who have made or intend to make any claims for relief under Part 5 of the Income Tax Act 2007 (the Enterprise Investment Scheme).

This section is not intended to be, and should not be construed to be, legal or taxation advice to any person. It is not a complete guide to the UK tax considerations relating to the Scheme or any aspect of it. In particular, the following paragraphs do not refer to UK inheritance tax. Scheme Shareholders should contact their own professional advisers in relation to any potential UK inheritance tax implications of disposing of the Scheme Shares.

Any Scheme Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, should consult an appropriately qualified independent professional adviser immediately.

References below to "**UK Holders**" are to Scheme Shareholders: (a) who are resident for tax purposes solely in the United Kingdom, and, in the case of individuals, to whom "split year"

treatment does not apply and who are domiciled for tax purposes only in the UK; (b) who hold their Scheme Shares as an investment (other than under a self-invested personal pension plan or individual savings account); and (c) who are the absolute beneficial owners of their Scheme Shares.

A. UK Taxation of Chargeable Gains on Share Element

Under the Scheme, UK Holders will be entitled to receive in respect of each Scheme Share held by them at the Scheme Record Time:

- 108.75 pence in cash; and
- 0.032658 New Young's A Shares.

The tax treatment of each UK Holder under the Scheme for the purposes of the UK taxation of chargeable gains will depend on the particular circumstances of that UK Holder and on the form of consideration received.

To the extent that a UK Holder receives New Young's A Shares in exchange for their Scheme Shares and does not hold (either alone or together with persons connected with them) more than 5 per cent of, or of any class of, shares in or debentures of City Pubs, that UK Holder will not be treated as having made a disposal of Scheme Shares. Instead, the New Young's A Shares should be treated as the same asset as those Scheme Shares, and as acquired at the same time and for the same consideration as those shares (but see below regarding base cost allocation and the treatment of any cash received).

Under section 137 of the Taxation of Chargeable Gains Act 1992, the aforementioned "rollover" treatment will be denied to Scheme Shareholders who, alone or together with persons connected with them, hold more than 5 per cent. of, or of any class of, City Pubs Shares or debentures of City Pubs unless the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to capital gains tax or corporation tax. Scheme Shareholders are advised that no application for clearance has been made or will be made under section 138 of the Taxation of Chargeable Gains Act 1992 for confirmation that HMRC is satisfied that the Scheme will be effected for *bona fide* commercial reasons and will not form part of any such scheme or arrangements.

A UK Holder's base cost in their Scheme Shares should be apportioned between the two components of the consideration received by that UK Holder by reference to the respective market values of the New Young's A Shares and cash received by them under the Scheme as at the Effective Date.

B. Individual City Pubs Group Shareholders – Cash Consideration

A UK Holder who is an individual and receives cash in respect of his or her Scheme Shares pursuant to the Scheme will be treated as making a part disposal of City Pubs Shares which may, depending on the UK Holder's individual circumstances (including the UK Holder's base cost in his or her holding of City Pubs Shares, and the availability of any exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains.

The capital gains tax annual exempt amount may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their City Pubs Shares. This amount is £6,000 for the 2022/2023 tax year, but is expected to reduce to £3,000 for the 2024/25 tax year and subsequent tax years.

Where a UK Holder receives Cash Consideration and New Young's A Shares and the amount of cash received is "small" in comparison with the value of their Scheme Shares, the UK Holder will be treated as not having disposed of the Scheme Shares in respect of which the cash was received. Instead, the cash should be treated as a deduction from the base cost of their Scheme Shares rather than as a part disposal thereof (unless the cash received exceeds such base cost, in which case this treatment would only be available upon election by the Scheme Shareholder and only to the extent it reduces the base cost to £0, with the balance being cash consideration for a taxable disposal). Under HMRC's current published practice, any cash payment of £3,000 or less or which is 5 per cent. or less of the market value of a UK Holder's holding of Scheme Shares should generally be treated as "small" for these purposes.

C. Corporate City Pubs Group Shareholders – Cash Consideration

A UK Holder which is a company and receives cash in respect of its Scheme Shares pursuant to the Scheme will be treated as making a part disposal of City Pubs Shares which may, depending on the UK Holder's particular circumstances (including the UK Holder's base cost in its holding of City Pubs Shares, and the availability of any exemptions, reliefs or allowable losses), give rise to UK corporation tax on chargeable gains.

As noted above, where a UK Holder receives Cash Consideration and New Young's A Shares and the amount of cash received is "small" in comparison with the value of their Scheme Shares, the UK Holder will be treated as not having disposed of the Scheme Shares in respect of which the cash was received. Instead, the cash should be treated as a deduction from the base cost of their Scheme Shares rather than as a part disposal thereof (unless the cash received exceeds such base cost, in which case this treatment would only be available upon election by the Scheme Shareholder and only to the extent it reduces the base cost to £0, with the balance being cash consideration for a taxable disposal). Under HMRC's current published practice, any cash payment of £3,000 or less or which is 5 per cent. or less of the market value of a UK Holder's holding of Scheme Shares should generally be treated as "small" for these purposes.

The substantial shareholding exemption may apply to exempt from UK corporation tax any gain arising to Scheme Shareholders which are companies within the charge to UK corporation tax where a number of conditions are satisfied, including that the relevant Scheme Shareholder (together with certain associated companies) has held not less than 10 per cent. of the issued ordinary share capital of City Pubs for a continuous period of at least one year beginning not more than six years prior to the date of disposal.

If corporation tax on any chargeable gains is payable by a UK Holder which is a company, indexation allowance may be available where the Scheme Shares were acquired prior to 31 December 2017 (in respect of the period of ownership of the Scheme Shares up to and including 31 December 2017) to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of such company's Scheme Shares.

D. Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax should be payable by Scheme Shareholders as a result of the disposal of Scheme Shares held by them or the issue of New Young's A Shares, in each case pursuant to the Scheme.

18. Overseas Shareholders

A. General

The availability of the Transaction to Overseas Shareholders may be affected by the laws and/or regulations of the relevant jurisdiction in which they are located. Overseas Shareholders should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you are in any doubt regarding such matters, you should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance with the laws of the relevant jurisdiction in connection with the Scheme and the Transaction, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code and the AIM Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside of the UK.

The release, publication or distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another person to vote at the Court Meeting on

their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities law of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Young's or required by the Takeover Code, and permitted by applicable law and regulation, the Transaction and the New Young's A Shares to be issued pursuant to the Transaction to City Pubs Shareholders will not be made available, in whole or in part, directly or indirectly in, into, or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality, or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and any formal documentation relating to the Scheme and the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction.

In addition, the availability of New Young's A Shares pursuant to the Transaction to Overseas Shareholders or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. City Pubs Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful. In any case where the issue of New Young's A Shares to an Overseas Shareholder would or may infringe the laws of any such jurisdiction or necessitate compliance with any special requirement, the Scheme at clause 6 of Part IV (The Scheme of Arrangement) of this document provides that such New Young's A Shares may, at the discretion of Young's, be issued to a nominee appointed by Young's and then sold, or issued to the Overseas Shareholder and sold on their behalf, with the net proceeds of sale in either case being remitted to the Overseas Shareholder. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

The New Young's A Shares to be issued pursuant to the Scheme have not been and will not be registered under the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in relation to the New Young's Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, the New Young's A Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME, INCLUDING THE RECEIPT OF NEW YOUNG'S A SHARES.

B. US Securities Laws

The New Young's A Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Young's A Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. There will be no public offering of the New Young's A Shares. Neither the SEC nor any state securities commission has approved or disapproved the New Young's A Shares or passed upon the accuracy or adequacy of this

document or any of the accompanying documents. Any representation to the contrary is a criminal offence in the United States.

The New Young's A Shares issued pursuant to the Scheme have not been and will not be registered under the US Securities Act but will be issued in reliance on the exemption provided by Section 3(a)(10) thereof and in reliance on available exemptions from state law registration requirements. For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) with respect to the New Young's A Shares, the Court will be advised that its sanctioning of the Scheme will be relied on as an approval of the Scheme following a hearing on its fairness to City Pubs Shareholders, at which hearing all such City Pubs Shareholders are entitled to attend in person, by authorised representative or through counsel, to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such City Pubs Shareholders.

A City Pub Shareholder who is an "affiliate" (within the meaning of the US Securities Act) of City Pubs prior to or after the Effective Date, will receive "restricted securities" as defined in Rule 144 under the US Securities Act. Under applicable US federal securities laws, persons who are or will be "affiliates" of City Pubs, within the meaning of the US Securities Act, may not resell the New Young's A Shares received as a result of the Scheme without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). "Affiliates" of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe they may be affiliates of City Pubs should consult their own legal advisers before any sale of securities received in the Scheme.

City Pubs Shareholders in the United States should note that the Transaction relates to the securities of a company incorporated in England and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. The Rule 2.7 Announcement, this document and certain other documents relating to the Transaction have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Transaction is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, Young's exercises the right to implement the Transaction by way of an Offer in accordance with the terms of the Cooperation Agreement (with the consent of the Panel where necessary) and determines to extend the offer into the United States, the Transaction will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act.

The financial statements of City Pubs, and all financial information that is included in the Rule 2.7 Announcement or in this document, or any other documents relating to the Transaction, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The receipt of cash and New Young's A Shares pursuant to the Transaction by a US holder as consideration for the transfer of its City Pubs Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each City Pubs Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Transaction applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since Young's and City Pubs are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

If Young's were to elect to implement the Transaction by means of an Offer, in accordance with normal practice in the UK and consistent with Rule 14e-5(b) of the US Exchange Act, Young's, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, City Pubs Shares outside the US, other than pursuant to the Transaction, until the date on which the Transaction and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

19. Actions to be taken by City Pubs Shareholders

The documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 17 January 2024;
- a WHITE Form of Proxy for use in respect of the General Meeting on 17 January 2024; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a City Pubs Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated below.

Voting at the Court Meeting and the General Meeting

In order for the Transaction to become Effective, among other things, the Scheme will require approval at the Court Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.00 a.m. on 17 January 2024. Implementation of the Scheme will also require, among other things, the passing of the Resolution by City Pubs Shareholders at the General Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.15 a.m. on the same date (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting) of this document, respectively.

City Pubs Shareholders entitled to attend (in person or by proxy in the case of both Meetings), submit questions and/or any objections (in the case of the Court Meeting only) and/or vote on all resolutions to be proposed at the Court Meeting and the General Meeting, are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the Meetings (as applicable). A proxy need not be a City Pubs Shareholder. However, City Pubs Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy for each Meeting. Any other person appointed as proxy will be able to attend, submit questions and/or any objections and vote at the Court Meeting or attend, speak and vote at the General Meeting.

Sending Forms of Proxy by post

You should:

- A. complete, sign and return the BLUE Form of Proxy for use at the Court Meeting so as to be **received no later than 10.00 a.m. on 15 January 2024**; and
- B. complete, sign and return the WHITE Form of Proxy for use at the General Meeting so as to be **received no later than 10.15 a.m. on 15 January 2024**, or, in the case of an adjourned

meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for such adjourned meeting.

Forms of Proxy to be returned by post must be sent to the registrar of City Pubs, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and it will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the WHITE Form of Proxy it will be invalid.

Scheme Shareholders and City Pubs Shareholders are entitled to appoint a proxy in respect of some or all of their City Pubs Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST or online as described below, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders and City Pubs Shareholders who wish to appoint by post more than one proxy in respect of their holding of City Pubs Shares should contact Equiniti for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the Meetings (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (participant ID: RA19) no later than 10.00 a.m. on 15 January 2024 in the case of the Court Meeting and no later than 10.15 a.m. on 15 January 2024 in the case of the General Meeting (or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of CREST and timings.

City Pubs may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

Forms of Proxy may alternatively be submitted electronically using the Sharevote online voting service at www.sharevote.co.uk, with City Pubs Shareholders and Scheme Shareholders using their Voting ID, Task ID and SRN as shown on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti no later than 10.00 a.m. on 15 January 2024 in respect of the BLUE Form of Proxy for the Court Meeting and no later than 10.15 a.m. on 15 January 2024 in respect of the WHITE Form of Proxy for the General Meeting (or in the case of adjournment(s), not later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting(s)).

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be emailed to proxyvotes@equiniti.com at any time before the time that the Court Meeting is due to commence and it will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

Results of the Meetings

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on the website of City Pubs at <https://www.citypubcompany.com/investors/> once the votes have been counted and verified. The results will also be published on the website of Young's at <https://www.youngs.co.uk/investors>.

Shareholder helpline

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or online, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used), or write to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

20. Further information

The terms of the Scheme are set out in full in Part IV (The Scheme of Arrangement) of this document. Further information regarding City Pubs and Young's is set out in Part VII (Additional Information) of this document.

Documents made available on the website of City Pubs at <https://www.citypubcompany.com/investors/> and of Young's at <https://www.youngs.co.uk/investors> are listed in paragraph 17 of Part VII (Additional Information) of this document.

Yours faithfully,

Sam Fuller

Duly authorised for and on behalf of Houlihan Lokey UK Limited

Chris Clarke

Duly authorised for and on behalf of Liberum Capital Limited

PART III

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE TRANSACTION

The Transaction and the Scheme is subject to the Conditions and further terms set out in this Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document.

Part A: Conditions of the Scheme and to the Transaction

1. The Transaction will be conditional upon the Scheme becoming unconditional and Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long-Stop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of City Pubs (or the relevant class or classes thereof, if applicable) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meeting); and (ii) such Court Meeting and any such separate class meeting being held on or before the twenty second (22nd) day after the expected date of the Court Meeting set out in this document (or such later date, if any, as may be agreed in writing between Young's and City Pubs with the consent of the Panel and the approval of the Court (if such approval is required));
 - (B) (i) the Resolution being duly passed by the requisite majority or majorities of City Pubs Shareholders at the General Meeting or at any adjournment thereof and (ii) such General Meeting being held on or before the twenty second (22nd) day after the expected date of the General Meeting set out in this document (or such later date, if any, as may be agreed in writing between Young's and City Pubs with the consent of the Panel and the approval of the Court (if such approval is required)); and
 - (C) (i) the sanction of the Scheme by the Court (with or without modification, but subject to any such modification being acceptable to Young's and City Pubs); (ii) the Court Sanction Hearing being held on or before the twenty second (22nd) day after the expected date of the Court Sanction Hearing set out in this document (or such later date, if any, as may be agreed in writing between Young's and City Pubs with the consent of the Panel and the approval of the Court (if such approval is required)); and (iii) the delivery of a copy of the Scheme Court Order to the Registrar of Companies in England and Wales for registration.

General Conditions

In addition, subject to as stated in Part B below and to the requirements of the Panel, Young's and City Pubs have agreed that the Transaction will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived.

Admission of New Young's A Shares

3. The London Stock Exchange having acknowledged to Young's or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of the New Young's A Shares to trading on AIM has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**admission conditions**")) will become effective as soon as a dealing notice has been issued by the London Stock Exchange and any admission conditions have been satisfied.

Regulatory clearances

4. One of the following having occurred:
- (A) the CMA having indicated in a response to a briefing paper that it has no further questions at that stage in relation to the Transaction; and as at the date on which all other Conditions are satisfied or waived, the CMA has not:
- (i) requested submission of a merger notice;
 - (ii) given notice to either party that it is commencing a Phase I investigation;
 - (iii) indicated that the statutory review period in which the CMA has to decide whether to make a reference under section 34ZA Enterprise Act 2002 has begun; nor
 - (iv) requested documents, information or attendance by witnesses (including under section 109 of the Enterprise Act 2002) which may indicate that it intends to commence the aforementioned statutory review period in respect of the Transaction; or
- (B) where the CMA has commenced an investigation following the submission of a merger notice or a briefing paper, the CMA:
- (i) in accordance with section 33(1) of the Enterprise Act 2002, announcing that it has decided not to refer the Transaction to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (a “**Referral**”); or
 - (ii) in accordance with section 73(2) of the Enterprise Act 2002, formally accepting undertakings in lieu of a Referral offered by Young’s, or a modified version of them.

Other third party clearances

5. Other than in respect of any briefing paper, notification and/or filing required in connection with the condition set out in Condition 4 above (to which only Condition 4 shall apply), the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider City Pubs Group taken as a whole) arising as a result of or in connection with the Scheme or the Transaction.
6. Other than in respect of any briefing paper, notification and/or filing required in connection with the condition set out in Condition 4 above (to which only Condition 4 above shall apply), all necessary filings or applications having been made in connection with the Transaction and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Transaction by any member of the Wider Young’s Group of any shares or other securities in, or control of, City Pubs and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by Young’s or any member of the Wider Young’s Group for or in respect of the proposed Transaction, or the proposed direct or indirect acquisition of any shares or other securities in, or control of, City Pubs by any member of the Wider Young’s Group having been obtained in terms and in a form satisfactory to Young’s from all appropriate Third Parties or persons with whom any member of the Wider City Pubs Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider City Pubs Group which is material in the context of the Wider Young’s Group or the Wider City Pubs Group as a whole or in the context of the Transaction remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Transaction becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with.

7. Other than in respect of any briefing paper, notification and/or filing required in connection with the condition set out in Condition 4 above (to which only Condition 4 above shall apply), no Third Party having: (1) given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same); (2) required any action to be taken or otherwise having done anything; or (3) enacted, made or proposed any statute, regulation, decision or order or change to published practice, and there not continuing to be outstanding any statute, regulation, decision, order or change to published practice, in each case, which would or might reasonably be expected to:
- (A) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Young's Group or any member of the Wider City Pubs Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which in any such case, is material in the context of the Wider City Pubs Group or the Wider Young's Group in either case as taken as a whole or in the context of the Transaction;
 - (B) other than in the implementation of the Transaction, require any member of the Wider City Pubs Group or the Wider Young's Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider City Pubs Group or the Wider Young's Group owned by any Third Party;
 - (C) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Young's Group directly or indirectly to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider City Pubs Group or the Wider Young's Group or to exercise voting or management control over any such member which is material in the context of the Wider City Pubs Group or the Wider Young's Group in either case as taken as a whole or in the context of the Transaction;
 - (D) otherwise materially adversely affect the business, assets, profits or prospects of any member of the Wider Young's Group or of any member of the Wider City Pubs Group in either case taken as a whole;
 - (E) result in any member of the Wider City Pubs Group ceasing to be able to carry on business under any name which it presently carries on business;
 - (F) make the Transaction (including the Scheme), its implementation or the acquisition or the proposed acquisition by Young's or any member of the Wider Young's Group of any shares or other securities in, or control of City Pubs, void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, prevent, prohibit, restrict, restrain, materially delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect thereto;
 - (G) require, prevent or materially delay the divestiture by any member of the Wider Young's Group of any shares or other securities (or the equivalent) in City Pubs; or
 - (H) impose any limitation on the ability of any member of the Wider City Pubs Group to co-ordinate all or any part of its business with all or any part of the business of any other members which is adverse to and material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Transaction or the Scheme, or the acquisition or the proposed acquisition of any City Pubs Shares having expired, lapsed or been terminated.

Certain matters arising as a result of any arrangement, agreement etc

8. Save as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider City Pubs Group is a

party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Transaction or the acquisition or the proposed acquisition of any shares or other securities in City Pubs or because of a change in the control or management of City Pubs or otherwise, could or might reasonably be expected to result in (to an extent which is material and adverse in the context of the Wider City Pubs Group or Wider Young's Group, in either case, taken as a whole or in the context of the Transaction):

- (A) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any member of the Wider City Pubs Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (B) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider City Pubs Group or any such mortgage, charge, encumbrance or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (C) any such agreement, arrangement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider City Pubs Group thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (D) the rights, liabilities, obligations, interests or business of any member of the Wider City Pubs Group under any such agreement, arrangement, lease, licence, franchise, permit or other instrument or the interests or business of any such member with any other person or body or firm or company (or any arrangement or arrangements relating to any such interests or business) being terminated, or adversely modified or affected;
- (E) any assets or interests of any member of the Wider City Pubs Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- (F) the rights, liabilities, obligations or interests of any member of the Wider City Pubs Group, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (G) the value of any member of the Wider City Pubs Group or its financial or trading position or prospects, being prejudiced or adversely affected;
- (H) any such member ceasing to be able to carry on business under any name under which it presently carries on business; or
- (I) the creation or acceleration of any liability, actual or contingent, by any member of the Wider City Pubs Group, other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Transaction,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit, franchise, lease or other instrument to which any such member of the Wider City Pubs Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (A) to (I) of this Condition, in each case to the extent material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction.

Certain events occurring since 25 December 2022

9. Save as Disclosed, no member of the Wider City Pubs Group having, since 25 December 2022:
 - (A) save as between City Pubs and wholly-owned subsidiaries of City Pubs or for City Pubs Shares issued or transferred out of treasury under or pursuant to the exercise of options

and vesting of awards granted in the ordinary course under the City Pubs Share Plans, issued, or agreed to issue, authorised or proposed the issue of additional shares of any class (including, without limitation, City Pubs Shares), or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of City Pubs Shares out of treasury;

- (B) save as between City Pubs and wholly-owned subsidiaries of City Pubs or for the grant of options and awards and other rights granted under the City Pubs Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into, or exchangeable for, shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or securities;
- (C) save for the City Pubs Share Buy-Back Programme, and other than to another member of the City Pubs Group, prior to the Transaction becoming Effective, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution or other form of capital return whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of City Pubs to City Pubs or any of its wholly owned subsidiaries;
- (D) save for intra-City Pubs Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent material in the context of the Wider City Pubs Group taken as a whole or material in the context of the Transaction;
- (E) save for intra-City Pubs Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent material in the context of the Wider City Pubs Group taken as a whole;
- (F) issued, authorised or proposed the issue of, or made any changes in or to, any debentures or (save for intra-City Pubs Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
- (G) save for City Pubs' repurchase of Deferred Shares (as described at paragraph 8 of Part I (Letter from the Chairman of City Pubs) of this document) and the City Pubs Share Buy-Back Programme, purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs 9(A) to 9(C) above, made any other change to any part of its share capital in each case, to the extent material in the context of the Wider City Pubs Group taken as a whole or material in the context of the Transaction;
- (H) save for intra-City Pubs Group transactions, City Pubs' repurchase of the Deferred Shares (as described at paragraph 8 of Part I (Letter from the Chairman of City Pubs) of this document) and the City Pubs Share Buy-Back Programme, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (I) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement, agreement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (i) is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such nature or magnitude (save in the ordinary course of business); or
 - (ii) would or could reasonably be expected to be materially restrictive on the businesses of any member of the Wider City Pubs Group or the Wider Young's

Group (other than to a nature and extent which is normal in the context of the business concerned),

and, in either case, is material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction;

- (J) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed in each case to the extent material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction;
- (K) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider City Pubs Group taken as a whole;
- (L) made any material alteration to its memorandum or articles of association or other incorporation documents;
- (M) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (N) save for City Pubs' repurchase of the Deferred Shares (as described at paragraph 8 of Part I (Letter from the Chairman of City Pubs) of this document) and the City Pubs Share Buy-Back Programme, entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this paragraph 9;
- (O) made or agreed or consented to any change to:
 - (i) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider City Pubs Group for its directors, employees or their dependents;
 - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,in each case, to the extent material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction;
- (P) except in relation to changes made or agreed as a result of or arising from, changes to legislation, made or agreed or consented to or procured any change to, or the custodian or trustee of any scheme having made a change to:
 - (i) the terms of the governing documents of any pension scheme(s) established by any member of the Wider City Pubs Group for its directors, former directors, employees, former employees or their dependants;
 - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or

- (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (Q) except for transactions between members of the Wider City Pubs Group and transactions entered into in the ordinary course of business, entered into implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (R) save as agreed by the Panel (if required) and Young's, proposed, agreed to provide or modified the terms of any of the City Pubs Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider City Pubs Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider City Pubs Group, or entered into or changed the terms of or made any offer (which remains open for acceptance) to enter into or change the terms of any contract with any director or senior executive employed by the Wider City Pubs Group; and
- (S) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of City Pubs Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code.

No adverse change, litigation or regulatory enquiry

10. Except as Disclosed, since 25 December 2022, there has been:

- (A) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider City Pubs Group, which in any such case is material in the context of the Wider City Pubs Group taken as a whole or in the context of the Transaction;
- (B) no litigation, arbitration proceedings, prosecution or other legal proceedings:
 - (i) threatened, announced or instituted by, or against, or remaining outstanding against, or in respect of, any member of the Wider City Pubs Group; or
 - (ii) to which any member of the Wider City Pubs Group is or may become a party (whether as claimant, defendant or otherwise), threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider City Pubs Group,

which in any such case has or would reasonably be expected to materially adversely affect any member of the Wider City Pubs Group taken as a whole or in the context of the Transaction;

- (C) no contingent or other liability of any member of the Wider City Pubs Group having arisen or become apparent to Young's which has or would reasonably be likely to materially adversely affect any member of the Wider City Pubs Group or in the context of the Transaction; and
- (D) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider City Pubs Group which is material in the context of the Wider City Pubs Group taken as a whole or material in the context of the Transaction.

No discovery of certain matters

11. Save as Disclosed, Young's not having discovered, in each case to an extent which is material in the context of the Wider City Pubs Group taken as a whole or material in the context of the Transaction:

- (A) that any financial, business or other information concerning the Wider City Pubs Group as contained in the information publicly disclosed at any time by, or on behalf of, any member of the Wider City Pubs Group is materially misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading where the relevant information has not subsequently been corrected prior to the date of this document by disclosure, either publicly or otherwise, to Young's;

- (B) that any member of the Wider City Pubs Group is subject to any liability, contingent or otherwise, other than in the ordinary course of business;
- (C) that any past or present member of the Wider City Pubs Group has failed to comply in any material respect with any applicable legislation, regulations or other requirements of any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider City Pubs Group;
- (D) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider City Pubs Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party or any other person or body in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto;
- (E) circumstances exist (whether as a result of the Transaction or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any past or present member of the Wider City Pubs Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, reinstate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider City Pubs Group (or on its behalf) or by any person for which a member of the Wider City Pubs Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider City Pubs Group as a whole; or
- (F) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider City Pubs Group.

Anti-corruption, economic sanctions, criminal property and money laundering

12. Young's not having discovered, in each case to an extent which is material in the context of the Wider City Pubs Group taken as a whole or material in the context of the Transaction, that:

- (A) any:
 - (i) past or present member, director, officer or employee of the Wider City Pubs Group, in connection with their position in the Wider City Pubs Group, is or has at any time, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
 - (ii) person that performs or has performed services for or on behalf of the Wider City Pubs Group who is, or has at any time, engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks;
- (B) any asset of any member of the Wider City Pubs Group which constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other

applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider City Pubs Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;

- (C) any past or present member, director, officer or employee of the Wider City Pubs Group, or any other person for whom any such person may be liable or responsible, who is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
- (i) any government, entity or individual in respect of which US, UK or EU persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or EU laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury; or
 - (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the EU or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law;
- (D) any past or present member, director, officer or employee of the Wider City Pubs Group, or any other person for whom any such person may be liable or responsible:
- (i) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the US Anti-Terrorism Act;
 - (ii) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (iii) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour;
 - (iv) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
 - (v) any member of the Wider City Pubs Group is or has been engaged in any transaction which would cause Young's to be in breach of any law or regulation upon its offer for City Pubs, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury, or any other relevant government authority.

Part B: Certain further terms of the Transaction

1. Conditions 1, 2(A), 2(B)(i), 2(C)(i), 2(C)(iii) and 3 cannot be waived (save, in respect of conditions 2(A), 2(B) and 2(C), as respect to their deadlines as set out below). Subject to the requirements of the Panel and the Takeover Code, Young's reserves the right in its sole discretion to waive:
 - (A) the deadline set out in Condition 1 of Part A of this Part III (Conditions to the implementation of the Scheme and to the Transaction), and any of the deadlines set out in Conditions 2(A), 2(B) and 2(C) in so far as they relate to the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing. If any such deadline is not met, Young's will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with City Pubs to extend the deadline in relation to the relevant Condition; and

- (B) in whole or in part, all or any of Conditions 4 to 15 of Part A of this Part III (Conditions to the implementation of the Scheme and to the Transaction).
2. Conditions 2(A), 2(B) and 3 must be fulfilled by, and Conditions 4 to 15 (inclusive) fulfilled or waived by, no later than 11.59 p.m. on the date immediately preceding the date of the Court Sanction Hearing. The Transaction will not become Effective unless each of the Conditions have been fulfilled (or, to the extent capable of waiver, waived) or, where appropriate, have been determined by Young's to be or to remain satisfied by no later than 11.59 p.m. on the Long-Stop Date.
 3. The Transaction will be subject to the fulfilment (or waiver, if permitted) of the Conditions set out in Part A of this Part III (Conditions to the implementation of the Scheme and to the Transaction), to the further terms set out in this Part B of this Part III (Conditions to the implementation of the Scheme and to the Transaction), and to the full terms and conditions set out in this document, and such further terms as may be required to comply with the provisions of the Takeover Code.
 4. Young's shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or fulfilled, or to treat as satisfied or fulfilled any of Conditions 1 to 12 (inclusive) by a date earlier than the latest date specified for the satisfaction of the relevant Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of satisfaction or fulfilment.
 5. Under Rule 13.5(a) of the Takeover Code, Young's may not invoke a Condition to the Transaction so as to cause the Transaction not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Young's in the context of the Transaction. Young's may only invoke a condition that is subject to Rule 13.5(a) with the consent of the Panel and any condition that is subject to Rule 13.5(a) may be waived by Young's. Conditions 2(A)(i), 2(B)(i), 2(C)(i) and 3 and, if applicable, any acceptance condition (if the Transaction is implemented by means of an Offer) are not subject to Rule 13.5(a) of the Takeover Code.
 6. If Young's is required by the Panel to make an offer for City Pubs Shares under the provisions of Rule 9 of the Takeover Code, Young's may make such alterations to any of the above Conditions and the terms of the Transaction as are necessary to comply with the provisions of Rule 9.
 7. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
 8. Young's reserves the right to elect to implement the Transaction by way of an Offer as an alternative to the Scheme (subject to the Panel's consent (where necessary) and the terms of the Cooperation Agreement). In such event, the Transaction will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the City Pubs Shares (or such other percentage as Young's and City Pubs may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the City Pubs Shares), or any amendments required by, or deemed appropriate by, Young's under applicable law or any amendments necessary to reflect the Offer). Further, if sufficient acceptances of such Offer are received and/or sufficient City Pubs Shares are otherwise acquired, it is the intention of Young's to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding City Pubs Shares to which such Offer relates.
 9. The City Pubs Shares which will be acquired under the Transaction will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date.

10. If any dividend, distribution and/or other form of capital return is announced, declared, made, paid or becomes payable by City Pubs in respect of the City Pubs Shares on or after the date of this document and prior to the Effective Date, Young's reserves the right without prejudice to any right of Young's to invoke Condition 9(B) in Part A of this Part III (Conditions to the implementation of the Scheme and to the Transaction) to (at the sole discretion of Young's) reduce the Consideration by the amount of all or part of any such dividend, distribution and/or other form of capital return. If (but only to the extent) Young's exercises this right or makes such a reduction in respect of a dividend, distribution and/or other form of capital return, City Pubs Shareholders would be entitled to receive and retain the relevant portion of any such dividend, other distribution and/or other form of capital return (as applicable), and any reference in the Rule 2.7 Announcement or this document (or, in the event that the Transaction is to be implemented by means of an Offer, the Offer Document) to the Consideration will be deemed to be a reference to the Consideration as so reduced. Any exercise by Young's of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not constitute a revision or variation of the terms of the Transaction.
11. Except with the Panel's consent, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Young's may otherwise be, or claim to be, entitled as against such Scheme Shareholder and will be effected in the manner described in this document.
12. Fractions of the New Young's A Shares will not be allotted or issued pursuant to the Transaction, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Young's A Shares and all fractions of New Young's A Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Combined Group. The New Young's A Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Young's A Shares issued and outstanding at the time the New Young's A Shares are issued pursuant to the Transaction, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date. Applications will be made to the London Stock Exchange for the New Young's A Shares to be admitted to trading on AIM.
13. No amounts of cash of less than one penny will be paid to any Scheme Shareholder pursuant to the Scheme and the aggregate amount of cash to which a Scheme Shareholder will be entitled under the Scheme will be rounded down to the nearest penny.
14. The availability of the Transaction to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.
15. The Transaction will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange, of any Restricted Jurisdiction and the Transaction will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. The New Young's A Shares to be issued pursuant to the Offer have not been and will not be registered under the United States Securities Act of 1933 (as amended) nor under any of the relevant securities laws of Canada, Japan or Australia. Accordingly, the New Young's A Shares may not be offered, sold or delivered, directly or indirectly, in the United States, Canada, Japan or Australia nor to any United States person, except pursuant to exemptions from applicable requirements of any such jurisdiction.

16. The Transaction will be governed by English law and will be subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Part III (Conditions to the implementation of the Scheme and to the Transaction) and to the full terms which are set out in this document. The Scheme will be subject to the applicable requirements of English law, the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Companies Act 2006.
17. The Transaction will be subject to the Conditions and certain further terms set out in this Part III (Conditions to the implementation of the Scheme and to the Transaction) and to the full terms and conditions set out in this document.
18. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART IV

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

CR-2023-005940

IN THE MATTER OF THE CITY PUB GROUP PLC

AND IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

Between

THE CITY PUB GROUP PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as defined below)

A. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

2022 CSOP Option	an option granted under the City Pubs CSOP in 2022;
Announcement Date	16 November 2023;
associated undertaking	shall be construed in accordance with paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose;
Business Day	any day, other than a public holiday, Saturday or a Sunday, when banks are generally open for business in London for general banking business, other than solely for trading and settlement in Euro;
certificated form or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);
City Pubs or the Company	The City Pub Group plc, a public limited company 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 CSOP	The City Pub Group plc Company Share Option Plan and The City Pub Company (West) Plc Company Share Option Plan;
City Pubs Group	City Pubs and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;
City Pubs JSOP	The City Pub Group plc Joint Share Ownership Plan;
City Pubs LTIP	The City Pub Group plc Long-Term Incentive Plan;
City Pubs Shareholders	holders of City Pubs Shares from time to time;

City Pubs Share Plan Participants	individuals holding options under the City Pubs Share Plans;
City Pubs Share Plans	the City Pubs CSOP, the City Pubs JSOP and the City Pubs LTIP;
City Pubs Shares	the ordinary shares of 1 penny each in the capital of City Pubs;
Combined Group	the enlarged group comprising the Young's Group and the City Pubs Group following the Transaction becoming Effective;
Companies Act	the Companies Act 2006, as amended from time to time;
Computershare	Computershare Investor Services PLC, the registrar of Young's, of The Pavilions, Bridgwater Road, Bristol BS13 8AE;
Conditions	the conditions to the implementation of the Transaction, as set out in Part A of Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document;
Court	the High Court of Justice in England and Wales;
Court Meeting	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification), including any adjournment, postponement or reconvention thereof, notice of which is contained in Part IX (Notice of Court Meeting) of this document;
Court Order	the order of the Court sanctioning this 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 and any adjournment, postponement or reconvention thereof;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the CREST Manual published by Euroclear, as amended from time to time;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
Effective	this Scheme having become effective in accordance with its terms, upon delivery of the Court Order to the Registrar of Companies;
Effective Date	the date on which this Scheme becomes Effective;
Equiniti	Equiniti Limited, the registrar of City Pubs, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
Euroclear	Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738;
Excluded Shares	any City Pubs Shares: <ul style="list-style-type: none"> (i) registered in the name of, or beneficially owned by, Young's or any member of the Young's Group; or (ii) registered in the name of, or beneficially owned by, any nominee of any of the foregoing; or (iii) held by City Pubs in treasury, in each case remaining in issue immediately prior to the Scheme Record Time; or

	(iv) issued pursuant to the exercise of a 2022 CSOP Option which continue to be held at the Scheme Record Time by the City Pubs CSOP participant to whom they were issued pursuant to the exercise of the 2022 CSOP Option;
holder	a registered holder and includes any person(s) entitled by transmission;
Last Practicable Date	12 December 2023, being the last practicable date prior to publication of this document;
Long-Stop Date	16 May 2024, or such later date as may be agreed between Young's and City Pubs (with the Panel's consent and as the Court may approve, if such approval is required);
New Young's A Shares	the new Young's A Shares proposed to be issued pursuant to the Transaction;
Panel	the Panel on Takeovers and Mergers;
Pounds sterling, pence, p or £	the lawful currency of the United Kingdom from time to time;
Registrar of Companies	the registrar of companies in England and Wales;
Scheme	this proposed scheme of arrangement 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;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date or such other date and/or time as Young's and City Pubs may agree;
Scheme Shareholders	the holders of Scheme Shares from time to time;
Scheme Shares	all City Pubs Shares: <ul style="list-style-type: none"> (a) in issue at the date of this document; (b) (if any) issued after the date of this document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, in each case, remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;
subsidiary	has the meaning given in section 1159 of the Companies Act;
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act;
Takeover Code	the City Code on Takeovers and Mergers;
Transaction	the proposed acquisition by Young's of the entire issued and to be issued ordinary share capital of City Pubs (other than City Pubs Shares already held by or on behalf of Young's, if any) pursuant to this Scheme, and, where the context permits, any subsequent revision, variation, extension or renewal thereof;
Transaction Consideration	the consideration to be delivered by Young's for each Scheme Share held by Scheme Shareholders at the Scheme Record Time, being, in respect of each Scheme Share so held (i) 0.032658 New Young's A Shares and (ii) 108.75 pence in cash;

Treasury Shares	any City Pubs Shares which are held by City Pubs as treasury shares (within the meaning of the Companies Act);
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
Voting Record Time	6.30 p.m. on 15 January 2024 or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting;
Young's	Young & Co's Brewery, P.L.C., a public limited company incorporated in England and Wales with registered number 00032762 and whose registered office is at Copper House, 5 Garratt Lane, Wandsworth, London SW18 4AQ;
Young's A Shares	the A ordinary shares of 12.5 pence each in the capital of Young's; and
Young's Group	Young's and its subsidiaries and subsidiary undertakings, and where the context so admits or requires, all references in this document to the singular include the plural and <i>vice versa</i> .

- B. References to clauses and paragraphs are to clauses and paragraphs of this Scheme.
- C. Any phrase introduced by the term 'including' or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms.
- D. The issued share capital of City Pubs as at the Last Practicable Date was £1,062,934.30 divided into 106,293,430 shares of one penny each, all of which were credited as fully paid, 1,665,279 of which were held by City Pubs in treasury.
- E. Outstanding options and other rights to acquire City Pubs Shares granted under the City Pubs Share Plans may be exercised in connection with the Transaction, to the extent permitted in accordance with the rules of the relevant City Pubs Share Plan and any other terms on which they were granted. As at the Last Practicable Date, 6,822,780 City Pubs Shares may be issued or otherwise delivered to City Pubs Share Plan Participants (including by way of a transfer of City Pubs Shares from treasury) pursuant to the exercise of options granted under the City Pubs Share Plans. 2022 CSOP Options granted under the City Pubs CSOP over a maximum of 822,780 City Pubs Shares will only become exercisable on the Effective Date (save where the participant has ceased employment in certain specified circumstances in accordance with the rules of the relevant City Pubs CSOP, which in any event is not anticipated to occur) and therefore it is not expected that any City Pubs Shares acquired on the exercise of such options will be Scheme Shares.
- F. As at the Last Practicable Date, no member of the Young's Group holds any City Pubs Shares.
- G. Young's has, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by Counsel at the Court Sanction Hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Young's and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- H. References to times are to London time.

1. Transfer of Scheme Shares

- 1.1 Upon and with effect from the Effective Date, Young's shall acquire all the Scheme Shares fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever, and together with all rights or interests of any nature at the Effective Date or thereafter attached to such Scheme Shares, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) authorised, declared, made or paid or which becomes payable or any other return of value (whether made by a

reduction of share capital or share premium account or otherwise) by City Pubs made by reference to a record date falling on or after the Effective Date in respect of the Scheme Shares.

- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred from the Scheme Shareholders to Young's by means of a form or forms of transfer or other instrument or instruction of transfer or by means of CREST and, to give effect to such transfers, any person may be appointed by Young's as attorney and/or agent and/or otherwise on behalf of the holder or holders of Scheme Shares concerned, and is authorised as such attorney and/or agent and/or otherwise on behalf of the holder or holders of Scheme Shares concerned, to execute and deliver as transferor a form of transfer or other instrument (by deed or otherwise) or instruction of transfer of, or to procure the transfer by means of CREST or otherwise give any instructions to transfer, all of the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given or transfer procured shall be as effective as if it had been executed or given or procured by the holder or holders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Young's, together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer, or by means of CREST.
- 1.3 With effect from the Effective Date and pending the registration of Young's as the holder of any Scheme Share to be transferred pursuant to this Scheme in the register of members of City Pubs to reflect such transfer, each Scheme Shareholder irrevocably:
- (a) appoints Young's (and/or its nominee(s)), and Young's shall be empowered to act, as attorney or, failing that, as agent and/or otherwise on behalf of each holder of any such Scheme Share to exercise on behalf of each Scheme Shareholder (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any and all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares and to receive any distribution or other benefit accruing or payable in respect thereof;
 - (b) appoints Young's (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any documents, and do all such things, as may in the opinion of Young's and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to its Scheme Shares, including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting of City Pubs as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Young's and/or any one or more of its directors or agents to attend any general and separate class meetings of City Pubs (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf; and
 - (c) authorises Young's (and/or its nominee(s)) to take such action as it sees fit in relation to any dealings with or disposal of such Scheme Shares (or any interest in such Scheme Shares) and authorises City Pubs and/or its agents to send to Young's (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise (and irrevocably undertakes not to exercise) any voting rights attached to the Scheme Shares or (subject to clause 2.2) any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Young's, and shall not appoint a proxy or representative for or to attend any general meeting, separate class meeting or other meeting of City Pubs.

- 1.4 The authorities granted pursuant to clauses 1.2 and 1.3 shall be treated for all purposes as having been granted by deed.

2. Consideration for the transfer of Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to Young's referred to in clause 1, Young's shall, subject as provided below, pay, or procure that there shall be paid, to or for the account of (in respect of the cash component of the consideration) and allot and issue or procure the allotment and issuance (in respect of the share component of the consideration) in each case to or for the account of each Scheme Shareholder (as appearing in the register of members of City Pubs at the Scheme Record Time) the Transaction Consideration.
- 2.2 Subject to clause 2.4, if any dividend, other distribution or return of capital is authorised, declared, made, paid or becomes payable by City Pubs in respect of the City Pubs Shares on or after the Announcement Date and before the Effective Date, Young's shall have the right to reduce the Transaction Consideration per Scheme Share by an amount up to the amount of such dividend and/or distribution and/or return of capital (as the case may be and calculated, for the avoidance of doubt, on a per Scheme Share basis), except where the Scheme Share is, or will be, acquired pursuant to the Scheme on a basis which entitles Young's to receive such dividend, distribution or other return of capital (as the case may be) and to retain it.
- 2.3 If Young's exercises its right referred to in clause 2.2 to reduce the Transaction Consideration payable per Scheme Share by an amount up to the amount of a dividend and/or distribution and/or return of capital (as the case may be), then: (a) holders of City Pubs Shares appearing on the register of members at the relevant record time as determined by the directors of the Company shall be entitled to receive and retain that dividend, other distribution or return of capital in respect of the City Pubs Shares they hold at such record time; (b) any reference in this Scheme and this document to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced; and (c) the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of this Scheme.
- 2.4 If and to the extent that any such dividend, other distribution or return of capital is authorised, declared, made or is payable and it is cancelled in full prior to the Effective Date, the Transaction Consideration payable under the Scheme shall not be subject to change under clause 2.2.

3. Share certificates and cancellation of CREST entitlements

With effect from, or as soon as practicable after, the Effective Date:

- 3.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every holder of Scheme Shares shall be bound, at the request of City Pubs, to deliver up the same to City Pubs (or any person appointed by City Pubs to receive such certificates), or, as City Pubs may direct, to destroy the same;
- 3.2 City Pubs shall procure that entitlements to Scheme Shares held within CREST are disabled and Euroclear is instructed to cancel the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form;
- 3.3 following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, the registrar of City Pubs, Equiniti, shall (if necessary) be authorised to re-materialise entitlements to such Scheme Shares; and
- 3.4 on or as soon as reasonably practicable after the Effective Date, and subject to completion, delivery and, if applicable, stamping of any form of transfer or other instrument or instruction of transfer as may be required in accordance with clause 1 above, City Pubs will make, or procure to be made, appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Young's in accordance with clause 1.

4. Despatch of consideration

4.1 Settlement of any cash consideration to which a Scheme Shareholder is entitled shall be effected as follows:

- (a) subject to clause 4.1(c), in the case of Scheme Shares which at the Scheme Record Time are in certificated form, Young's shall despatch, or procure to be despatched, payment to the persons entitled to such Scheme Shares (or as they may direct) in accordance with the provisions of clauses 4.7, 4.8 and 4.9, (i) if the relevant Scheme Shareholder has set up a standing electronic payment mandate with the Company's registrar for the purpose of receiving dividend payments, by way of an electronic payment mandate; or (ii) otherwise by cheque; or (iii) by any other method that the Court, and the Panel, may allow, in each case for the sums payable to them respectively in accordance with clause 2;
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, Young's shall procure that Euroclear is instructed to create an assured payment obligation in favour of the appropriate payment bank of the persons entitled to the sums payable in accordance with clause 2 and in accordance with the CREST assured payment arrangements (as set out in the CREST Manual), provided that Young's shall be entitled to make payment of the consideration by electronic payment or by cheque as aforesaid in clause 4.1(a) if, for any reason, it wishes to do so or if, for any reason, it is not able to effect settlement in accordance with this clause 4.1(b); and
- (c) in the case of City Pubs Shares acquired by City Pubs Share Plan Participants after the making of the Court Order and prior to the Scheme Record Time pursuant to the exercise of options granted under the City Pubs Share Plans, Young's shall procure that the sums payable in respect of those City Pubs Shares, to the extent such City Pubs Shares are Scheme Shares, are settled by such method as shall be determined by City Pubs (including, but not limited to, procuring that payments are made through payroll (net of any exercise price, income tax and National Insurance contributions) as soon as reasonably practicable after the Effective Date in accordance with the Share Plan Letters and the rules of the relevant City Pubs Share Plan).

4.2 Payments pursuant to clause 4.1 shall be made, and (where relevant) cheques shall be despatched, as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date (or such other period as may be agreed between City Pubs and Young's and approved by the Panel). For the avoidance of doubt, the payment of any cash consideration by City Pubs through payroll to the relevant Scheme Shareholders pursuant to clause 4.1(c) shall be effected as soon as reasonably practicable after the Effective Date (but is not required to be effected within 14 Days after the Effective Date). Fractions of pence will not be paid to Scheme Shareholders and cash entitlements will be rounded down to the nearest penny.

4.3 Settlement of any share consideration to which a Scheme Shareholder is entitled shall be effected as follows:

- (a) subject to clause 4.3(c), in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure that the New Young's A Shares to which such Scheme Shareholder is entitled will be issued in certificated form. Definitive certificates for New Young's A Shares will be despatched by first class post to the address appearing in the register of members of City Pubs at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Definitive certificates will be despatched not later than the fourteenth day following the Effective Date;
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct Euroclear, or procure that Euroclear is instructed, to credit the appropriate stock account of such Scheme Shareholder with such person's entitlement to New Young's A Shares. Young's reserves the right, however, to settle all or any part of the said consideration referred to in this clause 4.3(b) for all and any Scheme Shareholders in the manner set out in clause 4.3(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.3(b); and

- (c) in the case of City Pubs Shares acquired by City Pubs Share Plan Participants after the making of the Court Order and prior to the Scheme Record Time pursuant to the exercise of options granted under the City Pubs Share Plans, Young's shall procure that the New Young's A Shares to be issued in respect of those City Pubs Shares, to the extent such City Pubs Shares are Scheme Shares, are settled by such method as shall be determined by City Pubs as soon as reasonably practicable after the Effective Date in accordance with the Share Plan Letters and the rules of the relevant City Pubs Share Plan.
- 4.4 Settlement of the share consideration pursuant to clause 4.3 shall be made as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date (or such other period as may be agreed between City Pubs and Young's and approved by the Panel).
- 4.5 Fractions of the New Young's A Shares will not be allotted or issued pursuant to the Transaction, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Young's A Shares and all fractions of New Young's A Shares will be aggregated and sold in the market as soon as practicable after the Transaction becomes Effective. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to City Pubs Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Combined Group. Payment of any amounts to which a Scheme Shareholder is entitled under this clause 4.5 will be made in accordance with clause 4.1(a) or 4.1(b) or 4.1(c), as appropriate.
- 4.6 With effect from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- 4.7 All deliveries of notices, documents of title, cheques, certificates or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or by international standard post, if overseas) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of City Pubs at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of City Pubs in respect of such joint holding at the Scheme Record Time) and none of City Pubs, any member of the City Pubs Group, Young's, any member of the Young's Group and their respective parent undertakings, or their respective agents or nominees or the registrar of Young's, Computershare, shall be responsible for any loss or delay in the transmission of any notices, documents of title, cheques, certificates or statements of entitlement sent in accordance with this clause 4.7 which shall be sent at the risk of the person or persons entitled to them.
- 4.8 All cheques shall be in Pounds sterling drawn on a UK clearing bank and (subject to clause 4.1(c)) shall be made payable to the Scheme Shareholder concerned or, in the case of joint holders, the joint holder whose name stands first in the register of members of City Pubs in respect of such joint holding at the Scheme Record Time to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed (save that, in the case of joint holders, Young's reserves the right to make the cheque payable to all joint holders). The encashment of any such cheque or the making of an electronic payment in accordance shall be a complete discharge of obligations of Young's (and those of its agents or nominees) under this Scheme to pay the monies represented thereby.
- 4.9 In respect of payments made through CREST, Young's shall procure that Euroclear is instructed to create an assured payment obligation in accordance with the CREST assured payment arrangements. The creation of such an appropriate assured payment obligation as set out in clause 4.1(b) shall be a complete discharge of the obligations of Young's (and those of its agents or nominees) under this Scheme with reference to payments made through CREST.
- 4.10 The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Allotment and issue of New Young's A Shares

- 5.1 The New Young's A Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Young's A Shares issued and outstanding at the time the New Young's A Shares are issued pursuant to the Transaction, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.
- 5.2 Immediately after the Scheme becomes Effective, Young's shall make all such allotments of and shall issue such New Young's A Shares as are required to be issued to give effect to this Scheme to the persons respectively entitled thereto, such consideration to be settled as set out in clause 4, but subject to clause 6 of this Scheme.

6. Overseas Shareholders

- 6.1 The provisions of clause 2 and clause 4 shall be subject to any prohibition or condition imposed by law.
- 6.2 Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom, Young's reasonably believes or is advised that the allotment and/or issue of New Young's A Shares pursuant to clause 4 would or might infringe the laws of such jurisdiction or would require Young's to observe any governmental or other consent or any registration, filing or other formality, with which Young's is unable to comply or which Young's regards as unduly onerous to comply with, Young's may, in its sole discretion, either:
- (a) determine that the New Young's A Shares shall not be allotted and/or issued to such holder under clause 4 but shall instead be allotted and issued to a nominee appointed by Young's as trustee for such holder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New Young's A Shares so allotted and issued at the best price which can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) by sending a cheque or creating a CREST assured payment obligation in accordance with the provisions of clause 6.3 or clause 6.4. In the absence of bad faith or wilful default, none of Young's or any nominee appointed by it shall have any liability for any loss or damage arising as a result of the timing or terms of such sale; or
 - (b) determine that the New Young's A Shares shall be sold, in which event the New Young's A Shares shall be allotted and/or issued to such holder and Young's shall appoint a person to act pursuant to this clause 6.2(b) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Young's has made such determination shall as soon as practicable following the Effective Date be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of clause 6.3 or clause 6.4 (as applicable). To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Young's or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.
- 6.3 In the case of Scheme Shareholders whose New Young's A Shares are sold in accordance with clause 6.2 and who hold their Scheme Shares in uncertificated form at the Scheme Record Time, Young's shall on behalf of the nominee or person appointed pursuant to clause 6.2 make any cash payment to those Scheme Shareholders pursuant to clause 6.2 by instructing Euroclear, or procuring that Euroclear is instructed, to create an assured payment obligation in favour of the payment bank of the Scheme Shareholders of such Scheme Shares in accordance with the CREST assured payment arrangements (as set out in the CREST

Manual) provided that Young's may (if, for reasons outside its control, it is not able to effect settlement in accordance with this clause 6.3) determine that all or part of such consideration shall be paid by cheque in Pounds sterling drawn on a UK clearing bank, in which case clause 6.4 shall apply, to the extent appropriate.

- 6.4 In the case of Scheme Shareholders whose New Young's A Shares are sold in accordance with clause 6.2 and who hold their Scheme Shares in certificated form at the Scheme Record Time, Young's shall on behalf of the nominee or person appointed pursuant to clause 6.2 make any cash payment to those Scheme Shareholders pursuant to clause 6.2 by despatching, or procuring the despatch, to the Scheme Shareholders, or as the Scheme Shareholders may direct, cheques in Pounds sterling drawn on a UK clearing bank by post no later than 14 days after the Effective Date.

7. Mandates

All mandates relating to the payment of dividends on any Scheme Shares and other instructions given to City Pubs by Scheme Shareholders in force at the Scheme Record Time relating to holdings of City Pubs Shares will, unless amended or revoked, be deemed as from the Effective Date to be an effective mandate or instruction to Young's in respect of the corresponding New Young's A Shares to be issued pursuant to the Transaction.

8. Operation of this Scheme

- 8.1 This Scheme shall become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.
- 8.2 Unless this Scheme has become Effective at or before 11.59 p.m. on the Long-Stop Date, or such later time and date (if any) as Young's and City Pubs may agree (with the Panel's consent and as the Court may approve, if such approval is required), this Scheme shall never become Effective.

9. Modification

City Pubs and Young's may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code. For the avoidance of doubt, no modification may be made pursuant to this clause once the Scheme has taken effect.

10. Governing law

This Scheme and all rights and obligations arising from or in connection with it are governed by English law. Any dispute of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme, irrespective of the causes of action, including whether based on contract or tort, shall be exclusively submitted to the courts of England and Wales. The rules of the Takeover Code will apply to this Scheme on the basis provided in the Takeover Code.

Dated: 13 December 2023

PART V

FINANCIAL INFORMATION AND FURTHER INFORMATION ON YOUNG'S A SHARES

Part A: Financial information

1. City Pubs financial information incorporated by reference

The following sets out financial information in respect of City Pubs as required by Rule 24.3 of the Takeover Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code:

- the audited consolidated accounts of City Pubs for the financial year ended 26 December 2021 which are set out on pages 34 to 73 (both inclusive) of the City Pubs Annual Report and Accounts 2021, which is available from the website of City Pubs at https://www.citypubcompany.com/wp-content/uploads/sites/77/2022/05/City-Pubs-AR-2021_WEB-1.pdf;
- the audited consolidated accounts of City Pubs for the financial year ended 25 December 2022 which are set out on pages 36 to 75 (both inclusive) of the City Pubs Annual Report and Accounts 2022, which is available from the website of City Pubs at https://www.citypubcompany.com/wp-content/uploads/sites/77/2023/05/23092-City-Pubs_AR-2022_Web.pdf; and
- the unaudited consolidated interim financial statements of City Pubs for the 26 weeks ended 25 June 2023 which are set out on pages 7 to 21 (both inclusive) of the interim results of City Pubs for the 26 weeks ended 25 June 2023, which are available from the website of City Pubs at <https://www.citypubcompany.com/wp-content/uploads/sites/77/2023/10/THE-CITY-PUB-GROUP-INTERIM-REPORT-2023.pdf>.

2. Young's financial information incorporated by reference

The following sets out financial information in respect of Young's as required by Rule 24.3 of the Takeover Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code:

- the audited consolidated accounts of Young's for the financial year ended 28 March 2022 which are set out on pages 88 to 140 (both inclusive) of the Young's Annual Report and Accounts 2021/2022, which is available from the website of Young's at <https://www.youngs.co.uk/youngs/uploads/sites/2/2022/07/2022-annual-report-website.pdf>;
- the audited consolidated accounts of Young's for the financial year ended 3 April 2023 which are set out on pages 88 to 145 (both inclusive) of the Young's Annual Report and Accounts 2022/2023, which is available from the website of Young's at https://www.youngs.co.uk/youngs/uploads/sites/2/2023/06/2023-annual-report-website_compressed.pdf; and
- the unaudited consolidated interim financial statements of Young's for the 26 weeks ended 2 October 2023 which are set out on pages 9 to 28 (both inclusive) of the interim results of Young's for the 26 weeks ended 2 October 2023, which are available from the website of Young's at <https://www.youngs.co.uk/youngs/uploads/sites/2/2023/11/2023-interim-report.pdf>.

3. Hard copies

In accordance with Rule 30.3 of the Takeover Code, City Pubs Shareholders may request a hard copy of this document (and any information incorporated into this document by reference) free of charge by contacting the registrar of City Pubs, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside the UK, please ensure the country code is used). Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Alternatively, a request in writing may be submitted to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

4. No incorporation of website information

Save as expressly referred to in this document, neither the content of the website of City Pubs or the website of Young's, nor the content of any website accessible from hyperlinks on their respective websites, is incorporated into, or forms part of, this document.

Part B: Further information on Young's A Shares

1. Type and class of securities being offered

Young's has two classes of shares in issue: the Young's A Shares and the Young's Non-Voting Shares, both of which are denominated in Pounds sterling. In partial consideration of its offer in relation to the Transaction, Young's intends to issue the New Young's A Shares to the Scheme Shareholders.

2. Description of rights

The New Young's A Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Young's A Shares in issue at the time the New Young's A Shares are issued pursuant to the Transaction, including in respect of the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date. The holders of the Young's A Shares and New Young's A Shares shall each have the right to receive notices of general meetings of Young's and to attend, speak and vote at them; those rights do not apply to the Young's Non-Voting Shares. However, the Young's Non-Voting Shares are treated equally with the Young's A Shares and shall be treated equally with the New Young's A Shares for all purposes of participation in profits or assets. Irrespective of the date on which the Effective Date falls, City Pubs Shareholders who receive New Young's A Shares pursuant to the Scheme shall not be entitled to receive any final dividend or interim dividend declared or paid by Young's by reference to a record date falling prior to the Effective Date.

It is the intention of the Young's Directors that Young's will pay dividends from surplus income to the extent that such income is distributable. Where opportunities exist that fit the Young's Group's strategy, Young's may reinvest disposal proceeds. There can be no guarantee as to the amount of any dividend payable by Young's although the Young's Directors expect that dividends in respect of Young's Shares will continue to be paid on a half-yearly basis.

3. Admission

Applications will be made to the London Stock Exchange for the New Young's A Shares to be admitted to trading on AIM and the New Young's A Shares will trade under the same ISIN number as the existing Young's A Shares (being GB00B2NDK765). On the basis of the Expected Timetable of Principal Events (as set out on pages 13 and 14 above), it is expected that admission of the New Young's A Shares will become effective by 8.00 a.m. on the date that is three Business Days after the Court Sanction Hearing.

4. Restrictions on transferability

The Young's A Shares are freely transferrable subject to the following restrictions which are contained in the Young's Articles: (a) transfers cannot be in favour of more than four joint holders; (b) every transfer of certificated shares must be in writing and either in the usual standard form or another form approved by the board of directors of Young's; (c) every transfer of uncertificated shares must be made through CREST and comply with the uncertificated securities rules; (d) a transfer form must be made effective by or on behalf of the person making the transfer; (e) a transfer form cannot be used to transfer more than one class of shares; (f) the transfer form for certificated shares must be duly stamped (or certified or otherwise shown to the satisfaction of the board of directors of Young's to be exempt from stamp duty) and delivered to the office or any other place the board of directors of Young's decides and be accompanied by: (i) the share certificate in respect of the shares being transferred (unless made by a person to whom Young's was not required to, and did not send, a certificate); (ii) any other evidence which the board of directors of Young's asks for to prove that the person wanting to make the transfer is entitled to do so; and (iii) if the transfer form is made effective by someone other than the person making the transfer, evidence of the authority of that person to do so.

5. Other information relating to Young's A Shares

Further information in relation to the rights attaching to the Young's A Shares can be found in the Young's Articles which are available on the website of Young's at <https://www.youngs.co.uk/investors>.

PART VI
PROPERTY VALUATION REPORT

Condensed Valuation Report

In respect of:

Portfolio of 53 pub properties in England and Wales held by
The City Pub Group plc

On behalf of:

The City Pub Group plc;
Houlihan Lokey UK Limited and
Liberum Capital Limited

Contents

01 Valuation Report

Introduction

Schedule of Properties

Source of Information and Scope of Works

Valuation Assumptions

02 Appendix

Appendix – Property Details

Valuation Report

Introduction

Report Date	13 December 2023
--------------------	------------------

Valuation Date	29 November 2023
-----------------------	------------------

Addressee	<p>The City Pub Group plc 2nd Floor, Essel House 29 Foley Street London W1W 7TH (hereinafter referred to as “CPG” or the “Company”) and Houlihan Lokey UK Limited One Curzon Street W1J 5HD Acting in its capacity as Lead Financial Adviser and Joint Rule 3 Adviser to the Company and Liberum Capital Limited 25 Ropemaker St London EC2Y 9LY Acting in its capacity as Nominated Adviser, Joint Financial Adviser and Joint Rule 3 Adviser to the Company (and all the above together hereinafter referred to as the “Addressees”)</p>
------------------	--

The Properties	53 properties held by The City Pub Group PLC, as set out in the Schedule of Properties below (the “Properties”).
-----------------------	--

Property Descriptions	Public houses (pubs), including 12 with rooms, predominantly in city locations in England and Wales.
------------------------------	--

Instruction	<p>To value the unencumbered freehold, long leasehold and leasehold interests (as applicable) in the Properties on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 16 November 2023.</p> <p>In accordance with the instructions, the valuations reported have been on the basis of full Market Value assuming full ownership. Where properties are held through joint ownership no adjustment has been made to the value reported.</p>
--------------------	---

Capacity of Valuer External Valuer, as defined in the current version of the RICS Valuation - Global Standards.

Purpose The Valuation has been prepared for a Regulated Purpose as defined by the UK national supplement to the RICS Valuation – Global Standards. We understand that this Valuation Report and the Appendix to it (together the "Valuation Report") is required for inclusion in a scheme document (the "Scheme Document") to be published by The City Pub Group plc ("CPG") in connection with a recommended offer received from Young & Co.'s Brewery, P.L.C. ("Young's") for the entire issued share capital in The City Pub Group PLC (the "Transaction"), in accordance with the City Code on Takeovers and Mergers ("the Code").

In accordance with the RICS Valuation - Global Standards we have made certain disclosures in connection with this valuation instruction and our relationship with CPG and Young's.

The valuation is on the basis of Market Value as defined in the current edition of the RICS Valuation – Global Standards.

The effective date of valuation is 29 November 2023.

Aggregate Market Value **£182,585,000 (ONE HUNDRED AND EIGHTY-TWO MILLION, FIVE HUNDRED AND EIGHTY FIVE THOUSAND POUNDS)** exclusive of purchaser's costs and VAT, as shown in the Schedule of Capital Values set out below.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

The valuation is the full Market Value of each Property assuming full ownership. Where properties are held through joint ownership no adjustment has been made to the value reported.

The Properties are all held as operational properties with the exception of Simmons, Bateman Street, which is held as an investment, and Chapel 1877, Cardiff and Lost Hours, Chelsea, which are operational properties now closed to trading and held for redevelopment.

There are no negative values to report. For the avoidance of doubt we have valued the Properties as real estate and the values reported above represent 100% of the market values of the Properties.

The split of values between freehold, long-leasehold and leasehold property and number of Properties in each category are as follows:

Tenure	#	Market Value (£)
Freehold	31	157,360,000
Long Leasehold	3	18,225,000
Short Leasehold**	19	7,000,000
Totals	53	182,585,000

** Short leasehold is under 50 years

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Report Format	The Appendix to this Valuation Report provides the condensed details of each of the Properties within the portfolio and the value of each. This Valuation Report consists of 25 pages.
----------------------	--

Compliance with Valuation Standards	<p>The Valuations have been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as at the Valuation Date.</p> <p>We confirm that the valuations have been prepared in accordance with the requirements of Rule 29 of the Code.</p> <p>The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book and with Rule 29 (a) (ii) and (iii) of the Code. We confirm that we have sufficient local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the Valuations competently.</p> <p>Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.</p> <p>This Valuation is a professional opinion and are expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject Properties as at the Valuation Date.</p> <p>In accordance with the Red Book, we have made certain disclosures in connection with this valuation instruction and our relationship with the Company.</p>
--	--

Assumptions	<p>Full ownership of all assets.</p> <p>The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites - including ground and groundwater contamination - as set out below.</p> <p>If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.</p>
--------------------	---

Variations and/or Departures from Standard Assumptions	None.
---	-------

Sustainability Considerations	<p>For the purposes of this report, we have made enquiries to ascertain any sustainability factors which are likely to impact on value, consistent with the scope of our terms of engagement.</p> <p>Sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect the value of an asset, even if not explicitly recognised. This includes key environmental risks, such as flooding, energy efficiency and climate, as well as design, legislation and management considerations - and current and historic land use.</p>
--------------------------------------	---

CBRE are currently gathering and analysing data around the four key areas we feel have the most potential to impact on the value of an asset:

- Energy Performance
- Green Certification
- Sources of Fuel and Renewable Energy Sources
- Physical Risk/Climate Risk

Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability factors in their decisions and the consequential impact on market valuations.

Climate Risk Legislation

The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).

We understand this to include an update to the Minimum Energy Efficiency Standards, stated to:

- Increase the minimum requirements for non-domestic properties from an E (since 2018) to a B in 2030; and,
- Incentivise a minimum EPC of C for privately rented residential properties from 2028.

The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK's commitment to be Net Zero Carbon by 2050.

This upcoming legislation could have a potential impact to future asset value.

We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale or letting of assets.

The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.

Independence

The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2023.

We confirm that we do not have any material interest in CPG, Young's or the Properties.

Previous Involvement and Conflicts of Interest

We confirm that in March 2022 CBRE valued 14 of the Properties in the portfolio for Barclays Bank Plc for loan security purposes and for which reliance was also provided to the Company. An additional 3 Properties were valued at the same date solely addressed to the Company for internal review purposes.

We confirm also that prior to this we provided valued 31 Properties for the Company in October 2017 for IPO purposes and more recently valued of The Hoste, Burnham Market in April 2019 for acquisition purposes.

We have disclosed the relevant facts to you and all parties agree that the above does not create a conflict of interest that would prevent us from undertaking this instruction.

We confirm that neither the valuers involved in this instruction, nor CBRE have any personal interest in the Company, Young's, any of the Properties or the outcome of the valuation.

Copies of our conflict of interest checks have been retained within the working papers.

Disclosure

The principal signatory to the valuation instruction has undertaken previous valuation work on behalf of the Company and their lenders within the last 5 years, but has not continuously been a signatory to valuations on their behalf.

Trading Properties

The Properties in the portfolio form part of a class of assets known as trading related properties; in that the capital and rental values are linked to and underpinned by the trading performance of the occupier business.

The valuations of the Properties (with the exception of Bateman Street which is held as an investment) are on the basis that they are fully equipped and operational entities with values having regard to trading potential. This will usually include:

- The legal interest in the land and buildings;
- The trade inventory, usually comprising all trade fixtures, fittings and equipment (“FF&E”) necessary for the operation of the business;
- The market’s perception of the trading potential, together with an assumed ability to obtain/renew existing licences, consents, certificates and permits;
- Consumables and stock in trade are normally excluded from the valuation, as are personal goodwill, branding etc.

The trading potential of the property is appraised using the concept of Reasonably Efficient Operator (“REO”), defined in VPGA4 2.10 as:

“A concept where the valuer assumes that the market participants are competent operators, acting in an efficient manner, of a business conducted on the premises. It involves estimating the trading potential rather than adopting the actual level of trade under the existing ownership, and it excludes personal goodwill”.

Trade related properties are considered as individual trading concerns and earnings are normally expressed as Net Operating Income (“NOI”) but are also known as earnings before interest, taxes, depreciation, amortisation, rent and management fee (“EBITDARM”). In order to help assess the Fair Maintainable Turnover (“FMT”) and Fair Maintainable Operating Profit (“FMOP”) that could be achieved by a reasonably efficient operator (“REO”) of the business, we have made enquiries into the nature of the operation of the pubs, as previously outlined.

The component parts of the valuation methodology therefore comprise of the following:

Stage 1 - Fair Maintainable Turnover and Fair Maintainable Operating Profit

Stage 1 of our valuation was to form assessments of FMT and FMOP. Using the information made available to us, we have made assessments of the level of trade that a Reasonably Efficient Operator (“REO”), without a special interest, might reasonably assume as the basis for a bid.

In doing so we have assumed that on a sale, trading information would be made available to the market and that full inspections and due diligence would be undertaken.

When considering the valuation of a public house, the trade drivers typically include the following:

- Historical and projected revenue and EBITDA performance trends
 - Trade split (wet / dry / accommodation)
 - Capital investment required
 - Competitor activity
 - Opportunities to change or enhance operation and performance
 - Development opportunities
 - Wider market factors including cost pressures
-

We have analysed the historical performance of the asset and sector performance to determine key performance indicators (KPIs), which we have used to assist in determining a future business profile for each Property.

We have considered the Properties' characteristics, key income streams, costs and KPIs in preparing our estimate of maintainable trade.

These considerations have led to our assessment of the sustainable trade for the Properties for valuation purposes. Sustainable trade is not intended to reflect a minimum or maximum or actual trade. It is our opinion of a trading profile that a purchaser may consider appropriate for the purposes of assessing a bid to purchase.

We give consideration of the historical performance of the Properties and the forecasts as provided by management in order to assess the level of trade that a REO would expect to achieve on the assumption that the property is fully equipped and maintained with all necessary licences in place and trading records available.

We assess the level of profit prior to depreciation, rent and finance costs that the REO would expect to derive from the FMT based on an assessment of the market's perception of the potential earnings of the property, referred to as Fair Maintainable Operating Profit ("FMOP"). It reflects the key revenue and costs of the REO to include staffing, provisions, utilities and repair etc.

Stage 2 - Capitalisation Rate

We have considered value on an income capitalisation basis, adopting the capitalisation method we consider most appropriate to each property.

When assessing the appropriate capitalisation rates to apply in our valuations we have had reference to:

- The age and size of the building;
- Physical character, attractiveness and potential development;
- Functionality of the design and layout of the asset;
- Tenure and tenancy status;
- Geographical location;
- Barriers to Entry;
- Likely buyer types and motivation;
- Future challenges and opportunities;
- Comparable evidence;

For trading properties the favoured approach is to apply the inverse of the capitalisation rate known as Year's Purchase ("YP") or Multiple, and is supported by analysis of comparable market evidence. Further factors to consider include whether trading stability has been reached and how the market would reflect future performance expectations of the asset.

Stage 3 - Capital Expenditure

When an asset requires immediate investment in order to either retain structural integrity or to be able to operate, we reflect this by allowing for a capital deduction in the valuation. In addition if an investment or development opportunity at the property will obviously guarantee a return significantly above the investment, then we may adopt an FMT reflective of the investment having been done with a deduction for the expenditure and income shortfall while closed for works.

Within the subject portfolio the Properties are either mature and in good condition or investment has just been completed and so we have not included a capital expenditure deduction for any of the Properties.

Building Safety – Market Uncertainty

The aftermath of the Grenfell Fire on 14 June 2017 has resulted in a wholesale review of the regime relating to building safety in addition to the public inquiry that has been established to investigate the circumstance (and which is planned to continue in the second half of 2019).

The Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt was published in May 2018. One of the key recommendations of the Hackitt Review was for a new Building Regulations regime for residential buildings of 10 storeys (30m) or higher. The Government has not yet stated which measures recommended in the Hackitt Review will be implemented or the timing of any such regulatory changes. However, it announced that Building Regulations would be amended from 21 December 2018 to ban the use of combustible materials on the external walls of new buildings over 18m containing flats, as well as, inter alia, buildings such as new hospitals, residential care homes and student accommodation. The ban also affects existing buildings undergoing major works or undergoing a change of use. Whilst a ban affecting lower rise buildings falling within these categories is not currently anticipated there remains uncertainty as to the potential fire prevention and building safety measures that the Government might implement. Indeed, the Government made a series of further announcements on 18 December 2018 including how it proposes to implement a tougher and more effective regulatory framework to improve building safety. More specifically, it published a Hackitt Review Implementation Plan for consultation until 12 February 2019 and with a further consultation “Building a Safer Future” issued in June 2019 lasting until 31 July 2019 in respect of the potential new Regulatory regime. The Government has also issued further Advice Notes relating to residential buildings above 18m including, inter alia: Advice Note 22 recommending the immediate removal of High Pressure Laminate Cladding materials; and a separate Advice Note recommending that combustible materials used in the construction of external balconies be removed.

We are aware that market participants that are affected by the same or similar issues continue to review details of construction, health and safety, and particularly fire prevention, mitigation and means of escape from buildings where people sleep, albeit with the focus on residential buildings above 18m. With respect to this portfolio, we understand this only relates to a limited number of the hotel properties.

In view of the continued lack of clarity on any regulatory changes, it remains too early to fully assess any valuation impact. Since the Grenfell Fire occurred, there has been limited evidence of market activity involving tall residential investments. In the light of these circumstances, this valuation has been undertaken in the context of an unclear regulatory environment and we would therefore recommend that it is kept under regular review. Similarly, in the short-term, it is also likely that potential investors and occupiers will be more cautious, and the liquidity and pricing of some Properties may be impacted.

Market Conditions

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

Responsibility

We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge the

information contained in this Valuation Report is in accordance with the facts and this Valuation Report contains no omissions likely to affect its import.

Reliance

Save as set out in “Responsibility” above, the contents of this Valuation Report may only be relied upon by:

- i) Addressees of the report; and
- ii) The shareholders of CPG

for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of the valuation set out above.

Publication

Neither the whole nor any part of this report, nor any references thereto may be included in any published document, prospectus or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully



Edward Higgins MSc (Hons) MRICS
Senior Director
RICS Registered Valuer
For and on behalf of CBRE Limited

+44 2071822216
Edward.Higgins@cbre.com

Yours faithfully



Matt Hopwood BScEcon MSc (Hons)
MRICS
Senior Director
RICS Registered Valuer
For and on behalf of CBRE Limited

+44 2071822409
Matt.Hopwood@cbre.com

Schedule of Properties

Property	Address	Postcode	County	Year of Inspection
Bath Brew House	Bath Brew House, 14 James St W, Bath, Somerset	BA1 2BX	Avon	2022
Cider House	Cider House, 7 Bladud Buildings, Bath, Somerset	BA1 5LS	Avon	2023
King Street Brew House	King Street Brew House, 13 Welsh Back, Bristol, Somerset	BS1 4RR	Avon	2023
The Cork	The Cork, 11-12 Avon St, Westgate Buildings, Bath, Somerset	BA1 1EB	Avon	2022
Market House	Market House, 1-2 Market Place, Reading, Berkshire	RG1 2EQ	Berkshire	2023
Cambridge Brew House	Cambridge Brew House, 1 King St, Cambridge, Cambridgeshire	CB1 1LH	Cambridgeshire	2023
Hoste	Hoste, The Green, Burnham Market, King's Lynn, Norfolk	PE31 8HD	Cambridgeshire	2022
Old Bicycle Shop	Old Bicycle Shop, 104 Regent St, Cambridge, Cambridgeshire	CB2 1DP	Cambridgeshire	2022
Old Ticket Office	Old Ticket Office, Unit 1, Cambridge Railway Station, Cambridge, Cambridgeshire	CB1 2JW	Cambridgeshire	2023
Petersfield	Petersfield, 2 Sturton St, Cambridge, Cambridgeshire	CB1 2QA	Cambridgeshire	2022
Red Lion	Red Lion, 27 High St, Cambridge, Cambridgeshire	CB24 9JD	Cambridgeshire	2022
The Mill	The Mill, 14 Mill Ln, Cambridge, Cambridgeshire	CB2 1RX	Cambridgeshire	2023
Tivoli	Tivoli, 16 Chesterton Rd, Cambridge, Cambridgeshire	CB4 3AX	Cambridgeshire	2023
Waterman	Waterman, 32 Chesterton Rd, Cambridge, Cambridgeshire	CB4 3AX	Cambridgeshire	2023
Old Fire House	Old Fire House, 50 New N Rd, Exeter, Devon	EX4 4EP	Devon	2023
Turks Head	Turks Head, 202 High St, Exeter, Devon	EX4 3EB	Devon	2022
Potters	Potters, 22-24 Upper Dock St, Newport	NP20 1DL	Gwent	2023
Alfie's	Alfie's, 157 High St, Winchester, Hampshire	SO23 9BA	Hampshire	2023
Westgate	Westgate, 2 Romsey Rd, Winchester, Hampshire	SO23 8TP	Hampshire	2022
Althorp	Althorp, 20 Bellevue Rd, London	SW17 7EB	London	2022
Aragon House	Aragon House, 247 New Kings Rd, Parsons Green, London	SW6 4XG	London	2022

Property	Address	Postcode	County	Year of Inspection
Belle Vue	Belle Vue, 1 Clapham Common South Side, London	SW4 7AA	London	2023
Bow Street Tavern	Bow Street Tavern, 37 Bow St, London	WC2E 7AU	London	2023
Cat & Mutton	Cat & Mutton, 76 Broadway Market, London Fields, London	E8 4RA	London	2022
Cock & Bottle	Cock & Bottle, 17 Needham Rd, London	W11 2RP	London	2023
Daly's Wine Bar	Daly's Wine Bar, 210 Strand, Temple, London	WCR 1AP	London	2023
Garrison	Garrison, 99 Bermondsey St, London	SE1 3XB	London	2023
Green Goose	Green Goose, 112 Anglo Rd, London	E3 5HD	London	2023
Larkshall	Larkshall, 205 Larkshall Rd, London	E4 6NT	London	2023
Lost Hours	Lost Hours, 541 King's Rd, London	SW6 2EB	London	2023
Pride of Paddington	Pride of Paddington, 1-3 Craven Rd, Tyburnia, London	W2 3RF	London	2023
Simmons Bateman Street	2 Bateman St, London (Investment)	W1D 4AE	London	2023
Temple Brew House	Temple Brew House, 46 Essex St, Temple, London	WCR 3JF	London	2023
The Bridge	The Bridge, 204 Castelnau, London	SW13 9DW	London	2023
The Lighthouse	The Lighthouse, 441 Battersea Park Rd, London	SW11 4LR	London	2022
The Nell Gwynne	The Nell Gwynne, 2 Bull Inn Ct, London	WCR ONP	London	2022
The Phene	The Phene, 9 Phene St, Chelsea, London	SW3 5NY	London	2022
The Roundhouse	The Roundhouse, North Side, Wandsworth Common, London	SW18 2SS	London	2023
Three Crowns	Three Crowns, 8 East Rd, London	N1 6DX	London	2023
Walkers of Whitehall	Walkers of Whitehall, 15 Craig's Ct, London	SW1A 2DD	London	2023
Rising Sun	Rising Sun, 277-279 Richmond Rd, Twickenham, London	TW1 2NP	Middlesex	2023
The Castle is Altered	The Case is Altered, High Rd, Eastcote, Pinner, London	HA5 2EW	Middlesex	2023

Property	Address	Postcode	County	Year of Inspection
Cliftonville Hotel	Cliftonville Hotel, 29 Runton Rd, Cromer, Norfolk	NR27 9AS	Norfolk	2023
St Andrews Brew House	St Andrews Brew House, 41 St Andrews St, Norwich, Norfolk	NR2 4TP	Norfolk	2022
The Georgian Townhouse	The Georgian Townhouse, 30-34 Unthank Rd, Norwich, Norfolk	NR2 2RB	Norfolk	2022
George Street Social	George Street Social, 34 New Inn Hall St, Oxford, Oxfordshire	OX1 2DH	Oxfordshire	2023
St Aldates Tavern	St Aldates Tavern, 108 St Aldates, Oxford, Oxfordshire	OX1 1BU	Oxfordshire	2023
The Plough	The Plough, 38 Cornmarket St, Oxford, Oxfordshire	OX1 3HA	Oxfordshire	2023
Chapel 1877	Chapel 1877, Churchill Way, Cardiff	CF10 2WF	South Glamorgan	2023
Pontcanna Inn	Pontcanna Inn, 36 Cathedral Rd, Cardiff	CF11 9LL	South Glamorgan	2022
Oyster House	Oyster House, Oyster Wharf, Tivoli Walk, Mumbles Rd, Mumbles, Swansea	SA3 4DN	West Glamorgan	2023
Button Factory	Button Factory, 25 Frederick St, Birmingham, West Midlands	B1 3HH	West Midlands	2023
Frederick Street Townhouse	Frederick Street Townhouse, 26 Frederick St, Birmingham, West Midlands	B1 3HH	West Midlands	2023
The Distillery	The Distillery, 4 Sheepcote St, Birmingham, West Midlands	B16 8AE	West Midlands	2023

Source of Information and Scope of Works

Sources of Information	<p>We have carried out our work based upon information supplied to us by CPG and their advisors through a data room. The key documents reviewed and relied upon include:</p> <ul style="list-style-type: none">– <i>Full year trading 2022, 2023 forecast (p8 actuals) and 2024 budget</i>– <i>Drink retro apportionment</i>– <i>Full Year Rooms 2023 - Week 43;</i>– <i>Info for CBRE valuation Oct 23;</i>– <i>Leasehold summary</i>– <i>Pontcanna ISC Pack</i>– <i>Plough transfer details</i>– <i>Chapel FY19 trading</i>– <i>Leases and Land Registry documents from data room</i> <p>The trading figures supplied includes both historic and projected trading figures and supplementary financial information such as key performance indicators and have been supplemented by CPG and additional information obtained by us during the site visit and through query responses.</p> <p>In the event of a future change in the trading potential or actual level of trade from that identified by the financial information provided, for example as a result of the conduct of trade at a Property, the values reported herein could materially vary.</p> <p>We are of the opinion that we have been provided with sufficient information in order for us to undertake our valuations, based on the information provided in the data room and that gathered during inspection.</p>
The Properties	<p>Our report contains a brief summary of the Property details on which our Valuations have been based.</p>
Inspection	<p>Seventeen of the Properties (as identified above) were inspected in March 2022 as part of the loan security and directors' valuation. As instructed we have carried out full internal inspections between 2 November 2023 and 29 November 2023 of all of the Properties not inspected last year.</p> <p>Where Properties have not been reinspected for this appointment, we have asked the Company to confirm that as at the valuation date there have been no material changes to the Properties, or the nature of the businesses or locations, since our last inspection. We have assumed this advice to be correct.</p> <p>Where Properties have not been reinspected, the valuer will not carry out the usual range of enquiries performed during a full inspection of these Properties and will make the appropriate assumptions based on the information provided or available that, without a full inspection, cannot be verified. The instructing parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis</p>
Areas	<p>We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.</p>

Environmental Matters	<p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the Properties or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>
Services and Amenities	<p>We understand that the Properties are located in areas served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p>
Repair and Condition	<p>We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.</p>
Town Planning	<p>We have not undertaken planning enquiries.</p>
Titles, Tenures and Lettings	<p>Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.</p>

Valuation Assumptions

Assumptions	<p>An Assumption is defined in the Red Book Glossary and VPS 4 to be a “supposition taken to be true” (an “Assumption”).</p> <p>Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.</p> <p>CPG has confirmed and we confirm that our Assumptions are correct as far as CPG and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.</p> <p>For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.</p>
Capital Values	<p>Each valuation has been prepared on the basis of "Market Value", which is defined in the Red Book as:</p> <p>"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p> <p>The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
Taxation, Costs and Realisation Costs	<p>As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.</p>
VAT	<p>We have not been advised whether the Properties are elected for VAT.</p> <p>All rents and capital values stated in this report are exclusive of VAT.</p>
Passing Rent	<p>Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.</p>
Net Annual Rent	<p>Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:</p> <ul style="list-style-type: none">(i) ignoring any special receipts or deduction arising from the property;(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

Estimated Net Annual Rental Valuation	The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.
Rental Values	<p>Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:</p> <p>"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p>
Fixtures, Fittings and Equipment	<p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p> <p>Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.</p> <p>Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.</p> <p>All measurements, areas and ages quoted in our report are approximate.</p>
Environmental Matters	<p>In the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none"> a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law; b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; c) in England and Wales, the Properties possess current Energy Performance Certificates ("EPCs") as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Properties possess current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions; d) the Properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital values; and e) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (“NRPB”) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

- Repair and Condition** In the absence of any information to the contrary, we have assumed that:
- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
 - b) the Properties are free from rot, infestation, structural or latent defect;
 - c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, Reinforced Autoclaved Aerated Concrete (“RAAC”), have been used in the construction of, or subsequent alterations or additions to, the Properties; and
 - d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

- Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements** Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:
- a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
 - b) the buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
 - c) the Properties are not adversely affected by town planning or road proposals;
 - d) the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and that fire risk assessment and emergency plans are in place;
 - e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
 - f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
 - g) there are no tenant’s improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
 - h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
-

-
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
 - j) where more than 50% of the floorspace of any of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the relevant Property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
 - k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
 - l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
 - m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable. In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable
-

Appendix

Appendix – Property Details

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
Hoste	The Green, Burnham Market, King's Lynn, Norfolk	PE31 8HD	Freehold		Prime Norfolk location in the centre of the very popular Burnham Market.	Traditional pub at the front, with 45 bedrooms, restaurant and breakfast rooms to the rear.	14,050,000
Aragon House	247 New Kings Rd, Parsons Green, London	SW6 4XG	Freehold		Greenside location on Parsons Green in Fulham.	Premium pub with 15 rooms and large external area.	13,400,000
The Phene	9 Phene St, Chelsea, London	SW3 5NY	Freehold		Chelsea location slightly south of the Kings Road.	Detached, attractive four storey property with upper floor dining and good outside space.	9,775,000
The Georgian Townhouse	30-34 Unthank Rd, Norwich, Norfolk	NR2 2RB	Freehold		Edge of Norwich city centre on a busy road, easy to access location.	Large coaching inn with 35 rooms. Approximately 200 covers and attractive external areas.	8,075,000
Cat & Mutton	76 Broadway Market, London Fields, London	E8 4RA	Freehold		Corner location at the top of Broadway Market in Hackney, London on the edge of London Fields.	Traditional corner pub	8,300,000
Turks Head	202 High St, Exeter, Devon	EX4 3EB	Freehold		Mid terrace of high street in central Exeter	Traditional mid terrace pub with first floor trading.	6,125,000
The Lighthouse	441 Battersea Park Rd, London	SW11 4LR	Freehold		South of Battersea Park on the A3205.	Large standalone traditional pub with small outside area to rear.	6,625,000
Bath Brew House	14 James St W, Bath, Somerset	BA1 2BX	Freehold		South west fringe of Bath centre, near to River Avon.	Former nightclub which was refurbished and reopened in 2022. Small ground floor and large 108 cover basement. Paved and partly covered external area to rear.	9,475,000
The Cork	11-12 Avon St, Westgate Buildings, Bath, Somerset	BA1 1EB	Freehold		South west fringe of Bath centre, near to River Avon. 250m east of Bath Brew House.	Mid terrace unit with small garden.	6,100,000

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
Pontcanna Inn	36 Cathedral Rd, Cardiff	CF11 9LL	Freehold		West of the city centre and River Taff in residential area.	Edwardian town house with quality garden to the rear which is to be extended into car park area.	4,650,000
Althorp	20 Bellevue Rd, London	SW17 7EB	Freehold		South side of Wandsworth Common. 500 metres from Wandsworth Common station.	Traditional corner pub trading on ground floor with kitchen on first floor.	4,400,000
Old Bicycle Shop	104 Regent St, Cambridge, Cambridgeshire	CB2 1DP	Freehold		Regent Street in central Cambridge, north of train station.	Retail style unit with ground and first floor trading and small yard to rear	950,000
The Nell Gwynne	2 Bull Inn Ct, London	WCR ONP	Long Leasehold	09/10/3013	Alleyway pub between the Strand and Covent Garden.	Very small historic pub mid-terrace on alleyway.	4,875,000
St Andrews Brew House	41 St Andrews St, Norwich, Norfolk	NR2 4TP	Freehold		Fringe of Norwich city centre to the north of Norwich Castle.	Traditional corner property combining two adjoining buildings over three and four storeys.	1,250,000
Red Lion	27 High St, Cambridge, Cambridgeshire	CB24 9JD	Freehold		Centre of Histon, small town north of Cambridge.	Traditional pub with four rooms in outbuilding.	1,900,000
Petersfield	2 Sturton St, Cambridge, Cambridgeshire	CB1 2QA	Freehold		Suburban location north of Cambridge train station off Mill Road.	Small, attractive corner unit in residential area with ground floor trading and kitchen on first floor.	780,000
Westgate	2 Romsey Rd, Winchester, Hampshire	SO23 8TP	Freehold		Corner unit at the top of Winchester High Street.	Traditional corner pub trading on ground floor with ten bedrooms.	1,650,000
Tivoli	16 Chesterton Rd, Cambridge, Cambridgeshire	CB4 3AX	Freehold		Riverside location in Cambridge, north of river and Jesus Green.	4 storey former JDW which operates as a pub with shuffleboard, mini golf and roof terrace.	10,300,000
Cliftonville Hotel	29 Runtun Rd, Cromer, Norfolk	NR27 9AS	Freehold		Waterfront property in Cromer, slightly west of town centre.	Large Victorian guest house recently converted and includes 32 bedrooms	3,700,000
King Street Brew House	13 Welsh Back, Bristol, Somerset	BS1 4RR	Long Leasehold	11/08/3013	Prime location in centre of Bristol on King Street adjacent to the river.	Large ground floor and basement site below residential under separate ownership. External benches on pedestrian area are shared with the site opposite.	9,800,000

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
The Roundhouse	North Side, Wandsworth Common, London	SW18 2SS	Freehold		South of Clapham Junction station in London on A205.	Large traditional corner pub trading on ground floor only with flats above under separate ownership.	3,525,000
Old Fire House	50 New N Rd, Exeter, Devon	EX4 4EP	Freehold		Edge of main retail area in Exeter, north of Exeter Castle and near to student housing.	Listed Georgian firehouse building which has been converted into a pub over three floors with outdoor terrace.	5,500,000
Belle Vue	1 Clapham Common South Side, London	SW4 7AA	Freehold		Immediately outside Clapham Common underground station in South West London.	Traditional corner pub trading on ground floor with office and other staff space on first floor and flat above.	3,725,000
Chapel 1877	Churchill Way, Cardiff	CF10 2WF	Freehold		Central Cardiff to the east of St David's Centre and north of the Utilita arena. Immediate surrounding area undergoing comprehensive redevelopment.	Converted three-storey chapel with stone elevations and pointed arch windows. Arranged over basement/lower ground, upper ground and first floor levels with an outdoor terrace overlooking the street.	1,890,000
Market House	1-2 Market Place, Reading, Berkshire	RG1 2EQ	Freehold		Central Reading on Market Place Square.	Three storey terrace building of brick and stone construction, converted to include bar and events space, karaoke and games areas, rooftop bar and twenty four bedrooms.	4,300,000
Cider House	7 Bladud Buildings, Bath, Somerset	BA1 5LS	Freehold		North side of Bath centre to the east of Royal Crescent.	Terraced retail unit with small frontage with very large extended basement leading to large garden terrace.	3,675,000
Potters	22-24 Upper Dock St, Newport	NP20 1DL	Freehold		Central Newport on the west of the River Usk adjacent to Friars Walk shopping centre and Newport bus station.	Traditional corner pub over four storeys with modern extension at the eastern end, which encompasses part of the pub, plus a single storey vacant unit with glazed frontage. The pub trades over ground floor and a small roof terrace.	6,075,000
Green Goose	112 Anglo Rd, London	E3 5HD	Freehold		East London location approximately 0.5 miles north of Bow Road station in a predominantly residential area.	Traditional detached corner pub trading on ground floor only with small walled terrace to rear.	1,350,000

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
Larkshall	205 Larkshall Rd, London	E4 6NT	Freehold		South of Chingford just off B160 Larkshall Road in a predominantly residential area.	Locally listed former farmhouse with extension and large outdoor area which is part covered with external TV and outdoor BBQ.	2,150,000
Rising Sun	277-279 Richmond Rd, Twickenham, London	TW1 2NP	Freehold		West London location 0.5 miles from St Margarets train station which sits between Richmond and Twickenham.	Traditional corner pub of brick construction with small garden.	1,725,000
Garrison	99 Bermondsey St, London	SE1 3XB	Freehold		Central London to the south of Tower Bridge and London Bridge station.	Contemporary corner unit with green tiled exterior. Pub trades over ground floor and lower ground private hire space.	3,825,000
Button Factory	25 Frederick St, Birmingham, West Midlands	B1 3HH	Long Leasehold	24/06/2097	West of Central Birmingham in the popular Jewellery Quarter. Adjoins Frederick Street Townhouse (below)	Attractive former warehouse with large roof terrace at first floor and beer hall style trading area.	3,550,000
Frederick Street Townhouse	26 Frederick St, Birmingham, West Midlands	B1 3HH	Freehold		West of Central Birmingham in the popular Jewellery Quarter. Adjoins Button Factory (above)	Large Georgian townhouse with fifteen bedrooms across three storeys.	2,250,000
The Case is Altered	High Rd, Eastcote, Pinner, London	HA5 2EW	Freehold		Suburban location in north west London. Between Ruislip and Northwood.	Traditional village pub with large garden area.	2,075,000
The Mill	14 Mill Ln, Cambridge, Cambridgeshire	CB2 1RX	Leasehold	09/02/2037	Riverside location on the edge of Cambridge city centre adjacent to punting station.	Attractive small traditional pub benefitting from large riverside outdoor area.	425,000
Cambridge Brew House	1 King St, Cambridge, Cambridgeshire	CB1 1LH	Leasehold	24/03/2071	Central Cambridge on the popular King Street.	Large corner property of brick construction with glazed frontage. Ground floor trading is open plan and there is a large events room at first.	250,000

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
Waterman	32 Chesterton Rd, Cambridge, Cambridgeshire	CB4 3AX	Leasehold	12/02/2042	North edge of Cambridge city centre in a suburban location just north of Jesus park and River Cam.	Traditional semi-detached corner pub and café next door trading over ground floor with small outdoor terrace.	275,000
Old Ticket Office	Unit 1, Cambridge Railway Station, Cambridge, Cambridgeshire	CB1 2JW	Leasehold	22/02/2030	Cambridge train station.	Integrated within the train station the pub has double-height ceilings, a large outdoor area and a hatch to serve directly to the platform.	350,000
St Aldates Tavern	108 St Aldates, Oxford, Oxfordshire	OX1 1BU	Leasehold	11/07/2027	Central Oxford, just south of the High Street.	Small traditional mid-terrace pub with function room on upper floors.	150,000
George Street Social	34 New Inn Hall St, Oxford, Oxfordshire	OX1 2DH	Leasehold	06/09/2030	Slightly north of Oxford city centre near to the bus station.	Small retail unit converted into café/bar with ground and first floor trading areas.	Nil
The Plough	38 Cornmarket St, Oxford, Oxfordshire	OX1 3HA	Leasehold		Central Oxford on the main high street.	Medieval traditional pub that was most recently a retail unit and now boutique, premium pub. Trading over ground and first floors.	350,000
Daly's Wine Bar	210 Strand, Temple, London	WCR 1AP	Leasehold	23/06/2034	East end of the Strand in Central London, opposite Royal Courts of Justice	Ground floor terrace retail style unit now recently renovated wine bar. Under same lease as Temple Brew House (below) with shared kitchen and back of house facilities. Valued as single property.	250,000
Temple Brew House	46 Essex St, Temple, London	WCR 3JF	Leasehold	23/06/2034	East end of the Strand in Central London, opposite Royal Courts of Justice	Ground floor terrace retail style unit with trading at basement level. Beer hall style space with brewing facilities. Under same lease as Daly's Wine Bar (above) with shared kitchen and back of house facilities. Valued as single property.	Nil
Three Crowns	8 East Rd, London	N1 6DX	Leasehold	17/11/2031	Near to Old Street station Shoreditch, East London.	Classic corner unit pub with Premier Inn and WeWork attached. Ground floor trading only with cellar and storage on basement and residential above under separate ownership.	525,000
Bow Street Tavern	37 Bow St, London	WC2E 7AU	Leasehold	23/09/2032	East of Covent Garden, London near to the Royal Opera House and Theatre Royal.	4 storey terrace property trading on all four with spaces including main bar, small terrace, function room, karaoke room and roof terrace.	850,000

Property	Address	Postcode	Tenure	Lease Expiry	Location	Description	Net Value (£)
Cock & Bottle	17 Needham Rd, London	W11 2RP	Leasehold	27/01/2045	Just off main strip of Notting Hill, London.	Attractive traditional corner pub, trading at ground floor with kitchen and function room at first and staff accommodation on second floor.	725,000
Pride of Paddington	1-3 Craven Rd, Tyburnia, London	W2 3RF	Leasehold	24/07/2031	Immediately outside Elizabeth Line entrance at Paddington station.	Large traditional corner pub trading over ground floor with twelve rooms and one apartment to let above.	1,075,000
Alfie's	157 High St, Winchester, Hampshire	SO23 9BA	Leasehold	28/09/2039	East end of Winchester High Street.	Traditional mid terrace pub, with part covered external area and late-night licence.	425,000
Oyster House	Oyster Wharf, Tivoli Walk, Mumbles Rd, Mumbles, Swansea	SA3 4DN	Leasehold	31/05/2047	Mumbles seafront, south of Swansea in South Wales.	Purpose built hotel, restaurant and bar with external terrace.	175,000
Lost Hours	541 King's Rd, London	SW6 2EB	Leasehold	05/08/2037	West end of King's Road in Chelsea, London, just south of Chelsea football club stadium.	Traditional corner pub with trading over ground and first floor.	Nil
The Bridge	204 Castelnau, London	SW13 9DW	Leasehold	06/10/2033	Opposite Hammersmith Bridge in Barnes, London.	Large attractive traditional corner pub with large garden and eight bedrooms above.	350,000
Walkers of Whitehall	15 Craig's Ct, London	SW1A 2DD	Leasehold	23/06/2034	Alleyway/courtyard location just off Whitehall near to Trafalgar Square.	Terrace property with small bar area on ground floor with larger dining area on lower ground.	475,000
The Distillery	4 Sheepcote St, Birmingham, West Midlands	B16 8AE	Leasehold	28/02/2045	West of Birmingham city centre near to Utilita Arena.	Converted Victorian brick building with large canal-side external area	350,000
Simmons	2 Bateman St, London	W1D 4AE	Freehold		Soho location, south of Soho Square Gardens.	Mid terrace Georgian brick-built property, let to Simmons Bars and operating as a cocktail bar.	3,790,000
TOTAL							182,585,000

PART VII

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The City Pubs Directors, whose names are set out in sub-paragraph 2.1 of this Part VII (Additional Information), accept responsibility for the information contained in, or incorporated by reference into, this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to sub-paragraph 1.2 of this Part VII (Additional Information). To the best of the knowledge and belief of the City Pubs Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Young's Directors, whose names are set out in sub-paragraph 2.2 of this Part VII (Additional Information), accept responsibility for the information contained in, or incorporated by reference into, this document (including any expressions of opinion) relating to Young's, themselves and their respective close relatives, related trusts of and other connected persons and persons acting in concert (as such term is defined in the Takeover Code) with Young's. To the best of the knowledge and belief of the Young's Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The City Pubs Directors and their respective positions are:

Name	Position
Clive Royston Watson	Executive Chairman
Rupert James Lindsay Clark	Chief Operating Officer
Holly Dominique Elliott	Chief Financial Officer
Richard Öther Prickett	Senior Independent Non-Executive Director
Emma Louise Fox	Independent Non-Executive Director
Neil Robert Ceidrych Griffiths	Independent Non-Executive Director

The registered office of City Pubs and the business address of each of the City Pubs Directors is Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH. The Company Secretary of City Pubs is Christopher James Merriman.

- 2.2 The Young's Directors and their respective positions are:

Name	Position
Stephen Frederick Goodyear	Non-Executive Chairman
Simon Ray Dodd	Chief Executive
Michael James Owen	Chief Financial Officer
Tracy Janice Dodd	People Director
Mark Loughborough	Retail Director
Nick Brian Miller	Senior Independent Non-Executive Director
Stephen John Cooke	Independent Non-Executive Director
Ian Philip McHoul	Independent Non-Executive Director
Aisling Deirdre Maria Meany	Independent Non-Executive Director
Sarah Jane Sergeant	Independent Non-Executive Director
Torquil Charles Fflorance Barrow Sligo-Young	Non-Executive Director

The primary address of Young's and the business address of each of the Young's Directors is Copper House, 5 Garratt Lane, Wandsworth, London SW18 4AQ. The Company Secretary of Young's is Christopher Jon Taylor.

3. Interests and dealings in relevant securities

Definitions used in this section

3.1 For the purposes of this paragraph 3 and paragraph 15 of this Part VII (Additional Information):

- (a) “**acting in concert**” has the meaning given to it in the Takeover Code;
- (b) “**close relative**” has the meaning given to it in the Takeover Code;
- (c) “**dealing**” has the meaning given to it in the Takeover Code;
- (d) “**derivative**” has the meaning given to it in the Takeover Code;
- (e) “**disclosure period**” means the period beginning on 16 November 2022 (being the date that is 12 months before the start of the offer period) and ending on the Last Practicable Date;
- (f) “**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;
- (g) “**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Takeover Code and references to interests of the Young’s Directors or interests of the City Pubs Directors in relevant securities shall include all interests of any other person whose interests in such securities the Young’s Directors or, as the case may be, the City Pubs Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (h) “**Note 11 arrangement**” means any indemnity or other dealing arrangement, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant City Pubs securities or relevant Young’s securities which may be an inducement to deal or refrain from dealing;
- (i) “**offer period**” means the period starting on 16 November 2023 and ending on the Last Practicable Date;
- (j) “**relevant Young’s securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Young’s including equity share capital of Young’s (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (k) “**relevant City Pubs securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of City Pubs including equity share capital of City Pubs (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (l) “**relevant securities**” means relevant Young’s securities and relevant City Pubs securities, as the case may be; and
- (m) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

Interests and dealings in relevant City Pubs securities

3.2 As at the Last Practicable Date, and in addition to those interests disclosed at sub-paragraph 3.3 of this Part VII (Additional Information), the City Pubs Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant City Pubs securities:

City Pubs Director	Number of City Pubs Shares
Clive Watson ⁽¹⁾	4,347,819
Rupert Clark ⁽²⁾	828,554
Holly Elliott	62,548
Emma Fox	30,159
Richard Prickett	164,130
Neil Griffiths	89,156

Notes:

(1) Helen Watson (a person acting in concert with Clive Watson) is the registered holder of 87,188 City Pubs Shares, Giselle Watson (a person acting in concert with Clive Watson) is the registered holder of 20,600 City Pubs Shares and Charles Watson (a person acting in concert with Clive Watson) is the registered holder of 39,238 City Pubs Shares.

(2) Susan Jane Lindsay Clark is the registered holder of 114,989 City Pubs Shares (a person acting in concert with Rupert Clark).

3.3 During the disclosure period, the following City Pubs Directors dealt in the below number of City Pubs Shares (all of which are reflected in the total numbers at sub-paragraph 3.2 of this Part VII (Additional Information)):

City Pubs Director	Date	Nature of dealing	Number of City Pubs Shares	Price (GBP)
Clive Watson	14 June 2023	Disposal of City Pubs Shares	472,363	0.95
Rupert Clark	14 June 2023	Disposal of City Pubs Shares	94,474	0.95
Richard Prickett	7 February 2023	Acquisition of City Pubs Shares	20,000	0.78

3.4 As at the Last Practicable Date, the City Pubs Directors held the following outstanding options granted under the City Pubs Share Plans over relevant City Pubs securities:

Name	City Pubs Share Plan	Number of City Pubs Shares under award	Date of grant	Vesting date	Exercise price (GBP)
Clive Watson	City Pubs LTIP 2021	400,000	May 2021	May 2024	Nil
Clive Watson	City Pubs LTIP 2022	200,000	June 2022	June 2025	Nil
Clive Watson	City Pubs LTIP 2023	200,000	June 2023	June 2026	Nil
Clive Watson	City Pubs CSOP 2016	45,000	May 2016	May 2019	1.00
Holly Elliott	City Pubs LTIP 2021	400,000	December 2021	December 2024	Nil
Holly Elliott	City Pubs LTIP 2022	200,000	June 2022	June 2025	Nil
Holly Elliott	City Pubs LTIP 2023	200,000	June 2023	June 2026	Nil
Holly Elliott	City Pubs CSOP 2022	33,333	June 2022	June 2026	0.90
Rupert Clark	City Pubs LTIP 2021	400,000	May 2021	May 2024	Nil
Rupert Clark	City Pubs LTIP 2022	200,000	June 2022	June 2025	Nil
Rupert Clark	City Pubs LTIP 2023	250,000	June 2023	June 2026	Nil
Rupert Clark	City Pubs CSOP 2016	30,000	May 2016	May 2019	1.00

3.5 As at the Last Practicable Date, the following City Pubs Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant Young's securities:

City Pubs Director	Number of Young's Non-Voting Shares
Holly Elliott	500

Interests and dealings in relevant Young's securities

3.6 As at the Last Practicable Date, the following Young's Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant Young's securities:

Young's Director	Number of Young's A Shares
Torquil Charles Fflorance Barrow Sligo-Young ⁽¹⁾	4,476,049
Stephen Frederick Goodyear ⁽²⁾	200,424
Nick Brian Miller ⁽³⁾	59,811
Tracy Janice Dodd ⁽⁴⁾	16,973
Simon Ray Dodd ⁽⁵⁾	16,973
Michael James Owen ⁽⁶⁾	8,098
Ian Philip McHoul	3,000
Aisling Deirdre Maria Meany ⁽⁷⁾	1,299

Notes:

- (1) The following persons, acting in concert with Torquil Charles Fflorance Barrow Sligo-Young, are the registered holders of the following relevant Young's securities: (i) Rachel Sligo-Young, is the registered holder of 39,676 Young's A Shares; (ii) the Trustees of the WA Young Charitable Trust (James Guillaume Allen Young, Torquil Charles Fflorance Barrow Sligo-Young, Caroline Anne Chelton) are the registered holders of 3,216,732 Young's A Shares; (iii) the Trustees of the Mr Thomas Fflorance Barrow Young's Will Trust (Torquil Charles Fflorance Barrow Sligo-Young, Helena Elizabeth Maitland Young and Alice Parasram) are the registered holders of 465,152 Young's A Shares; (iv) the Trustees of Mr Thomas Fflorance Barrow Young's Settlement (Torquil Charles Fflorance Barrow Sligo-Young, Helena Elizabeth Maitland Young and Alice Parasram) are the registered holders of 371,216 Young's A Shares; (v) Alexander Sligo-Young is the registered holder of 500 Young's A Shares; (vi) Dr Helena McCrone is the registered holder of 68,780 Young's A Shares; (vii) Jasper James Miles Angus Sligo-Young is the registered holder of 73,813 Young's A Shares; and (viii) Smith & Williamson Nominees Limited is the registered holder of 10,380 Young's A Shares.
- (2) The following persons, acting in concert with Stephen Frederick Goodyear, are the registered holders of the following relevant Young's securities: (i) Interactive Investor Services Limited is the registered holder of 1,908 Young's A Shares; (ii) JM Finn Nominees Ltd is the registered holder of 6,935 Young's A Shares; (iii) Patricia Goodyear is the registered holder of 1,000 Young's A Shares; and (iv) Wealth Nominees Limited is the registered holder of 633 Young's A Shares.
- (3) The following persons, acting in concert with Nick Brian Miller, are the registered holders of the following relevant Young's securities: (i) Emma Louise Miller is the registered holder of 2,100 Young's A Shares; (ii) Annie Rose Miller is the registered holder of 408 Young's A Shares; (iii) Samuel Joseph Miller is the registered holder of 408 Young's A Shares; and (iv) George Edward Miller is the registered holder of 408 Young's A Shares.
- (4) The following persons, acting in concert with Tracy Janice Dodd, are the registered holders of the following relevant Young's securities: (i) Simon Ray Dodd is the registered holder of 5,378 Young's A Shares; and (ii) Halifax Share Dealing Limited is the registered holder of 2,439 Young's A Shares.
- (5) The following persons, acting in concert with Simon Ray Dodd, are the registered holders of the following relevant Young's securities: (i) Tracy Janice Dodd is the registered holder of 9,156 Young's A Shares; and (ii) Halifax Share Dealing Limited is the registered holder of 2,439 Young's A Shares.
- (6) The following persons, acting in concert with Michael James Owen, are the registered holders of the following relevant Young's securities: (i) Halifax Share Dealing Limited are the registered holders of 301 Young's A Shares; and (ii) Laura Owen is the registered holder of 1,508 Young's A Shares.
- (7) Hargreaves Lansdown Asset Management, acting in concert with Aisling Deirdre Maria Meany, is the registered holder of 1,299 Young's A Shares.

Young's Director	Number of Young's Non- Voting Shares
Torquil Charles Fflorance Barrow Sligo-Young ⁽¹⁾	548,147
Stephen Frederick Goodyear ⁽²⁾	3,265
Tracy Janice Dodd ⁽³⁾	3,087
Simon Ray Dodd ⁽⁴⁾	3,087
Michael James Owen ⁽⁵⁾	2,040
Ian Philip McHoul	2,000
Nick Brian Miller ⁽⁶⁾	1,569

Notes:

- (1) The following persons, acting in concert with Torquil Charles Fflorance Barrow Sligo-Young, are the registered holders of the following relevant Young's securities: (i) the Trustees of the WA Young Charitable Trust (James Guillaume Allen Young, Torquil Charles Fflorance Barrow Sligo-Young, Caroline Anne Chelton) are the registered holders of 46,048 Young's Non-Voting Shares; (ii) the Trustees of the Mr Thomas Fflorance Barrow Young's Will Trust (Torquil Charles Fflorance Barrow Sligo-Young, Helena Elizabeth Maitland Young and Alice Parasram) are the registered holders of 453,543 Young's Non-Voting Shares; (iii) Dr Helena McCrone is the registered holder of 5,063 Young's Non-Voting Shares; (iv) Jasper James Miles Angus Sligo-Young is the registered holder of 25,080 Young's Non-Voting Shares; (v) Fergus Ronald William Allen Sligo-Young is the registered holder of 12 Young's Non-Voting Shares; and (vi) Smith & Williamson Nominees Limited is the registered holder of 3,320 Young's Non-Voting Shares.

- (2) JM Finn Nominees Ltd, acting in concert with Stephen Frederick Goodyear, is the registered holder of 3,265 Young's Non-Voting Shares.
- (3) Halifax Share Dealing Limited, acting in concert with Tracy Janice Dodd, is the registered holder of 3,087 Young's Non-Voting Shares.
- (4) Halifax Share Dealing Limited, acting in concert with Simon Ray Dodd, is the registered holder of 3,087 Young's Non-Voting Shares.
- (5) Laura Owen, acting in concert with Michael James Owen, is the registered holder of 1,020 Young's Non-Voting Shares.
- (6) The following persons, acting in concert with Nick Brian Miller, are the registered holders of the following relevant Young's securities: (i) Annie Rose Miller is the registered holder of 387 Young's Non-Voting Shares; (ii) Samuel Joseph Miller is the registered holder of 387 Young's Non-Voting Shares; and (iii) George Edward Miller is the registered holder of 387 Young's Non-Voting Shares.

3.7 As at the Last Practicable Date, the following persons acting in concert with Young's (for the purposes of the Takeover Code) held the following interests in, or rights to subscribe in respect of, relevant Young's securities:

Registered owner	Number of securities	Nature of interest
Young's Pension Trustees Limited	337,067	Young's A Shares

Note:

- (1) Young's Pension Trustees Limited is considered a concert party in respect of investments in Young's Shares which form part of the assets of Young & Co's Brewery, P.L.C. Pension Scheme.

3.8 As at the Last Practicable Date, the Young's Directors (and their close relatives and related trusts) held the following outstanding options granted under the Young's share plans over relevant Young's securities:

Name	Young's share plan	Number of Young's A Shares		Date of award / grant	Vesting / exercise date	Exercise price (GBP)
		under award	award / grant			
Simon Ray Dodd	LTIP	50,713 ⁽¹⁾	29 Jun 2023	29 Jun 2026	NIL	
	LTIP	28,950 ⁽²⁾	29 Jun 2022	29 Jun 2025	NIL	
	SAYE	2,601 ⁽³⁾	13 Dec 2021	1 Feb 2025	11.76	
Tracy Janice Dodd	LTIP	50,713 ⁽⁴⁾	29 Jun 2023	29 Jun 2026	NIL	
	LTIP	28,950 ⁽⁵⁾	29 Jun 2022	29 Jun 2025	NIL	
	SAYE	2,601 ⁽⁶⁾	13 Dec 2021	1 Feb 2025	11.76	
Michael James Owen	LTIP	26,090	29 Jun 2023	29 Jun 2026	NIL	
	LTIP	25,548	29 Jun 2022	29 Jun 2025	NIL	
	SAYE	1,530	13 Dec 2021	1 Feb 2025	11.76	
Mark Loughborough	LTIP	14,116	29 Jun 2023	29 Jun 2026	NIL	
	LTIP	3,118	29 Jun 2022	29 Jun 2025	NIL	
	SAYE	765	13 Dec 2021	1 Feb 2025	11.76	

Notes:

- (1) Tracy Janice Dodd, acting in concert with Simon Ray Dodd, is the holder of 14,116 Young's A Shares under award.
- (2) Tracy Janice Dodd, acting in concert with Simon Ray Dodd, is the holder of 13,823 Young's A Shares under award.
- (3) Tracy Janice Dodd, acting in concert with Simon Ray Dodd, is the holder of 1,071 Young's A Shares under award.
- (4) Simon Ray Dodd, acting in concert with Tracy Janice Dodd, is the holder of 36,597 Young's A Shares under award.
- (5) Simon Ray Dodd, acting in concert with Tracy Janice Dodd, is the holder of 15,127 Young's A Shares under award.
- (6) Simon Ray Dodd, acting in concert with Tracy Janice Dodd, is the holder of 1,530 Young's A Shares under award.

3.9 During the disclosure period, the following Young's Directors (and their close relatives and related trusts) dealt in the below number of Young's Shares (all of which are reflected in the total numbers at sub-paragraphs 3.6 and 3.8, as relevant, of this Part VII (Additional Information)):

Young's Director	Date	Nature of dealing	Number of Young's A Shares	Price (GBP)
Simon Ray Dodd	29 June 2023	LTIP Grant, Young's A Shares	50,713 ⁽¹⁾	NIL
Tracy Janice Dodd	29 June 2023	LTIP Grant, Young's A Shares	50,713 ⁽²⁾	NIL
Michael James Owen	29 June 2023	LTIP Grant, Young's A Shares	26,090	NIL
Mark Loughborough	29 June 2023	LTIP Grant, Young's A Shares	14,116	NIL
Simon Ray Dodd	30 May 2023	Purchase of Young's A Shares	2,493 ⁽³⁾	11.80
Tracy Janice Dodd	30 May 2023	Purchase of Young's A Shares	2,493 ⁽⁴⁾	11.80
Michael James Owen	30 May 2023	Purchase of Young's A Shares	1,176	11.80
Aisling Deirdre Maria Meany	13 December 2022	Purchase of Young's A Shares (re-investment of 2022 interim dividend)	10	10.16

Notes:

- (1) Tracy Janice Dodd, acting in concert with Simon Ray Dodd, is interested in 14,116 Young's A Shares.
- (2) Simon Ray Dodd, acting in concert with Tracy Janice Dodd, is interested in 36,597 Young's A Shares.
- (3) Tracy Janice Dodd, acting in concert with Simon Ray Dodd, is the registered holder of 1,115 Young's A Shares.
- (4) Simon Ray Dodd, acting in concert with Tracy Janice Dodd, is the registered holder of 1,378 Young's A Shares.

General

3.10 Save as disclosed in this document (including in paragraphs 3 or 8 of this Part VII (Additional Information)), as at the Last Practicable Date:

- (a) Young's had no interest in, right to subscribe in respect of, or short position in respect of, relevant City Pubs securities, nor has Young's dealt in any relevant City Pubs securities during the disclosure period;
- (b) none of the Young's Directors had any interest in, right to subscribe in respect of, or short position in respect of, relevant City Pubs securities or relevant Young's securities, nor has any such person dealt in any relevant City Pubs securities or any relevant Young's securities during the disclosure period;
- (c) no person deemed to be acting in concert with Young's had any interest in, right to subscribe in respect of, or short position in respect of, relevant City Pubs securities or relevant Young's securities, nor has any such person dealt in any relevant City Pubs securities or any relevant Young's securities during the disclosure period;
- (d) neither Young's nor any person acting in concert with it had borrowed or lent any relevant City Pubs securities or any relevant Young's securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (e) neither City Pubs, any City Pubs Director, nor any other person acting in concert with City Pubs, had any interest in, right to subscribe in respect of, or short position in respect of, relevant City Pubs securities and no such person has dealt in any relevant City Pubs securities during the offer period;

- (f) neither City Pubs, any City Pubs Director, nor any other person acting in concert with City Pubs, had any interest in, right to subscribe in respect of, or short position in respect of, relevant Young's securities, and no such person has dealt in any relevant Young's securities during the offer period;
 - (g) neither City Pubs nor any person acting in concert with it had borrowed or lent any relevant City Pubs securities or any relevant Young's securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
 - (h) save for the Irrevocable Undertakings described in paragraph 8 of this Part VII (Additional Information), neither Young's nor any person acting in concert with it has any Note 11 arrangement with any other person; and
 - (i) neither City Pubs nor any person acting in concert with City Pubs has any Note 11 arrangement with any other person.
- 3.11 Save in respect of the Deferred Shares as purchased and cancelled on 4 December 2023 as more particularly described at paragraph 8 of Part I (Letter from the Chairman of City Pubs) of this document, no relevant City Pubs securities have been redeemed or purchased by City Pubs during the offer period.

4. City Pubs Directors' service contracts, consultancy agreements and emoluments

Executive City Pubs Directors

4.1 The Executive City Pubs Directors have entered into service contracts with City Pubs, as follows:

(a) **Clive Watson, Executive Chairman**

On 25 October 2017, Clive Watson entered into a new service contract with City Pubs. This contract replaced the service contract previously entered into by Clive with each of City Pubs and The City Pub Company (West) Limited dated 20 December 2011.

The contract provides for Clive to act as Executive Chairman of City Pubs. Clive is entitled to receive a basic salary of £225,000 and a bonus on terms to be determined by the City Pubs Remuneration Committee which amounted to £40,000 in respect of the financial year ended 25 December 2022. City Pubs will make pension payments to Clive in accordance with relevant legislation.

Clive is entitled to 28 days holiday (plus public holidays) per annum. He is also entitled to private medical cover for himself and his family.

Clive is subject to confidentiality and intellectual property undertakings. Clive is bound to observe restrictive covenants for 12 months after the termination of his employment, provided that such period of restriction shall be reduced by any period of garden leave.

In order to terminate Clive's employment, City Pubs is required to give 12 months' notice, other than in circumstances of, *inter alia*, gross misconduct and material breach of contract. City Pubs may choose to pay in lieu of notice and/or to place Clive on garden leave. Clive is required to give 12 months' notice to terminate his employment.

In the event of a change of control of City Pubs, Clive is entitled to receive a sum equivalent to the gross value of one year's basic salary, less tax and other relevant deductions, from City Pubs within one month of the date of the change of control.

(b) **Rupert Clark, Chief Operating Officer**

On 25 October 2017, Rupert Clark entered into a new service contract with City Pubs. This contract replaced the service contract previously entered into by Rupert with City Pubs dated 11 November 2013.

Rupert is the Chief Operating Officer of City Pubs. Rupert is entitled to receive a basic salary of £220,000 and a bonus on terms to be determined by the City Pubs Remuneration Committee which amounted to £40,000 in respect of the financial year ended 25 December 2022. City Pubs will make pension payments to Rupert in accordance with relevant legislation.

Rupert is entitled to 28 days holiday (plus public holidays) per annum. He is also entitled to private medical cover for himself and his family.

Rupert is subject to confidentiality and intellectual property undertakings. Rupert is bound to observe restrictive covenants for 12 months after the termination of his employment, provided that such period of restriction shall be reduced by any period of garden leave.

In order to terminate Rupert's employment, City Pubs is required to give 12 months' notice, other than in circumstances of, *inter alia*, gross misconduct and material breach of contract. City Pubs may choose to pay in lieu of notice and/or to place Rupert on garden leave. Rupert is required to give 12 months' notice to terminate his employment.

In the event of a change of control of City Pubs, Rupert is entitled to receive a sum equivalent to the gross value of one year's basic salary, less tax and other relevant deductions, from City Pubs within one month of the date of the change of control.

(c) **Holly Elliott, Chief Financial Officer**

Holly's Elliott's appointment as Chief Financial Officer commenced on 29 November 2021 pursuant to an undated service contract, as amended by a letter agreement between Holly and City Pubs dated 1 August 2022.

The contract provides for Holly to act as Chief Financial Officer of City Pubs. Holly is entitled to receive a basic salary of £235,000 and a bonus on terms to be determined by the City Pubs Remuneration Committee which amounted to £40,000 in respect of the financial year ended 25 December 2022. City Pubs will make pension payments to Holly in accordance with relevant legislation.

Holly is entitled to 28 days holiday (plus public holidays) per annum. She is also entitled to private medical cover for herself and her family.

Holly is subject to confidentiality and intellectual property undertakings. Holly is bound to observe restrictive covenants for 12 months after the termination of her employment, provided that such period of restriction shall be reduced by any period of garden leave.

In order to terminate Holly's employment, City Pubs is required to give 12 months' notice, other than in circumstances of, *inter alia*, gross misconduct and material breach of contract. City Pubs may choose to pay in lieu of notice and/or to place Holly on garden leave. Holly is required to give 12 months' notice to terminate her employment.

In the event of a change of control of City Pubs, Holly is entitled to receive a sum equivalent to the gross value of one year's basic salary, less tax and other relevant deductions, from City Pubs within one month of the date of the change of control.

Non-Executive City Pubs Directors

4.2 The Non-Executive City Pubs Directors have entered into the following arrangements with City Pubs:

(a) **Richard Prickett, Senior Independent Non-Executive Director**

Richard Prickett was appointed a director of City Pubs on 25 October 2017 and entered into a consultancy agreement with City Pubs dated 25 October 2017 via a service company. The service company agrees to provide Richard's services for an annual fee which is £60,500 for 2023. Richard's appointment is for an initial period of three years unless City Pubs, Richard and the service company otherwise agree. The consultancy agreement continues to apply in respect of Richard's appointment.

Either City Pubs or the service company must give three months' notice in order to terminate Richard's appointment. However, the appointment may be terminated by City Pubs without notice or payment in lieu of notice if terminated in accordance with the City Pubs Articles or if Richard is not re-elected to the Board after having been required to retire by rotation.

(b) **Emma Fox**, *Independent Non-Executive Director*

Emma Fox was appointed a director of City Pubs on 11 March 2021. Emma is entitled to receive a fee of £52,800 for 2023. City Pubs has not entered into any written arrangement with Emma in relation to her appointment.

(c) **Neil Griffiths**, *Independent Non-Executive Director*

Neil Griffiths was appointed a director of City Pubs on 17 January 2018 and entered into an undated consultancy agreement with City Pubs via a service company. The service company agrees to provide Neil's services for an annual fee which is £52,800 for 2023. Neil's appointment is for an initial period of three years unless City Pubs, Neil and the service company otherwise agree. The consultancy agreement continues to apply in respect of Neil's appointment.

Either City Pubs or the service company must give three months' notice in order to terminate Neil's appointment. However, the appointment may be terminated by City Pubs without notice or payment in lieu of notice if terminated in accordance with the City Pubs Articles or if Neil is not re-elected to the Board after having been required to retire by rotation.

General

4.3 Save as disclosed above:

- (a) there are no service contracts or letters of appointment between any City Pubs Director or any person who has been proposed as a director of City Pubs and any member of the City Pubs Group; and
- (b) no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.

4.4 Save as set out in this document, and as more particularly described at paragraph 8 of Part II (Explanatory Statement) of this document, the effect of the Scheme on the interests of City Pubs Directors does not differ from its effect on the like interests of any other Scheme Shareholder or City Pubs Share Plan Participant.

5. Young's Directors' emoluments

The emoluments of the Young's Directors are subject to the terms determined by the Young's Remuneration Committee and/or the service contracts or letters of appointment of the Young's Directors with Young's. It is expected that the remuneration committee of Young's will undertake a review of the remuneration of Young's executive directors as a result of the Transaction. Details of any resulting changes will be set out in Young's annual report to be published in 2024.

Save as aforesaid, the emoluments of the Young's Directors will not be affected by the Transaction or any other associated transaction.

6. Market Quotations

6.1 City Pubs

The following table lists the Closing Price for City Pubs Shares on: (a) the first trading day of each of the six months prior to the date of this document, (b) 15 November 2023 (being the last Business Day prior to the commencement of the Offer Period), and (c) the Last Practicable Date:

	City Pubs Share price
Date	(p)
1 June 2023	97.3
3 July 2023	93.5
1 August 2023	94.0
1 September 2023	87.5
2 October 2023	89.0
1 November 2023	88.5
15 November 2023	99.0
Last Practicable Date	136.5

6.2 **Young's**

The following table lists the Closing Price for Young's A Shares on: (a) the first trading day of each of the six months prior to the date of this document, (b) 15 November 2023 (being the last Business Day prior to the commencement of the Offer Period), and (c) the Last Practicable Date:

	Young's A Share price
Date	(p)
1 June 2023	1,180.0
3 July 2023	1,180.0
1 August 2023	1,165.0
1 September 2023	1,160.0
2 October 2023	1,080.0
1 November 2023	1,040.0
15 November 2023	1,110.0
Last Practicable Date	1,075.0

7. **Material Contracts**

7.1 **City Pubs material contracts**

Save as disclosed below, no member of the City Pubs Group has, during the period commencing on 16 November 2021 (being two years prior to the commencement of the Offer Period) and ending on the Last Practicable Date, entered into any contract which is outside the ordinary course of business and which is or may be considered material.

Cooperation Agreement

See paragraph 12 of Part II (Explanatory Statement) of this document for further details on the Cooperation Agreement.

Buy-back arrangements

City Pubs engaged Peel Hunt LLP and Liberum on 3 October 2022 and 4 October 2022 respectively to act as joint brokers to City Pubs in relation to a share buy-back programme in respect of City Pub Shares up to a maximum value of £2 million in aggregate with the option to extend the share buyback programme by an additional £1 million. The buy-back programme came to an end on 4 September 2023.

On 22 September 2023, City Pubs engaged Liberum to act as broker to City Pubs in relation to a share buy-back programme in respect of City Pub Shares up to a maximum value of £1.5 million in aggregate. The buy-back programme came to an end on 16 November 2023.

Mosaic investments

City Pubs increased its shareholding in each of The Galaxy (City) Pub Company Limited, The Pioneer (City) Pub Company Limited and The Sovereign (City) Pub Company Limited (the "**Mosaic Companies**") from 24 per cent. to 35.9 per cent. for a total cash consideration of approximately £1.2 million pursuant to a tender offer on or around 27 February 2022 made to underlying shareholders in the Mosaic Companies. The Mosaic Companies own nine pubs (seven freehold; two leasehold) in London and Birmingham.

City Pubs further increased its shareholding in each of the Mosaic Companies from 35.9 per cent. to 48 per cent. for a total cash consideration of approximately £2.2 million pursuant to a tender offer dated 1 March 2023 made to underlying shareholders in the Mosaic Companies.

City Pubs further increased its shareholding in each of the Mosaic Companies from 48 per cent. to approximately 53.07 per cent. for a total cash consideration of approximately £0.7 million pursuant to a tender offer dated 12 May 2023 made to underlying shareholders in the Mosaic Companies.

Financing arrangements

On 30 December 2021, City Pubs and The City Pub Company (West) Limited (in each case as a borrower and guarantor) entered into an agreement with Barclays Bank plc extending the term of the revolving facility agreement dated 16 July 2019 in respect of a revolving credit facility of £35,000,000, with a £15,000,000 accordion option, as amended by an amendment and restatement agreement dated 31 March 2021 (the “**City Pubs RCF**”). The City Pubs RCF will terminate on 16 July 2024.

Pub disposals

On 21 March 2022, City Pubs entered into a sale agreement in respect of its disposal of the business and assets of the freehold sites of the pubs known as Walrus, Lion and Lobster, The Inn on the Beach and The Travellers Friend, and the leasehold site of the pub known as Brighton Beach Club. City Pubs also entered into a deed of assignment of goodwill dated 11 April 2022 and a licence to assign dated 11 April 2022 in connection with the disposals. The disposals completed on or around 11 April 2022.

The buyer under the sale agreement was Portobello Starboard Limited. The consideration was £16,106,060 and the transaction involved the TUPE transfer of employees. The sale agreement contained (limited) customary warranties and indemnities.

On 17 December 2021, City Pubs entered into a sale agreement in respect of its disposal of the business and assets of the freehold site of the pub known as The London Road Brew House. City Pubs also entered into a deed of assignment of goodwill dated 18 March 2022 in connection with the disposal. The disposal completed on 18 March 2022.

The buyer under the sale agreement was Deanstone Property Ltd. The consideration was £925,000 and the transaction involved the TUPE transfer of employees. The sale agreement contained (limited) customary warranties and indemnities.

7.2 **Young’s material contracts**

Save as disclosed below, no member of the Young’s Group has, during the period commencing on 16 November 2021 (being two years prior to the commencement of the Offer Period) and ending on the Last Practicable Date, entered into any contract which is outside the ordinary course of business and which is or may be considered material.

Cooperation Agreement

See paragraph 12 of Part II (Explanatory Statement) of this document for further details on the Cooperation Agreement.

Financing arrangements

Under the terms of the Acquisition Facilities Agreement, the Lenders agreed to make available to Young’s: (i) a sterling term loan facility in an aggregate amount equal to £110,000,000 (“**Facility A**”) and (ii) a sterling term loan facility in an aggregate amount equal to £20,000,000 (“**Facility B**”) (the “**Acquisition Facilities**”).

The proceeds of loans drawn by Young’s under the Acquisition Facilities are to be made available to, and applied by, Young’s, among others things, towards financing the consideration payable for the Transaction, refinancing or otherwise discharging indebtedness of the City Pubs Group and/or financing any costs and expenses in relation to the refinancing of certain existing indebtedness of Young’s and City Pubs.

The Acquisition Facilities are available to be drawn in Pounds sterling only.

In the following paragraphs, capitalised terms shall have the definitions given in the Acquisition Facilities Agreement.

Under the terms of the Acquisition Facilities Agreement, the Acquisition Facilities are available to be drawn as an agreed certain funds utilisation for the purposes of the Transaction, subject to the satisfaction of the conditions precedent set out in the Acquisition Facilities Agreement, during the Certain Funds Period. Under the Acquisition Facilities Agreement, the "Certain Funds Period" means the period from and including 16 November 2023 to and including 11.59 p.m. (London time) on the earlier of: (a) if the Transaction is being effected pursuant to a Scheme: (i) the date on which the Scheme lapses, terminates or is withdrawn in accordance with its terms and the Takeover Code; and (ii) the first Business Day falling six weeks after the Longstop Date, provided that, if the Effective Date has occurred before the Longstop Date, such date shall automatically be extended to the later of (A) the Longstop Date, and (B) the date falling 20 Business Days after the Effective Date; (b) if the Transaction is being effected pursuant to an Offer: (i) the date on which the Offer lapses, terminates or is withdrawn in accordance with its terms and the Takeover Code; and (ii) the first Business Day falling eight weeks after the Longstop Date, provided that, if the Effective Date has occurred before the Longstop Date, such date shall automatically be extended to the later of (A) the date falling eight weeks after the Effective Date, and (B) if, on or before the date falling eight weeks after the Effective Date, Young's has become entitled to give notice to any City Pubs Shareholders to implement a Squeeze-Out, the date falling eight weeks after Young's became so entitled; and (c) the date on which City Pubs has become a wholly-owned subsidiary of Young's and all of the consideration payable to the holders of the Scheme Shares under the Transaction has been paid in full. Under the Acquisition Facilities Agreement, the "Longstop Date" means the date falling six calendar months from 16 November 2023, or such later date as the Facility Agent (acting on the instructions of all the Lenders) may agree in writing (and subject to Young's having obtained any necessary agreements or approvals from the Panel and, in respect of a Scheme, the Court).

The initial maturity date of Facility A is 16 November 2028. Young's may request to extend the initial maturity date with two one-year extensions, meaning the final maturity date would be 16 November 2030. Each Lender shall notify the Facility Agent of its decision whether or not to consent to the extension request in respect of itself. If a Lender does not consent to the extension request, then its participation in each outstanding loan shall be repaid and its Facility A Commitment shall be reduced to zero and cancelled. The maturity date of Facility B is 16 November 2025. By the relevant maturity date, any loans outstanding under the Acquisition Facilities Agreement would need to either be repaid or be replaced and refinanced. The Acquisition Facilities may be voluntarily cancelled at any time on no less than two Business Days' prior notice. The Acquisition Facilities may also be voluntarily prepaid: (in whole) after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero); or (in whole or in part, but, if in part, by a minimum amount of £100,000) on no less than five RFR Banking Days' prior notice (or such shorter notice period as the Majority Lenders and the Facility Agent may agree). Young's shall repay an aggregate amount of £20,000,000 of the Facility A Loans in instalments of £1,666,666 (with a final repayment instalment of £1,666,674) on scheduled repayment dates, occurring every Quarter Date following 31 December 2025, with the Final Facility A Scheduled Repayment Date occurring on or around 30 September 2028. Additionally, Facility B shall be mandatorily prepaid in an amount equal to the amount of any Material Disposal Proceeds in accordance with the Acquisition Facilities Agreement.

The Acquisition Facilities Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of acquisitions, mergers, security, financial indebtedness, disposals, guarantor cover and the Transaction), indemnities and events of default, each with appropriate carve-outs and materiality thresholds applicable to Young's (including a Clean-Up Period of 120 days from and including the Effective Date). The rate of interest payable on each Loan drawn under the Acquisition Facilities is the percentage rate per annum which is the aggregate of the applicable margin (as set out in this paragraph and the table below this paragraph) plus the Compounded Reference Rate for that day. The initial margin as at 16 November 2023 was: (i) 2.50 per cent. per annum in respect of Loans made under Facility A; and (ii) 2.00 per cent. per annum in respect of

Loans made under Facility B. Subject to adjustments in other provisions of the Acquisition Facilities Agreement, the applicable margin will be calculated by reference to the table below and the information set out in the most recent Compliance Certificate:

Leverage Ratio	Facility A Margin (per cent. per annum)	Facility B Margin (per cent. per annum)
Greater than or equal to 5.0:1	3.50	3.00
Greater than or equal to 4.5:1 but less than 5.0:1	3.25	2.75
Greater than or equal to 4.0:1 but less than 4.5:1	3.00	2.50
Greater than or equal to 3.5:1 but less than 4.0:1	2.75	2.25
Greater than or equal to 3.0:1 but less than 3.5:1	2.50	2.00
Greater than or equal to 2.5:1 but less than 3.0:1	2.25	1.75
Less than 2.5:1	2.00	1.50

For so long as: (i) Young's is in default of its obligations under the Acquisition Facilities Agreement to provide a Compliance Certificate or relevant financial statements; or (ii) an Event of Default is outstanding, the applicable margin will be the highest applicable rate, being 3.50 per cent. per annum, in respect of Loans under Facility A, and 3.00 per cent. per annum, in respect of Loans under Facility B.

A ticking fee will be payable in respect of Facility A and Facility B, provided that each Facility remains wholly undrawn, which will be the per cent. of the Margin on that Lender's commitment in respect of each Facility as set out below:

- 10 per cent. from the 31st day to and including the 60th day after the date of the Acquisition Facilities Agreement;
- 15 per cent. from the 61st day to and including the 90th day after the date of the Acquisition Facilities Agreement; and
- 20 per cent. from the 91st day to and including the Effective Date, the date on which an Acquisition Termination Notice is issued or the last day of the Availability Period.

8. Irrevocable undertakings and letter of intent

8.1 City Pubs Directors' Irrevocable Undertakings

The following City Pubs Directors have given irrevocable undertakings to, amongst other things, exercise or procure the exercise of (as applicable) all voting rights to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or to accept, or procure the acceptance of the Offer (if the Transaction is implemented as an Offer)) in relation to the following City Pubs Shares currently held by them, as well as any further City Pubs Shares which they may become the registered or beneficial owner of or otherwise interested in:

Name	Number of City Pubs Shares in respect of which undertaking is given	Percentage of City Pubs Shares in issued ordinary share capital as at the Last Practicable Date
Rupert Clark	713,565	0.7
Holly Elliott	62,548	0.1
Emma Fox	30,159	>0.1
Neil Griffiths	89,156	0.1
Richard Prickett	164,130	0.2
Clive Watson	4,200,793	4.0
Total	5,260,351	5.0 per cent.

These irrevocable undertakings will continue to be binding if a higher competing offer is made for City Pubs.

The irrevocable undertakings from the City Pubs Directors listed above will cease to be binding, *inter alia*, if:

- (a) the Scheme has not become Effective by 11.59 p.m. (London time) on the Long-Stop Date (or such later time and/or date as may be agreed between Young's and City Pubs, with the approval of the Court and/or the Panel if required) (other than in circumstances where Young's has, prior to such date, elected to exercise its right to proceed with the Transaction by way of an Offer and announced the same in accordance with the requirements of the Takeover Code, and such Offer has not lapsed or been withdrawn);
- (b) this document has not been posted within 28 days of the issue of the Rule 2.7 Announcement or within such longer period as Young's, with the consent of the Panel, determines (other than in circumstances where, if Young's has, prior to the Long-Stop Date, elected to exercise its right to proceed with the Transaction by way of an Offer, this period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure or any such date as the Panel may require);
- (c) the Scheme lapses or is withdrawn in accordance with its terms (other than in circumstances where Young's has, in accordance with and subject to the terms of the Cooperation Agreement, announced a firm intention to proceed with the implementation of the Transaction by way of an Offer);
- (d) Young's announces that it does not intend to proceed with the Transaction and no new, revised or replacement Scheme or Offer is announced by Young's in accordance with Rule 2.7 of the Takeover Code; or
- (e) any rival offer for the shares of City Pubs by a third party becomes wholly unconditional (if made by way of takeover offer) or effective (if made by way of a scheme of arrangement) (as applicable).

8.2 **City Pubs Shareholders' Irrevocable Undertakings**

In addition to the City Pubs Directors, the following City Pubs Shareholders have each given an irrevocable undertaking to, amongst other things, exercise or procure the exercise of (as applicable) all voting rights to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or to accept, or procure the acceptance of the Offer (if the Transaction is implemented as an Offer)), in relation to the following City Pubs Shares currently held by them, as well as any further City Pubs Shares which they may become the registered or beneficial owner of or otherwise interested in:

Name	Number of City Pubs Shares in respect of which undertaking is given	Percentage of City Pubs Shares in issued ordinary share capital as at the Last Practicable Date
Gresham House Asset Management Ltd	5,769,768	5.5
Otus Capital Management Limited ⁽¹⁾	9,981,054	9.5
Unicorn Asset Management Limited ⁽²⁾	2,875,370	2.8
Total	18,626,192	17.8

Note:

- (1) The irrevocable undertaking provided by Otus Capital Management Limited ("**Otus**") to Young's in respect of the Transaction originally applied to 11,580,837 City Pubs Shares. On 6 December 2023, Otus announced that it had sold 1,599,783 City Pubs Shares subject to the irrevocable undertaking. The irrevocable undertaking provided by Otus now applies in respect of the 9,981,054 City Pubs Shares held by Otus.
- (2) The irrevocable undertaking provided by Unicorn Asset Management Limited ("**Unicorn**") to Young's in respect of the Transaction originally applied to 3,575,370 City Pubs Shares. On 23 November 2023, Unicorn announced that it had sold 700,000 City Pubs Shares subject to the irrevocable undertaking. The irrevocable undertaking provided by Unicorn now applies in respect of the 2,875,370 City Pubs Shares held by Unicorn.

The obligations of Otus Capital Management Limited and Unicorn Asset Management Limited under the irrevocable undertakings they have given shall lapse and cease to have effect on any the following occurrences:

- (a) the Scheme has not become Effective by 11.59 p.m. (London time) on the Long-Stop Date (or such later time and/or date as may be agreed between Young's and City Pubs, with the approval of the Court and/or the Panel if required) (other than in circumstances where Young's has, prior to such date, elected to exercise its right to proceed with the Transaction by way of an Offer and announced the same in accordance with the requirements of the Takeover Code, and such Offer has not lapsed or been withdrawn);
- (b) any third party (in accordance with Rule 2.7 of the Takeover Code) announces a competing offer (either by way of an offer or scheme of arrangement) which is not less than 10 per cent. greater than 145 pence per Share and Young's has not, within 10 days of the Announcement Date announced an increase to the consideration to be paid for the shares pursuant to the Transaction which is at least equivalent to the amount per Share offered by the third party;
- (c) the Scheme lapses or is withdrawn in accordance with its terms (other than in circumstances where Young's has, in accordance with and subject to the terms of the Cooperation Agreement, announced a firm intention to proceed with the implementation of the Transaction by way of an Offer);
- (d) Young's announces that it does not intend to proceed with the Transaction and no new, revised or replacement Scheme or Offer is announced by Young's in accordance with Rule 2.7 of the Takeover Code; or
- (e) any rival offer for the shares of City Pubs by a third party becomes wholly unconditional (if made by way of takeover offer) or effective (if made by way of a scheme of arrangement) (as applicable).

The obligations of Gresham House Asset Management Ltd under the irrevocable undertaking it has given shall lapse and cease to have effect on any the following occurrences:

- (a) this document (or Offer Document as the case may be) is not published within 28 days of the date of the Rule 2.7 Announcement;
- (b) the Scheme lapses or is withdrawn in accordance with its terms (other than in circumstances where Young's has, in accordance with and subject to the terms of the Cooperation Agreement, announced a firm intention to proceed with the implementation of the Transaction by way of an Offer); or
- (c) any third party (other than a company or other vehicle controlled by Young's) announces a competing offer (either by way of an offer or scheme of arrangement) which is not less than 5 per cent. greater than 145 pence per City Pubs Share.

8.3 ***Letter of intent***

Canaccord Genuity Asset Management LTD has given to Young's a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting or, if relevant, accept or procure the acceptance of an offer (if the Transaction is implemented by way of a takeover offer) in respect of 8,421,315 City Pubs Shares, representing approximately 8.1 per cent. of the total issued share capital of City Pubs as at the close of business on the Last Practicable Date.

9. Offer-related fees and expense

9.1 Fees and expenses of Young's

The aggregate fees and expenses expected to be incurred by Young's in connection with the Transaction (excluding any applicable VAT) are expected to amount to approximately £7,452,760. The aggregate fees and expenses consist of the following categories:

Category	Amount (£)
Financing arrangements ⁽¹⁾	1,280,000
Financial and corporate broking advice ⁽²⁾	3,512,000
Legal advice ⁽³⁾	2,345,000
Accounting advice	49,220
Public relations	110,000
Other professional services ⁽³⁾	142,840
Other costs and expenses	13,700
Total	7,452,760

Notes:

- (1) Details of ticking fees payable under the Acquisition Facilities Agreement are set out in sub-paragraph 7.2 of this Part VII (Additional Information).
- (2) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Transaction becomes Effective. The total does not include disbursements.
- (3) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Last Practicable Date prior to the publication of this document and an estimate of the further time required.

9.2 Fees and expenses of City Pubs

The aggregate fees and expenses expected to be incurred by City Pubs in connection with the Transaction (excluding any applicable VAT) are expected to amount to approximately £3,692,000. The aggregate fees and expenses consist of the following categories:

Category	Amount (£)
Financial and corporate broking advice	2,425,000
Legal advice	1,035,000
Public relations	50,000
Other professional services	68,000
Other costs and expenses	114,000
Total	3,692,000

Note:

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Transaction becomes Effective. The total does not include disbursements.

10. Property Valuation Report

For the purposes of Rule 29.5 of the Takeover Code, the City Pubs Directors confirm that CBRE has confirmed to it that the valuation of the Estate as at the date of this document would not be materially different from the valuation given by CBRE as at 29 November 2023 and contained in CBRE's valuation report set out in Part VI (Property Valuation Report) of this document. Further information in respect of CBRE's valuation is included at paragraph 6 of Part I (Letter from the Chairman of City Pubs) of this document.

11. Ratings

- 11.1 No rating agency has publicly accorded to City Pubs any current credit rating or outlook.
- 11.2 No rating agency has publicly accorded to Young's any current credit rating or outlook.

12. Persons acting in concert

- 12.1 In addition to the Young's Directors and the members of the Wider Young's Group and the directors and officers of the members of the Wider Young's Group, the persons who, for the

purposes of the Takeover Code, are acting in concert with Young's in respect of the Transaction and who are required to be disclosed are:

Name	Type	Registered Office	Relationship with Young's
J.P. Morgan Securities plc	Sole financial adviser, AIM nominated adviser and joint broker to Young's	25 Bank Street, Canary Wharf, London E14 5JP	Connected Adviser
Stifel Nicolaus Europe Limited	Joint broker to Young's	150 Cheapside, London EC2V 6ET	Connected Adviser
Young's Pension Trustees Limited ⁽¹⁾		Copper House, 5 Garratt Lane, Wandsworth, London SW18 4AQ	Trustee of Young & Co.'s Brewery, P.L.C. Pension Scheme

Note:

(1) Young's Pension Trustees Limited is considered a concert party in respect of investments in Young's Shares which form part of the assets of Young & Co.'s Brewery, P.L.C. Pension Scheme.

- 12.2 In addition to the City Pubs Directors and the members of the Wider City Pubs Group, the persons who, for the purposes of the Takeover Code, are acting in concert with City Pubs in respect of the Transaction and who are required to be disclosed are:

Name	Type	Registered Office	Relationship with City Pubs
Houlihan Lokey UK Limited	Lead financial adviser and joint financial adviser under Rule 3 of the Takeover Code to City Pubs	1, Curzon Street, London W1J 5HD	Connected Adviser
Liberum Capital Limited	Financial adviser, joint financial adviser under Rule 3 of the Takeover Code to City Pubs, nominated adviser and joint broker to City Pubs	Ropemaker Place Level 12, 25 Ropemaker Street, London EC2Y 9LY	Connected Adviser
Panmure Gordon (UK) Limited	Joint broker to City Pubs	40 Gracechurch Street, London EC3V 0BT	Connected Adviser

- 12.3 For the purposes of this paragraph 12, "Connected Adviser" has the meaning given to it in the Takeover Code.

13. No significant change

- 13.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of City Pubs since 25 June 2023, being the date to which the City Pubs Interim Results were prepared.
- 13.2 Save as disclosed in this document, there has been no significant change in the financial or trading position of Young's since 2 October 2023, being the date to which Young's last interim results were prepared.

14. Consents

- 14.1 Houlihan Lokey, Liberum and Panmure Gordon have each given and not withdrawn their written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

- 14.2 CBRE has given and not withdrawn its written consent to the issue of this document with the inclusion of the Property Valuation Report, containing its valuation as at 29 November 2023, and the inclusion of the references to its name in the form and context in which they are included.
- 14.3 J.P. Morgan Cazenove and Stifel have each given and not withdrawn their written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

15. Other information

- 15.1 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between Young's or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of City Pubs, or any person interested or recently interested in City Pubs Shares, having any connection with or dependence on or which is conditional upon the outcome of the Transaction.
- 15.2 There is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any of the City Pubs Shares to be acquired by Young's will be transferred to any other person, save that Young's reserves the right to transfer any such shares to any other member of the Young's Group.
- 15.3 Save with the consent of the Panel and as disclosed in this document, settlement of the Consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which Young's may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 15.4 Save as disclosed in this document, there is no agreement or arrangement to which Young's or any other member of the Young's Group is a party which relates to the circumstances in which it may or may not invoke a Condition to the Scheme.

16. Incorporation by reference

- 16.1 Parts of other documents are incorporated by reference in, and form part of, this document.
- 16.2 Part V (Financial information and further information on the Young's A Shares) of this document sets out which sections of the documents referred to are incorporated into this document.
- 16.3 Recipients of this document may request hard copies of the information incorporated into this document by reference by contacting Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050 (if calling from outside of the UK, please ensure the country code is used). Equiniti cannot provide advice on the merits of the Transaction or give any financial, legal or tax advice. Calls to Equiniti from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Alternatively, a request in writing may be submitted to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.
- 16.4 Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

17. Documents published on a website

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier), the following documents will be available on the website of City Pubs at <https://www.citypubcompany.com/micro-site/> and of Young's at <https://www.youngs.co.uk/investors/offer-for-the-city-pub-group-plc> (subject to, in each case, any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (a) the City Pubs Articles and the Young's Articles;
- (b) the articles of association of City Pubs as proposed to be amended pursuant to the Resolution;
- (c) the financial information relating to Young's referred to in paragraph 2 of Part A of Part V (Financial information and further information on the Young's A Shares) of this document;
- (d) the financial information relating to City Pubs referred to in paragraph 1 of Part A of Part V (Financial information and further information on the Young's A Shares) of this document;
- (e) the letters to be sent to the City Pubs Share Plan Participants setting out the proposals relating to their City Pubs Share Plans, as referred to in paragraph 7 of Part II (Explanatory Statement) of this document;
- (f) the Rule 2.7 Announcement;
- (g) this document and the Forms of Proxy;
- (h) the announcement to be released on a Regulatory Information Service in connection with the publication of this document on the date hereof;
- (i) the Confidentiality Agreement;
- (j) the Cooperation Agreement;
- (k) the irrevocable undertakings and letter of intent referred to in paragraph 8 of this Part VII (Additional Information);
- (l) the consent letters referred to in paragraph 14 of this Part VII (Additional Information);
- (m) the Property Valuation Report;
- (n) the letter from CBRE confirming that in their opinion a current valuation of the Estate as at the date of this document would not be materially different from the valuation in the Property Valuation Report; and
- (o) the documents relating to the financing of the Transaction referred to in sub-paragraph 7.2 of this Part VII (Additional Information).

The content of the websites (including the content of any other website accessible from hyperlinks on such websites) referred to in this document is not incorporated into and does not form part of this document save as specified in paragraphs 1 and 2 of Part A of Part V (Financial information and further information on the Young's A Shares) of this document.

18. Sources of information and bases of calculation

- 18.1 As at the Last Practicable Date, there were 104,628,151 City Pubs Shares in issue (excluding 1,665,279 City Pubs Shares held in treasury).
- 18.2 As at the Last Practicable Date, a further 6,822,780 City Pubs Shares are expected to be issued on or after the date of this document on the exercise of options or vesting of awards under the City Pubs Share Plans.
- 18.3 Any references to the issued and to be issued ordinary share capital of City Pubs are based on:
 - (a) the 104,628,151 City Pubs Shares referred to in sub-paragraph 18.1 of this Part VII (Additional Information); and
 - (b) the 6,822,780 City Pubs Shares which may be issued on or after the date of this document to satisfy the exercise of options or vesting of awards pursuant to the City Pubs Share Plans referred to at sub-paragraph 18.2 of this Part VII (Additional Information).
- 18.4 The value attributed to the existing issued and to be issued ordinary share capital of City Pubs is based upon a fully diluted share capital figure of 111,450,931 City Pubs Shares as calculated at sub-paragraph 18.3 of this Part VII (Additional Information).

- 18.5 The existing share capital of Young's as at the Last Practicable Date comprises: (i) 34,413,847 Young's A Shares; and (ii) 24,070,755 Young's Non-Voting Shares. No Young's Shares are held in treasury as at the Last Practicable Date. Immediately following Completion, and the issue of the New Young's A Shares, the enlarged share capital of Young's is expected to comprise of: (i) 38,026,741 Young's A Shares (ignoring the treatment of any fractional entitlements); and (ii) 24,070,755 Young's Non-Voting Shares.
- 18.6 Unless otherwise specified: (i) all prices quoted for City Pubs Shares and Young's Shares are closing prices; and (ii) all closing prices and volume weighted average prices for City Pubs Shares and Young's shares have been derived from Bloomberg.
- 18.7 Unless otherwise stated, the financial information relating to City Pubs is extracted from:
- (a) its audited financial statements for the 52 weeks ended 25 December 2022; and
 - (b) the City Pubs Interim Results.
- 18.8 Unless otherwise stated, the financial information relating to Young's is extracted from audited financial statements of Young's for the period ended 3 April 2023.
- 18.9 Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.
- 18.10 The 3 per cent. gross margin differential between Young's and City Pubs figures is calculated using full year numbers from the latest annual reports. City Pubs' gross margin is disclosed in its income statement and Young's gross margin can be derived from the operating cost detail provided in their notes to the financial statements.
- 18.11 City Pubs' economic interest in the special purpose vehicles which control the Mosaic Pubs is between approximately 51 per cent. and approximately 53 per cent., depending upon whether certain per-share return hurdles are achieved on a sale, asset sale or winding-up (as relevant) of the relevant special purpose vehicle(s).
- 18.12 Any reference to the estimated combined EBITDA of £0.6m for City Pubs' two recent acquisitions is comprised of (as per the announcement on 2 October 2023 by City Pubs):
- (a) 2022 estimated EBITDA of The Plough of £350,000; and
 - (b) the freehold site currently operating as Simmons Bateman Street generating approximately £260,000 per annum of rent.

PART VIII

DEFINITIONS

\$	the lawful currency of the United States from time to time;
2022 CSOP Option	an option granted under the City Pubs CSOP in 2022;
Acquisition Facilities	has the meaning given to that term in sub-paragraph 7.2 of Part VII (Additional Information) of this document;
Acquisition Facilities Agreement	a term loan facilities agreement incorporating (i) a sterling term loan facility in an aggregate amount equal to £110,000,000; and (ii) a sterling term loan facility in an aggregate amount equal to £20,000,000, dated 16 November 2023 and made between, Young's (as borrower), Barclays Bank plc, HSBC UK Bank Plc and National Westminster Bank Plc (as mandated lead arrangers and original lenders), Barclays Bank plc, HSBC Bank Plc and Natwest Markets Plc (as original hedge counterparties) and National Westminster Bank plc (as facility agent);
AIM	the market of that name operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies and the AIM Rules for Nominated Advisors issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
All Cash Consideration	the cash consideration due to the holder of a 2022 CSOP Option who has exercised such option on or after the Effective Date and had the resulting City Pubs Shares acquired by Young's pursuant to the amended City Pubs Articles, being a cash amount per City Pubs Share of 143.85735 pence, that being equal to the value of the Consideration (with the value of a New Young's A Share for these purposes being determined at the last practicable date prior to the publication of the proposal to the holders of 2022 CSOP Options under Rule 15 of the Takeover Code);
Announcement Date	16 November 2023;
associated undertaking	shall be construed in accordance with paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose;
Authorisation(s)	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions and/or approvals;
Blocking Law	(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or (ii) any similar blocking or anti-boycott law;
Business Day	any day, other than a public holiday, Saturday or a Sunday, when banks are generally open for business in London for general banking business, other than solely for trading and settlement in Euro;
Cash Consideration	108.75 pence in cash per Scheme Share;
CBRE	CBRE Limited;
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);

City Pubs	The City Pub Group plc, a public limited company 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 Articles	the articles of association of City Pubs in force as at the date of this document or, where the context so requires, the articles of association of City Pubs from time to time;
City Pubs Board or City Pubs Directors	the board of directors of City Pubs at the date of this document or, where the context so requires, the directors of City Pubs from time to time;
City Pubs CSOP	The City Pub Group plc Company Share Option Plan and The City Pub Company (West) Plc Company Share Option Plan;
City Pubs EBT	The City Pub Group plc Employee Benefit Trust;
City Pubs Group	City Pubs and its subsidiaries and subsidiary undertakings;
City Pubs Interim Results	City Pubs' unaudited financial statements for the 26 weeks ended 25 June 2023;
City Pubs JSOP	The City Pub Group plc Joint Share Ownership Plan;
City Pubs LTIP	The City Pub Group plc Long-Term Incentive Plan;
City Pubs Remuneration Committee	the remuneration committee of the board of City Pubs from time to time;
City Pubs Share Buy-Back Programme	the City Pubs share buy-back programme which commenced on 5 October 2022, as extended on 22 September 2023, and which terminated on 16 November 2023;
City Pubs Shareholders	the holders of City Pubs Shares from time to time;
City Pubs Share Plan Participants	individuals holding awards under the City Pubs Share Plans;
City Pubs Share Plans	the City Pubs CSOP, the City Pubs JSOP and the City Pubs LTIP;
City Pubs Shares	the ordinary shares of 1 penny each in the capital of City Pubs;
Closing Price	the closing middle market price of a City Pubs Share or Young's Share (where applicable) on a particular trading day as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
CMA	the UK Competition and Markets Authority of the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time);
Combined Group	the enlarged group comprising the Young's Group and the City Pubs Group following the Transaction becoming Effective;
Companies Act	the Companies Act 2006, as amended from time to time;
Completion	the completion of the Transaction;
Computershare	Computershare Investor Services PLC, the registrar of Young's, of The Pavilions, Bridgwater Road, Bristol BS13 8AE;
Conditions	the conditions to the implementation of the Transaction (including the Scheme), as set out in Part III (Conditions to the implementation of the Scheme and to the Transaction) of this document or, if applicable, in the Offer Document and " Condition " means any of them;
Confidentiality Agreement	the confidentiality agreement entered into between Young's and City Pubs in relation to the Transaction dated 31 August 2023, a

	summary of which is contained in paragraph 12 of Part II (Explanatory Statement) of this document;
Consideration	the consideration payable by Young's in respect of each Scheme Share pursuant to the Transaction comprising, for each Scheme Share, the Cash Consideration and 0.032658 New Young's A Shares, subject to any applicable adjustment in accordance with the terms of the Transaction;
Cooperation Agreement	the cooperation agreement entered into between Young's and City Pubs dated 16 November 2023, a summary of which is contained in paragraph 12 of Part II (Explanatory Statement) of this document;
Court	the High Court of Justice of England and Wales;
Court Meeting	the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification), notice of which is contained in Part IX (Notice of Court Meeting) of this document;
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 and any adjournment, postponement or reconvention thereof;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Applications Host	the communication hosting system operated by Euroclear;
CREST Manual	the CREST Manual published by Euroclear, as amended from time to time;
CREST Proxy Instruction	has the meaning given to it on page 10;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
Daily Official List	the daily official list of the London Stock Exchange;
Dealing Disclosure	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
Deferred Shares	the deferred shares of 1 penny each in the capital of City Pubs as purchased and cancelled by City Pubs on 4 December 2023;
Disclosed	<ul style="list-style-type: none"> (i) disclosed by, or on behalf of, City Pubs in City Pubs' annual report and financial statements for the 52 weeks ended 25 December 2022; (ii) disclosed in the half-year results of City Pubs for the 26 weeks period ended 25 June 2023; (iii) fairly disclosed prior to the Announcement Date by, or on behalf of, City Pubs to Young's (or its respective officers, employees, agents or advisers in their capacity as such), including (without limitation) via the virtual data room operated on behalf of City Pubs in respect of the Transaction or via email;

	(iv) as otherwise publicly announced by City Pubs prior to the Announcement Date (by delivery of an announcement to a Regulatory Information Service); or
	(v) disclosed in the Rule 2.7 Announcement;
Effective	either: <ul style="list-style-type: none"> (a) if the Transaction is implemented by way of Scheme, the Scheme having become effective pursuant to and in accordance with its terms; or (b) if the Transaction is implemented by way of an Offer (with the Panel's consent and subject to and in accordance with the terms of the Cooperation Agreement), the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;
Effective Date	the date upon which the Transaction becomes Effective;
Equiniti	Equiniti Limited, the registrar of City Pubs, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
Estate	has the meaning given to it in paragraph 6 of Part I (Letter from the Chairman of City Pubs) of this document;
Euro	the lawful currency of the member states of the European Union which adopt or have adopted it as their currency in accordance with the legislation of the European Community relating to Economic and Monetary Union;
Euroclear	Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738;
Excluded Shares	any City Pubs Shares: <ul style="list-style-type: none"> (i) registered in the name of, or beneficially owned by, Young's or any member of the Young's Group; or (ii) registered in the name of, or beneficially owned by, any nominee of any of the foregoing; or (iii) held by City Pubs in treasury, in each case remaining in issue immediately prior to the Scheme Record Time; or <ul style="list-style-type: none"> (iv) issued pursuant to the exercise of a 2022 CSOP Option which continue to be held at the Scheme Record Time by the City Pubs CSOP participant to whom they were issued pursuant to the exercise of the 2022 CSOP Option;
Executive City Pubs Directors	Clive Watson, Holly Elliott and Rupert Clark;
FCA	the UK Financial Conduct Authority or its successor from time to time;
Forms of Proxy	either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and the WHITE Form of Proxy in relation to the General Meeting which accompany this document;
General Meeting	the general meeting (or any adjournment, postponement or reconvention thereof) of City Pubs Shareholders to be convened for the purpose of considering and, if thought fit, approving the Resolution, notice of which is contained in Part X (Notice of General Meeting) of this document;
group undertaking	has the meaning given in section 1161 of the Companies Act;

HMRC	HM Revenue & Customs;
holder	a registered holder and includes any person(s) entitled by transmission;
Houlihan Lokey	Houlihan Lokey UK Limited;
Irrevocable Undertakings	the irrevocable undertakings to vote or procure votes in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or in the event that the Transaction is implemented by way of an Offer, to accept or procure acceptance of the Offer), as detailed in paragraph 8 of Part VII (Additional Information) of this document;
J.P. Morgan Cazenove	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove;
Last Practicable Date	12 December 2023, being the last practicable date prior to publication of this document;
Lenders	the original lenders under the Acquisition Facilities Agreement, namely, Barclays Bank plc, HSBC UK Bank Plc and National Westminster Bank plc;
Liberum	Liberum Capital Limited;
London Stock Exchange	The London Stock Exchange plc;
Long-Stop Date	16 May 2024, or such later date as may be agreed between Young's and City Pubs (with the Panel's consent and as the Court may approve, if such approval is required);
Meetings	the Court Meeting and the General Meeting and " Meeting " means either of them;
Mosaic Pubs	the nine pubs which operate under the Mosaic name in which City Pubs has a controlling and approximate economic interest of 53 per cent.;
New Young's A Shares	the new Young's A Shares proposed to be issued pursuant to the Transaction;
Non-Executive City Pubs Directors	the City Pubs Directors as at the date of this document other than the Executive City Pubs Directors;
Offer	should (subject to the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) the Transaction be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Young's to acquire the entire issued and to be issued ordinary share capital of City Pubs on the terms and subject to the conditions to be set out in the related offer document and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
Offer Document	should the Transaction be implemented by means of an Offer, the offer document to be published and sent to City Pubs Shareholders by or on behalf of Young's in connection with any Offer, including any revised offer document, which will contain amongst other things the full terms and conditions of the Offer;
Offer Period	the offer period (as defined in the Takeover Code) relating to City Pubs which commenced on 16 November 2023;
Opening Position Disclosure	has the same meaning as in Rule 8 of the Takeover Code;
Overseas Shareholders	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;

Panel	the Panel on Takeovers and Mergers;
Panmure Gordon	Panmure Gordon (UK) Limited;
Pounds sterling, pence, p or £	the lawful currency of the United Kingdom from time to time;
Property Valuation Report	the valuation report set out in Part VI (Property Valuation Report) of this document;
Registrar of Companies	the registrar of companies in England and Wales;
Regulatory Information Service	an information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements;
relevant securities	shall be construed in accordance with the Takeover Code;
Resolution	the special resolution to be proposed by City Pubs at the General Meeting relating to the Scheme and the amendment of the City Pubs Articles;
Restricted Jurisdiction(s)	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Transaction is sent or made available to City Pubs Shareholders in that jurisdiction;
Rule 2.7 Announcement	the announcement of a firm intention to make an offer for the entire issued and to be issued share capital of City Pubs pursuant to Rule 2.7 of the Takeover Code made by Young's on the Announcement Date;
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 this document;
SEC	the United States Securities and Exchange Commission;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date or such other date and/or time as Young's and City Pubs may agree;
Scheme Shareholder(s)	the holder of Scheme Shares from time to time;
Scheme Shares	all City Pubs Shares: <ul style="list-style-type: none"> (a) in issue at the date of this document; (b) (if any) issued after the date of this document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares at any relevant date or time;</p>
Share Plan Letters	the letters sent on or around the date of this document to City Pubs Share Plan Participants regarding the effect of the Scheme on their rights under the City Pubs Share Plans and, where applicable, containing details of the appropriate proposals being made by Young's in accordance with Rule 15 of the Takeover Code;

Significant Interest	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
Stifel	Stifel Nicolaus Europe Limited;
subsidiary	has the meaning given in section 1159 of the Companies Act;
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act;
Takeover Code	the City Code on Takeovers and Mergers;
Transaction	the proposed acquisition by Young's of the entire issued and to be issued ordinary share capital of City Pubs, to be effected by means of the Scheme or, should Young's so elect and subject to the consent of the Panel and the terms of the Cooperation Agreement, by means of an Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
Treasury Shares	any City Pubs Shares which are held by City Pubs as treasury shares (within the meaning of the Companies Act);
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
United States or US	the United States of America, its territories and possessions, all areas subject to its jurisdiction or any subdivision thereof, any state of the United States of America and the District of Columbia;
US Exchange Act	the US Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder;
US holders	holders of City Pubs Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding City Pubs Shares for persons in the US or with a registered address in the US;
VAT	value added tax or any similar sales or turnover tax;
Voting Record Time	6.30 p.m. on 15 January 2024 or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting;
Wider City Pubs Group	City Pubs and its subsidiary undertakings, associated undertakings and any other undertaking in which City Pubs and/or such undertakings (aggregating their interests) have a Significant Interest;
Wider Young's Group	Young's and its subsidiary undertakings, associated undertakings and any other undertaking in which Young's and/or such undertakings (aggregating their interests) have a Significant Interest;
Young's	Young & Co.'s Brewery, P.L.C., a public limited company incorporated in England and Wales with registered number 00032762 and whose registered office is at Copper House, 5 Garratt Lane, Wandsworth, London SW18 4AQ;
Young's Articles	the articles of association of Young's in force as at the date of this document or, where the context so requires, the articles of association of Young's from time to time;
Young's A Shares	the A ordinary shares of 12.5 pence each in the capital of Young's;

Young's Directors	the board of directors of Young's at the date of this document or, where the context so requires, the directors of Young's from time to time;
Young's Group	Young's and its subsidiaries and subsidiary undertakings;
Young's Non-Voting Shares	the non-voting ordinary shares of 12.5 pence each in the capital of Young's;
Young's Remuneration Committee	the remuneration committee of the board of Young's from time to time;
Young's Shareholders	holders of Young's Shares; and
Young's Shares	the Young's A Shares and the Young's Non-Voting Shares.

All references in this document to the singular include the plural and *vice versa*. All the times referred to in this document are London times unless otherwise stated.

All references in this document to any statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validly therefrom.

PART IX

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE

CR-2023-005940

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF THE CITY PUB GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 12 December 2023 made in the above matters, the Court has given permission for The City Pub Group plc (the “**Company**” or “**City Pubs**”) to convene a meeting (the “**Court Meeting**”) of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme of Arrangement (as defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Companies Act**”) between City Pubs and the holders of Scheme Shares (the “**Scheme of Arrangement**”) and that such meeting will be held at 10.00 a.m. on 17 January 2024 at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be published pursuant to section 897 of the Companies Act are incorporated in the document of which this notice forms part.

Voting on the resolution to approve the Scheme of Arrangement will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

Holders of Scheme Shares entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, as their proxy, to attend and vote in their stead.

Appointment of proxies

Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post, online or through CREST) set out below. Scheme Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. Any other person appointed as proxy will be able to attend, submit questions and/or any objections and vote at the Court Meeting.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST or online as described below, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders who wish to appoint by post more than one proxy in respect of their holding of Scheme Shares should contact Equiniti for further BLUE Forms of Proxy. Alternatively, you may photocopy the BLUE Form of Proxy enclosed with this notice.

The completion and return of the BLUE Form of Proxy by post, or transmission of a proxy appointment or voting instruction through CREST or online or by any other procedure described in this document, will not prevent you from voting and speaking at the Court Meeting, or any adjournment thereof, if you are entitled to and wish to do so.

Sending BLUE Forms of Proxy by post

You should complete, sign and return the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) enclosed with this notice for use at the Court Meeting so as to be received **no later than 10.00 a.m. on 15 January 2024**. In the event of adjournment(s) of the Court Meeting, the Form of Proxy (together with any power of attorney or other authority as above) should be received no later than 48 hours (excluding

any part of a day that is not a Business Day) before the time and date set for the adjourned meeting(s).

Any BLUE Form of Proxy to be returned by post must be sent to the registrar of City Pubs, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a prepaid envelope (for use in the UK only) has been provided with respect to the BLUE Form of Proxy.

If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and it will still be valid.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the Court Meeting (or any adjournment(s) thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (participant ID: RA19) **no later than 10.00 a.m. on 15 January 2024** (or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of CREST and timings.

City Pubs may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed BLUE Form of Proxy, a proxy or proxies for the Court Meeting may be appointed using the Sharevote online voting service at www.sharevote.co.uk, with Scheme Shareholders using their Voting ID, Task ID and SRN as shown on the BLUE Form of Proxy. For an electronic proxy appointment for the Court Meeting to be valid, the appointment must be received by Equiniti **no later than 10.00 a.m. on 15 January 2024** (or in the case of adjournment(s), no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting(s)). Full details of the procedure to be followed to appoint a proxy online are given on the website above.

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the Court Meeting at any time before the time that the Court Meeting is due to commence and it will still be valid.

Joint holders

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person, or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s). Where more than one of the joint holders purport to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. For this purpose seniority will be determined by the order in which the names stand in the register of members of City Pubs in respect of the relevant joint holding.

Voting Record Time

Entitlement to attend and vote (including by proxy) at the Court Meeting and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of City Pubs at 6.30 p.m. on 15 January 2024 or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Court Meeting (the “**Voting Record Time**”). Changes to the register of members after the Voting Record Time will be disregarded in determining the rights of any person to attend and vote (including by proxy) at the Court Meeting or any adjournment thereof.

Corporate representatives

Any Scheme Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the Court Meeting. In accordance with the provisions of the Companies Act (as amended by the Companies (Shareholders’ Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise as if he or she were an individual member of City Pubs, provided that two or more representatives do not do so in relation to the same Scheme Shares. If two or more representatives purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Clive Watson or, failing him, any other director of City Pubs who is present at the Court Meeting, to act as Chair of the Court Meeting and has directed the Chair to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Addleshaw Goddard LLP
Solicitors for The City Pub Group plc
Milton Gate
60 Chiswell Street
London EC1Y 4AG

Dated 13 December 2023

PART X
NOTICE OF GENERAL MEETING
THE CITY PUB GROUP PLC

(Incorporated in England and Wales under company number 07814568)

NOTICE IS HEREBY GIVEN that a general meeting of The City Pub Group plc (the “**Company**” or “**City Pubs**”) will be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.15 a.m. on 17 January 2024 (or as soon thereafter as the Court Meeting (as defined in Part VIII (Definitions) of the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

Unless the context otherwise requires, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this notice forms part.

SPECIAL RESOLUTION

THAT:

- A. For the purpose of giving effect to the scheme of arrangement dated 13 December 2023 (as amended or supplemented) between the Company and the holders of Scheme Shares (as defined in such scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or subject to such modification, addition or condition as may be approved or imposed by the Court (where relevant) and agreed by the Company and Young’s (the “**Scheme**”), the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- B. For the purpose of giving effect to the Scheme, with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new article 46 after article 45:

“46. SCHEME OF ARRANGEMENT

46.1 In this article 46, the “**Scheme**” means the scheme of arrangement dated 13 December 2023 (as amended or supplemented), between the Company and the holders of the Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 and as approved by the holders of the Scheme Shares at the meeting convened by the Court (as defined in the Scheme) and as may be modified or amended in accordance with its terms, and (save as otherwise defined in this article), expressions defined in the Scheme shall have the same meanings in this article.

46.2 Notwithstanding either any other provision of these Articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues or transfers from treasury any Ordinary Shares (other than to Young & Co.’s Brewery, P.L.C. (“**Young’s**”), any subsidiary of Young’s, any parent undertaking of Young’s or any subsidiary of such parent undertaking or any nominee(s) of Young’s (each a “**Young’s Company**”)) on or after the adoption of this article and before the Scheme Record Time (as defined in the Scheme), such Ordinary Shares shall be issued or transferred from treasury subject to the terms of the Scheme and shall be Scheme Shares for the purposes of the Scheme and the original or any subsequent holder of such Ordinary Shares shall be bound by the Scheme accordingly. This article 46.2 shall not apply to any Ordinary Share to which article 46.3(a) applies.

46.3 Notwithstanding any other provision of these Articles, if any shares are issued or transferred from treasury to any person (other than a Young’s Company or its nominee(s)) (a “**New Member**”) at or after:

- (a) 13 December 2023, but prior to the Scheme Record Time (as defined in the Scheme), pursuant to the exercise of a 2022 CSOP Option (as defined in the Scheme), but only in respect of any such shares of which that person is still the registered holder at the Scheme Record Time (“**Pre SRT CSOP Shares**”); or
- (b) the Scheme Record Time pursuant to the exercise of a 2022 CSOP Option (“**Post SRT CSOP Shares**”),

(together, the Pre SRT CSOP Shares and the Post SRT CSOP Shares being the “**2022 CSOP Shares**”); or
- (c) the Scheme Record Time in respect of all other shares (but excluding always the 2022 CSOP Shares) (the “**Post-Scheme Shares**”),

such 2022 CSOP Shares and Post-Scheme Shares shall, subject to the Scheme becoming Effective (as defined in the Scheme), be immediately transferred to Young’s (or such person as Young’s may direct) (the “**Purchaser**”) by the New Member (or any nominee of such New Member) in consideration for the provision of: (i) in respect of each 2022 CSOP Share, a cash payment of 143.85735 pence per 2022 CSOP Share; or (ii) in respect of each Post-Scheme Shares, the same consideration for each Post-Scheme Share which such New Member would have been entitled to receive had such Post-Scheme Share been a Scheme Share, in either case, and as applicable, after deduction of any tax and National Insurance or social security contributions which an employer or any other company is required to withhold or account for in respect of either that consideration or the issue or transfer of such shares.

- 46.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Effective Date (as defined in the Scheme), the value of the consideration per 2022 CSOP Share or per Post-Scheme Share to be paid under article 46.3 above shall be adjusted by the Board in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. References in this article to shares shall, following such adjustment, be construed accordingly.
- 46.5 To give effect to any transfer of 2022 CSOP Shares or Post-Scheme Shares required by this article, the Company may appoint any person as attorney and/or agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member to transfer the 2022 CSOP Shares or Post-Scheme Shares to the Purchaser or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of such attorney or agent be necessary or desirable to vest the 2022 CSOP Shares or Post-Scheme Shares in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the 2022 CSOP Shares or Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that such attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the 2022 CSOP Shares or Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of the Purchaser or its nominee(s) and the Company may give a good receipt for the purchase price of the 2022 CSOP Shares or Post-Scheme Shares and may register the Purchaser or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for

the 2022 CSOP Shares or Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to article 46.3 above by sending a cheque drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Member (or the relevant transferee or nominee) for the purchase price of each 2022 CSOP Shares or Post-Scheme Share, or by an alternative method communicated by the Purchaser to the New Member, and in each case, as soon as practicable and in any event no later than 14 days after the date on which such 2022 CSOP Shares or Post-Scheme Shares are issued to the New Member.

46.6 If the Scheme shall not have become Effective (as defined in the Scheme) by the applicable date referred to in (or otherwise set in accordance with) clause 8.2 of the Scheme (or such later date, if any, as Young's and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this article 46 shall be of no effect.

46.7 Notwithstanding any other provision of these Articles, neither the Company nor the Board shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date of the Scheme other than to the Purchaser or its nominee(s) pursuant to the Scheme.”.

By order of the Board
Christopher Merriman
Company Secretary
Dated: 13 December 2023

Registered office:
Essel House 2nd Floor,
29 Foley Street,
London,
England,
W1W 7TH

Notes:

1. Entitlement to attend and vote

Pursuant to the articles of association of City Pubs and Regulation 41 of the Uncertificated Securities Regulations 2001 (the “**CREST Regulations**”), only holders of ordinary shares of 1 penny each in the capital of City Pubs on the register of members of City Pubs as at 6.30 p.m. on 15 January 2024 (each, a “**City Pubs Shareholder**”) are entitled to attend and vote (in person or by proxy) at this meeting in respect of the number of shares in the capital of City Pubs registered in their names at that time and may appoint a proxy to vote instead of them. Changes to entries on the register of members of City Pubs after 6.30 p.m. on 15 January 2024 (the “**Voting Record Time**”) shall be disregarded in determining the rights of any person to attend and vote at this meeting. Should the General Meeting be adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote under the arrangements described in these notes (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, to be so entitled members must have been entered on the register of members of City Pubs by 6.30 p.m. on the date that is two Business Days before the date of the adjourned General Meeting or, if City Pubs gives notice of the adjourned General Meeting, at the time specified in such notice.

2. Appointment of proxies

City Pubs Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, online or through CREST) set out below. City Pubs Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. Any other person appointed as proxy will be able to speak and vote at the General Meeting only if they attend the General Meeting in person.

City Pubs Shareholders are entitled to appoint a proxy in respect of some or all of their City Pubs Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST or online as described below, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. City Pubs Shareholders who wish to appoint by post more than one proxy in respect of their holding of City Pubs Shares should contact Equiniti for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

Each City Pubs Shareholder present by proxy will be entitled to one vote for each ordinary share which he/she represents. A City Pubs Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of City Pubs but must attend the meeting in person for the City Pubs Shareholder's vote to be counted. Appointing a proxy does not prevent a member from attending and speaking at the General Meeting in person and voting in person under the arrangements set out in these notes if he or she is entitled to do so and so wishes.

Sending Forms of Proxy by post

You should complete, sign and return the WHITE Form of Proxy for use at the General Meeting so as to be received **no later than 10.15 a.m. on 15 January 2024**. In the event of adjournment(s) of the General Meeting, the WHITE Form of Proxy should be returned no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting(s). If the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy, it will be invalid.

Any WHITE Form of Proxy to be returned by post must be sent to the registrar of City Pubs, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the WHITE Forms of Proxy.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (participant ID: RA19) **no later than 10.15 a.m. on 15 January 2024** or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of CREST and timings.

City Pubs may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed WHITE Form of Proxy or proxies, a proxy for the General Meeting may be appointed using the Sharevote online voting service at www.sharevote.co.uk, with Scheme Shareholders using their Voting ID, Task ID and SRN as shown on the WHITE Form of Proxy. For an electronic proxy appointment for the General

Meeting to be valid, the appointment must be received by Equiniti **no later than 10.15 a.m. on 15 January 2024** (or in the case of adjournment(s), no later than 48 hours (excluding any part of a day that is not a Business Day) before the time and date set for the adjourned meeting(s)). Full details of the procedure to be followed to appoint a proxy online are given on the website above. If the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

3. Joint holders

In the case of joint holders of ordinary shares, any one such joint holder may tender a vote, whether in person or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s). Where more than one of the joint holders purport to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. For this purpose seniority will be determined by the order in which the names stand in the register of members of City Pubs in respect of the relevant joint holding (the first named being the most senior).

4. Corporate representatives

A member of City Pubs which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. In accordance with the provisions of the Companies Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise as if he or she were an individual member of City Pubs, provided that they do not do so in relation to the same shares. If two or more representatives purport to vote in respect of the same shares, then if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way. In other cases, the power is treated as not exercised.

5. Voting on a poll and announcement of results

Voting on the resolution will be conducted by way of a poll rather than a show of hands. As soon as practicable following the General Meeting, the results of the voting at the meeting and the numbers of all votes cast for and against and the number of votes actively withheld in respect of the resolution will be announced via a Regulatory Information Service and also placed on the website of City Pubs at <https://www.citypubcompany.com/investors/>.

6. Issued share capital and voting rights

As at 12 December 2023 (being the last practicable date prior to the date of publication of this notice), the issued share capital of City Pubs consisted of 106,293,430 ordinary shares, carrying one vote each, of which 1,665,279 ordinary shares were held in treasury. Therefore, the total voting rights in City Pubs as at such date was 104,628,151 ordinary shares, carrying one vote each.

7. Communications

You may not use any electronic address provided either in this notice or in any related documents (including the enclosed WHITE Form of Proxy) to communicate with City Pubs for any purposes other than those expressly stated.

