

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately.

If you have recently sold or transferred all of your shares please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



THE LAKES DISTILLERY COMPANY PLC

(REGISTERED IN ENGLAND AND WALES WITH REGISTERED NUMBER 07769363)

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Low Barkhouse Farm
Setmurthy
Cockermouth
Cumbria
England
CA13 9SJ

Dear Shareholder

6 December 2023

Notice of Annual General Meeting

I am pleased to enclose a formal notice of the Annual General Meeting (**AGM** or **Meeting**) of The Lakes Distillery Company plc (**Company**) to be held at Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF on Friday 29 December 2023 at 1 p.m. This letter and the explanatory notes at the end of the notice of the Meeting (**Notice**) give the background to and explain the resolutions that are being proposed (**Resolutions**).

The Company is required to hold its AGM before the end of the year. It has not been possible to arrange the AGM at an earlier date and so it will be held on Friday 29 December, in order to put forward resolutions to shareholders that are important for the ongoing activities of the Company over the next twelve months. However, the Board is aware that this date may not be convenient, but we are very keen to engage with shareholders, to update you on the business and to listen to your views. With this in mind, the Board will be writing to you shortly to share with you an update on current trading and to invite you to attend a Shareholder Day in early 2024 which we hope will be a more convenient time for more of our shareholders to engage with the Board and we will very much look forward to seeing as many of you as possible.

The Company, as a public company, is required to lay before the members in general meeting copies of its annual accounts and reports. Copies will be circulated to members separately and the directors will lay the annual reports of the directors and the auditors at a separate general meeting. Notice of this meeting will be circulated to members with the annual accounts and reports.

If you may not be able to attend the Meeting, a form of proxy is enclosed for you to complete (according to the instructions printed on it) and send to Link Group, to be received no later than 1 p.m. on 27 December 2023. Completion and submission of the form of proxy will not prevent you from attending and voting at the Meeting if you subsequently find that you are able to do so.

I would like to encourage shareholders to complete and return a proxy form as soon as possible.

Recommendation

Your Directors believe that the Resolutions are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of the Resolutions, as those Directors who are shareholders intend to do in respect of their own beneficial holdings in the Company.

Yours faithfully

Tim Farazmand

Non-Executive Chairman

THE LAKES DISTILLERY COMPANY PLC (CRN: 07769363)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**Meeting**) of The Lakes Distillery Company plc (**Company**) will be held at Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF on Friday 29 December 2023 at 1 p.m.

You will be asked to consider and vote on the resolutions below (**Resolutions**). The Resolutions will be proposed as ordinary resolutions and special resolutions as explained in the attached Explanatory Notes.

Ordinary Business

1. To re-elect Nigel John Mills as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
2. To re-elect David Peter Robinson as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
3. To re-elect Kirsten Amanda Taylor as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
4. To re-elect Timothy Bahram Neville Farazmand as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
5. To re-elect Richard John Hutton as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
6. To re-elect Paul Anthony Neep as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
7. To re-elect Craig Wilkinson as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
8. To elect James Richard Somerset Pennefather as a Director, who retires in accordance with the Company's articles of association and who is eligible for re-election.
9. To re-appoint KPMG LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the Company.
10. To authorise the Directors of the Company to determine the remuneration of the auditors of the Company.

Special Business

11. That the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (**Act**) to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £260,000 provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on the date falling fifteen months after the passing of this resolution or, if earlier, the date of the next Annual General Meeting of the Company, save that the Company may, before such expiry, revocation or variation make offers or enter into agreements that would or might require shares to be allotted or Rights to be granted and the Directors may allot any shares or grant any Rights after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors in accordance with Section 551 of the Act to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

12. That, subject to the passing of resolution 11 set out in the notice of this meeting, the Directors of the Company be given general power pursuant to Section 570 of the Companies Act 2006 (Act) to allot equity securities (as defined in Section 560 of the Act) for cash either pursuant to the authority conferred by resolution 11 set out in the notice of this meeting or by way of a sale of treasury shares, as if Section 561 of the Act did not apply to any such allotment, provided that:

12.1 this power is limited to:

12.1.1 the allotment of equity securities in connection with an offer by way of a rights issue (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

12.1.2 the allotment (other than pursuant to resolution 12.1.1 above) of equity securities up to an aggregate nominal amount of £260,000;

12.2 such power shall, unless renewed, revoked or varied by the Company in general meeting expire on the date falling fifteen months after the passing of this resolution or, if earlier, the date of the next Annual General Meeting of the Company, save that before such expiry, revocation or variation the Company may make offers or enter into agreements which would or might require equity securities to be allotted after the expiry, revocation or variation of such power and the Directors may allot equity securities after such expiry, revocation or variation under this power in pursuance of any such offer or agreement as if this power had not expired.

By order of the Board

Tim Farazmand

Non-Executive Chairman

The Lakes Distillery Company plc (CRN: 07769363) whose registered office is at Low Barkhouse Farm, Setmurthy, Cockermouth, Cumbria, England, CA13 9SJ.

6 December 2023

Notes to the Notice of Annual General Meeting

1. Appointment of proxies

If you are a shareholder who is entitled to attend and vote at the Meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you have received a form of proxy with this notice of Meeting. A proxy does not need to be a shareholder of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to that person. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

To appoint a proxy, you must use the form of proxy provided and the form must be:

- completed and signed;
- sent or delivered to the Company's registrars, Link Group; and
- received by the Company's registrars no later than 48 hours before the time of the Meeting, therefore by 1 p.m. on 27 December 2023.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

2. Voting directions

If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote at his or her discretion. Your proxy will vote as he or she thinks fit in relation to any other matter which is put before the Meeting.

The notes to the form of proxy explain how to direct your proxy how to vote on each resolution.

3. Changing proxy instructions

Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut off time will be disregarded.

Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Link Group.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

4. Termination of proxy appointment

A shareholder may revoke a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to the Company. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than commencement of the proposed meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the Meeting and vote in person.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

5. **Communication**

Except as provided above, shareholders who have general questions about the Meeting should contact David Robinson on 0191 255 9800 or by email at davidrobinson@lakesdistillery.com (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of Annual General Meeting; or
- any related documents (including the form of proxy),

to communicate with the Company for any purposes other than those expressly stated.

6. **Entitlement to attend and vote**

Only those shareholders registered in the Company's register of members at:

- close of business on 27 December 2023; or
- if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares of £0.02 each in the capital of the Company registered in their name at that time. Subsequent changes to entries in the register of members shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

THE LAKES DISTILLERY COMPANY PLC (CRN: 07769363)

Explanatory Notes

Ordinary Business

Resolutions 1 to 8 are ordinary resolutions that relate to the proposed re-election of Directors of the Company. In accordance with the articles of association of the Company, all are offering themselves for re-election at this AGM. James Pennefather was appointed by the Board as a Director since the previous AGM and so this will be the first AGM at which he is offering himself for election.

Resolutions 9 and 10, proposed as ordinary resolutions, seek to approve the re-appointment of KPMG LLP as auditors and to authorise the Directors to agree their remuneration.

Special Business

The Companies Act 2006 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 11 will be proposed as an ordinary resolution to grant the Directors general authority to allot up to 13,000,000 shares of £0.02 each in the capital of the Company or to grant subscription or conversion rights up to a maximum aggregate nominal amount of £260,000 representing approximately 33 per cent. of the current issued share capital of the Company. The authority will, unless renewed, varied or revoked by the Company, expire on the date 15 months from the passing of the resolution, or, if earlier, the conclusion of the next AGM of the Company.

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under Section 570 of the Companies Act 2006. Resolution 12 will be proposed as a special resolution to grant the directors authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with Section 561(1) of the Companies Act 2006 and authorises other allotments of up to a maximum aggregate nominal amount of £260,000 (representing 13,000,000 shares of £0.02 each in the share capital of the Company). This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury (the Company does not currently hold any such shares). This authority will enable the Directors to take advantage of opportunities to raise further funds for the business and explore possible liquidity events.

