

Irrevocable undertaking

To: Nyetimber Wines and Spirits Group Limited (the **Bidder**)
Broughton House
6-8 Sackville Street
London
England
W1S 3DG

2 April 2024

Offer for The Lakes Distillery Company plc (the Target)

We understand that the Bidder is considering the Acquisition substantially on the terms and conditions set out or referred to in the draft of the Announcement attached at Appendix 1 to this undertaking and/or such other terms and conditions as required by (i) any applicable law or regulation; and (ii) the Code. Unless otherwise defined in this undertaking or unless the context requires otherwise, capitalised terms have the meaning given to them in the Announcement. References to paragraphs are to paragraphs in this undertaking.

1. Warranties and undertakings

We represent, warrant and undertake to the Bidder that:

- (a) we are the registered holder and/or the beneficial owner of the number of the Target Shares set out in the table in Appendix 2 to this undertaking and, where stated in the third column of the table, we are the legal owner of the Shares and we hold the Shares free from any Encumbrances which are inconsistent with the terms of this undertaking;
- (b) other than as set out in Appendix 2 to this undertaking, we do not, and nor do any of the persons connected with me (within the meaning of section 253 of the Act), have any interest (as defined in the Code) in any Shares of the Target, or any rights to subscribe for, purchase or otherwise acquire any such Shares, or any short positions (within the meaning of the Code) in any such Shares;
- (c) we have (and will at all relevant times continue to have) full power and authority to enter into this undertaking and to perform the obligations under it in accordance with their terms;
- (d) we will not, prior to the earlier of the Acquisition completing or lapsing, and will procure that any registered holder (if different) will not:
 - (i) except pursuant to the Acquisition, sell, transfer, charge, pledge, encumber, grant any options over or otherwise dispose of, or permit the sale, transfer, charging, pledge, encumbrance, granting of any option over or other disposal of any interest in the Shares;
 - (ii) convene any meeting of the members of the Target, nor exercise or permit the exercise of the voting rights attaching to the Shares in any manner which would or might frustrate the Acquisition or prevent the Acquisition from completing;
 - (iii) (except pursuant to the Acquisition) enter into any agreement or arrangement, incur any obligation (other than any obligation imposed by law) or give any indication of intent:
 - (A) to do any of the acts referred to in paragraphs 1.1(d)(i) and (ii); or

- (B) which in relation to the Shares would or might restrict or impede us accepting the Offer or voting in favour of the Scheme, or which would otherwise preclude us from complying with any obligations in this undertaking;
- (e) other than anyone presumed to be acting in concert with us by virtue of the definition of "acting in concert" in the Code, we are not knowingly acting in concert with any person in relation to the Target for the purposes of Rule 9.1 of the Code disregarding for this purpose any person giving an irrevocable undertaking to implement the Acquisition and each of the Bidder and the Target and all persons acting in concert with any of them; and
- (f) we will take all steps in our power and, where applicable, will take all steps in our power to procure that any registered holder of the Shares also takes all steps in their power, to comply with the obligations in this undertaking.

2. **Undertaking to vote in favour of the Scheme**

2.1 Subject to paragraph 4 below, we hereby irrevocably and unconditionally undertake, with effect from the publication of the Announcement, that for so long as the Bidder elects to implement the Acquisition by way of the Scheme we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares:

- (a) without prejudice to our right to attend and vote in person, return or procure the return of the signed forms of proxy (whether on a show of hands or via a poll) in accordance with the procedure set out in the formal document containing details of the Scheme (the **Scheme Document**) in favour of any resolutions at any shareholder or court meeting required for the implementation of the Acquisition and any matter ancillary thereto within seven days after posting of the Scheme Document or, if later, within seven days of acquiring the Shares (including, without limitation, to approve the Scheme and amend the Target's articles of association); and
- (b) shall not amend revoke or withdraw the terms of any proxy executed or returned in accordance with this paragraph 2, either in writing or by attendance at any court meeting or general meeting or otherwise.

2.2 We further agree that if the Scheme becomes effective in accordance with its terms, the Bidder will acquire the Shares with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking.

3. **Undertaking to accept an Offer**

Subject to paragraph 4, we hereby irrevocably and unconditionally undertake that if the Bidder elects to implement the Acquisition by way of the Offer we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares at the relevant time:

- (a) accept the Offer in respect of the Shares in accordance with the procedure for acceptance set out in the formal document containing such Offer (the **Offer Document**) no later than seven days after the Bidder posts the Offer Document to Target shareholders or, if later, within seven days of us or our nominee becoming the registered holder of any Shares;

- (b) notwithstanding the provision of the Code or any terms of the Offer regarding withdrawal, not withdraw such acceptance; and
- (c) we further agree that if the Offer becomes or is unconditional, the Bidder will acquire the Shares under the Offer with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking.

4. **Lapse of undertaking**

4.1 Subject to paragraph 4.2, this undertaking will lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- (a) the Announcement is not released by 6.00 p.m. on 2 April 2024 or such later date as the Bidder and the Target may agree;
- (b) the Acquisition is not announced in the Announcement at an offer price of 116 pence per Share or greater;
- (c) the Bidder announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time;
- (d) the Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time;
- (e) the Acquisition has not become effective or declared wholly unconditional in all respects by the Longstop Date (as defined in the Announcement) (or such later time and date as agreed between the Bidder and Target, with the approval of the Court and/or the Panel, if required);
- (f) a person other than the Bidder announces pursuant to Rule 2.7 of the Code a firm intention to make an offer howsoever structured (including by way of cash only or a combination of cash and shares) to acquire the whole of the issued and to be issued ordinary share capital of the Target, other than that already owned by the person making the offer on terms which entitle us to receive more than 116 pence for each Target Share (as determined by the Target's financial adviser, acting reasonably and in good faith).

4.2 If this undertaking lapses, neither party shall have any claim against the other save in respect of any prior breach.

4.3 We accept, acknowledge and confirm that we have been given adequate opportunity to consider whether or not to enter into this undertaking and to obtain independent advice accordingly.

5. **General**

5.1 The definitions in Appendix 3 to this undertaking apply throughout this undertaking unless the context requires otherwise.

5.2 Nothing in this undertaking obliges the Bidder to announce or make the Offer.

- 5.3 We understand that the information provided to us in relation to the Acquisition is given in confidence and must be kept confidential until the Announcement containing details of the Acquisition is released or the information has otherwise been made public. Before this time, we will not deal in Target Shares.
- 5.4 Prior to this undertaking being published as referred to paragraph 5.5(c) below, we agree not to disclose to any third party (other than our professional advisers) the existence or subject matter of this document or of any of the arrangements or proposed arrangements to which it relates unless such disclosure is required by law, the Panel, or pursuant to any other legal or regulatory requirement in which case we will only make such disclosure following consultation with the Bidder.
- 5.5 We consent to:
- (a) this undertaking being disclosed to the Panel;
 - (b) references to us and particulars of this undertaking and our interests being included in the Announcement and the Offer Document or Scheme Document as applicable, and any other announcement made, or related or ancillary document issued, by or on behalf of the Bidder and/or the Target in connection with the Acquisition, provided that any such reference is required by applicable law or regulation; and
 - (c) this undertaking being published as required by the Code and any other applicable law or regulation.
- 5.6 We agree to provide you promptly with all such further information at our disposal in relation to our interests in the Shares as you may require in order to comply with the Code and any other legal or regulatory requirement and to notify you in writing as soon as reasonably practicable of any material change in the accuracy or import of any such information previously supplied to you by us.
- 5.7 Any time, date or period mentioned in this undertaking may be extended by mutual agreement but as regards any time, date or period originally fixed or extended, time is of the essence.
- 5.8 No variation of this undertaking will be effective except by mutual agreement.

6. **Power of attorney**

In order to secure the performance of our obligations under this undertaking, we irrevocably appoint, severally, the Bidder and any director of the Bidder as our attorney to execute and deliver the form of acceptance or form of proxy and to sign, execute and deliver all other documents and do all such other acts and things as may be necessary for, or incidental to, the performance of our obligations under this undertaking on our behalf in the event of our failure to comply with any provision of this undertaking within the specified period and we irrevocably undertake to ratify such act if called upon to do so.

7. **Governing law and jurisdiction**

This undertaking (and any dispute, controversy, proceedings of whatever nature arising out of or in any way relating to this undertaking or its formation or claim or any act performed or claimed to be performed under it) shall be governed by and construed in accordance with English law and we submit to the exclusive jurisdiction of the English courts for all purposes in connection with this undertaking.

8. **Notices**

8.1 Any notice, demand or other communication given or made under or in connection with the matters contemplated by this undertaking must be in writing and must be delivered personally or sent by email or prepaid first class post (air mail if posted to or from a place outside the United Kingdom):

**In the case of Comhar Capital (1804)
Limited to:**

Address:

Email:

Attention:

In the case of the Bidder to:

Address:

Email:

Attention:

and will be deemed to have been duly given or made as follows:

- (a) if personally delivered, upon delivery at the address of the relevant party;
- (b) if sent by first class post, two business days after the date of posting;
- (c) if sent by air mail, seven business days after the date of posting; and
- (d) if sent by email, when sent;

provided that if, in accordance with the above provisions, any such notice, demand or other communication would otherwise be deemed to be given or made after 5.00 p.m. on a business day such notice, demand or other communication will be deemed to be given or made at 9.00 a.m. on the next business day.

8.2 A party may notify the other party to this undertaking of a change to its name, relevant addressee, address or email address for the purposes of paragraph 8.1 provided that such notification will only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five business days after the date on which notice is given, the date falling five business days after notice of any such change has been given.

9. **Third party rights**

9.1 A person who is not a party to this undertaking shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

IN WITNESS whereof this undertaking has been executed and delivered as a deed on the date first above written.

Executed as a deed by)
Comhar Capital (1804) Limited)
acting by Craig Wilkinson)

Signature of director

Signature of witness

Name of witness

Address of witness



.....

.....

Occupation of witness



.....

APPENDIX 1

Announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS ANNOUNCEMENT OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR INDEPENDENT FINANCIAL ADVISER DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

FOR IMMEDIATE RELEASE.

2 April 2024

RECOMMENDED CASH OFFER

for

THE LAKES DISTILLERY COMPANY PLC

by

NYETIMBER WINES AND SPIRITS GROUP LIMITED

TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006

Summary

- The boards of Nyetimber Wines and Spirits Group Limited ("**Nyetimber**") and The Lakes Distillery Company plc ("**The Lakes**") are pleased to announce the terms of a recommended cash offer to be made by Nyetimber to acquire the entire issued and to be issued ordinary share capital of The Lakes (the "**Acquisition**") to be effected by means of a court sanctioned scheme of arrangement between The Lakes and Scheme Shareholders under Part 26 of the Act (the "**Scheme**").
- Under the terms of the Acquisition, each The Lakes Shareholder will be entitled to receive:

for each The Lakes Share	116 pence in cash (the "Acquisition Price")
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Accordingly, the Acquisition values The Lakes' existing issued and to be issued share capital at approximately £46.1 million. This implies an Enterprise Value of £71.0 million, based on The Lakes Directors' expectation for The Lakes' net financial debt as at 31 May 2024, which comprises £25.8 million of financial debt and associated make whole payments, less £0.9 million of cash and cash equivalents.

- Subject to the terms of the Scheme, if, on or after the date of this Announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of value is

announced, declared, made, paid or becomes payable by The Lakes in respect of The Lakes Shares, Nyetimber reserves the right to reduce the consideration payable by the amount of any such dividend, distribution or other return of value.

Background to and reasons for the Acquisition

Nyetimber believes that The Lakes is the leading English distiller of premium quality Single Malt Whisky and other premium spirits, differentiated by its characteristic Sherry-led house style, wood forward approach and depth of flavour.

- Having significantly expanded capacity over the last few years, Nyetimber believes that there is a sizeable opportunity for The Lakes to grow its market share within the UK Single Malt Whisky market, as well as to continue to expand its presence internationally, where Nyetimber is of the view that the quality and profile of The Lakes' products and English provenance will resonate well with consumers.
- Nyetimber believes that it is the right long-term partner to support The Lakes' management team to deliver on its ambitions to become a leading international spirits brand, with the acquisition of The Lakes marking an important next step in Nyetimber's plan to create a globally relevant, English luxury drinks group.

Recommendation and irrevocable undertakings

- The Lakes Directors, who have been so advised by Singer Capital Markets as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to The Lakes Directors, Singer Capital Markets has taken into account the commercial assessments of The Lakes Directors. Singer Capital Markets is providing independent financial advice to The Lakes for the purposes of Rule 3 of the Takeover Code.
- **Accordingly, The Lakes Directors intend unanimously to recommend that The Lakes Shareholders vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer).**
- Those The Lakes Directors who hold The Lakes Shares have entered into irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of their beneficial interests in The Lakes Shares amounting, in aggregate, to 2,227,101 The Lakes Shares, representing in aggregate approximately 5.9 per cent. of The Lakes' issued share capital as at the Last Practicable Date.
- In addition, the following The Lakes Shareholders have entered into irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting in respect of their beneficial interests in The Lakes Shares:

- Comhar Capital (1804) Limited in respect of 4,308,774 The Lakes Shares, representing approximately 11.4 per cent. of The Lakes' issued share capital as at the Last Practicable Date;
 - Paul Currie in respect of 2,103,385 The Lakes Shares, representing approximately 5.6 per cent. of The Lakes' issued share capital as at the Last Practicable Date; and
 - David McLaughlin in respect of 1,895,535 The Lakes Shares, representing approximately 5.0 per cent. of The Lakes' issued share capital as at the Last Practicable Date;
- Therefore, Nyetimber has received irrevocable undertakings in respect of 27.8 per cent. of The Lakes Shares in aggregate. Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

General

- It is intended that the Acquisition will be implemented by way of a court sanctioned scheme of arrangement between The Lakes and the Scheme Shareholders under Part 26 of the Act, further details of which are contained in the full text of this Announcement and will be set out in the Scheme Document. However, Nyetimber reserves the right, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer (as defined in Chapter 3 of Part 28 of the Act).
- In order to become Effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting (and entitled to vote) at The Lakes Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, the implementation of the Scheme must also be approved by The Lakes Shareholders at The Lakes General Meeting.
- The Acquisition will be subject to the Conditions and certain further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including the approval of the Scheme by The Lakes Shareholders and the sanction of the Scheme by the Court.
- The Scheme Document will include full details of the Scheme, together with notices of The Lakes Court Meeting and The Lakes General Meeting and the expected timetable of key events, and will specify the action to be taken by The Lakes Shareholders. The Scheme Document will be despatched to The Lakes Shareholders within 28 days of this Announcement unless otherwise agreed by the Panel.
- The Scheme is expected to become Effective in Q2 2024, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix I to this Announcement.

Commenting on the Acquisition, James Pennefather (CEO of The Lakes) said:

“The Lakes Board is enthusiastic about its ambitious new ten year plan to achieve a 1 per cent. share of the global luxury dark spirits market by 2030. This plan entails an additional funding requirement of £10 million over the next three years to provide the necessary growth capital to increase production capacity, to further invest in laying down maturing spirit stocks and to grow the brand’s footprint in

international markets. The offer by Nyetimber offers the prospect of an owner with the same shared strategic vision and crucially, certainty of funding.

By joining the Nyetimber family of companies, The Lakes will benefit, in particular in terms of quality of production, brand marketing and routes to market. The Lakes Directors are confident that this will confer significant benefits to The Lakes' long-term prospects both as a brand and as a company and the Nyetimber offer, which values The Lakes at an enterprise value of approximately £71.0 million, equivalent to a multiple of 12.2 times net revenues for FY23, represents not only the best way to ensure that The Lakes remains fully funded but also provides fair value for existing shareholders at this stage in The Lakes' growth journey.

We are pleased to recommend the Acquisition to our shareholders and I look forward to working with Eric and the Nyetimber team as we continue our journey to build a luxury international spirits brand."

Commenting on the Acquisition, Eric Heerema (CEO of Nyetimber) said:

"We are excited by the prospect of acquiring The Lakes, the leading English distiller of premium quality Single Malt Whisky, Gin, and Vodka. We believe that this potential acquisition represents an opportunity for us to expand our capabilities, drive exciting new growth and support The Lakes in delivering on its ambition to be a globally recognised spirits brand. Not only do we have an inherent understanding and strong relationships with the world's leading luxury restaurants, bars and retailers, but we also have a shared strategic vision."

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement, including the Appendices to it. The Acquisition will be subject to the Conditions and the further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the bases and sources of certain information used in this summary and in the following Announcement. Appendix III to this Announcement contains a summary of the irrevocable undertakings received by Nyetimber in connection with the Acquisition and Appendix IV contains definitions of certain terms used in this summary and the following Announcement.

Enquiries:

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lakes@georgeson.com

Ashurst LLP is acting as legal adviser to Nyetimber and Muckle LLP is acting as legal adviser to The Lakes in connection with the Acquisition.

Shareholder Helpline

If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on +44 (0) 330 229 5931 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday.

Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this announcement and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this announcement or the Acquisition.

Important notices

This Announcement is for information purposes only. It does not constitute an offer or form part of any offer or an invitation to purchase, subscribe for, sell or issue any securities or a solicitation of any offer to purchase, subscribe for, sell or issue any securities pursuant to this Announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This Announcement does not comprise a prospectus or a prospectus exempted document. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

The Scheme Document will be published and sent to The Lakes Shareholders as soon as practicable and, in any event, within 28 days of this Announcement, other than in relation to a Restricted Jurisdiction. Shareholders are strongly advised to read all of the formal documentation in relation to the Acquisition once it has been despatched and to take professional advice if they are uncertain of any of the contents of that documentation. Any decision by The Lakes Shareholders in relation to the Acquisition should only be made based on the information contained in the Scheme Document.

Financial advisers

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**")*, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Nyetimber and for no one else in connection with this Announcement and will not be responsible to anyone other than Nyetimber for providing the protections afforded to its clients or for providing advice in connection with the Acquisition or the subject matter of this Announcement.

*Singer Capital Markets Advisory LLP ("**Singer Capital Markets**")*, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for The Lakes and no-one else in connection with the Acquisition described in this Announcement and will not be responsible to anyone other than The Lakes for providing the protections afforded to its clients or for providing advice in relation to any matter referred to in this Announcement.

Overseas shareholders

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their The Lakes Shares with respect to the Scheme at The Lakes Court Meeting, or to execute and deliver forms of proxy appointing another to vote at The Lakes 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 laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with English law and the Takeover Code, and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

Notice to US holders of The Lakes Shares

The Acquisition relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Act that will be governed by the laws of England and Wales. 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 Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Financial information included in this Announcement and the Scheme Document has been or will be prepared in accordance with UK-adopted international accounting standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Generally accepted accounting principles in the United States differ in certain significant respects from UK-adopted international accounting standards.

If, in the future, Nyetimber exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the Takeover Offer into the United States, the Takeover Offer will be made in compliance with applicable United States laws and regulations including, without limitation, to the

extent applicable, Section 14(e) of the US Exchange Act and Regulation 14E thereunder. In addition to any such Takeover Offer, Nyetimber, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in The Lakes outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: www.londonstockexchange.com.

Neither the United States Securities and Exchange Commission nor any other US federal or state securities commission or regulatory authority has reviewed, approved or disapproved this Announcement, any of the proposals described in this Announcement or passed an opinion on the accuracy or the adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US The Lakes Shareholders to enforce their rights and claims arising out of the US federal securities laws, since Nyetimber and The Lakes are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US The Lakes Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the 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 judgment.

The receipt of cash pursuant to the Acquisition by a US The Lakes Shareholder as consideration for the transfer of its The Lakes Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each The Lakes Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.

Right to switch to a Takeover Offer

Nyetimber reserves the right, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for The Lakes Shares rather than the Scheme. In such event, such Takeover Offer will (unless otherwise required by the Panel) be implemented on the same terms, as far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix I to this Announcement.

No profit forecasts or estimates or quantified financial benefits statement

No statement in this Announcement is intended as a profit forecast or estimate for any period or a quantified financial benefits statement and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Nyetimber, or The Lakes, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for those persons, as appropriate.

Disclosure requirements of the Takeover Code

The following summary of disclosure requirements under the Takeover Code should be read in conjunction with section headed "Takeover Code dispensation" below it.

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of The Lakes 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 Lakes and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 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 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 Lakes 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 1 per cent. or more of any class of relevant securities of The Lakes or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of The Lakes 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 Lakes and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 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 The Lakes or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by The Lakes and by any offeror and Dealing Disclosures must also be made by The Lakes, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Takeover Code dispensation

The Panel has granted a dispensation from the requirements in Note 3 on Rule 8 of the Takeover Code that disclosures made under Rule 8 of the Takeover Code must be made via an RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Takeover Code may be made to The Lakes by email to investors@lakesdistillery.com and will be published on The Lakes' website at <https://lakesdistillery.com/proposed-acquisition>. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@disclosure.org.uk).

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Takeover Code, The Lakes confirms that, as at 28 March 2024 being the Last Practicable Date, it has 37,894,799 ordinary shares in issue.

Cautionary note regarding forward looking statements

This Announcement contains certain statements which are, or may be deemed to be, forward looking statements with respect to the financial condition, results of operations and business of Nyetimber or The Lakes, as the case may be, and certain plans and objectives of the respective boards of Nyetimber or The Lakes. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of Nyetimber or The Lakes, as appropriate, in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Except as required by applicable law and/or regulation, neither Nyetimber nor The Lakes, as appropriate, assumes any obligation to update or correct the information contained in this Announcement.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Electronic communications

The Lakes Shareholders should note that addresses, electronic addresses and certain other information provided by them and other relevant persons for the receipt of communications from The Lakes may be provided to Nyetimber during the Offer Period as required under section 4 of appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on websites and availability of hard copies

Pursuant to Rule 26.1 of the Takeover Code, a copy of this Announcement and other documents in connection with the Acquisition will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at The Lakes' website at <https://lakesdistillery.com/proposed-acquisition> promptly following the publication of this Announcement and in any event by no later than 12.00 noon on the business day following this Announcement until the end of the Offer Period (or, if later, the end of any competition reference period).

For the avoidance of doubt, the contents of the website referred to above and the contents of any other website accessible from the hyperlink on such website are not incorporated into and does not form part of this Announcement.

In accordance with Rule 30.3 of the Takeover Code, copies of this Announcement and all future documents, announcements and information required to be sent to The Lakes Shareholders, persons with information rights and persons in relation to the Acquisition may be requested to be received by such persons in hard copy form by contacting Finn Gordon at Singer Capital Markets on telephone number +44 20 7496 3000 between 9.00 a.m. and 5.00 p.m., Monday to Friday (excluding public holidays) or in writing at Project.Fortify@singercm.com.

Rounding

Certain figures included in this Announcement 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.

Time

All references to time in this Announcement are to London time, unless otherwise stated.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS ANNOUNCEMENT OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR INDEPENDENT FINANCIAL ADVISER DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

FOR IMMEDIATE RELEASE.

2 April 2024

RECOMMENDED CASH OFFER

for

THE LAKES DISTILLERY COMPANY PLC

by

NYETIMBER WINES AND SPIRITS GROUP LIMITED

TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006

1. Introduction

The boards of Nyetimber Wines and Spirits Group Limited ("**Nyetimber**") and The Lakes Distillery Company plc ("**The Lakes**") are pleased to announce the terms of a recommended cash offer to be made by Nyetimber to acquire the entire issued and to be issued ordinary share capital of The Lakes (the "**Acquisition**") to be effected by means of a court sanctioned scheme of arrangement between The Lakes and Scheme Shareholders under Part 26 of the Act (the "**Scheme**").

2. The Acquisition

Under the terms of the Acquisition, each The Lakes Shareholder will be entitled to receive:

For each The Lakes Share: 116 pence in cash (the "Acquisition Price")

Accordingly, the Acquisition values The Lakes' existing issued and to be issued share capital at approximately £46.1 million. This implies an Enterprise Value of £71.0 million, based on The Lakes Directors' expectation for The Lakes' net financial debt as at 31 May 2024, which comprises £25.8 million of financial debt and associated make whole payments, less £0.9 million of cash and cash equivalents.

Subject to the terms of the Scheme, if, on or after the date of this Announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of value is announced, declared, made, paid or becomes payable by The Lakes in respect of The Lakes Shares, Nyetimber reserves the right (without prejudice to any right of Nyetimber to invoke Condition 3(c)(iii) in Part A of Appendix I to this Announcement) to reduce the consideration payable by the amount of any such dividend, distribution or other return of value.

The Lakes Shares will be acquired pursuant to the Acquisition 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.

3. **Recommendation**

The Lakes Directors, having been so advised by Singer Capital Markets as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to The Lakes Directors, Singer Capital Markets has taken into account the commercial assessments of The Lakes Directors. Accordingly, The Lakes Directors intend unanimously to recommend that The Lakes Shareholders vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer).

4. **Background to and reasons for the Acquisition**

Nyetimber believes that The Lakes is the leading English distiller of premium quality Single Malt Whisky and other premium spirits, differentiated by its characteristic Sherry-led house style, wood forward approach and depth of flavour.

Having significantly expanded capacity over the last few years, Nyetimber believes that there is a sizeable opportunity for The Lakes to grow its market share within the UK Single Malt Whisky market, as well as to continue to expand its presence internationally, where Nyetimber is of the view that the quality and profile of The Lakes' products and English provenance will resonate well with consumers.

Nyetimber believes that it is the right long-term partner to support The Lakes' management team to deliver on its ambitions to become a leading international spirits brand, with the acquisition of The Lakes marking an important next step in Nyetimber's plan to create a globally relevant, English luxury drinks group.

5. **Background to and reasons for the recommendation by The Lakes Directors**

In deciding to recommend the Acquisition to The Lakes Shareholders, The Lakes Directors have taken into account a range of factors, including those outlined in this paragraph 5.

The Lakes Directors are pleased to recommend the offer by Nyetimber, an independent, family-owned British company which is a pioneer in the English sparkling wine category and has a proven track record of building brands in the alcoholic drinks category. The Lakes Board notes Nyetimber's strategic plans for The Lakes focus around growing market share within the

UK Single Malt Whisky market, as well as expanding The Lakes' presence internationally and deliver on The Lakes' ambitions to become a leading international spirits brand.

The Lakes Board recently approved an ambitious new ten year plan to achieve a 1 per cent. share of the global luxury dark spirits market by 2030. This plan entails an additional funding requirement of £10 million over the next three years to provide the necessary capital to increase production capacity, to further invest in laying down maturing spirit stocks, to grow the brand's footprint in international markets and to meet The Lakes' debt service obligations, of which £3 million is required in the coming months. The offer by Nyetimber offers the prospect of an owner with the same shared strategic vision and, crucially, certainty of funding.

The Lakes Directors are confident that joining the Nyetimber family of luxury drinks companies will confer significant benefits to The Lakes' long-term prospects both as a brand and as a company.

In considering the Nyetimber offer, The Lakes Board assessed a number of alternative funding options in what is currently a tough market for raising capital. Their conclusion was that there is a degree of uncertainty around The Lakes' ability to fully fund the business as an independent entity without compromising the ten year plan and furthermore that such funding might only become available on terms which are materially dilutive to the future equity returns for current The Lakes Shareholders. As a result, The Lakes Directors' assessment is that the Nyetimber offer, which values The Lakes at an enterprise value of approximately £71.0 million, equivalent to a multiple of 12.2 times net revenues for FY23, represents not only the best way to ensure that The Lakes remains fully funded but also provides fair value for existing shareholders at this stage in The Lakes' growth journey.

Accordingly, following careful consideration, The Lakes Directors unanimously intend to recommend that The Lakes Shareholders vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting, as The Lakes Directors who hold The Lakes Shares have irrevocably committed to do in respect of their The Lakes Shares.

6. Information relating to The Lakes

The Lakes, one of the leading English Single Malt Whisky producers, distills and distributes a range of spirits including a Single Malt Whisky which won the coveted title of 'World's Best Single Malt' in the World Whiskies Awards in 2022. The Lakes was formed in 2011 and commenced operations in December 2014 with the aspiration to create a global luxury whisky brand.

The Lakes distillery and visitor centre, comprising a tour facility, shop and bistro is located on an eleven acre freehold site near Bassenthwaite Lake in the Lake District National Park, selected for its heritage, the natural beauty of the surrounding area and its proximity to a natural water source, the River Derwent. In line with its ambition to create a global luxury whisky brand, The Lakes has developed a signature multi-oak, Sherry-led maturation process, maturing its whisky in bespoke casks and employing the technique of elevage long favoured by the world's leading cognac producers. The intended result is to provide a range of flavours which The

Lakes' Whiskymaker can use to create The Lakes' distinctive and award-winning Single Malt Whisky.

As well as distilling and maturing stocks of award-winning single malt whisky, The Lakes has built a complementary portfolio of premium spirits brands, including both blended whiskies and white spirits. The Lakes has a diversified business model with multiple income streams and rapidly increasing export sales.

The Lakes has remained lossmaking in recent financial years as management has invested heavily in brand development, single malt production levels and laying down stock, with in excess of 1 million OLA (Original Litres of Alcohol) of spirits maturing in cask as at 31 December 2023. During the financial year ended 30 June 2023, The Lakes reported an audited EBITDA loss of £1.3m on net revenue of £5.8m. Trading in the current financial year ended 30 June 2024 has thus far been consistent with The Lakes Board's internal plan, with unaudited management accounts showing year-on-year net revenue growth of 35 per cent. during the seven months ended 31 January 2024.

7. **Information relating to Nyetimber**

Nyetimber

Nyetimber is a private limited company incorporated in England and Wales on 14 November 2023 and formed for the purposes of making the Acquisition. It is wholly owned by Eric Heerema. Nyetimber's directors are Mr. Heerema and Hans Sleeuwenhoek. Save for activities in connection with the making, implementation and financing of the Acquisition, Nyetimber has not carried on any business prior to the date of this announcement, nor has it entered into any third party obligations.

Nyetimber is part of a group of companies under the common ownership of Mr Heerema. These companies are collectively referred to and branded as 'Nyetimber'. The Nyetimber business was founded over 30 years ago and is now a world-renowned English Sparkling Wine producer based in the South of England. Since its inception, the business has had a single aim: to make the finest English Sparkling Wine, to rival the very best sparkling wines in the world. The Nyetimber business has sought to redefine tastes and attitudes towards English Sparkling Wine, by achieving exceptional quality and consistency in each of its vintages.

Mr Heerema became the owner and custodian of the Nyetimber business in 2006, believing that the estate, with its ideal soil and location, had yet to achieve its full potential.

The Nyetimber business owns 992 hectares of land (of which 374 is currently under vine) across 11 vineyards in West Sussex, Hampshire and Kent, devoted exclusively to the Chardonnay, Pinot Meunier and Pinot Noir grapes.

Mr Heerema

Mr Heerema moved to the United Kingdom in 1999, and his first venture into English wine started in 2003 when he bought a farmhouse in West Sussex and planted 16 acres of vines. His interest in English winemaking later led to the acquisition of the Nyetimber business in 2006. Mr Heerema recruited Head Winemaker Cherie Spriggs and Winemaker Brad Greatrix,

who both shared his vision of crafting the finest English sparkling wines. Since then, Nyetimber wines have gone on to achieve global acclaim, winning international awards and blind-tasting competitions, as well as being recognised by some of the world's most celebrated wine experts.

8. **Intentions with regards to The Lakes**

Nyetimber's strategic plans for The Lakes

Nyetimber's strategic plans for The Lakes focus around growing market share within the UK Single Malt Whisky market, as well as expanding The Lakes' presence internationally. Nyetimber believes that The Lakes' significant capacity expansion in recent years has created a sizeable opportunity to grow the business and deliver on The Lakes' ambitions to become a leading international spirits brand. The acquisition of The Lakes also represents an important next step in Nyetimber's plan to create a globally relevant, English luxury drinks group.

Prior to this announcement, consistent with market practice, Nyetimber has been granted limited access to The Lakes' senior management for the purposes of its due diligence. Following the Scheme becoming Effective, Nyetimber intends to work with The Lakes' management to undertake a more detailed review of The Lakes' business and operations in order to validate brand development opportunities and refine its future strategic plans.

Nyetimber has no plans to close or relocate The Lakes' headquarters or the distillery from their current Cockermouth location, or to redeploy any of The Lakes' fixed assets. As part of its business and operations review Nyetimber will, however, review the size and location of The Lakes' administrative, headquarter and support functions which are performed outside the distillery with a particular focus on the functions currently located in The Lakes' Newcastle office. This may result in the relocation of relevant staff and/or headcount reductions affecting up to 25 employees.

Nyetimber also intends as part of its business and operations review to explore the feasibility of bringing forward The Lakes' ten year plan and further increasing capacity of production and associated warehousing at the Cockermouth distillery to at least 500,000 litres per annum. Nyetimber understands that a production and capacity increase of this volume may necessitate the relocation or closure of the on-site bar and restaurant. Nyetimber has not yet made any firm decisions in relation to this but understands that a relocation or closure of the on-site bar and restaurant would affect up to 12 employees.

As noted in paragraph 10 of this announcement Nyetimber has agreed with The Lakes to offer an enhanced redundancy package to any employees affected by the outcomes of its business and operations review.

As at the date of this announcement, the results of Nyetimber's business and operations review are uncertain and no firm decisions have been made in relation to the specific actions which may be taken. Any relevant actions will be taken in consultation with The Lakes' management and affected functions. Nyetimber expects this review to be completed within 12 months from the Effective Date.

Board, management and employees

Nyetimber has given assurances to The Lakes Directors that the existing contractual and statutory employment rights of The Lakes' existing management and employees will be safeguarded in accordance with applicable law and that Nyetimber does not envisage any material change in the conditions of employment of The Lakes employees following the Scheme becoming Effective.

Nyetimber does not expect the acquisition to have any impact on levels of employment save for any headcount reductions which may result from Nyetimber's business and operations review referred to above. It is also expected that the non-executive directors of The Lakes will step down following the Effective Date.

Nyetimber does not intend to make any material change to the balance of skills and functions of The Lakes employees and management. Nyetimber does not intend to make any changes to the benefits provided by The Lakes' defined contribution pension schemes and intends for the employer to continue to make contributions in line with the current arrangements.

Management incentivisation arrangements

Nyetimber has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of The Lakes' management, nor does it expect to have any such discussions before completion of the Acquisition. It is Nyetimber's intention to put in place future management incentivisation arrangements after an appropriate period following completion of the Acquisition.

Headquarters, locations and fixed assets

As noted above, Nyetimber has no plans to close or relocate The Lakes' headquarters or the Cockermouth distillery, or to redeploy any of The Lakes' fixed assets.

Nyetimber intends for The Lakes' successful direct-to-consumer business across ecommerce and its retail shop at the Cockermouth distillery to continue to operate, with an increased portfolio of brands to include Nyetimber's wider range of English luxury drinks.

The Lakes does not have research and development functions.

Trading facilities

The Lakes Shares are not currently listed on any recognised investment exchange or recognised overseas investment exchange (as such terms are defined in the FCA Handbook) and Nyetimber has no intention of changing this.

No statements in this paragraph 8 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

9. Financing of the Acquisition

The cash consideration payable to The Lakes Shareholders under the terms of the Acquisition will be fully financed through Nyetimber's existing cash resources.

Rothschild & Co, in its capacity as financial adviser to Nyetimber, is satisfied that sufficient financial resources are available to Nyetimber to enable it to satisfy in full the cash consideration payable to The Lakes Shareholders under the terms of the Acquisition.

10. **Offer related arrangements**

Confidentiality Agreement

Highland Jersey Limited (a company wholly owned by Eric Heerema) and The Lakes have entered into a non-disclosure agreement dated 4 September 2023 (the "**Confidentiality Agreement**") under which Highland Jersey Limited has undertaken, among other things, to keep certain information relating to the Acquisition and The Lakes confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

Side letter in relation to Share Schemes

On 2 April 2024, Nyetimber and The Lakes entered into a side letter pursuant to which the parties have agreed certain arrangements in respect of the Share Schemes (the "**Share Schemes Side Letter**"), including the intention to jointly write to Share Scheme participants on, or as soon as practicable after, the posting of the Scheme Document to explain the impact of the Scheme on their awards and the extent to which their awards will vest if not already vested and exercisable.

The Share Schemes Side Letter will terminate in certain circumstances set out within, including circumstances where The Lakes shareholders do not approve the Scheme or pass the resolutions (as applicable) at the relevant The Lakes Meeting, where the Court does not sanction the Scheme, or by written notice from Nyetimber to The Lakes if The Lakes Board withdraws or adversely modifies its recommendation.

Side letter in relation to HR matters

On 2 April 2024, Nyetimber and The Lakes entered into a side letter in relation to HR matters (the "**HR Side Letter**"). Pursuant to the HR Side Letter, the parties have agreed certain arrangements in respect of those The Lakes employees affected by the proposed business and operations review that Nyetimber intends to conduct following completion of the Acquisition (as described in paragraph 8 of this announcement), including offering an enhanced redundancy package to any such employees.

The HR Side Letter will terminate in certain circumstances set out within, including circumstances where The Lakes shareholders do not approve the Scheme or pass the resolutions (as applicable) at the relevant The Lakes Meeting or where the Court does not sanction the Scheme.

11. **Irrevocable undertakings**

Those The Lakes Directors who hold The Lakes Shares have entered into irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover

Offer) in respect of their beneficial interests in The Lakes Shares amounting, in aggregate, to 2,227,101 The Lakes Shares, representing in aggregate approximately 5.9 per cent. of The Lakes' issued share capital as at the Last Practicable Date.

In addition, the following The Lakes Shareholders have entered into irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and the resolutions relating to the Acquisition at The Lakes General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of their beneficial interests in The Lakes Shares:

- Comhar Capital (1804) Limited in respect of 4,308,774 The Lakes Shares, representing approximately 11.4 per cent. of The Lakes' issued share capital as at the Last Practicable Date;
- Paul Currie in respect of 2,103,385 The Lakes Shares, representing approximately 5.6 per cent. of The Lakes' issued share capital as at the Last Practicable Date; and
- David McLaughlin in respect of 1,895,535 The Lakes Shares, representing approximately 5.0 per cent. of The Lakes' issued share capital as at the Last Practicable Date.

Therefore, Nyetimber has received irrevocable undertakings in respect of 27.8 per cent. of The Lakes Shares in aggregate. Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

12. **Conditions and Scheme of Arrangement**

It is intended that the Acquisition will be effected by a court sanctioned scheme of arrangement of The Lakes, between The Lakes and the Scheme Shareholders, under Part 26 of the Act.

Under the Scheme, the Scheme Shares held by The Lakes Shareholders will be transferred to Nyetimber in consideration for which Scheme Shareholders will receive the consideration on the basis set out in paragraph 2 of this Announcement.

Appendix I to this Announcement sets out the Conditions and further terms to which the Acquisition will be subject, including the approval of the Scheme by The Lakes Shareholders and the sanction of the Scheme by the Court. The Scheme is expected to become Effective in Q2 2024, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix I to this Announcement.

To become Effective, the Scheme requires the approval of Scheme Shareholders by the passing of a resolution at The Lakes Court Meeting. The resolution must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), 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, a special resolution must be passed at The Lakes General Meeting to deal with certain ancillary matters, which requires the approval of The Lakes Shareholders representing at least 75 per cent. of the votes cast at The Lakes General Meeting (either in person or by proxy). The Lakes General Meeting will be held immediately after The Lakes Court Meeting.

Once the necessary approval has been obtained at The Lakes Court Meeting and The Lakes General Meeting, the Scheme must be sanctioned by the Court (with or without modification but subject to any modification being on terms reasonably acceptable to Nyetimber and The Lakes). The Scheme will only become Effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies for registration.

Upon the Scheme becoming Effective, it will be binding on all The Lakes Shareholders, irrespective of whether or not they attended or voted at The Lakes Meetings and the consideration will be despatched by Nyetimber to The Lakes Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of The Lakes Court Meeting and The Lakes General Meeting and the expected timetable of key events, and will specify the action to be taken by The Lakes Shareholders.

The Acquisition is subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions that will be set out in the Scheme Document, including, among other things:

- (a) the Scheme becoming Effective by 11.59 p.m. (London time) on the Long Stop Date;
- (b) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at The Lakes Court Meeting and who represent at least 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders;
- (c) the passing of the resolutions by the requisite majority at The Lakes General Meeting;
- (d) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Nyetimber and The Lakes); and
- (e) a copy of the Scheme Court Order is delivered to the Registrar of Companies.

If the Scheme does not become Effective on or before by 11.59 p.m. (London time) on the Long Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents) or unless the Long Stop Date is extended by agreement between Nyetimber and The Lakes.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Takeover Code and the Panel.

13. **Indicative timing**

The timing of implementation of the Acquisition will be dependent upon a number of factors including the availability of the Court. However, the posting of the Scheme Document to The Lakes Shareholders will occur within 28 days of this Announcement unless otherwise agreed by the Panel. Subject to satisfaction or waiver of the relevant Conditions, the Scheme is expected to become Effective in Q2 2024.

14. **The Lakes Share Schemes and Convertible Loan Notes**

Share Schemes

Participants in the Share Schemes will be contacted regarding the effect of the Acquisition on their rights under these schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate letters to be sent to participants in the Share Schemes.

Convertible Loan Notes

Holders of Convertible Loan Notes will be contacted regarding the effect of the Acquisition on their rights under the Convertible Loan Note. The exercise price for conversion of the Convertible Loan Notes is significantly higher than the Acquisition Price and The Lakes intends to redeem the Convertible Loan Notes in full on completion of the Acquisition.

Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate communications to be sent to holders of Convertible Loan Notes.

15. **Disclosure of interests in relevant The Lakes securities**

As at the close of business on the Last Practicable Date, save as disclosed in this Announcement, neither Nyetimber, nor any person acting in concert (within the meaning of the Takeover Code) with Nyetimber:

- (a) has an interest in, or right to subscribe for, any relevant securities of The Lakes;
- (b) has 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 of relevant securities of The Lakes;
- (c) has borrowed or lent (including, for these purposes, entering into any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) any relevant securities of The Lakes save for any borrowed relevant securities of The Lakes which have been either on-lent or sold; or
- (d) has any outstanding irrevocable undertaking or letter of intent with respect to relevant securities of The Lakes.

Furthermore, save as disclosed in this Announcement, no dealing arrangement exists with Nyetimber or The Lakes or any person acting in concert with Nyetimber or The Lakes in relation to relevant securities of The Lakes. For these purposes, a "dealing arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to relevant securities of The Lakes which may be an inducement to deal or refrain from dealing in such securities.

In this paragraph 15, "relevant securities of The Lakes" means The Lakes Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto.

16. Re-registration

It is proposed that, as part of the Acquisition, Nyetimber will seek to procure the re-registration of The Lakes as a private company under the relevant provisions of the Act, assuming the Scheme becomes Effective in accordance with its terms.

17. Consents

Rothschild & Co and Singer Capital Markets have each given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.

18. Publication on websites

In accordance with Rule 26.2 of the Takeover Code, copies of the following documents will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at The Lakes' website at <https://lakesdistillery.com/proposed-acquisition>, respectively promptly following the publication of this Announcement and in any event by no later than 12.00 noon on the business day following this Announcement until the end of the Offer Period:

- (a) this Announcement;
- (b) the irrevocable undertakings referred to in paragraph 4 above;
- (c) the Share Schemes Side Letter;
- (d) the HR Side Letter;
- (e) the Confidentiality Agreement; and
- (f) the written consents provided by each of Rothschild & Co and Singer Capital Markets as referred to in paragraph 17 of this Announcement.

For the avoidance of doubt, the contents of the website referred to above and the contents of any other website accessible from hyperlinks on such websites are not incorporated into and does not form part of this Announcement.

19. General

The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Acquisition, and the notices convening The Lakes Court Meeting and The Lakes General Meeting. The Scheme Document will also contain the expected timetable of the Acquisition and will specify the necessary actions to be taken by The Lakes Shareholders.

The Scheme Document will be published and sent to The Lakes Shareholders (save for persons in a Restricted Jurisdiction) within 28 days of the date of this Announcement.

The Acquisition will be subject to the Conditions and the further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the bases and sources of certain information used in this Announcement. Appendix III to this Announcement contains a summary of the irrevocable undertakings received by Nyetimber in connection with the Acquisition and Appendix IV contains definitions of certain terms used in this Announcement.

Enquiries:

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Ashurst LLP is acting as legal adviser to Nyetimber and Muckle LLP is acting as legal adviser to The Lakes in connection with the Acquisition.

Shareholder Helpline

If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on +44 (0) 330 229 5931 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday.

Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this announcement and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this announcement or the Acquisition.

Important notices

This Announcement is for information purposes only. It does not constitute an offer or form part of any offer or an invitation to purchase, subscribe for, sell or issue any securities or a solicitation of any offer to purchase, subscribe for, sell or issue any securities pursuant to this Announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This Announcement does not comprise a prospectus or a prospectus exempted document. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

The Scheme Document will be published and sent to The Lakes Shareholders as soon as practicable and, in any event, within 28 days of this Announcement, other than in relation to a Restricted Jurisdiction. Shareholders are strongly advised to read all of the formal documentation in relation to the Acquisition once it has been despatched and to take professional advice if they are uncertain of any of the contents of that documentation. Any decision by The Lakes Shareholders in relation to the Acquisition should only be made based on the information contained in the Scheme Document.

Financial advisers

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Nyetimber and for no one else in connection with this Announcement and will not be responsible to anyone other than Nyetimber for providing the protections afforded to its clients or for providing advice in connection with the Acquisition or the subject matter of this Announcement.*

*Singer Capital Markets Advisory LLP ("**Singer Capital Markets**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for The Lakes and no-one else in connection with the Acquisition described in this Announcement and will not be responsible to anyone other than The Lakes for providing the protections afforded to its clients or for providing advice in relation to any matter referred to in this Announcement.*

Overseas shareholders

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their The Lakes Shares with respect to the Scheme at The Lakes Court Meeting, or to execute and deliver forms of proxy appointing another to vote at The Lakes 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 laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with English law and the Takeover Code, and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

Notice to US holders of The Lakes Shares

The Acquisition relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Act that will be governed by the laws of England and Wales. 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 Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Financial information included in this Announcement and the Scheme Document has been or will be prepared in accordance with UK-adopted international accounting standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Generally accepted accounting principles in the United States differ in certain significant respects from UK-adopted international accounting standards.

If, in the future, Nyetimber exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the Takeover Offer into the United States, the Takeover Offer will be made in compliance with applicable United States laws and regulations including, without limitation, to the extent applicable, Section 14(e) of the US Exchange Act and Regulation 14E thereunder. In addition to any such Takeover Offer, Nyetimber, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in The Lakes outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: www.londonstockexchange.com.

Neither the United States Securities and Exchange Commission nor any other US federal or state securities commission or regulatory authority has reviewed, approved or disapproved this Announcement, any of the proposals described in this Announcement or passed an opinion on the accuracy or the adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US The Lakes Shareholders to enforce their rights and claims arising out of the US federal securities laws, since Nyetimber and The Lakes are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US The Lakes Shareholders may not be able to sue a non-US company or its officers

or directors in a non-US court for violations of the 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 judgment.

The receipt of cash pursuant to the Acquisition by a US The Lakes Shareholder as consideration for the transfer of its The Lakes Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each The Lakes Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.

Right to switch to a Takeover Offer

Nyetimber reserves the right, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for The Lakes Shares rather than the Scheme. In such event, such Takeover Offer will (unless otherwise required by the Panel) be implemented on the same terms, as far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix I to this Announcement.

No profit forecasts or estimates or quantified financial benefits statement

No statement in this Announcement is intended as a profit forecast or estimate for any period or a quantified financial benefits statement and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Nyetimber, or The Lakes, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for those persons, as appropriate.

Disclosure requirements of the Takeover Code

The following summary of disclosure requirements under the Takeover Code should be read in conjunction with section headed "Takeover Code dispensation" below it.

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of The Lakes 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 Lakes and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 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 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 Lakes 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 1 per cent. or more of any class of relevant securities of The Lakes or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of The Lakes 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 Lakes and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 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 The Lakes or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by The Lakes and by any offeror and Dealing Disclosures must also be made by The Lakes, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Takeover Code dispensation

The Panel has granted a dispensation from the requirements in Note 3 on Rule 8 of the Takeover Code that disclosures made under Rule 8 of the Takeover Code must be made via an RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Takeover Code may be made to The Lakes by email to investors@lakesdistillery.com and will be published on The Lakes' website at <https://.lakesdistillery.com/proposed-acquisition>. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@disclosure.org.uk).

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Takeover Code, The Lakes confirms that, as at 28 March 2024 being the Last Practicable Date, it has 37,894,799 ordinary shares in issue.

Cautionary note regarding forward looking statements

This Announcement contains certain statements which are, or may be deemed to be, forward looking statements with respect to the financial condition, results of operations and business of Nyetimber or The Lakes, as the case may be, and certain plans and objectives of the respective boards of Nyetimber or The Lakes. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of Nyetimber or The Lakes, as appropriate, in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Except as required by applicable law and/or regulation, Nyetimber or The Lakes, as appropriate, assume no obligation to update or correct the information contained in this Announcement.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Electronic communications

The Lakes Shareholders should note that addresses, electronic addresses and certain other information provided by them and other relevant persons for the receipt of communications from The Lakes may be provided to Nyetimber during the Offer Period as required under section 4 of appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on websites and availability of hard copies

Pursuant to Rule 26.1 of the Takeover Code, a copy of this Announcement and other documents in connection with the Acquisition will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at The Lakes' website at <https://lakesdistillery.com/proposed-acquisition> promptly following the publication of this Announcement and in any event by no later than 12 noon on the business day following this Announcement until the end of the Offer Period (or, if later, the end of any competition reference period).

For the avoidance of doubt, the contents of the website referred to above and the contents of any other website accessible from hyperlinks on such websites are not incorporated into and does not form part of this Announcement.

In accordance with Rule 30.3 of the Takeover Code, copies of this Announcement and all future documents, announcements and information required to be sent to The Lakes Shareholders, persons with information rights or other persons in relation to the Acquisition may be requested to be received by such persons in hard copy form by contacting Finn Gordon at Singer Capital Markets on telephone number +44 20 7496 3000 between 9.00 a.m. and 5.00 p.m., Monday to Friday (excluding public holidays) or in writing at Project.Fortify@singercm.com.

Rounding

Certain figures included in this Announcement 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.

Time

All references to time in this Announcement are to London time, unless otherwise stated.

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

Part A: Conditions of the Acquisition and the Scheme

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

2. **Scheme approval**

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 (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at The Lakes 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) The Lakes Court Meeting being held on or before the 22nd day after the expected date of The Lakes Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Nyetimber may determine with the agreement of The Lakes or with the consent of the Panel and approval of the Court, if such approval is required);
- (b) (i) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at The Lakes General Meeting or at any adjournment of that meeting; and (ii) The Lakes General Meeting being held on or before the 22nd day after the expected date of The Lakes General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Nyetimber may determine with the agreement of The Lakes or with the consent of the Panel and approval of the Court, if such approval is required);
- (c) (i) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Nyetimber and The Lakes) by the Court; and (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, as Nyetimber may determine with the agreement of The Lakes or with the consent of the Panel and approval of the Court, if such approval is required); and
- (d) the delivery of a copy of the Scheme Court Order to the Registrar of Companies for registration.

3. **General conditions**

In addition, subject to: (i) the terms of Part B of this Appendix I; and (ii) the requirements of the Panel, Nyetimber and The Lakes have agreed that the Acquisition will be conditional on the following conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme become Effective will not be taken unless such Conditions have been so satisfied or, where relevant, waived:

(a) **General third Party clearances**

- (i) No 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**") having 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), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other step, and there not continuing to be outstanding any statute, regulation, decision or order which in each case 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 Nyetimber Group or any member of the Wider The Lakes 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 Nyetimber Group or the Wider The Lakes Group, in either case taken as a whole in the context of the Acquisition;
 - (B) require, prevent or materially delay the divestiture by any member of the Wider Nyetimber Group of any shares or other securities in The Lakes;
 - (C) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Nyetimber Group directly or indirectly to acquire or to hold or to exercise effectively 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 The Lakes Group or the Wider Nyetimber Group or to exercise voting or management control over any such member;
 - (D) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Nyetimber Group or of any member of the Wider The Lakes Group to an extent which is material in the context of the Wider Nyetimber Group or the Wider The Lakes Group, in either case taken as a whole in the context of the Acquisition;
 - (E) make the Acquisition or its implementation or the acquisition or proposed acquisition by Nyetimber or any member of the Wider Nyetimber Group of any shares or other securities in, or control of The Lakes void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
 - (F) save as envisaged in the implementation of the Scheme, require any member of the Wider Nyetimber Group or the Wider The Lakes Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider The Lakes Group or any member of the Wider Nyetimber Group owned by any third party;

(G) impose any limitation on the ability of any member of the Wider The Lakes Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider The Lakes Group, taken as a whole or in the context of the Acquisition; or

(H) result in any member of the Wider The Lakes Group ceasing to be able to carry on business under any name under which it presently does so,

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

(ii) The waiver (or non-exercise within any applicable time limits) by 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 The Lakes Group taken as a whole or in the context of the Acquisition) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, The Lakes by Nyetimber or any member of the Wider Nyetimber Group;

(iii) All necessary filings or applications having been made in connection with the Acquisition and all statutory and regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Nyetimber Group of any shares or other securities in, or control of, The Lakes and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals deemed necessary or appropriate by Nyetimber or any member of the Wider Nyetimber Group for or in respect of the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, The Lakes or any member of the Wider The Lakes Group by any member of the Wider Nyetimber Group having been obtained in terms and in a form reasonably satisfactory to Nyetimber from all appropriate Third Parties or persons with whom any member of the Wider The Lakes Group has entered into contractual arrangements and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals deemed necessary or appropriate to carry on the business of any member of the Wider The Lakes Group which are material in the context of the Nyetimber Group or The Lakes Group as a whole or for or in respect of the Acquisition including, without limitation, its implementation or financing 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 Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

(b) **Certain matters arising as a result of any arrangement, agreement etc.**

Save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider The Lakes Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the proposed acquisition of any shares or other securities (or equivalent) in The Lakes or because of a change in the control or management of The Lakes or otherwise, could or would reasonably result in any of the following to an extent which is material and adverse in the context of the Wider The Lakes Group, or the Wider Nyetimber Group, in either case taken as a whole, or in the context of the Acquisition):

- (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, 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 moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
- (iv) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
- (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, order, grant, recognition, determination, confirmation, consent, licence, clearance, permission, exemption, approval, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider The Lakes 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 would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

(c) **Certain events occurring since the Last Accounts Date**

Save as Disclosed, no member of the Wider The Lakes Group having, since the Last Accounts Date:

- (i) save as between The Lakes and wholly owned subsidiaries of The Lakes or for The Lakes Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Share Schemes, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
- (ii) save as between The Lakes and such wholly owned subsidiaries of The Lakes or for the grant of options and awards or other rights under the Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) other than to another member of The Lakes Group, prior to the completion of the Acquisition, recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue;
- (iv) save for intra-The Lakes 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, 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 which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (v) save for intra-The Lakes Group transactions, made, authorised, proposed or announced an intention to make, propose or authorise any change in its loan capital in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-The Lakes Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
- (vii) purchased, redeemed, 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-paragraph (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (viii) save for intra-The Lakes Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger,

demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;

- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or would reasonably be expected to involve an obligation of such a nature or magnitude other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (x) (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 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 appointed any analogous person in any jurisdiction or had any such person appointed in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider The Lakes Group or the Wider Nyetimber Group other than of a nature and extent which is normal in the context of the business concerned;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (xiii) made any material alteration to its articles of association;
- (xiv) 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;
- (xv) 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 Condition;
- (xvi) made or agreed or consented to any change to:
 - (A) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider The Lakes Group for its directors, employees or their dependents;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

- (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
- (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;

- (xvii) proposed, agreed to provide or modified the terms of any of the Share Schemes 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 The Lakes Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider The Lakes Group, save as agreed by the Panel (if required) and by Nyetimber, or entered into or changed the terms of any contract with any director or senior executive;
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of The Lakes Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (xix) entered into or varied in a material way the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider The Lakes Group; or
- (xx) waived or compromised any claim which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition, otherwise than in the ordinary course;

(d) **No adverse change, litigation or regulatory enquiry**

Save as Disclosed, since the Last Accounts Date:

- (i) 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 The Lakes Group which, in any such case, is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition and no circumstances have arisen which would or would reasonably be expected to result in any such adverse change or deterioration;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider The Lakes Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider The Lakes Group having been instituted announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider The Lakes Group which in any such case, has had or might reasonably be expected to have a material adverse effect on the Wider The Lakes Group taken as a whole in the context of the Acquisition; or

- (iii) no member of the Wider The Lakes Group having conducted its business in breach of any applicable laws and regulations which is material in the context of the Wider The Lakes Group taken as a whole in the context of the Acquisition;

(e) **No withdrawal, cancellation, termination or modification of licence**

Save as Disclosed, 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 The Lakes Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect which is material in the context of on the Wider The Lakes Group taken as a whole or in the context of the Acquisition;

(f) **No discovery of certain matters**

- (i) Save as Disclosed, Nyetimber not having discovered:

- (A) that any financial, business or other information concerning the Wider The Lakes Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider The Lakes Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to Nyetimber or its professional advisers, in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (B) that any member of the Wider The Lakes Group or partnership, company, or other entity in which any member of the Wider The Lakes Group has a significant economic interest and which is not a subsidiary undertaking of The Lakes, is subject to any liability (contingent or otherwise) which is not disclosed in The Lakes' audited accounts, in each case, to the extent which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition; or;
- (C) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider The Lakes Group and which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition;
- (D) any past or present member of the Wider The Lakes Group has failed to comply with any and/or all applicable legislation or regulation of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health, or otherwise relating to environmental matters or the health and safety of any humans, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulation and wherever the same may have taken place) which would be likely to give rise to any liability (actual or

contingent) or cost on the part of any member of the Wider The Lakes Group which in any case is material in the context of The Lakes Group taken as a whole or on the context of the Acquisition; or

(E) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider The Lakes Group, to make good, remediate, repair, reinstate or clean up any property or controlled waters now or previously owned, occupied, operated, or made use of or controlled by any such past or present member of the Wider The Lakes Group (or on its behalf) or by any person for which a member of the Wider The Lakes 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 under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of The Lakes Group taken as a whole or in the context of the Acquisition.

(ii) circumstances exist (whether as a result of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Nyetimber Group or any present or past member of the Wider The Lakes 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, re-instate 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 The Lakes Group (or on its behalf) or by any person for which a member of the Wider The Lakes 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 The Lakes Group taken as a whole or in the context of the Acquisition; or

(iii) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider The Lakes Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider The Lakes Group and which is material in the context of the Wider The Lakes Group taken as a whole or in the context of the Acquisition; and

(g) **Anti-corruption, sanctions and criminal property**

Save as Disclosed, Nyetimber not having discovered that:

(i) any past or present member, director, officer or employee of the Wider The Lakes 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 (b) any person that performs or has performed services for or on behalf of the Wider The Lakes Group 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;
or

- (ii) any asset of any member of the Wider The Lakes Group 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 The Lakes Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of the Wider The Lakes Group, or any other person for whom any such person may be liable or responsible, 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: (a) any government, entity or individual in respect of which US, UK or European Union 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 European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union 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 law; or
- (iv) any past or present member, director, officer or employee of the Wider The Lakes Group, or any other person for whom any such person may be liable or responsible:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (B) 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;
 - (C) 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; or
 - (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or

- (v) any member of the Wider The Lakes Group is or has been engaged in any transaction which would cause Nyetimber to be in breach of any law or regulation upon its acquisition of The Lakes, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any other relevant government authority.

For the purposes of these Conditions the "Wider The Lakes Group" means The Lakes and its subsidiary undertakings, associated undertakings and any other undertaking in which The Lakes and/or such undertakings (aggregating their interests) have a significant interest and the "Wider Nyetimber Group" means Nyetimber and its subsidiary undertakings, associated undertakings and any other undertaking in which Nyetimber and/or such undertakings (aggregating their interests) have a significant interest and for these purposes subsidiary undertaking and undertaking have the meanings given by the Act, associated undertaking has the meaning given by 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, and significant interest means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Act).

Part B: Waiver and Invocation of the Conditions

1. Subject to the requirements of the Panel and in accordance with the Takeover Code and to the extent permitted by law:
 - (a) Nyetimber reserves the right, in its sole discretion, to waive:
 - (i) any of the deadlines set out in paragraph 2 of Part A for the timing of The Lakes Court Meeting, The Lakes General Meeting and the Scheme Court Hearing. If any such deadline is not met, Nyetimber shall make an announcement by 8.00 a.m. (London time) on the business day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with The Lakes to extend the relevant deadline;
 - (ii) in whole or in part, all or any of the Conditions in Part A, except for Condition 2(a)(i), 2(b)(i) and 2(c)(i), which cannot be waived; and
 - (b) The Lakes reserves the right, in its sole discretion, to waive, in whole or in part, Condition 3 (a) to (g), except so far it relates to the Wider The Lakes Group, or any part thereof.
2. Condition 2(a) and 2(b) must be fulfilled by, and Conditions 3 (a) to (g) (inclusive) fulfilled or waived by, no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Court Hearing (or such later date as Nyetimber, The Lakes, the Panel and, if required, the Court may allow), failing which the Scheme will lapse.
3. Nyetimber shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or fulfilled, or treat as satisfied or fulfilled any of the Conditions capable of waiver by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the offer 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.
4. Under Rule 13.5(a) of the Takeover Code, Nyetimber may only invoke a Condition so as to cause the Scheme not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right

to invoke the condition are of material significance to Nyetimber in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Nyetimber.

5. Conditions 1 and 2 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, will not be subject to Rule 13.5(a) of the Takeover Code.
6. The Acquisition will lapse if the Scheme does not become Effective by no later than 11.59 p.m. (London time) on the Long Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel).

Part C: Implementation by way of a Takeover Offer

1. If Nyetimber is required by the Panel to make a Takeover Offer for The Lakes shares under the provisions of Rule 9 of the Takeover Code, Nyetimber may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
2. Nyetimber reserves the right to elect (with the consent of the Panel), to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, such Takeover Offer will be implemented on the same terms and conditions (subject to appropriate amendments, to reflect the change in method of effecting the Acquisition, including (without limitation) an acceptance condition set at 90 per cent. of the issued share capital of The Lakes (or such lower percentage (being more than 50 per cent.) of the issued share capital of The Lakes as Nyetimber may, subject to the rules of the Takeover Code and with the consent of the Panel, decide) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient The Lakes Shares are otherwise acquired, it is the intention of Nyetimber to apply the provisions of the Act to acquire compulsorily any outstanding The Lakes Shares to which such offer relates. In the event that the Acquisition is implemented by way of a Takeover Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Takeover Offer have either been satisfied or (if capable of waiver) waived.

Part D: Certain further terms of the Acquisition

1. The Acquisition and Scheme will be governed by English law and be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Appendix I and the full terms and conditions set out in the Scheme Document to be published in due course. The Acquisition will be subject to the applicable requirements of the Takeover Code and the Panel. This Announcement does not constitute, or form part of, an offer or invitation to purchase The Lakes Shares or any other securities. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
2. The Acquisition is not being made, directly or indirectly, in or into, or by use of the mails of, or by 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 where to do so would violate the laws of that jurisdiction.
3. The availability of the Acquisition to The Lakes Shareholders not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not

resident in the United Kingdom should inform themselves about and observe any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document in due course.

The Lakes Shares which will be acquired under the Acquisition will be acquired with full title guarantee, 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) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this Announcement.

4. Subject to the terms of the Scheme, if, on or after the date of this Announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of value is announced, declared, made, paid or becomes payable by The Lakes in respect of The Lakes Shares, Nyetimber reserves the right (without prejudice to any right of Nyetimber to invoke Condition 3(c)(iii) in Part A of this Appendix I) to reduce the consideration payable by the amount of any such dividend, distribution or other return of value, in which case: (a) any reference in this Announcement or in the Scheme Document to the consideration payable for The Lakes Shares will be deemed to be a reference to the consideration payable as so reduced; and (b) the relevant eligible The Lakes Shareholders will be entitled to receive and retain such dividend, distribution or return of value. To the extent that any such dividend, distribution or other return of value announced, declared, made or paid is: (x) transferred pursuant to the Acquisition on a basis which entitles Nyetimber to receive the dividend or distribution and to retain it; or (y) cancelled, the consideration payable will not be subject to change in accordance with this paragraph. Any exercise by Nyetimber of its rights referred to in this 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 Acquisition.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

1. Unless otherwise stated in this Announcement:
 - (a) the value of the fully diluted share capital of The Lakes is based upon 37,894,799 ordinary shares in issue and 1,805,520 shares under option which are "in the money" and that The Lakes' remuneration committee has determined will vest as a result of the Acquisition as at the Last Practicable Date;
 - (b) the value of the Acquisition, of approximately £46.1 million, is calculated on the basis of the issued and to be issued ordinary share capital of The Lakes (as set out in paragraph (a) of this Appendix II above);
 - (c) paragraph (b) of this Appendix II implies an Enterprise Value of £71.0 million, which is calculated on the basis of The Lakes Directors' expectation for The Lakes' net financial debt as at 31 May 2024, which comprises £25.8 million of financial debt and associated make whole payments, less £0.9 million of cash and cash equivalents.
 - (d) unless otherwise stated, the financial information relating to The Lakes is extracted from the annual report and audited accounts of The Lakes Group for the financial year ended 30 June 2023; and
 - (e) certain figures included in this Announcement have been subject to rounding adjustments.

APPENDIX III

IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings from The Lakes Directors who hold The Lakes Shares

The following The Lakes Directors (being all The Lakes Directors who hold The Lakes Shares) have given irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and resolutions relating to the Acquisition at The Lakes General Meeting in respect of their own legal and/or beneficial holdings of The Lakes Shares:

Name of The Lakes Director giving the undertaking	Number of The Lakes Shares in respect of which undertaking is given	Percentage of The Lakes' issued share capital
Nigel Mills	1,871,650	4.9%
Tim Farazmand	72,084	0.2%
Richard Hutton	82,881	0.2%
Paul Neep	51,314	0.1%
Kirsten Taylor	149,172	0.4%
TOTAL	2,227,101	5.9%

The undertakings from The Lakes Directors referred to above will lapse and cease to have effect if: (a) if Nyetimber announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement acquisition is announced in accordance with Rule 2.7 of the Code at the same time; (b) the Acquisition has not become Effective or declared unconditional by the Long Stop Date; or (c) if the Scheme (or Takeover Offer as the case may be) lapses, or is withdrawn and no new, revised or replacement acquisition is announced in accordance with Rule 2.7 of the Code at the same time.

Irrevocable undertakings from other The Lakes Shareholders

The following The Lakes Shareholders have given irrevocable undertakings to vote in favour of the Scheme at The Lakes Court Meeting and resolutions relating to the Acquisition at The Lakes General Meeting in respect of their own legal and/or beneficial holdings of The Lakes Shares:

Name of The Lakes Shareholder giving the undertaking	Number of The Lakes Shares in respect of which undertaking is given	Percentage of The Lakes' issued share capital
Comhar Capital (1804) Limited	4,308,774	11.4%
Paul Currie	2,103,385	5.6%

Name of Shareholder undertaking	The Lakes giving the	Number of The Lakes Shares in respect of which undertaking is given	Percentage of The Lakes' issued share capital
David McLaughlin		1,895,535	5.0%
TOTAL		8,307,694	21.9%

The undertakings from the other The Lakes Shareholders referred to above will lapse and cease to have effect if: (a) if Nyetimber announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement acquisition is announced in accordance with Rule 2.7 of the Code at the same time; (b) if the Scheme (or Takeover Offer as the case may be) lapses, or is withdrawn and no new, revised or replacement acquisition is announced in accordance with Rule 2.7 of the Code at the same time; (c) the Acquisition has not become Effective or declared unconditional by the Long Stop Date; or (d) a person other than Nyetimber announces pursuant to Rule 2.7 of the Code a firm intention to make an offer howsoever structured (including by way of cash only or a combination of cash and shares) to acquire the whole of the issued and to be issued ordinary share capital of The Lakes on terms which entitle The Lakes Shareholders to receive more than the 116 pence for each The Lakes Share.

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

“Acquisition”	the acquisition of the entire issued and to be issued share capital of The Lakes by Nyetimber to be effected by the Scheme as described in this Announcement (or by the Takeover Offer under certain circumstances described in this Announcement) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
“Acquisition Price”	116 pence per The Lakes Share
"Act"	the Companies Act 2006 (as amended)
"Announcement"	this announcement (including the summary and Appendices to this announcement) in accordance with Rule 2.7 of the Takeover Code
"business day"	a day, other than a Saturday, Sunday, public holiday or bank holiday, on which banks are generally open for business in the City of London
"Conditions"	the conditions to the Acquisition which are set out in Appendix I to this Announcement and to be set out in the Scheme Document
"Convertible Loan Notes"	the convertible loan notes issued by The Lakes and constituted by the loan note instrument dated 7 December 2023
"connected person"	as defined in section 252 of the Act
"Court"	the High Court of Justice in England and Wales
"Dealing Disclosure"	the announcement concerning dealings in relevant securities of any party to the Acquisition required for the purposes of Rule 8 of the Takeover Code
"Disclosed"	means (i) information included in The Lakes' audited report and accounts for the financial year ended 30 June 2023; (ii) information disclosed in this Announcement; (iii) as otherwise disclosed in writing, or in the documentation or written information provided, including but not limited to the information contained in the virtual data room established by The Lakes for the purpose of the Acquisition, to Nyetimber its respective officers, employees, agents or advisers, by or on behalf of The Lakes prior to the Last Practicable Date in the context of the Acquisition
"Effective"	either:

1. if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms upon the delivery of the Scheme Court Order to the Registrar of Companies for registration; or
2. if Nyetimber elects to implement the Acquisition by way of a Takeover Offer (with Panel consent), such Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code

"Effective Date"	the date on which the Acquisition becomes Effective
"FCA"	the UK Financial Conduct Authority or its successor from time to time, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"FCA Handbook"	the FCA Handbook of Rules and Guidance
"Last Accounts Date"	means 30 June 2023
"Last Practicable Date"	28 March 2024, being the last business day prior to the date of this Announcement
"Long Stop Date"	11.59 P.M. on 31 August 2024 or such later date (if any) as Nyetimber may determine with the agreement of The Lakes or with the consent of the Panel and approval of the Court, if such approval is required.
"Nyetimber"	Nyetimber Wines and Spirits Group Limited (incorporated in England and Wales with registered number 15281873), whose registered office is at Broughton House 6-8 Sackville Street, London, England, W1S 3DG
"Nyetimber Directors" "Nyetimber Board"	or the board of directors of Nyetimber and "Nyetimber Director" means any member of the Nyetimber Board
"Nyetimber Group"	its subsidiaries, its holding companies, and the subsidiaries of its holding companies and, where the context so permits, each of them
"Offer Document"	the document to be dispatched to The Lakes Shareholders including, among other things, the full terms and conditions of the Acquisition in circumstances where the Acquisition is structured as a Takeover Offer
"Offer Period"	the period commencing on the date of this Announcement and ending in accordance with the rules of the Takeover Code
"Opening Disclosure"	Position the announcement required for the purposes of Rule 8 of the Takeover Code containing details of interests or short positions in,

	or rights to subscribe for, any relevant securities of a party to the Acquisition if the person concerned has such a position
"Panel"	the UK Panel on Takeovers and Mergers
"pounds", "£", "pence" or "p"	pounds sterling or pence, the lawful currency of the United Kingdom
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulatory Information Service" or "RIS"	any channel recognised as a channel for the dissemination of regulatory information by listed companies (or transactions relating to companies subject to the Takeover Code) as defined in the Listing Rules
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition (including this Announcement) is sent or made available to The Lakes Shareholders in that jurisdiction
"Rothschild & Co"	N. M. Rothschild & Sons Limited, a company incorporated in England and Wales with company number 00925279
"Scheme"	a court sanctioned scheme of arrangement pursuant to Part 26 of the Act between The Lakes and Scheme Shareholders to implement the Acquisition, should the Acquisition be implemented by means of a scheme of arrangement
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme pursuant to section 899 of the Act and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof
"Scheme Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Act
"Scheme Document"	the document to be dispatched to The Lakes Shareholders including, among other things, the full terms and conditions of the Scheme, an explanatory statement in compliance with Part 26 of the Act and the notices convening The Lakes Court Meeting and The Lakes General Meeting
"Scheme Record Time"	the time and date specified in the Scheme Document, expected to be 6.00 pm on the business day immediately prior to the Effective Date (or such other date and time as The Lakes and Nyetimber may agree)
"Scheme Shareholders"	holders of Scheme Shares

"Scheme Shares"	<ol style="list-style-type: none"> 1. The Lakes Shares in issue at the date of the Scheme Document; 2. any The Lakes Shares issued after the date of the Scheme Document and prior to the Scheme Record Time; and 3. any The Lakes Shares issued at or after the Scheme 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
"Share Schemes"	<ol style="list-style-type: none"> 1. The Lakes EMI Plan 2017 as adopted on 13 September 2017; 2. The Lakes EMI Plan 2019 as adopted on 25 July 2019; 3. The Lakes Share Plan 2021 as adopted on 19 August 2021; 4. The Lakes LTIP 2022 as adopted on 26 January 2023; and <p>certain individual share options granted to certain The Lakes Directors and certain employees.</p>
"Singer Capital Markets"	Singer Capital Markets Advisory LLP, a limited liability partnership incorporated in England and Wales with registered number OC364131
"Takeover Code"	the City Code on Takeovers and Mergers, issued by the Panel from time to time
"Takeover Offer"	should the Acquisition be implemented by way of a takeover offer as defined in section 974 of the Companies Act 2006, the offer to be made by or on behalf of Nyetimber to acquire the entire issued and to be issued ordinary share capital of The Lakes and, where the context requires, any subsequent revision, variation, extension or renewal of such offer
"The Lakes"	The Lakes Distillery Company plc (incorporated in England and Wales with registered number 07769363), whose registered office is at Low Barkhouse Farm, Setmurthy, Cockermouth, Cumbria, England, CA13 9SJ
"The Lakes Court Meeting"	the meeting or meetings of the Scheme Shareholders (or any class or classes thereof) which are in issue at the Scheme Record Time to be convened by order of the Court pursuant to section 896 of the Act (notice of which will be set out in the Scheme Document) for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof

"The Lakes Directors" or "The Lakes Board"	the board of directors of The Lakes and "The Lakes Director" means any member of The Lakes Board
"The Lakes General Meeting"	the general meeting of The Lakes Shareholders (including any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving, inter alia, the relevant resolutions
"The Lakes Group"	The Lakes, its subsidiaries, its holding companies, and the subsidiaries of its holding companies and, where the context so permits, each of them
"The Lakes Meetings"	The Lakes Court Meeting and The Lakes General Meeting
"The Lakes Shareholders"	holders of The Lakes Shares
"The Lakes Shares"	the ordinary shares of 2 pence each in the capital of The Lakes
"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
"US Exchange Act"	the United States Securities Exchange Act of 1934, as amended
"VAT"	value added tax
"Wider The Lakes Group"	The Lakes, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which The Lakes and such undertakings (aggregating their interests) have an interest in 20 per cent. or more of the voting or equity capital (or the equivalent)
"Wider Nyetimber Group"	Nyetimber and its respective subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Nyetimber and such undertakings (aggregating their interests) have an interest in 20 per cent. or more of the voting or equity capital (or the equivalent)


For the purposes of this Announcement, the expressions "subsidiary", "subsidiary undertaking", "associated undertaking" and "undertaking" have the respective meanings given by the Act.

In this Announcement, references to the singular include the plural and vice versa, unless the context otherwise requires.

Appendix 2

Existing Target Shares

The following represent our current holdings in the Target.

No. of Target Shares	Number of Target shares under option	Registered owner and address*	Beneficial owner and address*
	0	Comhar Capital (1804) Limited	Comhar Capital (1804) Limited
4308774			

* Where more than one, indicate number of shares attributable to each.

Appendix 3

Interpretation

In this undertaking, a reference to:

- (a) **Act** means the Companies Act 2006 as amended from time to time;
- (b) **Acquisition** means the proposed acquisition on the terms set out in the Announcement by or on behalf of the Bidder for the issued and to be issued ordinary share capital of the Company, howsoever structured and includes any renewal, revision, variation or extension of the terms of any such acquisition which are, in the reasonable opinion of the Target's financial adviser, no less favourable in any material respect to Target shareholders than the terms set out in the Announcement;
- (c) **Announcement** means the firm intention announcement to be published pursuant to Rule 2.7 of the Code in substantially the form attached in Appendix 1 to this undertaking;
- (d) the **Code** means the UK Takeover Code;
- (e) **Encumbrance** means a lien, charge, pledge, option, equity, encumbrance, right of pre-emption or any other third party right howsoever arising;
- (f) the **Offer** means the Acquisition implemented by contractual takeover offer in accordance with English law;
- (g) the **Panel** means the UK Panel on Takeovers and Mergers;
- (h) the **Scheme** means the Acquisition implemented by scheme of arrangement pursuant to Part 26 of the Act;
- (i) **Shares** means the shares, the details of which are set out in Appendix 2 to this undertaking, any Target Shares attributable to or derived from such shares and any interests in Target Shares (as defined in the Code) issued or unconditionally allotted to, or acquired by or on behalf of, ourselves or our nominee(s) after the date of this undertaking;
- (j) **Target Shares** means the ordinary shares of £0.02 each in the capital of the Target.

References to times are to London time.