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2 April 2024

To employees of The Lakes Distillery Company plc

Dear Colleague,

Recommended cash acquisition of The Lakes Distillery Company plc by Nyetimber Wines and Spirits Group Limited

I refer to the announcement released to the London Stock Exchange on 2 April 2024 (**Announcement**) in which the boards of The Lakes Distillery Company plc (**Company**) and Nyetimber Wines and Spirits Group Limited (**Nyetimber**) announced the terms of a recommended cash offer by Nyetimber to acquire the entire issued, and to be issued, ordinary share capital of the Company (**Acquisition**), to be effected by means of a court sanctioned scheme of arrangement under Part 26 of the UK Companies Act 2006.

Rule 2.11 of the City Code on Takeovers and Mergers (Takeover Code)

In accordance with Rule 2.11(b)(ii) of the Code, we direct you to a copy of the Announcement (which was made pursuant to Rule 2.7 of the Code) which is readily available for you to view and read on the Company's website at <https://lakesdistillery.com/proposed-acquisition> along with a copy of this letter. Any information incorporated by reference into the Announcement (if any) will also be available at that address. For the avoidance of doubt, the content of the Company's website is not incorporated into, and does not form part of, this letter.

The attention of employees who are shareholders in the Company, in particular shareholders holding a direct or indirect interest of 1 per cent. or more in the shares of the Company, is drawn to the disclosure requirements under Rule 8 of the Takeover Code (summarised below).

This document is not a summary of the Announcement or the terms of the Acquisition and should not be regarded as a substitute for reading the Announcement in full. The Company is now in what is known as an "offer period" under the Takeover Code.

LakesDistillery.com

The Lakes Distillery, Low Barkhouse Farm, Setmurthy, Cockermouth, Cumbria CA13 9SJ
Distillery: 017687 88850 Office: 0191 2559800 Email: info@lakesdistillery.com

The Lakes Distillery Company plc Reg No. 7769363 VAT No. 122 6122 61



Rule 25.2 of the Takeover Code

Under Rule 25.2 of the Takeover Code, the board of the Company must set out its opinion on the Acquisition in the scheme circular which it sends to the Company's shareholders and others. Employees of the Company should be aware that employee representatives have a right under Rule 25.9 of the Takeover Code to have published a separate opinion on the effects of the Acquisition on employment. Provided that any such opinion is received in good time before publication of any scheme circular for the Acquisition, such opinion will be appended to such scheme circular in accordance with the requirements of Rule 25.9 of the Takeover Code. The Company will be responsible for the costs reasonably incurred by the employee representatives in obtaining advice required for the verification of the information contained in their opinion.

Directors' responsibility statement

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

Please be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from the Company may be provided to Nyetimber Wines and Spirits Group Limited during the offer period as required under section 4 of appendix 4 of the Code.

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.

Georgeson (The Lakes Shareholder enquiries) Tel: +44 (0) 330 229 5931

lakes@georgeson.com

Yours faithfully

Timothy Farazmand
Chairman

LakesDistillery.com

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Important Information

Right to request hard copies

You may request a hard copy of the Announcement 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. For persons who receive a copy of the Announcement in electronic form or via a website notification, a hard copy of the Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

Disclosure under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code 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 offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror,

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they will be deemed to be a single person for the purpose of Rule 8.3 of the Code. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the 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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

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 by email to investors@lakesdistillery.com and will be published on The Lakes Distillery's 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).

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