<u>The contents of this letter are strictly private and confidential. If you are in any doubt as to the contents, meaning or consequences of this letter or the enclosed documents then you should consult with your financial adviser, accountant, solicitor (or another suitably qualified professional).</u>

PRIVATE AND CONFIDENTIAL

21 December 2015

LETTER FROM THE CEO OF CAMDEN BREWING GROUP LIMITED

Jasper Cuppaidge
Founder and CEO of Camden Town Brewery

Hells raisers,

Proposed sale of Camden Brewing Group Limited (the Company) to Anheuser-Busch InBev (AB InBev)

The last year has been fun, crazy and exciting....

The 'craft' brewing movement has seen incredible growth. Driven by innovation, quality and daring. CTB has been at the forefront of this revolution. The success and reputation we have built has been nothing short of incredible. That has been thanks to all of you, our staff, our followers and the great beers we've brewed.

But as our success grows, so do the challenges. To stay at the forefront of this movement and secure our future, we have to build a bigger brewery. As you all know we're hoping to invest in a site in Enfield. To deliver this state of the art brewery we need to raise £14 million.

This creates a huge risk for Camden and everything we've achieved. Raising money like this could force us to compromise on our beers. I will never let that happen. Naturally, we can’t stand still, we have to keep growing and investing in our future, otherwise we’re in danger of dying.

I believe we can't do this on our own.

I am pleased to inform you that AB InBev (acting through its UK subsidiary company, Stag Brewing Company Limited) has made an offer to purchase the entire issued share capital of the Company (the" **Offer"**).

The Board of Directors (the "**Board**"), including all shareholder directors of the Company, consider that acceptance of the offer is in the best interests of the Company, its shareholders, employees and loyal customers. The Board came to this conclusion after careful consideration of the Offer on the basis that investment by AB InBev would enable the Company to keep up with demand, grow more quickly (on a national and international level) and benefit from AB InBev's brewing expertise, capacity and global distribution network. This would allow the 'Camden' brand to move into new markets and reach new customers at an accelerated pace. Myself and the other directors of the Company firmly believe that this is a once in a lifetime opportunity for the Company and the Camden brand and that accepting AB InBev's investment would represent an exciting phase for the Company in strengthening and growing its distinctive portfolio of beers.

The Board considers that the Offer represents a very successful exit for all of the Company's shareholders particularly relative to the size of the shareholders' investment and the period of time for which each shareholder has held shares in the Company.

The terms of the Offer and the 'Drag Along Notice'

Shareholders representing over 90% of the share capital of the Company (including all Board members who hold shares) have agreed to accept the Offer (the "**Selling Shareholders**"). Under the articles of association of the Company (the "**Articles**"), where shareholders who collectively own 75% or more of the Company's A Ordinary Shares wish to sell their shares, the holders of the remaining shares can be required to sell their shares to the same buyer. Accordingly, because the Selling Shareholders have agreed to accept the Offer, all other shareholders in the Company must sell their shares to AB InBev. Included with this letter is a document which is required to be sent to all shareholders in the foregoing circumstances. The document is referred to in the Articles as the 'Drag Along Notice' (please see Article 8 for further information) and it informs you of the action you need to take in order to transfer your shares to AB InBev and receive payment.

A key condition of using a Drag Along Notice under the Articles is that all shareholders in the Company must be offered the same terms for their shares (see Article 8.2.3). This may include alternative options (including deferred or contingent terms). You are being offered the same terms regardless of the class of shares that you hold; A Ordinary Shareholders and B Investment Shareholders are being offered the same terms.

You will see that the Drag Along Notice contains three options for the consideration payable for your shares. The reason that you have three options is because this represents the same offer that was received by the Selling Shareholders from AB InBev. It was a condition of the offer from AB InBev that the consideration (i.e., the payment of money for shares) be structured so that certain shareholders (myself and the original founding shareholders) will elect consideration options which will involve money being paid to them over time and on the achievement of certain operational targets rather than all upfront. This is a commonly used deal structure that ensures alignment between the selling shareholders and the party acquiring the company on delivering the full value of the business.

I will be remaining as CEO of Camden after the investment is made by AB InBev and, together with the other majority shareholders in the Company, will be receiving consideration over a five year period at up to three separate points in time and, in part, conditional on achieving certain operational targets. As I will be receiving consideration monies over time, all other shareholders in the Company are being offered the same opportunity to receive their money over time and, in part, conditional on achieving certain operational targets, in the same way as me. The conditional payments are a payment in 5 years' time or, if earlier, when the AB InBev group sells 150,000 hectolitres of Camden beer per annum in the UK (the "**Earn Out Payment**"), as well as a payment that varies depending upon the Group's world wide sales in the trailing twelve months ending 7 January 2021 but subject to a maximum payment if the Group achieves sales of 500,000 hectolitres or more (the "**Performance Payment**").

As a comparison, our global sales during the twelve month period to, and including, November 2015 was just under 63,000 hectolitres.

However, I have negotiated with AB InBev to allow all shareholders (other than myself and the founding shareholders) to be offered an upfront payment of the maximum consideration that a shareholder could be paid over the 5 year period as if all operational targets have been achieved. To take into account the early receipt of these payments, each payment is discounted at an annual rate of 8.05 % (for three years in the case of the Earn Out Payment and for five years in the case of the Performance Payment).

In summary (but please read the detailed terms in the Drag Along Notice and Application Form), the three options are as follows:

- **Option 1 -** you will receive one upfront payment in cash on the sale of your shares without any contingency risk. This provides for a payment on the sale of your shares equal to the amount paid on the sale pursuant to Option 2 plus the present value of the Earn Out Payment and the present value of the maximum Performance Payment (assuming the Earn Out Payment is paid at the third anniversary of the transfer of your shares, the maximum Performance Payment is paid on the fifth anniversary of completion, ignoring any conditions to such payment and/or risk of non-payment and using an 8.05 % annual discount rate). As this option will provide all money upfront without shareholders incurring a degree of contingent risk (which is an element of Option 2 and Option 3), it is expected that most shareholders will find this the most attractive option to accept. Options 2 and 3 are being offered to reflect the terms of the offer received from AB InBev and to provide as much choice and flexibility to shareholders. Your individual circumstances may dictate that Option 2 or Option 3, whereby you would receive money over time, would be more beneficial to you.

- **Option 2** – provides for an upfront payment in cash on the sale of your shares, plus the Earn Out Payment (in 5 years' time or, if earlier, when the AB InBev group sells 150,000 hectolitres of Camden beer per annum in the UK), plus the Performance Payment that varies depending upon the Group's world wide sales (payable in 5 years' time).

- **Option 3** – provides for an upfront payment in cash on the sale of your shares equal to the amount paid on the sale pursuant to Option 2 plus the present value of the Earn Out Payment (assuming the Earn Out Payment is paid at the third anniversary of the transfer of your shares and using an 8.05% annual discount rate) and the Performance Payment that varies depending upon the Group's world wide sales payable in 5 years' time.

Set out in the table below is a summary of the consideration per share pursuant to Option 1, Option 2 and Option 3:

	Option 1	Option 2	Option 3
At Closing	**£1.0861**	**£0.6218**	**£0.8719**
At earlier of 5th anniversary or 150khL volume	--	**£0.3154** (£0.2501 present value if paid at 3rd anniversary)	--
At 5th anniversary	--	**Up to £0.3154** (£0.2142 present value if fully achieved)	**Up to £0.3154** (£0.2142 present value if fully achieved)
Cash Value	£1.0861	Up to £1.2526	Up to £1.1873
Present Value (8.05% rate)	**£1.0861**	**Up to £1.0861**	**Up to £1.0861**

Note: the prices per share in Option 2 and Option 3 in the table above show the maximum amounts that could be payable.

You will need to consider the options in detail by reference to the Drag Along Notice and the Application Form. It is the Board's view that Option 1 will be most straightforward for you and provide you with the greatest certainty and that Options 2 and Option 3 present a degree of risk (as you may, depending on the volume of beer sold in the year ending 7 January 2021, receive a lower price per share under each of Option 2 and Option 3 as you are guaranteed to receive under Option 1). However, this is not a recommendation and you should seek you own advice.

Enclosed with this letter are:-

(i) the Drag Along Notice

(ii) the Application Form

(ii) a stock transfer form

You should indicate on the Application Form which of Option 1, Option 2 or Option 3 you would like to choose. The stock transfer form is the standard legal document used in England and Wales to transfer shares from one person or company to another. Please ensure that you print off, complete, sign and return the Application Form and stock transfer form as indicated.

Please note that if your documents are not received by 5.00pm on 4 January 2016, you will be deemed to have chosen Option 1 and to have agreed to sell your shares in return for that payment option and you will receive payment accordingly. In circumstances where a Drag Along Notice is used, the Articles confer a power on the directors of the Company to execute share transfer documents on behalf of any shareholders who have not returned executed share transfer documents as requested. In this situation, the money the Company receives from AB InBev for your shares will be held by the Company on trust for you until payment of the money to you is arranged.

If you are in any doubt about the tax or other consequences for you of selling your shares in the Company, and the tax effect of the proposed sale, you should consult an independent financial adviser, tax advisor, or another person authorised under the Financial Services and Markets Act 2000 before completing and returning any documents relating to the Offer.

Amendment to the Articles

The Company amended the Articles prior to sending this letter (and the enclosed documents) to shareholders solely to enable the existing drag along to operate in circumstances where some shareholders are paid over time (potentially involving contingent elements) for their shares rather than all upfront. The amendment was necessary to deliver a deal which we believe is in the best interests of the Company and all Camden shareholders.

The amendments to the articles were, as is required under company law, approved by shareholders holding over 75% of the voting shares and the amended Articles will be filed at Companies House in due course. The amended articles, and further information about the amendments (including a 'redline' version of the articles of association which show the exact changes that have been made are available at our website *www. http://www.camdentownbrewery.com/).*

Waiver of Pre-Emption Rights

It was a condition of the offer from AB InBev that the consideration is structured so that myself and the founding shareholders elect to receive the money for their shares over time and on achievement of certain operational targets rather than all upfront. As mentioned above, this is a commonly used deal structure that ensures alignment between the selling shareholders and the party acquiring the company on delivering the full value of the business.

Myself and the founding shareholders were prepared to accept the Offer on the condition that we transferred some A Ordinary Shares amongst ourselves prior to entry into transaction documents which will implement the Offer.

It was necessary to dis-apply the pre-emption rights which apply to the A Ordinary Shares (as set out in the Articles) in order to satisfy this Offer condition and deliver an offer that the Board believes is in the interests of Camden shareholders as a whole. A special resolution of the Company was passed to this effect today (by the same process and at the same time as the amendments to the Articles were made).

If you have any questions regarding the contents of this letter, the Offer, the Drag Along Notice or any other matter relating to the shares you hold in the Company please do not hesitate to contact:

Computershare Investor Services PLC on 0370 707 4040 or via email at camdenbrewing@computershare.co.uk.

Yours sincerely,

Jasper

Jasper Cuppaidge

This letter has been sent in accordance with the Articles together with the following enclosures:

1. Drag Along Notice
2. Application Form
3. Stock transfer form