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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

8 July 2024

MARSTON'S PLC TO DISPOSE OF 40% STAKE IN BREWING JV TO BECOME A FOCUSED PUB BUSINESS

Marston's PLC ("**Marston's**"[1]) today announces the sale of its remaining non-core brewing assets to create a business entirely focused on pubs, with a binding agreement to sell the whole of its 40% interest in Carlsberg Marston's Limited ("**CMBC**") to a subsidiary of Carlsberg A/S ("**Carlsberg**") (the "**Transaction**") for £206 million in cash.

- Value-creating sale of interest in CMBC to Carlsberg for £206 million in cash
- Establishes a purely focused pub business with a strong position in the UK market and significant opportunities for further growth
- Delivers on stated de-leverage strategy creating a stronger balance sheet and a step change in financial flexibility
- Marston's will continue its strong partnership with CMBC through the long-term brand distribution agreement which remains in place
- Attractive valuation, representing an enterprise value[2] multiple of 14.5 times EBITDA[3] and 24.3 times EBIT[4] for the 12-month period ended 31 December 2023
- Net proceeds[5] used for significant debt paydown, achieving medium-term target of <£1 billion of net debt (excluding IFRS 16 lease liabilities) in a significantly accelerated time frame. March 2024 pro-forma adjusted net debt of c.£959 million[6]
- The Board of Directors believe that the value to be achieved by the proposed Transaction represents an attractive result for Marston's shareholders with the Marston's Group's interest expense to reduce by c.£18 million annually versus the Board's expectations and the overall outcome earnings accretive

Justin Platt, Chief Executive Officer, commented*:*

"Today's announcement represents a significant milestone for Marston's as we realise our stake in CMBC. In my first six months with the business, it has become very clear to me that our core capability and key opportunity to unlock value for shareholders is in driving a focused and successful pub business.

This deal further strengthens our balance sheet, significantly reducing our debt by over £200 million. In addition, CMBC remain valued strategic partners and we continue to benefit from our ongoing long-term brand distribution agreement with them. Crucially, it allows us to become a pure play hospitality business and focus on what we do best – namely, giving our guests amazing pub experiences. I look forward to delivering on the opportunities a focused pub business will provide to ensure we maximise value for our shareholders."

Focused pub business

The full exit from CMBC will create a pure play hospitality business focused on pubs whilst retaining the benefits of a long-term brand distribution agreement with CMBC as a key supplier and strategic partner.

Pubs are at the heart of UK socialising, the UK pub market offers significant opportunities to capitalise on and drive value for shareholders. Marston's pub business is built on strong fundamentals; a suburban-dominated, predominantly freehold estate of c.1,370 pubs combined with a balance of managed and partnership ('franchised'), tenanted and leased pubs allows the Group to optimise its consumer offering and deliver a highly cash generative operating model.

This Transaction allows Marston's to further build on those strong fundamentals and accelerate progress in driving the success of the pub business and demonstrates management's preparedness to take decisive steps that will drive shareholder value. Further detail on Marston's priorities and focus will be outlined at an investor day in the Autumn.

Sale of CMBC transaction summary

In 2020, CMBC was formed to combine the strengths of both Marston's and Carlsberg, leveraging complementary drink portfolios and an extensive distribution network. Over the last three years, this partnership has played a significant role in enhancing CMBC's customer offering.

Whilst Marston's believes that CMBC is well-positioned for future success as a market leader under Carlsberg's sole ownership, they have been challenged by a number of unforeseen macro and socio-economic factors, including Covid-19, higher operating costs and inflation. Furthermore, as announced on 2 July 2024, the licensed production and distribution agreement for San Miguel with CMBC in the UK will not be renewed beyond 31 December 2024.

The attractive upfront cash payment reflects the breadth of the CMBC brand portfolio. The offer of £206 million is not subject to any value adjustment mechanism and represents a multiple of 14.5 times EBITDA[3] and 24.3 times EBIT[4] for the 12-month period ended 31 December 2023. The cash proceeds will provide immediate financial benefits to Marston's through material debt paydown and ensure that Marston's can capitalise fully on the opportunities within its core pub business.

Furthermore, the Transaction removes the distraction of non-core assets over which Marston's has no day-to-day operational control and enables further simplification. The Transaction also removes the corresponding volatility and uncertainty within Marston's earnings profile.

When taking into account the initial formation of CMBC, whereby Marston's received proceeds of £267 million[7] and contributed its brewing assets at a valuation representing a multiple of 12.9[8] times EBITDA for the 12-month period ended 31 December 2019, Marston's will have exited its brewing operations for a total consideration of £473 million. Additionally, Marston's has received an incremental £54.8 million[9] of dividends from CMBC since 2020. Under the Transaction, no further dividend would be payable to Marston's.

CMBC will continue to supply Marston's through the long-term brand distribution agreement (the "**SDA**") that was entered into upon formation of CMBC in 2020. The terms of the SDA have been updated without material change, to reflect the end of the joint venture between Marston's and Carlsberg and termination of the shareholders' agreement relating to CMBC (the "**SHA**"). Marston's looks forward to continuing its strong partnership with CMBC as a customer under the SDA.

The Transaction constitutes a Class 1 transaction for Marston's under the current UK Listing Rules and is, therefore, as at the date of this announcement, conditional on Marston's shareholders passing a resolution approving the Transaction (the "**Shareholder Approval Condition**"). The Transaction is not subject to any other conditions. The Shareholder Approval Condition can be waived by Marston's (at its discretion) to take account of the fact that the UK Listing Rules are expected to change in the summer of 2024 in a manner that would mean the Shareholder Approval Condition is no longer required for Class 1 transactions. If the UK Listing Rules are amended within an appropriately short time frame, the directors propose to waive the Shareholder Approval Condition. If the UK Listing Rules are not amended within an appropriately short time frame, the directors would seek shareholder approval for the Transaction. A further announcement will be made if and when appropriate.

Completion is targeted before the end of September 2024 (the long-stop date for completion of the Transaction is 15 December 2024). In connection with Carlsberg's proposed acquisition of Britvic plc, as referenced in Carlsberg's announcement of its firm intention to make an offer for Britvic plc under Rule 2.7 of the City Code on Takeovers and Mergers separately released today (the "**Carlsberg Transaction**"), Marston's has waived certain non-compete restrictions under the SHA for the purposes of the Carlsberg Transaction only for a limited period of time (the "**Waiver**"). The Waiver is not conditional on completion of the Transaction, it is restricted in time, and it is limited to the Carlsberg Transaction only.

The Board of Marston's has unanimously approved the Transaction and believes it is in the best interest of all of its shareholders.

Key financial information of CMBC

To assist with the assessment of the valuation of CMBC and pro-forma impact on Marston's, below is a summary of the key financials.

Marston's historical financials

£ million unless otherwise stated	12m to 1-Oct-22	12m to 30-Sep-23	6m to 30-Mar-24
Income from CMBC	3.3	9.9	(0.6)[10]
Dividend from CMBC	19.4	21.6	13.8
Book value of CMBC	260.3	250.9	220.7

Use of proceeds and financials effects of the Transaction

Marston's will use the net proceeds to de-leverage, including paying down the private placement and banking facilities, following which Marston's expects the Marston's Group's overall interest expense to reduce by c.£18 million annually versus the Board's current expectations.

The Group's £300 million bank facilities were drawn down by £232 million as at March 2024 and the private placement is in the sum of £40 million. On a pro-forma basis, including the net proceeds from the Transaction of c.£202 million (after estimated fees and restructuring costs of c.£4 million), adjusted net debt as at March 2024 would have been c.£959 million[6]. We do not expect any material tax to be payable by Marston's.

Consequently, Marston's has achieved its 2026 net debt (excluding IFRS 16 lease liabilities) target of <£1 billion in a significantly accelerated timeframe. Marston's will continue to be focused on debt reduction and be disciplined in the use of cash to deliver superior returns through focused capital investment in the estate.

Marston's expects to put financing in place that is better suited to the new level of leverage in due course and will update as and when appropriate. In addition, Marston's will provide an update to the existing capital allocation framework at an investor day in the Autumn.

The Transaction is expected to be accretive on adjusted earnings per share when taking into account the interest cost savings. The Board believes that the Transaction will support the Group in driving improved performance through increased financial flexibility and fully aligns and supports the strategic objective of a focused pub company.

The pro-forma impact on net assets for Marston's is a reduction of c.£19 million, given book value of CMBC of £220.7 million at HY 2024 and net proceeds from the Transaction of c.£202 million after estimated fees and restructuring costs.

The person responsible for arranging for the release of this announcement on behalf of Marston's is Bethan Raybould, General Counsel and Company Secretary.

Advisers

In connection with the Transaction, J.P. Morgan Cazenove is acting as sole financial adviser and Sponsor to Marston's, and Slaughter and May is acting as legal adviser to Marston's.

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About Marston's

Marston's is a leading pub operator with an estate of c.1,370 pubs nationally, comprising managed, partnership ('franchised') and tenanted and leased pubs. Marston's employs c.10,000 people.

About CMBC

CMBC is one of the UK's largest brewers and the leading UK brewer of cask ale. With a brewery and logistics network covering the whole of the UK, CMBC is a home of brewing expertise, defined by the combined 300 years of heritage in beer and strong values.

The portfolio spans World Beer brands, premium lager and beloved ales, including iconic names, Carlsberg Danish Pilsner and 1664, alongside cask favourites like Hobgoblin and Wainwright and rising stars, 1664 Blanc, Poretti and Brooklyn Craft beers.

With an enviable selection of low and no alcohol options such as Carlsberg 0.0, Brooklyn Special Effects and Erdinger Alkoholfrei, CMBC champions exceptional brews that are exciting drinkers everywhere, whatever their taste.

Additional information

Sources of financial information

Unless otherwise stated, all financial information relating to Marston's (including Marston's share of CMBC) disclosed in this announcement (including the Appendices) has been extracted, without material adjustment, from Marston's 2023 and 2022 published audited annual report and accounts and published unaudited HY 2024 interim results.

Endnotes:

[1] References to the "**Group**" or the "**Marston's Group**" mean Marston's PLC (or the "**Company**"), its subsidiaries, as defined in the Companies Act 2006, and its subsidiary undertakings from time to time.
[2] Enterprise value calculated based on cash consideration of £206 million plus Marston's 40% share of CMBC's unaudited pre-IFRS 16 net debt as of 31 December 2023 of £72.5 million, as per CMBC's internal financial accounting records as reported to Marston's (extracted without material adjustment).
[3] Marston's 40% share of CMBC's unaudited pre-IFRS 16 underlying EBITDA for the 12 months ending 31 December 2023 of £40.5 million, calculated from CMBC's internal financial accounting records as reported to Marston's (extracted without material adjustment).
[4] Marston's 40% share of CMBC's unaudited pre-IFRS 16 underlying EBIT for the 12 months ending 31 December 2023 of £24.2 million, calculated from CMBC's internal financial accounting records as reported to Marston's (extracted without material adjustment).
[5] Net proceeds of c.£202 million after estimated fees and restructuring costs of c.£4 million (excludes costs of Class 1 circular).
[6] Net debt (excluding IFRS 16 leases) of £1,160.9 million extracted from Marston's published unaudited HY 2024 interim accounts, without material adjustments, minus net proceeds of c.£202 million.
[7] Proceeds include the upfront payment of £239 million (£273 million less the £34 million contingent payment) as per the announcement on 22 May 2020 and the contingent payment of £28 million received as per Marston's published audited 2022 annual report and accounts.
[8] As per publicly announced valuation of £580 million, net of the £6 million lower contingent payment which is the difference between the £34 million announced contingent payment on 22 May 2020 and the £28 million received as per Marston's published audited 2022 annual report and accounts, and EBITDA of £44.6 million on 22 May 2020.
[9] Includes dividend received from CMBC as disclosed in Marston's published audited 2023 annual report and accounts. As well as the dividend received from CMBC as disclosed in Marston's published unaudited HY 2024 interim results.
[10] Underlying income of (£0.6 million) for 6 months to 30 March 2024. Statutory income was (£16.6 million) for the period.

APPENDIX I
MATERIAL CONTRACTS

1. The Group

1.1. Transaction Agreements

(A) Share purchase agreement

Parties and structure

The Disposal is governed by the share purchase agreement ("**Share Purchase Agreement**") entered into between Marston's, Marston's Trading Limited ("**MTL**"), Carlsberg UK Holdings Limited ("**CUKH**"), Carlsberg Breweries A/S and CMBC (the "**Parties**"). Pursuant to the Share Purchase Agreement, subject to the Shareholder Approval Condition, MTL has agreed to sell and CUKH has agreed to purchase 64 ordinary shares of £1 each in the capital of CMBC (representing MTL's entire shareholding in CMBC, being 40% of the issued share capital of CMBC) (the "**Sale Shares**"). Following completion under the Share Purchase Agreement, CMBC will become a wholly owned subsidiary of CUKH.

Condition

As the Transaction constitutes a Class 1 transaction for Marston's under the current UK Listing Rules, completion of the sale and purchase of the Sale Shares pursuant to the terms of the Share Purchase Agreement is conditional on the Shareholder Approval Condition. The Transaction is not subject to any other conditions. If the Shareholder Approval Condition is not satisfied or waived before 15 December 2024 (being the "**Long Stop Date**"), then the Share Purchase Agreement shall terminate. Pursuant to the Share Purchase Agreement (and as further described in the above section "*Sale of CMBC transaction summary*"), the Shareholder Approval Condition may be waived by MTL at its sole discretion to take account of the fact that the UK Listing Rules are expected to change in the summer of 2024 in a manner that would mean the Shareholder Approval Condition is no longer required for a Class 1 transaction.

Waiver

In addition (also as further described in the above section "*Sale of CMBC transaction summary*"), Marston's has granted the Waiver to Carlsberg and CUKH pursuant to the Share Purchase Agreement in connection with the Carlsberg Transaction. The Waiver is limited to the Carlsberg Transaction only, and will immediately cease to have effect if the Carlsberg Transaction does not complete by 1 August 2025 or is completed for a total enterprise value of less than £1,000 million. The Waiver is not conditional on completion under the Share Purchase Agreement.

SHA

The Parties have agreed that the SHA will terminate subject to, and conditional upon, completion under the Share Purchase Agreement.

Consideration

The consideration payable by CUKH for the Sale Shares at completion is £206 million in cash (the "**Consideration**"). The Consideration is not subject to any value adjustment mechanism.

Warranties and Indemnities

MTL has given limited customary fundamental warranties relating to its title to the Sale Shares, each of which shall be repeated at completion of the Share Purchase Agreement. All Parties have also given customary limited fundamental warranties relating to capacity and solvency.

CUKH has agreed to indemnify the Group for any losses suffered or incurred in respect of the Carlsberg UK Limited Pension Scheme (or any member of such scheme) for a period of six years from completion under the Share Purchase Agreement (the "**Pensions Indemnity**").

Guarantees

Marston's has agreed to guarantee all of MTL's obligations, commitments and undertakings arising under or in connection with the Share Purchase Agreement. In addition, Carlsberg Breweries A/S has agreed to guarantee all of CUKH's obligations, commitments and undertakings arising under or in connection with the Share Purchase Agreement (including the Pensions Indemnity).

Governing law and jurisdiction

The Share Purchase Agreement is governed by English law. The English courts will have exclusive jurisdiction to settle any dispute arising out of or in connection with the agreement.

(B) Deed of Amendment in relation to the Supply Distribution Agreement

Parties and structure

CMBC and MTL entered into the SDA on the date of completion of the joint venture (30 October 2020) for a term of up to 20 years (as amended by a consumables termination notice entered into by CMBC and MTL on 24 June 2022). The SDA governs the terms for the supply and distribution by CMBC of drinks products and related services to MTL. It is intended that the SDA will remain in place on substantially the same terms subject to the key amendments set out below. In order to reflect the end of the joint venture between MTL and CUKH and the termination of the SHA, CMBC and MTL have agreed to amend the SDA pursuant to a deed of amendment (the "**SDA Deed of Amendment**"), that will be entered into and become effective at completion of the Share Purchase Agreement.

The SDA Deed of Amendment provides for a non-material amendment to a customer KPI, and the inclusion in the SDA of certain termination rights that are otherwise included in the SHA (that will terminate on completion of the Share Purchase Agreement) to be granted to both parties to the SDA. In respect of termination following a change of control of either party, the other party can terminate the SDA provided that such rights must be exercised within six months of the relevant change of control taking place in order to be effective and termination will take effect within a set period of time after the relevant termination notice is served (such period of time to vary depending on the identity of the new controller). The SDA Deed of Amendment also provides for CMBC to have an immediate termination right under the SDA (in line with exit rights otherwise included in the SHA) if certain customer targets are not met by MTL within an agreed tolerance.

Following service of any such termination notices, (or following termination or expiry of the SDA in any other circumstance) CMBC is obliged to support MTL with the transition to an alternative logistics supplier.

1.2. Marston's Licence Agreement

Marston's and CMBC entered into the Marston's licence agreement on the date of completion of the joint venture (30 October 2020) (the "**Marston's Licence Agreement**"). The Marston's Licence Agreement ensures that CMBC perpetually licenses to Marston's (subject to some limited termination rights) certain intellectual property which was contributed to CMBC by the Group in connection with the original joint venture for the purposes set out below.

Under the Marston's Licence Agreement, CMBC licenses to Marston's on a royalty-free, worldwide basis: (i) certain word and device marks relating to the "Marston's" name, including the "Marston's" and "Marston's Brewery" trade marks and the "three barrels" device mark, for use in connection with the operation of a hospitality, telecommunications and/or property development business; and (ii) certain other trade marks contributed to CMBC, primarily the beer brands "Jennings" and "Banks's", for use in connection with the operation of a hospitality business.

This licence from CMBC to Marston's is exclusive in the fields set out at (i) and (ii) above, such that only the Group can use the licensed trade marks within those exclusive fields. Although the Group no longer exercises direct control over the "Marston's" name, CMBC is required, pursuant to the Marston's Licence Agreement, to maintain and prosecute the licensed marks (including "Marston's") at Marston's cost.

The Marston's Licence Agreement shall continue in full force and effect notwithstanding the Transaction.

1.3. Private Placement

In November 2019, the Company issued £40 million of privately placed debt (the "**Private Placement**") which sits *pari passu* with Marston's bank lending. There is a fixed rate of interest paid quarterly over the term of the Private Placement, with a bullet repayment on maturity. On 30 March 2023, Marston's successfully secured an amendment and extension to the Private Placement to the end of January 2025.

1.4. Banking facilities

Marston's has access to certain banking facilities. On 13 May 2024, Marston's successfully secured an amendment and extension to its existing banking facility, which was due to expire in January 2025. The revised £340 million of funding comprises a £300 million bank facility, maturing in July 2026, and an additional £40 million bank facility with a maturity of up to July 2026, drawings of which must be used to repay the Private Placement.

2. CMBC

Save for: (i) the Share Purchase Agreement; (ii) the SDA (as shall be amended by the SDA Deed of Amendment); and (iii) the Marston's Licence Agreement, each as more particularly described above, no contracts have been entered into (other than contracts entered into in the ordinary course of business) by CMBC, either: (i) within the two years immediately preceding the date of this announcement which are or may be material to CMBC; or (ii) at any time, which contain any provision under which CMBC has any obligation or entitlement which is or may be material to CMBC as at the date of this announcement.

APPENDIX II
RISK FACTORS

*Shareholders of Marston's ("**Shareholders**") should carefully consider, together with all other information contained in this announcement, the specific factors and risks described below.*

The Company considers these to be the known material risk factors relating to the Transaction for Shareholders to consider. There may be other risks of which the Board is not aware or which it believes to be immaterial which may, in the future, be connected to the Transaction and have a material and adverse effect on the business, financial condition, results of operations or future prospects of the Group.

The risks described below are only those which: (i) are material risk factors relating to the Transaction; (ii) will be material new risk factors to the Group as a result of the Transaction; or (iii) are existing material risk factors to the Group which will be impacted by the Transaction. Note that the risk factors are set out in order of materiality within each section.

1. Material risk factors to the Transaction

1.1. The Transaction not coming into effect

Pursuant to the Share Purchase Agreement, completion of the Transaction is conditional upon the Shareholder Approval Condition. The Shareholder Approval Condition may be waived by MTL acting in its sole discretion, to take account of the fact that the UK Listing Rules are expected to change in the summer of 2024 in a manner that would mean the Shareholder Approval Condition is no longer required for Class 1 transactions. If the UK Listing Rules are amended within an appropriately short time frame, the directors propose to waive the Shareholder Approval Condition. If the UK Listing Rules are not amended within an appropriately short time frame, the directors would seek shareholder approval for the Transaction.

There can be no assurance that the Shareholder Approval Condition will be satisfied or waived and accordingly, that completion will take place. If the Transaction does not complete in accordance with the terms of the Share Purchase Agreement, any of the risks and uncertainties set out in sections 1.2-1.3 of this Appendix II (*Risk Factors*) may adversely affect the Group's business and results.

1.2. Inability to realise shareholder value

The Board believes that the Transaction is in the best interests of the Group and of its Shareholders as a whole, and that it currently provides the best opportunity to realise an attractive and certain value for Marston's interest in CMBC. If, therefore, the Shareholder Approval Condition is not satisfied or waived as applicable and the Transaction does not complete, the Company will not receive the cash proceeds from the disposal of its 40% interest in CMBC (the "**Disposal**") and will forgo the other anticipated benefits of the Transaction as described in this announcement.

In particular, the Board intends to use the net proceeds of the Transaction to de-leverage, including paying down the Private Placement and banking facilities. Following these actions, Marston's expects that: (i) the Marston's Group's overall interest expense would reduce by c.£18 million vs. the Board's current expectations; and (ii) it would accelerate the attainment of its 2026 net debt target of <£1 billion.

If the Shareholder Approval Condition is not satisfied or waived as applicable, the Transaction will not complete, and these benefits will not be realised, with Marston's remaining less financially flexible.

1.3. Potentially disruptive effect on the Group and CMBC

If the Transaction does not come into effect, this may lead to management and employee distraction due to perceived uncertainty as regards the future of Marston's interest in CMBC, and the future of CMBC more generally. Both the Group and the Carlsberg group have committed significant time and resources to the Transaction. As a result, other business opportunities may have been missed or insufficiently executed which may not be rectifiable if the Transaction does not come into effect. In addition, the media could portray the non-completion of the Transaction as a strategic failure of the Group which could erode confidence among investors and stakeholders.

Further, in circumstances where Marston's has subsequently attempted to exit the joint venture unsuccessfully, investors and stakeholders might conclude that Marston's continued interest in CMBC is unsustainable. This uncertainty as to Marston's commitment to the joint venture and the future of its interest in CMBC (and CMBC more generally) might lead suppliers and customers of CMBC to feel it is not in their commercial interests to continue to do business with CMBC. This uncertainty might also lead to the departure of certain members of staff of CMBC or a drop in performance levels of such members of staff, which may have an effect on the ability of CMBC to adapt and innovate to meet future commercial challenges.

The failure to implement the Transaction may therefore have an adverse effect on the performance of CMBC and its value to the Group (including a likely impairment of its investment in CMBC), and may also adversely affect Marston's share price.

2. Material new risk factors to the Group as a result of the Transaction

2.1. Financial risks for the Group in relation to its exit from the joint venture alongside Carlsberg

The Marston's Group will forgo future returns from the joint venture, to the extent such returns were available and this may adversely affect the Group's business and its results. As set out in the above section "*Key financial information of CMBC*", underlying income received from CMBC was £9.9 million for the financial year ended 30 September 2023. Dividends received from CMBC totalled £21.6 million for the financial year ended 30 September 2023. The declaration and payment of any dividend is always dependent on the directors' assessment of the profits that the joint venture has available for distribution to its shareholders at the relevant time.

2.2. The Group's operations will be less diversified and more susceptible to specific risks

Following the Transaction, the Group's business will be less diversified, and its overall financial performance will be dependent on the retained pub business alone. Risks impacting the pub sector more generally or specific issues arising in the retained pub and accommodation business will accordingly have a proportionately greater adverse impact on the financial condition of the Group, and have the potential to create a greater risk of share price volatility following the Transaction.

2.3. Waiver of certain rights under the SHA

As further described in the above section “*Sale of CMBC transaction summary*”, Marston’s has granted the Waiver to Carlsberg and CUKH pursuant to the Share Purchase Agreement in connection with the Carlsberg Transaction. The Waiver is effective on signing of the Share Purchase Agreement and is not conditional on completion, and so even if the Transaction does not complete (because, for example, the Shareholder Approval Condition is not satisfied or waived), Carlsberg will still be permitted under the terms of the Waiver, to pursue the Carlsberg Transaction for a specified period of time. There is therefore a risk that Carlsberg may acquire Britvic plc whilst Marston’s remains a joint venture partner in CMBC, which may result in reduced commitment and resources from Carlsberg in the success of the joint venture and/or undermine customer or supplier confidence in the joint venture. The Waiver is limited in time and specific to the Carlsberg Transaction.

2.4. Termination of the SHA and amendments to the SDA

The SHA will terminate on completion of the Transaction. The SDA will continue on substantially the same terms, save that it will be amended to include certain termination events that were previously in the SHA (as further described in paragraph 1.1(B) of Appendix I (*Material Contracts*)). In particular, the SDA (as amended by the SDA Deed of Amendment) can be terminated by one party if the other party suffers a change of control event. If the Transaction proceeds, the SDA (as amended) will therefore include certain additional termination events which it did not previously contain.

3. Existing material risk factors to the Group which will be impacted by the Transaction

3.1. Carlsberg UK Limited Pension Scheme liabilities

Carlsberg’s UK defined benefit pension scheme, the Carlsberg UK Limited Pension Scheme (the “**Carlsberg Scheme**”), falls within the joint venture perimeter.

The most recent full actuarial valuation of the Carlsberg Scheme was carried out as at 5 April 2022. As at that date, the Carlsberg Scheme had assets with an estimated market value of £658 million and liabilities with an estimated value of £719 million (valued using ongoing technical provisions basis assumptions agreed with the scheme’s trustee as part of the valuation). An estimated update as at 31 December 2023 indicated assets valued at £462 million and liabilities of £499 million. The next full valuation is due as at 5 April 2025.

Under the UK pension scheme funding regime, two Carlsberg entities which were contributed to CMBC (Carlsberg UK Limited and Carlsberg Supply Company UK Limited) have primary liability for funding the Carlsberg Scheme. However, all companies within the Group are also technically within the scope of certain powers of the UK Pensions Regulator should the Pensions Regulator exercise its powers in relation to the Carlsberg Scheme, and will remain so notwithstanding completion of the Transaction. There is therefore an ongoing risk that companies in the Group may incur liabilities in respect of the Carlsberg Scheme in the future.

The Share Purchase Agreement provides for Carlsberg to indemnify the companies in the Group against any amounts required to be paid to the Carlsberg Scheme for a period of six years from completion of the Transaction. The Board is satisfied that this indemnity is appropriate in the context of the Transaction, and that it adequately retains the protections made available to the Marston’s Group under the SHA in respect of the aforementioned risk.

APPENDIX III
SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL POSITION

1. The Group

There has been no significant change in the financial performance or financial position of the Group since 30 March 2024, being the end of the last financial period for which financial information of the Group has been published.

2. CMBC

Apart from the announcement regarding San Miguel as set out in this announcement, there has been no significant change in the financial performance or financial position of CMBC since 30 March 2024, being the end of the last financial period for which financial information of CMBC has been published.[11]

APPENDIX IV
LEGAL AND ARBITRATION PROCEEDINGS

1. The Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Marston's is aware) during a period covering the 12 months prior to the date of this announcement which may have, or have had in the recent past, a significant effect on Marston's and/or the Group's financial position or profitability.

2. CMBC

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CMBC is aware) during a period covering the 12 months prior to the date of this announcement which may have, or have had in the recent past, a significant effect on CMBC and/or CMBC's financial position or profitability.

APPENDIX V
RELATED PARTY TRANSACTIONS

1. Related party transactions

Save as disclosed in: (i) note 12 on page 22 of the HY 2024 Results; (ii) note 12 on pages 124 and 125 of the 2023 Annual Report; and (iii) note 12 on page 136 of the 2022 Annual Report, the Company has not entered into any related party transactions (within the meaning ascribed to that term in UK-adopted international accounting standards) during any of the financial years ended 1 October 2022, 30 September 2023 and otherwise up to the date of this announcement.

IMPORTANT NOTICES

No statement in this announcement is intended as a profit forecast and no statement in this announcement should be interpreted to mean that the future earnings per share, profits, margins or cash flows of Marston's following the Transaction will necessarily match or be greater than the historical published earnings per share, profits, margins or cash flows of Marston's.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Marston's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Marston's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

You are advised to read this announcement in its entirety for a further discussion of the factors that could affect Marston's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

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[11] *This refers to the HY 2024 interim results published by Marston’s, which includes financial information of CMBC.*