



CHAPEL DOWN



JOIN US

INVEST IN ENGLAND'S  
LEADING WINEMAKER



## DISCLAIMER

**RELIANCE ON THIS PROMOTION FOR THE PURPOSE OF BUYING UNITS TO WHICH THE PROMOTION RELATES MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) (FSMA) who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please send this document, together with its accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, the Republic of Ireland, or South Africa nor in or into any other jurisdiction where that may lead to a breach of any applicable law or regulation.

The total consideration under the Placing and the Crowdfunding shall be less than €8 million (or an equivalent sterling amount) in aggregate or otherwise in circumstances not resulting in an offer of transferable securities to the public under Section 102B of FSMA. Therefore, in accordance with Sections 85 and 86 of FSMA, this Document is not, and is not required to be, a prospectus for the purposes of the Prospectus Regulations and has not been prepared in accordance with the Prospectus Regulations Rules. This Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

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 Document is in accordance with the facts and there is no other material information, the omission of which is likely to affect the import of such information.

## CHAPEL DOWN GROUP PLC

(Incorporated in England and Wales under the Companies Act 1985, with registered number 04362181)

**Placing of 2,395,792 Ordinary Shares of £0.05 each at a price of £0.595 per share**

and

**Crowdfunding of up to 9,160,181 Ordinary Shares of £0.05 each at a price of £0.595 per share**

Application will be made for the New Ordinary Shares to be traded on the AQSE Growth Market. It is expected that Admission of the Placing Shares and the Crowdfunding Shares will become effective and that dealings in the Placing Shares and the Crowdfunding Shares will commence on the AQSE Growth Market no later than 30 July 2021.

The whole of the text of this Document should be read. Your attention is drawn to the Risk Factors set out in Part III of this Document.

The AQSE Growth Market, which is operated by Aquis Stock Exchange Limited, a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under MiFIR and AQSE Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. AQSE has not approved the contents of this Document.



finnCap Ltd, which is authorised and regulated by the Financial Conduct Authority, is the Company's AQSE Corporate Adviser. finnCap Ltd has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible. finnCap Ltd is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

No representation or warranty, express or implied, is made by finnCap Ltd or its affiliates as to the contents of this Document, or for the omission of any material from this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on finnCap Ltd by FSMA, finnCap Ltd does not accept any responsibility whatsoever for the contents of this Document, including its accuracy or completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing or the Crowdfunding.

This Document has been approved by Seedrs Limited, as of 4 June 2021, as a financial promotion. Seedrs Limited is authorised and regulated by the Financial Conduct Authority.

In approving this Document, Seedrs has concluded that the information, taken as a whole, is "fair, clear and not misleading." This means that for factual statements Seedrs has reviewed evidence of their accuracy, and that for aspirational statements Seedrs believes they are phrased appropriately in light of their speculative nature.

You should note that in the case of factual statements, the evidence Seedrs reviews is provided by the Company, and Seedrs does not audit it, which means that Seedrs may not be able to identify forged or altered evidence. You should further note that in the case of aspirational statements, the nature of a business such as this is such that the management team is likely to have high ambitions, and Seedrs may approve statements that convey those ambitions even where Seedrs does not believe, or does not have a view on whether it is likely, that they will be fully realised.



**This Document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document should not be taken, transmitted, distributed, published, reproduced or otherwise made available in whole or in part, directly or indirectly, in or into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa, or the United States of America or any other country outside the United Kingdom where that may lead to a breach of any legal or regulatory requirements. Neither the Existing Ordinary Shares nor the New Ordinary Shares have been or will be registered under the United States Securities Act 1933 (as amended) or under the securities legislation of any state of the United States of America or any province or territory of Australia, Canada, Japan, the Republic of Ireland, or the Republic of South Africa. Subject to certain exceptions, the New Ordinary Shares may not, directly or indirectly, be offered or sold in or into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa, or the United States of America or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland or any person located in the United States of America. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and address any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.**

A copy of this document will also be available from the Company's website, <https://www.chapeldown.com/pages/joinus>

## **FORWARD-LOOKING STATEMENTS**

This Document includes statements that are or may be "forward-looking statements", which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group may operate in the future. These forward-looking statements speak only as at the date of this Document. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AQSE Rules.



Our Kit's Coty vineyard is on perfect chalk slopes on the North Downs of Kent. This 100-acre vineyard is the finest vineyard site we have seen in the UK.



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Chapel Down is without question the leading brand in the English sparkling wine market. Where it has led others have followed for the last 20 years. Inspired management creating exceptional wines which have won accolades and consumer preference world wide.

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DAVID HAIGH CEO, BRAND FINANCE



# Definitions

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**In this Document, unless the context requires otherwise, defined terms shall have the meaning given to them opposite.**

## **AI SHARES**

the A1 ordinary shares of £0.0001 each in the capital of the Company having the rights and being subject to the restrictions set out in the Articles;

## **A2 SHARES**

the A2 ordinary shares of £0.0001 each in the capital of the Company having the rights and being subject to the restrictions set out in the Articles;

## **ACT**

the United Kingdom Companies Act 2006 as amended;

## **ADMISSION**

admission by AQSE of the New Ordinary Shares to trading on the AQSE Growth Market;

## **AIM MARKET**

the market operated by the London Stock Exchange;

## **APEX**

a segment of the AQSE Growth Market;

## **APPLICANTS**

applicants for New Ordinary Shares via the Platform other than applicants who (i) are not entitled to receive this offer pursuant to the securities regulations in their jurisdiction or (ii) are not Authorised investors;

## **APPLICATION**

the electronic application which Applicants will need to submit via the Platform to apply for Crowdfunding Shares;

## **AQSE**

Aquis Stock Exchange Limited, a company incorporated in England and Wales with registered number 04309969 whose registered office is at 77 Cornhill, London EC3V 3QQ;

## **AQSE GROWTH MARKET**

the multilateral trading facility operated by AQSE that is registered as an SME Growth Market;

## **AQSE RULES**

the AQSE Growth Market Apex Rulebook as amended or supplemented from time to time;

## **ARTICLES**

the articles of association of the Company from time to time;

## **AUTHORISED**

investors who are authorised by Seedrs to invest in the Company via the Crowdfunding;

## **BENEFICIAL HOLDER**

a person who holds a Beneficial Interest;

## **BENEFICIAL INTEREST**

beneficial ownership of a defined number of Crowdfunding Shares acquired pursuant to the Crowdfunding, the legal title to which is held by Seedrs Nominees under the terms of the Investment Agreement;

## **BOARD**

the board of Directors of the Company;

## **BUSINESS**

the business of production, marketing and sale of English wine and spirits;

## **BUSINESS DAY**

a day on which the AQSE Growth Market is open for business, excluding weekends and public holidays in the UK;

## **CAGR**

compound annual growth rate;



## **CERTIFIED HIGH NET WORTH INDIVIDUAL**

an individual who has signed, in the twelve months prior to the date the Crowdfunding is communicated, a statement complying with section 21 of the Promotion of Collective Investment Schemes Order;

## **CHAPEL DOWN GROUP LIMITED**

Chapel Down Group Ltd, a company incorporated in England and Wales with registered number 07649418 whose registered office is at Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG;

## **CHAPEL DOWN OR THE COMPANY**

Chapel Down Group PLC, a company incorporated in England and Wales with registered number 04362181 whose registered office is at Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG;

## **CORPORATE ADVISER**

finnCap, in its capacity as an AQSE member firm which has been approved by AQSE to act in the capacity of corporate adviser to the Company;

## **CREST**

the relevant system (as defined in the Uncertificated Securities Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in those Regulations);

## **CROWDFUNDING**

an equity crowdfunding fundraise carried out on the Platform;

## **CROWDFUNDING SHARES**

up to 9,160,181 Ordinary Shares to be issued pursuant to the Crowdfunding;

## **CURIOUS DRINKS LIMITED**

Curious Drinks Limited, a company incorporated in England and Wales with registered number 04456158 whose registered office is at Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG;

## **DIRECTORS**

the Directors whose names appear on page 10 of this Document;

## **DISCOUNT RIGHTS**

the additional rights of Qualifying Shareholders to discounts and offers in respect of Chapel Down products;

## **DOCUMENT**

means this document;

## **EIS**

Enterprise Investment Scheme;

## **ENGLISH WINES PLC**

English Wines PLC, a company incorporated in England and Wales with registered number 03978908 whose registered office is at Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG;

## **ENLARGED SHARE CAPITAL**

the enlarged share capital of the Company following Admission of the New Ordinary Shares;

## **EXISTING BENEFICIAL HOLDER**

a person who holds an Existing Beneficial Interest;

## **EXISTING BENEFICIAL INTEREST**

beneficial ownership of a defined number of Ordinary Shares, the legal title to which is held by Seedrs Nominees immediately prior to the date of publication of this Document;

## **EXISTING ORDINARY SHARES**

the existing ordinary share capital of the Company comprising 145,799,332 Ordinary Shares;

## **EXISTING SHAREHOLDERS**

means the Shareholders of the Company who have acquired shares in the Company prior to the date of publication of this Document, otherwise than pursuant to the Offer;

## **FCA**

the Financial Conduct Authority;

## **FINAL ACCEPTANCE DATE**

23 July 2021, being the last date on which Applications may be made to participate in the Crowdfunding;

## **FINNCAP**

finnCap Ltd, Corporate Adviser to the Company, a company incorporated in England and Wales with registered number 06198898 whose offices are at 1 Bartholemew Close, London EC1A 7BL;

## **FSMA**

the Financial Services and Markets Act 2000 as amended together with all regulations, rules and subordinate legislation created thereunder;

## **GROUP**

the Company and its Subsidiaries;

## **GROWTH SHARES**

the A1 Shares and A2 Shares;

## **HIGH NET WORTH COMPANIES**

a body corporate or unincorporated association falling within the requirements of section 22 of the Promotion of Collective Investment Schemes Order 2001;

## **HMRC**

Her Majesty's Revenue and Customs;

## **IG**

IG Markets Limited, a company registered in England & Wales with registered number 04008957 whose registered office is at Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA;

## **INVESTMENT AGREEMENT**

the investment agreement that Applicants will be required to enter into with Seedrs in order to complete their Application for Crowdfunding Shares;

## **ISSUE PRICE**

the issue price of £0.595 for each New Ordinary Share;

## **LATEST PRACTICABLE DATE**

3 June 2021, being the latest practicable date prior to the publication of this Document;

## **LONDON STOCK EXCHANGE**

London Stock Exchange PLC;

## **MAR**

the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement Act 2020);

**NEW ORDINARY SHARES**

the Placing Shares and the Crowdfunding Shares;

**OFFER**

the Placing and the Crowdfunding;

**OFFICIAL LIST**

the official list of securities traded on the London Stock Exchange;

**ORDINARY SHARES**

ordinary shares of £0.05 each in the capital of the Company;

**OVERSEAS APPLICANTS**

Applicants who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions;

**PLACEES**

those persons who have subscribed for or purchased the Placing Shares at the Issue Price;

**PLACING**

the placing by the Company of the Placing Shares with Placees;

**PLACING SHARES**

the 2,395,792 Ordinary Shares issued pursuant to the Placing;

**PLATFORM**

the equity crowdfunding platform maintained and operated by Seedrs;

**PROMOTION OF COLLECTIVE INVESTMENT SCHEMES ORDER**

the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Order 2001 as amended from time to time;

**PROSPECTUS REGULATIONS**

the UK version of EU Prospectus Regulation 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;

**PROSPECTUS REGULATION RULES**

the prospectus regulation rules made by the FCA under Part VI of FSMA relating to the requirements to publish a prospectus;

**QUALIFYING SHAREHOLDER**

both (i) Shareholders (other than Seedrs Nominees) and (ii) Beneficial Holders, who either hold a requisite number of Shares or hold a Beneficial Interest in the requisite number of Shares (as the case may be);

**SEEDRS**

Seedrs Limited, the providers of an equity crowdfunding platform, a company incorporated in England and Wales with registered number 06848016 whose offices are at Churchill House, 142-146 Old Street, London EC1V 9BW;

**SEEDRS NOMINEE**

Seedrs Nominees Limited, a wholly owned subsidiary of Seedrs, a company incorporated in England and Wales with registered number 08756825 whose offices are at Churchill House, 142-146 Old Street, London EC1V 9BW;

**SHAREHOLDERS**

the shareholders of the Company from time to time;

**SME GROWTH MARKET**

a multilateral trading facility that is registered as an SME growth market in accordance with article 5.10 of MAR and article 78 of MiFIR;

**SOPHISTICATED INVESTOR**

a person who has signed, in the twelve months prior to the date the Crowdfunding is communicated, a statement complying with section 23 of the Promotion of Collective Investment Schemes Order;

**SUBSIDIARIES**

English Wines plc, Curious Drinks Limited and Chapel Down Group Limited;

**UK**

the United Kingdom of Great Britain and Northern Ireland;

**UNCERTIFICATED**

a share or security recorded in the Company's register of members as being held in uncertificated form, title to which may be transferred by means of CREST;

**UNCERTIFICATED SECURITIES REGULATIONS**

the Uncertificated Securities Regulations 2001 as amended from time to time; and

**VCT**

venture capital trust.



**With Chapel Down,  
you get an investment  
that benefits from  
the trend to a warmer  
climate, a brand  
that shows it can  
transcend a narrow  
category position  
and a management  
that bravely pioneers  
the legitimisation of  
English Wine.**

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**JOHN DUNSMORE,  
INVESTOR AND OWNER OF  
EDINBURGH BEER FACTORY  
AND THISTLY CROSS CIDER**



# Directors and Advisors

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## DIRECTORS OF CHAPEL DOWN GROUP PLC

**James Brooke** (Non-Executive Director)

**Selina Emeny** (Non-Executive Director)

**Stewart Gilliland** (Non-Executive Director)

**Martin Glenn** (Chairman, Non-Executive Director)

**Mark Harvey** (Chief Commercial Officer)

**Frazer Thompson** (Chief Executive Officer)

**Richard Woodhouse** (Chief Financial Officer)

**Nigel Wray** (Non-Executive Director)

**Samantha Wren** (Non-Executive Director)

## SECRETARY

**Richard Woodhouse**

## COMPANY NUMBER

**04362181**

## REGISTERED OFFICE

**Chapel Down Winery**

Small Hythe Road  
Tenterden  
Kent TN30 7NG

## CORPORATE ADVISER

**finnCap Ltd**

1 Bartholemew Close  
London EC1A 7BL

## AUDITORS

**Crowe U.K. LLP**

Chartered Accountants & Statutory Auditors  
Riverside House  
40-46 High Street  
Maidstone  
Kent ME14 1JH

## LEGAL ADVISERS TO THE COMPANY

**Cripps LLP**

Number 22  
Mount Ephraim  
Tunbridge Wells  
Kent TN4 8AS

## REGISTRARS

**Link Group**

Unit 10  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

## EQUITY CROWDFUNDING PLATFORM

**Seedrs Limited**

Churchill House  
142-146 Old Street  
London EC1V 9BW



# Expected timetable of principal events

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**Publication of this Document** 4 June 2021

**Final Acceptance Date** 23 July 2021

**Admission and dealings in Placing Shares and Crowdfunding Shares expected to commence on AQSE** 30 July 2021

**Expected Date for CREST stock accounts to be credited for Placing Shares and Crowdfunding Shares to be held in uncertificated form** 30 July 2021

**Expected date for posting of share certificates for Placing Shares and Crowdfunding Shares to be held in certificated form** 6 August 2021

Note: Each of the times and dates above is subject to change. References to time and date are to time in London, United Kingdom, unless otherwise stated. If it becomes necessary to amend the expected timetable, the Company shall release an announcement via its regulatory information service and provide an updated timetable on its website.

## Statistics

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**Issue Price per New Ordinary Share** £0.595

**Number of Existing Ordinary Shares** 145,799,332

**Number of Placing Shares placed on behalf of the Company** 2,395,792

**Number of Placing Shares as a percentage of the Enlarged Issued Share Capital** 1.52%

**Maximum number of Crowdfunding Shares** 9,160,181

**Maximum number of Crowdfunding Shares as a percentage of the Enlarged Issued Share Capital** 5.82%

**Number of Ordinary Shares in issue following Admission of the New Ordinary Shares** 157,355,305

**Expected market capitalisation of the Company following Admission of the New Ordinary Shares** 93,626,406

**Gross proceeds receivable by the Company from the Placing and Crowdfunding** £6,875,804

**Exchange Rate:** 1.1635

**Prevailing spot rate at the Latest Practicable Date prior to the publication of this Document.**

A man in a grey suit and blue shirt stands in a red arched doorway, holding a glass of champagne. Behind him are wooden wine barrels. A bottle of Chapel Down Brut NV champagne sits on a red step in the foreground.

# AN OPEN INVITATION TO JOIN US

FRAZER THOMPSON CHIEF EXECUTIVE OFFICER

Favourite wine  
CHAPEL DOWN BRUT NV ♥

“The wine that convinced me – 20 years ago –  
to do something very brave.”



# We believe great wine takes time

---

**Almost twenty years ago we set about changing the way people thought about English wines. Forever.**

It took courage and a lot of faith from some enlightened investors and a passionate team of believers. We all knew how good the wines could be. We also knew it would take time. Not only time to grow the fruit and make the wine, but also time to challenge and change perceptions.

Twenty years ago, English wine wasn't on the tips of anyone's tongue. Very few people could believe England had the ability to make great wine. But the team at Chapel Down believed and have never lost faith.

Today a lot of the hard work has been done. The quality of the wines are truly world class and we believe they will only get better. Demand for our wines is growing and we need to make more and would like your help in taking Chapel Down to the next level.

**MAKING GREAT WINE IS A LONG JOURNEY.  
QUALITY CANNOT BE RUSHED.**



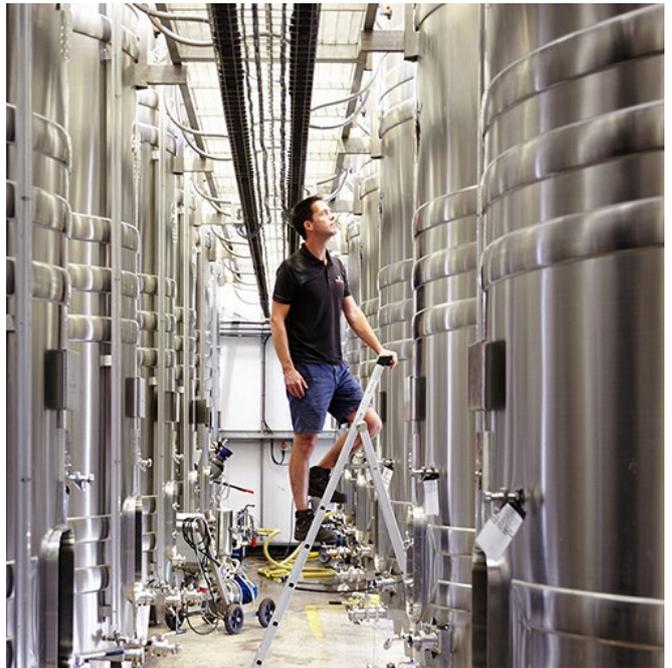
▲ Grapes from our vines at Tenterden are well suited to our cooler climate.



▲ Richard Lewis, Head of Viticulture at the Kit's Coty vineyard.



▲ Jo Arke, Assistant Winemaker surveys the 2020 harvest.



▲ Stainless steel tanks are used to ferment our still and sparkling base wines.

**T**o grow the right fruit you need to find the right land, plant the right vines and nurture them to fruition. It takes experience, viticultural and agricultural expertise and a lot of hard graft. With nature as your partner, it also takes humility and hope. It always takes time – three years from planting to a first useable crop.

To transform the precious fruit into great wine takes investment in a winery with modern winemaking equipment and smart people with experience, scientific rigour, curiosity, passion and integrity. And again, it also takes time.



▲ Oak barrels are employed to add richness and complexity.

**WE'VE INVESTED A LOT OF TIME  
TO PRODUCE GREAT WINE.**



**JOSH DONAGHAY-SPIRE** HEAD WINEMAKER

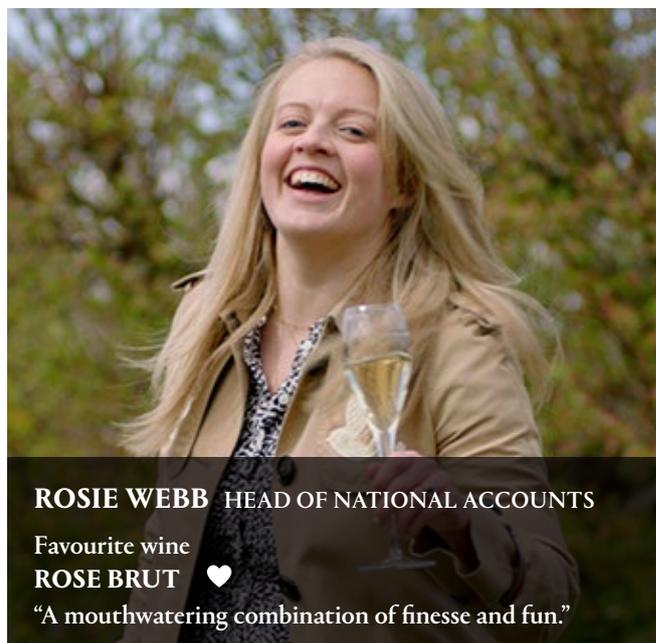
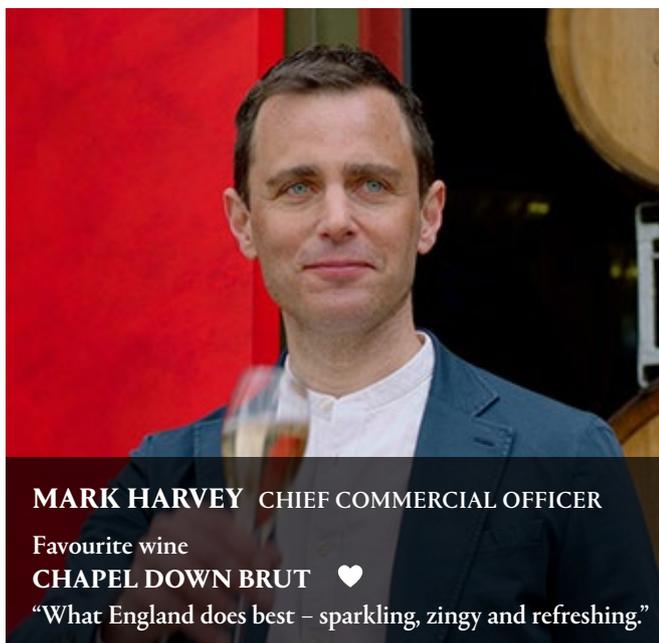
Favourite wine

**KITS COTY BLANC DE BLANCS 2015** ♥

“I’m really proud of this wine. As good as English sparkling wine gets.”



**T**o sell that wine successfully to the world's most sophisticated consumers – who can choose wines from anywhere on earth – takes persuasive people who are relentless, fearless, determined, creative, energetic and commercially astute. And that too takes time and investment.



**Chapel Down have led the embryonic English wine industry by example, both in terms of wine quality and their astute business management.**

**RICHARD BAMPFIELD, MW**



The reward after nearly

# 20 years?



A BRAND THAT LEADS THE  
UK WINE INDUSTRY



A brand that is challenging the  
hegemony of Champagne



A brand served at iconic  
venues and events in the UK  
and around the world



A BRAND THAT WE BELIEVE  
CAN CHANGE THE WAY THE  
WORLD THINKS ABOUT  
ENGLISH WINE FOREVER

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## KEY SPONSORSHIPS AND ASSOCIATIONS

**BOAT RACE**



**DONMAR**



**Ascot** 

**LSO** London  
Symphony  
Orchestra

**ROYAL  
OPERA  
HOUSE**



**JO ARKLE** ASSISTANT WINEMAKER

Favourite wine  
**KITS COTY CHARDONNAY** ♥

“A unique complexity making it an exciting wine to both make and drink.”



# We believe cool climate wine is hot

**A**ll of which has made England rather hot in cool climate wines. We believe cool climate wines, such as those from Champagne and New Zealand are more in tune with today's consumer. English wines are naturally high in refreshing acidity and lower in sugars and alcohol. And they taste great!

Which is very exciting. Because you don't witness the genesis of a new wine region very often. Perhaps once or twice in a lifetime as climates shift and consumer tastes change. So to have one developing now, in a country that not only loves wine and has world class knowledge, but which also has such a rich pedigree in creating great drinks, internationally renowned luxury consumer brands and cutting-edge innovation is a rare opportunity.



**Chapel Down is Britain's premium producer that makes more fine wine than anyone else. The Kit's Coty vineyard is where the magic happens, with the planting on the very fine chalk. The wine is very mellow, has acidity and freshness.**

JOE WADSACK, DRINKS EDITOR AT ITV'S THIS MORNING

In England we are making wines at the very edge of the wine growing world. Whilst that makes our wines more difficult to make, it also makes them rarer, harder to copy, and more distinctive. The chalky terroir, longer growing season and cooler climate we enjoy in the South East of England allows us to make truly world class sparkling wines and increasingly highly rated still white wines too. More and more consumers are discovering the joys of our wines every day.

Demand for English wine is accelerating and Chapel Down is the leading brand. We believe the future has never looked more exciting.

► Kit's Coty Chardonnay is a multi award winning wine.





# Our enthusiasm is shared by others...



## 2019-2020 WINE AWARDS



The very greatest wines in the world have always existed in the margins of viability – not too hot, not too cold – for each particular grape variety. Cool climate wines take this to an exciting extreme.

PETER RICHARDS MW,  
WRITER AND BROADCASTER



Chapel Down is possibly the most exciting and ambitious brand amongst the emerging English Wine category and Walpole, as the sector body for British luxury, is proud to count them as members, alongside established luxury players like Rolls Royce, Burberry and Glenfiddich.

HELEN BROCKLEBANK, CEO, WALPOLE



Chapel Down's Kit's Coty is a wonderful site. 40 hectares (100 acres) of what seems to be a jewel nestled under the rough white chalk brow of the North Downs. I've tasted the Chardonnay. It's simply fuller, riper, more exciting than other Chardonnay from England.

OZ CLARKE'S 'ENGLISH WINES',  
PUBLISHED BY PAVILION 2020



Chapel Down was a pioneer of the new English winemaking scene and it's also one of the largest producers in the country. What's been particularly impressive over the last few years has been its agility. As we know it isn't easy for a wine producer to be agile; processes are slow and require large investments. But we've seen Chapel Down continue to lead trends and, despite its size, push into niche areas and work on quality.

VICTORIA MOORE, WINE WRITER



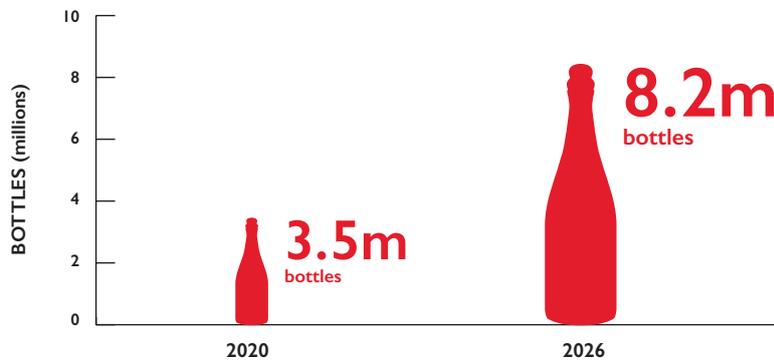
One thing is clear: from small beginnings, Chapel Down today is on course to becoming not just the biggest UK sparkling wine producers but one of the best.

ANTHONY ROSE, WINE WRITER



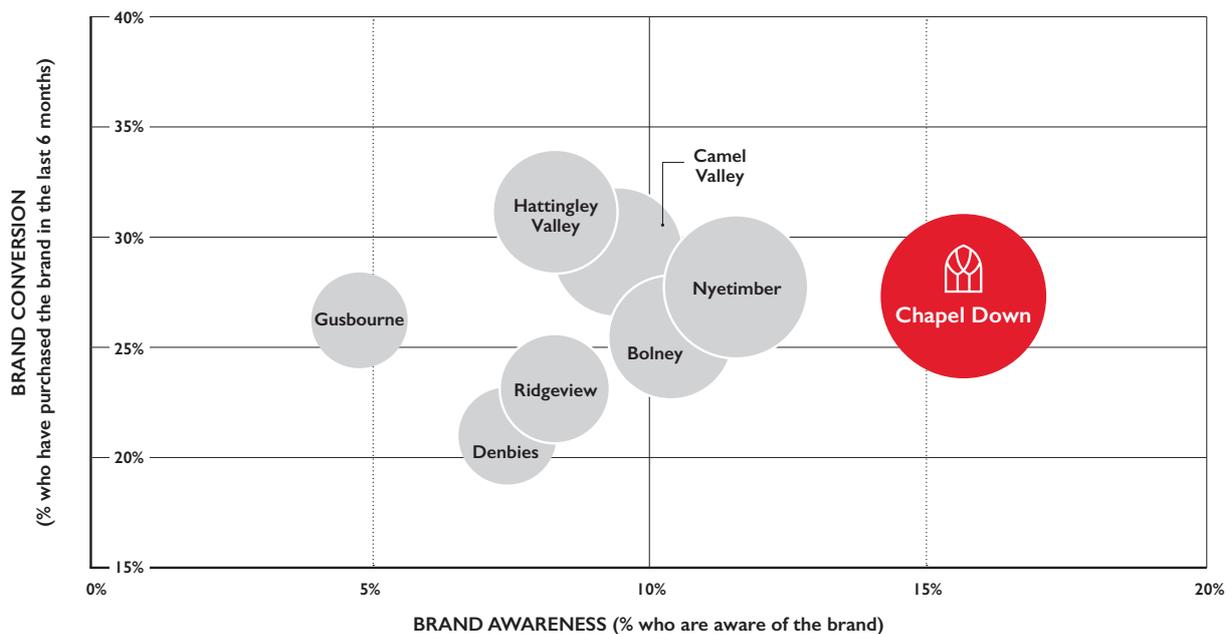
# We believe our future looks brighter than ever

The English sparkling wine industry has grown rapidly and is forecast to hit 8.2 million bottles by 2026...



Source: HMRC, S Skelton estimates, WineGB surveys 2018-20

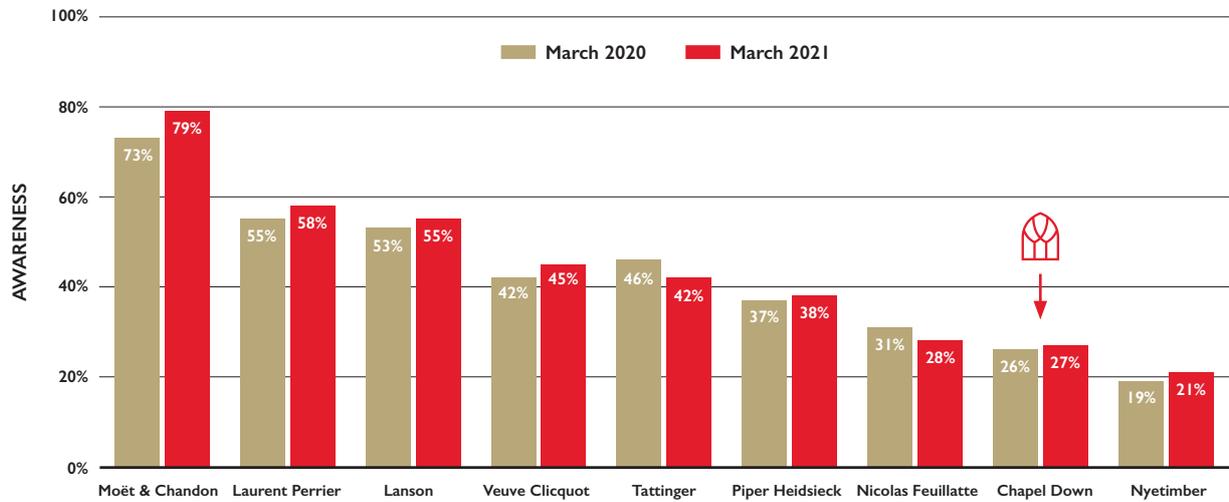
The industry has a handful of brands, but Chapel Down is, by some margin, the most powerful...



Source: Wine Intelligence, Vinitrac® UK, June 2020 (n = 1,000) UK drinkers of sparkling wine who drink sparkling wine once a year:

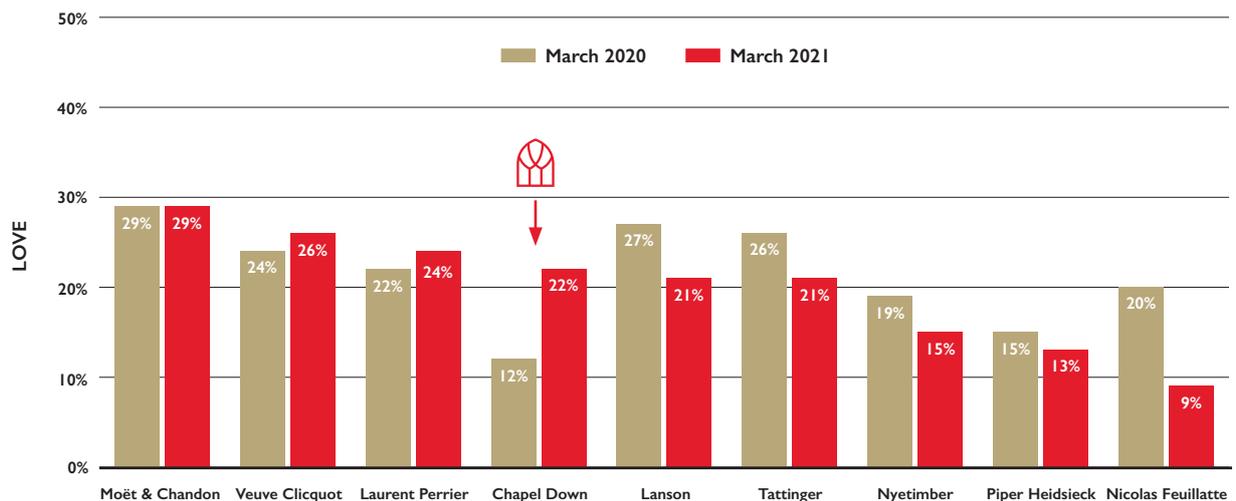


## Indeed, Chapel Down is already nipping at the heels of some long-established and well known Champagne brands...



The awareness of the brands (stated as a percentage of all respondents who don't state 'I do not know this brand').  
Q: When, if ever, have you bought the following brands? (selected aware or ever used)  
Source: BrandVue Drinks, April 2021.

## Consumers love Chapel Down. And the love is growing...



The percentage of people that 'love' a brand (stated as a percentage of all respondents asked).  
Q: How would you describe your opinion of the following brands?  
Source: BrandVue Drinks, April 2021.



In 2020 UK Chapel Down sparkling wine sales increased by 53% whilst Champagne sales in the UK dropped by just under 22% over the same period...

### Sales 2020



**Chapel Down sparkling wine**

Source: Chapel Down.



Source: Les Expéditions de vins de Champagne en 2020.





Despite the trials of Covid we have emerged with a much stronger wine business. Indeed, it was a record year for Chapel Down wines...



GROWING  
REVENUE BY  
**+32%**  
IN 2020



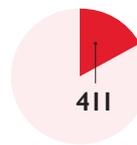
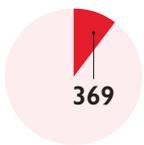
We pivoted our business with explosive growth in e-commerce sales, delivered by new people, systems and processes. We see huge further potential online.

We have built a dominant position in the major retailers for both sparkling and still English wines. Delivering an outstanding +61% volume growth and broadening our industry-leading distribution further...

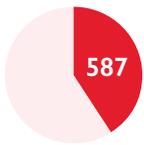
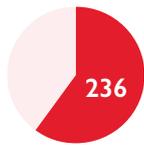


BRUT NV

● Current store presence    ● Growth opportunity



STILL BACCHUS



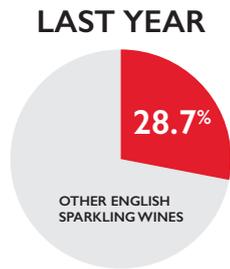
**+61%**  
VOLUME  
GROWTH

Total distribution (number of stores) by wine and retailer.



## Our share is growing...

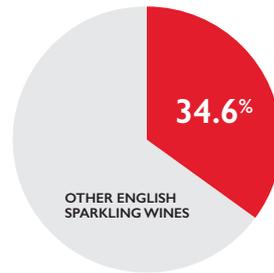
Market share in English sparkling wine (off trade)



£13.0m

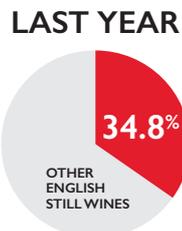
← SIZE OF THE MARKET →

THIS YEAR



£18.6m (+42.8%)

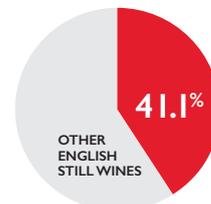
Market share in English still wine (off trade)



£9.7m

← SIZE OF THE MARKET →

THIS YEAR



£11.1m (+14.3%)

Source: Nielsen MAT last 52 weeks to 13 March 2021.

We also have a strong presence across the premium hospitality trade delivered via Matthew Clark and other high quality wholesalers. And we deliver a fantastic customer experience at our own winery at Tenterden...

LE MANOIR AUX QUAT'SAISONS  
A BELMOND HOTEL  
OXFORDSHIRE

Harrods

REGENT'S PARK  
OPEN AIR  
THEATRE

FORDWICH ARMS

SHERATON  
GRAND  
London Park Lane

EST. 1873  
SI PANCRAS  
RENAISSANCE HOTEL  
LONDON

ASCOT

ROYAL  
OPERA  
HOUSE

THE PIG  
ROOMS &  
KITCHEN GARDEN FOOD

H&F

KIT'S COTY  
Cuvée de Cuvée  
NORTH DOWNS - KENT  
ENGLAND  
2013 J.D.S.

HEDONISM  
WINES



We believe exports have great potential...



In the UK we are the leading brand of English wine. The industry is starting to see demand for English sparkling wines in many sophisticated international markets. According to WineGB, there are 45 countries to which members claim to be exporting, including USA, Canada, Caribbean, Austria, Switzerland, Sweden, Denmark, Norway, Germany, Portugal, France, Russia, Japan, China, Singapore, Australia, NZ and India.

Source: Wines GB





In the highly crowded gin and vodka market, you need a real point of difference to succeed. At Chapel Down we use our winemaking expertise and our distilled grape skins to create a single vintage spirit. We package it beautifully to make its elegance stand out from the ordinary. Reflecting the delicate flavour profile of the wine varietals, our range of premium spirits include Bacchus Gin, Pinot Noir Gin and Chardonnay Vodka.





# We believe the core business is well positioned for future growth

	2020 (£000's)	Variance %	2019 (£000's)
Turnover	13,294	32%	10,102
Gross Profit	5,149	31%	3,920
Gross Profit %	39%		39%
Operating Profit	911	215%	289
EBITDA	1,608	76%	915

In 2020 administrative expenses were up a modest

 **13%\***

as we invested in brand and marketing to support the



substantial sales growth.

\*net of government grant income.



The core Wines and Spirits business has performed well in 2020...

**£13.3m**  
2020 Revenue

**+32%**  
vs 2019



Total wine volumes were up

**38%** ▲

with growth across the national off trade and the direct to consumer (D2C) channels.



And direct to consumer has grown from 4% to 18% of our business.



2020 operating profits were up

**215%**  
to  
**£0.9m**

In 2020 EBITDA was up

**76%**  
to £1.6m



	Owned	Leased	Contract	Managed	Total
<b>Planted acreage</b>	<b>118</b>	<b>444</b>	<b>206</b>	<b>12</b>	<b>780</b>
Average number of bottles (millions)	0.32	1.20	0.56	0.03	2.11
Land available for planting		150			150
Average number of bottles (millions)	–	0.40	–	–	0.40
<b>Total expected planted acreage</b>	<b>118</b>	<b>594</b>	<b>206</b>	<b>12</b>	<b>930</b>
<b>Total number of bottles (millions)</b>	<b>0.32</b>	<b>1.60</b>	<b>0.56</b>	<b>0.03</b>	<b>2.51</b>



We source our grapes from a total of **780 acres** of planted land



**549 acres** fully productive now.

The remaining

**231 acres**

will be producing crops this year and will all have reached maturity with full cropping levels by 2023.

We intend to use some of the proceeds from this fundraiser to plant

**150 acres** of leased land.

When this reaches maturity in 2026 we would be sourcing from



**930 acres**

which would be expected to produce

**2.5m bottles**



**£23.5m**

OF NET ASSETS INCLUDE:



**64 acres**

freehold of our winery, land, shop and restaurant at Tenterden and

**115 acres**

of freehold land at Kits Coty, with 100 acres of vines.



And following

**3 years**

of high yielding harvests

**£12.0m**

of stock which will enable us to meet future sparkling wine demand.





**CALLUM FINLAYSON** VINEYARD MANAGER

Favourite wine  
**FLINT DRY** ♥

“Dry and fruity. Like me!”



# We believe you can help

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**We want more people to come on the journey with us  
as we embark on the exciting next stage.**

With help from the crowd, some amazing long-term investors and a committed and experienced management team, we believe Chapel Down is in very good shape. It is the leading brand of English wine, with the widest distribution and a trophy cabinet that is a groaning testament to the quality of the wines.

It has been a long and exhilarating journey. Along the way we have converted thousands, made friends and created pilgrims all over the world by building an army of pioneering shareholders, employees and customers who preach the Chapel Down gospel to anyone who has an open mind, an open palate and a love of great wine.

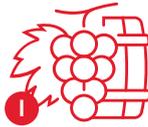
We have always wanted to bring investors on the journey.  
It's been good for everyone.



# Now it is time to help us write the next chapter

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We need to invest in a number of areas to enable us to really drive the brand – and the industry – to even greater acclaim.



## WINERY

**We need to scale up and improve our winemaking capabilities and capacity to make more, even higher quality wine.** That requires us to invest in buildings, facilities, infrastructure and winery equipment to create a world class winery that is sustainable, efficient and capable of meeting our projected needs. Aiming to produce over 3 million bottles per annum by 2026 and with a strong plan beyond.



## VINEYARDS AND FRUIT

**We want to complete the planting of our biggest vineyard on the finest terroir for sparkling wine in England.** A further 150 acres of the very finest North Downs chalk terroir in Kent, capable of producing up to 500,000 extra bottles of premium sparkling wine per annum. In addition, we have a flexible sourcing business model. We source from our own leased and owned land, we manage land, we have long term contracts and we make spot purchases of fruit. Which means we can secure more high quality fruit as and when it becomes available.



## BRAND AWARENESS

**Chapel Down has a great story to tell. It is inspiring. We want to tell more people about our story, and what makes us so much more interesting than others.** Our brand has been built over the last twenty years with real values, real care and real passion and it will continue to be the difference.



## E-COMMERCE

**We need to scale up our e-commerce to even higher standards.** We have come a long way – particularly over the last year – pivoting our business and building an e-commerce offer that is now 18% of our business and growing. We believe we have much further to go to give our consumers a richer, more exclusive and more rewarding experience.



## EXPORT

**We need to invest in selected export markets as the World awakens to the excellence of English sparkling wines.** We believe the opportunity is now significant.



## EXPERIENCES

**We want to give people an experience they will remember forever.** We are already well regarded but we believe we can get better with some extra sizzle. We will try to help our customers to do things you can't do anywhere else. Open eyes, minds, taste buds and views of wine. We want the experience to be a revelation.



▲ The Wine Sanctuary is a stunning setting to host tours and events.



There's no better way to get the best out of a bottle than by visiting the place the grapes are grown and meeting the people who do the work. That's how you get to love and understand wine. Other countries have made themselves experts at this 'Wine Experience'. Now it's our turn and there's no more beautiful country in the world to do it than our own.

OZ CLARKE'S 'ENGLISH WINES',  
PUBLISHED BY PAVILION 2020



The team at Chapel Down are highly entrepreneurial and are well aware of the need to create a visitor experience. Their excellent dining facilities, tasting experiences and tours are high quality, engaging and fun.

DEIRDRE WELLS OBE, CEO OF VISIT KENT



▲ The Swan restaurant holds two AA rosettes and a bib gourmand.



▲ Visitors can discover the winemaking journey from field to glass.



▲ Our fantastic team constantly strive to surprise and delight.





# We believe investing in Chapel Down should be rewarding *and* fun

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## Being part of Chapel Down is a revelation.

It's been a fruitful, enjoyable and mutually beneficial relationship to date.

The brand gets an army of pilgrim investors who want to spread the word wherever they go and the investor gets the potential rewards of the company performance and an outstanding package of discounts.

Those who invested with us 7 years ago have benefitted from a 12% p.a. / 18% p.a. net of EIS %\* return as well as terrific discounts on our wines, experiences and other products too.

**SO WHAT DO YOU GET WHEN YOU INVEST IN CHAPEL DOWN?**

\*The above figure refers to the past, and past performance is not a reliable indicator of future results. Source: Chapel Down Shares Aquis Exchange October 2014-May 2021. Returns calculated are not inclusive of fees, commissions or other charges, which reduce the figure above. **Data is not available for seven full 12 month periods due to the launch date of Chapel Down's first Seedrs Campaign.**

Tax treatment depends on individual circumstances and is subject to change in the future.



## FIRSTLY...

...you get a great team working for you, motivated to produce results because we have significant skin in the game. The shares you can buy are the same shares that we also own.



### MARTIN GLENN

#### *Non-Executive Chairman*

Chapel Down Group Chairman since 2020. Chairman of the Football Foundation. NED Foneri. Formerly CEO of Football Association, CEO United Biscuits, CEO PepsiCo UK/Ire.



### SELINA EMENY

#### *Non-Executive Director*

Board member since 2018. International Group Counsel (Live Nation), General Counsel (Ticketmaster) – Live Nation Entertainment.



### FRAZER THOMPSON

#### *Chief Executive Officer*

Chapel Down Group CEO since 2001. Formerly Global Brand Director Heineken NV and Strategy Director of Whitbread Beer Co.



### NIGEL WRAY

#### *Non-Executive Director*

Board member since 2004. Well known private investor.



### RICHARD WOODHOUSE

#### *Chief Financial Officer*

Chapel Down Group CFO joined 2004. Formerly of Price Waterhouse and Head of Decision Support at NatWest Retail Bank.



### JAMIE BROOKE

#### *Non-Executive Director*

Board member since 2013. Partner at Hanover Investors Management. Formerly Fund Manager at Henderson Global Investors and Lombard Odier Investment Managers.



### MARK HARVEY

#### *Chief Commercial Officer*

Chapel Down Group CCO joined 2015. Formerly Business Development Director at Moët Hennessy and other senior positions within the LVMH Group.



### STEWART GILLILAND

#### *Non-Executive Director*

Board Member since 2021. Chairman C&C Group, NED Tesco plc and Natures Way Foods.



### SAMANTHA WREN

#### *Non-Executive Director*

Board member since 2018. CEO of IPGL Limited, and Audit Chair of the City of London Investment Trust plc.

It's a team that is motivated to grow shareholder value, as it has done since the last time we asked the crowd for its help.



## SECONDLY...

**...you get an investment in an ambitious brand in the wine business.**

- ✓ That has solid tangible assets
- ✓ That has grown sales at 17% CAGR since 2010
- ✓ That has grown revenue by 32% in 2020
- ✓ That has grown operating profit by 215% in 2020
- ✓ That is the category leader with our customers
- ✓ That is the brand leader with consumers
- ✓ That we believe can create a sparkling wine brand that's bigger than the largest Champagne brand in the UK
- ✓ That has the potential to generate substantial exports and create exciting new jobs across the South East

▶ Three Graces – if you enjoy a vintage Champagne, then this is the sparkling wine for you.



**It is really important for us to back a UK wine producer but especially one where the quality of the product is high together with a brand we want to be associated with.**

**SAM SMITH, CEO, FINNCAP**



## THIRDLY...

...you get exclusive and fantastic shareholder benefits. 365 days a year.



500-1,999  
SHARES



2,000-9,999  
SHARES



10,000+  
SHARES

	SILVER BENEFITS 500-1,999 SHARES	GOLD BENEFITS 2,000-9,999 SHARES	PLATINUM BENEFITS 10,000+ SHARES
<b>Annual</b> 25% off voucher	✓	●	●
<b>Early access</b> to new vintages	✓	✓	✓
<b>Annual</b> guided tour for two people (2022 onwards)	●	✓	✓
<b>Ongoing</b> 33% off wines	●	✓	✓
<b>Ongoing</b> 10% off spirits	●	✓	✓
<b>Ongoing</b> 10% off Great Minds Drink Alike wines	●	✓	✓
<b>Ongoing</b> 33% off vine lease schemes	●	✓	✓
<b>Ongoing</b> 10% off virtual tasting packages	●	✓	✓
<b>Ongoing</b> 25% food discount at The Swan, 4 people	●	✓	✓
<b>Ongoing</b> 25% discount on food & gifts at the Winery Shop	●	✓	✓
<b>One off</b> bottle of limited edition sparkling wine	●	●	✓
<b>One off</b> virtual event, including wine tasting	●	●	✓

### Terms and Conditions

Percentage discounts are applied to the full retail price of the individual product or mixed case and are not in conjunction with any other offer or discount.

The annual complimentary guided tour benefit will commence in 2022. Guided Tour bookings are subject to availability and by advance booking only.

The one-off benefits applicable to Platinum shareholders will be timed at the discretion of the Company, shareholders will be given min. 30 days' notice.

Shareholder benefits are exclusive to the named shareholder and cannot be transferred to friends or family.

Benefits can be subject to change at short notice.

Please visit our website for a full list of terms and conditions associated with shareholder benefits and more information on how benefits can be redeemed once the fundraising is complete.



# How do I invest?



**JOIN US**  
**IT'S A**  
**REVELATION**



In order to complete your investment, you'll need to create an account on Seedrs and answer a few simple questions to verify your identity and ensure you understand the risks of investing (if you already have an authorised investment account on Seedrs then you'll be able to invest straight away!).

**Don't worry, it only takes a few minutes!**

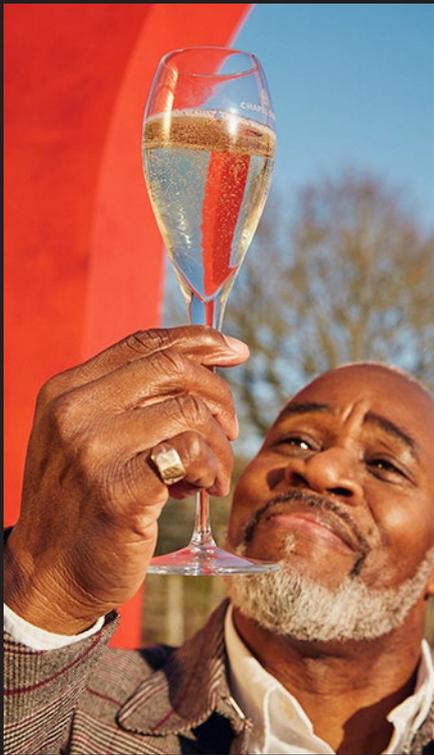
If you have any questions, feel free to contact Seedrs directly on [support@seedrs.com](mailto:support@seedrs.com)



**IT'S EASY! CLICK HERE**

Existing Chapel Down shareholders will have exclusive early access to the campaign by creating a Seedrs account using the email address they have previously supplied to Chapel Down for the purposes of their existing shareholding and any associated shareholder benefits. Shareholders who hold their shares through Seedrs will have access through their existing Seedrs account and will be contacted by Seedrs about their investment.

Potential investors are encouraged to pre-register on the Seedrs website now in order to be granted exclusive access to invest between 9 and 14 June. After this point remaining opportunities to invest will be available to all.





PART II

TERMS AND  
CONDITIONS  
OF THE  
PLACING AND  
CROWDFUNDING



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# I. INFORMATION ON THE PLACING AND THE CROWDFUNDING

## I.1 INTRODUCTION

The Company has announced today its intention to carry out a Placing by way of a non pre-emptive share issue either under the Directors' existing authorities granted at its last annual general meeting on 30 June 2020 (see paragraph 1.3.3 of Part V below) or any subsequent authorities. It has also been announced that the Company is proposing to carry out a further fundraising by way of Crowdfunding pursuant to these same authorities.

The Directors believe that the Placing and the Crowdfunding offer institutional investors, Existing Shareholders and new Applicants who are Authorised, the opportunity to invest on the same terms in the future of the Company.

The Directors have considered the impact of the fundraising on Existing Shareholders and concluded that the potential long term value creation benefit to Shareholders arising from the application of the net proceeds, outweighs the dilutive effects of the Placing and the Crowdfunding.

## I.2 PRINCIPAL TERMS OF THE PLACING

In accordance with the terms of the Placing, the Company has irrevocably agreed to place the Placing Shares at the Issue Price to raise approximately £1.426 million, conditional on the Company achieving the minimum target of the Crowdfunding.

The Placing Shares are not part of the Crowdfunding though the amount raised pursuant to the Placing will be specifically identified in the total amount raised by the Company on the Platform.

## I.3 PRINCIPAL TERMS OF THE CROWDFUNDING

The Board considers it important that Existing Shareholders have the opportunity to participate in the Offer, but also that the Company attracts new Shareholders in order to develop the business, raise the Company's profile and attract new customers. The Board believes that Shareholders are excellent customers who greatly assist in the expansion of the Group.

The Directors have concluded that the Crowdfunding is the most suitable option available to the Company. The Crowdfunding provides an opportunity for all Existing Shareholders who are Authorised to participate in the fundraising, as well as to attract investment from new Applicants.

The Crowdfunding is being carried out by Seedrs, which the Directors have concluded to be a suitable provider of an equity crowdfunding platform and which is authorised by the FCA in respect of the services it provides on the Platform.

Pursuant to the Crowdfunding, Existing Shareholders and new Applicants, in each case who are Authorised, will be given the opportunity to subscribe for Crowdfunding Shares at the Issue Price.

The Crowdfunding is conditional upon the receipt of Applications from Applicants by the Final Acceptance Date for such number of Crowdfunding Shares which, when combined with the Placing Shares issued pursuant to the Placing (such Placing Shares to be identified on the Platform), represent a minimum aggregate amount of 5,042,017 New Ordinary Shares, raising a minimum of £3 million for the Company, before expenses.

If this condition is not satisfied, the Crowdfunding will not be completed. If this happens, any applications made by Applicants will be rejected and monies received by Seedrs will be returned to the Applicants.

All monies received by Seedrs in respect of the Crowdfunding Shares will be placed on deposit in a non-interest bearing, segregated client account.

The full terms of the Crowdfunding and associated risk warnings are set out on the Seedrs platform.

## I.4 THE ISSUE PRICE

The Issue Price of £0.595 is the trading price of the Ordinary Shares on the Latest Practicable Date.



## 1.5 THE PLACING SHARES AND THE CROWDFUNDING SHARES

The Placing Shares and the Crowdfunding Shares will be issued credited as fully paid, having the rights attached to them under the Articles and ranking pari passu in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

The Placing Shares and the Crowdfunding Shares will be issued under the Board's existing authorities (please refer to paragraph 1.3.3 of Part V of this Document) or any subsequent authorities.

Subject to paragraph 2.2 of this Part II, application will be made for the Placing Shares and the Crowdfunding Shares to be admitted to AQSE and it is anticipated that Admission will occur no later than 30 July 2021.

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## 2. MINIMUM SUBSCRIPTION AND MAXIMUM SUBSCRIPTION

### 2.1 MAXIMUM AMOUNT

The maximum amount that the Company will raise pursuant to the Placing and the Crowdfunding is EUR7,999,999 (or the sterling equivalent of that amount on the Latest Practicable Date).

### 2.2 MINIMUM AMOUNT IN RESPECT OF THE CROWDFUNDING

The Board has concluded that the minimum amount that the Company wishes to raise by way of the Crowdfunding is £3 million.

The Seedrs Platform works on an all or nothing basis, which means that if the Company does not achieve the minimum target of the Crowdfunding before the Final Acceptance Date, then the Crowdfunding will not be completed, any applications made by Applicants will be rejected and monies received by Seedrs will be returned to the Applicants. Applications can be revoked by Applicants up until the Final Acceptance Date.

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## 3. CROWDFUNDING PROCEDURE, AUTHORISATION APPLICATION, CONDITIONS, PAYMENT AND KNOW YOUR CLIENT CHECKS

Any Applicant who wishes to submit an Application must do so through the Platform.

In order to complete your Application, you'll need to create an account on the Platform and answer a few questions to verify your identity and ensure you understand the risks of investing. If you already have an authorised investment account on the Platform, you'll be able to invest straight away. Once you are able to access the Crowdfunding campaign on the Platform, you should follow Seedrs' instructions on how to complete your Application.

If you have any questions, feel free to contact Seedrs directly at [support@seedrs.com](mailto:support@seedrs.com).

### PRIORITY PERIODS

1. Existing Shareholders\* shall have a period of 5 calendar days from and including the date of publication of this Document, up to 9.00am on 9 June 2021 (**Priority Period**) in which they will be able to make an Application.
2. Applicants that are not Existing Shareholders shall be able to register their interest in making an Application during the Priority Period, but, for the avoidance of doubt, shall not be able to make an Application during the Priority Period.
3. Applicants that are not Existing Shareholders that have registered their interest in making an Application during the Priority Period shall have a period of 5 calendar days commencing at 9.00am on 9 June 2021, in which to complete their Application (**Advanced Application Period**). The Advanced Application Period shall continue up to 9.00am on 14 June 2021.

\* Please note that Seedrs Nominees is an Existing Shareholder and will communicate with Existing Beneficial Holders during the Priority Period to establish whether or not they wish to make an Application.



4. Upon expiry of the Advanced Application Period, Applications shall be open to all Applicants, subject to applications being made during the Priority Period and Advanced Application Period not exceeding the amount of Crowdfunding Shares which may be applied for.

## **PAYMENT AND KYC**

In order to complete your Application, you will be directed to the payment screen where you must pay for your investment. Please follow Seedrs' instructions on the Platform. Payment must be made from your Seedrs account, and you can add funds to your Seedrs account by either a debit card or a bank transfer. Please note that Seedrs must run a "know your client" check on you prior to accepting funds into your Seedrs account and this will be done using a third party service provider. In the event that the third party provider cannot automatically verify your identity then Seedrs may have to request further information in order to complete the necessary identity checks.

Please note that you will be charged an investment fee of 1% on your investment by Seedrs, such fee to be capped at a maximum amount payable of £250. Payment of this fee will be made at the same time as you make payment for your investment.

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# **4. ADMISSION, SETTLEMENT AND CREST**

## **4.1. ADMISSION**

Application will be made to the AQSE Growth Market for the New Ordinary Shares to be admitted to trading on the AQSE Growth Market.

It is expected that Admission will occur and trading in the New Ordinary Shares will commence no later than 9.00am on 30 July 2021.

The New Ordinary Shares will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the date of this Document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

## **4.2 SETTLEMENT AND CREST**

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Existing Ordinary Shares are already admitted to CREST and the Placing Shares are also eligible for settlement in CREST. CREST is a voluntary system and Placees who wish to retain certificates will be able to do so upon request. The Placing Shares due to uncertificated holders are expected to be delivered in CREST on 30 July 2021.

The Crowdfunding Shares will not be automatically eligible for settlement in CREST. Existing Shareholders and Applicants, who are Authorised, and who have submitted an Application and deposited funds with Seedrs to cover such Application, will enter into an Investment Agreement with Seedrs Nominees pursuant to which Seedrs Nominees will hold the Crowdfunding Shares as legal owner and nominee for Existing Shareholders and Applicants who shall in turn hold the Beneficial Interest.

Seedrs Nominees will hold such Crowdfunding Shares with IG, although an alternative broker may be appointed in the event that the terms of such brokerage arrangement become uncommercial. In the event that a Beneficial Holder wishes to sell the Crowdfunding Shares in which they have a Beneficial Interest on the AQSE Growth Market, the Beneficial Holder must notify Seedrs which will then instruct IG (or the alternative broker) to sell the legal title to and the Beneficial Interest in the relevant Crowdfunding Shares. Any proceeds from such sale shall be transferred by IG (or the alternative broker) to Seedrs (less any brokerage fees or expenses), whereby Seedrs will then transfer such proceeds to the relevant Beneficial Holder (less a fee equal to 7.5% of the appreciation of such Crowdfunding Shares since issuance).

Seedrs may also facilitate the sale or transfer of the Beneficial Interest in Crowdfunding Shares by way of a private sale which does not take place on the AQSE Growth Market, provided the legal ownership of the Crowdfunding Shares continues to be held by Seedrs Nominees under the nominee structure. Further details can be obtained from Seedrs.



#### 4.2.1 SPECIAL CONDITIONS FOR EXISTING SHAREHOLDERS WHO ARE AUTHORISED

Existing Shareholders who wish to participate in the Crowdfunding must be Authorised and must invest via the Platform in accordance with the instructions contained in paragraph 3 of this Part II pursuant to which Seedrs Nominees will hold the legal title to the relevant Crowdfunding Shares and the Existing Shareholder who is Authorised, will hold the Beneficial Interest.

Existing Shareholders who are Authorised and who have acquired a Beneficial Interest, have two options in respect of that Beneficial Interest:

##### 4.2.1.1

the Existing Shareholder may continue to hold (and/or transfer) the Beneficial Interest pursuant to the nominee arrangement described above; or

##### 4.2.1.2

the Existing Shareholder may instruct Seedrs to procure that the legal title to the Crowdfunding Shares held by Seedrs Nominees with respect to such Existing Shareholder's Beneficial Interest is transferred directly to the Existing Shareholder (or their own nominee). Existing Shareholders will have 30 days from the date on which the Crowdfunding Shares are issued to make this request. Seedrs will charge a fee for making this transfer (this consists of a broker transfer fee/admin fee which shall be payable by the relevant Existing Shareholder). Requests to transfer can not be done after this 30 day period. For the avoidance of doubt, Applicants who are not Existing Shareholders, who acquire a Beneficial Interest, may not request a transfer from Seedrs Nominees as described in this paragraph.

► Our love affair for the Bacchus grape varietal continues with Bacchus 2020 'with a touch of sparkle'.





PART III

# RISK FACTORS



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## I. COVID-19 PANDEMIC AND FUTURE PANDEMICS

The COVID-19 pandemic has had, and is expected to continue to have, a significant impact on the Group's business, financial condition, results of operations and prospects.

There remains widespread concern about the global COVID-19 pandemic. The outbreak has had, and continues to have, an unprecedented impact on the global economy as the respective levels of government have reacted to this public health crisis, which has created significant ongoing uncertainties. Consumer fear about becoming ill with the virus and recommendations and/or mandates from authorities to avoid large gatherings of people or to self-quarantine are likely to continue in the short to medium term (and potentially longer). These measures have already significantly affected, and may continue to affect, the Group's operations and economic activity generally.

The outbreak has caused, and continues to cause, major disruption to the travel, tourism and hospitality sectors.

Whilst a vaccination programme has been commenced, there can be no certainty that a steady supply of vaccines will remain available in these jurisdictions, or that they will be effective in curtailing the impact of the pandemic on public health and/or the global economy, or offer protection against potential new variants of the virus.

The full impact of the COVID-19 pandemic will depend on a number of factors, such as the duration of the pandemic, the severity of any current infection rates and subsequent waves of infection, government initiatives to limit the spread of the virus, the length of time it takes to effectively vaccinate the general population and the extent of macroeconomic measures introduced by authorities in response. The effectiveness of macroeconomic measures (including government stimulus packages, business rates holidays, VAT concessions on food and non-alcoholic drink and measures introduced by central banks) will also influence the impact that the COVID-19 pandemic will have on the economy, customer behaviour and ultimately the Group.

The overall extent of the impact of the pandemic on the Group's business, results of operations, financial condition or prospects will depend largely on future developments, including the duration of the pandemic, the impact on capital and financial markets and the related impact on consumer behaviour, all of which are highly uncertain and cannot be predicted. However, further restrictions on travel, national lockdowns and changes in consumer behaviour are likely to continue for some time, and are expected to continue to have a material adverse effect on the Group's financial performance in the current financial year and beyond. This situation continues to change, and additional impacts may arise of which the Group is not currently aware.

Future pandemics cannot be ruled out, which, if they were to occur, may affect the Group's business in a manner similar to the COVID-19 pandemic, which may have a significant impact on the Group's business, financial condition, results of operations and prospects.

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## 2. FURTHER EQUITY ISSUES

The Company may choose to raise further equity funds in the future to fund its development over the coming years, through the issue of additional Ordinary Shares. Such funding may not be achieved and additional share issues may have a dilutive effect on existing shareholdings.



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## 3. RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON THE AQSE GROWTH MARKET

### 3.1. INVESTMENT IN UNLISTED SECURITIES

Investment in shares traded on the AQSE Growth Market is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List of the London Stock Exchange or the AIM Market of the London Stock Exchange.

An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

### 3.2. SUITABILITY

An investment in the Ordinary Shares may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised under FSMA or that act's equivalent in another jurisdiction before making their decision.

### 3.3. SHARE PRICE VOLATILITY AND LIQUIDITY

The share price of publicly quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its sphere of activity and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

### 3.4. MARKET RISKS

Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the AQSE Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of AQSE.

**The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.**

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## 4. RISK FACTORS RELATING TO THE BUSINESS

### 4.1. CLIMATE

The Directors believe that climatic conditions in the South of England are generally favourable to the growing of grapes used in sparkling wine and aromatic light wine production. However grape yields can be affected by certain adverse weather patterns such as late frosts and wet and windy weather during the flowering period. The risk for the Business is the impact of adverse unfavourable weather patterns on the production of grapes. Please also refer to paragraph 4.3 (**Crop disease**) below.

### 4.2. COMPETITION

With the continuing growth in vineyard plantings in the South of England, the supply of English wines are likely to continue to increase significantly with increased competition from other suppliers. This may adversely affect retail prices and the assumed levels of pricing in the Company's development strategy may not be achieved, adversely affecting the Company's financial performance. The industry may also face stronger competition from similar overseas products, which could also adversely affect the retail prices of its product.



### 4.3. CROP DISEASE

Commercial viticulture is a farming system prone to disease pressures. The relatively cool climate of the UK can exacerbate these pressures. While there is no significant pressure from fatal diseases threatening vine growing in the UK at present, there are certain diseases which may reduce yield under adverse climatic circumstances. However these risks can be minimised through good husbandry, increased use of technology and contemporary vineyard management practices. Please also refer to paragraph 4.1.

### 4.4. MANAGEMENT

The Company relies on a motivated, committed and high quality management team to drive the Business. The loss of the services of any of these key people could have a material adverse effect on the Business.

### 4.5. POLITICAL

The demand for wine and spirits could be adversely impacted by any increase in duties and taxes on the products that the Group sells, which could adversely affect the Business.

### 4.6. SOCIAL CHANGE

The demand for wine and spirits could be adversely affected by the social acceptability of alcoholic drinks, generally combined with further medical evidence of the adverse health impacts. This could adversely affect the Business.

### 4.7. LITIGATION RISKS

All industries, including the wine industry, are subject to legal claims, with and without merit. The Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's financial position or results of operations.

### 4.8. RELIANCE ON KEY CUSTOMERS

All wine brands are, to some degree, reliant on a relatively small number of key customers. Accordingly, if such brands lose one of these customers, there could be an adverse effect on its performance in the short term.

### 4.9. DISCOUNT RIGHTS MAY BE WITHDRAWN

The Discount Rights offered to Shareholders are offered at the discretion of the Directors and may be subject to change or may be withdrawn entirely.

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## 5. TAXATION

### 5.1. TAXATION RISK

Any change in the Group's tax status or the tax applicable to a holding of Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Group, affect the Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. The taxation of an investment in the Company depends on the individual circumstances of investors.

**It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.**

**If any of the risks referred to in this Part III crystallise, Chapel Down's Business, financial condition, results or future operations could all be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.**



PART IV

FINANCIAL  
INFORMATION



## Like for like comparison of continuing Chapel Down wines and spirits operations

	2019 (£)	2020 (£)	+/- %
<b>Turnover</b>	<b>10,101,977</b>	<b>13,294,295</b>	<b>+32%</b>
Cost of Sales	(6,182,174)	(8,144,800)	+32%
<b>Gross Profit</b>	<b>3,919,803</b>	<b>5,149,495</b>	<b>+30%</b>
Admin expenses	(3,588,582)	(4,198,337)	+17%
Share based payment charge	(42,532)	(40,434)	-5%
<b>Operating Profit</b>	<b>288,689</b>	<b>910,724</b>	<b>+215%</b>
Government Grant Income	-	161,017	-
Interest receivable	18,842	4,736	+75%
Interest payable & expenses	-	(121,647)	-
<b>Profit before tax</b>	<b>307,531</b>	<b>954,830</b>	<b>+210%</b>
Tax	(157,906)	(99,431)	
<b>Profit for Year</b>	<b>465,437</b>	<b>855,399</b>	<b>+84%</b>
<b>Adjusted performance measures</b>			
Operating Profit	288,689	910,724	215%
Share based payment	42,532	40,434	-5%
Depreciation and Amortisation	583,377	657,222	+13%
Exceptional Costs	-	-	-
<b>EBITDA (ex share based payment)</b>	<b>914,598</b>	<b>1,608,380</b>	<b>+76%</b>



# Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER

	2020 (£)			2019 (£)			
	Continuing operations	Curious Drinks Limited continuing operations	Total	Continuing operations	Curious Drinks Limited continuing operations	Gin works discontinued operations	Total
<b>Turnover</b>	13,294,295	2,265,053	<b>15,559,348</b>	10,101,977	4,698,592	1,311,368	<b>16,111,937</b>
Cost of sales	(8,144,800)	(1,813,956)	<b>(9,958,756)</b>	(6,182,174)	(3,267,275)	(303,288)	<b>(9,752,737)</b>
<b>Gross Profit</b>	<b>5,149,495</b>	<b>451,097</b>	<b>5,600,592</b>	<b>3,919,803</b>	<b>1,431,317</b>	<b>1,008,080</b>	<b>6,359,200</b>
Administrative expenses	(4,198,337)	(2,717,164)	<b>(6,915,501)</b>	(3,588,582)	(3,617,250)	(1,952,361)	<b>(9,158,193)</b>
Share based payment charge	(40,434)	–	<b>(40,434)</b>	(42,532)	–	–	<b>(42,532)</b>
Exceptional costs	–	(6,677,409)	<b>(6,677,409)</b>	–	–	(1,247,237)	<b>(1,247,237)</b>
<b>Operating Profit/(loss)</b>	<b>910,724</b>	<b>(8,943,476)</b>	<b>(8,032,752)</b>	<b>288,689</b>	<b>(2,185,933)</b>	<b>(2,191,518)</b>	<b>(4,088,762)</b>
Government Grant Income	161,017	384,357	<b>545,374</b>	–	–	–	–
Interest receivable and similar income	4,736	952	<b>5,688</b>	18,842	3,739	–	<b>22,581</b>
Interest payable and expenses	(121,647)	(256,804)	<b>(378,451)</b>	–	(218,910)	–	<b>(218,910)</b>
<b>Loss before taxation</b>	<b>954,830</b>	<b>(8,814,971)</b>	<b>(7,860,141)</b>	<b>307,531</b>	<b>(2,401,104)</b>	<b>(2,191,518)</b>	<b>(4,285,091)</b>
Tax on loss	(99,431)	–	<b>(99,431)</b>	157,906	–	–	<b>157,906</b>
<b>Loss for the financial year</b>	<b>855,399</b>	<b>(8,814,971)</b>	<b>(7,959,572)</b>	<b>465,437</b>	<b>(2,401,104)</b>	<b>(2,191,518)</b>	<b>(4,127,185)</b>
<b>Loss for the year attributable to:</b>							
Non-controlling interests	–	(5,159,569)	<b>(5,159,569)</b>	–	(1,477,053)	–	<b>(1,477,053)</b>
Owners of the parent company	855,399	(3,655,402)	<b>(2,800,003)</b>	465,437	(924,051)	(2,191,518)	<b>(2,650,132)</b>
	<b>855,399</b>	<b>(8,814,971)</b>	<b>(7,959,572)</b>	<b>465,437</b>	<b>(2,401,104)</b>	<b>(2,191,518)</b>	<b>(4,127,185)</b>
<b>Adjusted performance measures</b>							
Operating loss	910,724	(8,943,476)	<b>(8,032,752)</b>	288,689	(2,185,933)	(2,191,518)	<b>(4,088,762)</b>
Share based payment	40,434	–	<b>40,434</b>	42,532	–	–	<b>42,532</b>
Depreciation and Amortisation	657,222	637,180	<b>1,294,402</b>	583,377	409,761	569,808	<b>1,562,946</b>
Exceptional costs	–	6,677,409	<b>6,677,409</b>	–	–	1,247,237	<b>1,247,237</b>
EBITDA excluding share based payment	1,608,380	(1,628,887)	<b>(20,507)</b>	914,598	(1,776,172)	(374,474)	<b>(1,236,048)</b>



# Consolidated balance sheet

FOR THE YEAR ENDED 31 DECEMBER

	2020 (£)	2019 (£)
<b>Fixed assets</b>		
Intangible assets	31,815	108,712
Tangible assets	21,054,657	27,578,539
	<b>21,086,472</b>	<b>27,687,251</b>
<b>Current assets</b>		
Stocks	12,028,863	10,719,361
Debtors: amounts falling due within one year	2,987,696	3,368,387
Cash at bank and in hand	4,860,611	2,473,457
	19,877,170	16,561,205
Creditors: amounts falling due within one year	(6,767,941)	(12,755,963)
<b>Net current assets</b>	<b>13,109,229</b>	<b>3,805,242</b>
<b>Total assets less current liabilities</b>	<b>34,195,701</b>	<b>31,492,493</b>
Creditors: amounts falling due after more than one year	(10,397,153)	(17,934)
<b>Provisions for liabilities</b>		
Deferred tax	(286,103)	(111,527)
<b>Net assets</b>	<b>23,512,445</b>	<b>31,363,032</b>
<b>Capital and reserves</b>		
Called up share capital	7,226,837	7,211,129
Share premium account	26,158,571	26,105,728
Revaluation reserve	1,028,759	1,067,390
Capital redemption reserve	400	400
Profit and loss reserve	(4,010,576)	(1,289,638)
Equity attributable to owners of the parent company	<b>30,403,991</b>	33,095,009
Non-controlling interests	(6,891,546)	(1,731,977)
<b>Shareholders' funds</b>	<b>23,512,445</b>	<b>31,363,032</b>



# Consolidated cash flow statement

FOR THE YEAR ENDED 31 DECEMBER

	2020 (£)	2019 (£)
<b>Cash flows from operating activities</b>		
Loss for the financial year	(7,959,572)	(4,127,185)
<b>Adjustments for:</b>		
Amortisation of intangible assets	21,203	17,668
Impairments of intangible assets	91,044	–
Depreciation of tangible assets	1,273,201	1,545,278
Impairments of fixed assets	6,586,362	1,347,564
Loss on disposal of tangible assets	19,964	2,011
Share based payment	40,434	42,532
Interest paid	378,451	218,910
Interest received	(5,688)	(22,581)
Taxation charge	99,431	(157,906)
(Increase) in stocks	(1,309,502)	(3,039,659)
Decrease in debtors	380,691	242,371
Increase/(decrease) in creditors	(539,046)	1,153,084
Corporation tax (paid)	–	(85,214)
<b>Net cash generated from operating activities</b>	<b>(923,027)</b>	<b>(2,863,127)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(35,350)	–
Purchase of tangible fixed assets	(1,355,643)	(11,981,602)
Sale of tangible fixed assets	–	23,750
Interest received	5,688	22,581
<b>Net cash from investing activities</b>	<b>(1,385,306)</b>	<b>(11,935,271)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	68,551	430,855
New secured loans	5,000,000	4,230,000
Repayment of loans	(261,693)	–
Interest paid	(111,371)	(218,910)
<b>Net cash used in financing activities</b>	<b>4,695,487</b>	<b>4,441,945</b>
<b>Net decrease in cash and cash equivalents</b>	<b>2,387,154</b>	<b>(10,356,453)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,473,457</b>	<b>12,829,910</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,860,611</b>	<b>2,473,457</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,860,611	2,473,457



PART V

# ADDITIONAL INFORMATION



# I. CHAPEL DOWN GROUP PLC

## I.1. INCORPORATION

The Company was incorporated in England and Wales on 28 January 2002 with registered number 04362181 as a public limited company with limited liability under the Act.

## I.2. SUBSIDIARIES

### I.2.1

The Company has three subsidiaries: English Wines PLC and Chapel Down Group Limited, both of which are wholly owned, and Curious Drinks Limited, in which the Company holds 99.3% of the voting rights and 50% of the capital rights on a distribution.

### I.2.2

On 23 April 2021, the business and assets of Curious Drinks Limited were sold to a company established at the direction of Risk Capital Partners LLP. For further details, please refer to the 2020 Annual Report, which is available at [www.chapeldown.com](http://www.chapeldown.com).

## I.3. SHARE CAPITAL AND INTERESTS

### I.3.1

The issued share capital of the Company as at the date of this Document is set out below:

	ISSUED
Ordinary Shares	145,799,332
A1 Shares	14,322,158
A2 Shares	3,800,000

### I.3.2

Save for (1) the grant of options under appropriate share option schemes to be developed to incentivise senior employees and (2) the Growth Shares (in each case, as further described in paragraph 3 of this Part V of this Document), no capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to either be put under option or made available for issue.

### I.3.3

The Company passed resolutions at its annual general meeting on 30 June 2020 including:

#### I.3.3.1 RESOLUTION 1

that in substitution for all existing authorities for the allotment of shares by the Directors, which are hereby revoked, but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities") up to an aggregate nominal amount of £3,750,000 generally, in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant securities to be allotted after such expiry, variation or revocation and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked;

#### I.3.3.2 RESOLUTION 2

that the Directors be and are hereby empowered pursuant to section 570 of the Act, to allot equity securities as defined by section 560 of the Act for cash pursuant to the authority conferred by Resolution 1 above as if section 561 of the Act did not apply to any such allotments. Such power shall, subject to the continuance of the respective authority conferred by the resolution referred to above, expire 15 months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.



## **1.4. THE ARTICLES OF ASSOCIATION**

Set out below is a summary of the key provisions of the Articles which were adopted on 25 June 2018 by the Shareholders in general meeting and amended by the Shareholders in general meeting on 30 June 2020.

Copies of the Articles will be available for inspection at the registered office of the Company at Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of this Document.

### **1.4.1 LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

### **1.4.2 OBJECTS**

In accordance with section 31(1) of the Companies Act 2006 (the Act), the Company's objects are unrestricted.

### **1.4.3 SHARE CAPITAL**

The shares in the capital of the Company are divided into Ordinary Shares, A1 Shares and A2 Shares.

### **1.4.4 DIVIDENDS**

Subject to relevant statutory provisions, the Company may by ordinary resolution declare dividends to be paid to the members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Subject to relevant statutory provisions, the Board may declare and pay interim dividends if justified by the profits available for distribution.

No dividends payable in respect of any Ordinary Share shall bear interest. The Board may, with the prior sanction of an ordinary resolution of the Company, offer the holders of the Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of such dividends.

The Growth Shares are not entitled to receive dividends.

### **1.4.5 RETURN OF CAPITAL**

On a winding up of the Company and subject to any special rights or restrictions attached to any class of shares (including the Growth Shares), the balance of the assets available for distribution shall, after discharge of its liabilities, be distributed amongst holders of shares in proportion to the number of such shares held by them respectively after deducting in respect of any share not fully paid up, the amount remaining unpaid on it (whether or not then payable).

The Growth Shares carry capital rights in the event of a winding up/liquidation of the Company. Please see paragraph 3 of this Part V for summary details in relation to the Growth Shares and please see article 7A of the Articles for detailed rights related to the Growth Shares, including the basis upon which such shares are valued in the event of a winding up/liquidation of the Company.

### **1.4.6 VOTING**

Subject to the relevant statutory provisions and any special rights or restrictions as to voting attached to any class of shares, on a show of hands at any general meeting every holder of Ordinary Shares who is present in person or by proxy shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for each Ordinary Share held by him.

A corporate shareholder may, by resolution of its directors or other governing body, authorise a person to act as its representative at general meetings and such person shall be entitled to exercise such powers as the corporate shareholder could exercise if it were an individual shareholder.

The Growth Shares are non-voting.

### **1.4.7 RESTRICTIONS ON VOTING**

A shareholder of the Company shall not, unless the Board otherwise determines, be entitled in respect of any Ordinary Share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that Ordinary Share have been paid.

A shareholder of the Company shall not, if the Board so determines, be entitled to attend or vote (either in person or by representative or proxy), or to exercise rights of membership as aforesaid, if he or any other person appearing to be interested in such shares has failed to comply with a notice given under section 793 of the Act within 14 days from the date of service of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in the circumstances set out in the Articles.



#### **1.4.8 RECORD DATES AND UNCLAIMED DIVIDENDS**

Subject to relevant statutory provisions, the Company or the Board may fix any date as the record date on which registered holders of shares shall be entitled to receipt of any dividend provided that such record date may be on or at any time before or after any date the dividend is declared.

Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall if the Board resolves, be forfeited and shall revert to the Company.

#### **1.4.9 VARIATION OF RIGHTS**

Subject to the statutory provisions, any rights attaching to any class of share in the Company may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class.

#### **1.4.10 TRANSFER**

Except as may be required by any procedures implemented pursuant to the Articles, all transfers of shares in certificated form must be effected by written instrument in any usual form or in any other form approved by the Board and must be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee.

All transfers of shares in uncertificated form must be effected by means of a relevant system in such manner provided for in the uncertificated securities rules.

The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of them.

The Board has discretion to refuse to register a transfer of any share in certificated form that is not fully paid, other than in circumstances where the shares are admitted to trading on a recognised investment exchange and such refusal would prevent dealings in the shares from taking place on an open and proper basis.

The Board may also decline to register any instrument of transfer unless (i) it is duly stamped and lodged with the Company, together with the relevant share certificate(s); (ii) evidence reasonably required by the Board regarding the right of the transferor to make the transfer is provided to the Board; (iii) it is in respect of only one class of share; and (iv) it is in favour of not more than four transferees jointly.

The Board may subject to the provision of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 793 of the Act and in respect of which the required information has not been received by the Company within 14 days. This restriction on transfer will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in the circumstances set out in the Articles.

The Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

If the Board refuses to register a transfer of a share it shall notify the transferee of the refusal and the reasons for it within two months after the date on which the transfer was lodged with the Company or the instructions to the relevant system received.

The Growth Shares are non-transferable, save in accordance with Article 7A.9. All Growth Shares in issue are fully vested.

#### **1.4.11 DIRECTORS**

Unless altered by ordinary resolution of the Company, the minimum number of Directors is three; there is no maximum.

Subject to the relevant statutory provisions, the Company may by ordinary resolution appoint a person who is willing to act to be a Director.

Subject to the relevant statutory provisions, the Board shall have power at any time to appoint any person who is willing to act as a Director. Any Director so appointed shall retire at the next annual general meeting of the Company following such appointment and shall be eligible for re-appointment.

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director.

Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which he was previously appointed.

A Director who retires at an annual general meeting may, if willing to act, be re-appointed.



#### 1.4.12 **DIRECTORS' INTERESTS**

Save as provided in the Articles, a Director shall not vote or be counted in a quorum at a meeting in relation to any resolution which may give rise to a conflict of interest.

#### 1.4.13 **BORROWING POWERS**

Subject to relevant statutory provisions, the Board may exercise all the powers of the Company to borrow money and to indemnify and guarantee and to mortgage or charge all or any part of its undertaking, property, assets and uncalled capital and to issue debentures and other securities.

#### 1.4.14 **GENERAL MEETINGS OF SHAREHOLDERS**

All meetings which are not annual general meetings are general meetings. General meetings may be called by the Board, whenever it thinks fit or in default such meetings may be convened by such requisition as is provided by the Act. All meetings shall be called by at least such minimum notice as is required or permitted by the relevant statutory provisions.

► Chapel Down Bacchus Gin.  
A highly aromatic and delicious gin, made by winemakers.





NAME	CURRENT DIRECTORSHIPS AND MEMBERSHIPS OF LLPS	
<b>James Brooke</b>	Chapel Down Group plc Flowgroup plc Maitland Capital Limited Redhall Group plc	
<b>Selina Emeny</b>	Rewind Festival Limited Plan M Management Limited Safe Festivals Group Limited Reading Festival Limited Global Gathering Group Limited Lollihop Festival Limited Gafrus Limited Mama Festivals Limited Mama & Company Limited Festival Republic Limited Mama New Music Limited Angel Venues Limited Parklife Manchester Limited C.J. (Events) Ltd Finlaw 279 Limited Cream Global Limited Cream Events Limited Cream Liverpool Limited Live Nation (Music) UK Limited Arena Island Limited Apollo Leisure Group Limited	Ugly Duckling Limited Academy Music Holdings Ltd Metropolis Music Limited Live Nation Limited Abc3 Limited In-Gaiety Holdings Limited The Warehouse Project (Manchester) Limited Academy Music Group Limited The 17 Limited Tecjet Limited Cuffe and Taylor Limited Electricland Limited De-lux Merchandise Company Limited Midland Concert Promotions Group Limited Live Nation Merchandise Limited Chapel Down Group plc Ticketmaster Europe Holdco Limited TM Number One Limited FC1031 Limited Ticketmaster Sport Limited Ticketmaster UK Limited
<b>Martin Glenn</b>	Chapel Down Group plc The Football Foundation	
<b>Stewart Gilliland</b>	Chapel Down Group plc Curious Drinks Limited	Natures Way Foods Limited Tesco plc C&C Group plc
<b>Mark Harvey</b>	Chapel Down Group plc The Walpole Committee Limited	
<b>Frazer Thompson</b>	Chapel Down Group plc Curious Drinks Limited English Wines plc	London and East India Drinks Company Limited Wines of Great Britain Limited
<b>Richard Woodhouse</b>	Chapel Down Group plc Curious Drinks Limited Chapel Down Group Ltd	English Wines plc London and East India Drinks Company Limited
<b>Nigel Wray</b>	18 Cavendish Square Limited Annabel Karmel Group Holdings Limited Brendon Street Investments Limited Brendon Street Securities Limited Chapel Down Group plc Elektrik Mobility Limited Eurobeck Holdings Limited Euroblue Investments Limited Glengrace Ltd Hera Investments Limited Hy-Pro International Limited Juno Investments Limited	Lesray Holdings Limited Moneypitch Company Limited PIHL Equity Limited Liability Partnership PIHL Property Limited Liability Partnership Premier Team Promotions Limited Prestbury Investments LLP Prestbury Two Limited Liability Partnership Priory Memorabilia Limited Simba Sleep Limited Syncbeam Limited Wey Bridging Limited
<b>Samantha Wren</b>	Bloc Ventures Limited Chapel Down Group plc Chiaro Technology Limited City of London Finance Company Limited (The) City of London Investments Limited Cluff Energy Africa Ltd Epworth Trading Ltd Faro Capital Limited IPGL Limited IPGL (Holdings) Limited IPGL No.1 Ltd	IPGL No.2 Ltd IPGL No.4 Ltd IPGL No.5 Ltd IPGL No.7 Ltd IPGL No.8 Ltd IPGL No.10 Ltd IPGL No.11 Ltd Ropemakerone Ltd The City of London European Trust Limited The City of London Investment Trust plc



## 2.2.

The interests of the Directors, all of which are beneficial save where otherwise stated, in the securities of the Company as at 3 June 2021 (the Latest Practicable Date) are as follows:

DIRECTOR	NUMBER OF ORDINARY SHARES AS AT THE DATE OF THIS DOCUMENT	PERCENTAGE OF ISSUED SHARE CAPITAL AS AT THE DATE OF THIS DOCUMENT
Nigel Wray*	22,875,668	15.69
Martin Glenn	266,666	0.18
Frazer Thompson	2,222,867	1.52
Richard Woodhouse	929,951	0.64
Mark Harvey	15,971	0.01

\*Of the above total, 20,439,269 Ordinary Shares are held by family trusts whose beneficiaries are Nigel Wray's children. The balance of 2,436,399 Ordinary Shares, represents Nigel Wray's beneficial holding.

## 2.3.

As of 31 March 2021 (being the latest practicable date for which the Company has complete information), no persons other than the Directors whose interests are set out in paragraph 2.2 above and as set out below, are interested, directly or indirectly, in 3% or more of the Company's issued share capital:

NAME	ORDINARY SHARES	PERCENTAGE
Lombard Odier	16,581,650	11.37
IPGL Limited	42,905,336	29.43
BlackRock	12,646,912	8.67
Seedrs Nominees	6,219,961	4.27

The Company has not been notified of any changes to this position since that date.

## 2.4.

No Director or any member of a Director's family has a related financial product referenced to Ordinary Shares.

## 2.5.

Save as disclosed in this Document and so far as the Directors are aware, there are no persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

# 3. EMPLOYEE SHARE OPTIONS AND GROWTH SHARES

## 3.1. EMPLOYEE SHARE OPTIONS

The Company has eight share based payment arrangements in favour of employees of the Group. This does not include reference to Growth Shares.

## 3.2.

The total number of options which have been granted pursuant to the share schemes referred to in 3.1 and 3.3 is 8,530,117 and would, if exercised, create a total of 154,329,449 Ordinary Shares in issue.

## 3.3.

Of the 8,530,117 options referred to in 3.2 above, the Directors and senior management hold 6,055,285.

## 3.4. GROWTH SHARES

Key management (Frazer Thomson, Richard Woodhouse, Mark Harvey and Guy Tresnan) hold the following Growth Shares, the rights of which are set out in the Articles:

NAME	CLASS OF GROWTH SHARES HELD	NUMBER OF GROWTH SHARES HELD
Frazer Thompson	A1 Shares	8,250,000
Guy Tresnan	A1 Shares	2,272,158
Mark Harvey	A2 Shares	3,800,000
Richard Woodhouse	A1 Shares	3,800,000

## 3.5.

The Growth Shares were issued under an Employee Shareholder Agreement, whereby the key management gave up certain statutory employment rights, such as redundancy, in exchange for shares.



### 3.6.

The Growth Shares have no voting rights. Further details on the rights and restrictions attaching to the Growth Shares, as well as how they are valued are set out in the Articles.

### 3.7.

The Growth Shares only have value if the Company's share price reaches 33.6p, which, at the time of publication of this Document, is the case.

### 3.8.

As an illustration only, if the Company's share price is 60p at the time that the Growth Shares are valued and Ordinary Shares are, in accordance with the provisions of the Articles, consequently issued to the holders of the Growth Shares, the number of Ordinary Shares issued to them would have a value equivalent to 7.46% of the market capitalisation of the Company and would therefore dilute the shareholdings of the Shareholders.

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## 4. UK CORPORATE GOVERNANCE CODE AND SHARE DEALING CODE

### 4.1.

The Directors continue to commit to maintaining high standards of corporate governance and to comply with the terms of the QCA Corporate Governance Code in so far as practicable having regard to the size of the Group.

### 4.2.

The Company has adopted a share dealing code for the Board and regularly reminds the Board of their need to adhere to this code to ensure compliance by them and any relevant employees.

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## 5. TAXATION

The taxation of an investment in the Company depends on the individual circumstances of investors. Applicants are strongly advised to obtain advice from an appropriate independent professional adviser immediately.



Chapel Down Group PLC

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