



Chapel Down Group plc
(“Chapel Down” or the “Company” or the “Group”)
EPIC: CDGP

Launch of Fundraising of up to £6.876 million

Chapel Down, the market leader in English wines, is pleased to announce the launch of a fundraising of up to £6.876 million (the “**Fundraising**”) at a price of 59.5 pence (the “**Issue Price**”) per new ordinary share of £0.05p each in the Company (“**Ordinary Shares**”).

The Fundraising will consist of:

- a placing of 2,395,792 new Ordinary Shares (the “**Placing Shares**”) at the Issue Price to raise gross proceeds of £1.426 million from Directors of the Company and IPGL Limited, the family office of Michael Spencer, 29.43% shareholder in the Company (the “**Placing**”); and
- an equity crowdfunding campaign of up to 9,160,181 new Ordinary Shares at the Issue Price to raise up to £5.450 million (“**Crowdfunding Campaign**”).

The Fundraising is conditional upon the Company receiving binding applications from subscribers for Ordinary Shares, including the Placing and the Crowdfunding Campaign, amounting to, in total, no less than £3 million. The Placing Shares are not part of the Crowdfunding Campaign though the amount raised pursuant to the Placing will be identified in the total amount raised by the Company on the Crowdfunding platform.

Crowdfunding Campaign

The Crowdfunding Campaign will open from today, 4 June 2021. From today until 9 June 2021, existing shareholders in Chapel Down will be able to invest at the Issue Price. New investors will be able to register their interest and then subscribe from 9 June 2021. The Crowdfunding Campaign will be open to all investors from 14 June 2021 to 23 July 2021. A maximum of £6.876 million may be raised under the Fundraising. Full details of how to invest can be found on the Company’s website www.chapeldown.com/pages/joinus.

The Crowdfunding Campaign is being conducted in partnership with Seedrs.

Use of Proceeds

The Fundraising will enable further growth, improving wine quality even further, building the brand, the e-commerce business and exports.

The proceeds of the Fundraising will be used to:

- Scale up winery operations to process greater quantities of fruit and further improve wine quality whilst also becoming more sustainable and efficient;
- Complete planting on the North Downs chalk terroir, producing up to 500,000 additional bottles of English sparkling wine per annum;
- Meet the changing needs of consumers by extending the e-commerce platform to be capable of international expansion;

- Take Chapel Down wines to the world by developing strong, international relationships to further promote export development;
- Drive further brand awareness and affinity by telling Chapel Down’s exciting story across multiple channels; and
- Develop the winery as a destination, attracting visitors to eat, play and stay at Chapel Down, opening their eyes to the possibilities of English wine.

Commenting on the Fundraising, Frazer Thompson, CEO, commented:

“After 20 years of building our pioneering brand, the English wine industry is now really starting to grow and develop, which is very exciting. As the market leader, we want to ensure that Chapel Down is best placed to benefit from the increasing consumer interest at home and abroad. Our resources and energy will be focused on changing the way the world thinks about English wines forever by creating new winery facilities, bringing in more high-quality fruit and investing in our brand and e-commerce and systems capabilities.

Our broad congregation of investors is a crucial part of our success. However large or small, our investors tell our story and sell our products with passion and enthusiasm and buy our wines to share with friends and family. This Crowdfunding is a campaign to recruit many more to join us on our journey.

I am also delighted that Michael Spencer will be subscribing via IPGL Limited and that members of our Board and all senior management will also be subscribing for the new issue of shares.”

Placing

Conditional on achieving the minimum Fundraising target of £3 million, the Directors intend to subscribe for new Ordinary Shares at the Issue Price as follows:

| <i>Director</i> | <i>New Ordinary Shares subscribed for</i> | <i>Value of new Ordinary Shares subscribed for</i> |
|------------------------|--|---|
| J Brooke | 16,806 | £10,000 |
| S Emeny | 16,806 | £10,000 |
| M Glenn | 16,806 | £10,000 |
| S Gilliland | 42,016 | £25,000 |
| M Harvey | 3,361 | £2,000 |
| F Thompson | 16,806 | £10,000 |
| R Woodhouse | 3,361 | £2,000 |
| N Wray* | 756,302 | £450,000 |
| S Wren | 33,813 | £20,000 |

*These shares are being subscribed for by family trusts whose beneficiaries are Nigel Wray’s children.

IPGL Limited, the family office of Michael Spencer, 29.43% shareholder in the Company, intends to subscribe for a minimum of 1,489,915 new Ordinary Shares, equating to £886,499 at the Issue Price. The participation of the Directors and IPGL Limited in the Placing are expected to constitute related party transactions under Rule 4.6 of the AQSE Growth Market Apex Rulebook. Further disclosure will be made following the closing of the Fundraising.

Authority and Admission to trading

Shares issued pursuant to the Placing and Crowdfunding Campaign ("**New Shares**") will either be issued under the board's existing authorities or under the authorities proposed at the next annual general meeting of the Company, due to be held on 29 June 2021. Application will be made for the New Shares to be admitted to AQSE and it is anticipated that this will occur on 30 July 2021.

The Company will issue up to 11,555,973 new Ordinary Shares, representing the maximum Fundraising of £6.876 million at the Issue Price of 59.5 pence per new Ordinary Share.

Confirmation of the total number of new Ordinary Shares to be issued and admitted to trading on AQSE will be announced following the end of the Crowdfunding Campaign.

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.