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Chapel Down Group PLC
25 June 2024

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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE TAKEOVER CODE. THERE CAN BE NO CERTAINTY THAT SUCH AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

25 June 2024

Chapel Down Group Plc

("Chapel Down" or the "Company")

Strategic review of options to fund long-term growth

The Board of Chapel Down (the "Board") announces today that it will be conducting a strategic review of the options to fund its plan to continue driving strong and profitable growth in the long-term.

Chapel Down's growth strategy includes investing in new vineyards, a new purpose-built winery* to be operational for the 2026 harvest and the development of our brand home at Tenterden. Considering the timeline of these investments, the Board believes that it is now appropriate to review the full range of long-term funding options that support this plan.

As part of the review, the Board will consider all alternatives, including investment from existing shareholders, investment from new shareholders, a sale of the Company, and other relevant transactions.

The Company remains on-track to deliver double digit sales growth in 2024 and retains a strong balance sheet with significant headroom to its existing debt facility of £12m and has reached agreement in principle to extend and increase this facility.

There can be no certainty that a transaction will be pursued by the Company, nor as to the terms of any eventual transaction.

Rothschild & Co is acting as Lead Financial Adviser to the Company in relation to the strategic review.

Singer Capital Markets is Nominated Adviser and Broker to the Company.

The person responsible for arranging the release of this announcement on behalf of Chapel Down is Robert Smith, Chief Financial Officer.

* Subject to planning approval, expected Summer 2024.

Takeover Code notes

The Takeover Panel Executive has granted a dispensation from the requirement of Rule 2.4 (b) of the Takeover Code such that Chapel Down is not required to identify any potential offeror which Chapel Down subsequently refers to the existence of in an announcement unless that potential offeror has been specifically identified in any rumour or speculation.

As a consequence of this announcement, Chapel Down is now in an "offer period" as defined in the Takeover Code and the attention of Chapel Down shareholders is drawn to the dealing disclosure requirements of Rule 8 of the Takeover Code, which are summarised below.

Contacts

Chapel Down Group plc		
Andrew Carter	Chief Executive Officer	01580 763 033
Robert Smith	Chief Financial Officer	
Rothschild & Co		
Majid Ishaq	Lead Financial Adviser to	020 7280 5000
Jonathan Dale	Chapel Down	
Matt Jillings		
Singer Capital Markets		
Shaun Dobson	Nominated Adviser and	020 7496 3000
Tom Salvesen	Broker to Chapel Down	
Asha Chotai		
H/Advisors Maitland		
Neil Bennett	PR adviser to Chapel Down	020 7379 5151
Sam Cartwright		
Jonathan Cook		

Inside Information

The information contained within this announcement is deemed by Chapel Down to constitute inside information as stipulated under the Market Abuse Regulation (EU) no. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018). On the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Notice related to financial adviser

N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Chapel Down and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Chapel Down for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.Chapel Down.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 information

In accordance with Rule 2.9 of the Takeover Code, Chapel Down confirms that as at the close of business on 24 June 2024 its issued share capital consisted of 171,524,316 ordinary shares of 5 pence each (excluding shares held in treasury). The International Securities Identification Number for Chapel Down's ordinary shares is GB0032706284.

Additional Information

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM ANY PART OF AN OFFER TO SELL OR ISSUE, OR A SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE, ANY SECURITIES IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "**UNITED STATES**")), AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS. NO PUBLIC OFFERING IS BEING MADE IN ANY JURISDICTION.

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This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted. The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of Chapel Down who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of Chapel Down who are not resident in the United Kingdom will need to inform themselves about, and observe any applicable requirements.

Nothing in this announcement is or should be relied on as a promise or representation as to the future. This announcement includes certain statements, estimates and projections provided by the Company in relation to the Company's anticipated future performance. Such statements, estimates and projections are based on various assumptions made by the Company concerning anticipated results which may or may not prove to be correct. No representations or warranties are made by any person as to the accuracy of such statements, estimates or projections.

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