

This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

**Chapel Down Group Plc**

('CDG' or 'the Company')

**EPIC: CDGP**

**RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2024**

Chapel Down, England's leading and most celebrated winemaker, is pleased to provide its audited financial results for the year ended 31 December 2024, with net sales revenue in line with guidance and strong sales momentum in Q4.

Account	2024 £000's	2023 £000's	Change
Net Sales Revenue <sup>1</sup> (NSR) - Full year	16,351	17,201	-5%
Net Sales Revenue - Q4	5,749	5,356	+7%
Gross profit	7,918	8,911	-11%
Gross profit %	48.4%	51.8%	-3.4% pts
Adjusted EBITDA <sup>2</sup>	2,418	5,733	-58%
Stocks	26,558	22,581	+18%
Net debt	(9,159)	(1,236)	+641%
Net assets	32,652	34,326	-5%
Average Selling Price (ASP) - Sparkling	£13.84	£13.15	+5%
Planted vineyards (Acres / Hectares)	1,018 / 412	906 / 367	+12%

**Highlights**

- Net Sales Revenue (NSR)<sup>1</sup> was -5% to £16,351k (2023: £17,201), in line with guidance, but only -3% excluding the exited spirits business.
  - Ecommerce +22% and On-trade +16% continued their consistent growth trajectory, showing robust growth in underlying consumer demand.
  - Strong Q4 performance, with NSR +7% and NSR, excluding the now exited spirits business +10%, which momentum has been carried into the new year.
  - Overall NSR significantly impacted by one-off factors in the Off-trade, including the previously reported reduction in stock held by retailers. Although NSR was -19% in the Off-trade, this was not reflective of positive Off-trade consumer sales growth<sup>3</sup> (Chapel Down +2%, Chapel Down sparkling +4%).
- Chapel Down are pleased to announce a new agreement with Jackson Family Wines (JFW) for the distribution of sparkling wines into the USA, our largest potential export market. JFW are a multi-generational, family run, recognised leader, in global fine wines with an extensive distribution network and dedicated sales division in the USA. The agreement is effective from mid Q2 2025.
- Gross margin of 48.4% (2023: 51.8%) reduced predominantly due to a greater proportion of still wines in the sales mix, due to the exceptional 2023 harvest volume, coupled with an increase in Cost of Goods Sold (COGS) as a result of Chapel Down selling a significant proportion of sparkling wines which were created from lower yielding and hence more expensive harvests and bottled during a period of higher materials inflation, which has subsequently unwound.
- Strong cost discipline maintained, with administrative expenses reducing by -5% to £7,037k (2023: £7,394k). Within this, Chapel Down continued to invest in the brand and marketing spend, which grew +5% on prior year.
- High quality 2024 harvest, which Chapel Down believes will be comparable to the excellent 2019 vintage, though the in-year fair value movement in biological produce<sup>4</sup> was -£567k (2023: £2,171k) due to more challenging growing conditions reducing yields below our 6-year average. The in-year fair value movement is a non-cash accounting adjustment for 'vicultural profit' during the year, which is calculated as the estimated market value of grapes, less the vintage's growing costs. The in-year fair value movement is correlated with growing conditions within the year, and can thus be uncertain.
- Adjusted EBITDA<sup>2</sup> decreased by -58% to 2,418k (2023: £5,733k), with the reduction driven predominantly by the reduced gross profit (-£993k impact) and the non-cash in-year fair value adjustment on biological produce<sup>4</sup> (-£2,738k impact).
- After planting 122 acres of new vines taking total planted acreage to 1,018 (c10% of the UK's total) and also increased stock levels (£3,976k increase) from the exceptional 2023 harvest, which will underpin future growth, net debt increased to £9.2m (2023: £1.2m). The Company retains significant headroom on its £20m revolving credit facility.
- Net assets stand at £32.7m (2023: £34.3m) giving a NAV per share of 19.0p (20.0p). The Board remain confident the market value of these tangible assets is significantly higher than the reported values.
- The quality of Chapel Down wines continues to be recognised at national and international awards, with 2024 our most successful year yet across the top five wine competitions. The Decanter World Wine Awards trophy for 'Best in Show' for our traditional method Chapel Down Sparkling Rosé was a particular highlight.
- Chapel Down remains the leading brand<sup>5</sup> in English wine with continued growth in Awareness (42%), Affinity (25%) and Penetration (17%), higher than any other English wine brand.
- Chapel Down is now the only English wine company with a stock market listing.

**Outlook**

- The consumer environment remains uncertain, but Chapel Down is currently trading well ahead of prior year and expects strong sales growth for the year, with a return to full profitability.
- Looking ahead, our ambition remains to deliver sustained profitable growth over the medium-term, winning the equivalent of 1% of the 300 million bottle global Champagne market by 2035, while further cementing Chapel Down's position as the leader in the English wine category.

**James Pennefather, CEO commented:**

*"I am delighted to join Chapel Down at a pivotal time in the development of the English wine market. As the global reputation of England as a wine-making region grows, especially in the sparkling wine category, we have a rare opportunity to establish Chapel Down as a celebrated wine brand of international acclaim.*

*With our experienced team, portfolio of exceptional wines and a clear strategic focus, we are well positioned to grow both domestically and internationally."*

**Chairman's review**

Whilst 2024 was a tougher year for Chapel Down following the outstanding performance seen in the previous year, the business performed creditably, making continued strategic and operational progress. The prospects for Chapel Down as the leading English winemaker remain exciting.

In 2021, Chapel Down returned to its roots as a pure-play winemaker, exiting brewing and later spirits to focus exclusively on the production and sale of the award-winning wines, for which we are famous. Chapel Down now has a clear strategic focus.

Chapel Down is England's leading winemaker, and our home market offers some important advantages both for production and as a market for our wines. Our terroir shares many of the characteristics which have made Champagne so successful as a wine region. An abundance of south-facing, chalk and clay slopes and a cool maritime climate provide optimal conditions for creating traditional method sparkling wines. And whilst international demand for English sparkling wine is in the ascendancy as its reputation grows, the UK is in itself a large, mature consumer market for all styles of sparkling wine, ensuring Chapel Down's home market will be a key driver of growth for decades to come. Our scale gives us an advantage over other UK-based winemakers, allowing us the largest distribution footprint in the industry, as well as economies of scale in production, distribution and other overheads.

As part of our refocus on wine, we significantly transformed our operations to lay the foundations for future growth, including organisational structures and culture, as well as our core business systems, processes and data. These actions were difficult, and at times painful, but we benefited greatly from their successful delivery. After these actions were completed, we naturally started looking forward to the next phase of the Company's growth. As such, in addition to our move onto AIM in December 2023, we began a strategic review in June 2024 to assess all options to most effectively deliver on our long-term plans.

The strategic review confirmed that Chapel Down was an attractive investment proposition, and we had extensive conversations with interested parties on an array of structures. Ultimately though, we did not find a partner with the right fit on both strategic direction and valuation, leading the Board to conclude that the best way to create superior long-term shareholder value was for Chapel Down to remain a stand-alone, AIM listed, company.

The strategic review did not come without cost, and nearly £1m of this year's exceptionals directly or indirectly relate to this, costs which of course will not be repeated. I would like to take this opportunity to confirm that no payments were made to directors directly or indirectly as a consequence of the strategic review and, additionally, to note that the whole Board, who conducted the review, are also significant shareholders in the Company and thus aligned with other shareholders in their desire to create long-term shareholder value.

Looking forward, we recognise the need to remain vigilant on debt levels, which are more elevated than planned, as a result of investments made in the exceptional vineyards at Boxley Abbey and Buckwell, which will underpin our medium-term growth, without raising additional equity investment.

Our performance in 2024 is covered elsewhere in this announcement and so I do not intend to repeat that here. However, I will note that whilst 2024 represented a more challenging operational environment than in previous years, that meant we broke our track record of revenue growth and bottom-line profitability, the Board is confident that the one-off factors that contributed to this are unrelated to the underlying growth in consumer demand for Chapel Down wines, which continues.

In closing I would first like to reiterate my thanks to the outgoing CEO, Andrew Carter, and CFO, Rob Smith, who have both made a significant contribution to the repositioning and refocusing of the Chapel Down brand. They leave the Company well-positioned to deliver on its future plans. We were pleased to confirm the appointment of James Pennefather as CEO, who started on February 1<sup>st</sup> and also Louan Mouton as CFO, who will join the Board in April. Both have significant and relevant expertise in the drinks sector and will be an integral part of driving the Chapel Down brand forward. In addition, I am pleased to announce that Jamie Brooke has become our Senior Independent Director.

Finally, I would like to thank all shareholders for their continued support and our customers for their enthusiasm and commitment. The hard-working Chapel Down team remain dedicated to the continued growth of the Company, and we remain enthused by the opportunity to accelerate our leadership in the fast-growing English wine category.

**CEO strategic update**

As England continues to build its reputation as one of the world's most exciting new wine regions, Chapel Down's strategy is to win share of global consumer celebration occasions by creating exceptional traditional method sparkling wines and by building a brand that represents "approachable luxury". As the leading winemaker in UK, Chapel Down has a unique opportunity to shape the market and capture the leading share of emerging consumer adoption worldwide.

***Strong Foundations for Profitable Growth***

Chapel Down is well placed to benefit from over 30 years of expertise and investment.

Chapel Down has exceptional vineyard assets spanning over 1,000 acres - equivalent to approximately 10% of the UK's total vineyards or 1.5 million individual vines, with 70% of this acreage concentrated across four outstanding vineyards in the Kent Downs. Each of these vineyards has been meticulously selected by our seasoned viticulture team for its topography and micro-climate to maximise grape ripening and avoid frost pockets. Of these, our most recent vineyard investment, Buckwell, is not due to come into full production until 2027, providing wines which will enable the Company to deliver topline volume growth from existing vineyard assets into the early 2030s.

Chapel Down's winemaking philosophy is to produce exceptional wines with a backbone of crisp and fresh flavours. Under the leadership of our Head Winemaker, Josh Donaghay-Spire, our winemaking team has historically adopted a blend of traditional methods and modern innovation, facilitated by operating in a New World region with fewer restrictions than established regions such as Champagne. We have garnered international acclaim for our wines, including the prestigious Decanter World Wine Awards 'Best in Show' trophy in 2024 for our traditional method Chapel Down sparkling Rosé. This accolade underscores our relentless pursuit of quality and excellence.

Chapel Down offers a range of award-winning wines, with RRP's ranging from £15 to £125, which allows for consumer trial at all points across the pricing ladder. We have good stocks of sparkling wines still on lees/under maturation in our warehouses, valued at £26.6m on our balance sheet but with an expected realisable market value significantly in excess of this. These stocks enable us to be confident in our growth forecasts into the 2030s by protecting against any future downside risk from a poor harvest, as well as supporting our long-term premiumisation strategy.

The Company's expertise and investment in brand-building has resulted in impressive metrics in brand awareness, affinity and penetration. The brand targets the global market for consumer celebration occasions, a market currently served by categories such as Champagne. Over the past two decades, Chapel Down has developed an appealing and differentiated brand proposition around more approachable luxury. In support of this, we have established in-house capabilities in customer relationship marketing, social media, ecommerce, sponsorships and in the design and delivery of memorable brand experiences.

Chapel Down has established an expansive distribution network which underpins our go-to-market strategy. Our Off-trade channel, where we have the widest distribution of any UK wine brand, is complemented by a growing On-trade presence, where

we have successfully grown to 2,462 listings (+25%), of which over 1,800 are by the glass listings (+15%). The Company's Direct-to-Consumer (DTC) channel is also strengthening and is serviced through our ecommerce platform and the highly popular Tenterden brand home, which attracts more than 50,000 visitors annually.

These foundations, established over three decades by Chapel Down, will not only continue to support our success in the UK and fuel our global expansion but also represent strong barriers to entry into the category.

### Summary & Medium-Term Outlook

Chapel Down creates value by helping consumers celebrate the happiest moments in their lives. Our exceptional sparkling wines have a backbone of crisp and fresh flavours, which make them invigorating and uplifting, enhancing celebration occasions.

Our ambition is to win the equivalent of 1% of the 300 million bottle global Champagne market by 2035.

To achieve this, we have built a high value asset base of exceptional vineyards and maturing stocks, coupled with expertise at all levels of our vertically integrated model including viticulture, winemaking, brand-building, route to consumer alongside a strong management team. As we build stocks from our recently planted Kent's North Downs vineyards, we expect to be in a position to sell 3m bottles of Chapel Down sparkling wine each year by 2035.

To date, we have proved the success of our business model in the UK market by not only achieving market leadership position in English sparkling wine across all the key metrics<sup>5</sup> - including brand awareness, penetration, distribution levels and market share - but also achieving 3.6% equivalent share of total Champagne sales<sup>3</sup> in the key Off-trade channel in 2024 at an average price index of 90 to Champagne.

There remains significant headroom for growth. The next phase of growth for Chapel Down will be delivered in the UK by increasing brand metrics and distribution levels to those of leading Champagne brands and by expanding into selected international markets. Our ambition is to deliver sustained, profitable, growth over the medium-term while further cementing Chapel Down's position as the global leader in the fast-growing English wine category.

As referenced elsewhere, strong performance momentum from Q4 2024 has continued into 2025.

I look forward to sharing our continued progress and success with our shareholders as our dedicated and highly skilled team at Chapel Down helps consumers celebrate the happiest moments of their lives.

## 2024 Performance review

### Key metrics

Account	2024 £000's	2023 £000's	Change
<b>Net Sales Revenue net of retro<sup>1</sup> (NSR) - Full year</b>	<b>16,351</b>	<b>17,201</b>	<b>-5%</b>
NSR - Q4	5,749	5,356	+7%
Gross profit	7,918	8,911	-11%
Gross profit %	48.4%	51.8%	-3.4% pts
<b>Operating profit before in-year fair value movement and exceptionals</b>	<b>882</b>	<b>1,517</b>	<b>-42%</b>
In-year fair value movement on biological produce <sup>4</sup>	(567)	2,171	
(Loss) / profit after tax	(1,309)	1,527	
<b>Adjusted EBITDA<sup>2</sup></b>	<b>2,418</b>	<b>5,733</b>	<b>-58%</b>
Stocks	26,558	22,581	+18%
Net debt	(9,159)	(1,236)	+641%
Net assets	32,652	34,326	-5%
Net assets per share	19.0p	20.0p	-5%
Average Selling Price (ASP) - Sparkling	£13.84	£13.15	+5%
Planted vineyards (Acres / Hectares)	1,018 / 412	906 / 367	+12%

### Financial review - Highlights

NSR was -5% to £16,351k (2023: £17,201), but only -3% excluding the exited spirits business. Chapel Down additionally showed strong momentum in Q4 with NSR +7% to £5,749k, (2023: £5,356k), or +10% ex-spirits.

NSR was materially impacted by one-off events, predominantly a reduction in the stock held by Off-trade retailers (estimated impact, in excess of £1m), and an exit from our spirits business (impact £0.4m). In addition, when comparing NSR to prior year, Chapel Down performance was impacted by the Coronation of King Charles III being in the comparative (estimated impact £0.3m) and a lack of in-year grape sales, due to the smaller harvest in 2024 (£0.2m).

Gross margin of 48.4% (2023: 51.8%) was reduced predominantly due to a greater proportion of still wines in the sales mix, due to the exceptional 2023 harvest volume, coupled with an increase in cost of goods sold (COGS) as a result of Chapel Down selling a significant proportion of sparkling wines which were created from lower yielding and hence more expensive harvests and bottled during a period of higher materials inflation, which has subsequently unwound.

### Financial review - Sales by channel

Channel NSR	2024 £000's	2023 £000's	Change
Off-trade	6,790	8,428	-19%
On-trade	2,460	2,122	+16%
International	684	760	-10%
Ecommerce	3,755	3,070	+22%
Retail, Tours & Events	2,241	2,250	-
Other sales and income	421	571	-26%
<b>Total</b>	<b>16,351</b>	<b>17,201</b>	<b>-5%</b>
<i>Of which Direct to Consumer (DTC)</i>	<i>6,343</i>	<i>5,684</i>	<i>+12%</i>

The **Off-trade** remains Chapel Down's largest channel, with strong sales to consumers and H2 momentum being offset by previously reported one-off impacts:

- Reduction in stock held by retailers in H1, due to higher than expected opening stocks from a weaker rate of sale (ROS) at Christmas 2023 as well as a move by retailers to lower average stock holdings than in prior years (estimated impact, in excess of £1m).
- Strong comparative due to the Coronation of King Charles III (estimated impact £300k).
- Exit from spirits (impact £400k, across all channels).

Off-trade NSR -10% to £6.8m (2023: £8.4m), however, consumer sales of Chapel Down through the Off-trade<sup>3</sup> continued their

On-trade NSR -17% to £0.8m (2023: £0.4m), however, consumer sales of Chapel Down through the On-trade continued their growth in 2024 (+4% sparkling, +2% overall) with particular momentum in the Christmas period (+38% sparkling, +29% overall).

Chapel Down maintained market leadership<sup>3</sup> in the Off-trade in 2024 with its 34% market share (2023: 34%), rising to 37% in Q4. Additionally, in the Off-trade, Chapel Down continued to show strong consumer pricing<sup>3</sup> against Champagne, with a relative price index of 90 for our traditional method sparkling wine (2023: 87).

**On-trade** revenue grew at +16% to £2.5m (2023: £2.1m) as Chapel Down continued to enjoy a strong ROS and secure key distribution wins (outlets +25% to 2,462), as well as extended partnerships.

'By the glass' listings increased strongly (+73%) and now account for significantly more than half of all listings. These drive consumer sampling and a materially higher rate of sale. Full benefits from this listing's growth, alongside new wins, will be seen in 2025.

**International** NSR was -10% due to reduced export sales, particularly from the US, and a key Global Travel Retail (GTR) order, expected in 2024, partially deferred to 2025.

Chapel Down has a strong GTR business, now located in 35 key UK travel hubs (2023: 13) where travellers look for products with a 'sense of place'. This growth in listings will deliver a full year of benefits in 2025.

Chapel Down is currently reviewing a range of options to further optimise distribution in export markets and are pleased to announce a new agreement with Jackson Family Wines (JFW) for the distribution of sparkling wines into the USA, our largest potential export market. JFW are a multi-generational, family run, recognised leader, in global fine wines with an extensive distribution network and dedicated sales division in the USA. The agreement is effective from mid Q2 2025. We are delighted to be working with Jackson Family Wines.

Export remains a key growth opportunity for the Company.

Chapel Down showed continued strong growth in consumer demand through Direct to Consumer (DTC) channels. **Ecommerce** NSR grew +22% to £3,755k (2023: £3,070k), driven by the acquisition of 14k new customers in 2024, which helped to increase the number of Ecommerce orders by 28% to 41k (2023: 32k).

NSR in **Retail, Tours and Events** was flat at £2,241k (2023: £2,250k) with a good 5% growth in tour revenues offset by a -3% reduction in Retail and Events, particularly influenced by a reduction in the number of 'Pub in the Park' events from 12 to 4.

**Other sales and income** reduced -26% to £421k (2023: £571k) since Chapel Down did not make any grape sales to third parties this year, due to a reduced harvest volume (2023: £162k).

#### **Financial review - Sales by category**

Category NSR	2024 £000's	2023 £000's	Change
Sparkling	10,582	11,444	-8%
A Touch of Sparkle	1,347	1,399	-4%
Still	3,113	2,545	+22%
Spirits	161	553	-71%
Tours & Other	1,148	1,260	-9%
<b>Total</b>	<b>16,351</b>	<b>17,201</b>	<b>-5%</b>

**Sparkling wine** remains our strategic focus and was 70% of wine sales in 2024 (2023: 74%). Sparkling wine NSR was £10.6m (2023: £11.4m), an -8% reduction primarily due to one-off challenges in the Off-trade, as referenced above.

This NSR reduction in the Off-trade was not reflected in consumer sales, which continued to grow. In the Off-trade, Chapel Down sparkling wines (+4%) outgrew<sup>3</sup> English sparkling wine as a category (+2%) and Champagne (-2%), showing continued strong consumer demand.

**Still wine** NSR grew 22% to £3.1m (2023: £2.5m), also due to strong customer demand, increased distribution and the planned RRP reduction in 2024.

**A Touch of Sparkle** (ATOS) NSR showed a slight decline to £1.3m (2023: £1.4m). ATOS Classic was relaunched, under a new label consistent with ATOS Rosé, in Q4 2024.

Chapel Down fully exited the **spirits** category in the year, reflected in reduced sales of £0.2m (2023: £0.6m).

#### **Financial review - Other P&L items**

Chapel Down maintained strong cost discipline, with **administrative expenses** reducing -5% to £7,037k (2023: £7,394k). Within this, Chapel Down continued to invest in the brand and marketing spend, which grew +5% on prior year.

**The in-year fair value movement in biological produce<sup>4</sup>** was -£567k (2023: £2,171k) due to more challenging growing conditions in H2, which reduced yields below the 6-year average. The in-year fair value movement is a non-cash accounting adjustment for 'viticultural profit' during the year, which is calculated as the estimated market value of grapes, less the vintage's growing costs. The in-year fair value movement is correlated with growing conditions within the year, and can thus be uncertain. In H1 the Company recorded an in-year fair value gain on biological produce of £773k and hence in H2 it posted a loss of £1,340k to leave the net loss for the year at £567k.

**Exceptionals** of £1,216k (2023: £1,235k) largely from the direct and indirect costs of the strategic review performed in the year. In addition, the Company completed the implementation of a single, cloud-based, scalable and integrated technology and data platform covering Sales, Customer Relationship Management and Finance.

**Adjusted EBITDA<sup>2</sup>** has decreased by -58% to 2,418k (2023: £5,733k). This reduction of £3,315k is driven predominantly by the reduced gross profit (-£993k impact) and in-year fair value adjustment on biological produce (-£2,738k impact).

Sparkling **average selling price** (ASP) grew 5% showing continued brand investment and strength alongside consumer demand, but was offset by planned RRP reductions in still (-9%) and ATOS (-4%) as a result of the exceptional 2023 harvest, leaving a blended ASP of -4%.

Chapel Down can reconfirm that it **does not intend to pay a dividend** in the foreseeable future.

#### **Financial review - Balance sheet**

Stocks growth of +18% to £26,558k (2023: £22,581k) as a result of the exceptional 2023 harvest. As noted elsewhere, these stocks will underpin future Company sales growth.

Net working capital exstocks remained negative at £1,040k (2023: £2,178) due to net advantaged payment terms.

The additional planting of 122 acres of new vines, bringing the Company's total acreage to 1,018 (c10% of the UK's total), as well as increased stock levels (£3,976k increase) from the exceptional 2023 harvest, has resulted in net debt increasing to £9.2m (2023: £1.2m). The Company retains significant headroom on its £20m revolving credit facility.

Net assets stood at £32.7m (2023: £34.3m) giving a NAV per share of 19.0p (20.0p). The Board remain confident the market value of these tangible assets is significantly higher than the reported values. Chapel Down does not assign a value to its brand in the financial statements.

Planting at the new Buckwell vineyard is now complete, and the vines are growing in line with expectations. Buckwell provides an additional 92 acres (37 hectares) of Chardonnay and 27 acres (11 hectares) of Pinot Noir, extending Chapel Down's planted vineyards to 1,018 acres (412 hectares), c10% of all UK planted vineyards. There are no current plans for further vineyard plantings.

Vintage quality and grape flavours are excellent, reminiscent of the 2019 harvest, which delivered great quality traditional method sparkling wine. Chapel Down has created c.1.7m bottles from the 2024 vintage, the majority of which is traditional method sparkling wine. This is in line with the Company's strategy to focus on its higher margin award-winning sparkling wines, which benefit from the cool maritime climate and chalk soils of the Kent Downs.

**Head winemaker, Josh Donaghay-Spire, commented:**

*We're delighted with the quality of the still wines we've already bottled as they have captured the fresh fruit characters of the vintage well. The sparkling base wines have an elegance and delicacy which will mature in our cellars gracefully over the coming years."*

Chapel Down was the Wine GB Award's 'Supreme Champion', the highest accolade awarded, and also won 'Best English Sparkling Wine' with Kit's Coty Coeur de Cuvée 2016, as well as winning 'Top Still Wine' and 'Best Chardonnay' trophies with Kit's Coty Chardonnay 2021. Overall, Chapel Down achieved its best performance overall in wine awards this year, winning a total of 41 awards across the top five wine competitions.

The Company's social media following also continues to grow rapidly, +20% to 126k followers (2023 105k).

Chapel Down continues to invest in sustainable operations, including electric forklift trucks, recycling spray application and under vine weeding technology to reduce its inputs. Progress has also been made on further reducing the weight and environmental impact of packaging.

As previously announced, the Company is pursuing planning permission for a new purpose-built winery in Kent. This planning permission is subject to ongoing judicial review, the next step of which is expected to be completed by late summer 2025, when we will provide an update. We do not have any certainty on the final completion date of the planning process or its outcome. In the meantime, the Company has been reviewing alternative options to increase winemaking production capacity in the medium term.

The consumer environment remains uncertain, but Chapel Down is currently trading well ahead of prior year and expects strong sales growth for the year, with a return to full profitability.

**Note 1:**

- Note 2:**

- In addition to the statutory measures, the Group also measures its performance by reference to Adjusted EBITDA. Adjusted EBITDA is an Alternative Performance Measure (APM), as defined within the European Securities and Markets Authority Guidelines on APMs. Adjusted EBITDA relates to profit from operations before interest, tax, depreciation, amortisation, share based payment expense and exceptional costs.
- During the year, management performed a detailed review of the Group's Adjusted EBITDA metric. During this review process, management noted that whilst it was adding back the full amount of annual depreciation within the calculation of Adjusted EBITDA, the same treatment was not being applied to lease interest costs that are absorbed into the value of inventory and bearer plants. To ensure the Group's Adjusted EBITDA metric remains as consistent as possible for users of the accounts, the Group has opted to revise its Adjusted EBITDA calculation such that the full annual interest charge is excluded from the metric going forwards. This will ensure consistent treatment of both depreciation and interest charges in the adjusted EBITDA calculation. As a result of this change, the prior year Adjusted EBITDA comparative has been restated to align to the revised basis.
- A full reconciliation of Adjusted EBITDA to Operating Profit will be shown in the notes to the accounts in the annual report.

**Note 3:**

- Consumer sales in Off-trade for 52 weeks to 28th December: Chapel Down +2%, Chapel Down sparkling +4%. Chapel Down market share 34%, unchanged on PY.
- Q4 consumer sales in Off-trade for 12 weeks to 28th December: Chapel Down +25%, Chapel Down sparkling +32%.
- Chapel Down sales in 4 weeks to 28th December: Chapel Down +29%, Chapel Down sparkling +38%.
- UK Off-trade Champagne sales in 750ml bottle format: 12.1m bottles, RSV £322m. Chapel Down UK Off-trade traditional method sparkling sales in 750ml bottle format: 465k bottles, RSV £11.1m.
- Source: Nielsen

**Note 4:**

- The in-year fair value movement is a non-cash accounting adjustment for 'vicultural profit' during the year, which is calculated as the estimated market value of grapes harvested, less the vintage's growing costs. The in-year fair value movement is correlated with growing conditions within the year and can thus be uncertain. The other side of the accounting entry is stock, which is realised through the P&L as COGS when wines from each vintage are sold. In 2024, the in-year fair value P&L movement was a loss (debit), which is reflected in a reduction (a credit) to balance sheet stock valuation, which will result in lower COGS in future years. The opposite would occur in years when the Company records an in-year fair value gain.
- In H1 the Company recorded an in-year fair value gain on biological produce of £773k and hence in H2 it posted a loss of £1,340k to leave the net loss for the year at £567k.

**Note 5:**

- Source: Savanta, BrandVue, Sparkling wine drinkers, MAT end December 2024

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
Gross sales revenue	19,844,856	20,135,454
Duty	(2,572,153)	(2,214,575)
<b>Net sales revenue - gross of retros</b>	<b>17,272,703</b>	<b>17,920,879</b>
Retros	(921,426)	(719,833)
<b>Net sales revenue - net of retros</b>	<b>16,351,277</b>	<b>17,201,046</b>
Cost of sales	(8,432,876)	(8,289,842)
<b>Gross profit</b>	<b>7,918,401</b>	<b>8,911,204</b>
Administrative expenses	(7,036,706)	(7,394,154)
<b>Operating profit before exceptional costs and fair value movement in biological produce</b>	<b>881,695</b>	<b>1,517,050</b>
Fair value (loss)/gain on measurement of biological produce	(566,982)	2,171,386
<b>Operating profit before exceptional costs</b>	<b>314,713</b>	<b>3,688,436</b>
Exceptional costs	(1,216,341)	(1,235,478)
<b>Operating (loss)/profit</b>	<b>(901,628)</b>	<b>2,452,958</b>
Finance income	11,742	47,222
Finance costs	(510,513)	(193,057)
<b>(Loss)/profit before tax</b>	<b>(1,400,399)</b>	<b>2,307,123</b>

Tax charge	91,738	(119,113)
<b>(Loss)/profit and total comprehensive (loss)/income for the year (restated)*</b>	<b>(1,308,661)</b>	<b>1,527,350</b>
<b>Total comprehensive (loss)/income attributable to the equity holders of the company (restated)*</b>	<b>(1,308,661)</b>	<b>1,527,350</b>
<b>Basic (loss)/profit - pence per share</b>	<b>(0.76)</b>	<b>0.95</b>
<b>Diluted (loss)/profit - pence per share</b>	<b>(0.76)</b>	<b>0.94</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

	2024 £	2023 £
<b>Non-current assets</b>		
Intangible assets	18,303	41,803
Property, plant and equipment	26,803,183	23,898,358
	26,821,486	23,940,161
<b>Current assets</b>		
Biological produce	-	-
Inventories	26,557,669	22,581,264
Trade and other receivables	4,004,523	3,593,348
Cash and cash equivalents	981,963	1,004,305
	31,544,155	27,178,917
<b>Total assets</b>	<b>58,365,641</b>	<b>51,119,078</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Called up share capital	8,576,216	8,566,939
Share premium	31,654,317	31,541,143
Capital redemption reserve	400	400
Revaluation reserve	902,948	936,703
Retained earnings	(8,482,286)	(6,719,248)
<b>Total equity</b>	<b>32,651,595</b>	<b>34,325,937</b>
<b>Non-current liabilities</b>		
Borrowings	-	-
Trade and other payables	-	22,630
Lease liabilities	9,225,616	7,457,140
Deferred tax liabilities	1,092,013	893,397
	10,317,629	8,373,167
<b>Current liabilities</b>		
Borrowings	9,975,683	2,240,748
Trade and other payables	5,044,284	5,748,571
Lease liabilities	376,450	430,655
<b>Total current liabilities</b>	<b>15,396,417</b>	<b>8,419,974</b>
<b>Total liabilities</b>	<b>25,714,046</b>	<b>16,793,141</b>
<b>Total equity and liabilities</b>	<b>58,365,641</b>	<b>51,119,078</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(1,400,399)	2,307,123
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Amortisation of intangible assets	23,500	37,516
Depreciation of property, plant and equipment	352,923	306,163
Profit on disposal of property, plant and equipment	76,846	(13,738)
Finance cost included within cost of sales	179	1,139
Finance income	(11,742)	(47,222)
Finance cost	510,513	193,057
Fair value movement in biological produce	566,982	(2,171,386)
Bonus issue of shares	122,451	-
Equity-settled share-based payments	(197,778)	219,044
Increase in trade and other receivables	(411,175)	(898,275)
Increase in inventories	(2,699,596)	(3,310,142)
Increase in trade and other payables	(726,922)	1,465,663
Tax received	-	-
<b>Net cash flows used in operating activities</b>	<b>(3,794,218)</b>	<b>(1,911,058)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,473,344)	(1,816,517)
Proceeds from sale of property, plant and equipment	-	9,671
Interest received	11,742	47,222
<b>Net cash flows used in investing activities</b>	<b>(2,461,602)</b>	<b>(1,759,624)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	9,527,763	-
Repayment of borrowings	(2,228,891)	(300,000)
Lease payments	(1,004,125)	(645,284)
Interest paid	(61,269)	(180,500)
<b>Net cash flows generated from financing activities</b>	<b>6,233,478</b>	<b>(1,125,784)</b>
<b>Net decrease in cash</b>	<b>(22,342)</b>	<b>(4,796,466)</b>
Cash and cash equivalents at beginning of year	1,004,305	5,800,771
<b>Cash at the end of year</b>	<b>981,963</b>	<b>1,004,305</b>

## 1. BASIS OF PREPARATION/ACCOUNTING POLICIES

The Company's report for the year ended 31 December 2024 was authorised for issue by the directors on 2<sup>nd</sup> April 2025. The financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2024, which was prepared in accordance with the Company's reporting standards (International Financial Reporting Standards as adopted by the UK, IFRS) that were in effect at that time.

The Company is required to value net assets in accordance with the Company's reporting standard (IFRS). The assets (wine stock, land, vineyard) are held at cost which the Directors believe is considerably less than the net realisable value.

The statutory accounts for the year ended 31 December 2024 have been reported on by the Company's auditors, received an unqualified audit report and will be issued to shareholders in June 2025.

## 2. BALANCE SHEET REVIEW

The net asset value of the Company as at 31 December 2024 was £32,651,601 which includes:

- Fixed assets held at net book value of £26,803,183, including vineyard development expenditure which is capitalised at cost.
- £26,557,669 of stock, which is valued at cost being the lower of cost or net realisable value.

## 3. LOSS PER SHARE

The calculation of the loss per share for the year ended 31 December 2024 is based on the loss for the period of £1,308,661 and the weighted average number of shares in issue during the period of 171,447,011 exclusive of the effect of dilutive share options, and 173,181,416 inclusive of dilutive options.

## 4. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO ADJUSTED EBITDA

	2024 £	2023 (restated) £
Operating (loss)/profit	(901,628)	2,452,957
<b>Add back:</b>		



Depreciation and amortisation	<b>1,764,611</b>	1,529,814
Finance costs (restated)	<b>536,039</b>	295,585
Share based payment expense	<b>(197,778)</b>	219,044
Exceptional costs	<b>1,216,341</b>	1,235,478
<b>Adjusted EBITDA (restated)</b>	<b>2,417,585</b>	5,732,878

During the year, management performed a detailed review of the Group's Adjusted EBITDA metric. During this review process, management noted that whilst it was adding back the full amount of annual depreciation within the calculation of Adjusted EBITDA, the same treatment was not being applied to lease interest costs that are absorbed into the value of inventory and bearer plants. To ensure the Group's Adjusted EBITDA metric remains as consistent as possible for users of the accounts, the Group has opted to revise its Adjusted EBITDA calculation such that the full annual interest charge is excluded from the metric going forwards. This will ensure consistent treatment of both depreciation and interest charges in the adjusted EBITDA calculation. As a result of this change, the prior year Adjusted EBITDA comparative has been restated to align to the revised basis.

## 5. DISTRIBUTION OF THE FULL YEAR STATEMENT

Copies of this statement will be available for collection free of charge from the Company's registered office at Chapel Down Winery, Small Hythe Road, Tenterden, TN30 7NG. An electronic version will be available on the Company's website, [www.chapeldown.com](http://www.chapeldown.com).

*This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").*

### Contacts

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Alex Bond		
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### About Chapel Down:

Chapel Down (AIM: CDGP) is England's leading and largest winemaker and the power brand of English wine, the world's newest international wine region. From its home in Kent in the heart of the Garden of England, Chapel Down produces a range of sparkling and still wines which consistently win prestigious international awards for their quality. Chapel Down has over 1,000 acres of vineyards, c10% of the UK's total, of which 739 acres are currently fully productive, with the remaining plantings becoming fully productive by 2027.

Chapel Down's status as the most recognised English wine brand is supported by its partnerships with flagship sporting and cultural events including Royal Ascot, The Boat Race and Pub in the Park, and Chapel Down is the 'Official Sparkling Wine' of the England and Wales Cricket Board.

Chapel Down is listed on the London Stock Exchange's AIM and has over 10,000 retail investors who enjoy discounts on Chapel Down's wines, tours and tastings at the brand's home at Tenterden in Kent, which each year attracts c50,000 visitors.

Chapel Down is strongly committed to growing its business in balance with the environment and sustainability is a strong, ongoing focus. The company is a founding member of Sustainable Wines of Great Britain and practices sustainable viticulture.

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