

4 May 2020

## Hotel Chocolat Group plc

(“Hotel Chocolat”, the “Company” or the “Group”)

### Business Update

Hotel Chocolat, the premium British chocolatier, provides an update on its financial position and Easter trading Performance.

#### Financial position update

Hotel Chocolat today confirms the successful completion of an increase to its banking facilities, in the form of a new £35m revolving credit facility ('RCF') with Lloyds Bank plc, which replaces an existing £10m overdraft facility. This follows the Group's recent equity placing, announced on 20 March 2020, from which the Group raised gross proceeds of £22 million to fund growth capital investment and to provide operational headroom.

Since the start of the UK lock-down in March, the Group has undertaken a broad range of actions to manage its costs and cash flow, whilst also adapting swiftly to new and changing circumstances, supporting colleagues, and utilising the flexibility of its multi-channel business model.

The RCF is comprised of two separate tranches; £25m expires in December 2021 and is provided by Lloyds Bank under the terms of the Government CLBILS loan guarantee scheme, and a £10m facility provided on normal commercial terms expiring at the end of December 2020. For as long as the £25m facility remains in place, the Group will be restricted from paying Dividends. The Group retains the option to cancel all or part of this RCF at any time by repaying the monies drawn. The Group has modelled a scenario with business disruption continuing throughout 2020, and these facilities are intended to provide more than sufficient liquidity in this event.

#### Trading Update

Easter is the second largest seasonal peak for the business. As anticipated, closing all retail stores from 23 March 2020 has had a material impact on trading. However, the Group has been able to rapidly leverage its direct-to-consumer multi-channel model to redirect demand to online, and to modify the working methods of its distribution warehouse to operate safely, with a temporarily reduced product range. Whilst not fully mitigating the total retail sales loss in the key three-week Easter period, the Group is encouraged by the agility and resilience of the business model and continues to explore further avenues for online growth whilst working safely.

#### **Angus Thirlwell, Co-founder and Chief Executive Officer of Hotel Chocolat, said:**

*“Hotel Chocolat is a strong brand with differentiated products, a loyal customer base, and a vertically integrated direct-to-consumer business mode, built for agility. It is a reflection of these attributes that we have been able to add additional banking cover to the over-subscribed equity placement in March. The financial headroom gives us greater resilience against ongoing disruption and enables us to move onwards with longer-term growth opportunities.*

*I would like to thank our team for their creativity and determination to swiftly adapt so we can continue to serve our community of customers, who tell us about the joy of receiving an unexpected delivery of our chocolate with a personal message from someone they love but can't go and see, and the happy ritual of passing a box of chocolates around their lock-in household in the evening. One of the benefits of being an employee of Hotel Chocolat is getting a 50% discount on our products. Back in March we made the NHS and emergency services honorary members of our family while they work so hard for us all and have shipped many tens of thousands of parcels to help keep morale and stamina up.*

*Our market leadership in digital and subscription chocolate is more valuable than ever and we will accelerate the planned innovations and investments behind these models. Plans are in progress to re-open our physical locations when appropriate, with adjustments in place to make shopping with us safe and pleasurable again.*

*Every day at Easter the online demand exceeded the quantity of orders we could accept, due to the requirements to ensure safe working, combined with the short adjustment period. With the plans we are putting in place over the next months, we aim to be able to switch the vast majority of demand to online should the need arise in the future.”*

**For further information:**

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**Notes to Editors:**

Hotel Chocolat is a premium British chocolatier with a strong and distinctive brand. The business was founded in 1993 by Angus Thirlwell and Peter Harris and has traded under the Hotel Chocolat brand since 2003. The Group sells its products online and through a network of locations in the UK and abroad. The Group has a cacao plantation and eco-hotel in Saint Lucia, offering complete cacao immersion through tree-to-bar experiences and wellness treatments. The Group also has a flagship restaurant and cacao roastery in London’s Borough Market: Rabot 1745. The Group was admitted to trading on AIM in 2016.