

## CHELSEA PITCH OWNERS AGM 20/1/23 - CHAIRMAN'S STATEMENT

Good afternoon Ladies and Gentlemen,

A warm welcome to the Annual General Meeting of Chelsea Pitch Owners, especially to our new shareholders and those who may be attending one of these meetings for the first time. It's great to be able to meet face to face, and we're also delighted that we can once again extend the attendance by providing a live stream for those that can't make it in person. At the last count there are CPO shareholders in over 40 countries around the world, and we hope that this later start time will allow more of you to join us. For those that have joined online, we are of course monitoring and moderating participation so everyone can feel part of the process. The required quorum is present, and so the meeting is now open.

My name is Chris Isitt, director of CPO since June 2020, and I am joined by my fellow directors, Sean Jones, Ginette Gower, Steve Frankham, Miriam Greenwood and Mark Eyre.

Before we get into the content of the AGM, I would like to remind anybody that hasn't yet voted on the Resolutions set out in your AGM packs that they are still able to do so, either here in person today, or by using the online link you were sent. Our partners from UK Engage are also in attendance today to oversee the process. Voting will close at the end of this meeting after which the votes will be collated and verified.

The statement I will make to you now will be followed by the usual opportunity for you to ask us any questions.

The accounts for the year ending July 2022 are as detailed in the packs sent to you recently and show a headline loss of £17,500 which is slightly less than last year.

The events of March, April and May surrounding the sanctioning and eventual sale of the Club generated huge levels of interest and support for CPO, leading to a 150% increase in the number of shares sold during the year. 75% of these shares were the recently reintroduced 'A share' which helped boost share sale revenue to £175,000. Sales would have been greater still had the full range of player signed certificates been available. Unfortunately, the continuation of COVID protocols and the availability of players led to delays in obtaining signed shares this year. We rely on the goodwill of the Club to get certificates signed, but unfortunately some sales were lost and money refunded. However, many shareholders were extremely patient in waiting months for their share and we are grateful for their loyalty and support. We are working with the Club to improve the process which will include two signing periods per season after each transfer window closes.

Share sale income was supplemented by proceeds from the first CPO lunch for 3 years. The Board recorded its thanks to Steve Frankham and his team for the organisation of another well attended and successful event. A new date has already been set for the next lunch, now moved to June this year.

A thorough review has been carried out, led by Mark Eyre, to ensure our core share sale costs are covered;- admin time, postage, packaging consumables and frames. These will be monitored as postage rates and other add on costs continue to rise. Mark has also done a great job reviewing and improving the company's banking arrangements which allows us to function more efficiently.

The main contributing factors to the loss were the unbudgeted costs incurred to re-write the company's Articles of Association, which were adopted at this meeting last year, and an additional mail out which fulfilled our obligation to request communication preferences from shareholders.

A break-even budget is in place for the current financial year and, while there are sufficient reserves in place to cover the current situation, the Directors continue to consider options to supplement the core share sale income with additional revenue. This includes looking at alternative social events to complement the annual lunch and the possibility of CPO branded merchandise.

However, the Board's primary focus, as stated throughout the sale process and in ongoing conversations with the new owners, is to find a vehicle that will allow the Loan to be paid off. There is no timescale for this, and the Board will update shareholders as and when there is progress to report and decisions need to be made.

On the subject of the redevelopment of Stamford Bridge, it was well reported that the new owners committed a significant sum over and above the purchase price of the Club to invest in the infrastructure and the stadium. In a general comment released specifically for this meeting, the Club has said:

**"As our new owners said in their first communication after acquiring the club, they are committed to growing Chelsea as a global platform, including investing in infrastructure and across a range of areas.**

**"We are exploring all options to ensure a stadium solution which makes the most sense for the club, our fans and our community. We are looking forward to working closely with the CPO as we consider and assess the different options available to us."**

You will have seen media coverage of the Club's bid for the Stoll site adjacent to the ground. It was just one of many bids that have been made for the site, and a decision from Stoll's trustees is unlikely to be made immediately. The Club has confirmed again that they will consult on key matters throughout the process, to paraphrase "not because they have to, but because they want to". In any event, we understand that whatever shape the project eventually takes, it is unlikely to be completed before 2030.

Looking back at the extraordinary period during which our Club was sanctioned and eventually sold, I wanted to bring you up to date on some of the Board's activity. From the initial stages of the sale, we contacted those that appeared to be the serious bidders and held face to face or virtual meetings with the various groups;- Boehly, Broughton, Ricketts, Pagliuca, Ineos/Ratcliffe, Candy and Centricus/Talis. We had

meetings with the True Blues consortium who were looking to set up a 10% share with the successful bidder. Directors participated in media interviews via TV, radio, podcast, printed and online press with outlets such as BBC, Sky, The Athletic, The Times, The Telegraph, Financial Times, Mail, Mirror, Sun, i-News, and there were also meetings with others connected with process, such as the DCMS, the local MP, and legal advisors.

The primary aim of the directors was to ensure that the CPO's interests as owners of the freehold were represented, and that potential bidders were aware of the conditions surrounding the lease and loan agreements with the Club. We also made it clear that it was our priority to get the loan paid off. These issues continue to underpin the agenda for our regular discussions with the new owners.

The relationship between CPO and Chelsea Supporters Trust has been extremely important while the sale was taking place, working together to promote each other's agenda and exchange information and ideas. Our thanks to Cliff Auger, outgoing chair of CST, and its Board for their cooperation and support.

As I mentioned earlier, any change in the loan situation may be a while off yet, so as far as the day-to-day business of selling shares is concerned, as reported at this meeting last year, we plan to make the sale of shares attractive through activity such as special signings and limited editions and extending our reach to as many parts of the world-wide Chelsea community as we can. Thanks to Ginette Gower's persistence, we have recently, finally, been able to restore pitch presentations for new shareholders who have paid extra for this privilege and hope to clear the backlog by the end of the season. Updating our website and reviewing our social media activity is also a key task. We are particularly looking for ideas to help us expand our reach among younger fans and encourage them to become shareholders. Tom Armstrong has recently taken on the role of Head of Digital Content and is tasked with looking at this area of opportunity.

The Board formally advised the Club that the Loan Agreement will be extended for a further 10 years following its expiry in December 2022, protecting our relationship with the Club and securing the core function and principles of CPO. It is a matter of record that this company receives no direct funding from the Football Club and receives only a peppercorn rent for the use of the pitch.

Much of what we do to raise income relies on the cooperation of the Football Club, for which we continue to be grateful. CPO is a unique body with a simple and clear purpose. The board remains focused on meeting its objectives and looks forward to the continuing support of shareholders.

So, ladies and gentlemen, thank you for joining us today at the AGM and for supporting Chelsea Pitch Owners. On behalf of the Board, please help us spread the word, tell your family, friends and colleagues what we are about. Encourage them to buy a share or two and if you are able, please buy more shares yourself.