

2 May 2023

East Imperial PLC

("East Imperial" or the "Company" or the "Group")

## EAST IMPERIAL AUDITED FULL-YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

East Imperial, the global purveyor of ultra-premium beverages, today announces audited full-year results for the year ended 2022 with pleasing top-line growth and a strong start to 2023 in line with the Company's expansion plans.

### Summary

- Sales were up 14% over the year to £3.2 million (230,973 cases), driven by growth in key established markets, off-trade, and direct-to-consumer channels.
- In the US, case sales were up 68% over the year, with very strong sales (+71%) in California as the Company continues to build out in the luxury on-trade channel in line with its sales strategy.
- As in previous years, the Company's final two quarters saw the strongest revenue performance, with H2 2022 1.4 times larger in sales revenue than H1 of 2022.
- Good Q4 2022 momentum has continued into a strong start to 2023, with revenue for Q1 up 41% year on year and overall case sales of 58,246, up 35% year-on-year, driven by the continued demand for ultra-premium products in key regions.
- At the point of approval of the 2022 financial statements, East Imperial is in advanced discussions with potential debt funders to provide additional working capital to support ongoing expansion; an announcement is expected imminently.

### Strategic Highlights

- Implemented new distribution partnerships in the US and key Asian markets. In particular, the appointment of RNDC in the US and Wen Hua Hang Wine Spirits Company in China will form a cornerstone of growth through 2023 and 2024.
- Appointed Lion Breweries in Pennsylvania as our US-based bottling partner.
- Gained recognition for our products' world-class quality, winning eight medals in the international Global Spirits Tonic & Mixers Masters Competition, one of the World's most highly regarded series of blind-tasting competitions. The awards include a Masters Medal, the highest accolade of excellence in the industry, for East Imperial's Grapefruit Tonic and Grapefruit Soda.
- Launched our award-winning Light Tonic, the lowest calories of any premium tonic on the planet.

<i>£m</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
<i>Revenue</i>	3.2	2.8	14%
<i>Gross Profit</i>	0.5	0.5	0%
<i>Operating Profit/(loss)</i>	(3.7)	(5.2)	28%
<i>Net Cash</i>	(0.15)	0.12	

Tony Burt, Founder and CEO, said:

*"I'm delighted with our progress last year and, in particular, the popularity of our premium product range among existing and new customers, which has helped drive a double-digit rise in revenues. I am also very pleased by our progress over the year and into Q1 2023 of winning the right kind of business and continuing to develop long-term relationships with key strategic partners in all regions.*

*The pandemic created some exceptional challenges, with much of the on-trade market still shut for large parts of last year. However, we experienced strong growth in the off-trade in New Zealand, benefitting from new supply agreements with major retailers. As the on-trade*

experienced strong growth in the off-trade in new markets, benefiting from new supply agreements with major retailers. As the on-trade market began to emerge and open up in Asia in the second half, we've been very encouraged by the return of demand, particularly luxury on-trade.

We have continued to invest in growth in 2022 and further strengthen the business's fundamentals to position us for further expansion. Like every company in our sector, we have had to manage extraordinary supply chain headwinds and inflationary pressures impacting our costs. However, we plan to mitigate this impact through greater operational efficiency this year. The loss also reflects several one-off administrative costs due to the LSE listing process, but we are now in a strong position for profitability and growth. We have been very encouraged by trading so far this year, up 40% YoY, a record Q1 for the company and over 300 new on-trade accounts added in California during the period.

Consumers' demand for 'premiumisation' continues unabated, underpinning our strategy and the long-term opportunity for East Imperial. I am confident we have the platform, the team and the resources to become the most admired premium brand of mixers and create a highly valued company for our shareholders."

**For more information on East Imperial, please visit <https://investors.eastimperial.com/>**

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#### **Chairman's Statement**

I am pleased to present the audited financial statements to the shareholders of East Imperial PLC ("the Company") for the year ended 31 December 2022.

The Company's performance in 2022 was pleasing as we saw continued growth in a challenging year, reporting revenues of £3.2m, up by 14%. Revenue improvement has come despite the first half of 2022 still being Covid impacted in our key Asia Pacific region.

2022 saw us on-board a national distribution partnership with RNDC in the USA. This process has been challenging but we have worked through it and now feel we have a strong operating partnership that will grow through 2023. We are optimistic about what 2023 will see for this market and have a number of brand partnerships that will assist with growth.

We are delighted in 2022 to have begun a distribution partnership in China with Wen Hua Hang Wine Spirits Company (WHI). WHI has a strong presence in the local luxury beverage market. This, combined with the relaxing of the Covid restrictions in this market, makes us optimistic for a larger-than-anticipated contribution to the company's growth this year.

For the Company, 2022 was a year when the business's resilience was tested again, but it has come through with strong prospects for the year ahead. The management team continues working closely with the Board to ensure we adapt to the challenges and build a strong business to execute the growth opportunities identified.

The Board is encouraged by what it sees in the first quarter of 2023 and expects a strong year. The growth drivers and, in particular, the premiumisation of the drinking experience globally remain strong. This sits positively with our vision of providing our end customers with exceptional drinking experiences.

There remains some uncertainty in the trading environment as the world adapts to a post-Covid environment and deals with the impacts of the Ukraine conflict, including inflationary pressures. The Board continues to monitor these impacts but does not believe they will hinder the Company's ability to execute its growth strategies.

Alistair McGeorge

**Non-Executive Chairman**

#### **CEO Review**

2022 was a year of consolidation for East Imperial as many of our markets finally turned the corner leaving behind the impacts of the global pandemic and the industry restrictions we were all forced to endure.

During 2022 we implemented new distribution partnerships in the US and key Asian markets. 2022 continued to be challenging with the backdrop of global supply chain challenges that all importers and exporters experienced, leading to delays and inflationary cost pressures. These challenges were unprecedented, and their effects on the Company's business should not be underestimated. We have seen a significant easing of these pressures as we move into 2023 and are optimistic that we will see this flow through margin improvements and our ability to move quickly in reaction to growing demand.

Our approach through the disruption has been to adapt quickly and ensure our focus and resources were utilised in the best possible areas.

I was pleased to see sales were up 14% year on year in 2022, highlighting, I believe, the business's resilience and ability to continually navigate the challenges presented.

#### **Strategic Highlights**

- The Asia Pacific region remains the cornerstone of the East Imperial brand story. We are a fiercely proud Asian Pacific brand and

- The East Imperial region remains the cornerstone of the East Imperial brand story. We do not merely produce from a local source, but it remains a tremendous global asset; one our competitors cannot lay claim to and will continue to leverage as we grow throughout the region. As was the case in 2021, China, Singapore, and Hong Kong sales continued to be affected due to the pandemic. Although we saw Singapore reopen its borders and the first orders flowing through to our new distribution partner, SUTL Group. This was also the case for Hong Kong in 2022, with Leung Yick, our new distribution partner, also receiving their first orders.
- In 2022, East Imperial remains the number one selling premium mixer in on-trade in New Zealand. The support afforded to us by the trade is overwhelming and not taken for granted. We have continued where we left off in 2021 and accelerated our retail offering across New Zealand, a core element of our growth strategy. Foodstuffs, New Zealand's largest food retailer, extended our placement across 102 North Island stores. With this, we are now found in all New Worlds and their competitors, Countdown (110 stores), across the country. Retail continues to make a significant portion of New Zealand sales revenue, allowing us to lure New Zealanders from foreign competition brands to East Imperial. This will continue to be a core focus in the region for 2023.
- In the US, 2022 saw us being onboarded by the US's second-largest spirits and wine distributor, Republic National Distribution Company (RNDC). Key states being California, Arizona, Washington, Florida, Illinois, DC, Maryland and Colorado. Working alongside each state office took a little longer than we had hoped, but I was pleased to see this completed to the point that allowed us to start selling our core range in April 2022. We also added Tennessee later in the year. California has been a stand-out success to date. We continue to grow our enviable list of luxury on-trade locations in the region overseen by our newly appointed Regional Sales Director, who is working closely with the RNDC team while introducing several new initiatives, including the Premium Paloma to over 100 locations in Southern California. This momentum has seen us add two further brand ambassadors in San Diego and Los Angeles to support the momentum. Phoenix and the surrounding region are the US's fastest-growing region. There is also a thriving cocktail scene and an abundance of luxury resorts. This has become a particular focus for the business to emulate the successful approach of Southern California.

Operationally, 2022 was challenging on many fronts for the aforementioned reasons, although key strategic projects were announced and delivered. After a thorough due diligence process, including meeting over a dozen potential partners, we were pleased to be able to appoint Lion Brewery in Pennsylvania as our US-based bottling partner. This is an important milestone for the company and our first step in bottling away from New Zealand. Manufacturing of core flavours will commence in 2023 once we deplete our current inventory holding in the US.

Several operational projects were successfully delivered in 2022, including consolidated flavour packs for our five key tonics to address potential errors in blending and improve product consistency. We also updated inner wraps, labels & cartons using different materials/artwork to reduce complexity, introduce more recyclable materials and reduce cost. We also successfully launched our Light Tonic, the lowest calories of any premium tonic on the planet, and a special edition Christmas Tonic. The reception for both has been very encouraging and goes some way to reaffirming the company's ability to develop and deliver world-leading innovation and flavours.

The team have done an incredible job operating in another year that presented a challenging environment. We're resilient as a result but optimistic that after three years, we'll see an easing in certain areas.

### Sustainability

Ingredient sourcing, manufacturing, packaging and distribution affect people, communities and environments. We aim to build a sustainable global beverage business, delivering ethically manufactured products with minimal negative environmental impact.

We are committed to creating products that are as sustainable as possible without compromise. We remain committed to continuing to reduce our greenhouse gas emissions and operational waste by:

- Evaluating all operational decisions against the carbon footprint they create.
- Commitment to produce our products closer to our key markets.
- Optimise distribution networks and utilisation across our operations.

We have not arrived at our final destination, but we've already taken several positive decisions and steps to protect the environments we operate within. These include:

- We never plan to use PET bottles.
- We only use 100% recyclable cans and bottles.
- Our glass is made from at least 35% recycled product (virgin glass is needed for product stability).
- Reduction in packaging requirements for our direct-to-consumer orders and deliveries.
- We use no plastic in any of our primary packaging. Our cardboard packaging is 100% recyclable, and we will continue to increase the proportion of recycled material across all our packaging solutions.
- We offer kegged options to select key accounts, eliminating glass bottle use.
- Water conservation and quality are pivotal to the East Imperial brand story, and as such, we only source our water from sustainably managed springs.

### People

Our people and our team are our most important assets. We remain committed to attracting and retaining the best people while ensuring a diverse, sustainable, high-performing workforce.

We are committed to creating the next generation of industry leaders who will, in turn, support their communities and help them thrive. As we grow our team, we will continue providing them with the following:

- Opportunities for training and career progression.
- Personal development and continuous improvement.
- Financial reward is based upon personal and company performance.
- Help in achieving the ideal work/life balance.
- Always provide them with a safe workplace where everyone is treated with respect.

We actively promote diversity within our team and wholly support equal opportunities in employment. We know that diversity can only be achieved through a team of differing backgrounds and perspectives, which is the prerequisite to creating a more dynamic and inclusive environment.

We're already an incredibly diverse bunch, from our executive and operational teams to our board of directors. We walk the walk and are staunch advocates of diversity that reflect the communities in which we operate.

## Strategy and Outlook

### *Sharing Our Brand With More of the World*

In 2022, our plans were challenged by the ongoing supply chain disruptions due to the emergence of COVID, the knock-on effects of the Ukrainian conflict, the energy and the cost-of-living crisis. It's been an extraordinary environment, but the team remained agile in adapting to these global headwinds and sought new growth opportunities. It meant we re-prioritised some of our key projects to adapt to new consumer behaviour and opportunities.

The notable shift in consumer consumption and behaviour is largely due to the current global economic environment. This shift has made us more resolute in who we are and who our customers are. As the global premium mixer category grows, so does our competitor's product placement in channels traditionally reserved for budget brands. It is this continued shift we see in the market, we believe, that is allowing East Imperial to 'middle' our competitors and to fill the demand for a more discerning consumer at the upper end of the market.

In the US, our strategy is different from our competitors. East Imperial is not as exposed to the US shopper 'trading down' in the retail channel. This represents over 70% of a competitor's brand sales in the US. It represents less than 1% of East Imperial's.

In that, the Directors believe that it is now more important than ever we remain focused on positioning ourselves as the only true ultra-premium choice for the more discerning customers in key strategic regions. This means we will continue to focus on securing traditional luxury and high-end on-premise accounts while delivering on our plans for a multi-channel approach, off-premise and direct-to-consumer in select regions.

We will continue to serve our traditional luxury and high-end on-premise accounts as they return online. We will continue developing our multi-channel approach, including off-premise (speciality food and liquor stores) and direct-to-consumer, with a deep digital customer acquisition focus.

Through investing in marketing, strategic partnerships, collaborations, new products, technology and people, we intend to continue to focus on growing our leadership position in the Asia Pacific while pursuing strong multi-channel growth in the US.

## **Financial Review**

The Group's performance in 2022 was pleasing as we saw solid growth in the second half of the year, reporting revenues of £3.2m, up by 14%. The year's first half remained challenging with key Asia Pacific markets operating under covid restrictions.

The revenue improvement seen in the year's second half resulted from new distribution partnerships in key regions of Singapore and China and the continued growth of a very strong base in New Zealand. The New Zealand growth continues to come from widening our retail presence. In the USA, we established a year of relationship with our national distribution partner RNDC. We expect to see the results of this work show positive results in 2023.

The 2022 gross margin of 15.1% reflects a drop compared to 19.2% in 2021. Normalising margins to account for the unusual level of write-offs seen in 2022 does see our margins at 20%, which is close to 2021. Both years reflect the industry-wide challenges of the supply chain through this period. Continued issues with shipping availability and escalating costs meant we had to move and hold additional inventory in the US market to ensure supply continuity. This added additional costs due to the elevated warehousing capacity required. The supply chain shock continued for the business this year following the outbreak of the Ukraine conflict and then the associated inflationary pressures.

The pressure on margins is now easing as ocean freight and local freight costs begin returning to pre covid levels in many of our markets. The business has also moved to minimise our exposure to freight pricing by implementing FOB NZ pricing for many of our markets. We continue to see cost pressures on input costs but have a program of margin improvement initiatives underway to enable us to recover margin while also focusing on driving significant top-line growth. In line with our long-term strategy of bottling products closer to key markets, we have announced an agreement to bottle US products in the US in 2023. This will allow us to control costs more effectively and become more proactive to the demands of this market.

Through an extraordinary period over the last three years, we have focused on the significant opportunity ahead and built adaptability and resilience into the business. We have continued to invest in the brand, our people and our ability to execute on growth. Underlying operating expenses were £4.0m (2021: £2.45m), representing 125% of revenue (2021: 88%). People costs increased by 77%, reflecting the investment in sales personnel in the US and a full year of board personnel compared to five months of 2021. Administrative costs were up 105% compared to 2021, partly due to 2022 representing a complete twelve months in addition to one-off spending on advisors. In 2023 there will be a continued focus on controlling costs and ensuring we operate as a lean sales-led organisation.

The Group generated an operating loss before exceptional costs of £3.7m (2021: £1.9m), mostly in line with expectations reflecting the ongoing investment in growth.

The Group generated an NPAT loss of £3.6m (2021: £5.37m).

### Tax

On 31 December 2022, the company had unutilised tax losses of £10,340,000 (31 December 2021: £6,766,000). A deferred tax asset of £2,138,000 (31 December 2021: £1,345,000) has not been recognised due to the uncertainty around the timing of the availability of taxable income to utilise the losses.

### Cash Position

At the year-end, the Group had cash balances of -£145,000 (2021: £129,000) and net current assets of £842,000 (2021: net current assets £1,109,000).

### Going Concern

The financial results have been prepared on the going concern basis that contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. In performing the going

activities, the realisation of assets and the settlement of liabilities in the normal course of business. In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents, data relating to working capital requirements for the foreseeable future, forecast cashflows from revenue generation, available information about the future, the possible outcomes of planned events, changes in future conditions, the Ukraine conflict, and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The total comprehensive loss for the year of £3,610,000 compared to £5,370,000 for the preceding financial period;
- Cash and cash equivalents readily available to the Group in the amount of £129,000 to pay its creditors and maturing liabilities in the amount of £1,379,000 as and when they fall due and meet its operating costs for the ensuing twelve months; and
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to continue manufacturing and distributing its products
- Ongoing discussions with potential debt funders that are in an advanced stage at the point of approval of the 2022 financial statements.

The cash flow forecasts prepared rely on successful funding in the form of a debt raise in Q2 2023 to continue expansion and settle current liabilities as they fall due. Having assessed the principal risks and the status of ongoing discussions with potential funders, the directors are confident that the necessary funding will be forthcoming. However, the necessary funding is not committed at the date of approval of these financial statements. These conditions, together with those mentioned above, are considered to indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. This is largely attributable to the short-term liquidity position the Group finds itself in due to the ongoing expansion across the globe and the progression towards being cash generative.

Notwithstanding the material uncertainty identified, the directors have concluded that the Group will have sufficient resources to continue as a going concern for a period of not less than 12 months from the date of approval of the financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis and do not reflect any adjustments that would be necessary if this basis were inappropriate.

#### Principal risks

The Group maintains a risk register and monitors risks associated with the business, including finance, legal, personnel, and macro and micro environmental factors. Risks are assessed and discussed at the management and Board level on a regular basis, assessing the impact, likelihood and mitigation strategies are carefully considered. East Imperial's principal risks and uncertainties can be found in the annual report.

#### **Consolidated Statement of Comprehensive Income for the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b><u>Continuing operations</u></b>		
Revenue	3,168	2,779
Cost of sales	(2,689)	(2,243)
<b>Gross Profit</b>	<b>479</b>	<b>536</b>
Administrative expenses	(3,965)	(2,449)
Exceptional costs	-	(3,056)
Share based payments	(42)	(248)
<b>Operating Loss</b>	<b>(3,528)</b>	<b>(5,217)</b>
Finance expense	(125)	(153)
<b>Loss before tax</b>	<b>(3,653)</b>	<b>(5,370)</b>
Income tax	-	-
<b>Loss for the year</b>	<b>(3,653)</b>	<b>(5,370)</b>
<b><u>Other Comprehensive Income</u></b>		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Foreign exchange differences on consolidation	(115)	139
<b>Total Comprehensive Loss for the Year</b>	<b>(3,768)</b>	<b>(5,231)</b>
<b>Loss attributable to :</b>		
Owners of the company	(3,768)	(5,231)
<b>Loss per share (EPS)</b>		
Basic EPS	(1.08)	(1.99)
Diluted EPS	(1.08)	(1.99)

#### **Consolidated Statement of Financial Position as at 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Assets</b>		

<b>Non - Current Assets</b>		
Intangible assets	2,219	2,228
Property, plant and equipment	86	45
Right of use assets	589	62
<b>Total Non-Current Assets</b>	<b>2,894</b>	<b>2,335</b>
<b>Current Assets</b>		
Cash and cash equivalents	129	266
Trade and other receivables	474	566
Inventories	1,697	1,849
<b>Total Current Assets</b>	<b>2,300</b>	<b>2,681</b>
<b>Total Assets</b>	<b>5,194</b>	<b>5,016</b>
<b>Current Liabilities</b>		
Trade and other payables	1,379	1,535
Lease liability	79	37
<b>Total Current Liabilities</b>	<b>1,458</b>	<b>1,572</b>
Net Current Assets/(Liabilities)	842	1,109
<b>Non-Current Liabilities</b>		
Provisions	38	-
Lease liability	509	24
<b>Total Non-Current Liabilities</b>	<b>546</b>	<b>24</b>
<b>Net Assets</b>	<b>3,190</b>	<b>3,420</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	3,381	3,057
Share premium	6,974	4,033
Share option reserve	290	248
Reverse acquisition reserve	5,040	5,040
Foreign exchange reserve	163	48
Accumulated losses	(12,659)	(9,006)
<b>Total Equity</b>	<b>3,190</b>	<b>3,420</b>

#### Consolidated Statement of Cash Flows for the year ended 31 December 2022

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b><u>Cashflows from operating activities</u></b>		
Loss for the year	(3,653)	(5,370)
Adjusted for:		
Depreciation, amortisation and impairments	94	55
Deemed cost of listing in reverse acquisition	-	2,536
Share based payments	42	248
Allocated to provisions	38	-
	<u>(3,479)</u>	<u>(2,531)</u>
Decrease in trade and other receivables	92	154
(Decrease)/increase in trade and other payables	(292)	491
Decrease/(increase) in inventories	152	(1,253)
<b>Cashflows from operations</b>	<b>(3,527)</b>	<b>(3,139)</b>
<b><u>Cashflows from investing activities</u></b>		
Acquisition of property, plant and equipment	(61)	(19)
<b>Net cash flows from investing activities</b>	<b>(61)</b>	<b>(19)</b>

**Cashflows from financing activities**

Lease payments	(63)	(38)
Proceeds from issue of ordinary shares	3,248	3,082
<b>Net cashflows from financing activities</b>	<b>3,185</b>	<b>3,044</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(403)</b>	<b>(114)</b>
Foreign exchange differences to cash and cash equivalents on consolidation	(8)	(2)
Cash and cash equivalents at 1 January	266	245
	(145)	129
Cash and cash equivalents	129	266
Overdraft	(274)	(137)
<b>Cash and cash equivalents at 31 December</b>	<b>(145)</b>	<b>129</b>

**Consolidated Statement of Changes in Equity for the year ended 31 December 2022**

	Share Capital £000	Share Premium £000	Share Option Reserve £000	Forex Reserve £000	Reverse Acquisition Reserve £000
<b>At 1 January 2022</b>	<b>3,057</b>	<b>4,033</b>	<b>248</b>	<b>48</b>	<b>5,040</b>
Loss for the year	-	-	-	-	-
Forex retranslation difference	-	-	-	115	-
Total comprehensive loss	-	-	-	115	-
Issue of shares	324	3,091	-	-	-
Share issue costs	-	(149)	-	-	-
Share based payments	-	-	42	-	-
<b>At 31 December 2022</b>	<b>3,381</b>	<b>6,974</b>	<b>290</b>	<b>163</b>	<b>5,040</b>
	16		17		
<b>At 1 January 2021</b>	<b>222</b>	<b>1,098</b>	<b>-</b>	<b>(91)</b>	<b>3,837</b>
Loss for the year	-	-	-	-	-
Forex retranslation difference	-	-	-	139	-
Total comprehensive loss	-	-	-	139	-
Reverse acquisition	2,467	415	-	-	1,203
Issue of shares	300	2,700	-	-	-
Share issue costs	-	(180)	-	-	-
Exercise of options	68	-	-	-	-
Share based payments	-	-	248	-	-
<b>At 31 December 2021</b>	<b>3,057</b>	<b>4,033</b>	<b>248</b>	<b>48</b>	<b>5,040</b>

## 1. General Information and Basis of Preparation

East Imperial plc is a public company limited by shares and registered in England and Wales with company number 10973102. The company is domiciled in the United Kingdom and the registered office is 6th floor, 60 Gracechurch Street, London, EC3V 0HR. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activity of the Group is the sale and distribution of beverages in Australasia, United States, United Kingdom, Singapore and Europe.

The annual financial information presented in this preliminary announcement is based on, and is consistent with, that in the Group's audited financial statements for the year ended 31 December 2022 which have been prepared in accordance with UK adopted International Accounting Standards in conformity with the Companies Act 2006. The Group's audited financial statements will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The independent auditors' report on those financial statements is unqualified and does not contain any statement under section 498 (2) or 498 (3) of the Companies Act 2006. The Independent auditors have drawn attention to a material uncertainty in relation to going concern arising from the requirement for additional funds in Q2 of 2023.

Information in this preliminary announcement does not constitute statutory accounts of the Group within the meaning of section 434 of the Companies Act 2006.

The financial statements of the Group are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise stated.

The Group financial statements consolidate those of the Company and its subsidiaries' undertakings drawn up to 31 December 2022. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 2. Segmental Reporting

The Group derives revenue from the sale of beverages. All entities in the group derive income from these products which, in all aspects except details of revenue, are reviewed and managed together within the Group and as such are considered to be the only segment.

The following information is given about the Group's reportable segments:

Type	%	Revenue by Country of destination	%
Beverage distribution	100	New Zealand/Australia	58%
		United States	20%
		China	2%
		Singapore	6%
		European Union	10%
		Rest of the world	4%
			100%

## 3. Loss Per Share

	2022	2021
	£000	£000
Net loss from continuing operations	(3,653)	(5,370)
Weighted average number of shares (000)	336,821,108	270,295,861
Loss per share (pence)	(1.08)	(1.99)

As at 31 December 2022 there are 9,276,832 options that are exercisable at dates after 31 December 2022. These options are anti-dilutive. Diluted earnings per share is therefore equal to earning per share.





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