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NS Notice of GM



NOTICE OF GM AND CAPITAL REORGANISATION

EAST IMPERIAL PLC

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The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

2 February 2024

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

Notice of General Meeting

Capital Reorganisation

East Imperial, the global purveyor of super-premium beverages, announces that further to its announcement on 24 January 2024, it will today post to shareholders a circular containing a notice of general meeting ("GM") to renew authorities to allot new ordinary shares, as well as to change the nominal value of ordinary shares.

Notice of GM

As announced on 24 January 2024, the Company raised approximately £325,000 by way of a placing of 29,545,454 ordinary shares ("**Placing Shares**") with one investor ("**Placing**"). Establishing the Company's US base and distributors has taken longer than planned, and with sales in China growing slower than expected, the Company's cash flow break-even point is now expected to occur later than anticipated. Therefore, the Company requires additional working capital to finance operations during 2024. The net proceeds of the Placing have provided the Company with a cash runway until April 2024.

Following the allotment of the Placing Shares, the Company's remaining authority to allot further shares on a non pre-emptive basis has been reduced to 4,271,650 ordinary shares of one penny each ("**Existing Ordinary Shares**"), which the Board considers insufficient in light of the Company's future working capital requirements. As indicated in the announcement of 24 January 2024, the Board has therefore decided to convene a GM to obtain additional authorities to allot shares on a non pre-emptive basis in order to provide the Company with the ability to issue shares for working capital for the period after April 2024. In addition, subject to shareholder approval, the Board proposes to reduce the nominal value of ordinary shares ("**Capital Reorganisation**") to provide the Board with the flexibility it considers necessary to facilitate future fundraises by the Company, details of which are set out further below.

A circular, which includes notice of the GM, will be sent to shareholders today to convene a general meeting at 11:00 a.m. on 19 February 2024 at the offices of Fasken Martineau LLP, 100 Liverpool Street, London, EC2M 2AT. The purpose of the GM is to: (i) seek shareholder approval to a Capital Reorganisation, which will also require amendments to the Company's articles of association; and (ii) obtain further authorities to enable the Board to allot shares on a non pre-emptive basis.

The Directors of the Company consider that all the resolutions to be considered at the GM are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions as they intend to do in respect of their own beneficial holdings.

If the resolutions are not approved by shareholders, the Company's ability to raise additional working capital through equity will be restricted and therefore the performance, financial position and prospects of the Company could be adversely affected and alternative funding solutions will need to be sought.

Capital Reorganisation

As the Company is not permitted by law to issue shares at an issue price which is below their nominal value, the Company's ability to raise funds from investors is limited due to the proximity of the mid-market price of the shares to their nominal value. Whilst the Board's objective is to achieve the highest possible issue price for the Company when issuing shares, it is cognisant that, given current market conditions, the Company may be unable to issue shares at a sufficient discount to their market price in order to attract further equity investment into the business.

In order to enable the Company to issue shares at an issue price which exceeds their nominal value, shareholder approval is being sought to complete a Capital Reorganisation.

The Capital Reorganisation will involve:

- each of the existing ordinary shares of one penny each will be subdivided into and reclassified as one New Ordinary Share (defined below) and one Deferred Share (defined below);
- each New Ordinary Share will be an ordinary share in the capital of the Company with a nominal value of £0.001 (0.1 pence); and
- each Deferred Share will be a deferred share in the capital of the Company with a nominal value of £0.009 (0.9 pence).

Subject to the passing of the relevant resolutions at the AGM, the Capital Reorganisation will take effect at the close of business on the date of the GM ("**Record Date**").

As a consequence of, and immediately following, the Capital Reorganisation becoming effective each Shareholder's holding of New Ordinary Shares will be the same as the number of Existing Ordinary Shares held by them on the Record Date. Each shareholder's proportionate interest in the Company's issued ordinary share capital will, and thus the aggregate value of their holding should, remain unchanged as a result of the Capital Reorganisation.

The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the articles of association of the Company, including those relating to voting and entitlement to dividends.

The Deferred Shares created will be effectively valueless as they will not carry any rights to vote or dividend rights. The Deferred Shares will not be traded on the London Stock Exchange's ("**LSE**") Main Market for listed securities or listed and will not be transferable without the prior written consent of the Board. No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares.

The intention is that Deferred Shares would be cancelled in due course following a court approved reduction of capital or other means, if available.

Admission

Application has been made to the UK Financial Conduct Authority ("**FCA**") and the LSE for the New Ordinary Shares to be admitted to the standard segment of the FCA Official List and to trading on the LSE's Main Market for listed securities ("**Admission**"). Admission is expected to occur at 8.00 a.m. on or around 20 February 2024.

Total Voting Rights

Following Admission of the New Ordinary Shares, assuming no other issue of New Ordinary Shares takes place (such as from the exercise of any convertible securities) prior to the General Meeting, the total issued share capital of the Company with voting rights will comprise 367,716,497 New Ordinary Shares.

The Company does not hold any Ordinary Shares in treasury. Therefore, following Admission of the New Ordinary Shares, the above figure of 367,716,497 New Ordinary Shares may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure, Guidance and Transparency Rules.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of circular and Notice of GM	2 February 2024
Latest time and date for voting by proxy for GM	11.00 a.m. on 15 February 2024
General Meeting	19 February 2024
Announcement of the result of the GM	19 February 2024
Record Date and final date and time for trading in Existing Ordinary Shares	6.00 p.m. on 19 February 2024
Expected date of Admission of the New Ordinary Shares arising from the Capital Reorganisation	20 February 2024

KEY STATISTICS RELATING TO THE CAPITAL REORGANISATION

Prior to the Capital Reorganisation

Number of Existing Ordinary Shares	367,716,497
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Post Capital Reorganisation

Number of New Ordinary Shares	367,716,497
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Number of Deferred Shares	367,716,497
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ISIN code for the New Ordinary Shares	GB00BMZ1ND56
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About East Imperial

Founded in New Zealand and Singapore in 2012, East Imperial produces a range of super-premium mixers that sell throughout APAC, the US and EMEA. Guided by a clear strategy to capitalise on the growing demand for premiumisation across the beverage industry, East Imperial has sold over 32 million bottles in over 20 countries since its founding, with popular products including Old World Tonic Water, Grapefruit Tonic Water, Yuzu Tonic Water and Mombasa Ginger Beer. In 2023, East Imperial won 9 medals at the coveted Tonic & Mixers Masters Competition in London. The Company was founded on the philosophy of creating exquisite products defined by heritage, tradition, and authenticity. All products are made from high quality, all-natural ingredients, reflecting East Imperial's commitment to providing a sustainable product and minimising environmental impacts at every stage of the manufacturing process. For more information about East Imperial and its premium mixers. Visit <https://www.eastimperial.com>.

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