



YEAR-END TRADING UPDATE

[EAST IMPERIAL PLC](#)

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

Year-End Trading Update

East Imperial plc, the global purveyor of super-premium beverages, is pleased to provide an update on trading for the year ended 31 December 2023.

Highlights

- Revenue of £2.35m for FY2023 (unaudited), as expected behind the £3.17m recorded in FY 2022 given the operating constraints experienced in Q2 and Q3
- Post resolution of operational issues, sales recovery in Q4 2023 with momentum maintained in Q1 2024
- Margin improvement programme implemented in Q4 2023, which included cost reduction initiatives and selective price rises, led to a 15% margin expansion in Q4 2023 and improvement maintained into 2024
- Implementing initiatives to improve working capital cycle including the moving of overseas customers to FOB shipping terms and trade financing
- Ongoing discussions with potential debt funders to provide additional working capital to help support ongoing expansion
- Expectation that cashflow breakeven will be achieved in Q4 2024

As previously announced, 2023 was a challenging year for the business, as a shortage of working capital in Q2 and Q3 affected operations and revenue until the Convertible Loan Note facility from INL was agreed upon and then drawn down in August and November 2023.

Significant progress has been made to restructure the business since the inflow of the loan proceeds with a focus on cost reductions, margin improvement and Tier 1 and Tier 2 customer wins. In Q4 2023, these efforts began to gain traction as the on-premises and off-premises channels recovered in the New Zealand market, with over 44,000 cases shipped, representing approximately £533,000 in revenue from New Zealand alone. Overall, the revenue for the year was £2.35m (2022: £3.17m), reflecting the five-month working capital constraints and the loss of capacity in Q2 and Q3.

The Company has now established an experienced US sales team in key strategic regions - initially in Florida, California and Texas, which is driving sales growth in 2024.

Singapore remains an important regional gateway in Asia, and the Company's regional distribution partner strengthens market access to ASEAN markets here and in Hong Kong.

In mainland China, sales growth in 2023 had been slower than expected. The Company has been working closely with its distributor to roll out a targeted development plan for this market for 2024. With the significant Tier 1 addition of Galaxy Entertainment Group in Macau and with approximately 6,000 cases expected to be shipped in Q1 2024, progress is being made.

Continued Tier 1 client wins in Europe, the Netherlands and the Czech Republic demonstrate the Company's ability to 'land and expand' its product range and compete with larger brands.

In addition to sales growth, increasing margins is important to accelerating the Company's path to breakeven. The margin improvement programme implemented in Q4 2023 includes a range of initiatives, including moving overseas customers to FOB shipping terms, reducing logistical touchpoints, and putting in place trade financing, in addition to cost reduction initiatives and selective price rises. In Q4, margins showed a 15% increase from Q3, and this improvement has been maintained in January 2024.

Overall, the direction in terms of sales and margins is positive and the Board remains confident in the team's ability to continue to deliver further Tier 1 and Tier 2 listings, drive growth, and deliver the case sales required in 2024 and beyond. The Company is in discussions with potential debt funders to provide additional working capital to support this growth.

The Company expects to announce its results for the year ended 31 December 2023 in April 2024.

Anthony Burt, CEO & Executive Chairman of East Imperial plc, commented:

"East Imperial made significant operational improvements and commercial advances during 2023 despite the challenging operational issues earlier in the year. We know that we must drive sales, margin enhancement and cash generation as we target customers in our chosen markets who demand quality and a sense of individuality. Our brand's strength and growth potential are unquestionable and are demonstrated by our recent and ongoing client wins."

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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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 33 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 8 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 the highest 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 ultra-premium mixers.

Visit <https://www.eastimperial.com/>

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