**CHILL BRANDS GROUP PLC**

**(“Chill Brands”** or the **“Company”** or the **“Group”)**

**Registered Company Number 09309241**

**Unaudited Results for the Twelve Months Ended 31 March 2025**

Chill Brands Group, the consumer packaged-goods distribution company, announces its unaudited results for the twelve months ending 31 March 2025 (the “**Period**”).

This Interim Report covers the full twelve-month period from 1 April 2024 to 31 March 2025. It follows the earlier publication of unaudited interim results for the six months ended 30 September 2024, which were released on 11 July 2025. That earlier report included not only financial results but also detailed narrative commentary extending through to the date of publication. In particular, it addressed major events and developments in the second half of the reporting period, including governance changes, corporate recoveries, operational restructuring, and the Company’s strategic pivot toward distribution services. Readers are therefore referred to that publication, which is available at the following [link](https://chillbrandsgroup.com/wp-content/uploads/2025/07/CBG-Interims-30-September-2024.pdf).

This report is being issued following the Company’s decision to extend its accounting reference date from 31 March to 30 September. As a result of this change, the Company is publishing a second set of interim financial statements to cover the full twelve-month period from 1 April 2024 to 31 March 2025. Given the overlap in scope, much of the relevant strategic and operational commentary has already been provided in the July 2025 interim release. This document summarises the key points from that report and provides updated commentary to provide a complete picture for the financial year.

As set out in the Company’s announcement dated 5 September 2024, the Annual General Meeting ("**AGM**") was adjourned in respect of those resolutions relating to the Annual Report and Accounts for the year ended 31 March 2024, due to delays in finalising and publishing the report. The AGM will be reconvened in due course, and shareholders will be notified of the revised date and associated resolutions now that the Annual Report has been published.

**Summary**

The 12-month period to 31 March 2025 was marked by an exceptionally challenging and transitional chapter in the Company’s development. In the first half of the year, Chill Brands was significantly disrupted by corporate and governance events, including the removal of two former directors, the suspension of its CEO (later reinstated following the determination that the accusations made against him were unsubstantiated), the loss of access to key assets, and the freezing of banking facilities. These issues necessitated urgent corrective action by the reconstituted Board, including the appointment of legal counsel, engagement with professional advisers, and the initiation of legal proceedings – all resulting in a substantial volume of exceptional, one-off costs and a corresponding impact on financial performance.

The majority of these exceptional costs were concentrated in the first six months of the Period, with the Company subsequently adopting a more disciplined approach to cost control while continuing to address legacy liabilities. In December 2024, a key milestone was reached through an out-of-court settlement with former US-based executive directors, resulting in the Company taking control of the Chill.com domain and related IP rights. This provided a foundation for the business to begin stabilising and rebuilding its commercial strategy.

During the year, the UK vaping market was significantly affected by the impending and then confirmed ban on disposable vape products. This created intense pricing pressure and eroded the value of remaining inventory, including the Company’s Chill ZERO nicotine-free disposables. In anticipation of these regulatory changes, Chill Brands developed a new range of shortfill e-liquids designed for use in refillable devices. These products launched in early 2025 and were supported by a rebrand reflecting a more mature and compliant identity in line with forthcoming legislation.

Rather than continue this path of investment in proprietary product development, the Company made a strategic decision to redirect its commercial focus toward the launch of Chill Connect, a distribution and sales services division designed to support third-party consumer brands. Leveraging the Company’s established retail relationships, operational infrastructure, and experience navigating complex, regulated categories, Chill Connect provides field sales, merchandising, and route-to-market solutions for emerging and established brands. This service-led model reduces inventory and capital risk while offering recurring revenue opportunities across a diverse portfolio of product categories.

During the second half of the Period, Chill Connect became the Company’s primary commercial focus, onboarding new clients in the vape and oral nicotine categories, while also opportunistically expanding into high-volume segments such as confectionery. Although margins in wholesale and distribution can be lower than branded product sales, the model is scalable and allows the Company to grow its footprint, build valuable retail data, and deepen its store network which it increasingly recognises as a valuable intangible asset.

To support its renewed strategy, the Company raised £1 million in convertible loan notes in May 2025, with most of the funds available on a drawdown basis, allowing for staged access to working capital. This facility has been critical in supporting ongoing operations while preserving financial flexibility and minimising unnecessary interest burdens.

The Company has also taken steps to reset its financial reporting calendar, changing its accounting reference date from 31 March to 30 September. This adjustment creates an 18-month accounting period ending 30 September 2025 and has postponed the next audit deadline to 31 January 2026, allowing Chill Brands the time and operational headroom needed to focus on execution without immediately entering another audit cycle.

While heavily affected by extraordinary events during the first six months of the Period, Chill Brands now benefits from a clarified strategic focus, stabilised leadership, and renewed commercial direction. The Company is now operating as a UK-focused route-to-market partner for regulated and high-growth consumer brands, building a scalable, lower-risk model with long-term potential.

**Overview of the Period**

The Period to 31 March 2025 was defined by an extraordinary series of corporate events that had a significant and exceptional financial impact on Chill Brands Group. The first half of the year was dominated by governance disruption, which included a shareholder-led campaign to remove two directors and an ultimately unfounded internal investigation into the CEO. These events led to the suspension of trading in the Company’s shares, the freezing of bank accounts, and the disruption to key assets including the Chill.com domain and $400,000 in Company funds transacted to former directors.

These events, along with corrective action taken by the reconstituted Board in retaining professional advisers and commencing legal proceedings, resulted in the Company absorbing a considerable volume of one-off costs. This exceptional expenditure, coupled with operational disruption including the freezing of bank accounts and limitations on access to financial records, materially limited the Company’s ability to advance its commercial strategy and significantly impacted financial performance during the Period.

The majority of exceptional costs - including legal fees, professional adviser costs, and asset recovery expenses - were incurred during the six-month period from 1 April to 30 September 2024, as the Company responded to the aforementioned governance and operational disruption that occurred during that time. Since then, the Board has taken a cautious and disciplined approach to cost management, actively reducing exceptional expenditure. Certain legacy costs and historic liabilities continue to impact cash flow as the Company works through outstanding obligations and normalises its financial position.

Following the General Meeting on 4 June 2024, the Company began the process of regaining operational control, resolving legacy issues, and rebuilding commercial infrastructure. In December 2024, an out-of-court settlement was reached with the former US-based executive directors. As a result, the Chill.com domain and associated IP rights returned to the Company’s control. This was a pivotal milestone that allowed the business to reassert ownership over its brand and digital platform.

Commercially, the business continued to sell down inventory of its Chill ZERO nicotine-free disposable vapes. Market conditions deteriorated sharply due to the UK Government’s proposed ban on disposables, legislation which was ultimately implemented on 1 June 2025. In anticipation of this, many brands engaged in aggressive clearance pricing, driving unit prices down to mere pennies. This environment significantly eroded margins and impacted sales volumes.

In response, Chill Brands took steps to reposition its product strategy. A new range of nicotine-free e-liquids that are compliant with UK regulations and designed for use in refillable devices entered production during the Period and launched in early 2025. These shortfill products (sold in larger bottles with space for optional nicotine shots) offer flexibility to adult consumers while aligning with anticipated legislative changes. The brand identity of the Company’s vape range has also been updated to reflect a more mature and compliant tone, in line with the evolving regulatory environment outlined in the forthcoming Tobacco and Vapes Bill.

As articulated later in this report, the Company has now shifted its primary focus in this category from own-brand product development to the growth of its sales and distribution services division.

At a strategic level, the Company recognised that it had built valuable capabilities in navigating regulatory complexity, onboarding retail accounts, and selling differentiated products into the UK convenience and specialist retail landscape. Previously reliant on an outsourced sales agency, the Company made the decision to internalise its sales team and, more significantly, to launch its own sales and distribution services division: Chill Connect. This division offers field sales, merchandising, and route-to-market services to third-party brands, particularly those operating in tightly regulated or fragmented categories such as vape, nicotine pouches, CBD, energy drinks, and functional foods. Unlike own-brand sales, this service-led model offers the potential for recurring revenue with significantly lower exposure to inventory and working capital risk, as the Company is not solely reliant on the success of a single proprietary product. While the Company may still, in certain cases, purchase and sell inventory on behalf of partner brands, these activities are more transactional and diversified in nature, reducing the financial exposure typically associated with developing and launching a standalone brand. This approach also allows Chill Brands to leverage its core strengths including its retail network, operational expertise, and ability to navigate complex regulatory categories to help partner brands gain meaningful traction in the UK market.

Chill Connect rapidly became the Company’s core commercial focus. During the six months from 1 October 2024 to 31 March 2025, efforts were directed toward expanding the division’s offering and client base. In addition to onboarding brands in vaping and nicotine alternatives, the Company acted opportunistically to participate in other trending categories such as the distribution of the viral ‘Dubai-style’ chocolate in the UK confectionery market. While margin profiles can be thinner in wholesale and distribution compared to branded product sales, the model is scalable and provides access to high-volume opportunities that grow Chill’s store footprint and customer data set.

This store network, comprising direct relationships with retailers across the UK, is emerging as a form of commercial infrastructure and valuable intellectual property. It enables Chill Brands to introduce new products, test launches, and gather retail insights with speed and precision, making it a key differentiator in securing and servicing third-party distribution clients.

As the Company continues to expand its distribution activities through the Chill Connect division, it recognises the importance of managing working capital efficiently to support scalable growth. While the distribution model carries significantly lower risk than own-brand product development, it can still involve the purchase and resale of inventory on behalf of partner brands, particularly in cases where upfront stock commitments are necessary to secure supply or meet retailer demand. To reduce the cash flow burden associated with these transactions, the Company intends to explore and implement inventory financing solutions. These may include trade credit arrangements or structured agreements with suppliers and finance partners. By accessing financing tailored to the needs of a distribution business, Chill Brands aims to improve liquidity, preserve operational flexibility, and support higher-volume trading activity without overextending its balance sheet.

In summary, while the Company was heavily impacted by one-off legal and governance events early in the year, it exited the Period with greater operational clarity, resecured assets, a restructured sales function, and a credible new business model that aligns with its capabilities and the realities of its markets. Chill Brands now operates as a UK-focused route-to-market specialist for regulated and high-growth consumer products, offering scalable, lower-risk revenue opportunities while continuing to invest selectively in its own products and e-commerce platform.

**Financial Overview**

During the 12-month Period the Company recorded revenues of £305,700 (prior 6-month interim period: £164,001; full year to 31 March 2024: £1,908,020). There was a material decrease in revenue from the prior 12 months ending 31 March 2024, but revenues during the six-month period to 31 March 2025 remained broadly consistent with the six-month period to 30 September 2024.

Sales of the Company’s products resulted in a gross loss of £395,579 (full year to 31 March 2024: gross profit of £472,810). The Company’s gross margin was impacted by a reduction in sales activity during a period of corporate disruption, as well as by shifting market dynamics driven by growing regulatory pressure and consumer transition away from disposable vape formats. Throughout late 2023 and early 2024, the Company had made strategic progress in securing listings for its Chill ZERO products across major UK retail accounts and had anticipated a subsequent uplift in sales volumes that would have enabled it to benefit from economies of scale and improved contribution margins.

In preparation for this expected phase of commercial expansion, the Company invested heavily in its sales and marketing functions, including the implementation of new promotional campaigns and field activation programmes. However, the disruption caused by the governance events of April and May 2024, along with the suspension of key commercial operations and the freezing of banking facilities, prevented the business from capitalising on this momentum. As a result, a significant portion of the costs incurred during the Period - while strategically aligned with the Company’s prior growth trajectory - did not yield the anticipated returns, contributing to the erosion of gross margin during the Period.

The Company recorded an operating loss of £3,142,330 (full year to 31 March 2024: operating loss of £2,903,529). This elevated loss reflects, in large part, a spike in professional fees and exceptional costs incurred during a period of intense corporate disruption. Between 22 April and 3 May 2024, the Company spent over £300,000 on newly appointed legal, communications, and advisory services to manage the fallout from governance issues that were ultimately resolved through shareholder intervention. During the same period, approximately $400,000 was transacted to former US executive directors. Subsequent legal action to recover assets through the U.S. courts resulted in several hundred thousand dollars of additional costs. While non-recurring, these expenses had a material adverse impact on the Company’s financial performance and significantly contributed to the operating loss recorded during the Period.

A substantial portion of the exceptional expenditure incurred by the Company occurred during the six-month period to **30 September 2024**, as it responded to governance issues, asset recovery actions, and legal disputes that arose during that time. These costs included significant professional fees, advisory retainers, and legal expenses required to stabilise the business and protect its interests. In the subsequent six-month period to **31 March 2025**, such elevated costs began to reduce materially, reflecting the resolution of key issues, including the return of critical assets and the resolution of legal proceedings. While certain legacy costs and liabilities continued to impact cash flow, the overall level of **exceptional, one-off spending declined significantly**, enabling the Company to refocus resources on commercial recovery and growth initiatives.

Following the end of the Period, the Company continues to carry certain legacy liabilities, particularly those relating to professional advisory fees incurred during the governance disruption and asset recovery process. While these obligations remain a drag on cash flow, the Company is cautiously managing its exposure by engaging with creditors and agreeing structured payment plans that allow it to reduce these balances over time. This approach enables the business to meet its financial responsibilities without compromising its ability to trade, invest in growth, and deliver services to clients, striking a necessary balance between operational progress and managing liabilities.

During the Period, the Company recovered £35,444 from a U.S. counterparty in settlement of a legacy matter relating to the Company’s former activities in the oil and gas sector. This recovery followed the release of a state bond, which had been held in connection with historical operations prior to the Company’s transition into consumer products. While immaterial in financial terms, the receipt represents a further step in the ongoing process of closing out legacy matters and fully exiting non-core areas of historical activity.

There was a reduced cash position at 31 March 2025 of £30,954, compared to £1,315,289 at 31 March 2024. This decline primarily reflects the exceptional costs incurred during the corporate disruption earlier in the year, including substantial spending on professional advisors and legal actions, as well as sums transacted to former US executives. These events placed significant pressure on the Company’s liquidity during the Period. The Company has subsequently raised £1 million through the issuance of convertible loan notes in May 2025.

**Subsequent Events**

On 1 June 2025, legislation prohibiting the sale of disposable vape products came into effect in the United Kingdom. While the Company had already begun to phase out its Chill ZERO disposable products, the implementation of the ban has formalised this transition and reinforced the importance of the Company’s strategic pivot toward service provision and category diversification.

To support its operations and strategic initiatives, the Company successfully completed a £1 million fundraising through the issue of convertible loan notes, the completion of which was announced in May 2025. The notes carry a 10% annual interest rate, a three-year maturity term, and are convertible at a price of 1.5 pence per share. The facility was underwritten by the Company’s largest shareholder, with participation from other investors. Importantly, the majority of the funds are available on a drawdown basis, meaning that the Company can access capital in tranches as required to support operational needs. This structure provides ongoing access to working capital while helping to manage interest costs and preserve financial discipline. The funds have proven critical in enabling the Company to pursue its commercial objectives, meet operational obligations, and continue its post-disruption recovery and strategic expansion.

The Company published its audited accounts for the financial year ended 31 March 2024 on 23 June 2025, following a prolonged delay caused by the disruption and governance changes experienced during the Period. The audit was impacted by changes in management, restricted access to banking and financial records, and the need to re-establish core finance functions. The Company published its unaudited interim results for the six months to 30 September 2024 on 11 July 2025.

On 28 July 2025, the Company announced a change to its accounting reference date, moving it from 31 March to 30 September. As a result, the current financial period will span 18 months, ending on 30 September 2025. The Company will therefore be required to complete its next audit and publish full audited accounts for this extended period by 31 January 2026, in accordance with the Listing Rules.

This adjustment has been made in light of the significant delays experienced during the prior audit process, which concluded only recently due to the governance disruption and operational constraints encountered earlier in the year. The Board believes that this extension is both practical and prudent, providing the Company with the time and space operationally, financially, and administratively to stabilise its core business functions without immediately entering into another intensive audit cycle. It also avoids the risk of non-compliance with the Listing Rules, which would have required publication of another full-year audited report by 31 July 2025, a timeline that was not realistically achievable given the recent completion of the 2024 audit and the Company’s limited resources.

**Outlook and Future Prospects**

The past year has been one of significant transition for Chill Brands. Having emerged from a prolonged period of disruption and instability, the Company now operates with a more focused and commercially realistic strategy. The foundation of this strategy is Chill Connect - our dedicated sales and distribution services division - through which we support third-party brands in gaining traction across the UK retail and wholesale landscape. This model draws on the Company’s most valuable assets: its retail network, operational experience, and deep understanding of what it means to strive to launch and compete as a brand in complex, regulated product categories.

By offering field sales, merchandising, and route-to-market support, Chill Connect is able to deliver value to brands that lack the infrastructure, relationships, or in-house capabilities to penetrate the UK’s fragmented and competitive retail environment. Whether a brand is in vaping, oral nicotine, energy drinks, wellness supplements, or even niche food and beverage products, the need for trusted sales representation and established retail access is universal. Chill Brands is positioning itself as a cross-category distribution specialist - a one-stop solution for consumer brands seeking scalable growth without the cost, risk, and time burden of building their own commercial infrastructure from scratch.

As set out in the most recent interim results for the 6-month period to 30 September 2024, the Company is now placing less emphasis on its own-brand vape products, having recognised the operational complexity, regulatory burden, and capital intensity associated with developing and launching new devices. The UK market has undergone significant change following the ban on disposable vapes, with increased compliance requirements, longer cash collection cycles, and heightened competition from well-funded incumbents. Against this backdrop, launching new proprietary products would require substantial upfront investment in manufacturing, marketing, and distribution - resources that the Company believes are better allocated to its service-led distribution model. While Chill Brands continues to support certain own-brand products, including its range of nicotine-free e-liquids, the near-term commercial focus is on providing sales and route-to-market services to third-party brands, which offer lower risk and more sustainable revenue opportunities.

This pivot has already begun to yield results. Chill Connect has secured early-stage contracts with both emerging and established brands, and the Company continues to expand its sales team to meet growing demand. In the months ahead, we expect to broaden the range of product categories we operate in and increase our geographic reach. Unlike product development, which can require 12–18 months of lead time and significant working capital, distribution contracts can be executed and monetised quickly, with lower overhead and faster cash cycles. This gives the Company the ability to grow opportunistically and responsively, deploying its infrastructure wherever strong product-market fit exists.

The chill.com marketplace also remains a long-term strategic priority. Although the platform has not yet achieved its full commercial potential, we have made meaningful progress in 2025, including launching paid advertising campaigns and engaging e-commerce specialists to improve site performance and conversion rates. We continue to believe there is a long-term opportunity to create a trusted online hub for high-quality wellness and functional consumer goods - a belief underpinned by growing online demand for curated, category-specific digital retail platforms.

The Company will be further refining the chill.com operating model in the months ahead to ensure that the platform aligns with both commercial performance expectations and evolving consumer behaviour. While progress has been made in improving traffic and conversion, management recognises that additional optimisation may be required to unlock the site’s full potential. The Board remains committed to the long-term vision for the platform but is also prepared to make more radical changes to its structure, strategy, or category focus if necessary to enhance performance and maximise value. This may include reconfiguring the product mix, evolving the commercial model, or partnering with external operators where appropriate. In parallel, and irrespective of its current application and performance, the chill.com domain remains a strategic digital asset of inherent value due to its simplicity, memorability, and broad commercial relevance.

Looking ahead, the Company remains focused and resilient despite the exceptional challenges it has faced over the past year. The events that unfolded may have proven insurmountable for many businesses of Chill Brands’ size and maturity. That the Company has navigated this period and emerged with an operational business, active clients, and a clear commercial strategy is a testament to the support of its shareholders, and a determination to keep moving forward. With early traction now visible in its service-led distribution model, Chill Brands is well positioned to scale a more agile, capital-efficient business that supports a diverse range of partner brands while maintaining financial discipline. It has not been easy, but the Company continues to fight, rebuild, and execute with renewed clarity and purpose.

The coming months will be critical as we continue to stabilise, expand our client base, and build recurring revenues. There are numerous opportunities across the regulated and high-growth consumer product sectors, and the Company remains committed to pursuing these. While our immediate focus is on organic growth through Chill Connect and the expansion of our store network, we remain open to strategic transactions, partnerships, or acquisitions where they can accelerate progress or unlock long-term value.

Our aim is to build a lean, scalable business that delivers meaningful commercial outcomes while staying agile in a world where the consumer goods landscape is constantly evolving - recognising that to survive and succeed, we must be willing and ready to adapt as markets, regulations, and consumer behaviours continue to shift.

This interim financial report was approved by the Board of Directors on 31 July 2025 and signed on its behalf by:

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**Callum Sommerton  
Chief Executive Officer, Chill Brands Group plc**

**Statement of Directors’ Responsibilities in respect of the Condensed Interim Report and Condensed Financial Statements**

The directors confirm that the condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, and that the Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

* an indication of important events that have occurred during the twelve months and their impact on the condensed consolidated interim financial information; and
* material related-party transactions in the twelve months and any material changes in the related-party transactions described in the last Annual Report.

A list of current directors is maintained on the Company’s web site: [Board of Directors and Management](https://chillbrandsgroup.com/about-us/board-of-directors-and-management/)

The Interim Financial Statements were approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

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**Callum Sommerton  
Chief Executive Officer, Chill Brands Group plc**

31 July 2025

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| **Chill Brands Group PLC** | | | | | | | | |
| Consolidated Statement of Comprehensive Income (Unaudited) | | | | | | | | |
| For the twelve months ended 31 March 2025 | | | | | | | | |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  | **Unaudited twelve months ended 31 March 2025**  **£** |  | **Unaudited six months ended 30 September 2024**  **£** |  | **Audited year ended 31 March 2024**  **£** |  |
|  |  |  |  |  |  |  |  |  |
| **Revenue** |  |  | **305,700** |  | **164,001** |  | 1,908,020 |  |
| Cost of sales |  |  | **(701,279)** |  | **(540,187)** |  | (1,040,053) |  |
| Obsolete inventory expense |  |  | **-** |  | **-** |  | (395.157) |  |
| **Gross (loss) profit** |  |  | **(395,579)** |  | **(376,186)** |  | 472,810 |  |
| Administrative expenses |  |  | **(2,746,751)** |  | **(2,072,222)** |  | (3,376,339) |  |
| **Operating Loss** |  |  | **(3,142,330)** |  | **(2,448,408)** |  | (2,903,529) |  |
| Finance income |  |  | **12,546** |  | **12,485** |  | 87,033 |  |
| Finance costs |  |  | **(192,072)** |  | **(95,642)** |  | (196,449) |  |
| Other income |  |  | **35,444** |  | - |  | 270 |  |
| **Loss on ordinary activities before taxation** |  |  | **(3,286,412)** |  | **(2,531,565)** |  | (3,012,675) |  |
| Taxation on loss on ordinary activities |  |  | **-** |  | **-** |  | - |  |
| **Loss for the period from continuing activities** |  |  | **(3,286,412)** |  | **(2,531,565)** |  | (3,012,675) |  |
| Loss for the period from discontinued activities |  |  | **(15,462)** |  | **(43,875)** |  | (29,817) |  |
| **Loss for the period** |  |  | **(3,301,874)** |  | **(2,575,440)** |  | (3,042,492) |  |
| **Other comprehensive income** |  |  |  |  |  |  |  |  |
| Items that may be re-classified subsequently to profit or loss:  Gain on translation of foreign operations |  |  | **-** |  | **-** |  | - |  |
| **Total comprehensive loss for the period attributable to the equity holders** |  |  | **(3,301,874)** |  | **(2,575,440)** |  | (3,042,492) |  |
|  |  |  |  |  |  |  |  |  |
| **Earnings (loss) per share attributable to equity holders** |  |  |  |  |  |  |  |  |
| Attributable to continuing activities (pence) |  |  | **(0.65)** |  | **(0.50)** |  | (0.87) |  |
| Attributable to discontinued activities (pence) |  |  | **(0.00)** |  | **(0.01)** |  | (0.01) |  |
| *Total* |  |  | **(0.65)** |  | **(0.51)** |  | (0.88) |  |

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| **Chill Brands Group PLC** Consolidated Statement of Financial Position (Unaudited) At 31 March 2025 | | | | | | | |
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|  |  |  |  |  |  |  |
|  |  | **Unaudited twelve months ended 31 March 2025**  **£** |  |  | **Audited**  **year**  **ended**  **31 March**  **2024**  **£** |  |
| **Non-Current Assets** |  |  |  |  |  |  |
| Tangible assets |  | **899** |  |  | 28,780 |  |
| Right of use lease asset |  | **-** |  |  | 178,118 |  |
| Intangible assets |  | **1,083,976** |  |  | 1,135,947 |  |
| **Total Noncurrent Assets** |  | **1,084,875** |  |  | 1,342,395 |  |
| **Current Assets** |  |  |  |  |  |  |
| Inventories, net of provisions |  | **93,212** |  |  | 139,838 |  |
| Trade and other receivables |  | **919,066** |  |  | 2,647,703 |  |
| Cash and cash equivalents |  | **30,954** |  |  | 1,315,289 |  |
| **Total Current Assets** |  | **1,043,232** |  |  | 4,102,830 |  |
| **Total Assets** |  | **2,128,107** |  |  | 5,445,225 |  |
| **Non-Current Liabilities** |  |  |  |  |  |  |
| Loans, excluding current maturities |  | **1,411,755** |  |  | 1,411,755 |  |
| Right of use lease liability, net of current portion |  | **140,244** |  |  | 92,243 |  |
| **Total Non-Current Liabilities** |  | **1,551,999** |  |  | 1,503,998 |  |
| **Current Liabilities** |  |  |  |  |  |  |
| Current maturities of loans |  | **188,516** |  |  | 211,017 |  |
| Trade and other payables |  | **1,118,589** |  |  | 886,941 |  |
| Current portion of right of use lease liability |  | **-** |  |  | 92,393 |  |
| **Total Current Liabilities** |  | **1,307,105** |  |  | 1,190,351 |  |
| **Total Liabilities** |  | **2,859,104** |  |  | 2,694,349 |  |
| **Net (Liabilities) / Assets** |  | **(730,997)** |  |  | 2,750,876 |  |
| **Equity** |  |  |  |  |  |  |
| Share capital |  | **4,953,169** |  |  | 4,953,169 |  |
| Share premium account |  | **14,755,570** |  |  | 14,755,570 |  |
| Share based payments reserve |  | **4,516,608** |  |  | 4,516,608 |  |
| Compound loan note equity component reserve |  | **19,052** |  |  | 19,052 |  |
| Foreign currency translation reserve |  | **203,704** |  |  | 203,704 |  |
| Other reserve |  | **400,116** |  |  | 400,116 |  |
| Retained losses |  | **(25,579,216)** |  |  | (22,277,342) |  |
| **Total Equity** |  | **(730,997)** |  |  | 2,750,876 |  |
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|  | **Chill Brands Group PLC** Consolidated Statement of Changes in Equity For the twelve months ended 31 March 2025 | | | | | | | | | | | | | | | | | |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  | **Share Capital £** |  | **Share Premium Account £** |  | **Share Based Payment Reserve £** |  | **Compound Loan Note Equity Component Reserve £** |  | **Shares**  **To Be Issued Reserve £** |  | **Foreign Currency Translation Reserve £** |  |  | **Retained Loss £** |  | **Total £** |
|  | |  |  |  |  |  |  |  | **Other**  **reserve** |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 March 2023** | |  | **2,611,153** |  | **10,923,000** |  | **4,516,608** |  | **419,168** |  | **1,079,256** |  | **236,536** |  | **-** | **(18,907,049)** |  | **878,672** |
| **Comprehensive income for the period** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loss for the period | |  | - |  | - |  | - |  | - |  | - |  | - |  | - | (3,370,293) |  | (3,370,293) |
| **Other comprehensive income** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Translation adjustment | |  | - |  | - |  | - |  | - |  | - |  | (32,832) |  | - | - |  | (32,832) |
| Total comprehensive loss for the period attributable to the equity holders | |  | - |  | - |  | - |  | - |  | - |  | (32,832) |  | - | (3,370,293) |  | (3,403,125) |
| Shares issued in the period | |  | 2,342,016 |  | 3,992,025 |  | - |  | - |  | (1,060,000) |  | - |  | - | - |  | 5,274,041 |
| Transfer on conversion of convertible loan notes | |  | - |  | - |  | - |  | (400,119) |  |  |  |  |  | 400,116 | - |  | - |
| Termination of shares to be issued | |  | - |  | - |  | - |  | - |  | (19,256) |  | - |  | - | - |  | (19,256) |
| Cost relating to share issues | |  | - |  | (159,455) |  | - |  | - |  | - |  | - |  | - | - |  | (159,455) |
| **At 31 March 2024** | |  | **4,953,169** |  | **14,755,570** |  | **4,516,608** |  | **19,052** |  | **-** |  | **203,704** |  | **400,116** | **(22,277,342)** |  | **2,570,877** |
| **Comprehensive income for the period** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loss for the period | |  | - | **.** | - |  | - |  | - |  | - |  | - |  | - | (3,301,874) |  | (3,301,874) |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total comprehensive loss for the period attributable to the equity holders | |  | - |  | - |  | - |  | - |  | - |  | - |  | - | (3,301,874) |  | (3,301,874) |
| **At 31 March 2025** | |  | **4,953,169** |  | **14,755,570** |  | **4,516,608** |  | **19,052** |  | - |  | **203,704** |  | **400,116** | **(25,579,216)** |  | **(730,997)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Chill Brands Group PLC** Consolidated Statement of Cash Flows For the twelve months ended 31 March 2025 | | | | | | | |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  | **Unaudited twelve months ended**  **31 March 2025 £** |  | **Unaudited**  **six months ended 30 September 2024**  **£** |  | **Audited**  **year ended**  **31 March 2024**  **£** |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Cash Flows From Operating Activities** |  |  |  |  |  |  |  |
| Loss for the period |  | **(3,301,874)** |  | **(2,575,440)** |  | (3,370,293) |  |
| Adjustments for: |  |  |  |  |  |  |  |
| Depreciation and amortisation charges |  | **258,494** |  | **151,510** |  | 216,760 |  |
| Inventory impairment provision |  | **-** |  | **-** |  | 395,157 |  |
| Provision for expected credit losses |  | **-** |  | **-** |  | 180,000 |  |
| Imputed interest on convertible loan notes |  | **-** |  | **-** |  | 343,300 |  |
| Termination of options |  | **-** |  | **-** |  | (19,256) |  |
| Foreign exchange translation adjustment |  | **-** |  | **-** |  | (14,908) |  |
| Operating cash flow before working capital movements |  | **(3,043,380)** |  | **(2,423,930)** |  | (2,269,240) |  |
| Decrease (increase) in inventories |  | **46,626** |  | **56,335** |  | (63,181) |  |
| Decrease (increase) in trade and other receivables |  | **1,548,638** |  | **1,292,241** |  | (2,200,336) |  |
| Increase (decrease) in trade and other payables |  | **231,641** |  | **103,846** |  | 346,300 |  |
| **Net Cash outflow from Operating Activities** |  | **(1,216,475)** |  | **(971,508)** |  | (4,186,457) |  |
|  |  |  |  |  |  |  |  |
| **Cash Flows From Investing Activities** |  |  |  |  |  |  |  |
| Acquisition of plant and equipment |  | (982) |  | **-** |  | 2,037,197 |  |
| Net Cash (used in) Investing Activities |  | **(982)** |  | **(17,115)** |  | 1,749,912 |  |
| **Cash Flows From Financing Activities** |  |  |  |  |  |  |  |
| Net proceeds from issue of shares |  | **-** |  | **-** |  | 2,037,197 |  |
| Interest paid |  | **-** |  | **-** |  | (127,490) |  |
| Payments of lease liabilities |  | **(44,392)** |  | **(6,281)** |  | (151,873) |  |
| Repayment of long-term debt |  | **(22,501)** |  | **(10,834)** |  | (19,289) |  |
| Net Cash (used in) / generated from Financing Activities |  | **(66,893)** |  | **(17,115)** |  | 1,749,912 |  |
|  |  |  |  |  |  |  |  |
| **Net decrease in cash and cash equivalents** |  | **(1,284,350)** |  | **(988,623)** |  | (2,447,912) |  |
|  |  |  |  |  |  |  |  |
| Cash and cash equivalents at beginning of period |  | **1,315,289** |  | **1,315,289** |  | 3,767,426 |  |
| Foreign exchange adjustment on opening balances |  | **15** |  | **-** |  | (4,225) |  |
| Cash and cash equivalents at end of period |  | **30,954** |  | **326,666** |  | 1,315,289 |  |

**CHILL BRANDS GROUP PLC**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Twelve Months Ended 31 March 2025

**NOTE 1 - GENERAL INFORMATION**

Chill Brands Group PLC (“the Company”) and its subsidiaries (together “the Group”) are involved in the development, production and distribution of consumer packaged goods products including vapour products. The Company, a public limited company incorporated and domiciled in England and Wales, is the Group’s ultimate parent company. The Company was incorporated on 13 November 2014 with Company Registration Number 09309241 and its registered office and principal place of business is 27/28 Eastcastle Street, London W1W 8DH.

The Group has extended its accounting reference date from 31 March to 30 September. The Board is of the view that extending the current financial period from 31 March 2025 to 30 September 2025 is the most responsible way to ensure that the Company maintains full compliance with the Listing Rules, while allowing sufficient time to complete a full and proper audit. In connection with this change, the Company has prepared this additional voluntary set of unaudited interim financial statements for the 12 months ended 31 March 2025. The Company's next set of audited financial reports and accounts will be for the period 1 April 2024 to 30 September 2025 and will be published by 31 January 2026.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK adopted International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Other than as noted below, the accounting policies applied by the Group in the preparation of these interim financial statements are the same as those set out in the Company's audited financial statements for the year ended 31 March 2024.

These condensed financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the audited financial statements for the year ended 31 March 2024.

The condensed interim financial statements are unaudited and have not been reviewed by the auditors and were approved by the Board of Directors on 31 July 2025.

The interim financial statements for the period ended 31 March 2025 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. These financial statements have been prepared in accordance with the accounting policies set out in, and are consistent with, the audited consolidated financial statements for the year ended 31 March 2024. A copy of the statutory accounts for the year ended 31 March 2024 has been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006 but drew attention, by way of emphasis, without qualifying the report, to the Company’s assumptions on going concern which stated that the Group and Parent Company’s operational existence is reliant on the ability to raise further funding through equity placing or through the support of the directors through an injection of capital. The impact of this together with other matters indicated that a material uncertainty existed that may cast significant doubt on their ability to continue as a going concern. The auditor’s opinion was not modified in respect of this matter.

**NOTE 2 - ACCOUNTING POLICIES**

**Basis of preparation**

The interim condensed unaudited consolidated financial statements for the period ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The comparative figures for 31 March 2024 are extracted from the Group’s audited accounts to that date. The comparative figures for the period ended 30 September 2024 are unaudited.

The interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2024, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by the Company during the interim reporting period.

The condensed unaudited consolidated interim financial statements of the Group have been prepared on the basis of the accounting policies, presentation, methods of computation and estimation techniques used in the preparation of the audited accounts for the year ended 31 March 2024 and expected to be adopted in the financial information by the Group in preparing its annual report for the period ending 30 September 2025.

The financial information in this statement relating to the twelve months ended 31 March 2025 and the six months ended 30 September 2024 has neither been audited nor reviewed by the auditors pursuant to guidance issued by the Auditing Practices Board. The financial information presented for the year ended 31 March 2024 does not constitute the full statutory accounts for that period.

The financial information of the Group is presented in British Pounds Sterling (“£”).

**NOTE 3 - INCOME TAX EXPENSE**

No tax is applicable to the Group for the period ended 31 March 2025. No deferred income tax asset has been recognised in respect of the tax losses carried forward, due to the uncertainty as to whether the Group will generate sufficient profits in the foreseeable future to prudently justify this.

**NOTE 4 - GOING CONCERN**

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. In forming their conclusion, the Directors have undertaken a comprehensive assessment of the Group’s current financial position, cash flow forecasts, available funding arrangements, and associated risks.

In the time since the end of the Period, the Company’s operations have been primarily supported through revenue generated from commercial activities, supplemented by funds raised in a £1 million fundraising, the completion of which was announced in May 2025. At present the Company is therefore supported by funds raised through the issue of convertible loan notes and the remaining, undrawn portion of the loan facility announced in May.

The Board considers that the capital provided under the current financing facility will be sufficient to support the continuation of the Company’s core commercial operations throughout the current financial year. Nevertheless, it may be necessary for the Company to raise additional funding in the future in order to remain viable as a going concern, particularly in the event of unforeseen operational costs or if strategic growth opportunities are to be pursued.

Based on the Company’s demonstrated ability to secure financial backing from both new and existing investors in recent periods, and the continued support of major shareholders, the Directors are confident in their ability to raise further funds if and when required.

The financial statements do not include any adjustment that may arise in the event that the Group is unable to raise additional finance, realise its assets and discharge its liabilities in the normal course of business.

**NOTE 5 - NEW STANDARDS, INTERPRTETATIONS AND AMENDMENTS ADOPTED FROM 1 APRIL 2024**

No standards or Interpretations that came into effect for the first time for the financial year beginning 1 April 2024 have had an impact on the Group.

**NOTE 6 - LOSS PER SHARE**

Basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Earnings £** |  | **Weighted average number of shares** |  | **Loss per share (pence)** |
| Loss per share attributable to ordinary shareholders: |  |  |  |  |  |
| * Continuing activities | (3,286,412) |  | 506,291,025 |  | (0.65) |
| * Discontinued activities | (15,462) |  | 506,292,025 |  | (0.00) |
|  | (3,301,874) |  | 506,292,052 |  | (0.65) |
|  |  |  |  |  |  |

**NOTE 7 - INVENTORIES**

Inventories comprise finished products and raw materials either developed by the Group or bought in from third parties. All inventory items are stated at their cost of production or acquisition, or at net realisable value if this is lower. There were no biological assets being grown for the twelve month periods ended 31 March 2025.

**NOTE 8 - INTANGIBLE ASSETS**

The Group purchased the domain name Chill.com on 22 June 2021. This domain name is the only intangible asset held by the Group.

This domain name is stated in the accounts at its cost of acquisition less a provision for amortisation. The domain name is amortised over 25 years using the straight line method. The balance as of 31 March 2025 was £1,083,976 (31 March 2024: £1,135,497). The amortisation expense for the period ended 31 March 2025 is £51,521 (year ended 31 March 2024: £51,521. The change in the balance of the intangible asset from 31 March 2024 to 31 March 2025 is reflective of amortisation expense.

**NOTE 9 - SHARE CAPITAL & RESERVES**

Allotted, called up and fully paid Ordinary shares of £0.01 each:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Number of Shares** |  | **Share Capital**  **£** |  | **Share Premium £** |
| Balance at 31 March 2024 and 31 March 2025 | 506,292,025 |  | 4,953,169 |  | 14,755,570 |

The Group has only one class of share and all shares rank *pari passu* in every respect.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

During the Period, the Group was involved in transactions with former directors Antonio Russo and Trevor Taylor, who are considered related parties under applicable accounting standards. These transactions occurred prior to the reconstitution of the Board of Directors on 4 June 2024.

As part of these transactions, ownership of the domain name chill.com, a key intangible asset of the Group, was assigned to an entity under the control of Mr Russo. In addition, a cash transfer of approximately $400,000 in aggregate was made to Mr Russo and Mr Taylor.

Following a review of these matters, the Company initiated legal proceedings in the United States to seek the recovery of assets and to protect its interests. These actions subsequently led to a settlement agreement in December 2024, resulting in the chill.com domain falling under the control of the Group.

**NOTE 11 - SUBSEQUENT EVENTS**

On 22 May 2025, the Company announced that it had raised £1 million through the issuance of convertible loan notes priced at 1.5 pence per share, with a three-year term and 10% annual interest. Warrants with an exercise price determined by the volume-weighted average of the Company’s ordinary shares at the point of funds being drawn down were also issued to the subscribers.

**NOTE 12 - SEASONALITY OF THE GROUP’S BUSINESS**

There are no material seasonal factors which materially affect the operations of the Group’s business.