**CHILL BRANDS GROUP PLC**

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

**Registered Company Number 09309241**

**Half Year Results for the Six Months Ended 30 September 2024**

Chill Brands Group, the consumer packaged-goods distribution company, announces its unaudited half year results for the six months ending 30 September 2024 (the “**Period**”).

**Summary**

During the Period, the Company’s operations were significantly impacted by a series of corporate challenges that culminated in the removal of two former directors from the Company’s Board and the commencement of legal action against them. These events disrupted the development of the Company’s products and business divisions and resulted in a significant decline in commercial activity while these issues were addressed.

It was discovered during the Period that certain assets and funds were removed from the business, necessitating the engagement of professional advisers and the commencement of legal action to secure the Company’s position. This disruption to operations, coupled with numerous exceptional one-off costs, limited the Company’s ability to materially advance its strategic initiatives.

The Company was sustained during this time by funds raised in January 2024, amounting to approximately £2.4 million comprising £1.2 million of new funds raised through a subscription for new ordinary shares and the capitalisation of £1.2 million of inventory debt financing owed to the Company’s significant shareholder, Mr Jonathan Swann. This funding supported essential operations during a time of reduced commercial output and ongoing legal proceedings. During the Period the Company also received payments from major customers relating to the sale of its products into UK distribution channels during the financial year ending 31 March 2024.

Revenues recorded during the Period represent a material decline compared to prior full financial year ending 31 March 2024, reflecting volatility in the domestic market for disposable vape products, the absence of alternative product launches, the disruption to trading activities, and the strategic pause imposed by unresolved issues arising out of the corporate events that took place in April and May 2024. These challenges are addressed in greater detail elsewhere in this report.

The Company has made meaningful progress since the end of the Period. In December 2024, the Company reached a settlement with its former directors resulting in the chill.com domain and related trademarks falling under the Company's ownership and management once more. The Company has also refined its business model, most notably by establishing a new distribution division through which it provides route-to-market and sales services to third-party consumer brands. This initiative builds upon the retail network and internal sales infrastructure developed during the launch of the Company’s own vaping products in 2023 and early 2024. By leveraging this capability to support other brands, the Company has diversified its revenue streams, generating commission income and recurring retainer fees.

This strategic shift reduces the Company’s reliance on a single product or the success of its own brand in the highly competitive and regulated fast-moving consumer goods (FMCG) sector. In acting as a service provider rather than exclusively as a standalone product company, Chill Brands is better positioned to benefit from macro trends across multiple categories - including vaping, nicotine pouches, energy drinks and wellness products - while avoiding many of the burdens that challenge emerging CPG brands. This refined business model provides a platform for sustainable, scalable growth, and has been a key focus for the Company during the remainder of the financial year.

**Overview of the Period**

The Period began with the receipt of a shareholder requisition from the Company’s largest shareholder, seeking the removal of two directors and the appointment of new board members. Shortly thereafter, the Company’s Chief Executive Officer, Callum Sommerton, was suspended pending an investigation into allegations of insider dealing made by other directors. These allegations were later found to be wholly without merit. During the course of the investigation the Company, acting through its former directors, engaged new legal counsel, PR and communications advisers, and other professional services firms at significant and unanticipated cost to the business. The majority of these appointments and engagements were terminated by the new Board and legal action has commenced against certain former advisers whom the Company believes to have acted improperly during their engagement.

The shareholder-led requisition ultimately resulted in the removal of certain former board members. Following the reconstitution of the Board of Directors, Mr Sommerton was reinstated as Chief Executive Officer and resumed operational leadership of the business.

The Company’s shares were suspended from trading on 3 June 2024 following a request made by the former management team to the Financial Conduct Authority (FCA). This request was submitted the day before they were removed from office and was made on the basis that the Company was unable to provide the market with an accurate trading update at that time. Since then, the suspension has remained in place due to delays in completing the audit for the financial year ended 31 March 2024, which in turn led to the postponement of the publication of the Company’s annual accounts. These accounts were subsequently published on 23 June 2025. The Company now intends to request the lifting of the share suspension by the FCA following the publication of its interim results for the six months ended 30 September 2024.

Upon taking control, the new Board identified that certain key assets, including the Company’s chill.com domain and approximately $400,000 in cash, had been removed from the Company through transactions effected under the prior management. The Company engaged leading U.S. legal counsel to initiate proceedings to recover the domain and related assets. This combination of legal and professional fees and the operational disruption that ensued materially limited the Company’s ability to pursue its strategic and commercial objectives during the Period.

The Company is able only to provide only limited commentary on the actions and decisions of the former directors during the April and May 2024 period as a settlement has since been reached, the details of which are set out elsewhere in this report. Many of the related issues have now been resolved.

Following the General Meeting on 4 June 2024 and the reconstitution of the Board, the Company encountered significant operational disruption due to the freezing of its bank accounts. During the period of his suspension, the Company’s CEO had been removed from the banking mandate, and following the governance changes and public disclosure of internal disputes, the Company’s banking providers placed restrictions on the accounts while reviewing its status. As a result, the Company experienced a protracted period without access to its own funds and was unable to make or receive payments. This situation seriously hampered the Company’s ability to trade, fulfil obligations, and progress key commercial initiatives during a critical time. The process of securing alternative banking provision proved especially difficult due to a combination of the Company’s unique governance circumstances and its involvement in regulated product categories such as vape and CBD. Despite these challenges, the Company has now successfully secured new banking facilities and restored access to essential financial infrastructure.

Throughout this period, the Company continued to generate sales of its nicotine-free disposable vape products, particularly in the UK independent convenience store channel. During this time, the market for disposable vape products experienced increasing volatility, driven largely by regulatory uncertainty surrounding the UK Government’s proposed ban on disposable vapes - legislation which was ultimately implemented on 1 June 2025. This looming regulatory change led to a marked decline in consumer demand and created intense pricing pressure across the category, as retailers sought to clear stock and many competitors engaged in aggressive discounting. These conditions adversely affected the performance of the Company’s disposable product range during the Period, despite the continuation of underlying sales activity.

During the Period, the Company continued to investigate the development and potential launch of new multi-pod, reusable and rechargeable vape devices, despite being significantly constrained by ongoing corporate and financial challenges. These difficulties limited the Company’s ability to allocate resources, progress partnerships, and execute on product development at the pace originally intended.

The multi-pod concept had initially been conceived by the Company in early 2024, at which time it still represented an innovative product with the potential to establish Chill Brands as a relatively early mover within a nascent sub-category of the vape market. Following the delays and operational disruption experienced during the intervening period, the competitive landscape evolved rapidly. By the time the Company was in a position to revisit the project, several well-established brands had already entered the multi-pod space and secured meaningful market share. In light of these developments the Company determined that the commercial viability of launching its own multi-pod device had diminished under current circumstances and that it would be prudent to review and reprioritise its strategy accordingly.

Following the removal of the Company’s two US-based executive directors by shareholder vote at the General Meeting on 4 June 2024, and the subsequent resignation of the Company’s US sales lead and non-executive director, the Company’s US subsidiary was left without an operational management structure. Compounding this situation, the Company’s primary US distribution partner - previously engaged to provide a route to market for its nicotine-free vape products - began winding down its business due to financial difficulties. The Company continues to pursue recovery of outstanding funds owed by this distributor to its US subsidiary. In light of these developments and the fact that the US subsidiary was not making a material contribution to revenue, the Board concluded that it was no longer viable to continue progressing commercial operations in the United States. Accordingly, the decision was taken to reduce exposure to all US-related costs and commitments, and to concentrate the Company’s resources on the UK market, where it has greater operational control, stronger infrastructure, and more immediate commercial opportunities.

The decision to scale back the Company’s US operations was not taken lightly. The US vaping market is notoriously complex and highly fragmented, with oversight shared between the Food and Drug Administration (FDA), state regulators, and, in many cases, local authorities. The regulatory burden for companies operating in this space is significant, with stringent requirements including the costly and time-consuming Premarket Tobacco Product Application (PMTA) process for any product containing, or even capable of containing, nicotine. In addition, flavour restrictions vary widely from state to state, further complicating product strategy and distribution planning. Compounding these regulatory hurdles, escalating tariffs on imports from China (where the Company’s Chill ZERO products were manufactured) would have significantly increased the cost base of any large-scale US expansion. These combined factors would have made it extremely difficult for the Company to scale its operations sustainably in the US without very significant capital investment. As such, a strategic decision to pause active operations in the market allows the Company to focus on more accessible and controllable growth opportunities in the UK and Europe.

**Financial Overview**

During the half year Period the Company recorded revenues of £164,001 (prior interim period: £143,938, full year to 31 March 2024: £1,908,020), a significant decrease on the prior full financial year’s run rate for the reasons explained above.

Sales of the Company’s products resulted in a gross loss of £376,186 (prior interim period: gross profit of £61,699, 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 had 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 reporting period.

The Company recorded an operating loss of £2,448,408 (prior interim period: operating loss of £1,457,8092, full year to 31 March 2024: operating loss of £2,903,529). This elevated loss reflects, in large part, a significant increase in spending on professional advisors during a period of corporate turbulence. Between 22 April and 3 May 2024 alone, more than £300,000 in cash was expended on newly appointed legal counsel, corporate communications specialists, and other advisory professionals, as the former directors of the Company sought to manage the fallout from the shareholder-led governance intervention and stabilise the Company’s position.

During the same period, a further $400,000 was transferred to the two former US executive directors. Following this, the Company incurred several hundred thousand dollars in additional legal and professional fees as it pursued recovery of assets through proceedings in the United States federal courts. These expenses were necessary to protect the Company’s interests and secure the return of critical assets. While these costs were exceptional in nature and non-recurring, they had a material adverse impact on the Company’s financial performance during the Period and contributed significantly to the increase in operating loss.

There is a reduced cash position at 30 September 2024 of £326,666, 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**

In December 2024, the Company reached a settlement with its former directors in relation to certain corporate assets, including the chill.com domain. This followed legal proceedings initiated by the Company in the United States District Court for the District of Colorado in July 2024. As part of the settlement, ownership of the chill.com domain and related trademarks now sits with the Company. The resolution of this dispute has enabled the Company to exercise full control over its core digital asset and focus on the development of its e-commerce and brand platforms without further legal encumbrance.

In the months following the Period end, the Company formally launched its new sales and distribution division, Chill Connect. This division was created to leverage the Company’s established network of retail and wholesale relationships to support third-party brands in the fast-moving consumer goods (FMCG) sector. Since its inception, Chill Connect has secured its first retained clients, including brands in the vape, nicotine pouch, and beverage categories. The division offers route-to-market, sales representation, and merchandising services, generating retainer fees and sales commissions, and marking a strategic shift toward a more service-led, diversified revenue model. Through this division, the Company deploys the infrastructure and experience generated through its efforts in delivering its own brand to the mass market, supporting clients seeking to expand and manage their UK distribution footprint.

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, announced on 24 April 2025. The convertible loan 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 fundraising was underwritten by the Company’s largest shareholder, with participation from other investors. These funds have provided critical working capital to support the Company’s commercial objectives, cover operational expenses, and position the business for continued recovery and 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.

**Outlook and Future Prospects**

The past year has been an exceptionally challenging period for the Company. The business was forced to navigate a prolonged period of instability during which many of its commercial activities were necessarily scaled back or paused altogether. For a business of Chill Brands’ size and stage of development, the cumulative impact of these events would have proven insurmountable in many cases. That the Company remains in operation, with meaningful commercial relationships, fresh capital, and a renewed position withing the fast moving consumer goods market, is a testament to the support of its shareholders and the underlying value of its network and infrastructure.

Although commercial momentum slowed during the Period, the Company was able to use this time to critically assess its market position and identify new opportunities for growth. Drawing on the experience, retail partnerships, and operational know-how gained through the launch of its own products, the Company has positioned itself as a route-to-market and distribution partner for third-party brands. This strategic pivot has laid the foundations for a more sustainable, service-led business model that is better aligned with current market realities and capital availability.

The transition to this new model has already begun to yield results. Through its Chill Connect division, the Company has secured early client wins across key product categories, demonstrating both demand for its services and confidence in its ability to execute. While the challenges of the past year have inevitably delayed some of the Company’s longer-term ambitions, they have also sharpened its focus and led to the creation of an organisation that is now well positioned to pursue growth in a more disciplined manner.

At the time of writing, the Company is actively expanding its sales team to meet growing demand for its distribution services. The Chill Connect division is onboarding an increasing number of brands and products, including several well-recognised and category-leading names in the vape and nicotine pouch sector. Alongside this, the Company is broadening its sales network by opening new doors with independent retailers, national store groups, distributors, and specialist wholesalers. This growth reflects both the strength of the Company’s market positioning and the trust placed in its team by respected brand partners. As the division builds out its infrastructure - including improved systems, reporting capabilities, and account management resources - the Company is establishing a credible presence within the FMCG distribution landscape. Despite its size, Chill Brands is consistently delivering results and securing clients typically serviced by much larger organisations, demonstrating that it is already punching above its weight in this space.

The Company continues to maintain confidence in the long-term potential of its own Chill-branded product range, but the development, launch and commercialisation of new vape products is highly capital intensive and operationally complex. This is due to a combination of factors, including the upfront costs of manufacturing inventory at scale, the need to meet evolving regulatory compliance standards, and the requirement to fund listing fees, in-store merchandising, and promotional activities to secure and retain shelf space in national retail chains. These costs are further compounded by long cash collection cycles, with payment terms from major retailers and distributors often extending beyond 60 or even 90 days. The sector is also characterised by intense competition from large, well-capitalised incumbents, including multinational tobacco companies and industry leaders that dominate the market with established distribution networks, and the ability to outspend smaller operators on marketing and trade incentives.

The market remains volatile following the ban on disposables, as retailers reassess category plans and consumers adjust to the transition toward reusable formats. This has resulted in a period of heightened uncertainty and consolidation, with many smaller or undercapitalised brands withdrawing from the category or shifting their commercial strategies. Against this backdrop, the cost of launching a new brand or device is elevated further by the need for sustained consumer education, particularly in relation to zero-nicotine formats that may be unfamiliar to large segments of the market.

While the Company continues to support and sell certain own-brand products - including its range of nicotine-free e-liquids designed for use in refillable vape devices - its immediate commercial focus is on building out its new distribution division. This business model leverages the retail relationships and internal sales capabilities developed during the launch of Chill ZERO and offers a lower-risk route to revenue generation. Through supporting other brands seeking entry into the UK retail and wholesale market, the Company generates retainer fees and sales commissions while avoiding the inventory risk, marketing spend, and regulatory burden associated with launching its own products. In this way, the distribution division provides a more stable and diversified revenue base in the short term.

The Board believes that this focus on services over own brand sales is the most prudent strategy for the current stage of the Company’s development. Own-brand product launches will be approached more seriously when the Company has access to sufficient capital to do so in a commercially effective manner, and without jeopardising financial stability. When this time comes, new product development will be undertaken selectively and at scale, ensuring that any investment is supported by market insight, distribution readiness, and appropriate working capital buffers.

In the meantime, the Company’s distribution division enables it to work with a broad range of leading brands, providing sales, route-to-market, and retail support services. This model allows Chill Brands to participate in multiple product categories without the capital intensity of launching its own products, while building valuable relationships across the consumer goods sector. Through these partnerships, the Company is establishing itself as an effective operator in the distribution space, expanding its commercial horizons and opening the door to new revenue opportunities.

As outlined in the Company’s annual report for the financial year ended 31 March 2024, Chill Brands has continued to invest time and resources into the development of its online marketplace at chill.com. While progress has been made, the platform has not yet delivered the commercial results that the management aspires to and believes are ultimately achievable. However, during the course of 2025, the Company has taken concrete steps to improve the platform’s performance and commercial viability. Notably for the first time, and despite regulatory and advertising restrictions on many of the wellness products and ingredients listed on the site, the Company has been able to run paid advertising campaigns on Meta platforms, marking a significant milestone in our ability to drive targeted traffic. Management are also implementing changes to improve conversion rates and actively consulting with e-commerce specialists on a range of optimisation strategies aimed at enhancing the site’s user experience and commercial performance.

From the outset, the development of an e-commerce marketplace focused on wellness and functional consumer goods was conceived as a long-term initiative, and that view has not changed. Chill Brands remains focused on incremental improvement, and while revenue contributions to date have not been material, we are committed to the long-term vision for the platform. In a market that increasingly favours online discovery and direct-to-consumer sales, management believes there is a compelling rationale for a dedicated platform that brings together high-quality wellness brands and allows them to reach engaged audiences through a central, trusted retail environment.

Moreover, the Board of directors remains firmly of the belief that chill.com holds significant inherent value as a standalone domain asset. Its simplicity, global relevance, and branding potential make it a unique digital property with substantial appeal to potential acquirers across a range of industries. Regardless of what Chill Brands is or is not able to achieve with the site in its current form, the domain itself remains a valuable and strategic asset on the Company’s balance sheet.

While the Company does not expect a material increase in revenue during the six months following the Interim Period, this reflects a time of focus on operational stabilisation and the execution of its new strategy. As Chill Brands builds momentum within its distribution division and continues to establish credibility with brand partners, the Board believes this measured approach will support more durable and sustainable revenue growth in subsequent periods.

Looking forward, the Company is cautiously optimistic about its direction of travel. Having emerged from a period of considerable adversity, Chill Brands now operates with greater clarity of purpose and a commercial strategy that better reflects both market dynamics and internal capabilities. The business is evolving - shifting from a brand-centric model to a service-led distribution platform that offers scalable, lower-risk growth potential. At the same time, the Company continues to invest selectively in longer-term opportunities, including the chill.com marketplace. These dual tracks - short-term commercial execution and long-term value creation - are the foundation of the Company’s current approach.

The months ahead will be critical as the Company works to scale its distribution operations and demonstrate consistent traction across its service lines. While the path to recovery is still ongoing, Chill Brands is now better equipped to meet the challenges ahead and to take advantage of the many opportunities that exist within the evolving consumer goods and wellness landscape.

This interim financial report was approved by the Board of Directors on 10 July 2025 and signed on its behalf by:



**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 first six months and their impact on the condensed consolidated interim financial information; and

• material related-party transactions in the first six 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:



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

10 July 2025

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| **Chill Brands Group PLC**  |
| Consolidated Statement of Comprehensive Income (Unaudited) |
| For the six months ended 30 September 2024 |
|   |   |   |   |   |   |   |   |   |
|  |  |  |  |  |  |  |  |  |
|  |  |  | **Unaudited six months ended 30 September 2024 £** |  | **Unaudited six months ended 30 September 2023 £** |  | **Audited year ended 31 March 2024 £** |  |
|  |  |  |  |  |  |  |  |  |
| **Revenue** |  |  | **164,001** |  | 143,938  |  | 1,908,020  |  |
| Cost of sales |  |  | **(540,187)** |  | (56,776) |  | (1,040,053) |  |
| Obsolete inventory expense |  |  | **-** |  |  (25,463) |  | (395.157) |  |
| **Gross (loss) profit**  |  |  | **(376,186)** |  | 61,699  |  | 472,810 |  |
| Administrative expenses |  |  | **(2,072,222)** |  | (1,519,508) |  |  (3,376,339) |  |
| **Operating Loss** |  |  | **(2,448,408)** |  | (1,457,809) |  | (2,903,529) |  |
| Finance income |  |  | **12,485** |  | 7  |  |  87,033  |  |
| Finance costs |  |  | **(95,642)** |  | (111,036) |  |  (196,449) |  |
| Other income |  |  | - |  |  -  |  |  270  |  |
| **Loss on ordinary activities before taxation** |  |  | **(2,531,565)** |  |  (1,568,838) |  |  (3,012,675) |  |
| Taxation on loss on ordinary activities |  |  | **-** |  |  -  |  |  -  |  |
| **Loss for the period from continuing activities** |  |  | **(2,531,565)** |  |  (1,568,838) |  |  (3,012,675) |  |
| Loss for the period from discontinued activities |  |  | **(43,875)** |  |  (13,698) |  |  (29,817) |  |
| **Loss for the period** |  |  | **(2,575,440)** |  |  (1,582,536) |  |  (3,042,492) |  |
| **Other comprehensive income** |  |  |  |  |  |  |  |  |
| Items that may be re-classified subsequently to profit or loss:Gain on translation of foreign operations |  |  | **-** |  |  23,143  |  |  - |  |
| **Total comprehensive loss for theperiod attributable to the equity holders** |  |  | **(2,575,440)** |  |  (1,559,393) |  |  (3,042,492) |  |
|  |  |  |  |  |  |  |  |  |
| **Earnings (loss) per share attributable to equity holders** |  |  |  |  |  |  |  |  |
| Attributable to continuing activities (pence) |  |  | **(0.50)** |  |  (0.56) |  | (0.87) |  |
| Attributable to discontinued activities (pence) |  |  | **(0.01)** |  |  (0.01) |  | (0.01) |  |
| *Total* |  |  | **(0.51)** |  |  (0.57) |  | (0.88) |  |

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| **Chill Brands Group PLC**Consolidated Statement of Financial Position (Unaudited)At 30 September 2024 and 2023 |
|   |   |   |   |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  | **Unaudited six months ended 30 September 2024 £** |  | **Unaudited six months ended 30 September 2023 £** |  | **Audited year ended 31 March 2024 £** |  |
| **Non-Current Assets** |  |  |  |  |  |  |  |
| Tangible assets |  | **-** |  |  36,510  |  |  28,780  |  |
| Right of use lease asset |  | **81,141** |  | 244,879  |  |  178,118  |  |
| Intangible assets |  | **1,109,737** |  | 1,201,062  |  |  1,135,947  |  |
|  **Total Noncurrent Assets** |  | **1,190,878** |  |  1,482,451  |  |  1,342,395  |  |
| **Current Assets** |  |  |  |  |  |  |  |
| Inventories, net of provisions |  | **83,503** |  | 622,197  |  |  139,838  |  |
| Trade and other receivables |  | **1,175,463** |  | 391,879  |  |  2,647,703  |  |
| Cash and cash equivalents |  | **326,666** |  | 1,954,306  |  |  1,315,289  |  |
|  **Total Current Assets** |  | **1,585,632** |  |  2,968,382  |  |  4,102,830  |  |
|  **Total Assets** |  | **2,776,510** |  |  4,450,833  |  |  5,445,225  |  |
| **Non-Current Liabilities** |  |  |  |  |  |  |  |
| Loans, excluding current maturities |  | **1,400,921** |  | 1,426,168  |  |  1,411,755  |  |
| Right of use lease liability, net of current portion |  | **-** |  | 114,341  |  |  92,243  |  |
|  **Total Noncurrent Liabilities** |  | **1,400,921** |  |  1,540,509  |  |  1,503,998  |  |
| **Current Liabilities** |  |  |  |  |  |  |  |
| Current maturities of loans |  | **211,017** |  | 3,179,164  |  |  211,017  |  |
| Trade and other payables |  | **990,780** |  | 294,937  |  |  886,941  |  |
| Current portion of right of use lease liability |  | **178,355** |  | 135,949  |  |  92,393  |  |
|  **Total Current Liabilities** |  | **1,380,152** |  |  3,610,050  |  |  1,190,351  |  |
|  **Total Liabilities** |  | **2,781,073** |  |  5,150,559  |  |  2,694,349  |  |
|  **Net (Liabilities) / Assets** |  | **(4,563)** |  |  (699,726) |  |  2,750,876  |  |
| **Equity** |  |  |  |  |  |  |  |
| Share capital |  | **4,953,169** |  |  2,876,153  |  | 4,953,169 |  |
| Share premium account |  | **14,755,570** |  |  11,718,000  |  | 14,755,570 |  |
| Share based payments reserve |  | **4,516,608** |  |  4,516,608  |  | 4,516,608 |  |
| Compound loan note equity component reserve |  | **19,052** |  |  419,168  |  | 19,052 |  |
| Foreign currency translation reserve |  | **203,704** |  |  259,930  |  | 203,704  |  |
| Other reserve |  | **400,116** |  | - |  | 400,116 |  |
| Retained losses |  | **(24,852,782)** |  |  (20,489,585) |  |  (22,277,342) |  |
|  **Total Equity**  |  | **(4,563)** |  |  (699,726) |  | 2,750,876  |   |
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|  | **Chill Brands Group PLC**Consolidated Statement of Changes in EquityFor the six months ended 30 September 2024 |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |
|  |  | **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 |  |  -  |  **.**  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  (2,575,440) |  |  (2,575,440) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total comprehensive loss for the period attributable to the equity holders |   |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  (2,575,440) |  |  (2,575,440) |
| **At 30 September 2024** |  |  **4,953,169**  |  |  **14,755,579**  |  |  **4,516,608**  |  |  **19,052**  |  |  -  |  |  **203,704**  |  | **400,116** |  **(24,852,782)** |  |  **(4,563)** |

|  |
| --- |
| **Chill Brands Group PLC**Consolidated Statement of Cash FlowsFor the six months ended 30 September 2024 |
|  |  |  |   |   |   |   |   |
|  |  |  |  |  |  |  |  |
|  |  | **Unaudited six months ended 30 September 2024 £** |  | **Unaudited six months ended 30 September 2023 £** |  | **Audited** **year ended** **31 March 2024 £** |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Cash Flows From Operating Activities** |  |  |  |  |  |  |  |
| Loss for the period |  | **(2,575,440)** |  |  (1,582,536) |  |  (3,370,293) |  |
| Adjustments for: |  |  |  |  |  |  |  |
| Depreciation and amortisation charges |  | **151,510** |  |  112,055  |  |  216,760  |  |
| Inventory impairment provision |  | **-** |  |  25,463  |  |  395,157  |  |
| Provision for expected credit losses |  | **-** |  | - |  | 180,000 |  |
| Promotional product in lieu of fees |  | **-** |  |  5,538  |  |  -  |  |
| Imputed interest on convertible loan notes |  | **-** |  |  111,036  |  |  343,300 |  |
| Termination of options |  | **-** |  |  (19,256) |  |  (19,256)  |  |
| Foreign exchange translation adjustment |  | **-** |  |  (19,795) |  |  (14,908)  |  |
| Operating cash flow before working capital movements |  | **(2,423,930)** |  |  (1,367,495) |  |  (2,269,240) |  |
| Decrease (increase) in inventories |  | **56,335** |  |  (183,632) |  |  (63,181) |  |
| Decrease (increase) in trade and other receivables |  | **1,292,241** |  |  49,950  |  |  (2,200,336)  |  |
| Increase (decrease) in trade and other payables |  | **103,846** |  |  (245,704) |  |  346,300 |  |
| Net Cash outflow from Operating Activities |  | **(971,508)** |  |  (1,746,881) |  |  (4,186,457) |  |
|  |  |  |  |  |  |  |  |
| **Cash Flows From Financing Activities** |  |  |  |  |  |  |  |
| Net proceeds from issue of shares |  | **-** |  |  -  |  |  2,037,197  |  |
| Interest paid |  | **-** |  |  -  |  |  (127,490)  |  |
| Payments of lease liabilities  |  | **(6,281)** |  |  (60,244) |  |  (151,873) |  |
| Repayment of long-term debt |  | **(10,834)** |  |  (9,323) |  |  (19,289) |  |
| Net Cash (used in) / generated from Financing Activities |  | **(17,115)** |  |  (69,567) |  |  1,749,912  |  |
|  |  |  |  |  |  |  |  |
| **Net decrease in cash and cash equivalents** |  | **(988,623)** |  | (1,816,448) |  | (2,447,912) |  |
|  |  |  |  |  |  |  |  |
| Cash and cash equivalents at beginning of period |  | **1,315,289** |  |  3,767,426  |  | 3,767,426  |  |
| Foreign exchange adjustment on opening balances |  | **-** |  |  3,328  |  |  (4,225) |  |
| Cash and cash equivalents at end of period |  | **326,666** |  |  1,954,306  |  |  1,315,289  |  |

**CHILL BRANDS GROUP PLC**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 September 2024

**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 interim financial statements for the period ended 30 September 2024 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 twelve months 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 30 September 2024 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 2023 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 year ending 31 March 2025.

The financial information in this statement relating to the six months ended 30 September 2024 and the six months ended 30 September 2023 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 30 September 2024. 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 were primarily supported through revenue generated from commercial activities, supplemented by funds raised in a £1 million fundraising through the issue of convertible loan notes, announced on 24 April 2025.

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 2023 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
 | (2,531,565) |  | 506,291,025 |  | (0.50) |
| * Discontinued activities
 | (43,875) |  | 506,292,025 |  | (0.01) |
|  | (2,575,440) |  | 506,292,052 |  | (0.51) |
|  |  |  |  |  |  |

**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 six month periods ended September 30, 2024 and 2023.

**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 30 September 2024 was £1,109,737 (31 March 2024: £1,135,497. The amortisation expense for the period ended 30 September 2024 is £25,760 (six months ended 30 September 2023: £26,201. The change in the balance of the intangible asset from 31 March 2024 to 30 September 2024 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 30 September 2024 |  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 9 December 2024, the Company announced the intended launch of new Chill-branded e-liquid products for use in reuseable vape products. It also announced the establishment of a new retail distribution services division, aimed at supporting third-party brands by providing route-to-market solutions and field sales representation.

On 19 December 2024, the Company announced that it had reached an out-of-court settlement with its former directors, resulting in chill.com domain and related trademarks coming under the Company's ownership and management. The former directors retained monies they received prior to the Company’s General Meeting held on 4 June 2024.

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.

On 23 June 2025, Chill Brands released its overdue audited accounts for the financial year ending 31 March 2024. The results included a material increase in recorded revenue to £1.9 million, largely generated through sales of the Company’s Chill ZERO nicotine-free vape products to major UK retailers.

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

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