

RNS Number : 3975D
Distil PLC
19 February 2020

19 February 2020

Distil Plc

Joint Venture & Collaboration; Update on year end expectations

Distil (AIM: DIS), owner of premium drinks brands RedLeg Spiced Rum, Blackwoods Gin and Vodka, Blavod Black Vodka, Jago's Cream Liqueur and Diva Vodka, today announces it has entered into a joint venture and collaboration agreement ("Agreement") with British Honey Company Limited ("BHC"), a distiller and infused spirit brand owner based in the UK.

Under the terms of the Agreement both parties are contributing an initial cash sum of £30,000 each toward jointly producing and marketing a new range of branded botanical spirits and other products. All Intellectual Property Rights in newly created brands and recipes will be jointly owned by Distil and BHC and future revenues will be shared equally by both parties. Distil's collaboration with BHC will enable both parties to leverage their complementary competencies to accelerate product innovation which will benefit both the joint venture and their broader businesses.

Both parties recognise the opportunity in accelerated innovation within the spirit market, and will create new brands, liquids and formats to increase participation in this growth sector. In addition to the joint venture, the broader collaboration will provide Distil with access to BHC's distillery and international award-winning Master Distiller to ramp up innovation within the Distil brand portfolio and produce high quality liquids that meet consumer and customer trends. Distil will also assist BHC with the marketing and distribution of BHC's own brands and provide greater consumer and trade insight, utilising its proven product development, marketing and commercial experience.

Initial new brand development work under the joint venture will commence immediately and as a result it is expected Distil will incur additional unbudgeted costs in the current financial year. Consequently, management expect full year profit out-turn for the current financial year to be ahead of prior year but marginally below current market expectations.

Don Goulding, Executive Chairman, Distil Plc commented: "I am very pleased to partner with BHC to facilitate an accelerated innovation agenda and more nimble product development capability. The joint venture will facilitate the creation and marketing of exciting new products and will improve Distil's capability to develop and refresh its own brand portfolio. This new collaboration brings together complementary capabilities which will benefit both companies and we look forward to communicating our progress in the coming months."

For further Information:

Distil PLC

Don Goulding Executive Chairman
Shaun Claydon, Finance Director

Tel: +44 203 300 1877

**SPARK Advisory Partners Limited
(NOMAD)**

Neil Baldwin / Mark Brady

Tel +44 20 3368 3550

**Turner Pope Investments (TPI) Ltd
(Broker)**

Andy Thacker / Zoe Alexander

Tel +44 203 657 0050

About Distil

Distil Plc is quoted on the AIM market of the London Stock Exchange. It owns drinks brands in a number of sectors of the alcoholic drinks market. These include premium spiced rum, vodka, gin, vodka vanilla cream liqueur and are called RedLeg Spiced Rum, Blackwoods Vintage Gin, Blackwoods Vodka, Blavod Original Black Vodka, Diva Vodka and Jago's Vanilla Cream Liqueur.

About British Honey Company

Launched in 2014, the BHC is famed for its award-winning fruit and honey infused spirits, marketed under the Keepr's brand. Many of the Keepr's spirits are infused with the BHC's proprietary British Honey from its fully traceable apiaries. BHC's spirits are distilled onsite in the company's specially customised still under the watchful eye of international award-winning Master Distiller, Jamie Baggott.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END