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DISTIL PLC

Trading Update

Distil plc (AIM: DIS), owner of premium drinks brands RedLeg Spiced Rum, Blackwoods Gin and Vodka, Blavod Black Vodka, Trøve Botanical Spirit, Jago's Cream Liqueur and Diva Vodka, is pleased to provide an update on trading for the financial year ended 31 March 2021.

Unaudited full year volumes and revenues showed significant year-on-year growth:

- Volumes increased 30%
- Revenues increased 48%
- Investment in brand marketing and new product development increased 60%.

Don Goulding, Executive Chairman of Distil, said:

“As we were unable to provide market guidance over the past year, this trading update provides a more detailed report of year-on-year performance than we would typically provide in our trading update.

I am pleased to report strong results at the end of a challenging 12 months which saw us cope with global lockdowns, significant operating restrictions in the on-trade channel, and a tricky Brexit transition.

Over the past year, our team responded well to the many significant challenges that faced the business. Fortunately we avoided furloughing any staff and the team is proud of the support they were able to offer our customers. We were also able to grow the team, taking on additional staff to manage new product development (NPD) and marketing.

In a challenging climate, revenues advanced strongly by 48% to £3.616m (unaudited) (2020: £2.441m), with increased sales occurring in most existing markets. Exports surged 81%, and new export territories were brought onboard.

As a company, Distil grew above spirits market growth, with both RedLeg Spiced Rum and Blackwoods Vintage Gin growing 50% in revenue. Source of volume by trade channel was naturally hit by closures in the hospitality sector, but also across Travel Retail (Duty Free) which impacted the sales of Blavod Vodka – a brand which typically enjoys strong sales in this channel - resulting in a decline of 65%.

Covid impacted gross margins were down from 59% to 56% as we suffered additional production costs caused by inefficiencies associated with social distancing measures, and secondary movement of

goods as inventory was transferred to more accessible locations to ensure we were able to successfully fulfil changes to customer demand.

In addition, we ramped up investment in new product and new brand development with the launch of further RedLeg variants and a new botanical spirit brand TRØVE, alongside other NPD which will come to market in 2021.

Despite Covid-related production charges and investment into NPD, adjusted EBITDA* like-for-like growth for the full year will be c55% to £302k (unaudited) (2020: £195k), with cash generation remaining strong, growing by 31%. As at 31 March 2021, the Company held cash reserves of £1m (unaudited).

The outlook for the coming year is positive as restrictions are eased, consumer confidence grows, and social activity is restored. Against this backdrop we will confidently continue to drive growth and invest in new products which offer shareholder value.

*EBITDA is adjusted for share based payment expenses as well as one-off IFRS 16 amortisation and finance expenses in 2020. There are no IFRS 16 related amortisation or finance expenses in 2021.

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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, Trøve Botanical Spirit, Diva Vodka and Jago's Vanilla Cream Liqueur.