

15 March 2021

## Nightcap plc

("Nightcap", the "Company" or the "Group")

### Interim results for the period ended 31 December 2020

#### ***Chief Executive Officer's statement***

I am pleased to present the unaudited interim results for the period from 23 September 2020 to 31 December 2020 for Nightcap plc.

Nightcap's successful fund raising and the admission to trading on the AIM market of the London Stock Exchange plc ("AIM") completed in January 2021 during the worst crisis faced by the UK hospitality industry in our lifetime. We believe that drinks-led hospitality will come back stronger than ever during 2021, helping us on our mission to be one of the UK's leading bar groups.

On the back of the UK Government's successful vaccine programme and its roadmap to start re-opening hospitality from mid-April onwards the opportunities for Nightcap are enormous. With an experienced, driven team and 10 venues ready and waiting to once again serve the "millennial pound", we look forward to delivering our commitment to capitalise on this opportunity.

Nightcap has been set up to acquire, re-capitalise and develop drinks-led concepts with significant potential across the UK. The impact of the COVID-19 pandemic on the hospitality industry has been immense and we are well placed to support entrepreneurs and businesses that have suffered during the pandemic. We are proud to be part of the hospitality industry's road to recovery. As we forecast on IPO, we are already seeing evidence of the unprecedented opportunity to develop and grow fundamentally sound businesses which have been adversely affected by the events of the past 12 months. These businesses still have strong and motivated leadership teams but lack the capital to grow. With targeted investment and a highly experienced team, we are confident that our prospects for growth through acquisition and organic roll out are excellent.

Since the acquisition of The London Cocktail Club Limited ("LCC"), management is putting in place a roll-out programme to expand from the existing 10 sites to up to approximately 40 sites over the next five years and we are currently in negotiations on several new leases inside and outside of London. In line with our expectations, the damage done to the property and hospitality sectors by the pandemic is allowing us access to new sites in prime locations with better rents, increased incentives and lower capital costs per site than previously experienced. We are confident of our ability to provide even better returns on our capital employed than historically.

But above all, we look forward to continuing to do what we do best – looking after our customers, showing them a great time, opening new sites and giving great people meaningful careers.

#### **Results**

Nightcap was incorporated on 23 September 2020 to take advantage of the significant changes taking place within the premium bars segment and the hospitality industry more generally in the UK. On 13 January 2021, Nightcap's ordinary shares were admitted to trading on AIM and on the same day the Company acquired the entire share capital of LCC for an initial consideration of £5.7 million (subject to adjustment in accordance with the terms of the acquisition agreement). Over 97% of this initial consideration was satisfied by the issue of 55,378,837 new Nightcap ordinary shares, with a small cash component of £162,116 paid.

The Company's admission document (the "Admission Document"), which is available from Nightcap's website ([www.nightcapplc.com](http://www.nightcapplc.com)), sets out details regarding Nightcap, its strategy and LCC, including historical financial information on LCC for the three 52-week periods ended 28 June 2020, 30 June 2019 and 1 July 2018 and the thirteen-week periods ended 27 September 2020 and 29 September 2019, as

well as historical financial information on Nightcap for the period from incorporation (23 September 2020) to 30 November 2020.

The results that follow are for the unaudited period from incorporation on 23 September 2020 to 31 December 2020 for Nightcap. These financial statements are drawn up before Nightcap's successful admission to trading on AIM and the acquisition of the entire issued share capital of LCC, both of which occurred on 13 January 2021. During the period from incorporation to 31 December 2020, Nightcap had no turnover and incurred costs of £318,342, which predominantly represented accrued fees in connection with the admission of the Company's ordinary shares to trading on AIM.

Note 12 to the financial statements below sets out the interim results for LCC for the 26-week period ended 27 December 2020 and for the comparable 26-week period to 29 December 2019.

### **Current trading**

As dictated by the UK Government, all of LCC's bars remain closed under the nationwide lockdown restrictions put in place on 4 January 2021. LCC's management have worked hard to reduce all business costs to keep its cash burn to the lowest possible amount. Continuing from the first nationwide lockdown in the first half of 2020 LCC has benefited from certain UK Government support schemes including, amongst others, the Coronavirus Job Retention Scheme, the Coronavirus Business Interruption Loan Scheme, VAT deferral and hospitality business rates relief at applicable locations.

As described in the Admission Document, since the start of the COVID-19 pandemic, LCC has renegotiated the majority of its property leases, securing rent reductions for periods when its estate has been closed, as well as reducing the rent liability going forward.

Nightcap has also taken other steps to mitigate the effects of the UK Government's current national lockdown, which has included Directors salary sacrifices and cost reductions.

As at 28 February 2021, the Group had unaudited cash resources of approximately £3.75 million and had total borrowings of approximately £1.35 million. LCC has recently agreed a continuation of its overdraft facility and a further six-month payment holiday from its main loan provider.

### **Outlook**

On 22 February 2021, the UK Government announced a provisional roadmap for the reopening of the hospitality sector. Whilst much of LCC's estate does not have any outside space, we are planning to open five sites on 12 April 2021. For the remainder of the estate, we are planning to reopen on 17 May 2021, in line with the UK Government's current guidance.

During 2020, LCC reopened its venues twice, in July and December following the lifting of the UK Government restrictions in place at those times. The Board was encouraged by these reopening processes, which saw numerous customers returning to all venues, demonstrating the popularity of LCC's venues. The Board believes that this is a positive indicator for when LCC's venues are able to reopen in due course.

The opportunities that Nightcap is seeing in the hospitality sector, in terms of available sites and potential business acquisitions, are even stronger than the Board had anticipated at the time of the Company's admission to AIM. The Board is confident that the current dynamics in the hospitality property market will allow the Group to secure new sites at significantly reduced rents and with lower capital costs per site.

The Board look forward to the future with optimism.

## UNAUDITED INTERIM FINANCIAL STATEMENTS ON NIGHTCAP PLC

### UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

|   | Note | Period from<br>incorporation to<br>31 December 2020<br>£ |
|---|------|--|
| Revenue   |      | -  |
| Cost of goods sold                                      |      | -  |
| <b>Gross profit</b>                                     |      | <u>-</u>   |
| Administrative expenses                                 | 3    | <u>(318,342)</u>   |
| <b>Operating loss</b>                                   |      | <u>(318,342)</u>   |
| Finance income  |      | -  |
| <b>Loss before taxation</b>                             |      | <u>(318,342)</u>   |
| Tax   |      | -  |
| <b>Total comprehensive loss for the period</b>          |      | <u><u>(318,342)</u></u>                                  |
| <b>Earnings per share attributable to equity owners</b> |      |  |
| Basic and diluted loss per share (pence)                | 5    | (1.05)   |

All of the results above are from continuing operations and there is no Other Comprehensive Income for the period.

This information is presented for Nightcap Plc (company only information).

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

|  | Note | As at<br>31 December<br>2020<br>£ |
|--|------|-----------------------------------|
| <b>Assets</b>                                  |      |                                   |
| <b>Current assets</b>                          |      |                                   |
| Trade and other receivables                    | 6    | 769,977                           |
| Cash and cash equivalents                      |      | 1,094,656                         |
| <b>Total assets</b>                            |      | <u>1,864,633</u>                  |
| <b>Liabilities</b>                             |      |                                   |
| <b>Current liabilities</b>                     |      |                                   |
| Trade and other payables                       | 7    | (938,975)                         |
| <b>Total current liabilities</b>               |      | <u>(938,975)</u>                  |
| <b>Net assets</b>                              |      | <u>925,658</u>                    |
| <b>Equity</b>                                  |      |                                   |
| Called up share capital                        | 8    | 398,800                           |
| Share premium                                  | 8    | 845,200                           |
| Retained earnings                              |      | (318,342)                         |
| <b>Total equity attributable to the owners</b> |      | <u>925,658</u>                    |

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--|-----------------------|-----------------------|---------------------------|----------------------|
| <b>At incorporation</b>                        | -                     | -                     | -                         | -                    |
| <hr/>  |                       |                       |                           |                      |
| <b>Transactions with equity owners</b>         |                       |                       |                           |                      |
| Issue of ordinary shares                       | 398,800               | 845,200               | -                         | 1,244,000            |
| <hr/>  |                       |                       |                           |                      |
| <b>Total transactions with equity owners</b>   | 398,800               | 845,200               | -                         | 1,244,000            |
| <hr/>  |                       |                       |                           |                      |
| <b>Total comprehensive loss for the period</b> |                       |                       |                           |                      |
| Loss for the period                            | -                     | -                     | (318,342)                 | (318,342)            |
| <hr/>  |                       |                       |                           |                      |
| <b>Total comprehensive loss for the period</b> | -                     | -                     | (318,342)                 | (318,342)            |
| <hr/>  |                       |                       |                           |                      |
| <b>As at 31 December 2020</b>                  | <b>398,800</b>        | <b>845,200</b>        | <b>(318,342)</b>          | <b>925,658</b>       |

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company is as follows:

|   | Note | Period from<br>incorporation to<br>31 December 2020<br>£ |
|---|------|--|
| <b>Cash flow from operating activities</b>        |      |  |
| Loss for the period                               |      | (318,342)  |
| <i>Adjustments for:</i>                           |      |  |
| Increase in trade and other receivables           | 6    | (769,977)  |
| Increase in trade and other payables              | 7    | 938,975  |
| <b>Net cash flows from operating activities</b>   |      | <b>(149,344)</b>   |
| <b>Cash flows from financing activities</b>       |      |  |
| Proceeds from the issue of shares                 | 8    | 1,244,000  |
| <b>Net cash inflows from financing activities</b> |      | <b>1,244,000</b>   |
| <b>Net increase in cash and cash equivalent</b>   |      | <b>1,094,656</b>   |
| Cash and cash equivalents at beginning of period  |      | -  |
| <b>Cash and cash equivalents at end of period</b> |      | <b>1,094,656</b>   |

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1 General information~

Nightcap Plc (“the Company”) was incorporated on 23 September 2020 as a public limited company in England and Wales with Registered Number 12899067 under the Companies Act 2006. As at 31 December 2020, the Company had not yet commenced business and no dividends have been declared or paid since the date of incorporation. The principal activity of the Company is to acquire and grow hospitality concepts in the premium bars segment and the hospitality industry more generally in the UK.

The address of its registered office is 201 Bishopsgate, London, EC2M 3AB.

Post 31 December 2020 the Company listed on the AIM market on 13 January 2021 and acquired the entire share capital of The London Cocktail Club Ltd (“The London Cocktail Club”).

### 2 Basis of preparation

The condensed interim financial statements prepared in accordance with IAS 34 cover the period from incorporation on 23 September 2020 to 31 December 2020 for Nightcap Plc. Note 12, includes the unaudited condensed consolidated interim financial statements for the 26-week period to 27 December 2020 for The London Cocktail Club.

The condensed interim financial statements have not been audited or reviewed by the Company’s auditors. The financial information shown does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The financial information is presented in Pounds Sterling, which is the Company’s functional and presentational currency and has been prepared under the historical cost convention.

The Directors consider that the principal risks and uncertainties that the Group faces remain as those set out in the Admission Document.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied to the period ended 30 November 2020 as disclosed in the Admission Document. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### *Use of judgements and estimates*

In preparing these condensed interim financial statements management has made judgements and estimates that affect the application of accounting policies and measurement of assets and liabilities, income and expense provisions. Actual results may differ from these estimates.

The key judgements and key estimates can be found in the Admission Document in the Company’s historical financial information for the period ended 30 November 2020.

#### **Split of fundraising costs**

The Company has incurred various costs during the fund raising and the admission to trading on AIM. The directors have reviewed the costs and where the transaction costs relate to the issuing of new shares, these have been accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Where

the transaction costs relate to the stock market listing, these have been accounted for as an expense in the statement of profit or loss and other comprehensive income. In the instances where the cost relates to both the issuing of new shares and the stock market listing, the directors have used their judgement to determine that a 50:50 allocation is reasonable.

### Going concern

The condensed interim financial information has been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

Following the review of cash flows prepared as part of the AIM Admission process and the successful IPO fundraising the Directors believe that the Company and its newly acquired subsidiary have adequate cash resources, with the net proceeds of the Fundraising, to continue in operational existence for the foreseeable future. At 28 February 2021, the Group had cash resources of approximately £3.75m and borrowings of £1.35m. In line with current UK Government guidance the Board anticipate that the Group's bars will be reopened on or around 17 May 2021. The Board believe that the Company is financially strong and, with the proceeds of the IPO fundraising, would be able to survive an extended period of lock down should the UK Government decide to impose it.

The Company acquired The London Cocktail Club on 13 January 2021 and has presented its condensed interim consolidated financial statements in note 12.

As part of the adoption of the going concern basis the Company has considered the uncertainty caused by the Covid-19 pandemic which impacts The London Cocktail Club, which put the following measures in place:

- minimise costs and cash outflows
- use of Coronavirus Job Retention Scheme
- taking advantage of rates reliefs and grants
- negotiating rent concessions
- secured a £500k 5-year term 3.1% interest loan under the Coronavirus Business Interruption Loan Scheme
- agreed capital repayment holidays with our bankers

The Company monitors cash balances and prepares regular forecasts, which are reviewed by the Board. Following the Government announcement on 22 February 2021, with the provisional reopening road map, and with full unrestricted hospitality expected to be able to open on 21 June 2021, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

### 3 Loss from operations

|  | <b>Period from incorporation to<br/>31 December 2020<br/>Unaudited<br/>£</b> |
|--|--|
| <b>Operating loss is stated after charging:</b>                  |  |
| Professional costs incurred in respect of listing of the Company | 318,342  |

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#### 4 Taxation

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

The Company is subject to income tax at a rate of 19 per cent, as at 31 December 2020.

Tax charged:

|  | <b>as at<br/>31 December<br/>2020<br/>Unaudited<br/>£</b>          |
|--|--|
| Current taxation                               | -  |
| Deferred taxation                              | -  |
|  | <hr/>  |
|  | <hr/>  |
|  | <b>Period from<br/>incorporation to<br/>31 December 2020<br/>£</b> |
| Loss before tax                                | (318,342)  |
| Corporation tax at 19%                         | (60,485)   |
| Disallowed expenses                            | -  |
| Losses for which no deferred tax is recognised | 60,485   |
| Total tax charge                               | <hr/> <hr/>  |

The Company has tax losses available to be carried forward against trading profits arising in future periods. At this time, a deferred tax asset has not been recognised due to insufficient certainty over the level of future profits to utilise against this amount.

#### 5 Earnings per share

The calculation for earnings per ordinary share (basic and diluted) is based on the profit or loss after income tax attributable to equity Shareholders for the period and is as follows:

|  | <b>Period from<br/>incorporation to<br/>31 December 2020<br/>Unaudited</b> |
|--|--|
| Loss for the period attributable to equity holders (£) | (318,342)  |
| Weighted average number of shares in issue             | 30,242,425   |
|  | <hr/>  |
| Basic and diluted loss per share (pence)               | <hr/> <hr/> (1.05)   |

Earnings and diluted earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period. There were no dilutive potential ordinary shares outstanding during the periods.

## 6 Trade and other receivables

|             | <b>As at 31<br/>December<br/>2020</b> |
|-------------|---------------------------------------|
|             | <b>£</b>                              |
| Prepayments | 739,888                               |
| Vat Debtor  | 30,089                                |
| Total       | <u>769,977</u>                        |

## 7 Trade and other payables

|                | <b>As at 31<br/>December<br/>2020</b> |
|----------------|---------------------------------------|
|                | <b>£</b>                              |
| Trade payables | 42,000                                |
| Accruals       | 896,975                               |
| Total          | <u>938,975</u>                        |

## 8 Share capital

|                        | <b>Number of shares</b> | <b>Share<br/>capital<br/>£</b> | <b>Share<br/>premium<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|-------------------------|--------------------------------|--------------------------------|--------------------|
| At incorporation       | <u>2</u>                | <u>-</u>                       | <u>-</u>                       | <u>-</u>           |
| Issued                 | 39,879,999              | 398,800                        | 845,200                        | 1,244,000          |
| At 31 December<br>2020 | <u>39,880,001</u>       | <u>398,800</u>                 | <u>845,200</u>                 | <u>1,244,000</u>   |

On incorporation, the Company issued 2 ordinary shares for consideration of £0.01 per share at nominal value.

On 2 October 2020, the Company issued 24,999,999 ordinary shares of £0.01 for consideration of £499,999.98 cash.

On 11 November 2020, the Company issued 14,880,000 ordinary shares of £0.01 for consideration of £744,000.00 cash.

## 9 Controlling party

As at 31 December 2020, Michael and Sarah Willingham-Toxvaerd held 25,000,001 shares (representing 63% of the then issued share capital) and were considered to be the Company's controlling party as at the period end.

## 10 Related party transactions

Michael and Sarah Willingham-Toxvaerd were the sole directors of Nightcap Plc during the period and were issued a total of 25,000,001 ordinary shares of £0.01 for a total consideration of £500,000.

## **11 Post balance sheet events**

On 6 November 2020, Nightcap Plc made an offer to purchase the entire issued share capital of The London Cocktail Club.

On 13 January 2021, Nightcap Plc was successful in its Admission to the AIM market raising funds of £4m via a placement of 40 million ordinary shares.

On 13 January 2021, as part of the AIM Admission process Nightcap Plc purchased the entire share capital of The London Cocktail Club Limited. The London Cocktail Club and its subsidiaries and Nightcap Plc as its parent form the “Group” from 13 January 2021. The London Cocktail Club was purchased for an initial consideration of £5.7 million (subject to adjustment in accordance with the terms of the acquisition agreement). Over 97% of this initial consideration was satisfied by the issue of 55,378,837 new Nightcap ordinary shares, with a small cash component of £162,116.

Nightcap Plc was formed on 23 September 2020 with the purpose of acquiring The London Cocktail Club and seeking admission to the AIM market and identifying opportunities for expansion.

The transaction is considered a reverse acquisition in accordance with IFRS3. Details of the legally acquired group, The London Cocktail Club are given in note 12.

## **12 The London Cocktail Club**

The London Cocktail Club, is an award-winning independent operator of 10 individually themed cocktail bars in nine London locations and one location in Bristol, targeting customers aged between 26 to 40 years old. The London Cocktail Club is a well-established brand which the Directors believe is highly scalable.

The principal activity of The London Cocktail Club and its subsidiaries is the operation of cocktail bars. The London Cocktail Club is incorporated and domiciled in England. The address of its registered office is 29 Sclater Street, London, England, E1 6LB.

The unaudited condensed interim financial statements for the 26 weeks ended 27 December 2020 of The London Cocktail Club have been presented below.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|                                 |             | <b>26 weeks ended<br/>27 Dec 2020</b> | <b>26 weeks ended<br/>29 Dec 2019</b> |
|---------------------------------|-------------|---------------------------------------|---------------------------------------|
|                                 | <b>Note</b> | <b>£</b>                              | <b>£</b>                              |
| Revenue                         | 1           | 1,968,681                             | 3,949,135                             |
| Cost of goods sold              |             | (454,642)                             | (888,307)                             |
| <b>Gross profit</b>             |             | <b>1,514,039</b>                      | <b>3,060,828</b>                      |
| Other income                    | 2           | 25,000                                | -                                     |
| Administrative expenses         |             | (1,588,163)                           | (2,759,492)                           |
| <b>Operating (loss)/ profit</b> | <b>2</b>    | <b>(49,124)</b>                       | <b>301,336</b>                        |
| Finance cost                    |             | (206,435)                             | (204,203)                             |
| <b>Loss before tax</b>          |             | <b>(255,559)</b>                      | <b>97,133</b>                         |
| Tax (expense)/credit            |             | -                                     | -                                     |
| <b>Loss for the period</b>      |             | <b>(255,559)</b>                      | <b>97,133</b>                         |

There is no other comprehensive income for the 26 weeks to 27 December 2020 (26 weeks to 29 December 2019: nil).

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | As at 27 Dec<br>2020 | As at 28<br>June 2020 |
|--|----------------------|-----------------------|
| Note   | £                    | £                     |
| <b>Non-current assets</b>                                |                      |                       |
| Intangible assets  | 6,586                | 7,318                 |
| Property, plant and equipment                            | 2,011,225            | 2,219,507             |
| Right of use assets                                      | 3<br>4,540,131       | 4,711,230             |
|  | <b>6,557,942</b>     | <b>6,938,055</b>      |
| <b>Current assets</b>                                    |                      |                       |
| Trade and other receivables                              | 579,731              | 701,379               |
| Inventories  | 130,312              | 139,726               |
| Cash and cash equivalents                                | 127,943              | 264,488               |
|  | <b>837,986</b>       | <b>1,105,593</b>      |
| <b>Total assets</b>                                      | <b>7,395,928</b>     | <b>8,043,648</b>      |
| <b>Current liabilities</b>                               |                      |                       |
| Trade and other payables                                 | 1,098,453            | 1,196,807             |
| Borrowings   | 1,076,027            | 1,230,725             |
| Lease liabilities  | 4<br>691,117         | 539,012               |
| <b>Total current liabilities</b>                         | <b>2,865,597</b>     | <b>2,966,544</b>      |
| <b>Non-current liabilities</b>                           |                      |                       |
| Borrowings   | 402,287              | 488,070               |
| Lease liabilities  | 4<br>4,483,150       | 4,688,581             |
| Deferred tax provision                                   | 92,246               | 92,246                |
| <b>Total non-current liabilities</b>                     | <b>4,977,683</b>     | <b>5,268,897</b>      |
| <b>Total liabilities</b>                                 | <b>7,843,280</b>     | <b>8,235,441</b>      |
| <b>Net liabilities</b>                                   | <b>(447,352)</b>     | <b>(191,793)</b>      |
| <b>Equity</b>  |                      |                       |
| Share capital  | 10,248               | 10,248                |
| Share premium  | 178,017              | 178,017               |
| Share based payment reserve                              | 92,429               | 92,429                |
| Retained earnings  | (728,046)            | (472,487)             |
| <b>Total equity attributable to owners of the parent</b> | <b>(447,352)</b>     | <b>(191,793)</b>      |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Share<br>capital | Other<br>reserves | Share<br>based<br>payment<br>Reserve | Retained<br>earnings | Total            |
|---|------------------|-------------------|--------------------------------------|----------------------|------------------|
|   | £                | £                 | £                                    | £                    | £                |
| Balance as at 29 June 2019                | 10,248           | 178,017           | 92,429                               | 159,707              | 440,397          |
| Total comprehensive income for the period | -                | -                 | -                                    | (632,190)            | (632,190)        |
| <b>Balance as at 30 June 2020</b>         | <b>10,248</b>    | <b>178,017</b>    | <b>92,429</b>                        | <b>(472,487)</b>     | <b>(191,793)</b> |
| Total comprehensive income for the period | -                | -                 | -                                    | (255,559)            | (255,559)        |
| <b>Balance as at 27 December 2020</b>     | <b>10,248</b>    | <b>178,017</b>    | <b>92,429</b>                        | <b>(728,046)</b>     | <b>(447,352)</b> |
| <b>Balance as at 1 July 2019</b>          | 10,248           | 178,017           | 92,429                               | 159,705              | 440,399          |
| Total comprehensive income for the period | -                | -                 | -                                    | 97,133               | 97,133           |
| <b>Balance as at 29 December 2019</b>     | <b>10,248</b>    | <b>178,017</b>    | <b>92,429</b>                        | <b>256,838</b>       | <b>537,532</b>   |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | 26 weeks ended 27<br>December 2020 | 26 weeks<br>ended 29<br>December<br>2019 |
|--|------------------------------------|--|
| Note   | £                                  | £  |
| <b>Cash flows from operating activities</b>                  |                                    |  |
| (loss)/ profit for the period before tax                     | (255,558)                          | 97,133                                   |
| <i>Adjustments for:</i>                                      |                                    |  |
| Depreciation and amortisation                                | 525,786                            | 530,100                                  |
| Losses on disposal of property plant and equipment           | -                                  | 121                                      |
| Lease Concessions  | (177,448)                          |  |
| Revaluation of Right of Use assets                           | (108,697)                          | -  |
| Interest on lease liabilities and borrowings                 | 206,434                            | 204,202                                  |
| Decrease in trade and other receivables                      | 121,648                            | 165,216                                  |
| Decrease/ (Increase) in inventories                          | 9,414                              | (30,770)                                 |
| Decrease in trade and other payables                         | (129,253)                          | (50,260)                                 |
| <b>Cash generated from operations</b>                        | <b>192,326</b>                     | <b>915,742</b>                           |
| Income taxes repaid/ (paid)                                  | 30,899                             | (65,548)                                 |
| <b>Net cash flows from operating activities</b>              | <b>223,225</b>                     | <b>850,194</b>                           |
| <b>Investing activities</b>                                  |                                    |  |
| Purchase of property, plant and equipment                    | (36,977)                           | (124,470)                                |
| Proceeds from sale of property, plant and equipment          | -                                  | -  |
| <b>Net cashflow in investing activities</b>                  | <b>(36,977)</b>                    | <b>(124,470)</b>                         |
| <b>Financing activities</b>                                  |                                    |  |
| Interest paid  | (77,625)                           | (46,333)                                 |
| Shareholder loan repayments                                  | (229,863)                          | (20,615)                                 |
| Loan repayments  | (10,618)                           | (166,613)                                |
| Repayment of lease obligations                               | (4,687)                            | (371,740)                                |
| <b>Net cashflow in financing activities</b>                  | <b>(322,793)</b>                   | <b>(605,301)</b>                         |
| <b>Net (decrease)/ increase in cash and cash equivalents</b> | <b>(136,545)</b>                   | <b>120,423</b>                           |
| Cash and cash equivalents at beginning of period             | 264,488                            | 238,302                                  |
| <b>Cash and cash equivalents and end of period</b>           | <b>127,943</b>                     | <b>358,725</b>                           |

## NOTES TO THE FINANCIAL INFORMATION

### *Basis of Preparation*

The accounting policies applied in the unaudited condensed interim financial statements for the 26 weeks ended 27 December 2020 of The London Cocktail Club are the same as those adopted in the Admission Document for the period ended 28 June 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### *Use of judgements and estimates*

In preparing these condensed, consolidated interim financial statements management has made judgements and estimates that affect the application of accounting policies and measurement of assets and liabilities, income and expense provisions. Actual results may differ from these estimates.

The key judgements and key estimates can be found in the Admission Document for the period ended 28 June 2020.

### 1. Revenue

|              | <b>26 weeks<br/>ended 27 Dec<br/>2020<br/>Unaudited<br/>£</b> | <b>26 weeks<br/>ended 29 Dec<br/>2019<br/>Unaudited<br/>£</b> |
|--------------|---|---|
| Liquor Sales | 1,968,681   | 3,949,135   |
|              | <b>1,968,681</b>  | <b>3,949,135</b>  |

All of The London Cocktail Club's revenue was derived from the UK for each of the periods presented.

### 2. (Loss)/ profit from operations

|   | <b>26 weeks<br/>ended 27 Dec<br/>2020<br/>£</b> | <b>26 weeks<br/>ended 29 Dec<br/>2019<br/>£</b> |
|---|---|---|
| <b>Operating (loss)/ profit is stated after charging:</b> | <b>£</b>  | <b>£</b>  |
| Depreciation of right of use assets                       | 279,794   | 277,739   |
| Depreciation of property, plant and equipment             | 245,259   | 251,572   |
| Amortisation of intangibles                               | 732   | 789   |
| Loss on disposal of property, plant and equipment         | -   | 121   |
| Lease Concessions   | (177,448)                                       | -   |
| Revaluation of Right of Use Asset                         | (108,697)                                       | -   |
| Exceptional costs   | 150,582   | 3,989   |

|   |          |           |
|---|----------|-----------|
| Pre-opening costs                           | 88,250   | 29,894    |
| Staff costs                                 | 821,476  | 1,362,211 |
| Craft manufacturing operations (now ceased) | -        | 11,155    |
| Craft head office costs                     | (34,079) | 15,248    |

During the 26 weeks ended 27 December 2020 staff costs include a credit of £256,104 which were paid to The London Cocktail Club under the Government Coronavirus Job Retention Scheme (2019: Nil).

### Other Income

In the period to 27 December 2020, The London Cocktail Club received a discretionary grant of £25,000 through the local restrictions support grants (29 December 2019: nil).

### Exceptional costs

Exceptional costs of £150,582 for the 26 weeks ended 27 December 2020 are transaction costs relating to the AIM listing (Exceptional costs for the 26 weeks ended 29 December 2019 relate to transaction and other costs relating to a failed attempt to sell The London Cocktail Club). These costs are considered non-recurring and non-operational costs.

### 3. Right of Use Assets

|                            | Right of use assets |
|----------------------------|---------------------|
|                            | £                   |
| <b>Cost</b>                |                     |
| At 29 December 2019        | 6,064,555           |
| Additions                  | -                   |
| Revaluations               | -                   |
| <b>At 28 June 2020</b>     | <b>6,064,555</b>    |
| Additions                  | -                   |
| Revaluations               | 108,697             |
| <b>At 27 December 2020</b> | <b>6,173,252</b>    |
| <b>Depreciation</b>        |                     |
| <b>At 29 December 2019</b> | <b>1,071,725</b>    |
| Charge for the period      | 281,600             |
| <b>At 28 June 2020</b>     | <b>1,353,325</b>    |
| Charge for the period      | 279,794             |
| <b>At 27 December 2020</b> | <b>1,633,121</b>    |
| <b>Net book value</b>      |                     |
| <b>At 27 December 2020</b> | <b>4,540,131</b>    |
| At 28 June 2020            | 4,711,230           |
| At 29 December 2019        | 4,992,830           |
| At 30 June 2019            | 5,045,799           |

#### 4. Lease Liabilities

|                            | Lease liability  |
|----------------------------|------------------|
|                            | £                |
| <b>At 30 June 2019</b>     | <b>5,483,723</b> |
| Additions                  | 224,770          |
| Interest expense           | 157,869          |
| Lease payments             | (371,740)        |
| <b>At 29 December 2019</b> | <b>5,494,622</b> |
| Additions                  | -                |
| Interest expense           | 120,860          |
| Lease payments             | (387,889)        |
| <b>At 28 June 2020</b>     | <b>5,227,593</b> |
| Additions                  |                  |
| Interest expense           | 128,809          |
| Lease Concessions          | (177,448)        |
| Lease payments             | (4,687)          |
| <b>At 27 December 2020</b> | <b>5,174,267</b> |

When leases have been renegotiated as a result of Covid-19 the gain has been taken to the income statement

Negotiations are ongoing for a number of leases which will be assessed when any commercial negotiations are concluded.

| Lease liability | As at 27<br>December 2020<br>£ | As at 28<br>June 2020<br>£ |
|-----------------|--------------------------------|----------------------------|
| Current         | 691,117                        | 539,012                    |
| Non-current     | 4,483,150                      | 4,688,581                  |
|                 | <b>5,174,267</b>               | <b>5,227,593</b>           |

## 5. Related parties

| <b>Transactions with related parties</b>                         | <b>26 weeks<br/>to 27<br/>December<br/>2020<br/>£</b> | <b>26 weeks<br/>to 29<br/>December<br/>2019<br/>£</b> | <b>52<br/>weeks to<br/>28 June<br/>2020<br/>£</b> |
|--|---|---|---|
| Purchase of inventories  | 1,100   | -   | 2,175   |
| Consultancy fees   | 12,000  | -   | 12,000  |
|  | <b>13,100</b>   | <b>-</b>  | <b>14,175</b>                                     |
| <b>These transactions are split by related party as follows:</b> |   |   |   |
| CGCC Ltd   | 1,100   | -   | 2,175   |
| PAF Ventures Limited   | 12,000  | -   | 12,000  |
|  | <b>13,100</b>   | <b>-</b>  | <b>14,175</b>                                     |