

GUSBOURNE

CAPITAL MARKETS DAY PRESENTATION

GUSBOURNE

Producer of award-winning English sparkling wine with super premium prices and luxury status

Over 93 hectares of mature vineyards in Kent and West Sussex with plans to scale further

Acknowledged leader in the rapidly expanding English wine industry

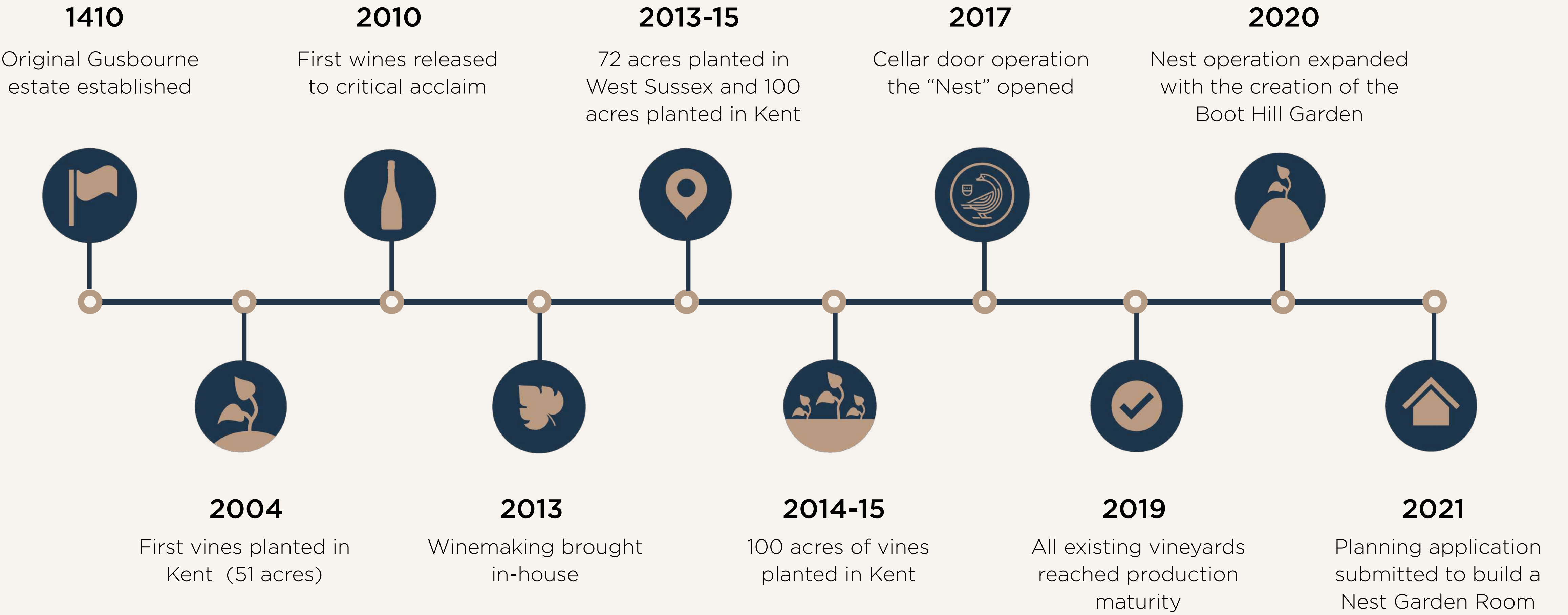
Substantial presence in the UK and 21 international markets

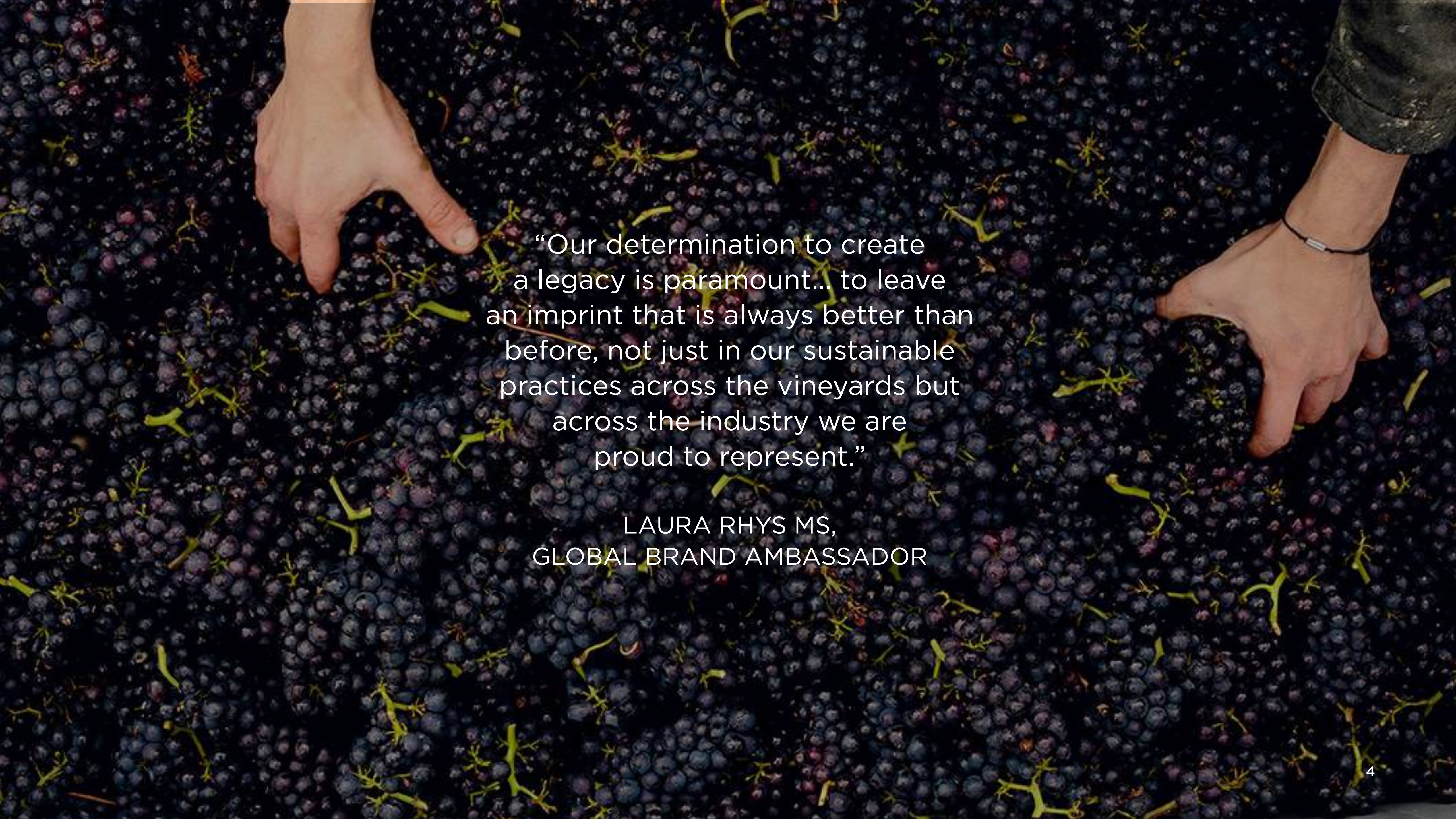
Significant and growing asset base of freehold land, mature vineyards and wine stocks

Passionate and experienced management team with a proven track record of delivering double digit YoY revenue growth



A BUSINESS SHAPED BY PATIENCE





“Our determination to create
a legacy is paramount... to leave
an imprint that is always better than
before, not just in our sustainable
practices across the vineyards but
across the industry we are
proud to represent.”

LAURA RHYS MS,
GLOBAL BRAND AMBASSADOR

ALL THAT SPARKLES...
THE ENGLISH SPARKLING WINE (ESW) MARKET



ENVIRONMENTAL FACTORS

Global warming has benefited UK wine growers

South of England widely regarded as having ideal soils and climate

Champagne and other growing regions increasingly challenged by adverse weather conditions

Reputable Champagne brands are now buying or leasing land in Kent and Sussex

SECTOR INVESTMENT

Growing confidence has led to significant investment across the whole industry

Global talent in winemaking, sales & marketing is being attracted to the sector

Rapid expansion of UK vineyard plantings (3 million vines planted in 2019 alone) brings increasing scale

Arrival of two major champagne houses, Taittinger and Pommery, has underpinned investor confidence

CONSUMER TAILWINDS

The most frequent drinkers are Millennials, who typically spend more

Growth of premium sector of ESW with perceived quality and price similar to prestigious French brands

Gusbourne continues to win prestigious awards for its premium vintage sparkling & still wines

Increasing desire by consumers to support and buy local produce, especially post Brexit

MARKET OPPORTUNITY

2% of the sparkling wine sold in the UK in 2019 was produced in England

Internationally, English wine continues to win critical acclaim

There is room and a requirement in the UK for a “lighthouse” English brand to act like Bollinger or Krug

It’s not just sparkling... High quality still wines now receive recognition, including those made by Gusbourne

GLOBAL DATA POINTS



Gusbourne increasingly competes with Champagne at the premium end of the international wine market and as part of the luxury consumer sector as a developing global brand



Champagne is a €5bn category in which exports were worth €3bn in 2019. It has grown at 2% CAGR over the last decade. Value growth has also recently outstripped volume growth, with Champagne exports growing at 7% in 2019




There are an estimated 23 million sparkling wine drinkers in the UK, of which more than half drink sparkling wine once a month

The sparkling wine market in the USA is growing and expected to reach 440 million bottle sales by 2025



An illustrative revenue of £20m would equate to 0.004% of the current value of the global Champagne market and less than 10% of the revenue of listed Champagne producers Lanson or Vranken Pommery Monopole



“Having the confidence to let each vintage sing independently is exactly the right kind of brave. We should celebrate our seasons, the differential between years, but our quality must always come from nuance without unbalancing the purity that has brought us unparalleled global recognition.”

CHARLIE HOLLAND,
CEO & CHIEF WINEMAKER

A UNIQUE BRAND - KEY USP'S



OBSESSIVE ATTENTION TO DETAIL

Founded and led by winemakers, product quality is Gusbourne’s main objective and biggest asset

Significant depth of professional knowledge and experience across all aspects of the winemaking business

Sparkling and still wines come from authentic vintages of time and place and are only released when they are ready

BRAND CHARACTER

Clearly defined brand values ensure a consistent approach across all functional areas of the business

Our guest experiences focus on generosity of time and service, education and hospitality

Uncompromising aesthetic originality combines with relevance, a depth of personality and genuine substance

SENSE OF PLACE & PROVENANCE

We only use grapes we have grown ourselves, handpicked to produce more than 300 unique flavour profiles

Our vineyards are planted on carefully selected sites in Kent and West Sussex

Sustainability sits at the heart of our viticulture. We are founding members of Wine GB’s first sustainability scheme

“We possess an unwavering sense of respect for our heritage, our terroir, and our responsibility as custodians of the Gusbourne vineyards in both Kent and West Sussex. Responsible farming is fundamental to our philosophy.”

JON POLLARD, COO



CAREFUL POSITIONING

Gusbourne purposefully straddles the English Sparkling Wine and Luxury Consumer sectors

Wider customer appeal provides opportunity for greater scale and higher potential profitability

Brand values are fiercely protected by a product suite of only specific vintage wines

Premium market positioning reflects our exceptional product quality and luxury status

"We only collaborate with people who inspire us. You have to admire the brands you work with. Gusbourne is a case in point. I really enjoy drinking it, and I wouldn't recommend it to anyone else if I didn't."

GILES ENGLISH,
BREMONT

DEMONSTRABLE SALES DYNAMICS

Gusbourne employs a disruptive and direct sales model via our own domestic sales team. Unlike most competitors, we do not use a UK distributor. Internationally, we adapt our approach according to territory:



DIRECT SALES

Our direct sales model encourages loyal relationships and better margins in the UK On and Off-trade.



CORPORATE SALES & GIFTING

A dedicated new corporate sales team has been built to engage with key accounts across all corporate sectors including the lucrative gifting market



INTERNATIONAL SALES

Exports to 21 global territories with particular focus around USA, Asia & Scandinavia. Market-centric approach. Notable sales growth across all regions



DIRECT TO CONSUMER

Significant investment in digital marketing and sales online as well as recurring revenue models such as Gusbourne Reserved



THE NEST

Our beautiful visitor centre in Kent is a model we plan to expand before replicating in Sussex

PREMIUM STOCKISTS IN THE UK ON-TRADE AND OFF-TRADE CHANNELS

All of our customer relationships are direct. We do not use domestic distributors

Closer relationships means buying decisions are very personal and taken by business owners or the most senior executives

We are able to offer more competitive pricing and still make favourable margins by avoiding third party channels

Retaining control of our brand story, positioning, service and sales support ensures a consistent approach to all of our customers

Total brand control and careful distribution aligns us with premium and luxury retailers, restaurants, hotels and stockists in the sector. Where we are, says a lot about who we are

ON-TRADE



OFF-TRADE



OTHER





“Shortly after I joined Whatley Manor, a 5-star hotel with a two Michelin starred restaurant, I wanted to make a switch from Champagne to English sparkling and after tasting Gusbourne, it became an obvious choice for us. I’m very confident about their bright future ahead and I look forward to continuing to support and work together with Gusbourne in the years to come.”

ANDREAS ROSENDAL,
HEAD SOMMELIER AT WHATLEY MANOR



THE NEST – BREATHTAKING EXPERIENCES IN STUNNING SURROUNDINGS

Our philosophy is to bring the spirit of Gusbourne to life and explain why our corner of England is so special for winemaking

Guest experience is measured by generosity–time, service, gentle education and an abundance of hospitality

Thoughtful and memorable tastings & events focus on sharing knowledge and storytelling

We welcome private customers, sommeliers, corporate clients and wine media all year round

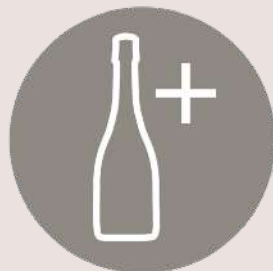
Complimentary drop-in tastings enable us to build relationships and welcome many more customers

Our regular programme of events is supplemented by a range of special one-off experiences including: sunset tours, Michelin-star dining, picnics, rare wine themed lunches and more



DIGITAL LUXURY SALES ARE BOOMING

Digital sales in wine and other luxury sectors have increased during COVID. In response to changing behaviours, we have:



Expanded our range online and introduced a series of special releases from our product library



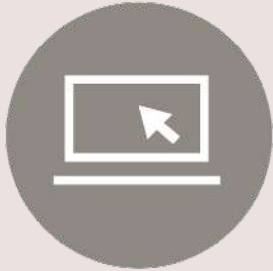
Focused upon delivering rich and engaging content across our digital channels



Developed a template for collaborative campaigns with our brand partners



Significantly increased PR activity and interactions with social influencers



Re-designed our website to strike an equitable balance between brand positioning and sales performance



Optimised our website for ongoing digital sales performance by regularly auditing SEO and CRO



Acquired customers through investment in PPC, paid social and programmatic display



Adopted CX and data insights to drive attribution modelling; greatly improving CRM and optimising investment

SUCCESSFUL EXPANSION INTO 21 COUNTRIES

- Careful selection of the most effective distributors in each overseas market
- Leadership role in the wider English Sparkling Wine category abroad
- 117% international sales growth in 2020 through the global pandemic
- Significant investments in key markets including USA, Japan, Asia and Scandinavia
- Plan to open further markets worldwide and increase penetration in existing markets





“We expect to be defined by excellence in everything we do. Gusbourne has an unspoken quality, and we should never be frightened of allowing our products to speak more loudly than we do.”

JONATHAN WHITE,
HEAD OF MARKETING

FINANCIALS

2020 Highlights

- Net revenue for 2020 up by 28% to £2.1m (2019: £1.65m)
- A five year CAGR (compound average growth rate) in net revenue of 35% (2019: 31%)
- Increase in gross profit margin to 58.3% from 55.5% in 2019
- Sales and marketing expenses at £1.5m (2019: 1.4m) represents increased (and largely discretionary) investment through the profit and loss account to promote current and potential future sales growth and the ongoing development of the Gusbourne brand

Net revenue and Adjusted EBITDA summary

Years ended 31 December*	2018	2019	2020
	£'000	£'000	£'000
Net Revenue	1,261	1,653	2,109
Cost of Sales	(560)	(735)	(879)
Gross Profit	701	918	1,230
Sales and marketing expenses	(914)	(1,389)	(1,478)
Administration expenses**	(694)	(814)	(1,073)
Adjusted EBITDA (loss)/profit***	(907)	(1,285)	(1,321)
Fair value movement in biological produce	125	(172)	(221)
EBITDA****	(782)	(1,457)	(1,542)
Gross profit %	55.6%	55.5%	58.3%
Net revenue annual growth %	26.4%	31.1%	27.6%
Net revenue 5 year CAGR %		30.7%	34.8%

* Net revenue represents Revenue after deducting excise duties

** Excluding depreciation

*** Adjusted EBITDA means profit from operations/(loss from operations) before fair value movement in biological produce, interest, tax, depreciation and amortisation

**** EBITDA means profit from operations/(loss from operations) before interest, tax, depreciation and amortisation

FINANCIALS

2020 Highlights

- Shift in distribution channel performance with DTC sales (including online sales) representing 30% of net wine sales up from 20% in 2019 and international sales representing 33% up from 19% in 2019 UK trade sales at 37% down from 61% in 2019

Net revenue by distribution channel

Years ended 31 December	2018	2019	2020
Net revenue in £'000			
Direct to Consumer	144	299	586
UK trade	827	934	721
International	179	292	634
Net wine sales	1,150	1,525	1,941
Other Income	111	128	168
Total net revenue	1,261	1,653	2,109
Percentages of net wine sales			
Direct to Consumer	12.5%	19.6%	30.2%
UK trade	71.9%	61.2%	37.1%
International	15.6%	19.1%	32.7%
Total	100.0%	100.0%	100.0%

FINANCIALS

2020 Highlights

- £22.3m of operating assets in the business at 31 December 2020 comprising:
- £12.8m of of non current assets include freehold land and buildings, right of use assets, 231 acres of mature vineyards and plant and machinery. These assets are carried at cost less depreciation and do not reflect any potential increase in valuations
- £9.4m of working capital - primarily wine inventories, which are to continue to grow over the next few years until sales volumes and production volumes are fully aligned. Wine inventories do not reflect any potential increase to reflect net realisable value
- Given an average four year production cycle, wine inventories are already in stock to support planned sales for the next four years

Balance sheet assets*

Years ended 31 December*	2018	2019	2020
	£'000	£'000	£'000
Assets			
Freehold land and buildings	6,488	6,383	6,263
Right of use assets**	-	2,068	2,022
Vineyards	3,289	3,144	3,004
Plant, machinery and other equipment	1,757	1,636	1,504
Other receivables	97	90	38
Total non current assets	11,631	13,321	12,831
Inventories	5,282	7,463	9,325
Trade and other receivables	496	707	869
Trade and other payables	(483)	(752)	(769)
Working capital	5,295	7,418	9,425
Total operating assets	16,926	20,739	22,256
Cash	1,311	1,009	262
Goodwill	1,007	1,007	1,007
Total assets	19,244	22,755	23,525

* Net of trade and other payables
 ** per IFRS 16

FINANCIALS

2020 Highlights

- In June 2020 the Group agreed a £10.5m asset based lending facility with PNC Business Credit, of which £6.6m was drawn at 31 December 2020
- Funding for the business is provided by a mix of debt and equity. It is expected that the Group will continue to seek equity and or debt finance to support its growth over the next few years

Balance sheet liabilities and equity*

Years ended 31 December*	2018	2019	2020
	£'000	£'000	£'000
Debt			
PNC Business Credit (Asset finance facilities)	-	-	6,613
Other bank debt	2,173	2,058	-
Deep discount bonds	2,761	3,001	5,132
Short term debt	-	3,379	544
Lease liabilities**	-	2,123	2,108
Total debt	4,934	10,561	14,397
Equity	14,310	12,194	9,128
Total liabilities and equity	19,244	22,755	23,525

* Net of trade and other payables

** per IFRS 16

Our Vineyards in Kent

- 151 acres of mature vineyards
- First plantings in 2004





Our Vineyards in Sussex

- 80 acres of mature vineyards
- First plantings in 2006
- 57 acres available, but not yet planted


WHY GUSBOURNE?



Increasing
production
is driving
scale and
revenues
worldwide



The only ESW
AIM listed
company




Award-winning
premium brand
focused on the
luxury market



Downside-
protection
from an
appreciating
asset-base with
significant
stocks in hand



Increasing
growth via
direct sales
channels and
other proven
routes to market



“When people ask me about Gusbourne, I tell them we bottle Englishness. Charlie isn’t just our chief winemaker, he’s our CEO, because the quality of our winemaking is what defines us as a company. Is it science, is it alchemy? Absolutely no idea, but the results are unfailingly magical.”

JIM ORMONDE, CHAIRMAN

OUR AWARD-WINNING WINES



BRUT RESERVE

This classic blend of Chardonnay, Pinot Noir and Pinot Meunier is our best-selling wine and the most robust expression of who we are



BRUT ROSÉ

Comprised of a blend of Chardonnay, Pinot Noir and Pinot Meunier, our distinctive Rosé is a direct reflection of English summer



BLANC DE BLANCS

Receiving extensive ageing in bottle, this 100% Chardonnay is the purest expression of our unique soils and an elegant example of this classic style



BLANC DE NOIRS

Characteristically deep and complex, rich and powerful, this wine is made using carefully selected parcels of just Pinot Noir

OUR AWARD-WINNING WINES



LATE DISGORGED

In exceptional years we hold back a small quantity of wine for extended lees ageing. This creates a complex and mature expression of our winemaking craft

SINGLE VINEYARD

Each year different vineyards stand out for producing exquisite fruit, so we bottle them as single vineyard wines that demonstrate a unique sense of time and place

NEST SELECTION

Made exclusively from Chardonnay and Pinot Noir grapes from the best vineyard sites surrounding the Nest, this wine is sold exclusively to customers who visit us in Appledore

EXCLUSIVE RELEASE

A classic blend of Chardonnay, Pinot Noir and Pinot Meunier grown entirely in our own vineyards and produced exclusively for Waitrose

OUR AWARD-WINNING WINES



PINOT NOIR ROSÉ

Our 100% Pinot Noir Rosé is elegant and dry, full of vibrant fruit character with summer berries, orange peel and hints of wildflowers



CHARDONNAY 809

Specific parcels of Chardonnay grapes grown on 809 clone vines in Bottom Camp vineyard are used to create this expressive Chardonnay



CHARDONNAY GUINEVERE

Barrel-fermenting this Chardonnay creates a rich, round, toastiness to complement flavours of white peach, honey and zesty lemon



PINOT NOIR

Ageing in oak barriques for nine months adds spice, pepper and dark chocolate to attractive notes of cherry, redcurrant and violet



BARREL SELECTION

Special barrels of Pinot Noir, displaying increased depth of flavour and dark, brambly fruit, were set aside to create this silky, rich and elegant wine

ENHANCING OUR PRODUCT RANGE

All additions to our range reinforce our premium positioning and reinforce our margin through control of the distribution mix

They provide a halo of added value to our product and experiential offering:

- Selected premium still wines exclusively for our members, subscribers and Nest customers
- Single vineyard and late disgorged wines that provide unique moments when tasted at the Nest
- A 'prestige cuvée' that we believe will be at the pinnacle of English winemaking. This wine will be £150-£175 a bottle and firmly position Gusbourne at the forefront of the market

“Gusbourne is one of the few top-notch producers of English sparkling wine to have taken still wine seriously.”

**JANCIS ROBINSON MW,
FINANCIAL TIMES**



SUCCESS BREEDS
SUCCESS

Over 300 prestigious awards at International wine competitions

Highest rated English sparkling wine in the Wine Enthusiast in 2020- Blanc de Blancs 2015 with 94 Points

Unique three-time winner of English Wine Producer of the Year award at the IWSC - 2013, 2015 & 2017

Only ever English winner of the IWC China Sparkling Wine of the Year in 2019

Pinot Noir was the first English still wine to receive a Platinum Decanter award

Chardonnay Guinevere - GOLD in 2018, 2019 & 2020 at Wine GB Awards

Pinot Noir Rosé - Best in class in 2019 & 2020 at Wine GB Awards

Pinot Noir - Best in class in 2018, 2019 & 2020 at Wine GB Awards



45

medals won in
2020 international
wine competitions alone,
Including 14 golds



ESCALATING AND
BROADENING
MEDIA COVERAGE

Condé Nast Traveller, 2021

Decanter, 2021

Metro, 2021

Hello!, 2021

Wine Advocate, 2021

Town & Country, 2021

Vanity Fair, 2021

Harpers, 2021

Condé Nast, 2021

Esquire, 2021

World of Fine Wine, 2020

Sunday Telegraph, 2020

The Independent, 2020



ESCALATING AND BROADENING MEDIA COVERAGE

Sunday Brunch
Channel 4, April 2021

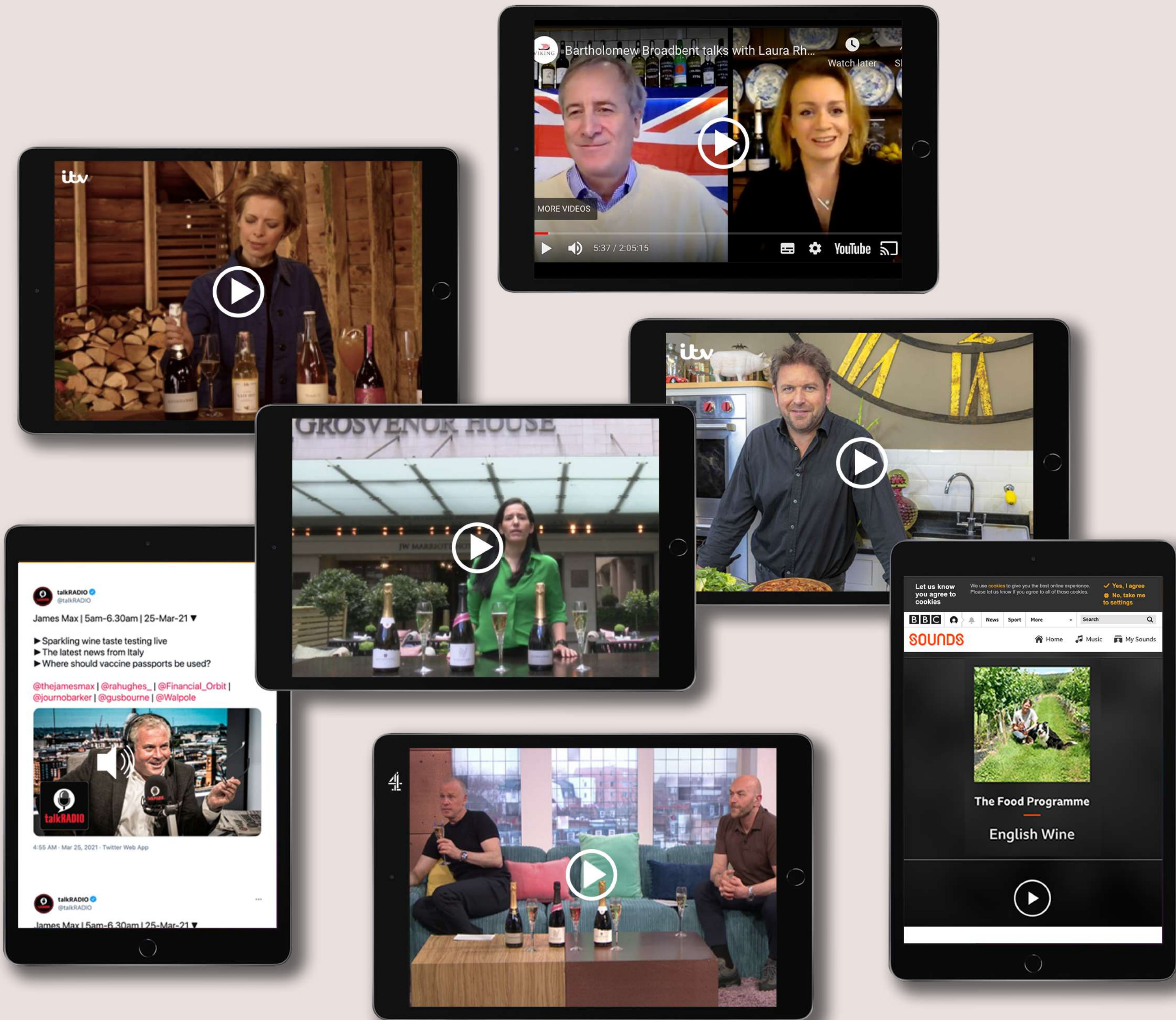
Love Your Weekend With Alan
Titchmarsh
ITV, February 2021

James Max
TalkRadio, March 2021

The Food Programme
BBC Radio 4, March 2021

Wine Wednesday's
Viking TV, October 2020

James Martin's Saturday Morning
ITV, April 2020



ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

Founding member of the UK's first Sustainable Wines of Great Britain initiative


Estate-wide eco-friendly practices include soil-mapping, leaf-plucking, green harvests, planting wildflower blocks and using natural organic fertilisers

We care about our community and support many local schools and charities. We champion the Sussex Wildlife Trust and collaborate with local artisanal producers in Sussex and Kent

An ethical and collaborative approach between directors, managers and employees ensures all staff are recognised as key stakeholders in the business

High standards of corporate governance via Plc status as an AIM-listed company





“This isn’t a job, it’s an obsession.
I dream about these vines.”

JON POLLARD, COO

GUSBOURNE'S PASSIONATE AND EXPERIENCED EXECUTIVE LEADERSHIP TEAM



CHARLIE HOLLAND

**CHIEF EXECUTIVE OFFICER
& CHIEF WINEMAKER**

Charlie became CEO in 2016 and combines his leadership of the business with the role of Head Winemaker, a position he has held since 2013. During this time, he has gone on to produce some of the UK's most celebrated and respected wines



JON POLLARD

**CHIEF OPERATING
OFFICER & CHIEF
VINEYARD MANAGER**

Jon has been the vineyard manager at Gusbourne since the first vines were planted in and now also leads business operations too



JONATHAN WHITE

HEAD OF MARKETING

Jonathan has 15 years' experience in the wine industry, a Diploma from the Chartered Institute of Marketing and was previously Head of Marketing at Berry Bros. & Rudd and Armit Wines



NEIL IRVINE

HEAD OF UK TRADE SALES

Starting in restaurants and bars but quickly progressing into buying, retailing and wholesaling, Neil has worked across all elements of the drink's industry during a 25 year career



DUNCAN BROWN

**HEAD OF INTERNATIONAL
SALES & GLOBAL TRAVEL
RETAIL**

A wine trade professional for over 25 years and specialising in import and export, Duncan judges at the International Wine Challenge every year and holds a WSET Wine Diploma




MARK CARRINGTON

FINANCIAL CONTROLLER

Mark is a Fellow of the Association of Chartered Certified Accountants. He is a Non-Executive Director of Jaywing Plc, and has nearly 20 years' experience in providing support to the finance functions of small and medium sized businesses

GUSBOURNE’S EXPERIENCED NON-EXECUTIVE BOARD OF DIRECTORS

JIM ORMONDE	MIKE PAUL	IAN ROBINSON	LORD ARBUTHNOT PC	ANDREW WEEBER BSC, MB CHB, FC	PAUL GERALD BENTHAM	MATTHEW DAVID CLAPP
NON-EXECUTIVE CHAIRMAN	NON-EXECUTIVE VICE CHAIRMAN	NON-EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR
Jim is a former journalist who left broadcasting to build Cardsave. He has recently served on several private and public boards whilst providing strategic advice to numerous large corporates and private equity firms	Mike has worked in the wine industry for over thirty years holding senior positions at Percy Fox, Southcorp Western Wines. He is closely involved with Wine GB, the organisation that represents UK wine producers	Ian is Non-Executive Chairman of Jaywing Plc, and a director of a number of privately-owned businesses. He has held other senior financial appointments both in the UK and overseas	James was a Conservative MP for 28 years and served as Minister for Defence Procurement, Chief Whip and Chairman of the Defence Select Committee. He was appointed to the House of Lords in 2015	Andrew retired from a long career in international medicine in 2004 and focused on his personal business interests, primarily the development of the Gusbourne Estate, which he founded and established	Paul is the founder and currently a Non-Executive Director of Retail Merchant Group Ltd. With a background in card payment services and retail banking projects he was the founder and previously the Executive Chairman of Cardsave UK	Matthew has spent over 15 years working in the markets for high end real estate developments, private members clubs and financial services. He holds an MBA and is a Freeman of the City of London



“We are principled in how we conduct ourselves – this is an essential element to our brand DNA. Our standards apply across all our relationships, whether that be with staff, customers, or every supplier.”

CHARLIE HOLLAND,
CEO & HEAD WINEMAKER

GUSBOURNE

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