ARTISANAL SPIRITS COMPANY

Interim Results Presentation September 2021

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Who we are and what we do

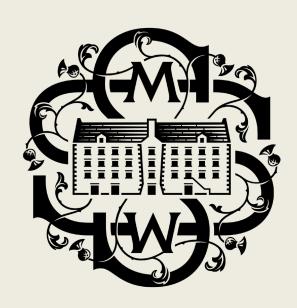
ASC is a distinctive, fast growth, premium spirits, direct to consumer online business

ASC is the owner of the Scotch Malt Whisky Society (SMWS), the leading curator and provider of premium single cask Scotch malt whisky for sale primarily online to a discerning global membership.

SMWS was established in 1983 and currently has a growing worldwide membership of over 29,000 paying subscribers.

SMWS provides these members with inspiring experiences and exclusive access to a vast and unique range of outstanding single cask Scotch malt whiskies and other spirits from over 20 countries.

ASC is building a portfolio of premium brands that bring together some of the world's best producers with a growing movement of discerning consumers by curating unrivalled collections of craft spirits.



Executive Summary

Strong H1 results and strategic progress, with positive outlook for remainder of the year

Interim Results - Key Messages

- Successful admission to AIM in June 2021 raising £15m of new funds for the Company
- Very strong sales growth in the year led by international performance
- Success with membership focus on high growth markets (China +25% and US +13%)
- Progressive recovery in UK venue & events following re-openings in the latter part of Q2
- Decisive early delivery against strategic objectives outlined at IPO
- Robust start to the second half and confidence in full year outlook



Key Performance Indicators

Growth (H1-21)

Profit (H1-21)

Members (YTD Aug-21)

Stock (YTD Aug-21)

20%

Total Revenue Growth

£5.1m

Gross Profit

29,400

Members

15,000

Casks

24%

International Growth

65%

Gross Margin

+6%

International Members

£349m

Retail Value

12%

UK Growth

£0.2m

Adjusted EBITDA

+2%

UK Members

100%

FY21-26 Stock Cover



Strategic framework

We connect purpose, ambition & strategic pillars which inform initiatives that we measure our progress against

Captivate a global community of whisky adventurers Purpose with our proposition and our culture ASC is the owner of the Scotch Malt Whisky Society (SMWS), the leading curator and provider of premium Proposition single cask Scotch malt whisky for sale primarily online to a discerning global membership To double ASC sales between 2020 and 2024 by: Ambition Living a member's Directly growing and knowing the world's Curating a vast collection Offering an outstanding most compelling whisky communities mindset every day of leading whisky epiphanies experience for our team Strategic **Grow membership** Talent **Enhance e-commerce** New and Value creation Growth Pillars experience proposition & digital content complimentary brands Development -improve margins •E-Commerce rolled out Buy younger spirit High growth market focus •JG Thomson growth • Embed Culture Kev Supply chain •Implement CRM systems Targeted digital •Build American Whiskey •Personal **Initiatives** optimisation built recruitment proposition Development Develop online content **Plans** Build a member first & events Sherry cask maturation progressed value proposition

Growth Strategy

A clear plan for revenue and EBITDA growth

Strategic Growth Pillars

Grow membership experience proposition

Enhance e-commerce & digital content

Value creation
-improve margins

New and complimentary brands

Talent Development

Key Initiatives

- High growth market focus
- Targeted digital recruitment
- •Build a member first value proposition

- •E-Commerce rolled out
- •Implement CRM systems
- Develop online content & events
- Buy younger spirit
- Supply chain optimisation built
- Sherry cask maturation progressed
- •JG Thomson growth
- Build American Whiskey proposition
- Embed Culture
- PersonalDevelopmentPlans

















Grow Membership Experience Proposition

Focus on high growth high margin markets (China +25% and US +13%) and strong rebound in UK (+9%)



£932 Lifetime Member Value¹

9 Years

Avg. UK/Europe Tenure²

Day 1
Payback¹

- (1) For FY20
- (2) As at Dec-20

Grow and develop membership

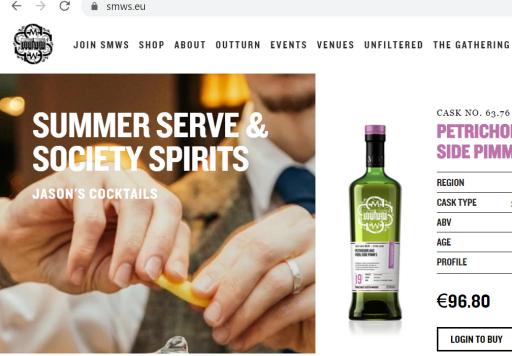
- Directing investment towards high growth markets
 - China membership up 25%
 - US membership up 13%
- Building out existing channels and focus on digital recruitment initiatives
 - UK member numbers up 9% from Q1-21 low
 - Brexit-related logistical and administrative challenges
- Further enhance the member value proposition and increase member retention





Enhance E-Commerce & Digital Content

EU site launched, BigCommerce enhanced and Japan rollout planned



\$\text{\$\text{The Scotch Malt Whisky Society}}\times









REGION	Speyside
CASK TYPE	1st fill ex-bourbon barrel
ABV	52.2%
AGE	19 years
PROFILE	Sweet Fruity & Mellow

€96.80 27 LEFT IN STOCK

LOGIN TO BUY

MORE INFO



LOGIN





CASK NO. 113.50

HERE COMES THE SUN

REGION	Speyside
CASK TYPE	1st fill ex-bourbon barre
ABV	60.8%
AGE	11 years
PROFILE	Young & Spritely

€65.30 **50 LEFT IN STOCK**

LOGIN TO BUY

MORE INFO





Spirit & Stock Investment

Over £2m spent on Whisky & Other Spirits



200+Distillery Makes*

Spirit Investment

- * As at 31 August 2021
- Material acquisition of vintage stock to help increase sales coverage through to FY26.
- Three new rolling contracts since the admission document, increasing the volume now covered under these agreements to over 265,000 bottles p.a. This is equivalent to over 160% of FY20 sales.
- A further 200 casks of new make spirit from 2021 acquired under one off agreements at similar pricing.



Spirit Stock
Purchases post IPO



Rolling New Make Contracts as % of FY20 Sales



Average cost per bottle of new make spirit



Spirit & Stock Investment

Around £250k spent on sherry seasoned and other cask wood









ASC Brand Development J.G. Thomson

Multi-Channel:

Available to all: non-membership proposition

Direct to Consumer Site - www.jgthomson.com

Traditional retail, bar & restaurant

Stunning Range:

Small batch blended malt whisky

Bold rum

Craft gin

Award Winning:

Spirits Business - Luxury Masters

One Master's Award (Top Prize)
Four Golds & One Silver



J.G. THOMSON

DISCOVER OUR SPIRITS



A LITTLE OUT OF THE ORDINARY

= MENU

DISCOVER

BATCH

SPIRITS



Culture framework

A focus on talent development, with clear alignment across the business on values and behaviours

Our Values

Our Behaviours

Respect

Innovative

Progressive

Unique Grit & **Determination**

1	We are considerate, respectful and empathetic to each other, members, guest and partners. We are inclusive and act and communicate in an open and honest manner.	2	We are mindful of each other's work life balance and respect the boundaries this brings with it.	•
4	We actively encourage people to be relentless in curiosity, continue to learn and strive to work smarter. We embrace diverse thinking.	5	We promote positive challenges to each other. We are persistent, focussed and determined in meeting commitments and deadlines.	(
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We encourage big or small creative ideas wherever they

come from. We actively try new things, innovate, are not afraid to

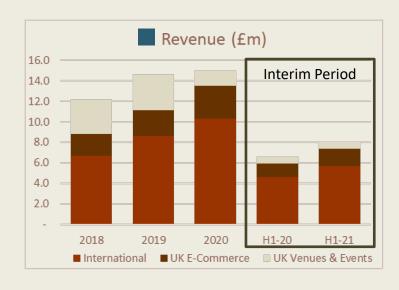
take risks if we believe it will



ASC Group P&L

Proven track record of growth

ASC: Headline P&L	Full Year (December Year End)			Interim (to June)			
	2018	2019	2020	2018-20	H1-20	H1-21	YTD
£m	Actual	Actual	Actual	CAGR	Actual	Actual	Change
International	6.6	8.6	10.3	25%	4.6	5.7	24%
UK E-Commerce	2.1	2.5	3.2	23%	1.3	1.7	28%
UK Venues & Events	3.4	3.5	1.5	(33%)	0.7	0.6	(17%)
Total Revenue	12.1	14.6	15.0	11%	6.6	7.9	20%
Cost of Sales (ex US Tariffs)	(4.9)	(6.0)	(5.6)	7%	(2.3)	(2.8)	(21%)
Adjusted Gross Profit	7.2	8.7	9.5	15%	4.291	5.132	20%
Adjusted Gross Margin	59.7%	59.3%	63.0%	2.7%	64.9%	64.6%	(0%)
US Tariffs	-	(0.1)	(0.7)	n/a	(0.4)	-	n/a
Adjusted EBITDA	(0.0)	0.1	0.6	n/a	(0.0)	0.2	n/a
Depreciation & Amortisation	(0.5)	(0.7)	(0.9)	38%	(0.4)	(0.4)	(4%)
Exceptionals (inc IPO costs)	(0.1)	-	(0.4)	139%	(0.0)	(0.5)	n/a
EBIT	(0.6)	(0.6)	(0.6)	7 %	(0.5)	(0.8)	(58%)



Source: Management Accounts (NB – figures are shown to the nearest £0.1m and therefore totals may appear not to sum) Adjusted Gross Profit & Gross Margin – excludes US tariffs in 2019 and 2020 Adjusted EBITDA – Earnings before interest, tax, depreciation, amortisation, and exceptionals.

- Strong revenue growth continues to be driven by international and e-commerce
- **Total sales grew 20% in H1-21**. International sales grew by 24% and UK e-commerce up 28%.
- Gross margin (ex US Tariffs) steady at 65%
- H1-21 Adjusted EBITDA increased to £0.2m



ASC Group Balance Sheet & Cash Flow

Strong and well capitalised with positive operating cash flows

ASC Consolidated BS			
£m	Dec-19	Dec-20	Jun-21
Cask Goods	18.8	18.7	19.4
Cash & Bank			
Cash	1.5	2.2	3.3
Loans	(13.8)	(15.9)	(5.2)
Net Debt	(12.2)	(13.7)	(1.9)
Current Assets & Liabiliti	es		
Accounts Receivable	2.0	1.7	2.5
Other Inventory	2.1	2.9	3.5
Other Debtors	1.0	0.4	1.2
Accounts Payable	(1.2)	(1.4)	(0.9)
Other Current Liabilities	(3.1)	(2.0)	(3.2)
Net Current Assets	0.8	1.6	3.1
Fixed Assets			
Tangible Assets	4.4	4.3	4.1
Cask Wood	1.6	1.9	1.9
Intangible Assets	2.6	2.6	2.6
Total Fixed Assets	8.7	8.8	8.6
Long Term Liabilities	(2.3)	(2.4)	(2.5)
Net Assets	13.8	13.0	26.8

ASC Summary Cash Flow			
£m	FY20	H1-20	H1-21
EBITDAE	0.6	(0.0)	0.2
Working Capital Movements:			
Stock (exc casks)	(0.8)	(0.0)	(0.6)
Trade Debtors	0.3	(0.2)	(8.0)
Other Debtors & Prepayments	0.6	0.4	(8.0)
Trade Creditors	0.2	(0.8)	(0.5)
Other Creditors & Prepayments	(0.7)	(0.3)	1.1
Net Working Capital Movement	(0.5)	(1.0)	(1.5)
Operating Cash Flow (post WC)	0.1	(1.0)	(1.3)
Net investment in casks	0.1	0.2	(0.6)
Exceptional Items	(0.4)	(0.0)	(0.5)
Capital Expenditure	(1.3)	(0.6)	(0.2)
Interest Payments	(0.5)	(0.2)	(0.2)
Tax Payments	(0.3)	(0.1)	(0.1)
FX Movements	(0.0)	0.0	0.0
China Dividend Payments	(0.3)	0.0	(0.0)
Equity Raise	1.0	(0.0)	14.9
Net Change in Net Debt	(1.5)	(1.7)	11.8
Loan Drawdowns/Repayments	2.1	2.2	(10.7)
Net Change in Cash	0.6	0.4	1.1

Headlines

- Extensive asset base of unique whisky as well as other spirits
- 3 year committed facility with RBS
- Well capitalised balance sheet
- Positive operating cash flows
- Investment in Cask Stock and Capex funded through combination of debt & equity

Source: Management Accounts

NB - figures shown to nearest £0.1m & totals may appear not to sum



Good progress to date

We Said	We Did
Develop the membership base in major international growth markets	Achieved strong growth in key markets this year, in particular +25% in China and +13% in USA
Enhance e-commerce route to market capabilities and digital content	Refinement and rollout of e-commerce platforms underway, with smws.eu launched and Japan progressing
Improve high gross margins through additional value creation	Growing number of rolling new make spirit agreements, now representing 160% of FY20 sales
Grow cask stock levels and innovate styles to meet growing demand	Significant investment in mature stock covering a range of distilleries & makes, taking total cask stock to around 15,000 casks
Utilise SMWS venues and partner bars to bring to life the discerning whisky experience	Delivered strong venue performance since reopening in May (UK member numbers +9% from Q1-21 low) with planning underway for new and existing venues
Create new premium spirit brands beyond the SMWS	Developed the JG Thomson brand, with its award-winning product range



Strong outlook

- Strong growth in high margin international markets
- Momentum building in UK as Covid restrictions ease
- 100% stock coverage through to the end of FY26
- Secular category growth driven by increasing spending power
- Changing consumer preferences favour premium brand positioning
- Confidence in delivering full year targets
- Ambition to double sales between 2020 and 2024





Appendices

- 1) Glossary
- 2) Awards
- 3) The Team
- 4) Market Data



1) Glossary

- A&P Advertising & Promotional Costs
- Adjusted EBITDA EBITDA before exceptional costs
- ASC Artisanal Spirits Company
- CAGR Compound Annual Growth Rate
- Cask Wood an empty cask purchased for filling with spirit
- Churn the inverse of Retention (as defined below), i.e. the percentage of members who do not renew their membership at the end of their annual membership period. e.g. if retention was 75%, then churn would be 25%.
- CPA Cost Per Acquisition
- DTC Direct to Consumer
- EBITDA Earnings before interest, tax, depreciation and amortization
- LTV Lifetime value (or Lifetime Member Value) calculated as annual contribution per member multiplied by member Years, where Years is calculated as one divided by Churn
- PB Partner Bars
- Premium, Super Premium, Ultra Premium, Prestige and Prestige + market segments are consistent with IWSR definitions, which determines these price categorisations on a market-by-market basis (UK figures shown on P18). Note references to market sizes or market shares are taken to include that segment and above (e.g. the Ultra Premium market includes Ultra Premium, Prestige and Prestige Plus)

https://www.theiwsr.com/wp-content/uploads/IWSR-Methodology-Definitions-2019.pdf

- H1 Six months to end June
- Retention The percentage of members who renew their membership at the end of their annual membership period.
- Revenue Presented in accordance with IFRS and represents the proceeds from the sale of goods and services, inclusive of duty and exclusive of VAT and other sales taxes. All sales related metrics (e.g. average selling price) are quoted on this revenue basis.
- Single Cask single cask batch release
- SMWS Scotch Malt Whisky Society

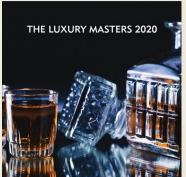
2) Awards

Record number of awards across at this year's Spirits Business' Luxury Masters, including a top prize and three gold medals for the Group's new JG Thomson range

SMWS's Scotch Malt Whisky and other spirits have won almost 200 awards from seven of the leading bodies in less than three years.

SMWS venues have won multiple awards & recognition including being shortlisted for the 2019 Icons of Whisky "Bar Group of the Year"

















3) The Team - Management team

An experienced team with a proven track record

Mark Hunter
Non-Executive Chair



MOLSON COORS beverage company

David Ridley *Managing Director*



LVMH
GLENMORANGIE
Ardbeg

Andrew Dane Finance Director





Kai Ivalo Spirits Director







3) The Team - Non-executive board

An experienced team with a proven track record

Paul Skipworth
NED & Deputy Chair



ASC Chair 2015-21.
Former CEO & COO of Glenmorangie, Regional Director Asia Pacific at Moet Hennessy, Senior VP of Strategy for Moet Hennessy & Partner at L Capital

Lesley Jackson NED & Audit Committee Chair



Former CFO for Stock Spirits PLC (2011-17), and prior to that held similar positions at William Grant & Sons & United Breweries (an Indian listed public company). Helen Page NED & Remuneration Committee Chair



Chief Brand Officer for Virgin Money UK, chair of Virgin Money Giving & a member of the Financial Services Advisory Board in Scotland. Prior to that held senior roles at RBS, Argos & Abbey. Gavin Hewitt, CMG NED



CEO of Scotch Whisky Association (2003-13) Non-Exec Chair Bladnoch Distillery (2015-17) British Ambassador to 3 EU member states (1994-03). Keeper of the Quaich & liveryman of the Worshipful Company of Distillers Mark Bedingham *NED*



Vice Chair of ASPL (NYSE Listed); Exec Chair of CÉ LA VI the hospitality group and President and CEO of SMI – SGX (Singapore) listed. 20 years as Regional MD of Moet Hennessy Asia Pacific and former Director of Jardine Pacific

4) Market Data: The 'Premium +' Spirits Markets

Secular growth driven by increasing spending power

Fundamental changes are causing secular growth within this industry: Consumers are driving *premiumisation* by seeking "authenticity and status, enabled by consumer knowledge and spending power"¹.

Premium spirits climbed to 10% of total global spirits in 2019 and this is forecast to increase to 13% by 2024 ¹.

The global Ultra Premium Scotch Whisky market has a growth trend fuelled by **premiumisation** – past 10yr growth of **142% (10% CAGR)** to USD5.5b², vs 24% growth (2% CAGR) in the remainder of lower price points.

Sources: 1. IWSR Global Trend Report 2020, 2. IWSR Database

Global Scotch Whisky Market Size					
Segment	£/bottle (70cl)	Market Size (\$ billion)	CAGR (2010-19)		
Prestige +	225.00+	0.7	27%		
Prestige	75-224.99	1.1	11%		
Ultra Premium	35-74.99	3.8	9%		
Subtotal - Ultra Pr	Subtotal - Ultra Premium & Above		10%		
Super Premium	28.75-34.99	3.2	9%		
Premium	22.50-28.74	5.0	1%		
Standard & Below	Up to 22.50	12.9	2%		
Total		26.7	4%		

Sources: IWSR Database (market size represents 2019 data)

100% of SMWS sales are in the Ultra Premium and above price segments which grew at 10% CAGR between 2010 and 2019.



4) Market Data: \$4.2 billion global addressable market

SMWS is in all the key markets with huge opportunity to expand

The global addressable market was **USD4.2b**¹ in 2019 up **by 202%**² **(13% CAGR)** vs 2010

Key Markets



Alcohol E-commerce is growing at triple digit rates. Americans are more motivated by convenience and will also accept significantly **higher prices** relative to offline³.



\$0.4b⁽¹⁾ +120%⁽²⁾ Chinese consumers are the most willing to spend **extra** money online vs offline³.

China is the world's **largest** alcohol e-commerce market, dominated by TMall and JD.com³. SMWS are in both these channels and sales are growing.



\$0.6b⁽¹⁾ +153%⁽²⁾ SMWS focus is in the main European Single Malt markets of UK, France and Germany.

Sources: (1) IWSR Database – FY19; (2) IWSR Database FY10-FY19 growth; (3)IWSR Ecommerce Executive Summary Report – 2019,

Global Addressable Market Analysis					
	Addressa	ble Market	SMW	IS	
	2019	2010-19	2020 Whisky		
	(\$m)	Growth	Sales (\$m)	% Share	
United States	1,502	323%	3.1	0.2%	
Taiwan	424	116%	0.3	0.1%	
China	412	120%	3.8	0.9%	
United Kingdom	327	157%	3.7	1.1%	
Germany	156	239%	0.9	0.6%	
Japan	147	158%	0.9	0.6%	
Australia	140	354%	0.7	0.5%	
France	113	81%	0.2	0.2%	
Top 8 Markets	3,222	203%	13.5	0.4%	
Other Markets	1,000	200%	2.0	0.2%	
Total Addressable Market	4,222	202%	15.4	0.4%	

Source: IWSR Database, Management Analysis

Addressable Market defined as:

Product: Scotch Whisky (Primarily Malt Scotch, but also

including Blended Scotch & Grain Scotch)

Price: Ultra Premium, Prestige and Prestige Plus

Channel: Domestic only (no Duty Free)

