



GUNNA[®]

INVESTOR PRESENTATION
2024



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01

THE VISION

A NEW

VISON



TO BECOME THE LEADING SUSTAINABLE DRINKS BUSINESS

WE ARE LOOKING FOR £2.5M INVESTMENT TO FUND A MAJOR STRATEGIC SHIFT FOR OUR BUSINESS

- GUNNA Drinks Ltd, is currently a single brand company. Right now we sell **delicious, immune booting, planet friendly soda in 330ml/12oz cans, primarily in the UK and US.** historically most business activities, including manufacturing & sales have been outsourced to reduce overheads.
- In 2023 GUNNA made a shift to focus more on sustainability, with the launch of a the **1st functional soda in eco-friendly 500ml/16oz aluminium bottles.**
- The customer response to this has demonstrated that there is a **massive opportunity for a soft drinks company to own the sustainability space, which is what we now want to do.**
- We are now looking for funding to capitalise on this big opportunity, with a **bold strategic shift to focus our business on sustainability**



THE 5 KEY ISSUES THAT OUR NEW STRATEGY MUST SQUARELY ADDRESS

01

DIFFERENTIATE FROM OTHER DRINKS

To succeed we must have much **stronger differentiation** than we have today, so we **stand out to the trade, and to consumers** when on shelf.

02

CONTROL OUR OWN PRODUCTION

We currently outsource manufacturing, but to become a big player in sustainability we need to **control our own production**, so we can **innovate** and **create truly eco-friendly products at low unit costs**.

03

WIDEN OUR PRODUCT PORTFOLIO

To build **high revenues and high exit value** we need a broader product portfolio. In the US the sustainability story has started in **water** and is only now moving into **soda**, so water is market we need to play in, but **3rd party production** is also a big opportunity.

04

IN HOUSE SALES RESOURCE

Currently we rely heavily on 3rd party sales teams. To succeed we need in-house sales capability so we can **build strong and enduring customer relationships with our people**.

05

STRONGER MARKETING COMMS

Our communication has not been focused enough. We must single-mindedly **shout about sustainability**, using a **more innovative communication model** that allows us to cut through to consumers at low spends.

A MAJOR SHIFT IN DIRECTION: A NEW VISION AND PURPOSE FOR GUNNA

**WE WANT TO BECOME THE LEADER IN SUSTAINABLE SOFT DRINKS,
COMMITTED TO MAKING WATER AND FLAVOURED DRINKS THAT TRULY
RESPECT OUR ENVIRONMENT.**

- Focus on a **unique & sustainable packaging** format – aluminium bottles, with cans as a secondary eco format.
- A new **eco-friendly net zero production strategy**.
- Not just GUNNA: **Broaden our revenue streams** to include water and the production of 3rd party brands in sustainable packaging.
- **New approach** to sales.
- Single minded marketing, **campaigning against plastic bottles**.





02

OUR NEW STRATEGY

OUR STRATEGY ON 1 PAGE

WHAT?

BUILD OUR BUSINESS AROUND SUSTAINABILITY

A differentiated drinks business, built around a consumer mega trend



HOW?

A NEW PRODUCTION STRATEGY

To make sustainable products and innovate, cash efficiently, at low unit costs.

A BROADER PRODUCT PORTFOLIO

A new product portfolio that covers more key sectors of the market.

A NEW SALES MODEL

A more focused, in-house sales organisation that allows us to grow revenues fast.

A NEW MARKETING MODEL

A single-minded focus on communicating sustainability with a high impact/low cost comms model.

WHY FOCUS ON SUSTAINABILITY?

SUSTAINABILITY IS A GLOBAL MEGA TREND THAT CREATES HUGE OPPORTUNITIES

MACRO DRIVERS



A TOXIC INDUSTRY

Plastic drinks bottles are world's 2nd biggest source of plastic waste* with over 500bn new plastic bottles produced each year. Less than 20% of these will ever be recycled.



EVOLVING CONSUMERS

Consumers are increasingly choosing more eco-friendly brands, but in drinks there are few good options because plastic dominates the shelves.



RETAILERS UNDER PRESSURE TO ACT

Retailers are under the microscope because in US & UK 65+% of their drinks are sold in plastic bottles.

THE OPPORTUNITY FOR US

NO OTHER DRINKS COMPANY IS BUILDING ITSELF AROUND SUSTAINABILITY

A SINGLE-MINDED BUSINESS FOCUS

PROVIDES A DEEPER PURPOSE THAT MOTIVATES ALL OUR STAKEHOLDERS

CONSUMERS AND CUSTOMERS ARE INCREASINGLY FOCUSING ON SUSTAINABILITY



MORE THAN EVER CONSUMERS NOW CONSIDER A COMPANY'S ENVIRONMENTAL AND SOCIAL PRACTICES WHEN DECIDING WHAT PRODUCTS OR SERVICES TO BUY.



THEY ARE WILLING TO PAY MORE FOR PRODUCTS WITH SUSTAINABLE PACKAGING OR FEATURES.



THEY WILL ALSO CHANGE THEIR CONSUMPTION HABITS TO REDUCE THEIR ENVIRONMENTAL IMPACT.



THE DATA SHOWS THAT SUSTAINABILITY IS AN IMPORTANT FACTOR FOR CONSUMERS ACROSS DIFFERENT REGIONS AND DEMOGRAPHICS.

A study by BCG found that **76% of consumers are trying to play their part in sustainability** and they expect brands to do the same.

Eight in 10 consumers are trying to reduce their plastic waste and half would be willing to pay higher prices for eco-friendly packaging. Source: Guardian survey

More than 60 percent of US respondents said they'd **pay more for a product with sustainable packaging.** Source: McKinsey 2020 study on sustainability

IMPORTANCE OF DIFFERENTIATION: WHAT DOES IT TAKE TO GET A NEW DRINKS BRAND ONTO RETAILERS SHELVES?



BE ON A RELEVANT TREND

Creating FOMO for the trade & consumer traction

AND/OR



BREAK A PACKAGING FORMAT

Being different to what is on shelf for buyers, and stand out to consumers

WHY ARE ALUMINIUM BOTTLES KEY TO OUR NEW SUSTAINABILITY STRATEGY?

ALUMINIUM IS THE MOST SUSTAINABLE DRINKS PACKAGING

This is because recycling rates for aluminium are c80% vs 10-20% for plastic*. Aluminium can be recycled forever.

SIP AND RE-SEAL

Consumers like to be able sip and re-seal their drink containers, which is why in the US & UK 500ml plastic screw top bottles are 65%+ of the soft drinks market. Cans are only c15-20% of sales. Source Statista.

FAST GROWTH OF THIS FORMAT

Due to their eco-friendly credentials aluminium bottle sales are now over \$3.4bn which will more than double in 5 years.

DIFFERENTIATED PACKAGING, WITH HIGH SHELF STAND OUT

Aluminium bottles stand out strongly on the shelf because they are new and different

PRODUCTION OPPORTUNITY

Filling aluminium bottles requires specialist production machines & know-how, which will slow new entrants



*According to a study by National Geographic only 9% of the plastic waste produced has been recycled. The study also found that plastic waste is difficult to collect, sort, and reprocess, and is often contaminated by toxic materials. Additionally, recycling plastic is not economical for companies as new plastic is cheaper to make and of higher quality

ALUMINIUM IS BETTER FOR THE ENVIRONMENT THAN PLASTIC, MAINLY BECAUSE ALUMINIUM IS RECYCLED OVER AND OVER, PLASTIC IS NOT.

THE PLASTIC VS ALUMINIUM DEBATE IS COMPLEX, BUT IF YOU ARE INTERESTED HERE ARE 3 INDEPENDENT ARTICLES THAT EXPLAIN WHY ALUMINIUM IS MORE ECO-FRIENDLY THAN PLASTIC.

01

Aluminum Cans Vs. Plastic Bottles: Which Is Better For The Environment? Sustainably (absustainably.com)

[READ HERE >](#)

02

Aluminum Cans vs. Plastic Bottles: Which Is Worse for the Environment? Mental Floss

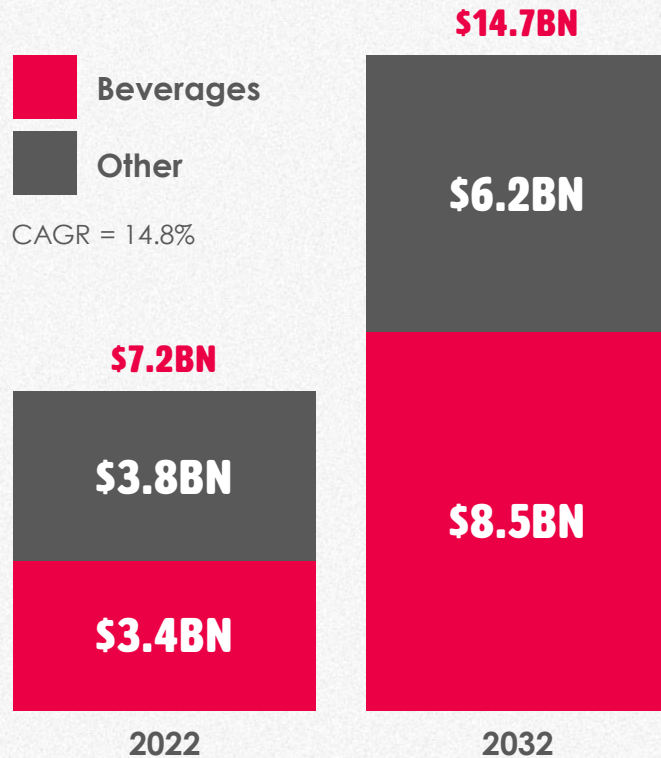
[READ HERE >](#)

03

Glass Bottles Have a Larger Environmental Impact Than Plastic Bottles- Study | Earth.Org

[READ HERE:](#)

ALUMINIUM BOTTLE SECTOR IS BOOMING AND IS EXPECTED TO MORE THAN DOUBLE BY 2032



GLOBAL ALUMINIUM BOTTLE MARKET*

*Source: Future Market Insights

- Aluminium beverage bottle sector is growing fast, driven by desire for more sustainable alternatives to plastic.
- Projected CAGR of 14.8% over the next 10 years.
- In the USA the market is well established, driven mainly by new water brands like Proud Source - founded 6 years ago, now at \$350m revenue.
- In the UK there are only 2 companies filling aluminium bottles GUNNA (hand packing) and ReWater (automated).
- In the US water in aluminium bottles has grown from \$0.1bn to \$1.0bn in 7 years, but no one sells all natural sodas like GUNNA in aluminium bottles.

IN THE US WATER HAS LED THE RAPID GROWTH OF ALUMINIUM BOTTLES, GROWING TO OVER \$1BN IN REVENUE SINCE 2016



PROUD SOURCE WATER

- Natural mountain water brand, founded in 2017
- Have built the brand around sustainability, using aluminium bottles and more recently cans as well
- 2022 revenues \$320m
- Price premium of 40% vs Evian plastic bottle



PATH

- Founded in 2015
- Focused around re-usability with a more robust bottle
- 2023 revenues \$50m+
- Retail price \$3.49 = 80% premium



03

PRODUCTION STRATEGY

OUR STRATEGY ON 1 PAGE

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HOW?

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ALUMINIUM BOTTLE SECTOR IS BOOMING AND IS EXPECTED TO MORE THAN DOUBLE BY 2032

US PRODUCTION STRATEGY: CO-INVESTMENT

GUNNA bottles launched Jan 2024

- In the USA no one is filling all natural flavoured products like GUNNA into aluminium bottles, only water. So there are no existing 3rd party bottlers we can work with.
- Instead **we co-invested with a 3rd party bottler** (Lehrkinds) and another brand (called Up-Time) to buy the machinery needed to fill GUNNA in to these bottles in the US
- This \$240k investment (\$80k each) is complete and the machinery has been commissioned.
- **This is the only aluminium bottler in the US that can produce this type of drink**
- 1st production was in Jan 2024

UK/EU PRODUCTION STRATEGY: A UNIQUE NEW PRODUCTION LINE

GUNNA bottles launched Nov 2024

- We are currently making GUNNA bottles on a hand filling line -> not long term solution due to low capacity & high unit cost
- No one in the UK/EU has the capability to fill GUNNA type products into aluminium bottles, so we can't outsource production to a 3rd party, which is what we do with our current cans
- This creates an **opportunity to develop our own unique production capability and become a major player in aluminium bottles**
- To implement this strategy we require £450k capex to buy the new machinery needed to fill aluminium bottles
- Target completion is summer 2024

WE WILL BUILD THE UK'S 1ST NET ZERO DRINKS MANUFACTURING UNIT

**ONLY USE ECO-FRIENDLY,
RE-USABLE MATERIALS –
ALUMINIUM &
CARDBOARD**

**ONLY
USE GREEN
ENERGY**

**NET ZERO
DRINKS
PRODUCTION**



**SHORT TERM: USE
CARBON OFFSET TO
ADDRESS ANY
REMAINING CARBON
IMPACT IN OUR FACTORY**

**LONG TERM: IDENTIFY
AND REMOVE ALL
CARBON IMPACTS**

OUR NEW PRODUCTION UNIT WILL BE UNIQUE

WE WILL BE THE ONLY ALUMINIUM BOTTLING UNIT THE THAT CAN PRODUCE
MULTIPLE PRODUCT TYPES.....

01

DIFFERENT PACK FORMATS

- Aluminium bottles
- Cans
- Different pack sizes from 250ml to 750ml.

02

DIFFERENT PRODUCT TYPES

- Water
- Flavoured drinks
- Energy
- Still or sparkling

03

MULTIPLE FILL TYPES

- Pasteurised
- 100% Natural
- Unpasteurised

OUR NEW PRODUCTION STRATEGY OPENS UP NEW REVENUE STREAMS THROUGH INNOVATION AND 3RD PARTY MANUFACTURE

5 REVENUE STREAMS (VS 1 CURRENTLY)

01

INNOVATE MORE WITH GUNNA

Flavours and new
health benefits

02

LAUNCH A NEW WATER BRAND

03

PRODUCE FOR PRIVATE LABEL

e.g Pret or M&S drinks
in aluminium

04

PRODUCE FOR NON-COMPETING BRANDS

e.g Dirtea, ProEnergy

05

EXPORT

Offer aluminium
bottles
to EU customers



04

BROADENING OUR PORTFOLIO

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MOVING FROM SINGLE FORMAT / MONO BRAND COMPANY TO MULTI FORMAT / MULTI BRAND BUSINESS



CURRENT RANGE



In the UK/EU:
1 of 2 bottlers who can
fill water into aluminium
bottles.



In EU & US:
The only bottler who can
fill all natural soda into
aluminium bottles.



NEW PRODUCTS

WE HAVE DEVELOPED AN EXCITING NEW FUNCTIONAL WATER BRAND IN THE SAME BOTTLE

- In the USA water has pioneered the development of this pack format, the UK/EU could go the same way
- UK competition: There is one UK water brand in aluminium bottles (One Water) and several private label brands e.g Caffe Nero
- Our plan is to **launch a new water product in aluminium bottles** in the UK, possible in the USA as well
- Quantitative consumer research on this idea has been very positive, beating One Water & Evian by a mile.
- Trade research also showed high level of interest in this idea.
- This launch gives us a hedge in case water leads the development of this pack format, as it has done on the USA

WHAT'S THE BIG IDEA?

A NEW ECO-FRIENDLY FUNCTIONAL WATER BRAND



- **WATER ALMIGHTY IS A NEW FUNCTIONAL WATER BRAND, SOLD ONLY IN ECO-FRIENDLY ALUMINIUM BOTTLES**
- **ALUMINIUM BOTTLE SECTOR IS GROWING FAST, LED BY WATER BUT PACKAGING ALONE IS NOT A SUSTAINABLE INNOVATION**
- **SO WE'VE CREATED A UNIQUE FUNCTIONAL WATER TO GO INTO OUR ECO-FRIENDLY BOTTLE**

3RD PARTY / P&L OPPORTUNITIES

OFFERING PRIVATE LABEL AND CO-PACKING FOR 3RD PARTY BRANDS ALLOWS US TO INCREASE REVENUE AND IMPROVE OVERHEAD RECOVERY, LOWERING UNIT COSTS ON OUR BRANDS

PRIVATE LABEL

- There are already several private label water brands in aluminium bottles e.g Nero, Benugo and Itsu.
- Some retailers (e.g Pret) will only sell private label products, so to maximise our revenue from aluminium bottle we'd need to offer private label to them.

3RD PARTY BRANDS

- Again this can drive revenues and lower unit costs
- We will only co-pack for brands in non-competing areas, e.g energy, juice etc.

WE HAVE ALREADY HAD 4 ENQUIRIES ABOUT CONTRACT PACKING ALUMINIUM BOTTLES FOR 3RD PARTIES





04

A NEW APPROACH TO SALES

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A NEW SALES APPROACH, THAT DRIVES RAPID REVENUE GROWTH

GOING FORWARD WE STRIVE FOR FOCUSSED ACCOUNTABILITY

**SIGNIFICANT SHIFT FROM
OUTSOURCED TO INSOURCED
SALES RESOURCE**



**GREATER CONTROL, VISIBILITY
AND ACCOUNTABILITY**

**STEP CHANGE IN TRACKING OF
SALES & PROSPECTING**



**BETTER INSIGHT INTO PERFORMANCE,
AND ACCOUNTABILITY FOR SALES PEOPLE**

**NARROW OUR FOCUS TO DOING
A FEW THINGS WELL**



**PUT ALL OF OUR EFFORTS WHERE
WE STAND THE BEST CHANCE**

INITIAL TRADE FEEDBACK/TRACTION ON THE NEW BOTTLE FORMAT IS GOOD

THE BOTTLE HAS MUCH CLEARER TRADE CUT THROUGH THAN THE CAN,
AND IS OPENING DOORS THAT NEVER WANTED TO DISCUSS GUNNA BEFORE



Innovation team has recommended us for launch to the buying team (250+ stores)



Approved for the city centre roll-out having had can delisted 2 years ago (timing TBC, 50 stores)



Launching mid Jan (120 stores)



SELFRIDGES&CO

Plans to launch in Spring being finalised, previously not interested in the can



3x finer food distributors launching Q1, all who said no to the can previously



05

A NEW MARKETING FOCUS

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MARKETING FOCUS ON SUSTAINABILITY GIVES US A UNIQUE MARKETING PROPOSITION IN SOFT DRINKS



**BEFORE WE HAD 3 BRAND PILLARS
WITH EQUAL PROMINENCE –
HEALTH, TASTE & SUSTAINABILITY**



**OUR MARKETING STRATEGY GOING FORWARD
WILL BE TO FOCUS ON SUSTAINABILITY, WHICH
WILL BE A UNIQUE MESSAGE IN SOFT DRINKS**

MARKETING A NEW COMMUNICATION APPROACH



DRIVE AWARENESS OF SUSTAINABILITY BENEFITS

Innovative social media creator model – following the success of this model with Olipop and Poppi

80% OF SPEND



DRIVE TRIAL

Sampling in key retailers and at key shows/ events. Point of sale execution enabled by our new in house sales resource

20% OF SPEND

OTHER MARKETING IDEAS/ACTIVITIES GO ON HOLD WHILE WE BUILD MOMENTUM AND SUCCESS IN THESE TWO AREAS

GUNNA'S PRICE PREMIUM PER ML IS SIMILAR TO THE PREMIUM CONSUMERS ARE PAY FOR WATER IN ALUMINIUM BOTTLES

CATEGORY	PRODUCT	SHELF PRICE	PRICE PER 100ML	PRICE PER 100 ML VS STANDARD PRODUCT
UK WATER	Evian 500ml	£1.20	£0.24	
	Re:Water 500ml (AL)*	£2.00	£0.40	+67%
US WATER	Evian 473ml	\$1.79	\$0.38	
	Proud Source 473ml (AL)	\$2.49	\$0.53	+39%
	Path Water 473ml (AL)	\$3.49	\$0.74	+95%
UK FUNCTIONAL	Trip 250ml	£2.00	£0.80	
	Remedy 330ml	£2.19	£0.66	
	GUNNA 470ml (AL)	£2.19	£0.47	-40% vs Trip, -30% vs Remedy
US FUNCTIONAL	Olipop 355ml	\$2.79	\$0.79	
	Gunna 473ml (AL)	\$3.49	\$0.74	-7% vs Olipop

*AL = Aluminium Bottle



06

KEY FINANCIALS

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

HOW WILL OUR NEW STRATEGY DELIVER HIGH SHAREHOLDER VALUE?

DEVELOPING
HIGHLY DIFFERENTIATED
PRODUCTS

BROADENING
OUR REVENUE
STREAMS

**FOCUSING ON A
MEGA TREND THAT
ADDRESSES MAJOR
CONSUMER AND
TRADE NEEDS**

BUILDING A
UNIQUE PRODUCTION
CAPABILITY

STRENGTHENING OUR
SALES AND MARKETING
STRATEGIES

OPENING UP
MORE POTENTIAL
EXIT ROUTES

WHAT ARE THE COMPETITIVE ADVANTAGES & BARRIERS TO ENTRY?

1ST MOVER ADVANTAGES

- **UK:** We would have 1st mover advantage in flavoured drinks, we'd be the only company that could produce both water & flavoured drinks in aluminium bottles
- **US:** Are the only all natural/functional soda in the USA

BARRIERS TO ENTRY

- Aluminium bottle manufacturing is complex, and the bottle supply chain is challenging.
- Having a unique production capability allows control evolution of the market in the short term
- Margin dilution: For an established drinks company like Coke, a move into aluminium would have a very negative profit impact, due to high on-cost of aluminium vs plastic. This would be hard to justify to shareholders. It would be better for them to acquire brands with strong eco credentials
- New brands can enter on a similar platform to us, but apart from us there are no 3rd party contract packers



07

INVESTOR PROPOSITION

INVESTOR PROPOSITION

£450K COMMERCIAL LOAN TO FUND FACTORY UNIT: WE HAVE RECEIVED 2 OFFERS FROM LENDERS, BUT ARE 1ST OFFERING THE SAME TERMS TO OUR SHAREHOLDERS

- A 20% deposit will be paid by GUNNA drinks Ltd
- Loan to GUNNA at 16.5% annual interest rate, over 60 month term
- Quarterly repayment of capital and interest
- Option each year to convert the remaining loan balance into equity at a 30% discount to most recent share price, or continue as lender.
- Debt will be legally secured against the machinery, which is unique equipment with high residual market value and an 80% LTV.
- In the event of default, the lenders will have the option to take over the GUNNA manufacturing unit/activities as a going concern, or to sell the equipment on the secondary market

£2M EQUITY INVESTMENT TO FUND GROWTH

- Equity investment to fund implementation of new our bold new strategy including
 - Bring sales resources in house
 - Launch new water brand
 - Upweight marketing
 - 10% of GUNNA equity = £25m business valuation vs £20m at last round