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New Long-Term Partnership between Innis & Gunn and C&C Group

C&C to sell and distribute Scotland's #1 craft beer in the UK and Ireland

Innis & Gunn, one of the UK's leading craft beer businesses has announced a new partnership with C&C Group, a leading manufacturer, marketer and distributor of branded beer, cider, wine, spirits and soft drinks to sell and distribute Innis & Gunn's award-winning range of beers across the on-trade in the UK and Ireland. Innis & Gunn's beers will continue to be produced and packaged at C&C's Wellpark Brewery in Glasgow as part of a renewed agreement, as well as at Innis & Gunn's Brewery in Perth.

This partnership will be formalised through investment in Innis & Gunn which will give C&C an equity stake of 8%. A long-term incentive scheme is also in place which will make a number of additional shares available to C&C based on performance targets being met.

Today's agreement builds upon the long-term manufacturing relationship between the two companies which began back in 2010. Since then, Innis & Gunn has grown to become the number one craft beer in Scotland, a top three craft brand in the UK, as well as a leading craft brand in Sweden and Canada. In 2020 Innis & Gunn was recognised in a YouGov poll of drinkers right across the country as the UK's most recommended beer brand, and was recently awarded 'Best Lager' in the 2020 Scottish Beer Awards.

Under the new partnership, as Innis & Gunn starts to significantly increase brand presence and investment in England, C&C will use its position as the largest independent beverage-alcohol distributor in the UK and Ireland to increase the distribution and availability of Innis & Gunn beers in the on-trade, wholesale and free-trade channels, through its distribution businesses Matthew Clark in the UK and through Bulmers Ireland and Tennent's NI in Ireland. Innis & Gunn will continue to be responsible for all brand marketing and for sales and distribution to national pub chains, the off-trade and current international markets.

Dougal Gunn Sharp, Founder of Innis & Gunn, said "At a time when we are seeing consumer demand for our beers increasing, in-fact becoming the sixth largest Scottish drinks brand in our home market in 2020, this is a key next step in our growth strategy. C&C's strength in the on-trade across the whole of the UK and Ireland, and our long-term relationship, means we have solid foundations from which to build. C&C is the right partner with the right platform to help us accelerate our growth into these channels and seek to replicate the success the

brand has enjoyed in Scotland. The partnership will also create immediate synergies enabling us to re-direct additional capital behind marketing and new product development.

“We are retaining our independence and gaining a new distribution partner which can help us to introduce our brand to a much wider audience.”

“The new manufacturing agreement leaves all options on the table to allow us to build our Edinburgh Brewery when the time is right and when there is less uncertainty in the market caused by the current COVID-19 pandemic.”

Kenny Gray, Managing Director Scotland at Tennent’s (owned by C&C Group) said “This new partnership with Innis & Gunn reflects well on our brand distribution model and it is exciting to welcome them into our portfolio. They will be a strong and complementary addition which no doubt will be well received by our customers who are increasingly seeking an extended range. As an equity partner our interests are naturally aligned to grow the brand. To that end, we will use our platforms to gain access to the larger UK and Irish markets as well as seeking to collaborate in other, new international markets where we see opportunities.”

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About C&C Group plc

C&C Group plc is a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland.

- C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea and Orchard Pig.
- C&C Group has own brand and contract manufacturing/packing operations in Co. Tipperary, Ireland; Glasgow, Scotland; and Vermont, United States, where it manufactures Woodchuck, a leading craft cider brand in the United States.
- C&C Group is the No.#1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the C&C Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.
- C&C Group also has a minority investment in the Admiral Taverns tenanted pub group, which owns over 1,000 pubs across England and Wales and exports its Magners and Tennent's brands to over 60 countries worldwide.

C&C is a FTSE 250 company, headquartered in Dublin and listed on the London Stock Exchange.

About Innis & Gunn

Since its foundation in 2003 Innis & Gunn has grown to become one of the UK's most successful international craft beer businesses: the number one craft lager in Scotland, the second biggest independent craft brewer in the UK off-trade, the number one imported craft beer in Canada, and continues to be in the top three imported craft beers in Sweden and the US.

Innis & Gunn was recently named the most recommended beer and cider brand in the UK by YouGov's BrandIndex. 83.1% of those surveyed said they would recommend Innis & Gunn to a friend or colleague*. The brand is one of only two independently owned companies on the list.

In 2019 Innis & Gunn achieved its 16th consecutive year of value growth, selling over 20M pints of beer in over 30 countries with a portfolio including its flagship beer The Original, Innis & Gunn Lager, Gunnpowder and Session IPAs, and a successful limited-edition range of barrel-aged beers.

Innis & Gunn is proud to support Meals & More, a UK wide charity which supports families who experience food insecurity and aims to end 'Holiday Hunger' the term used to describe the tragic situation faced by thousands of children across the country who don't have any food to eat at times when they are not in school.

*Methodology:

YouGov BrandIndex screened all of its 1,549 brands for their Recommend score, which asks customers of a given brand: "Would you recommend the brand to a friend or colleague?", thus giving the proportion of a brand's customers who are willing to recommend it to others.

The ranking data was collected between January 1, 2019 and December 31, 2019. All brands must have a minimum N of 100 and must be tracked for at least 12 months to be included in the ranking.

All Recommend scores listed have been rounded to a single decimal place; however, we have used additional precision to assign ranks.