

Let's start with your background. From where did you get the idea to become a distiller? Have you had any experience before iStill?

No, I had no experience when it comes to distillation prior to setting up Pegasus distillery back in 2020. Although, I come from a similar industry. My brother and I are 13th generation of winemakers in Burgundy, so we do have that background when it comes to working with top quality ingredients. Transforming the base product - which is grapes in this case - and creating a great juice out of it, then working with the packaging, distribution and sales. It's not the same thing, but there are some similarities when it comes to the industry overall. This is my family background, but my personal journey towards Pegasus and distillation started when I turned 18 and moved to the UK. I did all my studies and I was working there for pretty much seven years of my life. This is where I really got the vibe around spirits, both consumption and production wise by visiting some distilleries and by getting to understand the industry better. They really developed that whole experience in clubs and bars in London when it came to bartenders and mixologists, blending flavours together and extracting things. That's something that really spoke to me, like working with top quality ingredients, extracting the essence of every single one of them and finding the right blend. I thought this was what I was meant to do somehow, to bring that philosophy of craftsmanship and make something next level using modern technology.

Was this purely out of personal interest or did you also study and work in this field in the UK?

No, I never worked in the industry, but I was born into it. My parents being entrepreneurs, I was always around when it came to putting the wine in barrels and the bottling and all of this. I grew up in this environment, but I've never worked full-time in it. In the UK I was also doing vastly different jobs, mostly related to oil and gas trading. I had no background whatsoever in the spirits industry, but what really talked to me is the idea of having a farm and working with top quality botanicals, choosing the best batches of grains, etc. My goal was really to find a business, an industry in which I can manage everything from the source to the end product. Growing the best ingredients, transforming them, creating packaging, creating a brand, marketing communication, distribution and bringing this all the way to the final consumer. This is what really interested me at the core. Working from A to Z from the producers all the way down to the consumer and there is very little industry that enables you to do that.

That's a nice concept indeed. How was the start of the distillery? What equipment did you get first and how did you grow to the current state eventually?

I created the company in 2020. At that stage, we only had an iStill Mini. I was still alone with all the trial and error process, because I knew nothing about distillation itself. It really all started with Odin's online courses, to be honest. That's my main background with distillation. I spent a couple of months working on this, trying to figure out how to get something of top quality out of the Mini. The first couple of months were pretty hard, because it takes some time to master and to understand how the different botanicals react when it comes to extraction and distillation. I spent at least six months on that before starting working on recipes for the company. In 2021 we got delivery of the first production machine, an iStill 500 with a hybrid column. When working with botanicals, it

was very easy to replicate what we had done on the Mini. When it came to reflux distillation, it required a bit more work to transition from the Mini, but it was manageable. Now we've been working like this for four years. I'll be honest with you, since the beginning I haven't even looked at other stills, because I just wanted something that made sense for me. There were three to four key things that the still had to match. First of all, I needed a still that was very versatile, so that I could both redistill grain neutral spirit, improve its quality and do some very precise pot still distillation for botanicals. I wanted something that was eco-friendly as much as possible, because the whole distillery revolves around the idea of sustainability. Also, something that was precise enough and scalable, because we knew from the beginning that we wanted to do great volumes and I didn't want something that was maybe efficient at very low volumes but as we would expand, we wouldn't be able to carry on the work. Therefore, for us the iStill was really the only option that ticked all the boxes. It's not simply science at the expense of product quality and it's not product quality on its own. It's the best of both worlds.

Exactly. I think you made the right choice. You were talking about increasing volumes. What are you producing currently and in what volume?

We have four main products at the moment. We have a vodka, a gin, a citrus liquor and a mint liquor. Right now it is mostly gin and vodka, because these are also the first products that we launched. Luckily, the liquors are picking up pretty fast as well. Last year we produced about 160.000 bottles in total and this year it will be even higher. We'll be expanding a lot on the salesforce next year as well, so we expect that numbers will go up significantly in the near future. We've been having one 500 liter still at the beginning, but now we work with three stills. We have two 2000 liter hybrids that we use mostly for redistillation of GNS. The 500 we now only use as a pot still for botanical extraction and distillation.

That's a great operation and looks impressive as well. I like the layout. In what way are you expanding your sales channels? What markets are you already present in?

Our main market is the United States by far, which is almost two-thirds to three-quarters of our business. We have our own operation there, our own subsidiary, but we also work with distributors and our own sales force in the US. We are obviously selling in France as well. Right now we're really good in the French Riviera and the Alps, but we are also expanding in Paris. We are opening up new markets in Europe, like Ibiza, the rest of Spain and Switzerland. Next year we'll be coming to the Netherlands and Germany, so we are also going to increase our footprint in Western Europe. Also, we've just started in Asia. This is very new for us, but we're starting to sell in Singapore, Hong Kong and Japan. It is still the very beginning there, so it is a bit early to tell how well we'll do. What is for sure is that the products are doing very well in the US and France so far.

Are these channels mainly restaurants and bars or private people that are buying the products in liquor stores and online?

Right now it is mostly on-premise business, so bars, restaurants and hotels. We want to grow the off-premise business, but it's a bit too early for us. We need to build the brand a

bit more before we can really go into liquor stores. We are already present in some, but we'll take some more time to try and get higher volumes through liquor stores.

I have another question about the US market, just to tie back there for better understanding. Why did you go overseas first? Or did you try to start in Europe and it just did not work out? Why start with a completely different market?

From the very beginning, the strategy relied on getting a strong footprint in the US. In Europe, we've only worked in France. We've developed the French Riviera and the Alps. Apart from that, the strategy was from the very beginning to grow the US, for a couple of reasons. First, it's the largest premium spirit market in the world by far. Second, the consumer in the US is very inclined to try new products. There's a strong demand for new types of products, new flavour profiles. They also respond very well to marketing, probably a bit more than European consumers. That's why we wanted to set up the brand there. From a company point of view, the spirit market is very competitive, but it's also a volume market to an extent. I knew it from the beginning, but I think our experience proves that there's either room for very small producers, or you have to reach a very high volume to keep your place in the market. I think there's very little room for standing in the middle, as a mid-sized producer. The US market is really the only market that enables you to grow fast and achieve volumes. We need these volumes to have the budget for marketing, communication, for developing great packaging, or having our own distilleries.

Was it easy to find distributors there without any experience or without having anything to show from your home market?

One thing that is for sure is that this industry is nothing but easy in general, because of the strong competition that there is. We started with our own structure there, our own sales force. Little by little, we managed to convince distributors to start working with us. Obviously, the beginning was tough, but I guess it's the case for every single brand that enters a new market. It only took us like a year and a half to get to a really good place. Maybe it is not the best way to start a company, but it is definitely the best way to grow it. Once you set your foot there and people like your product, it can spread easily and then you get into new cities and new areas. I think the US, despite what everybody says, remains a big trendsetter in the premium spirit world.

Yeah, that's for sure. I think our biggest customer base is also in the US. We are probably still market leaders in modern distilling equipment there. Although, ever since the new tariffs were introduced, I haven't seen many new orders from there sadly. You mentioned before that you and the company have had a certain vision from the beginning. What is the core mission, the core values and the vision of Pegasus?

I created Pegasus, because I wanted to bring the best of the terroir of France and Switzerland to the final consumer. I'm half French, half Swiss, so therefore we source all of our ingredients strictly from France and Switzerland. We work with French wheat and we have our own artesian well. We get the water from underneath the distillery, from 152 meters deep. When it comes to citruses, we work with a supplier in Menton, which is right next to Monaco and the French Riviera. When it comes to herbs and flowers, we've

got a supplier who is based in the Swiss Alps. All our products are certified organic, which is a huge value in itself. That's something that was very important to me as well as having the latest technology available in the industry, so we can be very efficient with energy consumption. All of our botanicals are handpicked. They are dried by air, not by heat that might come from any sources. It is the English kind of vision. I mean, English-American kind of vision of marketing and packaging. We are really trying to bring the best of both worlds. Great juice, because of the great botanicals and the technology, the packaging that stands out together with marketing and communication that is very impactful. We are really trying to bridge the gap in the market by bringing the best of these worlds together.

I can't wait to try the products once you send some for testing. How big is the team that you are working together with?

Right now it's 12 of us in total, but we are expanding pretty fast. We are pretty much going to double that next year. When it comes to production itself, the iStills are very efficient and highly automated. It is the same with our bottling line, so we don't need to have such a strong workforce at the distillery. At the moment it's like three people and that's more than enough to cover everything. That includes working with the three stills and bottling. Everything is done in-house. For us it was essential, since we pride ourselves in being fully transparent about the whole process. We are able to do from field to glass traceability.

You had your expectations with iStill, of course, since you set your criteria beforehand. Were these expectations matched? What's your honest opinion? Any feedback on the distilling experience after using the machines for four years now?

We are glad with the choice that we made to go with iStill. Especially, when it comes to the precision of the distillation of the GNS, because that's something that also sets us apart. Many brands tend to not do it. They would just buy GNS and focus on the botanicals, but I think that it is essential to focus on GNS distillation as well, because at the end of the day it is what constitutes most of your spirit. iStill is really remarkable when it comes to the level of precision, repeatability and scalability. It is priceless for us. The only feedback I can give comes from the first setup stage. We felt that we were lacking sufficient technical information when it came to the cooling requirements. Having more information on what water flow we would need to cool down the iStill when it's set up at X percentage of heat, how many liters at what temperature, etc. would be helpful. We asked these questions and back then you either didn't want to communicate on this or didn't have the information, so that part was kind of hard to navigate. Apart from that it's been pretty straightforward and since then it's been pretty efficient overall.

Yes, we are working on making the customer experience better in that sense. Now we have more services and a bigger team, so we can handle these requests more efficiently. We offer for example startup services for new distillers that need some help in the early stages. Are there any achievements that you're proud of, apart from, of course, having a wonderful business that's growing? Did you get any outstanding feedback from customers or the industry that warms your heart?

We started running for competition last year for the first time. We tried our luck at the San Francisco Spirit Awards and the London Spirit Awards, which are two of the most recognized award shows out there. In both cases, we won many gold medals. For the vodka, for the gin and for the mint liquor, we won gold medals in these competitions. It is also very exciting for us to represent Burgundy and France in general, because there are not that many new brands that win there. Getting gold medals means recognition of the work that the team does at the distillery and the process that we've put together over the last couple of years. It also helps on the sales side, but the most valuable feedback is still the customer feedback, because at the end of the day that's what matters. When they reorder, you know they like it and luckily we have very high reordering rates. Every single account that we start working with, carries on working with us as time goes, and they usually bring in more SKUs every time we go visit them.

The happy customer is the most important indicator, right? How it is perceived tells you the most about your product.

Definitely. This feedback is coming mostly from the US, but we're also very excited to do a proper launch of the brand on the European market at the upcoming Wine Paris trade show in February. This is going to be really exciting for us, because we're going to be implementing what we've learned on the US market and trying to adapt it to the European market the best way we can. Also, there are exciting things ahead for the brand on this side of the Atlantic as well.

Yes, and it is such an unusual case that a European producer sets their foot in the USA first, then they are trying to apply the same strategies in their home market. I didn't know it would actually be your first trade show in Europe. What can you tell people about it?

As you said, it is going to be the first time that we do a major trade show in Europe. We are going to have more than just a nice booth. The goal is to showcase brands, environments and the different spirits that we have. On top of that, we are going to be present at the infinite bar as well, so people will be able to taste our products in different versions of cocktails during the trade show. We'll be working with a top mixologist at that infinity bar who is coming up with some pretty exciting recipes. We are also going to host a masterclass, where we want bartenders and any potential consumer, importer and distributor to really understand what sets us apart. I think gone are the days where you are not transparent with your sourcing of ingredients. In the premium and super premium spirits categories, the future is brighter for people who control everything from A to Z and can be fully transparent and accountable for the final consumer. We will also talk about the iStill technology, since that is also part of what makes us unique.

Any other future plans you can tell the audience about?

In our case, it's very much about increasing the footprint of Pegasus in the countries we're already in, and expanding to new markets. Also, to work as much as possible on the liquid to lips strategy, because at the end of the day, we want as many people to get to try our products as possible. To achieve that, we're launching a new strategy at the end of the year, that we call the Martini Constellation. We really want to be associated

with having the best vodka for doing Martini. This strategy enables us to push the other SKUs that we have, because vodka pairs well with all the other products. When it comes to new products, the next one is the Liqueur Royal with Yuzu. It is a version of our existing spirit, which is citrus liquor, but this new product is aged in French oak barrels. After aging, we also add French Riviera Yuzu into this, which we've distilled with the iStills. We are going to be launching this new product in the US in the next couple of months. I think it is a product that's going to do very well in the bartender community. We always do some R&D with the stills and with different types of macerations, so we've got a couple of other products in the pipe, but we really want to focus on what we've launched already and make sure that it reaches the largest possible audience first. We'll keep on expanding, using the same values that we've always had, like focusing on top quality ingredients, working hand to hand with some small suppliers, making nature at the center of all our thoughts, new product developments and keeping that same precision on all the products that we launched so far. The most important thing is to stay passionate about what you're doing because that translates into really good flavours. You also have to be determined and know what you want to bring to the market. Obviously, in general, it's first and foremost an experience. The juice, the packaging, and the whole brand environment are equally important. The goal is to bring these three things together. There's nothing like passion to achieve this.

Yes, that's what I see with every person I do an interview with. I see the bright eyes, and the passion of how they are talking about their craft. It doesn't translate well into the written format sometimes, but I see it. Do you have anything that you want to mention in the end that maybe we did not touch upon or I missed to ask?

I think we've covered it all. In general, I like how the iStill fits the strategy of the brand from the very beginning and that it's found its place in what we want to show. I would just go back to the basics. The mission for Pegasus is making people enjoy top quality products by bringing them the best of what nature has to offer, extracted with the best technology that is out there right now.

