The Dublin Liberties Distillery
Irish Whiskey Casks

Content

Splint

1 Introduction

We are pleased to invite you to participate in our second Whiskey Cask campaign organised at The Dublin Liberties Distillery.

An opportunity has emerged to invest directly in new make whiskey that will be transferred into casks and subsequently matured with the intention to sell at the end of the investment period.

At the beginning of the 20th century, Irish Whiskey was actually the best-selling spirit in the world. This has changed due to a number of factors including the World Wars, American Prohibition and a deteriorating relationship with Britain at the time. However, decades have passed and currently, mature Irish Whiskey is in very high demand once again. This demand is currently not being satisfied which makes it a perfect time to invest.

2 Factsheet

Typ	Irish Whiskey
Distillery	The Dublin Liberties Distillery
Location	Dublin, Ireland
Cask Type	Ex-Bourbon Cask
Size	1 pallet containing 6 casks of 200 litres each
Cask Number	FI0024489 to FI0024494
Price	€ 22,000
Price per Splint	€ 50
Number of Splints	440
Investment Horizon	9 to 11 years

3 Investment Decision

The investment in casks of whiskey is one of the most appealing alternative investment opportunities out there. The investors gain security in the form of an appreciating asset and at the same time, they can enjoy a stable return of approximately 13% per annum in historical prices. All that, while supporting a growing business in Ireland.

The Dublin Liberties Distillery scores highly in relation to price, liquidity and quality. While the distillery is relatively young and still establishing its brand on the market, this is offset by numerous awards won in the past two years.

Dublin Liberties also possesses a highly competent management team with decades of experience in the sector, most notably, Darryl McNally, their master distiller.

Moreover, being involved with a brand at this point in their business lifecycle increases the upside potential of the investment due to a rapidly growing customer base generating additional demand for their products.

Attractive acquisition price

Overall, the pricing of this opportunity is highly favourable to the customers of Splint Invest. The cost of €22,000 per pallet (or €3,667 per cask) is much lower than what a single investor could negotiate with the distillery directly.

Normally, casks of similar quality would cost anything from €5,000 upwards, depending on the specific requirements. However, since Splint is dealing with much higher quantities of the product, it is much easier to gain favourable terms and save cost due to economies of scale.

Another aspect that the investors need to consider is the bureaucracy of purchasing a cask. Normally, the investor would be responsible for dealing with paperwork, handling, storage and insurance but in this case, it is Splint Invest who manages those steps of the process.

It is important to emphasise that there is no alcohol duty payable for the investors due to the fact that the palette is stored in a bonded warehouse. This is something that makes the investment even more attractive.

Stable increase in intrinsic value of cask

An additional layer of security in this investment is created by the fact that the whiskey is maturing inside of the cask. Whiskey itself cannot go bust as it's a commodity. Even if overall whiskey prices decrease during the next few years, it is expected that the whiskey that has matured for longer time is going to be more valuable – this is the primary economic force behind a whiskey cask investment.

On the other hand, a possibility exists of whiskey prices going up in general, regardless of age. If that happens, then our investment not only benefits from the new increased price, but it also appreciates in value due to greater maturity.

Currently, almost all Irish Whiskey is sold before it reaches 8 years of age. We strategically extend the investment horizon to 9 to 11 years in order create a scarce product which can attract a higher premium.

However, one aspect which needs to be considered is what we call the Angel's Share. Whiskey that matures in the Irish climate evaporates at a rate of approximately 2% per annum, meaning that the longer we age it, the less whiskey we end up with. This, once again, contributes to the scarcity of matured Irish whiskey. In the end, the selling price is per cask and not the litres left in the cask, so we are not negatively affected by this factor.

The distillery's experienced management

One extremely important point to be aware of is the fact that The Dublin Liberties Distillery is a relatively young company. It was formally established in 2018. It is normally preferable to buy casks from experienced distilleries in order to ensure a high quality product. However, in this case, we gain comfort over this prerequisite in a different way – a highly competent management team, led by Darryl McNally, the Master Distiller.

Before starting his adventure with Dublin Liberties Distillery, Mr McNally spent over 16 years at Bushmills, where he was the Distilling Operations Manager. Bushmills is the oldest licenced whiskey distillery on the planet and for that reason we believe that the casks at The Dublin Liberties Distillery are in good hands. This belief is further reinforced by the fact that the distillery's whiskey range has received a positive public response accompanied by favourable reviews from the critics. An example of this includes the Gold Medal from Irish Whiskey Awards for their "Dublin Liberties Keepers Coin" back in 2019.

On the opposite side of the spectrum, in the unlikely event that the distillery would cease to exist at some point during the investment period, that would not necessarily be a bad thing for the Splint Holders. Of course, it would create a logistical challenge in relation to the storage of the casks but that's something that Splint Invest would manage independently. But this would ultimately make the casks even more scarce due to the absence of additional casks supplied which in turn could increase the price significantly.

Large secondary market

As a result of the rising interest in whiskey, the demand is currently not being met. It is relatively easy to sell a whiskey cask that has already been aged. There are numerous collectors, small businesses or even whiskey brands without their own distilleries that gladly make such purchases.

Additionally, whiskey investors do not face a risk of having to dispose of old stock at a discount. This is because whiskey is not a perishable good. If in 10 years the prices on the secondary market are less attractive, then there is nothing that stops us from waiting for another year and reassessing the situation. And during that additional year, our whiskey could actually increase in value due to the fact that it has been maturing for longer, thus creating a product that is even scarcer.

4 Rating

8/10

Return

We have rated the upside potential of this investment opportunity as relatively high. When averaged out among similar investments, whiskeys of this kind return approximately 13% per annum. The return could end up being much higher if the distillery continues to grow in popularity and as the whiskey exceeds 8 years of age.

9/10

Stability

We have rated the stability of this investment opportunity as relatively high. The maturing whiskey gains value over time. This decreases the probability of making a loss at the end of the investment period even if the base price might fluctuate to a certain extent. Additionally, whiskey cannot traditionally "go bust" as it's not a business entity.

6/10

Track record

We have rated the track record of this investment opportunity as medium. On one hand, investing in aging whiskey is something that has been done for more than a century, but on the other hand, the Distillery in question is still young and in the process of establishing themselves on the market. However, as previously mentioned, the Master Distiller is particularly experienced and has a very positive track record.

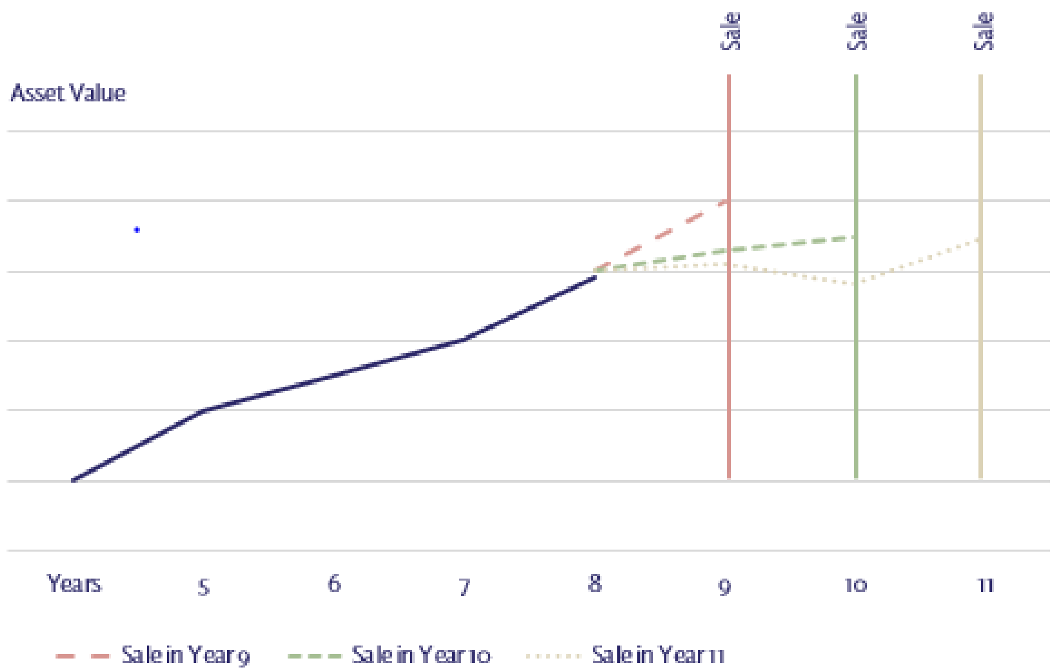
5 Additional Information

Investment horizon

The investment horizon for this opportunity has been set to 9 to 11 years.

Approximately 90% of Irish Whiskey is sold before it reaches the age of 8. This implies that by waiting for 2 more years we are dealing with a highly scarce commodity which can then provide a higher return. We are also prepared to sell in Year 9 if we receive a very generous offer for the pallet at that stage. On the other hand, if we are already in Year 10 and we do not find a buyer that offers a price that our expert team deems satisfactory, we are willing to wait for another year.

This is because selling is a game of patience and trying to sell at a very specific point in time often equates to accepting a lower price. Therefore, the investment horizon of 10 years might not end up being 100% accurate.



Cost analysis

Asset Value	19,000	€
Service Costs	3,00	€
Price	**22,000**	**€**
Number of Splints	440	
Price per Splint	**50**	**€**

It is important to mention that alcohol duty is not applicable to Splint Holders as the pallet is stored in a bonded warehouse. This manner of alcohol storage does not cancel the tax completely, it just delays it and excludes the investors from the process. The way this works is that the future buyer of the cask, who would like to subsequently bottle the whiskey and sell it in a shop, would be the one responsible for paying those taxes.

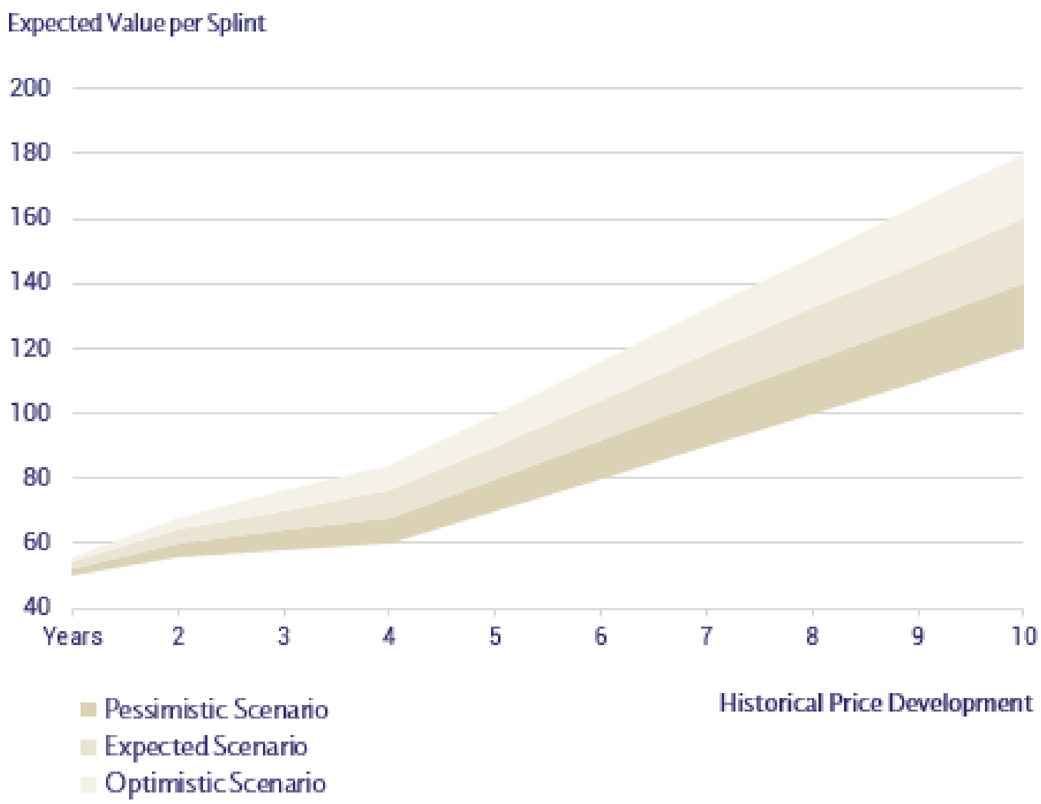
At the end of the investment period, a sale can be organised privately or via an auction house. The first preference for Splint Invest is always a private sale. This is because auctioneer fees tend to be more costly.

Splint Invest will charge an exit fee of 2% applied to the proceeds from the sale of the asset. Each Splint Holder bears a proportional part of the costs.

Forecast assuming an investment horizon of 9 to 11 years

The total expected value of the asset at the end of the investment period of 10 years based on historical prices* is between €57,000 and €65,000.
This would imply a future value between €140 and €160 per Splint after a full expense reduction.

However, depending on how the investment develops, the return could end up being much higher. As whiskey matures, it becomes rarer. Rare whiskey appreciates in value faster than new make spirit.



*Whiskey prices can change, and historical data is not a guarantee for future performance.