Splint

The Devil‘s Keep

Bottle No. 206 of 333

Content

1 Introduction

„The Devil's Keep" is one of if not the most sophisticated releases of Irish Whiskey in 2021. This record-breaking and award-winning single malt was distilled back in 1991 and matured in three different premium Kentucky Bourbon casks. The whiskey has been sourced from Bushmills Distillery and released by Craft Irish Whiskey Co. Only 333 bottles have been released during this inaugural campaign and half of them are reserved for Michelin Star restaurants. As a result, we have an opportunity to invest in a highly scarce and collectible item.

There are whiskey investors all over the world who have been in this business for a very long time. Investing in high-end alcohol is a very appealing endeavour due to high historical returns. Those investors have historically been the wealthy who are not deterred by high barriers to entry.

That is because not everyone has the capital, contacts, nor the time needed to afford such an investment on their own. Until recently, it has not been possible for private investors to participate in such opportunities without committing a substantial amount of capital.

2 Factsheet

Origin	Ireland
Type	Single Malt
Count	1 bottle – No. 206 of 333
Cask	Triple Cask – Ex. Kentucky Bourbon Casks
Distillery	Bushmills
Released by	Craft Irish Whiskey Co.
Age	29 years
Alcohol by Volume (ABV)	45.7%
Price	€ 11,500
Price per Splint	€ 50
Number of Splints	230
Investment Horizon	3 to 4 years

3 Investment Decision

Overall, „The Devil's Keep" is a unique investment opportunity. It scores highly in relation to quality, scarcity, and international recognition. The brand itself is developing in the right direction with exciting releases awaiting in the pipeline accompanied by interesting ESG campaigns.

Moreover, being involved with a brand such as Craft Irish Whiskey Co. at this early point in their business life cycle increases the upside potential of the investment due to a rapidly growing customer base generating additional demand for their products.

The investors have a chance to participate in a very rare opportunity with an extremely high upside potential.

4 Rating

10/10

Return

We have rated the upside potential of this investment opportunity as high. According to a Knight Frank report, Rare Whiskey has increased by over 564% during the last decade. This is an average increase for Rare Whiskey, and many reasons indicate that „The Devil's Keep" is indeed an aboveaverage release.

6/10

Stability

We have rated the stability of this investment opportunity as medium. It is important to remember that even though Rare Whiskey has been on the rise, this does not automatically protect every single bottle from fluctuating. Prices fetched by individual bottles can vary even though the general trend is very positive. Additionally, whiskey cannot traditionally "go bust" as it's not a corporate entity. As a result, we believe this opportunity has a very attractive risk to reward ratio.

6/10

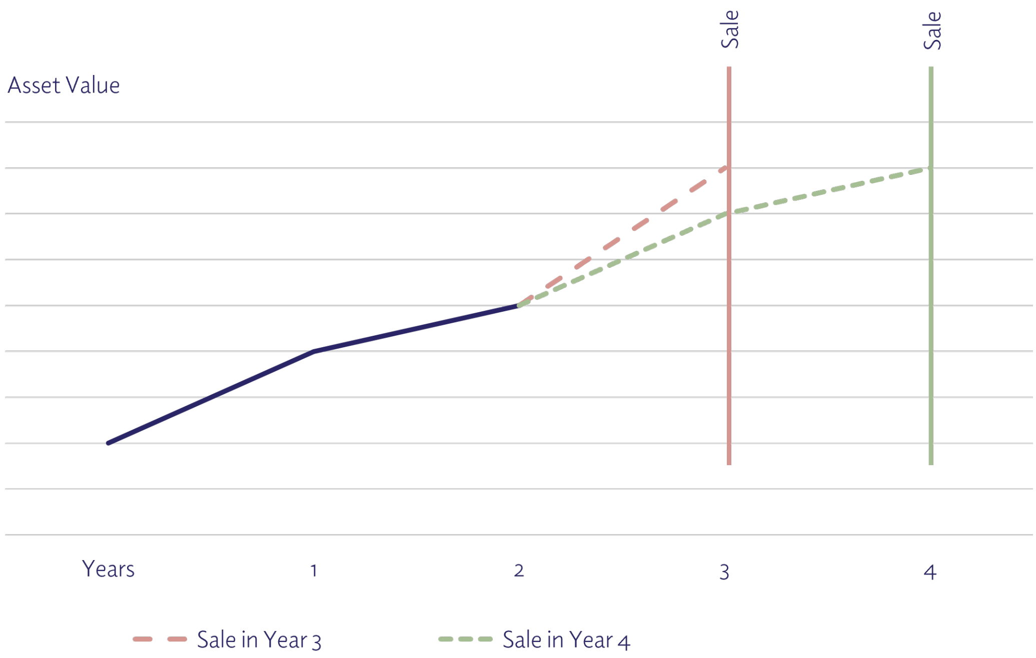
Track Record

We have rated the track record of this investment opportunity as medium. On one hand, investing in whiskey bottles is something that has been done for a very long time, but on the other hand, the Craft Irish Whiskey Co. is a relatively young brand and still in the process of establishing themselves on the market. However, as previously mentioned, the whiskey they source for „The Devil's Keep" is of the highest quality. So far, they have done an outstanding job, which is reflected by the fact that they have already broken multiple records and accumulated various awards in a very short time period.

5 Investment Process

Purchase	We source the bottle of whiskey from the supplier and manage all the paperwork.
Asset Listing	After the bottle is delivered, the investment opportunity is listed on the platform and the investors can participate in the opportunity by buying Splints.
Storage & Insurance	The bottle will be appropriately insured and stored for 3 to 4 years in our warehouse located in Switzerland.
Sale	After 3 to 4 years, we sell the whiskey bottle. The proceeds from the sale are proportionally allocated to Splint Holders.
Payout / Reinvestment	The Splint Holders now face a choice between cashing out, reinvesting in a different bottle or in a completely different opportunity listed on the platform.

6 Investment Horizon



Rising value due to increasing scarcity

The investment horizon for this opportunity has been set to 3 to 4 years.

Since only 333 bottles have been released during this inaugural campaign and half of them are going to be consumed at Michelin Star restaurants, it is only a matter of time until the bottles in circulation decrease to approximately 150 units. We expect some of the bottles, originally bought as an investment by others, to be sold early and consumed as well. By waiting for up to 4 years we increase the probability that the scarcity pushes the price up.

At the same time, it should give Craft Irish Whiskey Co. enough time to develop their brand even further and release more exclusive whiskey. Increased brand awareness would in turn also increase the prices of previous releases.

7 Cost Analysis

Asset Value	10,878	€
Service Costs	622	€
Price	**11,500**	**€**
Number of Splints	230	
Price per Splint	**50**	**€**

Additional Information

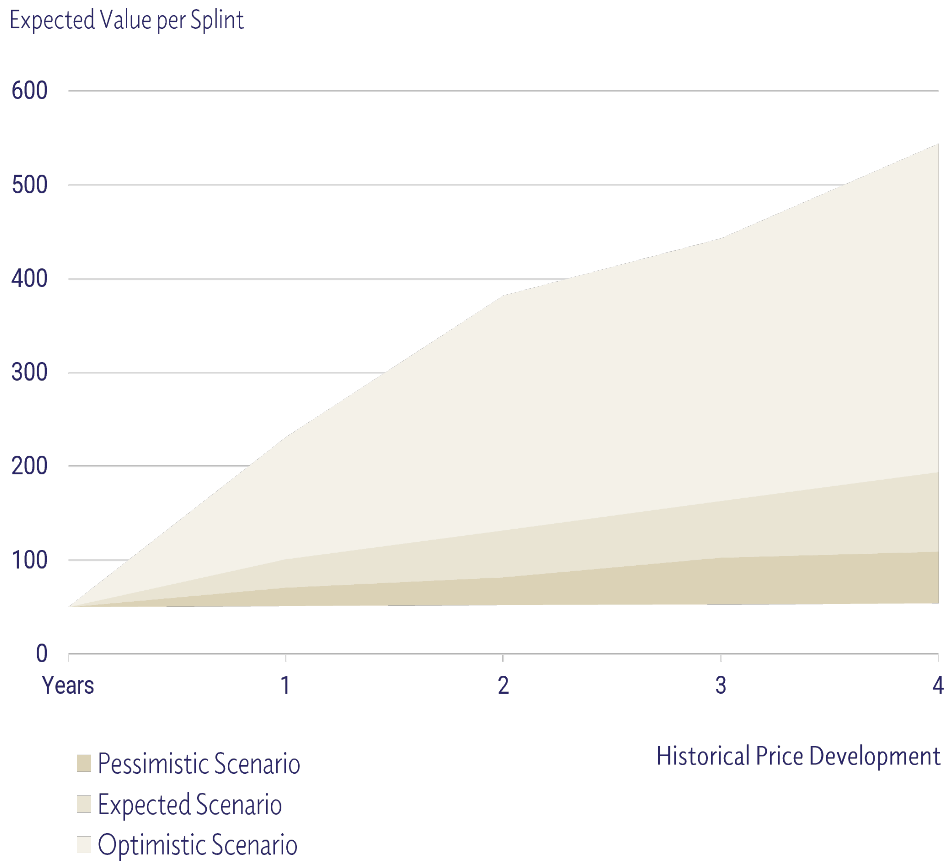
The price of €11,500 includes the price of the bottle, shipping, handling, 3 years of storage and insurance. €10,878 can be attributed to the bottle.

At the end of the investment period, a sale can be organised privately or via an auction house. In case of bottled whiskey, the first preference for Splint Invest is the auction sale. This is because at an auction house, the authenticity of the bottle is confirmed by a third party and consequently, buyers are willing to pay higher prices.

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.

8 Investment Forecast



Forecast assuming an investment horizon of 3 to 4 years

It is very difficult to estimate the value increase after three years since we are dealing with an inaugural release.

What we do know for sure is that Rare Whiskey has increased on average by 564% over the last decade, or 21% annually*. However, this extraordinary release is definitely capable of fetching a much higher price on the secondary market. An example of that includes Bottle #17 being sold at a charity auction for $60,000.

We therefore estimate that a €50 investment can increase in value to anything from €100 to €500.

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

Suppy

Adam decides to exit before the end of the investment period and offers his Splints for sale on the secondary market.

Demand

Anna would like to participate in the investment opportunity and buys the Splints by accepting Adam's offer.

Exit before the end of the investment period

If a Splint Holder decides to exit the investment early either by arranging a sale via Contact Form or our Secondary Market (to be introduced during Winter 2021/2) then the new owner of the Splint takes on the remainder of the variable cost.

For example, if 3 years of storage and insurance are paid in advance but the investor chooses to exit after 1 year, then the new owner of the Splint takes over 2 years of those costs. This will be reflected in the price.

9 ESG Considerations

Investing in the Whiskey bottle campaign with „The Devil's Keep" is in line with international ESG norms. There is no excessive production, since the number of bottles is relatively small, and the supply is immediately met by demand. By investing in this asset, one supports a long-standing tradition of Irish Whiskey which has been suppressed by various conflicts in the past. Our screening process showed no evidence of any involvement in corruption and the brand enjoys a very strong reputation. Irish Whiskey is a highly regulated sector which channels producers into being transparent and following clearly established rules. Furthermore, this brand actively supports ESG campaigns. For example, they recently contributed one bottle to an auction and donated the proceedings to charity.

At Splint Invest we strictly avoid investments that breach international ESG norms. We strive to actively promote investments that target sustainability issues such as climate change and resource scarcity.

10 Asset Class Information

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.

According to Knight Frank's Wealth Report 2020, the value of Rare Whiskey has increased by 564% in the last decade. The global whiskey market was estimated at USD 61.7 Billion in 2019 and is expected to reach USD 95.9 Billion by 2026.

Rare Whiskey has been by far the top performer among luxury goods, and it is not directly linked to conditions present on the stock market. Therefore, while stocks might be experiencing a steep correction, whiskey would still be expected to increase in value over time. However, not every bottle of whiskey is guaranteed to do that. There are many factors at play, but the most important ones are the following:

Suppy & Demand – Whiskey, as with many other things in life, is ruled by the basic laws of supply and demand. What this means in the world of investing is that it is of strategic importance to seek bottles that will not only be in high demand in the future but will also have a limited supply. The premium paid for a luxury bottle of whisky can be quite high regardless of availability. However, it is quite a different story when there are only a few bottles left around the globe.

Special Release – There is no better way of ensuring that your whisky bottle is unique than buying a special release. Such examples could include an inaugural release of a new product or limited editions connected to specific events. This basically guarantees that there will be no additional supply in future releases, and it also contributes to its "sentimental value" for which many whisky enthusiasts gladly pay.

International Recognition – Simultaneously, it is also of critical importance to ensure that the whisky in which we are investing is of high quality and is also perceived as such by the experts and public alike. It is recommended to purchase aged whisky from well-known and established distilleries or at least the ones with promising future growth prospects over the coming years.Paying for the brand is a normal part of consumer life and this does not change when it comes to whisky. It is important to pay attention to awards won by the distillery in question as well as their reputation as a business. Buying a bottle of whisky that has won specific awards may increase the investment potential even more.

Macallan Diamond Jubilee was a whisky released to celebrate Queen Elizabeth II and her 60 years as the Queen of England. Only 2012 bottles were released by Macallan, one of the most iconic distilleries in Scotland. This release has met all three criteria described above and this can be observed in how the price of this bottle has evolved. It was originally released for £300 but it now sells for £8,000 – a return of 2667%.

11 Investment Evaluation

Quality

To truly appreciate the quality of „The Devil's Keep" it is important to understand that it is much more than just a whiskey.

„The Devil's Keep" is the oldest Irish whiskey ever to be released in the history of Ireland that has been sourced from the oldest licenced distillery in the world. Normally whiskeys that mature for 12 years are already considered somewhat old. With 29 years of age, we are more than doubling this amount.

Each bottle of „The Devil's Keep" comes stored in two custom-made cases secured by a bespoke Japanese-style lock. In addition to the Tiago Russo-designed bottle, the cases also hold a carafe of pure Irish spring water from the distillery's source, a jar of malted barley sourced from malting house as the single-malt, two customdesigned glasses, obsidian whiskey stones, a gold-plated pipette, and an "Angel's Share" atomizer which has been created from the evaporated whiskey during the maturing process and disperses a unique scent.

Scarcity

Approximately 90% of Irish Whiskey is bottled before it reaches the age of 8. This fact alone already puts „The Devil's Keep" in the basket of the rarest single malts out there. This is further reinforced by the fact that only 333 bottles have been released during this inaugural event.

As previously mentioned, 150 of these bottles are going to be consumed at Michelin Star restaurants which will give many wealthy individuals an opportunity to taste this whiskey. This increased exposure should increase the demand and therefore the final price on the secondary market.

International recognition
Even though Craft Irish Whiskey Co. is a relatively new brand, it has been created by experts with decades of experience in the sector. This experience can be observed by analysing the immediate success of „The Devil's Keep".

Some of their recent successes include:
- The world record for the most expensive first release bottle of whiskey in history
- The most expensive Irish whiskey in history
- „Highly Condemned" award in the spirits and wine category at the „Luxury Packaging Awards".
- 9.9 out of 10 points and the Gold Medal at „The A' Design Award"*

*These awards can be understood as the "Oscars of Design" which go beyond the alcohol sector.

The brand
At this point, it is true to say that Craft Irish Whiskey Co. have been immensely successful at beating some of the most established brands in the whiskey sector. The important aspect to consider is how they plan to capitalise on this initial triumph.

The brand owners announced the intention to release an entire collection of Irish Whiskey inspired by „The Seven Wonders of Ireland". The subsequent release, „The Emerald Isle" was prepared in collaboration with Fabergé and it recently sold for a whopping $2 million at an auction.

„The Emerald Isle" follows the footsteps of „The Devil's Keep" in terms of being a true „experience box". Furthermore, the proceeds from the sale of the first bottle of „The Devil's Keep" and „The Emerald Isle" have been entirely donated to charity.

Considering these events, we believe that Craft Irish Whiskey Co. has a very high chance of becoming an established luxury brand in the whiskey sector.

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 bottle of this type. There are numerous collectors and aficionados who gladly make such purchases, and this has been increasing quite steadily, thanks to several emerging economies.

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 3 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 there will be less bottles out there from this inaugural release.

12 Potential Risk Factors

Oversupply of whiskey

Whiskey is governed by the laws of supply and demand. It is possible that the supply will increase in future due to the fact that there are numerous new distilleries in Ireland. However, many of them won't be able to reach the quality standards required to produce a high-end product.

Additionally, the demand for Irish Whiskey has been increasing significantly both domestically and abroad, thanks to several emerging economies and growing interest among collectors in premium spirits.

Legislation

Legislation is a significant risk that every investor must understand. There are some extreme examples in history such as American Prohibition in the 1920s where alcohol has been banned completely. Other more recent examples include various tariffs and quotas in international trade that can affect the exports and therefore the global demand.

Insurance

The whiskey has an insurance policy that covers theft, fire etc. However, it is important to understand that the insurance claim pay-out might not provide us with the same return compared to successfully finishing the aging process and selling the casks on the secondary market.

Financial crisis

In the event of another recession, or even a larger financial crisis, it is possible that the demand for whiskey will drop. This would be caused by lower disposable incomes of potential whiskey consumers who would end up spending less money on luxury goods which in turn, could decrease the prices of Whiskey. However, such a drop would be smaller compared to companies facing bankruptcy or losing a half of their market value.

New consumer trends

It is possible that the demand for whiskey could drop due to evolving consumer trends. Many young people actively choose not to drink alcohol and depending on the scale of this phenomenon, this could affect the future demand too and therefore drive the prices down.

However, currently the trend is developing in a more favourable direction: Young people drink less alcohol but of higher quality which in the end could have a positive effect on premium whiskey.

Other risks

It's impossible to list every single potential risk that exists in relation to this investment. Investors must understand that the above list includes only the main ones. Investors should always seek to verify all the information using independent sources.