

NEOMONDO  .CAPITAL  
private investments simplified

## **Whisky Cask Investments**

# Executive Summary

- Premium whisky is a collectable asset with value appreciation driven by **rarity and growing global interest**
- In the last ten years, the annual export of Scotch whisky climbed from **£4bn to £6.2bn**
- Large gap between **limited supply and growing demand** continues to drive up value of premium whiskies
- NeoMondo Capital aims to capitalise on this growth by building a **diversified portfolio of single malt whisky casks** to benefit from **capital appreciation**, with proceeds to be returned to investors



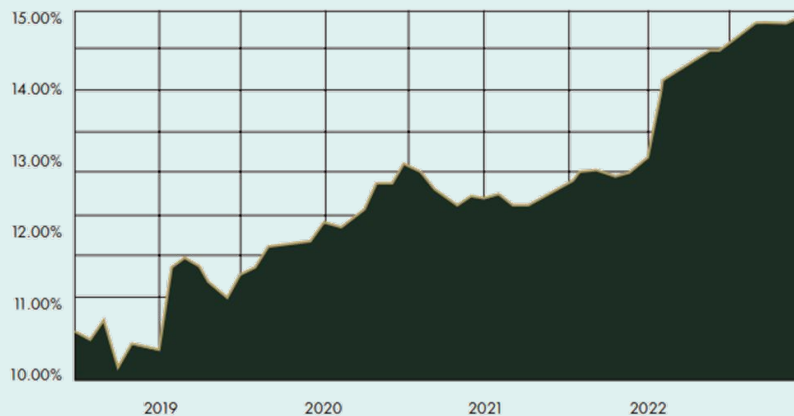
A typical whisky barrel is around 200 litres, which produces just under 300 bottles



Entry level casks can be acquired for as little as €3,000, however in recent years some casks have been sold at auction for values in the millions

# Cask Whisky - Market Overview

**Whisky Cask Market Projected Annual Growth Rate**



**14.95% GROWTH IN 2022**

Source: Braeburn Whisky Cask Market Report 2022

- Whisky is the most traded spirit in the world, accounting for nearly 20% of all the UK's food and drink exports
- Scotland's distilleries struggle to keep up with demand and with inflation pushing up prices across the board, healthy returns for investors are expected to continue
- The projected value of the overall whisky market grew by 14.95% in 2022 (up 1.7% from 2021), with the BC20\* Index growing by 15.86%
- Despite instability in global markets, the overall performance of the cask market and growth in whisky exports over recent months\*\* points to the opportunity provided by whisky casks as a hedge against inflation and uncertainty.

\*The BC20 Index is a representative sample of 20 casks from a range of distilleries, whose value has been tracked since the beginning of 2019

\*\*Scotch Whisky Exports Over £6bn for First Time Scotch Whisky Association 10 February 2023

# Scotch Whisky Market News

## 200%

India is the largest whisky market in the world.

Scotch Whisky exports to India have grown by more than 200% in the past decade alone.

Currently Scotch Whisky accounts for just 2% of the market.

This is partly due to the 150% tariff applied by the Government of India.

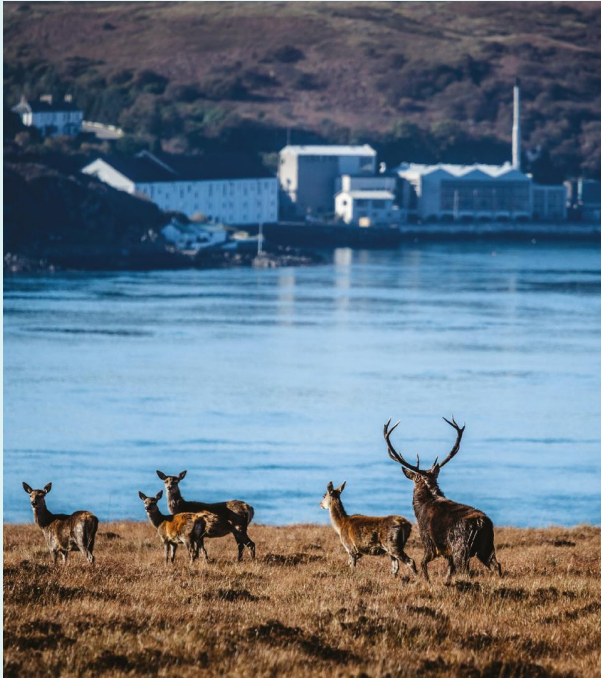
## £6 billion

Scotch whisky exports hit record £6 billion in 2022

In 2022, the value of Scotch whisky exports was up 37% by value to £6.2bn according to the Scotch Whisky Association (SWA).

India has replaced France as the largest Scotch whisky market by volume. Scotch whisky still only comprises 2% of the Indian whisky market, despite double digit growth. SWA analysis suggests that a UK-India free trade deal which eases the tariff burden on Scotch whisky in India could boost access for Scottish producers, allowing for an additional £1bn of growth over the next five years.

# The Benefits of Scotch Cask Investment



NeoMondo Capital and its partners are committed to bringing the most sought after, premium-grade, cask whisky to its investors. We are able to provide industry experience and exposure to world famous Scottish distilleries that have a proven track record of excellence.

The benefits of this investment structure include:

- Access to award winning distilleries
- Fully licensed by HMRC
- Simplified process. We handle everything on your behalf
- Access to a wide range of casks to create an attractive, diversified portfolio
- All purchased casks are stored, inspected and insured in HMRC warehouses
- Multiple exit strategies to provide distributions to investors
- Capital Gains Tax free at point of divestment in the UK

# Investment Opportunity

*“Given the overall state of the economy, the robust performance of whisky casks has benefits of diversifying portfolios towards strong, tangible assets in turbulent economic times”*

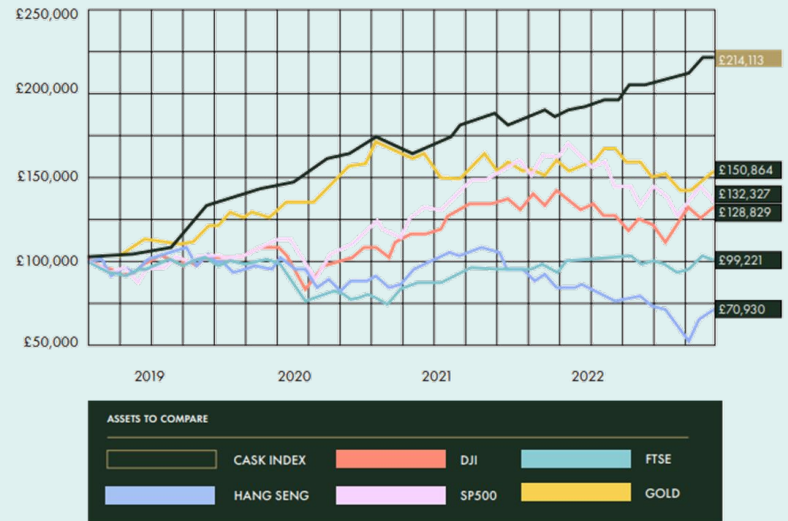
Global whisky market is anticipated to grow to \$106 billion in 2025\*

In 2022, as inflation spiked, whisky casks outperformed traditional investments, as well as other tangible assets by significant margins.

The greatest appreciation in relative value of whisky casks occurred between 0-3 years. ‘New Make’ casks saw an average increase of nearly 40% in 2022. As a result, distilleries benefit by gaining revenue on immature whisky stocks

NeoMondo Capital seeks to provide Investors entry to a rare, previously difficult to access asset class, managed by a team of professionals, promoting diversification to investors’ own portfolios

**Projected Return for £100,000 Portfolio\*\***



\*Source: Statista.com

\*\* Source: Braeburn Whisky Cask Market Report 2022

# Investment Approach and Process

1. Investor commitments are aggregated into our investment vehicle
2. We will assess potential cask investments based on age, availability, price, distillery, maturity 'sweet spot/expected hold period', overall portfolio exposure and return profile among other factors
3. Following selection, we will sign the purchase agreement, facilitate payment and receive title certificates for each cask
4. All whisky casks are held at a government bonded warehouse until they are either sold or transported to a bottling facility. UK regulation (WOWGR\*) requires that all casks are held in bond with detailed record keeping to ensure provenance
5. NeoMondo Capital will actively monitor its portfolio holdings, including providing annual valuations and reports to investors
6. Once our holding period expectation has been reached, we will work with our partners to line up exit options for the casks (bottlers, other wholesale buyers, individual investors) to maximise our return
7. It is our intention to distribute proceeds back to investors, which we anticipate to take place from year 3 onwards

PERFORMANCE BY AGE AVERAGE ANNUAL CAPITAL GROWTH			
AGE	P. CAPITAL GROWTH DEC 2020	P. CAPITAL GROWTH DEC 2021	P. CAPITAL GROWTH DEC 2022
NEW MAKE 0-2 YEARS	31.13%	33.61%	38.31%
EMERGING 3-10 YEARS	14.37%	14.39%	16.41%
INTERMEDIATE 11-20 YEARS	10.83%	11.39%	12.41%
PREMIUM 21-30 YEARS	9.54%	8.94%	9.81%
BLUE CHIP 31+ YEARS	6.74%	6.96%	5.28%

Source: Braeburn Whisky Cask Market Report 2022

# Top 20 Distilleries in 2022

TOP TWENTY DISTILLERIES AVERAGE ANNUAL CAPITAL GROWTH					
DISTILLERY	P. CAPITAL GROWTH, 2020	P. CAPITAL GROWTH, 2021	P. CAPITAL GROWTH, 2022	2022 RANK	YEAR CHANGE
LAPHROAIG	17.71%	15.59%	18.75%	1st	UP TWO ^
STAOISHA	17.62%	14.78%	17.74%	2nd	UP THREE ^
BUNNAHABHAIN	16.67%	17.29%	17.57%	3rd	DOWN TWO v
HIGHLAND PARK	16.30%	16.79%	17.00%	4th	DOWN TWO v
CAOL ILA	15.46%	14.00%	16.60%	5th	UP ONE ^
MORTLACH	•	14.86%	16.59%	6th	DOWN TWO v
GLENALLACHIE	•	12.18%	14.79%	7th	EVEN
MACALLAN	13.48%	12.02%	14.02%	8th	EVEN
BLAIR ATHOL	10.78%	8.95%	13.35%	9th	UP 20 ^
LONGMORN	•	11.45%	12.84%	10th	DOWN ONE v

TOP TWENTY DISTILLERIES AVERAGE ANNUAL CAPITAL GROWTH					
DISTILLERY	P. CAPITAL GROWTH, 2020	P. CAPITAL GROWTH, 2021	P. CAPITAL GROWTH, 2022	2022 RANK	YEAR CHANGE
BALMENACH	•	10.04%	12.70%	11th	UP EIGHT ^
FETTERCAIRN	9.98%	9.28%	12.49%	12th	UP 13 ^
ABERLOUR	•	10.61%	12.33%	13th	UP TWO ^
BENRINNES	10.89%	10.24%	12.22%	14th	UP THREE ^
BENRIACH	12.52%	10.63%	12.20%	15th	DOWN ONE v
SPRINGBANK	13.79%	11.07%	12.15%	16th	DOWN FIVE v
BRUICHLADDICH	9.55%	11.21%	12.07%	17th	DOWN SEVEN v
TOMATIN	•	10.29%	11.79%	18th	UP FOUR ^
LEDAIG	•	10.77%	11.74%	19th	EVEN
GLEN GARIOCH	•	9.38%	11.63%	20th	UP 11 ^

Source: Braeburn Whisky Cask Market Report 2022



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Team

# NeoMondo Team and Network

- The NeoMondo Capital founding team members have long standing experience ranging from financial services, portfolio and private wealth management, venture capital and private equity, technology and startup management
- We work with licenced and experienced partners in the whisky industry, with extensive track record and relationships working directly with iconic global brands such as Macallan, The Dalmore, Glenfiddich, Bowmore, Ardbeg, etc



**Pasi**

Fully qualified ICFA and in Risk Management with over 20 years of experience in financial advisory, portfolio and wealth management.



**Steven**

Executive professional with 20+ years' experience Specialising in bleeding edge technology and startup acceleration.



**Antoine**

Has a wide spectrum of expertise as a director in European Tech startups as well as in VC, and Growth and Buyouts PE investments.



**Kian (advisor)**

Experienced finance professional responsible for fund management, investor relations and fundraising in the private equity industry.

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## Appendix

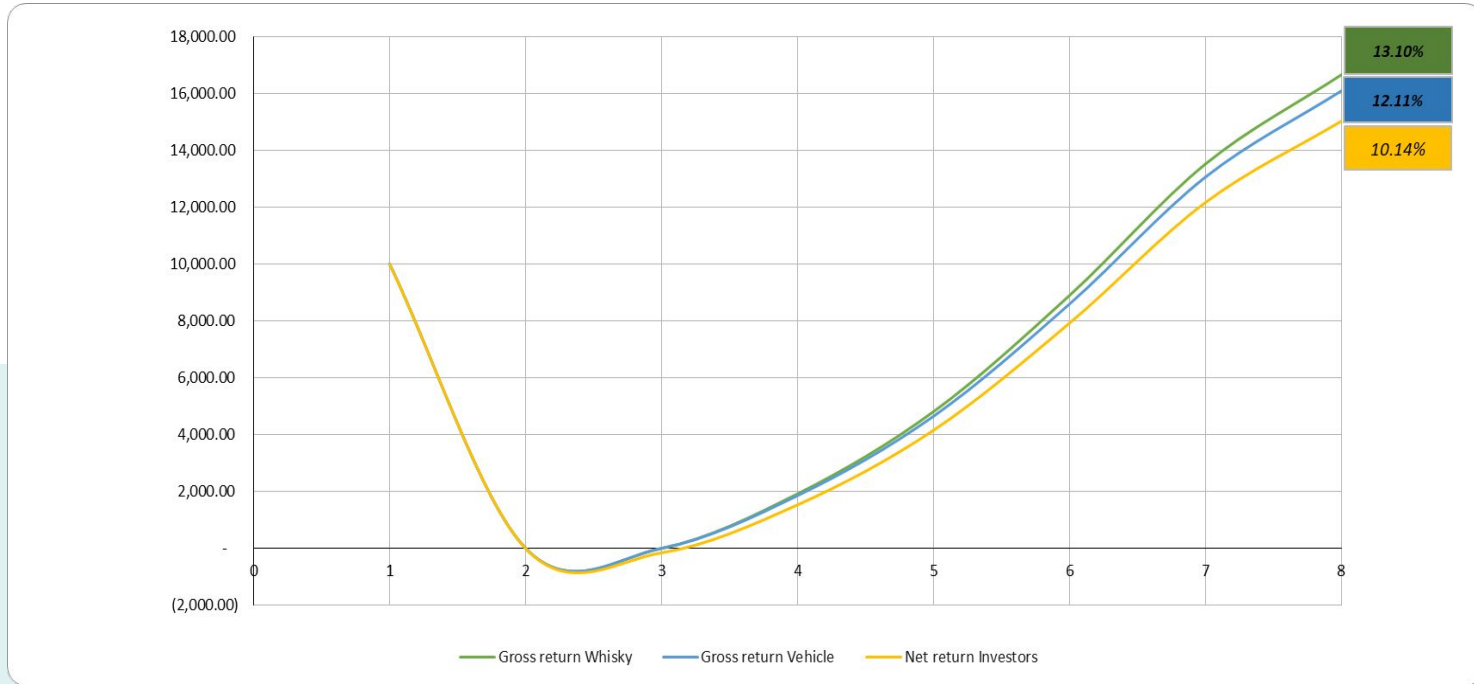
# Investment Structure - Key Terms

<b>Issuer</b> NeoMondo Capital S.à.r.l	<b>Min. Investment*</b> Class A - €10,000 (Professional)	<b>Subscription fee</b> Class A Up to 2%	<b>Investment Summary</b>  Investors will be providing capital to build a diversified portfolio of premium cask single malt whisky. NeoMondo Capital will acquire these casks through local partners, where they will be held securely and then following the holding period be sold with the intention of capital gains. NeoMondo Capital will actively monitor the portfolio and apply high levels of discipline and care in managing investor capital.
<b>Investment Vehicle</b> Luxembourg S.C.S	<b>Max. Investment</b> €4,000,000	<b>Servicing Fee</b> Class A - 1,5% p.a.	
<b>Jurisdiction</b> Luxembourg	<b>Term</b> 6 + 1 years	<b>Performance fee</b> 15% on realised investments 8% hurdle rate	
<b>Instrument Type</b> Digital Security	<b>Targeted Annual Return**</b> + 10% per annum	<b>Reporting and valuation basis</b> Annual	
<b>Base Currency</b> EUR	<b>Secondary Trading (P2P)</b> Yes		
<b>Target Raise</b> €20,000,000			

\* For professional investors from Europe.

\*\* Targeted annual return on asset level to realisation. The targeted gross return on invested capital at the conclusion of the vehicles term can be smaller and is not guaranteed. The purchase of securities has a high degree of risk and may result in the total loss of invested capital.

# Investor Cash Flow Illustration



Gross return Whisky = the difference between the buying price and the selling price

Gross return investment vehicle = Gross return Whisky from which the costs of carrying the casks are deducted (warehousing, insurance, transportation costs etc.)

Net return Investors = Gross return investment vehicle from which the Servicing fees (1.5% of subscriptions) and the Carry (15% on return above hard hurdle of 8%) are deducted

*The above example is only indicative of NeoMondo.Capital's targets and is in no way intended to represent the actual return NeoMondo.Capital will deliver. Actual return will be dependant on market conditions. The above example is based on the estimated Cost of Carry provided by NeoMondo.Capital's stockist. Distributions are expected to start in year 3, increment over years 4 to 6 and the residual value to be exited in year 7*

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