



FAER ISLES

**Investor Presentation**

May 2023

DISTILLERY



## **Disclaimer and Explanatory Note**

Faer Isles Distillery P/F (Ltd)  
Fjarðarvegur 3  
FO-350 Vestmanna  
Faroe Islands  
VAT No: FO00644986  
Company Reg. No: 7321

This presentation contains sections from the business plan of Faer Isles Distillery P/F and is intended as an overview of the company's key figures, status, and plans. The purpose of this presentation is to provide information for stakeholders and to assist investors considering to buy shares in the company. This document is not a prospectus, nor an investment advertisement, financial promotion or offer.

While the content of this presentation is believed to be accurate in all material respects it has been verified to external evidence only to the extent stated in the body of this report. Projections are subject to market forces and to force majeure outside the control of management. Consequently, neither the directors nor the company's advisers can accept responsibility for any losses arising to persons acting or refraining from action on the material contained in this presentation.

Anyone considering a financial commitment of any kind should conduct such investigations as they consider necessary to satisfy themselves as to the appropriateness of the financial commitment and the risk of loss of some or all of any financial commitment.





## Business Idea

*Faer Isles Distillery is a new craft distillery based on the Faroe Islands in the North Atlantic Ocean producing high-quality single malt whisky and super-premium spirits.*



The huge, consistent, and **rapidly growing market demand** for quality whisky makes whisky production a very interesting investment. The market for premium craft spirits has also been persistently growing for several years.

The beautiful Faroe Islands provide the **optimal environment for whisky maturation** (which accounts for 60-80% of the flavor) due to the salty, windy climate, which penetrates and flavors the whisky casks. This is further enhanced by maturing the whisky in the slatted traditional drying houses that have been used for food fermentation on the islands for centuries.

The surrounding nature provides a variety of **unique botanicals** for producing other spirits – not least the signatory ingredient: seaweed + an abundance of clean mountain surface water.





## Executive Summary

After having made extensive investments, approximately 41 m. DKK (€5,5 m.), Faer Isles Distillery is now in **full operation** at the production site in Vestmanna, producing malt whisky, gin, akvavit and vodka.

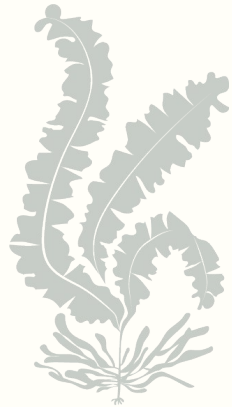
The sales of newly-filled whisky **barrels secure the operational costs** for the next three years, until the first bottled whisky can be marketed.

According to our Revenue & Sales Forecast, **dividends are planned to be paid out from 2027**, once the Inaugural Release whisky enters the global market (2026) and profits from this are established in the annual report (*see Dividends page*).

This 2<sup>nd</sup> emission round aims to **raise funds** to further develop the distillery in four main areas: 1) extend the site in Kvívík (additional warehouses, greenhouse, botanical garden); 2) invest in green tech to reduce carbon footprint of production; 3) refinance loans to reduce operational cost; 4) cover sales & marketing costs to build and establish the brand in core markets.



## Unique Selling Points

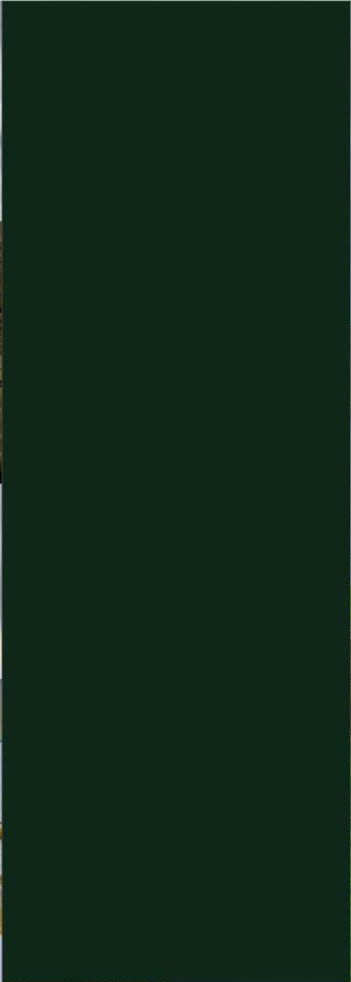


## Location & Maturation

### - *Faroe Islands in a Bottle*

- **New location** for international whisky and spirits.
- **Ideal climate** for whisky maturation: constant humid, windy and salty atmosphere with stable year-round cool temperatures.
- **Unique local natural ingredients** for spirits botanicals: The signatory ingredient is the abundant seaweed - a very sustainable product.
- Using **traditional Faroese food drying houses** (opnahjallar) for whisky maturation, maximizing the exposure to the maritime climate, creating a unique maritime flavor.
- The opnahjallar are combined warehouses for whisky barrels and greenhouses for growing environmentally sustainable local botanicals without disrupting the nature on the islands





## Traditional Faroese "opnahjallur"

Food drying houses with narrow wooden slats providing maximum exposure to the salty winds for fermentation and maturation.







DRINKS, AUG 27<sup>th</sup> / AUTHOR ANDRE DE ALMEIDA

# One to Watch Out for: Faer I Distillery



## You Can Buy a Piece of This Whisky Distillery with Crypto

The Faer Isles Distillery is allowing investors to own shares in the company backed by ERC-20 Ethereum tokens.

By Matthew Di Salvo

2 min read • Oct 10, 2020



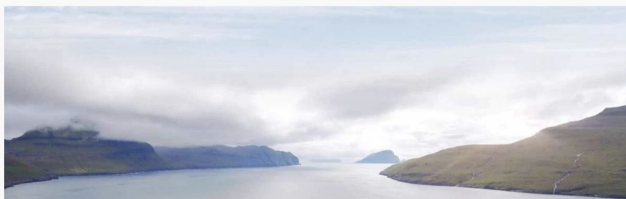
## InsideHook



BOOZE | AUGUST 24, 2020 12:17 PM

## The Next Great Whisky May Hail from These Tiny Islands

Close to Scotland, the Faroe Islands offer unique advantages for distilling spirits



NEWS

## A Country That You've Probably Never Heard of Is About to Launch Its First Whisky Distillery

AUGUST 19, 2020 | SAM STONE



Fast unbemerkt von Journalisten und Bloggern entwickelt sich im Norden ein neues Whisky-Ursprungsland.

Die Single Malts, die hier bereits entstehen und zukünftig gefertigt werden sollen, dürften Whiskyliebhaber aufgrund ihres

Banknoten hat. Hier gelten teils dänische, teils eigene Gesetze, aber nicht die Vorschriften der EU.

eingeführt. In manchen Bereichen galt sie sogar bis 1992. Erst danach konnten die Färinger ohne Nachweise ihrer steuer-

NEWS **EXCLUSIVE**

## Faer Isles Distillery begins production

13 APRIL 2023

By Alice Brooker

A new distillery on Faroe Islands has started whisky production, with a target of producing 600 year.



Faer Isles Whisky

## Fan-finanzierter Whisky von den Färöern

10.09.2020 / von Redaktion

## Spirited Zine

BREAKING

DEVIL'S BOTANY BECOMES LONDON'S FIRST ABSINTHE DISTILLERY

NEWS

Home > News

## Faer Isles Distillery To Become "First Whisky Distillery" Funded Through Cryptocurrency

spiritedzine News October 12, 2020 32



Faer Isles Distillery is offering Whisky fans the opportunity to invest in its construction using cryptocurrency. The new **Faroe Islands-based distillery** is set to be constructed on a 23,000m<sup>2</sup> site near the village of Kivik on the island of Streymoy and will also include warehousing facilities and a visitor center.

# Status

Read more  
<https://faer.io/milestones>

## Organization

- Full team in place, supported by the Advisory Board, external nosing panel, and external consultants in e.g., flavor development.

## Crowdfunding

- 1100 Founder's Club members from 22 different countries. 637 investors from 25 countries

## Land in Kvívík

- We own 23,500 m2 of land in the perfect spot with fantastic view over the fjords and next to an abundant stream, yet very good logistics.

## Construction, Installation & Refurbishment

- Total refurbishment of Vestmanna production site finished. Distillery in full production. Visitor center and bar finished. Kvívík warehouses expected finished by later summer 2023.

## Permits

- Permits from all relevant authorities (HSE, fire, food production, water) in place.

## Lease

- Long-term lease agreement for production site in Vestmanna.

## Equipment

- 400L gin distillery purchased from famous German still producer Müller Brenneieranlagen. Main whisky distillery equipment (1-tonne still) purchased from renowned Scottish Speyside Copperworks.

## Production

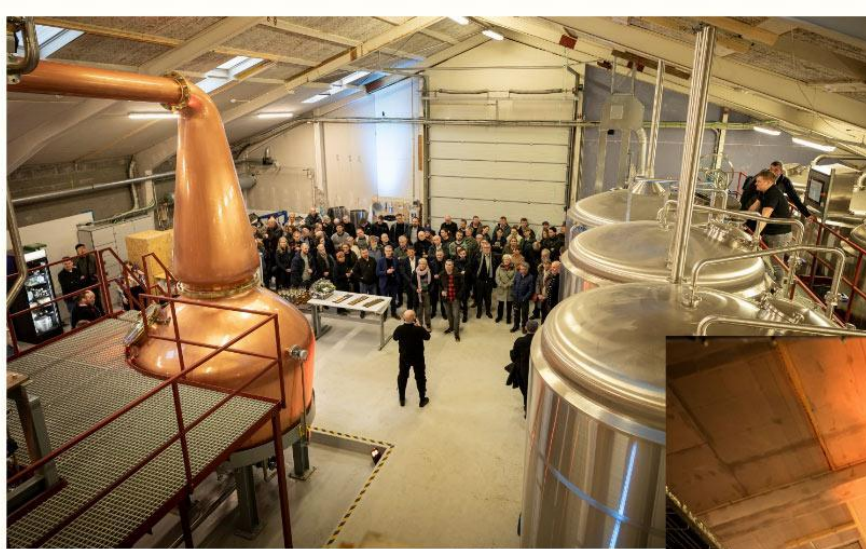
- Test production since early 2019. Commercial production (gin and akvavit) since mid 2021. Whisky production since Q1 2023.

## Funding

- Shares in the company were sold February-July 2021 through a crowdfunding campaign. Together with investments of current shareholders and loans, a total of 41 m. DDK is raised.



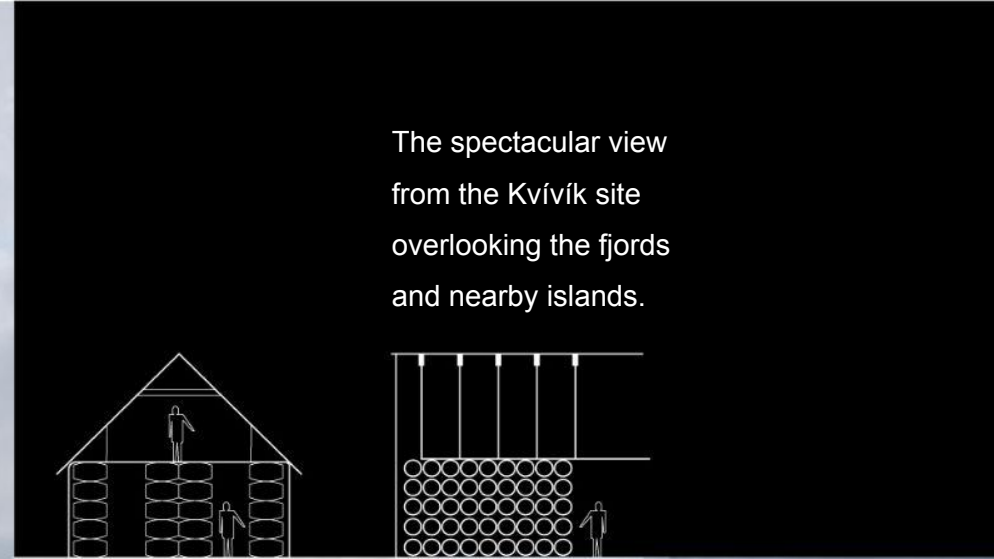




# Grand Opening & Whisky Production Start







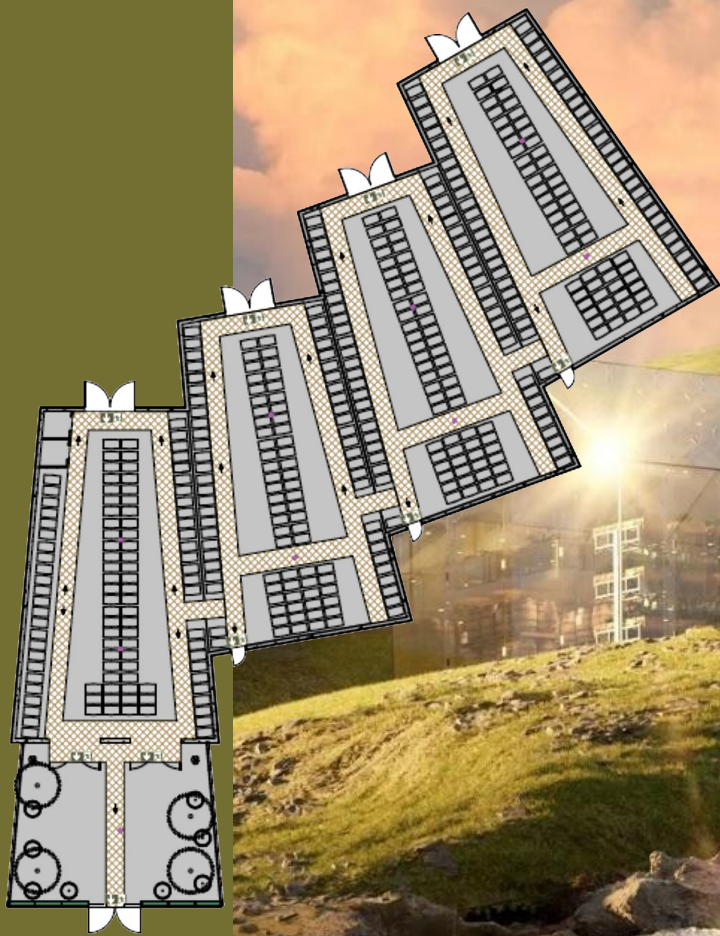
The spectacular view from the Kvívík site overlooking the fjords and nearby islands.



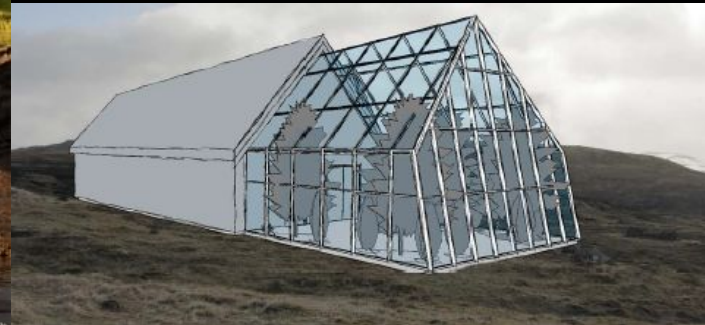
## Whisky Warehouses

The warehouses for whisky maturation are under construction at the picturesque location close to the old Viking village of Kvívík on the Faroe Islands. To be finished this summer.





The warehouses will be built similar to the “opnahjallur” - the old Faroese traditional food drying houses with wooden slats for maximum exposure to the salty wind. The roofs and outside garden will be used to grow local herbs for gin botanicals. The warehouse gables will be constructed as greenhouses.



## Whisky Warehouses

Drawings and simulation of our new warehouses, situated on the picturesque location next to the abundant stream, Breiðá.



## Production

Our distilling equipment consist of 5000/3600L copper stills for whisky production and a 400L still for all other spirits.

Read more  
<https://faer.io/milestones>

### Whisky

We produce 1,825 LPA per week = 72,000 LPA per year. This equals 115,000 l of new make (63,5% ABV), which is approx. 600 barrels a year. This results in 158,000 l of 46% whisky (when vatted down from cask strength), which equals approx. 317,000 (50 cl) bottles a year,

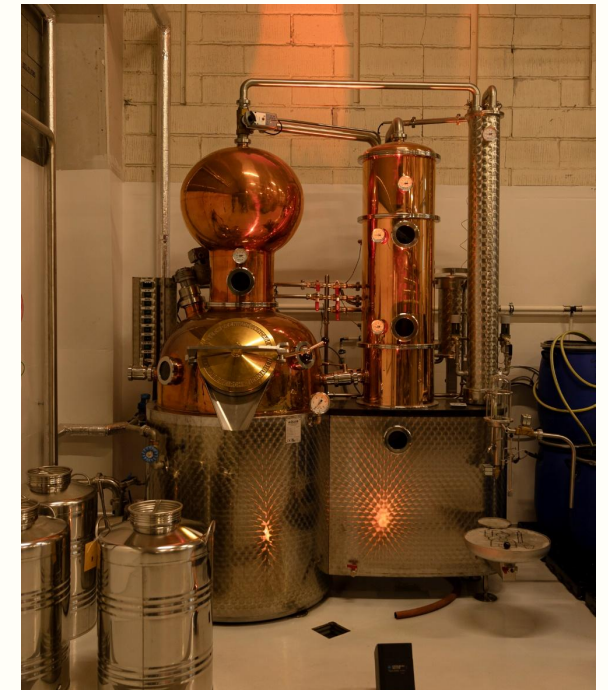
Max annual production capacity with our 1-ton distillery is 400,000 LPA.



### Other Spirits

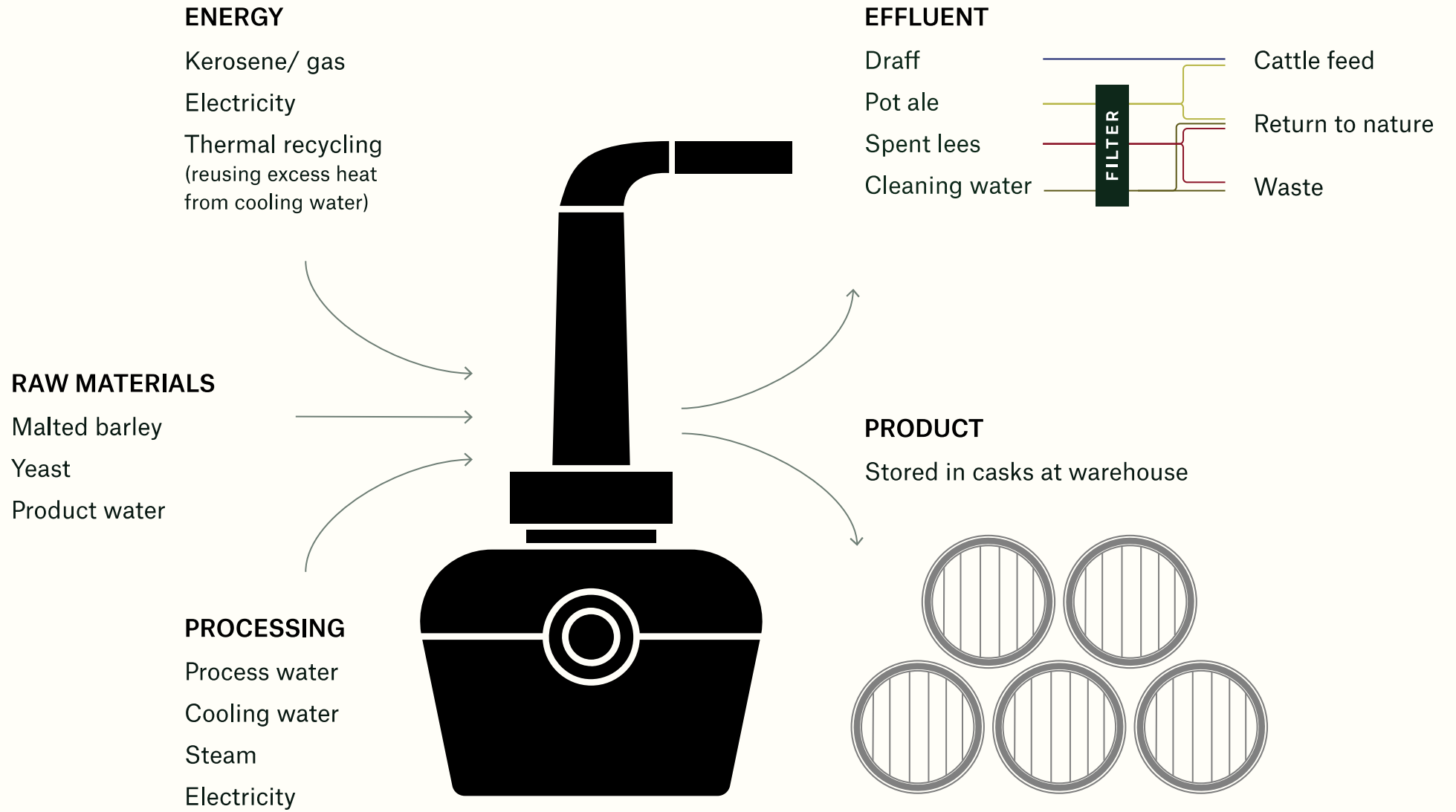
The annual max output capacity of our smaller still is 400,000 l (43%).

The total capacity of the still ensures that we can handle future demand, even if this grows significantly.





# Whisky Production Process Diagram





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## Developing Flavours







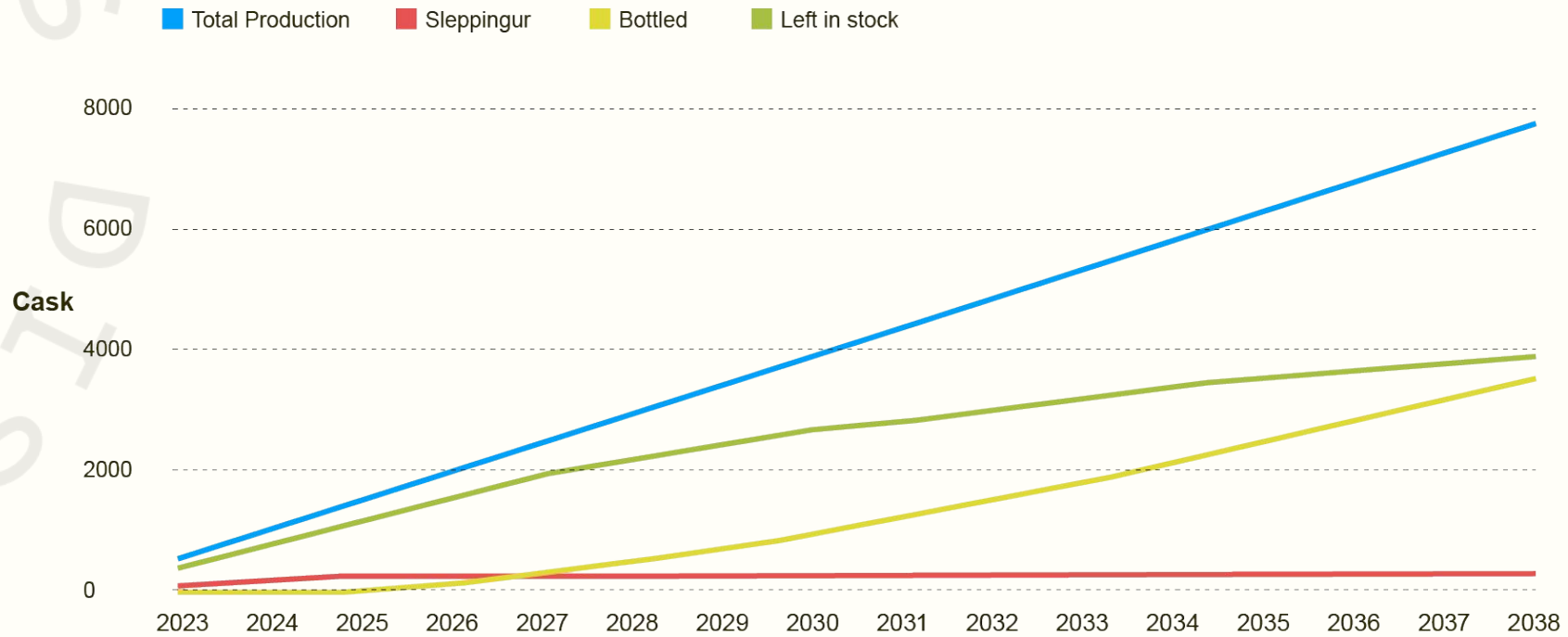
**Product Development with  
the Internal Nosing Team**



# Production Projections Whisky

Forecast of whisky inventory growth in number of casks minus the casks used for sales.

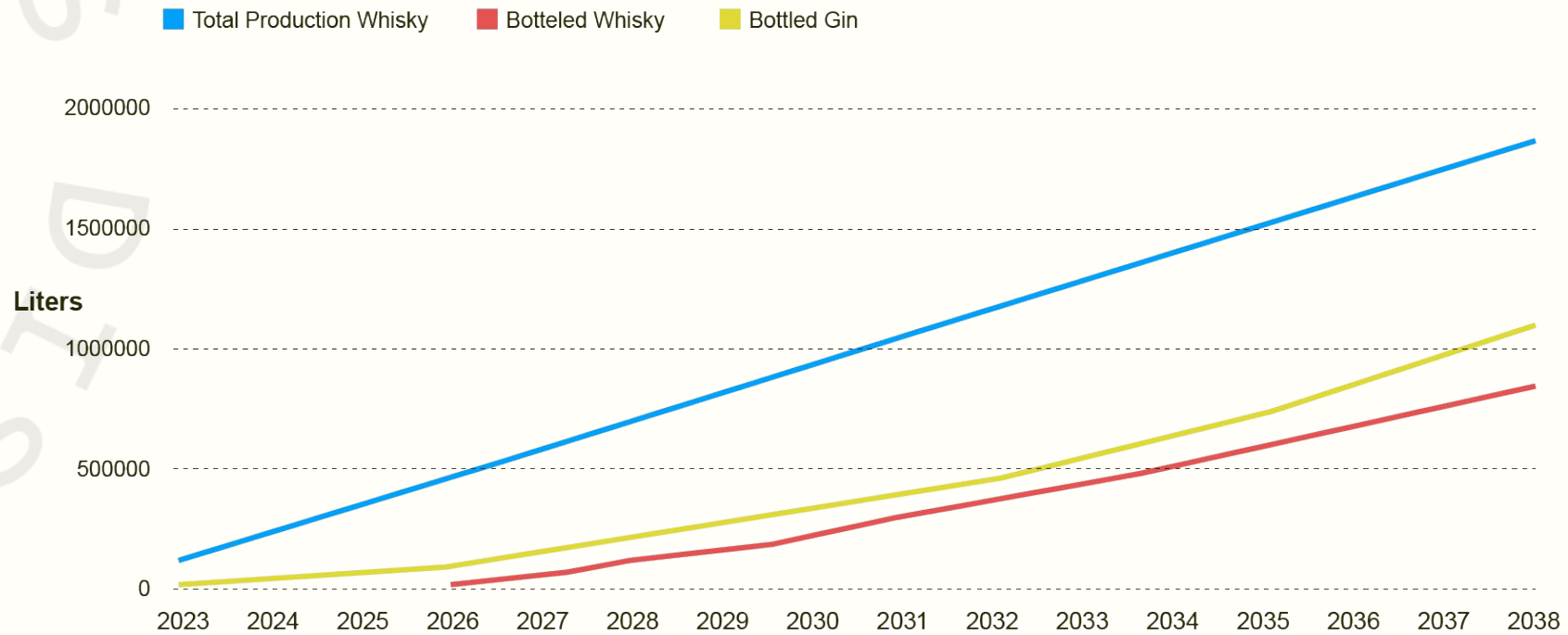
## American Standard Barrels - 200L



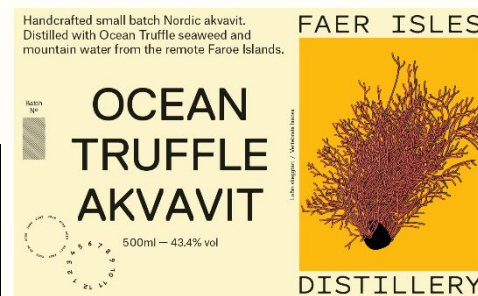
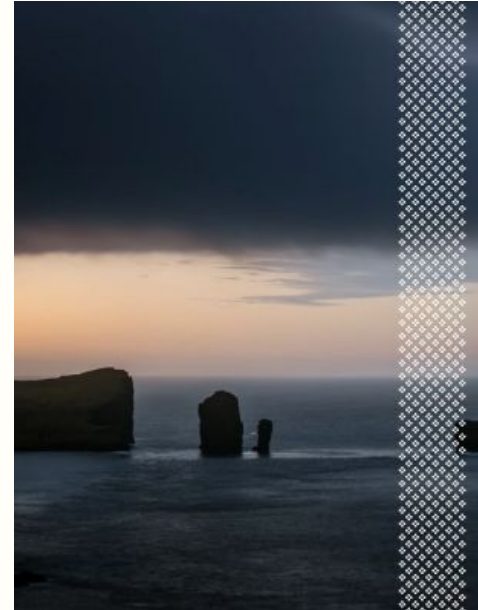
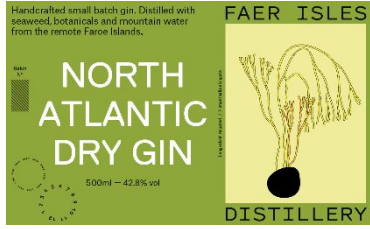


# Production Projections Whisky & Gin

Production Volume - Whisky @ 45% - Gin @ 42,8%



# Brand



## Brand building and brand positioning, using the USPs

- Faroese nature (the extreme/beautiful environment)
- Climate (humidity, salt, wind)
- Maturation (using the traditional Faroese drying houses “opnahjallur”)
- Unique local botanicals – particularly seaweed
- Quality





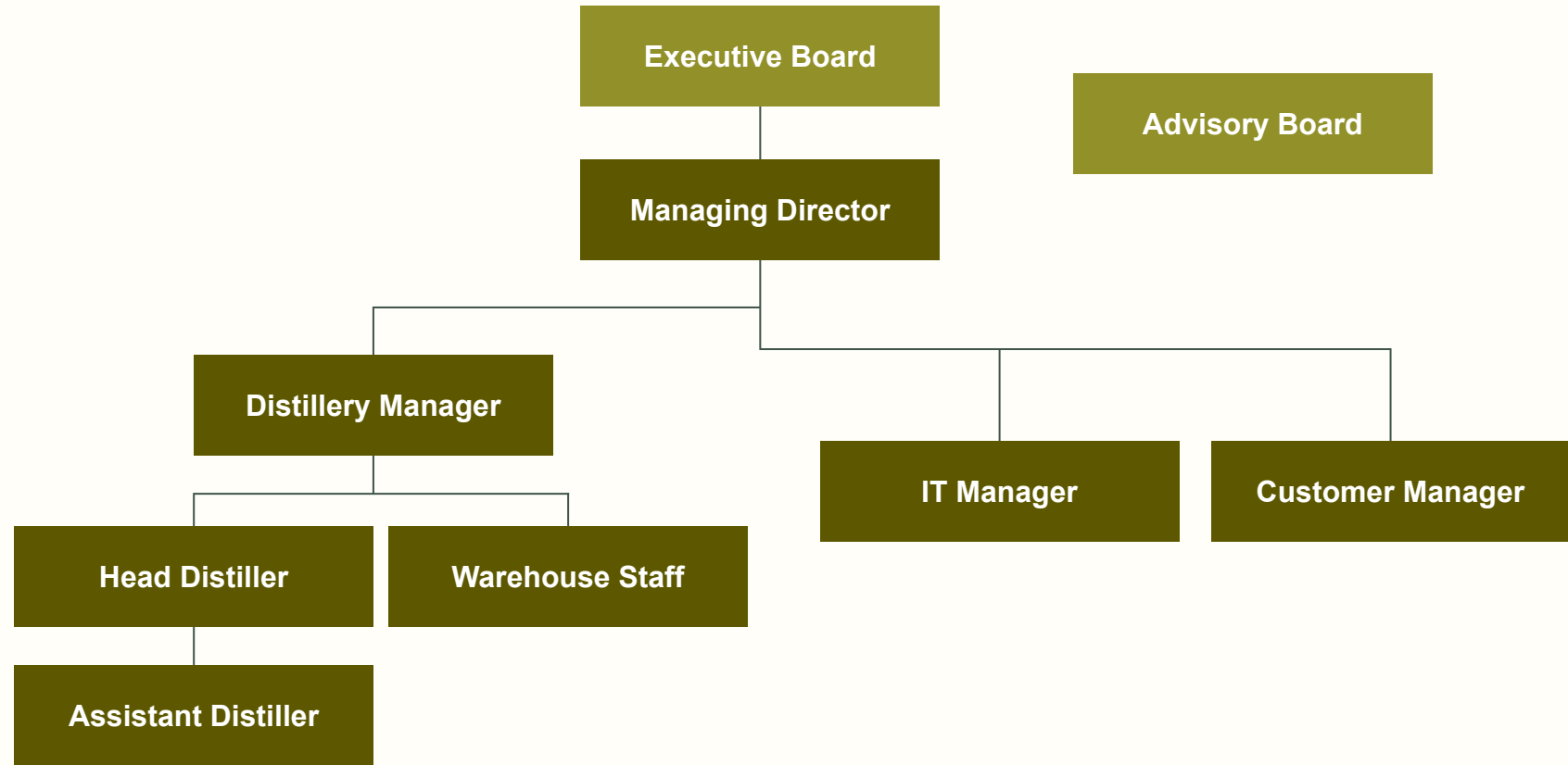


# Organization Chart

## Executive Board

Heini Zachariassen, Chairman  
Christian D. Grahn  
Bogi K. Mouritsen  
Dánial Hoydal

## Faer Isles Distillery 2023







**Bogi Karbech Mouritsen**

Serial entrepreneur with +25 years of experience as an IT consultant.

[Linkedin](#)



**Dánial Hoydal**

Serial entrepreneur with +20 years of experience as marketing director and consultant.

[Linkedin](#)



**Christian Didriksen Grahn**

Serial entrepreneur with +30 years of experience in management, finance and consultancy. CEO of Keel Solution.

[Linkedin](#)

## The Core Team



**Bjarni Lamhauge**

Experienced engineer and project manager with extensive knowledge about construction, distillation, and brewing.

[Linkedin](#)



**Bjarni Johansen**

Senior IT supporter and infrastructure engineer with 25+ years experience with IT.

[Linkedin](#)

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## Advisory Board

A team of people with deep knowledge of spirits production, quality assurance, financing, and sales & marketing within the alcoholic beverage industry.



**Julia Nourney**

*Germany*

Independent Spirits Consultant with 20+ years of experience.

[Linkedin](#)



**Michael Fraser**

*Scotland*

Business Development Manager at several distilleries and breweries.

[Linkedin](#)



**Heini Zachariassen**

*USA*

Founder and board member of Vivino, the world's largest online wine marketplace.

[Linkedin](#)



**Alexandre Sakon**

*France*

Owner/Operator at ASC Barrels. Creator of NEOC® Barrel Management.

[Linkedin](#)



## Main Advisors



**Julia Nourney**

*Spirit Flavour Consultant- Head of sensory team*

Renowned international whisky and gin expert, spirits consultant, and contract blender with 20+ years of experience in helping distilleries to improve their quality and develop new products.

[Linkedin](#)



**John Wilcox**

*Technical Consultant - production*

Worked as Head Distiller and consultant at multiple whisky distilleries and breweries in USA and Ireland. Currently Head Distiller at [Blackwater Distillery](#).

[Linkedin](#)



**Gordon Steele**

*Whisky Flavour Consultant*

Keeper of the Quaich and professor in Brewing and Distilling at Heriot Watt University; a long-time consultant for Scotch whisky companies on flavor and quality.

[More](#)



**Sámal Ímundarson**

*Distillery and warehouse construction*

Construction architect with +25 years of experience.

[Linkedin](#)



**Prof. Scott Allen (CEng FIChemE)**

*Engineering Design Consultant - distillery build-up and production*

Allen Associates are the top consultants for process engineering and distillery design within the spirits industry.

[www.allenhpe.co.uk](http://www.allenhpe.co.uk)





# Strive to be Sustainable

## Distilling

- Use the newest technology that has optimal energy consumption, mainly due to the use of stainless steel and insulation.
- Use electricity, heat pumps and hot water recycling as alternative to fossil fuels wherever possible.
- 40% of all electricity production in the Faroe Islands comes from renewable energy sources. It is expected to be 100% renewable by 2030.

## Reuse of all waste materials

- All the draff (spent grain) and spent lees from our whisky production will be dried, treated and delivered to the local dairy cooperative MBM to be used as animal feed.
- The biogas plant FÖRKA has agreed to take off our pot ale to transform into biofuel for heating.

## Use of local produce and raw material

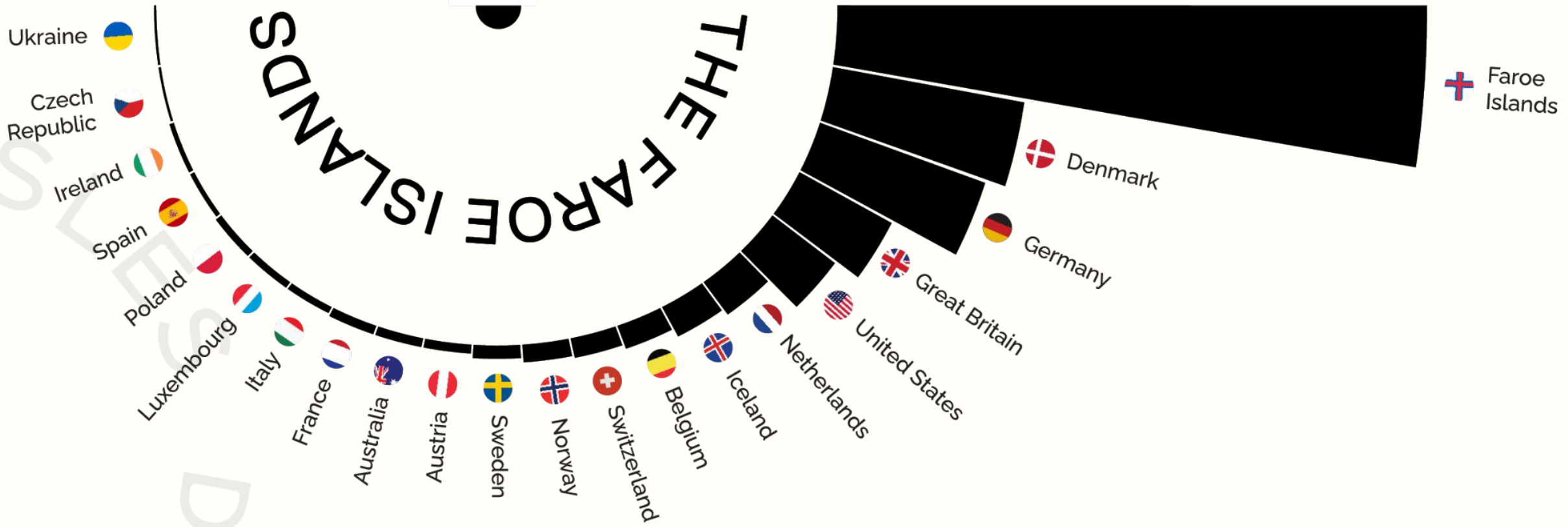
- We use Faroese plants for gin botanicals. To protect fragile ecosystems, the plants are not foraged. Instead, seeds of local plants (e.g. Angelica, juniper and nettles) are picked for cultivation in our green house and garden.
- Local farmers also provide botanicals such as Faroese rhubarbs.
- Our signatory gin ingredient, seaweed, has been labelled a super-sustainable ingredient, since it doesn't deplete soil, doesn't need fresh water, fertilisers etc. It absorbs CO2 and releases oxygen. It is fast growing and nutrient dense. We cooperate with the seaweed Ph.D., Agnes Mols Mortensen, and her company Tari.



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# **Sales & Marketing**





**The countries our Founders' Club members are from**

## Market Situation

### (Global Whisky Market)

The supply of single malt whisky is not keeping pace with growing demand. Premium single malt whisky has been experiencing **steady growth in demand and popularity** over the last many years, with consumers showing a preference for higher-end and more exclusive whiskies.

According to a report by Allied Market Research, the global premium whisky market was valued at \$3,305.0 million in 2019 and is projected to reach **\$8,135.0 million by 2027**, growing at a CAGR of 11.3% from 2020 to 2027.

In terms of regional demand, the **Asia-Pacific region is expected to be a key driver** of growth in the premium single malt whisky market, as consumers in countries such as China, Japan, and India increasingly develop a taste for high-end whisky.

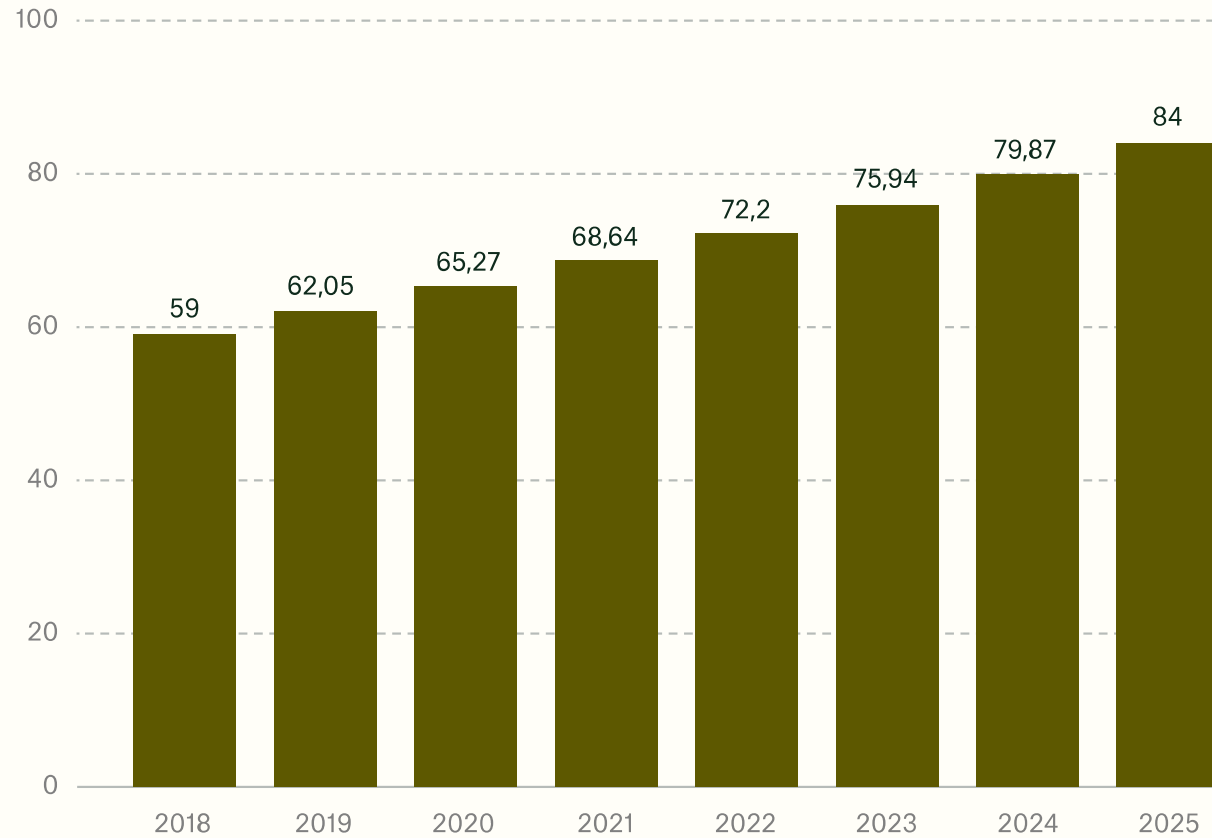
Premium and super-premium spirits are virtually **recession-proof**. In hard times, people drink less but better. During the financial crisis (2008-2015), Britain's overall consumption of spirits fell 3.3%, but sales of expensive single malt whisky went up by 5.5% (Bruning, 2015).

No craft whisky startups established within the last 15 years have gone out of business yet.

IPSOS: the global trend to premiumisation means that the **growth in market value was outstripping volume**, with a 10% growth, and that whisky and cognac are the key drivers of growth in the premium category worldwide, growth which shows no signs of abating.



## Size of the Whisky Market Worldwide from 2018 to 2025



*(in billion US dollars)*

Source: Statista

## Market Situation

(Global Whisky Market cont.)

In 2019, Scotch **whisky export reached record levels** both in volume and value. The Scotch Whisky Association, citing the UK HM Revenue & Customs (HMRC) data, announced that Scotch whisky export reached £4.91 billion in 2019, which was an increase of 4.4% over 2018. Revenue in the global whisky segment is projected to reach US\$ 87bn in 2020. The market is expected to grow annually by 6.9% (CAGR 2020-2025, Statista.com).

The **global demand for whisky has grown so fast** that the industry is seriously worried about the possibility of failing to meet the demand. This is why you see massive investments in expanding capacity by virtually all the big whisky brands at the same time as new distilleries are created.

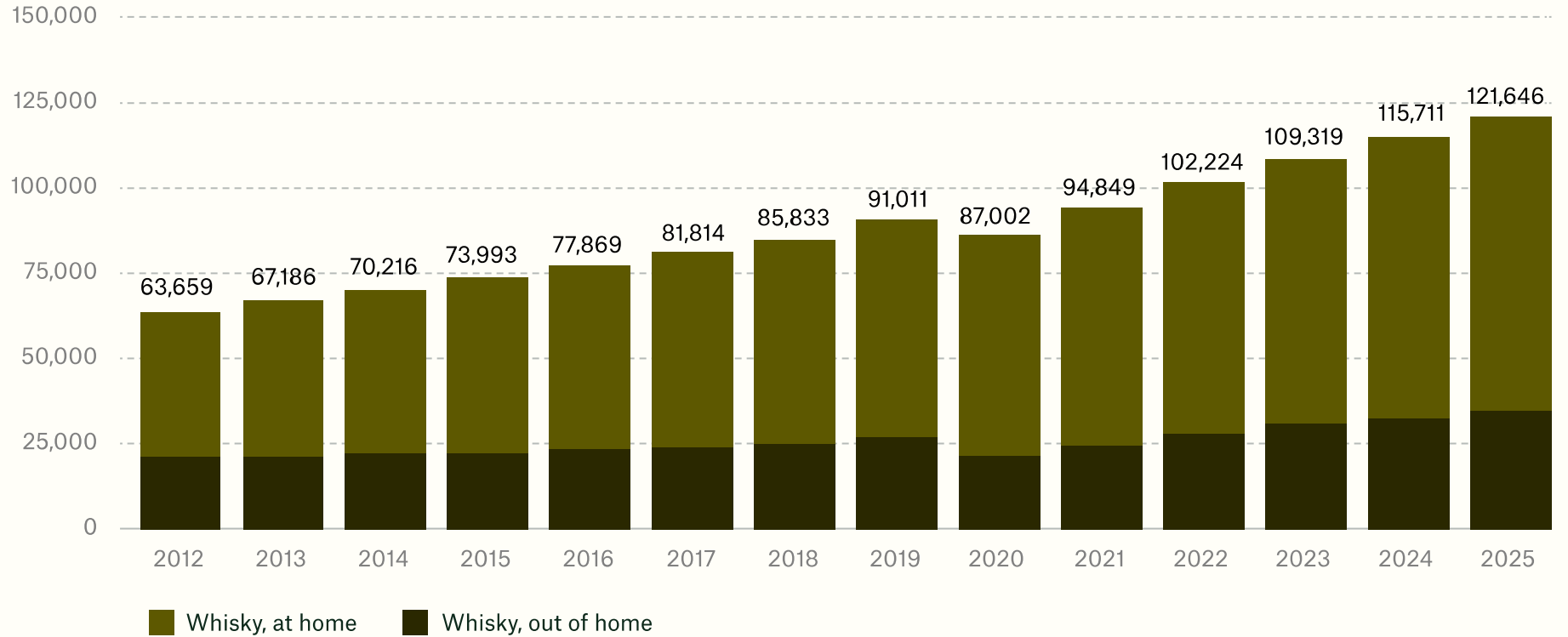
At the same time, the **demand for particularly whisky from startup craft distilleries** is very high, since the market constantly seems to crave new and different products. Craft distillery sales in the USA are at around \$450 million per year.

Whisky is one the most profitable investment class of alternative assets. For many years, rates of return on investment in whisky have been very high, **beating other alternative investments**, such as rare coins, wine, art and watches.

The uniqueness of investments in whisky (casks and quality single malts) is that they are **independent of financial markets**, so even the possibility of an economic crisis does not affect them. Steadily growing demand, both for blended and single malts, combined with a limited supply has a great impact on market stability (Stillnovisti).



## Revenue of the Whisky Market



(In million US dollars)  
Adjusted to impact of COVID-19  
Source: [Statista](#)

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## Product Range





## Cask Programme

The first 80 casks were sold quickly via our website, so an additional 40 were released. We have a waiting list for the 2024 release.



# “Sleppingur” 2023 Cask Programme

The Sleppingur 2023 casks will be your unique opportunity to secure ownership of some of the very first whisky produced by Faer Isles Distillery.

## Promotion

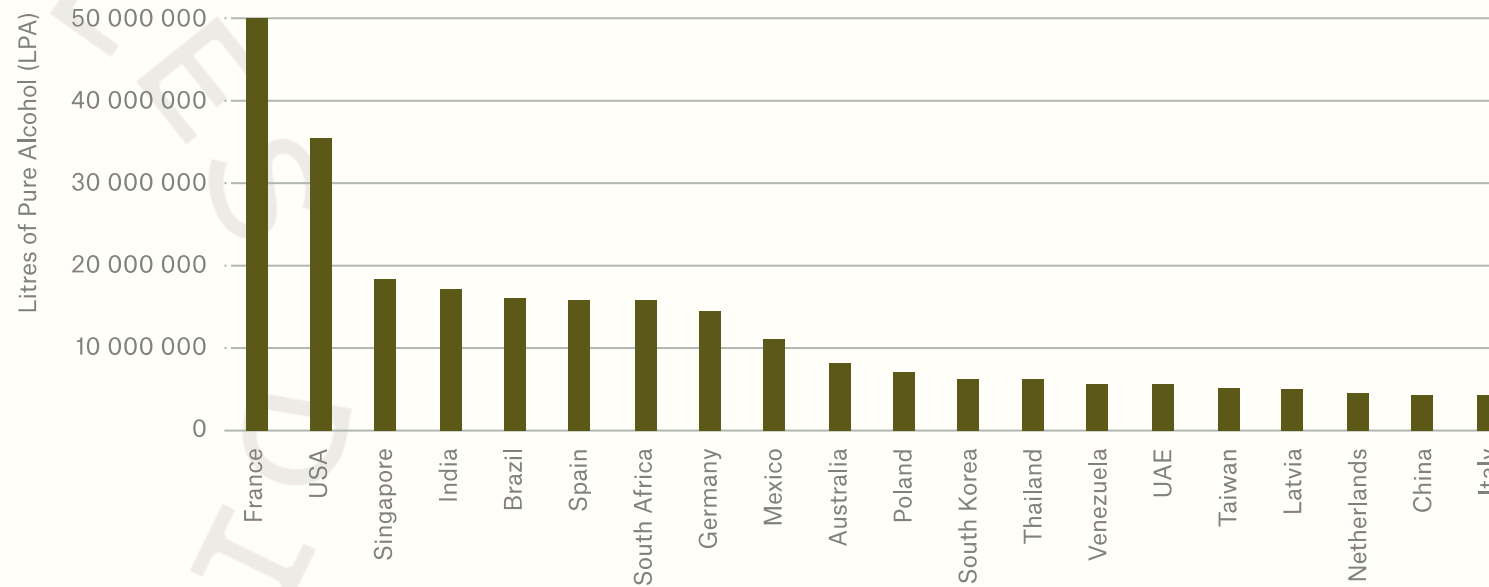
In addition to sales of existing products, early **sales of newly-filled whisky casks** are an important source of cash generation during 2023-2025, while we wait for the first whisky to mature and become ready for bottling. There is a big potential in this, as the established distilleries lately have stopped selling casks, since they want to sell bottled whisky under their own brand. We put 80 casks for sales and without any international marketing, they were soon sold out, after we notified current shareholders and members of our Founders' Club. Selling via our own website increases profitability.

All the first products (gin, akvavit and vodka) have been entered into the top international **spirits competitions** and have won medals, which help validate the quality of the products. Once young malt and whisky is ready, product samples will be sent to top influencers, whisky experts, and spirits publications for evaluation and coverage.

A **product launch** will be made in cooperation with a PR agency specializing in the drinks industry, once the Inaugural Release is approaching. [Isle of Raasay](#) sold out all of their Inaugural Release (almost 9000 bottles) within weeks, and [Dornoch Distillery](#) had to create a ballot for interested buyers, since the interest - even before the release - was overwhelming.

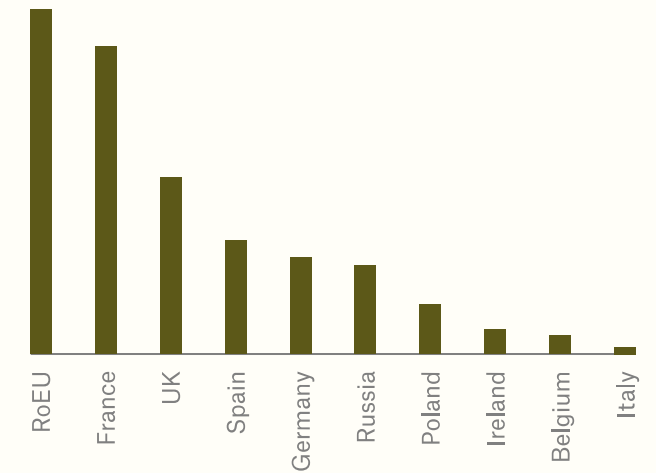


# Import & Export Quantities



Scotch Whisky: Top twenty export destinations 2013

Source: [www.gminsights.com](http://www.gminsights.com)



Europe Whisky Market, by Country, 2025

Source: Global Market Insights

# Market Tier

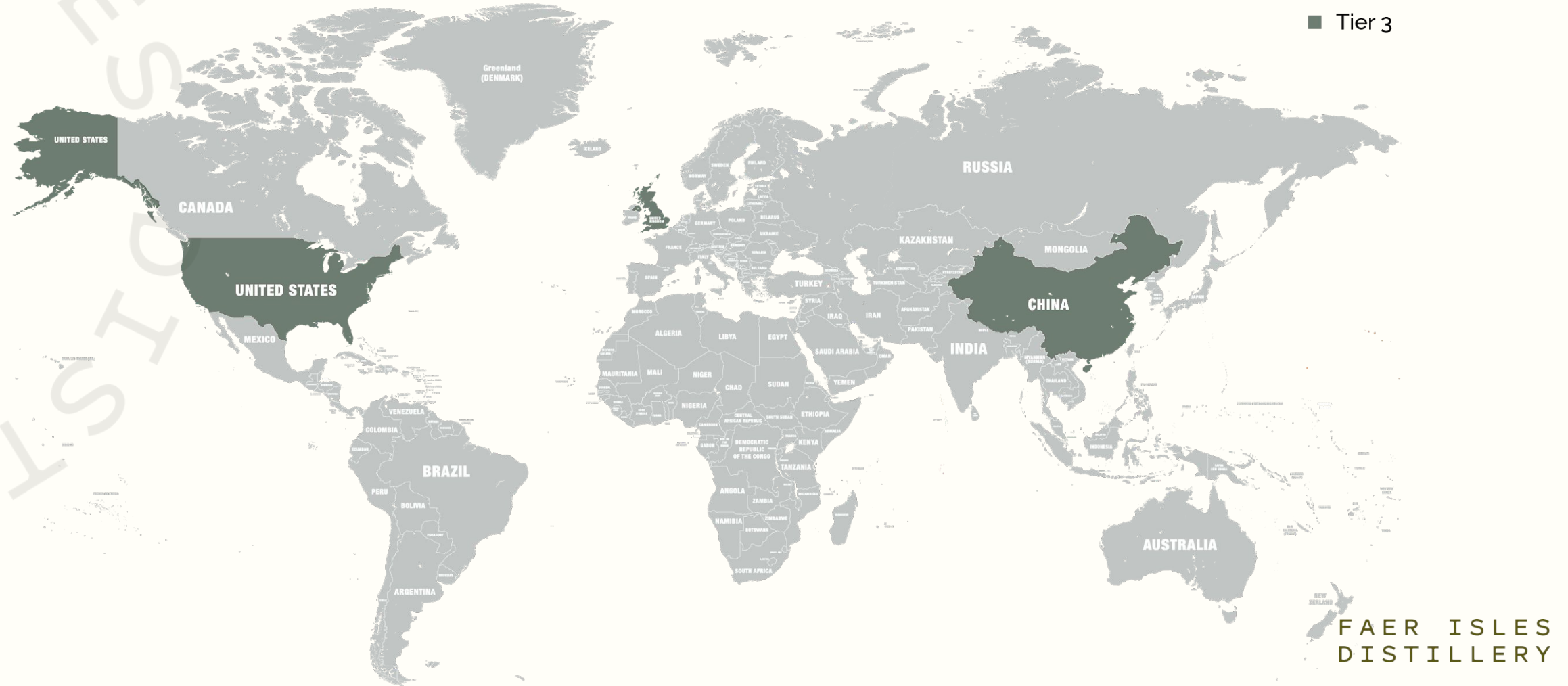
TOTAL MARKET SIZE (LITERS)	WHISKY	Expected entry to market	GIN	Expected entry to market
Germany	<b>20,876,395</b>	2026	<b>14,847,105</b>	2023
France	<b>12,548,095</b>	2026	<b>7,174,052</b>	2024
Spain	<b>8,816,945</b>	2026	<b>5,634,517</b>	2024
Sweden	<b>2,411,769</b>	2026	<b>1,632,834</b>	2023
Finland	<b>1,096,900</b>	2026	<b>388,055</b>	2023
Denmark	<b>943,788</b>	2026	<b>206,324</b>	2022
Norway	<b>94,405</b>	2026	<b>350,633</b>	2023
Faroe Islands	<b>13,611</b>	2026	<b>23,357</b>	2021





# Market Tier 3

When proof of concept in tiers 1 and 2 is obtained Faer will establish a position in tier 3 markets. These markets are huge. Although the UK has a large home production, it is also by far the biggest European importer of whisky and gin.



## Sales Channels

Due to the rapid fall (caused by Corona) of the on-trade market, for the first years of sales and marketing we will focus on off-trade (independent retailers, speciality stores) through selected distributors. Even before Corona, 70% of global whisky sales were off-trade. Our sales channels will be:

1. Off-trade: Independent specialists and outlets
2. On-trade
3. Online sales via own branded webshop (cooperation with Tipple)

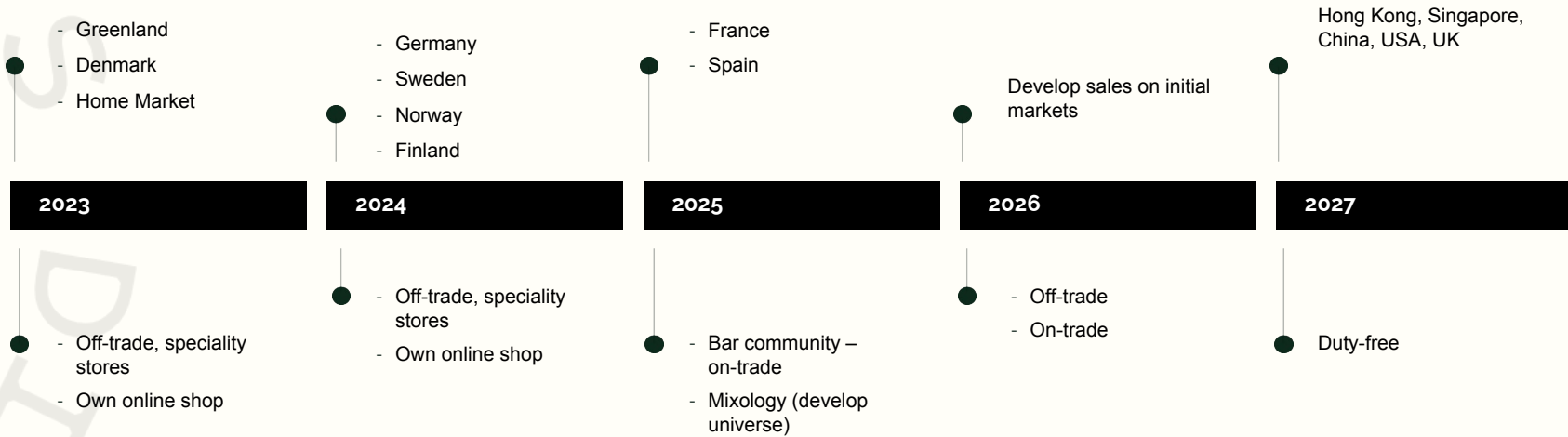
We are in the process of establishing agreements with selected distributors and agents.



# Timeline

## MARKETS

## SALES CHANNELS



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# Financial Overview & Valuation



Total assets	<b>30,522,228 DKK</b>
Share capital	618,360 DKK
Share premium	12,463,856 DDK
Revaluation reserve	246,000 DKK
Retained earnings	-1,376,971 DKK
Shareholders' equity	<b>11,951,245 DKK</b>
Net current assets	<b>4,144,780 DKK</b>

## ASSETS

Current Assets	
Inventory	1,635,705 DKK
Accounts receivables	205,361 DKK
VAT owed to company	1,352,379 DKK
Cash at bank	951,335 DKK
<b>TOTAL</b>	<b>4,144,780 DKK</b>
Non-current Assets	
Tangible assets	26,337,448 DKK
Financial assets / investments	40,000 DDK
<b>TOTAL</b>	<b>26,377,448 DKK</b>

## LIABILITIES

Liabilities	
Equity	11,951,245 DDK
Debt to financial institutions	15,282.196 DKK
Accounts payables	2,364,932 DKK
Other payables	659,725 DKK
Deferred income	264,125 DKK
Taxes payable	0 DKK
VAT owed to tax authority	0 DKK
<b>TOTAL</b>	<b>30,522,228 DKK</b>

Per 31. December 2022 (end of fiscal year)

## Description of Assets

### Land and buildings

- 23,500 m2 of land next to the village of Kvívík, Faroe Islands, close main road to capitol, main shipping harbour, and airport. Isolated in picturesque nature with great view but close to village with utilities supply.
- Long-term lease agreement for 7200 m2 production site, including bar and visitor centre in nearby village of Vestmanna, which has been refurbished and customized for 3 mio DKK.
- Design and technical specifications for buildings in Kvívík.

### Production and Processes

- 400L gin distillery purchased from famous German stills producer [Müller Brennereianlagen](#).
- Fully operational whisky distillery purchased from renowned Scottish [Speyside Copperworks](#), designed and implemented under the project management of [Allen Associates](#)
- Operating permits from all relevant regulatory bodies (food production, distilling, utilities, fire).
- Agreement with a local dairy farmer collecting our draff for animal feed and the biogas plant [FÖRKA](#) is about waste material (pot ale).

### Other

- Intangible assets: brand, trademark, website and other sales and marketing materials, external market research and analysis, customer/member base, social media pages (including followers and content) lists of whisky clubs and publications, product testing for 3 years, recipes, received consulting, architectural simulations, market network, process diagrams and other organizational material, goodwill etc. that has been built up during the last 8 years.

## Obtained Funding

(Cost to Build/Replacement Cost)

### Initial Investment (2017-2021)

7,5 mio. DKK	Covered by founders
1,8 mio. DKK	Reward-based crowdfunding (Founders' Club)
6,9 mio. DKK	Equity-based crowdfunding (B-shares)

### 2. Round (2022)

12 mio. DKK	Danish Growth Fund - (loan)
4,2 mio. DKK	Betri Bank – (loan)
6,2 mio. DKK	A-Investors
1,5 mio. DKK	Sales of own shares to existing B-shareholders

**Total: 41,1 mio. DKK**

*This represents the actual Cost to Build/Replacement Cost of the investment so far.*



**Equity-based  
Crowdfunding  
Round 2**

May-August 2023

Target: 15,4 mio. DKK  
Minimum: 0,55 mio. DKK

Total Share Valuation after  
emission: 152,7 mio DKK

# Budget 2023

All numbers are in DKK

	Total	% of rev	January	February	March	April	May	June	July	August	September	October	November	December
Revenue.....	9,602,488	100.0%	2,229,596	1,639,596	1,059,596	1,090,186	795,186	800,186	814,517	224,517	219,517	237,500	237,500	254,592
Cogs.....	1,591,555	16.6%	363,756	268,235	172,714	179,688	131,928	131,928	134,699	39,178	39,178	42,745	42,745	44,762
<b>Gross profit</b>	<b>8,010,932</b>	<b>83.4%</b>	<b>1,865,840</b>	<b>1,371,361</b>	<b>886,882</b>	<b>910,498</b>	<b>663,258</b>	<b>668,258</b>	<b>679,818</b>	<b>185,339</b>	<b>180,339</b>	<b>194,754</b>	<b>194,754</b>	<b>209,830</b>
Staff related expenses.....	2,768,890	28.8%	230,741	230,741	230,741	230,741	230,741	230,741	230,741	230,741	230,741	230,741	230,741	230,741
Housing expenses.....	466,200	4.9%	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850
Transportation expenses.....	43,500	0.5%	5,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
IT, office equipment and software.....	54,240	0.6%	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Factory machinery.....	106,632	1.1%	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886
Travel expenses.....	157,800	1.6%	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150
Marketing expenses.....	144,037	1.5%	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003
Sales & distribution expenses.....	144,037	1.5%	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003	12,003
Professional services.....	165,000	1.7%	27,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Other operational expenses.....	154,320	1.6%	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860
<b>Samtals annar kostnaður</b>	<b>4,204,656</b>	<b>43.8%</b>	<b>365,513</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>	<b>349,013</b>
<b>EBITDA</b>	<b>3,806,276</b>	<b>39.6%</b>	<b>1,500,327</b>	<b>1,022,348</b>	<b>537,869</b>	<b>561,485</b>	<b>314,245</b>	<b>319,245</b>	<b>330,805</b>	<b>-163,674</b>	<b>-168,674</b>	<b>-154,259</b>	<b>-154,259</b>	<b>-139,183</b>
Depreciation.....	1,046,400	10.9%												
<b>EBIT</b>	<b>2,759,876</b>	<b>28.7%</b>												
Finance costs.....	-1,390,742	-14.5%												
Taxes.....	-240,684	-2.5%												
<b>Profit/-loss</b>	<b>1,128,450</b>	<b>11.8%</b>												

# Budget 2024

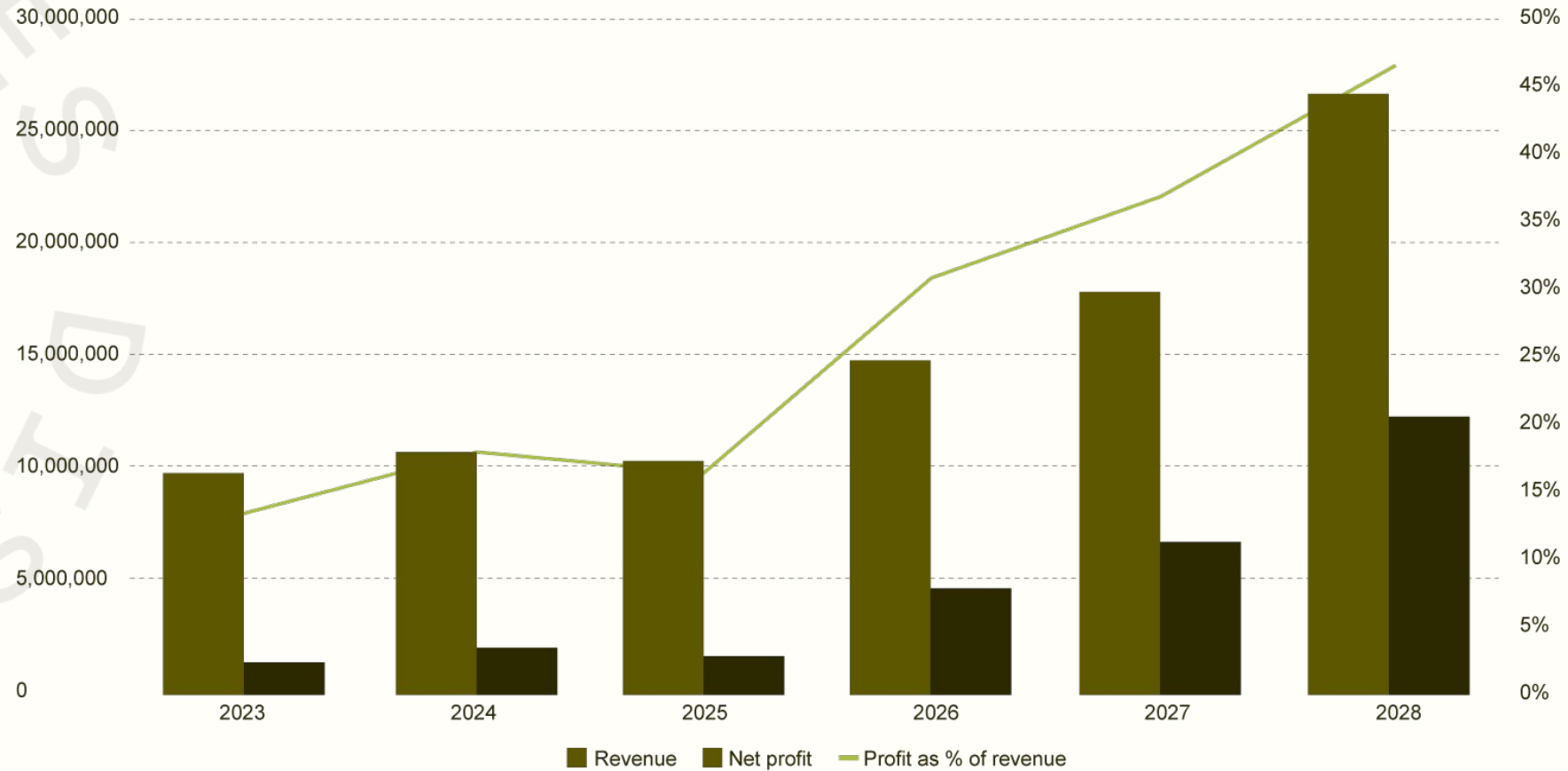
All numbers are in DKK

	Total	% of rev	January	February	March	April	May	June	July	August	September	October	November	December
Revenue.....	10,973,267	100.0%	2,312,429	1,739,172	1,190,110	1,207,741	901,579	922,048	929,024	344,605	347,339	353,364	353,364	372,494
Cogs.....	1,903,460	17.3%	382,763	291,739	202,260	206,246	155,488	158,509	160,696	66,674	68,184	69,637	69,637	71,627
<b>Gross profit</b>	<b>9,069,807</b>	<b>82.7%</b>	<b>1,929,665</b>	<b>1,447,432</b>	<b>987,849</b>	<b>1,001,494</b>	<b>746,091</b>	<b>763,539</b>	<b>768,328</b>	<b>277,931</b>	<b>279,155</b>	<b>283,727</b>	<b>283,727</b>	<b>300,868</b>
Staff related expenses.....	2,850,120	26.0%	237,510	237,510	237,510	237,510	237,510	237,510	237,510	237,510	237,510	237,510	237,510	237,510
Housing expenses.....	466,200	4.2%	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850
Transportation expenses.....	43,500	0.4%	5,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
IT, office equipment and software.....	54,240	0.5%	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Factory machinery.....	106,632	1.0%	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886	8,886
Travel expenses.....	157,800	1.4%	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150
Marketing expenses.....	164,599	1.5%	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717
Sales & distribution expenses.....	164,599	1.5%	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717	13,717
Professional services.....	165,000	1.5%	27,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Other operational expenses.....	154,320	1.4%	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860
<b>Samtals annar kostnaður</b>	<b>4,327,010</b>	<b>39.4%</b>	<b>375,709</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>	<b>359,209</b>
<b>EBITDA</b>	<b>4,742,797</b>	<b>43.2%</b>	<b>1,553,956</b>	<b>1,088,223</b>	<b>628,640</b>	<b>642,285</b>	<b>386,882</b>	<b>404,330</b>	<b>409,119</b>	<b>-81,278</b>	<b>-80,054</b>	<b>-75,482</b>	<b>-75,482</b>	<b>-58,342</b>
Depreciation.....	1,046,400	9.5%												
<b>EBIT</b>	<b>3,696,397</b>	<b>33.7%</b>												
Finance costs.....	-1,462,902	-13.3%												
Taxes.....	-402,029	-3.7%												
<b>Profit/-loss</b>	<b>1,831,466</b>	<b>16.7%</b>												



# Revenue and Profit Forecast

All numbers are in DKK



# Net Present Value

The yield presented is the same as in the first round of equity-based crowdfunding share emission (2021). At that time, the Net Present Value was zero. Now, using the same yield, we estimate that the Net Present Value is 35 million higher, meaning that the company can now create more value over the next five years than it could five years ago.

*All numbers are in DKK*

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Cash from operating facilities	6,206,561	6,904,025	6,248,433	10,608,535	12,964,285	21,391,206
Cash from investment activities	-15,000,000	0	0	0	0	0
Cash from financing activities	12,879,258	-3,285,401	-3,147,674	-3,013,674	-2,879,674	-2,747,933
<b>Free Cash Flows</b>	<b>4,085,126</b>	<b>3,618,624</b>	<b>3,100,759</b>	<b>7,594,861</b>	<b>10,084,611</b>	<b>18,643,273</b>
Present value of Free Cash Flows	<b>4,085,126</b>	3,245,403	2,494,125	5,478,923	6,524,687	191,092,376
Terminal value after FY 2027					110,884,036	
<b>Total present value</b>	<b>4,085,819</b>	<b>3,245,403</b>	<b>2,494,125</b>	<b>5,478,923</b>	<b>117,408,723</b>	
<b>Net Present Value</b>	<b>132,712,993</b>					

## Financial KPIs

Yield: **27.8%**

Perpetual growth after FY 2028: **2%**

Based on these projections, the investment is likely to grow more than 10-fold over the next five years.

## Planned Green Investments

(using raised funds from emission)

- Isolation of all steam and hot water piping
- Heat pump for heating visitor center, office and storage in Vestmanna
- Greenhouse and botanical garden in Kvívík to grow our own botanicals
- High Temperature Thermal Energy Storage (HTTES). Develop thermal battery based on local basalt
- Electrical vehicles
- Green solution for cleaning production tanks with no polluting waste
- Solar system on roof on production facility
- New bottle and packaging design to reduce weight and carbon footprint
- Increase production to maximize the reuse of heat



## Dividends

First year of dividend is expected to be from results of the fiscal year 2026.

By 2028, the accumulated profit is expected to be 28m DKK. For the following years, dividends are projected to be 50% of the profit.

The other 50% of the dividends will be used for new investment.

## Company Share Emission

The share emission is managed via our [website](#)

The Shareholder's Register is digital and stored on <https://stabbastock.com>, hosted by [Digishares.io](#), an EU-approved platform for managing digital shares based on blockchain technology ([Dapps](#)).

The current number of shares in the Faer Isles Distillery P/F is 1,248,634.

140,000 new B-shares are issued. The purchase price per share is 110,- DKK (15€) The 140,000 shares will represent a total value of 15,400,000 DKK (€2,067,000).

Each B-share will have 1 voting right. If all shares are sold there will be a total of 1,388,634 shares and 11,873,409 voting rights; A-shares having 11,649,750 voting rights and B-shares having 223,659 voting rights.

The emission period is 3 months in total, starting 1<sup>st</sup> June 2023 and ending 30<sup>th</sup> August 2023 at the latest, as offering will end if the maximum of 140.000 B-shares is met before. All shares subscribed and paid for will be registered and issued on an ongoing basis.

After 30th August, the result of the share emission will be published.

The minimum required investment total through the share emission is 0,55 mio. DKK (€67,000). If this target is not met, subscribers (investors) will have their payment refunded.

The Shareholder Register is managed by Søren Lund, Registered Auditor at [City Revision](#).

## Share Subscription Terms

### Subscription is made under the following terms:

1. The minimum nominal amount by which the share capital can be increased is DKK 2,500, and the maximum nominal amount is DKK 70,000;
2. The capital increase must be subscribed in full in cash;
3. The subscription rate is DKK 110 per non-par value share of a total of 140,000 non-par value shares;
4. B-shares are entitled to dividends and other rights in the Company from the time of subscription;
5. The cost of the capital increase to be borne by the Company is estimated at 1% of the subscribed amount;
6. The new shares belong to class B (B share capital);
7. The capital increase occurs without pre-emptive rights for the other shareholders;
8. The subscription period runs until 30<sup>th</sup> August 2023 at the latest;
9. Cash payment must be made immediately when subscribing;
10. The shares are non-negotiable instruments;
11. The new shares are subject to transferability restrictions in the Articles of Association;
12. The new shares must be named and registered in the company's shareholder register, and
13. Share certificates will not be issued. Proof of registry in the shareholders register can be issued upon request.



## How to Buy Shares

The subscription of shares is done via our [website](#).

If you are not already a shareholder, by law, we are required to first verify your identity (KYC). So first you need to upload a copy of your passport or driver's license and a selfie. Once your identity is verified (can take up to 24 hours within normal working hours), you are eligible to purchase shares.

The shares are sold as share pools of 50 shares. This means that the minimum investment is  $50 \times 110 \text{ DKK} = 5,500 \text{ DKK}$ . There is no maximum limit for subscribing to shares.

Once you have selected the number of shares you want to subscribe, press "buy". You can then go to the shopping cart icon in the top right corner and conclude your purchase.

Payment is done via bank transfer or cryptocurrency payment. Payments are made to a client account managed by [Faroe Law](#).

If you are having difficulties, please find a how-to guide [here](#)

After the auditor can confirm your bank transfer on the account, you will receive an email confirmation, upon which you can download your share subscription receipt from the website as proof of ownership.

## Formal info about the Company

Faer Isles Distillery P/F (Ltd)

Fjarðarvegur 3

FO-350 Vestmanna

Faroe Islands

VAT No: FO00644986

Company Reg. No: 7321

Faer Isles Distillery P/F is registered as a “Partafelag” (limited liability company) on the Faroe Islands under Faroese law and was established with the initial capital of 500,000 DKK.

The ownership percentage of the current major shareholders (by 1<sup>st</sup> May 2023), represents their voting rights in the company.

### Major Shareholders (A-shares)

Cortexco Aps Danish company registration no. 39105284	29.9%
BKM-Holding ÍVF Faroese company registration no. 6889	21.3%
Kombikk Spf Faroese company registration no. 5395	15.3%
3B Holding Bryggen Aps Danish company registration no. 41539305	5.2%
Z-Holding II Aps Danish company registration no. 41957700	13.7%
FAER ÍVF Faroese company registration no. 7565	5.7%

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[Allied Market Research - Premium Whiskey Market by Type and Distribution Channel: Global Opportunity Analysis and Industry Forecast, 2020–2027](#)



## Contact



**Dánial Hoydal**

Managing Director  
& Co-Founder

[dh@faer.fo](mailto:dh@faer.fo)

+298 214 212

[www.faer.fo](http://www.faer.fo)

[www.facebook.com/FaerIslesDistillery](https://www.facebook.com/FaerIslesDistillery)

[www.linkedin.com/company/67153380](https://www.linkedin.com/company/67153380)

[www.instagram.com/faerislesdistillery](https://www.instagram.com/faerislesdistillery)



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