

# FEROVINUM

CAPITAL PARTNERS TO THE WHISKY INDUSTRY



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CAPITAL PARTNERS

Flexible capital release for the  
Scotch whisky industry.

If you're in the whisky business,  
you own liquid gold. Now  
*Ferovinum* can turn your gold  
into a liquid asset, while you  
retain complete control.



“The key benefits to us are flexibility to secure bulk purchases quickly, retain the value of that stock, and redeploy the capital to drive further growth.”

Alex Bruce, Managing Director,  
Adelphi Selection & Ardnamurchan Distillery

## How it works

**Ferovinum** is designed to support distillers, independent bottlers, brokers, and even collectors – of all shapes and sizes. You can use it as an alternative to traditional credit sources, or alongside. And it can fund any part of your pipeline, from buying new stock through to bottling and sale.

With **Ferovinum** you simply add inventory to our platform to release capital, and ‘buy back’ at any time over an agreed period. You can do this at short notice, and you can increase or reduce your funding by ‘uploading’ or ‘downloading’ inventory. The only client outlay is the deposit – typically 20-30% of wholesale value – which is simply deducted from the amount advanced against your own inventory.

We effectively buy your whisky and sell it back to you – and only you – when you want it. We take responsibility for warehousing and insurance at the point of funding. We can also handle purchasing for you at no charge, paying your suppliers immediately and giving you greater buying and negotiating power. Unlike asset-backed lending there's no fixed term, and no draconian fees, and our platform can be used to fund new stock purchases unlike a Revolving Credit Facility, where typically you can only borrow once you've paid for and taken title to the stock. **FeroVinum** is fair, convenient and totally flexible.



## Who we are

**Ferovinum** established in 2018 providing inventory finance to the wine industry. In 2020 we realised that the platform was even more relevant to the Scotch whisky industry and have enjoyed a growing roster of whisky clients ever since.

## Who we're not

**Ferovinum** is not a broker or trader, and we have no commercial interest in the increase of inventory value. There's no speculative element to our commitment. This means we don't need to revalue your stock – although we can do this if you wish to take advantage of appreciating value to release further capital.



“We’ve helped fund over 1,000,000 bottles so far.”



### The benefits

In the business of whisky - where time is a key element - **Ferovinum** lets you spend money you'd otherwise have to wait years to get your hands on. You can use it to:

- expand or accelerate production
- fund bottling
- acquire casks and other supplies
- take advantage of new opportunities
- reduce reliance on banks
- negotiate better terms with suppliers



## Register for free, with no obligation to use

Signing up is quick, straightforward and without charge. Once you've registered the facility is there for you, but you're not obliged to use it and there are no time-outs. That means your **Ferovinum** platform can just sit, waiting for opportunities, without costing you a penny.



**No set-up charges or arrangement fees**



**No administration fees**



**No minimum utilisation fees**



**No commitment fees**



**No time-outs or penalties if not used**



**No early cancellation fees**

In most cases, without set-up and commitment fees, our funding is lower cost than traditional banks.



## The Angel's Share — what you'll pay for the service

**Ferovinum** charges an initial one-off payment and a monthly fee based on the value of **Ferovinum** funds outlaid, which can be compounded into the settlement figure. This compares favourably with fixed-term debt and traditional revolving credit, as well as providing a much more flexible and convenient service. **Storage, Insurance and Freight** costs are met by **Ferovinum** and can either be recharged, or added to the service fees.

### Slàinte mhath

We would welcome the chance to explain the proposition in more detail – over the phone, or over a dram. Please contact Gregor on **07768 631632** or email: **gregor.mathieson@ferovinum.com**.

### For more information

Please visit: **www.ferovinum.com**



## How it works Fund Cask Purchases

1. Client pays *Ferovinum* deposit (e.g. £100k on a £500k purchase of 50 casks through the platform).
2. *Ferovinum* pays full purchase price i.e. £500k for the 50 casks.
  - A Each cask valued at £10k. Client has only had to fund £2k deposit for the storage/maturation period.
  - B *Ferovinum* charges service fees only for the period each cask is held on the platform (from 0.5% initial throughput fee and 0.5% per month).
3. Client pays the balance for the casks over 2 years as required for bottling / blending.
  - A At 3 months client takes 10 casks for blending/bottling paying:
    - i. £80k outstanding amount (£100k less £20k deposit), *plus*
    - ii. Service fees based on the outstanding amount for the three month holding period
  - B At 6 months client takes 10 further casks for blending / bottling paying:
    - i. £80k outstanding amount, *plus*
    - ii. Service fees based on the outstanding amount for the 6 month holding period.
4. During the holding period *Ferovinum* can fund the ongoing costs (e.g. warehouse storage fees and insurance) at the monthly service fee.





## How it works Fund New Fillings

1. Distiller/bottler transfers £1m of recent fill casks onto the platform.
2. *Ferovinum* advances 70-80% of the value to client (e.g. £800k: £1m purchase price less £200k deposit).
  - A *Ferovinum* charges service fees only for the period each cask is held on the platform (from 0.5% initial throughput fee and 0.5% per month).
3. Each year *Ferovinum* can advance further funds to the distiller as the value increases at the monthly service fee.
4. *Ferovinum* can also fund the ongoing maturation costs (storage and insurance) at the monthly service fee.
5. Client will have an agreed period (e.g. 3-5 years) over which they will take the stock back off the platform paying:
  - A The balance due on each cask (net of deposit), *plus*
  - B The service fees for the period the relevant casks were held on the platform.



In 2018, two senior investment bankers with a passion for wine and whisky launched a new kind of financial service. *Ferovinum* was aimed initially at UK wine importers and distributors. An immediate success, the service expanded first to producers and then – to the Scotch Whisky industry.

*Ferovinum* works by applying concepts from the commodity markets to the world of wine and spirits. They allow companies to increase capital efficiency and minimise reliance on debt, ultimately attracting more capital to the industry, reducing liquidity risk and supporting growth.

Partners *Mitchel Fowler* and *Daniel Gibney* have widespread experience of supporting businesses, from modest start ups to global corporations. Their CVs include senior roles with investment banks and accountancy firms like Barclays, KPMG, Close Brothers and ICBC Standard Bank. Mitch hails from the Hunter Valley wine region of Australia, and both men have worked extensively with businesses in the drinks and hospitality sectors.

