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Artisanal Spirits Company PLC (The)
17 November 2023

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The Artisanal Spirits Company plc

("The Artisanal Spirits Company", "ASC" or "the Group")

Recognising and endorsing the value of Artisanal's whisky stocks, Ferovinum provides drawdown optionality and further financial flexibility.

The Artisanal Spirits Company (AIM: ART), the owner of The Scotch Malt Whisky Society ("SMWS"), the leading curator and provider of premium single cask Scotch malt whisky and other spirits for sale primarily online to a discerning global membership, is pleased to announce that it has, through a new partner, Ferovinum, agreed a new financing facility of £15m, giving the Group further financial flexibility and optionality to develop its business via recognition of the significant appreciating cask spirit asset base.

As part of the initial agreement, Ferovinum have extended to ASC £2.6m in cash, through a cask spirit parcel valuation of £3.8m at 70% loan to value ratio, for a maximum period of 2 years with the same headline interest margin as ASC's existing RBS banking facility.

The Ferovinum platform allows ASC to convert their maturing stock into a just-in-time asset at a truer market valuation. Of the casks within the initial transaction, the Net Book Value held on the Balance Sheet is £0.8m, the current bank valuation is £1.3m and Ferovinum's valuation, using market, external and internally generated intelligence is £3.8m, representing a 380% and 191% incremental valuation on the net book value ("NBV") and bank value respectively.

The facility allows the Group additional financial headroom and a larger financial pool from which to draw, rather than an increase in the overall debt level, as we balance this new facility and the existing RCF facility. The Group's debt position therefore remains as previously guided.

Andrew Dane, CEO of The Artisanal Spirits Company, commented:

"This is an exciting development giving the Group further financial flexibility without increasing gross debt whilst demonstrating the value of the Group's assets. ASC has two value streams: the core trading business and its inventory where the value of our spirit casks has been proven by Ferovinum extending capital at retail valuations underpinning the worth of our inventory, providing financial flexibility and giving us further confidence in the Company's investment strategy and asset base.

	£m	**Uplift vs NBV**	**Uplift v Bank Valuation**
Net Book Value	0.8	-	-
Bank Valuation	1.3	65%	-
Cash Received	2.6	230%	100%
Ferovinum Valuation	**3.8**	**380%**	**191%**

For further enquiries:

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About The Artisanal Spirits Company

The Artisanal Spirits Company (ASC) are curators of the world's favourite, single-cask and limited-edition whisky.

Based in Edinburgh, ASC owns The Scotch Malt Whisky Society (SMWS) which was established in 1983 and currently has a growing worldwide membership of over 38,000 paying members.

SMWS provides members with inspiring experiences, content and exclusive access to a vast and unique range of outstanding single cask Scotch malt whiskies and other craft spirits, with current stocks sourced from over 100 distilleries in 20 countries and expertly curated with diligence and care.

Since producing the Society's very first cask, we have created around 10,000 different whisky releases, producing a constant flow of unique and exciting one-of-a-kind whiskies.

With proven e-commerce reach and new brands like J.G. Thomson, ASC is building a portfolio of limited-edition and small-batch spirits brands for a global movement of discerning consumers - delivering c.£22 million in annual revenues with over 80% of revenue generated online and over 65% from outside the UK, with a growing presence in the key global whisky markets including UK, China, USA and Europe.

ASC has a pioneering business model, a substantial and growing addressable market presenting a long-term global growth opportunity and a strong and resilient business primed to deliver growth.

About Ferovinum

Ferovinum is a first-of-its-kind funding platform, backed by international clearing banks and financial institutions, designed exclusively for the wine and spirits industry. Its software integrates with the supply chain, logistics and ecommerce infrastructure of the industry, providing users with fast, flexible and cost-efficient access to funds at any point in the business process - from production, through to distribution and retail fulfilment.

Ferovinum has created a ring-fenced platform that holds assets during production, storage and distribution, allowing companies to convert their maturing stock into a just-in-time asset. This flexibility allows businesses to access capital when they need it, reducing their liquidity risk and reliance on payment terms, as well as protecting profitability should supply chain disruptions occur. Ferovinum clients can also take advantage of supply chain and inventory management tools to access automation and reduce the operational burden of getting their products into the hands of consumers.

Ferovinum was founded in 2018 by Mitchel Fowler, an experienced investment banker and commodity supply chain expert; and Daniel Gibney, who has years of experience in corporate finance, debt restructuring and hospitality.

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