LOLAIRE
SCOTTISH WHISKY

Lolaire Whisky Cask Whisky Ownership

Building Wealth Through Premium Scotch Whisky

Presented by
Our Sommelier Ltd

Introduction

Welcome to Lolaire

An Emerging Independent Whisky Bottler

Lolaire is a luxury whisky brand and the trading arm of Our Sommelier Ltd - prioritzing private cask ownership, independent bottling and creating a boutique customer blending experience.

Building More Than a Whisky Portfolio

Thank you for taking the time to explore Lolaire the whisky trading arm of Our Sommelier Ltd.

For more than two decades, we have had the privilege of working with collectors, investors and luxury clients across the world of rare wine and whisky. Throughout that journey, one principle has remained constant: the greatest opportunities are rarely found by following the crowd. They are created through patience, expertise and a long-term vision. That philosophy is the foundation upon which Lolaire was built. Every cask we acquire is chosen with one destination in mind: the bottle.

We believe that the greatest value is created not simply by owning a cask but by guiding it through its full journey from careful selection and maturation to exceptional independent bottling and international distribution.

This disciplined strategy allows us to participate in the growing global demand for premium Scotch whisky while creating genuine commercial value through our own luxury bottling programme.

Scotch whisky has become one of the world's most sought-after tangible assets. With increasing international demand, finite stocks of mature whisky and the continued growth of luxury collectors across Europe, Asia, the Middle East and North America, which remains exceptionally compelling.

However, success is far more than market statistics. It is about trust and strategy, complete transparency, responsible stewardship and building long-term relationships with our client. From HMRC-regulated bonded storage and comprehensive insurance to bespoke bottling and carefully planned exit strategies, every stage of our process has been designed to protect your asset while maximizing its future potential.

Our ambition extends beyond whisky cask ownership. We are building a globally brand. An independent Scottish Whisky House one that combines craftsmanship, innovation and luxury.

Whether you are acquiring your first cask or growing your portfolio, I sincerely hope this brochure provides valuable insight into both the Scotch whisky market and the principles that guide everything we do.

Thank you for considering Lolaire. We look forward to welcoming you on this remarkable journey.

With warm regards,

G. Graham

Sales Director
Lolaire
A Division of Our Sommelier Ltd

Our Story

Creating the Next Generation
of
Collectible Single Malt Scotch Whisky

Lolaire is an independent Scotch whisky house dedicated to sourcing exceptional casks and transforming them into luxury whisky experiences for collectors, connoisseurs and discerning investors around the world.

Built on the foundations of more than two decades of experience in the fine wine and luxury beverage industry, Lolaire combines traditional Scottish craftsmanship with a contemporary vision for premium independent bottling. Every cask is carefully selected for its provenance, maturation potential and long-term commercial appeal, ensuring each release reflects the highest standards of quality and authenticity.

Unlike many participants in the whisky investment market, our philosophy extends far beyond simply buying and selling casks. We believe the greatest value is created through patience, expertise and craftsmanship—guiding each cask through its journey from maturation to bottle, before presenting it to the global market under the Lolaire brand.

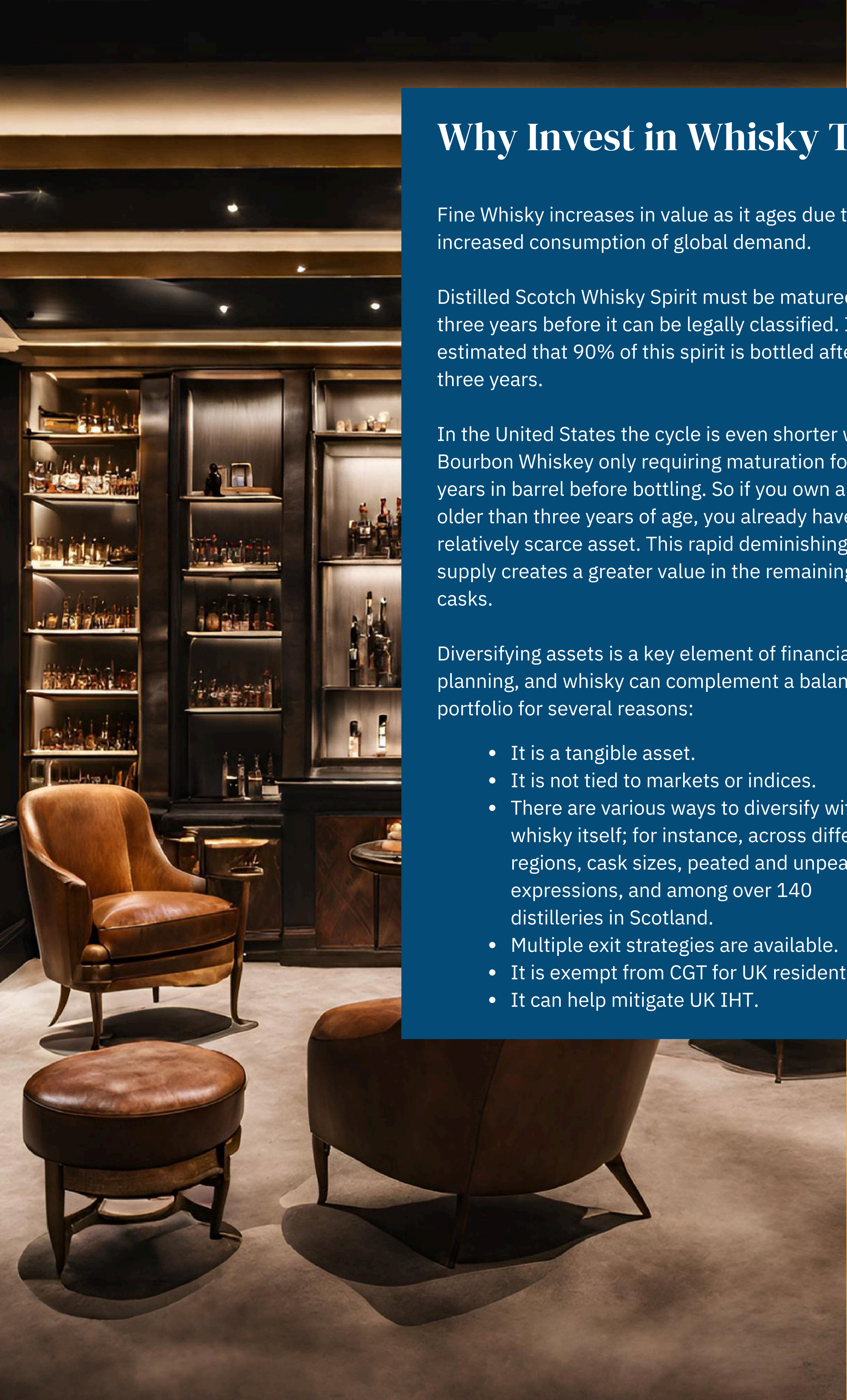
Our ambition is to build one of Britain's most respected independent whisky houses, recognised for exceptional whisky, uncompromising quality and beautifully crafted limited editions. Every release is designed to celebrate the heritage of Scotch whisky while embracing innovation in presentation, storytelling and luxury brand experience.

As a division of Our Sommelier Ltd, an established luxury wine and spirits company serving private collectors, corporate clients and international partners since 2013, Lolaire benefits from extensive expertise in sourcing, client service and the global luxury drinks market.

Whether acquiring a single cask, expanding a portfolio or collecting our exclusive bottled releases, our clients become part of a long-term vision built on integrity, craftsmanship and enduring value.

Our Vision
To become one of the world's most admired independent Scotch whisky houses, creating exceptional whiskies that are collected, celebrated and enjoyed for generations.

Our Philosophy
We don't simply invest in Scotch whisky. We create future collectibles.



Why Invest in Whisky Today?

Fine Whisky increases in value as it ages due to increased consumption of global demand.

Distilled Scotch Whisky Spirit must be matured for three years before it can be legally classified. It is estimated that 90% of this spirit is bottled after three years.

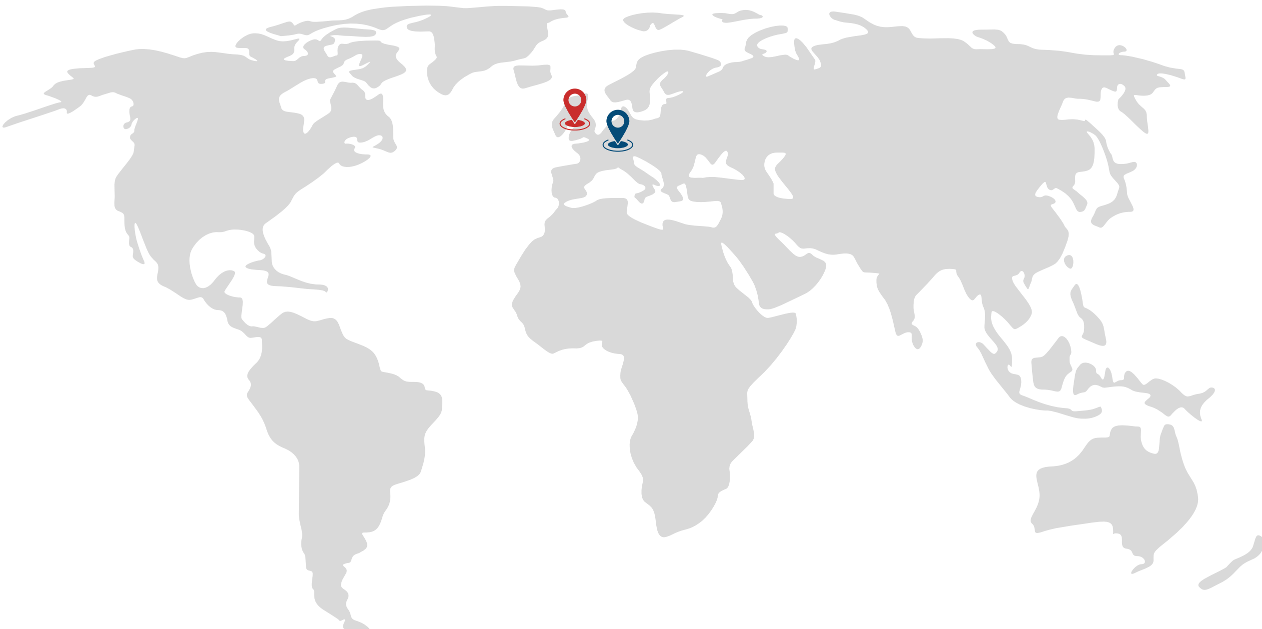
In the United States the cycle is even shorter with Bourbon Whiskey only requiring maturation for two years in barrel before bottling. So if you own a cask older than three years of age, you already have a relatively scarce asset. This rapid deminishing supply creates a greater value in the remaining casks.

Diversifying assets is a key element of financial planning, and whisky can complement a balanced portfolio for several reasons:

- It is a tangible asset.
- It is not tied to markets or indices.
- There are various ways to diversify within whisky itself; for instance, across different regions, cask sizes, peated and unpeated expressions, and among over 140 distilleries in Scotland.
- Multiple exit strategies are available.
- It is exempt from CGT for UK residents.
- It can help mitigate UK IHT.

Global Demand

Market overview



UK/LONDON

London is a pivotal hub for UK tourism, serving as the primary gateway for international visitors. In 2021, it surpassed all major UK cities combined in inbound visits, a trend that was consistent before the COVID-19 pandemic.

London excels not only in leisure tourism but also stands out as a significant business convention destination, globally recognized in 2021. Moreover, it claimed the top spot for digital nomad visits worldwide as of March 2022, outranking Bangkok, New York City, and Berlin.

The UK hospitality industry is expected to grow from USD 24.81 billion in 2024 to USD 28.11 billion by 2029, at a CAGR of 2.53% during the forecast period (2024-2029).

USD 14.1 billion spent in the UK's capital.

31% prompted to purchase due to a visual 'wow factor.'

Brands lost retail sales in 2021/22 due to the on-trade's revival.

EUROPE

With exports worth almost £1.6 billion, the EU is the second largest regional market for Scotch whisky.

Four EU member states—France, Germany, Spain, and Poland—are among our top 10 export markets by volume. Retaining frictionless access to the EU's internal market post-Brexit and tackling existing or potential trade barriers in the individual member states is a priority for the SWA.

£1.6 billion export

+36% Germany's spend on Scotch whisky up to £202 million

+46% Spain: £173 million compared with £118 million in 2021

FRANCE: No. 2 in the world—a key indicator of France's commitment to high-end premium Scotch whisky.

AMERICA

Profits at Diageo slid by 15% to $3.1 billion (£2.4 billion) in the latter six months of 2023 after the maker of Gordon’s gin and Johnnie Walker was hit by a slump in demand for spirits that was particularly acute in Latin America, a key export market for its whisky brands.

The company, which produces more than 100 original Scotch brands, suffered a 1.4% decline in global sales to $11 billion, driven by a 23% crash in what is referred to as the LAC (Latin America and Caribbean) region. This territory accounts for about 11% of group sales, but that figure rose to 25% in the case of Diageo’s Scotch portfolio.

The SWA announced a 33% increase in value, which will account for the changing trend towards high-value Scotch over blends.

+25% Single Malt Scotch
-15% On Blended Scotch
Key indicator of luxury/premium market emerging.

INDIA

In 2024, the revenue in the whisky market in India amounts to US$17.4 billion.

It is projected to grow annually by 5.30% (CAGR 2024-2028).

When compared globally, India generates the highest revenue in the whisky market, with US$17.39 billion in 2024.

In terms of per person revenues, US$12.06 is generated in 2024.

By 2028, the volume in the whisky market is expected to reach 3.6 billion litres.

The market is anticipated to demonstrate a volume growth of 2.7% in 2025.

The average volume per person in the whisky market is projected to be 2.30 litres in 2024.

India’s growing middle class is driving a surge in demand for premium single malt whiskies, leading to a rise in imports and local distilleries.

The Lolaire Difference

Lolaire's strategy is designed to create value through more than the passage of time alone.

The potential value of a cask may be influenced by its distillery, age, rarity, cask type and market demand. Through independent bottling, additional value may also be created through product development, presentation, branding and access to premium distribution channels.

This means our model is not solely dependent on selling the cask to another investor. Our primary objective is to develop the whisky into a finished luxury product with a defined commercial route to market.

Our Four Pillars

- **Carefully Selected Cask**
  We focus on sourcing Scotch whisky with the quality, character and maturation potential required for future bottling.

- **Active Cask Management**
  We monitor the development of each cask and make informed decisions around regauging, cooperage, re-casking and bottling.

- **Luxury Independent Bottling**
  Our ambition is to create exceptional releases that combine outstanding whisky with distinctive bottles, bespoke packaging and compelling provenance.

- **Commercial Exit Planning**
  From the moment a cask is selected, we consider how the finished whisky may ultimately be positioned and brought to market.

The difference: a disciplined, long-term approach that combines cask ownership with maturation expertise, independent bottling and luxury brand development.

Traditional Cask Model	The Lolaire Model
Buy	Select
Store	Mature and monitor
Wait	Enhance
Resell the cask	Bottle and brand
Depend on another investor	Access collectors and premium markets

More Than Ownership

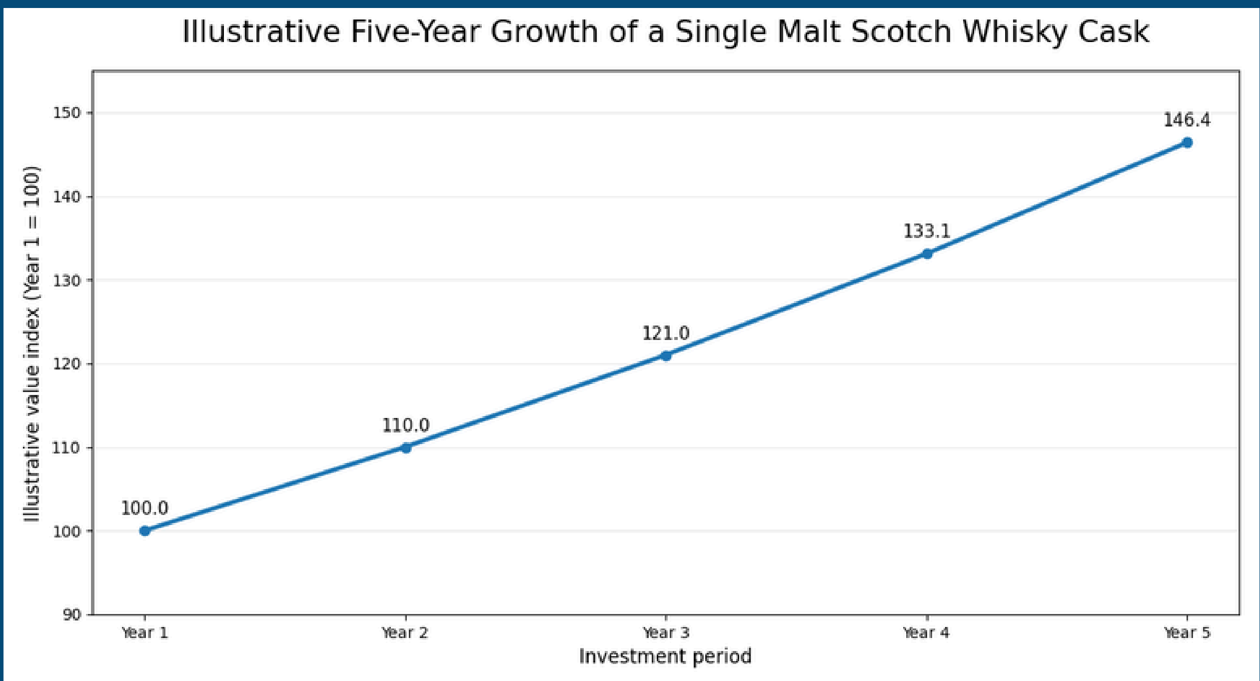
We do not simply source whisky casks. We guide them from spirit to bottle and from bottle to market.

The Enduring Strength of Single Malt Scotch Whisky

Single Malt Scotch Whisky has long been recognised as one of the world's most prestigious luxury assets, supported by centuries of craftsmanship, a finite supply of maturing stock and growing global demand from collectors and enthusiasts. As premium spirits continue to gain recognition as alternative tangible assets, well-selected Scotch whisky has demonstrated resilience through changing economic cycles, driven by increasing international demand, particularly across Asia, North America and the Middle East.

The accompanying graph illustrates how a single malt Scotch whisky cask could appreciate over a five-year holding period, assuming an illustrative annual compound growth rate of 10%. Under this scenario, an initial value index of 100 increases to approximately 146, demonstrating the powerful effect of long-term compounding as a cask matures. While actual performance will vary depending on factors such as the distillery, age, cask type, spirit quality, market demand and exit strategy, the illustration highlights the long-term investment philosophy that underpins Lolaire's approach to whisky ownership.

At Lolaire, we believe that the greatest value is created not simply by holding a whisky cask, but by carefully selecting exceptional spirit, allowing it to mature under expert stewardship and ultimately enhancing its value through our premium independent bottling programme.



Illustrative growth represents a 10% annual compound growth as an example only. The graph is provided for illustrative purposes and does not represent historical performance or guarantee future returns. The value of whisky casks may rise or fall, and investors should consider all relevant risks before investing.

Understanding Casks

Cask Knowledge

Understanding the language of whisky cask bottling

While barrels, hogsheads, and butts are the three most common casks used in cask maturation, there are other cask types too—each with different capacities, different typical maturation periods, and, in some cases, different flavour profiles (for example, sherry versus port).

Type of whisky cask	Approximate number of litres	Typical flavour profiles	Relative maturation time
Barrel	200	Bourbon	Short to medium
Hogshead	225-250	Bourbon	Medium
Puncheon	450-500	Sherry	Medium
Butt	475-500	Sherry	Medium to long

What cask influences does an independent bottler have available to them?

In addition to the style of whisky made by the distillery and relative to the age, independent bottlers are able to refine the style of the whisky they want by re-casking the whisky into another cask, such as some of the casks shown below.

- Pedro Ximenez Sherry Cask
- Red Wine
- Cognac
- Port
- Oloroso
- Peated Firkin
- Second Fill Sherry
- Brandy

Whiskies derived from secondary cask maturation are highly sought after by whisky lovers, and adds to the increase in value, not merely because of the additional cost involved in the re-casking, but it also adds to the depth and character to the spirit.

Storage and Insurance

Every cask that is sold by the company to a client is with the intention of bottling.

Our casks are competitively priced and include storage and insurance.

We are committed to keeping our prices competitive, as pricing too high at the start would only work against us when it's time to bottle.

The insurance policy for our cask holding covers:

- All risks of physical loss or damage. This means the casks are insured for physical loss or damage losses from any cause not explicitly excluded in the policy or by endorsement. This broad protection includes losses resulting from fire, theft, flood, storm, and accidental damage.

- Insure casks at multiple HMRC locations.

Market Exit

Selling & exiting the market

What are my options for exiting the market?

1. Our number one goal is to bottle your cask and not sell it on.

2. If the urgency to sell is immediate due to unforeseen circumstances, we are happy to trade it on the global marketplace.

3. New-make spirit casks are an exception to the rule in that these casks are sold with longer-term storage in mind (5 years+). We will buy back at the market rate.

We are fully committed to the bottling process as our main exit strategy, therefore, forward planning is essential in what we do from designing the crystal decanter to bottling.

Due to the market’s significant growth in the past two decades, there is expected to be a high demand for premium mature whisky.

Disclaimer: Please bear in mind we do not have control of the market such as ‘black swan events’ such as a pandemic, war, or any restrictions on global transportation.

Cask Journey

STEP 1
BECOME A CLIENT

STEP 2
ALLOCATION

STEP 3
STORAGE/AGEING

STEP 4
COOPERAGE & RE-CASKING

STEP 5
RE-GAUGING

STEP 6
CASK TRADED

STEP 7
BOTTLED & DISTRIBUTED

STEP 8
PAYMENT

Step 1: Become a Client
- Select a Cask
- Invoice/payment

Step 2: Allocation
- Allocation & documents are sent.
- Stored in a bonded warehouse regulated by HMRC

Step 3: Storage/Ageing
- The cask is held in optimum condition for storing whisky casks..

Step 4: Cooperage & Re-Casking
- The cost of cooperage and re-casking is covered by us and is necessary to ascertain the style of whisky developing in the barrel before making a decision to bottle.

Step 5: Re-Gauging
- We cover the cost of re-gauging in order to confirm the amount of pure alcohol, its alcohol strength, as well as giving us a clearer understanding of the health of the cask and the perceived bottling date window.

Step 6: Cask Traded
- Casks are traded on a global marketplace or -

Step 7: Bottled & Distributed
- Everything from design, sourcing the bottles, closures, labels, packaging, marketing, etc.

Step 8: Payment
- Payment is made to you.

Tax Advantages

Tax Benefits

A good adviser will tell you that diversification is a key part of financial planning. They will also tell you to take advantage of any 'primary legislation' tax breaks that are available. Cask whisky has some tax advantages for UK resident and UK domiciled investors.

Capital Gains Tax

Whisky casks are deemed by HMRC a 'wasting asset' and are not expected to last more than 50 years.

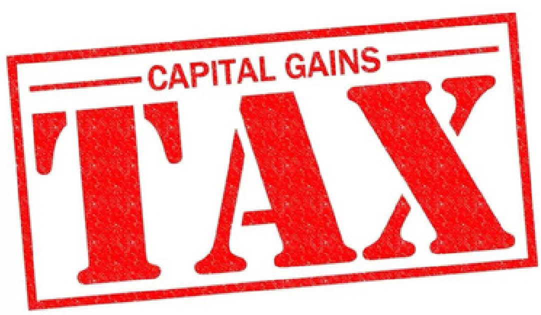
This means that the profit made from whisky casks is therefore not subject to Capital Gains Tax for UK resident investors. This also includes overseas clients that are UK domiciled.

See link belw. HMRC Chattels and Capital Gains Tax (293)

Chattels and Capital Gains Tax 2021 (HS293) - Gov.UK (www.gov.uk)
Updated 6th April 2024.

This is primary UK government legistation as evidenced on the Gov.UK website.

NO



Minimum Investment:

There is no real minimum investment, with cask prices ranging between £3,500 and £500,000+.

3 years

April 2024

The CPT allowance will have **dropped 76%** in just three years by 6th April 2024.

No limit

In your own time!

There is no limit to how many casks you can buy. With our help, we can purchase a selection of casks until each, individually, is bottled.

Regulation and Licensing

Licenses

Cask whisky is not regulated by the FCA, as unlike traditional investments, it cannot be linked directly to markets or indices. However, it is strictly licensed and monitored by HMRC and ultimately the Treasury.

Our Sommelier, the parent company to Lolaire, is WOWGR certified and approved by HMRC to store and bottle cask whisky.

No tax (Duty or VAT) is payable while the cask is held in bond. If the cask is moved or transported to a different location, it must be transported 'in bond' by an authorized/licensed carrier.

As a requirement for warehouses, being HMRC approved to store alcoholic beverages, there are strict regulations in place for the movement of goods between bonded warehouses or when the goods are released and duty & VAT is paid.

Cask whisky is classed by HMRC as a 'wasting chattel' (an asset that has a lifespan of less than 50 years), and profits made on cask whisky purchases are therefore free from Capital Gains Tax.

Inheritance Tax

If you are considering buying a cask for your children or grandchildren, please contact us to discuss some options.

Whisky casks can be used as part of an estate planning strategy.

The use of trusts and gifting allowances can reduce the amount of inheritance tax payable.

UK Doms (for Overseas Clients)

Clients still domiciled in the UK are assessed for inheritance tax (IHT) on their worldwide assets. It is therefore important to seek independent tax advice in this regard.

VAT and Duty

No VAT or duty is payable while a cask remains 'in bond' at an HMRC licensed warehouse.

When the whisky is bottled and taken out of bond, for example, both VAT and duty are payable.

The current rate of VAT and duty are as follows:

- VAT: 20%
- Duty: £31.64 (per pure litre of alcohol)

"The use of trusts and gifting allowances can reduce the amount of Inheritance Tax payable."

The Risks Involve

Whisky is not a regulated product and does not fall under the remit of the Financial Conduct Authority (FCA).

1

Supply greater than demand

2

The casks gets damaged

3

Angel Share

1. Currently Scotland exports make up a staggering 25% of the UK's total food and drink exports. This £6.2 billion industry is thriving, with Single Malt Scotch exported to 180 countries worldwide and therefore demand is greater than supply.

2. Should a cask become damaged, our insurance policy covers the replacement of the cask.

3. Angel Share. The poetic term for the whisky that naturally evaporates through porous oak casks while maturity.

We recommend that casks are regauged every 2–4 years (depending on the age of the cask). This is a cask MOT that checks the remaining litres of alcohol and, importantly, the ABV (alcohol by volume) of each cask. The ABV must be over 40% for the spirit to be classified as whisky.

Frequently Asked Questions

Please see below a selection of the most frequently asked questions relating to whisky ownership.

Are there any guarantees?

Historically, purchasing a cask over the medium to long term has been lucrative; however, past performance is no guide to the future. We work on the very simple principle that if you purchase whisky casks and are prepared to hold on to them, the whisky you purchased will be older, in shorter supply, and therefore more desirable than when you first made the purchase.

P: 10

Can I transfer ownership of my cask?

If the owner of a cask wants to transfer ownership to another individual, this can be done at any time. The owner needs to inform us of their intentions by email, and once complete, the documents to confirm the ownership will be re-issued to the new owner.

If the casks are purchased for the benefit of, say, a child or grandchild, the casks are placed in the name of the parent, grandparent, or guardian and are held ‘on behalf of’ the child or grandchild.

With whisky being an alcoholic beverage, official ownership cannot be transferred until the beneficiary reaches age 18.

How long should I hold my cask?

Consider this as a medium-term hold, ranging from 3 to 5 years on average.

How is my cask insured?

The full value of your cask is insured for fire, theft, and accidental damages. Any excess on the policy will be met by us, the custodian of the cask while it is under our management in bond. In the unlikely event of a claim, you would be entitled to the full market value of the cask at the time of the claim.

How do I know my cask exists?

Once we receive confirmation of your purchase, we will send you a receipt and documentation for the proof of ownership will follow.

Is cask whisky regulated?

No. Cask whisky comes under the control and regulation of HMRC. Cask whisky is classed by HMRC as a ‘wasting asset’ and is not regulated by the Financial Conduct Authority (FCA), which governs ‘regulated’ financial investments.

As with any asset-based investment, we always recommend that you seek independent legal and financial advice.

What is ABV?

To be classified as whisky, the Alcohol By Volume (ABV) must remain above 40%. Whisky tends to be distilled between 60% and 70% ABV. Over the maturation period, that ABV reduces. This is referred to as the Angel’s Share.

What does OLA/RLA mean?

OLA stands for 'Original Litres of Alcohol,' and RLA stands for 'Regauged Litres of Alcohol.' OLA refers to the number of litres of pure alcohol that were initially placed into the cask, while RLA represents the litres of pure alcohol remaining in the cask after a regauge has been implemented, checking the health, contents, and value of your cask.

What is a regauge and what does it involve?

A hydrometer will check the ABV (alcohol by volume), then the cask is weighed full and empty to establish its ABV, RLA, and bulk litres.

What are bulk litres?

Bulk litres refer to the entire litres of liquid in a cask, which is the combined total of pure alcohol and liquid. A cask filled with 200 bulk litres at 64% ABV would have 128 litres of pure alcohol (64% of 200).

What is duty suspension?

When your cask is being stored or transported between bonded warehouses, it is held and transported under duty suspension. This means you don't have to pay duty on your cask, which is the tax levied by HMRC on alcohol (currently £31.64 per litre of pure alcohol), until the cask is removed from bond.

What is a bonded warehouse?

A bonded warehouse is an HMRC-controlled warehouse where the goods stored and held are free from duty and VAT. Bonded warehouses are those which HMRC has granted an official WOWGR license (Warehousekeepers and Owners of Warehoused Goods Regulations).

This authorizes a business to store and move goods with the payment of duty suspended from one bonded warehouse to another via a transport partner with a movement guarantee.

What is a WOWGR?

A WOWGR license (Warehousekeepers and Owners of Warehoused Goods Regulations) is a strictly governed certificate awarded to companies that have met HMRC's stringent requirements to store spirituous beverages and intermediate products, duty suspended in excise warehouses. This license is not available to the public, but we have passed the strict checks and have been awarded one. Although the cask is legally yours, we will be your duty representative and custodian of the cask(s) in the eyes of HMRC.

What happens if I die?

For UK domiciled clients, their whisky will form part of their estate. For married couples, ownership will be transferred across, for example, from the deceased husband to his wife or listed beneficiary, as stated in the will (providing they are of legal age, as it is alcohol). All that is required is a copy of the death certificate together with the original certificate of ownership confirming cask ownership. Trusts and gifting allowances can be used to mitigate inheritance tax liabilities. We advise clients to seek independent tax advice in this regard.

What happens if Scotland gains independence?

Scotland has been part of the United Kingdom since 1st May 1707. The Scottish people voted against independence on 18th September 2014.

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Industry Recognition

Awards

2021 London's Most Outstanding Fine Wine & Spirits Merchant

2024 Best Corporate Wine & Spirit Gifting Enterprise

Greater London Enterprise Awards 2026 'Best Personal Sommelier Service 2026'

Greater London Enterprise Awards 2026 'Excellence in Curated Wine Experiences 2026'