

ORDĀ

WEALTH TECH PLATFORM



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ABOUT ORDĀ

In this proposal, ORDĀ is offering investment in 2 casks of Scotch single malt whisky with the following 2 options.

ORDĀ is a wealth tech platform where retail investors can invest in alternative assets such as real estate, movable assets, fine arts, and collectibles by utilizing asset fractionalization.

Our platform breaks the barriers between institutional and retail investors, between traditional and alternative investments, and those of legal and tax borders of unfamiliar jurisdictions.

INVESTMENT PROPOSAL

OPTION 1:

Underlying asset type	Cask whisky (Refill Bourbon Hogshead≈250 liters)
Distillery name	Glenrothes
Number of casks	1 cask
Age of the cask	7 years
ABV (alcohol by volume)	66.42%
Total cost of investment*	£ 5,916.69 ≈ ¥23,669,320
Estimated number of bottles (700ml)	314
Price per share (Per bottle)	£18.84 ≈ ¥75,380
Investment time horizon	5/1/2026 (At the age of 12)
Expected GBP denominated return (Yearly ROI)**	≈ 9.34% (on average)**

**Including all related costs and fees*

*** Calculation of this return is based on historical market data of similar cask whiskies. It is subject to change in the future considering the whisky market price is determined by the supply and demand of that asset at that particular time.*

OPTION 2:

Underlying asset type	Cask whisky (Refill Bourbon Hogshead≈250 liters)
Distillery name	BenRiach
Number of casks	1 cask
Age of the cask	9 years
ABV (alcohol by volume)	59.10%
Total cost of investment*	£ 8,523.41 ≈ ¥34,095,000
Estimated number of bottles (700ml)	250
Price per share (Per bottle)	£ 34.09 ≈ ¥ 136,380
Investment time horizon	5/1/2026 (At the age of 14)
Expected GBP denominated return (Yearly ROI)**	≈9.54% (on average)**

** Including all related costs and fees*

*** Calculation of this return is based on historical market data of similar cask whiskies. It is subject to change in the future considering the whisky market price is determined by supply and demand of that asset at that particular time.*

GENERAL INFORMATION ABOUT WHISKY MARKET

Global investment markets are facing quite a few challenges. High market fluctuations and market yield volatility on traditional investments, and loose monetary policy in many countries caused sudden challenges to wealth management. Of course, we should mention the big role that the global pandemic played in shrinking economies around the world.

But despite the unpleasant situation, investors are also discovering exciting opportunities, and new choices of investment instruments. For reference, in recent whisky market news, they mentioned that there's a lot of growth potential for the cask whisky market even during this globally uncertain time.

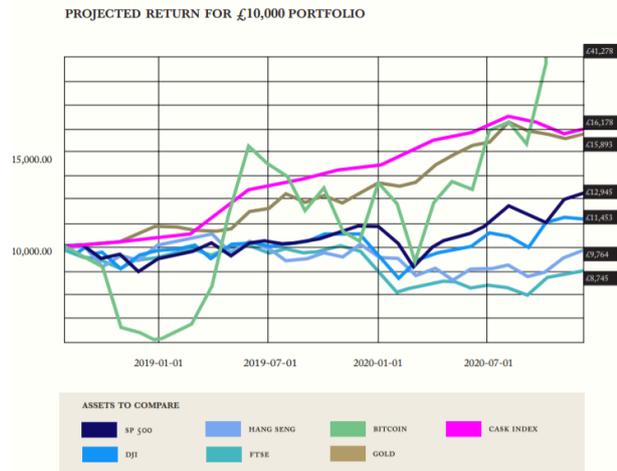
A 60-year old Macallan bottle from cask #263 was sold for **GBP 1.5 million** at Sotheby's auction in 2019, which broke the previous record of the GBP 1.2 million auction price of a scotch whisky in 2018.

Also, a collection of 467 bottles from a single collector was sold for GBP 7.6 million, which was 2 times higher than expected. The collection consists of whiskies from premium and rare casks, and took about 10 years to collect.

Scotch whisky is exported to 180 countries, which comprises about 21% of all UK food and drink exports, and 42 bottles are shipped per second. There are about 20 million casks of whisky maturing in warehouses all around Scotland.

WHISKY AS AN INVESTMENT INSTRUMENT

As you can see from the graph, since July 2018 Cask whisky investment has seen relatively more stable and higher returns (61.78%) than other asset classes such as gold (58.93%) and equities (the S&P500 had only a return of 12.94%).



The Investment return of rare whisky is far greater than those of gold, silver and other precious metals, wine, and art. This is due to its limited supply and its market value is determined by the simple law of supply and demand.



GENERAL INFORMATION ABOUT WHISKY

The word 'whisky' comes from a Gaelic word "uisge beatha" or "usquebaugh" which means 'water of life'. The first whisky producers in history were apothecaries and monasteries in Scotland. Monks used pot stills to produce a very small amount of whisky, but it was used mainly for medication. Soon enough, the distilling technology went beyond the walls of monasteries, and farmers began to produce whisky. Scottish farmers with few livestock and unproductive land began growing whisky ingredients in large amounts.

SCOTCH WHISKY HAS 3 MAIN INGREDIENTS:

- Grains like barley, wheat or corn
- Water
- Yeast



WHISKY MAKING PROCESS:



1. Malting

Barley is steeped in water and then spread out on malting floors to germinate. During this process, starch is converted into sugar. Lastly, the malt is dried in a kiln.



2. Mashing

The dried malt is ground into a coarse flour, which is mixed with hot water in the mashing tun. The water gets hotter as it is added and is almost at a boiling point at the end.



3. Fermentation

Yeast is added to the mixed liquid and the fermentation begins. After about two days, the fermentation dies down, and the mix has about 8% alcohol by volume.



4. Distillation

The still is heated to a boiling point and vaporized alcohol and other compounds pass over the copper neck of the still and then condense into a liquid with about 20% alcohol by volume. For a single malt whisky, the process is repeated 2 times and about 68% ABV is collected in the spirit receiver.



5. Maturing in a cask

The spirit is legally called a Scotch whisky after maturing in an oak barrel for a minimum of 3 years. Whisky gets its golden color from the oak barrel.

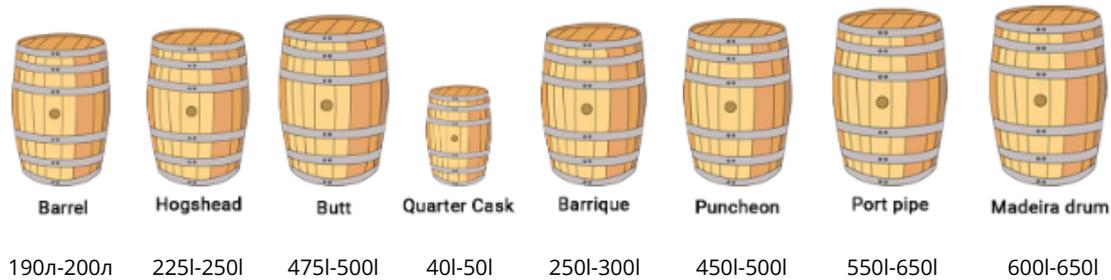


6. Bottling

Matured whisky is then bottled and ready to be sold in the market.

ABOUT THE BARRELS:

The barrel is the most important factor in the whisky maturing process and its size, age, and previous usage directly affect the taste and quality of the whisky. The smallest size is 40 liters and the biggest size goes up to 650 liters. Also, each size of barrels has its own name.



TO BRIEFLY INTRODUCE THE BARREL OF THE 2 TYPES OF WHISKY WE CHOSE AS OUR INVESTMENT:

Hogshead: it has a capacity of about 250 liters and is made of white oak and used for maturing American bourbon once before it is used for Scotch whisky. It is easily available in the market because the barrel is used only once for bourbon maturation. Its bigger size allows for a longer maturation period.



WHISKY MARKET

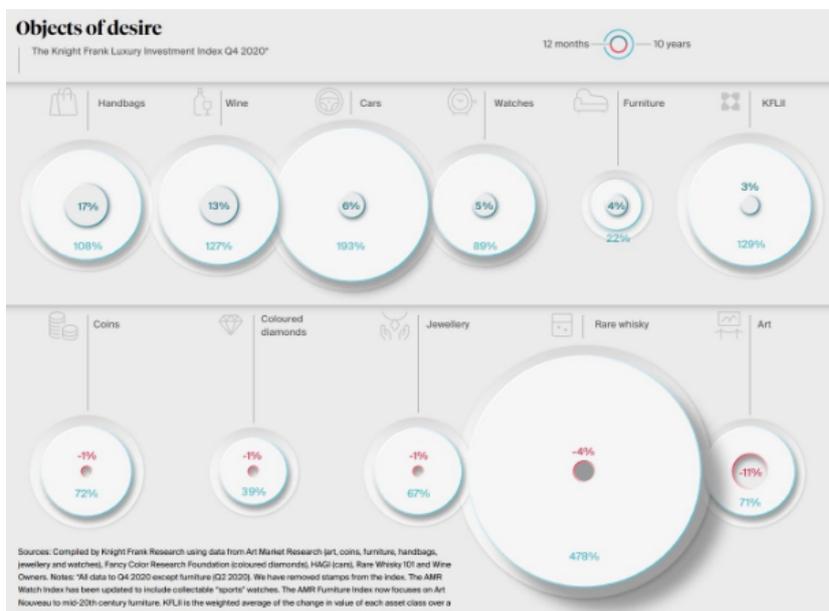
Whisky is a luxury alcohol drink in both western and eastern countries. Growing demand for premium and special edition whiskies from all around the world makes investment in this asset even more attractive for investors.



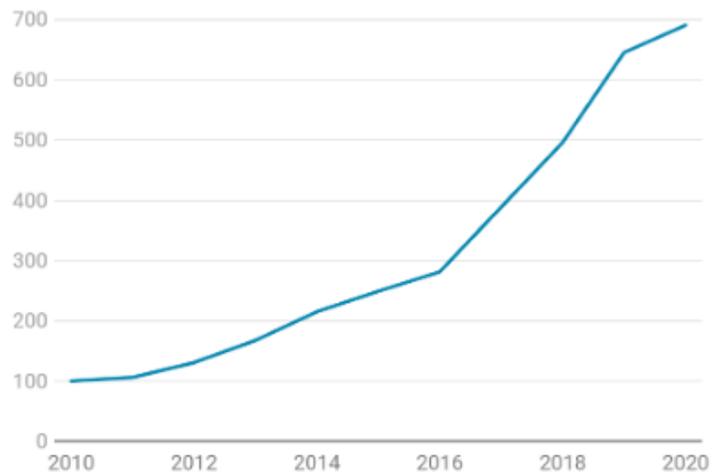
As reported in a research from “Global Whisky Market”, the whole whisky industry was worth USD 61.7 billion in 2019, and it is expected to grow by around 6.5% yearly to reach USD 95.9 billion in 2026.

In Asia, it is thought that owning rare whisky is proof of the owner’s higher status in society, whereas in Europe, or anywhere else actually, people buy whisky for several different reasons. For example, one might be interested in the history, taste and quality of the whisky, want to add it to their collection, or simply want to enjoy it.

There seems to be no indication that rare whisky market value would decrease in the short term. The biggest reason for increasing market demand for whisky is that investors see this as an investable asset with high return.



If we look at the “Rare Whisky Apex 1000 Index” which consists of market prices of the 1,000 Scotch whisky brands that are in highest demand, the market size grew by almost 5 times during 2010 to 2020.



There are 2 main ways to invest in whisky, and the first and simplest way is to buy **bottled whisky**.

Whether you buy a new bottle off the shelf or a very old, you should consider the brand or the distillery. Buying the right whisky from either an auction or retail when it's first introduced in the market takes a lot of time, knowledge and experience in the whisky world.

Another way to invest in whisky is by buying a **cask**. Again, your cask can be either newly distilled or aged quite a few years. You can also build a good portfolio by buying different casks of whisky where the value increases as time goes by and whisky matures in the cask.

Of course there's a considerable return from buying a bottle of whisky and selling it after 10 years. But it might not yield as much as buying a cask of whisky and selling it after a similar time unless the bottle is very rare and from a premium brand. The reason is that whisky matures, ages, and increases in quality only in the cask. That's why, where the value of bottled whisky is affected only by market factors, the value of cask whisky grows also through the passage of time itself.

EXAMPLES OF WHISKY INVESTMENT



Looking at examples of the highest prices of whisky, a 60-year old bottle with the “Fine and rare” label from Macallan was sold for GBP 1.5 million in a London auction in 2019, breaking the previous record for the most expensive bottle of whisky in history.



Another whisky that, although not as expensive as the one mentioned above, is still getting a lot of attention is the first bottled whisky brand “Ainnir” from “Highland distillery Nc’nean”. Nc’nean is located in northern Morvern and began operating in 2013, bottling its first whisky in 2020.

From this new brand, only 1,320 bottles were introduced in the market, and the first bottle was sold for GBP 41,004 (USD 54,183).

FACTORS OF WHISKY VALUE GROWTH

THERE ARE SEVERAL FACTORS THAT DETERMINE WHISKY VALUE IN THE MARKET:



Economic factors:

- Cost of production
- Cost of marketing
- Consumer demand
- Independent bottling
- Barrel type and price
- Logistics and other costs
- Duty on alcoholic beverages
- Competitor factors

Ingredients and distillation:

- Quality of water
- Sulfur usage (for Scotch whisky)
- Location
- Quality of barrel
- Maturity
- Human resource capability of the distillery

Other factors:

- Origin of the whisky
- Type of the barrel
- Previous usage of the barrel (Sherry casks are used for maturing wine before being used for whisky, so it is more expensive and of limited supply)
- Distillery
- Brand
- Single malt or Blended

BenRiach

Expected growth and yield scenarios (Denominated in GBP)

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	ROI
Mixed	12%	13%	15%	17%	20%	50.08%
12%	12%	12%	12%	12%	12%	29.43%
13%	13%	13%	13%	13%	13%	35.32%
15%	15%	15%	15%	15%	15%	47.72%
17%	17%	17%	17%	17%	17%	61.02%
20%	20%	20%	20%	20%	20%	82.75%

INVESTMENT PROCESS



Thoroughly read the investment prospectus and presentation you have received via e-mail.



Choose from the 2 options for casks and decide the amount of shares and make an order. To do that, please fill out the order form on invest.orda.mn



Receive and sign the investment contract, then transfer the full investment amount as per the invoice.



The asset management company receives the cask ownership certificate.



The certificate is transferred to the Custodian bank to officially confirm your ownership. We will inform you as soon as it is done.



The cask matures and appreciates in value over time.

QUESTIONS TO ASK YOURSELF BEFORE INVESTING IN CASK WHISKY

Determine the reason you want to invest in whisky

Are you buying the cask only as an investment instrument, are you trying to add it to your collection, or do you want to consume or gift it on special occasions such as a birthday, wedding or a holiday.

Determine your investment time horizon

The whisky you buy should age for at least 10 years to reach that perfect and rich taste and become more valuable in the market, so please consider your holding period to be more than 3 years.

Determine your investment amount

This investment has no periodic income such as bonds, so we advise you to invest with the amount you can afford to put in and wait patiently until the cask matures and yields a return at the end of the investment horizon.

HOW TO EXIT YOUR WHISKY INVESTMENT

- You can find a buyer and inform us, so we can transfer ownership.
- We can also find a buyer for you through our network.
- We can hold a unit shareholders' meeting, and decide to sell the cask in whole by a majority vote, either through a broker or auction.



OPERATIONAL STEPS AND OUR SERVICES

1. Choosing where to buy the cask whisky from

- Right from distilleries
- Through third party or brokers
- Calculating storage and related costs

3. Determining investment holding period - Minimum of 3 years

- Holding until time horizon
- Selling or bottling during investment period

5. Investment analysis

- Total expected return
- Future value appreciation
- Net asset value
- Return on investment

7. Certification of cask ownership

- Receiving cask ownership certificate
- Transferring the certificate to the custodian bank
- Sending confirmation of ownership letter to investors from Asset management company and Custodian bank

2. Choosing type and brand of whisky

- Market research
- Single malt | Single grain | Blended
- Scotch | Japanese | Taiwanese | French

4. Cost analysis

- Acquisition
- Storage
- Transportation
- Bottling
- Tax and others
- Angel's share (around 2% per year)

6. Executing investment

- Preparing prospectus and pitch deck
- Purchasing the cask
- Making introductions to potential investors
- Making purchase payments
- Periodic reporting
- Assisting with liquidation of position during holding period

8. Other

- Purchasing, signing the contract and certification
- Payment of related taxes
- Market liquidity assessment

LEGAL ENVIRONMENT AND RISK MANAGEMENT

According to the FRC regulations on Private investment funds, we have chosen an indirect approach for investing in cask whisky, which is explained in the next section.

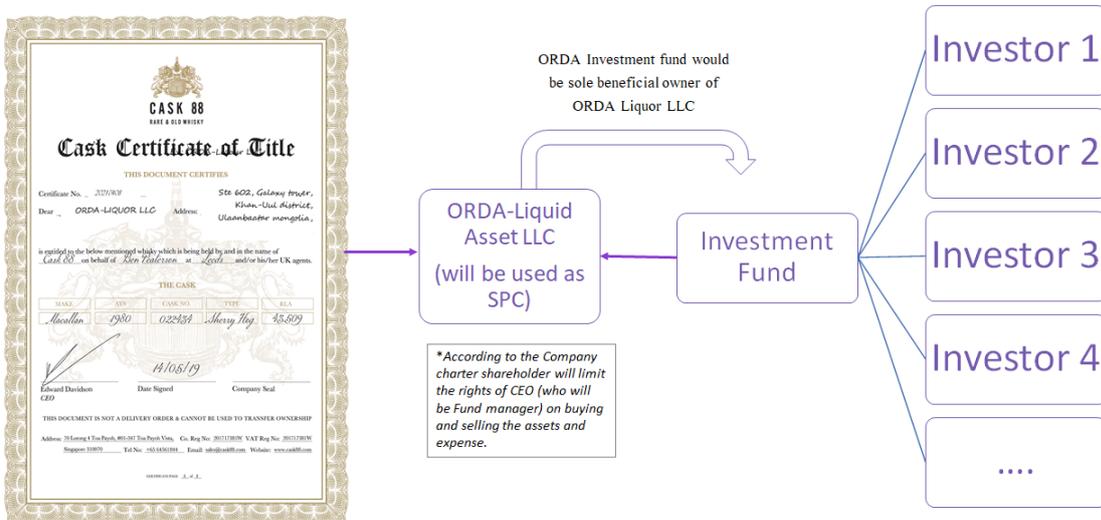
According to the regulations in Scotland, a scotch whisky must only be removed from Government bonded warehouses in a bottled form, which is applicable to duty, VAT and other taxes. This might make shipping of bottled whisky to Mongolia more expensive, in which case investors are required to agree to paying all additional costs of bottling and shipping, if they wish to do so.

CUSTODIAN BANK

The unit shares backed by the equity of the cask owner company are registered in Golomt custodian bank under your name, which confirms your investment and ownership of the shares.

OWNERSHIP

According to the current investment laws and regulations in Mongolia, we are offering a 2-layered ownership structure.



INSURANCE

Our cask whisky is fully insured in the warehouse, and 5 years of insurance cost is included in the unit share price. If you sell your shares during the 5 years of investment, the new shareholder shall pay the insurance for the remaining time.

ABOUT US

OUR TEAM



B. Gerelmaa
CEO & Co-Founder
Policy, technology, business



A. Kherlenchimeg
COO
Finance, governance



A. Munkhзориг
CFO
Finance, governance



Peter Choe
CTO
Fintech, cs, startups



L. Saruul
Operation manager
Mongolian International
University BA in Biotechnology



G. Nandinbileg
Business development manager
National University of Mongolia BA
in Accounting



N. Enzo
Software engineer
Stockholm University, BA in Computer
Science



M. Sonny
Software engineer
New York University, BA in Computer
Science



N. Buyandelger
Financial analyst
Asia University (TW), BA in Financial
Management

ADVISORY BOARD



G. Tuvshinbileg
Mongolian Banking and Finance



Isabel Pinto
Real estate agent at Compass



HyukJae Jang
Software Engineer at Line Plus
Co.



Len Ball
Digital change management
Canadian Banking, startups



SungWon Park
NY Lawyer, Finance



Charles Latchoumane
Neuroscientist
Georgia Tech

FREQUENTLY ASKED QUESTIONS

What if I want to bottle my share of whisky?

We can't promise that you will be able to bottle only your share of the cask if the majority of shareholders vote to not bottle the cask. In the case that they do, however, bottling the whisky from cask incurs additional costs such as bottling, transportation, duty and VAT, and shipping. You would have to agree to these costs, and the exact amount will be known to us only when the invoice is produced. Nevertheless, below are some rough estimates of bottling costs for reference, but please note that they are subject to change dramatically according to the situation:

Cost of bottled whisky	Glen Moray	BenRiach
Cost of liquid whisky	£ 18.84	£ 34.09
Bottling fee	£ 3.00	£ 3.00
Duty	£ 19.84	£ 19.84
VAT	£ 8.34	£ 11.39
Shipping	£ 8.00	£ 8.00
Total cost of a bottled whisky	£ 58.02	£ 76.32
Total additional costs of bottling	£ 39.17	£ 42.22

Can I visit my cask?

If you want to visit your cask in Scotland, we can arrange it for you when the pandemic restrictions are lifted. Please let us know beforehand.

What if something bad happens to my whisky?

Our cask is fully insured by a Scottish insurance firm. We will provide you with the detailed information when your order is confirmed.

Where is my cask stored?

It is stored in a HMRC bonded warehouse in Scotland.

How do I know my cask is legitimate?

Cask management is heavily regulated in Scotland, where each cask has its own unique number that is not duplicated and strict records are kept, called the "Delivery Order". That is why it is impossible to forge fake documents or sell an unnumbered cask.

CONTACT US:
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