



THIRD OPEN SHARE OFFER

constituting

£2,500,000 Ordinary Withdrawable Shares

issued by

GlenWyvis Distillery Limited

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GLENWYVIS DISTILLERY LIMITED

THIRD OPEN SHARE OFFER

SUMMARY

This document contains an invitation to subscribe for shares in GlenWyvis Distillery Community Benefit Society (reg. no. 7305) to support the continuing development of the first community-owned whisky distillery in Scotland.

GlenWyvis Distillery was established in 2016 as a Community Benefit Society for the specific purpose of producing, promoting and retailing single malt Scotch whisky and related and ancillary products and using the Society's distilling activities as a means of providing education and information about the culture, history and society of Ross-shire and the surrounding areas. The distillery produces high quality, GlenWyvis Highland Single Malt Scotch whisky and GoodWill craft gin. Its Inaugural Release whisky was issued in December 2021, and followed by the Second Release in June 2022.

In 2016, the first share offer in GlenWyvis Distillery Community Benefit Society raised a total of £2.6 million from some 2,100 investors and in 2017-19 our second share offer raised £1.1 million, bringing the total share capital to £3.7 million from 3,600 investors. The distillery now has completed five years of whisky production and it made profits in each of 2021 and 2022. The directors informed Members at the AGM in 2022 (and also at previous Members' meetings) of the need for a fresh fundraising round.

Third Share Offer Capital Requirements

Minimum capital requirement £1.5 million - - increase whisky stockpile £700,000; increase warehouse capacity £300,000; preparatory work ahead of capacity expansion from early 2025 including hiring and training new staff and improving green credentials £300,000; meet offer costs including share rewards £200,000.

Maximum capital requirement £2.5 million - - as above, plus increase whisky stockpile and warehouse capacity beyond the capacity expansion £600,000; support new visitor centre and bottling facility £300,000; and meet additional offer costs £100,000.

These amounts will be supplemented by the proceeds of the two **Members' Bond** offers issued on 6 March 2023 requesting £1.5 million.

This Third Open Share Offer aims to raise up to £2.5 million which is required to help fund the stockpiling of maturing spirits so that the distillery will have adequate stocks of whisky aged 10 years and more by the end of the decade thereby allowing it to take advantage of the premium such spirit commands among whisky lovers worldwide. GlenWyvis also requires funding to provide additional warehouse capacity, to explore opportunities to improve its green credentials and potentially create a visitor centre and low-volume bottling facility. The purpose of having a flexible offer is to allow for the influence of changed economic circumstances for investors. Because of the nature of the business, GlenWyvis will apply all of the money it receives from this share offer according to the priorities set by the directors. If necessary, they will look for other sources of funding to deliver the plan, including commercial sources. Two new Members' Bond offers are already in place to generate £1.5 million.

If you are considering buying shares it is important that you read this whole document, in conjunction with the GlenWyvis 2023 Business Plan.

The Open Share Offer will commence on 1 May 2023. The **minimum investment is £250** and the **maximum investment is £100,000**. Investors should appreciate that any investment they make is to support the continuing development of a recently-established community distillery and, accordingly, a subscription for shares in GlenWyvis Distillery should be regarded as primarily an investment for social purposes. It should also be noted that members of community benefit societies do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme.

The majority of our members are interested in community and environmental good, rather than a financial return; and they know the project is risky because of its long-term nature. Here are some of their comments:

Our Shareholders' comments

- *Keep up the good work! Proud to be a shareholder and looking forward to that whisky maturing :)*
- *Difficult period past and even more difficult ahead, so vital that members are involved and can assist the distillery to achieve both the distillery and shareholders goals.*
- *Support the direction in which the Distillery is trying to grow its business*
- *I have been impressed by your business plan and approach since the start of the company. I invested in order to create sustainable jobs in the village and area. I wish you the best of luck for the coming year, as it won't be easy in this economic climate. Keep up the good work.*
- *I haven't invested to make a packet but to support your brave and goodhearted venture in the North. Clearly you have had setbacks, but as long as you keep investors informed - of the good and the more difficult issues - you will retain loyalty. Lang may your lum reek!*

When additional share offers are made in public and private companies, there is a risk to existing shareholders of dilution of their equity. In a community benefit society, this risk is mitigated - - because each member has one vote, irrespective of the value invested, and because no member can subscribe for more than £100,000 of shares. This means that control of the Society cannot be bought and then concentrated in the hands of just a few wealthy members.

Potential Voting and Value Dilution

	Number of Members	Amount of Capital Subscribed
Today's situation:		
Share Offer #1	2,144	£2,607,850
Share Offer #2	1,481	1,128,100
Total at 31 December 2021	3,625	£3,735,950
Potential Outcome:		
Share Offer #3 estimated outcome	3,125	2,500,000
Estimated Outcome	6,750	£6,235,950

Each Member has one vote, irrespective of the value subscribed

No Member may hold less than £250 of shares; or more than £100,000 of shares
 For someone who subscribed to Share Offer #1, dilution moves from 1 vote in 2,144 to 1 vote in 6,125
 Assumption: average subscription in Share Offer #3 will be £800 per Member

By March 2019, the Distillery faced real financial challenges when the initial capital ran out. Since then, the business has been brought under control and has reported profits in each of 2021 and 2022. Despite setbacks including the wide impact of Covid, it has not only survived, but is selling an acclaimed young whisky! It has also established a mechanism for distribution of funds to support the local community.

Due care and attention has been taken in preparing this offer document and the associated Business Plan. The process has been overseen by the Management Committee of GlenWyvis Distillery Community Benefit Society who can vouch that the information these contain is in accordance with the facts available and that there are no known omissions likely to affect the viability of GlenWyvis Distillery.

Please note: throughout this share issue document GlenWyvis Distillery is used as a shortened version of the full name: GlenWyvis Distillery Community Benefit Society.

Membership is open to individuals over 16 years of age, corporate bodies, voluntary organisations and public sector investors. There is no residence qualification. Membership is also open to those who do not reside in the UK; although, because the society is governed by and subject to UK legislation on company law and taxation, we strongly recommend that those investors take appropriate independent professional advice before committing themselves. Under the Society Rules, the Management Committee has power to divide members into constituencies. To date, no such resolution has been made, nor are there any conditions foreseen which will create such constituencies in the near future.

You may choose to buy shares as a gift for someone close to you who may be interested in whisky, community development or promoting green energy. The shares can be registered in the name of the recipient, or an adult parent or guardian as nominee if the recipient is below 16 years of age.

THE PROJECT

The GlenWyvis Distillery project was initiated by John McKenzie in 2015 with the support of other key people in the wider community. A site was secured on a 175 year lease at a peppercorn rent, with planning permission given for a craft distillery and all environmental and distilling licenses in place. The distillery benefits from up to 65,000kWh of electricity produced onsite by a combination of renewable hydro, solar and wind power generation, and has the right to extract water from an onsite borehole.

In April 2016, the GlenWyvis founders launched the biggest-ever community crowd-funding campaign in UK history. Like-minded people from Dingwall and beyond came together to invest in the project – all keen to be part of something truly historic. A total of £2.6 million was raised in just 77 days from more than 2,200 members; and a second share offer attracted a further £1.1 million in 2017-19 bringing the total raised to £3.7 million from 3,626 investors -- of whom 45% are resident in IV postcode area, 43% are resident in other parts of the UK and 12% are resident in 36 countries worldwide.

GlenWyvis first distilled whisky in February 2018 -- but, by law, the new-make spirit cannot be called whisky until it has matured in oak casks for more than three years. Situated high on a hill above Dingwall, the distillery is entirely powered by renewable energy. GlenWyvis Distillery itself is named for its historical connections to two earlier local distilleries: 'Ben Wyvis' in Dingwall and 'Glenskiach' in nearby Evanton, both of which closed in 1926.

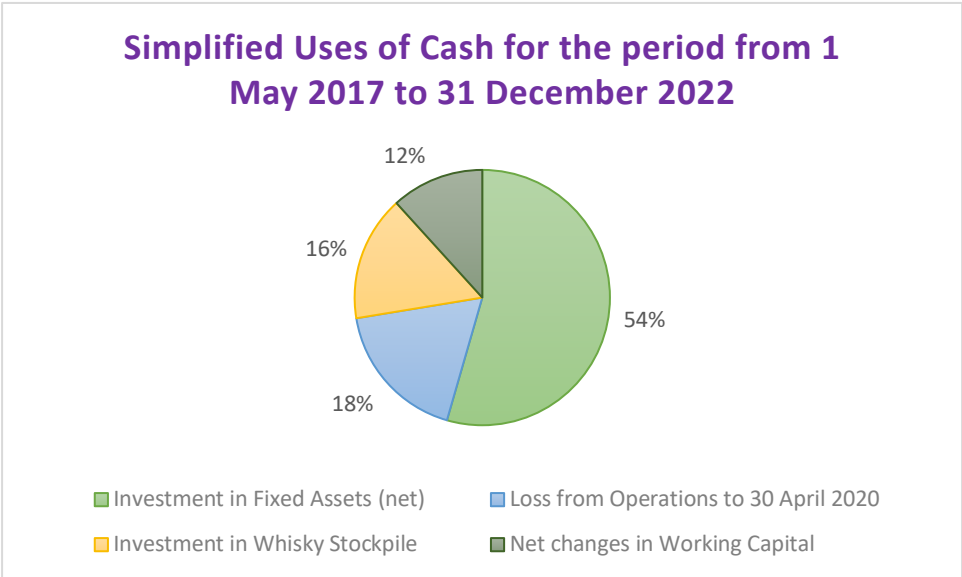
The Dingwall area was once home to several whisky distilleries -- including Ferintosh Distillery on the northern shores of the Black Isle -- and the key ambition of GlenWyvis Distillery is to revive this once proud local industry.

Key financial highlights

As at the end of 2022, here is a summary of how the cash raised has been applied within the business, showing that the distillery is now making operating profits, yet has significant pressures on its cash balance:



The principal pressure comes from the very long-term nature of the business, namely the necessary stockpiling of whisky to sell as mature product - - at the very minimum from three years old. This ties up money in both the maturing spirit and the provision of appropriate storage and security facilities.



By offering more members’ bonds now and then issuing new shares, we propose to change the emphasis of these charts in the following way:

Reduce long-term commercial debt as a source of cash, replacing it with members’ bonds and an issue of new shares. Increase the amount of maturing spirit as a key consumer of cash.

Historic Financial Results

Here is a summary of the distillery's accounts for the last five accounting periods:

<i>Year Ended</i>	<i>30 Apr 2019 (restated)</i>	<i>30 Apr 2020</i>	<i>31 Dec 2020 (8 months)</i>	<i>31 Dec 2021</i>	<i>31 Dec 2022 (unaudited)</i>
Income Statements					
<i>Turnover</i>	290,195	343,881	153,527	626,640	587,948
<i>Gross Profit</i>	91,211	58,034	58,484	361,599	295,272
<i>Other Income</i>	36,509	163,340	28,856	12,045	11,034
<i>Administrative expenses</i>	(543,124)	(357,656)	(137,432)	(201,398)	(263,185)
<i>Interest</i>		(2,500)		(6,243)	
<i>Net Profit / (Loss)</i>	(415,404)	(138,782)	(50,092)	166,003	43,121

In brief, this shows that the distillery made its first-ever profit of £166,000 in 2021, on record turnover of over £626,000. A significant contributor to that was the sales of our Inaugural Release of GlenWyvis whisky. In 2022, the distillery also made a profit - £43,100 on lower sales of £587,900.

<i>Year Ended</i>	<i>30 Apr 2019 (restated)</i>	<i>30 Apr 2020</i>	<i>31 Dec 2020 (8 months)</i>	<i>31 Dec 2021</i>	<i>31 Dec 2022 (Forecast)</i>
Balance Sheets					
<i>Fixed Assets</i>	2,800,420	2,683,609	2,647,095	2,579,445	2,547,347
<i>Whisky Stockpile (at cost)</i>	219,234	280,638	520,715	704,683	909,599
<i>Other Current Assets</i>	232,960	416,683	396,600	430,794	254,663
<i>Current Liabilities</i>	(239,088)	(305,267)	(561,455)	(346,513)	(121,567)
<i>Long-term Liabilities</i>	(560,923)	(741,092)	(728,726)	(931,027)	(1,114,039)
<i>Total Assets</i>	2,452,603	2,334,571	2,274,229	2,437,382	2,476,003
<i>Share Capital</i>	3,733,900	3,754,650	3,744,400	3,741,550	3,737,050
<i>Reserves</i>	(1,281,297)	(1,420,079)	(1,470,171)	(1,304,168)	(1,261,047)
<i>Net Worth</i>	2,452,603	2,334,571	2,274,229	2,437,382	2,476,003

During the same period, its stockpile of maturing spirits has grown nearly 15-fold from £63,000 to £909,000.

Because of the accumulated losses of some £1.3 million and the need to focus on creating the stockpile, the directors have limited the amount of share withdrawals which take place in any one year, and have also deferred the payment of interest on shares until a time when its impact on cash flow will be proportionately lower. In any financial year the Board will assess its financial position and set a target sum to be set aside for share capital withdrawal as well as the individual ceiling per member. For the financial year 2023, the ceiling value per person is £500.

Here is a table showing the growth in membership to date and the share capital contributed by our members:

Financial year ended	Number of Current Members						
	30 Apr 17	30 Apr 18	30 Apr 19	30 Apr 20	31 Dec 20	31 Dec 21	31 Dec 22
Members at the beginning of the year	0	2,135	3,052	3,613	3,622	3,622	3,624
Members joining	2,135	917	561	9	0	2	1
Members leaving	0	0	0	0	0	0	0
Members at the end of the year	2,135	3,052	3,613	3,622	3,622	3,624	3,625
Share capital at the beginning of the year	£ 0	£ 2,524,500	£ 3,198,450	£ 3,718,050	£ 3,739,550	£ 3,739,550	£ 3,735,700
Share capital added	2,524,500	673,950	519,600	21,500	0	500	250
Share capital withdrawn	0	0	0	0	0	(4,350)	0
Share capital at the end of the year	£ 2,524,500	£ 3,198,450	£ 3,718,050	£ 3,739,550	£ 3,739,550	£ 3,735,700	£ 3,735,950

Bringing social benefit to the community

Whisky has been made in small, local distilleries across the Highlands for centuries. GlenWyvis Distillery is the first distillery in production in Dingwall for nearly 100 years.

In addition to providing direct employment opportunities - - currently 5, but potentially up to 12 full-time equivalent staff - - the distillery will help to support indirect local jobs for the community of Dingwall.

In a survey in early 2020, many of our members indicated their willingness to volunteer time and talents to support GlenWyvis Distillery. Unfortunately lockdown got in the way of taking this further at the time. The directors recognise that our members, as well as subscribing financially by way of shares and bonds, represent a huge resource of specialist knowledge, enthusiasm and capability, as yet untapped. They also represent a potential network of connections to other, like-minded souls who may also want to support the first community-owned whisky distillery in the world and help its ambitions to foster a healthy and lasting bond with the community it serves. Here are just some of their comments:

Our Shareholders' comments

- *Keep up the good work! Proud to be a shareholder and looking forward to that whisky maturing :)*
- *Difficult period past and even more difficult ahead, so vital that members are involved and can assist the distillery to achieve both the distillery and shareholders goals.*
- *Support the direction in which the Distillery is trying to grow its business*
- *I would like to see the distillery open to visitors with the idea of a shuttle minibus to take them there*
- *I have been impressed by your business plan and approach since the start of the company. I invested in order to create sustainable jobs in the village and area. I wish you the best of luck for the coming year, as it won't be easy in this economic climate. Keep up the good work.*
- *I haven't invested to make a packet but to support your brave and goodhearted venture in the North. Clearly you have had setbacks, but as long as you keep investors informed - of the good and the more difficult issues - you will retain loyalty. Lang may your lum reek!*

Consequently, the voluntary post of **Member Coordinator** will shortly be advertised to develop and enrich member relations and to encourage them to become more engaged with their distillery.

A share of the future profits generated by the distillery will continue to be invested via the **GoodWill Fund** into local, community projects to help in three areas:

1. the promotion of local culture and history,
2. assistance for education needs, and
3. the encouragement of entrepreneurial spirit.

GlenWyvis Distillery has already raised over £45,000 in its GoodWill fund which will be distributed to local deserving causes and applications from them will be invited shortly. You can find out more about the GoodWill Fund and its operation at www.glenwyvis.com/goodwillfund. Additionally, it raised about £9,000 for the national charity, Cornerstone, at a dinner in June 2022.

It is the distillery's aim to increase and strengthen links directly with the community of Dingwall and there are several opportunities which we shall explore in order to deliver this.

As a consequence, the directors are considering the potential development on a site nearer to the town itself on which could be built a new warehouse, a low-volume bottling plant and a visitor centre to encourage more tourists to the area. This proposal is in its infancy and we are looking for creative ways in which it can be constructed soon and funded over a long term. We want to encourage a broad use of the visitor facility so that, for example, in parallel to the sale of GlenWyvis products, other local vendors can promote and offer their own specialities and crafts, or other organisations can be encouraged to use the meeting and presentation facilities for their own purposes on some kind of shared service and shared cost basis yet to be established.

Powered by clean, green electricity

GlenWyvis Distillery has strong environmental credentials. At the distillery itself, energy is produced onsite using renewable technologies - hydro, wind and solar, and the distillery's advanced heating system is powered by chip biomass.

A maximum of 67,000 kWh of non-thermal energy is available to the distillery under the terms of its Lease. This is produced by on-site renewables, and is available to power the distillery itself. Because these facilities are very weather-dependent, the distillery has its own backup mains electricity supply from which it can draw when there is insufficient power from the onsite renewables.

Onsite water source

The Distillery has the right to draw water from an onsite borehole, tapping into an underground aquifer. Although mains water is available to the adjacent farm, the distillery is not connected to that supply.

Local distillery, global market

Scottish whisky is exported to a worldwide market, generating significant economic benefits to the UK. The whisky industry is recognized as the UK's largest single food and drink sector. In 2021, it accounted for 22% of the UK's food and drink exports, and 75% of Scottish food and drink exports, exporting to 180 markets worldwide.

In 2021, Scotch whisky exports were worth £4.5 billion. The Scotch whisky industry contributed £5.5 billion in Gross Value Added to the UK economy. It employs 11,000 people directly and supports over 42,000 jobs across the UK. By value, the most important export markets were USA, France and Taiwan. Emerging markets such as Brazil, India, China and Mexico are becoming increasingly important consumers.

The number of craft distillers is increasing in the UK, in response to the demand from consumers for high-quality products with a backstory and which support their local economy. Many small distilleries are setting up across the UK, mostly distilling gin, and there has been a noteworthy increase in the number of whisky distilleries opening in England, Wales and Northern Ireland. GlenWyvis is unique in being 100% community-owned, 100% powered by renewable energy, and also being a producer of both single Highland malt whisky and craft gin, distilled on site from 2018.

Our focus is firstly to 'own our own backyard' by strengthening our presence with local specialist stockists who have a discerning and knowledgeable clientele, including whisky enthusiasts and collectors. We shall also attend more whisky shows and local events where we perceive there to be significant benefit to our brand - - and we'll reach out to shareholders resident in those areas recommending that they come along and meet us on the stand.

We have begun the process of exporting - - firstly to Germany, recently to Japan and we hope to enter the New Zealand market shortly - - in each case using established, highly respected distributors with considerable reach into their own markets.

As for the products themselves, we want to inspire our customers with a sense of exclusivity and rarity. We want to actively promote and encourage the idea that this is a members' club with certain privileges and advantages.

THE OPPORTUNITY

This Open Share Offer is an opportunity for you to support the continued development of GlenWyvis Distillery Community Benefit Society and the local community of Dingwall.

Share income will be used in accordance with the Rules of the Society and in line with the 2023 Business Plan. The primary reasons for this share offer are as follows:

1. To increase our stockpile of maturing spirit.

GlenWyvis' production capacity is limited due to external factors. It has successfully sold casks to private and trade investors as well as to independent bottlers - - but this is the equivalent of '*selling the family silver*' because the more we sell now, the less there will be available for us to sell when that whisky matures to 10 years old and more and can command a higher price premium in the market. We need to be able to finance our stockpile which will cost approximately £1.1 million through to the end of 2025 when our increased production and sales come on stream.

2. To increase our production capability from 5 mashes to 9 mashes a week from 2025.

The first step in increasing our production capability is to step up from nine mashes a week to nine mashes a week - - an increase of 80%. We are fortunate to be able to achieve this with minimal investment in equipment, but it requires hiring and training staff ahead of time so that the capacity increase can go ahead smoothly with a planned change in weekly working hours. This means adding employees in production, sales and management functions at a cost of £400,000 through to the end of 2025.

3. To reinforce the onsite electricity and water supplies

We have to protect the distillery against loss of production should the existing electricity onsite renewables fail to meet demand, which means upgrading our facilities to incorporate a backup high-voltage mains supply. Similarly, we need to dig a new borehole and connect to mains water if we are to protect against inadequate water supply. These are expected to cost £100,000.

4. To build and equip more bonded warehouse capacity

We know that we will need more bonded warehouse space to house the volume of whisky we will be producing until it has matured to 10 years of age and more. We estimate that we shall require £650,000 to lease and equip the required amount of incremental bonded warehousing until the end of 2025.

5. To explore opportunities to provide a visitor centre and a low-volume bottling plant.

There are opportunities for us to develop a visitor centre and a bottling facility closer to the centre of Dingwall which are in their infancy. We need to raise funds to carry out feasibility studies and to obtain the necessary permissions and approvals for these to progress. It is likely that these studies will cost around £200,000. Once the preliminary feasibility studies have been completed and heads of terms agreed with the developer, GlenWyvis will approach members of the local community to assist in optimising the benefit of the new facility, attracting tourists, providing a place for local groups to meet and offering opportunities to learn about the history and culture of the area, particularly distilling.

6. To meet the costs of fundraising

We know that we will incur costs in raising funds - - these will fund the cost to the distillery of the share rewards, as well as the fees we have to pay for promotion and advertising of the offers and the fees of the various service providers.

Projected Financial Results

Our forecast financial results for the next six years is shown below. We have prepared two scenarios, one which does not increase production beyond the present, restricted level of five mashes a week, which we shall call our **Baseline** forecast.

Baseline Forecast for year ended 31 December							
Baseline - - 5 mashes	2023	2024	2025	2026	2027	2028	2032
Income Statement	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Turnover	833.0	780.2	886.2	921.5	975.1	1,010.2	1,094.5
Gross Profit	450.0	402.4	481.9	450.1	488.7	503.9	528.9
Other Income	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Administrative expenses	(481.2)	(548.1)	(385.3)	(399.7)	(412.6)	(412.6)	(412.6)
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit / (Loss)	(21.0)	(135.5)	106.8	60.6	86.3	101.5	126.4
Baseline Forecast for year ended 31 December							
Baseline - - 5 mashes	2023	2024	2025	2026	2027	2028	2032
Balance Sheet	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Fixed Assets	2,798.1	2,870.3	2,815.4	3,714.3	3,609.1	3,500.8	3,053.9
Cash	746.9	1,305.2	951.7	602.3	142.9	7.3	(350.0)
Whisky Stockpile (at cost)	1,252.2	1,625.8	2,006.4	2,438.2	2,894.6	3,339.8	5,186.4
Current Assets	187.6	191.4	196.0	200.5	209.6	208.4	213.5
Current Liabilities	(221.8)	(303.1)	(301.2)	(355.8)	(307.9)	(308.2)	(306.2)
Long-term Liabilities	(1,445.3)	(1,453.5)	(1,381.8)	(2,308.5)	(2,226.6)	(2,379.6)	(3,135.7)
Total Assets	3,317.6	4,236.2	4,286.4	4,291.0	4,321.8	4,368.4	4,661.9
Share Capital	4,599.7	5,653.7	5,597.1	5,541.1	5,485.7	5,430.8	5,216.7
Reserves	(1,282.0)	(1,417.5)	(1,310.7)	(1,250.1)	(1,163.9)	(1,062.3)	(554.7)
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Worth	3,317.6	4,236.2	4,286.4	4,291.0	4,321.8	4,368.4	4,661.9

For the purposes of illustration, this projection makes the conservative assumption that we shall achieve

only 80% of the bond and share offer objectives - - reflecting conflicting economic pressures on investors' cash resources at this time. It assumes that the bond income will all be received in 2023 - - partly stimulated by the ending of Sitr eligibility for amounts received after 5 April 2023 when this incentive is withdrawn by the government. It also assumes that the share offer income will flow in over 2 years - - roughly following the trend of receipts from Share Offer #2.

We have listed below the major areas of spending which we would like to achieve, based upon reasonable estimates of the costs involved. Additionally, we have set the priority order in which these works will be undertaken and the supporting rationale. The more support we achieve, the more resources we can deploy to deliver each of these actions.

Members will be sent regular updates showing the amount of incoming receipts from share and bond investors as we progress towards our target and they will also be told at what stage new commitments are being made towards the implementation of each major activity.

Projected sales in the forecast are limited because of the restricted amount of mature stock available for bottling from our existing stockpile. However, the directors are confident that they can deliver these volumes because of our success to date in selling whisky in casks to individuals and the trade; the warm reception given to our first forays into the export trade; and the development of a stronger sales and marketing resource serving our preferred UK market partners. Gin sales forecasts have been set very conservatively as we proceed to develop niche products in that market.

As well as the GlenWyvis-owned stock of maturing spirit, the directors have reason to believe that several of our private investors may not wish to take all of their casked whisky at maturity - - and there will be an opportunity for the distillery to buy back some of that spirit at future prevailing market prices. Part of our sales forecast reflects our current assumptions on how much stock might be acquired by GlenWyvis through this route.

While our principal marketing philosophy is to sell all bottled GlenWyvis as vintage product - - that is, clearly stating the year of distillation on each bottle - - when clear market demand exists for non-age-statement whisky, we have the flexibility to offer young whiskies of, say, 4 – 6 years of age to meet this demand.

Capacity Expansion

Our forecast financial results for the next six years is shown below. We have prepared two scenarios, one which does not increase production beyond the present, restricted level of five mashes a week, which we shall call our **Capacity Expansion** forecast.

We negotiated an agreement with our landlord to defer a production increase until 2025. We propose to implement that increase as soon as funding permits. The Baseline forecast carries some preliminary costs which must be in place before the production increase can begin - - these include necessary upgrades to water and power supplies.

The majority of the distillery's funding needs are in further increasing the maturing spirit stockpile which will consume nearly £1.9 million by the end of the decade. There will be some additional staffing costs and we shall have to meet further fundraising costs.

Here is a summary of the projected financial position under the Capacity Expansion scenario, including our projected cash flow:

	2023	2024	2025	2026	2027	2028	2032
Income Statement	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Turnover	778.8	842.4	870.9	870.3	932.4	966.4	2,484.4
Gross Profit	399.3	429.3	465.3	455.7	493.7	507.8	1,428.2
Other Income	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Administrative expenses	(362.9)	(311.3)	(361.8)	(376.4)	(390.3)	(391.8)	(547.4)
Interest	(12.1)	(33.6)	(34.0)	(25.3)	(30.9)	(33.2)	(28.7)
Net Profit / (Loss)	34.5	94.6	79.7	64.2	82.7	93.1	862.3
Balance Sheet	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Fixed Assets	2,732.4	2,694.8	2,614.1	2,816.9	2,717.4	2,899.6	2,672.3
Current Assets	1,049.9	972.8	1,026.1	829.2	985.7	1,077.8	1,195.1
Current Liabilities	(574.5)	(553.1)	(554.4)	(584.2)	(638.8)	(866.0)	(1,046.7)
Long-term Liabilities	(1,559.0)	(1,408.2)	(1,336.4)	(1,284.5)	(1,240.2)	(1,230.0)	(439.1)
Total Assets	1,648.8	1,706.4	1,749.4	1,777.3	1,824.1	1,881.5	2,381.6
Share Capital	3,704.4	3,667.3	3,630.7	3,594.4	3,558.4	3,522.8	3,384.0
Reserves	(2,055.5)	(1,961.0)	(1,881.2)	(1,817.1)	(1,734.4)	(1,641.3)	(1,002.4)
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Worth	1,648.8	1,706.4	1,749.4	1,777.3	1,824.1	1,881.5	2,381.6
Whisky Stockpile (at cost, incl	1,265.5	1,623.8	2,089.3	2,626.2	3,156.3	3,697.4	5,662.4

	2023	2024	2025	2026	2027	2028	2032
Cash Flow	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Opening Cash Balance	79.6	739.5	1,297.9	944.3	594.9	135.5	(117.1)
Cash Receipts	2,447.8	2,163.9	1,121.2	2,306.6	1,263.4	1,246.1	1,341.0
Cash Outflows	(1,636.7)	(1,605.5)	(1,474.8)	(2,656.0)	(1,722.8)	(1,618.7)	(1,705.0)
(Repayment)/Advance of RCI	(151.2)	0.0	0.0	0.0	0.0	237.1	131.1
Closing Balance	739.5	1,297.9	944.3	594.9	135.5	0.0	(350.0)

Our capital spending target

Key investment elements: Baseline

£1.1 million - - growth in stockpile of maturing spirit by 2025

£400,000 - - hiring and training staff ahead of production increase in 2025

£100,000 - - new electricity and water facilities onsite to meet capacity increase

£200,000 - - leasing and equipping more bonded warehouse capacity

£175,000 - - feasibility studies, permissions and consents for new warehouse, bottling plant and visitor centre

Key investment elements: Capacity Expansion

£1.9 million - - growth in stockpile of maturing spirit from 2025 to 2030

£100,000 - - hiring and training additional staff

Our Business Plan has been created to put forward long-term plans for the continued development of GlenWyvis Distillery.

We offer a flexible financing programme, comprising:

- Members' Bond Offer - - Series B Loan Notes £500,000 at 5.5% redeemable in 2028-30
- Members' Bond Offer- - Series C Loan Notes £490,000 at 6.25% redeemable in 2031-33
- Third Open Share Offer - - with a minimum target of £1.5 million and a maximum of £2.5 million

The Distillery needs to raise £2.5 million by early 2027. If these offers together can provide a further £1 million - - bringing the total funds raised to a total of £4 million, before fundraising costs and expenses, then we can pursue the completion of all the objectives listed above.

Meantime the directors are committed to search out grant funding, matched funding and 'soft' loans. Thereafter, there are opportunities to borrow in the commercial market - - which we accept will be more expensive for the distillery.

Discussions have taken place with several funding platforms to publicise and market this share offer and an appointment will be announced shortly. The directors are pursuing opportunities to win specialist marketing funding to support the share and bond offers. We shall also be looking to utilise our existing members as a means of broadening our reach to other investors known to them, as well as making public announcements primarily through the media and the trade press.

YOUR INVESTMENT

GlenWyvis Distillery has been made possible with the support and commitment of its many investors. If you opt to invest in GlenWyvis Distillery, you will be helping to build up the vision of a community-owned whisky distillery.

Investing in GlenWyvis Distillery is principally a social investment but our aim is also to provide investors with a fair financial return. The more funds that we raise through shares, the less borrowing we shall need and the lower risk there is in achieving our growth plans as well as supporting the local community.

This is not an investment to make a quick financial return; this is a long-term investment for those people who value craft distilled single malt whisky. We hope that this fundraising round will provide the distillery with the cash it needs to grow and achieve its goals so that there will be the positive cash flow we need to be able to pay interest on members' shares. In the meantime, we have set aside some rewards to attract new members who love GlenWyvis single malt whisky.

Your shares

Shares can only be withdrawn at the absolute discretion of the Management Committee, and in any case not before the member has held them for at least three years. Shares will never go up in value but they could have their value reduced to zero if GlenWyvis Distillery was to fail.

Share withdrawals can only be funded from trading profits, reserves or new capital issued. Please note that our accumulated reserves were £1.3 million negative at the end of 2022 - - as a result of the losses made in the difficult early years of the project - - and we shall need to show progress in repairing that position.

If you withdraw your shares in the first three years, you may forfeit some parts of the rewards package as well as any tax relief.

Investors can expect a reasonable rate of return on their investment subject to the rules governing distributions. The level of interest will be set by the Directors of GlenWyvis Distillery annually.

Membership of GlenWyvis Distillery is open to individuals, corporate bodies, voluntary organisations and public sector investors.

How much can I invest?

This third Open Share Offer has different terms & conditions from the earlier 2016 and 2017 Share Offers. Investors in 2023 will receive a different rewards package to the existing members.

The price of a share in GlenWyvis Distillery is £50, and the minimum level investment is £250 for all investors regardless of where they reside.

It is also possible to gift an investment in GlenWyvis – for just £250 you can gift part-ownership of a Scottish whisky distillery to someone close to you.

The maximum level of investment is **£100,000**, which is set by the Co-operative and Community Benefit Societies Act 2014.

What do I receive in return for my investment?

- You will be the part owner of a whisky distillery
- The rewards pack as set out below (although if you are under 18 years old, no alcoholic rewards will be sent until you are 18 or older)
- Entitlement to interest on your share capital once the Society's finances permit. The original share prospectus set out a target interest rate of 4%, but the Society's funding has been insufficiently robust to make these payments to date.
- A vote: all members will have one vote each, regardless of how many shares they hold (providing they have the minimum of £250 (five £50 shares))
- The opportunity to participate in the Annual General Meeting deciding on the future and running of the business
- The right to elect Directors.
- The opportunity to become one of the volunteer directors of GlenWyvis Distillery.

Your rewards package

All £250 investors will become individual members of GlenWyvis Distillery Community Benefit Society – this includes anyone to whom you gift membership.

Members will be part of a unique club and will have access to all GlenWyvis discounts and membership offers for life. Members will receive our monthly newsletter detailing these offers and other exciting opportunities to get involved with GlenWyvis.

Share Rewards Table

Investment Level	Your Benefits
A £250 - £450	<ul style="list-style-type: none"> • Membership of GlenWyvis Distillery gives you part ownership of a Highland single malt craft whisky distillery - - the first community-owned whisky distillery in the world! • A single vote in all Members' Meetings • The right to participate in the Members' Annual Meeting • The right to elect directors • The opportunity to become a director, subject to your being able to demonstrate appropriate skills and experience • Entitlement to Members' discount for online purchases from the GlenWyvis website shop
B £500 - £950	All of A above, plus one 50cl bottle of a unique release of GoodWill cask-matured gin delivered in 2024
C £1,000 - £2,450	All of A above, plus one 70cl bottle of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with two GlenWyvis whisky glasses
D £2,500 - £4,950	All of A above, plus three 70cl bottles of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with two GlenWyvis whisky glasses
E £5,000 - £9,950	All of A above, plus six 70cl bottles of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with six GlenWyvis whisky glasses
F £10,000 - £19,950	All of A above, plus one firkin cask of your choice from our single cask offer
G £20,000 and above	All of A above, plus one quarter cask of your choice from our single cask offer

Will my investment be eligible for tax relief?

The Directors have applied to HMRC for advance authorisation for tax relief under the Enterprise Investment Scheme (EIS) – a Government-backed scheme designed to encourage investment in smaller companies. However, this approval has not yet been given.

Investors in GlenWyvis Distillery can apply for income tax relief once HMRC have accepted the Scheme, and for the tax year in which the investment is made. Your personal tax circumstances will affect the amount of tax relief in each case. Please note that the EIS relief will be given to the person whose name is on the share certificates; if you buy the shares as a gift, the recipient will have the right to claim any relief.

The rules for EIS tax relief require the investment to be held for a certain time from the date of the investment or Income Tax relief will be withdrawn. Generally this is three years from the date the shares are issued. Applications for tax relief are made by you, the investor, to HMRC, not by GlenWyvis Distillery. The distillery directors and staff have no ability to give you advice in this regard. If you are unsure, then please seek independent professional advice. It is your responsibility to declare to HMRC any income received from your investment.

THE BUSINESS

The 2023 GlenWyvis Business Plan gives you a comprehensive view of the achievements of the business since its founding and a projection for the next ten years to 2032. You must read it in conjunction with this share offer in order to make up your mind about the quality of the investment which you may be considering and come to your own decisions on whether or not you wish to lend your support to this vision.

In the Business Plan you will receive an explanation of the present status of the business, its future growth plans and a complete assessment of the risks it faces and how the directors believe these risks can be mitigated.

Additional supporting documentation

For those who wish to do so, further information is available to be read online or downloaded at www.glenwyvis.com/shareandbondoffer:

- Audited accounts for the year ended 31 December 2021
- Society Rules, as amended on 28 September 2021

Other legal information we need to tell you

GlenWyvis Distillery Limited was registered with the Financial Conduct Authority on 5 April 2016 (registered number 7305). Our governing document, the 'Rules of GlenWyvis Distillery Limited', is available to download at the link above and explains member rights as well as the management and constitution. Other relevant background documents can also be found on our website.

As with any investment there is risk involved. Should GlenWyvis Distillery get into financial difficulties:

- We may not be in a position to pay interest
- We may have to suspend your rights to withdraw shares
- You may lose all the money you pay for your shares

If GlenWyvis Distillery is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally any surplus remaining will be passed onto a charity, society or other asset locked body serving the Dingwall community.

If a member dies the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document offers the option for you to nominate a recipient for the value of the shares in the event of your death.

We encourage prospective members to view their investment as a long-term commitment to the project – a one-off investment to generate a long-term financial benefit to yourself and a lifetime of whisky production and social benefit to Dingwall. Shareholders should be prepared to tie up their capital for a number of years.

Share capital cannot be withdrawn for the first three years of investment and thereafter only at the directors' discretion. Please note, the directors may resolve at any time to return excess capital to members in the proportions in which they provided it. Also the directors reserve the right to refuse an application for withdrawal to protect the financial position.

If you are in any doubt as to the action you should take you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised independent financial adviser.

The content of this document has not been approved by an authorised person within the meaning of FSMA. Reliance on this document for the purposes of engaging in investment activity may expose an individual to a risk of losing all the money he/she has invested.

Nothing in this document constitutes investment, tax, legal or other advice by GlenWyvis Distillery, its directors or advisers.

Advisers

Accountants Azets Chartered Accountants, 10 Ardross Street, Inverness IV3 5NS

Bankers Handelsbanken, Camas House, Fairways Business Park, Inverness IV2 6AA

Lawyers Wright, Johnston and MacKenzie, The Green House, Beechwood Park North, Inverness IV2 3BL

Public Relations Whale-like-fish, Killearnan, Bogbain, Inverness IV2 5BD

Returning Officer and Community Benefit Society matters Dave Hollings, CMS Co-op, 16-17 Victoria Buildings, Waterside, Darwen, Lancashire BB3 3PA

Your introduction to the GlenWyvis Team

Staff



Matthew Farmer has been distillery manager since September 2020, bringing with him over 10 years of distilling experience, mostly in the American whisk(e)y industry. Growing up in Argyll, Matthew moved back to Scotland with his wife and 2 young daughters during Covid to take a role at GlenWyvis. He currently enjoys not finishing his coffee at Frankie & Lola's and pointing at the giant fish in the botanic gardens.



Josh Fraser Josh hails from Conon Bridge; making for a short commute to the distillery. He has been with GlenWyvis since the early years, playing a part in most areas of the business as Office Manager. With a keen eye for detail and excellent organisational skills, Josh's role is paramount to the everyday running of the Distillery.



Craig Macritchie Craig has been with GlenWyvis Distillery from the very start. Born and raised in Kiltarlity he originally worked at the whisky shop in Inverness before following in his grandfather's footsteps into the whisky industry. Craig works in production where he keeps a close eye on all of our operations.



Lindi Konoso Born and raised in Inverness, Lindi moved to Glasgow in 2011 where she received a degree in Marketing and began a career in the exhibitions and events industry before returning to the highlands in 2020 to set up home in Dingwall. Lindi is excited to bring fresh ideas from her experience in sales, marketing, and events to GlenWyvis.



Kay Graham Originally from Angus, Kay moved to Cannich with her family nearly 28 years ago. She joined the distillery in 2020 as part-time bookkeeper. She formerly worked in chartered accountants' practices for a variety of businesses and charities. When not making sure everything is accounted for and reconciled at the Distillery she enjoys Sudoku (sad she knows!) and the cinema.



Gord Nisbet Gord is a genuine bean counter! Early in his career he was sent to stocktake at a coffee wholesaler - 3 days counting coffee beans. Since then he has worked in many areas: construction, transportation and produce processing and distribution.

In 2022 Gord returned from Canada to his roots in Inverness, where he now enjoys exploring the Highlands and new hobbies such as 3D printing and modelling.

Committee Members and Volunteers



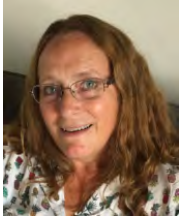
Jan Thomson In June 2022 Jan was elected onto the Standards Committee of GlenWyvis. Before retiring Jan owned and operated a small hotel in Sutherland for 15 years, prior to that she progressed through sales and management finally running a UK company within Johnson & Johnson Healthcare. As a member, Jan is passionate about the ethics of Goodwill!



Ann Mills-Duggan Semi-retired, Ann has been working for a grant-giving organisation for the past 11 years and has wide experience of assessing and reviewing funding proposals. She has been a welcome addition to the GoodWill Fund committee.



Frances Nixseaman Frances lives near Dingwall and was elected onto the GoodWill Fund Committee in 2022. She has been a Children's Panel member, foster carer, youth worker and, after graduating, worked in several charities going into strategic development for childrens' services in Highland and overseas.



Marnie Vincent is the Minutes Secretary. When not otherwise engaged in doting on her new grandchildren - - who are the source of great joy - - she keeps members of the Management Committee in check and makes sure all papers are in order.

Directors



David Graham David has been Chairman since October 2019. He worked in various finance roles for Ford Motor Company, was finance director of Aston Martin Lagonda, and became an independent turnaround practitioner across several business sectors, before retiring. He was brought up in Inverness and is also a whisky collector and speaker.



David McIntyre David was elected in June 2021 and appointed to Vice-Chair in September 2022. David is a mechanical engineer and until last year a Partner in an international construction consultancy. In addition, to managing the technical services part of the business, David has been appointed many times as an expert witness in relation to complex multi-million dollar construction disputes.



Dickon Sandbach Dickon was first elected as a director in 2019, and has been Treasurer since then. He moved to Kiltarlity, Inverness-shire in 2018, following his retirement as Senior Partner in a firm of Chartered Accountants. He has considerable experience working with and in businesses and charities.



David Allan David Allan is a solicitor with fourteen years experience in commercial and company law, supporting businesses both large and small, and is currently Legal Counsel for Gamma Telecom. David has been a director and Secretary of GlenWyvis since June 2021 and sits on the GlenWyvis Standards Committee.



Dr Jock Ramsay Jock is a retired GP with 30 years of NHS service as a partner in Gairloch and as a Highland locum who enjoyed working in Dingwall. He has an interest in archaeology and is a keen metal detectorist. A member of GlenWyvis since its inception, he joined the Board in 2022, with responsibility for the GoodWill Fund



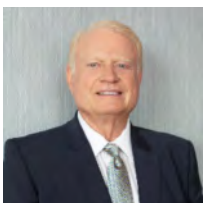
Euan Donaldson Euan is a commercial lawyer, based in Inverness, and is currently Head of Offshore Legal with an international renewable energy developer. He has previously worked across a broad range of industry sectors, enabling him to develop legal and commercial skills that he is keen to utilise in support of the successful operation of the distillery and the Society's aims.



Mike Evans In 2003 Mike and his family moved to The Highlands to ensure their daughter received a good Highland education and to run their own Accountancy business. Mike now provides his services throughout the Highlands and wants to use his skills to benefit GlenWyvis. He joined the board in 2021.



Andy Fisher is the Managing Director and co-founder of Integra Well Solutions Ltd, and has a wide range of commercial experience covering all aspects of business. He is also a passionate and knowledgeable collector of whisky



David Norcom is a US financier with extensive experience of the capital markets. He was a substantial contributor to the first share offer and owns several private casks of GlenWyvis. He will be advising the board on several aspects of future capital raising.

How to invest

You can apply online at www.glenwyvis.com where you will find copies of the share and bond offers as well as the 2023 GlenWyvis Distillery Business Plan. You will be able to download application forms for shares which you can complete, sign and return to GlenWyvis Distillery Share Offer, Upper Dochcarty, Dingwall IV15 9UF. Options for payments include payments by PayPal, by electronic funds transfer, by credit or debit card or by cheque made out to 'GlenWyvis Distillery Limited'.

Electronic payments should be made to GlenWyvis Distillery Limited, Handelsbanken sort code 40-51-62; account number 21183571.

Terms and conditions

Your application

You cannot withdraw your application for shares after we receive your application form.

Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.

You can apply (and pay) for shares to be issued in someone else's name – i.e. you can gift the shares to family or friends.

Minimum investment

The minimum investment for all investors in this Open Share Offer is £250.

Your payment

The directors will acknowledge receipt of your cheque/BACS payment and application within 7 days. GlenWyvis Distillery will hold your money on trust for you until your application is considered and completed. All successful applications worldwide will be completed within a minimum of 7 days and a maximum of 14 days from receipt.

If you are not a UK resident or do not have a UK bank account, applications can be made by BACS. The money will belong to GlenWyvis Distillery as soon as GlenWyvis Distillery issues the shares to you (to the extent that they take it as payment for shares).

If your application for shares is unsuccessful, your money will be returned within 28 days of the board of directors' meeting. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that meeting. GlenWyvis Distillery will not pay interest on any money it returns to you.

The purchase of shares should be seen as a social investment to support the aims of GlenWyvis Distillery and not purely as an investment for personal gain or profit.

Your promise to us

You promise that:

- You will make prompt payment by electronic banking, credit or debit card, PayPal or that your cheque will be honoured on presentation
- You, as an individual, are at least 16 years of age
- You have authority to sign the application form. If you are signing it for another person, you will provide the directors with evidence of your authority to sign if they ask to see it
- You will supply us with proof of your identity and address if the directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The directors may have to hold back your shares until they see this
- You are not relying on any information or representation which is not included in this document



GLENWYVIS

DISTILLERY

The Spirit of Dreams



GlenWyvis Distillery, Upper Dochcarty, Dingwall, IV15 9UF
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