

Scotch Whisky International B.V.

located in Sassenheim

**Report on the annual accounts
2020**

Scotch Whisky International B.V.
Sassenheim
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Annual Accounts

Scotch Whisky International B.V.
Sassenheim

Balance sheet as at 31 December 2020

(After distribution of result)

Assets

	<u>31-12-2020</u>		<u>31-12-2019</u>	
	€	€	€	€
Fixed assets				
<i>Intangible assets</i>		613,965		268,884
<i>Property, plant and equipment</i>		1,058,928		1,127,571
<i>Financial assets</i>		857,601		382,310
Current assets				
<i>Inventories</i>		20,273,897		20,670,549
<i>Receivables</i>				
Trade receivables	103,805		46,558	
Receivables from group companies	30,327		-	
Other receivables, prepayments and accrued income				
	<u>1,406,995</u>		<u>1,195,044</u>	
		1,541,127		1,241,602
<i>Cash and cash equivalents</i>		7,234,092		673,471
		<u>31,579,610</u>		<u>24,364,387</u>

Liabilities

	31-12-2020		31-12-2019	
	€	€	€	€
Equity				
Share capital paid and called up	18,000		18,000	
Legal and statutory reserves	613,965		-	
Other reserve	<u>11,975,706</u>		<u>8,731,754</u>	
		12,607,671		8,749,754
Provisions				
Provision for cask management		11,749,770		8,139,867
Non-current liabilities				
Bank loan	500,000		750,000	
Other non-current liabilities	<u>150,000</u>		<u>624,501</u>	
		650,000		1,374,501
Current liabilities, accruals and deferred income				
Bank loan	500,000		500,000	
Deferred income on orders	70,788		1,674,207	
Trade payables	666,780		343,192	
Liabilities to group companies	2,378,331		1,076,100	
Payables relating to taxes and social security contributions	811,468		476,090	
Other liabilities and accrued expenses	<u>2,144,802</u>		<u>2,030,676</u>	
		6,572,169		6,100,265
—				
		<u>31,579,610</u>		<u>24,364,387</u>

Profit and loss account for the year 2020

	2020		2019	
	€	€	€	€
Net Turnover	24,889,163		30,332,779	
Cost of sales	<u>-13,039,884</u>		<u>-20,520,946</u>	
Gross margin		11,849,279		9,811,833
Expenses of employee benefits	2,783,435		2,075,888	
Depreciation of intangible and tangible fixed assets	244,579		906,825	
Other operating expenses	<u>1,705,980</u>		<u>1,585,623</u>	
Total of sum of expenses		<u>4,733,994</u>		<u>4,568,336</u>
Total of operating result		7,115,285		5,243,497
Other interest and similar income	-		16,367	
Interest and similar expenses	<u>-77,495</u>		<u>-79,003</u>	
Financial income and expense		<u>-77,495</u>		<u>-62,636</u>
Total result before tax		7,037,790		5,180,861
Company tax		<u>-1,893,900</u>		<u>-1,365,615</u>
Total result after tax		<u>5,143,890</u>		<u>3,815,246</u>

Cash flow statement for the year 2020

	2020		2019	
	€	€	€	€
Total of cash flows from (used in) operating activities				
Operating result		7,115,285		5,243,497
<i>Adjustments for</i>				
Depreciation	244,579		906,825	
Increase in provisions	<u>3,609,903</u>		<u>1,182,034</u>	
		3,854,482		2,088,859
<i>Changes in working capital</i>				
Decrease (increase) in inventories	396,652		-11,917,553	
Decrease (increase) in trade receivables	-57,247		2,756,644	
Receivables from group companies	-30,327		433,038	
Decrease (increase) in other receivable	54,457		-341,169	
Accruals and prepaid expenses	-266,408		164,004	
Increase (decrease) in other payables	<u>-666,969</u>		<u>2,337,792</u>	
		<u>-569,842</u>		<u>-6,567,244</u>
Total of cash flows from (used in) operations		10,399,925		765,112
Interest received	-		16,367	
Interest paid	-77,495		-79,003	
Company tax paid	<u>-1,333,000</u>		<u>-1,536,383</u>	
		<u>-1,410,495</u>		<u>-1,599,019</u>
Total of cash flows from (used in) operating activities		8,989,430		-833,907
Total of cash flows from (used in) investment activities				
Purchase of intangible assets	-412,239		-384,727	
Purchase of property, plant and equipment	-108,778		-128,496	
Purchase of financial assets	<u>-475,291</u>		<u>-</u>	
Total of cash flows from (used in) investment activities		-996,308		-513,223
Total of cash flows from (used in) financing activities				
Dividend paid	-708,000		-	
Proceeds from borrowings	-		1,500,000	
Repayments from borrowings	<u>-724,501</u>		<u>-325,800</u>	
Total of cash flows from (used in) financing activities		<u>-1,432,501</u>		<u>1,174,200</u>

Scotch Whisky International B.V.

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Total of increase (decrease) in cash and cash equivalents

6,560,621

-172,930

Movement in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

673,471

846,401

Increase (decrease) cash and cash equivalents

6,560,621

-172,930

Cash and cash equivalents at the end of the period

7,234,092

673,471

Notes on the annual accounts

Entity information

Registered address and registration number in trade register

The registered and de facto address of Scotch Whisky International B.V. is Industriekade 18, 2172 HV in Sassenheim Nederland, Scotch Whisky International B.V., which is registered at the Chamber of Commerce under number 51096072.

General notes

The entity's most important activities

The activities of Scotch Whisky International B.V. consist mainly of: providing advice on and with regard to facilitating investments in whisky, including the purchasing and selling of exclusive whiskies.

The providing and maintaining an international sales network for whiskies.

Disclosure of group structure

Scotch Whisky International B.V. is part of a group. The head of this group is The Whisky Holding B.V., which is located in Sassenheim. The financial statements of Scotch Whisky International B.V. are included in the consolidated financial statements of The Whisky Holding B.V. located in Sassenheim.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Scotch Whisky International B.V. make various estimates and assessments that may be essential to the amounts disclosed in the financial statements. If necessary for the purposes of providing the transparency required under Book 2, article 362, paragraph 1 of the Dutch Civil Code, the nature of these estimates and assessments, including related assumptions, is disclosed in the notes on the relevant financial statement item.

At the end of the financial year, there are ongoing law proceedings against a former supplier. There was no information at hand at the end of the financial year regarding when these would be settled or how long they would take.

The Covid-19 crisis did initially slow down the organisation but it has had minimum impact on the organisation's performance over the entire financial year.

General accounting principles

The accounting standards used to prepare the annual accounts

The annual accounts are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving"),.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Basis for Conversion and Processing of Exchange Rate Differences Relating to Foreign Currency Transactions for the Balance Sheet

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Operating leases

The corporation has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded in the profit and loss account for the duration of the contract on a straight-line basis, taking into account reimbursements received from the lessor.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Accounting principles

Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant if the carrying amount of the asset is higher than its realisable value.

Land and buildings

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

For obligations to restore the asset after use (dismantling cost) a provision is recognised for the expected amount at the time of capitalisation. This amount is recognised as part of the carrying amount of the asset against which a provision is recognised for the full amount.

If land was purchased with buildings with the intention to demolish or remove such buildings and to construct new buildings, any carrying amount of the buildings and any demolition costs should be included in the acquisition price of the land.

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work will be performed.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. It may be assumed that there is significant influence where 20% or more of the voting rights can be exercised.

The net asset value is calculated in accordance with the accounting principles that apply to these annual accounts; the valuation principles of the respective participation are applied with regard to participations in which insufficient data is available for adopting these principles.

If the valuation of a participation based on the net asset value is negative, it will be stated at nought. If and insofar as Scotch Whisky International B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities as at the acquisition date. The principles that apply to these annual accounts are used for subsequent valuations, based on the values upon their initial recognition.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the profit and loss account.

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Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the profit and loss account.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which, in general, is equal to the nominal value. Any depreciation is taken into account to determine the value.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations, on the one hand, and the accounting policies used in these financial statements, on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses,

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are valued at their nominal value,

Inventories

Inventories (stocks) are valued at cost price based on the FIFO method or lower realisable value,

The cost price consists of the historical cost or production cost and costs incurred to bring the stocks to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

The realisable value is the estimated sales price less directly attributable sales costs. The obsolescence of the inventories is taken into account to determine the realisable value.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised by using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represents cash in hand, bank balances and deposits having terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Equity

When Scotch Whisky International B.V. purchases treasury shares and the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which the purchase price had previously been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

Provisions

Scotch Whisky International B.V.**Sassenheim**

Provisions are measured at the best estimate of the amount necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Non-current liabilities

On initial recognition, non-current debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the non-current debts are included in the initial recognition. After initial recognition, non-current debts are recognised at the amortised cost price, i.e. the amount received while taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between the stated carrying value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the non-current debts.

Current liabilities

On initial recognition, current liabilities are recognised at fair value. After initial recognition, current liabilities are recognised at the amortised cost price, i.e. the amount received while taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and the like, and of taxes levied on the turnover.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking into account the effective interest rate of the liabilities to which they relate. The recognised transaction expenses for loans received are taken into account when accounting for interest expenses.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, while taking into account the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components, and after the non-deductible costs have been added. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Cash flow statement

The cash flow statement has been prepared by using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits having a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in cash inflow or outflow, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Fixed assets

Intangible assets

	Other intangible assets €
Carrying value as at 1 January 2020	268,884
Additions	412,239
Amortisations	<u>-67,158</u>
Carrying value as at 31 December 2020	<u><u>613,965</u></u>

A legal reserve has been formed for the intangible assets.

Property, plant and equipment

	Land and buildings €	Other tangible assets €	Total €
Balance as at 1 January 2020			
Cost or manufacturing price	1,274,272	359,125	1,633,397
Accumulated depreciation	<u>-287,777</u>	<u>-218,049</u>	<u>-505,826</u>
Carrying value as at 1 January 2020	<u>986,495</u>	<u>141,076</u>	<u>1,127,571</u>
Movements			
Additions	6,645	102,133	108,778
Depreciation	<u>-127,866</u>	<u>-49,555</u>	<u>-177,421</u>
Balance movements	<u>-121,221</u>	<u>52,578</u>	<u>-68,643</u>
Balance as at 31 December 2020			
Cost or manufacturing price	1,280,917	461,258	1,742,175
Accumulated depreciation	<u>-415,643</u>	<u>-267,604</u>	<u>-683,247</u>
Carrying value as at 31 December 2020	<u>865,274</u>	<u>193,654</u>	<u>1,058,928</u>

The amortisation percentages for the buildings and other tangible assets, are 10% and 20%, respectively.

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	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Financial assets		
Other receivable	507,601	32,310
Other investments	<u>350,000</u>	<u>350,000</u>
	<u>857,601</u>	<u>382,310</u>

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Other investments		
Participations in Zagatti collection	<u>350,000</u>	<u>350,000</u>

	<u>2020</u>	<u>2019</u>
	€	€

Participations in Zagatti collection

Carrying value as at 1 January	350,000	350,000
Balance movements	<u>-</u>	<u>-</u>
Carrying value as at 31 December	<u>350,000</u>	<u>350,000</u>

This concerns 5 participations in the Zagatti collection which are being kept in ownership.
The Zagatti collection is included in the mutual fund "Stichting Collectie Zagatti".

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Other receivable		
Personel loans	463,796	-
Deposits	<u>43,805</u>	<u>32,310</u>
	<u>507,601</u>	<u>32,310</u>

In 2020, certificates of shares in The Whisky Holding B.V. were granted to personnel subject to the condition of retention until 2025. For each year that passes, part of the granted certificates will become definitive according to the scheme below:

- Year 1 10%
- Year 2 20%
- Year 3 30%
- Year 4 40%

Taxes on the value of these grants were to be paid by the personnel. Scotch Whisky International provided the personnel a loan at an annual interest of 3% to cover these taxes.

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Current assets

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Inventories		
Goods for sale	<u>20,273,897</u>	<u>20,670,549</u>
	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Goods for sale		
Whisky bottles	14,157,587	13,614,359
Whisky casks partially owned	4,105,715	2,902,316
Whisky casks fully owned	1,230,043	1,161,795
Whisky under collateral	342,250	597,960
Other strong alcoholic beverages	241,214	250,000
Zagatti books	111,667	111,667
Whisky under collateral for Zagatti participations	85,421	85,421
Prepayments on inventory	-	1,947,031
	<u>20,273,897</u>	<u>20,670,549</u>

The stocks in portfolios are bottles and / or barrels of whisky that have been given as security for the financing provided by investors.

Receivables

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Trade receivables		
Trade receivables	<u>103,805</u>	<u>46,558</u>

There is no provision for bad debt,
Debtors include a receivable of € 79,921 from group company 3.

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Receivables from group companies		
Receivable from overdraft group company 1	<u>30,327</u>	<u>-</u>

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	<u>2020</u>	<u>2019</u>
	€	€
Receivable from overdraft group company 1		
Balance as at 1 January	-	-
Movements		
Benefits in financial year	<u>30,327</u>	<u>-</u>
Balance as at 31 December		
Receivable	<u>30,327</u>	<u>-</u>
Balance as at 31 December	<u>30,327</u>	<u>-</u>

The interest is 2,5% on the average outstanding balance. No repayment or security agreements have been concluded.

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Other receivables, prepayments and accrued income		
Participations Zagtti collection	784,493	674,493
Receivable management- and storage fees	289,564	151,582
Prepaid costs	167,115	346,610
Receivable OBP	156,408	-
Receivable NOW	9,415	-
Prepayments	<u>-</u>	<u>22,359</u>
	<u>1,406,995</u>	<u>1,195,044</u>

The participations in the Zagatti collection concern 5 participations in the Zagatti collection that are in ownership of Scotch Whisky International, which are available for sale.

The OBP receivable amounts to € 215,167 at the end of the financial year; a provision of € 58,759 has been made because of uncertainty of collectability up to this amount.

All receivables included under other receivables have a term of less than 1 year.

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Cash and cash equivalents		
Bank	7,223,866	655,949
Cash in transit	9,644	17,064
Cash	<u>582</u>	<u>458</u>
	<u>7,234,092</u>	<u>673,471</u>

Cash and cash equivalents are discretionably available to Scotch Whisky International B.V.

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Equity

Movements in equity were as follows:

	_Share capital paid and called up	Legal and statutory reserves	Other reserve	Total
	€	€	€	€
Balance as at 1 January 2020	18,000	-	8,731,754	8,749,754
Appropriation of result	-	-	5,143,890	5,143,890
Addition in financial year	-	613,965	-	613,965
Dividend payment	-	-	-1,285,973	-1,285,973
Release in favour of revaluation reserve	-	-	-613,965	-613,965
Balance as at 31 December 2020	<u>18,000</u>	<u>613,965</u>	<u>11,975,706</u>	<u>12,607,671</u>

The registered capital of Scotch Whisky International B.V. amounts to € 90,000, divided into 90,000 ordinary shares. The paid-up and called-up capital amounts to € 18,000. This concerns 18,000 ordinary shares, each having a nominal value of € 1. No changes took place during the financial year.

The management of Scotch Whisky International B.V. proposes to allocate the result as follows:

Of the result for 2020 of € 5,143,890, the amount of € 3,857,918 will be added to the other reserves, the other € 1,285,972 will be reserved for dividend over the financial year 2020.

The legal reserve has been formed for the development costs of the World Whisky Index.

Provisions

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Provision cask management		
Provision cask management	<u>11,749,770</u>	<u>8,139,867</u>
	<u>2020</u>	<u>2019</u>
	€	€
Provision cask management		
Balance as at 1 January	8,139,867	6,957,833
Allocation chargeable to result of other provision	<u>3,609,903</u>	<u>1,182,034</u>
Balance as at 31 December	<u>11,749,770</u>	<u>8,139,867</u>

The provision for cask management concerns a provision for the costs still to be incurred for the part sold from the casks to the moment that these casks are bottled and transported; the costs still to be incurred are:

- the annual costs related to storage, insurance, administration and other charges up to the moment of bottling and transport;
- the one-off costs related to bottling, excise duties and VAT.

The current part of the provision is € 600,784 and the non-current part is € 11,148,986.

The average remaining term is 13.43 years and the provision has been discounted at 2.8% interest,

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	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Bank loan		
Loans contracted	<u>500,000</u>	<u>750,000</u>
	<u>2020</u>	<u>2019</u>
	€	€
Bank loan		
Balance as at 1 January		
Principal amount	1,500,000	-
Cumulative repayments	<u>-250,000</u>	<u>-</u>
Balance as at 1 January	<u>1,250,000</u>	<u>-</u>
Movements		
Increase	-	1,500,000
Repayment	<u>-250,000</u>	<u>-250,000</u>
Balance movements	<u>-250,000</u>	<u>1,250,000</u>
Balance as at 31 December		
Principal amount	1,500,000	1,500,000
Cumulative repayments	-500,000	-250,000
Current portion	<u>-500,000</u>	<u>-500,000</u>
Balance as at 31 December	<u>500,000</u>	<u>750,000</u>

The loan was taken out on 22 March 2019, and has a principal amount of € 1,500,000 with a term of 3 years. The interest consists of the 3-month Euribor Debit rate plus a surcharge of 1.560% per year. Repayment will be made per quarter, the instalment is € 125,000. Eight instalments are still left at the end of the financial year.

The following collateral has been provided:

- A right of pledge on the stock of bottles;
- A right of pledge on the business inventory;
- A right of pledge on the receivables;
- A right of pledge on the intellectual property;
- A right of pledge on the goods;
- A right of pledge on the claims by recourse and subrogation.

A security of € 375,000 has been agreed from the shareholder.

**Scotch Whisky International B.V.
Sassenheim**

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Other non-current liabilities

Other non-current liabilities	<u>150,000</u>	<u>624,501</u>
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An interest between 5% and 7% is charged on the financing for stocks.

Stocks to a value of € 342,250 have been pledged / placed in portfolio to ensure full payment.

	<u>2020</u>	<u>2019</u>
	€	€

Other non-current liability

Balance as at 1 January

Principal amount	1,150,301	1,698,301
Cumulative repayments	<u>-250,000</u>	<u>-548,000</u>

Balance as at 1 January	<u>900,301</u>	<u>1,150,301</u>
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Movements

Repayment	<u>-465,000</u>	<u>-250,000</u>
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Balance as at 31 December

Principal amount	900,301	1,150,301
Cumulative repayments	-465,000	-250,000
Current portion	<u>-285,301</u>	<u>-275,800</u>

Balance as at 31 December	<u>150,000</u>	<u>624,501</u>
---------------------------	----------------	----------------

Current liabilities, accruals and deferred income

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Repayment obligations

Current instalment on bank loan	<u>500,000</u>	<u>500,000</u>
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	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Deferred income on orders

Deferred income on orders	<u>70,788</u>	<u>1,674,207</u>
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**Scotch Whisky International B.V.
Sassenheim**

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Trade payables		
Accounts payable	534,556	160,321
Accounts payable shareholders	82,224	-
Accounts payable group company 4	<u>50,000</u>	<u>182,871</u>
	<u>666,780</u>	<u>343,192</u>

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Liabilities to group companies

Overdraft group company 2	<u>2,378,331</u>	<u>1,076,100</u>
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	<u>2020</u>	<u>2019</u>
	€	€

Overdraft group company 2

Balance as at 1 January	1,076,100	-433,038
Other changes	<u>1,302,231</u>	<u>1,509,138</u>
Balance as at 31 December	<u>2,378,331</u>	<u>1,076,100</u>

The interest is 2,5% on the average outstanding balance. No repayment or security agreements have been concluded.

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Payables relating to taxes and social security contributions

Value added tax	582,811	436,005
Wage tax	<u>228,657</u>	<u>40,085</u>
	<u>811,468</u>	<u>476,090</u>

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€

Other liabilities and accrued expenses

Dividend	1,285,973	708,000
Current obligation other non-current liability	285,301	275,800
Payable compensations	274,874	293,384
Holiday allowance	99,682	77,242
Deferred costs	90,939	66,813
Payable bonuses	73,033	495,000
Accrued accounting costs	35,000	34,999
Accruals and deferred income	-	75,515
Net wages	<u>-</u>	<u>3,923</u>
	<u>2,144,802</u>	<u>2,030,676</u>

Scotch Whisky International B.V.
Sassenheim
Contingent assets and liabilities

Disclosure of off-balance sheet commitments

A lease has been concluded for the building in Sassenheim located on the Industriekade, number 18A. The lease has a term until 1 July 2021. The annual rent is € 116,307.

A lease has been concluded for the building in Sassenheim located on the Industriekade, number 18B. The lease has a term until 1 July 1 2021. The annual rent is € 23,357.

A lease has been concluded for the building in Sassenheim located on the Industriekade, number 18C. The lease has a term until 31 December 2022. The annual rent is € 22,500.

A lease has been concluded for the building in Sassenheim located on the Industriekade, number 18D. The lease has a term until 31 December 2022. The annual rent is € 24,130.

A bank guarantee has been issued for the rent for the property located at Industriekade 18a an amount of € 22,313.

The annual management fee is approximately € 300,000.

Scotch Whisky International has stipulated a repurchase right with certain sales contracts having a total value of € 2,371,525, whereby the whisky portfolios sold can be repurchased within a certain period of time at this value.

Scotch Whiskey International has an overdraft facility with a bank, the limit of which is € 1,000,000 at the end of the financial year. The overdraft facility will be reduced by € 125,000 every quarter.

The off-balance sheet liabilities relating to the fiscal unit

The company forms part of the fiscal unit for corporate income tax and turnover tax (as from 15 October 2010) together with The Whisky Holding B.V. That is why the company is jointly and severally liable for the tax liability of the fiscal unit as a whole.

Disclosure of operating leases

A lease agreement for an Audi e-tron has been concluded with a monthly lease payment of € 1,069. There will still be 49 instalments left as per financial year-end.

A lease agreement for a Volkswagen Transporter has been concluded with a monthly lease payment of € 831. Thirty-eight instalments will still be left as per financial year-end.

Notes on the profit and loss account

	<u>2020</u>	<u>2019</u>
	€	€
Net Turnover		
Turnover casks	15,435,006	8,465,449
Turnover bottles	9,091,321	21,449,360
Turnover other	353,948	253,165
Turnover participation Zagatti collection	<u>150,000</u>	<u>164,000</u>
	25,030,275	30,331,974
Discounts and bonuses	<u>-141,112</u>	<u>805</u>
	<u><u>24,889,163</u></u>	<u><u>30,332,779</u></u>

De turnover in 2020 is 18% less compared to the turnover in 2019.

	<u>2020</u>	<u>2019</u>
	€	€
Cost of sales		
Cost of sales	<u><u>13,039,884</u></u>	<u><u>20,520,946</u></u>

	<u>2020</u>	<u>2019</u>
	€	€
Cost of sales		
Cost of bottles	6,484,420	17,360,221
Mutation provision cask management	3,609,903	1,182,034
Cost of casks	2,795,286	1,758,483
Provisions	80,275	19,550
Cost of participations Zagatti collection	70,000	164,000
Cost of racking	<u>-</u>	<u>36,658</u>
	<u><u>13,039,884</u></u>	<u><u>20,520,946</u></u>

**Scotch Whisky International B.V.
Sassenheim**

<u>2020</u>	<u>2019</u>
€	€

Wages and salaries

Gross wages	2,032,290	1,559,136
Mutation holiday allowance	<u>97,012</u>	<u>82,130</u>
	<u>2,129,302</u>	<u>1,641,266</u>

In 2020, certificates of shares in The Whisky Holding B.V. were granted to personnel subject to the condition of retention until 2025. For each year that passes, part of the granted certificates will become definitive according to the scheme below:

- Year 1 10%
- Year 2 20%
- Year 3 30%
- Year 4 40%

Taxes on the value of these grants were to be paid by the personnel. Scotch Whisky International provided the personnel a loan at an annual interest of 3% to cover these taxes.

<u>2020</u>	<u>2019</u>
	€

Remuneration of directors

	<u>756,847</u>	<u>676,416</u>
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Average number of employees

2020

	Active in the Netherlands	Active outside the Netherlands	Total
Average number of employees	19.11	1.00	20.11

2019

	Active in the Netherlands	Active outside the Netherlands	Total
Average number of employees	14.03	1.00	15.03

<u>2020</u>	<u>2019</u>
€	€

Social security charges and pensions cost

Social security charges	<u>208,099</u>	<u>160,339</u>
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	<u>2020</u>	<u>2019</u>
	€	€
Other expenses of employee benefits		
Hiring interim personnel	392,057	230,977
Commuting expenses	16,007	6,452
Recruitment expenses	12,645	4,665
Canteen expenses	10,610	24,588
Life insurance for personnel	9,116	-
Other expenses of employee benefits	4,737	5,899
Industrial clothing	862	1,702
	<u>446,034</u>	<u>274,283</u>

	<u>2020</u>	<u>2019</u>
	€	€
Amortisation of intangible fixed assets		
Amortisation costs of other intangible fixed assets	67,158	14,647
Amortisation costs of revaluation of other intangible fixed assets	-	727,317
	<u>67,158</u>	<u>741,964</u>

	<u>2020</u>	<u>2019</u>
	€	€

Depreciation of property, plant and equipment

Buildings and land	127,866	124,280
Other fixed assets	49,555	40,581
	<u>177,421</u>	<u>164,861</u>

	<u>2020</u>	<u>2019</u>
	€	€

Housing expenses

Rent expenses	161,541	134,825
Maintenance buildings	28,014	26,016
Gas, water and electricity	16,151	17,165
Security costs	3,198	2,936
Property tax	1,862	1,716
	<u>210,766</u>	<u>182,658</u>

**Scotch Whisky International B.V.
Sassenheim**

	<u>2020</u>	<u>2019</u>
	€	€
Selling expenses		
Advertising expenses	265,483	194,948
Sponsoring expenses	209,000	290,341
Exchange expenses	163,308	77,192
Travelling and hotel expenses	64,052	116,238
Representation expenses	25,085	60,966
Zagatti book	<u>20,000</u>	<u>-</u>
	<u>746,928</u>	<u>739,685</u>

	<u>2020</u>	<u>2019</u>
	€	€

Car expenses

Operational lease cars	23,489	23,817
Other car expenses	<u>7,384</u>	<u>3,773</u>
	<u>30,873</u>	<u>27,590</u>

	<u>2020</u>	<u>2019</u>
	€	€

Office expenses

Automation expenses	122,020	79,464
Repair and maintenance of office furniture	8,493	12,913
Office supplies	5,644	13,623
Maintenance WWI	4,333	7,756
Lease office inventory	2,924	3,872
Training course expenses	2,289	5,500
Postage expenses	1,402	1,753
Printed matter	745	-
Telephone and fax expenses	<u>596</u>	<u>2,993</u>
	<u>148,446</u>	<u>127,874</u>

	<u>2020</u>	<u>2019</u>
	€	€
General expenses		
Insurance premium	208,930	241,071
Litigation expenses	187,781	81,380
Consultancy expenses	96,671	121,342
Audit costs	53,388	51,534
Subscriptions	18,597	12,489
AFM license	3,600	-
	<u>568,967</u>	<u>507,816</u>

<u>2020</u>	<u>2019</u>
€	€

Other interest and similar income

Interest of receivables from group companies	<u>-</u>	<u>16,367</u>
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<u>2020</u>	<u>2019</u>
€	€

Interest and similar expenses

Interest on liabilities to group companies	34,199	-
Interest on loans contracted	27,649	57,566
Paid bank interest	15,647	21,437
	<u>77,495</u>	<u>79,003</u>

<u>2020</u>	<u>2019</u>
€	€

Interest liabilities to group companies

Interest overdraft group company 2	<u>34,199</u>	<u>-</u>
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<u>2020</u>	<u>2019</u>
€	€

Interest loans contracted

Interest stock loans	<u>27,649</u>	<u>57,566</u>
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<u>2020</u>	<u>2019</u>
€	€

Paid bank interest

Transaction- and financing costs	<u>15,647</u>	<u>21,437</u>
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Scotch Whisky International B.V.
Sassenheim
Company tax

Company tax expense: Breakdown

	<u>2020</u>	<u>2019</u>
	€	€
Income tax expense from current financial year	<u>-1,893,900</u>	<u>-1,365,615</u>
Total of income tax expense	<u>-1,893,900</u>	<u>-1,365,615</u>
Effective tax rate	26.91	26.35
Applicable tax rate	25.00	25.00

Sassenheim,
Scotch Whisky International B.V.

–

M. Kappen
Director

E.J. Vrijenhoek
Director

R.A. van Dijk
Director

Other information

Provisions of the Articles of Association relating to profit appropriation

According to the articles of association, the profit is at the free disposal of the General Meeting for dividend distribution, reservation or such other purposes within the corporate object and as such meeting deems fit and will resolve.