

RED CHURCH VINEYARD COLLATERAL CALCULATION REPORT

RED CHURCH VINEYARD, 1 RODOPSKA YAKA STREET, 4225 PERUSHITSA, BULGARIA

CALCULATION ON BEHALF OF EN EooD in cooperation with RED CHURCH FINANCE B.V.

KEY POINTS

Value of collateral year 1 by full placement of the Bond

I st mortgage right	€ 952.419,-
Stock value through pledge on shares	€ 3.210.987,-
Liquidity value through pledge on shares	<u>€ 1.242.849,-</u>
Total	€ 5.406.255

Valuation of the Red Church Group based on the EBIT calculation

Company value	€ 10.706.432,-
singledrink.com perspective	<u>€ 2.186.123,-</u>
Total	€ 12.892.555,-

Reference:

- Investment Memorandum Red Church Vineyard Bond
- Forecast model - valuation - Red Church Group
- Bank statements “Bank Certificate_удостоверение-банка”+ Overview valuation of plots of land
- singledrinks.com perspective

Disclaimer

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Introduction

In this report a calculation is made of the to be provided collateral by the Red Church Group to Red Church Finance B.V., a private company with limited liability established under the law of the Netherlands and registered with the Dutch Chamber of Commerce under number 87234831, in line with the content and structure as described for in the Information Memorandum "Red Church Vineyard Bond", Annex A.

The Red Church Group will receive in the near future a Loan from Red Church Finance B.V., under the conditions a described for in the Information Memorandum "Red Church Vineyard Bond", Annex A. The head of the Red Church Group is EN EooD, a private company with limited liability established under the law of the Republic of Bulgaria and registered with the Bulgarian Chamber of Commerce under number 206598282. The company has its office at Emil Bersinski Street 12 in (1408) Sofia, Bulgaria.

Red Church Finance B.V. will issue 196 (one-hundred ninety-six) Red Church Vineyard Bonds, each with a nominal value of € 25.000,- (twenty-five thousand euro) and a joint nominal value of maximum € 4.900.000,- (four million nine-hundred thousand euro). The minimum Bond amount that needs to be placed in order to finalize the bond issuance is € 3.300.000,- (three million three-hundred thousand euro), equal to 132 (one-hundred thirty-two) Red Church Vineyard Bonds.

Red Church Finance B.V. has the right to issue additional Bonds, after the partial closing date under the same conditions as stated in the Information Memorandum until the total nominal issuance amount of € 4.900.000,- (four million nine-hundred thousand euro) has been issued. If the Issuer issues additional Bonds after the partial closing of the Bond, these amounts will be added to / included into the original Trust Deed and the securities/collateral deeds provided by the Issuer to the Trustee, respectively the Bondholders regarding the already issued Bonds will be increased by adding this/these additional amount(s) to the securities/collateral deeds in line with provisions as stated in this Information Memorandum and her attachments.

Red Church Finance B.V. will lend the received funds to EN EooD by means of a Loan, under the conditions as described in the Information Memorandum and her attachments. EN EooD will close, co-signed by its subsidiaries, a Loan agreement with Red Church Finance B.V., in line with the provisions as stated in Chapter 6 of the Information Memorandum, Annex A. The Loan is obtained by EN EooD regarding:

- the purchase of the shares of Red Church Estate EooD, in which the real estate assets, machinery, grapes and wine stock are hold;
- the purchase of the shares of Red Church Vineyard EooD, in which the plots and vines are hold;
- to finance the upgrading of the wine estate Red Church Winery and to finance the operating business of the Red Church Group.
- To receive 49% of the share of singledrinks.com OOD, housing the singledrinks.com project.

Red Church Finance B.V. obtains as security for the Loan from EN EooD and her subsidiaries multiple collateral, with a minimum coverage of 100% (one-hundred percent) of the outstanding principal of the Loan, consisting of:

- an irrevocable right, on first call, to establish a first mortgage registration on the real estate and plots of land that are hold by Red Church Estate EooD (UIC 130993943) and Red Church Vineyard EooD (UIC 130493952), Annex C and D;
- a first right of pledge on the shares that are hold by Stichting Red Church Custodian regarding the conversion right as described for in section 6.4 of the Information Memorandum, Annex A;

Based on the by the Red Church Group provided information, documentation and statements, the value of the collateral as specified above is determined by the methods, assumptions, opinions and calculation as described for in this report and her attachments. Whereby the calculation is mainly carried out on the basis of the forecast model of the Red Church Group, regarding her production processes and business plans for the period from acquisition in 2023 till 2029. This forecast model is drafted on the basis of the performed due diligence on and received information and documentation from the Red Church Group.

Regarding the calculation the assumption is made that no conversion will take place during the term of the loan, in accordance with Section 6.3 of the Information Memorandum, and therefore a minimum coverage that is required over the entire term of the Loan is € 4.900.000,- (four million nine-hundred thousand euro).

In addition a valuation calculation is made of the Red Church Group based on a EBIT valuation + a the valuation of the perspective value of the singledrinks.com project, Annex B.2 and E.

I. Collateral value calculation

a. First mortgage right on the plots of land and real estate

The Red Church Group will provide Red Church Finance B.V. with a first mortgage right on the real estate assets and plots of land that are currently part of and will be purchased / realized in the (near) future by the Red Church Group, which acquisition price will be paid from the obtained Funds from the Bond. These assets will be hold by Red Church Estate EooD (UIC 130993943) and Red Church Vineyard EooD (UIC 130493952), Annex C and D.

The current plots of land of the Red Church Group are valued at an amount of € 318.170,- (three-hundred eighteen thousand one-hundred seventy euro). This valuation is based on the valuation made by the Procredit Bank Bulgaria EAD on the 26th of April 2023, Annex C and D.

In order to optimize the Red Church Vineyard production without losing the high Red Church wine quality, the management of EN EooD is assigned to enlarge and develop according to strict Red Church Vineyard standards her current surroundings through purchase of extra plot opportunities. She has, in accordance with its capex investment overview as part of the forecast model of the Red Church Group, Annex B1, earmarked an investment of € 95.000,- (ninety-five thousand euro) for this expansion. When the plots are purchased the value of these plots will be added to the first mortgage right on the current real estate assets and plots of land of the Red Church Group.

The total plots of land after the investment project is finalized will have a value of € 413.170,- (four-hundred thirteen thousand one-hundred seventy euro).

Plots of land	2023	2024	2025	2026	2027
Plots of land	318.170	318.170	318.170	318.170	318.170
Current asset value	318.170	318.170	318.170	318.170	318.170
Plots of land		95.000	95.000	95.000	95.000
Investments	-	95.000	95.000	95.000	95.000
Total value	318.170	413.170	413.170	413.170	413.170

The current real estate of the Red Church Group is valued at an amount of € 634.249,- (six-hundred thirty-four thousand two-hundred forty-nine euro). This valuation is based on the valuation made by the Procredit Bank Bulgaria EAD on the 26th of April 2023, Annex C.

The first mortgage right regarding the currently owned plots of land and the real estate objects of the Red Church Group have a combined value of € 952.419,- (nine-hundred fifty-two thousand four-hundred nineteen euro).

In 2024 the projects as described for in the Information Memorandum, Annex A, under sections 7.2.4 and 7.2.5 regarding the development of a replica of the Monumental Red Church including wine cellar and the improvement of the current wine cellar will be implemented. When these are finalized the value of these project will increase the value of the current real estate objects of the Red Church Group and will be added in value to the first mortgage right. This will result in a total value of the real estate objects that are hold in the Red Church Group with a value of **€ 2.329.249** (two-million three-hundred twenty-nine thousand two-hundred forty-nine euro).

Real Estate	2023	2024	2025	2026	2027
Building (wine cellar)	459.527	459.527	459.527	459.527	459.527
Building (basement)	174.722	174.722	174.722	174.722	174.722
Current asset value	634.249	634.249	634.249	634.249	634.249
Cellar improvement		875.000	875.000	875.000	875.000
Replica Red Church incl. wine cellar		820.000	820.000	820.000	820.000
Investments	-	1.695.000	1.695.000	1.695.000	1.695.000
Total value	634.249	2.329.249	2.329.249	2.329.249	2.329.249

The first mortgage right regarding the plots of land and the real estate objects of the Red Church Group will have a combined value in 2023 of **€ 952.419,-** (nine-hundred fifty-two thousand four-hundred nineteen euro) and after the two real estate projects in 2024 are finalized the value will rise to an amount of **€ 2.742.419,-** (two-million seven-hundred forty-two thousand four-hundred nineteen euro). This valuation will be revalued annually during the term of the Loan, however for the purpose of this valuation regarding the coverage of the Loan, a constant value is assumed without considering any increase or decrease in value.

First mortgage right	952.419	2.742.419	2.742.419	2.742.419	2.742.419
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b. Indirect pledge on Stock

Red Church Finance B.V. will receive as a collateral for the provided Loan a pledge on the issued shares of EN EooD that are hold by Stichting Red Church Custodian regarding the conversion right as described for in section 6.3 of the Information Memorandum, Annex A. Whereby per provided amount of € 25.000,- (twenty-five thousand euro) to the Red Church Group a pledge will be provided with a total of 25 (twenty-five) shares of the issued share capital of EN EooD.

By the total issuing of the Red Church Vineyard Bond with an amount of € 4.900.000,- a pledge on the issued shares of EN EooD will be provided to Red Church Finance B.V. of 49% (forty-nine percent).

As a result of this pledge Red Church Finance B.V. will indirectly have a pledge through the shares on 49% on the value of the stock of finished and semi-finished wine that the Red Church Group is currently holding, which is divided into bottled bottles, wine in barrels and wine stored in fermenters and tanks.

In addition, to the current stock of semi-finished and finished products, the annual harvest must be added to determine the overall stock of the Red Church Group. This stock represents a value that can be calculated through a calculation based on the production process, costs prices per wine type, the current market price of each wine type and the prognoses of the sales.

With the current wine in stock, semi-finished and finished products, the Red Church Group can produce 210.280 bottles of wine. This stock of bottles represents a market value of **€ 7.200.174,-**. When the cost price is taken into account that needs to be made for the finalization of the production process to produce these bottles an amount of € 589.701 needs to be deducted from the market value to calculate the net value of the wine in stock, as specified in the forecast model of the Red Church Group, as attached to the Collateral Calculation Report as attachment B. Resulting in a valuation of the wine in stock with an amount of **€ 6.610.473,-** (six-million six-hundred ten thousand four-hundred seventy-three euro).

Value Wine stock							
Bottles (harvest year)	Wine	Litres	Bottles	Price	Value	Cost price	Net value
2018	Classic	16.187	21.582	€ 25,10	541.708	0	541.708
2018	Premium	5.436	7.248	€ 33,75	244.620	0	244.620
2019	Premium	11.012	14.682	€ 33,75	495.518	0	495.518
2018	Selection individuelle	899	1.198	€ 113,51	135.985	0	135.985
2019	Selection individuelle	1.835	2.447	€ 113,51	277.759	0	277.759
2019	White	495	660	€ 16,87	11.134	0	11.134
2020	White	1.863	2.484	€ 16,87	41.905	0	41.905
2021	White	1.757	2.342	€ 16,87	39.510	0	39.510
2020	Rose	5.450	7.266	€ 16,87	122.577	0	122.577
Total		44.932	59.909		1.910.716	0	1.910.716
Tanks and barrels (harvest year)	Wine	Litres	Bottles	Price	Value	Cost price	Net value
2019	Classic	22.658	30.211	€ 25,10	758.288	78.172	680.116
2020	Classic	20.750	27.667	€ 25,10	694.433	68.802	625.631
2020	Premium	9.225	12.300	€ 33,75	415.125	24.086	391.039
2021	Premium	18.900	25.200	€ 33,75	850.500	49.346	801.154
2021	Rose	3.950	5.267	€ 16,87	88.849	7.534	81.315
Total		75.483	100.644		2.807.195	227.940	2.579.254
Current stock value		120.415	160.553		4.717.911	227.940	4.489.970
Value harvest 2023							
Harvest	Wine	Litres	Bottles	Price	Value	Cost price	Net value
2023	Classic	-	-	€ 26,63	-	-	-
2023	Premium	31.321	41.761	€ 39,29	1.640.924	297.437	1.343.487
2023	Selection individuelle	4.275	5.700	€ 140,76	802.347	49.351	752.996
2023	White	1.700	2.266	€ 17,21	38.992	14.973	24.019
2023	Rose	-	-	€ 17,21	-	-	-
Total		37.296	49.727		2.482.263	361.761	2.120.502
Total value wine stock		157.710	210.280		7.200.174	589.701	6.610.473

The valuation of the harvest for the future years can be calculated through the prognosis of the harvest for the years 2024 till 2027 as specified in the forecast model of the Red Church Group, Annex B1. Based on the production calculation in sheet "Prod info" the total bottles of wine can be calculated that the Red Church Group can produce from each harvest. Based on the production calculation the Red Church Group would be able to produce in the term of the Loan for each year the following amount of bottles:

Total number of bottles	2023	2024	2025	2026	2027
White	2.266	3.739	4.394	4.416	4.416
Rose	-	-	-	-	-
Classic	-	-	-	-	-
Premium	41.761	60.491	70.328	70.395	70.395
Selection individuelle	5.700	7.500	8.700	8.700	8.700
Total bottles	49.727	71.730	83.422	83.511	83.511

The market price of these bottles is calculated on the basis of the market price in the year that the bottles are ready to be sold. These prices are provided form by EN EooD in her forecast model in sheet "Price" and are determined on the basis of the current market price and for each following year and for each new harvest an increase in value, existing out of an inflation correction and price increase as a result of higher quality of the product combined with a higher demand in the market.

Market price in year of sale	2023	2024	2025	2026	2027
White	17,21	17,55	17,90	18,26	18,63
Rose	17,21	17,55	17,90	18,26	18,63
Classic	26,63	27,43	28,25	29,10	29,68
Premium	39,29	40,67	42,09	43,56	45,09
Selection individuelle	140,76	147,45	154,45	161,79	169,47

Based on the to be produced bottles of wine, the moment that they are ready for sale and the price prognosis the stock of wine will have the following market value.

Market value of the wine stock	2023	2024	2025	2026	2027
White	38.992	65.625	78.664	80.639	82.252
Rose	-	-	-	-	-
Classic	-	-	-	-	-
Premium	1.640.924	2.460.044	2.960.214	3.066.726	3.174.061
Selection individuelle	802.347	1.105.867	1.343.739	1.407.566	1.474.426
	2.482.263	3.631.536	4.382.617	4.554.931	4.730.739

To calculate the net market value of the wine stock, produced from the harvest in the coming years, the market value need to be deducted with the to be made costs price to produce these bottles of wine. Based on the cost price calculation in sheet "Cost price" and the inventory overview of the wine stock in sheet "Inv wine" of the forecast model of the Red Church Group, the costs price for the production of these bottles will have the following amounts:

Cost of goods till sale	2023	2024	2025	2026	2027
White	14.973	21.759	24.875	26.028	26.591
Rose	-	-	-	-	-
Classic	-	-	-	-	-
Premium	297.437	469.505	517.896	521.961	577.459
Selection individuelle	49.351	63.077	69.831	70.387	77.218
	361.761	554.342	612.603	618.376	681.269

The above calculation result in the net market value of the stock that can be produced from the harvest in the coming years.

Net market value harvest	2.120.502	3.077.194	3.770.014	3.936.555	4.049.470
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To calculate the total value of the stock a last correction needs to be made regarding the sold bottles, because a sold bottle will deduct the stock and there with the net value of the stock. Regarding the value of a sold bottle there are two things to be taken into account:

- I. A sold bottle represent the gross market value, an therefor for each sold bottle the cost price need to be taken into account to calculate its effect on the net market value of the stock
- II. In the red church forecast model the Red Classic bottles that are linked to the purchase right of Red Church finance B.V., as described for in Section 6.2 of the Information Memorandum, have a selling value that is not in line with the market value. Because Red Church Finance B.V. will have the right to purchase these bottles at a price equal to 25% of the cost price. The net market value of the Stock from the harvest is however based on the real market value and not on the discounted price for Red Church Finance B.V., because otherwise the valuation of the stock would not represent the correct value. To remove this calculation difference from the calculation of sales, the purchase price of the bottles was deducted by Red Church Finance B.V. from the annual projected sales and then the number of bottles sold to Red Church Finance B.V. were valued according to the actual market value.

Based on the sale prognosis of the Red Church Group as specified in sheet "sale" of the forecast model of the Red Church Group the following overview can be drafted:

Stock value	2023	2024	2025	2026	2027
Remaining stock value	4.489.970	6.553.036	7.318.451	9.530.194	10.785.446
Net market value harvest	2.120.502	3.077.194	3.770.014	3.936.555	4.049.470
Net stock value	6.610.473	9.630.230	11.088.465	13.466.749	14.834.915
Sold to market	107.257	2.866.582	1.645.078	3.225.035	3.984.735
Value effectuated wine vouchers	-	4.447	373.617	-	-
Cost of sold goods	-49.820	-559.250	-460.424	-543.732	-607.001
Net value sold stock	57.437	2.311.779	1.558.271	2.681.304	3.377.733
Remaining net value	6.553.036	7.318.451	9.530.194	10.785.446	11.457.182
Pledge on shares	49%	49%	49%	49%	49%
Value of the pledge	3.210.987	3.586.041	4.669.795	5.284.868	5.614.019

c. Pledge on free liquidity

Red Church Finance B.V. will receive as a collateral for the provided Loan a pledge on the issued shares of EN EooD that are hold by Stichting Red Church Custodian regarding the conversion right as described for in section 6.3 of the Information Memorandum, Annex A. Whereby per provided amount of € 25.000,- (twenty-five thousand euro) to the Red Church Group a pledge will be provided with a total of 25 (twenty-five) shares of the issued share capital of EN EooD.

By the total issuing of the Red Church Vineyard Bond with an amount of € 4.900.000,- a pledge on the issued shares of EN EooD will be provided to Red Church Finance B.V. of 49% (forty-nine percent).

As a result of this pledge Red Church Finance B.V. will indirectly have a pledge through the shares on 49% on the value of the free liquidity that is available in the Red Church Group.

The free liquidity is based on the free cash flow + the trade receivables -/- the current liabilities in the total Red Church Group at year end. This will provide the following overview, based on the forecast model of the Red Church Group, Annex B1.

Liquidity buffer	2023	2024	2025	2026	2027
Free cash flow end of year	2.575.045	3.255.822	3.983.638	6.076.295	6.445.433
Trade receivables	5.365	143.467	84.539	161.516	205.970
Current liabilities	-43.984	-214.241	-103.577	-253.669	-339.015
Buffer	2.536.426	3.185.049	3.964.600	5.984.141	6.312.388
Pledge	49%	49%	49%	49%	49%
Pledged value	1.242.849	1.560.674	1.942.654	2.932.229	3.093.070

d. Total provided collateral

Based on the above calculation regarding the different types of provided collateral, the total collateral for each year during the duration of the Bond can be calculated. Whereby, in line with section 6.4 of the Information Memorandum a minimum coverage needs to be provided for by the Red church Group to Red Church Finance B.V. of 100% of the outstanding principal of the Bond. In this report the assumption has been adopted that Red Church Finance B.V. will not use her conversion right, as described for in section 6.3 of the Information Memorandum, during the term of the Loan. Resulting in a to be provided collateral with a minimum of € 4.900.000,- (four-million nine-hundred thousand euro).

Collateral value	Type of collateral	2023	2024	2025	2026	2027
Plots of land	1st mortgage right	318.170				
Real Estate	1st mortgage right	634.249				
Stock value	through share pledge	3.210.987	3.586.041	4.669.795	5.284.868	5.614.019
Liquidity buffer	through share pledge	1.242.849	1.560.674	1.942.654	2.932.229	3.093.070
Total collateral		5.406.255	5.146.715	6.612.449	8.217.097	8.707.089
Loan/Bond		4.900.000	4.900.000	4.900.000	4.900.000	4.900.000
Coverage		110,33%	105,04%	134,95%	167,70%	177,70%
LTV		90,64%	95,21%	74,10%	59,63%	56,28%

Each year after the effectuating date of the conversion right a new calculation will be made regarding the collateral as specified above under points a till c. In the case that this new calculation does not provide a coverage with a minimum of 100% of the outstanding principal of the Loan the Red Church Group will provide additional collateral as described for under section 6.4.6 in the Information Memorandum.

2. EBIT calculation valuation

a. Company valuation

The valuation of the company value of the Red Church Group is based on the forecast model of the Red Church Group, Annex B, valued on an average EBIT factor for the coming years (end of 2027), equal to the term of the Bond. Whereby the EBIT is based on the sales and production costs in relation to the prognosis of the harvest for the coming years. The EBIT for the winery shall increase in the coming years, as a result of professional management of the winery that will result in a sustainable high quality of the wine and on the other hand taking into account that from 2025 the winery will be able to have the production back at a normal level. Caused by the sale of (a part of) the harvest in the period 2020 till 2022 the production and therewith the sale will be lower till the year 2025 than in the normal situation whereby harvest is hold for own production. In 2025 the Red Church Group will be able to bottle new wines from the harvest of 2023 and will be back at a normal level regarding the production. Therefor the EBIT factor will rise from 2025 on. Because of the steadiness of the production, fast growth in sales, high profitability and a high scalable that is projected for the coming years the EBIT will also rise. The average EBIT factor that is used to calculate the average company value over the term of the Bond is factor 11 (eleven). For similar wineries the EBIT sale factor is in the range of factor 11 up to 20.

In the Red Church forecast model the Red Classic bottles that are linked to the purchase right of Red Church Finance B.V., as described for in Section 6.2 of the Information Memorandum, have a selling value that is not in line with the market value. Because Red Church Finance B.V. will have the right to purchase these bottles at a price equal to 25% of the cost price. To show the real value of the earning in the Red Church Group the effect of this purchase right needs to be removed from the calculation of the sales. This is realized by deducting the purchase price of the bottles sold under the conditions of the purchase right from the annual projected sales and corrected them with the market value of these sold bottles.

The company valuation of the Red Church Group, based on the forecast model of the Red Church Group, is valued **€ 21.849.862** (twenty-one million eight-hundred forty-nine thousand eight-hundred sixty-two euro), whereby the valuation represent the average company value based on the term of the Loan, valued on an average EBIT factor of 11.

Company value Red Church Group	2023	2024	2025	2026	2027	2028	2029
Earnings	107.257	2.871.028	2.018.694	3.225.035	3.984.735	4.294.457	4.437.192
Cost of sold goods	49.820	559.250	460.424	543.732	607.001	618.384	674.047
Operating costs	142.850	238.032	211.204	207.172	209.860	197.400	217.134
Advisory fee	18.000	18.630	19.003	19.383	19.770	20.166	20.569
Total operational costs	210.670	815.912	690.631	770.286	836.632	835.950	911.750
EBITDA	-103.413	2.055.116	1.328.064	2.454.749	3.148.103	3.458.507	3.525.441
Revaluation stock and inventory	671.501	-	-	-	-	-	-
Depreciation	-64.070	-64.070	-64.070	-64.070	-64.070	0	0
EBIT	504.018	1.991.046	1.263.994	2.390.679	3.084.033	3.458.507	3.525.441
EBIT factor	8,50	9,50	10,75	12,25	14,00	15,75	17,50
EBIT factor increase year on year		1,00	1,25	1,50	1,75	1,75	1,75
Valuation	4.284.156	18.914.939	13.587.933	29.285.818	43.176.462	54.471.490	61.695.222
Participation	49,00%	49,00%	49,00%	49,00%	49,00%	49,00%	49,00%
EBIT value	2.099.236	9.268.320	6.658.087	14.350.051	21.156.467	26.691.030	30.230.659
Average EBIT factor in first 5 years	11,00						
Average company value in first 5 years	21.849.862						

Red Church Finance B.V. will receive as a collateral for the provided Loan of pledge on the shares that are hold by Stichting Red Church Custodian regarding the conversion right as described for in section 6.4 of the Information Memorandum, Annex A. Whereby per provided amount of € 25.000,- (twenty-five thousand euro) to the Red Church Group a pledge will be provided with a total of 25 (twenty-five) shares of the issued share capital of EN EooD.

By the total issuing of the Red Church Vineyard Bond with an amount of € 4.900.000,- a pledge on the issued shares of EN EooD will be provided to Red Church Finance B.V. of 49% (forty-nine percent). This pledge represents on the basis of the EBIT valuation a collateral of This pledge represents on the basis of the EBIT calculation a value of **€ 10.706.432,-** (ten million seven-hundred six thousand four-hundred thirty-two euro),, whereby the valuation represents the average value calculated over the term of the Loan till the end of 2027. Taken into account that Red Church Finance B.V. will not use her conversion right during the term of the Loan.

Pledge value	
Average company value in first 5 years	21.849.862
Pledge on shares	49,00%
Net collateral	10.706.432

b. Valuation singledrinks.com

The value of the singledrinks.com project is not taken into account regarding the valuation of the company value of the Red Church Group and the value of the collateral for Red church Finance B.V. regarding the minimum coverage ration. The reason for this is that because of the novelty of the singledrinks.com project it is hard to predict its future success. The valuation of this project is there for not taken into account in the valuation of the collateral for the minimum coverage of the provided and outstanding principal of the Loan, as described for in the Information Memorandum. However this project does add value to the Red Church Group as a whole, and there for the Client requested the Assessor to make a mention here of the possible added value to be realised by this project and the associated collateral that this project will provide to Red Church Finance B.V.

Based on the perspectives, Annex E, of the Red Church Group regarding the singledrink.com project and valued against the same EBIT factors as the company valuation, the singledrinks.com project will provide Red Church Finance B.V. with an additional collateral of **€2.186.123,-** (two-million one-hundred eighty-six thousand one-hundred twenty-three euro), whereby the valuation represents the average value calculated over the term of the Loan till the end of 2027. Taken into account that Red Church Finance B.V. will not use her conversion right during the term of the Loan.

Perspective valuation of singledrinks.com	2023	2024	2025	2026	2027	2028	2029
EBIT	-	188.448	340.165	964.959	2.474.985	4.457.071	6.830.848
EBIT factor	8,50	8,50	9,50	10,75	12,25	14,00	15,75
EBIT factor increase year on year		1,00	1,25	1,50	1,75	1,75	1,75
Value	-	1.601.806	3.231.565	10.373.313	30.318.569	62.398.998	107.585.854
Participation	24,01%	24,01%	24,01%	24,01%	24,01%	24,01%	24,01%
EBIT value for pledge shares	-	384.594	775.899	2.490.632	7.279.488	14.981.999	25.831.363
Average EBIT factor in first 5 years	9,90						
Average company value in first 5 years	9.105.051						
PM - singledrinks.com							
Participation by EN in singledrinks.com OOD	49,00%						
Pledge on shares	49,00%						
Nett Securitization in singledrinks.com	24,01%						
Average EBIT factor in first 5 years	9,90						
Average company value in first 5 years	9.105.051						
Value in singledrinks.com	2.186.123						

This valuation is based on an indirect interest in Singledrinks.com OOD by Red Church Finance B.V. of 24,01% (twenty-four point one percent). This indirect interest is calculated as follows, EN EooD will hold 49% (forty-nine percent) of the issued shares of singledrinks.com OOD and Red Church Finance B.V. on her turn will have a pledge right on 49% (forty-nine percent) of the issued share capital of EN EooD, she will there for have an indirect interest of 24,01% (twenty-four point one percent) (49% of 49%) in Singledrinks.com OOD.

c. EBIT calculation value

When the EBIT valuation of the company is added to the value of the singledrinks.com project, the total value of the collateral for Red Church Finance B.V. will have an amount of **€12.892.555** (twelve-million eight-hundred ninety-two thousand five-hundred fifty-five euro) equal to a loan to value of **38,01%** and a coverage of **263,11%**, whereby the valuation represents the average value calculated over the term of the Loan till the end of 2027, based on the average EBIT factor over this term. Taken into account that Red Church Finance B.V. will not use her conversion right during the term of the Loan.

EBIT valuation	2023	2024	2025	2026	2027	2028	2029
EBIT value company shares	2.099.236	9.268.320	6.658.087	14.350.051	21.156.467	26.691.030	30.230.659
EBIT value singledrinks shares	-	384.594	775.899	2.490.632	7.279.488	14.981.999	25.831.363
Total ebit value for pledged shares	2.099.236	9.652.914	7.433.986	16.840.683	28.435.955	41.673.029	56.062.022
Average value in first 5 years	12.892.555						
Loan/Bond	4.900.000						
LTV	38,01%						
Coverage	263,11%						

Annexes:

Annex A	Information Memorandum
Annex B.1	Forecast model – Red Church Group
Annex B.2	Valuation calculations
Annex C	Bank Certificate - Valuation of plots of land and buildings - 2023-04-26
Annex D	Overview - valuation plots of land - 2023-05-29
Annex E	singledrinks.com perspective