Half-year results 2020/21 (1 April 2020 – 30 September 2020)

19 November 2020

COVID-19 impact significant as anticipated with improving trends in Q2

Strong operating cash flow; net debt reduced

Highlights first half year 2020/21

- **Revenue came in at € 26.8 million, down 42% compared to last year as a result of the significant impact of COVID-19 and related substantial destocking by distributors**
- **Depletions (sales by distributors) were down 20% in the first half of the year, which should be taken in the context that over half of Lucas Bols' business is normally conducted in the on-trade**
- **The second quarter showed a recovery of depletions to -5% compared to last year, driven by strong growth in the UK, Australia, China and the US**
- **Current in-market stock levels are relatively low, therefore shipments and revenue are expected to follow depletions more closely in the second half of the year**
- **The gross margin was down 180 bps vs last year to 56.7% due to a higher retail share of revenue combined with a negative currency impact**
- **Overhead and A&P costs were reduced by € 4.3 million (-32% vs last year) as a result of strict cost-cutting measures whilst balancing investments behind our brands**
- **The operating free cash flow improved by 8% to € 9.6 million thanks to our strong focus on working capital and cash management**
- **This solid cash generation enabled Lucas Bols to reduce its net debt by € 6.6 million to € 92.7 million at 30 September 2020**
- **Operating profit came in at € 5.3 million, net profit amounted to € 1.9 million**
- **Agreement reached with Pallini to distribute their limoncello brand in the US which is expected to add USD 3.5 million in net revenue on an annual basis**
- **The global relaunch of the Bols liqueurs range now crafted with Natural Botanicals has started to hit the markets with strong retail and on-trade reception**

Huub van Doorne, CEO Lucas Bols: *"As witnessed in the whole global economy and particularly in our industry, the impact of COVID-19 is significant but in line with what we anticipated. Lucas Bols is an on-trade driven company and on-trade channels in most of our markets were closed during the first quarter of our fiscal year. Nevertheless, as of the second quarter we saw depletions recovering strongly – faster than we expected and even bouncing back to pre-COVID levels in several key markets including China, the US, the UK and Australia. From a brand perspective Passoã and Galliano were important contributors to this recovery. As distributors reduced and optimised their inventories in the first half of the year, we expect shipments and revenue to follow depletions more closely in the second half.*

We took decisive actions right from the beginning. Not only short-term cost reductions and cash management measures, but also longer-term measures that will structurally reduce our cost base. These measures partially offset the effect of COVID-19 on profitability. Even in challenging times like these, Lucas Bols continues to be profitable and cash-generative. We have enough headroom to meet the revised covenants we agreed with the banks. With strict working capital management we were able to improve our operating free cash flow and further reduce net debt.

Lucas Bols' asset light business model, combined with our strong market insights, allow us to respond quickly where we see markets opening up again. While the road to full recovery is uncertain, with volatility caused by COVID-19 continuing in the second half, I have full confidence in the resilience of our brands. Moreover, the Lucas Bols team has shown creativity, flexibility and a steadfast and tireless commitment in these difficult times.
I am confident that we will emerge from this crisis as a stronger company."

Key figures

(in € million unless otherwise stated, for the half year ended)	30 September 2020	30 September 2019	% change reported	% change organic[1]
Revenue	26.8	46.3	-42.1%	-41.3%
Gross margin	56.7%	58.5%	-180 bps	- 140 bps
Operating profit	5.3	12.9	-58.7%	-56.4%
Operating profit margin	19.9%	27.9%	-800 bps	-720 bps
EBIT[2]	4.3	13.3	-67.4%	-65.2%
Net profit	1.9	8.5	-77.3%	-73.8%
Operating free cash flow[3]	9.6	8.9	+7.9%	
Earnings per share (in €)	0.16	0.68	-77.3%	-73.8%
Interim dividend per share (in €)	-	0.35		

Commercial initiatives

These unprecedented times are paving the way for an acceleration of new strategic and commercial initiatives.

One of our trend-setting product developments was the relaunch of our Bols liqueurs range in the first half of the year, with all recipes now crafted with natural botanicals. Bols liqueurs are a great base for high-quality and tasteful cocktails containing less alcohol and fewer calories. We also successfully launched our award-winning non-alcoholic Damrak Virgin 0.0 in both the Netherlands and the US. In the Netherlands we extended our specialty product range by introducing Bols Corenwyn 10 years.

There is a clear trend towards mixing and drinking cocktails at home in the UK and US, the leading cocktail markets. We increased our activation programmes in retail, also leveraging this home cocktail mixing trend. In the UK we see strong growth in Passoã on the back of the popular Pornstar Martini cocktail and retail-distribution expansion.

We continued developing our e-commerce proposition, increasing our exposure to in-home consumption. We are seeing home delivery of cocktails taking off, particularly in the US, and we are benefiting from that trend.

To reach our global Bols bartender community via online channels we have created new engagement programmes. Online bartender courses offered by the Bols Bartending Academy have been in great demand by both bartenders still at work and bartenders at home due to COVID-19. Via social media channels we offered free live streams with online bartending master classes, these have been greatly appreciated by the global bartending community.

Supply chain

Lucas Bols has strong supply chain partnerships and consequently did not encounter raw material shortages, disruptions in the production of our products or an adverse impact on logistics. Therefore, we continued to be able to deliver our products to all our markets around the world without facing any out-of-stock situations.

Pallini

In October, Lucas Bols signed an agreement with Italy-based Pallini S.p.A. regarding the US distribution of the Pallini Limoncello brand. In the US, Pallini is a premium and leading limoncello brand, with steady mid-single digit annual growth rates. The brand fits the Lucas Bols portfolio well, and can seamlessly be added onto the distribution platform of Lucas Bols in the US. Synergy benefits will be most notable with Lucas Bols' Italian liqueur brand Galliano. Primarily a retail-driven brand, Pallini will enhance Lucas Bols' proposition in the retail market while at the same time providing great potential that can be unlocked in the on-trade market. The distribution contract will come into effect mid-December 2020 and is expected to add approximately USD 3.5 million to Lucas Bols USA's annual net revenue as well as contributing to EBIT. The initial contract term is five years, provided certain performance criteria are met.

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[1] at constant currencies
[2] EBIT is defined as operating profit plus share of profit of joint ventures
[3] Operating free cash flow is defined as net cash from operating activities minus CAPEX

Financial review

Revenue

Lucas Bols' revenue for the first half of the 2020/21 financial year came in at € 26.8 million, down 42% compared to last year, due to the significant impact of COVID-19 and a related substantial destocking by distributors. The effect of currencies on revenue was € 0.3 million negative.

The impact of COVID-19 materialised in all regions and across all brands as more than half of the business of Lucas Bols is normally conducted in the on-trade. The severity of the impact varies per region, depending on the COVID-19 measures taken and the on-trade dependency of Lucas Bols in the respective market. Revenue of the more on-trade driven global brands segment was down 45% while the more retail-driven regional brands segment reported a 31% drop in revenue.

Both North America and the Emerging Markets are heavily on-trade driven regions. Consequently, revenue was down 53% and 59%, respectively. Revenue in Western Europe depends more on retail and was down 28% compared to the first half year of the 2019/20 financial year. This region's resilient performance is attributable to a good performance in the UK, France, BeLux (Belgium and Luxembourg) and Scandinavia. Revenue in Asia-Pacific was down 59%, even though Australia performed notably well.

Depletions

Depletions (value), % change vs same period last year	**H1**	**Q1**	**Q2**
Total	-20%	-36%	-5%
Brands			
Global brands	-19%	-35%	-4%
Regional brands	-27%	-42%	-10%
Regions			
Western Europe	-13%	-25%	0%
North America	-12%	-28%	+4%
Asia-Pacific	-34%	-53%	-16%
Emerging Markets	-49%	-76%	-25%

Total depletions (sales by distributors) were down 36% in the first quarter, reflecting the strict lockdown measures in most markets from April to June. In the second quarter (July-September) we saw depletions recover well above expectations to -5%. Although this trend is generally observed in all regions, the strength of the recovery varies greatly both between and within the different regions.

Depletions of the global brands were down only 4% in the second quarter on the back of strong retail growth for Passoã, Galliano and Nuvo as well as an improvement of Bols Liqueurs following the reopening of the on-trade markets.

Western Europe was impacted the least as this is the region with the most exposure to retail sales. Within the region, the UK is clearly an outperformer with depletions of Passoã growing substantially throughout the first half year. France showed good resilience, as did BeLux and Scandinavia. In the second quarter depletions for the region as a whole were at the same level as a year earlier.

The **Asia-Pacific** region showed mixed results. South-East Asia and South Korea were affected by a lack of international tourism, recurring lockdowns and negative consumer sentiment. Australia and New Zealand performed very well, driven by growth of Galliano, a well-recognised consumer brand in these markets. Depletions in China showed a strong acceleration in the second quarter, even returning to double-digit growth year-on-year. The Japanese market remains challenging with a changing consumer trend in the on-trade market and a very slow recovery following lockdown measures.

In **North America** we experienced a strong recovery, leading to a 4% growth of depletions in the second quarter compared to the same period last year. This recovery was mainly driven by solid in-market sales of Passoã, Galliano and Nuvo. Bols Liqueurs was heavily impacted by the closure of on-trade markets but showed an improving trend in the second quarter. Canada performed relatively well, driven by our Bols Vodka retail brand.

In **Emerging Markets** (including Eastern Europe and Latin America) depletions have been hampered by a slow reopening of on-trade markets. In the African region, however, we did see a strong recovery in the second quarter.

Gross profit
Gross profit for the first half of 2020/21 decreased to € 15.2 million (H1 2019/20: € 27.1 million). As a percentage of revenue the gross margin decreased by 180 bps to 56.7% (58.5% in H1 2019/20). This drop is mainly attributable to a changed mix as sales shifted from the higher margin on-trade channel to retail. Currencies had a negative impact of € 0.3 million on gross profit.

Operating profit
Operating profit for the first half of 2020/21 came in at € 5.3 million compared to € 12.9 million in the same period last year. Currencies had a negative impact of € 0.3 million. In response to the anticipated impact of COVID-19, Advertising & Promotion (A&P) and overhead costs were significantly reduced. A&P was scaled back by € 1.8 million, down 29% compared to last year, balancing investments behind the brands following the on-trade closures. Overhead costs were down € 2.5 million in the first half of the year, which is a 35% reduction compared to last year. This mainly relates to lower personnel expenses and reduced travel and entertainment costs. Whilst part of the cost savings are temporary, the organisation also structurally reduced its cost base. Where applicable we also applied for government support.

The reported operating profit margin came in at 19.9% in the first half of the financial year compared to 27.9% a year earlier.

EBIT
Despite COVID-19 Maxxium has been operating in line with last year. However, due to the operating loss incurred at Avandis as a result of the significant (temporary) COVID-19 impact on its volumes, our share in the result of joint ventures 2020/21 amounted to a loss of € 1.0 million in the first half of this year (H1 2019/20: profit of € 0.4 million).

As a result EBIT for the first half of the year 2020/21 came in at € 4.3 million compared to € 13.3 million in the same period last year. The reported EBIT margin came in at 16.1% compared to 28.6% last year.

Developments in the Lucas Bols brand portfolio

Global brands
Our portfolio of global brands consists of Bols Liqueurs, Bols Genever, Bols Vodka, Damrak Gin, Passoã, Nuvo and our Italian liqueurs Galliano and Vaccari Sambuca.

(in € million unless otherwise stated, for the half year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	20.0	36.4	-45.2%	-44.1%
Gross profit	11.8	22.7	-48.0%	-46.5%
Gross margin	*59.0%*	*62.3%*	*-320 bps*	*-260 bps*
EBIT	7.1	16.9	-58.3%	-56.5%
EBIT margin	*35.3%*	*46.5%*	*-1110 bps*	*-1020 bps*

* at constant currencies

Revenue of the global brands for the first half of 2020/21 amounted to € 20.0 million compared to € 36.4 million in the same period in 2019/20. Currencies had a negative impact of € 0.2 million.

COVID-19 impacted all brands in the portfolio, although the magnitude differed significantly by brand. Distributors around the world reduced and optimized their stocks substantially, leading to a decline in shipments and revenue in the first half of the year.

Passoã performed strongly. In the first half of the year depletions were clearly ahead of last year on the back of continued strong growth in the UK and the US. The brand is also showing solid in-market sales in France and the Benelux. Second-quarter shipments achieved mid-single-digit growth compared to the same period last year.

In line with expectations, COVID-19 impacted the more on-trade-driven Bols Liqueurs and white spirits segment. Nevertheless, we saw a strong recovery of depletions for the Bols Liqueurs range in the second quarter, driven by strong double-digit growth in China and a clear sequential improvement in depletion trends in many markets (including the US) due to the reopening of the on-trade markets.

Galliano did very well on the back of good growth in the second quarter in Australia, the US and Scandinavia.

Gross profit of the global brands came in at € 11.8 million in the first half of the year compared to € 22.7 million last year. The gross margin was down 320 bps to 59.0%, caused by a shift from the higher margin on-trade channel to the retail channel. EBIT came in at € 7.1 million (H1 2019/20: € 16.9 million). Currencies had a negative impact of € 0.3 million.

Regional brands

Our regional brand portfolio contains the portfolio of Dutch Genevers and Vieux (which enjoy market leadership in the Dutch market), the Pisang Ambon and Coebergh brands as well as a broader range of products that are sold on one continent or in a specific country, such as the Henkes brand in Africa and Regnier Crème de Cassis in Japan.

(in € million unless otherwise stated, for the half year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	6.9	9.9	-31.1%	-30.6%
Gross profit	3.4	4.5	-23.6%	-23.6%
Gross margin	*49.7%*	*44.9%*	*+490 bps*	*+460 bps*
EBIT	2.9	4.3	-33.1%	-33.1%
EBIT margin	*42.2%*	*43.5%*	*-130 bps*	*-160 bps*

* at constant currencies

Revenue of the regional brands for the first half of 2020/21 amounted to € 6.9 million, a decline of 31% compared to the first half of 2019/20. A number of products, including Pisang Ambon and the Hoppe brand, performed relatively well this first half year. Although the domestic jenever/vieux portfolio is retail driven and less affected by the COVID-19 pandemic, revenue for this segment decreased, in line with the continuing decline of the market. The value brands, including the Henkes brand, were particularly impacted given that a number of markets in the African region faced a ban on the sale of alcoholic beverages. The second quarter showed a strong recovery in this region. Revenue from the Delft Blue houses was significantly down due to international travel restrictions.

Consistent with the drop in revenue, gross profit decreased to € 3.4 million from € 4.5 million in the first half of 2019/20. The gross margin increased by 490 bps due to a favourable product mix and price increases. Reported EBIT for the regional brands declined to € 2.9 million in the first half of the year 2020/21 from € 4.3 million a year earlier.

Finance costs

Finance costs were at € 1.7 million in the first half of the year, comparable to the same period last year.

Taxes

The effective tax rate was approximately 27% for the first half of 2020/21 (H1 2019/20: 26%), which is higher than the Dutch nominal tax rate due to the relatively good performance of Passoã, whose profits are taxed in France at a higher rate.

Profit for the period

Net profit came in at € 1.9 million for the first half of the year (H1 2019/20: € 8.5 million). Net profit per share decreased to € 0.16 (H1 2019/20: € 0.68).

Cash flow

The operating free cash flow improved by 8% to € 9.6 million (H1 2019/20: € 8.9 million), a strong performance given the negative impact of COVID-19. Strict working capital management and cash preservation measures contributed to this strong development.

Financial position

Equity
Equity increased by € 1.9 million to € 195.6 million mainly as a result of the recorded net profit.

Net debt
Our focus on cash and working capital enabled strong cash generation, even in these times of COVID-19. Consequently, we reduced total net debt of the company (including Passoã) by € 6.6 million during the first half of the year. As at 30 September 2020 total net debt amounted to € 92.7 million (31 March 2020: € 99.3 million).

In April 2020 Lucas Bols reached agreement on certain temporary amendments to the financing arrangements with the banks, including covenants tested on EBITDA and liquidity levels instead of net debt/EBITDA ratios. Lucas Bols fully met the covenants on 30 September 2020.

Passoã transaction
As previously communicated the Passoã transaction is expected to be completed in December 2020. The financing of the purchase price that was agreed in 2016 (approximately € 71 million) is secured, including a committed acquisition facility in the amount of € 50 million.

Avandis
We are in the process of transferring the production of Passoã from the Rémy Cointreau production site in Angers (France) to Avandis in Zoetermeer (the Netherlands). From January 2021 onwards, Passoã will be bottled at Avandis. Furthermore, due to the strategic reorientation of one of the joint venture partners we expect to increase our stake in Avandis in the second half of this fiscal year at terms favourable to Lucas Bols.

Interim dividend
As communicated at the publication of the full-year results in May this year it was decided to not pay an interim dividend this fiscal year.

Outlook
Although we saw a strong recovery in consumer demand from July onwards as a result of the gradual reopening of the on-trade markets, there continues to be considerable uncertainty relating to the global pandemic. Looking at the second half of the year, we expect continued volatility as restrictive measures are reintroduced, particularly in Europe, adversely affecting consumption in the on-trade channel.

Based on current in-market stock levels shipments and revenue are expected to follow depletions more closely in the second half of the year.

We will continue our mitigation actions in the second half, with a continued focus on optimising overhead costs and A&P, while providing sufficient investments behind our brands.

Taking into account the foreign currency position already hedged and assuming the current level of the euro, foreign currencies are expected to have a limited impact on EBIT for the full 2020/21 financial year.

While the road to recovery is uncertain with volatility caused by COVID-19 likely to continue, we have full confidence in the resilience of our business supported by our passionate and professional Lucas Bols team and business partners.

For further information

www.lucasbols.com
Huub van Doorne (CEO) / Frank Cocx (CFO)
+31 20 570 85 48

About Lucas Bols

Lucas Bols is the world's oldest distilled spirits brand and one of the oldest Dutch companies still in business. Building on its more than 440-year-old heritage dating back to 1575, the company has mastered the art of distilling, mixing and blending liqueurs, genever, gin and vodka. Lucas Bols owns a portfolio of more than 20 premium and super premium brands of different spirits used in cocktail bars worldwide. Its products are sold in more than 110 countries around the world. Lucas Bols has been listed on Euronext Amsterdam (BOLS) since 4 February 2015.

Lucas Bols holds the number one position in liqueur ranges worldwide (outside the US) and is the world's largest player in the genever segment. Many of Lucas Bols' other products have market or category-leading positions. Furthermore, Lucas Bols is a leading player in the bartending community. Through the House of Bols Cocktail & Genever Experience and Europe's largest bartending school, the Bols Bartending Academy, the company provides inspiration and education to both bartenders and consumers.

Financial calendar

27 May 2021	Publication of 2020/21 full-year results
8 July 2021	Annual General Meeting of Shareholders

Annexes

1. Brand information
2. Segment information
3. Interim condensed consolidated report for H1 20/21

1. Brand information

Global brands

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	20.0	36.4	-45.2%	-44.1%
Gross profit	11.8	22.7	-48.0%	-46.5%
Gross margin	*59.0%*	*62.3%*	*-320 bps*	*-260 bps*
D&A expenses	3.9	5.8	-33.7%	-33.0%
% of revenue	*19.3%*	*16.0%*	*+330 bps*	*+320 bps*
EBIT	7.1	16.9	-58.3%	-56.5%
EBIT margin	*35.3%*	*46.5%*	*-1110 bps*	*-1020 bps*

Regional brands

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	6.9	9.9	-31.1%	-30.6%
Gross profit	3.4	4.5	-23.6%	-23.6%
Gross margin	*49.7%*	*44.9%*	*+490 bps*	*+460 bps*
D&A expenses	0.4	0.4	-13.2%	-12.9%
% of revenue	*5.5%*	*4.3%*	*+110 bps*	*+110 bps*
EBIT	2.9	4.3	-33.1%	-33.1%
EBIT margin	*42.2%*	*43.5%*	*-130 bps*	*-160 bps*

Total

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	26.8	46.3	-42.1%	-41.3%
Gross profit	15.2	27.1	-44.0%	-42.7%
Gross margin	*56.7%*	*58.5%*	*-180 bps*	*-140 bps*
D&A expenses (allocated)	4.2	6.2	-32.3%	-31.6%
% of revenue	*15.8%*	*13.5%*	*+230 bps*	*+220 bps*
D&A expenses (unallocated)	5.6	8.0	-29.4%	-29.4%
Overhead (excl. depreciation) % of revenue	*17.4%*	*15.4%*	*+200 bps*	*+170 bps*
EBIT	4.3	13.3	-67.4%	-65.2%
EBIT margin	*16.1%*	*28.6%*	*-1250 bps*	*-1160 bps*

***** at constant currencies

2. Segment information

Western Europe

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	17.2	24.1	-28.5%	-28.8%
% of total revenue	*64.2%*	*51.9%*		
Gross profit	9.5	13.5	-29.6%	-30.1%
% of total gross profit	*62.5%*	*49.8%*		
Gross margin	55.2%	56.1%	-90 bps	-110 bps

Asia-Pacific

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	3.5	8.5	-59.5%	-59.5%
% of total revenue	*12.9%*	*18.5%*		
Gross profit	2.5	6.0	-58.8%	-58.7%
% of total gross profit	*16.4%*	*22.3%*		
Gross margin	72.0%	70.8%	+130 bps	+130 bps

North America

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	4.0	8.6	-53.2%	-49.0%
% of total revenue	*15.0%*	*18.5%*		
Gross profit	1.9	4.7	-59.3%	-52.1%
% of total gross profit	*12.6%*	*17.4%*		
Gross margin	47.8%	55.0%	-710 bps	-330 bps

Emerging Markets

(in € million unless otherwise stated, for the year ended)	**30 September 2020**	**30 September 2019**	**% change reported**	**% change organic***
Revenue	2.1	5.1	-58.7%	-56.7%
% of total revenue	*7.9%*	*11.1%*		
Gross profit	1.3	2.9	-55.5%	-52.6%
% of total gross profit	*8.4%*	*10.6%*		
Gross margin	60.0%	55.6%	+440 bps	+510 bps

* at constant currencies

LUCAS BOLS

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Interim condensed consolidated financial information
for the six-month period ended 30 September 2020

Interim condensed consolidated statement of profit or loss

for the six-month period ended 30 September 2020 and 2019

Amounts in EUR '000 for the six months period ended 30 September	Note	2020	2019
Revenue	4	**26,807**	**46,334**
Cost of sales		(11,617)	(19,206)
Gross profit		**15,190**	**27,128**
Distribution and administrative expenses	6	(9,857)	(14,217)
Operating profit		**5,333**	**12,911**
Share of profit/(loss) of joint ventures	7	(1,013)	355
Finance income		164	206
Finance costs		(1,835)	(1,873)
Net finance costs	8	**(1,671)**	**(1,667)**
Profit before tax		**2,649**	**11,599**
Income tax expense	10	(713)	(3,063)
Profit for the period		**1,936**	**8,536**
Result attributable to the owners of the Company		**1,936**	**8,536**
Weighted average number of shares	9	12,477,298	12,477,298
Earnings per share			
Basic earnings per share (EUR)		0.16	0.68
Diluted earnings per share (EUR)		0.16	0.68

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of other comprehensive income

for the six-month period ended 30 September 2020 and 2019

Amounts in EUR '000 for the six months period ended 30 September	Note	2020	2019
Result for the period		**1,936**	**8,536**
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability		(70)	(121)
Related tax		17	30
Equity-accounted investees - share of other comprehensive income		(55)	(68)
		(108)	**(159)**
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		12	(22)
Equity-accounted investees - share of other comprehensive income		0	46
Net change in hedging reserve		68	(757)
Related tax		(17)	189
		63	**(544)**
Other comprehensive income for the period, net of tax		**(45)**	**(703)**
Total comprehensive income for the period, net of tax		**1,891**	**7,833**
Total comprehensive income attributable to the owners of the Company		**1,891**	**7,833**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity

for the six-month period ended 30 September 2020 and 2019

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2020		**1,248**	**129,695**	**-**	**(247)**	**(815)**	**16,601**	**42,835**	**4,384**	**193,701**
Transfer result prior period		-	-	-	-	-	-	4,384	(4,384)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	1,936	**1,936**
Other comprehensive income		-	-	-	12	51	-	(108)	-	**(45)**
Total comprehensive income		**-**	**-**	**-**	**12**	**51**	**-**	**(108)**	**1,936**	**1,891**
Dividend paid		-	-	-	-	-	-	-	-	**-**
Purchase own shares (ESPP)	16	-	-	-	-	-	-	-	-	**-**
Own shares delivered (ESPP)	16	-	-	-	-	-	-	-	-	**-**
Changes in estimates of costs related to the issuance of shares		-	-	-	-	-	-	-	-	**-**
Transfer to Other legal reserves [1]		-	-	-	-	-	2,686	-	(2,686)	**-**
Balance as at 30 September 2020		**1,248**	**129,695**	**-**	**(235)**	**(764)**	**19,287**	**47,111**	**(750)**	**195,592**

[1] Transfer to Other legal reserves comprises the transfer of undistributed profits from the jointly owned entity and from joint ventures

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2019		**1,248**	**129,695**	**-**	**(163)**	**(754)**	**11,790**	**38,840**	**11,498**	**192,154**
Transfer result prior period		-	-	-	-	-	-	11,498	(11,498)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	8,536	**8,536**
Other comprehensive income		-	-	-	24	(568)	-	(159)	-	**(703)**
Total comprehensive income		**-**	**-**	**-**	**24**	**(568)**	**-**	**(159)**	**8,536**	**7,833**
Dividend paid		-	-	-	-	-	-	(3,119)	-	**(3,119)**
Purchase own shares (ESPP)	16	-	-	2	-	-	-	-	-	**2**
Own shares delivered (ESPP)	16	-	-	(2)	-	-	-	-	-	**(2)**
Changes in estimates of costs related to the issuance of shares		-	-	-	-	-	-	-	-	-
Transfer to Other legal reserves [2]		-	-	-	-	-	3,022	10	(3,032)	-
Balance as at 30 September 2019		**1,248**	**129,695**	**-**	**(139)**	**(1,322)**	**14,812**	**47,070**	**5,504**	**196,868**

[2] Transfer to Other legal reserves and Retained earnings comprises the transfer of undistributed profits from the jointly owned entity to Other legal reserves and the transfer of distributed profits from joint ventures to Retained earnings

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

as at 30 September 2020 and 31 March 2020

Amounts in EUR '000 as at	Note	30 September 2020	31 March 2020
Assets			
Property, plant and equipment	11	10,046	10,308
Intangible assets	12	307,212	307,347
Investments in joint ventures	7	7,573	7,316
Other investments		831	599
Non-current assets		**325,662**	**325,570**
Inventories		8,510	10,559
Trade and other receivables		18,183	24,921
Other investments including derivatives		838	115
Cash and cash equivalents		37,169	33,108
Current assets		**64,700**	**68,703**
Total assets		**390,362**	**394,273**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position (continued)

Amounts in EUR '000 as at	Note	30 September 2020	31 March 2020
Equity			
Share capital		1,248	1,248
Share premium		129,695	129,695
Translation Reserve		(235)	(247)
Hedging Reserve		(764)	(815)
Other legal reserves		19,287	16,601
Retained earnings		47,111	42,835
Result for the period		(750)	4,384
Total equity		**195,592**	**193,701**
Liabilities			
Loans and borrowings	13	47,753	49,714
Other non-current financial liabilities	15	6,376	6,746
Employee benefits		535	434
Deferred tax liabilities	10	42,212	42,663
Total non-current liabilities		**96,876**	**99,557**
Loans and borrowings	13	10,741	11,925
Trade and other payables		14,446	17,227
Other current financial liabilities, including derivatives	15	72,707	71,863
Total current liabilities		**97,894**	**101,015**
Total liabilities		**194,770**	**200,572**
Total equity and liabilities		**390,362**	**394,273**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

for the six-month period ended 30 September 2020 and 2019

Amounts in EUR '000 for the six months period ended 30 September	Note	2020	2019
Cash flows from operating activities			
Result for the period		**1,936**	**8,536**
Adjustments for:			
• Depreciation		971	830
• Net finance costs	8	1,671	1,667
• Share of profit joint ventures		1,013	(355)
• Income tax expense		713	3,063
• Provision for employee benefits		29	28
		6,333	**13,769**
Change in:			
• Inventories		2,049	2,604
• Trade and other receivables		6,738	(4,295)
• Trade and other payables		(4,360)	(2,353)
Net changes in working capital	14	**4,427**	**(4,044)**
Dividends from joint ventures		250	450
Interest received		164	99
Income tax paid		(1,141)	(1,039)
Net cash from operating activities		**10,033**	**9,235**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows (continued)

Amounts in EUR '000 for the six months period ended 30 September	Note	2020	2019
Cash flows from investing activities			
Acquisition of/additions to joint ventures	7	(200)	-
Acquisition of property, plant and equipment	11	(478)	(358)
Acquisition of intangible assets		-	(19)
Loans issued and other investments		(550)	-
Net cash from (used in) investing activities		**(1,228)**	**(377)**
Cash flows from financing activities			
Proceeds from loans and borrowings		-	2,000
Repayment of loans and borrowings		(2,000)	-
Payments made in lease contracts		(415)	(423)
Cash dividends paid to shareholders		-	(3,119)
Interest paid		(1,069)	(1,110)
Net cash from (used in) financing activities		**(3,484)**	**(2,652)**
Net increase (decrease) in cash and cash equivalents		**5,321**	**6,206**
Cash and cash equivalents as at 1 April		21,183	13,670
Effect of exchange rate fluctuations		(76)	(15)
Net cash and cash equivalents as at 30 September		**26,428**	**19,861**
Cash and cash equivalents (asset)		37,169	33,837
Less: bank overdrafts included in current loans and borrowings		(10,741)	(13,976)
Net cash and cash equivalents as at 30 September		**26,428**	**19,861**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 September 2020 and 2019

1. Reporting entity

Lucas Bols N.V. (the 'Company') is domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, Amsterdam. The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 September 2020 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities.

Lucas Bols N.V. is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Passoã, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh and a large group of Dutch jenevers and liqueurs.

2. Basis of preparation

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2020. All significant transactions and events have been disclosed in the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements were authorised for issue by the Management Board and Supervisory Board on 18 November 2020.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on each reporting date on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- interests in the joint venture are accounted for using the equity method; and
- the net defined benefit liability is recognised as the present value of the defined benefit obligation, less the fair value of plan assets.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the valuation techniques as outlined below.
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 15 – financial instruments.

(c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand, except when otherwise indicated.

(d) Use of estimates and judgements

In preparing these interim condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2020.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2020, except for the adoption of new standards and interpretations effective as of 1 January 2020.

Several amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

4. Operating segments

The Group develops, produces, sells and markets products which can be divided in two reportable segments. This segmentation is also the structure in which the brands are managed within the Group, as they require different marketing and sales strategies. Within the Group separate financial information is available internally and used by the main operational decision-makers for resource allocation.

Brand information

The Group identifies global and regional brands:

(I) Global brands

The global brands represent the Group's brands which in general are sold on more than one continent, on which the Group achieves a relatively high margin and which predominantly have an on-premise character. The main global brands consist of the Bols Liqueur range, Passoã, Nuvo, Italian Liqueurs (Galliano and Vaccari) and the white spirits portfolio (Bols Vodka, Bols Genever and Damrak Gin).

(II) Regional brands

The regional brands represent the Group's brands which in general are sold on one continent and predominantly have an off-premise character.
The main regional brands are the Group's jenever/vieux portfolio, Pisang Ambon, Coebergh, the Strike brands, Regnier and La Fleurette.

The Group's management reviews internal management reports of each segment. Information regarding the results of each reportable segment is set out on the next page.

Allocation to the brand segments takes place on specific brand contribution level. Items managed on a group basis (i.e. overheads, finance and tax items) are not allocated to the segments. Only direct brand allocated assets and liabilities are allocated to the brand segments, all other assets and liabilities are managed on a group basis and not allocated to the segments.

Brand information (continued)

Amounts in EUR '000 for the six months period ended 30 September	Global brands 2020	Global brands 2019	Regional brands 2020	Regional brands 2019	Unallocated 2020	Unallocated 2019	Total 2020	Total 2019
Revenue	19,954	36,387	6,853	9,947	-	-	26,807	46,334
Cost of sales	(8,173)	(13,722)	(3,444)	(5,484)	-	-	(11,617)	(19,206)
Gross profit	**11,781**	**22,665**	**3,409**	**4,463**	**-**	**-**	**15,190**	**27,128**
A&P and distribution expenses	(3,857)	(5,816)	(374)	(431)	-	-	(4,231)	(6,247)
Personnel and other expenses	-	-	-	-	(5,626)	(7,970)	(5,626)	(7,970)
Total result from operating activities	**7,924**	**16,849**	**3,035**	**4,032**	**(5,626)**	**(7,970)**	**5,333**	**12,911**
Share of profit/(loss) of joint ventures	(871)	62	(142)	293	-	-	(1,013)	355
EBIT [1]	**7,053**	**16,911**	**2,893**	**4,325**	**(5,626)**	**(7,970)**	**4,320**	**13,266**

Amounts in EUR '000 as at	Global brands 30 September 2020	Global brands 30 September 2019	Regional brands 30 September 2020	Regional brands 30 September 2019	Unallocated 30 September 2020	Unallocated 30 September 2019	Total 30 September 2020	Total 30 September 2019
Intangible assets	215,050	214,651	92,162	92,162	-	-	307,212	306,813
Inventories	7,553	7,232	957	778	-	-	8,510	8,010
Other assets	-	-	-	-	74,640	79,230	74,640	79,230
Total segment assets	**222,603**	**221,883**	**93,119**	**92,940**	**74,640**	**79,230**	**390,362**	**394,053**
Total segment liabilities	**-**	**-**	**-**	**-**	**(194,770)**	**(197,456)**	**(194,770)**	**(197,456)**

[1] EBIT is defined as operating profit plus share of profit of joint ventures

Geographical information

From a geographical perspective, management has identified the following regions on which they manage their business:

Amounts in EUR '000 for the six months period ended 30 September	Revenue by region of destination 2020	Revenue by region of destination 2019	Gross profit 2020	Gross profit 2019
Western Europe [1]	17.209	24.059	9.501	13.498
Asia-Pacific	3.460	8.550	2.493	6.049
North America [2]	4.013	8.577	1.920	4.716
Emerging markets	2.125	5.148	1.276	2.865
Consolidated totals	**26.807**	**46.334**	**15.190**	**27.128**

[1] Revenue attributed to The Netherlands: 5,943 (H1 2020/21) and 8,844 (H1 2019/20)

[2] Revenue attributed to the USA: 2,870 (H1 2020/21) and 7,195 (H1 2019/20)

Regional brands are predominantly sold in Western Europe; furthermore, they are present also in Emerging Markets and Asia-Pacific. Most global brands are sold in all regions.

Revenue came in at EUR 26,807 thousand, down 42% compared to last year, as a result of the significant COVID-19 impact and anticipated substantial destocking by distributors.

5. Seasonality of operations

The Group's business is to a certain extent affected by seasonality. In full year 2019/20 the Group made 55% of its revenue in the first half year (April - September 2019) as distributors built up their stocks in anticipation of the year-end period. In 2020/21 to date the impact of seasonality seems reduced somewhat due to the COVID-19 pandemic.

6. Distribution and administrative expenses

Amounts in EUR '000 for the six months period ended 30 September	2020	2019
Advertising and promotional expenses	(2,222)	(3,846)
Distribution expenses	(2,009)	(2,401)
Personnel expenses	(3,273)	(5,612)
Other administrative expenses	(1,382)	(1,528)
Depreciation and amortisation	(971)	(830)
	(9,857)	**(14,217)**

The decrease in advertising and promotional expenses in the six-month period ended 30 September 2020 compared to the same period last year is in response to the decrease in revenue as a result of the COVID-19 pandemic. Management also initiated other cost saving initiatives in response to the pandemic, which are reflected in lower personnel and other administrative expenses, amongst others.

7. Joint ventures

The decrease in share of profit of joint ventures is mainly driven by a net loss at Avandis C.V. That net loss is caused by COVID-19, as it affected Avandis' production volumes substantially. The joint venture partners (amongst which the Company) settle this net loss by paying for it in cash. As at 30 September 2020 the payment has not yet taken place. Consequently, the corresponding liability is included in trade and other payables.

8. Net finance costs

Amounts in EUR '000 for the six months period ended 30 September	2020	2019
Interest income	164	206
Finance income	**164**	**206**
Interest expenses on loans and borrowings	(774)	(657)
Amortization refinancing fees	(39)	(39)
Interest expense on liability related to the Passoã call/put option	(598)	(588)
Interest expense on lease liability	(96)	(68)
Other finance costs	(328)	(521)
Finance costs	**(1,835)**	**(1,873)**
Net finance costs recognised in profit or loss	**(1,671)**	**(1,667)**

9. Earnings per share

Total weighted average number of shares has not changed compared to the number in the consolidated financial statements as at and for the year ended 31 March 2020.

10. Tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2020 was 27.0% (six months ended 30 September 2019: 26.4%). The percentage of the effective tax rate for the six months ended 30 September 2020 versus the official tax rate in the Netherlands of 25% was caused predominantly by the effect of Passoã SAS profits against a higher tax rate (see table).

Reconciliation of effective tax rate

For the six months period ended 30 September	2020		2019	
	%	**EUR 1,000**	**%**	**EUR 1,000**
Profit before tax		2.649		11.599
Tax using the Company's domestic tax rate	25,0	(662)	25,0	(2.900)
Effect of tax rates in foreign jurisdictions	5,8	(153)	3,0	(350)
Non-deductible expenses	0,2	(4)	0,0	(3)
Effect of share of profits of equity-accounted investees	(4,1)	108	(0,8)	89
Changes in estimates related to prior years	0,4	(11)	(0,2)	18
R&D tax incentive	(0,3)	9	(0,7)	83
Other	0,0	0	0,0	0
	27,0	**(713)**	**26,4**	**(3.063)**

Deferred tax liabilities

The deferred tax liabilities of EUR 42,212 thousand as at 30 September 2020 are a netted amount (EUR 42,663 thousand as at 31 March 2020). It is the net balance of deferred tax assets of EUR 2,954 thousand (EUR 2,363 thousand as at 31 March 2020) and deferred tax liabilities of EUR 45,166 thousand (EUR 45,026 thousand as at 31 March 2020).

11. Property, plant and equipment

During the six months ended 30 September 2020, the Group acquired assets with a cost of EUR 478 thousand (the six months ended 30 September 2019: EUR 358 thousand). The balance of the Group's right-of-use assets as at 30 September 2020 is EUR 5,590 thousand (EUR 6,418 thousand as at 31 March 2020).

12. Intangible assets

Each year the Company carries out a formal impairment test at the end of its financial year. For the six-month period ended 30 September 2020 no impairment test has been performed as the operations during the six-month period ended 30 September 2020 are in line with assumptions as used in last year's impairment test which is performed at 31 March 2020. In its impairment test per 31 March 2020 management already incorporated the impact of COVID-19, including the related uncertainties. Management did not identify a triggering event at 30 September 2020 that indicated an asset may be impaired. As such, no additional impairment test was conducted per 30 September 2020.

13. Loans and borrowings

The Group has drawn EUR 30.0 million term loans and EUR 18.0 million revolving credit facilities under the amended bank facilities consisting of EUR 30.0 million term loan facilities, EUR 40.0 million revolving credit facilities and a EUR 50.0 million acquisition facility. In April 2020, the Group agreed temporary amendments to its financing arrangements with the banks in response to the COVID-19 crisis. The amendments (temporarily) determine that Net debt / EBITDA and Interest Cover ratios are no longer tested. Instead, covenants are tested on EBITDA and liquidity levels at 30 September 2020 and 31 March 2021. EBITDA for the reporting period ended 30 September 2020 shall be at least EUR 6.0 million (measured on a "last twelve months" or "LTM" basis); and for the reporting period ending 31 March 2021 shall be at least EUR 2.0 million (measured on an LTM basis). The minimum liquidity level at 30 September 2020 and 31 March 2021 shall be at least EUR 10.0 million.

For the six-month period ended 30 September 2020 the Group realised an LTM EBITDA of EUR 12,302 thousand. As at 30 September 2020, the liquidity level was EUR 26,001 thousand.

14. Net working capital

The decrease in working capital as at 30 September 2020 is caused by strict cash and working capital management and reduced sales due to the COVID-19 pandemic.

15. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 September 2020 Amounts in EUR `000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used for hedging	288	-	-	288	-	288	-	288
	288	**-**	**-**	**288**	**-**	**288**	**-**	**288**
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Other long term loan	-	232	-	232	-	232	-	232
Trade and other receivables	-	18,183	-	18,183	-	18,183	-	18,183
Cash and cash equivalents	-	37,169		37,169	-	37,169	-	37,169
	-	**56,183**	**-**	**56,183**	**-**	**56,183**	**-**	**56,183**
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(1,276)	-	-	(1,276)	-	(1,276)	-	(1,276)
Forward exchange contracts used for hedging	(30)	-	-	(30)	-	(30)	-	(30)
	(1,306)	**-**	**-**	**(1,306)**	**-**	**(1,306)**	**-**	**(1,306)**
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(47,753)	(47,753)	-	(47,753)	-	(47,753)
Assumed liability Passoã call/put option	-	-	(71,099)	(71,099)	-	(71,099)	-	(71,099)
Lease liabilities (non-current)	-	-	(5,576)	(5,576)	-	(5,576)	-	(5,576)
Lease liabilities (current)	-	-	(815)	(815)	-	(815)	-	(815)
Bank overdrafts	-	-	(10,741)	(10,741)	-	(10,741)	-	(10,741)
Trade and other payables	-	-	(14,446)	(14,446)	-	(14,446)	-	(14,446)
	-	**-**	**(150,430)**	**(150,430)**	**-**	**(150,430)**	**-**	**(150,430)**

31 March 2020 Amounts in EUR `000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used for hedging	115	-	-	115	-	115	-	115
	115	**-**	**-**	**115**	**-**	**115**	**-**	**115**
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Trade and other receivables	-	24,921	-	24,921	-	24,921	-	24,921
Cash and cash equivalents	-	33,108		33,108	-	33,108	-	33,108
	-	**58,628**	**-**	**58,628**	**-**	**58,628**	**-**	**58,628**
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(1,139)	-	-	(1,139)	-	(1,139)	-	(1,139)
Forward exchange contracts used for hedging	(62)	-	-	(62)	-	(62)	-	(62)
	(1,201)	**-**	**-**	**(1,201)**	**-**	**(1,201)**	**-**	**(1,201)**
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(49,714)	(49,714)	-	(49,714)	-	(49,714)
Assumed liability Passoã call/put option	-	-	(70,501)	(70,501)	-	(70,501)	-	(70,501)
Lease liabilities (non-current)	-	-	(5,876)	(5,876)	-	(5,876)	-	(5,876)
Lease liabilities (current)	-	-	(759)	(759)	-	(759)	-	(759)
Bank overdrafts	-	-	(11,925)	(11,925)	-	(11,925)	-	(11,925)
Trade and other payables	-	-	(17,497)	(17,497)		(17,497)	-	(17,497)
	-	**-**	**(156,272)**	**(156,272)**	**-**	**(156,272)**	**-**	**(156,272)**

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 September 2020 and 31 March 2020, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes	Not applicable	Not applicable

reflect the actual transactions
in similar instruments

Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Financial assets	Discounted cash flows	Not applicable
Financials liabilities	Discounted cash flows	Not applicable

Financial assets include trade and other receivables, cash and cash equivalents and other investments including derivatives. Other financial liabilities include bank loans, other short term financial liabilities and trade and other payables. The book value of the secured bank loans is considered to be the best approximation of the fair value. For all other financial instruments, the fair value is considered to be consistent with the book value.

16. Employee Share Purchase Plan (ESPP)

In 2015 the Group set up an employee share purchase plan. Under this plan, employees are offered the opportunity to buy depositary receipts for shares (investment shares) of the Company from own payment twice a year following publication of the half-year and full-year results, whereas the first time occurred after publication of the full-year 2014/15 results. The employees are entitled to buy at a discount of 13.5% of the share price at that time. Each participant may determine at his or her own discretion the amount of money to be invested in investment shares with a yearly maximum of 33.33% of the gross base salary of the participant. Shares issued under the ESPP are bought on the regulated market of Euronext Amsterdam and will be held by a trust foundation. A three-year lock up period is applicable, during which the participants cannot dispose of their investment shares. No other vesting or performance conditions are applicable. The plan qualifies as share based arrangements (equity settled) under IFRS 2. No share based payment costs are recognized in the profit and loss account as the fair value of the share based payment is zero.

17. Commitments and contingencies

The Group leases offices, which are brought on the balance sheet following the adoption of IFRS 16; refer to note 11. For the lessor a guarantee has been issued for an amount of EUR 138 thousand.

18. Related parties

The Group has related party relationships with its shareholders, subsidiaries, Management Board, Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing related transactions and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. The related party transactions in the six-month period ended 30 September 2020 do in substance not deviate from the transactions as reflected in the consolidated financial statements as at and for the year ended 31 March 2020.

Related party transactions

Amounts in EUR `000	Transaction values for the 6 months period ended 30 September 2020	2019	Balance outstanding as at 30 Sept. 2020	31 March 2020
Sale of goods and services				
Joint ventures	6,800	6,985	1,078	955
Purchase of goods and services				
Joint ventures	(8,639)	(9,951)	(933)	(1,543)
Others				
Joint ventures dividends received	250	450	-	-
Joint ventures share in results	(1,013)	355	-	-
Joint ventures capital contribution	200	-	-	-
Joint ventures loan and related interest	-	-	599	599
Other related party loans	-	-	232	-

19. Subsequent events

The Group signed a contract with Pallini early October. Under the contract, Lucas Bols will exclusively import, market and sell Pallini products (premium Limoncello) in the USA.

20. Responsibility statement

The Management Board of Lucas Bols N.V. hereby declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at and for the six months ended 30 September 2020 as prepared in accordance with IAS 34 *Interim Financial Reporting* gives a true and fair view of the assets, liabilities, financial position and the profit or loss of Lucas Bols N.V. and its consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

21. Independent auditor's review report

The interim condensed consolidated financial statements for the period ended 30 September 2020 have not been reviewed by the external auditor. As such, no independent auditor's review report on the interim condensed consolidated financial statements was issued.