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**Sands IP Asset Management B.V.**

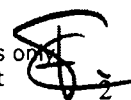
## Report on the Financial statements 2020

Amsterdam, 26 May 2021



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## Management Board's Report

The Managing Directors herewith submit the annual accounts of Sands IP Asset Management B.V. (hereinafter: the Company) for the financial year ended 31 December 2020.

### General Information

The Company is a private company with limited liability, incorporated and established on 30 September 2009 in Amsterdam, with its statutory seat in Amsterdam and place of business at Parnassus Tower, Locatellikade 1, 1076AZ, Amsterdam, The Netherlands.

The Company is a member of the Las Vegas Sands Corp. group. The direct shareholder is LVS Dutch Holding B.V. The ultimate parent company of this group is Las Vegas Sands Corp., Nevada, United States of America (hereinafter: LVSC).

Apart from its holding and financing activities, the principal activity of the Company is to act as an international intellectual property asset management company through sublicensing without legal ownership of the intellectual property.

### Financial Information

The Company declared interim dividends for a total amount of USD 800,646,190 (2019: USD 1,771,147,155).

The balance sheet shows an equity balance of USD 188,405,228 (2019: USD 187,849,486) and working capital of USD 11,349,682 (2019: USD 10,988,515). Based on future (cash flow) projections, solvency and liquidity rates will be at satisfactory levels in the coming year. Also on the basis of forecasted cash flows from operations, no external funding should be needed to finance the existing business.

The net result for the year ended 31 December 2020 amounted to a profit of USD 801,201,932 (2019: USD 1,756,420,187). The Company received net dividends of USD 800,646,190 (2019: USD 1,755,123,142), a decrease of 54.4% (2019: 17.4% decrease). The gross profit generated by the royalty business decreased by (57.7)% as compared to the prior year (2019: 1 % increase).

Up to the signing of this report, no subsequent events that would influence the validity and valuation of the Company's financial information have taken place.

Refer to the "Outlook" section for further details on the impact of the coronavirus ("COVID-19") pandemic on the future results of the Company.

### Significant Risks and Uncertainties

The Company's activities expose it to credit risk and market risk (including interest rate risk and currency risk). The Company's overall risk management program focuses on the unpredictability of these risks and seeks to minimize potential adverse effects on the Company's financial performance. The Company's overall strategy remains unchanged from the preceding year. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

#### *Credit Risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk is predominantly at Marina Bay Sands Pte. Ltd. (hereinafter: MBS), which is a group company. A significant reduction in revenue from MBS would be the Company's main risk. This risk is controlled by monitoring MBS's financial status on a regular basis. Refer to the "Outlook" section for further details on the impact of the COVID-19 pandemic on the group companies.

The Company's credit risk related to the loan receivable from LVSC has been reduced to a minimum as the loan has been guaranteed by LVS Dutch Finance C.V. (hereinafter: LVS Dutch).

The Company has not entered into any other transactions that might generate credit risk.

***Interest Risk***

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. The Company is exposed to interest rate risks on the interest bearing current assets and liabilities. Since the loans bear variable interest rates, the Company is exposed to risks regarding future cash flows. The Company has reduced this risk to a minimum due to the Limited Risk Agreement entered into with LVS Dutch, such that any mismatch between interest income from the notes receivable from LVSC and the interest expense from the notes payable to MBS Holdings Pte. Ltd. are for the risk and account of LVS Dutch (less the remuneration for the Company as calculated per the agreement).

***Currency Risk***

Currency risk is the risk that fluctuations in the prevailing currency exchange rates will affect the Company's financial position and cash flows. The Company performs part of its activities in Euros (hereinafter: EUR) and therefore runs a currency risk on its EUR denominated current assets and current liabilities. The impact for the Company, however, is minimal due to the volume of transactions. The Company also runs a currency risk as it has a loan payable denominated in Singapore Dollars. This risk is controlled as all foreign exchange results, realized or unrealized, positive or negative, will be for the risk and account of LVS Dutch under the terms of the Limited Risk Agreement.

***Price Risk***

Price risk is defined as the risk of a decline in the value of a security of a portfolio. The Company has investments in participations with a number of group companies. The risk is limited due to the historical profitability of those investments in participations as well as the net asset positions of the group companies that make up more than 99% of the balance. The remaining balance of investments in participations were determined to be immaterial.

**Financial Performance Indicators**

Revenue generated from the royalty business decreased by USD (57,367,437) ((57.7%)) during the year ended 31 December 2020. The margin on the royalty business is in accordance with the Advanced Pricing Agreement reached with the Dutch Tax Authorities on 14 April 2016.

The Directors believe that the cash on hand and cash flow generated from its operations will be sufficient to finance its activities.

**Directors**

During the year under review the Company had two managing directors (2019: two).

The remuneration of one managing director is invoiced via Van Doorn CFS B.V./JTC Institutional Services Netherlands B.V as part of the management fees.

**Employees**

During the year under review, the Company had one employee (2019: one). No change is expected.

**Information Regarding Financial Instruments**

The Company has entered into a Limited Risk Agreement with LVS Dutch in which LVS Dutch guarantees the loans payable to MBS Holdings Pte. Ltd. in case of default on the loans receivable from LVSC and also limits the currency exchange results from the related loans. In consideration for the limitation of risk provided by LVS Dutch, the Company pays a compensation fee to LVS Dutch.

In case of an event that causes LVS Dutch to make payment or otherwise take action pursuant to the Limited Risk Agreement, LVS Dutch has no right of recourse on the Company.

## Research and Development Information

The Company does not participate in any research and/or development programs.

## Corporate Governance Policy Regarding Members of the Board

The current Board members have a diverse mix of knowledge, skills and expertise, in line with the required profile.

The Management Board strives to give appropriate weight to its diversity policy in the nomination and appointment process on future vacancies also at the level of the Management Board, while taking into account the overall profile and selection criteria for appointments of suitable candidates.

## Information Regarding Social Aspects of Operating the Business

LVSC is committed to being a valuable collaborator, both for the businesses it works with and the communities where it operates. As part of its corporate values, it continually strives to patronize local and diverse businesses whenever possible to meet its business and procurement needs. Integrity and fairness throughout the entire procurement process is of utmost importance. In addition to supporting local and diverse business sectors, LVSC works diligently to remain the preeminent sustainable integrated resort development corporation in the world, following the Sands ECO360 Global Sustainability strategy. Suppliers are encouraged to work alongside LVSC in this endeavor and the parties who wish to do business with us must meet all governmental standards, pass background inspections and comply with the LVSC's policies, including the Code of Business Conduct and Ethics and the Anti-Corruption Policy.

In line with the Sands ECO360, the office of the Director of Finance is offsetting its carbon footprint through the use of solar panels. Furthermore as part of the Sands Cares initiative, the Director of Finance gives back to the community as the treasurer of a children's holiday foundation.

## Other Information

In the opinion of the directors, other than the impact of the COVID-19 pandemic, which is further described in the "Outlook" section below, no item, transaction or event of a material and unusual nature has arisen up to the signing of this report that is likely to have a material effect on the results of operations of the Company for the succeeding financial year.

## Outlook

The disruptions arising from the COVID-19 pandemic has had a significant impact on the operations and cash flows of the group companies that pay dividends and royalties to the Company. The group companies' long-term debt arrangements also place restrictions on their ability to pay cash dividends to the Company. As a result, the Company expects it will receive significantly less dividend income and royalty income in 2021 compared to prior years. This reduction in dividend and royalty income will in turn result in a reduction in dividends paid and royalty expense in 2021, respectively. It is expected that the activities of the Company will remain unchanged in terms of their character. Based on future (cash flow) projections, solvency and liquidity rates will be at satisfactory levels in the coming year. Also on the basis of forecasted cash flows from operations, no external funding should be needed to finance the existing business. Therefore the company has prepared the financial statements under the assumption of going concern.

Amsterdam, 26 May 2021

L.S. Altman  
Director

E.J. Verbeke  
Director

Deloitte Accountants B.V.  
For identification purposes only  
Related to auditor's report  
dated 26 May 2021

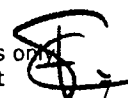


## Financial statements



**Balance sheet as at 31 December 2020***(Before appropriation of result)*

		2020	2019
	USD	USD	USD
<b>Fixed assets</b>			
Financial fixed assets	1	378,110,971	533,110,971
<b>Current assets</b>			
Trade and other receivables	2	4,767,696	7,764,657
Cash and cash equivalents	3	8,746,940	8,131,490
		<u>391,625,607</u>	<u>549,007,118</u>
<b>Shareholders' equity</b>	4		
Issued and paid up share capital	5	22,140	20,156
Share premium reserve	6	150,504,257	150,504,257
Other reserves	7	(763,323,101)	(1,719,095,114)
Result after taxation		<u>801,201,932</u>	<u>1,756,420,187</u>
		188,405,228	187,849,486
<b>Long-term liabilities</b>	8	201,055,425	356,250,000
<b>Current liabilities</b>	9	2,164,954	4,907,632
		<u>391,625,607</u>	<u>549,007,118</u>



**Profit and loss account 2020**

		2020	2019
		USD	USD
<b>Revenue</b>	<sup>10</sup>	42,052,818	99,420,255
Cost of sales	<sup>11</sup>	<u>(41,447,257)</u>	<u>(97,988,603)</u>
<b>Gross margin</b>		<b>605,561</b>	<b>1,431,652</b>
Personnel expenses	<sup>12</sup>	159,416	186,228
Other operating expenses	<sup>13</sup>	<u>167,406</u>	<u>200,330</u>
<b>Total operating expenses</b>		<u><b>326,822</b></u>	<u><b>386,558</b></u>
<b>Operating result</b>		<b>278,739</b>	<b>1,045,094</b>
Financial income and expenses	<sup>14</sup>	<u>801,065,349</u>	<u>1,755,765,023</u>
<b>Result before tax</b>		<b>801,344,088</b>	<b>1,756,810,117</b>
Tax on result	<sup>15</sup>	<u>(142,156)</u>	<u>(389,930)</u>
<b>Result after tax</b>		<u><u><b>801,201,932</b></u></u>	<u><u><b>1,756,420,187</b></u></u>



## Notes to the financial statements

### Entity information

#### Registered address and registration number trade register

The registered and actual address of Sands IP Asset Management B.V. (hereinafter: the Company) is Parnassus Tower, Locatellikade 1, 1076 AZ in Amsterdam. Sands IP Asset Management B.V. is registered at the trade register under number 34359769.

### General notes

#### Description of the most important activities of the entity

Apart from its holding activities, the principal activity of the Company is to act as an international intellectual property asset management company through sublicensing without legal ownership of the intellectual property.

#### Going concern

The disruptions arising from the COVID-19 pandemic has had a significant impact on the operations and cash flows of the group companies that pay dividends and royalties to the Company. The group companies' long-term debt arrangements also place restrictions on their ability to pay cash dividends to the Company. As a result, the Company expects it will receive significantly less dividend income and royalty income in 2021 compared to prior years. This reduction in dividend and royalty income will in turn result in a reduction in dividends paid and royalty expense in 2021, respectively. It is expected that the activities of the Company will remain unchanged in terms of their character. Based on future (cash flow) projections, solvency and liquidity rates will be at satisfactory levels in the coming year. Also on the basis of forecasted cash flows from operations, no external funding should be needed to finance the existing business. Therefore the Company has prepared the financial statements under the assumption of going concern.

#### Consolidation

##### *Description of the exemption of consolidation*

In accordance with article 408 of Book 2 of the Netherlands Civil Code, no consolidated financial statements are presented. The financial statements of the Company and its subsidiaries are included in the consolidated financial statements of Las Vegas Sands Corp., Nevada, United States of America (hereinafter: LVSC), which will be filed at the Chamber of Commerce in Amsterdam, The Netherlands.

#### Group structure

##### *Disclosure of group structure*

Sands IP Asset Management B.V. was incorporated and established on 30 September 2009. The Company is a private limited liability company under Dutch law and with 100% of its shares held by LVS Dutch Holding B.V., Amsterdam, The Netherlands.

The Company is a member of the Las Vegas Sands Corp. group. The ultimate parent company of this group is LVSC. The financial statements of the Company are included in the consolidated financial statements of LVSC.

#### Estimates

##### *Disclosure of estimates*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles 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 estimates are recognized prospectively.

## **General accounting principles**

### **Description of the accounting standards used to prepare the financial statements**

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

The accounting policies applied for measuring assets and liabilities and the determination of result are based on the historical cost convention, unless otherwise stated in the further principles.

These financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020.

The principles of valuation and determination of result remain unchanged compared to prior year.

Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles. An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

An asset or liability that is recognized in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability.

An asset or liability is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party.

Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate.

The financial statements are presented in U.S. Dollars (hereinafter: USD), the company's functional currency.

### **Foreign currency translation**

At initial recognition, transactions denominated in foreign currency are remeasured into the functional currency of the Company at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are remeasured at the balance sheet date to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the remeasurement of monetary items denominated in foreign currency, are recognized in profit or loss in the period in which the exchange differences arise. Non-monetary assets and liabilities in foreign currency measured based on historical cost are remeasured into USD at the applicable exchange rates applying on the transaction date. Remeasurement gains and losses are taken to the profit and loss account as expenditure.

## Accounting policies for the balance sheet

### Financial assets

As a result of the application of Section 408, Part 9, Book 2 of the Netherlands Civil Code, the investments in participations are valued at acquisition price (historic cost) less a provision for permanent diminution in value, if considered necessary.

Subsidiaries with an equity deficit are carried at USD 1. A provision is formed if and when the Company is fully or partially liable for the debts of the associate, or has the firm intention to allow the associate to pay its debts.

Subsidiaries acquired are initially measured at historical cost upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the profit and loss account.

### Receivables

Receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, receivables are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

### Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are remeasured at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

### Equity

Financial instruments that are designated as equity instruments by virtue of the legal reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

The purchase of own shares is deducted from the other reserves.

### Non-current liabilities

At initial recognition, long-term liabilities are recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of a liability are included in the initial measurement. After initial recognition, long-term liabilities are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

### Current liabilities

At initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

## **Accounting policies for the income statement**

### **Accounting principles for determining the result**

The principles applied for the valuation of result determination are based on the historical cost convention.

### **Revenue recognition**

The accounting policies for revenue recognition are limited in nature. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

### **Gross margin**

The gross margin consists of the royalty income and the royalty expenses in accordance with the substance of the relevant agreements.

### **Results from participations**

Dividends receivable from associates not carried at net asset value and securities are recognized as soon as the Company acquires the right to them.

### **Interest income and related income**

Interest income is recognized in the profit and loss account on an accrual basis, using the effective interest rate method.

### **Interest expenses and related expenses**

Interest expenses and similar charges are recognized in the period to which they belong.

### **Income tax expense**

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognized. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

## **Accounting policies for the cash flow statement**

### **Cash flow statement**

In conformity with the exemption provisions of the Dutch Accounting Standards (360.104) for Annual Reporting in The Netherlands, a cash flow statement is not presented. The cash flow statement of the Company is included in the consolidated financial statements of its ultimate parent company, LVSC.

## Notes to the balance sheet

### Fixed assets

#### 1 Financial fixed assets

	2020	2019
	USD	USD
Investments in participations	181,959,111	181,959,111
Receivables from group companies	196,151,860	351,151,860
	<u>378,110,971</u>	<u>533,110,971</u>

#### *Investments in participations*

	2020	2019
	USD	USD
Venetian Venture Development Intermediate II Ltd., Camana Bay, Cayman Islands (100%)	101,043,206	101,043,206
LVS International (Malaysia) SDN BHD, Kuala Lumpur, Malaysia (100%)	32,285	32,285
LVS International (South Korea), Seoul, South Korea (100%)	64,539	64,539
LVS International (Thailand) Co. Ltd., Bangkok, Thailand (49%) (*)	25,065	25,065
LVS International Holding (Thailand) Co. Ltd., Bangkok, Thailand (49%) (*)	11,199	11,199
LVS International (Taiwan) Ltd., Taipei, Taiwan (100%)	156,201	156,201
LVS Marketing (India) Private Limited, Mumbai, India (99.99%)	1	1
LVS International Japan Ltd., Tokyo, Japan (100%)	—	—
MBS Holdings Pte. Ltd., Singapore, Republic of Singapore (58.13%)	80,626,615	80,626,615
	<u>181,959,111</u>	<u>181,959,111</u>

The Company owns 1 share of LVS International Japan Ltd., Tokyo, Japan (100%) with a value of 1 Japanese Yen (no movements in the year 2020). Due to the minimal value of the Japanese Yen, the rounded figure would amount to nil USD.

(\*) Indirectly, the Company holds 100 % of the shares of both LVS International (Thailand) Co. Ltd., and LVS International Holding (Thailand) Co. Ltd.

Movements in investments in participations were as follows:

	2020	2019
	USD	USD
Balance as at 1 January (Cost price and carrying amount):	181,959,111	181,959,111
Movements	—	—
Balance as at 31 December (Cost price and carrying amount):	<u>181,959,111</u>	<u>181,959,111</u>

#### *Receivables from group companies*

	2020	2019
	USD	USD
Loan receivable from LVSC	<u>196,151,860</u>	<u>351,151,860</u>

On 15 June 2017, the Company entered into a loan agreement with LVSC for the amount of USD 1,151,151,860. The loan has been granted for a period of 5 years and bears interest at the rate of three

month LIBOR plus 2%. On 27 March 2018, the Company amended the loan agreement reducing the interest rate to three month LIBOR plus 1.75%. In June and August 2020, USD 80,000,000 and USD 75,000,000 were repaid on the loan, respectively.

During 2020, the interest income amounted to USD 7,392,197 (2019: USD 23,035,550) (see note 14), of which USD 183,286 (2019: USD 605,001) remained outstanding as at the balance sheet date (see note 2).

On 4 December 2012, the Company entered into a Limited Risk Agreement (hereinafter: LRA), as clarified and reconfirmed in December 2016, with LVS Dutch Finance C.V. (hereinafter: LVS Dutch) in which LVS Dutch ensures, in case of default of the loans mentioned above, that it will compensate the Company for any amount due under the loans payable to MBS Holdings Pte. Ltd. (see note 8) minus the amounts received under the defaulting loans mentioned above and minus the lowest of the following amounts:

- 1% of the loans and the accrued interest thereon, or
- EUR 2 million for a total aggregate amount of the loan up to EUR 1 billion, or
- EUR 10 million for a total aggregate amount of the loan above EUR 1 billion,
- in the event more than one loan is provided by the Company, the pro rata part of EUR 2 million (or EUR 10 million) that can be allocated to the loan in default (and the accrued interest thereon) will be based on the volume of the total of the loans at the moment of default (and the accrued interest thereon).

In case of an event that causes LVS Dutch to make payment or otherwise take action pursuant to the LRA, LVS Dutch has no right of recourse on the Company.

## Current assets

### 2 Trade and other receivables

	2020	2019
	USD	USD
Receivables from related companies	183,286	605,001
Receivables from associated companies	3,928,475	4,453,632
Taxes receivable	5,952	12,837
Other accounts receivable	649,983	2,693,187
	<u>4,767,696</u>	<u>7,764,657</u>

All receivables are due within one year.

#### *Receivables from related companies*

	2020	2019
	USD	USD
Interest receivable from LVSC	<u>183,286</u>	<u>605,001</u>

#### *Receivables from associated companies*

	2020	2019
	USD	USD
Current account - LVS Dutch	<u>3,928,475</u>	<u>4,453,632</u>

Reference is made to page 15, Note 1, where the LRA with LVS Dutch is described.

***Taxes receivable***

	2020	2019
	USD	USD
Value added tax	<u>5,952</u>	<u>12,837</u>

***Other accounts receivable***

	2020	2019
	USD	USD
Royalties receivable from Marina Bay Sands Pte. Ltd.	<u>649,983</u>	<u>2,693,187</u>

On 27 April 2010, the Company entered into a trademark license agreement with Marina Bay Sands Pte. Ltd., Singapore, Republic of Singapore. The agreement ended on 27 April 2020, but has been automatically renewed for a subsequent period of five years.

All receivables, including the royalties, will be settled within one year.

**3 Cash and cash equivalents**

	2020	2019
	USD	USD
Citibank Europe Plc, USD current account	8,713,852	7,999,795
Citibank Europe Plc, EUR current account	<u>33,088</u>	<u>131,695</u>
	<u>8,746,940</u>	<u>8,131,490</u>

The cash and cash equivalents are at the free disposal of the Company.

**4 Shareholders' equity**

	Issued and paid up share capital	Share premium reserve	Other reserves	Result after taxation	Total
	USD	USD	USD	USD	USD
Balance as at 1 January 2020	20,156	150,504,257	(1,719,095,114)	1,756,420,187	187,849,486
Appropriation of prior year result	—	—	1,756,420,187	(1,756,420,187)	—
Result for the year	—	—	—	801,201,932	801,201,932
Dividend payment	—	—	(800,646,190)	—	(800,646,190)
Currency translation differences	1,984	—	(1,984)	—	—
Balance as at 31 December 2020	<u>22,140</u>	<u>150,504,257</u>	<u>(763,323,101)</u>	<u>801,201,932</u>	<u>188,405,228</u>

**5 Issued and paid up share capital**

The Company's authorised share capital amounts to EUR 90,000 and is divided into 90,000 ordinary shares, each with a nominal value of EUR 1. As at 31 December 2020, 18,000 (2019: 18,000) shares were issued and fully paid-up. In compliance with Section 373, paragraph 5, Part 9, Book 2 of the Netherlands Civil Code, issued and paid-up capital has been recalculated to the year-end exchange rate of EUR/USD 1.2300 (2019: 1.1198) with the offset recorded to other reserves. The issued and paid-up capital amounted to EUR 18,000, equivalent to USD 22,140 (2019: USD 20,156).

	2020	2019
	USD	USD
Issued and paid up share capital		
Balance as at 1 January	20,156	20,599
Currency translation differences	<u>1,984</u>	<u>(443)</u>
Balance as at 31 December	<u>22,140</u>	<u>20,156</u>

**6 Share premium reserve**

	2020	2019
	USD	USD
Balance as at 1 January	150,504,257	150,504,257
Movements	—	—
Balance as at 31 December	<u>150,504,257</u>	<u>150,504,257</u>

The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares (above par income).

The total amount of the share premium reserve can be considered as freely distributable share premium as referred to in the 2001 Income Tax Act.

**7 Other reserves**

	2020	2019
	USD	USD
Balance as at 1 January	(1,719,095,114)	(2,075,251,810)
Appropriation of prior year result	1,756,420,187	2,127,303,408
Dividend payment	(800,646,190)	(1,771,147,155)
Currency translation differences	(1,984)	443
Balance as at 31 December	<u>(763,323,101)</u>	<u>(1,719,095,114)</u>

During the year under review, the Company declared interim dividends totaling USD 800,646,190 (2019: USD 1,771,147,155).

Appropriation of result for the financial year 2019

The annual report 2019 was adopted in the general meeting of shareholders held on 31 May 2020. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year 2020

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2020 result after taxation: an amount of USD 801,201,932 to be added to the other reserves. The result after tax for 2020 is included under Result for the financial year in shareholders' equity.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as (1) the Company can continue to meet its payment obligations after the distribution (the distribution test) and (2) shareholders' equity exceeds the statutory reserves and reserves required by the articles of association (the balance sheet test). Should that not be the case, the Managing Directors may not approve the distribution.

**8 Long-term liabilities*****Liabilities to related companies***

	2020	2019
	USD	USD
Loan payable to MBS Holdings Pte. Ltd.	<u>201,055,425</u>	<u>356,250,000</u>

***Loan payable to MBS Holdings Pte. Ltd.***



	2020	2019
	USD	USD
Balance as at 1 January	356,250,000	1,145,429,262
Repayments	(155,000,000)	(800,000,000)
Currency translation differences	(194,575)	10,820,738
Balance as at 31 December	<u>201,055,425</u>	<u>356,250,000</u>

On 15 June 2017, the Company entered into a loan agreement with MBS Holdings Pte. Ltd., for an amount of SGD 1,565,000,000. The loan is granted for a period of 5 years and bears interest at the 3 months Singapore Swap Offer Rate plus 1.75%. As at the balance sheet date, the principal amounted to SGD 266,076,750

No securities are agreed in the loan agreement, however, on 4 December 2012, the Company entered into the LRA, as clarified and reconfirmed in December 2016, with LVS Dutch, in which LVS Dutch ensures, in case of default of the loans receivable from LVSC (see Note 1 and 2), that it will compensate the Company for any amount due under the loans payable mentioned above minus the amounts received under the defaulting loans receivable from LVSC (see Note 1 and 2) and minus the lowest of the following amounts:

- 1% of the loans and the accrued interest thereon, or
- EUR 2 million for a total aggregate amount of the loan up to EUR 1 billion, or
- EUR 10 million for a total aggregate amount of the loan above EUR 1 billion,
- in the event more than one loan is provided by the Company, the pro rata part of EUR 2 million (or EUR 10 million) that can be allocated to the loan in default (and the accrued interest thereon) will be based on the volume of the total of the loans at the moment of default (and the accrued interest thereon).

During the year under review the total interest expense amounted to SGD 9,151,561/ USD 6,621,686 (2019: SGD 26,425,608/ USD 19,371,786; see Note 14), of which SGD 238,372/ USD 180,121 (2019: SGD 692,921/ USD 513,807) remained outstanding as at the balance sheet date (see note 9).

## 9 Current liabilities

	2020	2019
	USD	USD
Liabilities to related companies	820,744	3,168,212
Taxes and social security contributions	—	6,365
Other liabilities and accrued expenses	<u>1,344,210</u>	<u>1,733,055</u>
	<u>2,164,954</u>	<u>4,907,632</u>

All current liabilities are due within one year.

### *Liabilities to related companies*

	2020	2019
	USD	USD
Royalties payable to Las Vegas Sands, LLC	640,623	2,654,405
Interest payable to MBS Holdings Pte. Ltd.	<u>180,121</u>	<u>513,807</u>
	<u>820,744</u>	<u>3,168,212</u>

### *Taxes and social security contributions*

	2020	2019
	USD	USD
Wage tax	—	6,365

***Other liabilities and accrued expenses***

	2020	2019
	USD	USD
Current account shareholder	1,317,317	1,681,528
Accrued expenses	26,893	51,527
	<u>1,344,210</u>	<u>1,733,055</u>

***Current account shareholder***

	2020	2019
	USD	USD
Current account LVS Dutch Holding B.V.	<u>1,317,317</u>	<u>1,681,528</u>

This item comprises a non-interest bearing payable to LVS Dutch Holding B.V. payable on demand. The fair value of the current liability approximates the book value due to its short term character. The amount is unsecured.

**Off-balance sheet assets and liabilities****Fiscal unity**

Together with its shareholder, the Company forms a tax entity for corporate income tax purposes; the standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the tax entity.

**Significant Risks and Uncertainties**

The Company's activities expose it to credit risk and market risk (including interest rate risk and currency risk). The Company's overall risk management program focuses on the unpredictability of these risks and seeks to minimize potential adverse effects on the Company's financial performance. The Company's overall strategy remains unchanged from the preceding year.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

***Credit Risk***

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk is predominantly with Marina Bay Sands Pte. Ltd (hereinafter: MBS), which is a group company. A significant reduction in revenue from MBS would be the Company's main risk. This risk is controlled by monitoring MBS's financial status on a regular basis.

The Company's credit risk related to the loan receivable from LVSC has been reduced to a minimum as the loan has been guaranteed by LVS Dutch.

The Company has not entered into any other transactions that might generate credit risk.

***Interest Risk***

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. The Company is exposed to interest rate risks on the interest bearing current assets and liabilities. Since the loans bear variable interest rates, the Company is exposed to risks regarding future cash flows. The Company has reduced this risk to a minimum due to the LRA entered into with LVS Dutch, such that any mismatch between interest income from the note receivable from LVSC and the interest expense from the note payable to MBSH are for the risk and account of LVS Dutch (less the remuneration for the Company as calculated per the agreement).

***Currency Risk***

Currency risk is the risk that fluctuations in the prevailing currency exchange rates will affect the Company's financial position and cash flows. The Company performs part of its activities in EUR and therefore runs a currency risk on its EUR denominated current assets and current liabilities. The impact for the Company, however, is minimal due to the volume of transactions. The Company also runs a currency risk as it has a loan payable denominated in SGD. This risk is controlled as all foreign exchange results, realized or unrealized, positive or negative, will be for the risk and account of LVS Dutch under the terms of the LRA

***Price Risk***

Price risk is defined as the risk of a decline in the value of a security of a portfolio. The Company has investments in participations with a number of group companies. The risk is limited due to the historical profitability of those investments in participations as well as the net asset positions of the group companies that make up more than 99% of the balance. The remaining balance of investments in participations were determined to be immaterial.

## Notes to the profit and loss account

### 10 Revenue

	2020	2019
	USD	USD
Royalty income	<u>42,052,818</u>	<u>99,420,255</u>

The revenue decreased by (57.7)% during 2020 (2019: 1 % increase).

All revenue consists of royalty income and is received out of Singapore. Royalty income is recognized on an accrual basis in accordance with the trademark license agreement between Marina Bay Sands Pte. Ltd. and the Company, dated 27 April 2010.

### 11 Cost of sales

	2020	2019
	USD	USD
Royalty expenses	<u>41,447,257</u>	<u>97,988,603</u>

The royalty expenses have been based on the international intellectual property license agreement with Las Vegas Sands, LLC and the Company, dated 27 April 2010.

### 12 Personnel expenses

	2020	2019
	USD	USD
Wages and salaries	147,983	147,593
Social premiums	11,433	38,635
	<u>159,416</u>	<u>186,228</u>

#### *Staffing level*

The Company employed one employee during 2020 (2019: one employee). No pension plan is applicable in respect of the employee.

#### *Directors*

During the year under review, the Company had two managing directors (2019: two).

Remuneration of one of the managing directors is invoiced via Van Doorn CFS B.V./JTC Institutional Services Netherlands B.V. as part of management fees. The total management fees, including the remuneration of the board of directors, amounted to USD 30,577 (2019: USD 34,792). The remuneration included in the management fees amounts to EUR 5,038 / USD 5,584 (2019: EUR 5,203 / USD 5,909). The other managing director did not receive a remuneration.

### 13 Other operating expenses

	2020	2019
	USD	USD
General expenses	<u>167,406</u>	<u>200,330</u>

*General expenses*

	2020	2019
	USD	USD
Management fee	30,577	34,792
Administration expenses	3,639	2,835
Tax advisory services by Deloitte Belastingadviseurs B.V.	78,802	99,895
Legal fees	18,654	27,139
Audit of the financial statements by Deloitte Accountants B.V.	21,243	20,671
Bank expenses	1,852	1,783
Other general expenses	12,639	13,215
	<u>167,406</u>	<u>200,330</u>

*Auditor's fee*

The following fees were charged to the Company, as referred to in Section 2:382A (1) and (2) of the Netherlands Civil Code.

	Deloitte Accountants B.V.	Deloitte Belasting- adviseurs B.V.	Total Deloitte
	2020	2020	2020
	USD	USD	USD
Audit of the financial statements	21,243	—	21,243
Tax-related advisory services	—	78,802	78,802
Total	<u>21,243</u>	<u>78,802</u>	<u>100,045</u>

	Deloitte Accountants B.V.	Deloitte Belasting- adviseurs B.V.	Total Deloitte
	2019	2019	2019
	USD	USD	USD
Audit of the financial statements	20,671	—	20,671
Tax-related advisory services	—	99,895	99,895
Total	<u>20,671</u>	<u>99,895</u>	<u>120,566</u>

**14 Financial income and expenses**

	2020	2019
	USD	USD
Interest income and similar income	7,570,279	33,891,198
Results on investments in participations	800,645,055	1,755,123,634
Interest expenses and similar charges	(7,149,985)	(33,249,809)
	<u>801,065,349</u>	<u>1,755,765,023</u>

*Interest income and similar income*

	2020	2019
	USD	USD
Interest income from loans issued to related companies	7,392,197	23,035,550
Currency exchange gains	178,082	—
	<u>7,570,279</u>	<u>23,035,550</u>

*Currency exchange gains*

	2020	2019
	USD	USD
Currency exchange result compensated by LVS Dutch	178,082	—

*Result on investments in participations*

	2020	2019
	USD	USD
Dividend income - Venetian Venture Development Intermediate II Ltd	719,245,632	1,437,869,856
Dividend income - MBS Holdings Pte. Ltd.	81,400,558	317,253,286
Gain (loss) on entity dissolution in progress	(1,135)	492
	800,645,055	1,755,123,634

*Interest expenses and similar charges*

	2020	2019
	USD	USD
Interest expense on loans from related companies	6,621,686	19,371,786
Currency exchange losses	181,224	10,862,026
Guarantee compensation - LVS Dutch	347,075	3,015,997
	7,149,985	33,249,809

The guarantee compensation consists of the charges under the LRA.

*Currency exchange losses*

	2020	2019
	USD	USD
Currency exchange result compensated to LVS Dutch	—	10,855,648
Exchange results on loans payable to related companies	178,082	—
Other currency exchange results	3,142	6,378
	181,224	10,862,026

**15 Tax on result**

	2020	2019
	USD	USD
Corporate income tax - current year	(142,156)	(389,930)

The actual tax rate in the Netherlands is 16.5% and 25% (2019: 19% and 25%). The effective tax rate on the Dutch result is less than 1% (2019: less than 1%). The effective tax rate is influenced by the result from participations, which is exempt for Dutch taxation purposes.

As a result of the ongoing OECD Base Erosion and Profit Shifting developments and in accordance with the European Union Anti-Tax Avoidance Directives, the Netherlands implemented legislative changes, applicable to fiscal years starting on or after January 1, 2019. The increasingly complex international tax environment requires significant judgment in determining the provision for income taxes and management has determined the Company is not impacted by these legislative changes. It is possible new regulations or interpretations could be issued which would impact or change this view and the related tax expense.

The numerical reconciliation between the applicable and the effective tax rate is as follows:

	2020
	USD
Result before tax	801,344,088
Minus result participations	(800,645,055)
	<u>699,033</u>
Corporate income tax	(142,156)
Tax 2020	(142,156)
Tax burden 2020	<u>20.3%</u>

## 16 Related party transactions

The Company has business transactions with related parties, which include a loan and interest receivable from the ultimate parent company (see Note 1 and 2), amounts payable to the direct parent company and group company (see Note 9), loan payable to related and group companies (see Note 8), royalty income from an indirect investment in participation (see Note 10), royalty expense to an indirect parent company (see Note 11), dividend income from investments in participations (see Note 14) and interim dividends to the direct parent company (see Note 7), income from limitation of currency exchange results by indirect parent company (see Note 14) and remuneration of one of the managing directors, which is invoiced via Van Doorn CFS BV/JTC Institutional Services Netherlands B.V. as part of management fees (see Note 12). The other managing director did not receive a remuneration, which is not at arm's length.

	Note Ref.	Amount USD
<b>Balance sheet:</b>		
Loan receivable from LVSC	1	196,151,860
Royalties receivable from Marina Bay Sands Pte. Ltd.	2	649,983
Interest receivable from LVSC	2	183,286
Current account - LVS Dutch	2	3,928,475
Dividends paid to LVS Dutch Holding B.V.	7	800,646,190
Loan payable to MBS Holdings Pte. Ltd.	8	201,055,425
Interest payable to MBS Holdings Pte. Ltd.	9	180,121
Royalties payable to Las Vegas Sands, LLC	9	640,623
Current account payable with LVS Dutch Holding B.V.	9	1,317,317
<b>Profit and loss account:</b>		
Royalty income from Marina Bay Sands Pte. Ltd.	10	42,052,818
Royalty expenses to Las Vegas Sands, LLC	11	41,447,257
Director remuneration (part of management fee)	12	5,584
Interest income from LVSC	14	7,392,196
Dividend income - Venetian Venture Development Intermediate II Ltd.	14	719,245,632
Dividend income - MBS Holdings Pte. Ltd.	14	81,400,558
Currency exchange result compensated to LVS Dutch	14	178,082
Interest expense to MBS Holdings Pte. Ltd.	14	6,621,686
Guarantee compensation - LVS Dutch	14	347,075

## 17 Subsequent events

Up to the signing of this report, no subsequent events that would influence the validity and valuation have taken place. The Company, however, had the following significant transactions:

- None

Amsterdam, 26 May 2021

L.S. Altman  
Director

E.J. Verbeke  
Director



## Other information

### Statutory provision of result appropriation

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as (1) the Company can continue to meet its payment obligations after the distribution (the distribution test) and (2) shareholders' equity exceeds the statutory reserves and reserves required by the articles of association (the balance sheet test). Should that not be the case, the Managing Directors may not approve the distribution.

### Independent auditor's report

The independent auditor's report is set forth on the following pages.

## Independent auditor's report

To the shareholders of Sands IP Asset Management B.V.

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020 INCLUDED IN THE ANNUAL REPORT

#### Our opinion

We have audited the accompanying financial statements 2020 of Sands IP Asset Management B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Sands IP Asset Management B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at 31 December 2020.
2. The profit and loss account for 2020.
3. The notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Sands IP Asset Management B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of the impact of the coronavirus

In the disclosure on going concern on page 9 of the financial statements management disclosed the increased estimation uncertainty as a result of the impact of the coronavirus on the nature and reliability of the information available for management in making estimates. As result of the coronavirus the bandwidth of reasonable assumptions that are the basis of the estimates is high. Our opinion is not modified in respect of this matter.

## **REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS**

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, 26 May 2021

Deloitte Accountants B.V.

Signed on the original: F.E. Mijinke