



AS AMBER LATVIJAS BALZAMS

**DEPENDENCY STATEMENT
FOR THE YEAR 2023**

AS Amber Latvijas balzams
Dependency statement for the year ended 31 December 2023

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Information on the Dependent Company

Name of the Dependent Company	Amber Latvijas balzams
Legal status of the Dependent Company	Joint stock company
Number, place and date of registration	Enterprise Register No 40003031873 Riga, 2 October 1991 Re-registered on 20 October 1998 Commercial Register Riga, 19 June 2004
Address	A. Čaka Street 160 Riga, LV- 1012 Latvia
Financial year	1 January – 31 December 2023
Name and address of the auditor	PricewaterhouseCoopers SIA Licence No. 5 Kr. Valdemāra Street 21-21 Riga, LV-1010 Latvia Responsible certified auditor: Ilandra Lejina Certified Auditor Certificate No. 168


Statement by the Board

The Board of AS Amber Latvijas balzams (also – the Company) hereby certifies that the Dependency Statement reflects all the transactions and other activities in which the Company engaged or from which it refrained, being a dependent company for the purposes of the Group of Companies Law, and that the said Statement provides a general idea of the relationship between AS Amber Latvijas balzams and the controlling entity and companies grouped with the controlling entity.

In keeping with the circumstances of which the Board was aware at the time of entering into the transactions reflected in the Dependency Statement, the Company has received appropriate counter-performance for each transaction.

The Board is of the opinion that the Company has not suffered any losses by taking other measures or refraining from taking measures in the interests of the parent company or another company merged with the parent company.

On behalf of the Board:



Intars Geidāns
Chairman of the Board
AS Amber Latvijas balzams

30 April 2024

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Companies engaged in transactions or activities with the Company being under a decisive influence of the controlling entity

As a dependent company, AS Amber Latvijas balzams entered into transactions with the following companies:

Company	Period of control	Relationship with the Dependent Company
S.P.I. Group Holding Ltd	1 January - 31 December 2023	Controlling entity with indirect decisive influence through its dependent company Amber Beverage Group Holding S.a r.l.
Amber Beverage Group Holding S.a r.l.	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Beverage Group SIA	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Beverage Austria GmbH	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Beverage Australia Pty Ltd	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Beverage Germany GmbH	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Beverage UK Ltd	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Distribution Estonia OU	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Distribution Latvia SIA	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Distribution Lithuania UAB	1 January - 31 December 2023	A company grouped with the controlling entity
Amberbev International Ltd.	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Production Tequila S.A. de C.V	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Production Remedía OÜ	1 January - 31 December 2023	A company grouped with the controlling entity
Amber Talvis AO	1 January - 31 December 2023	A company grouped with the controlling entity
ABG Real Estate SIA	1 January - 31 December 2023	A company grouped with the controlling entity
Interbaltija AG AS	1 January - 31 December 2023	A company grouped with the controlling entity
Towers Construction Management AS	1 January - 31 December 2023	A company grouped with the controlling entity
S.P.I. Spirits (Cyprus) Ltd.	1 January - 31 December 2023	A company grouped with the controlling entity
WW Equity House Trading Limited	1 January - 31 December 2023	A company grouped with the controlling entity
Propiedad de Arinzano SLU	1 January - 31 December 2023	A company grouped with the controlling entity
Stoli Group S.a.r.l.	1 January - 31 December 2023	A company grouped with the controlling entity

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Transactions and activities performed by AS Amber Latvijas balzams in dependency circumstances in the year 2023, which affect the profit and loss account for the reporting year

	Note	Performance EUR	Counter- performance EUR	Net result EUR
The Company's transactions with other group companies				
Sale of goods	1	83 077 800	(83 077 800)	-
Services provided	2	5 803 390	(5 803 390)	-
Interest income	3	1 285 158	(1 285 158)	-
Purchase of goods	4	(17 852 566)	17 852 566	-
Services received	5	(8 545 789)	8 545 789	-
Interest expenses	6	(9 104)	9 104	-
Total			<u> </u>	<u> </u> -

During the reporting year, the Company has not suffered any loss as a result of engaging in transactions or other activities with the controlling entity, other Group companies or other companies in the interests of, or being encouraged by, the controlling entity or another company within the Group, or as a result of refraining from such transactions or activities.

Accounting policies

(1) General principles

The Dependency Statement has been prepared in compliance with the Latvian Group of Companies Law. The terms 'controlling entity' and 'dependent company' and other terms used in this Statement have the same meaning as defined in the said legislation.

(2) Materiality

The Company has followed the principle of materiality in reflecting and valuing transactions and other activities in the Dependency Statement.

Transactions (activities), their circumstances and valuations, the non-inclusion of which in the Dependency Statement would affect the opinion of a competent user on the relationship of the Dependent Company with the controlling entity throughout the financial year, are considered material.

(3) Recording of transactions and activities

The Dependency Statement reflects transactions and other activities that are unprofitable for the Company to the extent of their actual performance and counter-performance.

The Dependency Statement reflects all transactions (performance and counter-performance) attributable to the reporting period that affect the profit and loss account for the reporting year, irrespective of the dates that invoices are issued or received or payments are made. Transactions performed in prior years, which affect the profit and loss account of the reporting year, are reflected only if the performance was different from the counter-performance of these transactions at the date of the relevant transaction.

Transactions that do not affect the profit and loss account for the reporting year but are material or may affect profit and loss accounts for the next period are described in the notes.

If the controlling entity has notified the Dependent Company in writing by the end of the financial year as to when and how all the losses resulting from an unprofitable transaction or activity will be compensated, the amount of compensation is reflected in the line 'Granted entitlement to compensation'.

(4) Performance and counter-performance

The Dependent Company's obligations pertaining to a transaction are considered the performance of the transaction. Counter-performance is the obligation of the party to the transaction other than the Dependent Company. Performance (counter-performance) can take the form of payment, supply of goods or services, including actions carried out as operational activities, transfers of intangible assets and title, commitments to refrain from any action or permit an action, lease of properties, etc.

Performance and counter-performance are reflected at their fair value. Fair value is the amount for which the subject matter of a transaction can be exchanged between knowledgeable, willing parties on an arm's length basis.

(5) Determining fair value of transactions and activities

The Company's transactions and activities are valued:

- (1) Based on their comparison with other transactions or activities of the kind carried out by the Company with non-related parties during the current or previous reporting year.
- (2) Where the above has been impossible, based on their comparison with other transactions or activities of the kind carried out by companies in the industry in the current or previous reporting year.
- (3) Where the above has been impossible, based on their comparison with other information on the possible valuation of transactions or activities.

Accounting policies (continued)

(6) Fully or partly unprofitable transactions or activities

The following transactions or activities are considered fully or partly unprofitable:

- (1) Where a loss is anticipated at commencement.
- (2) Which results in a gross loss.
- (3) Or in which the Company, if it were independent, would never engage due to the anticipated financial result.

(7) Special risk

Transactions or activities related to special risk are those that materially differ in terms of risk from those typical of the Company's or industry's business and in which the Company would never engage if it were independent.

(8) Transactions and activities materially different from core business

Transactions and activities materially different from the Company's core business are those that drastically differ from the transactions and activities typical of the Company's core business and in which the Company would never engage if it were independent.

Notes regarding transactions and activities performed by AS Amber Latvijas balzams in dependency circumstances in the year 2023, which affect the profit and loss account for the reporting year

The Company's transactions with other Group companies

1. Sale of goods (EUR):

S.P.I. Spirits (Cyprus) Ltd.	37 935 736
Amber Distribution Latvia SIA*	26 099 539
Amberbev International Ltd.	11 142 499
Amber Distribution Lithuania UAB	5 769 162
Amber Distribution Estonia OU	899 792
Amber Beverage Germany GmbH	761 417
Amber Production Remedija OÜ	394 898
Amber Beverage Austria GmbH	74 757

2. Services provided (EUR):

S.P.I. Spirits (Cyprus) Ltd.	3 265 334
Amber Distribution Latvia SIA	1 657 701
Interbaltija AG AS	510 149
ABG Real Estate SIA	138 591
Amber Beverage Group SIA	61 190
Amber Production Remedija OÜ	37 120
Amberbev International Ltd.	36 057
Stoli Group S.a.r.l.	29 698
Amber Production Tequila S.A. de C.V	24 498
Towers Construction Management AS	19 173
Amber Distribution Lithuania UAB	9 248
Amber Beverage Australia Pty Ltd	4 856
Amber Beverage Austria GmbH	4 856
Amber Distribution Estonia OU	2 486
Amber Beverage Germany GmbH	1 765
Amber Beverage UK Ltd	668

3. Interest income (EUR):

Amber Beverage Group Holding S.a r.l.	1 285 158
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The Company's transactions with other Group companies (continued)

4. Purchase of goods (EUR):

Amber Production Tequila S.A. de C.V	7 610 050
S.P.I. Spirits (Cyprus) Ltd.	6 654 389
Amber Talvis AO	1 778 889
WW Equity House Trading Limited	1 175 223
Amber Distribution Latvia SIA	360 681
Amber Distribution Lithuania UAB	135 600
Amber Production Remedia OÜ	92 493
Propiedad de Arinzano SLU	45 240

5. Services received (EUR):

Amber Beverage Group Holding S.a r.l.	4 287 469
Amber Beverage Group SIA	3 248 173
Amberbev International Ltd.	445 899
Amber Distribution Latvia SIA	316 108
Amber Beverage Germany GmbH	134 852
S.P.I. Spirits (Cyprus) Ltd.	64 793
Amber Distribution Estonia OU	40 058
Amber Distribution Lithuania UAB	8 312
WW Equity House Trading Limited	125

6. Interest expenses (EUR):

Amber Beverage Group Holding S.a r.l	9 104
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In the reporting year, interest was charged for guarantees to credit institutions granted by Amber Beverage Group Holding S.a r.l.

Notes regarding transactions and activities performed by AS Amber Latvijas balzams in dependency circumstances in the year 2023, which do not affect the profit and loss account for the reporting year

1. Guarantees issued

The Company, together with other Group companies, has provided security for the liabilities of the Parent company, Amber Beverage Group Holding S.à r.l., towards the AS Luminor Bank Latvian branch under an overdraft agreement of 19 December 2018, with the maximum overdraft limit amounting to EUR 22.7 million.

The Company, together with other Group companies, has provided security for the liabilities of the Parent company, Amber Beverage Group Holding S.à r.l., towards the AS Luminor Bank Latvian branch regarding the financing of the purchase of Fabrica de Tequilas Finos S.A. de C.V. (since May 2022 – Amber Production Tequila S.A. de C.V.), which is a tequila manufacturing company in Mexico, which arises out of a novation agreement signed on 19 December 2018. The maximum secured limit is EUR 9.2 million.

On 27 April 2018, the Company's Parent company, Amber Beverage Group Holding S.à r.l., signed a loan agreement with AS Luminor Bank Latvian branch to finance the purchase of Think Spirits Pty Ltd. (since April 2021 - Amber Beverage Australia Pty Ltd.). The maximum secured limit is EUR 4.6 million. In November 2023, the Parent company repaid the loan in full, and the Company's collateral was cancelled.

As a result of the refinancing of the Group's liabilities towards AS Swedbank, on 3 December 2019, the Company's Parent company, Amber Beverage Group Holding S.à r.l., signed with Credit Suisse AG an agreement on a loan of EUR 27 million. On 2 December 2021, an agreement was concluded that provided for the extension of the repayment term of the existing loan agreement from 2 December 2023 until 20 December 2024.

On 11 April 2023, Amber Beverage Group Holding S.à r.l. concluded a loan agreement in the amount of EUR 10 million with JSC Rietumu Banka with a repayment deadline of 10 April 2028. The company, together with other companies in the Group, has issued collateral with a maximum amount of EUR 13 million. The collateral includes a commercial pledge on the Riga Black Balsam and Grand Cavalier trademarks in the Baltic states and a guarantee.

On 30 May 2023, the Company's Parent company, Amber Beverage Group Holding S.à r.l., in cooperation with AS Signet Bank, issued four-year bonds worth EUR 30 million with the aim of raising funds for the construction project of the automated warehouse, which is implemented by the related company, SIA ABG Real Estate, and in which the Company plans to become the anchor tenant of the warehouse. The company, together with other companies of the Group, has issued a guarantee to secure obligations arising from Amber Beverage Group Holding S.à r.l.-issued bonds.

In order to secure the above-mentioned credit obligations of the Parent company, the Company has issued pledges on movable property, trademarks, mortgages on most of the real estate, and guarantees.

The company receives compensation from the Parent company for the provided security as a percentage of the total value of the security. If collateral is provided for the loan simultaneously from several companies, the interest rate is calculated proportionally, based on the asset value of the guarantors' balance sheet.

Taking into account the financial position of the Group companies, it is not expected that the Company will have to fulfil the guarantees, as a result of which no provisions have been created in the financial statements for these possible liabilities.



Review report on special purpose financial information

To the Board AS Amber Latvijas balzams

Introduction

We have reviewed the accompanying dependency statement on pages 5 to 11 of AS Amber Latvijas balzams (the “Company”) for 2023. This special purpose dependency statement is prepared solely to comply with the requirements of the Groups Act of the Republic of Latvia and is the responsibility of the Company’s Board. Our responsibility is to express a conclusion on this dependency statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review of AS Amber Latvijas balzams dependency statement for 2023, nothing has come to our attention that causes us to believe that, in all material aspects:

- the actual information included in the dependency statement is not fairly presented;
- the performance value of the transactions conducted by the Company disclosed in the dependency statement is disproportionately high; and
- the measures disclosed in the dependency statement should be assessed differently, based on methods stated in the dependency statement, from the Company Board’s evaluation.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Member of the Board
Certified auditor in charge
Certificate No. 168

Rīga, Latvia
30 April 2024

Review report on special purpose financial information is signed electronically with a secure electronic signature and contains a time stamp.

PricewaterhouseCoopers SIA
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Translation note: This version of our report is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.