



AS AMBER LATVIJAS BALZAMS

DEPENDENCY STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

AS Amber Latvijas balzams
Dependency statement for the year ended 31 December 2022

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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 2022
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

28 April 2023

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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 2022	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 2022	A company grouped with the controlling entity
Amber Beverage Group SIA	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Beverage Austria GmbH	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Beverage Australia Pty Ltd	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Beverage Germany GmbH	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Beverage UK Ltd	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Distribution Estonia OU	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Distribution Latvia SIA	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Distribution Lithuania UAB	1 January - 31 December 2022	A company grouped with the controlling entity
Amberbev International Ltd.	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Production Tequila S.A. de C.V	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Production Remedía OÜ	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Talvis AO	1 January - 31 December 2022	A company grouped with the controlling entity
Amber Permalko AO	1 January - 31 December 2022	A company grouped with the controlling entity
ABG Real Estate SIA	1 January - 31 December 2022	A company grouped with the controlling entity
Interbaltija AG AS	1 January - 31 December 2022	A company grouped with the controlling entity
Towers Construction Management AS	1 January - 31 December 2022	A company grouped with the controlling entity
S.P.I. Spirits (Cyprus) Ltd.	1 January - 31 December 2022	A company grouped with the controlling entity
WW Equity House Trading Limited	1 January - 31 December 2022	A company grouped with the controlling entity
Propiedad de Arinzano SLU	1 January - 31 December 2022	A company grouped with the controlling entity
Meierovica 35 SIA	1 January - 31 December 2022	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 2022, 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	93 866 090	(93 866 090)	-
Services provided	2	4 024 896	(4 024 896)	-
Interest income	3	1 324 323	(1 324 323)	-
Purchase of goods	4	(15 572 442)	15 572 442	-
Services received	5	(4 335 184)	4 335 184	-
Interest expenses	6	(9 948)	9 948	-
Other incomes	7	-	-	-
Total				<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, which 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 periods 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 obligations 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 of 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 on commencement
- (2) which result 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 which 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 which 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 2022, 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.	52 641 660
Amber Distribution Latvia SIA*	25 676 020
Amberbev International Ltd.	8 948 256
Amber Distribution Lithuania UAB	4 927 934
Amber Distribution Estonia OU	828 026
Amber Beverage Germany GmbH	498 341
Amber Production Remedica OÜ	216 389
Amber Beverage Group SIA	70 531
Amber Production Tequila S.A. de C.V	56 208
Amber Beverage Austria GmbH	2 723

* The value of the transactions is exclusive of excise duty

2. Services provided (EUR):

Amber Distribution Latvia SIA	1 681 838
S.P.I. Spirits (Cyprus) Ltd.	1 574 198
Interbaltija AG AS	511 363
ABG Real Estate SIA	123 556
Amber Production Tequila S.A. de C.V	49 533
Amberbev International Ltd.	31 148
Amber Production Remedica OÜ	23 974
Towers Construction Management AS	23 438
Amber Beverage UK Ltd	1 820
Amber Distribution Estonia OU	1 661
Amber Beverage Australia Pty Ltd	1 126
Meierovica 35 SIA	776
Amber Distribution Lithuania UAB	343
Propiedad de Arinzano, S.L.U.	122

3. Interest income (EUR):

Amber Beverage Group Holding S.a r.l.	1 324 323
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In the reporting year, interest was charged under a loan agreement signed with Amber Beverage Group Holding S.a r.l. and for guarantees issued to credit institutions to secure the liabilities of Amber Beverage Group Holding S.a r.l. and S.P.I. Spirits (Cyprus) Ltd.

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The Company's transactions with other Group companies (continued)

4. Purchase of goods (EUR):

Amber Talvis AO	5 485 049
Amber Production Tequila S.A. de C.V	4 349 208
S.P.I. Spirits (Cyprus) Ltd.	3 829 222
Amber Production Remedija OÜ	799 434
WW Equity House Trading Limited	610 361
Amber Distribution Latvia SIA	366 280
Amber Distribution Lithuania UAB	89 268
Amber Permalko AO	40 320
Propiedad de Arinzano SLU	3 300

5. Services received (EUR):

Amber Beverage Group SIA	3 234 212
Amberbev International Ltd.	595 977
Amber Beverage Germany GmbH	187 776
Amber Distribution Latvia SIA	129 464
Amber Beverage Group Holding S.a r.l.	105 366
Amber Beverage UK Ltd	44 050
Amber Distribution Lithuania UAB	30 033
Amber Distribution Estonia OU	7 173
Amber Beverage Australia Pty Ltd	798
Amber Production Remedija OÜ	200
Amber Talvis AO	136

6. Interest expenses (EUR):

Amber Beverage Group Holding S.a r.l	9 104
Amber Beverage Group SIA	844

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 2022, 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 liabilities of the Parent company Amber Beverage Group Holding S.à r.l. towards 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 liabilities of the Parent company Amber Beverage Group Holding S.à r.l. towards 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 arise 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.

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, which provides for the extension of the repayment term of the existing loan agreement until 2 December 2023.

On November 4, 2022, the Company's parent company Amber Beverage Group Holding S.à r.l. signed with AS Signet Bank a loan agreement of EUR 10 million for the partial refinancing of existing obligations. The company, together with other companies of the Group, issued collateral with a maximum amount of EUR 16.3 million.

Before mentioned securities of liabilities will be valid till the complete settlement of the liabilities under the agreements.

According to the terms of the agreements, the Company receives a fee from the parent company for the provided collateral as a percentage of the total value of the collateral. If loans are guaranteed by multiple parties, the interest rate is calculated on a proportionate basis, depending on the value of the assets of the guarantors.

Considering the financial position of the Group companies, it is not expected that the Company will be required to execute the guarantees; accordingly, no provisions have been recognized for these contingent liabilities in the financial statements.

Most of the Company's movable properties and real estate have been pledged in favour of Credit Suisse AG as security for the loan obtained at the Group level. The security will be valid till the complete settlement of the liabilities under the agreement. According to the mutual agreements, the Company receives remuneration from the parent for the collateral provided as a percentage of the total collateral value.

Review report