



AS AMBER LATVIJAS BALZAMS

**DEPENDENCY STATEMENT
FOR THE YEAR 2024**

AS Amber Latvijas balzams
Dependency statement for the year ended 31 December 2024

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Information on the Dependent Company

Name of the Dependent Company	AS Amber Latvijas Balzams
Legal status of the Dependent Company	Joint stock company
Number, place and date of registration	Registered in the Register of Enterprises Under single number 40003031873 on 2 October 1991 in Rīga with repeated re-registration on 20 October 1998 Registered in the Commercial Register on 19 June 2004 in Rīga
Address	A. Čaka Street 160 Rīga, LV- 1012 Latvia
Financial year	1 January – 31 December 2024
Name and address of the auditor	Ernst & Young Baltic SIA Commercial Company Licence No. 17 Muitas iela 1A Rīga, LV-1010 Latvia Responsible certified auditor: Diāna Krišjāne Certified Auditor Certificate No. 124

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:

Andrejs Višņausks
Chairman of the Board
AS Amber Latvijas balzams

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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 2024	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 2024	A company grouped with the controlling entity
Amber Beverage Group SIA	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Beverage Austria GmbH	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Beverage Australia Pty Ltd	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Beverage Germany GmbH	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Beverage UK Ltd	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Distribution Estonia OU	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Distribution Latvia SIA	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Distribution Lithuania UAB	1 January - 31 December 2024	A company grouped with the controlling entity
Amberbev International Ltd.	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Production Tequila S.A. de C.V	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Production Remedía OÜ	1 January - 31 December 2024	A company grouped with the controlling entity
Amber Talvis AO	1 January - 24 July 2024*	A company grouped with the controlling entity
ABG Real Estate SIA	1 January - 31 December 2024	A company grouped with the controlling entity
Interbaltija Amber SIA	1 January - 31 December 2024	A company grouped with the controlling entity
S.P.I. Spirits (Cyprus) Ltd.	1 January - 31 December 2024	A company grouped with the controlling entity
WW Equity House Trading Limited	1 January - 31 December 2024	A company grouped with the controlling entity
Propiedad de Arinzano SLU	1 January - 31 December 2024	A company grouped with the controlling entity
Stoli Group S.a.r.l.	1 January - 31 December 2024	A company grouped with the controlling entity

*In July 2024 the Tambov District Court of Tambov Region of Russian Federation has issued a decision according to which the shares of the Amber Talvis owned by Amber Beverage Group Holding S.a r.l. are transferred in favour of the Russian Federation. Amber Beverage Group Holding S.a r.l has appealed the court's decision, but the claim was rejected.

Explanatory Notes regarding the Transactions and Measures Undertaken by AS 'Amber Latvijas balzams' in a Dependency Situation for the Year 2024

	Note	Performance EUR	Counter- performance EUR	Recognised gain or loss EUR
The Company's transactions with other group companies				
Sale of goods	1	67,461,294	(67,461,294)	-
Services provided	2	4,171,049	(4,171,049)	-
Interest income	3	1,731,671	(1,731,671)	-
Purchase of goods	4	(3,881,382)	3,881,382	-
Services received	5	(8,240,310)	8,240,310	-
Interest expenses	6	(9,129)	9,129	-
Advance payments for services paid	7	6,305,585	(6,305,585)	-
Loan	8	3,500,000	(3,500,000)	-
Changes in loans to related parties in cash-pool (net)	9	6,714,812	(6,714,812)	-
Total		77,753,591	(77,753,591)	-

During the reporting year, the Company has not incurred any losses as a result of entering into transactions or other measures with the parent company, with companies belonging to the group of the parent company, or with other companies in the interests of the parent company or companies belonging to its group, or as a result of refraining from such transactions or measures.

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

In presenting and assessing transactions and other measures in the Dependency Statement, the Company has been guided by the principle of materiality.

Transactions and/or measures, together with their circumstances and assessments, shall be considered material if their omission from the Dependency Statement would influence the opinion of a knowledgeable user regarding the relationship of the dependent company with the parent company in the context of the reporting year.

(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 includes all transactions (performance and counter-performance) attributable to the reporting period that affect the statement of profit or loss for the reporting year, regardless of the dates of invoice issuance or receipt or of payment. The impact of transactions carried out in previous reporting years on the statement of profit or loss of the reporting year is reflected in the Dependency Report only where the performance differed from the counter-performance at the time the transaction was made.

Transactions that do not affect the profit and loss account for the reporting year but are material to the Company, or may affect the profit and loss account of subsequent periods, are disclosed in the explanatory notes.

If the parent company has informed the dependent company in writing by the end of the financial year of when and how losses arising from a disadvantageous transaction or measure will be compensated, the amount of such compensation is presented under the line item 'Granted rights of claim for 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.

Explanatory Notes regarding the Transactions and Measures Undertaken by AS 'Amber Latvijas balzams' in a Dependency Situation for the Year 2024.

The Company's transactions with other Group companies

1. Sale of goods (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
S.P.I. Spirits (Cyprus) Ltd.	29,043,683	-29,043,683	-
Amber Distribution Latvia SIA*	22,094,870	-22,094,870	-
Amberbev International Ltd.	8,912,866	-8,912,866	-
Amber Distribution Lithuania UAB	4,951,334	-4,951,334	-
Amber Distribution Estonia OU	935,830	-935,830	-
WW Equity House Trading Limited	625,899	-625,899	-
Amber Beverage Germany GmbH	353,449	-353,449	-
Amber Production Remedix OÜ	289,554	-289,554	-
Amber Beverage Austria GmbH	205,901	-205,901	-
SPI Group S.a r.l.	47,907	-47,907	-
Total	67,461,294	-67,461,294	-

* The value of the transactions is exclusive of excise duty

2. Services provided (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
S.P.I. Spirits (Cyprus) Ltd.	2,081,810	-2,081,810	-
Amber Distribution Latvia SIA	1,348,933	-1,348,933	-
Interbaltija Amber SIA	445,940	-445,940	-
ABG Real Estate SIA	84,232	-84,232	-
Amber Beverage Group SIA	60,423	-60,423	-
Stoli Group S.a.r.l.	37,717	-37,717	-
Amberbev International Ltd.	32,368	-32,368	-
Amber Production Remedix OÜ	24,265	-24,265	-
Amber Production Tequila S.A. de C.V	14,758	-14,758	-
Amber Distribution Lithuania UAB	13,906	-13,906	-
Amber Beverage Australia Pty Ltd	12,103	-12,103	-
Amber Beverage Austria GmbH	7,277	-7,277	-
Amber Distribution Estonia OU	2,871	-2,871	-
WW Equity House Trading Limited	2,343	-2,343	-
Amber Beverage Germany GmbH	1,650	-1,650	-
Amber Beverage UK Ltd	453	-453	-
Total	4,171,049	-4,171,049	-

3. Interest income (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l.	1,731,671	-1,731,671	-
Total	1,731,671	-1,731,671	-

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

4. Purchase of goods (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Talvis AO	1,011,744	-1,011,744	-
WW Equity House Trading Limited	947,786	-947,786	-
S.P.I. Spirits (Cyprus) Ltd.	736,697	-736,697	-
Amber Production Tequila S.A. de C.V	682,271	-682,271	-
Amber Distribution Latvia SIA	178,227	-178,227	-
Amber Production Remedija OÜ	154,136	-154,136	-
Amber Distribution Lithuania UAB	92,700	-92,700	-
Interbaltija Amber SIA	33,300	-33,300	-
Propiedad de Arinzano SLU	44,520	-44,520	-
Total	3,881,382	-3,881,382	-

5. Services received (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l.	4,307,880	-4,307,880	-
Amber Beverage Group SIA	3,420,513	-3,420,513	-
Amberbev International Ltd.	336,349	-336,349	-
Amber Beverage Germany GmbH	109,204	-109,204	-
Amber Distribution Latvia SIA	66,183	-66,183	-
S.P.I. Spirits (Cyprus) Ltd.	182	-182	-
Total	8,240,310	-8,240,310	-

6. Interest expenses (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l.	9,129	-9,129	-
Total	9,129	-9,129	-

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

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

7. Advance payments for services paid (EUR):

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l	6,305,585	-6,305,585	-
Total	6,305,585	-6,305,585	-

8. Loan

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l	3,500,000	-3,500,000	-
Total	3,500,000	-3,500,000	-

9. Changes in loans to related parties in cash pool (net)

	Performance	Counter- performance	Recognised gain or loss
	EUR	EUR	EUR
Amber Beverage Group Holding S.a r.l	6,714,812	-6,714,812	-
Total	6,714,812	-6,714,812	-

Notes regarding transactions and activities performed by AS Amber Latvijas balzams in dependency circumstances in the year 2024, which do not affect the profit and loss account for the reporting year

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., to AS Luminor Bank Latvian branch under an overdraft agreement of 19 December 2018, with the maximum overdraft limit of 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., to AS Luminor Bank Latvian branch relating financing of the purchase of Fabrica de Tequilas Finos S.A. de C.V. (since 28 April 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. In January 2024, the loan was fully repaid and the Company's collateral was fully redeemed.

Refinancing the Group's liabilities, on 3 December 2019, the Company's Parent Company Amber Beverage Group Holding S.à r.l. signed a loan agreement for EUR 27 million with Credit Suisse AG. The Company has five real estate properties pledged as collateral for this loan. The outstanding loan amount as at 31 December 2024 is EUR 19 million.

On 11 April 2023, Amber Beverage Group Holding S.à r.l. signed a loan agreement for EUR 10 million with AS Rietumu Banka with maturity date on 10 April 2028. To secure this loan, the Company, together with other Amber Group companies, has pledged the use of trademarks in the Baltic States as security.

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 to raise funds for the construction of the automated warehouse 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 Group companies, has issued a guarantee to secure the liabilities arising from the bonds issued by Amber Beverage Group Holding S.à r.l.

To secure the above-mentioned credit liabilities of the Parent Company, the Company 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 collateral provided in the form of a fixed percentage of the total value of the collateral. If a collateral is provided for one loan by several companies at the same time, the interest rate is calculated proportionally, based on the value of the guarantors' balance sheet assets.

The Company's management has assessed the fact that the above-mentioned loans to the Company's parent company are subject to covenants regarding meeting certain financial indicators and certain reporting dates. The Company's management is aware that the parent company had not met individual covenants as at 31.12.2024. However, as regards those issued guarantees and pledges, the Company's management made sure that the parent company has received the covenant waiver letters from all banks stating that the banks would not be accelerating those loans as at the reporting date. Having consistently assessed the credit risk associated with the issued guarantees and the aforementioned mitigating circumstances, the Company does not create provisions for these guarantees.

Review report