



AMBER BEVERAGE GROUP HOLDING S.À R.L.

(Registration number B218246)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the first six months of 2023

prepared in accordance with
International Financial Reporting Standards as adopted by the EU

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INFORMATION ON THE GROUP

Name of the Parent Company	Amber Beverage Group Holding S.à r.l.
Registration Number	No. B218246
Address	44, Rue de la Vallée, Luxembourg
Main business activities of the Parent Company	Holding and management activities
Major shareholder	SPI Group Holding Limited (94%, incorporated in Cyprus)
Names and positions of the Supervisory Board Members	<p>Sir Geoffrey John Mulgan, Chairman, Member of the Supervisory Board</p> <p>Mr. Simon Charles Rowe, Member of the Supervisory Board</p> <p>Mr. Douglas Brougham Cunningham, Member of the Supervisory Board (since 30.01.2023)</p> <p>Ms. Sabina Fatkullina Member of the Supervisory Board (since 02.06.2023)</p> <p>Ms. Jekaterina Stūģe, Member of the Supervisory Board</p> <p>Mr. Arturs Evarts, Secretary, Member of the Supervisory Board</p>
Names and positions of the Board of Managers	<p>Ms. Jekaterina Stūģe, Chairperson of the Board</p> <p>Mr. Arturs Evarts, Member of the Board</p> <p>Mr. Javier Minguillon Espinosa, Member of the Board</p>

USED ABBREVIATIONS

ABG	Amber Beverage Group, i.e., Amber Beverage Group Holding S.à r.l. and its subsidiaries
APAC	Asia – Pacific region
EMEIA	Europe, Middle East, India, Africa region
ROA	Return on assets calculated as LTM Net Profit period divided by total assets
ROE	Return on Equity calculated as LTM Net Profit divided by Total equity
Debt	Total borrowings, including external loans, overdrafts, loans from related parties and leases
Net Debt	Debt reduced by cash and cash equivalents
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment of non-financial assets
LTM EBITDA	EBITDA for the last 12 months period
9Lcs	Equivalent of 9 litre case of goods
LTM Net profit	Net profit for last 12 months

MANAGEMENT REPORT

Type of operations

Amber Beverage Group (hereinafter also - the Group or ABG) is a rapidly growing global spirits company whose products are found in millions of households and venues across the globe. The Group was established in 2014, and through organic growth and acquisitions, it has become a global spirits industry player that unites more than 1 600 employees in more than 20 companies in the Baltic States, its historical home, Austria, Australia, Germany, Ireland, Mexico, and the United Kingdom. The Group owns three production companies, ten distribution companies, and three retail chains.

ABG produces, bottles, markets, distributes, exports, and retails a comprehensive range of beverages, of which it owns more than 100 brands, and is responsible for marketing and distributing 1 400 own- and third-party brands in all spirit categories, including tequila, whiskey, vodka, gin, as well as wine, RTDs, and others. ABG values are: Tenacity, Entrepreneurship, Fun, Excellence, Speed, and Teamwork. These are at the core of the Group's organizational spirit. ABG's strategic priorities are to:

- Deliver quality and value to our consumers, customers, and suppliers.
- Strengthen our market positions in all key sectors by building our brands and opening new sales channels.
- Achieve operational effectiveness and efficiency by applying rigour to everything we do.
- Build a truly effective international team with an ambitious, high-performance culture.
- Generate superior business value for our third-party brand owners by providing excellent sales execution across all route-to-markets.

ABG fully-owned brands – Rooster Rojo® Tequila, KAH® Tequila, The Irishman® Whiskey, Writers' Tears® Whiskey, Riga Black Balsam®, Moskovskaya® Vodka, Cross Keys Gin® and Cosmopolitan Diva® – are growing their awareness in more than 80 markets year by year. Due to the high-quality of the liquid and the exceptional packaging, ABG core brands are bringing home numerous industry awards and positive feedback from beverage experts. One of the ABG strategy points is the opening of new markets for its core brands based on a comprehensive model for the best brand-market combination. Within the first half of 2023, we have secured new partnerships for ABG brands in such markets as China, Taiwan, Hong Kong, Indonesia, the Philippines, Singapore, Malaysia, Benelux, the United Arab Emirates, Turkey, North Cyprus, Israel, Oman, Bulgaria, Romania, Croatia, Poland, Slovenia, Serbia, Turkmenistan, Finland, and Tunisia.

The second part of the ABG strategy relates to improving sales standards and proposing similar quality of services for all ABG-owned distribution companies. Third-party brand management is an essential aspect of ABG's business, which is growing year after year. The Group has maintained fruitful partnerships with world-renowned producers and vintners of distilled spirits and wines, promoting their brands in the markets served by trusted ABG distribution companies. ABG is the go-to brand management and distribution company for international brand owners and producers, including Askaneli Brothers, Badel 1862, Beam Suntory, Bodegas Faustino, Brown-Forman, Casillero del Diablo, De Kuyper, Heaven Hill, Jägermeister, Luxardo, Red Bull, Torres, William Grant & Sons, and others.

As ABG brands grow year-on-year, ABG production companies focus on supply chain capability and agility and continue their investments to increase capacity. Production companies concentrate on continuous improvements within the supply chain, people management, equipment maintenance, and processes, as well as a range of sustainability initiatives to ensure that prices for ABG brands stay at a competitive level. ABG investments are carefully considered from the perspectives of efficiency, effectiveness, and sustainability. ABG plans to further increase the use of green energy by installing additional solar panels on its production premises, as well as by instituting a fully automated warehouse construction project in Riga, Latvia, which will have the BREEAM certificate that confirms that it has been implemented in accordance with the principles of sustainable construction.

ABG cooperates with the largest suppliers of raw materials and consumables in the European Union. One of the key resources is water, which is derived from artesian wells located in territories owned by the Group. The Group strengthened its field-to-bottle tequila production capacity by acquiring additional Blue Weber Agave fields, increasing the total area of land owned to 405 hectares.

For ABG, sustainable corporate governance and compliance are the key factors in achieving its goals. The Group is committed to conducting its business responsibly and in accordance with all laws and regulations to which its business activities are subject, and to ensuring high standards of compliance in a manner that leads to an increase in its value.

The ABG Supervisory Board includes six industry professionals, independent members, and representatives of the executive board, supervising the strategic processes of the Group and providing advice for further development required to achieve the Group's strategy, *Sirius25*.

MANAGEMENT REPORT (continued)
Performance of the Group during the reporting period

Financial performance

Ratio	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022	Change	Change
	EUR 000	EUR 000	EUR 000	%
Net revenue	163 820	151 589	12 231	8.1%
Operating profit	7 633	9 975	(2 342)	(23.5%)
Operating profit margin	4.7%	6.6%	n/a	(1.9pp)
Normalized operating profit	9 138	10 273	(1 135)	(11.0%)
Normalized operating profit margin	5.6%	6.8%	n/a	(1.2pp)
EBITDA	12 215	13 833	(1 618)	(11.7%)
Normalized EBITDA	13 720	14 131	(411)	(2.9%)

The unaudited net revenue of the Group for the first six months of the year 2023 reached EUR 163.8 million, an increase of EUR 12.2 million (+8.1%) against the respective period in 2022 that has been reached by opening new markets for ABG brands, general economic situation improvements in Europe and the Baltic States, as well as an implemented price increase in all major markets in 2023.

The operating profit for the first six months of 2023 amounts to EUR 7.6 million, which is 23.5% lower than in the respective period of 2022 (EUR 10 million). If the operating profit is adjusted by the net loss from the disposal of subsidiaries, the operating profit would reach EUR 9.1 million, which is 11% lower compared to the respective period in 2022. The financial performance has been impacted by the rapid increase in production costs in the second part of 2022, including higher costs of energy, resources, and salaries compared to the first half of 2022, which was partially a pre-crisis environment. Meanwhile, the Group has continued and will continue to work on efficiency improvements - revenue management, sales promotion and demand planning - by applying the newly implemented promotional activity planning tool FuturMaster in the Baltics, improvements in customer relationship management via Sales Force implementation in the UK and Austria, as well as non-stop process improvements in production and logistics using Lean methodology. As a Group we carefully monitor market development and will take the necessary steps to protect profitability without losing market share.

After careful consideration and in line with the long-term business objectives of the Group, in June 2023, ABG sold the investment in Amber Permalko AO, one of the leading alcohol producers in the Urals.

The unaudited net profit for the period is EUR 3.6 million, which is a reduction of EUR 4.3 million vs 2022. In addition to the performance drivers mentioned before, the net profit for the reporting period is also impacted by the recognized net loss of EUR 1.4 million arising from the disposal of subsidiaries, the negative impact of interest expense increases due to changes in variable rates, and additional interest expense from bond liability servicing obligations.

MANAGEMENT REPORT (continued)

The Group has maintained healthy main financial ratios for the reporting period:

Ratio	30.06.2023	31.12.2022	31.12.2021
ROA	3.8%	4.7%	5.4%
ROE	9%	11%	13%
Debt/Equity	74%	57%	61%
Debt/LTM EBITDA	3.45x	2.69x	3.06x
Net Debt/LTM EBITDA	2.51x	2.50x	2.85x
Equity Ratio	40%	41%	42%
Liquidity Ratio	1.24	1.14	1.24

The Management uses the previously reported alternative performance indicators in assessing the Group's performance for a particular financial period and in making decisions.

Funding profile

The Group maintains a well-leveraged capital structure to support the growth of the business. The borrowings comprise loans from the AS Luminor Bank Latvian branch, Credit Suisse AG, and AS Rietumu Banka supporting the long-term investments, as well as overdrafts and credit-lines provided by the AS Luminor Bank Latvian branch, AS BluOr Bank, Westpac, and Ultimate Finance to support the net-working capital needs and long-term unsecured loan facilities from related parties.

On 21 April 2023, Amber Beverage Group Holding S.à r.l., with the intention of acquiring financing for the construction of a high-bay automated warehouse in Riga, Latvia, issued EUR 30 million in 4-year bonds (ISIN: LV0000870137), which are listed on the Frankfurt Stock Exchange.

The trading activity on the Frankfurt Stock Exchange for the period since the initial listing has been as follows:



(Source: Frankfurt Stock Exchange)

As part of the terms and conditions of the Offering Memorandum, the proceeds from the bond issue can be utilised to fund the construction of the project and to serve the respective debt. Funds obtained from the bond issue have been put on short-term deposits with Signet Bank AS with different maturities following the estimated utilisation profile for the project.

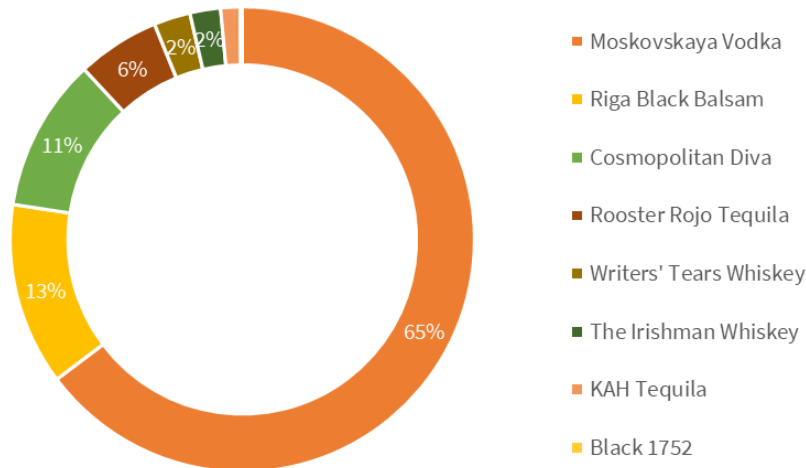
On 15 May 2023, Indie Brands Ltd. refinanced the invoice discounting facility with a maximum amount of GBP 2 million (EUR 2.3 million) from Royal Bank of Scotland to Ultimate Finance.

On 19 May 2023, Amber Beverage Group Holding S.à r.l. refinanced its short-term borrowing from AS Signet Bank of EUR 10 million with a 5-year loan facility with AS Rietumu Banka.

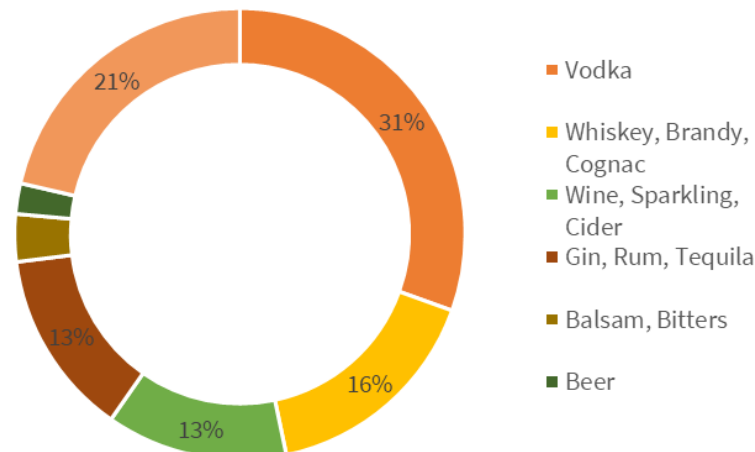
MANAGEMENT REPORT (continued)

Non-financial performance and activities for the reporting period

Brands produced by ABG companies contributed 30.3% of the total 6.5 million 9Lcs. The composition of the core brand's portfolio has remained stable, reaching 511 thousand 9Lcs in the first six months of 2023.



The total net revenue of EUR 163.8 million has been generated mainly by sales in the Vodka and Whiskey, Brandy, and Cognac category brands:



Financial risk management

In the ordinary course of business, the Group is exposed to a variety of financial risks, including credit risk, liquidity risk and interest rate risk. The Group's management handles financial risks on an ongoing basis to minimize their potential adverse effects on the financial performance of the Group.

Most of the borrowings have variable interest rates. The Group's management is considering the use of hedging instruments to minimize the effect of variable interest rates.

Financial assets that potentially expose the Group to a certain degree of credit risk concentration are primarily trade receivables, receivables from related companies and loans. The Group has introduced and pursues a credit policy whereby goods are sold on credit only to customers with sound credit histories. The Group also complies with sanctions regimes imposed by the EU, United Nations, and US, as well as internal procedures.

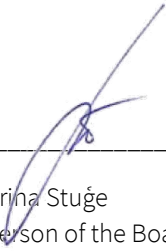
MANAGEMENT REPORT (continued)

The Group pursues a prudent liquidity risk management policy, according to which adequate credit resources are ensured to settle liabilities when they fall due. The Group's management handles liquidity and cash flow risks by maintaining adequate cash reserves and securing sufficient financing by means of loans, credit lines, finance leases by monitoring forecasted and actual cash flows and by matching the maturities of financial assets and liabilities on an ongoing basis.

Subsequent events

In July 2023, Amber Distribution Latvia SIA extended the EUR 15 million overdraft facility with BluOr Bank AS until 9 August 2023, with all major terms and conditions remaining unchanged.

In July 2023, ABG Real Estate SIA entered into an agreement with SIA Aimasa on the construction of a fully-automated warehouse and the reconstruction of a car parking lot at 31 Kakasekla dambis, Riga, Latvia.



Jekaterina Stūģe
Chairperson of the Board
Luxembourg, 31 August 2023

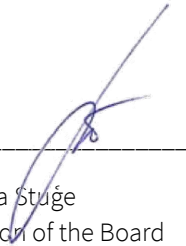
STATEMENT OF THE MANAGERMENTS' RESPONSIBILITY

The managers are responsible for the preparation of the consolidated financial statements in accordance with applicable law and regulations. Under that law, the managers have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In preparing the consolidated financial statements, the managers should:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business as a going concern.

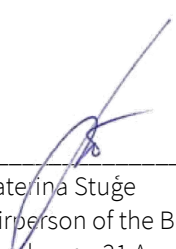
The managers are responsible for ensuring that proper accounting records are kept that disclose, with reasonable accuracy, at any time, the financial position of the Group and enable the managers to ensure that the consolidated financial statements comply with the IFRS as adopted by the EU. This responsibility includes designing, implementing, and maintaining such internal control as the managers determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The managers are also responsible for safeguarding the assets of the Group, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Jekaterina Stuge
Chairperson of the Board
Luxembourg, 31 August 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
	EUR 000	EUR 000
Revenue	239 369	225 627
Excise and duties	(75 549)	(74 038)
Net revenue	163 820	151 589
Cost of goods sold	(118 590)	(109 300)
Gross profit	45 230	42 289
Selling expenses	(27 040)	(24 626)
General and administration expenses	(12 091)	(11 365)
Net impairment gain/ (losses) of financial assets	(23)	16
Other operational income	4 353	4 912
Other operational expense	(2 727)	(952)
Merger and acquisition related costs	(69)	(299)
Operating profit	7 633	9 975
Net finance income/ (expense)	(2 560)	129
Profit before tax	5 073	10 104
Corporate income tax	(1 416)	(2 094)
Profit for the period	3 657	8 010
Attributable to:		
Equity holders of the parent	3 383	6 025
Non-controlling interest	274	1 985
	3 657	8 010
Other comprehensive income	(451)	18 677
Other profit or loss recognized through other comprehensive income	-	-
Total comprehensive income for period	3 206	26 687
Attributable to:		
Equity holders of the parent	3 339	24 704
Non-controlling interest	(133)	1 983
	3 206	26 687



 Jekaterina Stuge
 Chairperson of the Board
 Luxembourg, 31 August 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

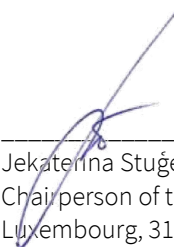
ASSETS

	Notes	30.06.2023	31.12.2022
		EUR 000	EUR 000
Non-current assets			
Intangible assets		82 033	81 166
Property, plant and equipment		53 633	54 462
Rights-to-use assets		7 843	9 029
Investment properties		-	1 059
Biological assets		16 864	14 774
Loans to related parties		29 685	26 617
Other non-current financial assets		2 536	3 182
Non-current financial investments		2 217	2 184
Deferred tax asset		129	-
	TOTAL NON-CURRENT ASSETS	194 940	192 473
Current assets			
Inventories	11	93 603	87 785
Trade and other receivables	12	122 559	138 253
Loans to related parties		4 838	3 717
Corporate income tax		399	146
Short term bank deposits		28 666	-
Cash and cash equivalents	13	7 633	7 490
	TOTAL	257 698	237 391
Assets held for sale		-	23 327
	TOTAL CURRENT ASSETS	257 698	260 718
TOTAL ASSETS		452 638	453 191

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

EQUITY AND LIABILITIES

	Notes	30.06.2023	31.12.2022
		EUR 000	EUR 000
Capital and Reserves			
Share capital		13	13
Share premium		132 553	132 553
FX revaluation reserve		(1 053)	(1 044)
Other reserves		1	1
Pooling reserve		(21 268)	(18 041)
Revaluation reserve of derivatives		62	98
Retained earnings		55 253	58 643
		165 561	172 223
TOTAL attributable to majority shareholders			
Non-controlling interest		14 777	15 445
		180 338	187 668
		TOTAL EQUITY	TOTAL EQUITY
Liabilities			
Non-current liabilities			
Borrowings	16	58 740	19 224
Trade and other payables	14	1 359	1 377
Deferred tax liability		4 392	3 392
Derivatives		(62)	(98)
		64 429	23 895
TOTAL NON-CURRENT LIABILITIES			
Current liabilities			
Borrowings and bank overdrafts	16	74 271	88 658
Trade and other payables	14	84 203	86 858
Taxes payable	15	49 397	52 146
Corporate income tax liabilities	15	-	264
		207 871	227 926
TOTAL			
Liabilities directly associated with the assets held for sale		-	13 702
		272 300	265 523
		TOTAL LIABILITIES	TOTAL LIABILITIES
TOTAL EQUITY AND LIABILITIES		452 638	453 191


 Jekaterina Stuge
 Chair person of the Board
 Luxembourg, 31 August 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent Company							Total EUR 000	Non-controlling interest EUR 000	Total equity EUR 000
	Share capital	Share Premium	FX revaluation reserve	Pooling reserve	Derivatives revaluation reserve	Other reserves	Retained Earnings			
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000			
1 January 2022	13	132 553	243	(18 041)	(68)	1	51 279	165 980	12 008	177 988
Transfer of prior period result	-	-	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	(11 000)	(11 000)	(484)	(11 484)
Profit for the period	-	-	-	-	-	-	18 364	18 364	3 022	21 386
Other comprehensive income	-	-	(1 288)	-	166	-	-	(1 122)	897	(225)
Total comprehensive income	-	-	(1 288)	-	166	-	18 364	17 242	3 919	21 161
31 December 2022	13	132 553	(1 045)	(18 041)	98	1	58 643	172 222	15 443	187 665
Dividends declared	-	-	-	-	-	-	(10 000)	(10 000)	(19)	(10 019)
Profit for the period	-	-	-	-	-	-	3 383	3 383	274	3 657
Other comprehensive income	-	-	(8)	-	(36)	-	-	(44)	(407)	(451)
Total comprehensive income	-	-	(8)	-	(36)	-	3 383	3 339	(133)	3 206
Reclassification of reserve due to reorganisation of the Group	-	-	-	63	-	-	(63)	-	-	-
Reclassification of reserve due to disposal of subsidiary	-	-	-	(3 290)	-	-	3 290	-	-	-
Derecognition due to disposal of subsidiary	-	-	-	-	-	-	-	-	(514)	(514)
30 June 2023	13	132 553	(1 053)	(21 268)	62	1	55 253	165 561	14 777	180 338

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to the equity holders of the parent									
	Share capital EUR 000	Share Premium EUR 000	Foreign currency revaluation	Pooling reserve EUR 000	Derivatives revaluation	Other reserves EUR 000	Retained earnings EUR 000	Total EUR 000	Non-controlling interest EUR 000	Total equity EUR 000
			reserve EUR 000		reserve EUR 000					
1 January 2021	13	132 553	(1 042)	(18 041)	(167)	1	40 700	154 017	10 086	164 103
Dividends declared	-	-	-	-	-	-	(10 000)	(10 000)	(381)	(10 381)
Profit for the period	-	-	-	-	-	-	20 579	20 579	2 267	22 846
Other comprehensive income	-	-	1 420	-	99	-	-	1 519	36	1 555
Total comprehensive income	-	-	1 420	-	99	-	20 579	22 098	2 303	24 401
31 December 2021	13	132 553	378	(18 041)	(68)	1	51 279	166 115	12 008	178 123
Dividends declared	-	-	-	-	-	-	(11 000)	(11 000)	-	(11 000)
Profit for the period	-	-	-	-	-	-	6 025	6 025	1 985	8 010
Other comprehensive income	-	-	18 609	-	68	-	-	18 677	-	18 677
Total comprehensive income	-	-	18 609	-	68	-	6 025	24 702	1 985	26 687
30 June 2022	13	132 553	18 987	(18 041)	-	1	46 304	179 817	13 993	193 810

CONSOLIDATED CASH FLOW STATEMENT

	Notes	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
		EUR 000	EUR 000
Cash flow from operating activities			
Profit/ (loss) for the period		5 072	10 104
<i>Adjustments for:</i>			
Depreciation and amortisation charge	4	4 582	3 858
Net gain on disposal of property, plant and equipment, investment properties and intangibles		(16)	(39)
Net (gain)/loss from sale of subsidiary		1 436	-
Interest income	9	(1 262)	(366)
Interest expense	9	3 890	2 287
		13 702	15 844
Working capital changes			
(Increase)/ decrease in inventories		(6 029)	(7 636)
(Increase)/ decrease in trade and other receivables		18 550	22 540
Increase/ (decrease) in trade and other payables		(12 168)	(15 179)
Cash generated from operations		14 055	15 569
Corporate income tax paid		(1 228)	(1 345)
Net cash generated from operating activities		12 869	14 224
Cash flows used in investing activities			
Payments to acquire property, plant and equipment, investment properties		(2 383)	(2 102)
Payments to acquire biological assets		(462)	-
Proceeds from disposal of property, plant and equipment		102	101
Proceeds from disposal of subsidiary		3 665	-
Settlements for acquisition of subsidiaries		(4 081)	-
Net cash used in investing activities		(3 159)	(2 001)
Cash flows used in financing activities			
Interest paid		(3 452)	(2 321)
Change in overdraft		(1 299)	(3 685)
Proceeds from issue of bonds		30 000	-
Borrowings received		10 000	732
Borrowings from related parties		50	(4 907)
Repayment of borrowings		(12 166)	-
Lease payments		(1 361)	(2 732)
Dividends paid to Parent Company's shareholders		(2 160)	(50)
Dividends paid to non-controlling interests in subsidiaries		(19)	-
Change in short-term deposits		(28 666)	-
Net cash used in/ generated from financing activities		(9 073)	(12 963)
Net change in cash and cash equivalents		637	(740)
Cash and cash equivalents disposed due to sale of subsidiary		(787)	-
Cash and cash equivalents at the beginning of the period		7 783	7 442
Cash and cash equivalents at the end of the period	13	7 633	6 702

NOTES

(1) GENERAL INFORMATION

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Managers of Amber Beverage Group Holding S.à r.l. (the Parent Company) on 31 August 2023.

The Parent Company was incorporated on 26 September 2017 under the laws of the Grand Duchy of Luxembourg with the registered number B218246 as Amber Beverage Group Holding S.à r.l. The Parent Company's registered office is at 44 Rue de la Vallée, L-2661, Luxembourg.

As of 30 June 2023, Amber Beverage Group (further on – the Group or ABG) consists of the Parent Company and its subsidiaries (see also Note 18).

(2) ACCOUNTING POLICIES

Basis for preparation

The interim unaudited consolidated financial statements for the first six months of the year 2023 ended 30 June 2023 of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year 2022.

Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that the majority of voting rights result in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Functional currency and revaluation

The functional and presentation currency of the main Group entities is the euro (EUR), as the European Union is the primary economic environment in which the Group's subsidiaries operate. These consolidated financial statements are presented in thousand euros (unless stated otherwise).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

During the consolidation process for entities with functional currency other than the functional currency of the Parent Company, the positions of the statement of financial position are revalued at the year-end exchange rate, and the positions of the statement of comprehensive income, cash-flow statement, and statement of changes in equity are revalued at the annual average exchange rate (or the average exchange rate for the period the Group has obtained control), except for entities with functional currency of the Russian ruble, where due to significant fluctuations in the currency market the quarterly weighted average exchange rate is applied.

The following foreign currency exchange rates have been applied:

	30/06/2023	Average for period 01/01/2023- 30/06/2023	30/06/2022	Average for period 01/01/2022- 30/06/2022
USD/EUR	1.0866	1.0807	1.0387	1.0934
AUD/EUR	1.6398	1.5989	1.5099	1.5204
GBP/EUR	0.85828	0.8764	0.8582	0.8424
RUB/EUR	95.1052	83.6510	86.0000	88.3971
MXN/EUR	18.5614	19.6457	20.9641	22.1653
CHF/EUR	0.9788	0.9856	0.9960	1.0319
CAD/EUR	1.4415	1.4565	1.3425	1.3900

Exchange differences on monetary items are recognised in the statement of comprehensive income in the period in which they arise.

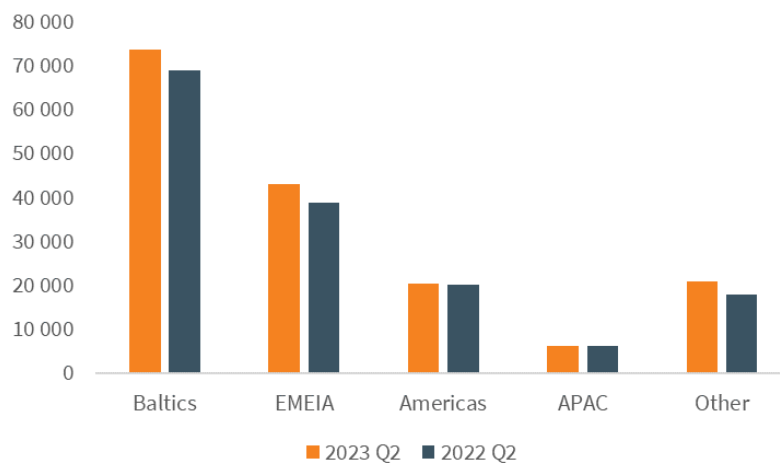
Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group intends to adopt the above standards and interpretations and to evaluate their effects on the effective date.

(3) SEGMENT REPORTING

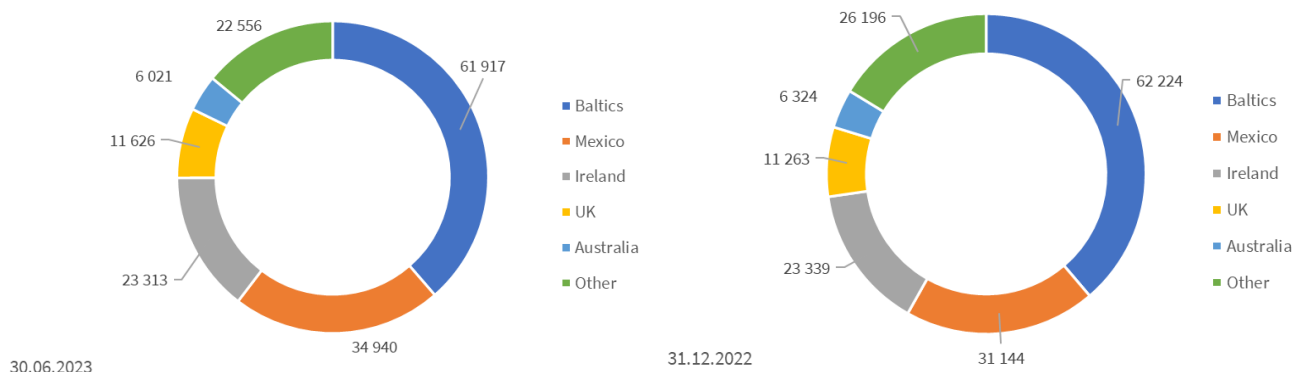
	Production		Distribution		Management/ Other/ Eliminations		Consolidated	
	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue								
Third party revenue	51 772	44 041	112 048	107 548	-	-	163 820	151 589
Intersegment revenue	27 901	24 872	9 333	7 605	(37 234)	(32 477)	-	-
Segment net revenue	79 673	68 913	121 381	115 153	(37 234)	(32 477)	163 820	151 589
							-	-
Operating profit	4 987	6 774	4 723	6 404	(2 077)	(3 203)	7 633	9 975
Finance income							1 639	2 415
Finance costs							(4 199)	(2 286)
Income tax							(1 416)	(2 094)
Net profit							3 657	8 010

The Group is domiciled in Luxembourg, with the primary activities carried out through its own route-to-market network in the Baltics (Latvia, Lithuania, Estonia), the UK, Australia, Austria, Germany, and in the global market through operations in Cyprus. The amount of net revenue from external customers, broken down by region of delivery, is presented as follows:



	Production		Distribution		Management/ Other/ Eliminations		Consolidated	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Non-current segment assets	83 404	78 980	64 226	65 587	12 742	15 809	160 372	160 376
Current segment assets	95 898	87 906	117 258	138 512	10 640	7 227	223 796	233 645
Segment assets	179 302	166 886	181 484	204 099	23 382	23 036	384 168	394 021
Deferred tax assets							129	-
Current tax receivable							399	146
Loans to related parties							34 523	30 334
Other non-current assets							2 536	3 179
Non-current financial investments							2 217	2 184
Short term deposits							28 666	-
Assets held for sale							-	23 327
Total assets							452 638	453 191
Non-current segment liabilities	(1 749)	(904)	(5 573)	(4 287)	-	-	(7 322)	(5 191)
Current segment liabilities	(99 928)	(67 071)	(189 895)	(212 749)	154 857	137 075	(134 966)	(142 745)
Segment liabilities	(101 677)	(67 975)	(195 468)	(217 036)	154 857	137 075	(142 288)	(147 936)
Deferred tax liabilities							(4 392)	(3 465)
Current tax payable							-	(264)
Interest-bearing loans and borrowings							(95 682)	(100 327)
Bonds							(30 000)	-
Derivatives							62	98
Liabilities associated to assets held for sale							-	(13 629)
Total liabilities							(272 300)	(265 523)

The total non-current assets other than financial instruments and deferred tax assets, broken down by location of assets, are presented in the following graph:



(4) OPERATING PROFIT

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Gross Revenue	239 369	225 627
Excise and duties	(75 549)	(74 038)
<i>Net revenue</i>	<i>163 820</i>	<i>151 589</i>
Cost of inventories	(104 442)	(98 002)
Advertising, marketing and promotional costs	(3 669)	(4 372)
Logistic costs	(5 489)	(4 806)
Staff costs	(26 919)	(22 817)
Other indirect costs	(13 913)	(12 388)
Other operating income	4 355	4 912
Net impairment loss on financial assets	(23)	16
<i>Depreciation and amortisation - cost of goods sold</i>	<i>(1 359)</i>	<i>(1 139)</i>
<i>Depreciation and amortisation - selling costs</i>	<i>(1 675)</i>	<i>(1 364)</i>
<i>Depreciation and amortisation - administration costs</i>	<i>(1 548)</i>	<i>(1 355)</i>
Depreciation, amortisation and impairment	(4 582)	(3 858)
M&A related costs	(69)	(299)
Net gain/ (loss) from disposal of subsidiaries	(1 436)	-
Operating profit	7 633	9 975

(5) EBITDA RECONCILIATION

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Operating profit	7 633	9 975
Add-back for:		
Depreciation, amortisation and impairment	4 582	3 858
EBITDA	12 215	13 833
M&A related costs	69	299
Net gain/ (loss) from disposal of subsidiaries	1 436	-
Normalized EBITDA	13 720	14 132

(6) COST OF GOODS SOLD

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Cost of inventories	104 442	98 002
Salaries and related tax expense	6 657	5 441
Depreciation and amortisation	1 359	1 139
Utility expense	2 281	1 459
Nature Resource Tax	1 462	1 269
Maintenance costs	493	399
Change in accruals	(88)	167
Real Estate Tax	118	126
Insurance costs	43	28
Laboratory expense	55	43
Other production costs	1 768	1 227
Total	118 590	109 300

(7) SELLING EXPENSES

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Salaries and related taxes	12 996	11 367
Advertising	3 669	4 372
Transport and logistics	5 489	4 806
Rent and maintenance of premises	961	984
Depreciation and amortisation	1 675	1 364
Maintenance of cars	78	65
Packaging materials	132	131
Change in accruals	228	274
Other distribution costs	1 812	1 263
Total	27 040	24 626

(8) GENERAL AND ADMINISTRATIVE EXPENSES

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Salaries and related expenses	7 266	6 009
Depreciation and amortisation	1 548	1 355
IT maintenance	342	299
Change in accruals	(586)	71
Management and professional service expense	907	732
Office expense	562	574
Business Trips	368	251
Communication	220	228
Representation	201	117
Bank commissions	125	110
Training expense	71	21
Other administration	1 067	1 598
Total	12 091	11 365

(9) NET FINANCE INCOME/ (EXPENSES)

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Finance income:		
Interest income	140	54
Interest income from related parties	1 123	312
Foreign exchange gain, net	111	1 907
Other financial income	265	142
Total finance income	1 639	2 415
Finance expense:		
Interest expense	(3 490)	(1 922)
Interest expense to related parties	(400)	(127)
Amortisation of loan related expense	(309)	(237)
Total finance expense	(4 199)	(2 286)
Net finance income/ (expense)	(2 560)	129

(10) CORPORATE INCOME TAX

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
	EUR 000	EUR 000
Current income tax	960	606
Change in deferred corporate income tax	455	1 488
Total	1 415	2 094

(11) INVENTORIES

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Raw materials	22 248	22 723
Finished goods and merchandize	68 192	60 396
Production in progress	3 817	4 412
Goods on the way	2 068	3 250
Other	563	134
Provisions for obsolete inventories	(3 285)	(3 130)
Total	93 603	87 785

(12) TRADE AND OTHER RECEIVABLES

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Gross trade receivables	69 516	91 932
Allowance for doubtful debts	(1 303)	(1 356)
Net trade receivables	68 213	90 576
Receivables from related parties	38 509	38 023
Other debtors and prepayments	15 837	9 654
Total	122 559	138 253

(13) CASH AND CASH EQUIVALENTS

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Cash at bank	7 019	7 278
Petty cash	2	3
Cash in shops	59	98
Cash in transit	553	111
Total	7 633	7 490

For purposes of reconciliation of cash and cash equivalents to the Consolidated Statement of Cash Flows, the cash and cash equivalents as of 31 December 2022 has been adjusted by EUR 293 thousand for items attributable to Disposal Group.

(14) TRADE AND OTHER PAYABLES

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Trade payables	54 490	60 071
Accrued expense	7 266	8 462
Payables to related parties	3 697	1 454
Vacation reserve	2 432	2 157
Contingent consideration	1 568	5 557
Salaries payable	1 415	1 122
Dividends payable	11 188	3 348
Advances received	954	991
Deferred income	1 040	973
Other payables	1 511	4 100
Total	85 561	88 235
Out of that:		
Non-current	1 359	1 377
Current	84 203	86 859

(15) TAXES PAYABLE

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Excise tax	34 695	38 991
Value added tax	10 362	9 670
Corporate income tax	-	264
Other	4 340	3 485
Total	49 397	52 410

(16) NET BORROWINGS

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Bank overdrafts	40 721	42 103
Bank loans	31 823	43 888
Accrued interest on bank loans	208	176
Loans from related parties	120	12
Borrowings due within one year	72 872	86 179
	30.06.2023	31.12.2022
	EUR 000	EUR 000
Non-current interest-bearing loans and borrowings		
Bank loans	10 103	157
Bonds issued	30 000	-
Loans from related parties	12 708	13 992
Borrowings due after one year	52 811	14 149
Total borrowings before derivative financial instruments	125 683	100 328
Derivative financial instruments	(62)	(98)
Lease liabilities	7 329	7 554
Gross borrowings	132 950	107 784
Less: Cash and cash equivalents	(7 633)	(7 490)
Less: Short-term bank borrowings	(28 666)	-
Net borrowings	96 651	100 294

(17) CAPITAL MANAGEMENT

	30.06.2023	31.12.2022
	EUR 000	EUR 000
Borrowings	132 950	107 784
Cash and cash equivalents	(7 633)	(7 490)
Short term bank deposits	(28 666)	-
Equity	180 338	187 668
Gearing ratio	54%	53%
Equity	180 338	187 668
Assets	452 638	453 191
Equity to Assets ratio	40%	41%
Borrowings	132 950	107 784
LTM EBITDA	38 556	40 174
Debt/EBITDA ratio	3,4x	2,7x
Borrowings	132 950	107 784
Cash and cash equivalents	(7 633)	(7 490)
Short term bank deposits	(28 666)	-
EBITDA	38 556	40 174
Net Debt/ EBITDA ratio	2,5x	2,5x
LTM EBITDA	38 320	40 174
Consolidated Net finance charges	6 862	5 063
Interest coverage ratio	5,6x	7,9x

(18) GROUP STRUCTURE

Name	Principal activities	Country of incorporation/ operations	% Equity interest 30/06/2023	% Equity interest 31/12/2022
Amber Distribution Latvia SIA	Distribution	Latvia	100%	100%
Interbaltija AG AS	Distribution	Latvia	100%	100%
Amber Distribution Estonia OU	Distribution	Estonia	100%	100%
Amber Distribution Lithuania UAB	Distribution	Lithuania	100%	100%
Amber Beverage UK Ltd	Distribution	the UK	100%	100%
Amber Beverage Australia Pty Ltd	Distribution	Australia	100%	100%
Amber Beverage Austria GmbH	Distribution	Austria	90%	90%
Amber Beverage Germany GmbH	Distribution	Germany	100%	100%
Indie Brands Ltd ¹	Distribution	the UK	100%	75%
Indie Spirits Ltd ¹	Distribution	the UK	100%	75%
WW Equity House Holding Ltd	Holding activities	Ireland	100%	100%
WW Equity House Trading Ltd	Distribution and Brand management	Ireland	100%	100%
Amberbev International Ltd	Distribution	Cyprus	100%	100%
Amber Latvijas balzams AS	Production of alcoholic beverages	Latvia	89.99%	89.99%
Amber Production Tequila S.A. de C.V.	Production of alcoholic beverages	Mexico	100%	100%
Amber Agave S.A. de C.V.	Agricultural activities	Mexico	100%	100%
Amber Permalko AO ³	Production of alcoholic beverages	Russia	-	92.6%
Amber Talvis AO	Rectification of ethyl alcohol	Russia	72.87%	72.87%
Amber Production Remedija OU	Production of alcohol beverages	Estonia	100%	100%
Amber IP Brands S.à r.l.	Intellectual property rights management	Switzerland	100%	100%
Amber Beverage Group SIA	Management services	Latvia	100%	100%
Think Spirits NL B.V.	Management services	the Netherlands	100%	100%
ABG Real Estate SIA	Real estate management	Latvia	100%	100%
Rits Holding SIA ²	Real estate management	Latvia	-	100%

Notes:

1 – In March 2023, the Parent Company finalized the acquisition of Indie Brands Ltd., thus securing its full control over Indie Brands Ltd. and its subsidiary, Indie Spirits Ltd.

2 – As part of the restructuring of SPI Group Holding Limited, on 29 March 2023, Amber Distribution Latvia SIA disposed of 100% of its shareholding in Rits Holding SIA to a related party, SPI RE Holding S.à r.l.

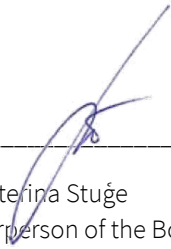
3 – On 13 June 2023, the Parent Company disposed of its shareholding in Amber Permalko AO to a third, independent party.

(19) SUBSEQUENT EVENTS

In July 2023, Amber Distribution Latvia SIA extended the EUR 15 million overdraft facility with BluOr Bank AS until 9 August 2023, with all major terms and conditions remaining unchanged.

In July 2023, ABG Real Estate SIA entered into an agreement with SIA Aimasā on the construction of a fully-automated warehouse and the reconstruction of a car parking lot at 31 Kakasekla dambis, Riga, Latvia.

Since the last day of interim financial statements and the signing of these interim consolidated financial statements, there have been no other subsequent events that would have a significant effect on the financial position of the Group as of 30 June 2023.



Jekaterina Stuge
Chairperson of the Board
Luxembourg, 31 August 2023