

**AMBER DISTRIBUTION LITHUANIA UAB  
INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS AND ANNUAL REPORT  
31 DECEMBER 2022**

Translation note:

*This version of the accompanying documents is a translation from the original, which was prepared in Lithuanian. 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 the accompanying documents takes precedence over this translation.*

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## Independent auditor's report

To the shareholder of Amber Distribution Lithuania UAB

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Amber Distribution Lithuania UAB (the "Company") as at 31 December 2022, and the Company's financial performance and cash flows for the year then ended in accordance with Lithuanian Financial Reporting Standards.

### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements that are relevant to our audit of the financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements.

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### Reporting on other information including the annual report

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the annual report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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With respect to the annual report, we considered whether the annual report includes the disclosures required by the Law of the Republic of Lithuania on Reporting by Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the annual report has been prepared in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report which we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

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### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Lithuanian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of PricewaterhouseCoopers UAB

Rasa Selevičienė  
Assurance Director  
Auditor's Certificate No.000504

Vilnius, Republic of Lithuania  
27 April 2023

Amber Distribution Lithuania UAB, company code 110365450

(company's legal form, name, code)

Metalo g. 2 B, Vilnius, SE Centre of Registers

(registered office address, register in which data is compiled and stored)

(Mark of approval)

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

27 April 2023 No PLN20221231

(date of issue of financial statements)

**1 January 2022 - 31 December 2022**

**EUR '000**

(reporting period)

(reporting currency, degree of accuracy)

| No  | Items  | Note  | Reporting period | Previous reporting period |
|-----|--|-------|------------------|---------------------------|
| 1.  | Sales revenue  | 1     | 123,861          | 132,095                   |
| 2.  | Cost of sales  |       | 105,025          | 114,497                   |
| 3.  | Change in fair value of biological assets  |       |                  | -                         |
| 4.  | GROSS PROFIT (LOSS)  |       | <b>18,836</b>    | <b>17,598</b>             |
| 5.  | Selling expenses   | 2, 20 | 9,850            | 9,765                     |
| 6.  | General and administrative expenses  | 2     | 3,118            | 2,997                     |
| 7.  | Results of other activities  | 3, 20 | 772              | 887                       |
| 8.  | Income from investments in shares of the parent company, subsidiaries and associates |       | -                | -                         |
| 9.  | Income from other long-term investments and loans                                    |       | -                | -                         |
| 10. | Other interest and similar income  | 4     | 7                | 6                         |
| 11. | Impairment of financial assets and short-term investments                            |       | -                | -                         |
| 12. | Interest and other similar expenses  | 4     | 385              | 176                       |
| 13. | PROFIT (LOSS) BEFORE INCOME TAX  |       | <b>6,262</b>     | <b>5,553</b>              |
| 14. | Income tax   | 5     | 1,133            | 1,653                     |
| 15. | NET PROFIT (LOSS)  |       | <b>5,129</b>     | <b>3,900</b>              |

General Manager

(position of the head of the company)

\_\_\_\_\_  
(signature)

Marek Kuklis

(full name)

Chief Accountant

(position of the chief accountant (accountant) or other person in charge of accounting)

\_\_\_\_\_  
(signature)

Svetlana Semaškiene

(full name)

**BALANCE SHEET AS AT 31 DECEMBER 2022**

27 April 2023 No BAL20221231

(date of issue of financial statements)

**1 January 2022 - 31 December 2022**

(reporting period)

**EUR '000**

(reporting currency, degree of accuracy)

| No     | Items   | Note   | Reporting period | Previous reporting period |
|--------|---|--------|------------------|---------------------------|
|        | <b>ASSETS</b>   |        |                  |                           |
| A.     | <b>NON-CURRENT ASSETS</b>                                       |        | <b>2,647</b>     | <b>2,686</b>              |
| 1.     | <b>INTANGIBLE ASSETS</b>  | 6      | <b>8</b>         | <b>14</b>                 |
| 1.1.   | Development works   |        | -                | -                         |
| 1.2.   | Goodwill  |        | -                | -                         |
| 1.3.   | Computer software   |        | 8                | 14                        |
| 1.4.   | Concessions, patents, licences, trademarks and similar rights   |        | -                | -                         |
| 1.5.   | Other intangible assets   |        | -                | -                         |
| 1.6.   | Prepayments made  |        | -                | -                         |
| 2.     | <b>PROPERTY, PLANT AND EQUIPMENT</b>                            | 7      | <b>2,468</b>     | <b>2,422</b>              |
| 2.1.   | Land  |        | -                | -                         |
| 2.2.   | Buildings and constructions                                     |        | 1,206            | 1,307                     |
| 2.3.   | Machinery and equipment   |        | 13               | 18                        |
| 2.4.   | Motor vehicles  |        | 955              | 886                       |
| 2.5.   | Other fixtures, fittings and tools                              |        | 268              | 189                       |
| 2.6.   | Investment property   |        | -                | -                         |
| 2.6.1. | Land  |        | -                | -                         |
| 2.6.2. | Buildings   |        | -                | -                         |
| 2.7.   | Prepayments made and PP&E construction (production) in progress |        | 25               | 22                        |
| 3.     | <b>FINANCIAL ASSETS</b>   | 8      | <b>22</b>        | <b>22</b>                 |
| 3.1.   | Shares of group companies                                       |        | -                | -                         |
| 3.2.   | Loans to group companies  |        | -                | -                         |
| 3.3.   | Amounts receivable from group companies                         |        | -                | -                         |
| 3.4.   | Shares of associates  |        | -                | -                         |
| 3.5.   | Loans to associates   |        | -                | -                         |
| 3.6.   | Amounts receivable from associates                              |        | -                | -                         |
| 3.7.   | Long-term investments   |        | -                | -                         |
| 3.8.   | Amounts receivable after one year                               |        | -                | -                         |
| 3.9.   | Other financial assets  |        | 22               | 22                        |
| 4.     | <b>OTHER NON-CURRENT ASSETS</b>                                 |        | <b>149</b>       | <b>228</b>                |
| 4.1.   | Deferred income tax assets                                      | 5      | 129              | 212                       |
| 4.2.   | Biological assets   |        | -                | -                         |
| 4.3.   | Other assets  | 8      | 20               | 16                        |
| B.     | <b>CURRENT ASSETS</b>   |        | <b>40,868</b>    | <b>42,046</b>             |
| 1.     | <b>INVENTORIES</b>  |        | <b>12,319</b>    | <b>12,697</b>             |
| 1.1.   | Raw materials, consumables and components                       |        | -                | -                         |
| 1.2.   | Unfinished goods and work in progress                           |        | -                | -                         |
| 1.3.   | Finished goods  |        | -                | -                         |
| 1.4.   | Goods held for resale   | 9      | 12,319           | 12,648                    |
| 1.5.   | Biological assets   |        | -                | -                         |
| 1.6.   | Non-current assets held for sale                                |        | -                | -                         |
| 1.7.   | Prepayments made  |        | -                | 49                        |
| 2.     | <b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>                       |        | <b>28,142</b>    | <b>27,231</b>             |
| 2.1.   | Trade receivables   | 10     | 25,905           | 23,746                    |
| 2.2.   | Receivables from group companies                                | 11, 10 | 1,733            | 1,583                     |
| 2.3.   | Receivables from associates                                     | 11     | 363              | 1,633                     |
| 2.4.   | Other amounts receivable  | 10     | 141              | 269                       |
| 3.     | <b>SHORT-TERM INVESTMENTS</b>                                   |        | <b>-</b>         | <b>-</b>                  |
| 3.1.   | Shares of group companies                                       |        | -                | -                         |
| 3.2.   | Other investments   |        | -                | -                         |
| 4.     | <b>CASH AND CASH EQUIVALENTS</b>                                | 12     | <b>407</b>       | <b>2,118</b>              |
| C.     | <b>DEFERRED EXPENSES AND ACCRUED REVENUE</b>                    | 13     | <b>518</b>       | <b>373</b>                |
|        | <b>TOTAL ASSETS</b>   |        | <b>44,033</b>    | <b>45,105</b>             |

**BALANCE SHEET AS AT 31 DECEMBER 2022 (continued)**27 April 2023 No BAL20221231  
(date of issue of financial statements)**1 January 2022 - 31 December 2022**

(reporting period)

**EUR '000**

(reporting currency, degree of accuracy)

|       | EQUITY AND LIABILITIES   |        |               |               |
|-------|--|--------|---------------|---------------|
| D.    | EQUITY   |        | <b>9,438</b>  | <b>4,309</b>  |
| 1.    | SHARE CAPITAL  |        | <b>15</b>     | <b>15</b>     |
| 1.1.  | Authorised (subscribed) share capital or core capital            | 14     | 15            | 15            |
| 1.2.  | Subscribed unpaid share capital (-)                              |        | -             | -             |
| 1.3.  | Own shares, member shares (-)                                    |        | -             | -             |
| 2.    | SHARE PREMIUM  |        | -             | -             |
| 3.    | REVALUATION RESERVE  |        | -             | -             |
| 4.    | RESERVES   | 15     | <b>394</b>    | <b>394</b>    |
| 4.1.  | Legal reserve or reserve capital                                 |        | 394           | 394           |
| 4.2.  | For acquisition of own shares                                    |        | -             | -             |
| 4.3.  | Other reserves   |        | -             | -             |
| 5.    | RETAINED EARNINGS (DEFICIT)                                      | 16     | <b>9,029</b>  | <b>3,900</b>  |
| 5.1.  | Profit (loss) for the reporting year                             |        | 5,129         | 3,900         |
| 5.2.  | Profit (loss) for the previous year                              |        | 3,900         | -             |
| E.    | GRANTS AND SUBSIDIES   |        | -             | -             |
| F.    | PROVISIONS   |        | -             | -             |
| 1.    | Provisions for pensions and similar liabilities                  |        | -             | -             |
| 2.    | Provisions for taxes   |        | -             | -             |
| 3.    | Other provisions   |        | -             | -             |
| G.    | AMOUNTS PAYABLE AND OTHER LIABILITIES                            | 17, 18 | <b>34,309</b> | <b>40,655</b> |
| 1.    | AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES |        | <b>417</b>    | <b>3,963</b>  |
| 1.1.  | Amounts payable  | 18     | 417           | 175           |
| 1.2.  | Amounts payable to credit institutions                           |        | -             | -             |
| 1.3.  | Advance amounts received   |        | -             | -             |
| 1.4.  | Trade payables   |        | -             | -             |
| 1.5.  | Amounts payable under bills of exchange and vouchers             |        | -             | -             |
| 1.6.  | Amounts payable to group companies                               | 11     | -             | 3,788         |
| 1.7.  | Amounts payable to associates                                    |        | -             | -             |
| 1.8.  | Other amounts payable and non-current liabilities                |        | -             | -             |
| 2.    | AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES    | 17     | <b>33,892</b> | <b>36,692</b> |
| 2.1.  | Amounts payable  |        | 286           | 426           |
| 2.2.  | Amounts payable to credit institutions                           |        | -             | -             |
| 2.3.  | Advance amounts received   |        | 14            | 18            |
| 2.4.  | Trade payables   |        | 12,101        | 10,167        |
| 2.5.  | Amounts payable under bills of exchange and vouchers             |        | -             | -             |
| 2.6.  | Amounts payable to group companies                               | 11     | 4,403         | 6,895         |
| 2.7.  | Amounts payable to associates                                    |        | -             | -             |
| 2.8.  | Income tax liabilities   |        | 69            | 1,523         |
| 2.9.  | Employment-related liabilities                                   |        | 1,278         | 1,274         |
| 2.10. | Other amounts payable and current liabilities                    | 18     | 15,741        | 16,389        |
| H.    | ACCRUED EXPENSES AND DEFERRED REVENUE                            |        | <b>286</b>    | <b>141</b>    |
|       |  |        |               |               |
|       | <b>TOTAL EQUITY AND LIABILITIES</b>                              |        | <b>44,033</b> | <b>45,105</b> |

General Manager

(position of the head of the company)

(signature)

Marek Kuklis

(full name)

Chief Accountant

position of the chief accountant  
(accountant) or other person  
in charge of accounting)

(signature)

Svetlana Semaškiene

(full name)



(Mark of approval)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

27 April 2023 No PS20221231  
(date of issue of financial statements)

**1 January 2022 - 31 December 2022**  
(reporting period)

**EUR '000**  
(reporting currency, degree of accuracy)

| No        | Items   | Note | Reporting period | Previous reporting period |
|-----------|---|------|------------------|---------------------------|
| <b>1.</b> | <b>Cash flows from operating activities</b>   |      |                  |                           |
| 1.1.      | Net profit (loss)   |      | 5,129            | 3,900                     |
| 1.2.      | Depreciation and amortisation expenses  | 6, 7 | 500              | 540                       |
| 1.3.      | Elimination of results of disposal of property, plant and equipment and intangible assets   | 6, 7 | (18)             | 8                         |
| 1.4.      | Elimination of results of financing and investing activities                                | 4    | 102              | 108                       |
| 1.5.      | Elimination of results of other non-cash transactions                                       |      | (1)              | (90)                      |
| 1.6.      | (Increase) decrease in amounts receivable from group companies and associates               |      | -                | -                         |
| 1.7.      | (Increase) decrease in other amounts receivable after one year                              |      | (4)              | 3                         |
| 1.8.      | (Increase) decrease in deferred income tax assets   | 5    | 83               | (178)                     |
| 1.9.      | (Increase) decrease in inventories, except for advance amounts paid                         |      | 232              | (1,154)                   |
| 1.10.     | (Increase) decrease in advance amounts paid   |      | 49               | (44)                      |
| 1.11.     | (Increase) decrease in trade receivables  |      | (2,106)          | (2,256)                   |
| 1.12.     | (Increase) decrease in amounts receivable from group companies and associates               |      | (150)            | (1,050)                   |
| 1.13.     | (Increase) decrease in other amounts receivable   |      | 128              | (57)                      |
| 1.14.     | (Increase) decrease in short-term investments   |      | -                | -                         |
| 1.15.     | (Increase) decrease in deferred expenses and accrued revenue                                |      | (145)            | 49                        |
| 1.16.     | Increase (decrease) in provisions   |      | 45               | (44)                      |
| 1.17.     | Increase (decrease) in non-current trade payables and advance amounts received              |      | -                | -                         |
| 1.18.     | Increase (decrease) in amounts payable after one year under bills of exchange and vouchers  |      | -                | -                         |
| 1.19.     | Increase (decrease) in non-current amounts payable to group companies and associates        |      | -                | -                         |
| 1.20.     | Increase (decrease) in current trade payables and advance amounts received                  |      | 1,910            | 2,032                     |
| 1.21.     | Increase (decrease) in amounts payable within one year under bills of exchange and vouchers |      | -                | -                         |
| 1.22.     | Increase (decrease) in current amounts payable to group companies and associates            |      | 1,672            | 251                       |
| 1.23.     | Increase (decrease) in income tax liabilities   | 5    | (1,454)          | 1,179                     |
| 1.24.     | Increase (decrease) in employment-related liabilities                                       |      | 4                | 454                       |
| 1.25.     | Increase (decrease) in other amounts payable and liabilities                                |      | (649)            | (9,893)                   |
| 1.26.     | Increase (decrease) in accrued expenses and deferred revenue                                |      | 145              | 97                        |
|           | <b>Net cash flows from operating activities</b>   |      | <b>5,472</b>     | <b>(6,145)</b>            |

(Mark of approval)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

27 April 2023 No PS20221231  
(date of issue of financial statements)

| <b>1 January 2022 - 31 December 2022</b> |  | <b>EUR '000</b>                          |                |                |
|--|--|--|----------------|----------------|
| (reporting period)                       |  | (reporting currency, degree of accuracy) |                |                |
| <b>2.</b>                                | <b>Cash flows from investing activities</b>                                |  |                |                |
| 2.1.                                     | Acquisition of non-current assets (excluding investments)                  | 6, 7                                     | (169)          | (25)           |
| 2.2.                                     | Disposal of non-current assets (excluding investments)                     | 6, 7                                     | 134            | 84             |
| 2.3.                                     | Acquisition of long-term investments                                       |  | -              | -              |
| 2.4.                                     | Disposal of long-term investments  |  | -              | -              |
| 2.5.                                     | Loans granted  |  | -              | -              |
| 2.6.                                     | Loan repayments received   |  | 1,270          | 9,062          |
| 2.7.                                     | Interest and dividends received  |  | 4              | 1              |
| 2.8.                                     | Other increase in cash flows from investing activities                     |  | -              | -              |
| 2.9.                                     | Other decrease in cash flows from investing activities                     |  | -              | -              |
|  | <b>Net cash flows used in investing activities</b>                         |  | <b>1,239</b>   | <b>(9,122)</b> |
| <b>3.</b>                                | <b>Cash flows from financing activities</b>                                |  | -              | -              |
| 3.1.                                     | Cash flows related to company's shareholders                               |  | (4,175)        | (2,000)        |
| 3.1.1.                                   | Issuance of shares   |  | -              | -              |
| 3.1.2.                                   | Owners' contributions against losses                                       |  | -              | -              |
| 3.1.3.                                   | Purchase of own shares   |  | -              | -              |
| 3.1.4.                                   | Dividends paid   |  | (4,175)        | (2,000)        |
| 3.2.                                     | Cash flows from other financing sources                                    |  | (4,247)        | (653)          |
| 3.2.1.                                   | Increase in borrowings   |  | 3,902          | -              |
| 3.2.1.1.                                 | Proceeds from borrowings   |  | 3,902          | -              |
| 3.2.1.2.                                 | Issuance of bonds  |  | -              | -              |
| 3.2.2.                                   | Decrease in borrowings   |  | (8,149)        | (653)          |
| 3.2.2.1.                                 | Repayments of borrowings   |  | (7,690)        | (300)          |
| 3.2.2.2.                                 | Bonds redeemed   |  | -              | -              |
| 3.2.2.3.                                 | Interest paid  |  | (86)           | (118)          |
| 3.2.2.4.                                 | Finance lease payments   |  | (373)          | (235)          |
| 3.2.3.                                   | Increase in other liabilities of the company                               |  | -              | -              |
| 3.2.4.                                   | Decrease in other liabilities of the company                               |  | -              | -              |
| 3.2.5.                                   | Other increase in cash flows from financing activities                     |  | -              | -              |
| 3.2.6.                                   | Other decrease in cash flows from financing activities                     |  | -              | -              |
|  | <b>Net cash flows used in financing activities</b>                         |  | <b>(8,422)</b> | <b>(2,653)</b> |
| <b>4.</b>                                | <b>Foreign exchange effect on the balance of cash and cash equivalents</b> |  | -              | -              |
| <b>5.</b>                                | <b>Net increase (decrease) in cash flows</b>                               |  | <b>(1,711)</b> | <b>324</b>     |
| <b>6.</b>                                | <b>Cash and cash equivalents at the beginning of the period</b>            |  | <b>2,118</b>   | <b>1,794</b>   |
| <b>7.</b>                                | <b>Cash and cash equivalents at the end of the period</b>                  |  | <b>407</b>     | <b>2,118</b>   |

General Manager

(position of the head of the company)

\_\_\_\_\_

(signature)

Marek Kuklis

(full name)

Chief Accountant

(position of the chief accountant (accountant) or  
other person in charge of accounting)

\_\_\_\_\_

(signature)

Svetlana Semaškiienė

(full name)

(Mark of approval)

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022**

27 April 2023 No NKP20221231  
(date of issue of financial statements)

**1 January 2022 - 31 December 2022**  
(reporting period)

**EUR '000**  
(reporting currency, degree of accuracy)

|  | Paid-up authorised share capital or core capital | Share premium | Own shares (-) | Revaluation reserve               |                      | Legal reserves                   |                               | Other reserves | Retained earnings (deficit) | Total        |
|--|--|---------------|----------------|-----------------------------------|----------------------|----------------------------------|-------------------------------|----------------|-----------------------------|--------------|
|  |  |               |                | For property, plant and equipment | For financial assets | Legal reserve or reserve capital | For acquisition of own shares |                |                             |              |
| <b>1. Balance at 31 December 2020</b>  | <b>15</b>  |               |                |                                   |                      | <b>394</b>                       |                               |                | <b>4,165</b>                | <b>4,574</b> |
| 2. Effect of change in accounting policy   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 3. Effect of correction of fundamental errors  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| <b>4. Restated balance at 31 December 2020</b>   | <b>15</b>  |               |                |                                   |                      | <b>394</b>                       |                               |                | <b>4,165</b>                | <b>4,574</b> |
| 5. Increase (decrease) in value of property, plant and equipment   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 6. Increase (decrease) in value of an effective hedging instrument                                       |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 7. Acquisition (disposal) of own shares  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 8. Profit (loss) not recognised in the income statement  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 9. Net profit (loss) for the reporting period  |  |               |                |                                   |                      |                                  |                               |                | 3,900                       | 3,900        |
| 10. Dividends  |  |               |                |                                   |                      |                                  |                               |                | (4,165)                     | (4,165)      |
| 11. Other payments   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 12. Reserves established   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 13. Reserves utilised  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 14. Increase (decrease) in authorised share capital or shareholders' contributions (repayment of shares) |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 15. Other increase (decrease) in authorised share capital or core capital                                |  |               |                |                                   |                      |                                  |                               |                |                             |              |

(Mark of approval)

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022 (continued)**

27 April 2023 No NKP20221231  
(date of issue of financial statements)

**1 January 2022 - 31 December 2022**  
(reporting period)

**EUR '000**

(reporting currency, degree of accuracy)

|  | Paid-up authorised share capital or core capital | Share premium | Own shares (-) | Revaluation reserve               |                      | Legal reserves                   |                               | Other reserves | Retained earnings (deficit) | Total        |
|--|--|---------------|----------------|-----------------------------------|----------------------|----------------------------------|-------------------------------|----------------|-----------------------------|--------------|
|  |  |               |                | For property, plant and equipment | For financial assets | Legal reserve or reserve capital | For acquisition of own shares |                |                             |              |
| <b>16. Balance at 31 December 2021</b>   | <b>15</b>  |               |                |                                   |                      | <b>394</b>                       |                               |                | <b>3,900</b>                | <b>4,309</b> |
| 17. Increase (decrease) in value of property, plant and equipment  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 18. Increase (decrease) in value of an effective hedging instrument                                      |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 19. Acquisition (disposal) of own shares   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 20. Profit (loss) not recognised in the income statement   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 21. Net profit (loss) for the reporting period   |  |               |                |                                   |                      |                                  |                               |                | 5,129                       | 5,129        |
| 22. Dividends  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 23. Other payments   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 24. Reserves established   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 25. Reserves utilised  |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 26. Increase (decrease) in authorised share capital or shareholders' contributions (repayment of shares) |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 27. Other increase (decrease) in authorised share capital or core capital                                |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| 28. Contributions against losses   |  |               |                |                                   |                      |                                  |                               |                |                             |              |
| <b>29. Balance at 31 December 2022</b>   | <b>15</b>  |               |                |                                   |                      | <b>394</b>                       |                               |                | <b>9,029</b>                | <b>9,438</b> |

General Manager  
(position of the head of the company)

(signature)

Marek Kuklis  
(full name)

Chief Accountant  
(position of the chief accountant (accountant) or other person in charge of accounting)

(signature)

Svetlana Semaškienė  
(full name)

## **EXPLANATORY NOTES to the financial statements as at 31 December 2022**

(All amounts are in EUR '000 unless otherwise stated)

### **AMBER DISTRIBUTION LITHUANIA UAB**

Company code 110365450, Metalo g. 2B, Vilnius

#### **APPROVED:**

by the shareholder's decision

dated 27 April 2023

### **GENERAL INFORMATION**

Amber Distribution Lithuania UAB (the "Company") is a private limited liability company registered with the Ministry of Economy on 14 April 1992 in accordance with the Lithuanian Law on the Register of Enterprises. The Company's core line of business is wholesale and retail trade in alcoholic beverages and tobacco products.

The Company holds licences to engage in the following types of activities:

- wholesale of alcoholic beverages;
- wholesale of tobacco products;
- retail trade in alcoholic beverages;
- retail trade in tobacco products.

The Company is a part of the international group of companies SPI Group.

All the shares of the Company (100%) owned by its parent company Amber Beverage Group (company code 40103839550) were acquired by Amber Beverage Group Holding S.a.r.l. (registration No B218246, registered office address: 44, rue de la Vallee, L- 2661, Luxembourg). The Company's shareholder has been registered with the Luxembourg Business and Enterprise Register, and the Company shareholder's financial statements are available at address: 44, Rue de la Valee, Luxembourg, L-2661.

As at 31 December 2022 and 31 December 2021, the Company had dependent structural units in the following cities:

- Klaipėda, address: Sandėlių g. 20;
- Šiauliai, address: Televizorių g. 12;
- Panevėžys, address: Urbšio g. 1;
- Kaunas, address: Europos pr. 81.

As at 31 December 2022 and 31 December 2021, the Company's retail chain consisted of 18 stores located in Vilnius, Kaunas, Klaipėda, Panevėžys, Alytus, Marijampolė, Jonava, Prienai, Telšiai, and Šilutė.

As at 31 December 2022, the average number of employees on payroll at the Company was 303, whereof management personnel – 9, other employees – 294 (31 December 2021: 305, whereof management personnel – 9; other employees – 296).

### **ACCOUNTING POLICIES**

The Company prepares its financial statements in accordance with the Lithuanian regulatory legislation on accounting and the Lithuanian Financial Reporting Standards.

The financial statements have been prepared under the assumption that the Company will be able to continue its operations in the foreseeable future.

On 24 February 2022, Russia's war against Ukraine broke out. This event had directly affected the Company's activities, since before the war the Company traded in goods brought from Russia and Belarus. After banning the import of goods from the aforementioned countries, the Company had to quickly refocus and find suppliers of similar goods from other countries. At the outbreak of the war, only the existing stock of the suppliers of these countries was traded. In March, retail chains stopped selling these products due to possible reputational damage. A decision was made in a short time and the Russian vodka in the retail chains was replaced by the products produced by the Group's company (Latvijas Balzams): Amber Vodka, Gradus Vodka; we substituted Moskovskaya vodka with the Company's produced Mosko Vodka, and we also made a limited edition of Mosko Vodka. Due to the withdrawal of Ruskyj Standart vodka from the market, the sales of the brand Finlandia Vodka, which we represent, have risen. All of our actions listed above allowed us to almost fully compensate for the loss of profit in the vodka category, which was threatened by the loss of sales of vodka of Russian origin.

The war stopped the local sale of Belarusian beer as well. The Company used to import private beer brands from Belarus for large retail chains, for the traditional market: Gaspadorių, Mėgėjų, Kapitono etc. Due to the halted beer trade through the local major retail chains, stock balances were sold out through the traditional markets and the beer trade business was

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

suspended. At the end of the summer, the Company found a supplier of similar goods from Ukraine and resumed trading in the aforementioned goods. This made it possible to largely offset the low profitability in this segment.

The financial year of the Company coincides with the calendar year.

All amounts in these financial statements are presented in the national currency, expressed in thousands of euros.

The principal accounting policies applied in the preparation of the Company's financial statements are set out below.

### (a) Intangible assets

Intangible assets are stated at acquisition (production) cost, less subsequent accumulated amortisation. Amortisation is calculated on a straight-line basis over the useful lives established for intangible assets. For the purpose of the income statement, amortisation expenses of intangible assets are accounted for as operating expenses.

The Company has established the following useful lives for its intangible assets:

| Category of intangible assets | Useful life (years) |
|-------------------------------|---------------------|
| Software                      | 3-5                 |
| Goodwill                      | 8                   |
| Trademarks                    | 5                   |

### (b) Property, plant, and equipment

Property, plant and equipment is stated at acquisition (production) cost, less subsequent accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of assets produced by the Company includes the cost of materials, direct labour costs and any other costs directly related to the asset's preparation for use for its intended purpose. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

Depreciation is calculated using the straight-line method (in financial accounting) and the double declining balance method (in income tax accounting) over the useful lives established for property, plant and equipment.

The Company applies the following useful lives and minimal capitalisation values to its property, plant and equipment:

|   | <u>Years</u> | <u>Minimal capitalisation value (EUR)</u> |
|---|--------------|---|
| Buildings                                   | 20-75        | 500                                       |
| Structures                                  | 15-20        | 500                                       |
| Heavy motor vehicles*                       | 10           | 500                                       |
| Cars, electric stacker trucks               | 5            | 500                                       |
| Computer hardware and communication devices | 3-5          | 500                                       |
| Plant and machinery                         | 5-10         | 500                                       |
| Other property, plant and equipment         | 3-10         | 150-500                                   |

\*When an asset is acquired under a lease contract with a residual value (non-redeemable) and at the time of purchase the follow-up of the acquired asset at the end of the contract (whether the asset will be returned to the lessor or the redemption value is paid) is not known, such an asset is accounted for in accordance with the terms of the concluded contract, i.e. the useful life is determined the same as the contract period and the residual value of the asset (non-depreciated) is determined taking into account the unredeemed value of the asset at the end of the contract.

Items of assets with useful lives over one year and acquisition cost not lower than the above-specified minimal capitalisation values of each category of assets are recognised as property, plant and equipment.

The residual value of buildings represents the amount which is expected to be received for buildings after the expiry of their useful lives taking into consideration future liquidation or disposal expenses.

Repair and reconstruction costs are recognised as expenses during the reporting period in which expenditure has been incurred.

## **EXPLANATORY NOTES to the financial statements as at 31 December 2022**

(All amounts are in EUR '000 unless otherwise stated)

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset disposed and all the expenses related to such disposal. Upon the disposal of property, plant and equipment, the net result of the transaction is included in other activities in the income statement.

All intangible assets and property, plant and equipment of the Company are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment is determined as the difference between the carrying amount and recoverable value.

### **(c) Inventories**

Inventories are stated at the lower of acquisition cost or net realisable value. The cost is determined under the first-in, first-out (FIFO) method. The cost of inventories comprises purchase price, which is adjusted with write-down amounts and discounts received, related taxes, dues, transportation, preparation for use and other costs directly attributable to the acquisition of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated possible selling expenses.

Accounting policies applied to inventory write-down allowance to net realisable value are as follows:

- 10% write-down allowance is established for inventories acquired more than one year ago;
- 50% write-down allowance is established for inventories acquired more than two years ago;
- 100% write-down allowance is established for inventories that were not moving for more than one year.

### **(d) Finance lease – where the Company is a lessee**

Leases of non-current assets where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases of non-current assets are accounted for based on capital value of the assets concerned, i.e. at an estimated present value of minimum lease payments. The corresponding lease obligations, i.e. all minimum lease payments net of finance charges, are included in liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

### **(e) Financial assets and financial liabilities**

Financial assets include cash and cash equivalents, and amounts receivable.

Financial assets are recorded when the Company receives or obtains a contractual right to receive cash or any other financial assets. Cash and cash equivalents are stated at acquisition cost. In the balance sheet, overdraft is classified under current liabilities as borrowings from credit institutions.

When it is probable that the Company will not be able to recover the amounts receivable, the provision for impairment of amounts receivable is established.

The Company's policy on provision for doubtful debts is as follows:

- a 100% provision is established for the amount receivable as at 31 December, which is past due for more than 180 days; a 100% provision is also established for the debt, the recoverability of which is very low.

Financial liabilities comprise amounts payable for goods and services received, and borrowings.

Financial liabilities are recorded when the Company assumes a commitment to pay cash or any other financial assets. Amounts payable for goods and services received are stated at acquisition cost.

Borrowings are initially carried at cost and subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### **(f) Provisions**

Provisions are recognised in liabilities when the Company has a legal obligation or irrevocable commitment as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### (g) Foreign currency transactions

All currency items in the balance sheet are estimated in the euro using the exchange rate prevailing at the date of the balance sheet. Assets purchased for foreign currency and accounted for in the balance sheet at the acquisition cost are estimated in the euro using the exchange rate prevailing at the date of the transaction. Assets with fair value determined in foreign currency are accounted for in the balance sheet in the euro using the exchange rate prevailing at the date of determining the fair value. Foreign currency transactions are stated in the euro using the exchange rate prevailing at the date of the transaction. Differences resulting from the settlement of amounts recorded in foreign currencies at different exchange rates are recognised as income or expenses of the reporting period.

### (h) Sales revenue

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue is measured at fair value, taking account of discounts granted and expected, returns and write-downs of goods sold. Sales revenue is reduced by the amount of an accumulation discount. The excise duty is included in the cost of goods sold and sales revenue. The effect of the excise duty on the financial statements is presented in Note 17.

Revenue from sale of goods is recognised when the following conditions are met:

- a significant portion of risks and rewards of ownership of goods is transferred to the buyer;
- the Company no longer owns or controls goods sold;
- the amount of sales can be reliably measured;
- it is probable that economic benefits associated with the sale of goods will be received;
- expenses associated with the sale of goods can be reliably measured.

### (i) Accounting of marketing income and expenses

Retail revenue received from marketing activities is recognized as income from other activities. Wholesale revenue from marketing activities is recognized as compensation received from suppliers for marketing and sales promotion expenses. The uncompensated portion of marketing and sales promotion expenses is recognized as selling expenses.

### (j) Cost of sales and operating expenses

Expenses are recognised on an accrual basis and following the matching principle during the reporting period when income related to such expenses is earned. Expenses incurred during the reporting period, which cannot be attributed directly to specific income earned and will not generate any income in subsequent reporting periods, are recognised as expenses when incurred. Expenses are measured at fair value.

### (k) Borrowing costs

Interest on borrowings is recognised in the income statement on an accrual basis.

### (l) Operating lease – where the Company is a lessee

Payments made under operating lease are charged to the income statement on a straight-line basis over the period of the lease.

### (m) Operating lease – where the Company is a lessor

Rental income calculated in accordance with an operating lease agreement is recognised during the period when such income is earned.

### (n) Income tax

Income tax expenses for the period comprises a current period income tax and deferred income tax expenses. Income tax expenses and change in deferred income tax are recognised in the income statement. The Company's profit is subject to income tax at a rate of 15% in accordance with the Lithuanian regulatory legislation on taxation.

Deferred income tax is accounted for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is calculated using tax rates that are expected to apply in the year of reversal of temporary differences in accordance with legislation that has been enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to profit taxes levied by the same tax authority on the same taxable entity or different taxable entities,



## **EXPLANATORY NOTES to the financial statements as at 31 December 2022**

(All amounts are in EUR '000 unless otherwise stated)

however there is intention to realise current tax assets and settle liabilities on a net basis or realise the assets and settle the liabilities simultaneously.

Deferred income tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which these unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related income tax benefit will be realised.

### **(o) Statement of cash flows**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank, and short-term deposits. For the purpose of the cash flow statement, dividends received are attributed to investing activities, whereas dividends paid are attributed to financing activities. Interest paid on borrowings and finance leases is attributed to financing activities. Interest received on term deposits and loans granted is accounted for in investing activities.

### **(p) Inter-company offsetting**

Amounts receivable and amounts payable are offset with the same third party when there are sufficient legal grounds for that purpose.

### **(q) Change in accounting policy and correction of errors**

Changes in accounting policy and fundamental errors of the prior period financial statements are recorded retrospectively. If an error being corrected is not fundamental nor an accurate assessment of the change can be made under the new policy, the prospective basis is used.

### **(r) Related parties**

The Company's shareholders exercising significant influence over the Company or controlling the Company, members of its Board and the Supervisory Council, their close relatives and entities controlled by them or over which they exercise significant influence are treated as related parties.

### **(s) Cash and cash equivalents**

Cash and cash equivalents include cash balances in bank accounts and other short-term liquid investments with original maturity of 3 months or less (as from the date of signing an agreement) that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

## **FINANCIAL RISK MANAGEMENT**

When performing its activities, the Company is exposed to a variety of financial risks. Risk management is conducted by the General Manager and the Board. The principles for management of risks of general and specific nature, such as credit risk, foreign exchange risk, liquidity risk, interest rate risk, have not been prepared in writing.

The Company applies the following key financial risk management procedures in its activities:

### **Credit risk**

The Company has no significant concentration of credit risk. Credit risks or the risks of counterparties defaulting, are controlled by the application of credit terms and monitoring procedures.

### **Foreign exchange risk**

The most significant risk arises primarily in connection with fluctuations in exchange rates of the euro against the US dollar, which affect purchases of inventories. To balance the risk, the Company makes most of its purchases by performing settlements in the euros.

### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents necessary to cover the expected expenditures. The Company makes short-term cash flow forecasts.

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest-bearing assets. The distribution between fixed rate and variable rate instruments depends on actual situation in the market.

### EXPLANATORY NOTES

#### NOTE 1: SALES REVENUE

In 2022 and 2021, sales of alcoholic beverages represents a single significant operating segment. Sales revenue comprises revenue from sales in Lithuania.

| Items             | Reporting period | Previous reporting period |
|-------------------|------------------|---------------------------|
| Wholesale revenue | 119,083          | 127,338                   |
| Retail revenue    | 4,778            | 4,757                     |
| <b>TOTAL</b>      | <b>123,861</b>   | <b>132,095</b>            |

#### NOTE 2: OPERATING EXPENSES

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| <b>Selling expenses:</b>                      | <b>9,850</b>     | <b>9,765</b>              |
| Wages and salaries                            | 6,125            | 5,754                     |
| Marketing and advertising                     | 613              | 1,451                     |
| Lease and maintenance of cars, premises, fuel | 1,311            | 987                       |
| Depreciation and amortisation                 | 442              | 348                       |
| Other   | 1,359            | 1,225                     |
| <b>General and administrative expenses:</b>   | <b>3,118</b>     | <b>2,997</b>              |
| Wages and salaries                            | 1,264            | 988                       |
| Audit and consultations                       | 1,239            | 1,122                     |
| Depreciation and amortisation                 | 40               | 172                       |
| Lease and maintenance of cars, premises, fuel | 72               | 66                        |
| Operating taxes                               | 74               | 59                        |
| Communication and IT services, insurance      | 233              | 222                       |
| Provisions for doubtful debts                 | 4                | (7)                       |
| Other   | 192              | 374                       |
| <b>TOTAL</b>                                  | <b>12,968</b>    | <b>12,762</b>             |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### NOTE 3: RESULTS OF OTHER ACTIVITIES

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| <b>a) INCOME FROM OTHER ACTIVITIES</b>                    | <b>2,383</b>     | <b>2,241</b>              |
| Income from 3PL* activities                               | 1,212            | 1,245                     |
| Income from advertising and marketing services rendered** | 183              | 540                       |
| Other income  | 988              | 456                       |
| <b>b) EXPENSES OF OTHER ACTIVITIES</b>                    | <b>1,611</b>     | <b>1,354</b>              |
| Expenses of 3PL activities                                | 830              | 973                       |
| Other expenses  | 781              | 381                       |
| <b>c) RESULT OF OTHER ACTIVITIES (a - b)</b>              | <b>772</b>       | <b>887</b>                |

\* 3 PL activities – provision for logistics services to third parties.

\*\* Under the agreements with owners of trademarks, the Company receives compensation for promotion of sales of products in the market. This compensation partly covers advertising, remuneration, etc. expenses that are presented under the line item 'Selling expenses'.

### NOTE 4: RESULTS OF FINANCING AND INVESTING ACTIVITIES

| Items                                      | Reporting period | Previous reporting period |
|--|------------------|---------------------------|
| <b>OTHER INTEREST AND SIMILAR INCOME</b>   | <b>7</b>         | <b>6</b>                  |
| Foreign exchange positive effect           | 1                | 4                         |
| Interest income                            | 4                | 2                         |
| Other income                               | 2                | 1                         |
| <b>OTHER INTEREST AND SIMILAR EXPENSES</b> | <b>385</b>       | <b>176</b>                |
| Foreign exchange negative effect           | 6                | 12                        |
| Interest expenses                          | 207              | 156                       |
| Other expenses                             | 172              | 8                         |

### NOTE 5: INCOME TAX AND DEFERRED INCOME TAX

In 2022 and 2021, income tax was calculated using a tax rate of 15%.

*The movement on the deferred income tax (liability) assets account is as follows*

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| At 1 January                                  | 212              | 34                        |
| Movement recognised in the income statement   | (83)             | 178                       |
| <b>DEFERRED INCOME TAX (LIABILITY) ASSETS</b> | <b>129</b>       | <b>212</b>                |

*Deferred income tax assets and liabilities*

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| <b>DEFERRED INCOME TAX ASSETS</b>   |                  |                           |
| Vacation accruals   | 74               | 11                        |
| Provisions (for slow-moving inventories, doubtful trade receivables etc.)               | 212              | -                         |
| Difference in depreciation of non-current assets for accounting and income tax purposes | -                | 171                       |
| Other differences (in financial accounting and for the income tax calculation purposes) | 21               | 57                        |
| <b>Total deferred income tax assets</b>   | <b>307</b>       | <b>239</b>                |
| <b>DEFERRED INCOME TAX LIABILITIES</b>  |                  |                           |
| Difference in depreciation of non-current assets for accounting and income tax purposes | 178              | 0                         |
| Provisions (for slow-moving inventories, doubtful trade receivables etc.)               | -                | 5                         |
| Difference in goodwill amortisation for accounting and income tax purposes              | -                | 22                        |
| Other differences (in financial accounting and for the income tax calculation purposes) | -                | 0                         |
| <b>Total deferred income tax liabilities</b>  | <b>178</b>       | <b>27</b>                 |
| <b>DEFERRED INCOME TAX LIABILITIES, NET</b>   | <b>-</b>         | <b>-</b>                  |
| <b>DEFERRED INCOME TAX ASSETS, NET</b>  | <b>129</b>       | <b>212</b>                |

**EXPLANATORY NOTES to the financial statements as at 31 December 2022**

(All amounts are in EUR '000 unless otherwise stated)

**Income tax calculation:**

| <b>Items</b>   | <b>Reporting period</b> | <b>Previous reporting period</b> |
|--|-------------------------|----------------------------------|
| <b>Profit (loss) before income tax</b>   | <b>6,262</b>            | <b>5,553</b>                     |
| Income tax rate used during the reporting period, %  | 15                      | 15                               |
| <b>Theoretical amount of income tax</b>  | <b>939</b>              | <b>833</b>                       |
| Expenses and income for which taxable profit is adjusted and on which no deferred income tax is recognised | 194                     | 820                              |
| <b>Total income tax expense</b>  | <b>1,133</b>            | <b>1,653</b>                     |
| Deferred income tax expense/(benefit)  | 83                      | (136)                            |
| Current year income tax expense  | 1,050                   | 1,110                            |
| Correction of previous period income tax expense   | -                       | 679                              |
| <b>TOTAL INCOME TAX EXPENSE</b>  | <b>1,133</b>            | <b>1,653</b>                     |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### NOTE 6: INTANGIBLE ASSETS

As at 31 December 2022, the acquisition cost of computer software fully amortised but still in use amounted to EUR 674 thousand (31 December 2021: EUR 661 thousand).

| No         | Items  | Development works | Goodwill | Computer software | Concessions, patents, licences, trademarks and similar rights | Other intangible asset | Prepayments made | Total |
|------------|--|-------------------|----------|-------------------|---|------------------------|------------------|-------|
| <b>1</b>   | <b>Balance in the beginning of the previous reporting period</b>     | -                 | -        | 146               | 1   | -                      | 2                | 149   |
| 1.1        | Acquisition (production) cost  | -                 | -        | 685               | 12  | -                      | 2                | 699   |
| 1.2        | Accumulated amortisation (-)   | -                 | -        | (539)             | (11)  | -                      | -                | (550) |
| 1.3        | Impairment (-)   | -                 | -        | -                 | -   | -                      | -                | -     |
| <b>2</b>   | <b>Movements during the previous reporting period:</b>               |                   |          |                   |   |                        |                  |       |
| <b>2.1</b> | <b>Acquisition (production) cost</b>                                 | -                 | -        | 3                 | -   | -                      | (2)              | 1     |
| 2.1.1      | Additions  | -                 | -        | 3                 | -   | -                      | 2                | 3     |
| 2.1.2      | Assets taken over on reorganisation                                  | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.1.3      | Disposals to third parties (-)                                       | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.1.4      | Write-offs (-)   | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.1.5      | Reclassification of assets (+/-)                                     | -                 | -        | -                 | -   | -                      | (2)              | (2)   |
| <b>2.2</b> | <b>Amortisation (-)</b>  | -                 | -        | (136)             | (1)   | -                      | -                | (137) |
| 2.2.1      | Amortisation charge (-)  | -                 | -        | (136)             | (1)   | -                      | -                | (137) |
| 2.2.2      | Accumulated amortisation of assets taken over on reorganisation (-)  | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.2.3      | Amortisation of assets disposed to third parties and written off (-) | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.2.4      | Reclassification of amortisation (+/-)                               | -                 | -        | -                 | -   | -                      | -                | -     |
| <b>2.3</b> | <b>Impairment (-)</b>  | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.3.1      | Impairment charge (-)  | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.3.2      | Reversal of impairment   | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.3.3      | Impairment of assets disposed to third parties and written off (-)   | -                 | -        | -                 | -   | -                      | -                | -     |
| 2.3.4      | Reclassification of impairment (+/-)                                 | -                 | -        | -                 | -   | -                      | -                | -     |
| <b>3</b>   | <b>Balance at the end of the previous reporting period</b>           | -                 | -        | 13                | -   | -                      | -                | 13    |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

|            |  |   |   |            |      |   |   |              |
|------------|--|---|---|------------|------|---|---|--------------|
| 3.1        | Acquisition (production) cost  | - | - | 688        | 12   | - | - | <b>700</b>   |
| 3.2        | Accumulated amortisation (-)   | - | - | (675)      | (12) | - | - | <b>(687)</b> |
| 3.3        | Impairment (-)   | - | - | -          | -    | - | - | -            |
| <b>4</b>   | <b>Movements during the reporting period:</b>                        |   |   |            |      |   |   |              |
| <b>4.1</b> | <b>Acquisition (production) cost</b>                                 | - | - | -          | -    | - | - | -            |
| 4.1.1      | Additions  | - | - | -          | -    | - | - | -            |
| 4.1.2      | Disposals to third parties (-)                                       | - | - | -          | -    | - | - | -            |
| 4.1.3      | Write-offs (-)   | - | - | -          | -    | - | - | -            |
| 4.1.4      | Reclassification of assets (+/-)                                     | - | - | -          | -    | - | - | -            |
| <b>4.2</b> | <b>Amortisation (-)</b>  | - | - | <b>(5)</b> | -    | - | - | <b>(5)</b>   |
| 4.2.1      | Amortisation charge (-)  | - | - | (5)        | -    | - | - | <b>(5)</b>   |
| 4.2.2      | Amortisation of assets disposed to third parties and written off (-) | - | - | -          | -    | - | - | -            |
| 4.2.3      | Reclassification of amortisation (+/-)                               | - | - | -          | -    | - | - | -            |
| <b>4.3</b> | <b>Impairment (-)</b>  | - | - | -          | -    | - | - | -            |
| 4.4.1      | Impairment charge (-)  | - | - | -          | -    | - | - | -            |
| 4.4.2      | Reversal of impairment   | - | - | -          | -    | - | - | -            |
| 4.4.3      | Impairment of assets disposed to third parties and written off (-)   | - | - | -          | -    | - | - | -            |
| 4.4.4      | Reclassification of impairment (+/-)                                 | - | - | -          | -    | - | - | -            |
| <b>5</b>   | <b>Balance at the end of the reporting period</b>                    | - | - | <b>8</b>   | -    | - | - | <b>8</b>     |
| 5.1        | Acquisition (production) cost  | - | - | 688        | 12   | - | - | <b>700</b>   |
| 5.2        | Accumulated amortisation (-)   | - | - | (680)      | (12) | - | - | <b>(692)</b> |
| 5.3        | Impairment (-)   | - | - | -          | -    | - | - | -            |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### NOTE 7: PROPERTY, PLANT AND EQUIPMENT

| No         | Items   | Land | Buildings and structures | Plant and machinery | Motor vehicles | Other fixtures, fittings, tools and equipment | Investment property |           | Prepayments made and construction work in progress | Total          |
|------------|---|------|--------------------------|---------------------|----------------|---|---------------------|-----------|--|----------------|
|            |   |      |                          |                     |                |   | Land                | Buildings |  |                |
| <b>1</b>   | <b>Balance in the beginning of the previous reporting period</b>    | -    | <b>1,335</b>             | <b>21</b>           | <b>950</b>     | <b>193</b>                                    | -                   | -         | <b>90</b>  | <b>2,589</b>   |
| 1.1        | Acquisition (production) cost                                       | -    | 8,316                    | 44                  | 2,083          | 1,158   | -                   | -         | 90   | <b>11,691</b>  |
| 1.2        | Change in value on revaluation                                      | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 1.3        | Accumulated depreciation (-)  | -    | (6,981)                  | (23)                | (1,133)        | (965)   | -                   | -         | -  | <b>(9,102)</b> |
| 1.4        | Impairment (-)  | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| <b>2</b>   | <b>Movements during the previous reporting period:</b>              |      |                          |                     |                |   |                     |           |  |                |
| <b>2.1</b> | <b>Acquisition (production) cost</b>                                | -    | <b>73</b>                | -                   | <b>94</b>      | <b>(72)</b>                                   | -                   | -         | <b>68</b>  | <b>27</b>      |
| 2.1.1      | Additions   | -    | -                        | -                   | 206            | 66  | -                   | -         | 29   | <b>301</b>     |
| 2.1.2      | Assets taken over on reorganisation                                 | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.1.3      | Disposals to third parties (-)                                      | -    | -                        | -                   | (112)          | -   | -                   | -         | -  | <b>(112)</b>   |
| 2.1.4      | Write-offs (-)  | -    | -                        | -                   | -              | (138)   | -                   | -         | -  | <b>(138)</b>   |
| 2.1.5      | Reclassification of assets (+/-)                                    | -    | 73                       | -                   | -              | -   | -                   | -         | (97)   | <b>(24)</b>    |
| <b>2.2</b> | <b>Change in value on revaluation</b>                               | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.2.1      | Revaluation of assets   | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.2.2      | Disposals to third parties (-)                                      | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.2.3      | Write-offs (-)  | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.2.4      | Reclassification of assets (+/-)                                    | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| <b>2.3</b> | <b>Depreciation (-)</b>   | -    | <b>(101)</b>             | <b>(4)</b>          | <b>(157)</b>   | <b>68</b>                                     | -                   | -         | -  | <b>(194)</b>   |
| 2.3.1      | Depreciation charge (-)   | -    | (101)                    | (4)                 | (228)          | (70)  | -                   | -         | -  | <b>(403)</b>   |
| 2.3.2      | Accumulated depreciation of assets taken over on reorganisation (-) | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.3.3      | Depreciation of assets disposed to third parties and write-offs (-) | -    | -                        | -                   | 71             | 138   | -                   | -         | -  | -              |
| 2.3.4      | Reclassification of depreciation (+/-)                              | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| <b>2.4</b> | <b>Impairment (-)</b>   | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.4.1      | Impairment charge (-)   | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.4.2      | Reversal of impairment  | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.4.3      | Impairment of assets disposed to third parties and written off (-)  | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |
| 2.4.4      | Reclassification of impairment (+/-)                                | -    | -                        | -                   | -              | -   | -                   | -         | -  | -              |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

|            |   |   |              |            |             |             |   |   |           |                |
|------------|---|---|--------------|------------|-------------|-------------|---|---|-----------|----------------|
| <b>3</b>   | <b>Balance at the end of the previous reporting period</b>          | - | <b>1,307</b> | <b>17</b>  | <b>887</b>  | <b>189</b>  | - | - | <b>22</b> | <b>2,422</b>   |
| 3.1        | Acquisition (production) cost                                       | - | 8,389        | 44         | 2,177       | 1,086       | - | - | 22        | <b>11,718</b>  |
| 3.2        | Change in value on revaluation                                      | - | -            | -          | -           | -           | - | - | -         | -              |
| 3.3        | Accumulated depreciation (-)  | - | (7,082)      | (27)       | (1,290)     | (897)       | - | - | -         | <b>(9,296)</b> |
| 3.4        | Impairment (-)  | - | -            | -          | -           | -           | - | - | -         | -              |
| <b>4</b>   | <b>Movements during the reporting period:</b>                       |   |              |            |             |             |   |   |           |                |
| <b>4.1</b> | <b>Acquisition (production) cost</b>                                | - | <b>5</b>     | -          | <b>98</b>   | <b>97</b>   | - | - | <b>3</b>  | <b>203</b>     |
| 4.1.1      | Additions   | - | 5            | -          | 484         | 162         | - | - | 7         | <b>658</b>     |
| 4.1.2      | Disposals to third parties (-)                                      | - | -            | -          | (339)       | -           | - | - | -         | <b>(339)</b>   |
| 4.1.3      | Write-offs (-)  | - | -            | -          | (47)        | (69)        | - | - | -         | <b>(116)</b>   |
| 4.1.4      | Reclassifications (+/-)   | - | -            | -          | -           | 4           | - | - | (4)       | -              |
| <b>4.2</b> | <b>Revaluation</b>  | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.2.1      | Revaluation of assets   | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.2.2      | Disposals to third parties (-)                                      | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.2.3      | Write-offs (-)  | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.2.4      | Reclassification of assets (+/-)                                    | - | -            | -          | -           | -           | - | - | -         | -              |
| <b>4.3</b> | <b>Depreciation (-)</b>   | - | <b>(106)</b> | <b>(4)</b> | <b>(29)</b> | <b>(18)</b> | - | - | -         | <b>(157)</b>   |
| 4.3.1      | Depreciation charge (-)   | - | (106)        | (4)        | (299)       | (85)        | - | - | -         | <b>(494)</b>   |
| 4.3.2      | Accumulated depreciation of assets taken over on reorganisation (-) | - | -            | -          | 270         | 67          | - | - | -         | <b>337</b>     |
| 4.3.3      | Depreciation of assets disposed to third parties and write-offs (-) | - | -            | -          | -           | -           | - | - | -         | -              |
| <b>4.4</b> | <b>Impairment (-)</b>   | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.4.1      | Impairment charge (-)   | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.4.2      | Reversal of impairment  | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.4.3      | Impairment of assets disposed to third parties and written off (-)  | - | -            | -          | -           | -           | - | - | -         | -              |
| 4.4.4      | Reclassification of impairment (+/-)                                | - | -            | -          | -           | -           | - | - | -         | -              |
| <b>5</b>   | <b>Balance at the end of the reporting period</b>                   | - | <b>1,206</b> | <b>13</b>  | <b>956</b>  | <b>268</b>  | - | - | <b>25</b> | <b>2,468</b>   |
| 5.1        | Acquisition (production) cost                                       | - | 8,394        | 44         | 2,275       | 1,183       | - | - | 25        | <b>11,921</b>  |
| 5.2        | Change in value on revaluation                                      | - | -            | -          | -           | -           | - | - | -         | -              |
| 5.3        | Accumulated depreciation (-)  | - | (7,188)      | (31)       | (1,319)     | (915)       | - | - | -         | <b>(9,453)</b> |
| 5.4        | Impairment (-)  | - | -            | -          | -           | -           | - | - | -         | -              |

### *Leased out property, plant and equipment*

| Name of the lessee           | Contract date    | Area leased, m2 | Net book amount of property | Contract expiry date      |
|------------------------------|------------------|-----------------|-----------------------------|---------------------------|
| Specus Sistemas UAB          | 11 June 2015     | 194             | 45                          | Valid until 31 July 2024  |
| Fragrances International UAB | 1 November 2000  | 660             | 48                          | Indefinite validity       |
| Kristiana UAB                | 31 May 2002      | 71              | 5                           | Indefinite validity       |
| Artoteka UAB                 | 15 May 2015      | 159             | 37                          | Valid until 31 May 2023   |
| Distileris UAB               | 1 April 2017     | 80              | 19                          | Valid until 31 March 2023 |
| Parnasas UAB                 | 28 November 2013 | N/A             | -                           | Valid until 31 March 2023 |
| <b>TOTAL</b>                 |                  | <b>1,164</b>    | <b>154</b>                  |                           |



## EXPLANATORY NOTES to the financial statements as at 31 December 2022

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As at 31 December 2022, the net book amount of buildings leased out by the Company was EUR 154 thousand, representing 13% of total net book amount of all buildings.

### *Pledges of property, plant and equipment*

| Category of assets pledged                                   | Net book value of property | Pledge expiry date |
|--|----------------------------|--------------------|
| Warehouse, Metalo g. 2B, Vilnius                             | 684                        | 3 December 2023    |
| Warehouse (administration premises), Metalo g. 2B, Vilnius   | 171                        | 3 December 2023    |
| Warehouse (retail office premises), Metalo g. 2B, Vilnius    | 15                         | 3 December 2023    |
| Warehouse (basic shop), Metalo g. 2B, Vilnius                | 8                          | 3 December 2023    |
| Warehouse, Sandėlių g. 20, Klaipėda                          | 16                         | 3 December 2023    |
| Retail premises, Sandėlių g. 20 Klaipėda                     | 10                         | 3 December 2023    |
| Retail premises (administration), Šeimyniškių g. 23, Vilnius | 106                        | 3 December 2023    |
| Retail premises (shop), Šeimyniškių g. 23, Vilnius           | 88                         | 3 December 2023    |
| Shop, Grušo g. 8a, Kaunas                                    | 92                         | 3 December 2023    |
| <b>TOTAL</b>   | <b>1,190</b>               |                    |

### *Fully depreciated property, plant and equipment still in use*

| Category of assets                 | Acquisition cost |
|------------------------------------|------------------|
| Buildings and structures           | 212              |
| Motor vehicles                     | 339              |
| Other fixtures, fittings and tools | 1,415            |
| <b>TOTAL</b>                       | <b>1,966</b>     |

### *Property, plant and equipment used under finance lease contracts*

| Category of assets | Carrying amount | Contract expiry date |
|--------------------|-----------------|----------------------|
| Motor vehicles     | 10              | 30 March 2023        |
| Motor vehicles     | 39              | 30 June 2023         |
| Motor vehicles     | 24              | 30 July 2023         |
| Motor vehicles     | 32              | 30 October 2023      |
| Motor vehicles     | 21              | 30 August 2025       |
| Motor vehicles     | 38              | 30 November 2025     |
| Motor vehicles     | 328             | 30 June 2026         |
| Motor vehicles     | 169             | 30 August 2026       |
| Motor vehicles     | 74              | 30 November 2027     |
| <b>TOTAL</b>       | <b>735</b>      |                      |

## **NOTE 8: NON-CURRENT FINANCIAL ASSETS AND OTHER NON-CURRENT ASSETS**

### *Other non-current financial assets*

| Items of assets   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| – Investments into Žaliasis Taškas UAB (6.8% of the Company's shares) | 22               | 22                        |

Žaliasis Taškas UAB, company code 110884687, registered office address: Žalgirio g. 131, Vilnius. Profile of activities: collection, sorting and management of packaging and packaging waste.

### *Other non-current assets*

| Items of assets                          | Reporting period | Previous reporting period |
|--|------------------|---------------------------|
| – Prepayment for lease of premises, cars | 20               | 16                        |

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(All amounts are in EUR '000 unless otherwise stated)

### NOTE 9: INVENTORIES

| Items  | Raw materials and consumables | Goods held for resale | Total            |
|--|-------------------------------|-----------------------|------------------|
| <b>Acquisition cost of inventories:</b>          |                               |                       |                  |
| At the end of the previous reporting period      | -                             | 12,783                | <b>12,783</b>    |
| At the end of the reporting period               | -                             | 12,551                | <b>12,551</b>    |
| <b>Write-down to net realisable value:</b>       |                               |                       |                  |
| At the end of the previous reporting period      | -                             | 135                   | <b>135</b>       |
| At the end of the reporting period               | -                             | 232                   | <b>232</b>       |
| <b>Carrying amount of inventories:</b>           |                               |                       |                  |
| At the end of the previous reporting period      | -                             | 12,648                | <b>12,648</b>    |
| At the end of the reporting period               | -                             | 12,319                | <b>12,319</b>    |
| <b>Inventories included in the cost of sales</b> |                               |                       |                  |
| At the end of the previous reporting period      | -                             | (114,497)             | <b>(114,497)</b> |
| At the end of the reporting period               | -                             | (105,025)             | <b>(105,025)</b> |
| <b>Inventories pledged:</b>                      |                               |                       |                  |
| At the end of the previous reporting period      | -                             | 12,648                | <b>12,648</b>    |
| At the end of the reporting period               | -                             | 12,319                | <b>12,319</b>    |
| <b>Inventories with third parties</b>            |                               |                       |                  |
| At the end of the previous reporting period      | -                             | -                     | -                |
| At the end of the reporting period               | -                             | -                     | -                |

For the purpose of the financial statements, inventories are measured at acquisition cost. A part of inventories was written down to net realisable value. As at 31 December 2022, inventory write-down allowance amounted to EUR 232 thousand (31 December 2021: EUR 135 thousand).

### NOTE 10: AMOUNTS RECEIVABLE WITHIN ONE YEAR

|  | Reporting period | Previous reporting period |
|--|------------------|---------------------------|
| <b>Current trade receivables</b>                       |                  |                           |
| Trade receivables from third parties                   | 26,038           | 23,932                    |
| Impairment of trade receivables from third parties (-) | (133)            | (186)                     |
| <b>Total trade receivables</b>                         | <b>25,905</b>    | <b>23,746</b>             |
| <b>Receivables from group companies</b>                |                  |                           |
| Receivables from group companies                       | 1,733            | 1,583                     |
| Impairment of receivables from group companies (-)     | -                | -                         |
| <b>Total receivables from group companies</b>          | <b>1,733</b>     | <b>1,583</b>              |
| <b>Other current amounts receivable</b>                |                  |                           |
| Prepayments for services                               | 139              | 255                       |
| Other amounts receivable                               | 2                | 22                        |
| Impairment of other current amounts receivable (-)     | -                | (8)                       |
| <b>Total other current amounts receivable</b>          | <b>141</b>       | <b>269</b>                |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

| Breakdown of amounts receivable within one year by maturity                               | Reporting period        | Previous reporting period        |
|---|-------------------------|----------------------------------|
| <u>Not past due</u>   | <b>25,683</b>           | <b>25,034</b>                    |
| Current trade receivables   | 24,289                  | 22,472                           |
| Receivables from group companies  | 1,253                   | 2,293                            |
| Other amounts receivable  | 141                     | 269                              |
| <u>Amounts receivable past due (not impaired)</u>   | <b>2,592</b>            | <b>2,383</b>                     |
| <i>Less than 30 days</i>  | <b>1,500</b>            | <b>1,310</b>                     |
| Current trade receivables   | 1,384                   | 1,003                            |
| Receivables from group companies  | 116                     | 307                              |
| Other amounts receivable  | -                       | -                                |
| <i>From 30 to 90 days</i>   | <b>408</b>              | <b>672</b>                       |
| Current trade receivables   | 258                     | 55                               |
| Receivables from group companies  | 150                     | 617                              |
| Short-term loans granted to third parties   | -                       | -                                |
| Other amounts receivable  | -                       | -                                |
| <i>Over 90 days</i>   | <b>684</b>              | <b>401</b>                       |
| Current trade receivables   | 107                     | 24                               |
| Receivables from group companies  | 577                     | 377                              |
| Other amounts receivable  | -                       | -                                |
| <u>Impaired amounts receivable (before impairment)</u>                                    | <b>133</b>              | <b>186</b>                       |
| Current trade receivables   | 133                     | 210                              |
| Receivables from group companies  | -                       | -                                |
| Other amounts receivable  | -                       | 24                               |
| Impairment (-)  | (133)                   | (186)                            |
| <b>Total</b>  | <b>28,142</b>           | <b>27,231</b>                    |
| <b>Change in amortised cost of amounts receivable and loans granted during the period</b> | <b>Reporting period</b> | <b>Previous reporting period</b> |
| Balance at the beginning of the reporting period  | 27,231                  | 32,878                           |
| Impairment charge/reversal for the reporting period                                       | 53                      | (48)                             |
| Amounts written off during the reporting period   | (56)                    | (45)                             |
| Other changes (increase/decrease)   | 914                     | (5,554)                          |
| <b>Balance at the end of the reporting period</b>   | <b>28,142</b>           | <b>27,231</b>                    |

### NOTE 11: TRANSACTIONS WITH THE COMPANY'S MANAGEMENT AND OTHER RELATED PARTIES

Management personnel includes the Company's General Manager and Heads of Departments.

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| A. Employment-related annual payments to:   |                  |                           |
| <b>1. Management personnel, including:</b>  | <b>1,124</b>     | <b>1,027</b>              |
| 1.1. wages and salaries   | 767              | 759                       |
| 1.2. compensations for unused vacation days   | -                | -                         |
| 1.3. termination benefit  | -                | -                         |
| 1.4. bonuses  | 357              | 268                       |
| <b>2. Other related parties</b>   | -                | -                         |
| B. Other significant annual payments to:  |                  |                           |
| <b>1. Management personnel</b>  | <b>55</b>        | <b>44</b>                 |
| 1.1. lease of cars  | 55               | 44                        |
| 1.2. lease of real estate   | -                | -                         |
| 1.3. paid out amount by which the authorised share capital was reduced, and dividends | -                | -                         |
| <b>2. Other related parties</b>   | -                | -                         |
| Average number of management personnel members per year                               | 9                | 9                         |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### *Related parties and transactions conducted with them*

Parent company Amber Beverage Group and other companies that are part of the Amber Beverage Group Holding and the SPI Group (the group companies) are treated as related parties.

| Items  | Reporting period | Previous reporting period |
|--|------------------|---------------------------|
| <b>Amounts receivable after one year</b>                       | <b>363</b>       | <b>1,633</b>              |
| Amounts payable to group companies – loan                      | 363              | 1,633                     |
| <b>Amounts receivable within one year</b>                      | <b>1,733</b>     | <b>1,583</b>              |
| Amounts receivable from group companies for goods and services | 1,733            | 1,583                     |
| <b>Amounts payable after one year</b>                          | <b>-</b>         | <b>3,788</b>              |
| Amounts payable to group companies (loan)                      | -                | 1,200                     |
| Accrued interest to group companies                            | -                | 2,588                     |
| <b>Amounts payable within one year</b>                         | <b>4,403</b>     | <b>6,895</b>              |
| Amounts payable to group companies (credit line)               | -                | -                         |
| Amounts payable to group companies – dividends                 | -                | 4,175                     |
| Amounts payable to group companies for goods and services      | 4,403            | 2,720                     |

On 2 January 2020, the Company received a loan of EUR 4,000 thousand with interest rate of 3.5% from Amber Beverage Group Holding S.a.r.l. The loan repayment term is 31 December 2024. As at 31 December 2021, the outstanding balance of the principal amount was EUR 1,200 thousand and the outstanding balance of interest was EUR 2,588 thousand. The Company repaid the loan received in September 2022.

As at 31 December 2021, the Company had granted a short-term loan of EUR 1,287 thousand from Amber Beverage Group Holding Sarl cash pool account with interest rate set as 1M EURIBOR + 2.30% and of EUR 346 thousand with interest rate set as 1M EURIBOR + 2% (the loan repayment term is 31 January 2022). The loans were repaid on 1 January 2022.

As at 31 December 2022, the Company had granted a short-term loan of EUR 363 thousand to Amber Beverage Group Holding S.a.r.l. cash pool account with interest rate set as 1M EURIBOR + 2.30% (the loan repayment term is 31 January 2023).

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| <b>Sales of goods and services to:</b>        |                  |                           |
| Group companies                               | 3,055            | 2,334                     |
| <b>Purchases of goods and services from</b>   |                  |                           |
| From group companies                          | 13,928           | 13,842                    |
| <b>Interest expenses from group companies</b> | <b>82</b>        | <b>105</b>                |

### **NOTE 12: CASH AND CASH EQUIVALENTS**

| Items                            | Reporting period | Previous reporting period |
|----------------------------------|------------------|---------------------------|
| Cash at bank                     | 322              | 2,017                     |
| Cash on hand                     | 32               | 27                        |
| Cash in transit (collected cash) | 53               | 74                        |
| <b>TOTAL</b>                     | <b>407</b>       | <b>2,118</b>              |

### **NOTE 13: DEFERRED EXPENSES AND ACCRUED REVENUE**

| Items                    | Reporting period | Previous reporting period |
|--------------------------|------------------|---------------------------|
| <b>Deferred expenses</b> | <b>495</b>       | <b>336</b>                |
| Advertising, marketing   | 179              | 155                       |
| Insurance                | 88               | 80                        |
| Other accrued expenses   | 228              | 101                       |
| <b>Accrued revenue</b>   | <b>23</b>        | <b>37</b>                 |
| <b>TOTAL</b>             | <b>518</b>       | <b>373</b>                |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### NOTE 14: STRUCTURE OF THE AUTHORISED SHARE CAPITAL

| Items  | Number of shares | Amount    |
|--|------------------|-----------|
| Structure of authorised share capital at the end of the reporting period |                  |           |
| 1. By category of shares   |                  |           |
| 1.1. Ordinary shares   | 17               | 15        |
| 1.2. Preference shares   | -                | -         |
| 1.3. Shares owned by employees   | -                | -         |
| 1.4. Special shares  | -                | -         |
| 1.5. Other shares  | -                | -         |
| <b>TOTAL</b>   | <b>17</b>        | <b>15</b> |

All the shares issued by the Company are fully paid. The nominal value of one share is equal to EUR 869.

### NOTE 15: RESERVES

#### *Legal reserve*

The legal reserve is formed from profit to be appropriated under the Lithuanian Law on Companies. Annual transfers of 5% of net profit are required until the reserve reaches 10% of the authorised share capital. The legal reserve may be used to cover the Company's losses only. A part of the legal reserve in excess of 10% of the authorised share capital may be redistributed when appropriation of profit for the following financial year is performed. The Company complied with these requirements in the current and the previous year.

### NOTE 16: PROPOSED PROFIT APPROPRIATION

| Items   | Amount   |
|---|----------|
| Profit (loss) brought forward from the previous reporting period              | 3,900    |
| Profit (loss) not recognised in the income statement                          | -        |
| Current year net profit (loss)  | 5,129    |
| Dividends paid  | -        |
| Profit (loss) to be appropriated at the end of the current year               | 9,029    |
| Shareholders' contributions against loss                                      | -        |
| Transfers from reserves   | -        |
| Profit to be appropriated   | 9,029    |
| Profit appropriation:   | -        |
| – To legal reserves   | -        |
| – To other reserves   | -        |
| – Dividends   | 9,029    |
| – Other   | -        |
| <b>PROFIT (LOSS) TO BE CARRIED FORWARD AT THE END OF THE REPORTING PERIOD</b> | <b>0</b> |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

### NOTE 17: AMOUNTS PAYABLE AND OTHER LIABILITIES

| Breakdown of amounts payable by type and maturity | Reporting period |  |               | Previous reporting period |  |               |
|---|------------------|--|---------------|---------------------------|--|---------------|
|   | Within 1 year    | After 1 year, but no later than within 5 years | After 5 years | Within 1 year             | After 1 year, but no later than within 5 years | After 5 years |
| Finance lease and similar liabilities             | 286              | 417  | -             | 426                       | 175  | -             |
| Amounts payable to credit institutions            | -                | -  | -             | -                         | -  | -             |
| Amounts payable to group companies (Note 15)      | 4,403            | -  | -             | 6,895                     | 3,788  | -             |
| Employment-related liabilities                    | 1,278            | -  | -             | 1,274                     | -  | -             |
| Trade payables                                    | 12,101           | -  | -             | 10,167                    | -  | -             |
| Advance amounts received                          | 14               | -  | -             | 18                        | -  | -             |
| Income tax liabilities                            | 69               | -  | -             | 1,523                     | -  | -             |
| Other payables and current liabilities (Note 13)  | 15,741           | -  | -             | 16,389                    | -  | -             |
| <b>Total</b>                                      | <b>33,892</b>    | <b>417</b>                                     | <b>0</b>      | <b>36,691</b>             | <b>3,963</b>                                   | <b>0</b>      |

### NOTE 18: STATE OF DEBTS

#### *Other amounts payable and current liabilities*

| Items                 | Reporting period | Previous reporting period |
|-----------------------|------------------|---------------------------|
| Excise duty payable   | 11,419           | 8,734                     |
| VAT payable           | 4,048            | 7,065                     |
| Other amounts payable | 274              | 589                       |
| <b>TOTAL</b>          | <b>15,741</b>    | <b>16,389</b>             |

#### *Finance lease*

| Items   | Reporting period | Previous reporting period |
|---|------------------|---------------------------|
| Within 1 year                                       | 286              | 426                       |
| Between 1 and 5 years                               | 417              | 175                       |
| Future finance charges on finance lease             | -                | -                         |
| <b>Net book amount of finance lease liabilities</b> | <b>703</b>       | <b>601</b>                |

Property acquired under finance lease contracts concluded in 2022 amounted to EUR 484 thousand. Valid finance lease contracts are disclosed in Note 7.

#### *Other pledges*

| Category of assets pledged | Value of assets pledged | Pledge expiry date |
|----------------------------|-------------------------|--------------------|
| Land lease right           | -                       | 3 December 2023    |
| Shares of the Company      | 15                      | 3 December 2023    |
| Buildings                  | 1,190                   | 3 December 2023    |
| Inventories                | 12,319                  | 11 August 2023     |
| Monetary / property claims | 28,162                  | 11 August 2023     |

The Company's shares were pledged on 8 January 2020 under the agreement of 3 December 2019 signed between the parent company Amber Beverage Group Holding S.a.r.l. and Credit Suisse AG. On 24 February 2020, the shares were also pledged under secondary pledge to the creditor Luminor Bank under the below agreements:

- 15 July 2014, loan agreement No KD04091
- 27 April 2018, loan agreement No 11/18T
- 19 December 2018, credit line agreement No 392KL/18T
- 19 December 2019, loan agreement No 396KL/18T

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

On 16 September 2022, the Company pledged all its owned inventories and all current and future monetary / property claims (rights) for the benefit of the creditor BluOr Bank AS by securing the obligations of Amber Distribution Latvia SIA.

### NOTE 19: OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

#### *Operating lease contracts*

| Items                   | 2023       | 2024       | 2025       | 2026      | 2027      | Total      |
|-------------------------|------------|------------|------------|-----------|-----------|------------|
| Lease of premises       | 431        | 288        | 132        | 43        | 43        | 937        |
| Operating lease of cars | -          | -          | -          | -         | -         | -          |
| <b>TOTAL</b>            | <b>431</b> | <b>288</b> | <b>132</b> | <b>43</b> | <b>43</b> | <b>937</b> |

#### *Contingent liabilities*

On 18 October 2018, a scheduled inspection was carried out by the Vilnius Regional Environmental Protection Department under the Ministry of Environment of the Republic of Lithuania (hereinafter VREPD). The Company was notified that, by the decision of the VREPD of 18 December 2017 and 22 February 2018, the Ministry of Environment of the Republic of Lithuania annulled the confirmations issued by the packaging managers with respect to the handling of metal packaging and PET packaging during the tax periods from 2013 to 2015. On 18 December 2018, the decision of the VREPD under the Ministry of Environment of the Republic of Lithuania was received, whereby the inspection report had been approved and the Company had been imposed a fee for environment pollution by packaging waste in the amount of EUR 266,592.95. Amber Distribution Lithuania UAB filed an appeal with Vilnius Regional Administrative Court, whereby it requested to revoke the unlawfully adopted report and to release the Company from the payment of the fee for environment pollution by packaging waste. The case has been adjourned.

On 30 March 2020, the State Tax Inspectorate under the Lithuanian Ministry of Finance submitted its inspection report. The object of the tax inspection was corporate income tax for the period 2014-2018. The inspection report provided for the following conclusions: additional amount of EUR 744 thousand was assessed; deduction of goodwill amortisation expenses (which were treated as limited allowable deductions) from taxable profit was identified as ungrounded. On 5 February 2021, the Company signed a settlement agreement with the State Tax Inspectorate, under which it undertook to pay EUR 583 thousand of income tax, EUR 48 thousand of penalties and EUR 31 thousand of default interest – the total amount was accrued in the balance sheet for the year 2021.

### NOTE 20: CORRESPONDING FIGURES

Where deemed necessary, the corresponding figures of the previous period were reclassified to conform to the changes in the reporting year presentation.

The selling expenses and results of other activities in the income statement for 2021 were adjusted. Under the agreements with owners of trademarks, the Company receives compensation for the promotion of sales of products in the market, therefore EUR 1,624 thousand of marketing income was eliminated from the selling expenses and results of other activities, covering them with the expenses of the promotion of sales.

### NOTE 21: EXCISE DUTY

#### *Excise duty effects on the balance sheet data for 2022/2021*

| No | Items   | As at 31 December 2021 (before excise duty) | Excise duty effect | As at 31 December 2021 (after excise duty) |
|----|---|---|--------------------|--|
| 1  | Goods for resale                              | 12,648                                      | (1,654)            | 10,994                                     |
| 2  | Other amounts payable and current liabilities | 17,912                                      | (1,654)            | 16,258                                     |

## EXPLANATORY NOTES to the financial statements as at 31 December 2022

(All amounts are in EUR '000 unless otherwise stated)

| No | Items   | As at 31 December 2022 (before excise duty) | Excise duty effect | As at 31 December 2022 (after excise duty) |
|----|---|---|--------------------|--|
| 1  | Goods for resale                              | 12,319                                      | (1,409)            | 10,910                                     |
| 2  | Other amounts payable and current liabilities | 15,741                                      | (1,409)            | 14,332                                     |

### *Excise duty effects on the income statement data for 202/2021*

| No | Items         | As at 31 December 2021 (before excise duty) | Excise duty effect | As at 31 December 2021 (after excise duty) |
|----|---------------|---|--------------------|--|
| 1  | Sales revenue | 132,095                                     | (66,670)           | 65,425                                     |
| 2  | Cost of sales | 114,497                                     | (66,670)           | 47,827                                     |

| No | Items         | As at 31 December 2022 (before excise duty) | Excise duty effect | As at 31 December 2022 (after excise duty) |
|----|---------------|---|--------------------|--|
| 1  | Sales revenue | 123,861                                     | (74,144)           | 49,717                                     |
| 2  | Cost of sales | 105,025                                     | (74,144)           | 30,881                                     |

### **NOTE 22: POST-BALANCE SHEET EVENTS**

On 1 January 2023, the Company received repayment of short-term loan in the amount of EUR 363 thousand from Amber Beverage Group Holding S.a.r.l. Group's cash pool account.

After the change in excise duty rates on 1 January 2023, the Company recalculated the amount of excise duty on all excise goods (except those at retail outlets), as a result of which the excise duty liability and the cost of goods increased. The result of the conversion amounts to EUR 117 thousand.

General Manager

Marek Kuklis

Chief Accountant

Svetlana Semaškienė



## **AMBER DISTRIBUTION LITHUANIA UAB**

Company code 110365450, Metalo g. 2B, Vilnius

### **ANNUAL REPORT FOR 2022**

#### **APPROVED:**

by the shareholder's decision

dated 27 April 2023

#### **GENERAL INFORMATION**

Amber Distribution Lithuania UAB ("the Company") is a private limited liability company the core line of business of which was wholesale and retail trade in alcoholic beverages and tobacco products in 2022.

The Company is part of the international group of companies SPI Group.

All the shares of the Company (100 %) that had been owned by the parent company Amber Beverage Group, company code 40103839550, were acquired by Amber Beverage Group Holding S.a.r.l., registration No B218246, address of the registered office: 44, rue de la Vallee, L-2661, Luxembourg.

The management bodies of the Company are the General Meeting of Shareholders and the Head of Administration. The Supervisory Board and the Board of the Company are not formed as it permitted by the applicable legislation. The Head of Administration of Amber Distribution Lithuania UAB is its General Manager Marek Kuklis. The General Manager does not hold any other positions in other companies.

The Company has a 6.7% shareholding (5 shares with a par value of EUR 4.344 per share) in Žaliasis Taškas UAB, company code 110884687, registered office address: Žalgirio g. 131, Vilnius.

The licences issued permit the Company to perform the following activities:

- wholesale of alcoholic beverages;
- wholesale of tobacco products;
- retail trade in alcoholic beverages;
- retail trade in tobacco products.

As at 31 December 2022, the Company had dependent structural units established in the following cities:

- Klaipėda, address: Sandėlių g. 20;
- Šiauliai, address: Televizorių g. 12;
- Panevėžys, address: Urbšio g. 1;
- Kaunas, address: Europos pr. 81.

As at 31 December 2022, the Company's retail chain consisted of 18 stores located in Vilnius, Kaunas, Klaipėda, Panevėžys, Alytus, Marijampolė, Jonava, Prienai, Telšiai, Šilutė.

The Company has no subsidiaries, branches and representative offices. As at 31 December 2022 and 2021, the Company did not hold any own shares, nor had it acquired or disposed any.

#### **REVIEW OF THE COMPANY'S PERFORMANCE AND OPERATION PLANS**

2022 was an extraordinary year for the whole world. Although the Company faced unforeseen challenges, it is gratifying that this did not prevent us from achieving good financial results and achieving our goals.

In 2022, the Company's activities were profitable. In 2022, the Company earned profit of EUR 5 million 129 thousand.

The Company's sales revenue for 2022 amounted EUR 123 million 861 thousand, which is a 6% decrease compared to 2021. The gross profit totalled EUR 18 million 836 thousand was higher by almost 7% compared to 2021.

The Company did not use any derivative financial instruments in 2022. Financial risk management is described in the notes to the financial statements in the accounting policies.

In 2022, the Company's core line of business was wholesale and retail trade in alcoholic beverages and tobacco products. Goods are traded from trading warehouses located in Vilnius, Kaunas, Klaipėda, and Šiauliai, and from retail trade stores located in Vilnius, Kaunas, Klaipėda, Panevėžys, Alytus, Marijampolė, Jonava, Prienai, Telšiai, Šilutė.

Trade in alcoholic beverages and tobacco products is a licensed activity.

In addition to the trading warehouse, a customs warehouse operates in Vilnius as well and in 2004 (after Lithuania joined the EU) an excise warehouse was established in which goods are placed under the excise-duty suspension arrangement.

Alcoholic beverages are transported from France, Italy, Spain, Bulgaria, Germany, Poland, Latvia, Estonia, Finland, USA, Canada, Great Britain, Chile, Ukraine and other countries.

On 24 February 2022, Russia's war against Ukraine broke out. This event had directly affected the Company's activities, since before the war the Company traded in goods brought from Russia and Belarus. After banning the import of goods from the aforementioned countries, the Company had to quickly refocus and find suppliers of similar goods from other countries. At the outbreak of the war, only the existing stock of the suppliers of these countries was traded. In March, retail chains stopped selling these products due to possible reputational damage. A decision was made in a short time and the Russian vodka in the retail chains was replaced by the products produced by the Group's company (Latvijas Balzams): Amber Vodka, Gradus Vodka; we substituted Moskovskaya vodka with the Company's produced Mosko Vodka, and we also made a limited edition of Mosko Vodka. Due to the withdrawal of Ruskyj Standart vodka from the market, the sales of the brand Finlandia Vodka, which we represent, have risen. All of our actions listed above allowed us to almost fully compensate for the loss of profit in the vodka category, which was threatened by the loss of sales of vodka of Russian origin.

The war stopped the local sale of Belarusian beer as well. The Company used to import private beer brands from Belarus for large retail chains, for the traditional market: Gaspadoriū, Mėgėju, Kapitono etc. Due to the halted beer trade through the local major retail chains, stock balances were sold out through the traditional markets and the beer trade business was suspended. At the end of the summer, the Company found a supplier of similar goods from Ukraine and resumed trading in the aforementioned goods. This made it possible to largely offset the low profitability in this segment.

Despite the start of the war and all the challenges the Company had to face, it achieved the plans set out in the budget.

In 2022, the range of products was expanded. New types of alcoholic beverages were imported, the number of suppliers increased. The Company plans to continue expanding the range of products in the coming year.

The Company's sales revenue directly depend on the quantity of goods sold and the volume of services rendered as well as demand by companies engaged in wholesale and retail trade in alcoholic beverages and tobacco products. Investments and volumes of product orders projected by companies trading in alcoholic beverages and tobacco products are affected by overall economic situation in the country and price changes. The Company aims to minimise a potential risk arising from economic factors by regularly analysing plans of companies operating in the sector of alcohol, tobacco and tobacco related products in Lithuania and by making respective adjustments to the volumes of the Company's resources. The Company is not engaged in scientific, production demand-related or research activities, however it performs market monitoring (AC Nielsen, IWSR data).

As at 31 December 2022, the average number of employees on payroll at the Company was 303. Aiming to improve efficiency of operations, performance results of employees and the company, training courses are regularly organised for the Company's employees, the employee motivation system was also introduced. To take care of the personnel's health, the employees are covered by health insurance. Employees, depending on the functions performed, are offered an option of a hybrid work model, i.e. an employee can perform part of the

work time outside the workplace, if possible. This has a very positive effect on the emotional state of the employees and allows them to have a work-life balance.

The Company aims to be socially responsible, therefore it shares the idea of sustainability as well. To contribute to reducing the effects of climate change, the Company started using energy resources responsibly. A smart lighting system with energy-saving elements was installed in common areas. To reduce greenhouse gas emissions, the Company uses optimal route planning programs in its logistics.

The Company is very actively engaged in fighting corruption and bribery. The Company prohibits giving bribes, accepting bribes and prohibits all corrupt business practices, including but not limited to fraudulent accounting practices. The Company's policy prohibits the implementation of "incentive" payments to public officials, even if such payments are of minimal value. Every effort must be made to avoid any incentive payments. Illegal incentive payments in any country may subject the Employee and/or his/her colleagues to prosecution and other sanctions in the country where the incentive payment was made. In individual cases, the Company may be liable for illegal actions or illegal payments made by third parties (including joint venture partners, foreign agents, consultants, distributors, customs brokers and other representatives) acting on behalf of the Company, regardless of whether the Company authorized them to carry out illegal actions or payments. This means that the Company's policy prohibits third parties acting on behalf of the Company from offering, promising, authorizing or paying bribes to any person, including public officials. Corruption can also manifest as non-disclosure of information or improper use of a legally obtained benefit, which can additionally promote the practice of illegal accounting. The Company's policy stipulates that all Company's personnel must accurately keep properly detailed accounts, records and accountancy that fairly reflect transactions and actions with the Company's assets. It is therefore prohibited to hold unregistered or unaccounted funds, accounts or assets for any purpose.

In 2023, the Company's target is to increase sales by discovering new sales channels: e-commerce, home delivery, etc. We will strengthen cooperation with Barbora, the current leader in electronic trading. The Company will also seek to maintain its market share in the shrinking alcohol market in terms of vodka, brandy, whisky, wine, and beer categories without suffering any losses (without reducing) in profits. The Company will further expand its tobacco business (cigarettes and cigarillos). The Company will aim at maintaining stability in sales attributed to the beer category. The Company will strengthen its market positions in relation to its current suppliers (brands: Latvijas Balzams, Stoli Group, Torres, William Grant & Sons, Brown Forman, Beam Suntory (Jim Beam, Makers Mark, Knob Creek, Laphroaig, Sipsmith etc.). The Company will strive to continue to maintain close working relationships with customers (Maxima, IKI, RIMI, Norfa, Aibē, Koop's, Vičiūnai, Vynoteka, AVS Prekyba etc.). The Company plans to upgrade its fleet of cars and vans.

The Company has no significant reports of significant events subsequent to the end of the financial year, except for those presented in the note of post-balance sheet events of the notes to the financial statements.

General Manager

Marek Kuklis