Amber Beverage Group Results for the first six months of 2024

Executive summary

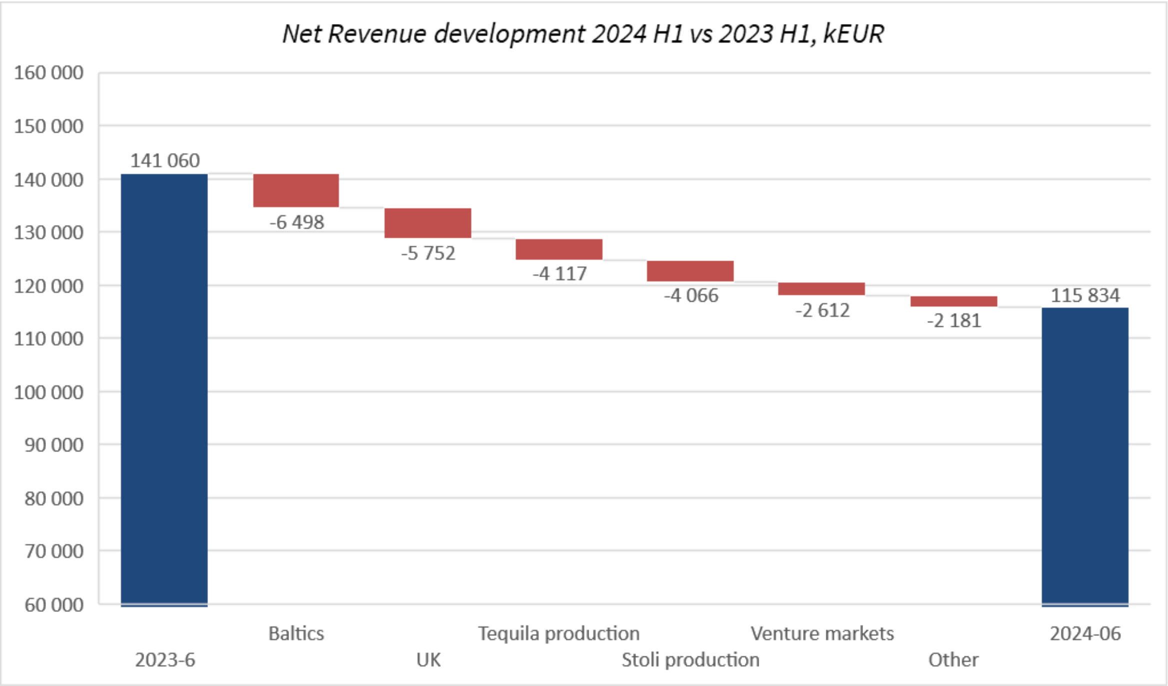
Amber Beverage Group has published its unaudited consolidated condensed financial statements for the first 6 months of 2024. As a result of confiscation of Amber Talvis by the Russian government (see note 19 of Unaudited Financial statements for first six month of 2024) financial statements profit and loss statement and supporting notes for current and comparative period are presented with Russian entities disclosed as Discontinued operations.

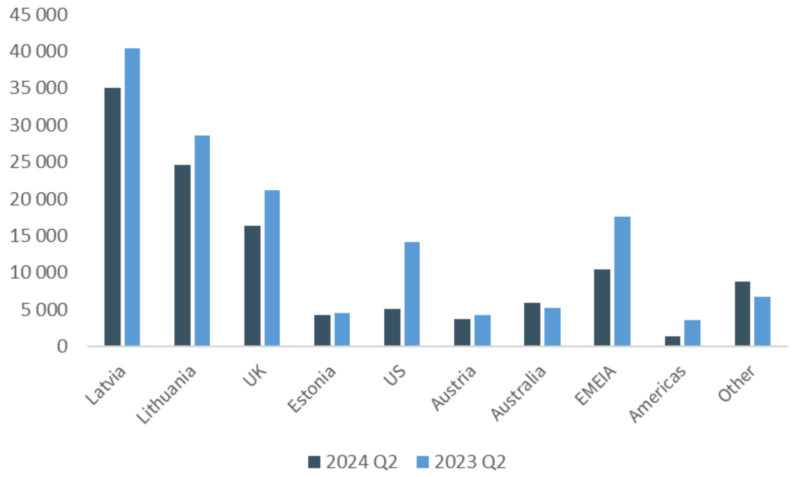
- The net revenue from continuing operations for the reporting period were generated in amount of EUR 115.8m indicating a decreased by 18% comparing to respective period in 2023 due to:
    - Slower than expected recovery from macroeconomic slowdown in 2023 still affecting consumer spending habits
    - The excise tax increase in several markets implied by national governments from 1 Jan 2024 resulting in lower demand
    - Consumer preference shift towards premiumization in main spirit segments, tequila in particular
    - Price-value alignment that temporarily decreased sales of Groups core brands in global markets
- The lagging sales performance has impacted the operating profit and net result for the period, which for first 6 months of 2024 is loss of EUR 0.5 million.
- In 2024 the Group has implemented and have planned for implementation several activities that are expected to improve the financial performance for full 2024 period:
    - Value/ price adjustments imposed starting from March 2024 improving the profitability for ABG Core brands portfolio
    - Continuous cost optimization programs have been run throughout the Group entities impacting the both the direct production costs as well as overheads
    - Reorganization and centralization of Baltic business management which will yield cost efficiencies and boost synergy between distribution and production units

The Management of the Group considers that the prospects for the remaining year 2024 are positive and together with the wider ABG Team will work for further improvements.

Consolidated financial statements 2024 6 months

	Notes	01.01.2024-30.06.2024 EUR 000	01.01.2023-30.06.2023 EUR 000
Continuing operations			
Revenue	3	181 634	216 609
Excise and duties		(65 800)	(75 549)
Net revenue		**115 834**	**141 060**
Cost of goods sold	6	(85 052)	(104 784)
Gross profit		**30 782**	**36 276**
Selling expenses	7	(20 666)	(23 860)
General and administration expenses	8	(11 412)	(10 615)
Net impairment gain/ (losses) of financial assets		(58)	(31)
Other operational income		3 236	3 581
Other operational expense		(2 316)	(2 079)
Merger and acquisition related costs		(108)	(69)
Operating profit/ (loss)		**(542)**	**3 203**
Net finance income/ (expense)	9	(3 760)	426
Profit/ (loss) before tax from continuing operations		**(4 302)**	**3 629**
Corporate income tax	10	(1 227)	(1 161)
Profit/ (loss) for the period from continuing operations		**(5 529)**	**2 468**





- In first six months 2024 the Group has reached net revenue of EUR 115.8m, which is by 18% less than in comparative period, mainly due to:
  - Phasing slowdown trend in several key global markets (US, UK, Australia)
  - Lower production volume in due to phasing Stoli orders
  - Tequila overstock due to consumer preference shift towards premium segment
  - Transformation of core brand pricing and marketing approach in Q2 temporarily affected sales
- Gross profit and operating profit ratios are impacted by macroeconomic and geopolitical changes, instability in energy resource prices, labour market changes, and inelasticity of several significant cost elements in lower production volume environment.

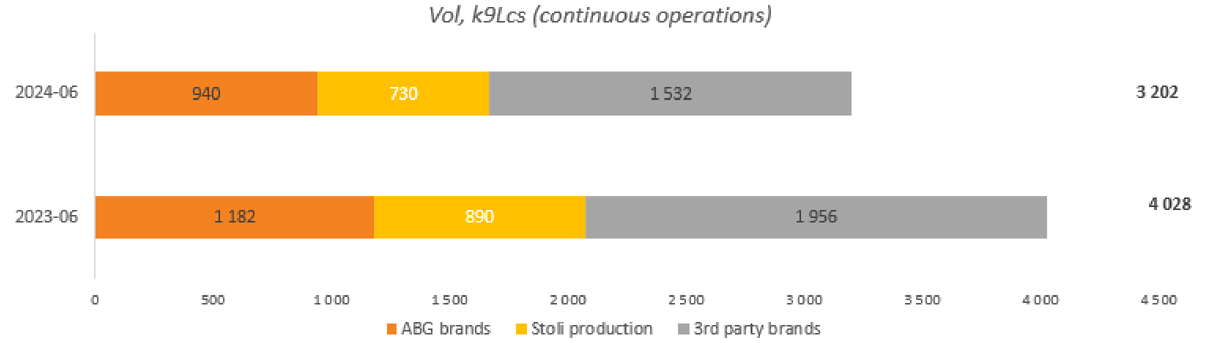
AMBER BEVERAGE GROUP

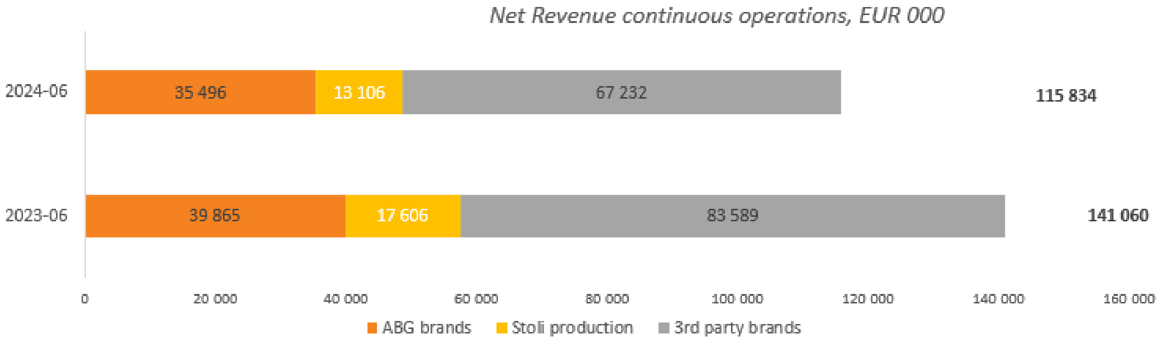
Consolidated financial statements 30.06.2024

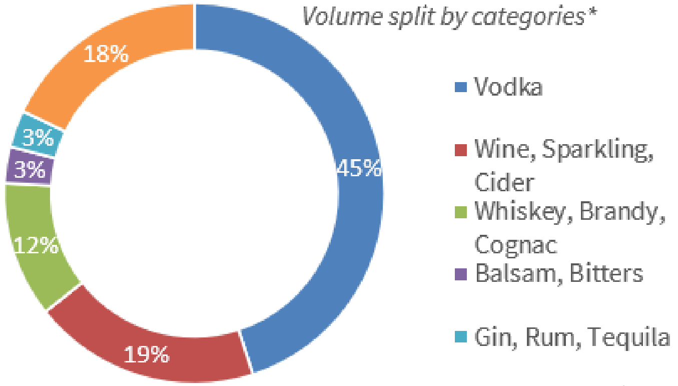
Non-current assets	30.06.2024 EUR 000	31.12.2023 EUR 000
Intangible assets	86 514	87 615
Property, plant and equipment	66 964	61 425
Rights-to-use assets	8 660	9 688
Biological assets	6 322	6 016
Non-current portion of loans to related parties	29 560	29 681
Other non-current financial assets	2 798	3 400
Non-current financial investments	2 329	2 214
Deferred tax asset	221	223
TOTAL NON-CURRENT ASSETS	**203 368**	**200 262**
Current assets		
Inventories	73 662	85 648
Trade and other receivables	119 523	147 075
Loans to related parties	7 203	6 020
Corporate income tax	886	1 578
Short term bank deposits	8 800	12 000
Cash and cash equivalents	4 734	16 065
TOTAL CURRENT ASSETS	**214 808**	**268 386**
TOTAL ASSETS	**418 176**	**468 648**

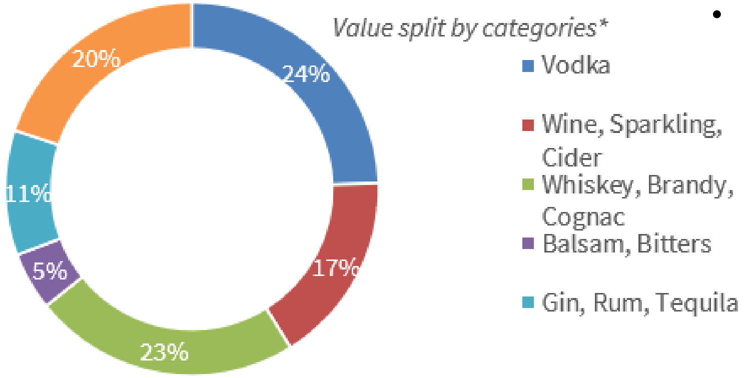
Capital and Reserves	30.06.2024 EUR 000	31.12.2023 EUR 000
Share capital	13	13
Share premium	132 553	132 553
FX revaluation reserve	3 476	(2 683)
Other reserves	1	1
Asset revaluation reserve	523	523
Pooling reserve	(306)	(21 268)
Revaluation reserve of derivatives	8	8
Retained earnings	34 926	60 573
Total equity attributable to the owners of the parent	**171 194**	**169 720**
Non-controling interest	14 296	15 114
TOTAL EQUITY	**185 490**	**184 834**
Liabilities		
Non-current liabilities		
Borrowings	46 875	10 245
Trade and other payables	11	1 357
Deferred tax liability	4 117	5 116
Derivatives	(8)	(8)
TOTAL NON-CURRENT LIABILITIES	**50 995**	**16 710**
Current liabilities		
Borrowings and bank overdrafts	61 315	113 951
Trade and other payables	78 973	97 018
Taxes payable	41 379	54 898
Corporate income tax liabilities	24	1 237
TOTAL CURRENT LIABILITIES	**181 691**	**267 104**
TOTAL LIABILITIES	**232 686**	**283 814**
TOTAL EQUITY AND LIABILITIES	**418 176**	**468 648**

Performance









* Volume and value by categories exclude volume and value of beer, water and raw materials

- In 6 months 2024 the volume has decreased by 21% vs 6 month 2023 (value decrease by 18%):
  - The ABG brands volume has decreased by 20% (value -11%) due price increase of core brand portfolio from March 2024
  - Decrease in Stoli production volumes by 18% (value -26%) due to changes in Stoli strategic market approach on vodka and tequila brands produced by ABG production entities
- The main categories sold by ABG entities in reporting period have remained:
  - vodka (45% in volume, 24% in value)
  - Whiskey, brandy, cognac (12% in volume, 23% in value)
  - Wine, sparkling wine and cider (19% in volume, 17% in value)
  - Gin, Rum, Tequila (3% in volume, 11% in value)
  - Other categories (non-alcoholic segment) amount to 18% of volume and 20% of value.

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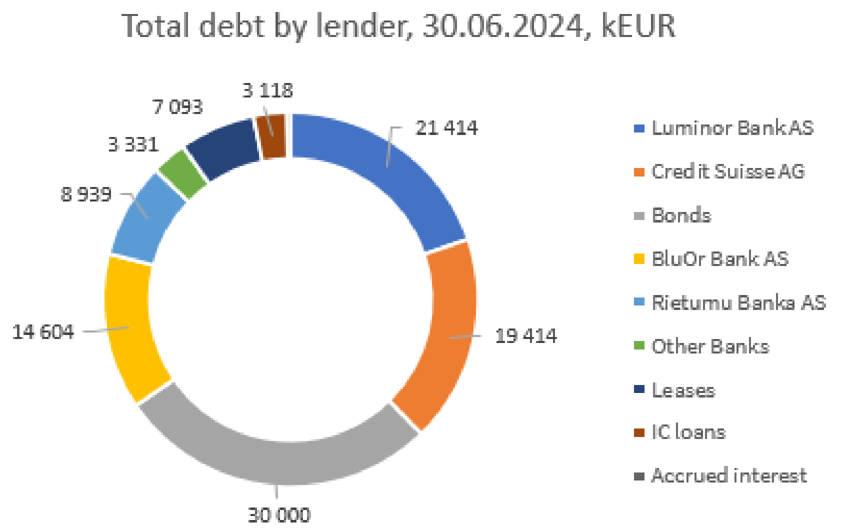
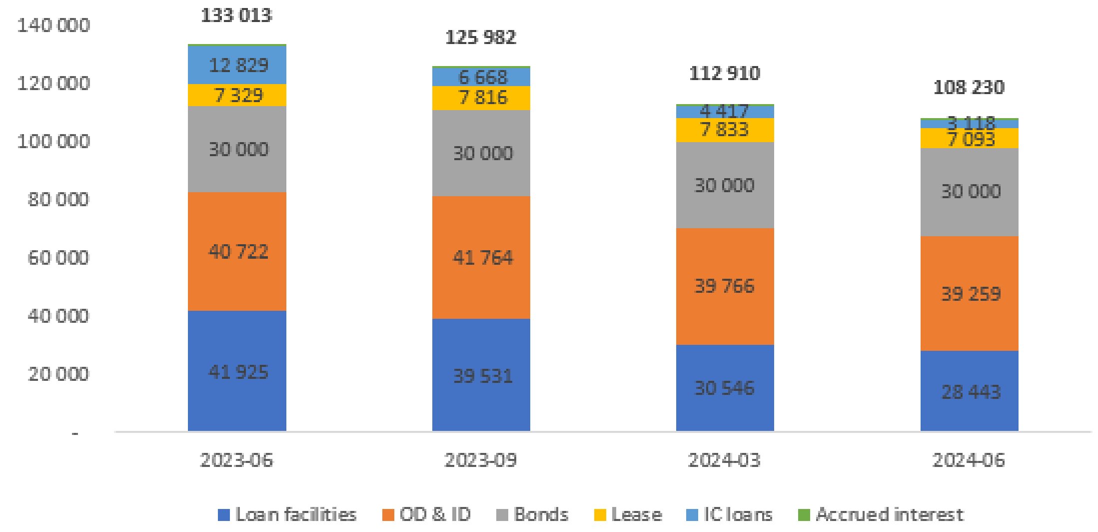
Debt analysis 30.06.2024



- Over the 12 months period (01.07.2023 to 30.06.2024) the Group has decreased its debt by EUR 24.8m from own resources within the high-interest rate circumstances due to changes in EURIBOR.
- Total debt portfolio as at 30.06.2024 has been amended by the following:
  - OD with Luminor (EUR 21m) has been decreased by EUR 2.7m during H1 2024 and prolonged until 30.11.2024
  - Loans with Luminor have been repaid in full during Q2.
  - OD with BluOr Bank AS of EUR 14.6m has been extended to 15.11.2024
  - Credit Suisse AG facility in H1 2024 has been decreased by EUR 5.5m, the remaining part of EUR 19.4m is maturing on 20.12.2024. Refinancing of Credit Suisse facility is progress



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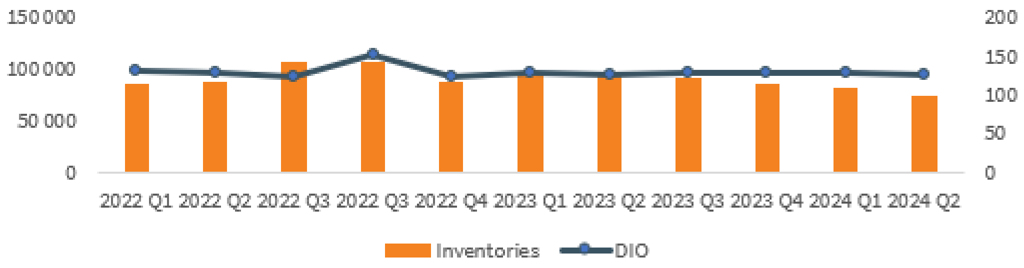
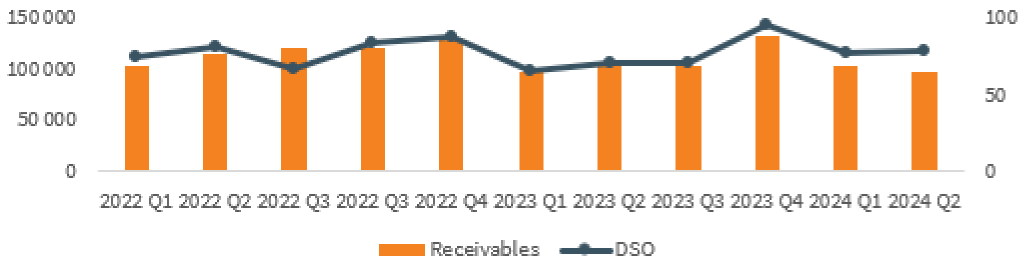
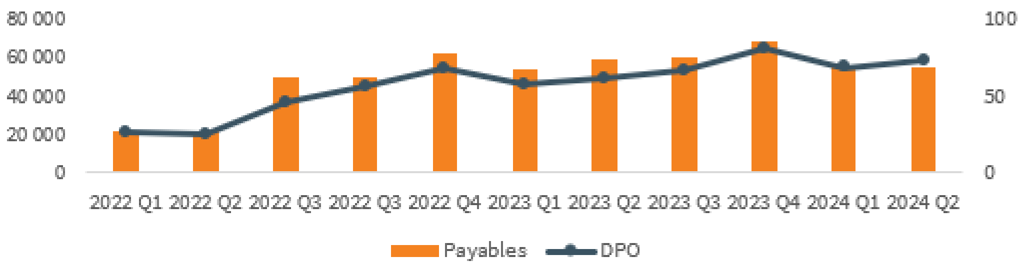
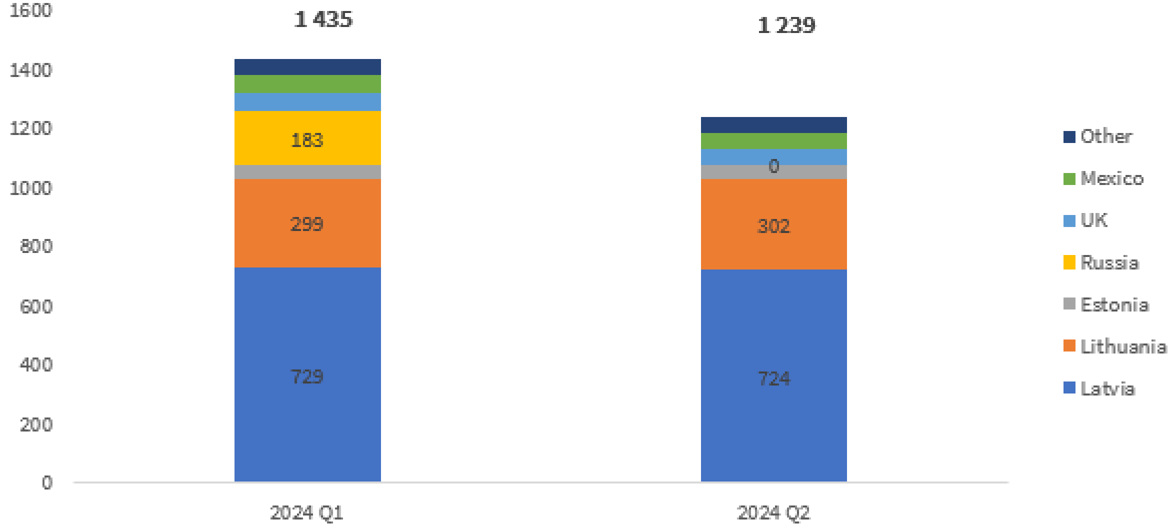
Other







- Working capital development
  - Inventory and trede receivables levels reduced as a result of working capital optimisation initiatives as well as brand portfolio adjustments.
- FTE development
  - On 30 June 2024 FTE = 1 239 (reduction vs Q1 due to loss of control of Amber Talvis in June 2023 and implemented efficiency programs in production facilities in late 2023 and 2024)



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