



**AS AMBER LATVIJAS BALZAMS**

(Registration number 40003031873)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**

for the first six months of 2023

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

AS Amber Latvijas balzams  
Unaudited condensed financial statements  
for the first six months of year 2023

**INFORMATION ON THE COMPANY**

Name of the Company	Amber Latvijas balzams (until 30.04.2022 – Latvijas balzams)
Legal status of the Company	Joint Stock Company
Number, place and date of registration	Companies register No. 40003031873 Riga, 2 October 1991 Re-registered on 20 October 1998  Commercial Register Riga, 19 June 2014
Address	Aleksandra Caka Street 160 Riga, LV-1012 Latvia
Main business activities	Production of alcoholic beverages NACE2 11.01
Major shareholder	Amber Beverage Group Holding S.à r.l. (89.99%)
Names and positions of the Council Members	Rolands Gulbis – Chairman of the Council Valizhan Abidov – Vice Chairman of the Council Velga Celmiņa – Member of the Council Boriss Nešatajevs - Member of the Council Guntars Reidzāns - Member of the Council
Names and positions of the Board Members	Intars Geidāns – Chairman of the Board Guntars Betlers – Member of the Board

## REPORT OF THE MANAGEMENT

### Type of operations

AS Amber Latvijas balzams (hereinafter also - the Company) is a leading producer of alcoholic beverages in the Baltic states. The Company was established in 1900 as Riga's 1<sup>st</sup> state alcohol warehouse; in the period from 1970 to 2022 it operated under the name AS "Latvijas balzams", but since 2022 under the name AS "Amber Latvijas balzams". Amber Beverage Group Holding S.à r.l., which owns 89.99% of the Company's share capital, has been the major shareholder of the Company.

Nowadays the Company is operating two production units of alcoholic drinks in Riga: a factory for the production of strong alcoholic beverages and a factory for the production of sparkling wines and light alcoholic beverages. These factories produce most types of alcoholic beverages, such as sparkling wines, fortified wines, ciders, RTDs (ready-to-drink beverages), vodka, liqueurs, brandy, strong alcoholic beverages, gin, etc. The recipes for some of AS Amber Latvijas balzams products date back hundreds of years; for example, the formula of Riga Black Balsam® was officially written down more than 270 years ago - in 1752. The mission of AS Amber Latvijas balzams is "Excellence in everything we do".

Overall, the Company produces more than 100 different brands. Products produced by AS Amber Latvijas balzams are sold almost in all regions of the world mediated by Amber Beverage Group and Stoli Group and via direct export route.

The Company cooperates with the largest suppliers of raw materials and consumables in the European Union. One of key resources is water and it is derived from artesian wells located in territories of the Company. Ethyl spirit for the production of most of the products is supplied by to the Company by producers working in the European Union.

Logistics services represent a small, but still significant part of the Company's business. Logistic services are mainly rendered to related companies, however the volume of services, such as transit assurance, bonded warehouse services, value-added services, picking and other logistic services provided to other partners of the spirits industry are growing. These activities allow to improve the utilisation of resources.

The Company as a socially responsible and sustainable enterprise has developed and complies with core principles of corporate social responsibility. These have been harmonized with the United Nations Sustainable Development Goals for 2030, Guidelines of OECD and Nasdaq Riga Cooperate governance principles and are available in the section [Corporate Social Responsibility](#) on the Company's website.

For compliance with these guidelines, the Company has drafted and adheres to the following procedures: the Corporate Social Responsibility Policy, the Company Procurement Procedure, the Collective Bargaining Agreement, the Quality Management Handbook, the Ethical Marketing Communications Code, the Anti-Corruption Policy, the Data Protection Policy, the Risk Management Policy, the Remote Work Policy and other internal documents. These documents, policies and procedures contained therein are reviewed regularly in accordance with the Quality Management System. The results of reviews and planned corrective measures are considered at the Company's management meetings.

### Performance of the Company during the reporting period

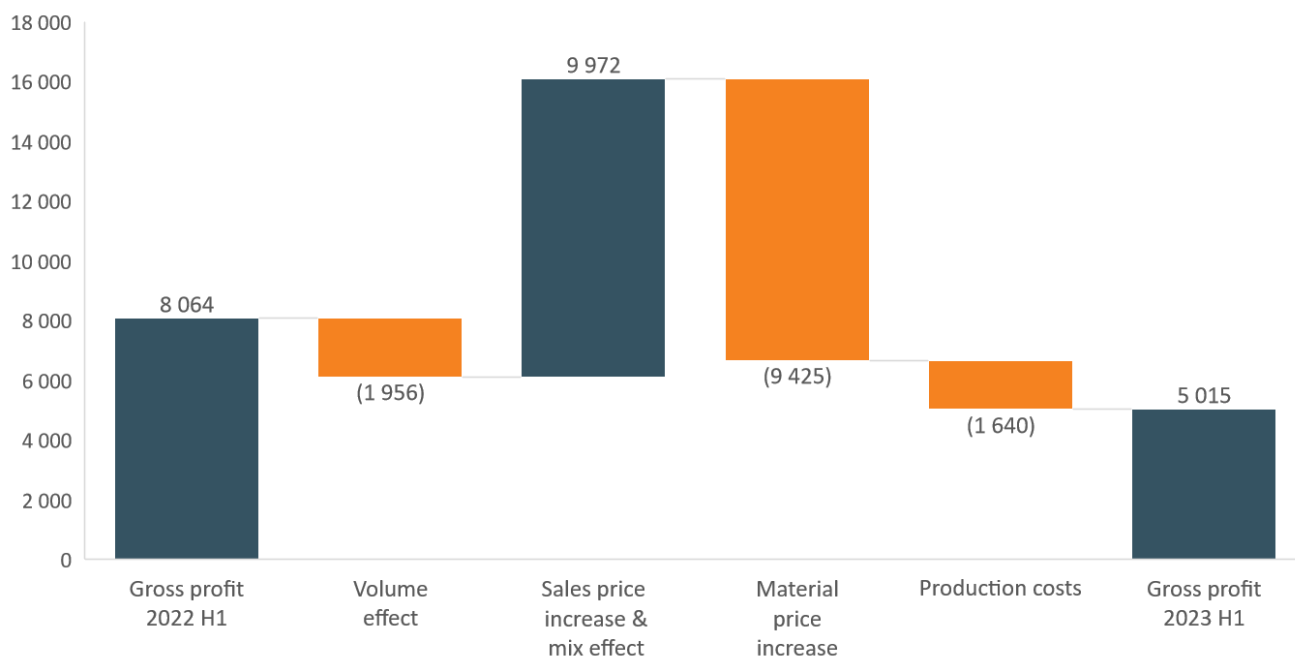
#### Financial performance

The Company's unaudited net turnover in the first six months of 2023 reached 45.7 million euros, which is 10.4% more than in the corresponding period in 2022. The increase in turnover is related to the sales price changes introduced in the second half of 2022 as well as the initiatives implemented to open the new markets for the main brands produced by the Company. In contrast, the total sales volumes in the six months of 2023 were 13.7% lower than in the corresponding period in 2022. The decline in volumes was mainly due to reductions in Stoli Group's orders related to a change in the client's pricing strategy.

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>9Lcs</b>	<b>9Lcs</b>
Sales volume, in 9-liter cases	2 067 804	2 395 353

## REPORT OF THE MANAGEMENT (continued)

The gross profit in the reporting period was 5.0 million euros, which is a decrease of 3.0 million euros compared to the corresponding period in 2022. The gross profit indicator was affected both by the drop in sales volume and also by a significant increase in production-related costs and an increase in personnel costs.



The main sources of influence of the increase in production-related costs are energy costs, which have increased by 693 thousand euros as a result of rapid price fluctuations, additional salary costs due to both the revised wages and the energy price crisis bonuses granted to employees (as support for employees of the Company in 2022/2023 during the heating season, some employees were given a monthly energy allowance of around 75 euros).

The results of the operational activity of the first six months of 2023 are losses in the amount of 0.6 million euros; the corresponding indicator in 2022 was a profit of 2.7 million euros. The ratio of operating profit to turnover in the reporting period of 2023 is -0.6% (in 2022: 2.7%), which was directly influenced by both the above-mentioned factors with an impact on gross profit and the proportion of fixed costs in the total amount of costs.

The Company's unaudited net loss for the reporting period is 0.2 million euros, which is a significant decrease compared to the corresponding period in 2022. However, the Company's management believes that the financial situation will improve in the following reporting year, taking into account the fixed price contracts for the purchase of energy resources switched at the end of the second quarter, which provide for significantly lower resource prices, positive trends in sales volume dynamics in export markets, as well as the main raw materials (ethyl alcohol, glass bottles, cardboard packaging, etc.) and a gradual decrease in costs, which started in the middle of the second quarter. The management of the Company believes that the prices of raw materials will remain unchanged or will continue a moderate decline in the second half of 2023 as well.

Taking into account the drop in production volumes and the overall decrease in profitability, the Company has taken a series of measures to promote the efficiency of the production process and reduce costs:

- By the middle of the year, a 30% improvement in the utilization efficiency (OEE) of the finished product filling equipment has been achieved.
- Concluded several investment projects (such as an automated line for filling Stoli Elit® vodka and purchased palletizing equipment), which will allow not only to increase production capacity but also to reduce labour costs, calculated per unit of production.
- A project to install solar panels on the Company's territory has been launched, which from 2024 will allow the Company to produce a significant part of the necessary electricity itself, thus not only reducing the cost of energy resources but also ensuring a sustainable business approach.
- Adaptation of workforce resources and other costs to current production volumes has been carried out.

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**REPORT OF THE MANAGEMENT (continued)**

The Company's alternative performance indicators for past reporting periods are disclosed below.

The Company's return on equity (ROE) and return on assets (ROA) at the reporting date and in the previous two comparative periods:

	<b>30.06.2023</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
ROA*	3.1%	4.6%	4.8%
ROE**	4.1%	6.0%	6.1%

\* ROA = Net profit of the last 12 months / average asset value x 100%

\*\* ROE = Net profit of the last 12 months / average total equity x 100%

The Company's EBIT\* and EBITDA\*\* indicators for the reporting period and in the previous two comparative periods:

	<b>01.07.2022- 30.06.2023</b>	<b>01.07.2021- 30.06.2022</b>	<b>01.07.2020- 30.06.2021</b>
	<b>EUR 000</b>	<b>EUR 000</b>	<b>EUR 000</b>
EBITDA*	8 467	9 035	8 860
EBIT **	6 014	6 976	6 333

\* EBITDA = Last 12 months earnings before interest and corporate income tax, depreciation and amortization

\* EBIT = Last 12 months earnings before interest and corporate income tax

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

AS Amber Latvijas balzams is one of the largest taxpayers in Latvia. During the reporting period, the Company paid taxes of EUR 38.5 million to the state budget, including excise tax amounting to EUR 31.6 million.

Non-financial performance and activities for the reporting year

Apart from the financial indicators referred to in these financial statements, the Company is using the following comparative indicators for the purposes of operational analysis: RFT (*right first time*), and OTIF (*on time in full*), and quality. RFT shows the share of products manufactured right on the first time. During the second quarter of 2023, RFT reached 92.6%, which is a small decrease against the respective period in 2022 (96.6%). The OTIF indicator for the reporting period (2<sup>nd</sup> quarter of 2023) is 90.33%, which has decreased compared to the 2022 indicator of 94.5%.

The management of AS Amber Latvijas balzams continues to actively review current investment projects and make decisions about their implementation, as well as, if necessary, their postponement or cancellation.

## REPORT OF THE MANAGEMENT (continued)

### Risk assessment and management

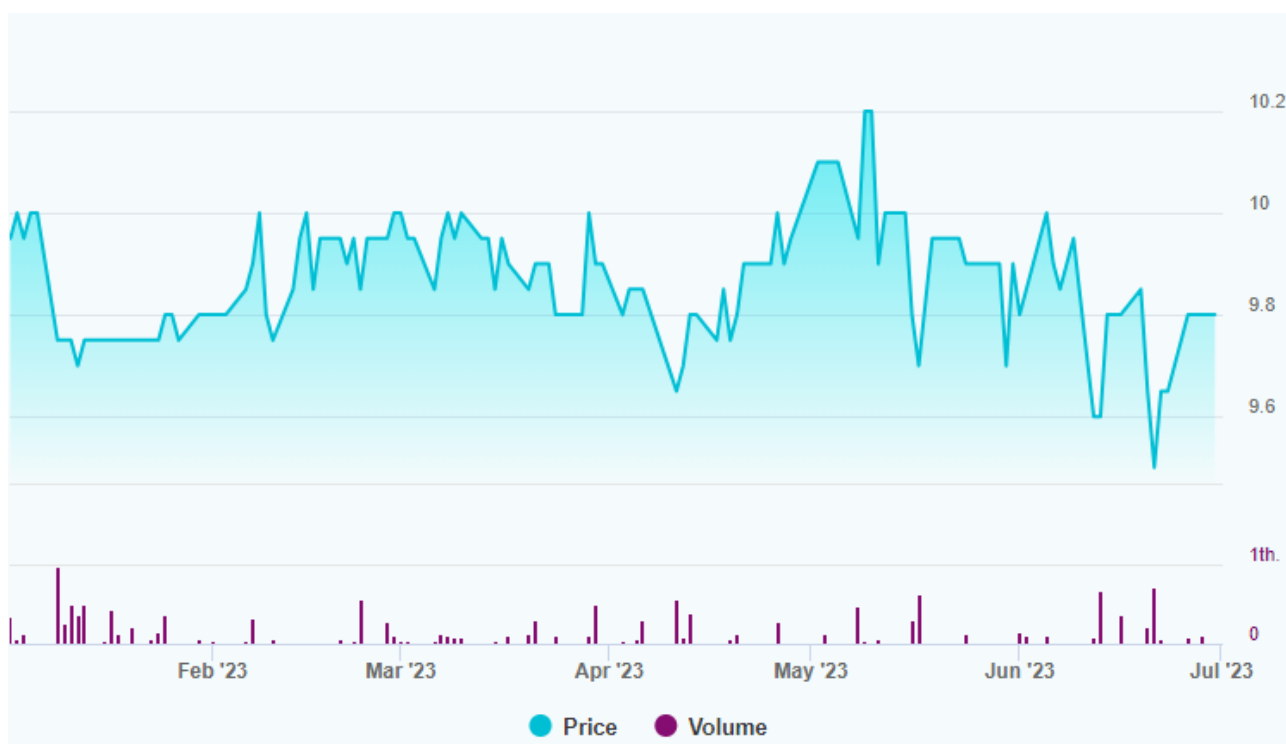
As regards the Company's products and risk management process, the following factors to which greater consideration is given should be mentioned on the basis of an assessment of external and internal factors that are likely to affect the Company's operations:

- The timely identification and compliance with statutory requirements by taking into account timely information and education of staff.
- Ensuring of production continuity by timely planning production capacity and load.
- The maintenance of adequate jobs by investing in the development of production, services and human resources by means of training.

In the course of business, the Company strictly complies with the legislation of the Republic of Latvia. Considering the industry, the Company is devoting a great deal of attention to the assessment of transactions and their conformity with laws.

### Stock and fund market

During the first six months of 2023, the Company's share price fluctuated from EUR 9.50 to EUR 10.20 per share (Nasdaq Baltic indicator BAL1R; ISIN: LV0000100808).



The dynamics of share price for the previous three reporting periods is presented as follows:

	Average price, EUR	Minimum price, EUR	Maximum price, EUR
6 months 2023	9.86	9.50	10.20
6 months 2022	10.66	8.50	12.00
6 months 2021	9.25	8.80	9.80

## REPORT OF THE MANAGEMENT (continued)

### Financial risk management

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

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

Financial assets that potentially expose the Company to a certain degree of credit risk concentration are primarily trade receivables, receivables from related companies and loans. The Company has introduced and pursues a credit policy whereby goods are sold on credit only to customers with sound credit histories. The Company also complies with sanctions regimes based on the information published on the website of the Ministry of Foreign Affairs of the Republic of Latvia for international transactions as well as internal procedures.

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

On 30 June 2023, the Company's current assets exceeded its current liabilities by EUR 89.40 million (on 30.06.2022 by EUR 126.02 million). The Company has a strong ability to meet its current liabilities as they fall due. The Company's liquidity ratio (current ratio) and short-term liquidity ratio (quick ratio) for the last three years are as follows:

	2023	2022	2021
Current ratio*	2.96	3.93	3.45
Quick ratio**	2.13	3.20	2.68

\* *Current ratio = The proportion of current assets to current liabilities*

\*\* *Quick ratio = A total of trade receivables, receivables from related parties and cash and cash equivalents to current liabilities*

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

### Future prospects of Company

The Company will continue to increase production efficiency, focusing on reducing production costs and increasing production efficiency. At the same time, it is clear that the total production volumes of 2023 will be much smaller than the previous year, and the results will be significantly lower than the results of 2022.



Intars Geidāns  
Chairman of the Board  
Riga, 31 August 2023

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**STATEMENT OF THE MANagements' RESPONSIBILITY**

The management of the Company declares that in accordance with the information at its disposal, the condensed financial statements presented were prepared under laws and regulations in force and represent truthful and clear information on the Company's assets, equity, liabilities, financial situation and profits or losses.

The Management Report contains truthful information.



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Intars Geidāns  
Chairman of the Board  
Riga, 31 August 2023



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## INCOME STATEMENT

	Notes	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Revenue	2	45 726 190	41 417 427
Cost of sales	3	(40 711 546)	(33 353 899)
<b>Gross profit</b>		<b>5 014 644</b>	<b>8 063 528</b>
Distribution expenses	4	(3 871 964)	(3 533 078)
Administrative expenses	5	(2 292 194)	(1 948 295)
Other operating income		866 775	313 722
Other operating expenses		(360 704)	(165 262)
<b>Operating profit/ (loss)</b>		<b>(643 443)</b>	<b>2 730 615</b>
Net finance income/ (costs)		455 098	565 229
<b>Profit/ (loss) before tax</b>		<b>(188 345)</b>	<b>3 295 844</b>
<b>Net profit/ (loss)</b>		<b>(188 345)</b>	<b>3 295 844</b>

## STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
<b>Net profit</b>	<b>(188 345)</b>	<b>3 295 844</b>
<b>Total comprehensive income for the period</b>	<b>(188 345)</b>	<b>3 295 844</b>

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**STATEMENT OF FINANCIAL POSITION**

	<b>30.06.2023</b>	<b>31.12.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	323 717	360 940
Property, plant and equipment	15 847 261	15 236 211
Right-of-use assets	2 651 816	1 766 606
Loans to group companies	33 730 915	33 730 915
Other non current assets	200 586	1 352 901
<b>Total non-current assets:</b>	<b>52 754 295</b>	<b>52 447 573</b>
<b>Current assets</b>		
Inventories	36 573 946	31 939 822
Trade receivables	1 334 925	2 049 260
Receivables from group companies	59 237 215	60 108 353
Loans to group companies within the Group account	36 361 896	46 433 065
Other current assets	1 453 285	719 222
Cash and cash equivalents	16 571	150 931
<b>Total current assets:</b>	<b>134 977 838</b>	<b>141 400 653</b>
<b><u>Total assets</u></b>	<b><u>187 732 133</u></b>	<b><u>193 848 226</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	10 495 660	10 495 660
Share premium	87 887	87 887
Reserves	2 318 823	2 318 823
Retained earnings	127 520 564	127 708 909
<b>Total equity:</b>	<b>140 422 934</b>	<b>140 611 279</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	1 731 021	887 555
<b>Total non-current liabilities:</b>	<b>1 731 021</b>	<b>887 555</b>
<b>Current liabilities</b>		
Borrowings	842 700	1 222 189
Trade payables	13 133 041	15 897 558
Payables to group companies	2 996 497	4 848 742
Taxes payable	26 260 718	27 409 203
Other liabilities	2 345 222	2 971 700
<b>Total current liabilities:</b>	<b>45 578 178</b>	<b>52 349 392</b>
<b>Total liabilities:</b>	<b>47 309 199</b>	<b>53 236 947</b>
<b><u>Total equity and liabilities</u></b>	<b><u>187 732 133</u></b>	<b><u>193 848 226</u></b>

Intars Geidāns  
Chairman of the Board  
Riga, 31 August 2023

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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
<b>31.12.2021.</b>	<b>10 495 660</b>	<b>87 887</b>	<b>2 318 823</b>	<b>125 874 927</b>	<b>138 777 297</b>
Net profit	-	-	-	6 332 122	6 332 122
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 332 122</b>	<b>6 332 122</b>
Dividends	-	-		(4 498 140)	<b>(4 498 140)</b>
<b>31.12.2022.</b>	<b>10 495 660</b>	<b>87 887</b>	<b>2 318 823</b>	<b>127 708 909</b>	<b>140 611 279</b>
Net profit	-	-	-	(188 345)	(188 345)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(188 345)</b>	<b>140 422 934</b>
Dividends	-	-	-	-	-
<b>30.06.2023.</b>	<b>10 495 660</b>	<b>87 887</b>	<b>2 318 823</b>	<b>127 520 564</b>	<b>140 422 934</b>

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**CASH FLOW STATEMENT**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>Cash flow from operating activities</b>		
Profit for the period before taxation	(188 345)	3 295 844
<u>Adjustments for:</u>		
Depreciation and amortisation	1 245 451	915 029
Net (profit) loss on sales and disposal of property, plant and equipment, investment property and intangibles	3 603	(3 113)
Accruals	-	(782 496)
Interest income	(508 775)	(569 830)
Interest expense	52 282	22 215
<u>Changes in working capital:</u>		
(Increase) / decrease in inventories	(4 634 124)	(4 254 781)
Decrease in trade and other receivables	3 099 226	2 941 624
Increase / (decrease) in trade and other payables	(6 444 492)	8 680 119
<b>Net cash generated from operating activities</b>	<b>(7 375 174)</b>	<b>10 244 611</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(2 907 357)	(839 107)
Proceeds from sales of property, plant and equipment	-	7 473
Received incomes from borrowings	-	-
Interest received	399 423	736 655
Changes in credit lines (net)	10 180 520	(9 618 741)
<b>Net cash flow (used in) / generated from investing activities</b>	<b>7 672 587</b>	<b>(9 713 720)</b>
<b>Cash flow from financing activities</b>		
Borrowings repaid	(155 352)	(155 352)
Lease payments	(189 929)	(257 666)
Interest paid	(86 492)	(22 215)
<b>Net cash flow used in financing activities</b>	<b>(431 773)</b>	<b>(435 233)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(134 360)</b>	<b>95 658</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>150 931</b>	<b>88 909</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16 571</b>	<b>184 567</b>

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## NOTES

### (1) GENERAL INFORMATION

AS Amber Latvijas balzams (hereinafter also - the Company) is a joint-stock company that is incorporated and has its registered office in Latvia. The Company was founded in 1900 as Riga state vodka warehouse No. 1. In the period from 1970 to 2022, it operated under the name AS Latvijas balzams, but since 2022, it has been under the name AS Amber Latvijas balzams. The registered address of the Company is 160 Aleksandra Čaka Street, Riga, LV-1012, Republic of Latvia. Shares of AS Amber Latvijas balzams are listed on the Baltic Secondary List of Nasdaq Riga AS (BAL1R, ISIN LV0000100808).

The Company is the largest producer of alcoholic beverages in the Baltic States. AS Amber Latvijas balzams produces more than 100 different alcoholic beverages. The major shareholder of the Company which owns 89.99% of the Company's share capital as of 30 June 2023, is Amber Beverage Group Holding S.à r.l. (a company incorporated in Luxembourg).

### (2) ACCOUNTING POLICIES

#### *Basis for preparation*

The condensed financial statements for 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

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

To ensure proper comparison of financial information the data in the report, some items of the first six months of 2022 Profit or Loss Statement have been reclassified.

#### **Functional currency and revaluation**

The functional and presentation currency of the Company is the official currency of the Republic of Latvia – the euro (EUR).

Foreign currency transactions have been translated into euros applying the exchange rate valid at the beginning of the day of the transaction determined by the conversion procedure between the central banks of the European System of Central Banks and other central banks, which is published on the European Central Bank's website.

On the last day of the reporting period, all monetary assets and liabilities were translated into euros in accordance with the rates (at the end of the day) published on the European Central Bank's website, except for monetary assets and liabilities denominated in Russian rubles - for revaluation of such assets and liabilities, the exchange rate published by the Central Bank of Russia on the last day of the reporting period is used.

The profit or loss resulting from the exchange rate fluctuations of the foreign currency is recognized net in the income statement for the respective period.

	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
1 USD	0.9203	0.9627
1 GBP	1.1651	1.1652
1 RUB	0.0105	0.0186

#### ***Changes in accounting policy and disclosures***

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

**NOTES (continued)**

**(3) NET REVENUE**

**a) Operation and reportable segment**

The core activity of the Company is the production of alcoholic beverages. AS Amber Latvijas balzams produces over 100 different brands of beverages. Since the Company's core activity is mainly the production of alcoholic beverages, the Company has only one operation and reportable segment.

**b) Revenue by type**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Production of alcoholic beverages	42 339 227	38 303 337
Sales of other goods and materials	757 938	853 284
Other services	2 629 025	2 260 806
	<u><b>45 726 190</b></u>	<u><b>41 417 427</b></u>

**c) Revenue by geography (by customer)**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Cyprus	26 287 442	24 538 564
Latvia	12 834 904	12 320 912
Lithuania	2 619 848	2 014 913
Germany	836 950	396 467
Sweden	235 787	364 467
Estonia	612 533	500 160
Romania	200 039	287 686
Turkey	502 180	118 030
Ukraine	245 343	97 972
Finland	45 653	13 796
Norway	99 877	101 197
Brazil	132 519	40 993
Other	1 073 115	622 270
	<u><b>45 726 190</b></u>	<u><b>41 417 427</b></u>

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**NOTES (continued)**

**(4) COST OF SALES**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Raw materials and consumables	32 828 797	27 110 870
Salary expense	3 553 281	3 088 771
The state compulsory social insurance contributions	834 386	716 420
Depreciation of non-current assets	712 345	565 365
Energy resources	1 101 703	409 116
Repair and maintenance expenses	364 927	321 054
Management of packaging	564 986	332 468
Insurance payments	22 343	13 743
Laboratory expenses	23 193	17 186
Accrued expenses on unused annual leave	(98 203)	76 915
Other costs	803 788	701 991
	<b><u>40 711 546</u></b>	<b><u>33 353 899</u></b>

**(5) DISTRIBUTION EXPENSES**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Salary expenses	1 090 439	982 681
Advertising and sales promotion expenses	1 058 915	874 246
Depreciation of non-current assets	453 528	311 329
Transportation expenses	351 741	387 759
Warehouse maintenance expenses	355 992	420 823
The state compulsory social insurance contributions	256 742	226 244
Other expenses	304 607	329 996
	<b><u>3 871 964</u></b>	<b><u>3 533 078</u></b>

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**NOTES (continued)**

**(6) ADMINISTRATIVE EXPENSES**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Management services and expenses	1 328 292	1 155 453
Salary expenses	371 929	239 811
Depreciation of non-current assets	37 006	38 364
Computer maintenance	125 977	104 983
Financial support, sponsorship	3 500	11 750
The state compulsory social insurance contributions	84 932	55 827
Real estate tax	74 700	74 700
Professional service costs	59 291	35 538
Transport costs	21 563	15 432
Office expenses	9 113	6 238
Communication and postal expenses	4 001	6 630
Representation expenses	13 397	10 353
Bank commissions	8 654	4 340
Other expenses	149 839	188 876
	<b><u>2 292 194</u></b>	<b><u>1 948 295</u></b>

**(7) NET FINANCE INCOME/ (COSTS)**

	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2022- 30.06.2022</b>
	<b>EUR</b>	<b>EUR</b>
Finance income		
Interest income related parties	508 775	569 830
Foreign exchange gain, net	-	17 615
<b>Total finance income</b>	<b><u>508 775</u></b>	<b><u>587 445</u></b>
Finance costs		
Interest expense	47 768	21 372
Interest expense to related parties	4 514	844
Foreign exchange loss, net	1 395	-
<b>Total finance costs</b>	<b><u>53 677</u></b>	<b><u>22 216</u></b>
<b>Net finance income / (costs)</b>	<b><u>455 098</u></b>	<b><u>565 229</u></b>

**(8) SUBSEQUENT EVENTS**

There were no subsequent events since the last date of the financial period until the date of signing these unaudited condensed financial statements, which require adjustment to or disclosure in these unaudited condensed financial statements.