



AS AMBER LATVIJAS BALZAMS

(Registration number 40003031873)

UNAUDITED CONDENSED FINANCIAL STATEMENTS

for year 2024

prepared in accordance with
IFRS Accounting Standards as adopted by the EU

AS Amber Latvijas balzams
Unaudited condensed financial statements
for year 2024

INFORMATION ON THE COMPANY

Name of the Company	AS "Amber Latvijas balzams"
Legal status of the Company	Joint Stock Company (AS)
Number, place and date of registration	registered in the Enterprise Register of the Republic of Latvia with the uniform number 40003031873 Riga, 2 October 1991 Re-registered on 20 October 1998 In the Commercial Register Riga, 19 June 2004
Address	Aleksandra Caka Street 160 Riga, LV-1012 Latvia
Main business activities	Distillation, rectification and blending of spirits NACE2 11.01
Major shareholder	Amber Beverage Group Holding S.à r.l. (89.99%)
Names and positions of the Council Members	Valizhan Abidov – Chairman of the Council (from 18.10.2024) Rolands Gulbis – Chairman of the Council (until 18.10.2024) Valizhan Abidov – Vice Chairman of the Council (until 14.06.2024) Boriss Nešatajevs – Vice Chairman of the Council (from 18.10.2024) Boriss Nešatajevs - Member of the Council (until 18.10.2024) Velga Čelmiņa – Member of the Council Guntars Reidzāns - Member of the Council (until 18.10.2024)
Names and positions of the Board Members	Andrejs Višņausks - Chairman of the Board (from 18.09.2024) Guntars Betlers – Chairman of the Board (from 14.06.2024) Guntars Betlers – Chairman of the Board (until 18.09.2024) Intars Geidāns – Chairman of the Board (until 14.06.2024) Valizhan Abidov - Member of the Board (from 14.06.2024) Valizhan Abidov - Member of the Board (until 18.09.2024) Guntars Betlers – Member of the Board (until 14.06.2024) Guntars Betlers – Member of the Board (from 18.09.2024 until 18.10.2024)

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 1st 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 operates 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.

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 the direct export route.

The Company cooperates with the largest suppliers of raw materials and consumables in the European Union. One of the key resources is water, which is derived from artesian wells located in territories of the Company. Ethyl spirit for the production of most of the products is supplied 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 the core principles of corporate social responsibility. These have been harmonized with the United Nations Sustainable Development Goals for 2030, the 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

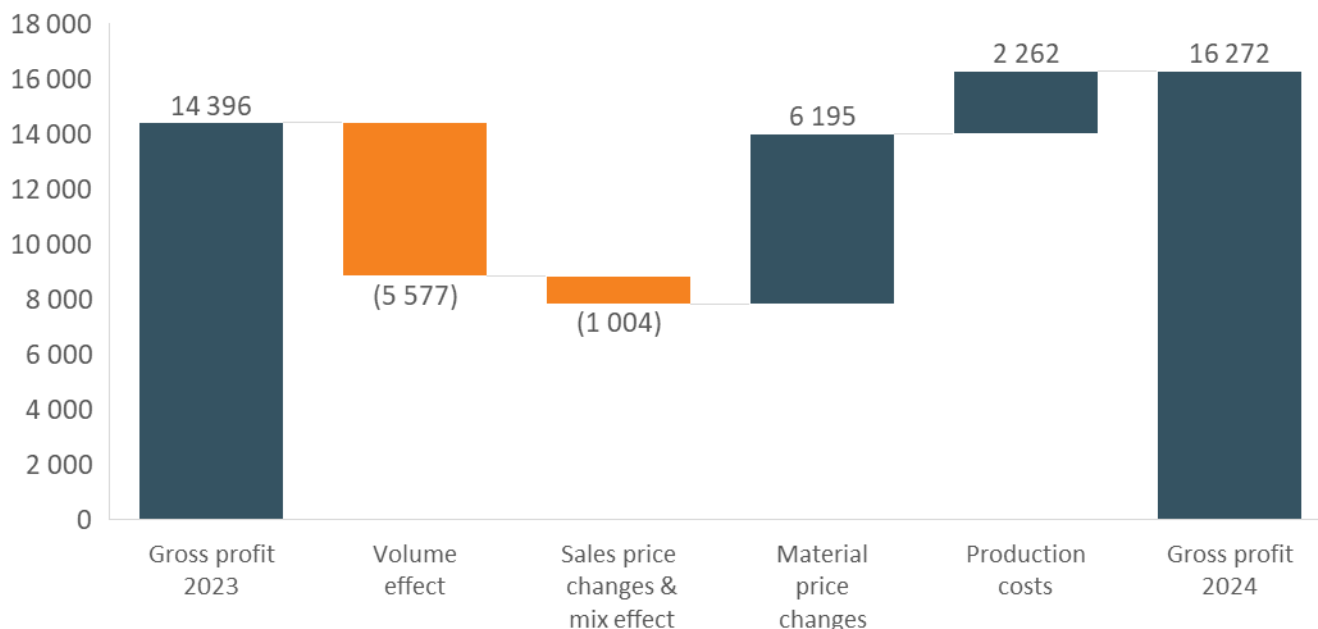
Financial performance

The company's unaudited net turnover in 2024 reached 78.2 million euros, which is 20.1% less than in the corresponding period in 2023. Total sales (in 9Lcs terms) in 2024 were 19.1% lower than in the corresponding period in 2023. The strategic decisions made by Stoli Group, as the largest customer with share 40% of total volumes, regarding the development of Stoli products, affected order volumes in 2024.

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	9Lcs	9Lcs
Sales volume, in 9 liter boxes	3 688 923	4 560 336

REPORT OF THE MANAGEMENT (continued)

The gross profit in the reporting period was 16.3 million euros, which is increase of 1.9 million euros (+13.0%) compared to the corresponding period in 2023. The gross profit indicator was negatively impacted by the decline in sales volume, but this was more than offset by the reduction in the cost of the most important raw materials and materials used in the production process (decreased by 25.8% compared to the corresponding period in 2023), mainly due to more favourable procurement of raw materials.



Operating profit for 2024 amounts to 3.6 million euros, which has decreased compared to the corresponding indicator in 2023 (4.2 million euros). Operating profit margin increased from 4.3% in 2023 to 4.6% in 2024. Overall, distribution, administrative, and other operating income and expenses did not change significantly compared to the previous period. The main impact on the operating profit deviations was the factors described above related to changes in total profit.

In the reporting period, the Company's unaudited net profit is 5.0 million euros, which has decreased compared to the corresponding period in 2023.

For the Company to be able to maintain competitiveness and at the same time improve financial results in difficult economic and geopolitical conditions, a series of measures are continuously taken to enhance the efficiency of production processes and reduce costs:

- continued work to achieve further improvements in overall equipment effectiveness (OEE) indicator of production filling equipment;
- re-negotiated contracts for the purchase of energy resources, which came into effect in the second half of 2024 and created additional savings in production costs;
- adjusted labour resources and other costs to current production volumes, thanks to the transition to single-shift work, which allowed for maximum optimization of the workforce (-21% compared to the corresponding period in 2023).

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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:

	31.12.2024	31.12.2023	31.12.2022
ROA*	2.6%	2.6%	3.4%
ROE**	3.5%	3.7%	4.5%

* 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:

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
	EUR 000	EUR 000	EUR 000
EBITDA*	6 427	6 583	8 504
EBIT **	3 577	4 162	6 382

* 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 local taxpayers. During the reporting period, the Company paid taxes of 73.9 million euros to the state budget, including excise tax amounting to 57.4 million euros.

Taking into account that the current economic situation does not allow AS "Amber Latvijas balzams" to fully execute all tax payments within the time limit specified by law, the Company actively cooperated with the SRS to agree on the order for repaying the debt.

AS "Amber Latvijas balzams" is one of the largest producers of alcoholic beverages in the Baltics, a significant employer in Latvia with more than 400 employees, and one of the largest state taxpayers. The company significantly affects state budget revenues.

REPORT OF THE MANAGEMENT (continued)

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) & quality. RFT shows the share of products manufactured right on the first time. During the year 2024, RFT reached 97.5%, which shows an improvement compared to the same indicator of 2023 (94.9%). The OTIF indicator indicates the Company's ability to fulfil customer orders in the specified time and volume. The relevant indicator reached 95.5% in 2024, which, compared to the 2023 indicator of 95 %, has also improved.

Risk assessment and management

As regards to 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;
- the ensuring of production continuity by timely planning production capacity and load;

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.

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REPORT OF THE MANAGEMENT (continued)

Stock and fund market

During the year 2024, the Company's share price fluctuated from EUR 8.30 to EUR 9.40 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
The year 2024	9.04	8.30	9.40
The year 2023	9.58	8.80	10.20
The year 2022	10.00	8.93	11.92

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 evaluates financial risks on an ongoing basis to minimize their potential adverse effects on the financial performance of the Company.

Financial assets which potentially expose the Company to a certain degree of credit risk concentration are primarily receivables from related companies and loans to related companies. The Company has implemented and adheres to evaluate the possibility of selling products on postpaid to customers with a good credit history.

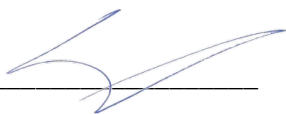
While operational performance remains strong, the company is actively managing the timing of cash inflows, particularly related to receivables.

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.

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 31 December 2024.

Future prospects of Company

The Company will continue to increase production efficiency, focusing on reducing production costs and increasing production efficiency, and will also work on increasing sales volumes and prices, thereby improving the Company's profitability.

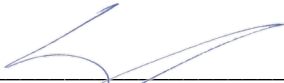


Andrejs Višņausks
Chairman of the Board
Riga, 28 February 2025

STATEMENT OF THE MANAGERMENTS' 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.



Andrejs Vīšņausks
Chairman of the Board
Riga, 28 February 2025

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INCOME STATEMENT

	Notes	01.01.2024- 31.12.2024 EUR	01.01.2023- 31.12.2023 EUR
Revenue	3	78 205 510	97 920 181
Cost of sales	4	(61 933 845)	(83 524 427)
Gross profit		16 271 665	14 395 754
Distribution expenses	5	(6 578 164)	(7 473 493)
Administrative expenses	6	(5 150 348)	(5 009 490)
Other operating income		898 834	3 031 751
Other operating expenses		(1 864 501)	(782 679)
Operating profit/ (loss)		3 577 486	4 161 843
Net finance income/ (costs)	7	1 441 554	1 003 106
Profit/ (loss) before tax		5 019 040	5 164 949
Net profit/ (loss)		5 019 040	5 164 949

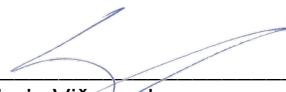
STATEMENT OF COMPREHENSIVE INCOME

	01.01.2024- 31.12.2024 EUR	01.01.2023- 31.12.2023 EUR
Net profit	5 019 040	5 164 949
Total comprehensive income for the period	5 019 040	5 164 949

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STATEMENT OF FINANCIAL POSITION

	31.12.2024	31.12.2023
	EUR	EUR
<u>ASSETS</u>		
Non-current assets		
Intangible assets	219 717	303 488
Property, plant and equipment	11 859 923	12 560 544
Right-of-use assets	3 470 058	3 720 564
Loans to group companies	35 287 497	31 787 497
Other non current assets	38 344	159 944
Total non-current assets:	50 875 539	48 532 037
Current assets		
Inventories	24 361 312	35 014 511
Trade receivables	1 354 743	1 630 449
Receivables from group companies	66 248 913	64 898 674
Loans to group companies within the Group account	42 157 771	47 140 912
Other current assets	6 758 966	4 467 073
Cash and cash equivalents	12 367	110 519
Total current assets:	140 894 072	153 262 138
<u>Total assets</u>	<u>191 769 611</u>	<u>201 794 175</u>
<u>EQUITY AND LIABILITIES</u>		
Equity		
Share capital	10 495 660	10 495 660
Share premium	87 887	87 887
Reserves	2 318 823	2 318 823
Retained earnings	128 896 617	128 375 717
Total equity:	141 798 987	141 278 087
Liabilities		
Non-current liabilities		
Borrowings	1 041 136	1 903 137
Total non-current liabilities:	1 041 136	1 903 137
Current liabilities		
Borrowings	1 389 900	1 245 285
Trade payables	12 133 811	15 506 787
Payables to group companies	885 489	4 413 522
Taxes payable	27 645 656	35 154 963
Dividends payable	4 498 140	-
Other liabilities	2 376 492	2 292 394
Total current liabilities:	48 929 488	58 612 951
Total liabilities:	49 970 624	60 516 088
<u>Total equity and liabilities</u>	<u>191 769 611</u>	<u>201 794 175</u>


 Andrejs Višņausks
 Chairman of the Board
 Riga, 28 February 2025

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
31.12.2022.	10 495 660	87 887	2 318 823	127 708 908	140 611 278
Net profit	-	-	-	5 164 949	5 164 949
Total comprehensive income	-	-	-	5 164 949	5 164 949
Dividends	-	-		(4 498 140)	(4 498 140)
31.12.2023.	10 495 660	87 887	2 318 823	128 375 717	141 278 087
Net profit	-	-	-	5 019 040	5 019 040
Total comprehensive income	-	-	-	5 019 040	146 297 127
Dividends	-	-	-	(4 498 140)	(4 498 140)
31.12.2024.	10 495 660	87 887	2 318 823	128 896 617	141 798 987

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CASH FLOW STATEMENT

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Cash flow from operating activities		
Profit for the period before taxation	5 019 040	5 164 949
<u>Adjustments for:</u>		
Depreciation and amortisation	2 850 000	2 421 408
Net (profit) from sales and disposal of property, plant and equipment, investment property and intangibles	1 915	-
Accruals	85 308	(114 842)
Interest income	(1 731 671)	(1 285 158)
Interest expense	283 822	226 299
<u>Changes in working capital:</u>		
(Increase) / decrease in inventories	10 567 890	(2 959 847)
Decrease in trade and other receivables	(6 744 827)	(2 926 404)
Increase / (decrease) in trade and other payables	<u>(15 122 184)</u>	<u>6 965 250</u>
Net cash generated from operating activities	(4 790 707)	7 491 655
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 027 312)	(2 187 053)
Proceeds from sales of property, plant and equipment	3 506 262	328
Borrowings issued	18 101	1 943 418
Interest received	-	1 196 190
Changes in credit lines (net)	<u>3 196 711</u>	<u>(618 880)</u>
Net cash flow (used in) / generated from investing activities	5 693 762	334 003
Cash flow from financing activities		
Borrowings repaid	(269 276)	(310 704)
Lease payments	(1 117 765)	(744 898)
Interest paid	385 834	(280 651)
Payment of dividends	-	(4 498 140)
Net cash flow used in financing activities	(1 001 207)	(5 834 393)
Net increase in cash and cash equivalents	<u>(98 152)</u>	<u>(40 412)</u>
Cash and cash equivalents at the beginning of the period	110 519	150 931
Cash and cash equivalents at the end of the period	<u>12 367</u>	<u>110 519</u>

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 May 2022, under the name AS "Amber Latvijas balzams". The registered address of the Company is 160 Aleksandra Caka Street, Riga, LV-1012, Republic of Latvia. Shares of AS Amber Latvijas balzams are listed on the Baltic Secondary List of the 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 31 December 2024, is Amber Beverage Group Holding S.à r.l. (a company incorporated in Luxembourg).

(2) ACCOUNTING POLICIES

Basis for preparation

Unaudited Condensed Financial Statements for nine months of 2024 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 2023.

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 by applying the exchange rate valid at the beginning of the day of the transaction determined by the conversion procedure between central banks of the European System of Central Banks and other central banks and 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. In the event that the European Central Bank does not determine the rate for a specific foreign currency, the rate published by the national bank on the last day of the reporting period, or another reference rate determined by a third party is used to revalue such assets and liabilities.

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.

	31.12.2024.	Average 2024	31.12.2023.	Average 2023
	EUR	EUR	EUR	EUR
1 USD	0.9626	0.9239	0.9050	0.9248
1 GBP	1.2060	1.1812	1.1507	1.1497

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 2023, except for the adoption of new standards effective as of 1 January 2024. 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

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Production of alcoholic beverages	72 663 500	90 660 798
Sales of other goods and materials	726 397	1 261 470
Other services	4 815 613	5 997 913
	<u>78 205 510</u>	<u>97 920 181</u>

c) Revenue by geography (by customer)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Cyprus	40 411 699	52 346 040
Latvia	25 924 327	30 600 699
Lithuania	4 989 207	5 898 691
Estonia	1 588 745	1 489 550
Germany	1 294 789	2 031 475
Ukraine	532 815	462 353
Romania	507 088	741 305
Turkey	325 415	1 194 886
Sweden	242 590	434 033
Norway	197 285	238 669
Finland	120 808	184 388
Brazil	-	212 900
Other	2 070 743	2 085 191
	<u>78 205 510</u>	<u>97 920 181</u>

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NOTES (continued)

(4) COST OF SALES

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Raw materials and consumables	49 403 612	68 731 880
Salary expense	5 147 692	6 549 851
Energy resources	1 293 412	1 911 561
Depreciation of non-current assets	1 562 714	1 441 302
The state compulsory social insurance contributions	1 206 510	1 537 543
Management of packaging	1 038 542	1 175 963
Repair and maintenance expenses	722 439	750 726
Insurance payments	83 567	38 909
Laboratory expenses	26 393	38 210
Accrued expenses on unused annual leave	19 299	(168 771)
Other costs	1 429 665	1 517 253
	<u>61 933 845</u>	<u>83 524 427</u>

(5) DISTRIBUTION EXPENSES

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Salary expenses	1 898 134	2 138 804
Advertising and sales promotion expenses	1 360 544	1 940 679
Warehouse maintenance expenses	587 772	669 379
Depreciation of non-current assets	1 220 570	906 711
Transportation expenses	622 607	715 343
The state compulsory social insurance contributions	447 210	503 686
Other expenses	441 327	598 891
	<u>6 578 164</u>	<u>7 473 493</u>

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NOTES (continued)

(6) ADMINISTRATIVE EXPENSES

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Management services and expenses	3 251 583	3 029 904
Salary expenses	776 097	738 587
Computer maintenance	276 642	257 990
The state compulsory social insurance contributions	166 623	155 749
Real estate tax	149 980	150 639
Professional service costs	160 482	112 107
Depreciation of non-current assets	66 716	73 395
Transport costs	23 529	41 138
Representation expenses	19 946	25 442
Communication and postal expenses	15 290	9 032
Bank commissions	6 302	19 072
Office expenses	17 106	18 694
Financial support, sponsorship	1 750	4 000
Other expenses	218 302	373 741
	<u>5 150 348</u>	<u>5 009 490</u>

(7) NET FINANCE INCOME/ (COSTS)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	EUR	EUR
Finance income		
Interest income related parties	1 731 670	1 285 158
Total finance income	<u>1 731 670</u>	<u>1 285 158</u>
Finance costs		
Interest expense	283 822	226 299
Foreign exchange loss, net	6 294	55 753
Total finance costs	<u>290 116</u>	<u>282 052</u>
Net finance income / (costs)	<u>1 441 554</u>	<u>1 003 106</u>

(8) EARNING PER SHARE

Earnings per share are calculated by dividing the net profit of the reporting year by the average number of shares in the reporting year.

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
Profit / loss attributed to shareholders of the Company (EUR)	5 019 040	5 164 949
Average annual number of shares	7 496 900	7 496 900
Earnings per share (EUR)	<u>0.67</u>	<u>0.69</u>

(9) 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 that require adjustment to or disclosure in these unaudited condensed financial statements.