



Amber Beverage Group Results for the first 3 months of 2024

Executive summary

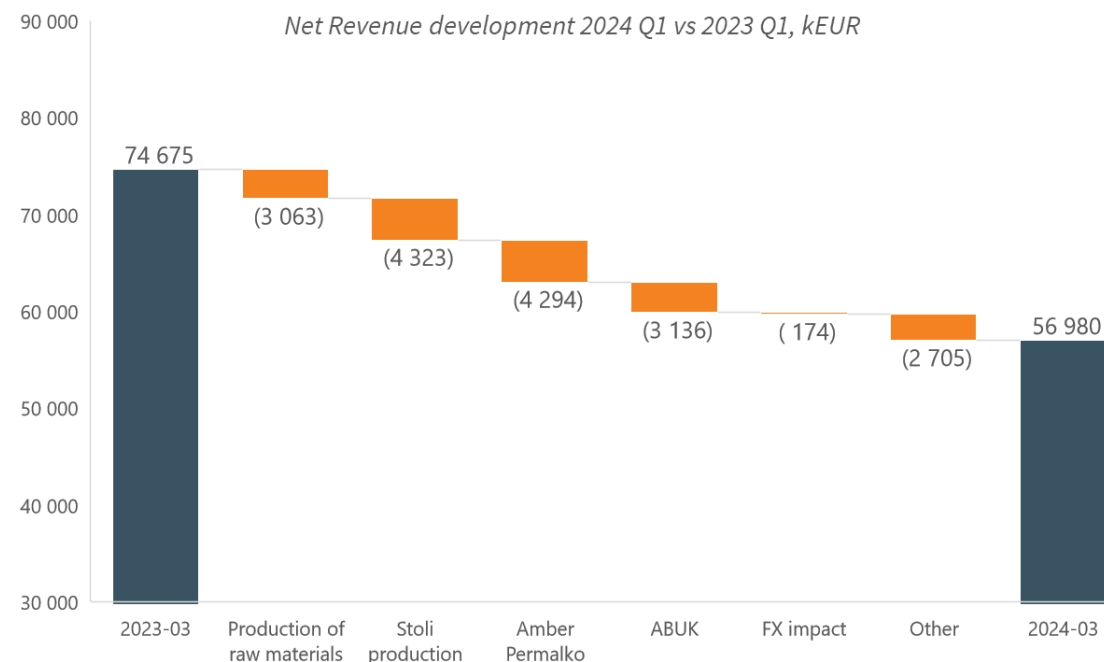
Amber Beverage Group has published its unaudited consolidated condensed financial statements for the first 3 months of 2024.

- The net revenue for the reporting period were generated in amount of EUR 56.9m indicating a decreased by 24% comparing to respective period in 2023 due to:
 - Macroeconomic slowdown from 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
 - Phasing of Stoli orders for ABG production entities from Q1 to Q2 2024
 - Changes in Group structure due to divestment of Amber Permalko in 2023
 - Execution of maintenance works impacting the raw material (spirit) sales
- The lagging sales performance has impacted the operating profit and net result for the period, which for first 3 months of 2024 is loss of EUR 3.3 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 optimisation programs have been run throughout the Group entities impacting the both the direct production costs as well as overheads
 - The incoming Stoli orders for production companies have resumed the pace and are ahead of initially budgeted volumes providing the level of confidence on full year expectations

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 3 months

	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
	EUR 000	EUR 000
Revenue	88 577	108 381
Excise and duties	(31 597)	(33 710)
Net revenue	56 980	74 671
Cost of goods sold	(42 959)	(54 722)
Gross profit	14 021	19 949
Selling expenses	(10 914)	(12 712)
General and administration expenses	(6 495)	(6 179)
Net impairment gain/ (losses) of financial assets	(63)	1
Other operational income	1 412	1 944
Other operational expense	(958)	(787)
Merger and acquisition related costs	142	(27)
Operating profit/ (loss)	(2 855)	2 189
Net finance income/ (expense)	306	(1 169)
Profit/ (loss) before tax	(2 549)	1 020
Corporate income tax	(743)	(748)
Profit/ (loss) for the period	(3 292)	272



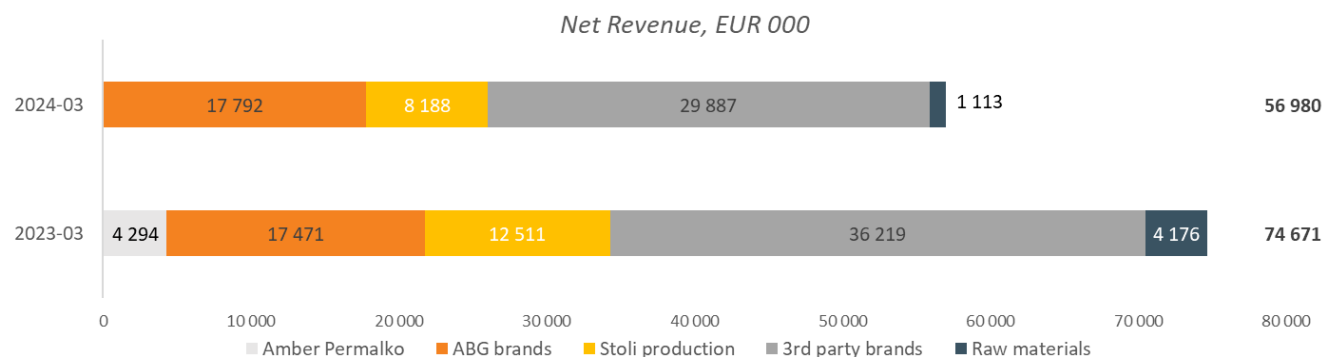
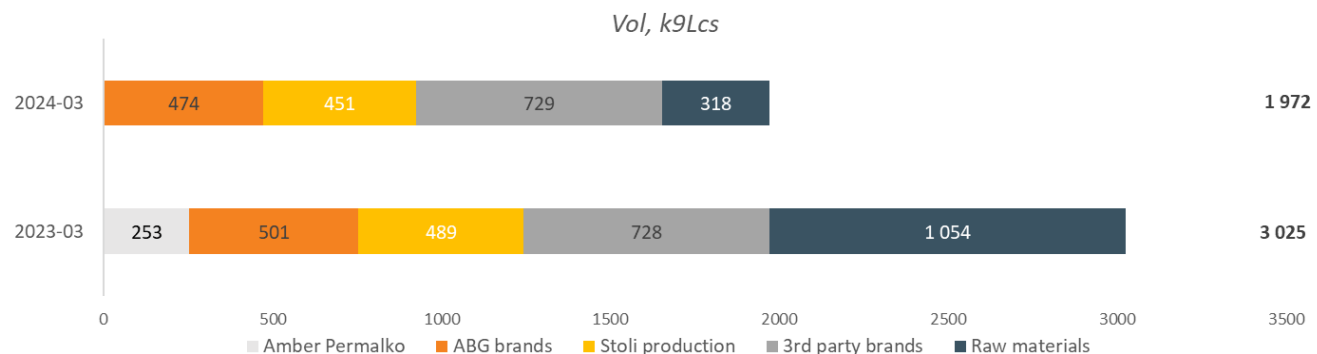
- In first three months 2024 the Group has reached net revenue of EUR 57m, which is by 23.7% less than in comparative period, mainly due to:
 - phasing slowdown trend in several key global markets (US, UK, Australia)
 - lower production volume in due to phasing Stoli orders
 - divestment of Amber Permalko in 2023
 - Low sales volumes of raw materials due to execution of planned maintenance works in Q1 2024.
- 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.

Consolidated financial statements 31.03.2024

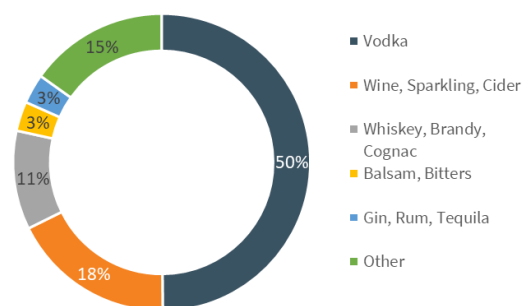
	31.03.2024	31.12.2023
	EUR 000	EUR 000
Non-current assets		
Intangible assets	87 337	87 615
Property, plant and equipment	65 952	61 425
Rights-to-use assets	9 228	9 688
Biological assets	7 672	6 016
Non-current portion of loans to related parties	29 682	29 681
Other non-current financial assets	3 039	3 400
Non-current financial investments	2 266	2 214
Deferred tax asset	262	223
TOTAL NON-CURRENT ASSETS	205 438	200 262
Current assets		
Inventories	81 470	85 648
Trade and other receivables	114 489	147 075
Loans to related parties	6 648	6 020
Corporate income tax	966	1 578
Short term bank deposits	11 900	12 000
Cash and cash equivalents	8 481	16 065
TOTAL CURRENT ASSETS	223 954	268 386
TOTAL ASSETS	429 392	468 648

	31.03.2024	31.12.2023
	EUR 000	EUR 000
Capital and Reserves		
Share capital	13	13
Share premium	132 553	132 553
FX revaluation reserve	(1 443)	(2 683)
Other reserves	1	1
Asset revaluation reserve	523	523
Pooling reserve	(21 268)	(21 268)
Revaluation reserve of derivatives	8	8
Retained earnings	57 290	60 573
TOTAL attributable to majority shareholders	167 677	169 720
Non-controlling interest	15 050	15 114
TOTAL EQUITY	182 727	184 834
Liabilities		
Non-current liabilities		
Borrowings	49 012	10 245
Trade and other payables	12	1 357
Deferred tax liability	5 352	5 116
Derivatives	(8)	(8)
TOTAL NON-CURRENT LIABILITIES	54 368	16 710
Current liabilities		
Borrowings and bank overdrafts	63 899	113 951
Trade and other payables	82 937	97 018
Taxes payable	45 271	54 898
Corporate income tax liabilities	190	1 237
TOTAL	192 297	267 104
TOTAL LIABILITIES	246 665	283 814
TOTAL EQUITY AND LIABILITIES	429 392	468 648

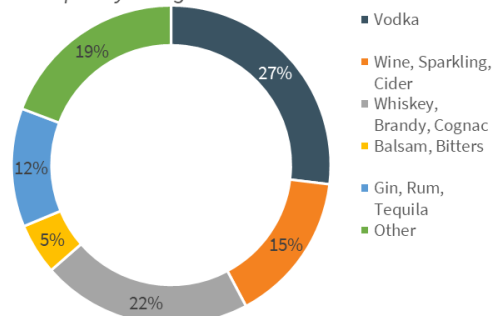
Performance



Volume split by categories*



Value split by categories*



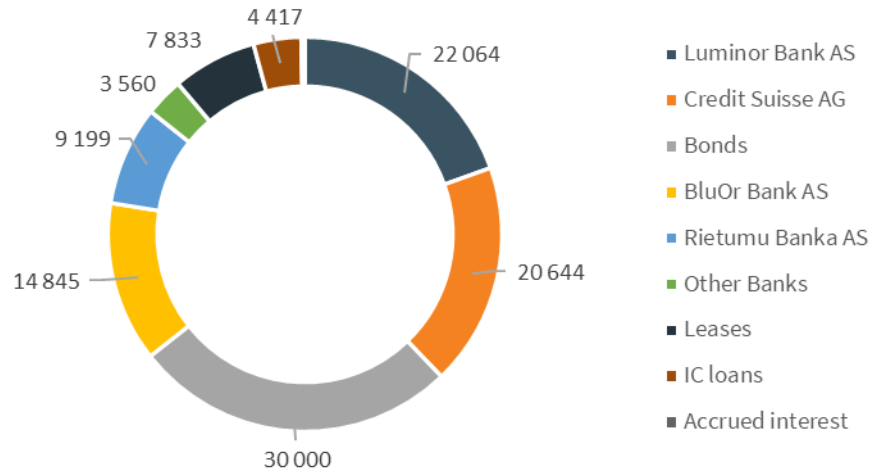
Notes:

* Volume and value by categories exclude volume and value of beer, water and raw materials sold in 2024 3 months (591k 9Lcs; EUR 3.6m)

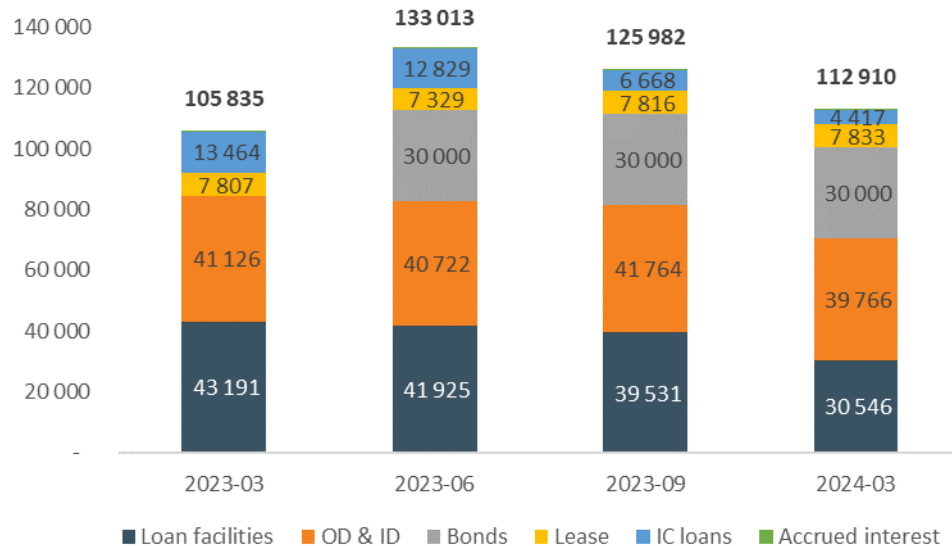
- In 3 months 2024 the volume has decreased by 35% vs 2023 (value decrease by 24%):
 - The ABG brands volume has decreased by 5% (value +2%) due to phasing of orders for international markets partially compensated by positive development in domestic markets as well as implemented price increases across the globe
 - Decrease in Stoli production volumes by 8% (value -35%) due to changes in Stoli strategic market approach on vodka and tequila brands produced by ABG production entities
 - Changes in Group composition (divestment of Amber Permalko in 2023)
 - Execution of planned maintenance works for production of raw materials (spirit)
- The main categories sold by ABG entities in reporting period have remained:
 - vodka (50% in volume, 27% in value)
 - wine, sparkling wine and cider (18% in volume, 15% in value)
 - Whiskey, brandy, cognac (11% in volume, 22% in value)

Debt analysis 31.03.2024

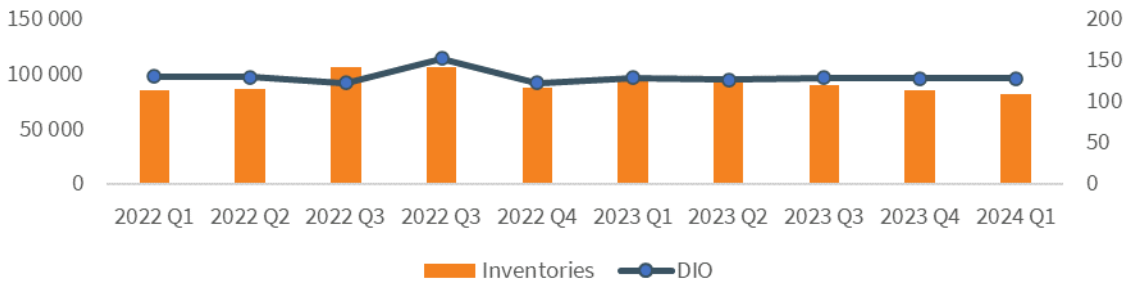
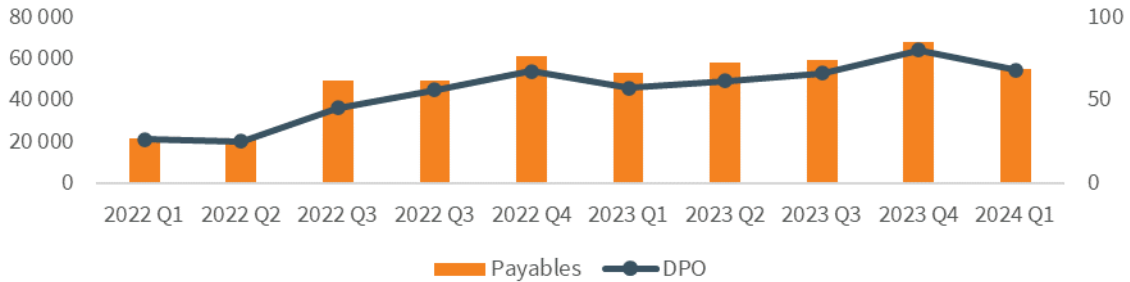
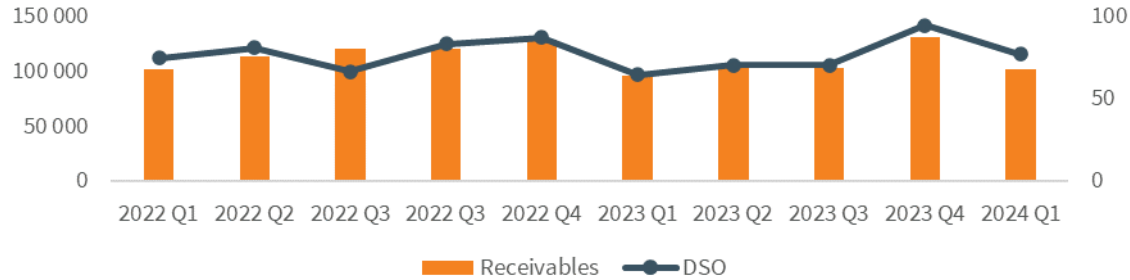
Total debt by lender, 31.03.2024, kEUR



- Over the 12 months period (01.04.2023 to 31.03.2024) the Group has decreased its debt by EUR 22.9m from own resources within the high interest rate circumstances due to changes in EURIBOR.
- Total debt portfolio as at 31.03.2024 has been amended by the following:
 - OD with Luminor (EUR 21m) is maturing on 30.06.2024
 - Loans with Luminor in Q1 2024 have been reduced by EUR 2.1m and the downpayment of remaining balance of EUR 0.6m have been extended till 30.06.2024
 - OD with BluOr Bank AS of EUR 15m is maturing on 09.08.2024, it is planned to extend the facility before its current maturity
 - Credit Suisse AG facility in Q1 2024 has been decreased by EUR 4.3m, the remaining part of EUR 20.6m is maturing on 20.12.2024. Refinancing of Credit Suisse facility is progress



Other



- Working capital development
 - Working capital has seasonal characteristics with reduction in Q1 and build-up in Q3 (stock build-up in production entities to secure year-end sales) and Q4 (year-end sales activities by distribution entities)
- FTE development
 - 3 months 2023 FTE = 2 095
 - 3 months 2024 FTE = 1 435 (reduction vs 2023 due to divestment of Amber Permalko in June 2023 and implemented efficiency programs in production facilities in late 2023 and 2024)

