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PRESS RELEASE

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Financial Results of BELUGA GROUP for H1 2022

BELUGA GROUP (MOEX: BELU), the leading alcohol company in Russia, announces the IFRS consolidated financial results for H1 2022: the revenue increased by 37% reaching RUB 42.1 billion, EBITDA rose by 94% to RUB 7.2 billion, net income grew by 97% amounting to RUB 2.3 billion.

Financial highlights and main corporate events

	H1 2022
Sales in volume terms (9L cases)	8.26 (+13.6%)
Revenue (bln RUB)	42.1 (+36.7%)
Gross profit (bln RUB)	17.2 (+54.6%)
EBITDA (bln RUB)	7.2 (+93.7%)
Net profit (bln RUB)	2.3 (+96.8%)
Earnings per share (RUB)	166.84 (+78.5%)

The group achieved double-digit growth of revenue, as well as gross and net profit indicators. The results of the reporting period reflect business resilience and efficiency of the top-management allowing quickly and expertly rearrange usual processes. The group firmly maintains its positions and uses emerging opportunities. BELUGA GROUP plans in the coming years to focus on the local Russian market to keep leadership in various segments by developing the product range, distribution processes and in-house retail chain.

In the reporting period, positive dynamics were recorded for the company's in-house and partner brands in the premium segment, this contributed to an improvement in the sales mix and, as a result, affected the profit indicators. The main sales drivers among the group's in-house brands were Beluga, Belaya Sova, Orthodox, PARKA and Arkhangelskaya vodkas, Tiflis Treasure brandy, Fox & Dogs whisky, Beluga Hunting bitters, Green Baboon gin, Devil's Island rum, as well as Golubitskoe Estate and Tête de Cheval wines. While among partner brands the drivers were Noy cognac, Barceló Dominican rum and the collection of imported wines. The range was strengthened with new promising products that have already listed in stores, including Devil's Island Dark Añejo rum, Belenkaya and PARKA cranberry vodkas, Fox & Dogs Apple Pie whisky, Golden Reserve National Collection France cognac and Golden Reserve Apricot aperitif.

The group's in-house retail chain WineLab continues developing: the number of outlets exceeded 1,200, and loyalty program members, 5.4 million people. Sales increased by 54.1% compared to H1 2021. This high rate resulted from the growing traffic and average ticket: the first increased by 36.3%, and the second, by 12.8%. WineLab continues to develop in the field of e-commerce, and to cooperate with marketplaces and online delivery services. The WineLab range is represented on SberMegaMarket and Wildberries, as well as on Yandex.Eda and SberMarket. Consumers have an opportunity to choose from among 900 products and pick up their favorite beverages at convenient stores. More than 55,000 electronic orders are distributed to customers per month.

The company managed to achieve high financial results in a difficult economic situation. The group will continue to strengthen its position in Russia, implement a business diversification strategy with a strong focus on digitalization, and invest in fields offering current and future growth opportunities.

FINANCIAL REVIEW

Financial Performance and Operations Results

The following table shows the company's consolidated financial results for 1H 2022 comparing to 1H 2021.

(In mln. RUB, except for the figures indicated in other units of measurement)

	1H 2022	1H 2021	Change
Sales, million **9L cases**	8.3	7.3	+14%
Sales, excise included	56 254	42 784	+31%
Net Revenue	**42 053**	**30 752**	**+37%**
COGS	(24 854)	(19 624)	+27%
Gross profit	**17 199**	**11 128**	**+55%**
General and administrative expenses	(2 343)	(1 796)	+30%
Distribution expenses	(9 663)	(6 783)	+42%
EBITDA	**7 168**	**3 701**	**+94%**
Operating profit	5 129	2 423	+112%
Net finance costs	(2 197)	(1 007)	+118%
Net profit	**2 263**	**1 150**	**+97%**
Earnings per share, RUR	166.84	93.47	+79%
Gross profit margin, %	40.9%	36.2%	+4.7 pp
EBITDA margin, %	17.0%	12.0%	+5.0 pp
Operating profit margin, %	12.2%	7.9%	+4.3 pp
Net profit margin, %	5.4%	3.7%	+1.6 pp

The 37% increase in revenue was due to proactive pricing policy, growing shipments of brands from the premium segment in Russia, as well as the steady development of the group's in-house retail chain WineLab: +73% growth in the number of stores compared to the same period of 2021.

EBITDA increased by 94%, with the EBITDA margin amounting to 17.0% having grown by 5.0 p.p. by H1 2021. A significant rise in margin is driven by gradual maturity of WineLab stores and steady revenue growth outpacing costs growth.

Net profit showed +97% dynamics mainly because of the operating profit's growth. Net profit margin increased by 1.6 p.p. and amounted to 5.4%. Net finance costs increased mainly due to currency exchange differences loss of RUB 967 million.

Segment reporting

The following table shows the changes in the distribution of the revenue and operating profit in segments for 1H 2022, as compared to those for 1H 2021.

mln. RUB	**Alcohol**	**Retail**	**Food**
Revenue 1H2022, including intersegment revenue	27 621	21 695	2 288
Revenue 1H2021, including intersegment revenue	20 563	14 160	2 344
Change	+34%	+53%	-2%
EBITDA 1H2022	4 424	2 800	100
EBITDA 1H2021	2 583	1 218	95
Change	+71%	+130%	+5%

The financial debt

The following table illustrates the changes in liabilities structure as of June 30, 2022, compared with the prior period.

(In mln. RUB, except for the figures indicated in other units of measurement)

	30 June 2022	**30 June 2021**	**Change**
Loans and bonds, long-term	18 651	14 867	+25%
Long-term lease liabilities	8 257	2 123	+289%
Loans and bonds, short-term	3 470	1 616	+115%
Short-term lease liabilities	2 617	1 622	+61%
Total debt	**32 995**	**20 228**	+63%
Cash and cash equivalents	(8 312)	(6 189)	+34%
Total net debt	**24 683**	**14 039**	+76%
EBITDA (last twelve months)	13 954	9 470	+47%
Net Debt / EBITDA	**1,77x**	**1,48x**	+0,29x
Share of long-term debt	84%	90%	-6 pp
Share of unsecured liabilities	100%	100%	0 pp

The structure of the credit portfolio is generally comfortable: the Net Debt/EBITDA LTM ratio stands at 1.8x; the weighted average interest rate on the credit portfolio continued to decline and amounted to 7.93% as of June 30, 2022 (being 8.50% as of the end of 2021).

About BELUGA GROUP

BELUGA GROUP is Russia's largest wine and spirits company and a major alcohol importer. The company owns five production facilities, one alcohol distillery, Golubitskoe Estate winery, a corporate distribution system, and the WineLab retail chain.

The company's key brands are the super-premium Beluga vodka, Belenkaya, Arkhangelskaya, Snow Owl (Belaya Sova), Copper Horse (Mednaya Loshadka), and Myagkov vodkas, Golubitskoe Estate still wines, Tête de Cheval sparkling wines, Beluga Hunting bitters, Golden Reserve and Bastion Russian cognacs, Green Baboon gin, Fox & Dogs Scotch whisky and Devil's Island rum.

The company is the exclusive distributor for William Grant & Sons, representing their Scotch brands Glenfiddich, Grant's, Monkey Shoulder, The Balvenie, Tullamore D.E.W. Irish whiskey, Hendrick's gin, and Milagro tequila in Russia. BELUGA GROUP is also a Russian distributor for the US distiller Sazerac and also markets highly popular alcoholic beverages, including Barceló rum, Torres brandy, Noy Armenian brandy, Plantation rum, XUXU liqueurs and beverages of the Latvijas Balzams family.

The group is the exclusive Russian representative for numerous global brands and producers, including Familia Torres, Masi, Tenuta Luce, Billecart-Salmon Champagne, Maison Louis Latour, Gérard Bertrand, Faustino, Cono Sur, Maison Calvet, Piccini, Barefoot, Markus Molitor, Mateus, Silk & Spice, Sandeman, JP. Chenet, Trivento, Champagne Pommery, Barton & Guestier and an exclusive distributor for RIEDEL, the Austrian manufacturer of premium wine glasses and glassware.

BELUGA GROUP successfully markets its products internationally. It is in the Russia's top vodka exporters and leads Russia in the export of super-premium vodkas.

Warning about statements based on the forecast data

The information in the following press-release can contain some forecast claims. The forecast claims shall be any claims except for those based on the historical facts. The words "believe," "expect," "foresee," "intend", "evaluate", "will", "can," "should," "should be", and similar expressions indicate forecast claims. Forecast claims include statements regarding: goals, objectives, strategies, future events or growth prospects; further plans, events, results and potential for further growth; liquidity, capital resources and expenditures; economic forecasts and industry trends; directions of development of our markets; the impact of changes in legislation; and the advantages of our competitors.

The forecast claims that may be contained in this press release are based on various assumptions and estimates, which, in turn, are base on the management's examination of historical business trends, and of the data contained in our records and other data received from third parties. Although we believe that such assumptions were reasonable at the time of their use, nevertheless, by their nature they consist of significant known and unknown risks, as well as of uncertainties, conventions and other important factors that are difficult or impossible to predict and that we can't control. Such risks, uncertainties, conventions and other important factors can lead to the fact that the actual results of the BELUGA GROUP or industry will differ substantially from the results that are explicitly contained in the forecast claims or are assumed in them. These risks, uncertainties, conventions and other important factors include, among other things: political and social changes; general economic, market and business conditions; trends in the markets in which we work or plan to work; our business and growth strategy; planned acquisitions or diversification; our expansion towards other geographic markets or other market segments; influence of legislation, regulation, relations with the state or taxation on our business; as well as our expected future revenues, capital investments and financial resources. So, such forecast claims can not be viewed as reliable, and neither the BELUGA GROUP nor any other person can warrant you that the predicted results will be achieved in the future.

Information, opinions and forward-looking statements are relevant only for the date of this press release and may be further amended without notice. Neither BELUGA GROUP nor any other company shall undertake or be required to update and revise any forecast claims, except as required by applicable law.

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2022	**2021**
Sales, net of VAT	56 254	42 784
Excise duties	(14 201)	(12 032)
Revenue	**42 053**	**30 752**
Cost of sales	(24 854)	(19 624)
Gross profit	**17 199**	**11 128**
General and administrative expenses	(2 343)	(1 796)
Distribution expenses	(9 663)	(6 783)
Other income/(expense)	(64)	(126)
Operating profit	**5 129**	**2 423**
Net finance costs	(2 197)	(1 007)
Profit before tax	**2 932**	**1 416**
Income tax	(669)	(250)
Net income, continuing operations	**2 263**	**1 166**
Discontinued operations, loss	-	(16)
Net income and total comprehensive income for the period	**2 263**	**1 150**
Attributable to:		
Equity holders of the Company	2 256	1 144
Non-controlling interest	7	6
Basic earnings per share, RUB	**166.84**	**93.47**

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	22 593	18 365
Intangible assets	9 833	9 684
Goodwill	3 633	3 633
Other long-term assets	808	589
Deferred tax assets	1 790	1 787
Total non-current assets	**38 657**	**34 058**
Current assets		
Inventories	23 944	21 795
Trade and other receivables	9 412	12 025
Prepayments	626	768
Income tax prepayment	175	131
Cash and cash equivalents	8 312	9 712
Total current assets	**42 469**	**44 431**
TOTAL ASSETS	**81 126**	**78 489**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	1 580	1 580
Treasury shares	(250)	(206)
Share premium	5 553	6 758
Retained earnings	19 254	17 650
Total equity attributable to shareholders of PJSC Beluga Group	**26 137**	**25 782**
Non-controlling interest	309	302
Total equity and reserves	**26 446**	**26 084**
Long-term liabilities		
Loans and bonds	18 651	12 362
Long-term lease liabilities	8 257	4 633
Deferred tax liabilities	2 429	2 038
Total long-term liabilities	**29 337**	**19 033**
Current liabilities		
Loans and bonds	3 470	4 052
Lease liabilities	2 617	2 527
Trade and other payables	18 768	25 856
Income tax payable	488	937
Total current liabilities	**25 343**	**33 372**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**81 126**	**78 489**

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of PJSC Beluga Group					Non–controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium	Retained earnings	Total share-holders' equity		
1 January 2022	**1 580**	**(206)**	**6 758**	**17 650**	**25 782**	**302**	**26 084**
Dividends	-	-	-	(652)	(652)	-	(652)
Repurchase of treasury shares	-	(44)	(1 205)	-	(1 249)	-	(1 249)
Total transactions with shareholders	**-**	**(44)**	**(1 205)**	**(652)**	**(1 901)**	**-**	**(1 901)**
Net income for the period	-	-	-	2 256	2 256	7	2 263
30 June 2022	**1 580**	**(250)**	**5 553**	**19 254**	**26 137**	**309**	**26 446**

	Equity attributable to shareholders of PJSC Beluga Group					Non–controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium	Retained earnings	Total share-holders' equity		
1 January 2021	**1 580**	**(347)**	**2 915**	**15 903**	**20 051**	**294**	**20 345**
Acquisition of non-controlling interest	-	-	-	-	-	(29)	(29)
Acquisition of subsidiary	-	-	-	-	-	7	7
Dividends	-	-	-	(1 075)	(1 075)	-	(1 075)
Repurchase of treasury shares	-	(59)	(1 183)	-	(1 242)	-	(1 242)
Secondary public offering less commissions	-	200	5 032	-	5 232	-	5 232
Total transactions with shareholders	**-**	**141**	**3 849**	**(1 075)**	**2 915**	**(22)**	**2 893**
Net income for the period				1 144	1 144	6	1 150
30 June 2021	**1 580**	**(206)**	**6 764**	**15 972**	**24 110**	**278**	**24 388**

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT

	Six months ended 30 June	
	2022	**2021**
Cash flows from operating activities		
Operating profit, continuing operations	5 129	2 423
Operating loss, discontinued operations	-	(16)
Adjustments:		
Depreciation and amortisation	2 039	1 278
Gain on disposal of property, plant and equipment	(55)	(2)
Gain on sale of Disposal group	-	(24)
Other non-cash transactions	(13)	92
Changes in working capital:		
Increase in inventories	(2 380)	(2 744)
Decrease in accounts receivable and prepayments	2 305	4 214
Decrease in accounts payable	(9 095)	(3 110)
Cash flows from operating activities	**(2 070)**	**2 111**
Interest and arrangements of borrowing paid	(1 210)	(961)
Income tax paid	(542)	(97)
Net cash flow from operating activities	**(3 822)**	**1 053**
Cash flows from investing activities		
Acquisition of subsidiaries and non-controlling interest	-	(542)
Proceeds from sale of Disposal group	-	139
Acquisition of property, plant and equipment and intangible assets	(2 205)	(635)
Disposal of property, plant and equipment and intangible assets	263	10
Net cash flow from investing activities	**(1 942)**	**(1 028)**
Cash flows from financing activities		
Sale / (repurchase) of own shares, net	(347)	3 990
Dividends	-	(1 075)
Payments of lease liabilities	(980)	(807)
Loans received and bonds issued	10 509	13 288
Loans and bonds repaid	(4 818)	(14 122)
Net cash flow from financing activities	**4 364**	**1 274**
Net (decrease)/increase in cash and cash equivalents	**(1 400)**	**1 299**
Cash and cash equivalents at beginning of the year	9 712	4 890
Cash and cash equivalents at end of the period	**8 312**	**6 189**

(All amounts in Russian Ruble million, unless stated otherwise)

CALCULATION OF THE EBITDA (UNAUDITED)*

	For the six months ended	
	30 June 2022	**30 June 2021**
Net income	2 263	1 166
Income tax	669	250
Net finance costs	2 197	1 007
Depreciation	2 039	1 278
EBITDA	**7 168**	**3 701**

** - the EBITDA is calculated as the net income before the payment of the interests, taxes, and depreciation. The EBITDA margin is the ratio of the EBITDA in relation to the sum of the revenues.*

The company calculates the EBITDA, as they think that it is an important additional index to the operational activity.

The EBITDA as an analytical tool has its limitations in use and should not be considered solely or in lieu of indicators calculated in accordance with IFRS. Moreover, other companies can calculate this index in a different way, which limits its capabilities as a comparison tool.

The EBITDA should also not be considered an alternative to the index of cash flow from operating activities, or as a liquidity statement