

PRESS RELEASE

March 10, 2023

**Financial Results of BELUGA GROUP for 2022**

BELUGA GROUP (MOEX: BELU), the leading alcohol company in Russia, announces the IFRS consolidated financial results for 2022: revenue increased by 30%, reaching 97.3 billion rubles, EBITDA rose by 66%, amounting to 17.4 billion rubles, and net income grew by 119%, totaling to 8.4 billion rubles.

Financial highlights and main corporate events:

	<u>2022</u>
<b>Sales in volume terms (million 9L cases)</b>	<b>18.7 (+7%)</b>
<b>Revenue (mln rubles)</b>	<b>97 316 (+30%)</b>
<b>Gross profit (mln rubles)</b>	<b>38 414 (+43%)</b>
<b>EBITDA (mln rubles)</b>	<b>17 356 (+66%)</b>
<b>Net income (mln rubles)</b>	<b>8 442 (+119%)</b>
<b>Earnings per share (rubles)</b>	<b>645 (+119%)</b>

BELUGA GROUP demonstrates high performance and sustainable development.

Total sales reached 18.7 9 million 9L cases, up 7% from the last year. Sales growth was observed both in the group of in-house brands – 15.4 million 9L cases (+5.4%), and imported ones – 3.3 million 9L cases (+13.8%). The categories of tinctures, whiskey, gin and rum showed the best dynamics. Our brands in high-margin segments — premium and higher — continue to strengthen their positions, which has a positive effect on financial performance.

The qualitative result was achieved due to a vertically-integrated business model that controls all stages from production to sales of products, the company's focus on operational efficiency, strong brands, which include both popular and new ones – from regions and countries that were not represented before, as well as a wide distribution system with our retail chain, WineLab.

The number of WineLab stores reached 1,350 outlets, sales increased by 52.3%, and the average ticket by 11.1%. Our own retail allows us to interact directly with consumers, promptly responding to their preferences, and develop an e-commerce using the click & collect system, where sales increased by 115% over the year.

The Board of Directors pays attention to the investment attractiveness of the business. According to the policy, the company paid dividends for 2021 and interim dividends for H1 2022, as well as for the first time in the history of BELUGA GROUP – for Q3. In autumn, a new dividend policy was approved, which sets the amount of payments at a level of at least 50% of the consolidated net IFRS profit for the year, previously – 25%.

The company was able to quickly adapt to new conditions due to the results of previous periods, which contributed to the financial stability of BELUGA GROUP, as well as timely and precise decisions of our top management, which has vast experience of working in crisis situations, and proper performance of their tasks by employees. The measures taken made it possible to achieve high performance, increase efficiency, and not only retain, but also increase the team to 13,000 people.

BELUGA GROUP has proved to be a reliable partner for contractors, customers and suppliers and will continue to actively develop taking into account emerging opportunities in the alcohol industry, which has confirmed its crisis resistance once again. The company enters the new period with strong financial positions, ambitious plans and a strategic vision of its further growth.

## FINANCIAL REVIEW

### *Financial performance and operations results*

The table below shows the company's consolidated financial results for 2022 as compared to 2021.

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

	<b>2022</b>	<b>2021</b>	<b>Change</b>
Sales, mln 9L cases	18.7	17.5	+7%
Sales, excise included	127 527	103 237	+24%
<b>Revenue</b>	<b>97 316</b>	<b>74 937</b>	<b>+30%</b>
COGS	(58 902)	(48 094)	+23%
<b>Gross profit</b>	<b>38 414</b>	<b>26 843</b>	<b>+43%</b>
General and administrative expenses	(5 030)	(3 848)	+31%
Distribution expenses	(20 055)	(15 358)	+31%
<b>EBITDA</b>	<b>17 356</b>	<b>10 487</b>	<b>+66%</b>
Operating profit	13 055	7 742	+69%
Net finance costs	(3 530)	(2 058)	+72%
<b>Net profit</b>	<b>8 442</b>	<b>3 861</b>	<b>+119%</b>
Earnings per share, RUR	645.02	294.13	+119%
Gross profit margin	39.5%	35.8%	+3.7 p.p.
EBITDA margin	17.8%	14.0%	+3.8 p.p.
Operating profit margin	13.4%	10.3%	+3.1 p.p.
Net profit margin	8.7%	5.2%	+3.5 p.p.

The key drivers of revenue growth were increased sales of brands from the premium and premium+ segments in Russia, as well as the development of its own retail chain WineLab, which showed +35% dynamics even in the difficult 2022.

EBITDA increased by 66% and reached a record of RUB 17 billion, while the EBITDA margin was 17.8%, adding 3.8 p.p. to the 2021 level. Such significant increase in the latter is due to the outstripping growth of income, proactive pricing policy, and the fact that an increasing number of WineLab stores were gradually entering the stage of maturity.

Net profit showed +119% dynamics mainly due to a significant growth of operating profit. Net profit margin increased by 3.5 p.p. and amounted to 8.7%.

### Segment reporting

The table illustrates the changes in financial indicators by segment for 2022 compared to 2021.

In mln RUB	Alcohol	Retail	Products
Revenue 2022, including intersegment	62 787	50 383	4 748
Revenue 2021, including intersegment	51 956	33 190	4 853
<i>Change</i>	+21%	+52%	-2%
EBITDA 2022	10 752	6 899	266
EBITDA 2021	7 220	3 545	(51)
<i>Change</i>	+49%	+95%	-

### Financial debt

The table illustrates the changes in financial indicators by segment for 2022 compared to 2021.

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

	31.12.22	31.12.21	Change
Long-term loans and bonds	16 934	12 362	+37%
Long-term lease liabilities	9 762	4 633	+111%
Short-term loans and bonds	8 655	4 052	+114%
Short-term lease liabilities	2 721	2 527	+8%
<b>Total debt</b>	<b>38 072</b>	<b>23 574</b>	+61%
Cash and cash equivalents	(13 241)	(9 712)	+36%
<b>Total net debt</b>	<b>24 831</b>	<b>13 862</b>	+79%
EBITDA (for the last 12 months)	17 356	10 487	+66%
<b>Net debt / EBITDA</b>	<b>1.43x</b>	<b>1.32x</b>	+0.11x
Share of long-term debt liabilities	66%	75%	-9 p.p.
Share of unsecured debt liabilities	100%	100%	0 p.p.

The loan portfolio structure as a whole remains at a comfortable level for the Group and is in line with the long-term strategic goals: Net Debt/EBITDA is fixed at 1.4x, the weighted average interest rate across the loan portfolio as of December 31, is at a low level of 8.64% against 8.50% a year earlier.

### **About BELUGA GROUP**

*BELUGA GROUP is Russia's largest alcohol company and a leading independent importer of wine and spirits in the country. The group runs five factories, one ethanol plant, one winery and manages its own distribution system and specialized alcohol retail chain WineLab.*

*The key brands of company's own production are the super-premium vodka Beluga, the vodka brands Belenkaya, Arkhangelskaya, Snow Owl (Belaya Sova), Myagkov, the still wine Golubitskoe Estate, the sparkling wine Tête de Cheval, the bitters Beluga Hunting, the Russian brandy brands Golden Reserve and Bastion, the gin Green Baboon, the Scotch whisky Fox & Dogs, and the rum Devil's Island.*

*BELUGA GROUP's imported brand portfolio includes the rum Barceló, the brandy Torres, the Armenian cognac Noy, the rum Plantation, the Japanese whiskey The San-In, the tequila Agavita, the liqueur Disaronno and the herbal bitters Latvijas Balzams. The company exclusively represents in Russia international winemakers and brands, including Familia Torres, Masi, Tenuta Luce, champagne Billecart-Salmon, Maison Louis Latour, Gérard Bertrand, Faustino, Cono Sur, Maison Calvet, Piccini, Barefoot, Markus-Molitor, Mateus, Silk & Spice, Sandeman, JP. Chenet, Champagne Pommery, Barton & Guestier, and Trivento. BELUGA GROUP is also the exclusive distributor of the Austrian premium glassware manufacturer RIEDEL.*

**Appendix**

BELUGA GROUP PAO

Consolidated Financial Statements for the year ended 31 December 2022

*(All amounts in Russian Rubles (₽) million, unless stated otherwise)***CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>2022</u>	<u>2021</u>
Sales, net of VAT	127 527	103 237
Excise duties	(30 211)	(28 300)
<b>Revenue</b>	<b>97 316</b>	<b>74 937</b>
Cost of sales	(58 902)	(48 094)
<b>Gross profit</b>	<b>38 414</b>	<b>26 843</b>
General and administrative expenses	(5 030)	(3 848)
Distribution expenses	(20 055)	(15 358)
Other (expense)/income	(274)	105
<b>Operating profit</b>	<b>13 055</b>	<b>7 742</b>
Disposal and impairment of trademarks	1 125	(596)
Net finance costs	(3 530)	(2 058)
<b>Profit before tax</b>	<b>10 650</b>	<b>5 088</b>
Income tax	(2 208)	(1 211)
<b>Net income, continuing operations</b>	<b>8 442</b>	<b>3 877</b>
Discontinued operations, loss	-	(16)
<b>Net income and total comprehensive income for the period</b>	<b>8 442</b>	<b>3 861</b>
Attributable to		
Equity holders of the Company	8 439	3 824
Non-controlling interest	3	37
<b>Basic earnings per share, RUB</b>	<b>645.04</b>	<b>294.13</b>

**Appendix**

BELUGA GROUP PAO

Consolidated Financial Statements for the year ended 31 December 2022

*(All amounts in Russian Rubles (₽) million, unless stated otherwise)***CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24 094	18 365
Intangible assets	7 108	9 684
Goodwill	3 633	3 633
Other long-term assets	773	589
Deferred tax assets	1 403	1 787
<b>Total non-current assets</b>	<b>37 011</b>	<b>34 058</b>
<b>Current assets</b>		
Inventories	25 048	21 795
Trade and other receivables	15 907	12 025
Prepayments	1 887	768
Income tax prepayment	45	131
Cash and cash equivalents	13 241	9 712
<b>Total current assets</b>	<b>56 128</b>	<b>44 431</b>
<b>TOTAL ASSETS</b>	<b>93 139</b>	<b>78 489</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	1 580	1 580
Treasury shares	(452)	(206)
Share premium and other reserves	546	6 758
Retained earnings	23 447	17 650
<b>Total equity attributable to shareholders of Beluga Group, PJSC</b>	<b>25 121</b>	<b>25 782</b>
Non-controlling interest	268	302
<b>Total equity and reserves</b>	<b>25 389</b>	<b>26 084</b>
<b>Non-current liabilities</b>		
Long-term Loans and bonds	16 934	12 362
Long-term lease liabilities	9 762	4 633
Deferred tax liabilities	2 418	2 038
<b>Total non-current liabilities</b>	<b>29 114</b>	<b>19 033</b>
<b>Current liabilities</b>		
Short-term loans and bonds	8 655	4 052
Short-term lease liabilities	2 721	2 527
Trade and other payables	26 057	25 856
Income tax payable	1 203	937
<b>Total current liabilities</b>	<b>38 636</b>	<b>33 372</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>93 139</b>	<b>78 489</b>

**Appendix**

BELUGA GROUP PAO

Consolidated Financial Statements for the year ended 31 December 2022

*(All amounts in Russian Rubles (₽) million, unless stated otherwise)***CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Equity attributable to shareholders of Beluga Group, PJSC				Total	Non- controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium and other reserves	Retained earnings			
<b>Balance at 1 January 2022</b>	<b>1 580</b>	<b>(206)</b>	<b>6 758</b>	<b>17 650</b>	<b>25 782</b>	<b>302</b>	<b>26 084</b>
Acquisition of non-controlling interest	-	-	-	-	-	(18)	(18)
Dividends	-	-	-	(2 642)	(2 642)	(19)	(2 661)
Share based benefits, payable	-	-	110	-	110	-	110
Provision for share-based payments	-	-	37	-	37	-	37
Repurchase and sale of treasury shares	-	(249)	(6 356)	-	(6 605)	-	(6 605)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>(246)</b>	<b>(6 212)</b>	<b>(2 642)</b>	<b>(9 100)</b>	<b>(37)</b>	<b>(9 137)</b>
Net income for the period	-	-	-	8 439	8 439	3	8 442
<b>Balance at 31 December 2022</b>	<b>1 580</b>	<b>(452)</b>	<b>546</b>	<b>23 447</b>	<b>25 121</b>	<b>268</b>	<b>25 389</b>

	Equity attributable to shareholders of Beluga Group, PJSC				Total	Non- controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium	Retained earnings			
<b>Balance at 1 January 2021</b>	<b>1 580</b>	<b>(347)</b>	<b>2 915</b>	<b>15 903</b>	<b>20 051</b>	<b>294</b>	<b>20 345</b>
Acquisition of non-controlling interest	-	-	-	-	-	(36)	(36)
Acquisition of subsidiary	-	-	-	-	-	7	7
Dividends (Note <b>Ошибка! Источник ссылки не найден.</b> )	-	-	-	(2 077)	(2 077)	-	(2 077)
Repurchase and sale of treasury shares	-	(59)	(1 183)	-	(1 242)	-	(1 242)
Secondary public offering less commissions (Note <b>Ошибка! Источник ссылки не найден.</b> )	-	200	5 026	-	5 226	-	5 226
<b>Total transactions with shareholders</b>	<b>-</b>	<b>141</b>	<b>3 843</b>	<b>(2 077)</b>	<b>1 907</b>	<b>(29)</b>	<b>1 878</b>
Net income for the period	-	-	-	3 824	3 824	37	3 861
<b>Balance at 31 December 2021</b>	<b>1 580</b>	<b>(206)</b>	<b>6 758</b>	<b>17 650</b>	<b>25 782</b>	<b>302</b>	<b>26 084</b>



**Appendix**

BELUGA GROUP PAO

Consolidated Financial Statements for the year ended 31 December 2022

*(All amounts in Russian Rubles (₽) million, unless stated otherwise)***CONSOLIDATED CASH FLOW STATEMENT**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Operating profit, continuing operations	13 055	7 742
Operating loss, discontinued operations	-	(16)
<b>Adjustments:</b>		
Depreciation and amortisation	4 301	2 745
Loss / (Income) on disposal of property, plant and equipment	107	(200)
Share based benefits	147	
(Gain) on sale of the Disposal group	-	(24)
Other non-cash transactions	73	758
<b>Changes in working capital:</b>		
(Increase) in inventories	(3 528)	(6 025)
(Increase) / Decrease in accounts receivable	(3 039)	129
(Decrease) / Increase in accounts payable	(1 719)	5 673
<b>Cash flows from operating activities</b>	<b>9 397</b>	<b>10 782</b>
Interest and arrangements of borrowing paid	(2 350)	(1 775)
Income tax paid	(901)	(444)
<b>Net cash flow from operating activities</b>	<b>6 146</b>	<b>8 563</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-controlling interest and subsidiaries	(37)	(1 063)
Proceeds from sale of Disposal group	-	139
Acquisition of PPE and intangible assets, net of VAT	(3 391)	(2 319)
Disposal of PPE and intangible assets	3 072	245
<b>Net cash flow from investing activities</b>	<b>(356)</b>	<b>(2 998)</b>
<b>Cash flows from financing activities</b>		
(Repurchase) / sale of treasury shares, net	(6 692)	3 984
Payment of dividends	(2 642)	(2 077)
Payment of lease liabilities	(2 078)	(1 724)
Loans received and bonds issued	18 418	33 453
Loans and bonds repaid	(9 267)	(34 379)
<b>Net cash flow from financing activities</b>	<b>(2 261)</b>	<b>(743)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3 529</b>	<b>4 822</b>
Cash and cash equivalents at beginning of the year	9 712	4 890
<b>Cash and cash equivalents at end of the year</b>	<b>13 241</b>	<b>9 712</b>