



PRESS RELEASE

March 14, 2024

Financial Results for 2023

Novabev Group (MOEX: BELU), the leading alcohol company in Russia, announces the IFRS consolidated financial results for 2023: revenue increased by 20% to 116.9 billion rubles, gross profit grew by 13% to 43.3 billion rubles, EBITDA showed +11% dynamics and amounted to 19.3 billion rubles, net income decreased slightly by 4% to 8.1 billion rubles. When eliminating one-time income and expenses in 2022 and 2023 that are not related to ordinary business activities, the dynamics of net profit for 2023 will be positive.

Financial highlights and main corporate events:

	2023
Sales in volume terms (million 9L cases)	18.9 (+1%)
Revenue (mln rubles)	116,888 (+20%)
Gross profit (mln rubles)	43,270 (+13%)
Operating profit (mln rubles)	13,934 (+7%)
EBITDA (mln rubles)	19,284 (+11%)
Net income (mln rubles)	8,064 (-4%)
Earnings per share (rubles)	687 (+7%)

The successful focus of the business on the Russian market ensured stable results in 2023. Total sales increased by 1% and approached 19 million 9L cases. In Russia, the fastest growing own brands are Beluga, Orthodox, Snow Owl vodkas, Green Baboon gin and Tête de Cheval and Golubitskoe Estate wines, while the fastest growing imported brands are Barceló and Plantation rums, Noy Armenian brandy as well as the wine portfolio. All of these brands are in high-margin segments — premium and above — which has a positive impact on financial performance.

WineLab's own retail chain made a significant contribution to the year's results through further quantitative and qualitative development in priority regions. The scale increased by 23% over the year. Sales volume grew +35% and traffic +21%. Like-for-like sales were up



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11.9%, traffic was up 3.5% and average ticket was up 8.1%. Online sales through the click & collect system more than doubled and e-commerce accounted for 10% of chain's total sales. Delivery service and product availability have been significantly improved. The WinClub loyalty program was extended to all regions of WineLab's presence, the number of its members exceeded 7 million, and at the end of December the group's own retail chain was once again included in the top 3 chains with the best loyalty programs, according to the INFOLine agency.

In 2023, the focus was on distribution development, capacity expansion at a number of distilleries, productivity improvements, the introduction of new flavors in high-margin brand lines, and work on product quality, plant efficiency, workplace safety and retention of top talent.

The Board of Directors pays attention to the investment attractiveness of the company. In accordance with the policy, dividends have been paid for 2022 and interim dividends for the first half and third quarter of 2023.

In March, Expert RA Agency confirmed the company's credit rating at the level of ruAA- with a stable outlook.

The company continues to adapt to new market realities and evolve in a highly competitive environment. Due to its strategic vision, innovative approaches, established partnerships and, of course, an efficient team led by experienced top management, Novabev Group remains a key player in the industry. In 2024 there are new challenges, perspectives and goals. The group's activities will be focused on launching innovative products and services, developing retail and e-commerce, improving customer service and strengthening its position in the country.

FINANCIAL REVIEW

Financial performance and operations results

The table shows the company's consolidated financial results for 2023 as compared to 2022. (In millions of rubles, except for those indicators where another measurement is specified)

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	2023	2022	Change
Sales, mln 9L cases	18.9	18,7	+1%
Sales, excise included	149,151	127,527	+17%
Revenue	116,888	97,316	+20%
COGS	(73,618)	(58,902)	+25%
Gross profit	43,270	38,414	+13%
General and administrative expenses	(5,224)	(5,030)	+4%
Distribution expenses	(23,961)	(20,055)	+19%
EBITDA	19,284	17,356	+11%
Operating profit	13,934	13,055	+7%
Net finance costs	(3,528)	(3,530)	(0%)
Net profit	8,064	8,442	(4%)
Earnings per share, rubles	687.24	645.04	+7%
Gross profit margin			(2.5
	37.0%	39.5%	p.p.)
EBITDA margin			(1.3
	16.5%	17.8%	p.p.)
Operating profit margin			(1.5
	11.9%	13.4%	p.p.)
Net profit margin			(1.8
	6.9%	8.7%	p.p.)

The key drivers of revenue growth were increased sales of brands from the premium and premium+ segments in Russia, the focus on further strengthening of the premium import portfolio as well as the expansion of WineLab's own retail chain, which grew by +35%.

Despite the exceptional 2022 financial results, EBITDA increased by 11% to an all-time high of 19.3 billion rubles in the reporting period, while EBITDA margin at 16.5% was slightly below the 2022 record and closer to the target level, which is more sustainable in the medium term.



Net profit for 2023 amounted to 8.1 billion rubles, which is slightly lower than the previous year's figure. At the same time, excluding one-time income and expenses in 2022 and 2023, the dynamics of the net profit for 2023 remained positive: +14%.

Segment reporting

The table below illustrates the changes in financial indicators by segment for 2023 compared to 2022.

Mln rubles	Alcohol	Retail	Products
Revenue 2023, including intersegment	74,310	67,918	5,129
Revenue 2022, including intersegment	62,787	50,383	4,748
Change	+18%	+35%	+8%
EBITDA 2023	10,774	8,206	434
EBITDA 2022	10,752	6,899	265
Change	+0%	+19%	+64%

Financial debt

The table below illustrates the changes in the company's debt structure as of December 31, 2023 compared to the prior period.

(In millions of rubles, except for those indicators where another measurement is specified)

	31.12.2023	31.12.2022	Change
Long-term loans and bonds	11,385	16,934	(33%)
Long-term lease liabilities	14,623	9,762	+50%
Short-term loans and bonds	6,192	8,655	(28%)
Short-term lease liabilities	3,330	2,721	+22%
Total debt	35,530	38,072	(7%)
Cash and cash equivalents	(3,423)	(13,241)	(74%)
Total net debt	32,107	24,831	+29%
EBITDA (for the last 12 months)	19,284	17,356	+11%
Net debt / EBITDA	1.66x	1.43x	+0.23x
Share of long-term debt liabilities	65%	66%	-1 p.p.



Share of unsecured debt liabilities	100%	100%	-
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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 stands at 1.66x, the weighted average interest rate across the loan portfolio as of December 31, is 9.57% against 8.64% a year earlier. The increase in debt is associated with the rise of lease liabilities, which is a result of the quantitative growth of the WineLab chain.

Operating cash flow

Net operating cash flow amounted to 6.7 billion rubles, which is 10% higher than in 2022. The company's strong free cash flow generation was driven by high operating profit, as well as more efficient working capital management compared to the previous year.

About the Company

Novabev Group is Russian alcohol company. 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), Orthodox, 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.

Novabev Group's spirits 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, Gérard Bertrand, Faustino, Cono Sur, Maison Calvet, Piccini, Markus Molitor, JP. Chenet, Concha y Toro, Champagne Pommery, Barton & Guestier and Casa Zonin. Novabev Group is also the exclusive distributor of the Austrian premium glassware manufacturer RIEDEL.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>2023</u>	<u>2022</u>
Sales, net of VAT	149 151	127 527
Excise duties	(32 263)	(30 211)
Revenue	116 888	97 316
Cost of sales	(73 618)	(58 902)
Gross profit	43 270	38 414
General and administrative expenses	(5 224)	(5 030)
Distribution expenses	(23 961)	(20 055)
Other income/(expenses)	(151)	(274)
Operating profit	13 934	13 055
Disposal and impairment of trademarks	(286)	1 125
Net finance costs	(3 528)	(3 530)
Profit before tax	10 120	10 650
Income tax	(2 056)	(2 208)
Net income and total comprehensive income for the period	8 064	8 442
Attributable to		
Equity holders of NovaBev Group, PJSC	8 029	8 439
Non-controlling interest	35	3
Basic earnings per share, RUB	687.24	645.04



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2023	31 December 2022
ASSETS		
Non-current assets		
Property, plant and equipment	29 662	24 094
Intangible assets	6 788	7 108
Goodwill	3 633	3 633
Other long-term assets	778	773
Deferred tax assets	1 525	1 403
Total non-current assets	42 386	37 011
Current assets		
Inventories	29 641	25 048
Trade and other receivables	19 318	15 907
Prepayments	1 182	1 887
Income tax prepayment	294	45
Cash and cash equivalents	3 423	13 241
Total current assets	53 858	56 128
TOTAL ASSETS	96 244	93 139
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	1 580	1 580
Treasury shares	(357)	(455)
Share premium and other reserves	5 192	549
Retained earnings	19 891	23 447
Total equity attributable to shareholders of NovaBev Group, PJSC	26 306	25 121
Non-controlling interest	291	268
Total equity and reserves	26 597	25 389
Non-current liabilities		
Long-term Loans and bonds	11 385	16 934
Long-term lease liabilities	14 623	9 762
Deferred tax liabilities	3 225	2 418
Total non-current liabilities	29 233	29 114
Current liabilities		
Short-term loans and bonds	6 192	8 655
Short-term lease liabilities	3 330	2 721
Trade and other payables	29 957	26 057
Income tax payable	935	1 203
Total current liabilities	40 414	38 636
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	96 244	93 139



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of NovaBev Group, PJSC				Total	Non- controlling interest	Total equity and reserves
	Share capital	Treasur y shares	Share premium and other reserves	Retained earnings			
Balance at 1 January 2023	1 580	(455)	549	23 447	25 121	268	25 389
Dividends	-	-	-	(11 585)	(11 585)	(12)	(11 597)
Share-based payments, payable	-	3	(3)	-	-	-	-
Provision for share-based payments	-	-	147	-	147	-	147
Repurchase and sale of treasury shares	-	95	4 499	-	4 594	-	4 594
Total transactions with shareholders	-	98	4 643	(11 585)	(6 844)	(12)	(6 856)
Net income for the period	-	-	-	8 029	8 029	35	8 064
Balance at 31 December 2023	1 580	(357)	5 192	19 891	26 306	291	26 597

	Equity attributable to shareholders of NovaBev Group, PJSC				Total	Non- controlling interest	Total equity and reserves
	Share capital	Treasur y shares	Share premium and other reserves	Retained earnings			
Balance at 1 January 2022	1 580	(206)	6 758	17 650	25 782	302	26 084
Acquisition of non-controlling interest	-	-	-	-	-	(18)	(18)
Dividends	-	-	-	(2 642)	(2 642)	(19)	(2 661)
Share-based payments, 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)
Total transactions with shareholders	-	(249)	(6 209)	(2 642)	(9 100)	(37)	(9 137)
Net income for the period	-	-	-	8 439	8 439	3	8 442
Balance at 31 December 2022	1 580	(455)	549	23 447	25 121	268	25 389

**CONSOLIDATED CASH FLOW STATEMENT**

	2023	2022
Cash flows from operating activities		
Operating profit	13 934	13 055
Adjustments:		
Depreciation and amortisation	5 350	4 301
(Income) / Loss on disposal of property, plant and equipment	(191)	107
Share-based payments	147	147
Other non-cash transactions	571	73
Changes in working capital:		
(Increase) in inventories	(5 001)	(3 528)
(Increase) in accounts receivable	(3 708)	(3 039)
Increase / (Decrease) in accounts payable	1 830	(1 719)
Cash flows from operating activities	12 932	9 397
Interest and arrangements of borrowing paid	(3 607)	(2 350)
Income tax paid	(2 589)	(901)
Net cash flow from operating activities	6 736	6 146
Cash flows from investing activities		
Acquisition of non-controlling interest and subsidiaries	-	(37)
Acquisition of PPE and intangible assets, net of VAT	(2 982)	(3 391)
Disposal of PPE and intangible assets	120	3 072
Net cash flow from investing activities	(2 862)	(356)
Cash flows from financing activities		
Sale / (Repurchase) of treasury shares, net	6 223	(6 692)
Payment of dividends	(9 289)	(2 642)
Payment of lease liabilities	(2 608)	(2 078)
Loans received and bonds issued	12 474	18 418
Loans and bonds repaid	(20 492)	(9 267)
Net cash flow from financing activities	(13 692)	(2 261)
Net (decrease)/increase in cash and cash equivalents	(9 818)	3 529
Cash and cash equivalents at beginning of the year	13 241	9 712
Cash and cash equivalents at end of the year	3 423	13 241