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PJSC BELUGA GROUP

**CONSOLIDATED INTERIM CONDENSED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 JUNE 2021**

**MOSCOW 2021**

## CONTENTS

Report on review of consolidated interim condensed financial statements _____	3
Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income _____	5
Consolidated Interim Condensed Statement of Financial Position _____	6
Consolidated Interim Condensed Statement of Changes in Equity _____	7
Consolidated Interim Condensed Cash Flow Statement _____	8
1. Reporting entity _____	9
2. Basis of preparation and accounting policies _____	9
3. Seasonality _____	10
4. Fair value of financial instruments _____	10
5. Property, plant and equipment _____	11
6. Leases _____	11
7. Other long-term assets _____	12
8. Intangible assets _____	13
9. Inventories _____	14
10. Trade and other receivables _____	14
11. Assets held for sale _____	14
12. Cash and cash equivalents _____	14
13. Equity and reserves _____	14
14. Bonds _____	15
15. Trade and other payables _____	15
16. Revenue _____	15
17. Cost of sales _____	16
18. General and administration expenses _____	16
19. Distribution expenses _____	16
20. Net finance costs _____	16
21. Income tax _____	17
22. Earnings per share _____	17
23. Discontinued operations _____	17
24. Segment reporting _____	18
25. Business combinations _____	19
26. Related party transactions _____	19
27. Contingencies and commitments _____	20
28. Events after the reporting period _____	21

## REPORT ON REVIEW OF CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

### *To the Shareholders and Board of Directors of PJSC Beluga Group*

#### Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of PJSC "Beluga Group" (Public joint-stock company Beluga Group) (the "Company") and its subsidiaries (hereinafter referred to as the "Group") as at 30 June 2021, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes (the "consolidated interim condensed financial statements"). Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

The engagement partner on the review resulting in this report



**D.V. Dogdanov**

Power of Attorney No. 16-17/21-8  
dated 11.01.2021

**18 August 2021**



## Information about the audited entity

**Name:** PJSC “Beluga Group” (Public joint-stock company Beluga Group).

**Basic state registration number** 1047796969450.

**Address:** 40A, Proletarskaya str., Zvenigorod, Russia, 143180.

## Information about the independent auditor

**Name:** Crowe CRS Russaudit, LLC.

**Principal state registration number:** 1037700117949.

**Address:** Office 8, Bl 8, 5a, Novodmitrovskaya st., Moscow 127015 Russia.

**Telephone:** (495) 783-88-00.

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Member of Self-regulatory organization of auditors Association “Sodruzhestvo”.

PNRE 11606048583.


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

	Note	Six months ended 30 June	
		2021	2020 *
Revenue		42 784	37 165
Excise duties		(12 032)	(11 536)
<b>Net revenue</b>	16	<b>30 752</b>	<b>25 629</b>
Cost of sales	17	(19 624)	(16 452)
<b>Gross profit</b>		<b>11 128</b>	<b>9 177</b>
General and administrative expenses	18	(1 796)	(1 468)
Distribution expenses	19	(6 783)	(5 201)
Other income/(expense)		(126)	(205)
<b>Operating profit</b>		<b>2 423</b>	<b>2 303</b>
Net finance costs	20	(1 007)	(1 587)
<b>Profit before tax</b>		<b>1 416</b>	<b>716</b>
Income tax	21	(250)	(109)
<b>Net income, continuing operations</b>		<b>1 166</b>	<b>607</b>
Discontinued operations, loss	23	(16)	(147)
<b>Net income and total comprehensive income for the period</b>		<b>1 150</b>	<b>460</b>
Attributable to:			
Equity holders of the Company		1 144	450
Non-controlling interest		6	10
<b>Basic earnings per share, RUB</b>	22	<b>93.47</b>	<b>35.76</b>

*Notes to the consolidated interim condensed financial statements on pages 9 to 21 are an integral part of these consolidated interim condensed financial statements*

\* Incomes and expenses of Discontinued operations (Note 23) were excluded from corresponding lines of comparative information for the sixth months ended 30 June 2020 and presented in "Discontinued operations, loss" line

Mechetin A.A., Chairman of Management Board



18 August 2021

## CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5, 6	13 839	12 880
Intangible assets	8	10 129	10 071
Goodwill		3 633	3 511
Other long-term assets	7	328	289
Deferred tax assets		1 686	1 595
<b>Total non-current assets</b>		<b>29 615</b>	<b>28 346</b>
<b>Current assets</b>			
Inventories	9	19 149	16 486
Trade and other receivables	10	8 626	12 520
Prepayments		571	550
Income tax prepayment		121	157
Assets held for sale	11	13	-
Cash and cash equivalents	12	6 189	4 890
<b>Total current assets</b>		<b>34 669</b>	<b>34 603</b>
Assets of Disposal group classified as held for sale	23	-	581
<b>TOTAL ASSETS</b>		<b>64 284</b>	<b>63 530</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Share capital	13	1 580	1 580
Treasury shares	13	(206)	(347)
Share premium	13	6 764	2 915
Retained earnings		15 972	15 903
<b>Total equity attributable to shareholders of PJSC Beluga Group</b>		<b>24 110</b>	<b>20 051</b>
Non-controlling interest		278	294
<b>Total equity and reserves</b>		<b>24 388</b>	<b>20 345</b>
<b>Long-term liabilities</b>			
Bonds	14	14 867	16 487
Long-term lease liabilities	6	2 123	1 735
Deferred tax liabilities		1 513	1 298
<b>Total long-term liabilities</b>		<b>18 503</b>	<b>19 520</b>
<b>Current liabilities</b>			
Bonds	14	1 616	808
Lease liabilities	6	1 622	1 429
Trade and other payables	15	17 448	20 262
Income tax payable		707	707
<b>Total current liabilities</b>		<b>21 393</b>	<b>23 206</b>
Liabilities of Disposal group classified as held for sale	23	-	459
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>64 284</b>	<b>63 530</b>

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Mechetin A.A., Chairman of Management Board



18 August 2021

## 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		
<b>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	-	-	-	-	-	(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 (Note 13)	-	200	5 032	-	5 232	-	5 232
<b>Total transactions with shareholders</b>	<b>-</b>	<b>141</b>	<b>3 849</b>	<b>(1 075)</b>	<b>2 915</b>	<b>(22)</b>	<b>2 893</b>
Net income for the period				1 144	1 144	6	1 150
<b>30 June 2021</b>	<b>1 580</b>	<b>(206)</b>	<b>6 764</b>	<b>15 972</b>	<b>24 110</b>	<b>278</b>	<b>24 388</b>

	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		
<b>1 January 2020</b>	<b>1 940</b>	<b>(669)</b>	<b>3 339</b>	<b>14 222</b>	<b>18 832</b>	<b>1 201</b>	<b>20 033</b>
Acquisition of non-controlling interest	-	-	-	-	-	(245)	(245)
Dividends	-	-	-	(401)	(401)	-	(401)
Cancellation of treasury shares	(360)	360	-	-	-	-	-
Repurchase of treasury shares	-	(29)	(320)	-	(349)	-	(349)
<b>Total transactions with shareholders</b>	<b>(360)</b>	<b>331</b>	<b>(320)</b>	<b>(401)</b>	<b>(750)</b>	<b>(245)</b>	<b>(995)</b>
Net income for the period	-	-	-	450	450	10	460
<b>30 June 2020</b>	<b>1 580</b>	<b>(338)</b>	<b>3 019</b>	<b>14 271</b>	<b>18 532</b>	<b>966</b>	<b>19 498</b>

Notes to the consolidated interim condensed financial statements on pages 9 to 21  
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**CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT**

	Note	Six months ended 30 June	
		2021	2020
<b>Cash flows from operating activities</b>			
Operating profit, continuing operations		2 423	2 303
Operating loss, discontinued operations		(16)	(136)
<b>Adjustments:</b>			
Depreciation and amortisation	17, 18, 19	1 278	1 158
(Gain)/Loss on disposal of property, plant and equipment		(2)	5
(Gain) on sale of Disposal group	23	(24)	-
Other non-cash transactions		92	148
<b>Changes in working capital:</b>			
(Increase) in inventories		(2 744)	(2 754)
Decrease in accounts receivable and prepayments		4 214	2 132
(Decrease) in accounts payable		(3 110)	(2 377)
<b>Cash flows from operating activities</b>		<b>2 111</b>	<b>479</b>
Interest and arrangements of borrowing paid		(961)	(1 124)
Income tax paid		(97)	(148)
<b>Net cash flow from operating activities</b>		<b>1 053</b>	<b>(793)</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries and non-controlling interest	25	(542)	(361)
Proceeds from sale of Disposal group	23	139	-
Acquisition of property, plant and equipment and intangible assets		(635)	(459)
Disposal of property, plant and equipment and intangible assets		10	2
<b>Net cash flow from investing activities</b>		<b>(1 028)</b>	<b>(818)</b>
<b>Cash flows from financing activities</b>			
Sale / (repurchase) of own shares, net		3 990	(349)
Dividends	13	(1 075)	(81)
Payments of lease liabilities	6	(807)	(684)
Loans received and bonds issued		13 288	22 925
Loans and bonds repaid		(14 122)	(18 268)
<b>Net cash flow from financing activities</b>		<b>1 274</b>	<b>3 543</b>
<b>Net increase in cash and cash equivalents</b>		<b>1 299</b>	<b>1 932</b>
Cash and cash equivalents at beginning of the year	12	4 890	1 085
<b>Cash and cash equivalents at end of the period</b>	12	<b>6 189</b>	<b>3 017</b>

*Notes to the consolidated interim condensed financial statements on pages 9 to 21 are an integral part of these consolidated interim condensed financial statements*



## 1. REPORTING ENTITY

PJSC “Beluga Group” (hereinafter referred to as the “Company”) is domiciled in Russia as a Public Joint-Stock Company under the laws of the Russian Federation. The address of the Company’s office is 4, Yakimanskaya quay, bldg. 1, Moscow, Russia, 119180, legal address: 40A, Proletarskaya str., Zvenigorod, Russia, 143180.

The consolidated interim condensed financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The Group primarily is involved in the production of distilled alcohol and food products and operation of wholesale and retail business thereof. The Group’s production of distilled alcohol and food products are located in the Russian Federation.

Information about the Group’s principal subsidiaries is provided below:

	30 June 2021		31 December 2020	
	Group's voting power, %	Group's effective ownership, %	Group's voting power, %	Group's effective ownership, %
<b>Alcohol production and distribution</b>				
Arkhangelsk distillery	99%	99%	99%	99%
Mariinsk Distillery	100%	100%	100%	100%
Bastion	99%	99%	99%	99%
Ussuriysky Balsam	91%	91%	89%	89%
Georgievsky	100%	100%	100%	100%
Golubitskoe Estate	100%	100%	100%	100%
Chugunovsky plant	88%	88%	-	-
Beluga Brands	100%	100%	100%	100%
Beluga Market Arkhangelsk	100%	100%	100%	100%
Beluga Market Vostok	100%	95%	100%	95%
Synergy Import	100%	100%	100%	100%
Beluga Market Khabarovsk	100%	95%	100%	95%
Beluga Market Vladivostok	100%	98%	100%	97%
Beluga Market Perm	100%	100%	100%	100%
Beluga Market	100%	100%	100%	100%
Beluga Market West	100%	100%	100%	100%
Beluga Vodka International Limited	100%	100%	100%	100%
<b>Retail</b>				
Winelab and it's subsidiaries	100%	100%	100%	100%
<b>Food production and distribution</b>				
DAKGOMZ	99%	99%	99%	99%
Nahodkinsky meat-processing plant	97%	97%	96%	96%
RodStor Group	100%	100%	100%	100%

All companies listed in the table above are registered in Russian Federation except for Beluga Vodka International Limited that is registered in the Republic of Cyprus.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated interim condensed financial statements of the Group for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The consolidated interim condensed financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2020.

The accounting policies and significant judgments and estimates applied therein are consistent with those of the Group’s consolidated financial statements for the year ended 31 December 2020.

### 3. SEASONALITY

The sales of distilled spirits are a subject to seasonal fluctuations. In general approximately 40% of annual sales fall for the first half of the year and around 60% of sales – to second half of the year. The highest peak in sales of distilled spirits falls the fourth quarter (in particular for November – December) of the year and the lowest peak in sales falls for first quarter.

Seasonal factor in sales of milk and meat products is insignificant.

### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price. The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Bonds are measured at amortised cost (Level 2 of the fair value measurement hierarchy) less amortised issue costs. Carrying value of bonds as of 30 June 2021 and 31 December 2020 approximates their fair values.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value. Management has used all available market information in estimating the fair value of financial instruments.

#### ***Financial assets carried at amortised cost***

The carrying amounts of trade receivables approximate their fair values. Their fair values are within level 3 of the fair value hierarchy.

#### ***Liabilities carried at amortised cost***

The fair value is based on quoted market prices, if available. The estimated fair values of fixed interest rate instruments with a stated maturity, for which quoted market prices were not available, were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings, vineyards	Right-of-use assets	Production and Retail equipment	Vehicles, office equipment	Assets under construction	Total
<b>Cost</b>						
<b>1 January 2021</b>	<b>7 094</b>	<b>4 983</b>	<b>6 258</b>	<b>1 148</b>	<b>797</b>	<b>20 280</b>
Additions through business combinations (Note 25)	176	-	222	3	-	401
Additions	329	1 286	348	96	(170)	1 889
Disposals	(36)	(37)	(123)	(34)	-	(230)
<b>30 June 2021</b>	<b>7 563</b>	<b>6 232</b>	<b>6 705</b>	<b>1 213</b>	<b>627</b>	<b>22 340</b>
<b>Depreciation</b>						
<b>1 January 2021</b>	<b>1 435</b>	<b>2 100</b>	<b>3 149</b>	<b>716</b>	-	<b>7 400</b>
Charge for the period	100	648	405	77	-	1 230
Disposals	(22)	-	(78)	(29)	-	(129)
<b>30 June 2021</b>	<b>1 513</b>	<b>2 748</b>	<b>3 476</b>	<b>764</b>	-	<b>8 501</b>
<b>Carrying amount</b>						
<b>1 January 2021</b>	<b>5 659</b>	<b>2 883</b>	<b>3 109</b>	<b>432</b>	<b>797</b>	<b>12 880</b>
<b>30 June 2021</b>	<b>6 050</b>	<b>3 484</b>	<b>3 229</b>	<b>449</b>	<b>627</b>	<b>13 839</b>
<b>Cost</b>						
	Land and buildings, vineyards	Right-of-use assets	Production and Retail equipment	Vehicles, office equipment	Assets under construction	Total
<b>1 January 2020</b>	<b>7 777</b>	<b>4 258</b>	<b>6 381</b>	<b>1 199</b>	<b>923</b>	<b>20 538</b>
Additions	87	344	221	113	(93)	672
Transfers	(191)	-	191	-	-	-
Disposals	(1)	(22)	(91)	(105)	-	(219)
<b>30 June 2020</b>	<b>7 672</b>	<b>4 580</b>	<b>6 702</b>	<b>1 207</b>	<b>830</b>	<b>20 991</b>
<b>Depreciation</b>						
<b>1 January 2020</b>	<b>1 698</b>	<b>957</b>	<b>3 248</b>	<b>750</b>	-	<b>6 653</b>
Charge for the period	82	551	399	78	-	1 110
Disposals	(1)	-	(57)	(96)	-	(154)
<b>30 June 2020</b>	<b>1 779</b>	<b>1 508</b>	<b>3 590</b>	<b>732</b>	-	<b>7 609</b>
<b>Carrying amount</b>						
<b>1 January 2020</b>	<b>6 079</b>	<b>3 301</b>	<b>3 133</b>	<b>449</b>	<b>923</b>	<b>13 885</b>
<b>30 June 2020</b>	<b>5 893</b>	<b>3 072</b>	<b>3 112</b>	<b>475</b>	<b>830</b>	<b>13 382</b>

Cost of property, plant and equipment with zero carrying value at 30 June 2021 amounted to ₹1,907 mln (31 December 2020 – ₹1,850 mln).

## 6. LEASES

The right-of-use assets mainly comprise premises and buildings lease contracts.

Movements in the carrying amount of right-of-use assets and lease liabilities for the six months ended 30 June 2021:

	Right-of-use assets	Lease liabilities
<b>As of 1 January</b>	<b>2 883</b>	<b>3 164</b>
Depreciation charge for the period	(648)	-
Additions	1 286	1 286
Disposals	(37)	(43)
Interest expense	-	145
Lease payment	-	(807)
<b>As of 30 June</b>	<b>3 484</b>	<b>3 745</b>

Lease liabilities comprise current and non-current:

	30 June 2021	31 December 2020
Long-term	2 123	1 735
Short-term	1 622	1 429
<b>Total lease liability</b>	<b>3 745</b>	<b>3 164</b>

Movements in the carrying amount of right-of-use assets and lease liabilities for the six months ended 30 June 2020:

	Right-of-use assets	Lease liabilities
<b>As of 1 January</b>	<b>3 301</b>	<b>3 558</b>
Depreciation charge for the period	(551)	-
Additions	344	344
Disposals	(22)	(20)
Interest expense	-	165
Lease payment	-	(684)
<b>As of 30 June</b>	<b>3 072</b>	<b>3 363</b>

Lease liabilities comprise current and non-current:

	30 June 2020	1 January 2020
Long-term	2 000	2 326
Short-term	1 363	1 232
<b>Total lease liability</b>	<b>3 363</b>	<b>3 558</b>

## 7. OTHER LONG-TERM ASSETS

Other long-term assets include prepayments for acquisition of property, plant and equipment in the amount of ₹128mIn, other long-term accounts receivable in the amount of ₹200mIn (as of 31 December 2020 – ₹89mIn and ₹200mIn respectively).

**8. INTANGIBLE ASSETS**

	Software, patents, licenses and others	Brands	Total
<b>Cost</b>			
<b>1 January 2021</b>	<b>1 211</b>	<b>9 681</b>	<b>10 892</b>
Additions through business combinations (Note 25)	5	–	5
Additions	121	5	126
Disposals	(5)	–	(5)
<b>30 June 2021</b>	<b>1 332</b>	<b>9 686</b>	<b>11 018</b>
<b>Amortisation and impairment</b>			
<b>1 January 2021</b>	<b>757</b>	<b>64</b>	<b>821</b>
Charge for the period	71	–	71
Disposals	(3)	–	(3)
<b>30 June 2021</b>	<b>825</b>	<b>64</b>	<b>889</b>
<b>Net book value</b>			
<b>1 January 2021</b>	<b>454</b>	<b>9 617</b>	<b>10 071</b>
<b>30 June 2021</b>	<b>507</b>	<b>9 622</b>	<b>10 129</b>
<b>2020</b>			
	Software, patents, licenses and others	Brands	Total
<b>Cost</b>			
<b>1 January 2020</b>	<b>1 383</b>	<b>9 647</b>	<b>11 030</b>
Additions	84	5	89
Disposals	(1)	–	(1)
<b>30 June 2020</b>	<b>1 466</b>	<b>9 652</b>	<b>11 118</b>
<b>Amortisation and impairment</b>			
<b>1 January 2020</b>	<b>952</b>	<b>61</b>	<b>1 013</b>
Charge for the period	81	–	81
Disposals	(1)	–	(1)
<b>30 June 2020</b>	<b>1 032</b>	<b>61</b>	<b>1 093</b>
<b>Net book value</b>			
<b>1 January 2020</b>	<b>431</b>	<b>9 586</b>	<b>10 017</b>
<b>30 June 2020</b>	<b>434</b>	<b>9 591</b>	<b>10 025</b>

Principal vodka brands are: Beluga, Myagkov, Belenkaya, Russian Ice, Tsar, Arkhangelskaya, White owl. Principal brandy brands are Bastion, Zolotoy Rezerv, Staraya Gvardia, Kamenniy Lev. Principal bitter brands are: Doctor August, Captain's and Beluga Hunting. Principal wine brands: Golubitskoe Estate and Tet de Cheval.

Acquired brands are stated at fair value at the acquisition date. Most of brands are regarded as having indefinite useful lives and therefore are tested for impairment annually. Brands having finite useful life are amortised on the same basis as other intangible assets. Internally generated brands are not capitalised within the consolidated statement of financial position in accordance with the Group's accounting policies.

## 9. INVENTORIES

	30 June 2021	31 December 2020
Finished product and goods	15 270	12 707
Raw materials	3 413	3 327
Work-in-progress	466	452
<b>Total inventories</b>	<b>19 149</b>	<b>16 486</b>

## 10. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020
Trade accounts receivable	4 238	10 149
Provision for impairment of trade accounts receivable	(48)	(48)
Other accounts receivable, including VAT and other tax prepayments	4 436	2 419
<b>Total trade and other account receivable</b>	<b>8 626</b>	<b>12 520</b>

## 11. ASSETS HELD FOR SALE

Assets held for sale include buildings in Ussuriysk city. Previously, these facilities were used for the production of products, but the activities were transferred to other production facilities of the Group.

The Group intends to sell these assets within 12 months from the reporting date.

## 12. CASH AND CASH EQUIVALENTS

	30 June 2021	31 December 2020
Cash in banks, nominated in RUB	5 681	2 769
Cash in banks, nominated in USD	110	1 434
Cash in banks, nominated in EUR	268	241
Cash in transit	105	418
Cash on hand	25	28
<b>Total cash and cash equivalents</b>	<b>6 189</b>	<b>4 890</b>

## 13. EQUITY AND RESERVES

### Share capital

Share capital is the authorised capital of the parent company.

The Company's ordinary shares are admitted to trading on the Moscow Exchange (MOEX) under the ticker symbol BELU.

As of 30 June 2021 and 31 December 2020 total quantity of issued shares of the Company amounted to 15,800 thousand ordinary shares of ₴100 each at par.

### Secondary public offering

In June 2021, the Group placed 2,000 thousand shares of PJSC "Beluga Group" in a secondary public offering. Own shares previously purchased from shareholders were used for the placement. The offer price was RUR 2,800 per share.

Results of the offering are shown in the consolidated interim condensed statement of changes in equity net of Joint Global Coordinators and Joint Bookrunners.

### Treasury shares

Own shares are recognized in the consolidated interim condensed statement of financial position at nominal value ₱100 per share. The excess of the value of shares over the nominal value is recognised in the consolidated interim condensed statement of financial position in the share premium.

### Share premium

Share premium is recognised at IPO and SPOs. Share premium changes as a result of sale or purchase of own shares in amount of excess of transaction price over nominal value of shares.

### Dividends

In the reporting period, the Company declared dividends in the amount of ₱90 per share based on financial year 2020 results. Payments amounted to ₱1,075 mln (net, less dividends attributable to treasury shares held by the Group).

## 14. BONDS

	30 June 2021	31 December 2020
Bonds, long-term part	14 867	16 487
Bonds, short-term part	1 616	808
<b>Total bonds</b>	<b>16 483</b>	<b>17 295</b>

As of the end of the reporting period the weighted average annual interest rate was 8.49% (as of 31 December 2020 – 8.66%).

The maturity of bonds is as follows:

	30 June 2021	31 December 2020
On demand or within one year	1 616	808
Between the first and second year	2 469	4 083
Between the second and fifth year	12 398	12 404
<b>Total bonds</b>	<b>16 483</b>	<b>17 295</b>

The Company has been assigned a Long-term Issuer Default Rating (IDR) of “BB-” by Fitch ratings agency.

Unutilised credit facilities as at 30 June 2021 amounted to ₱16,800 mln (at 31 December 2020 – ₱19,050 mln).

## 15. TRADE AND OTHER PAYABLES

	30 June 2021	31 December 2020
Trade payables	11 090	13 389
Excises, VAT and other taxes payable	3 963	4 940
Other payables	2 325	1 866
Advances received	70	67
<b>Total trade and other payables</b>	<b>17 448</b>	<b>20 262</b>

## 16. REVENUE

	Six months ended 30 June	
	2021	2020
Sales	50 819	44 526
Value added tax	(8 035)	(7 361)
Excise duties	(12 032)	(11 536)
<b>Total revenue</b>	<b>30 752</b>	<b>25 629</b>

## 17. COST OF SALES

	Six months ended 30 June	
	2021	2020
Materials, supplies and goods	18 515	15 434
Wages and salaries	535	504
Depreciation and amortisation	253	226
Fuel and power	143	135
Other costs	178	153
<b>Total cost of sales</b>	<b>19 624</b>	<b>16 452</b>

## 18. GENERAL AND ADMINISTRATION EXPENSES

	Six months ended 30 June	
	2021	2020
Wages and salaries	1 191	988
Bank services, information and consulting services, insurance, security	298	249
Sundry taxes	70	46
Depreciation and amortisation	54	53
Rent	32	27
Other expenses	151	105
<b>Total general and administrative expenses</b>	<b>1 796</b>	<b>1 468</b>

## 19. DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2021	2020
Wages and salaries	2 762	2 668
Advertising, promotion, transportation	2 456	1 053
Depreciation and amortisation	971	856
Materials and packaging	150	166
Rent	31	88
Other expenses	413	370
<b>Total distribution expenses</b>	<b>6 783</b>	<b>5 201</b>

## 20. NET FINANCE COSTS

	Six months ended 30 June	
	2021	2020
Net interest on bank loans and bonds	918	1 059
Interest expense on lease liabilities	145	167
Costs of arrangement of borrowings, including cost of bank guarantees	61	41
Net currency exchange differences (income)/loss	(117)	320
<b>Total net finance costs</b>	<b>1 007</b>	<b>1 587</b>



## 21. INCOME TAX

	Six months ended 30 June	
	2021	2020
Current income tax, charge	(219)	(83)
Prior periods adjustments	74	114
<b>Total current income tax</b>	<b>(145)</b>	<b>31</b>
Deferred income tax	(105)	(140)
<b>Total income tax</b>	<b>(250)</b>	<b>(109)</b>

Income tax rates applicable during the six months ended 30 June 2021 were as follows: the Russian Federation – 20%, Cyprus – 12.5%.

The tax on the Group's Profit before tax differs from the theoretical amount that would arise using the tax rates applicable to profits of the consolidated entities as follows:

	Six months ended 30 June	
	2021	2020
Profit before tax	1 418	716
<b>Tax calculated at 20%</b>	<b>(284)</b>	<b>(143)</b>
Effect of local tax rates different to 20%	71	11
Previous reporting period tax revised	(23)	25
Effect of expenses not deductible for tax purposes	(14)	(2)
<b>Total income tax</b>	<b>(250)</b>	<b>(109)</b>

## 22. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2021	2020
<b>Shares issued at 1 January, thousands</b>	<b>15 800</b>	<b>19 400</b>
Shares cancellation	-	(3 600)
Effect of own shares held	(3 561)	(3 216)
<b>Weighted average number of outstanding shares, thousands</b>	<b>12 239</b>	<b>12 584</b>

All shares are ordinary shares and there are no dilutive potential ordinary shares. Thus, the Group does not provide diluted earnings per share calculation.

	Six months ended 30 June	
	2021	2020
Profit attributable to equity holders	1 144	450
Weighted average number of ordinary shares in issue (thousands)	12 239	12 584
<b>Basic earnings per share, RUB</b>	<b>93.47</b>	<b>35.76</b>

## 23. DISCONTINUED OPERATIONS

In the reporting period the Group closed the deal to sale Mikhailovskaya Poultry Plant together with its owned PPZ Tsarevshchinsky-2 (hereinafter referred to as the "Disposal group").

Disposal group incurred a loss from operations in the amount of ₴16 mln (for the six months ended 30 June 2020 - ₴147mln), brought a profit on disposal of ₴24 mln and net cash inflow in the amount of ₴139 mln.

Assets and liabilities of the Disposal group are disclosed in the consolidated financial statements of the Group for the year ended 31 December 2020.

Comparative information in the consolidated interim condensed statement of profit or loss and other comprehensive income and related notes have been revised to exclude the performance of the Disposal Group.

## 24. SEGMENT REPORTING

The Group operates in three principal business segments, namely: Alcohol and distribution, Retail and Food production.

Financial results of the Group by operational segments for the 6 months ended 30 June 2021:

	Alcohol	Retail	Food	Intersegment	Consolidated
Sales, including VAT and excise	38 916	16 949	2 606	(7 653)	50 819
Net revenue	20 563	14 160	2 344	(6 315)	30 752
<b>Operating results</b>	<b>1 998</b>	<b>570</b>	<b>50</b>	<b>(195)</b>	<b>2 423</b>
Depreciation and impairment	585	648	45	-	1 278
<b>EBITDA by segments</b>	<b>2 583</b>	<b>1 218</b>	<b>95</b>	<b>(195)</b>	<b>3 701</b>

Financial results of the Group by operational segments for the 6 months ended 30 June 2020:

	Alcohol	Retail	Food	Intersegment	Consolidated
Sales, including VAT and excise	34 310	13 695	2 618	(6 097)	44 526
Net revenue	16 928	11 411	2 308	(5 018)	25 629
<b>Operating results</b>	<b>1 670</b>	<b>615</b>	<b>18</b>	<b>-</b>	<b>2 303</b>
Depreciation and impairment	529	560	46	-	1 135
<b>EBITDA by segments</b>	<b>2 199</b>	<b>1 175</b>	<b>64</b>	<b>-</b>	<b>3 438</b>

The comparative information for the six months ended June 30, 2020 is amended as follows:

- Discontinued operations were excluded from Food segment (Note 23);
- Other income and expenses that were previously presented on a consolidated basis are allocated by segments in these consolidated interim condensed financial statements.

Total assets and payments to acquire property, plant and equipment and intangible assets by segments:

	Alcohol	Retail	Food	Intersegment	Consolidated
CAPEX 1 half 2021	353	239	43	-	635
CAPEX 1 half 2020	309	106	44	-	459
Total assets:					
as of 30 June 2021	50 433	11 771	2 080	-	64 284
as of 31 December 2020	49 476	11 397	2 657	-	63 530
as of 30 June 2020	46 194	10 499	2 874	-	59 567

**25. BUSINESS COMBINATIONS**

In March 2021, the Group acquired 88.5% in Chugunovsky Ethanol Plant located in Nizhniy Novgorod region. The company is engaged in production of ethanol for the production of alcoholic beverages.

Fair value of assets is determined by the independent appraiser:

	<b>Fair value at acquisition date</b>
Property, plant and equipment	401
Intangible assets	5
Inventories	40
Net deferred tax liabilities	(21)
Accounts receivable / (payable), net	(28)
<b>Net assets of the acquired entity</b>	<b>398</b>
Non-controlling interest	(7)
<b>Total net assets acquired</b>	<b>391</b>
Purchase consideration, settled in cash	513
<b>Result arising on acquisition, accounted as Goodwill</b>	<b>122</b>

Financial results of the acquired company from the date of acquisition to 30 June 2021: revenue P164 mln, operating profit P31 mln.

During the six months ended 30 June 2020, the Group was not involved in business combinations, but made payments in amount of P361mln, including P137mln for acquired in 2018 Golubitskoe Estate and payment for acquisition of non-controlling interest in Habarovskiy Distillery in amount of P224 mln in 2020.

**26. RELATED PARTY TRANSACTIONS**

The ultimate controlling shareholder of the Group is Mechetin A.A.

Remuneration paid to key management personnel for the six months ended 30 June 2021 was P181 mln (for the six months ended 30 June 2020 – P141 mln).

The remuneration of directors and key executives is determined by labour contracts. Since the number of key management personnel, or their related parties, holds positions in other entities that results in them having control or significant influence over the financial or operating policies of these entities. A number of these entities held transactions with the Group in the reporting period.

The aggregate value of transactions and outstanding balances relating to related parties over which they have control or significant influence were as follows:

**Trade and financial transactions:**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
Sales of goods	27	38
Sales of services	-	45
Interest income on loans given	49	-
<b>Total sales of goods and services</b>	<b>76</b>	<b>83</b>

**Receivables and payables:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Accounts receivable and prepayments	2 161	1 167
Accounts payable	71	79

## 27. CONTINGENCIES AND COMMITMENTS

### Legal proceeding

During the reporting period the Group was involved in a number of legal disputes (both as plaintiff and defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material effect on the result of operations or financial position of the Group and which have not been recorded or disclosed in these consolidated interim condensed financial statements.

### Contractual commitments

As at 30 June 2021, the Group had no significant contractual commitments for the purchase or construction of property, plant and equipment.

### Insurance policies

Part of the Group's production facilities are adequately covered by insurance. The Group has not adequately insured business interruption, third party liability for damage to property and environment resulting from accidents involving the Group's property or connected with its operations. Until the Group ensures adequate insurance coverage there is a risk that losses incurred or property damage inflicted by the Group may have a significant effect on the Group's financial position and operations.

### Tax legislation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group companies may be challenged by the state authorities.

The Russian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged.

As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Group includes companies incorporated outside of Russia. Tax liabilities of the Group are determined on the assumptions that these companies are not subject to Russian profits tax because they do not have a permanent establishment in Russia. Russian tax laws do not provide detailed rules on taxation of foreign companies. It is possible that with the evolution of the interpretation of these rules and the changes in the approach of the Russian tax authorities, the non-taxable status of some or all of the foreign companies of the Group in Russia may be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the Group.

Russian tax legislation does not provide definitive guidance in certain areas. From time to time, the Group adopts interpretations of such uncertain areas that reduce the overall tax rate of the Group. As noted above, such tax positions may come under heightened scrutiny as a result of recent developments in administrative and court practices; the impact of any challenge by the tax authorities cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the Group.

### Operating environment

The Group's operations are primarily located in the Russian Federation. Its economy displays characteristics of an emerging market and is particularly sensitive to oil and gas prices. Tax, currency and customs legislation is subject to varying interpretations and contributes to the challenges faced by companies operating in the Russian Federation.

The recent political and economic turmoil witnessed in the region have had and may continue to have a negative impact on the Russian economy.

Management believes it is taking all necessary measures to support the sustainability of development of the Group's business in the current business and economic environment.

**COVID-19.** Management is monitoring the situation caused by Covid-19 (coronavirus) and takes necessary measures to ensure business continuity. The Group has not experienced business interruptions or supply chain disruptions due to the virus. The Group makes appropriate efforts to ensure

the safety of its employees and customers. The Group incurred expenses related to personal protective equipment for personnel responsible for maintaining business processes, as well as funds in the form of assistance in the purchase of necessary equipment and support of health systems in Arkhangelsk, Primorye, Moscow and the Moscow region. The Group follows official guidelines and continues to focus on managing operations in a rapidly changing environment.

## **28. EVENTS AFTER THE REPORTING PERIOD**

Group management is not aware of any significant events after the reporting period that would require recognition in the consolidated interim condensed financial statements or disclosure in the notes.