



Purcari Wineries Public Company Limited

INTERIM FINANCIAL REPORT

Including the Non-Audited, Interim Condensed Consolidated
Financial Statements for the nine-month period ended
30 September 2022

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2022
all amounts are in RON, unless stated otherwise

Name of the issuing entity: Purcari Wineries Public Company Limited

Social headquarters: 1 Lampousas Street, 1095 Nicosia, Cyprus

Fax number: +357 22 779939

Unique registration code: HE 201949

Registration number in the Trade Register: HE 201949

Issued share capital: 401,175 EUR

The regulated market on which the issued securities are traded: Bucharest Stock Exchange

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Note: These financial statements have been prepared in accordance with the international reporting standards adopted by the European Union ("IFRS").

Base of Reporting: According to Regulation C.N.V.M. no. 5/2018 on Issuers and Operations with Securities and Law 24/2017 on Issuers of Financial Instruments and Market Operations; according to Section 10 of the Cyprus Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended

I. Condensed Consolidated Interim Statement of Financial Position as at 30 September 2022

	Note	30 September 2022	31 December 2021	Variation
Assets				
Property, plant and equipment	3	190,992,642	167,171,497	14%
Intangible assets and goodwill	4	10,555,103	9,050,782	17%
Loan receivables	7	2,849,493	849,489	235%
Non-current receivables		2,505,883	2,552,630	(2%)
Equity instruments at fair value through profit or loss	6	5,013,424	4,341,709	15%
Inventories	8	97,720,995	74,895,843	30%
Other non-current assets		93,969	118,061	(20%)
Non-current assets		309,731,509	258,980,011	20%
Inventories	8	116,184,950	100,119,797	16%
Loan receivables	7	82,231	-	100%
Trade and other receivables	5	67,651,385	63,320,703	7%
Cash and cash equivalents	9	22,522,496	32,100,114	(30%)
Income tax assets		1,202,329	131,257	816%
Prepayments		4,880,965	6,346,251	(23%)
Other current assets		625,993	555,554	13%
Current assets		213,150,349	202,573,676	5%
Total assets		522,881,858	461,553,687	13%
Equity				
Share capital		1,763,121	1,763,121	0%
Share premium		83,184,367	83,184,367	0%
Treasury shares reserve		(1,716,796)	(5,532,543)	(69%)
Other reserves		2,817,894	5,079,807	(45%)
Translation reserve		30,075,807	16,194,236	86%
Retained earnings		153,933,621	142,714,713	8%
Equity attributable to owners of the Company		270,058,014	243,403,701	11%
Non-controlling interests		18,734,310	16,543,032	13%
Total equity		288,792,324	259,946,733	11%
Liabilities				
Borrowings and lease liabilities	13	68,657,829	24,851,576	176%
Deferred income	12	7,831,037	7,215,629	9%
Deferred tax liability		7,786,143	7,407,095	5%
Non-current liabilities		84,275,009	39,474,300	113%
Borrowings and lease liabilities	13	50,560,674	73,133,087	(31%)
Deferred income	12	1,403,538	1,967,532	(29%)
Income tax liabilities		(120)	1,053,529	(100%)
Employee benefits	21	6,097,319	4,671,899	31%
Trade and other payables	11	84,870,672	75,346,297	13%
Provisions		6,882,442	5,960,310	15%
Current liabilities		149,814,525	162,132,654	(8%)
Total liabilities		234,089,534	201,606,954	16%
Total equity and liabilities		522,881,858	461,553,687	13%

These Condensed Consolidated Interim Financial Statements were approved by management on 14th of November 2022 and were signed on its behalf by:

Victor Bostan, CEO

Victor Arapan, CFO

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 24.

II. Condensed Consolidated Interim Statement of Comprehensive Income for the three-month and nine-month periods ended 30 September 2022

	Note	3-month ended 30 September 2022	3-month ended 30 September 2021	9-month 2022	9-month 2021	Variation
Revenue	14	75,891,658	59,908,834	199,771,709	166,439,683	20%
Cost of sales	15	(43,996,487)	(28,282,685)	(109,217,866)	(81,502,508)	34%
Gross profit		31,895,171	31,626,149	90,553,843	84,937,175	7%
Other operating income	18	36,097	214,614	783,973	1,286,107	(39%)
Marketing and sales expenses	16	(7,338,323)	(6,604,245)	(19,985,711)	(19,355,393)	3%
General and administrative expenses	17	(6,955,002)	(4,439,811)	(21,664,851)	(17,713,367)	22%
Other operating expenses	19	389,890	(175,863)	324,198	(106,647)	(404%)
Impairment loss on trade and loan receivables		(80,500)	(1,350,253)	(2,272,788)	(1,371,745)	66%
Result from operating activities		17,947,333	19,270,591	47,738,664	47,676,130	0%
Finance income	20	38,758	4,832,471	86,800	5,532,547	(98%)
Finance costs	20	(794,742)	(1,575,411)	(5,632,803)	(5,802,751)	(3%)
Net finance costs	20	(755,984)	3,257,060	(5,546,003)	(270,204)	1953%
Share of loss of equity-accounted investees, net of tax		-	(412,096)	-	(255,333)	(100%)
Profit before tax		17,191,349	22,115,555	42,192,661	47,150,593	(11%)
Income tax expense		(2,698,890)	(2,702,475)	(6,823,086)	(7,363,611)	(7%)
Profit for the period		14,492,459	19,413,080	35,369,575	39,786,982	(11%)
Profit attributable to:						
Owners of the Company		12,871,464	17,202,298	31,621,984	36,120,119	(12%)
Non-controlling interests		1,620,995	2,210,782	3,747,591	3,666,863	2%
Profit for the period		14,492,459	19,413,080	35,369,575	39,786,982	(11%)

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 24.

III. Condensed Consolidated Interim Statement of Cash Flow for the nine-month period ended 30 September 2022

	<u>9-month 2022</u>	<u>9-month 2021</u>
Cash flow from operating activities		
Profit for the period	35,369,575	39,786,982
Adjustments for:		
Depreciation and amortization	12,968,886	10,739,153
Equity-settled share-based payment transactions	1,553,834	6,225,872
Reversal of impairment and other non-cash items	1,623,629	(884,058)
Income tax expense	7,202,134	7,363,611
Net finance costs	5,632,803	270,204
Operating profit before working capital changes	<u>64,350,861</u>	<u>63,501,764</u>
<i>Changes in:</i>		
Inventories	(37,179,164)	(19,206,876)
Trade and other receivables	(5,730,466)	(8,871,253)
Trade and other payables	6,971,271	19,705,583
Cash generated from operating activities	<u>28,412,502</u>	<u>55,129,218</u>
Income tax paid	(6,729,170)	(8,620,184)
Interest paid	(3,082,849)	(2,961,355)
Net cash generated from operating activities	<u>18,600,483</u>	<u>43,547,679</u>
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(29,317,526)	(19,131,921)
Change in loan receivables	(2,082,235)	(346,901)
Investments in equity instruments	-	(3,319,397)
Acquisitions of associates and non-controlling interest	-	(254,754)
Proceeds from sale of equity instruments	-	4,829,643
Proceeds from sale of property, plant and equipment	33,156	307,190
Net cash used in investing activities	<u>(31,366,605)</u>	<u>(17,916,140)</u>
Cash flows from financing activities		
Change in loans and borrowings and finance lease	21,475,578	(17,020,010)
Acquisition of treasury shares	-	(3,395,533)
Dividends paid	(19,496,450)	(27,676,973)
Net cash generated from/ (used in) financing activities	<u>1,979,128</u>	<u>(48,092,516)</u>
Net increase in cash and cash equivalents	<u>(10,786,994)</u>	<u>(22,460,976)</u>
Cash and cash equivalents at beginning of the period	32,100,114	50,788,605
Effect of movements in exchange rates on cash held	1,209,376	1,047,550
Cash and cash equivalents at end of period	<u>22,522,496</u>	<u>29,375,179</u>

The condensed consolidated interim statement of cash flow is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 24.

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IV. Condensed Consolidated Interim Statement of Changes in Equity for the nine-month period ended 30 September 2022

Below is presented the statement of changes in equity for the nine-month period ended 30 September 2022:

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury shares reserve	Other reserves	Translation reserve	Retained earnings			Total
Balance at 1 January 2022	<u>1,763,121</u>	<u>83,184,367</u>	<u>(5,532,543)</u>	<u>5,079,807</u>	<u>16,194,236</u>	<u>142,714,713</u>	<u>243,403,701</u>	<u>16,543,032</u>	<u>259,946,733</u>
Total comprehensive income									
Profit for the year	-	-	-	-	-	31,621,992	31,621,992	3,747,590	35,369,582
Foreign currency translation differences	-	-	-	-	13,881,571	-	13,881,571	877,795	14,759,366
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,881,571</u>	<u>31,621,992</u>	<u>45,503,563</u>	<u>4,625,385</u>	<u>50,128,948</u>
Transaction with owners of the Company									
Increase of share capital from share premium	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-
Shares allocated to employees	-	-	3,815,747	(3,815,747)	-	-	-	-	-
Dividends	-	-	-	-	-	(20,403,084)	(20,403,084)	(2,434,107)	(22,837,191)
Total transactions with owners of the company	<u>-</u>	<u>-</u>	<u>3,815,747</u>	<u>(3,815,747)</u>	<u>-</u>	<u>(20,403,084)</u>	<u>(20,403,084)</u>	<u>(2,434,107)</u>	<u>(22,837,191)</u>
Other changes in equity									
Equity-settled share-based payment	-	-	-	1,553,834	-	-	1,553,834	-	1,553,834
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Total Other changes in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553,834</u>	<u>-</u>	<u>-</u>	<u>1,553,834</u>	<u>-</u>	<u>1,553,834</u>
Balance at 30 September 2022	<u>1,763,121</u>	<u>83,184,367</u>	<u>(1,716,796)</u>	<u>2,817,894</u>	<u>30,075,807</u>	<u>153,933,621</u>	<u>270,058,014</u>	<u>18,734,310</u>	<u>288,792,324</u>

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 24.

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Below is presented the statement of changes in equity for the nine-month period ended 30 September 2021:

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury shares reserve	Other reserves	Translation reserve	Retained earnings			Total
Balance at 1 January 2021	728,279	82,533,921	(4,424,086)	3,029,812	3,375,006	121,125,160	206,368,092	16,262,285	222,630,377
Total comprehensive income									
Profit for the year	-	-	-	-	-	36,120,119	36,120,119	3,666,864	39,786,983
Foreign currency translation differences	-	-	-	-	9,289,883	-	9,289,883	888,765	10,178,648
Total comprehensive income for the year	-	-	-	-	9,289,883	36,120,119	45,410,002	4,555,629	49,965,631
Transaction with owners of the Company									
Increase of share capital from share premium	1,004,223	(1,004,223)	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	133,281	128,791	262,072	219,625	481,697
Treasury shares acquired	-	-	(3,395,533)	-	-	-	(3,395,533)	-	(3,395,533)
Shares allocated to employees	-	-	3,890,214	(3,890,214)	-	-	-	-	-
Dividends	-	-	-	-	-	(26,185,750)	(26,185,750)	-	(26,185,750)
Total transactions with owners of the company	1,004,223	(1,004,223)	494,681	(3,890,214)	133,281	(26,056,959)	(29,319,211)	219,625	(29,099,586)
Other changes in equity									
Equity-settled share-based payment	-	-	-	6,225,872	-	-	6,225,872	-	6,225,872
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,491,223)	(1,491,223)
Total Other changes in equity	-	-	-	6,225,872	-	-	6,225,872	(1,491,223)	4,734,649
Balance at 30 September 2021	1,732,502	81,529,698	(3,929,405)	5,365,470	12,798,170	131,188,320	228,684,755	19,546,316	248,231,071

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 24.

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V. Notes to the Condensed Consolidated Interim Financial Statements

Note 1. Reporting entity

These unaudited interim financial statements are the consolidated financial statements of Purcari Wineries Public Company Limited (the “Company”) and its subsidiaries (together “the Group”).

Purcari Wineries Public Company Limited (“the Company”) is a company domiciled in Cyprus. It was incorporated on 14 June 2007 as a private liability company under the provisions of the Cyprus Companies Law, Cap. 113. The registered office of the Company is 1 Lampousas Street, 1095 Nicosia, Cyprus, Tax Identification Number 12201949I. In December 2017 the Company changed its name from Bostavan Wineries Ltd. to Purcari Wineries Ltd., and at the beginning of 2018 became a public limited company and changed its name to Purcari Wineries Public Company Limited.

On 15 February 2018, the Company made a secondary IPO and its shares were admitted for trading at Bucharest Stock Exchange.

The Company has an issued share capital of 401,175 EUR as at 30 September 2022, which consists of 40,117,500 ordinary shares with the nominal value of 0.01 EUR each (31 December 2021: 40,117,500 ordinary shares with the nominal value of 0.01 EUR each).

The Group is primarily involved in the production and sale of wine and brandy.

Subsidiaries

The Group’s subsidiaries and information related to the Company’s ownership interest are presented below:

	Country of incorporation	Ownership interest	
		30 September 2022	31 December 2021
Vinorum Holdings Ltd	Gibraltar	100%	100%
West Circle Ltd	British Virgin Islands	100%	100%
Crama Ceptura SRL	Romania	100%	100%
Ecosmart Union SA	Romania	65.75%	67.75%
Vinoteca Gherasim Constantinescu SRL	Romania	100%	100%
Purcari Wineries Ukraine LLC	Ukraine	100%	100%
Vinaria Bostavan SRL	Republic of Moldova	100%	100%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%
Casa Purcari SRL	Republic of Moldova	80%	80%
Domeniile Cuza SRL	Republic of Moldova	100%	100%

The structure of the Group as at 30 September 2022 is as follows:

- Purcari Wineries Public Company Limited is a holding company and is domiciled in Cyprus;
- Vinorum Holdings Ltd is a holding company and is domiciled in Gibraltar;
- West Circle Ltd is a holding company and is domiciled in British Virgin Islands;
- Crama Ceptura SRL is domiciled in Romania. Its major activity is the production, bottling and sale of wines;
- Ecosmart Union SA is domiciled in Romania. Its major activity is providing waste recycling management services;
- Vinoteca Gherasim Constantinescu SRL is domiciled in Romania. Its major activity is cultivation of grapes.
- Purcari Wineries Ukraine LLC is domiciled in Ukraine. Its major activity is trade marketing services for Group’s product portfolio;
- Vinaria Bostavan SRL, Vinaria Purcari SRL and Domeniile Cuza SRL are domiciled in Republic of Moldova. Their major activity is the production, bottling and sale of wines;
- Casa Purcari SRL is domiciled in Republic of Moldova and its activity relates to hospitality industry (bar&restaurant);
- Vinaria Bardar SA is domiciled in Republic of Moldova. Its major activity is the production, bottling and sale of brandy and divin. The nominal ownership interest of the Group in Vinaria Bardar SA is 53.91% as at 30 September 2022 (31 December 2021: 53.91%). However, because 3.83% of shares of Vinaria Bardar SA are treasury shares, the effective ownership interest of the Group in the subsidiary is equal to 56.05% as at 30 September 2022 (31 December 2021: 56.05%).

Note 2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements (hereinafter “consolidated financial statements” or “financial statements”) have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2021.

These Interim Condensed Consolidated Financial Statements have not been audited by the external auditors of the Company.

(b) Basis of measurement

Management has prepared these consolidated financial statements under the going concern basis, which assumes the realisation of assets and settlement of liabilities in the course of ordinary economic activity.

These consolidated financial statements have been prepared on the historical cost basis, except for:

- biological assets (grapes on vines) which are measured at fair value less costs to sell;
- equity securities measured at FVTPL.

(c) Functional and presentation currency

The consolidated financial statements are presented in Romanian Leu (“RON”) as the Group is listed on the Bucharest Stock Exchange (BVB), beginning 15 February 2018. All amounts have been rounded to the nearest unit, unless otherwise indicated.

Each entity of the Group determines its own functional currency, and items included in its financial statements are measured using the functional currency.

The currencies of the primary economic environment in which the companies of the Group operate were as follows:

- Purcari Wineries Plc, Vinorum Holdings Ltd, West Circle Ltd - US Dollar (USD),
- Crama Ceptura SRL, Ecosmart Union SA, Vinoteca Gherasim Constantinescu SRL - Romanian Leu (RON),
- Vinaria Bardar SA, Vinaria Bostavan SRL, Vinaria Purcari SRL, Domeniile Cuza SRL, Casa Purcari SRL - Moldovan Leu (MDL),
- Purcari Wineries Ukraine LLC - Ukrainian Hryvnia (UAH).

When converting functional currency to RON as presentation currency, IAS 21 requires that assets and liabilities are converted using the closing exchange rate prevailing at each reporting date. Revenue and expenses are converted using the exchange rates prevailing at the transaction date. Equity elements, other than Profit or loss for the year and Translation reserve, are translated using the historical exchange rate at the transaction date.

All foreign exchange rate differences resulting from the translation from functional currency to presentation currency are recognized as a separate component of equity (“Translation reserve”) in the Consolidated Statement of Financial Position and in other comprehensive income in the Consolidated Statement of Comprehensive Income.

(d) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The majority of the Group’s funding comes from cash generated from its normal operating activities.

(e) Use of estimates and judgments

In preparing this interim financial information, management makes judgements, estimates and assumptions that affect the application of Group’s accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2021.

(f) Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended 31 December 2021.

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Note 3. Property, plant and equipment

The movements of property, plant and equipment from 1 January 2021 to 30 September 2022 were as follows:

	<u>Assets under construction</u>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Other</u>	<u>Grape vines</u>	<u>Total</u>
Cost								
Balance at 1 January 2022	5,367,748	9,546,439	128,590,439	120,524,295	11,353,820	6,911,449	37,406,488	319,700,678
Additions	26,410,865	97,620	40,545	23,584	371,851	25,808	1,778,142	28,748,415
Transfers	(12,709,350)	-	6,168,819	5,162,582	1,112,968	264,981	-	-
Disposals	-	-	(257,280)	(1,342,811)	(326,539)	(28,825)	-	(1,955,455)
Effect of movement in exchange rates	1,121,774	453,667	5,454,132	4,922,275	454,264	383,169	1,889,592	14,678,873
Balance at 30 September 2022	<u>20,191,037</u>	<u>10,097,726</u>	<u>139,996,655</u>	<u>129,289,925</u>	<u>12,966,364</u>	<u>7,556,582</u>	<u>41,074,222</u>	<u>361,172,511</u>
Accumulated depreciation and impairment losses								
Balance at 1 January 2022	-	574,236	72,952,848	58,432,859	5,367,237	5,283,521	9,918,480	152,529,181
Depreciation for the period	-	94,333	3,038,280	6,092,969	1,953,441	382,564	1,235,802	12,797,389
Impairment loss, net	-	-	(59,943)	(16,719)	-	-	-	(76,662)
Disposals	-	-	(255,994)	(1,263,489)	(339,591)	(6,814)	-	(1,865,888)
Effect of movement in exchange rates	-	39,027	3,258,310	2,700,833	86,849	247,974	462,856	6,795,849
Balance at 30 September 2022	<u>-</u>	<u>707,596</u>	<u>78,933,501</u>	<u>65,946,453</u>	<u>7,067,936</u>	<u>5,907,245</u>	<u>11,617,138</u>	<u>170,179,869</u>
Carrying amounts								
At 1 January 2022	<u>5,367,748</u>	<u>8,972,203</u>	<u>55,637,591</u>	<u>62,091,436</u>	<u>5,986,583</u>	<u>1,627,928</u>	<u>27,488,008</u>	<u>167,171,497</u>
At 30 September 2022	<u>20,191,037</u>	<u>9,390,130</u>	<u>61,063,154</u>	<u>63,343,472</u>	<u>5,898,428</u>	<u>1,649,337</u>	<u>29,457,084</u>	<u>190,992,642</u>

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	<u>Assets under construction</u>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Other</u>	<u>Grape vines</u>	<u>Total</u>
Cost								
Balance at 1 January 2021	5,553,185	7,266,688	115,797,404	103,760,194	9,242,775	5,729,686	28,724,442	276,074,374
Additions	22,158,715	594,421	1,187,878	607,972	115,996	49,958	1,156,800	25,871,740
Acquisitions through business combinations	-	1,172,367	108,532	1,491,437	810,388	51,368	5,359,222	8,993,314
Transfers	(22,638,055)	-	7,427,150	13,651,362	860,870	698,673	-	-
Disposals	-	-	(2,948,077)	(4,887,863)	(421,310)	(34,877)	-	(8,292,127)
Effect of movement in exchange rates	293,903	512,963	7,017,552	5,901,193	745,101	416,641	2,166,024	17,053,377
Balance at 31 December 2021	<u>5,367,748</u>	<u>9,546,439</u>	<u>128,590,439</u>	<u>120,524,295</u>	<u>11,353,820</u>	<u>6,911,449</u>	<u>37,406,488</u>	<u>319,700,678</u>
Accumulated depreciation and impairment losses								
Balance at 1 January 2021	-	415,351	66,498,725	52,469,986	3,877,758	4,496,603	6,500,438	134,258,861
Depreciation for the year	-	136,694	3,320,116	7,240,402	1,244,430	499,647	884,197	13,325,486
Increase through business combinations	-	-	108,532	482,948	248,060	16,983	1,990,689	2,847,212
Impairment loss, net	-	-	(80,142)	-	-	-	-	(80,142)
Disposals	-	-	(1,176,611)	(4,766,200)	(139,640)	(31,773)	-	(6,114,224)
Effect of movement in exchange rates	-	22,191	4,282,228	3,005,723	136,629	302,061	543,156	8,291,988
Balance at 31 December 2021	<u>-</u>	<u>574,236</u>	<u>72,952,848</u>	<u>58,432,859</u>	<u>5,367,237</u>	<u>5,283,521</u>	<u>9,918,480</u>	<u>152,529,181</u>
Carrying amounts								
At 1 January 2021	<u>5,553,185</u>	<u>6,851,337</u>	<u>49,298,679</u>	<u>51,290,208</u>	<u>5,365,017</u>	<u>1,233,083</u>	<u>22,224,004</u>	<u>141,815,513</u>
At 31 December 2021	<u>5,367,748</u>	<u>8,972,203</u>	<u>55,637,591</u>	<u>62,091,436</u>	<u>5,986,583</u>	<u>1,627,928</u>	<u>27,488,008</u>	<u>167,171,497</u>

Capital commitments

As at 30 September 2022 the Company has contracts to purchase property, plant and equipment for about RON 4 million. Delivery is expected during next three months.

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Note 4. Intangible assets

The movements in intangible assets from 1 January 2021 to 30 September 2022 were the following:

	30 September 2022			31 December 2021		
	Goodwill	Other	Total	Goodwill	Other	Total
Cost						
Balance at 1 January 2022 / 1 January 2021	7,153,863	2,643,037	9,796,900	-	1,762,638	1,762,638
Additions						
Purchase	-	571,319	571,319	-	696,800	696,800
Business combination	-	-	-	6,984,076	19,726	7,003,802
Disposals	-	(99,996)	(99,996)	-	(143,417)	(143,417)
Effect of movement in exchange rates	-	1,165,279	1,165,279	169,787	307,290	477,077
Balance at 30 September 2022 / 31 December 2021	7,153,863	4,279,639	11,433,502	7,153,863	2,643,037	9,796,900
Amortization						
Balance at 1 January 2022 / 1 January 2021	-	746,118	746,118	-	575,625	575,625
Amortization for the year	-	171,497	171,497	-	173,663	173,663
Increase due to business combinations	-	-	-	-	4,165	4,165
Disposals	-	-	-	-	(27,359)	(27,359)
Effect of movement in exchange rates	-	(39,216)	(39,216)	-	20,024	20,024
Balance at 30 September 2022 / 31 December 2021	-	878,399	878,399	-	746,118	746,118
Carrying amounts						
At 1 January 2022 / 1 January 2021	7,153,863	1,896,919	9,050,782	-	1,187,013	1,187,013
At 30 September 2022 / 31 December 2021	7,153,863	3,401,240	10,555,103	7,153,863	1,896,919	9,050,782

Note 5. Trade and other receivables

The trade and other receivables at the end of reported period were as follows:

	30 September 2022	31 December 2021
Financial receivables		
Gross trade receivables	62,223,818	61,540,000
Allowance for impairment of trade receivables	(4,716,921)	(4,349,115)
Total financial receivables	57,506,897	57,190,885
Non-financial receivables		
Other receivables	3,143,167	1,154,357
VAT receivable	6,636,073	4,635,735
Other taxes receivable	35,944	6,045
Excise receivable	329,304	333,681
Total non-financial receivables	10,144,488	6,129,818
Total trade and other receivables	67,651,385	63,320,703

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Note 6. Equity instruments at fair value through profit or loss

The movements in equity instruments at fair value through profit or loss from 1 January 2021 to 30 September 2022 were as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Balance at 1 January 2022 / 1 January 2021	4,341,709	-
Purchase of equity instruments	-	3,414,780
Change in fair value	-	882,329
Effect of movements in exchange rates	671,715	44,600
Balance at 30 September 2022 / 31 December 2021	<u>5,013,424</u>	<u>4,341,709</u>

8Wines Czech Republic s.r.o.

On 13 May 2021, the Company purchased 10.00% ownership interest in 8Wines Czech Republic s.r.o. (8Wines), a Czech-based fast growing online retail platform, for a cash consideration of RON 3,414,780.

The Group neither has any significant influence nor is involved in the management of 8Wines. Therefore, the ownership interest in 8Wines is accounted as equity instruments at fair value through profit or loss and represents as at 30 September 2022 RON 5,013,424 (31 December 2021: RON 4,341,709). No valuation of the investment was performed at the reporting date.

IM Glass Container Company SA group

In March 2017 the Group, through its subsidiary Vinaria Purcari SRL, purchased 31.415% ownership interest in IM Glass Container Company SA group (which include IM Glass Container Company SA and its subsidiary Glass Container Company-SP SRL), a manufacturer of glass bottles.

On 16 July 2018 an Extraordinary Shareholders Meeting of Glass Container Company SA was held, during which the Group revoked two of its representatives in the Board of Directors, and waived its voting rights until the final sale of its shareholding to another investor.

As this indicated the loss of significant influence, the Group reclassified the investment in IM Glass Container Company SA from equity-accounted investees to equity instruments at fair value through profit or loss in the financial statements, and discontinued to consider IM Glass Container Company SA group as a related party since that date.

On 9 December 2020, Vinaria Purcari SRL has exited Glass Container Company (“GCC”) to Vetropack Group, a leading Swiss corporate group in the European glass packaging industry.

Under the Sales Agreement, the former selling shareholders, including Vinaria Purcari SRL, have provided Representations, Warranties, and Indemnities to Vetropack Group, thus, in case of adverse effects it might be liable for paying certain compensations.

Therefore, the amount of EUR 595,070 has been deducted and retained from the initial purchase price as indemnity holdback, which will be reimbursed on the date falling three years after completion of the transactions.

The management estimates that no claims for indemnification will appear during this period and that full amount of indemnity holdback will be received.

This discounted receivable as at 30 September 2022 amounts to RON 2,505,883 (31 December 2021: RON 2,552,630) and has been presented as non-current receivable in the consolidated statement of financial position.

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Note 7. Loan receivables

The loan receivables at the end of reported period were as follows:

	Currency	Interest rate	Year of maturity	30 September 2022		31 December 2021	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines s.r.o.	EUR	3.0%	2025	345,600	-	350,438	-
8Wines s.r.o.	EUR	6.0%	2024	2,489,377	-	499,051	-
8Wines (interest receivable)				14,516	82,231	-	-
Total loan receivable				2,849,493	82,231	849,489	-

Note 8. Inventories

The inventories at the end of reported period were as follows:

	30 September 2022	31 December 2021
Raw materials		
Distilled alcohol	41,100,626	36,508,269
Wine materials	20,111,099	6,378,783
Other raw materials	684,900	600,311
Total raw materials	61,896,625	43,487,363
Other materials		
Packaging materials	20,949,490	14,242,424
Other materials	8,612,051	5,075,436
Chemicals	4,506,029	2,687,849
Total other materials	34,067,570	22,005,709
Semi-finished production		
Wine in barrels	83,617,090	82,678,184
Divin in barrels	5,249,730	4,023,269
Brandy in barrels	718,658	276,333
Total semi-finished production	89,585,478	86,977,786
Bottled finished goods		
Wine	26,888,689	21,945,866
Divin	1,217,332	541,198
Other finished goods	34,738	53,461
Brandy	215,513	4,257
Total bottled finished goods	28,356,272	22,544,782
Total inventories	213,905,945	175,015,640

Note 9. Cash and cash equivalents

The cash and cash equivalents at the end of reported period were as follows:

	30 September 2022	31 December 2021
Bank accounts	22,204,067	31,935,828
Petty cash	318,429	164,286
Total cash and cash equivalents	22,522,496	32,100,114

Cash and cash equivalents consist of cash in hand, current accounts and short-term deposits with banks, which are at the free disposal of the Group.

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Note 10. Share Capital and Premium

At the reporting date, the issued share capital of the Company is comprised of 40,117,500 ordinary shares with nominal value of EUR 0.01 each. All issued shares are fully paid.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of shares. Share premium account can only be resorted to limited purposes, which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

On 15 June 2022, the Company transferred free of charge to its management and employees 251,036 shares with a total value of RON 3,815,747 (2021: RON 3,773,822).

Note 11. Trade and other payables

The trade and other payables at the end of reported period were as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
<i>Financial payables</i>		
Trade accounts payable	71,783,637	67,246,874
Trade payables due to related parties	5,283,076	2,203,759
Total financial payables	<u>77,066,713</u>	<u>69,450,633</u>
<i>Non-financial payables</i>		
Other tax liabilities	5,322,708	3,822,723
Advances received	134,258	509,007
Dividend payables	2,346,993	1,563,934
Total non-financial payables	<u>7,803,959</u>	<u>5,895,664</u>
Total trade and other payables	<u>84,870,672</u>	<u>75,346,297</u>

Note 12. Deferred income

The movements in deferred income from 1 January 2021 to 30 September 2022 were as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Balance at 1 January 2022 / 1 January 2021	9,183,161	4,537,583
Grants received	741,781	4,684,381
Increase due to business combinations	-	825,161
Release of deferred income	(800,837)	(1,500,311)
Effect of movements in exchange rates	110,470	636,347
Balance at 30 September 2022 / 31 December 2021	<u>9,234,575</u>	<u>9,183,161</u>

The Group's deferred income mainly represents government grants received for investments in property, plant and equipment. The Group is restricted to sell the assets for which a grant has been received for a period of five years.

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Note 13. Borrowings and finance lease

This note provides information about the contractual terms of the Group's interest-bearing liabilities, borrowings and finance lease, which are measured at amortized cost.

The borrowings and finance lease at the end of reported period were as follows:

	30 September 2022	31 December 2021
<i>Non-current liabilities</i>		
Secured bank loans	63,249,129	19,081,919
Lease liabilities	5,408,700	5,769,657
Total non-current portion	68,657,829	24,851,576
<i>Current liabilities</i>		
Current portion of secured bank loans	49,379,082	70,319,375
Current portion of unsecured loan	-	1,316,195
Current portion of lease liabilities	1,181,592	1,497,517
Total current portion	50,560,674	73,133,087
Total borrowings and lease liabilities	119,218,503	97,984,663

The split of borrowings and finance lease by currency at the end of the reported period was as follows:

	30 September 2022	31 December 2021
MDL	3,574,738	12,717,621
EUR	107,982,447	77,899,976
USD	7,661,318	7,367,066
Total borrowings and finance lease	119,218,503	97,984,663

The split of borrowings and finance lease by lender at the end of the reported period was as follows:

	30 September 2022	31 December 2021
MAIB SA	61,618,553	55,803,095
Chateau Vartely SRL	-	1,316,195
OTP Bank SA	10,227,188	7,367,066
UNICREDIT BANK SA	21,627,126	11,383,630
Victoriabank SA	19,155,351	14,847,503
Finance Lease Liabilities	6,590,285	7,267,174
Total borrowings and finance lease	119,218,503	97,984,663

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Note 14. Revenue

Revenues for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	3-month ended 30 September 2022	3-month ended 30 September 2021	9-month 2022	9-month 2021
<i>Sales of finished goods</i>				
Vin	60,533,353	49,049,049	159,940,069	142,829,867
Divin	8,502,908	8,427,205	21,542,529	18,514,211
Brandy	424,691	15,802	606,550	490,556
Total sales of finished goods	69,460,952	57,492,056	182,089,148	161,834,634
<i>Sales of other goods</i>				
Merchandise	471,056	417,290	1,243,966	1,636,167
Other	152,698	33,151	426,600	99,499
Wine materials	260,709	68,580	303,052	125,703
Total sales of other goods	884,463	519,021	1,973,618	1,861,369
<i>Services</i>				
Hotel and restaurant services	1,290,904	511,548	2,482,200	1,325,041
Agricultural services	41,145	391,301	98,070	423,731
Waste recycling management services	4,214,194	994,908	13,128,673	994,908
Total services	5,546,243	1,897,757	15,708,943	2,743,680
Total revenue	75,891,658	59,908,834	199,771,709	166,439,683

Segment analysis

By 2020 the management monitored the performance of the Group as a single segment (production, bottling and sales of wines, divin and brandy), and through the acquisition of the subsidiary Ecosmart Union SA in 2021 a second segment related to waste recycling management services appeared (which for the year ended 31 December 2021 has not been yet a significant one).

A reportable segment is a component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generate revenues other than risks and income of those components that are peculiar to other business segments.

The operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets.

Sales of finished goods by brand and geographic region for the 9-month 2022 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Bardar divin and brandy	Total
Romania	1,841,218	64,243,624	307,369	25,783,153	2,835,671	95,011,035
Moldova	5,573,286	17,752,942	-	-	15,881,737	39,207,965
Poland	13,950,986	504,046	-	22,620	426,658	14,904,310
Belarus	-	-	-	-	801,476	801,476
Czech & Slovakia	4,925,564	221,911	-	356,074	-	5,503,549
Asia	2,941,387	4,251,855	-	596,727	671,974	8,461,943
Baltic countries	5,060,144	145,935	29,877	63,488	174,850	5,474,294
Ukraine	1,033,740	1,565,094	-	-	-	2,598,834
Other	3,445,087	4,736,655	30,895	556,392	1,356,713	10,125,742
Total	38,771,412	93,422,062	368,141	27,378,454	22,149,079	182,089,148

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Sales of finished goods by brand and geographic region for the 9-month 2021 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Bardar divin and brandy	Total
Romania	1,640,468	58,076,948	-	24,713,203	1,526,478	85,957,097
Moldova	4,077,500	13,265,086	-	-	13,066,720	30,409,306
Poland	12,982,611	337,068	-	37,882	39,713	13,397,274
Belarus	-	-	-	-	2,875,575	2,875,575
Czech & Slovakia	5,802,024	112,674	-	211,204	-	6,125,902
Asia	2,251,142	2,151,292	-	551,316	483,344	5,437,094
Baltic countries	5,138,310	344,698	-	88,397	172,794	5,744,199
Ukraine	2,618,130	2,595,178	-	-	-	5,213,308
Other	1,492,397	3,330,139	-	1,012,200	840,143	6,674,879
Total	36,002,582	80,213,083	-	26,614,202	19,004,767	161,834,634

Sales of finished goods by brand and geographic region for the 3rd quarter of 2022 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Bardar divin and brandy	Total
Romania	665,177	24,681,607	134,764	9,195,302	997,146	35,673,996
Moldova	2,281,155	7,410,517	-	-	6,627,269	16,318,941
Poland	3,657,070	85,781	-	8,621	384,908	4,136,380
Belarus	-	-	-	-	431,532	431,532
Czech & Slovakia	1,663,484	98,811	-	125,060	-	1,887,355
Asia	841,607	1,913,768	-	-	171,025	2,926,400
Baltic countries	2,144,116	145,935	29,877	59,075	36,950	2,415,953
Ukraine	500,658	1,029,279	-	-	-	1,529,937
Other	1,773,013	2,009,460	5,997	73,219	278,769	4,140,458
Total	13,526,280	37,375,158	170,638	9,461,277	8,927,599	69,460,952

Sales of finished goods by brand and geographic region for the 3rd quarter of 2021 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Bardar divin and brandy	Total
Romania	354,967	20,448,192	-	9,194,490	445,830	30,443,479
Moldova	1,695,138	6,208,551	-	-	6,640,115	14,543,804
Poland	3,490,435	126,602	-	5,304	-	3,622,341
Belarus	-	-	-	-	1,013,346	1,013,346
Czech & Slovakia	1,452,497	12,035	-	211,204	-	1,675,736
Asia	464,310	631,443	-	72,838	-	1,168,591
Baltic countries	1,678,141	1,721	-	441	6,701	1,687,004
Ukraine	1,016,649	452,111	-	-	-	1,468,760
Other	243,250	1,016,956	-	271,774	337,015	1,868,995
Total	10,395,387	28,897,611	-	9,756,051	8,443,007	57,492,056

The waste recycling management services are provided by the Group's subsidiary Ecosmart Union SA and the entire revenue is realised in Romania.

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Note 15. Cost of sales

Cost of sales for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended 30 September 2022</u>	<u>3-month ended 30 September 2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Sales of finished goods				
Wine	34,791,846	23,580,593	86,400,038	71,093,600
Divin	3,392,658	3,390,587	8,437,135	6,856,832
Brandy	244,893	2,839	376,038	293,729
Total sales of finished goods	38,429,397	26,974,019	95,213,211	78,244,161
Sales of other goods				
Merchandise and other goods	770,298	409,988	1,716,483	1,557,339
Total sales of other goods	770,298	409,988	1,716,483	1,557,339
Services				
Hotel and other services	1,263,802	838,334	2,447,334	1,640,664
Waste recycling management services	3,532,990	60,344	9,840,838	60,344
Total services	4,796,792	898,678	12,288,172	1,701,008
Total cost of sales	43,996,487	28,282,685	109,217,866	81,502,508

Note 16. Marketing and sales expenses

Marketing and selling expenses for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended 30 September 2022</u>	<u>3-month ended 30 September 2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Transportation expenses	842,046	1,091,842	3,052,707	2,975,091
Employee benefits	2,028,742	2,144,314	6,467,318	7,300,311
Marketing and selling	4,360,177	3,049,034	9,835,177	8,342,275
Certification of production	181,554	124,304	478,550	316,089
Other expenses	(74,196)	194,751	151,959	421,627
Total marketing and sales expenses	7,338,323	6,604,245	19,985,711	19,355,393

Note 17. General and administrative expenses

General and administrative expenses for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended 30 September 2022</u>	<u>3-month ended 30 September 2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Employee benefits	3,712,963	1,778,209	11,787,300	10,605,247
Depreciation	861,815	653,473	2,714,053	1,840,391
Professional fees	696,192	585,446	2,962,022	1,782,001
Taxes and fees	941,150	27,219	1,644,670	1,043,869
Travel	150,419	76,987	327,240	106,697
Security	4,003	3,179	10,258	9,392
Rent	23,854	42,986	71,756	82,991
Bank charges	116,124	122,503	273,447	266,834
Repairs and maintenance	537	91,912	387,972	267,478
Communication	58,608	59,301	225,958	167,205
Fuel	89,230	56,087	211,745	147,706
Penalties	149,392	431	224,784	79,633
Insurance	37,116	52,453	150,549	128,638
Materials	44,712	54,747	107,720	121,007
Other	68,887	834,878	565,377	1,064,278
Total general and administrative expenses	6,955,002	4,439,811	21,664,851	17,713,367

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Note 18. Other operating income

Other operating income for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended 30 September 2022</u>	<u>3-month ended 30 September 2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Release of deferred income	322,848	229,033	800,832	791,251
Gains on write-off of trade and other payables	19	3,818	1,643	447,219
Net gain/(loss) from sale of other materials	4,422	32,615	(16,998)	28,472
Other	(291,192)	(50,852)	(1,504)	19,165
Total other operating income	<u>36,097</u>	<u>214,614</u>	<u>783,973</u>	<u>1,286,107</u>

Note 19. Other operating expenses

Other operating expenses for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended 30 September 2022</u>	<u>3-month ended 30 September 2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Impairment of property, plant and equipment, net	(17,669)	(20,200)	(76,662)	(59,941)
Change in provisions, net	-	-	-	-
Unallocated overheads	73,225	81,849	236,518	259,395
Adjustment to fair value of harvest of grapes from own grape vines	(2,086,925)	(220,582)	(2,144,673)	(259,555)
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	1,433,190	566,204	1,504,212	640,762
Net (gain)/loss from disposal of property, plant and equipment and intangible assets	208,289	(231,408)	156,407	(474,014)
Total other operating expenses	<u>(389,890)</u>	<u>175,863</u>	<u>(324,198)</u>	<u>106,647</u>

Provisions

The Group has set-up provisions for tax risks for which management has assessed as probable an outflow of resources.

The movements in provisions from 1 January 2022 to 30 September 2022 were as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Balance at 1 January 2022 / 1 January 2021	5,960,310	7,515,280
Reverse in provisions netted against gain from disposal of equity instruments	-	(1,266,843)
Provisions used during the year	-	(1,055,004)
Effect of movements in exchange rates	922,132	766,877
Balance at 30 September 2022 / 31 December 2021	<u>6,882,442</u>	<u>5,960,310</u>

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Note 20. Net finance income/(costs)

The net finance costs for Q3 and 9-month 2022 and Q3 and 9-month 2021 were as follows:

	<u>3-month ended</u> <u>30 September</u> <u>2022</u>	<u>3-month ended</u> <u>30 September</u> <u>2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Net gain from disposal of equity instruments	-	4,829,643	-	5,527,621
Interest income	38,757	2,588	86,800	4,113
Net foreign exchange gain	385,085	-	-	-
Other income	-	236	-	812
Finance income	423,842	4,832,467	86,800	5,532,546
Interest expenses	(1,179,826)	(792,120)	(3,262,790)	(2,961,355)
Net foreign exchange loss	-	(783,287)	(2,370,013)	(2,841,395)
Finance costs	(1,179,826)	(1,575,407)	(5,632,803)	(5,802,750)
Net finance income/(costs)	(755,984)	3,257,060	(5,546,003)	(270,204)

Note 21. Employee benefits

The employee benefits payables at the end of reported period were as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Payables to employees	3,412,419	2,635,620
Accruals for unused vacation	2,684,900	2,036,279
Total employee benefits payables	6,097,319	4,671,899

Employee benefit expenses include base salaries, mandatory medical contributions, mandatory social contributions, bonuses for performance and equity-settled share-based payments.

The employee benefit expenses were included in the following captions:

	<u>3-month ended</u> <u>30 September</u> <u>2022</u>	<u>3-month ended</u> <u>30 September</u> <u>2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
General and administrative expenses	3,712,963	1,778,209	11,787,300	10,605,247
Cost of sales	3,105,640	1,357,759	7,671,950	6,003,932
Inventory	2,388,788	1,951,436	6,257,118	4,266,466
Marketing and sales expenses	2,028,742	2,144,314	6,467,318	7,300,311
Total employee benefits expenses	11,236,133	7,231,718	32,183,686	28,175,956

The employee benefit expenses comprised the following categories:

	<u>3-month ended</u> <u>30 September</u> <u>2022</u>	<u>3-month ended</u> <u>30 September</u> <u>2021</u>	<u>9-month 2022</u>	<u>9-month 2021</u>
Base salaries and bonuses for performance	9,045,416	6,265,154	26,359,168	25,100,736
Equity-settled share-based payments	426,999	-	1,553,834	-
Mandatory social and medical contributions	1,763,718	966,564	4,270,684	3,075,220
Total employee benefit expenses	11,236,133	7,231,718	32,183,686	28,175,956

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Note 22. Related parties

The Group's related parties for the nine-months period ended 30 September 2022 were the following:

Name of the entity	Relationship with the Company
Key management personnel	Members of board of directors of the Company, CEOs, COO, CFO and Sales Director of Group entities
Victor Bostan	CEO, Member of the Board of Directors, significant shareholder through Amboselt Universal Inc.
Agro Sud Invest SRL	Entity controlled by a key member of management through a significant shareholding
BSC Agro SRL	Entity controlled by a key member of management through a significant shareholding
Victoriavin SRL	Entity controlled by Victor Bostan through a significant shareholding
MAIB SA	Common member in the board of directors of the Company and of the Bank
Ecosmart Union SA	A subsidiary starting 15 September 2021

Transactions with key management personnel and other related parties:

	Transactions value - income/(expenses) for nine-month period ended		Outstanding balance – receivable/(payable) as at	
	30 September 2022	30 September 2021	30 September 2022	31 December 2021
Victor Bostan				
- Salaries and bonuses for performance	(890,161)	(785,999)	(1,832,829)	(1,102,570)
MAIB SA				
- Sales of merchandise	8,552	6,343	-	-
- Interest expense	(2,126,004)	(1,745,688)	-	-
- Secured bank loans	6,158,397	(18,590,467)	(63,122,666)	(55,803,095)
- Bank charges	(173,194)	(205,555)	-	-
- Cash and cash equivalents	-	-	3,858,469	21,065,011
Victoriavin SRL				
- Lease liabilities	-	-	(4,515,996)	(3,894,567)
- Interest expense	(324,041)	(298,107)	-	-
- Trade payables	-	(3,556)	(5,820)	(5,545)
- Acquisition of inventories	(3,986)	-	-	-
- Operating leases	(35,616)	(33,394)	-	-
Agro Sud Invest SRL				
- Agricultural services	(4,571,336)	(3,102,859)	-	-
- Trade payables	-	-	(2,444,091)	(1,070,597)
BSC Agro SRL				
- Agricultural services	(5,775,380)	(4,029,360)	-	-
- Trade payables	-	-	(2,833,165)	(1,127,617)
Ecosmart Union SA				
- Other expenses	-	(1,896,678)	-	-
Key management personnel				
- Salaries and bonuses for performance	(2,336,429)	(2,460,576)	(376,186)	(2,491,011)
- Equity-settled share-based payment	(1,050,228)	(3,962,208)	(1,995,604)	(3,262,251)

Note 23. EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is calculated as profit/(loss) for the period (as presented in the condensed consolidated statement of profit or loss and other comprehensive income), and adding back the income tax, net finance result and total amortization of intangible assets and total depreciation of property plant and equipment.

The management of the Group routinely tracks the EBITDA metrics and considers it relevant for a better understanding of the Group’s financial performance.

EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

EBITDA for Q3 and 9-month 2022 and Q3 and 9-month 2021 was as follows:

	Indicator	3-month ended 30 September 2022	3-month ended 30 September 2021	9-month 2022	9-month 2021
EBITDA	EBITDA	22,084,229	23,055,028	60,707,551	58,159,950
Less: depreciation		(4,075,689)	(4,138,509)	(12,797,389)	(10,619,115)
Less: amortization		(61,207)	(58,024)	(171,497)	(120,038)
Result from operating activities	EBIT	17,947,333	18,858,495	47,738,664	47,420,797
Less: net finance costs		(755,984)	3,257,060	(5,546,003)	(270,204)
Earnings Before Taxes	EBT	17,191,349	22,115,555	42,192,661	47,150,593
Less: income tax		(2,698,890)	(2,702,475)	(6,823,086)	(7,363,611)
Profit for the period		14,492,459	19,413,080	35,369,575	39,786,982

Note 24. Financial indicators

Below are presented important ratios used to assess the financial position of the Company.

Liquidity ratio – represents the ability of the company to pay off its current debt obligations without raising external capital. It is calculated by dividing Current Assets to Current Liabilities. A company with a current ratio less than one does not, in many cases, have the capital on hand to meet its short-term obligations if they were all due at once, while a current ratio greater than one indicates the company has the financial resources to remain solvent in the short-term. However, because the current ratio at any one time is just a snapshot, it is usually not a complete representation of a company’s liquidity or solvency. In the reported period the liquidity ratio for the Company reached 1.42, slightly improving compared to 1.25 recorded at 2021 year-end.

Gearing ratio – represents a measurement of the entity’s financial leverage, which demonstrates the degree to which a firm's activities are funded by shareholders' funds versus creditor's funds. A gearing ratio between 25% and 50% is typically considered optimal or normal for well-established companies. An optimal gearing ratio is primarily determined by the individual company relative to other companies within the same industry.

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Receivables Turnover – represents an accounting measure used to quantify a company's effectiveness in collecting its receivables or money owed by clients. Considering the seasonality of our business we can see that at the end of the year Receivables turnover indicator slightly increases but recovers in the middle of the year. This indicates that a company's collection of accounts receivable is efficient and that the company has a high proportion of quality customers that pay their debts quickly.

Non-current Assets turnover – determines the efficiency with which a business uses its non-current assets to generate revenue for the business. A higher ratio implies that management is using its fixed assets more effectively. A high ratio does not tell anything about a company's ability to generate solid profits or cash flows. This indicator increased from 1.0 to 1.3, which means the Company obtains output from right investments.

<u>Item</u>	<u>30 September 2022</u>		<u>31 December 2021</u>	
Liquidity ratio				
<u>Current Assets</u>	213,068,118	1.42	202,573,676	1.25
Current liabilities	149,814,525		162,132,654	
Gearing ratios				
<u>Debt</u>	119,218,503	41%	97,984,663	38%
Equity	288,792,326		259,946,733	
<u>Debt</u>	119,218,503	29%	97,984,663	27%
Total Capital Employed	408,010,829		357,931,396	
Receivables Turnover, days				
<u>Receivables</u>	67,651,385	91	63,320,703	92
Net Sales Annualized / 360	739,895		689,260	
Non-current Assets turnover				
<u>Net Sales Annualized</u>	266,362,279	0.9	248,133,715	1.0
Non-current Assets	309,813,740		258,980,011	

Note 25. Events after the reported balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of these consolidated financial statements, except:

On 10 October 2022, the Company completed the acquisition of a 76% stake in Bulgarian joint stock company Angel's Estate S.A., a full cycle winery located near Stara Zagora, which operates circa 100 ha of own vineyards and has an annual production capacity exceeding one million bottles.