

Purcari Wineries Public Company Limited

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HE 201949

Share capital: EUR 401,175

www.purcari.wine



INFORMATION DOCUMENT
REGARDING FREE ALLOCATION OF THE SHARES
OF PURCARI WINERIES PUBLIC COMPANY LIMITED
TO THE COMPANY'S EMPLOYEES

101,047 shares

**(Information document in accordance with Appendix no. 4 of the
ASF Regulation no. 5/2018)**

1. INDIVIDUALS RESPONSIBLE FOR THE PROCEDURE

1.1. Name and position of the individuals and/or name and headquarters of the companies responsible for the information included in the information document

PURCARI WINERIES PUBLIC COMPANY LIMITED, with headquarters in 1 Lampousas street, Nicosia, Cyprus, registered with the Registrar of Companies at 14.06.2007, sole registration code HE 201949, dully represented by Mr. Victor ARAPAN – Chief Financial Officer.

1.2. Statements made by the individuals mentioned in 1.1, by which they declare that, to their knowledge, the information transmitted is real and without omissions which might significantly affect the information document

Upon verification of the content of the information document, PURCARI WINERIES PUBLIC COMPANY LIMITED, represented by Victor ARAPAN – Chief Financial Officer, accepts all responsibility for its content and hereby confirms that all the information provided is real and without omissions or false statements which might significantly affect the information document.

2. INFORMATION CONCERNING THE SHARES' ISSUER

2.1. Name, headquarter, fiscal code and registration number at the Trade Registry Office

• Name of the issuer	Purcari Wineries Public Company Limited
• Headquarters	1 Lampousas street, 1095 Nicosia, Cyprus
• Company registration number	HE 201949
• Registered with the Registrar at	14.06.2007

2.2. Company's capital:

- value of the subscribed, paid-up capital: EUR 401,175
- number of shares issued: 40,117,500
- nominal value of a share: EUR 0.01

3. INFORMATION CONCERNING THE OFFER OR ALLOCATION OF SECURITIES TOWARDS CURRENT OR EX MEMBERS OF THE MANAGEMENT OR OTHER EMPLOYEES

3.1. Decisions by which the offer or allocation of securities to current or ex members of the management and employees was decided

By the Special Resolution 1 of the General Meeting of Shareholders dated 14.06.2018, it was approved an incentive plan mainly targeting members of the Group's senior management team (except the CEO) and board of directors (the "**Beneficiaries**"), intended, as disclosed in the Company's prospectus published in relation to its admission to trading, to further align the interests of such Beneficiaries with those of the Company's shareholders, with a duration of 4 years and

comprising: (a) award of up to 400,000 shares in the Company to the Beneficiaries, free of charge, with annual vesting (i.e. ¼ vests at the end of each year) and subject to relevant performance indicators to be determined by the Board of Directors; and (b) award of stock options to the Beneficiaries (the Options), with annual vesting (i.e. ¼ vests at the end of each year), subject to relevant performance indicators to be determined by the Board of Directors, in the following amounts: up to 400,000 Options at a strike price of 20 RON (i.e. that is, under 20 RON the value of options is nil), 500,000 Options at a strike price of 30 RON and 600,000 Options at a strike price of 40 RON, combined the **Management Incentive Programme**.

It was hereby resolved to authorize the Company's Board of Directors to take all necessary steps for the implementation of the Management Incentive Programme, including without limitation by agreeing on any further market standard commercial details (such as the manner in which the shares required to be transferred to Beneficiaries are to be procured, relevant key performance indicators, split of shares and Options between the Beneficiaries etc.) and preparing the documentation to be executed between the Beneficiaries and the Company.

Further, during the General Meeting of Shareholders held on 29.04.2020, the members voted a new version of the Special Resolution 1 dated 14.06.2018 and revised at 25.04.2019, as follows:

“Special Resolution 1

“Approval of an incentive plan targeting members of the Group's senior management team (except the CEO) and board of directors (the “Beneficiaries”), intended to further align the interests of such Beneficiaries with those of the Company's shareholders comprising: (a) award of up to 500,000 shares in the Company to the Beneficiaries, free of charge and subject to relevant performance indicators; and (b) award of stock options to the Beneficiaries (the Options) subject to relevant performance indicators to be determined by the Board of Directors, in the following amounts: up to 500,000 Options at a strike price of 20 RON (i.e. that is, under 20 RON the value of the options is nil), 625,000 Options at a strike price of 30 RON and 750,000 Options at a strike price of 40 RON, combined (the “Management Incentive Programme”).”

As result of the received authorizations, the Board of Directors approved in its meeting dated 14.05.2020 the first Long-Term Share Incentive Plan (LTSIP 1) for years 2020-2022, with a total number of 409,000 shares included in the remuneration program of the employees, out of which 128,352 shares were vested on 15.07.2020.

Taking into consideration that an employee with an allocation of 10,996 shares left the Company before any vesting was performed, as well as based on the same authorization received from members on 29.04.2020, the Board of Directors approved in its meeting dated 22.12.2020 the second Long-Term Share Incentive Plan (LTSIP 2) for years 2020-2024, with a total number of 101,996 shares included in the remuneration program of the employees.

Thus, by approving both LTSIPs, the Board of Directors awarded all 500,000 shares, as mentioned in Special Resolution 1.

In accordance with their provisions and under the conditions of compliance with the eligibility established by the Board of Directors, on 17.06.2021 a total number of 174,982 shares were vested and allocated to employees, out of which 164,658 shares referred to LTSIP 1 and 10,324 shares referred to LTSIP 2.

On the basis of the shareholders resolution no. 4 of 29.03.2021, the Board of Directors was authorized to adjust the employee / management incentive plans to account for the effects of the share capital increase effected via allocation of free shares, approved by the shareholders under resolution no. 3 of 29.03.2021 ("Share Capital Increase").

On 20.07.2021, the record date in respect of the Share Capital Increase resolution, the Company was running the following long-term share incentive plans:

1. Long Term Share Incentive Plan 2020 – 2022 ("LTSIP 1")
2. Long Term Share Incentive Plan 2020 – 2024 ("LTSIP 2")

The free allocation of shares under the Share Capital Increase had an impact on the running incentive plans in that the number of shares outstanding following such corporate event has doubled, while the market price of the shares was adjusted to account for the effects of the event.

As result, on 20.09.2021 the Board of Directors resolved as follow:

1. The maximum number of shares under the LTSIP 1 to be increased from 409,000 shares to 502,998 shares. The increase referred to the shares that have not vested prior to 20.07.2021 only. All other terms and conditions of the LTSIP no. 1 remained unchanged.
2. The maximum number of shares under the LTSIP 2 to be increased from 101,996 shares to 193,668 shares. The increase referred to the shares that have not vested prior to 20.07.2021 only. All other terms and conditions of the LTSIP 2 remained unchanged.

Thus, in accordance with provisions of both LTSIPs as adjusted above and on the basis of the decision of the Board of Directors dated 13.05.2022, a total number of 251,036 shares were vested and allocated to employees on 15.06.2022, out of which 209,988 shares referred to LTSIP 1 and 41,048 shares referred to LTSIP 2. By this vesting, the LTSIP 1 was finalized and fully consumed.

According to the provisions of remained valid LTSIP 2 (2020-2024) and on the basis of the decision of the Board of Directors dated 26.05.2023, a total number of 101,047 shares shall be vested and allocated to employees on 15.06.2023.

In order to meet Company's obligations arising from approved Incentive Programme, at the Annual General Meeting held on 28.04.2021 the shareholders voted to authorize the Company's Board of Directors to acquire the Company's existing shares, under a buy-back program, in a maximum number of 369,156 shares at prices not exceeding by more than five percent (5%) the average market price of the shares during the last five stock exchange sessions, prior to carrying out the relevant.

At 14.05.2021 the Board of Directors unanimously resolved to execute the Company's buy-back program for acquisition of up to 329,156 shares. The buyback was carried out by the Company and conducted by BT Capital Partners SA as intermediary. It started on 10.08.2021 and ended on 27.10.2021 with the purchase of 329,156 shares.

This quantity of shares was considered enough to support both vesting on 15.06.2022 and 15.06.2023. For this reason, no buyback was performed during 2022.

The transfer of the property of the shares from Company to Purcari Group's employees will take place after the communication of the present information document and other documents relating to transfer, to the Central Depository, in accordance with the law.

3.2. Description of the capital increase:

- **the reason of the capital increase:**
- **the value of the capital increase:**
- **the number of shares issued for the capital increase:**
- **the number of shares offered to current or ex members of the management or other employees (if the total number of shares issued for the capital increase is greater than the number of shares offered to current or ex members of the management or employees.**

Not applicable.

3.3. Description of the operation: the reason for the allocation of shares, number of securities allocated, the number of securities offered to individuals by types of investors:

According to the LTSIP 2 (for details please see p.3.1), the Board of Directors established the maximum number of shares to be allocated to each eligible employee (Directors and employees), individual limits for annual vesting, as well the eligibility and performance criteria.

In order to be eligible for vesting, at least three of the following 5 KPIs need to be achieved under the normal course of business, based on audited annual financials:

- i. Compounded audited revenue growth rate for the Group for the latest year prior the Vesting Date (latest reported full year results available) of at least 3 times better the value of the weighted average GDP growth rate in the Top 5 Countries in terms of Group revenues for the comparable period;
- ii. Compounded audited EBITDA growth rate for the Group for latest year prior the Vesting Date (latest reported full year results available) of at least 3 times the value of the weighted average GDP growth rate in the Top 5 Countries in terms of Group revenues for the comparable period;
- iii. Consolidated EBITDA margin for the Group for the latest available year prior to the Vesting Date of at least 1.5 times better the median level of the public peer group companies for the latest available annual reported period.

- iv. Consolidated Net Income margin for the Group for the latest available year prior to the Vesting Date of at least 1.5 times better the median level of the public peer group companies for the latest available annual reported period.
- v. Return on Equity (ROE) level for the Group, for the latest available year prior to the Vesting Date of at least 1.5 times better the median level of the public peer group companies for the latest available annual reported period.

So, for results of the year 2022, all five performance indicators were fulfilled, as per the table below.

	Criterion	Inputs	Result	KPI	KPI met?
i	Revenue growth	2022 Revenue: 302.5 m RON 2021 Revenue: 248.1 m RON	21.9%	6.4%	Yes
ii	EBITDA growth	2022 EBITDA: 110.8 m RON 2021 EBITDA: 75.2 m RON	47.2%	6.4%	Yes
iii	EBITDA margin	2022 EBITDA: 110.8 m RON 2022 Revenue: 302.5 m RON	36.6%	23.4%	Yes
iv	Net Income margin	2022 Net Income: 69.4 m RON 2022 Revenue: 302.5 m RON	22.9%	15.0%	Yes
v	ROE	2022 Net Income: 69.4 m RON 2022 Equity: 307.2 m RON	22.6%	6.5%	Yes

As result, for all selected employees with continuous statute on the vesting date 15.06.2023 will be allocated, free of charge, i.e. at price of RON 0/share, a total number of 101,047 shares.

The categories of personnel to whom the shares will be allocated free of charge are represented by former executive member of Board of Directors, managers and key employees in sales, production, agriculture and logistics.

The people involved with the verification/application of the selection criteria are members of Board of Directors, at recommendations of members of Nomination, Remuneration and Corporate Governance Committee.

3.4. Description of the type ad class of the securities that are offered or allocated:

The allocated securities are nominal, dematerialized shares, which are traded in the International Shares category of Bucharest Stock Exchange, under symbol WINE.

3.5. The time period for share subscription:

The transfer of ownership of shares from the company to the Directors and employees shall be done after sending this information document and documents related to the transfer to the Central Depository, according to the legislation in force.

3.6. Subscription price:

As per Management Incentive Programme approved in the last version by the Annual General Meeting of the Shareholders of PURCARI WINERIES PUBLIC COMPANY LIMITED, held on 29 April 2020, the shares are offered to the employees and managers of the Company, as well as to the members of the Board of Directors, free of charge, at a price of RON 0/share.

3.7. The intermediary which aided in the drafting of the information document:

Not applicable.

3.8. Other information believed to be of relevance by the issuer or by the ASF:

In accordance with art. 16 par. 3 letter b) point 5 of the Law no. 24/2017 on issuers of financial instruments and market operations, the drafting and publication of a prospectus is not mandatory for securities offered, allocated or which will soon be allocated to ex members of the management or employees or to current employees by the employer or by the parent-company or the subsidiary, with the conditions that the company has a headquarters or is registered in the European Union and that the company issues a document with the minimum content stipulated in regulations issued by FSA.

Issuer

PURCARI WINERIES PUBLIC COMPANY LIMITED

Chief Financial Officer

Victor ARAPAN