

# Purcari Wineries

Public Company Limited

BVB: **WINE**

## Corporate Presentation

Preliminary Financial Results

Financial Year: **2023**



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## Vasile Tofan

Chairman of the Board of Directors

- Senior Partner at Horizon Capital, with over 15 years of experience in investments in Consumer Goods and Technology sectors.
- MBA from Harvard Business School, MSc in Public Management from Erasmus University Rotterdam
- Speaks EN, RO, RU, FR, NL, UA.



## Victor Bostan

CEO, Founder, Executive Director

- Founder of the Group, since 2002.
- Over 35 years of experience in the wine industry.
- Degree in Wine Technology from the Technical University of Moldova.
- Speaks RO, RU, FR.



## Raluca Ioana Man

Non-executive, Independent Director

- Over 15 years of experience in branding, reputation management, marketing, business and talent development; founder of RSEVEN and Business Development Director of ServPRO.
- BSc in International Business, BSc in Finance and Economics, and MBA.
- Speaks RO, EN, GR.



## Paula Cătălina Banu

Non-executive, Independent Director

- Member of the Cyprus Bar, experienced legal counsel, currently with Pavlos S. Papasavvas & Associates, advising on commercial, corporate and business development matters; founder of PharmAlex.
- LLB in International Law from Coventry University, Double masters in International Law, LLM from Maastricht University, LLM from University of Zurich.
- Speaks RO, EN, GR, DE.



## Monica Cadogan

Non-executive, Independent Director

- Over 20 years of experience in management consultancy, construction companies, retail and logistics in CEE.
- BA in Banking, Corporate Finance and Securities Law from Bucharest University of Economic Studies.



## Neil McGregor

Non-executive, Independent Director

- Over 20 years of legal experience; Founder and managing partner of McGregor & Partners SCA, law firm associated with Stephenson Harwood.
- Vice-Chair of the British Romanian Chamber of Commerce for Corporate Governance and relations with the British Chamber of Commerce.
- Bachelor of Laws (LLB) from the University of Aberdeen.



## Eugen Comendant

Non-executive Director

- Over 15 years of experience in management in Western Europe and Middle East.
- BBA degree from HES Amsterdam University of Applied Sciences
- Speaks EN, RO, RU, NL, FR.

# Today's presenters



## Victor Bostan

Chief Executive Officer, Founder

- Founder of the Group, since 2002.
- Over 35 years of experience in the wine industry.
- Built one of the largest wine companies in RU, exiting in 2002.
- Technical University, Oenology.
- Speaks FR, RO, RU.

## Alexandru Filip

Deputy Chief Executive Officer

- ~20 years of experience in finance and management consulting.
- Previously held positions as coordinating partner at McKinsey & Company, Bucharest and Head of the Digital Technology practice for Central Europe.
- Bachelor's degree in Economics from the University of Granada, Spain and a Master's degree in Economics and Finance from the University of Nottingham, UK.



## Eugeniu Baltag

Investor Relations Manager

- Over 15 years of experience in financial management and audit.
- Previous held positions in: Transoil, Orange and PWC.
- Degree from the Academy of Economic Studies.
- ACCA fellow (FCCA), Certified in Investor Relations from the IR Society UK.
- Speaks EN, RO, RU.



## Vasile Tofan

Chairman of the Board of Directors

- Over 15 years experience in FMCG
- Senior Partner at Horizon Capital, with focus on investments in Consumer Goods and Technology sectors.
- Previously held positions in: Monitor Group, Philips
- MBA from Harvard Business School, MSc in Public Management from Erasmus University Rotterdam
- Speaks EN, RO, RU, UA, FR, NL.



## Victor Arapan

Chief Financial Officer

- Over 20 years of experience in banking, audit and corporate finance.
- More than 10 years of experience in wine making companies.
- Previously held positions in PWC and Acorex Wineries.
- International Management Institute, Faculty of Banking and Stock Exchange.
- Speaks EN, RO, RU.



## Victoria Moldovan

Investor Relations Officer

- Investments Expert within Purcari Wineries Group since 2022; part of the IR team.
- Master in Finance and Risk Management and BBus (EcoFin) from "Alexandru Ioan Cuza" University of Iași.
- Speaks EN, RO, RU, DE.



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BVB: WINE



## Alb de Purcari

A full, sensual, slightly velvety experience that seduces the senses like a first love. A wine of a beautiful light golden color, with a fruity taste with delicate accents of oak.

**50% Chardonnay**  
**35% Pinot Grigio**  
**15% Pinot Blanc**

**Matured for 6 months in french Barrique Seguin Moreau.**



# 1 Purcari Wineries Group at a glance

## Leading wine player in Central and Eastern Europe...

Founded in 1827, Purcari Wineries Group is now...

- » The most successful winery from CEE at Decanter World Wine Awards 2023.
- » Most awarded CEE winery of the year in 2015-2023 at Decanter London, "Wine Olympics".
- » World's most awarded winery in 2021.
- » Best premium wine brand in Romania, Moldova.
- » Fastest growing large winery in CEE.
- » Largest exporter of bottled wine from Moldova.
- » 1,450+ hectares of prime vineyards, top production assets.
- » Listed on Bucharest Stock Exchange, with reputable shareholders alongside founder, Victor Bostan: Horizon Capital, Fiera Capital, Conseq, East Capital, Firebird, Paval Holding and Norges Bank etc.

## 7 production sites, 6 brands, 3 countries

~50 collections, covering a broad spectrum of segments

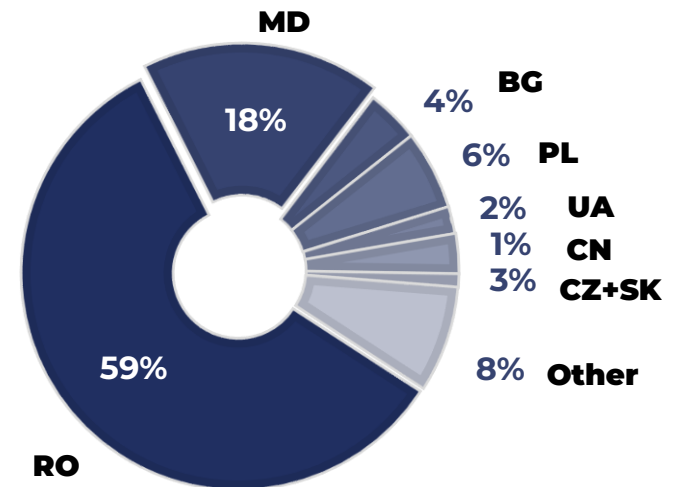


BOSTAVAN



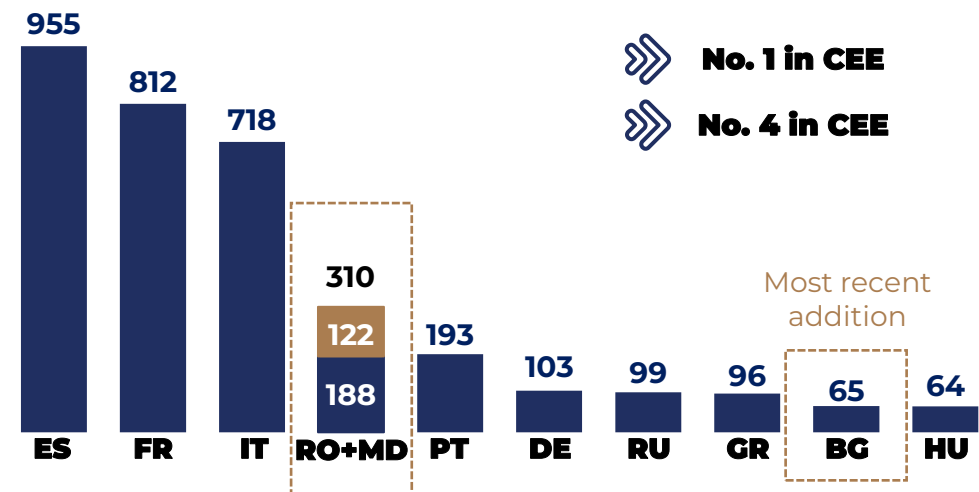
## ... with a strong & expanding regional footprint

Geographical breakdown of sales for 2023, %



## Located in a region with one of the richest wine heritages

Top 10 European countries by area under vines, kha



# 1 Strong track record of growth year to year

## Sustainable profitability accompanying strong growth

	2017	2018	2019	2020	2021	2022	2023
Revenue	142.3	168.1	199.1	203.7	248.1	302.5	369.4
CoS	-74.5	-85.5	-100.2	-105.9	-132.3	-170.2	-220.8
<b>Gross profit</b>	<b>67.7</b>	<b>82.6</b>	<b>98.9</b>	<b>97.8</b>	<b>115.8</b>	<b>132.3</b>	<b>148.6</b>
<i>Gross profit margin, %</i>	48%	49%	50%	48%	47%	44%	40%
SG&A	-31.7	-36.0	-44.2	-49.2	-53.8	-68.9	-76.8
<b>EBITDA</b>	<b>42.4</b>	<b>54.4</b>	<b>65.4</b>	<b>60.5</b>	<b>75.2</b>	<b>110.8<sup>4</sup></b>	<b>98.6</b>
<i>EBITDA margin, %</i>	30%	32%	33%	30%	30%	37%	27%
Depreciation	-5.9	-6.8	-9.6	-12.1	-13.8	-19.1	-26.7
Net finance cost	-1.6	1.0	-6.9	21.7	0.1	-10.2	0.4
Income tax	-5.9	-7.0	-8.5	-10.8	-10.4	-12.0	-12.6
<b>Net profit</b>	<b>29.0</b>	<b>41.7</b>	<b>40.5</b>	<b>59.2<sup>2</sup></b>	<b>51.2<sup>3</sup></b>	<b>69.4<sup>4</sup></b>	<b>59.6</b>
<i>Net profit margin, %</i>	20%	25%	20%	29%	21%	23%	16%
Earnings per share <sup>1</sup> , RON	na	0.96	0.91	1.42	1.18	1.64	1.40

(1) Common denominator being the number of shares on 31<sup>st</sup> December 2021, following doubling of issued share capital.

(2) Includes RON 21.6m income from sale of the stake in Glass Container Company and RON 4.3 million of income on settlement of assigned receivable from Speed SRL

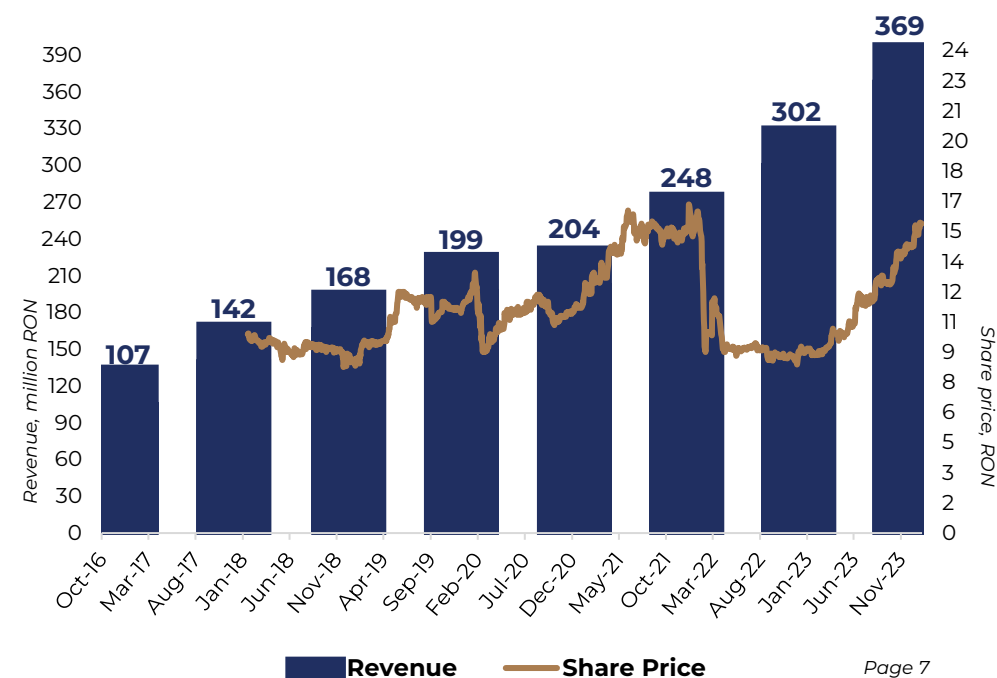
(3) Includes RON 5.6 million gain from sale of the stake in Glass Container Company

(4) Includes RON 28.2 million one-off gain from bargain purchase of Angel's Estate

## Comments

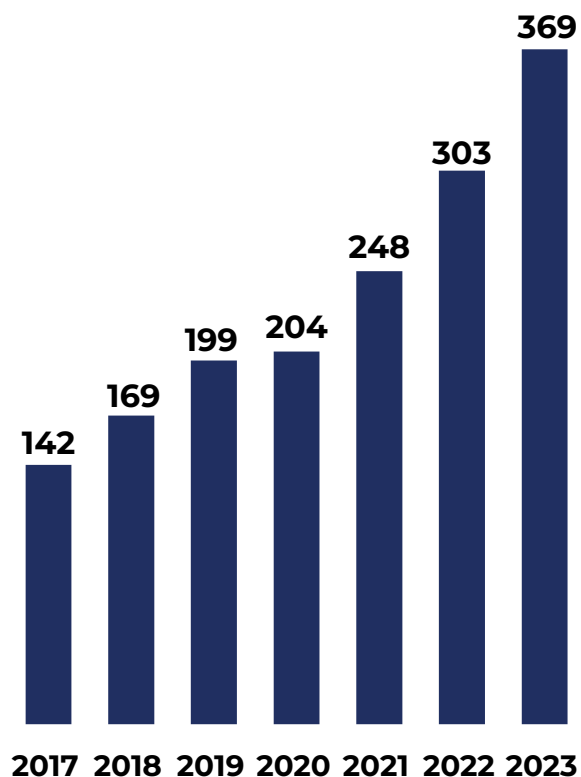
- IPO on Bucharest Stock Exchange in February 2018
- Increased sales 2.6x since pre-IPO
- Strong operating results and cost-efficient production
- Maintained strong EBITDA and Net Income margin
- 2023 includes Angel's Estate, a newly integrated Bulgarian winery, being at the integration phase.
- Steady dividend stream: 2018 (RON 0.475 per share\*), 2020 (RON 0.65 per share), 2021 (RON 0.51 per share), 2022 (RON 0.55 per share).

## Revenue vs. share price evolution

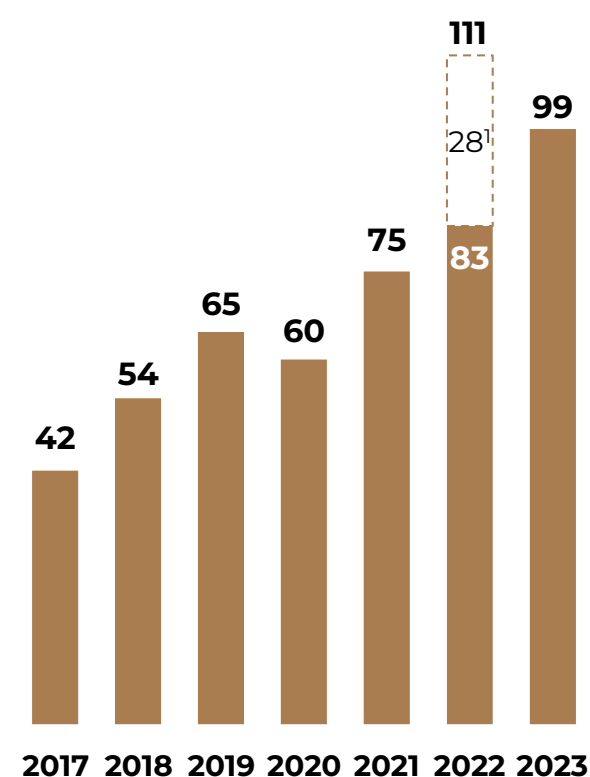


# 1 Long history of growth, high profitability

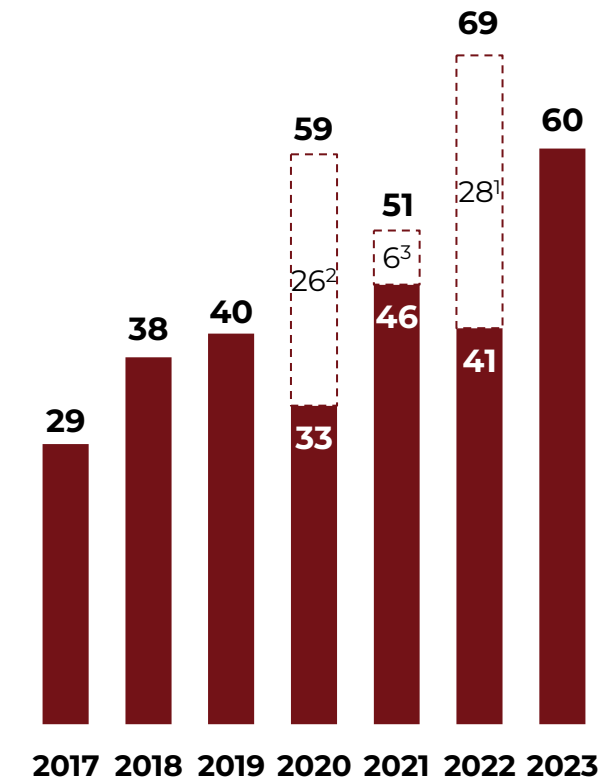
**Revenues**  
RON m



**EBITDA**  
RON m



**Net Income**  
RON m



(1) RON 28 million one-off gain from bargain purchase of Angel's Estate

(2) RON 21.6m income from sale of the stake in Glass Container Company and RON 4.3 million of income on settlement of assigned receivable from Speed SRL

(3) RON 5.6 million gain from sale of the stake in Glass Container Company



# 1 Our business model: Affordable luxury

Modern cost-competitive  
winemaking



Affordable  
luxury

Differentiated  
marketing

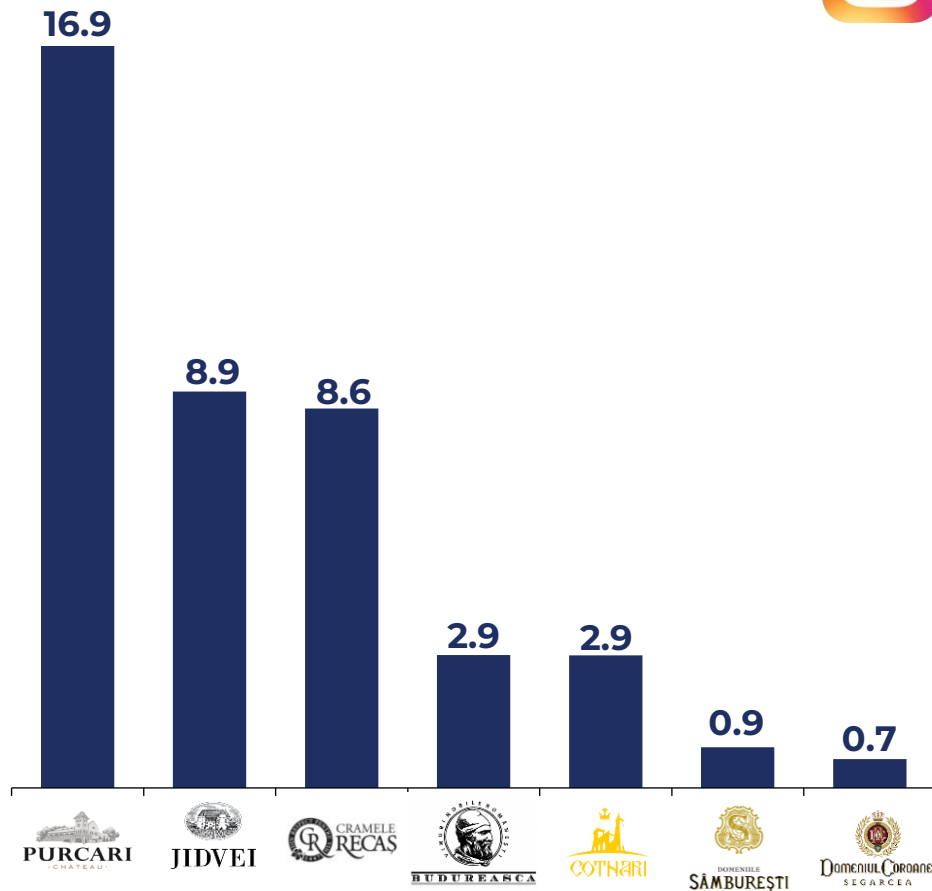
Purcari is positioned at the intersections of three themes:

- **Modern winemaking:** the company is a brand, as opposed to *appellation*-centric and runs a cost-efficient business.
- **Affordable luxury:** as an aspirational brand, Purcari wines are an example of affordable luxury, building on a heritage dating back to 1827 and ranking among the most awarded wineries in Europe.
- **Differentiated marketing:** the company is not afraid to be quirky about the way it approaches marketing, prioritizing digital channels and focusing on engaging content as opposed to traditional advertising.

# 1 Topping competition at engagement and quality

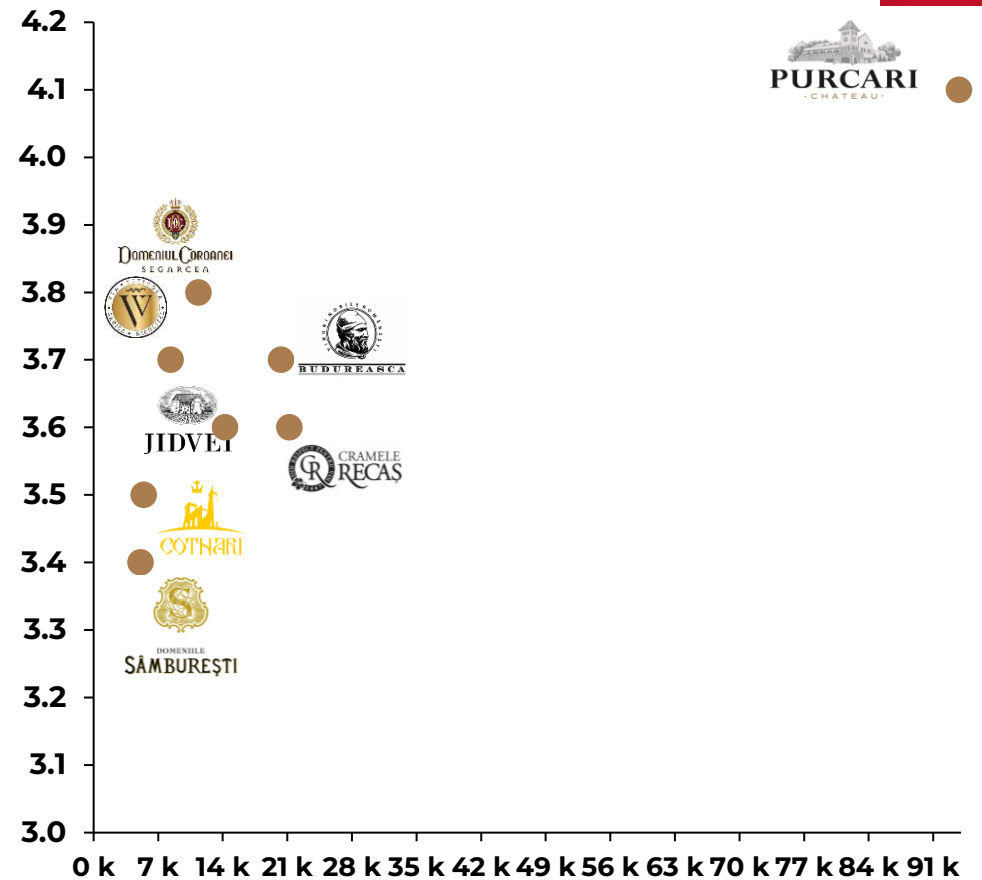
## Aspirational brand which consumers like sharing about

No. of #brand uses on Instagram (k), by key Romanian brands



## Highest number of ratings and highest scores on Vivino

X axis – number of Vivino ratings; Y axis – average Vivino score



Note: Purcari - #purcari; Cramele Recas - #recas; Jidvei - #jidvei; Cotnari - #cotnari; Budureasca - #budureasca; Samburesti - #samburesti; Segarcea - #segarcea.

Sources: Instagram, Vivino as of February 2024

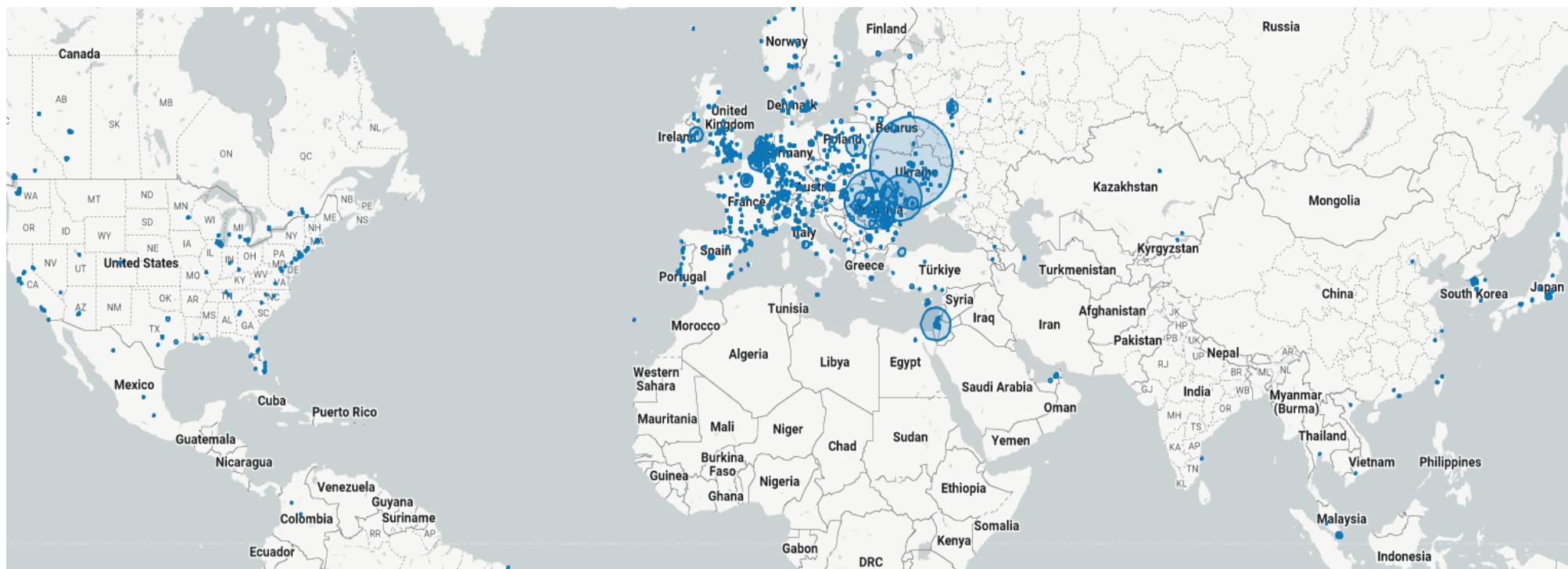
# 1 Vivino feedback remains very strong, essential for online sales

#1 presence in the crucial RON 30-60 segment, holding 14 out of TOP-25 positions



- We remain **obsessed with the quality of our wines**, which pays off in excellent consumer feedback.
- In our core premium segment, 30-60 RON per bottle shelf price, we dominate the category with **14 best-rated wines in Vivino's top 25**.
- Negru de Purcari 2015 - among the **top 1% of all wines in the world**.
- We remain convinced, it is the **product that will make the difference** in the mid and long term with consumers, so we are focusing on making exciting wines that capture people's imagination.

Note: as per Vivino breakdown as of February 2024



# 4.2

Average score out of 5.0 YoY

# Top 1%

Global ranking based on avg. score received

# 76

# countries where Purcari was scanned



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**CRAMA CEPTURA**

## Negru de Ceptura

A rich, complex and elegant blend with a round, velvety taste and an aroma of well-ripened red fruits. A wine of an intense ruby color with a harmonious bouquet of chocolate, coffee and spices.

**Merlot, Cabernet Sauvignon and Fetească Neagră**

**Matured for 12 months.**



## 2 Key operational highlights for 2023

### Ongoing revenue growth

- Revenues up 22% to RON 369.4m on higher volumes, better mix and select price increases, reaching the top-end of the guidance. Core Wine revenues +21% YoY, Ecosmart contributing +RON 30m.
- Purcari and Crama Ceptura performing strong +29% and 26% YoY, respectively.
- Angel's Estate contributing with RON 11.3m in sales. Amounting 3% of total Group sales.
- Solid traction in Romania, growing 35% YoY.
- Overall market weakness in China.

### Sustaining strong margins, despite challenging environment

- EBITDA at RON 98.6m and Net Profit at RON 59.6m, delivering a 19% and 45% growth in 2023 vs Normalized EBITDA<sup>1</sup> and Net Profit<sup>1</sup> in 2022.
- EBITDA margin and Net Profit margin reaching the top-end of the guidance with 27% and 16% respectively.
- Margin performance despite higher financing costs +64% YoY, higher depreciation from Capex executed in prior periods +40% YoY, more expensive packaging materials and costlier wines stock from 2020-2021 vintages.

### Active IR agenda

- #4 best performing among companies in BET index, with +69% increase YTD<sup>2</sup>. Beating 2x BET Index performance of 32%.
- High liquidity of WINE share relative to market cap; maintained in FTSE Global MicroCap Index and included in MSCI Romania Small Cap Index as of August 2023 review.
- Paid dividend of 0.55 RON/share, with a 6% yield on announcement date. Ex-date on July 28th, 2023.

### Developments at the latest added businesses

- Successful turnaround at Ecosmart, contributing at the Group level with RON 30 m in revenue, RON 4.2m in EBITDA and RON 2.3m in Net profit, still having plenty room for profitability improvements.
- Angel's Estate contributing with 3% to the total Group sales, still negative net income though. Successfully implemented the first phase of the turning around plan: doubled the harvest yields, restructuring brand portfolio, re-negotiating commercial terms, introduced new Purcari SKUs to the Bulgarian market.

1) Excluding RON 28.2m one-off gain from bargain purchase of Angel's Estate in 2022

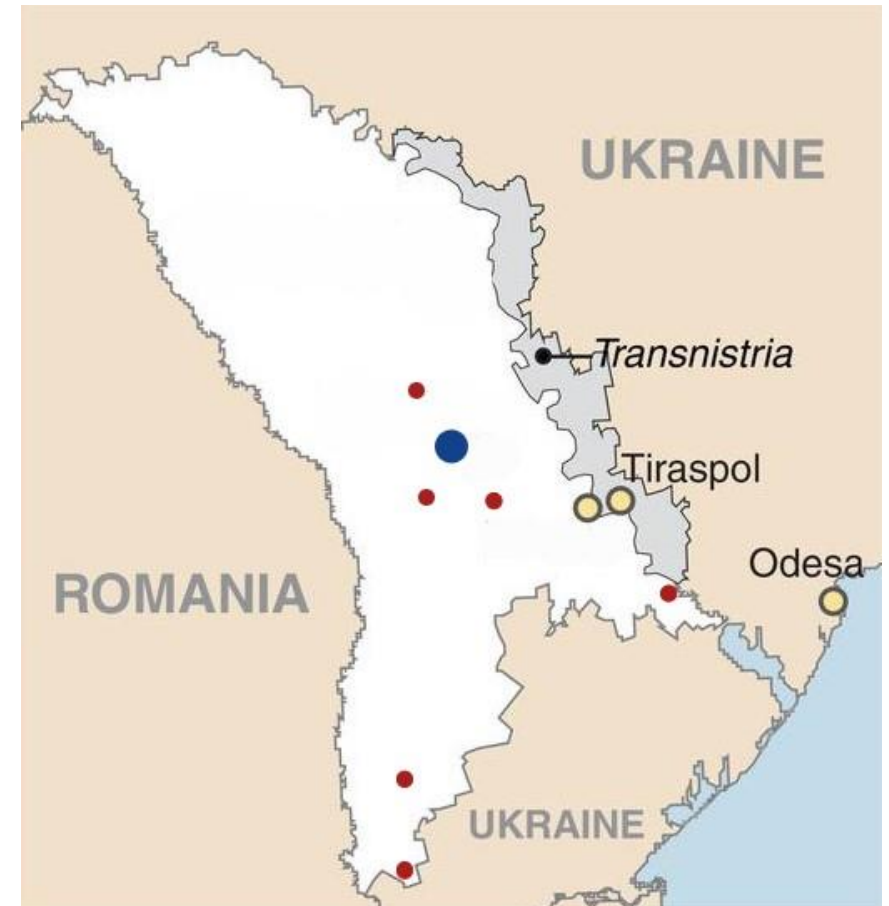
2) Source BVB, as of 29 December 2023;

## 2 Commentary on developments in Transnistria: “a nothing burger”

- **Stock sell-off**, ~8% down over 2 days at trough, driven by geopolitical-risk **commentary of low-level politician**;
- Commentary speculated on **Transnistrian Congress of Deputies of All Levels** asking for unification with Russia on February 28<sup>th</sup>;
- **Risk dismissed outright** by Moldovan government, Ukrainian security services, as lacking ground. In private conversations held by Group reps with **very well-informed reps from Western embassies** in Moldova, the issue was defined as a “**nothing burger**”;
- **Risk has not materialized at the said Congress**, confirming futility of such speculations;
- Transnistria has been a **frozen conflict, similar to North-Cyprus** situation, since 1992;
- Some **2/3 of Transnistrian exports go to EU markets**, while vast majority of population hold Moldovan and/or Romanian passports, though clearly pro-Russian leaning;
- **Transnistrian elites have strong vested interest to keep status quo**, not provoke Ukraine; **Russia has limited real levers** in region;
- There is **no land bridge between Russia or occupied territories in Ukraine with Transnistria**, while so called Russian peace-keeping forces count only ~1500 people in the region;
- There are **6 major water barriers** (including Dniro and Bug rivers) between closest Russian troops in Kherson region and Transnistrian region;
- Purcari Group has **no operational activity in Transnistrian** region.

### Purcari Group assets in Moldova

4 brands, 6 locations, ~1,300 ha of vineyards



- Purcari Group's assets in Moldova
- HQ in Chisinau

## 2 PL: Delivering strong, while navigating macro crosscurrents

RON m	Purcari Group					
	4Q23	4Q22	Δ 4Q	2023	2022	Δ 12M
<b>Revenue</b>	<b>116.9</b>	<b>102.7</b>	<b>14%</b>	<b>369.4</b>	<b>302.5</b>	<b>22%</b>
Cost of Sales	-72.2	-61	18%	-220.8	-170.2	30%
<b>Gross Profit</b>	<b>44.8</b>	<b>41.7</b>	<b>7%</b>	<b>148.6</b>	<b>132.3</b>	<b>12%</b>
<i>Gross Profit margin</i>	38%	41%	(2 pp)	40%	44%	(4 pp)
<b>SG&amp;A:</b>	<b>-28.5</b>	<b>-28.6</b>	<b>0%</b>	<b>-84.5</b>	<b>-70.2</b>	<b>20%</b>
Marketing and selling	-15.9	-18.6	-14%	-45.1	-38.6	17%
General and Administrative	-12.6	-9.9	27%	-39.4	-31.6	25%
<b>Other income/ (expenses):</b>	<b>3.0</b>	<b>2.5</b>	<b>19%</b>	<b>7.7</b>	<b>7.7</b>	<b>0%</b>
<b>EBITDA</b>	<b>26.4</b>	<b>50.1</b>	<b>-47%</b>	<b>98.6</b>	<b>110.8</b>	<b>-11%</b>
<i>EBITDA margin</i>	23%	49%	(26 pp)	27%	37%	(10 pp)
<b>Net Profit</b>	<b>15.8</b>	<b>34.0</b>	<b>-54%</b>	<b>59.6</b>	<b>69.4</b>	<b>-14%</b>
<i>Net Profit margin</i>	14%	33%	(20 pp)	16%	23%	(7 pp)
<b>One-off income<sup>1</sup></b>	<b>0.0</b>	<b>28.3</b>	<b>-</b>	<b>0.0</b>	<b>28.3</b>	<b>-</b>
<b>Normalized EBITDA</b>	<b>26.4</b>	<b>21.8</b>	<b>21%</b>	<b>98.6</b>	<b>82.5</b>	<b>19%</b>
<i>Normalized EBITDA margin</i>	23%	21%	1 pp	27%	27%	(1 pp)
<b>Normalized Net Profit</b>	<b>15.8</b>	<b>5.8</b>	<b>174%</b>	<b>59.6</b>	<b>41.1</b>	<b>45%</b>
<i>Normalized Net Profit margin</i>	14%	6%	8 pp	16%	14%	3 pp

### Comments

- 4Q23 reached 32% of total yearly sales. Gross margin at 38%, -2pp vs 4Q23 on costlier bulk from 2020-2021 vintages in the mix of sales, higher depreciation from prior realized CAPEX. Strong gross margin, considering cost of glass packaging being +30% YoY. Current stock of pricier packaging materials gradually decreasing.
- Marketing and selling expenses at 12% of revenue; +17% YoY, below sales growth rate. Quarterly distribution of Marketing and Selling expenses in line with sales per quarters.
- G&A expenses at 11% of revenue. G&A +25% YoY on expenses related to newly incorporated entities, higher salary costs (including new FTEs), higher local taxes, charity expenses, depreciation and amortization.
- EBITDA at RON 98.6 million with a 27% margin, exceeding the top end of the guidance. +19% YoY compared to Normalized EBITDA<sup>1</sup> in 2022.
- Net profit at RON 59.6 million, +45% YoY vs Normalized Net Profit<sup>1</sup> in Y22, with 16% margin at the top end of the guidance. 4Q contributing with 27% of total Net profit.

Note: (1) Excluding RON 28.2m One-off gain from bargain purchase of Angel's Estate in 2022;



## 2 Segment reporting: growing strong in WINE

RON m	Purcari Group			Ecosmart			WINE Business		
	2023	2022	Δ 12M	2023	2022	Δ 12M	2023	2022	Δ 12M
<b>Revenue</b>	<b>369.4</b>	<b>302.5</b>	<b>22%</b>	<b>30.0</b>	<b>21.4</b>	<b>40%</b>	<b>339.4</b>	<b>281.1</b>	<b>21%</b>
Cost of Sales	-220.8	-170.2	30%	-23.4	-16.2	45%	-197.4	-154.0	28%
<b>Gross Profit</b>	<b>148.6</b>	<b>132.3</b>	<b>12%</b>	<b>6.6</b>	<b>5.2</b>	<b>27%</b>	<b>142.0</b>	<b>127.1</b>	<b>12%</b>
<i>Gross Profit margin</i>	40%	44%	(4 pp)	22%	24%	(2 pp)	42%	45%	(3 pp)
<b>SG&amp;A:</b>	<b>-84.5</b>	<b>-70.2</b>	<b>20%</b>	<b>-3.6</b>	<b>-4.3</b>	<b>-16%</b>	<b>-80.9</b>	<b>-65.9</b>	<b>23%</b>
Marketing and selling	-45.1	-38.6	17%	0.0	0.0	-18%	-45.1	-38.6	17%
General and Administrative	-39.4	-31.6	25%	-3.6	-4.3	-16%	-35.8	-27.3	31%
<b>Other income/ (expenses):</b>	<b>7.7</b>	<b>7.7</b>	<b>0%</b>	<b>-0.2</b>	<b>-2.0</b>	<b>-88%</b>	<b>8.0</b>	<b>9.8</b>	<b>-18%</b>
<b>EBITDA</b>	<b>98.6</b>	<b>110.8</b>	<b>-11%</b>	<b>4.2</b>	<b>0.0</b>	<b>nm</b>	<b>94.4</b>	<b>110.7</b>	<b>-15%</b>
<i>EBITDA margin</i>	27%	37%	(10 pp)	14%	0%	14 pp	28%	39%	(12 pp)
<b>Net Profit</b>	<b>59.6</b>	<b>69.4</b>	<b>-14%</b>	<b>2.3</b>	<b>-1.4</b>	<b>nm</b>	<b>57.3</b>	<b>70.8</b>	<b>-19%</b>
<i>Net Profit margin</i>	16%	23%	(7 pp)	8%	-7%	14 pp	17%	25%	(8 pp)
<b>One-off income<sup>1</sup></b>	<b>0.0</b>	<b>28.3</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>28.3</b>	<b>-</b>
<b>Normalized EBITDA</b>	<b>98.6</b>	<b>82.5</b>	<b>19%</b>	<b>4.2</b>	<b>0.0</b>	<b>nm</b>	<b>94.4</b>	<b>82.5</b>	<b>14%</b>
<i>Normalized EBITDA margin</i>	27%	27%	(1 pp)	14%	0%	14 pp	28%	29%	(2 pp)
<b>Normalized Net Profit</b>	<b>59.6</b>	<b>41.1</b>	<b>45%</b>	<b>2.3</b>	<b>-1.4</b>	<b>nm</b>	<b>57.3</b>	<b>42.6</b>	<b>35%</b>
<i>Normalized Net Profit margin</i>	16%	14%	3 pp	8%	-7%	14 pp	17%	15%	2 pp

Note: (1) Excluding One-off gain from bargain purchase of Angel's Estate in 2022;

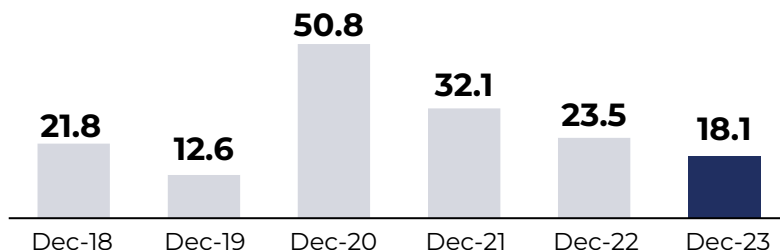
### Comments

- Overall strong performance of core WINE business, while incorporating negative effects from turnaround of newly added Angel's Estate.
- Waste Recycling segment turned profitable, maximum potential still to be achieved. Adopted a frugal approach in managing the business, focusing on building long-term partnerships.
- Overall contribution to Group level figures, with Revenue standing at 8% of total Sales. Ecosmart contributed with 4% to Group's EBITDA and Net profit. Margins still modest, having plenty room for growth.

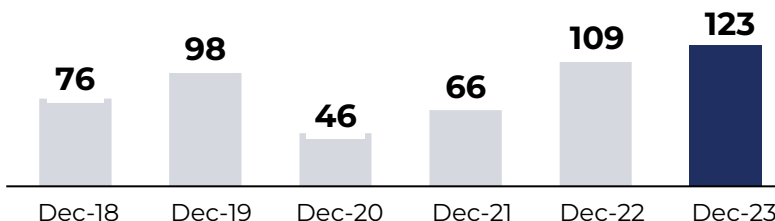
## 2 Strong balance sheet – a solid footing for current macro environment **PURCARI** WINERIES GROUP

### Cash and Receivables

**Cash Position**  
RON m

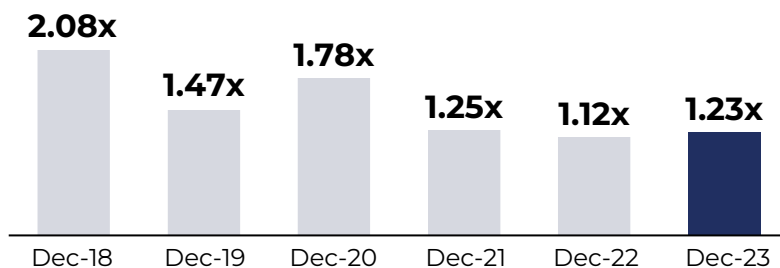


**Net Debt**  
RON m

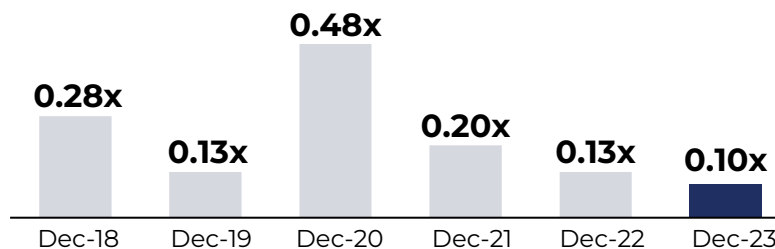


### Liquidity

**Current Ratio**

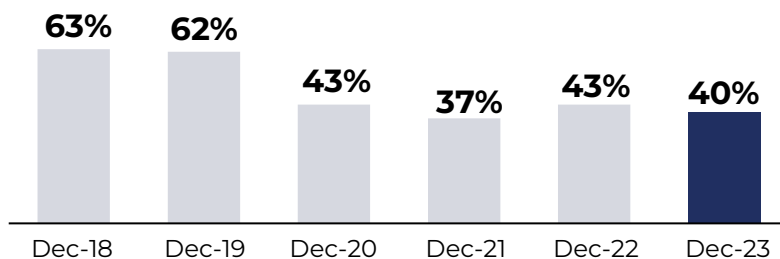


**Cash Ratio**

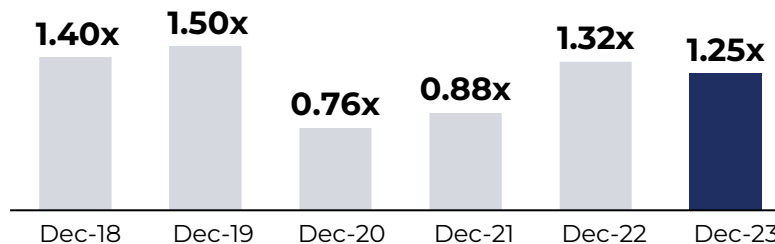


### Solvency




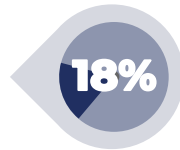

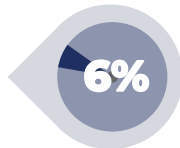

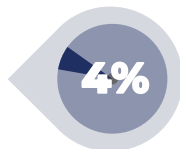

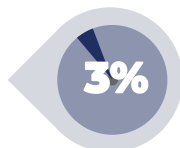

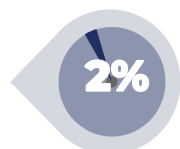

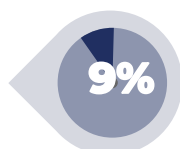
**Debt-to-Equity**



**Net Debt-to-LTM EBITDA**


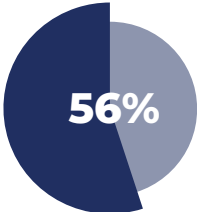

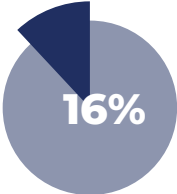

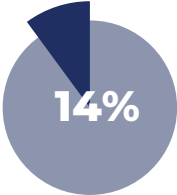

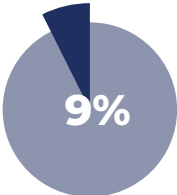

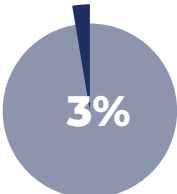


## 2 Continuous growth expansion, amid macroeconomic shifts

Market	Share of sales, 2023	Δ '23/'22 YoY	Comments
<b>RO</b> 	 59%	+35%	<ul style="list-style-type: none"> <li><b>RO:</b> +30% in 4Q23 YoY. Strong growth for all brands across the channels, 4Q representing 33% of total 2023 sales. Purcari outstanding performer, closely followed by Crama Ceptura, Bardar and Bostavan. Nocturne series, Cuvee sparkling, and 1827 series continue strong dynamics.</li> </ul>
<b>MD</b> 	 18%	+4%	<ul style="list-style-type: none"> <li><b>MD:</b> +5% YoY recovery in 4Q23, improve after weaker performance in 3Q. Premium wines as Purcari showing resilience and growing across all channels both in value and volume terms. Prioritizing margin over volumes with Bostavan and Bardar with price increases pushed through. Duty-free regime cancellation impacting Bardar sales.</li> </ul>
<b>PL</b> 	 6%	0%	<ul style="list-style-type: none"> <li><b>PL:</b> Strong recovery in 4Q, +18% YoY, after two weak quarters. Prioritizing margins over volumes with Bostavan. Pressures in the mainstream wines market continues, although, first signs of consumer sentiment improvement. +36% YoY increase for Purcari brand, albeit from a smaller base.</li> </ul>
<b>BG</b> 	 4%	282% <sup>1</sup>	<ul style="list-style-type: none"> <li><b>BG:</b> +51% in 4Q23 YoY. Expanding commercial team and collaboration with local partners. Focusing on highest margin products and channels. Gradually improving sales with 4Q representing 40% of total 2023 sales. Entering the market with Purcari brand.</li> </ul>
<b>CZ SK</b> 	 3%	4%	<ul style="list-style-type: none"> <li><b>CZ&amp;SK:</b> Ongoing recovery after a weak year start. Prioritizing margins over volumes with Bostavan. Betting on premiumization, with Purcari +53% YoY, albeit from a smaller base.</li> </ul>
<b>UA</b> 	 2%	+47%	<ul style="list-style-type: none"> <li><b>Other: China</b> – difficult macro environment -50% YoY, overall weak Chinese wine market. <b>Turkey</b> +15% YoY, the entire 2024 quota for Moldovan wines fulfilled in January. First time deliveries to new countries, as result of active promotional agenda in 2023.</li> </ul>
<b>RoW</b> 	 9%	-16%	

Note: (1) Angel's Estate consolidated in Group accounts from 4Q 2022

## 2 Sales growth in a challenging consumer environment

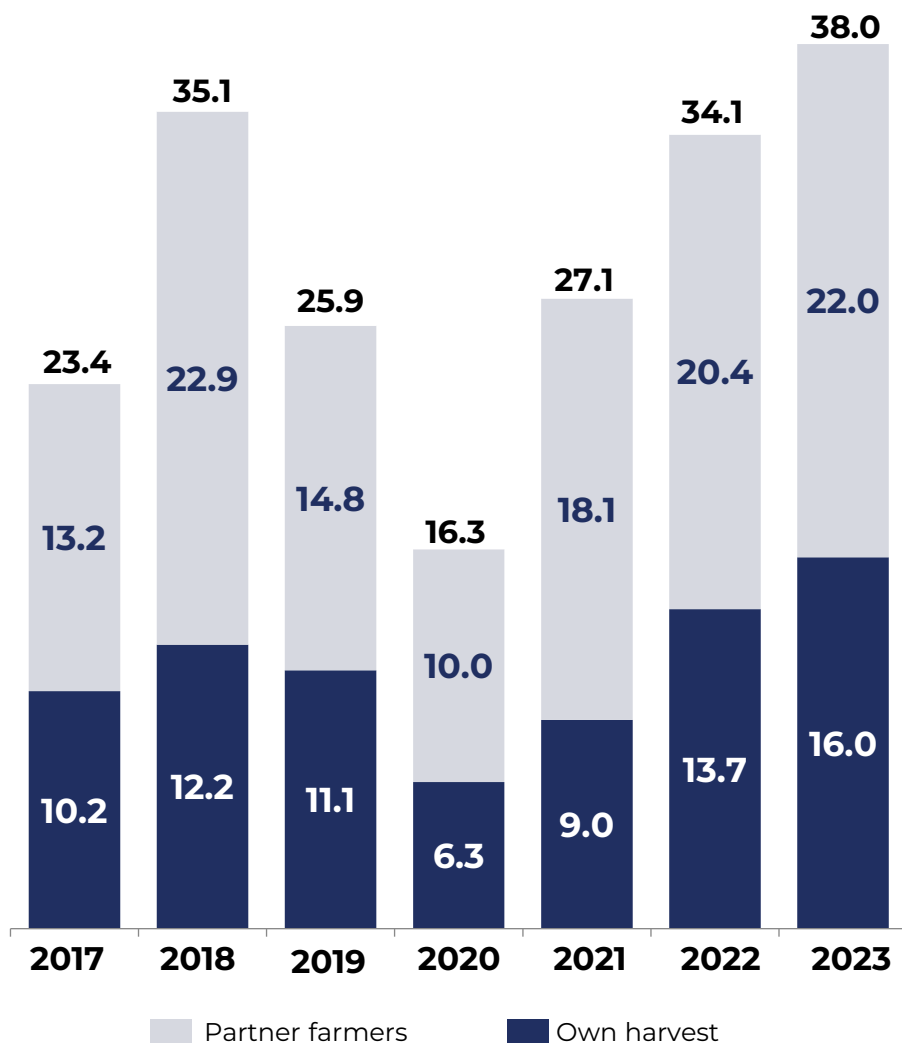
Brand	Share of sales, 2023	Δ '23/'22 YoY	Comments
		+29%	<ul style="list-style-type: none"> <li>▪ <b>PURCARI:</b> Significant volume growth coupled with price increases. Consumer demand proved resilient and premiumization strategy continues to deliver excellent results. Romania leads the growth, with strong performance across all channels. Good results in Poland, Czech and Slovakia as part of premiumization strategy.</li> </ul>
		-1%	<ul style="list-style-type: none"> <li>▪ <b>BOSTAVAN:</b> Mid single digit growth in 4Q, recovering after 2 weak quarters in the row. Improved consumer demand, challenging conditions to the mainstream brands persist. Prioritizing margin over volumes. Marginal increase in sales in the main markets: Poland, Czech &amp; Slovakia. Romania +30% YoY, albeit from a smaller base..</li> </ul>
		+26%	<ul style="list-style-type: none"> <li>▪ <b>CRAMA CEPTURA:</b> Strong year end, +32% in 4Q23 YoY. Good performance across all channels. Focus on portfolio development and premiumization.</li> </ul>
		-9%	<ul style="list-style-type: none"> <li>▪ <b>BARDAR:</b> Weak 4Q23 in Moldova, continuing consumer behavior pattern started in 2Q. High local competition, increase in excise duties in force from January 1st for brandy products. Changes in Duty Free channel, as tax facilities being cancelled. One gas station network suspended its operations, reducing points of sales in the fragmented trade channel. +11% growth in Romania, the second market by size.</li> </ul>
		+270%	<ul style="list-style-type: none"> <li>▪ <b>ANGEL'S ESTATE:</b> +69% in 4Q23 YoY. Restructuring the inherited portfolio, focus on high marginal segments. Enforcing local Marketing and Commercial team.</li> </ul>



## 2 Exceptional 2023 agricultural season: high-quality vintage and good yield

### Good 2023 harvest

Own harvest and 3rd party purchases of grapes, million kg



### Comments

- Strong own harvest despite unfavorable weather conditions of moderate rains and heat waves just before harvesting.
- Fulfilling required stocks from 3rd-party purchases; favorable price environment to positively influence future margins.
- Irrigation system functional at Purcari Winery vineyards as of July 1<sup>st</sup>, 2022 proved its efficiency, delivering high-quality grapes and volumes amid difficult weather conditions. Irrigation system roll-out at Cuza Vineyards (Bostavan) planned to start in 2024.
- Global wine production<sup>1</sup> volumes expected to be the smallest in the last 60 years. Sharp decrease in 2023 vs. weak 2022 harvest in Spain -14%, Italy -12%, Greece -45%. Romania and Bulgaria leading the growth by 15% and +7%.
- Smaller global harvest, may create a better pricing environment for producers like Purcari.

Source: (1) International Wine Organization

## 2 Outstanding results at most reputable wine competitions

### Best Producer from Moldova 2023

As well as 24 distinctions granted by Mundus Vini Spring Tasting



### Gold at Asia Wine Trophy 2023

15 Gold Medals awarded to Château Purcari wines



### Best Wine from Moldova in the Competition

And 7 Gold Medals from Concours International de Lyon



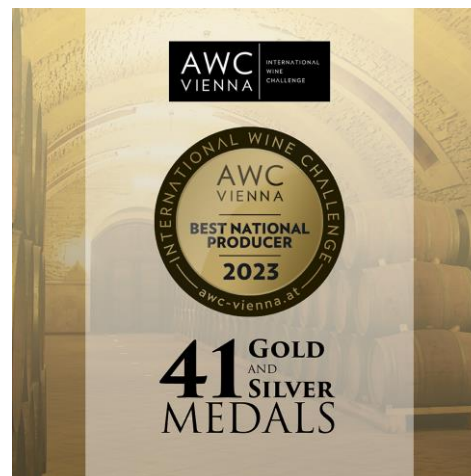
### 17 Gold Medals Collected

Challenge International du Vin 2023



### Best National Producer of the Year

And 41 Gold and Silver Medals from AWC Vienna



### The most successful winery from CEE at Decanter World Wine Awards 2023

3 Gold Medals for Château Purcari





## 2 Continue supporting, engaging, inspiring...

### National Wine Days – October 2023

The Board of Directors took the opportunity to participate at the National Wine days in a new composition



### Launch of Cuvée de Purcari Adamant

Launched in December 2023, the epitome of luxury and sensuality



### Purcari Rară Neagră Campaign

A campaign that promotes indigenous varieties (September – October 2023)



### Wine Crime Campaign

Collaboration with Satoshi – a singer that is rapidly gaining popularity in Moldova



### Press Lunch in Amsterdam, Holland

Lunch with prominent Chateau Purcari Wines



### Young Sommelier of Poland, 2023

A training event that took place in Warsaw between 9-11 of October





## 2 Continue supporting, engaging, inspiring...

### **Domeniile Cuza – Winter Campaign**

Awareness campaign with brand ambassador Horia Brenciu



### **Purcari Cuvee New Year show**

Cuvee de Purcari product placement campaign



### **Academia Purcari – Podcast Partnership with Fain si Simplu**

Product placement by Mihai Morar, influencer and journalist



### **Moldovan Wine Festival**

Presence of Domeniile Cuza wines at the Moldovan Wine Festival in Romania



### **Domeniile Cuza at Chefi la Cutite**

Product placement at prime time – TV, online, SoMe, press



### **Domeniile Cuza podcast partnership – Lucruri Simple**

Product placement campaign with influencer Horia Brenciu



1

Purcari Wineries Group

2

2023 Preliminary Results

3

Guidance

4

BVB: WINE

BOSTAVAN

## DAOS Pinot Noir

A medium-sweet red, distinguished by an intense dark color. Made from manually harvested Pinot Noir grapes with a full, velvety and harmonious flavor. Tasting notes of forest fruit.

100% Pinot Noir

Recommended serving temperature +16 ... +18° C.





### 3 Guidance 2023: delivered on promise

Target	2023 guidance	2023 actuals	Status	Comments
<b>Revenue growth</b>	+18-22%	+22%	>	<ul style="list-style-type: none"> <li>Revenue growth was driven equally by higher volumes and pushed-through price increases.</li> </ul>
<b>Revenue growth, WINE<sup>1</sup></b>	+14-18%	+21%	>	
<b>EBITDA margin</b>	22-26%	27%	>	<ul style="list-style-type: none"> <li>Net Income margin target was met in all four quarters, despite macro challenges in 2023. Inflation has eased, and supply chains gradually returned to smoother-functioning.</li> <li>Packaging materials acquired at higher prices in 2H22- 1H23 amid supply shortages and costlier wine stocks of 2020-2021 vintages have been successfully pushed to end products and gradually diminishing.</li> <li>Coped well with pressure on Net Income due to higher financing costs +64% YoY, higher depreciation from Capex executed in prior periods +40% YoY.</li> </ul>
<b>Net Income margin</b>	12-16%	16%	>	

(1) Core wine segment, except Ecosmart revenues

Target	2024 guidance	Comments
<b>Revenue growth</b>	<b>+16-20%</b>	<ul style="list-style-type: none"> <li>Affordable luxury category coping well in current environment, expect revenue growth trends broadly in line with 2023.</li> <li>Turnover for Waste Recycling Division expected to decrease following the legislation on the Warranty-Return System implemented as of 30.11.23</li> </ul>
<b>Revenue growth, WINE<sup>1</sup></b>	<b>+20-24%</b>	
<b>EBITDA margin</b>	<b>26-28%</b>	<ul style="list-style-type: none"> <li>More disinflation expected, mainly to packaging and energy resources.</li> <li>The impact on COGS of more expensive wine stocks of 2020 and 2021 vintage, currently being under 10% of total wine stock, to diminish significantly</li> <li>Anticipating rate cuts to ease the pressure from financing costs in the second part of 2024.</li> <li>Higher depreciation from Capex executed in prior periods to continue the pressure on Net Income.</li> </ul>
<b>Net Income margin</b>	<b>14-16%</b>	

(1) Core wine segment, except Ecosmart revenues

1

Purcari Wineries Group

2

2023 Preliminary Results

3

Guidance

4

BVB: WINE



## Divin Bardar Gold 10 years

A divin of deep taste that gradually reveals flavors of cigar leaf, iced coffee and dried prunes, with a discreet scent of wood and leather.

Aged in the finest oak barriques for at least 10 years.



## 4 Purcari Wineries PCL (BVB:WINE)

### Consensus forecasts

	Rating	Target Price	Date
<b>Wood &amp; Company</b>	Buy	17.80	Oct-23
<b>Raiffeisen</b>	Buy	18.00	Feb-24
<b>BT Capital</b>	Outperform	12.26 <sup>3</sup>	Aug-23
<b>Ipopema</b>	Buy	11.50	Aug-23
<b>Goldring<sup>1</sup></b>	na	10.10	Apr-23

- #4 best performing among companies in BET index, with +69% increase in 2023.
- Overperforming BET<sup>2</sup> Index by more than 2x in 2023.
- Next Events: RBI Investor Conference Zürs – 2024, by Raiffeisen Bank International, on April 8-10, 2024; AGM – May 22, 2024, Bucharest, Romania.

(1) Initiation coverage report

(2) BET Index – Main stock market index tracking 20 most liquid stocks listed on Bucharest Stock Exchange

(3) Under review as of 20.02.2024

### Backed by Reputable shareholders

AMBOSELT UNIVERSAL  
INC.



**Paval Holding**

**~114 institutional  
investors**



**FIERA**CAPITAL

**CONSEQ**

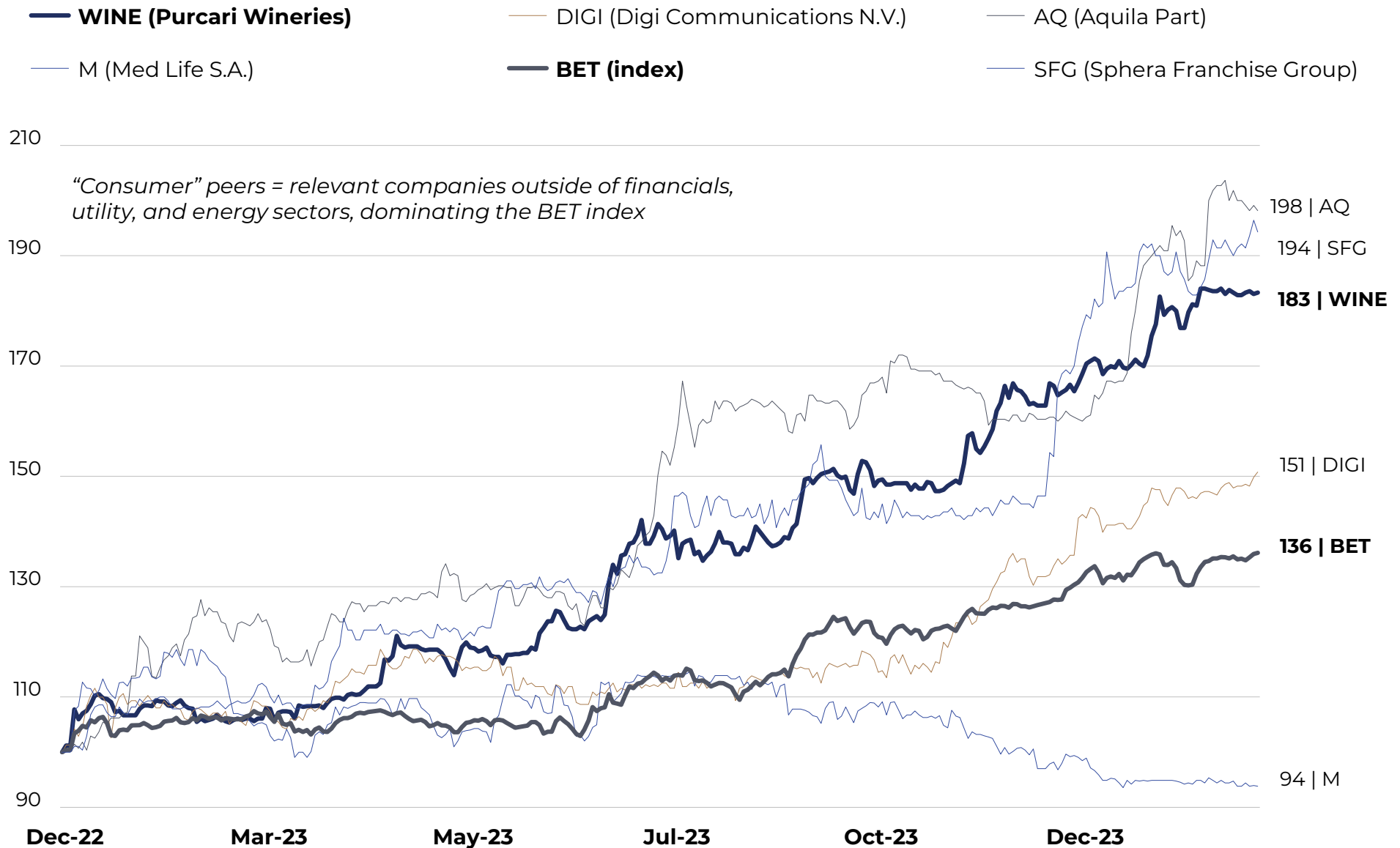
**EAST CAPITAL**

**ERSTE**  
Asset Management

**DWS**

**21% / 79%**  
**Retail /  
Institutional**

# 4 Stock performance, WINE +83% since the end-of-2022 (as of Feb-20), well ahead of BET



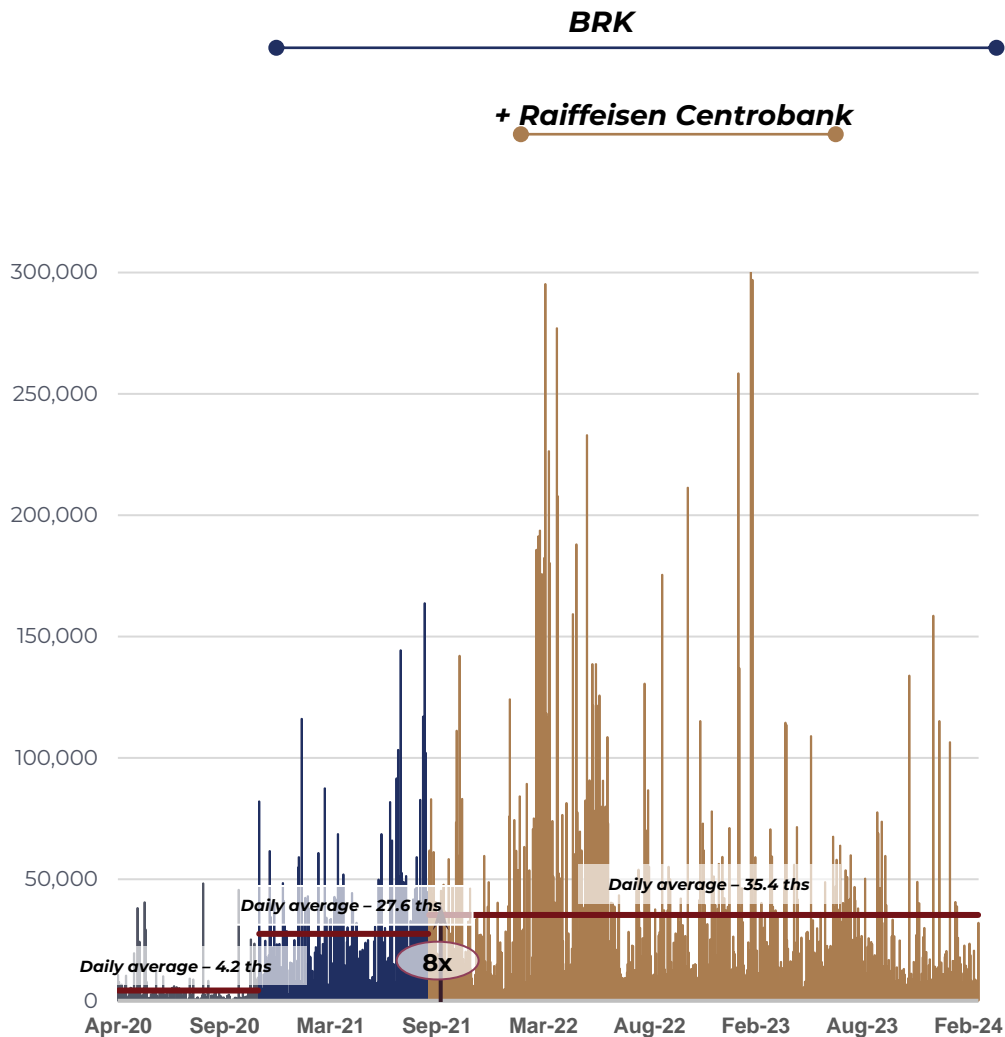
Source: Bucharest Stock Exchange



## 4 Purcari shares liquidity

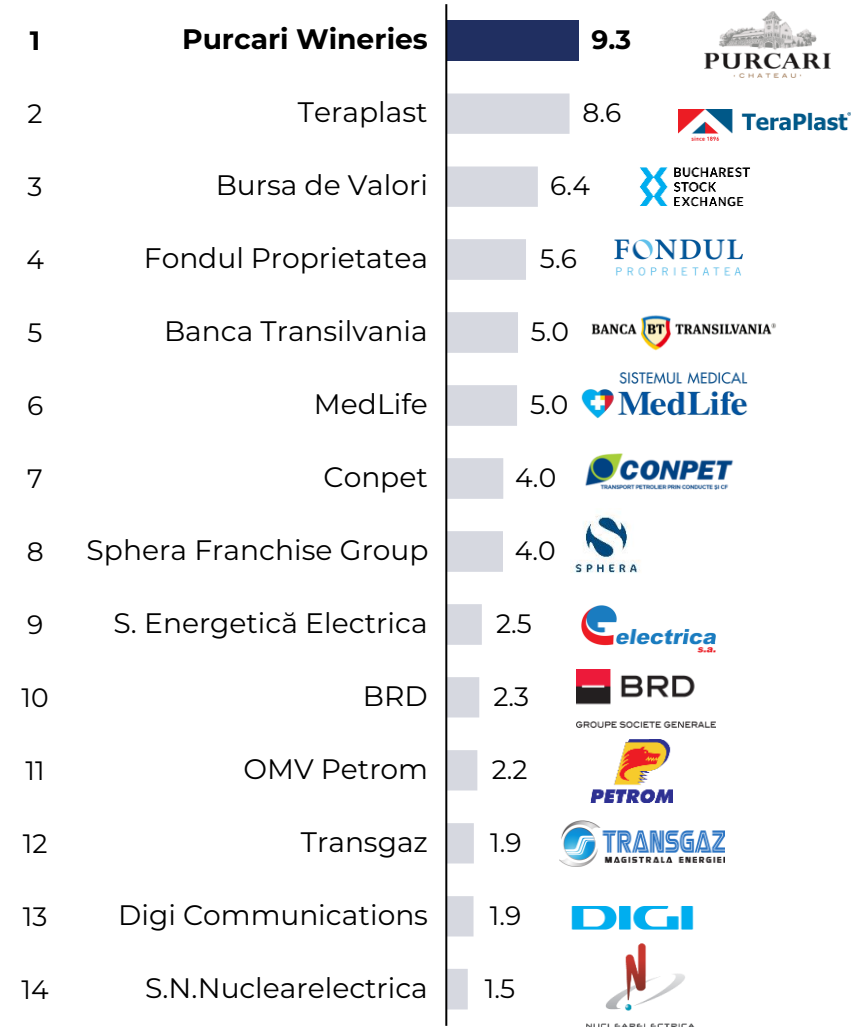
### Rapid rise of stock's liquidity after starting working with Market Makers for Purcari shares

Daily volume



### Relative to Market Cap, our stock is top-ranked among BET components

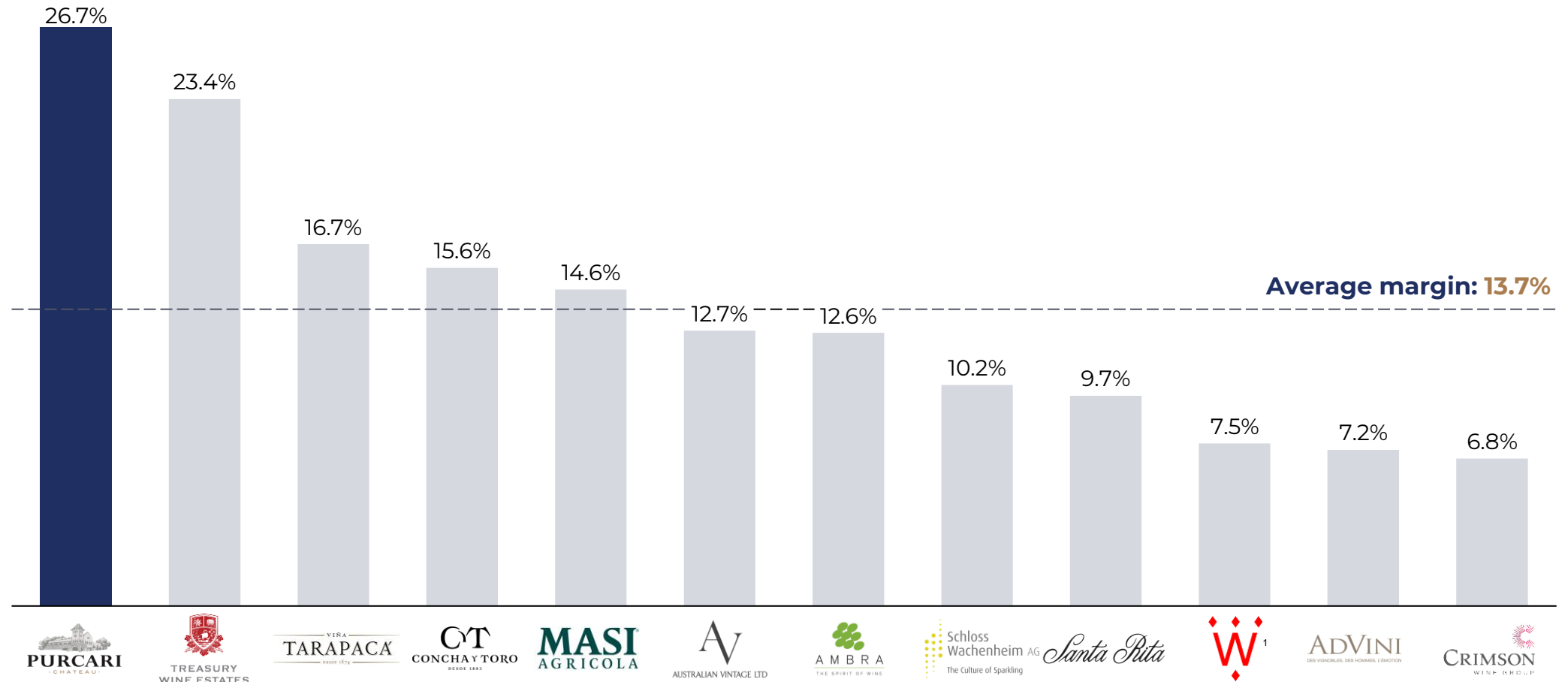
Ratio of daily trade value to Market Capitalisation, 2021-2024 YTD average, bps



## 4 EBITDA profitability relative to WINE listed peers

### Purcari vs selected Wine public companies

EBITDA 2023 Margin, %



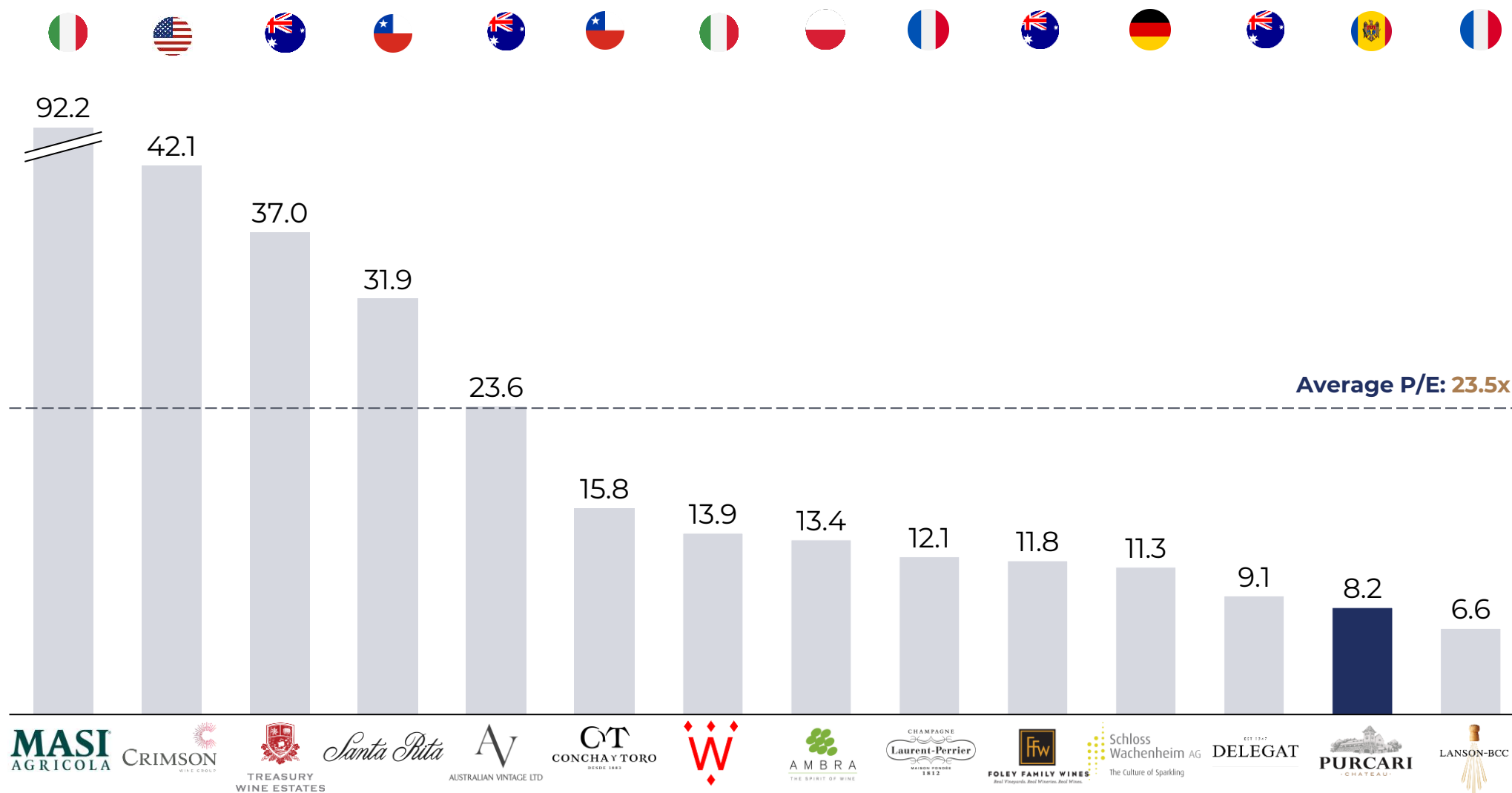
Source: Capital IQ, Company Data as per Capital IQ as of February 20<sup>th</sup>, 2024.

(1) Italian Wine Brands

## 4 Valuation relative to wine peers

### Purcari vs Selected wine public companies

P/E LTM Multiples

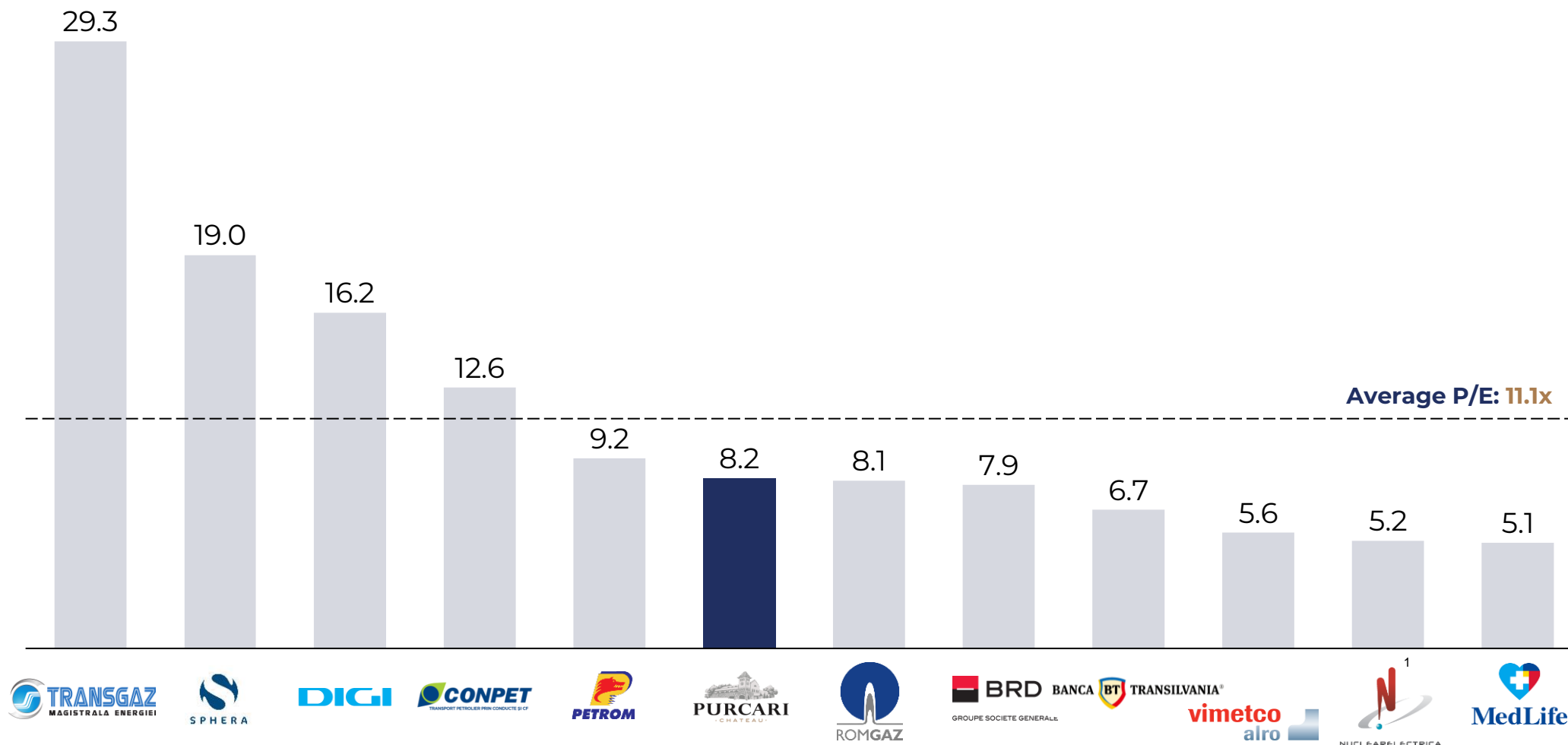


Source: Net Income and Market Cap as per Capital IQ as of February 20<sup>th</sup>, 2024.  
Note: Diluted EPS excluding extra items used for P/E multiple.

## 4 Valuation relative to Romanian listed peers

### Purcari vs selected Romanian public companies

P/E LTM Multiples

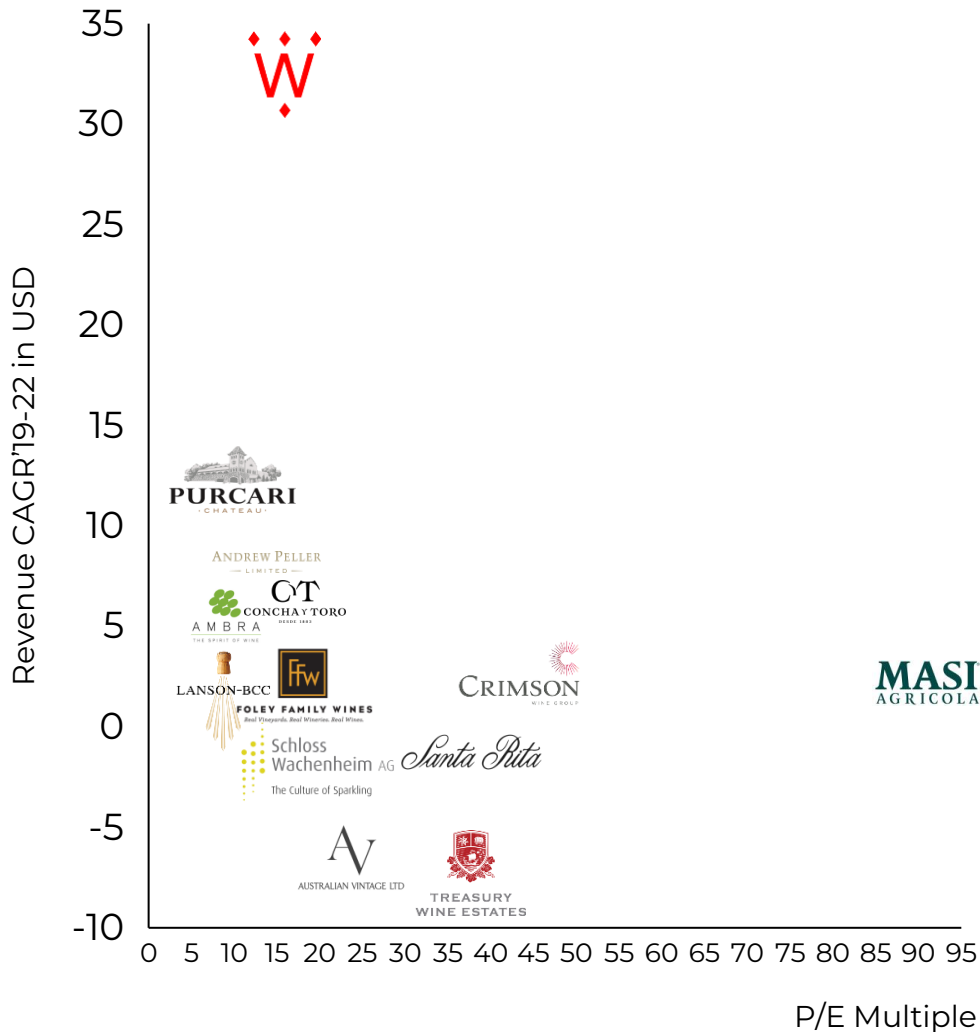


Source: Capital IQ, Company Data as per Capital IQ as of February 20<sup>th</sup>, 2024.

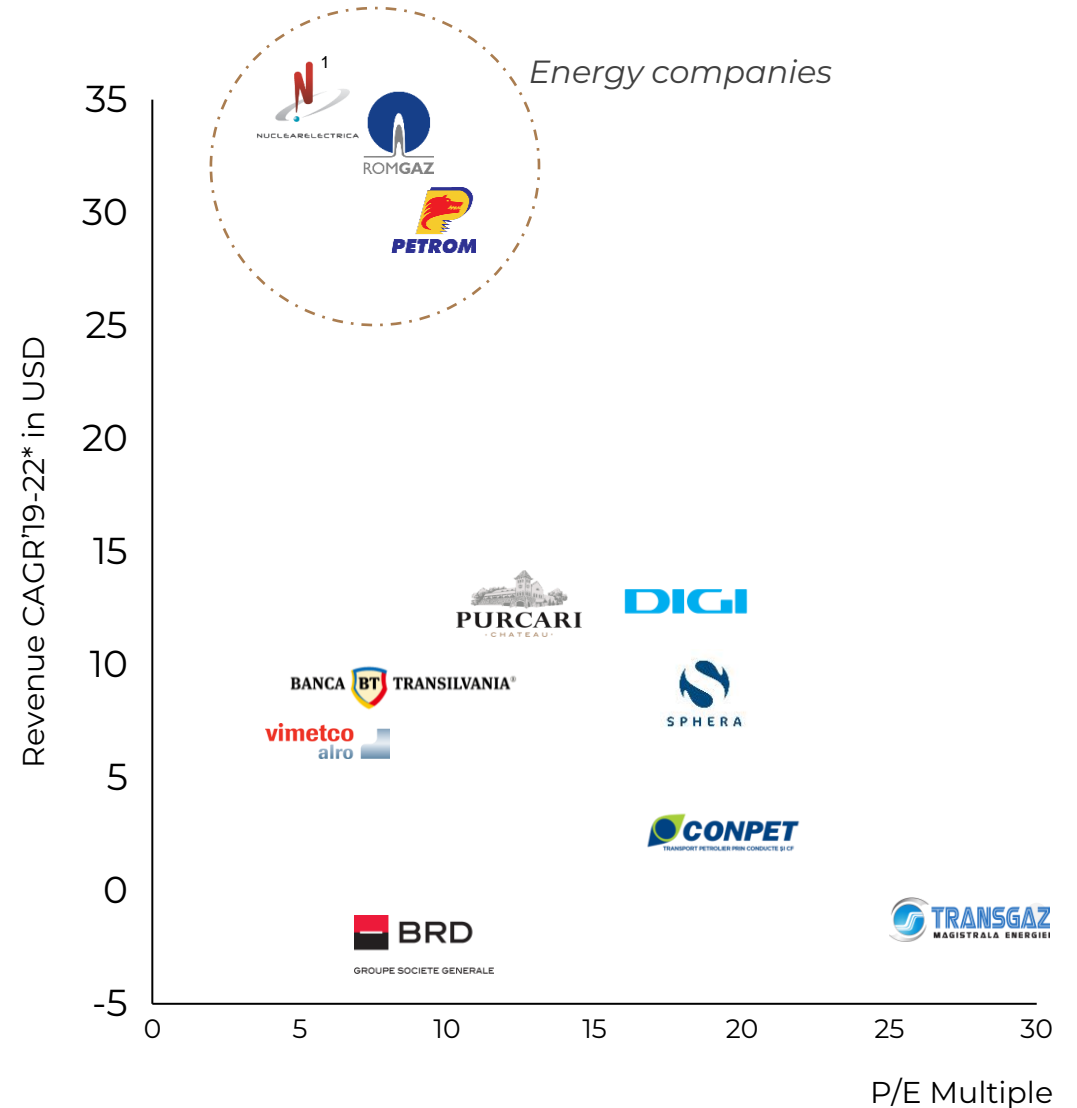
Note: Diluted EPS excluding extra items used for P/E multiple; (1) Nuclearelectrica

# 4 High growth not reflected in valuation yet

Purcari vs selected wine public companies



Purcari vs selected Romanian public companies



Source: Capital IQ, Company Data, LTM P/E multiples as of February 20<sup>th</sup>, 2024.  
 Growth figures as per Capital IQ, minor discrepancies with Purcari reported performance possible due to exchange rate treatment.  
 Note: Diluted EPS excluding extra items used for P/E multiple; (1) Nuclearelectrica





**Thank you!**



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