



Purcari Wineries

Corporate presentation
ZURS Investor Conference
April 21st, 2022

#PRAYFORUKRAINE

#СЛАВАУКРАЇНІ

1 Geopolitical and Macroeconomic update

2 2021 Operational Results

3 2022 Outlook

Freedom Blend is made of indigenous Ukrainian, Moldovan and Georgian grapes. It celebrates the free spirit. Launched in 2014, it is today more actual than ever.



Refugees fleeing Ukraine since war outburst

Humanitarian effort by country, per 100 000 inhabitants



Efforts of Moldovans

425,227

of refugees crossed the border of Moldova

97,202

of refugees remained in Moldova

+3.7%

Increase in population in Moldova since war outburst

3,712.8

of refugees per 100 000 inhabitants in Moldova

11,600

of refugees stopped at the help center of Purcari

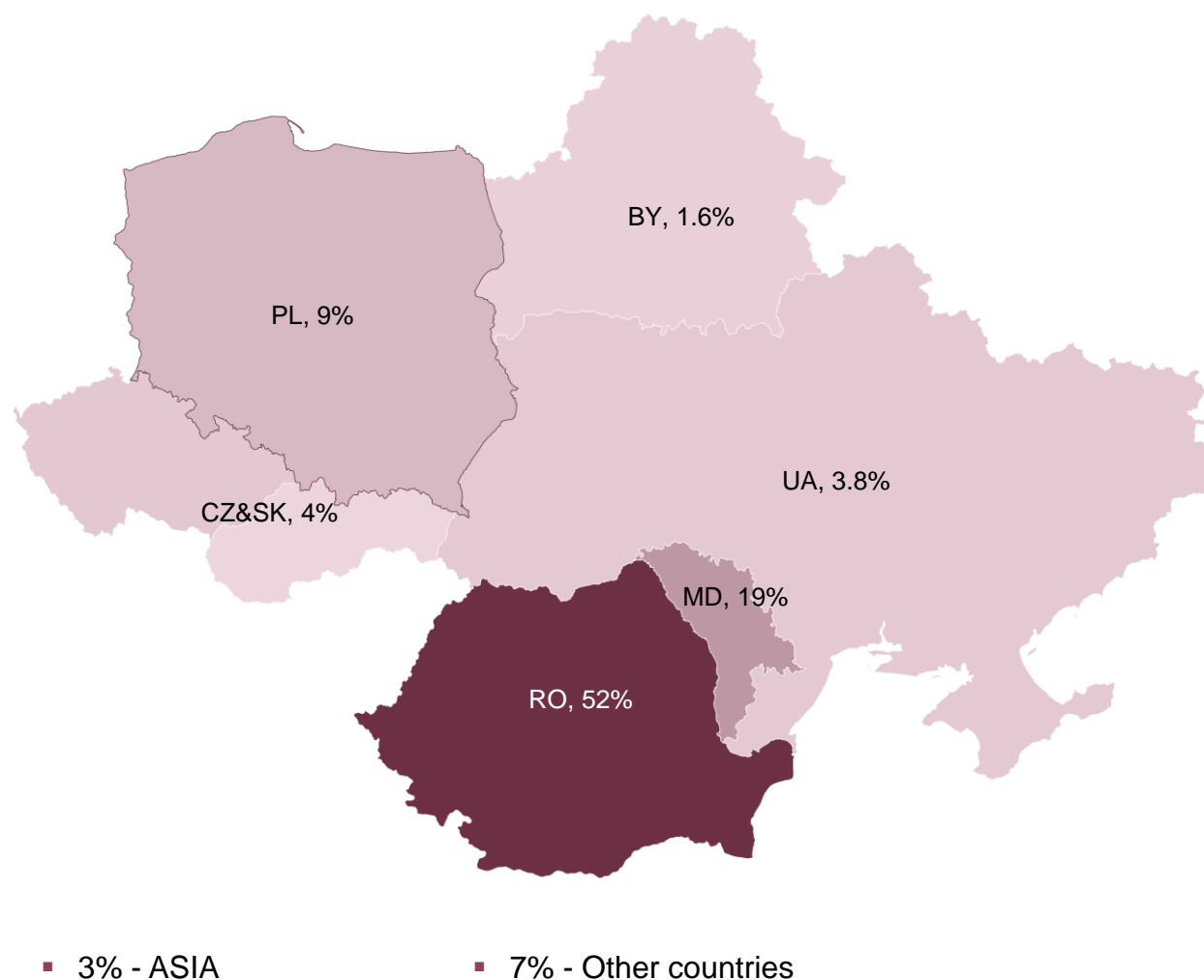
3,152

of refugees provided with accommodation by Purcari

Source: data2.unhcr.org/en/situations/Ukraine as of 18 April 2022

Risk and uncertainties on Ukrainian war










Geographical breakdown of sales in value terms, 2021, %



Operational update

- The current risk of the war in Ukraine to spill over to Moldova is extremely remote.
- Moldova has its neutrality fixed in the constitution.
- The country doesn't fit anyhow Russia's narrative on so called "demilitarization" and "denazification" used as pretext to invade Ukraine.
- No material disruptions to production operations in Romania and Moldova.
- No material disruptions to the supply chain.
- Group sales to Ukraine, Belarus and Russia as of 2021 is less than 6% of total sales.
- Account receivables relating to clients located in Ukraine, Belarus, Russia amount USD 988k. The management is considering making provisions for USD 709k.
- No vineyards located in, or grapes sourced from Transnistria region.

Sustainable cost advantage, despite worldwide spiraling inflation

					
Average net salary [€/ month]¹ 	2278	1411	551	598	369
Electricity² [€/ kwh] 	0.126	0.103	0.118	0.121	0.063
Diesel³ [€/ liter] 	1.976	1.677	0.988	1.50	1.164
Vines⁴ [€/ ha] 	25k - 3.4m	31k - 50k	27k – 48k	10k – 15k	4k – 10k

1) Source: Numbeo

2) Electricity price for business (excl. VAT), June 2021 <https://www.globalpetrolprices.com/>

3) Diesel prices (excl. VAT), March 2022 <https://www.globalpetrolprices.com/>

4) Quality comparable to Group's production 2) France (Bordeaux); France (Val de Loire, based on 10t/ha yield calculation); Spain (La Rioja, Pais Vasco); Chile (Colchagua); Romania (Crama Ceptura Winery, 2017); Moldova (Purcari Winery, 2017)

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Negru de Purcari 2015,
4.4 score on Vivino,
top 1% wine globally
**GOLD at Concours Mondial de
Bruxelles,**



Purcari Wineries Group at a glance

Leading wine player in Central and Eastern Europe...

Founded in 1827 by French colonists, Purcari group is now...

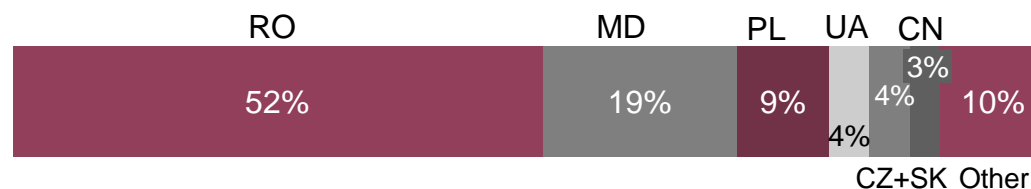
- #1 World's most awarded winery in 2021
- #1 Most awarded CEE winery of the year in 2015-2021 at Decanter London, "Wine Olympics"
- #1 Best premium wine brand in Romania, Moldova
- #1 Fastest growing large winery in CEE
- #1 Largest exporter of bottled wine from Moldova
- top 1 350+ hectares of prime vineyards, top production assets
- top Listed on Bucharest Stock Exchange, with reputable shareholders alongside founder, Victor Bostan: Horizon Capital, Fiera Capital, Conseq, East Capital, Paval Holding, Franklin Templeton, SEB etc.

6 production sites and 5 brands, covering a broad spectrum of segments



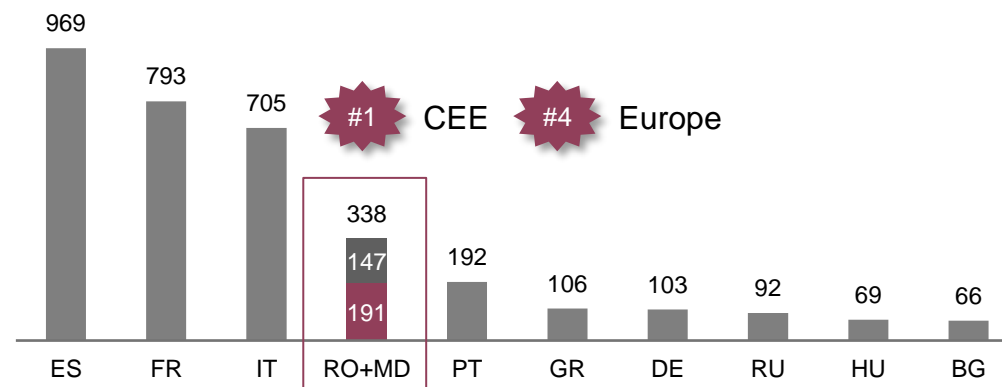
... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 2021, %



Located in a region with one of the richest wine heritages

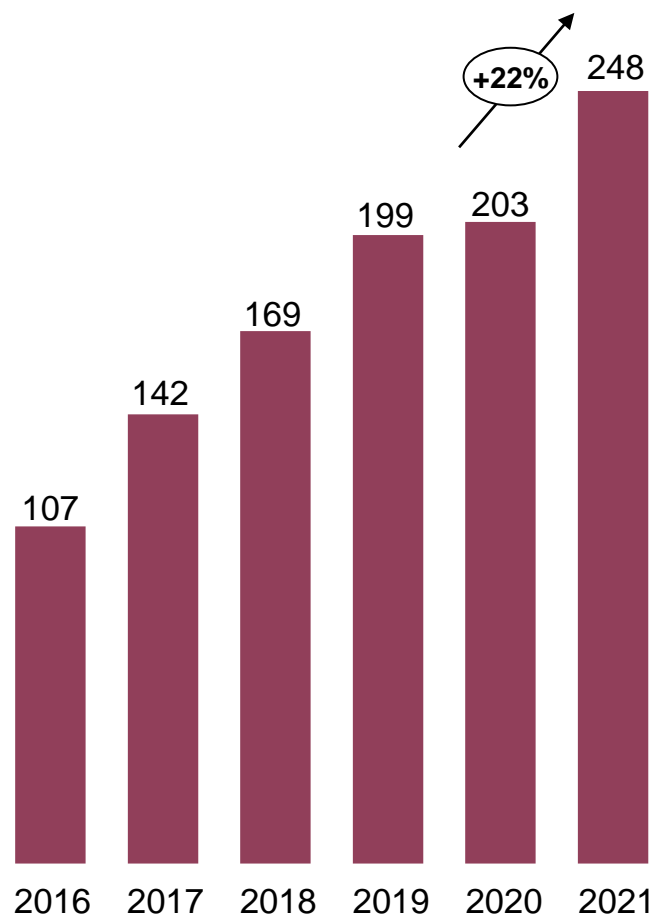
Top 10 European countries by area under vines, kha



Strong growth for the Core Wine Business in 2021

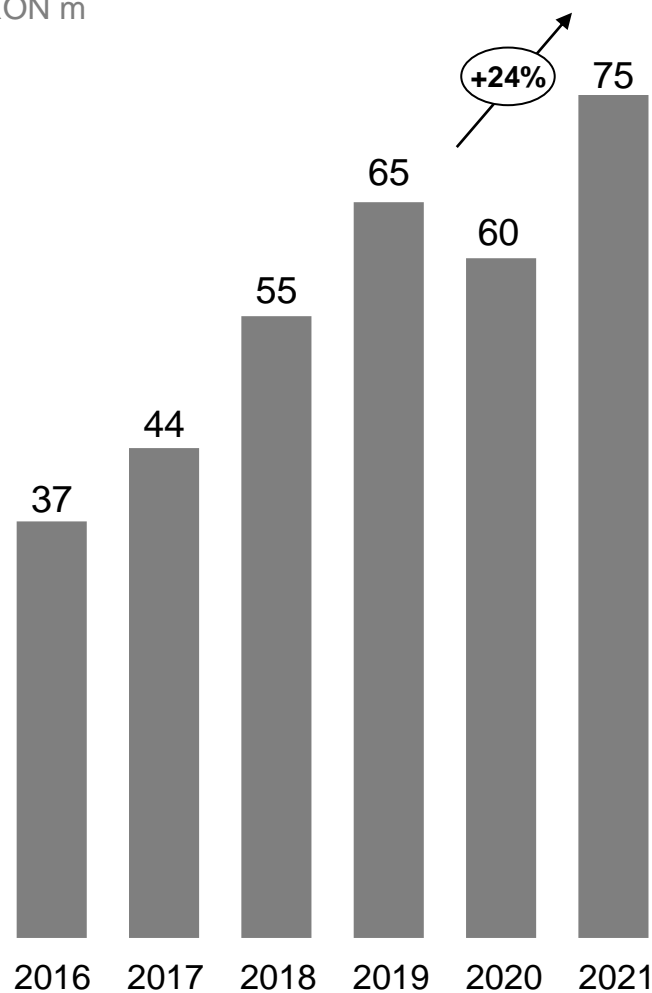
Revenues

RON m



EBITDA

RON m



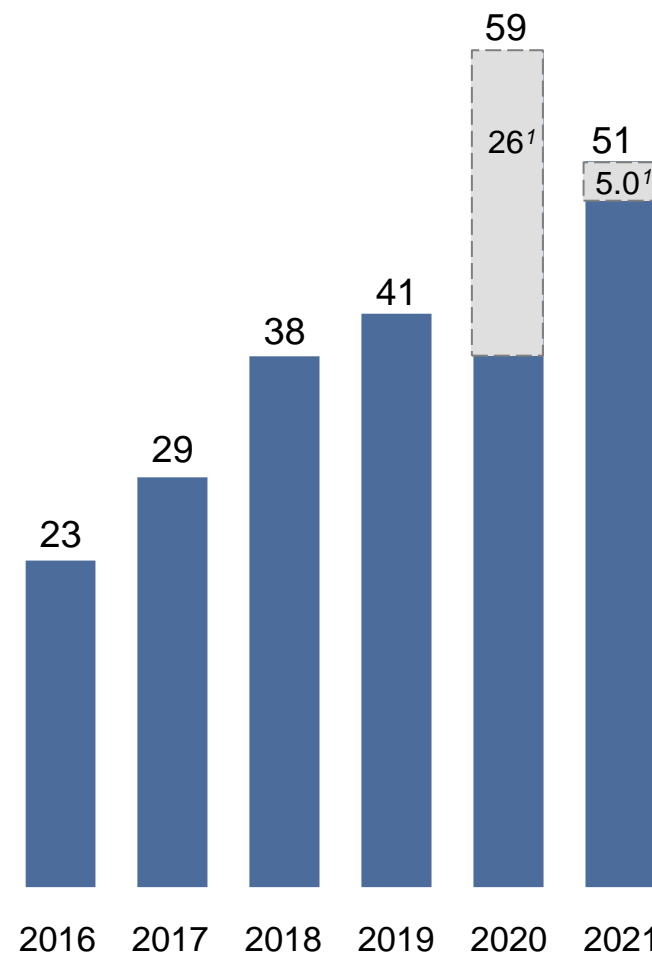
EBITDA margin

30%

30%

Net Income

RON m



Net Income margin

29%

21%

((1): Includes the following one-off effects

- Income on settlement of assigned receivable from Speed SRL, RON 4.3m in 2020
- Income from sale of the stake in Glass Container Company, RON 25.9m in 2020 and RON 5.0m in 2021
- Loss from effect of consolidation of EcoSmart Union, RON 0.5m

P&L: Strong performance on improved mix of sales

Core Wine Business¹

RON m	2021	Δ '21/'20	2020	Δ '20/'19	2019
Revenue	237.3	17%	203.7	2%	199.1
Gross Profit	114.9	18%	97.8	-1%	98.9
Gross Profit margin	48%	na	48%	na	50%
EBITDA	76.1	26%	60.5	-7%	65.4
EBITDA margin	32%	na	30%	na	33%
Net Profit	52.5	-11%	59.2	46%	40.5
Net Profit margin	22%	na	29%	na	20%

Purcari Group (incl. Waste management²)

RON m	2021	Δ '21/'20
Revenue	248.1	22%
Gross Profit	115.8	18%
Gross Profit margin	47%	83%
EBITDA	75.2	24%
EBITDA margin	30%	na
Net Profit	51.4	-13%
Net Profit margin	21%	na

1. All Purcari Wineries Group Segments, excluding Ecosmart Union

2. Ecosmart Union – waste recycling management business, consolidated at Group level from Sep'2021

Core Business

Wine, Spirits and Tourism
Since 1827











Waste Recycling Management

Ecosmart Union
Consolidated from Sep'2021







- Increased stake from 27% to 65.75%
- Part of sustainability focus
- Controlling stake obtained for a non material amount
- Expect it to be a high ROI investment post-turnaround; expect ~30m RON in revenues in 2022 and mid- to high single digits EBITDA margin

Romania sustained growth; Moldova at pre-pandemic levels

Market	Share of sales		YoY Variance		Comments
	FY2021	FY2020	FY2019		
RO 	52%	+18%	+46%	<ul style="list-style-type: none">RO: Growth of +18% vs. FY20 and +46% vs FY19. Purcari leads with +22% YoY supported by Nocturne and Limited-Edition performance. Bardar +51% due to numeric distribution growth in IKA. HoReCa showing strong return, despite pandemic restrictions, with Nocturne proving to be a success.	
MD 	19%	+61%	0%	<ul style="list-style-type: none">MD: Strong rebound, reaching pre-pandemic sales level. Purcari performing best +76%, followed by Bardar and Bostavan with +54% and +37%, respectively. All channels performing well, while HoReCa and Duty Free still recovering to 2019 levels due to periodic restrictions.	
PL 	9%	-15%	-3%	<ul style="list-style-type: none">PL: Prioritizing margin over volumes, with price increases that led to tough negotiations with certain key accounts. Targeting premium segment by listing the Nocturne collection from Purcari in HoReCa. Tailored action plans for each partner, new SKUs – Wine Crime, DAOS 0% Alcohol, product promotion campaigns focused on brand awareness. Moldawska Dolina #1 brand in Moldovan wines according to Nielsen.	
ASIA 	3%	-5%	-46%	<ul style="list-style-type: none">ASIA: -3% YoY in highly restrictive pandemic and economic environment, as total wine imports to China were down 17% YoY. Closely working with local partners, participation in Wine Fairs and rolling out digital communication strategy.	
CZ SK  	4%	-3%	-5%	<ul style="list-style-type: none">CZ&SK: Further adverse effects from TESCO restructuring, promotion of private brands and continuous restrictions for HoReCa, aggressive discounts.	
UA 	4%	+20%	+34%	<ul style="list-style-type: none">UA: Sales grew +20% vs FY20 and +34% vs FY19. Increased activity through opening a local office: expanding presence in Fragmented Trade, growing numeric distribution in IKA, focus on increasing average sales per SKU and POS.	
RoW 	10%	+2%	+15%		

Premium Purcari and Bardar brands lead the growth

Brand	Share of sales	YoY Variance		Comments
	FY2021	FY2020	FY2019	
	50%	+29%	+41%	<ul style="list-style-type: none"> • PURCARI: Strong performance on higher volumes and better mix. Sales in Moldova exceeding pre-pandemic levels. Ongoing strong traction in Romania, Nocturne series very popular with HoReCa. Promising performance in newer markets, forging partnerships to expand geographically.
	23%	-2%	-3%	<ul style="list-style-type: none"> • BOSTAVAN: Facing adverse effects on mainstream segment in Poland, Czechia and Slovakia on strong price competition, TESCO restructuring, pandemic effects. Baltics and Ukraine continue good performance in 2021, Moldova slightly behind pre-pandemic sales -3%. Focus on rebranding with launch and promotion of new SKUs. Recovery plans agreed, negotiations in process with distributors and retail chains in key markets.
	16%	+9%	+25%	<ul style="list-style-type: none"> • CRAMA CEPTURA: +9% increase YoY, continuing the growth of core brands in Romania. Acquired 70ha of vineyards with DOC Dealu Mare to support premiumization. Focus on brand awareness and portfolio reassessment. +79% YoY on export markets, albeit from smaller base.
	12%	+22%	-6%	<ul style="list-style-type: none"> • BARDAR: Strong performance +22% YoY. Moldova slightly behind pre-pandemic results -6%, with HoReCa and DutyFree operating in restrictive environment. Continue the shift from bulk to bottled to support increasing demand for premium aged brandy. Successful launch of Bardar XXO 25 Years, already gaining popularity in China with repeated orders.

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Cuvée de Purcari, the extension to sparkling launched in 2017. Made according to the traditional, *Champenoise* method, with in-bottle fermentation. **TOP 10 Best Sparkling Wines** at Effervescents du Monde 2021.



Target	2022 guidance	Comments
Revenue growth	+15-20%	<ul style="list-style-type: none"> Romania to remain growth driver. Expanding with new SKUs and brands, continue with premiumization. Exporting Nocturne's success in Romanian HoReCa to other markets Bardar shift from bulk to bottled to support increasing demand for premium aged Expecting a turnaround for Ecosmart under new management
Revenue growth, Wine ¹	+10-15%	
EBITDA margin	20-25%	<ul style="list-style-type: none"> Expect high inflationary pressure to sustain, with price-rises taking more time to be passed-through to retail COGS to include significant portion of more expensive wine stocks of 2020 vintage
Net Income margin	10-15%	

(1) All Purcari Wineries Group Segments, excluding Ecosmart Union

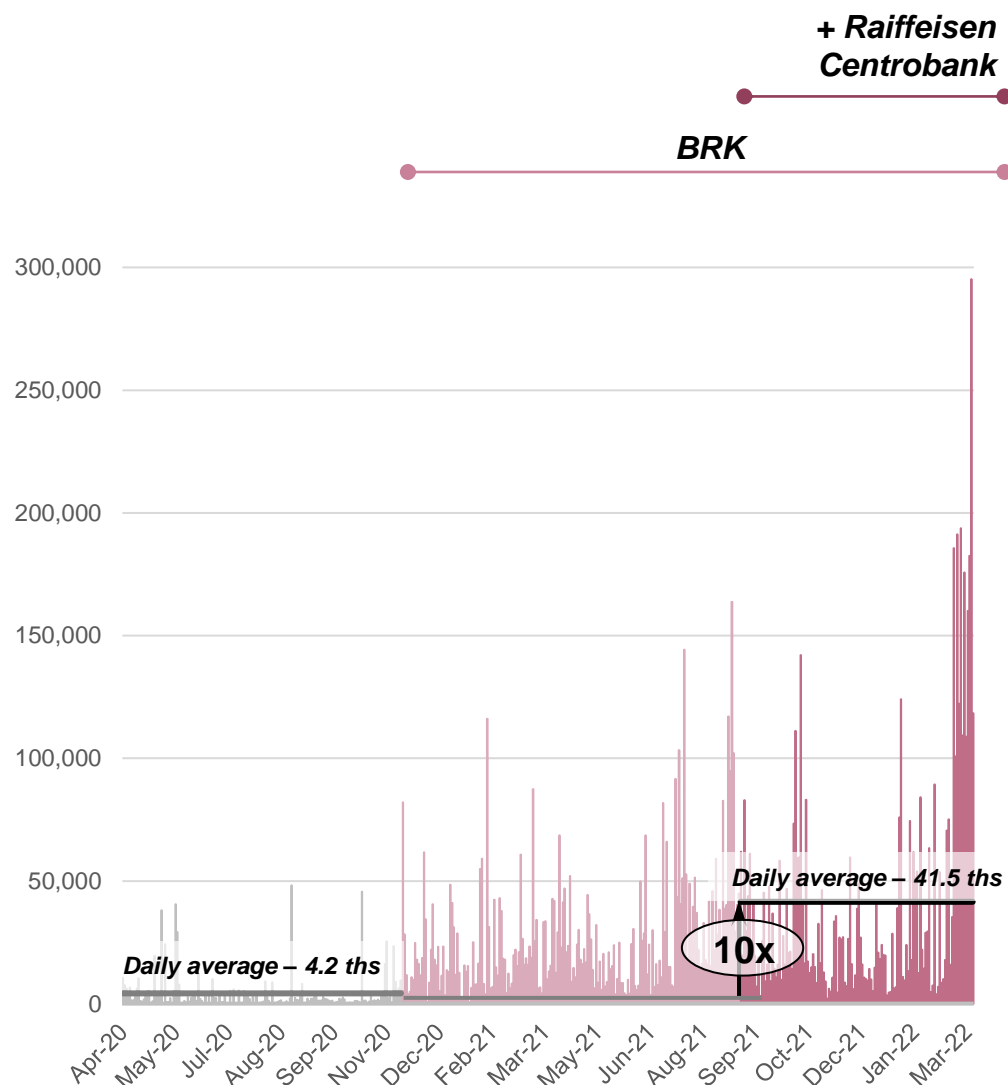
PURCARI – THE WORLD’S MOST AWARDED WINERY



* Awards won at the most important international contests in 2021: Decanter World Wine Awards, Concours Mondial de Bruxelles, Mundus Vini Spring Tasting, Citadelles du Vin, Eurasia Wine & Spirits, Concours International de Lyon, Berliner Wine Trophy, London Wine and Spirits Competition, IWSC, Challenge International du Vin, Vinarium, Women’s International Trophy, Vinalies Internationales.

Rapid rise of stock's liquidity after BRK Financial Group became Market Maker for Purcari shares

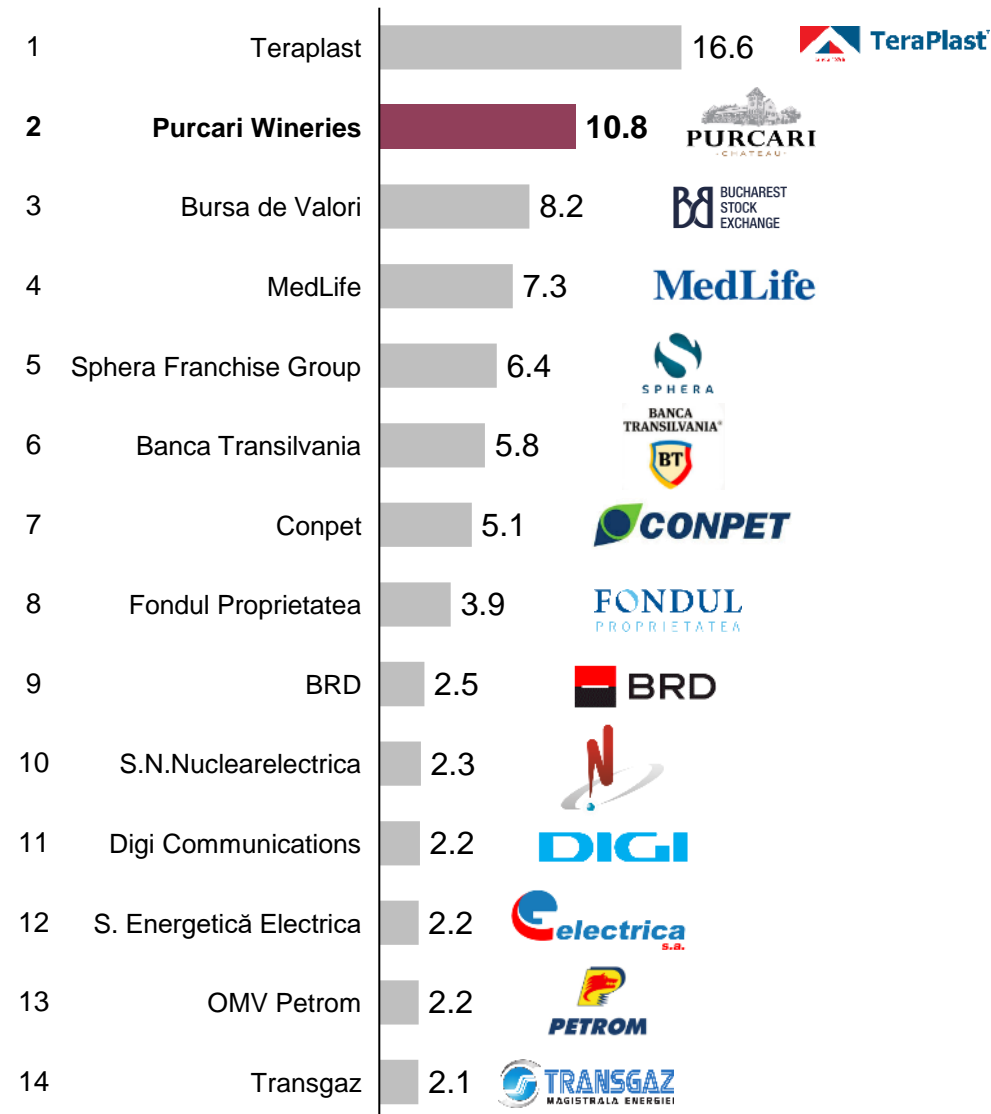
Daily volume



Source: Bucharest Stock Exchange, Capital IQ

Relative to Market Cap, Purcari's liquidity among strongest in BET

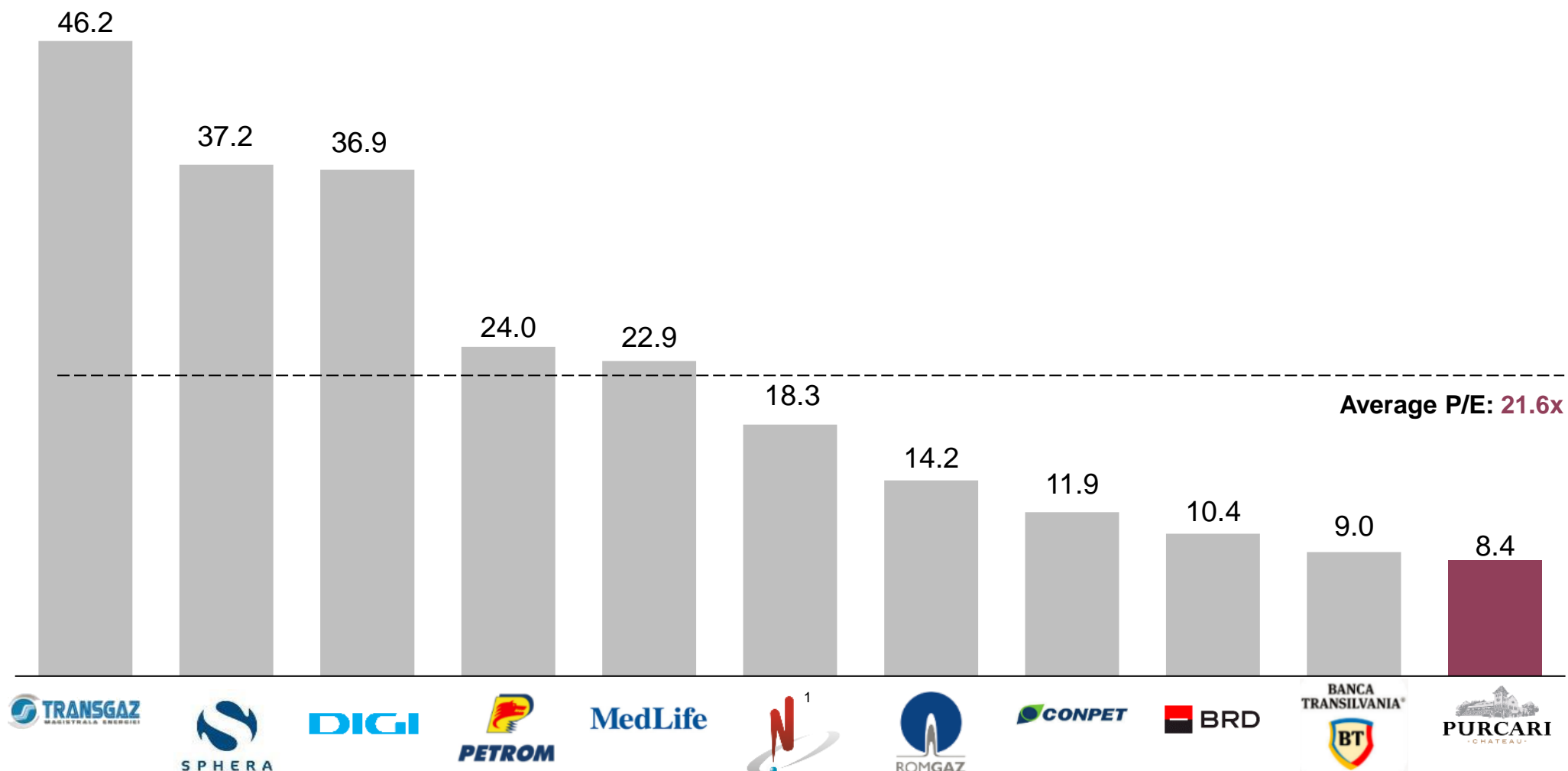
Ratio of daily trade value to Market Capitalisation, 2021-2022 YTD (March 11th) average, bps



Low valuation relative to Romanian listed peers

Purcari vs Selected Romanian public companies

P/E LTM Multiples





CRISTINA DANU, DANS ÎN ÎNĂLȚIMI

FREEDOM BLEND

VIN SEC ROȘU

SAPERAVI · RARĂ NEAGRĂ · BASTARDO



PRODUS ȘI ÎMBUTELIAT LA ÎM. VINĂRIA PURCARI SRL S. PURCARI
FĂBRICAT ÎN HOLDOVA

ALC. 13.5% VOL. 0.75 L

Thank
you.