



1827
S I N C E

INVESTOR DAY

PURCARI WINERIES PLC

30/09/2022

v01

AGENDA

1. PURCARI GROUP OVERVIEW

2. OPERATIONAL UPDATES

3. INSIGHT INTO ECOSMART

4. M&A UPDATE

5. PURCARI WINERIES STOCK

6. Q&A

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PURCARI GROUP OVERVIEW

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 1,450+ hectares of prime vineyards, top production assets.
- top Listed on Bucharest Exchange, with reputable shareholders alongside founder, Victor Bostan: Horizon Capital, Fiera Capital, Conseq, East Capital, Paval Holding, Franklin Templeton, Norges Bank etc.

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



Purcari Wineries plc



Slide 4

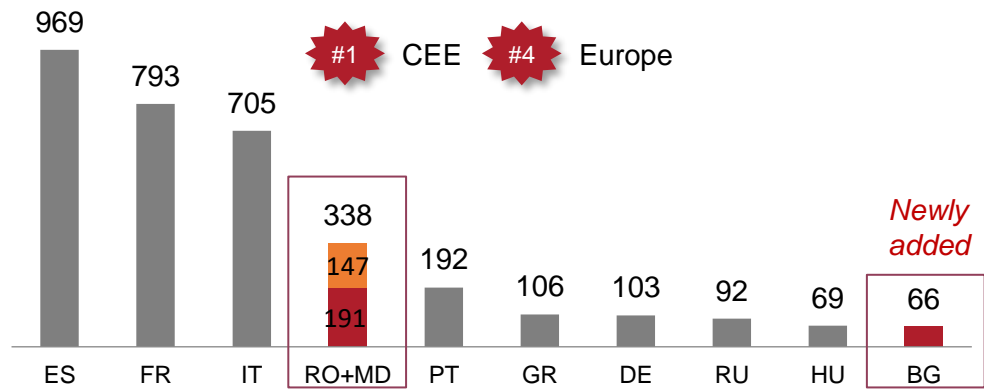
... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 1H22, %



Located in a region with one of the richest wine heritages

Top 10 European countries by area under vines, kha



PURCARI GROUP OVERVIEW

STRONG TRACK RECORD OF GROWTH

Sustainable profitability accompanying strong growth

	2017	2018	2019	2020	2021
Revenue	142.3	168.1	199.1	203.7	248.1
CoS	(74.5)	(85.5)	(100.2)	(105.9)	(132.3)
Gross profit	67.7	82.6	98.9	97.8	115.8
Gross profit margin, %	47.6%	49.2%	49.7%	48.0%	46.7%
SG&A	(31.7)	(36.0)	(44.2)	(49.2)	(53.5)
EBITDA	42.4	54.4	65.4	60.5	75.2
EBITDA margin, %	30%	32%	33%	30%	30%
Depreciation	(5.9)	(6.8)	(9.6)	(12.1)	(13.5)
Net finance cost	(1.6)	1.0	(6.9)	21.7	0.1
Income tax	(5.9)	(7.0)	(8.5)	(10.8)	(10.5)
Net Profit	29.0	41.7	40.5	59.2	51.4
Net profit margin, %	20%	25%	20%	29%	21%
Earnings per share*, RON	na	0.96	0.91	1.42**	1.19

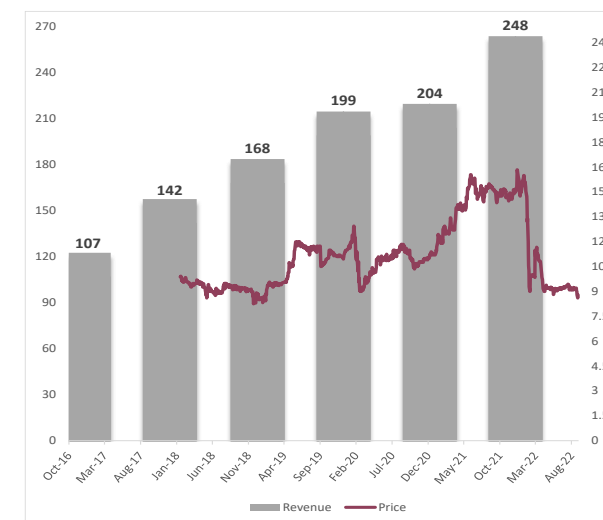
* Common denominator being the number of shares on 31st December 2021, following doubling of issued share capital.

** Including proceeds from sale of the stake in Glass Container Company.

Comments

- IPOed on Bucharest Stock Exchange in February 2018
- 75% increase in revenues since pre-IPO
- Strong operating results and cost-efficient production
- SG&A stable over time at 22% of revenue
- Maintained strong EBITDA margin at 30%+ and Net Income margin at 20%+
- Steady dividend's stream: 2018 (RON 0.475 per share*), 2020 (RON 0.65 per share) and 2021 (RON 0.51 per share)

Revenue vs. share price evolution



Our mission

To bring joy in people's lives by offering them high quality, inspiring, ethical wines and excellent value for money.

Our vision

To become the undisputable wine champion in CEE, acting as a consolidator of a fragmented industry.

Our values

Hungry

We win in the marketplace because we want it more.

Ethical

Always do the right thing and the money will follow.

Thrifty

The only way we can offer better value for money.

Different

We proud ourselves on taking a fresh look on things.

Better

We keep improving – both our wines and our people.

PROVEN RESILIENT BUSINESS MODEL EVEN IN UNSTABLE ENVIRONMENTS

Purcari business model: Affordable Luxury



Lipstick effect

With Recession Threatening, The Lipstick Effect Kicks In And Lipstick Sales Rise.

[...] recessions are reliably associated with increased spending on two types of products: traditional inferior goods (e.g., spending more on tuna rather than salmon because of budgetary constraints) and morale boosters (e.g., going to see a Charlie Chaplin film in the Great Depression).

Forbes

- 01 June, 2022

When an economy enters troubled waters, this does not spell bad news for all categories. "Affordable luxury", for example, tends to perform well in a recessionary environment.

EUROMONITOR
INTERNATIONAL

- 11 September, 2013

The lipstick effect is when consumers still spend money on small indulgences during recessions, economic downturns, or when they personally have little cash. They do not have enough to spend on big-ticket luxury items; however, many still find the cash for purchases of small luxury items, such as premium lipstick.

Investopedia

- 27 September, 2013

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COGS structure, %



Wine Stock

- Wine inventory cost component +28% higher in 2022 vs 2021 (due to higher cost of 2020 and 2021 vintages) ¹
- 3rd-party grape prices expected to be at 2019 levels (lower than 2020 and 2021)
- 300ha of irrigated vineyards at Purcari, securing vineyard yields
- 200kWh solar panel system at Chateau Purcari, reducing the cost pressure
- Moderate cost advantage on locally built equipment (e.g. storage tanks).

Packaging

- +11% YoY¹ packaging cost increase
- Bottles at 50% of total packaging cost
- Strong balance sheet allowed for creating cheaper stock reserves
- Optimization of existing packaging: craft cardboard boxes, light weight bottles

Indirect Production Costs

- -4% YoY¹ on cost discipline and focusing on value-adding areas

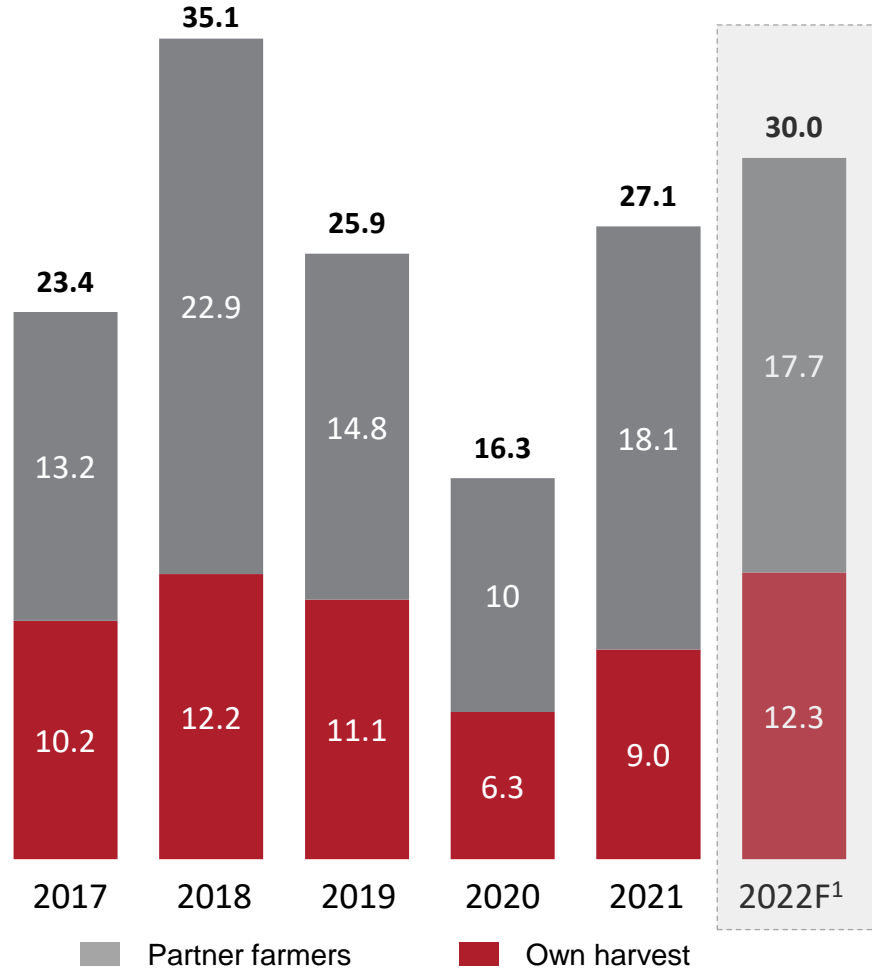
Note: (1) 8 months 2022 YoY, based on Purcari Winery and Bostavan Winery

OPERATIONAL UPDATES

ON TRACK FOR A STRONG 2022 HARVEST

Good 2022 harvest expected

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



Note: (1) Forecast
Purcari Wineries plc

Comments

- Own vineyards fully recovered after an unprecedented draught in 2020.
- High attention in maintaining the vineyards has paid off, ensuring the good health of the plants in the long term.
- Own harvest expected to exceed the record high 2018 results.
- 20 million kg of grapes collected as of 29/09/2022 from the total target of 30 million kg.
- Fulfilling required stocks from 3rd party purchases; favorable price environment.
- Irrigation system functional at Purcari Winery vineyards as of July 1st 2022
- Irrigation system roll out at Cuza Vineyards planned for 2023

PORTFOLIO DEVELOPMENT: CONTINUE CREATING INSPIRED PRODUCTS

PURCARI NOCTURNE

HoReCa – focused edition



- Launched in 2021, a bet on HoReCa in the mid of lockdown.
- Increased demand from HoReCa.
- Fastest growing series in Purcari portfolio.
- Nocturne Sauvignon Blanc 2021 awarded with GOLD at Mundus Vini 2022.

ACADEMIA

ambitious oeno-project



- Launched in 2022, vinification and aging in clay amphoras.
- Limited edition, less than 20k bottles.
- First Orange wine in Moldova from indigenous grapes – Viorica.
- Academia Saperavi 2019 awarded with GOLD at Mundus Vini 2022.

NATIVE, PROCIANO

Adopting to wine trends



- NATIVE – wine from vineyards in organic conversion.
- NATIVE Rose 2021 awarded with GOLD at Mundus Vini 2022.
- PROCIANO – Alcohol free, low calorie per intake, rich in Procyanidins.
- Targeting new segments and new markets.

BARDAR, WINE CRIME

Expanding the growth pillars in RO



- 2021 focused on listing, new partnerships.
- 1H 2022 increasing brand awareness, BTL and TTL activities.
- 2H 2022 brand buliding, ATL activities.
- Expanding Bardar and Bostavan to Romania.

OPERATIONAL UPDATES

OUTSTANDING RESULTS AT MOST REPUTABLE WINE COMPETITIONS



*Best Producer
from Moldova
2022*
Mundus Vini



*Decanter Top
Classic Wines
2021 among 50
much pricier
wines*



*TOP 10 BEST
Sparkling
Wines
Effervescent
du Monde 2021*

World's Most Awarded Winery in 2021
333 Medals



*Grand Gold
Concours
Mondial de
Bruxelles*



* 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.



*#1
Worldwide:
Title Brandy
Taste Master
2021*

IRRIGATION SYSTEMS TO SECURE YIELD AND QUALITY

- Pioneering in irrigation of technical grapes vineyards in Moldova.
- Deployed an irrigation system for 300ha of vineyards at Chateau Purcari.
- Opted for an intelligent, fully automated sub-surface drip irrigation system.
- Two storage pools of 11,000 m³ and 24,000 m³ suffice for an additional 200ha extension.
- Investments of EUR 0.9m in irrigation system in the vineyards and EUR 0.8m in the 6 km water supply infrastructure from water source.
- Securing stable yields in the long-run and extending the life of the vine plants to over 50 years.
- Estimated investment break-even: 3-4 years, from additional 3-5 average tones of grapes per ha per year.
- Next steps: deploy the irrigation system for additional 600ha in Alexandru Ioan Cuza village.



Solar panels and dedicated warehouse

- Solar Panels installed on the roof of the Purcari Winery, to provide 15% of annual electricity consumption for the winery.
- 1,025 m2 area covered by solar panels.
- Annual production 240 000 kw.
- Aiming to reach up to 80% coverage of energy demand from photovoltaic power stations in coming years.
- New warehouse built at Crama Ceptura winery with one million bottles storage capacity.
- Supports regional growth and streamlines the logistics.



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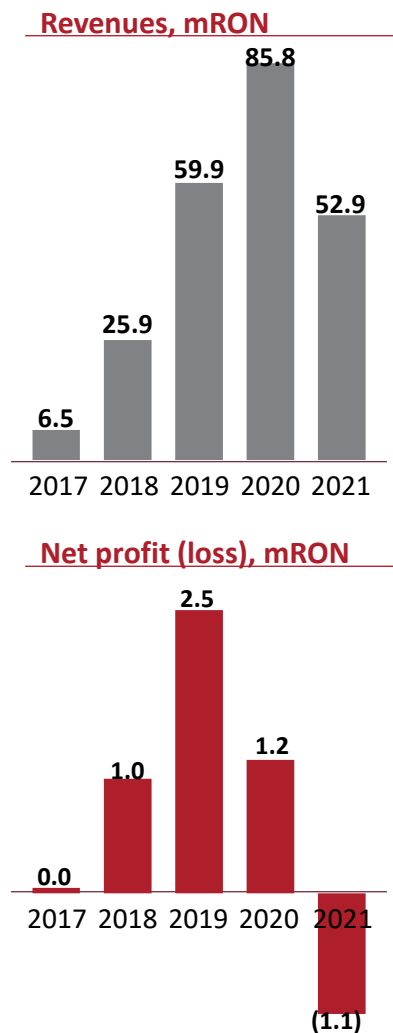
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INSIGHT INTO ECOSMART WASTE RECYCLE MANAGEMENT

Strong track-record, required clean-up



History and actions taken

- In 2017 Crama Ceptura contributed to the foundation of Ecosmart Union SA with 108 kRON for a 27% share, to ensure transparent recycling of packaging put in circulation.
- Net positive profit contribution in years 2017-2020.
- 2020 first signs of Ecosmart's mismanagement (50% drop in Net Profit, while sales up +43%).
- 2021 fraudulent behavior identified by the Board of Directors. Forensic audit carried out. Civil and Criminal cases opened against previous Administrator.
- Crama Ceptura increases the stake from 27% to 55% in Sep'21, and to 65.75% in Oct'21 to protect the investment and save the company from insolvency.
- Total investment for 65.75%: RON 0.45m.
- 4Q2021: New Administrator and team appointed to turnaround the business.
- 2021: Consolidation of Ecosmart (negative impact on Purcari's profitability).
- 1H2022: Final clean-up: all negative effects provisioned, cost with lawyers incurred. Revenue RON 8.9m, Net loss (RON 1m).
- Expected back-to-normal operations going forward.

Short-term plan

- Recover the misappropriated funds (ongoing court cases).
- Regain large customers (ongoing).
- Reach the post-crisis figures: RON 80m in turnover and estimated Net Profit margin in the 10%-20% range.
- Set independent management team.

Long-term options

- Reduce participation under 50% to avoid consolidation and focus on core WINE business.
- Divest the business and use the proceeds to either finance growth or award shareholders with an extraordinary dividend.
- Maintain majority stake in the business (while actively ensure investors' visibility into the non-core category).

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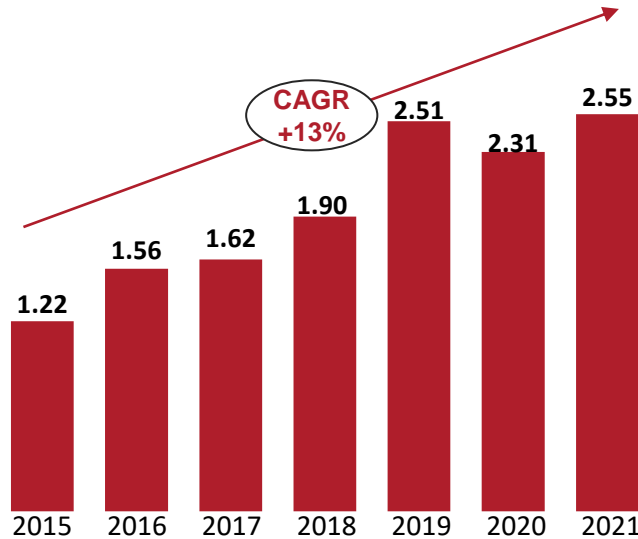
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ACQUISITION OF ANGEL'S ESTATE IN BULGARIA

Key info on Angel's Estate

- 26/09/2022 – Signed SPA for 76% stake in Angel's Estate.
- Full cycle winery
- Located near Stara Zagora, Thracian Lowlands Wine region.
- 14,000 m2 – production facilities in 2 levels, gravity-flow process.
- 1,275 tones annual grapes process capacity.
- 1-million-bottle capacity.
- 88 fermentation tanks.
- 2 wine cellars with a capacity of ~2,000 barriques.
- 100 ha of vineyards, 5,000 plants/ha.
- Brands: Angel, Stallion, Deneb, Cattleya.
- 13% CAGR 2015-2022 (20% CAGR 2015-2019 prior to Covid pandemic).
- Negative profitability: resulted in motivated sellers and facilitated ticket price negotiations.

Revenues, mEUR



Key Development Plans

- Quick wins on already-identified cost efficiency opportunities.
- Quick wins through synergies (Angel's Estate wines in Group's distribution network, and Purcari wine penetration into Bulgaria under "Crama Ceptura" model).
- Application of "Purcari" formula and know-how onto Angel's Estate wine production, sales and marketing.
- Ultimately: create a local and regional champion.



M&A focus map

- Growth components both organic and through M&A.
- Focus on fundamentals: top- and bottom-line line growth while delivering affordable luxury.
- Create local champions in the markets we operate.
- Aggressively expand in export markets with our existing portfolio of brands.
- Innovative product portfolio development and premiumisation.
- Synergies in production, purchasing and commercial management.
- Become the leader of the so-called “New Frontier” wine world (versus the “Old” and “New” worlds).
- Ultimately become the undisputable wine champion in CEE.



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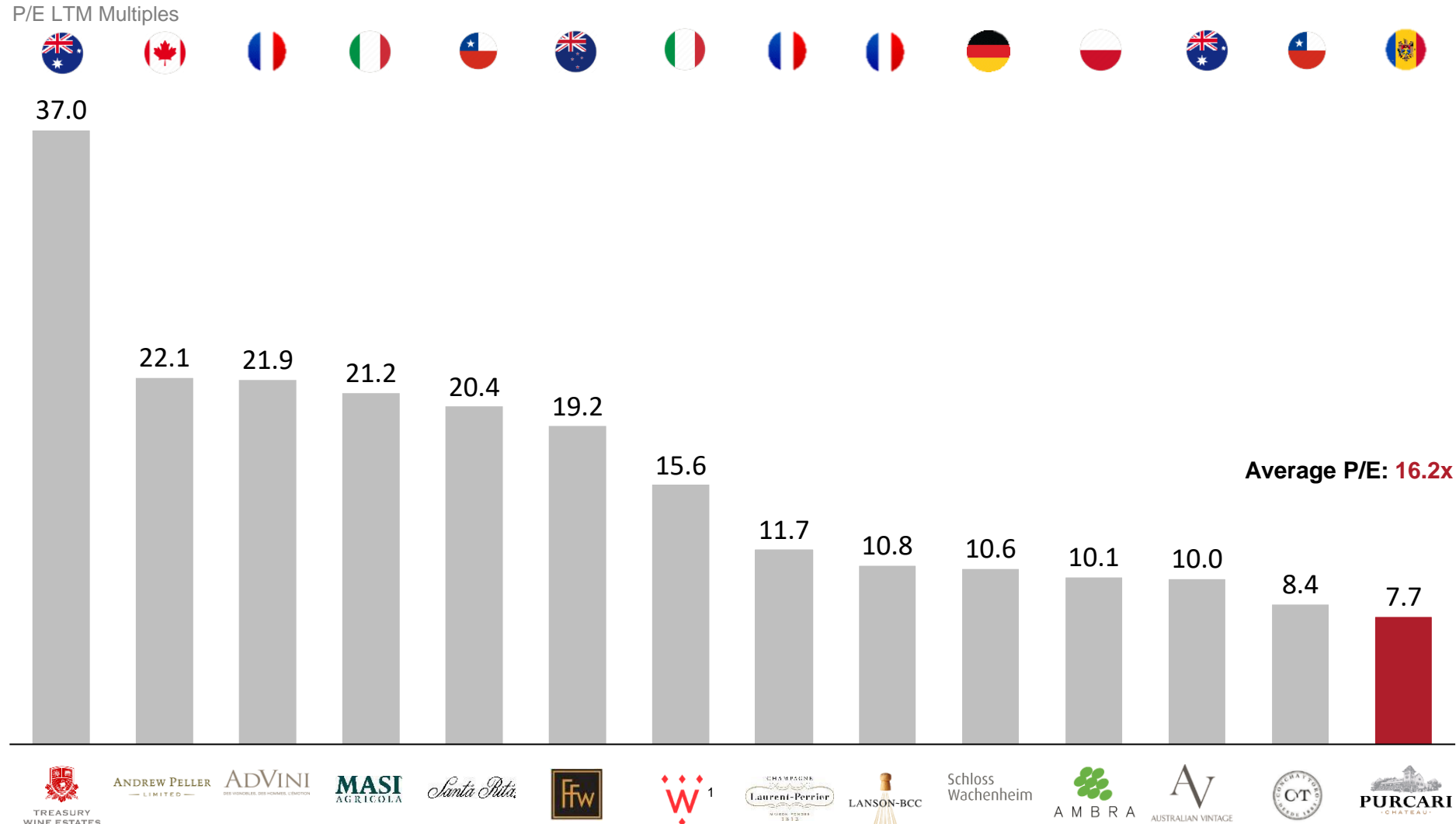
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PURCARI WINERIES STOCK VALUATION RELATIVE TO WINE PEERS



Purcari vs selected wine public companies



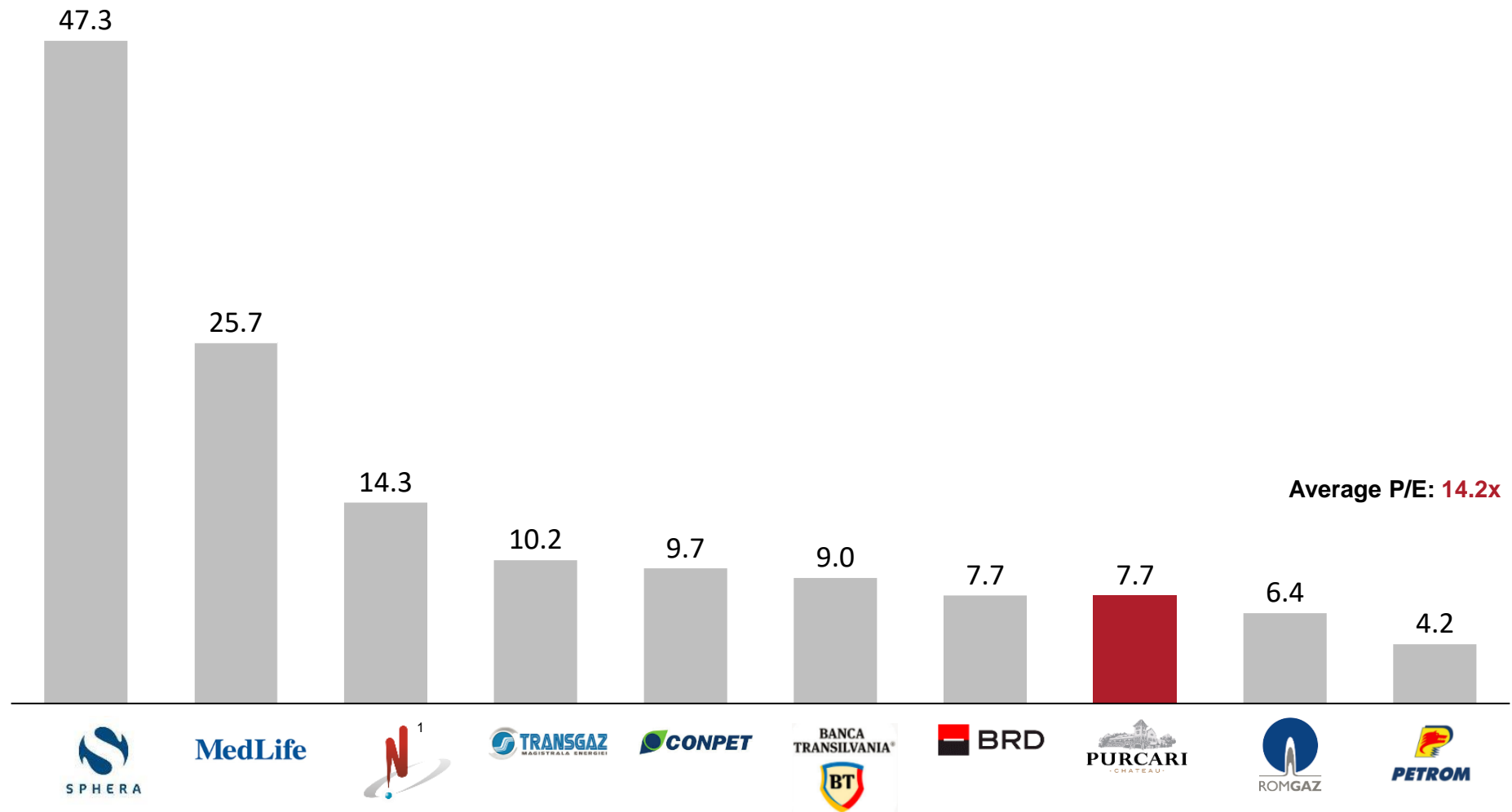
Source: Net Income and Market Cap as per Capital IQ as of August 19th, 2022
Note: Diluted EPS excluding extra items used for P/E multiple; (1) Italian Wine Brands

PURCARI WINERIES STOCK 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 August 19th, 2022
Note: Diluted EPS excluding extra items used for P/E multiple; (1) Nuclearelectrica

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