



Purcari Wineries

WOOD's Spring Emerging Markets Conference

09 June 2022

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Today's agenda

1 Purcari Wineries Group Key Info

2 Vision and Strategy

3 Purcari Wineries stock

4 1Q 2022 Operational Results



Freedom Blend
A courageous blend
of indigenous
grapes from
Moldova, Ukraine
and Georgia,
launched back in
2014 and today it is
more actual than
ever.

1 Purcari Wineries Group at a glance

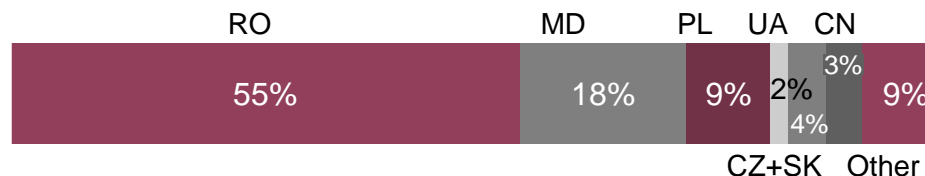
Leading wine player in Central and Eastern Europe...

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, Norges Bank etc.

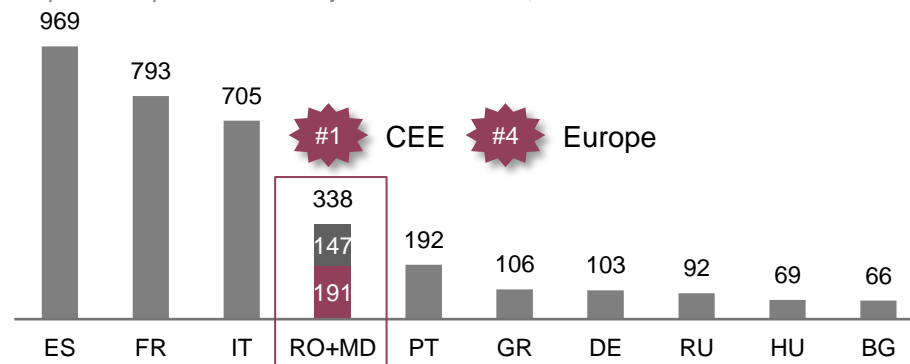
... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 1st Quarter, 2022, %



Located in a region with one of the richest wine heritages

Top 10 European countries by area under vines, kha



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



1 Strong track record of growth

Sustainable profitability accompanying strong growth

RON m

	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 at 31st December 2021, following doubling of issued share capital.

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

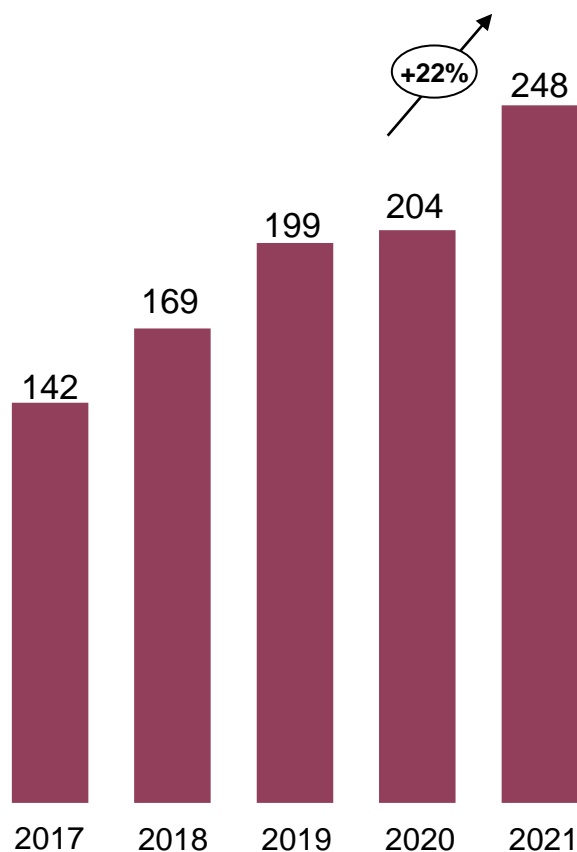
Comments

- IPOed on Bucharest Stock Exchange in February 2018.
- 75% increase in revenues since IPO.
- Strong operating results and cost-efficient production.
- SG&A stable over time at 22% of revenue.
- Maintained strong EBITDA margin at 30%.
- Positioned both as a growth and a value company, with dividends paid for 2018 (RON 0.475 per share*), 2020 (RON 0.65 per share) and 2021 (RON 0.51 per share).

1 Continuous growth in 2021

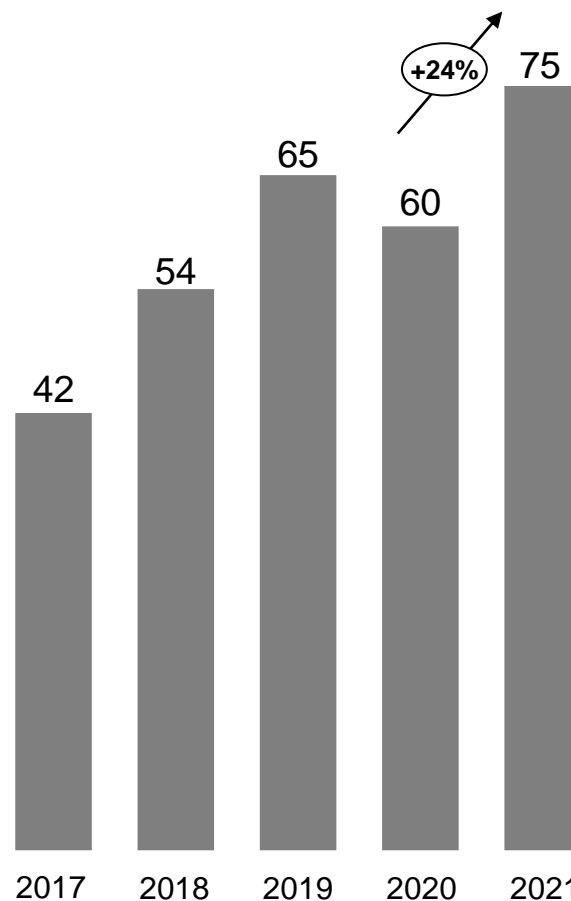
Revenues

RON m



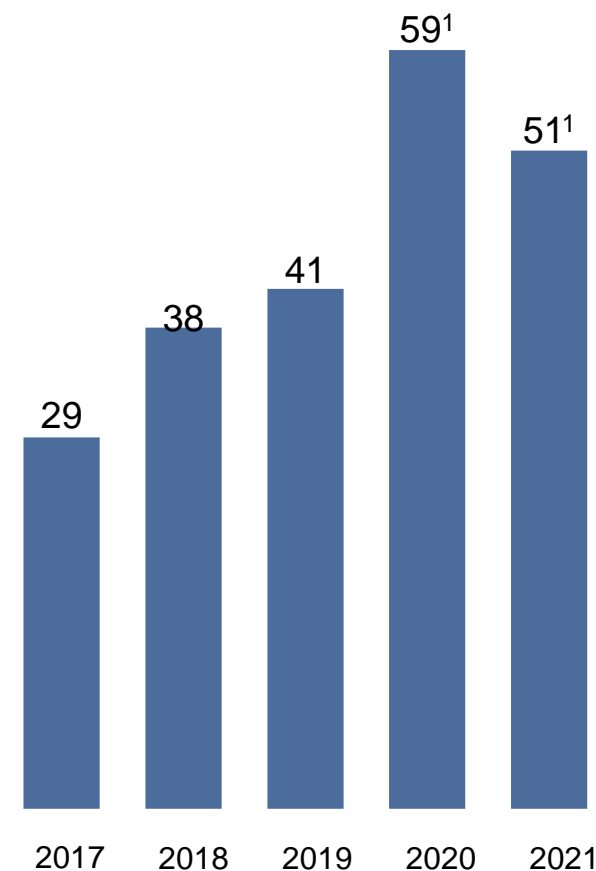
EBITDA

RON m



Net Income

RON m



(1) Includes the following one-off effects

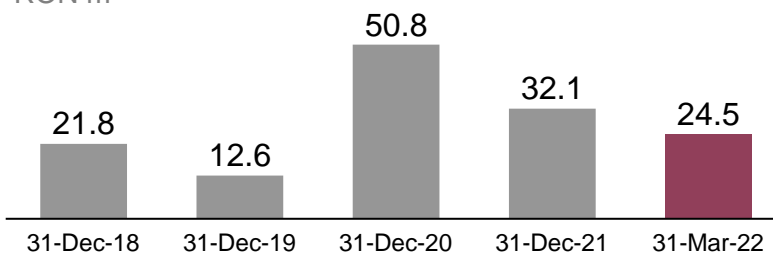
- Income on settlement of assigned receivable from Speed SRL
- Income from sale of the stake in Glass Container Company
- Loss from effect of consolidation of EcoSmart Union

1 Strong balance sheet, providing a solid footing for current macro environment

Cash and Receivables

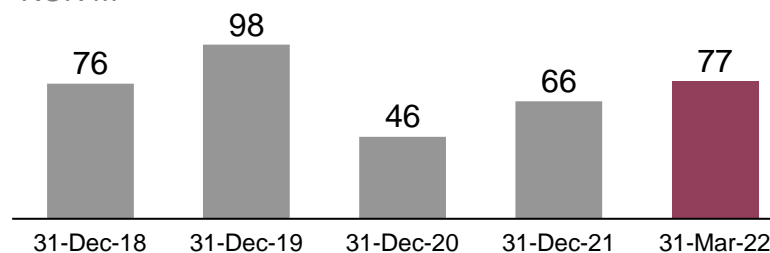
Cash Position

RON m



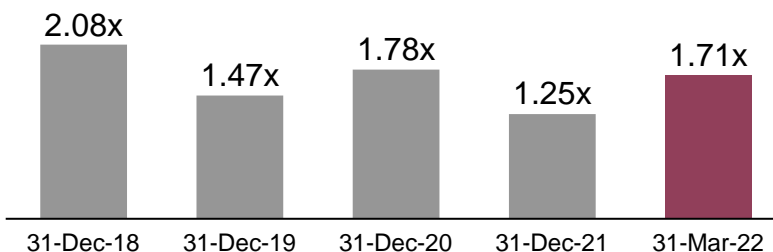
Net Debt

RON m

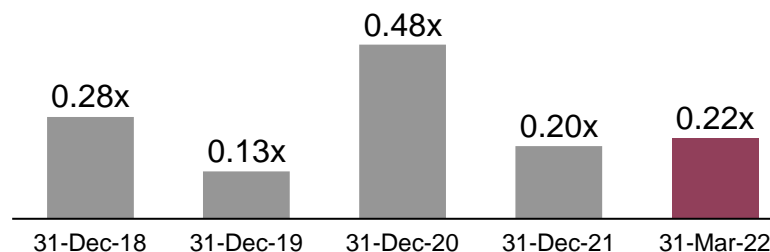


Liquidity

Current Ratio

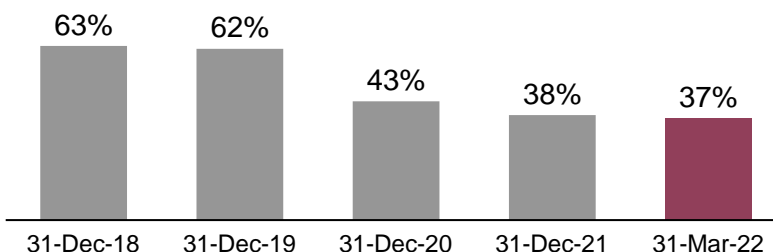


Cash Ratio

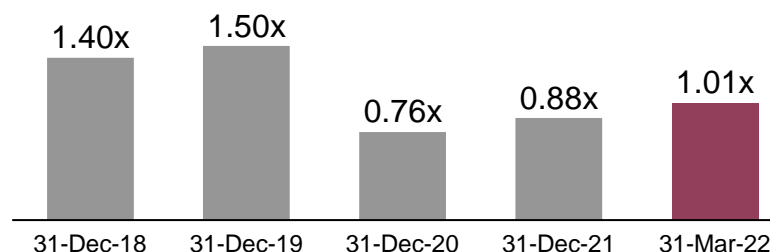


Solvency

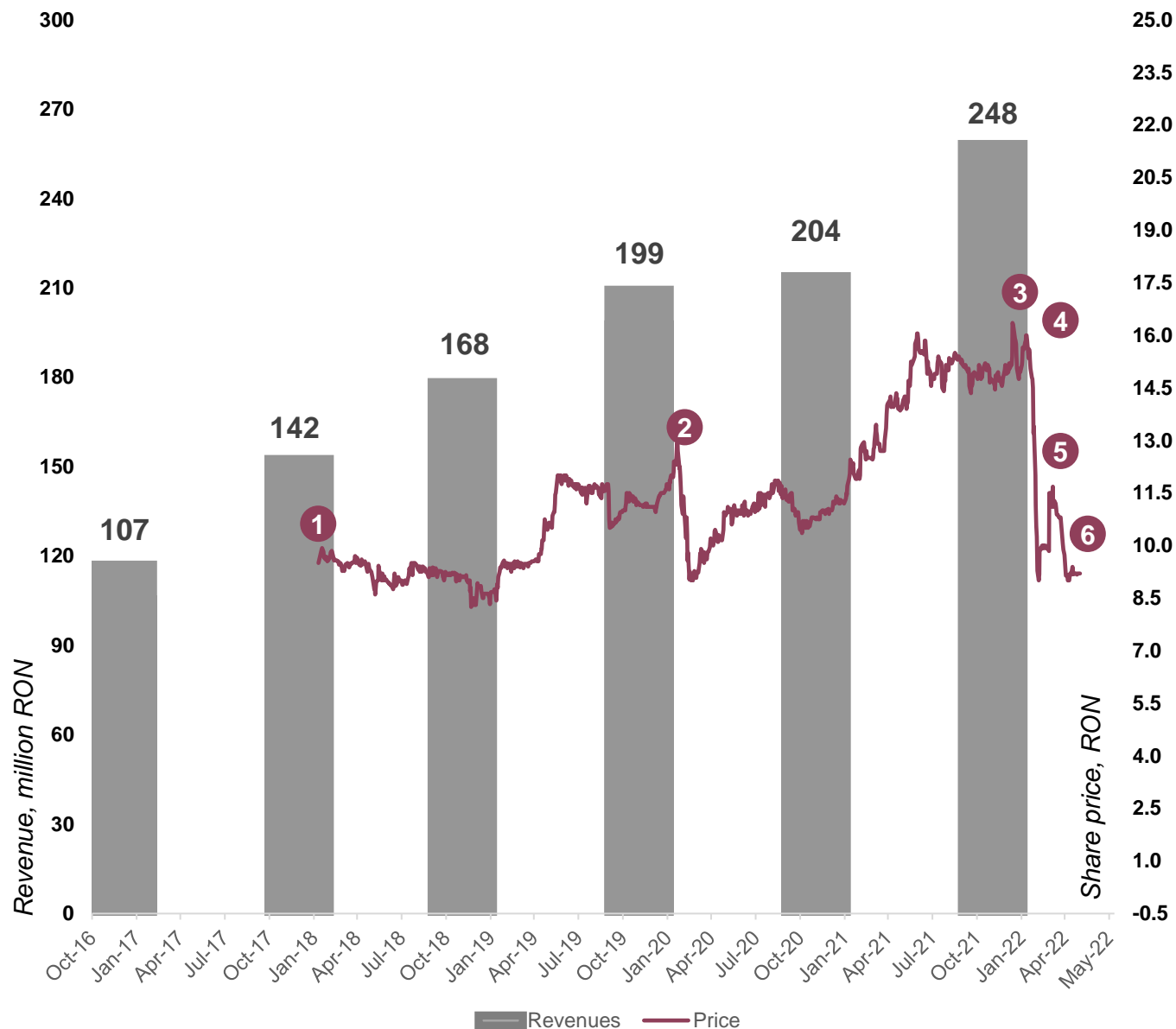
Debt-to-Equity



Net Debt-to-EBITDA



1 Revenues nearly doubled, while share price dropped under IPO level



1. IPO February 14th, 2018
2. COVID-19 outburst, February 2020
3. Maximum share price achieved since IPO – 16.35RON/share on January 12, 2022
4. Russian invasion in Ukraine, February 24th, 2022
5. Retrieval of Russian forces from Kyiv region, April 4th, 2022
6. Rumors on Transnistria becoming a potential hotspot in Russian war, May 9th, 2022. **Unmaterialized.**

Today's agenda

1 Purcari Wineries Group Key Info

2 **Vision and Strategy**

3 Purcari Wineries stock

4 1Q 2022 Operational Results



**Negru de
Purcari
2015**

GOLD at
Decanter 2020
with 95 pts and a
4.4 score on
Vivino, ranked
among the top
1% wines
globally.

2 Our business model: Affordable Luxury



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.

2 Our mission, vision and values

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.

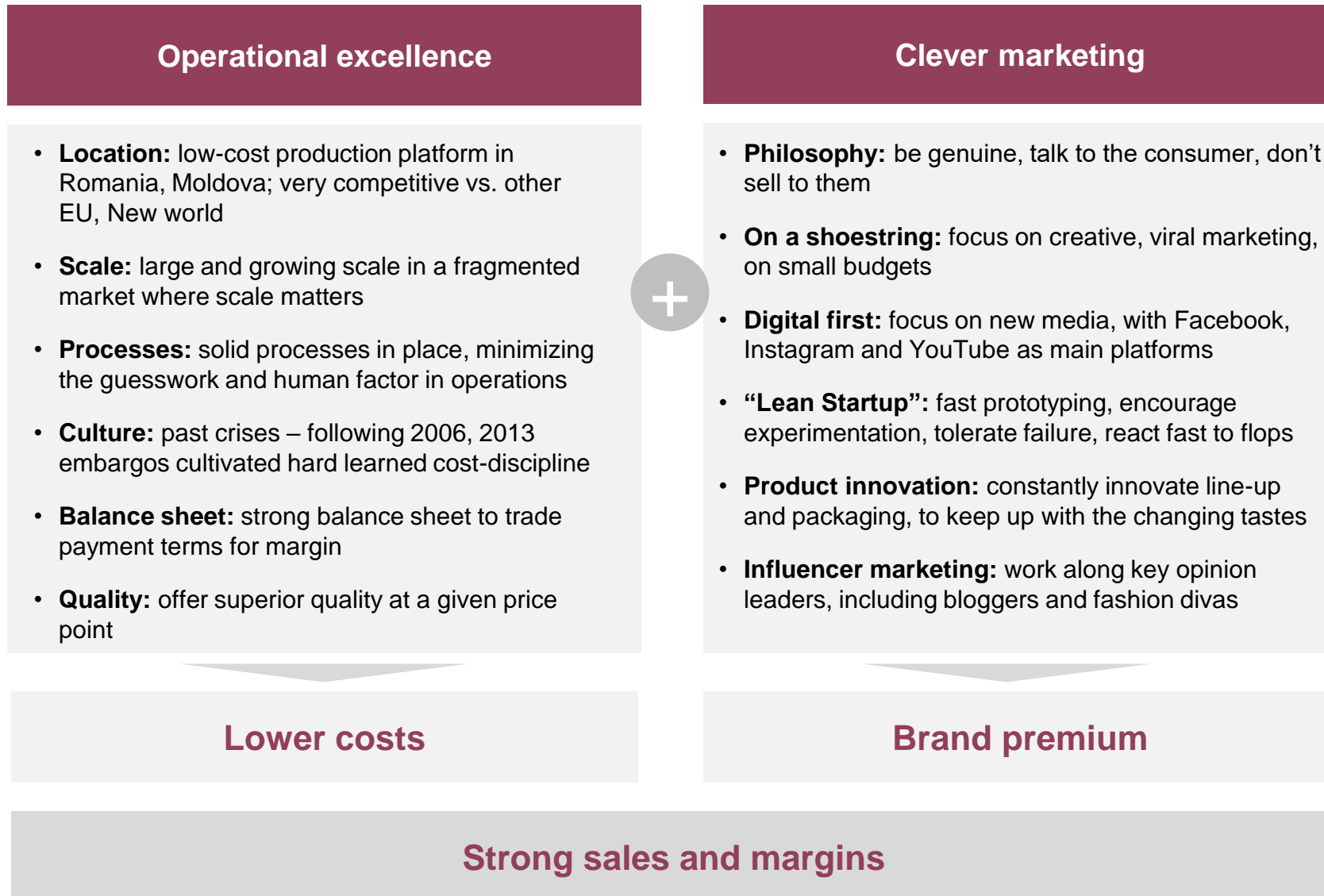
Different

We proud ourselves on taking a fresh look on things.

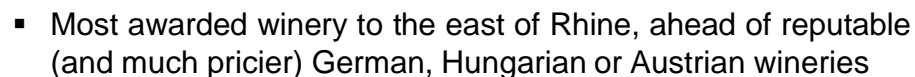
Better

We keep improving – both our wines and our people.

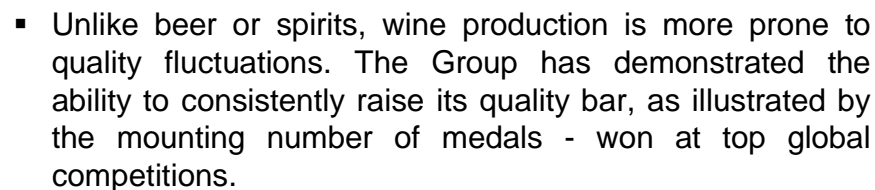
2 Purcari formula: operational excellence meets sound marketing



of Decanter medals in 2015 – 2022



of medals



2 Outstanding results at most reputable wine competitions in 2021

PURCARI – THE WORLD’S MOST AWARDED WINERY

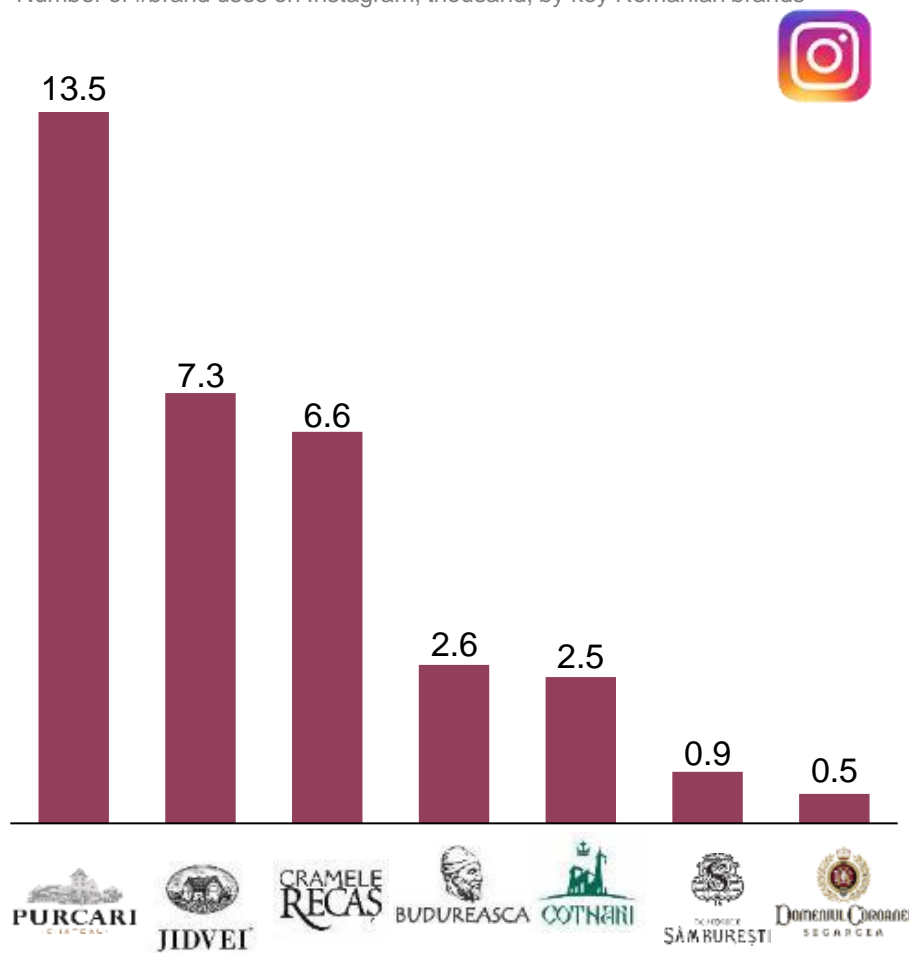


* Awards won at the most important international contests in 2021: Decanter World Wine Awards, Concours Mondial de Bruxelles, Mundus Vini Spring Tasting, Citadelles du Vin, Eurasia Wine & Spirits, Concurs International de Lyon, Berliner Wine Trophy, London Wine and Spirits Competition, IWSC, Challenge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

2 Topping competition at engagement and quality

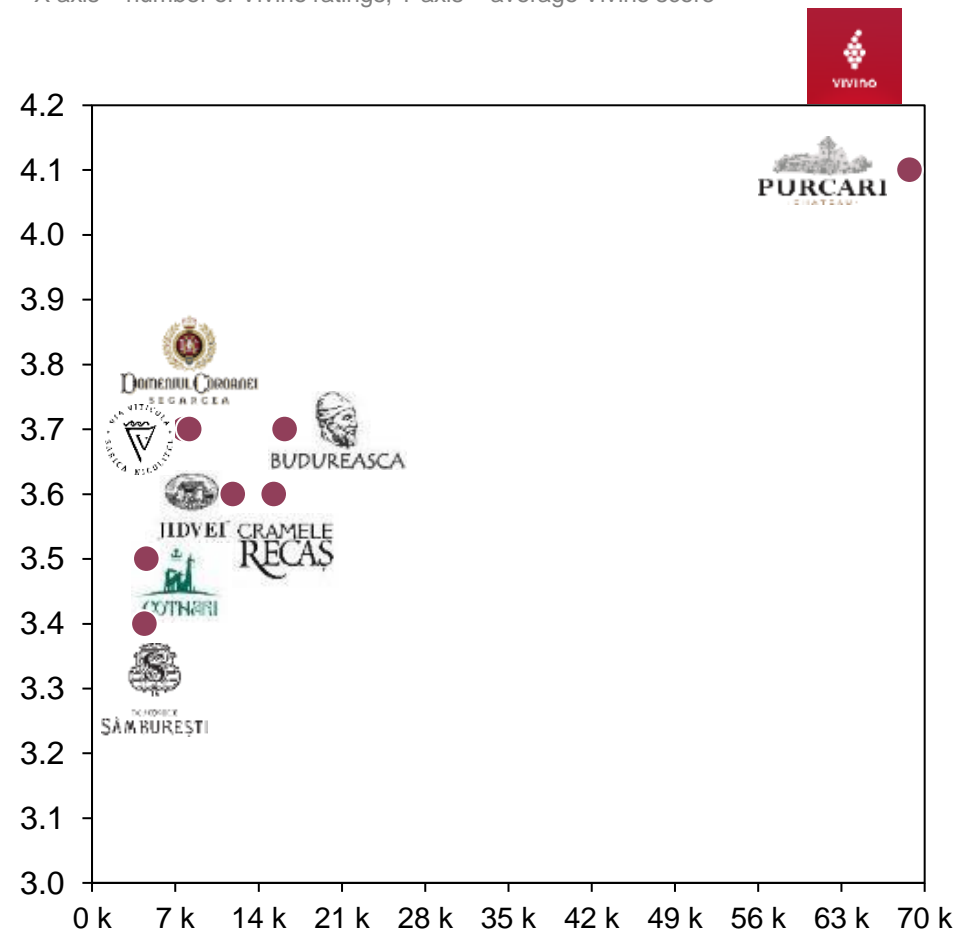
Aspirational brand which consumers like sharing about

Number of #brand uses on Instagram, thousand, 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 May 2022

2 Vivino feedback remains very strong, essential for online sales

#1 presence in the crucial RON 30-60 segment, holding 11 out of TOP-25 positions

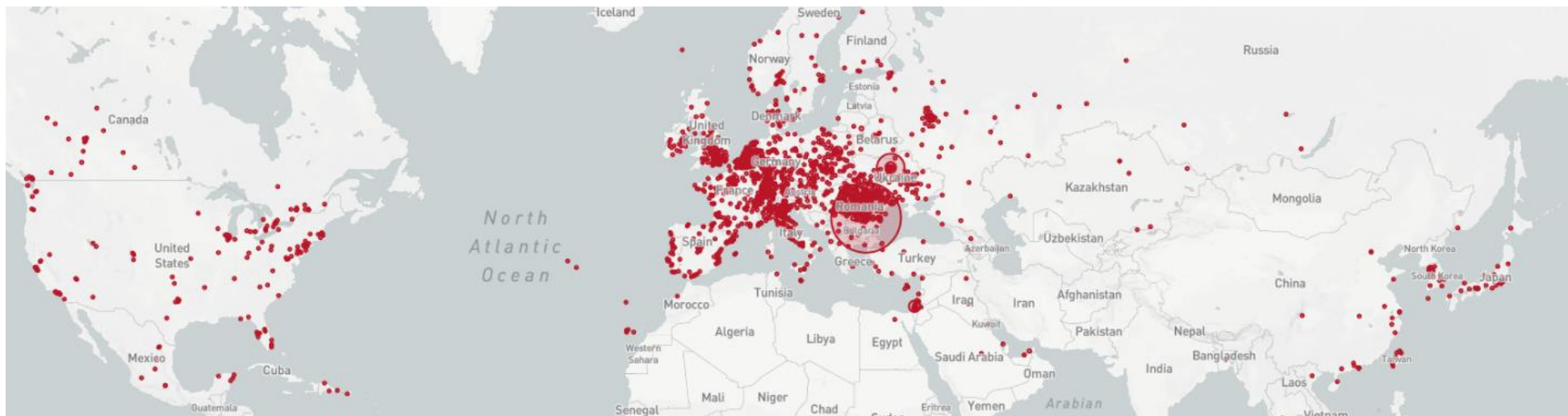


#1



- 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 **11 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.

2 Growth in Vivino usage, key for consumer engagement, ecommerce



4.24

Average score out of
5.0 in 1Q22

81%

Scores equal or
above 4.0

Top 1%

Global ranking based on
avg. score received

30,201

Vivino scans in
1Q22

+20%

1Q YoY scans growth

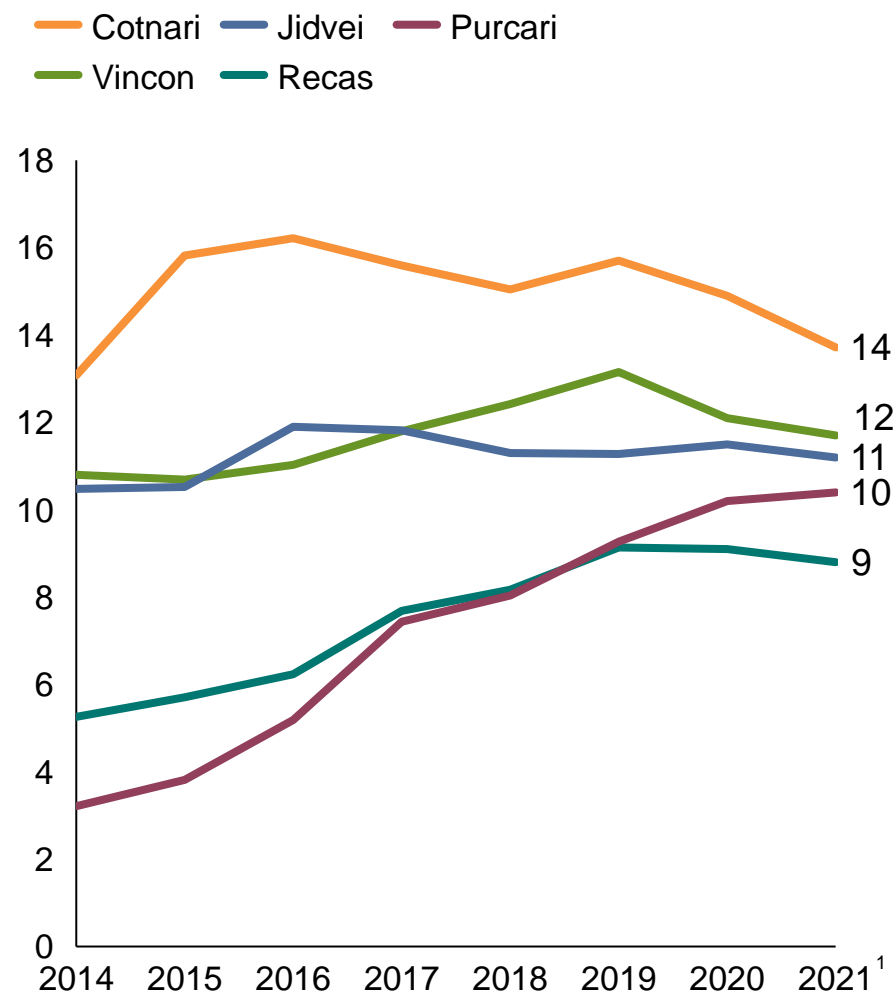
96

of countries where
Purcari has been
scanned

2 Steady increase in market share in Romania, our core market

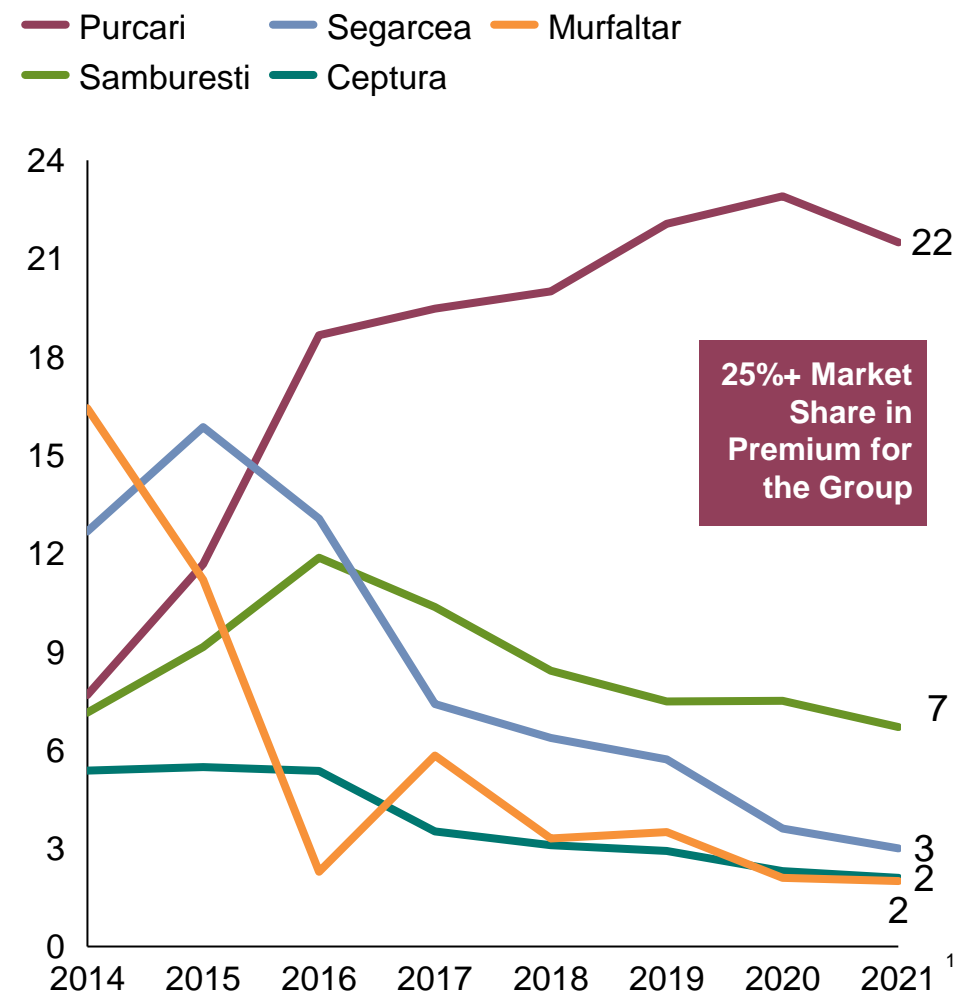
Jumped to #4 in overall market, reaching 10%+ share...

Value share of TOTAL retail market, Romania, %



...while distancing by 15+ percentage points vs #2 in premium

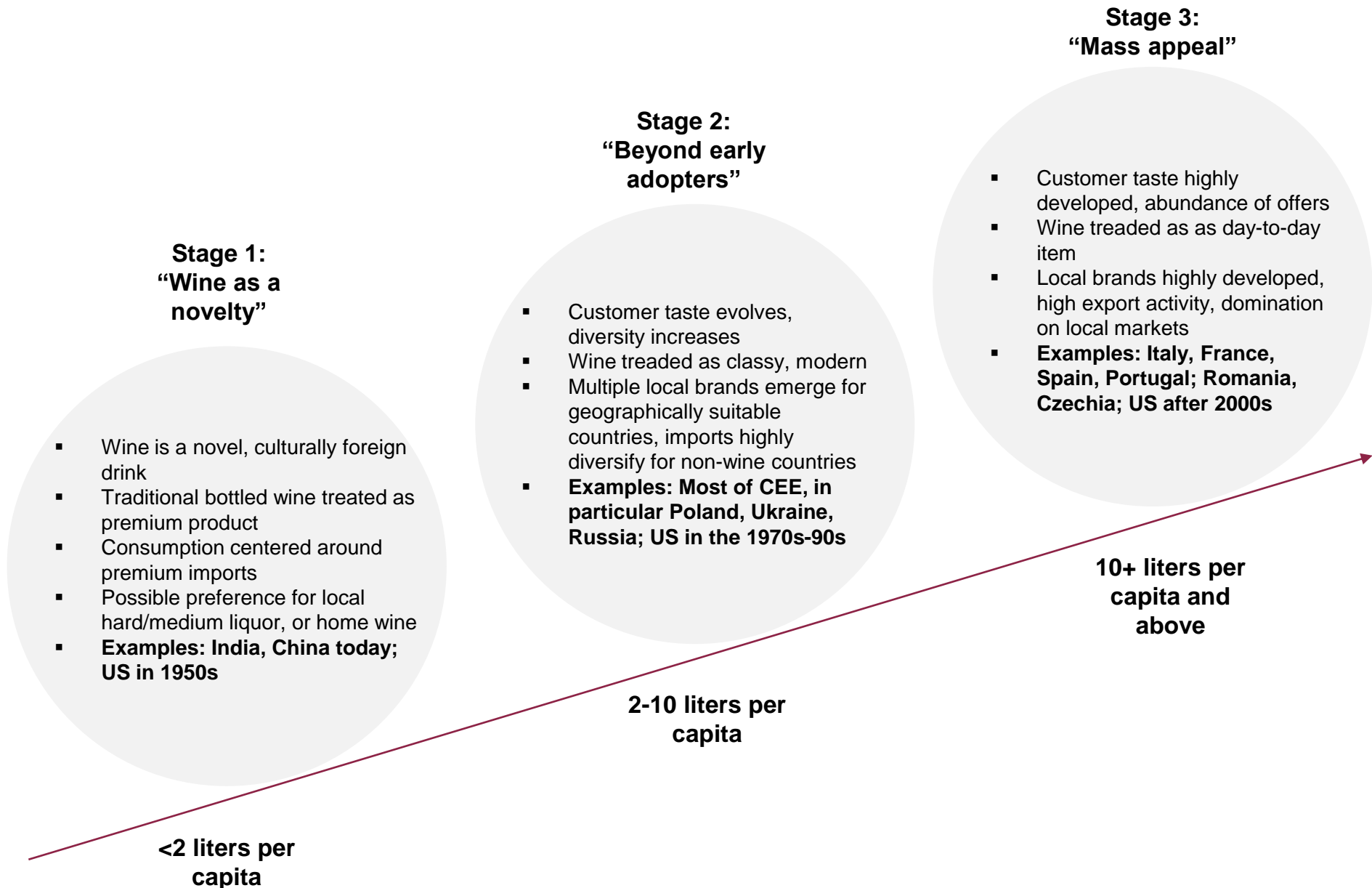
Value share of Premium (RON 30+/liter) retail market, Romania, %



Notes: (1) YTD Nov 2021

Sources: Nielsen report; Purcari Group = Purcari, Crama Ceptura and Bostavan brands;

2 Wine markets evolve, as wine moves from novelty to masses



2 Country origin frontier pushed ahead as millennials search for authenticity

Old World *Before 1980s*



New World *1980s-2010s*

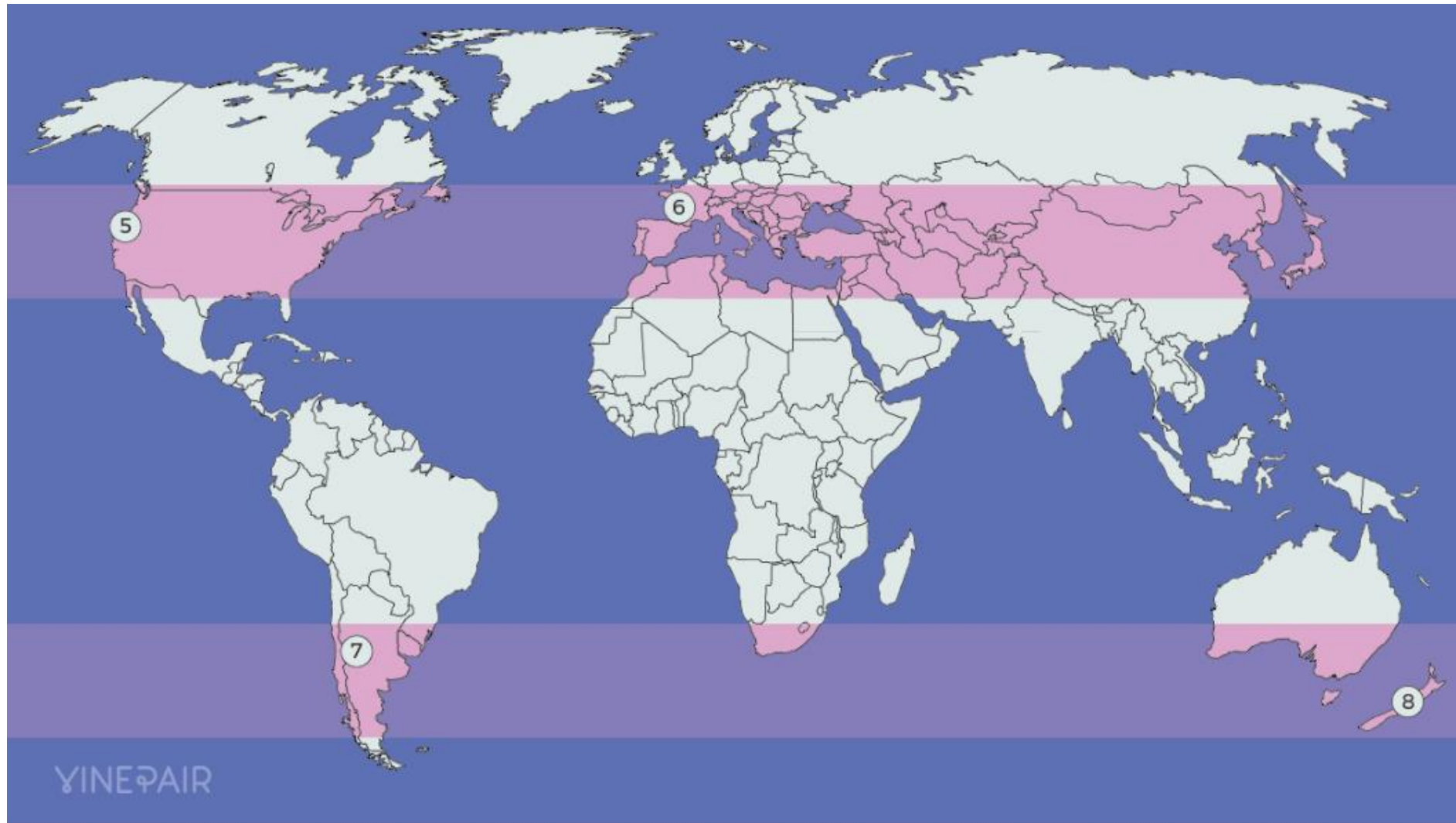


The New Frontiers *2010s - onwards*



New Frontier champions will inevitably emerge, leveraging a lower cost structure, better access to new markets and better understanding of local consumers

2 Global wine belt does leave ample space for pushing New Frontier ahead



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3 **Purcari Wineries stock**

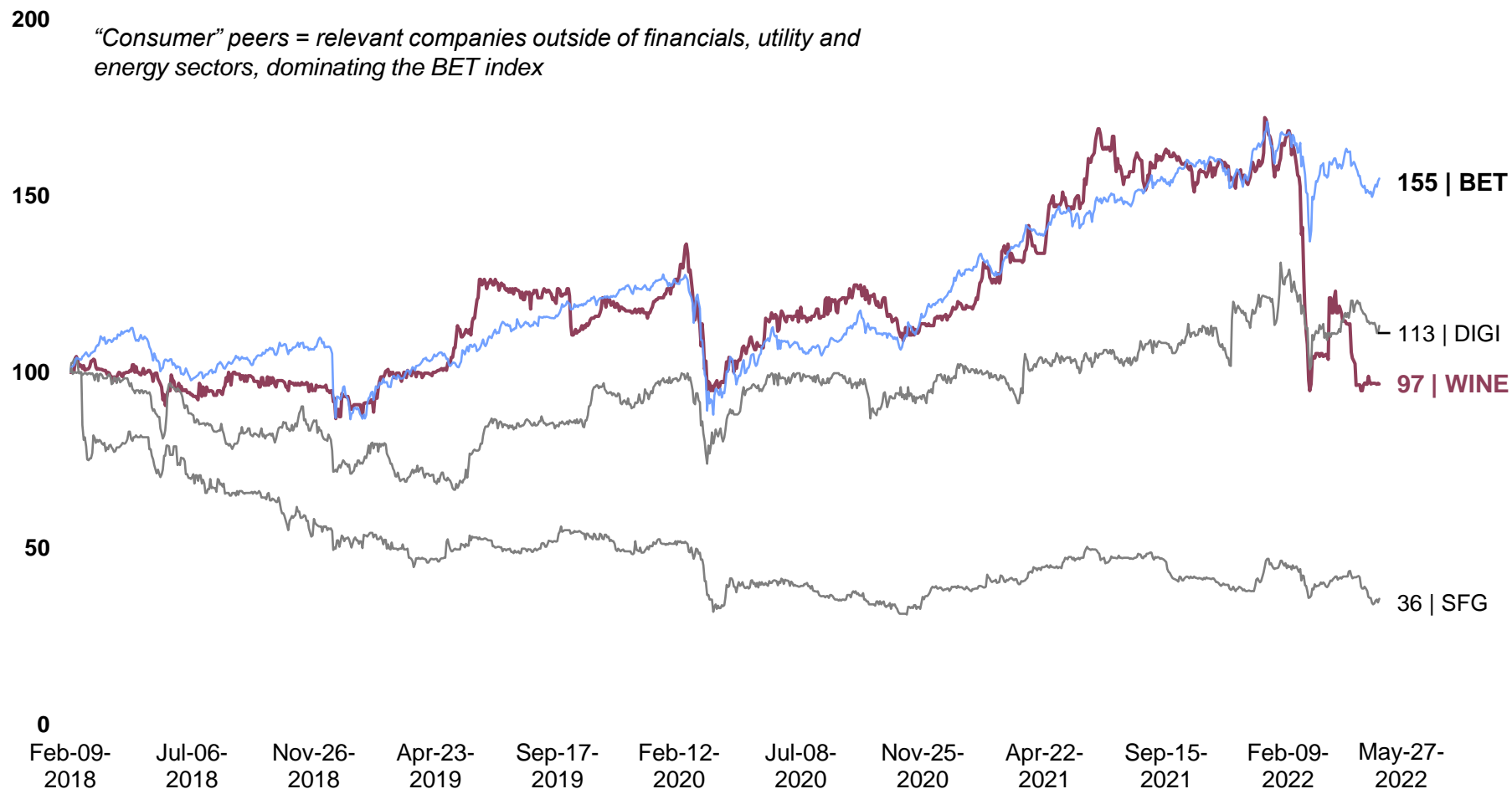
4 1Q 2022 Operational Results



Rosé de Purcari
Grand Gold at
Concours Mondial de
Bruxelles – 2022
Edition,
4.3 score on Vivino

3 Stock performance worsened in the end of February

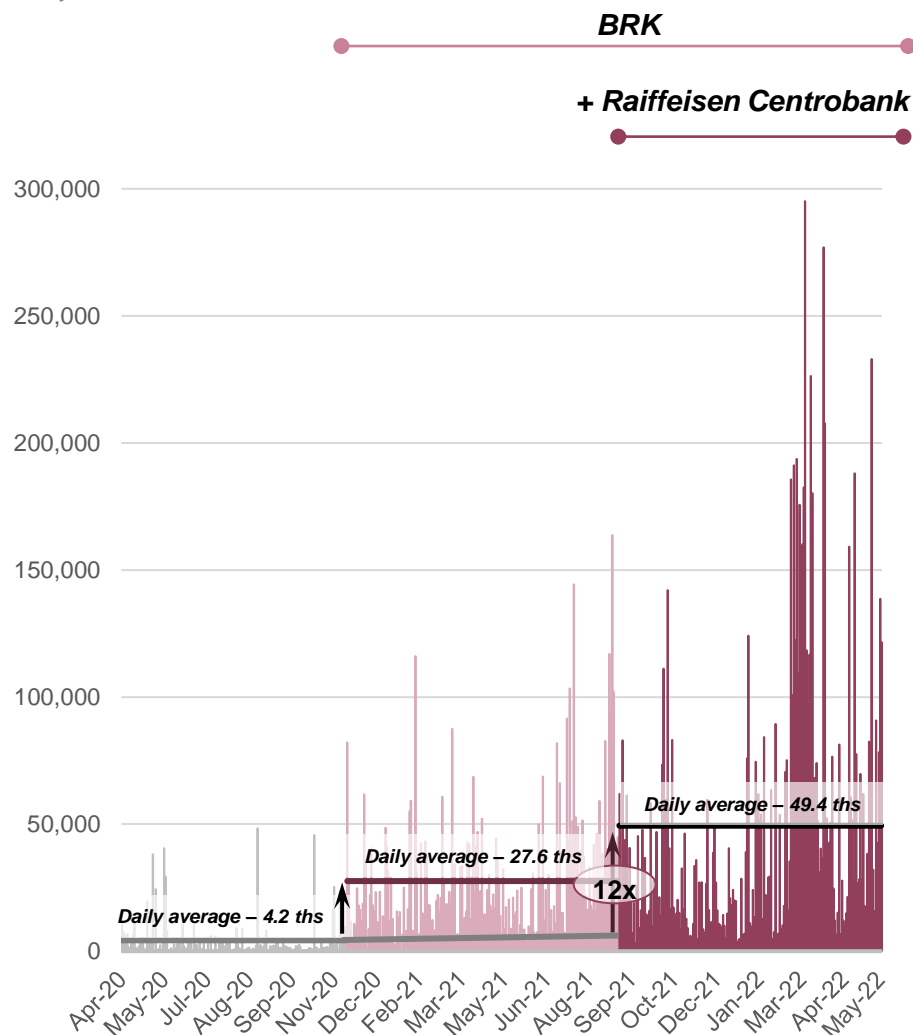
— **WINE (Purcari Wineries)** — DIGI (Digi Communications N.V.) — BET (index) — SFG (Sphera Franchise Group)



3 Purcari stock liquidity – among the strongest on the Romanian market

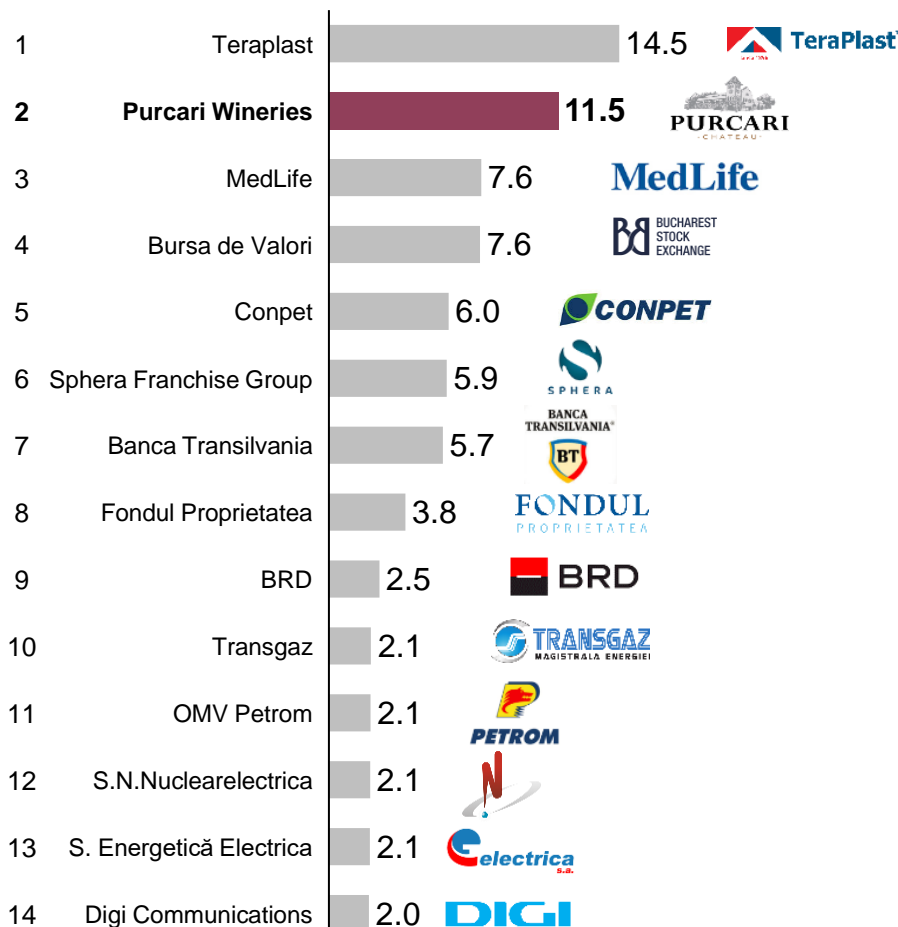
Rapid rise of stock's liquidity after starting working with Market Makers for Purcari shares

Daily volume



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

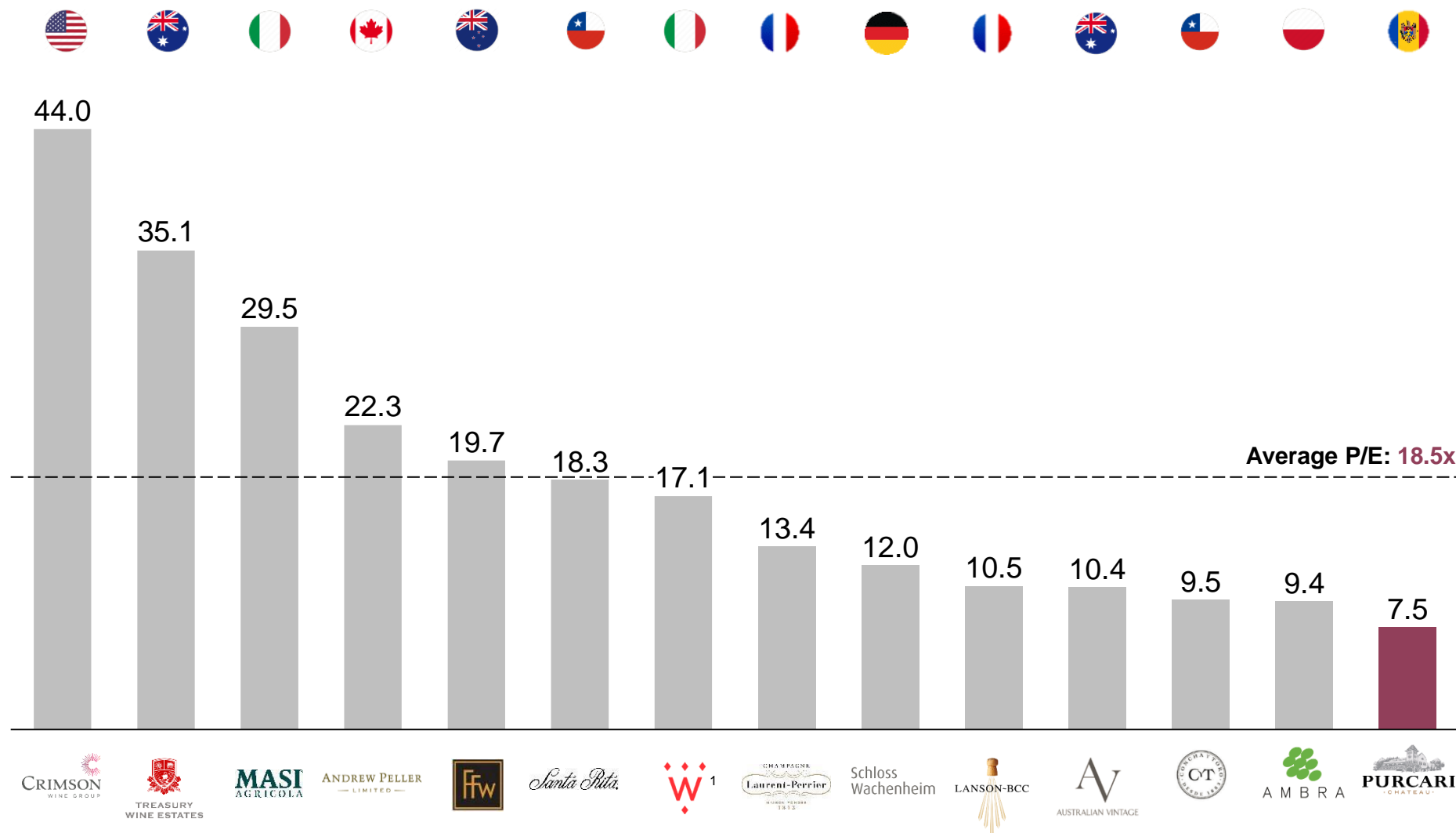
Ratio of daily trade value to Market Capitalisation, 2021-2022 YTD average, bps



3 Low valuation relative to wine peers

Purcari vs Selected wine public companies

P/E LTM Multiples

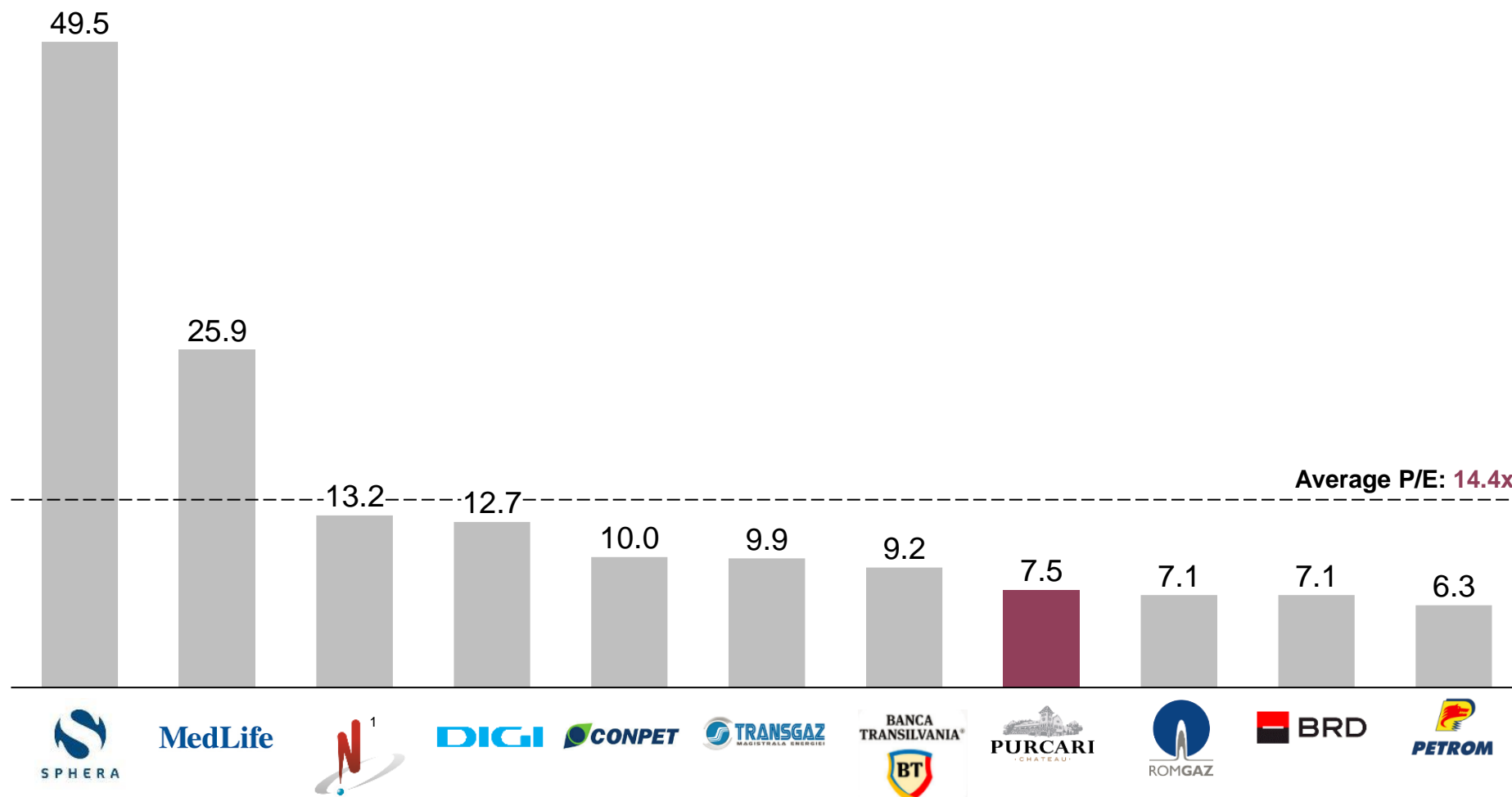


Source: Net Income and Market Cap as per Capital IQ as of May 27th, 2022
 Note: Diluted EPS excluding extra items used for P/E multiple; (1) Italian Wine Brands

3 Average valuation relative to Romanian listed peers

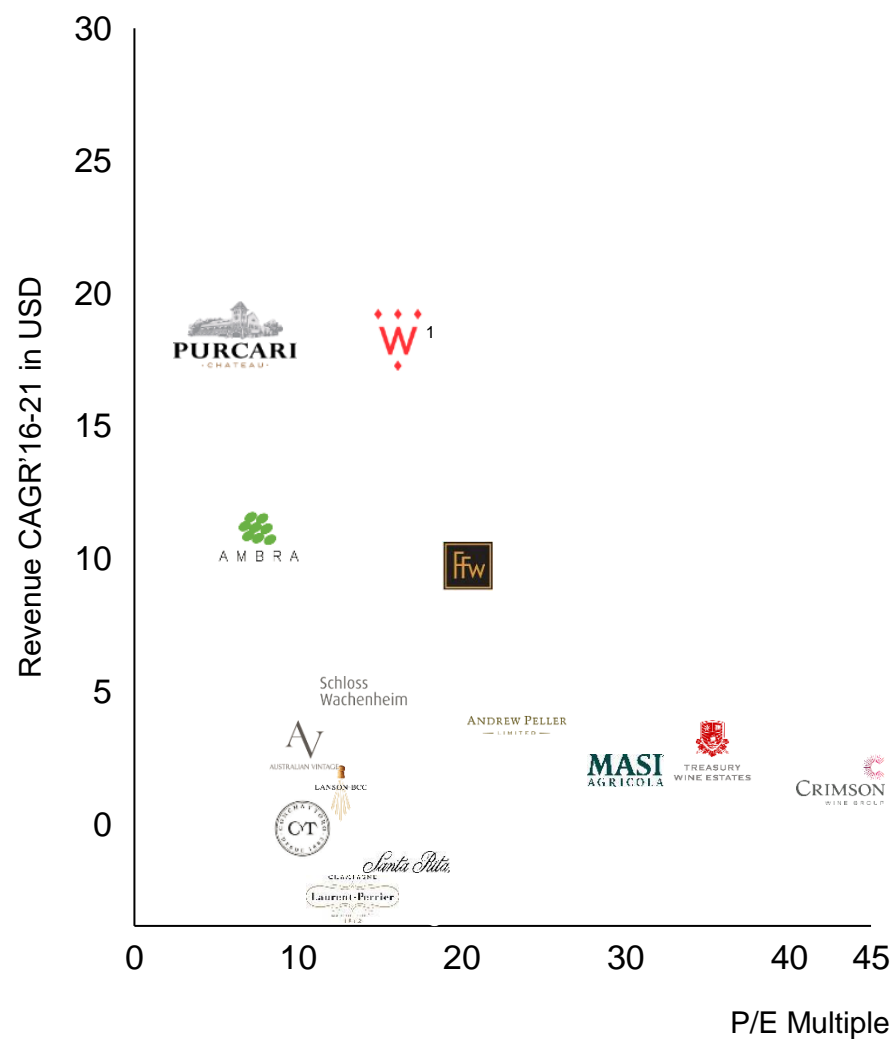
Purcari vs selected Romanian public companies

P/E LTM Multiples

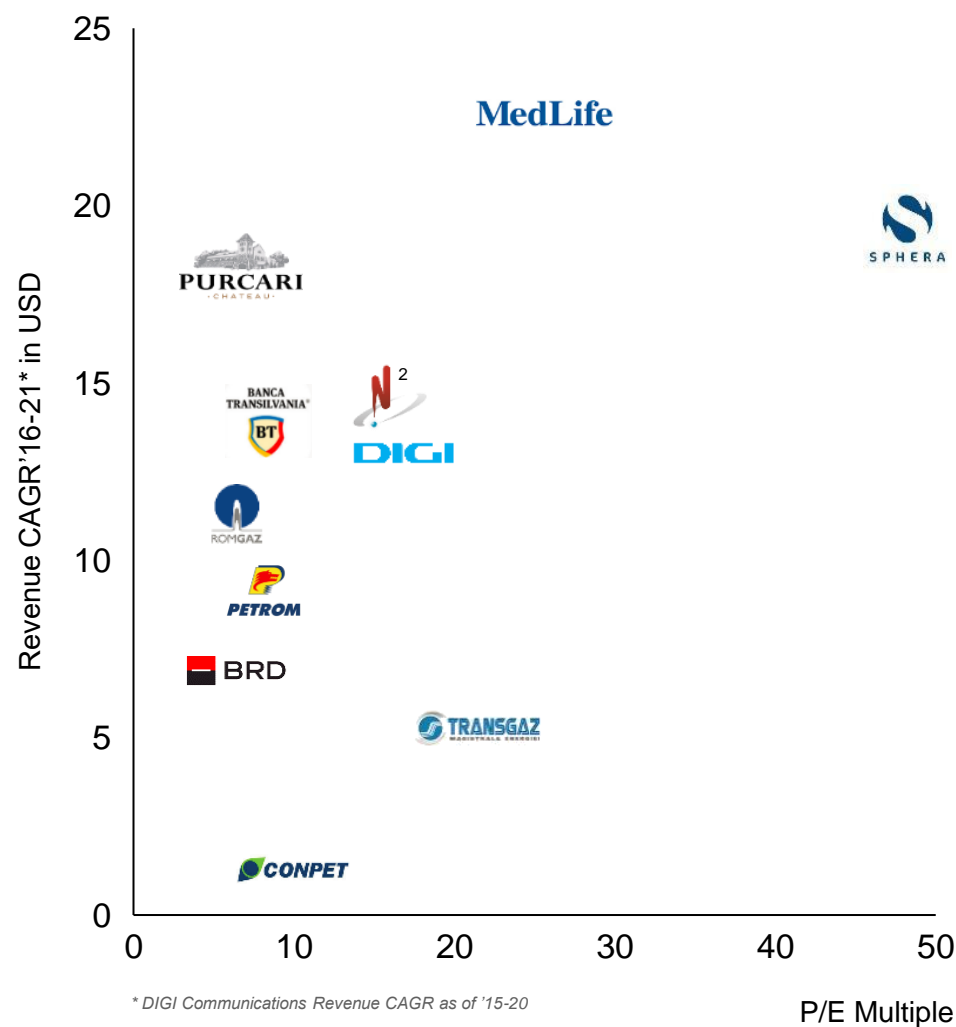


3 High growth not incorporated in valuations yet

Purcari vs selected wine public companies



Purcari vs selected Romanian public companies



* Digi Communications Revenue CAGR as of '15-20

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4 **1Q 2022 Operational Results**

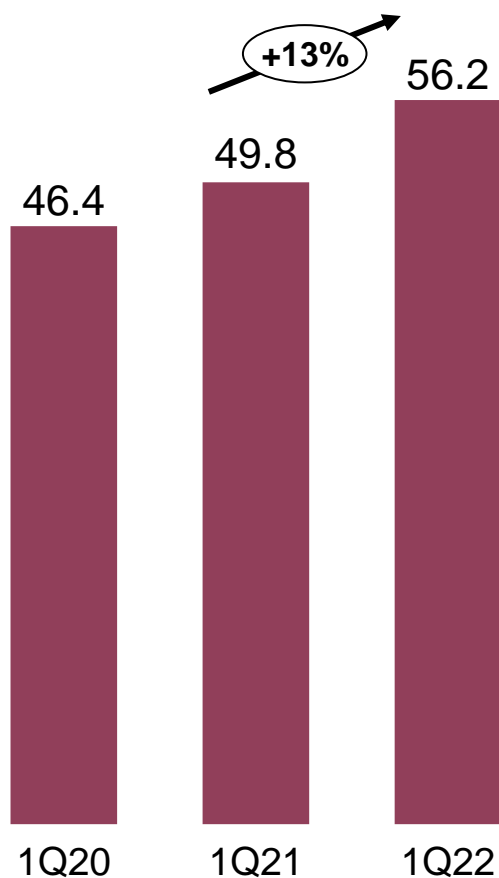


Cuvée de Purcari
Alb Brut, 4.2 score
on Vivino, top 2%
wine globally.
BEST IN SHOW at
Mundus Vini
2021.

4 Solid 1Q22 growth with profitability on top of the guidance

Revenues

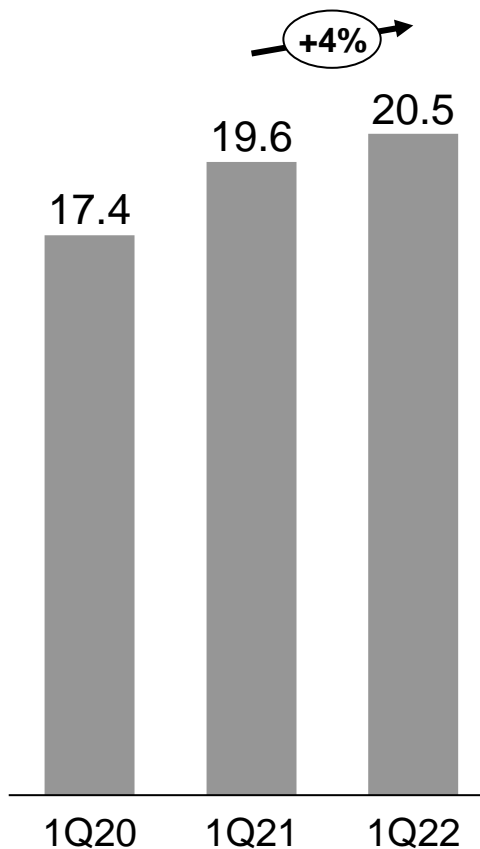
RON m



Growth vs. 1Q20, +21%

EBITDA

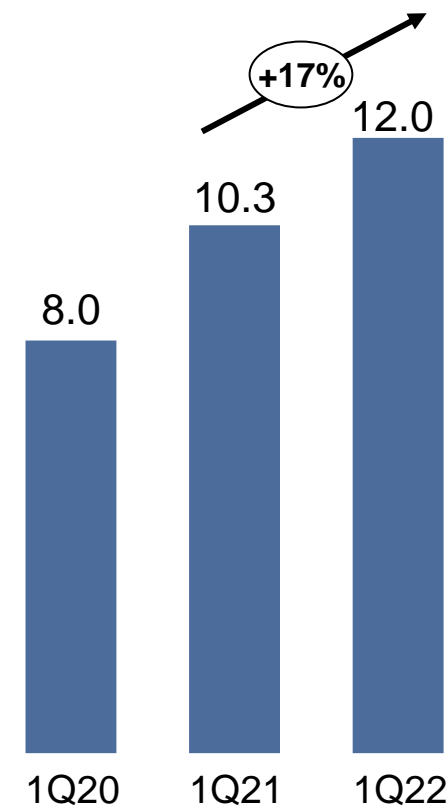
RON m



EBITDA margin

Net Income

RON m



Net Income margin

4 Maintain strong margins, despite inflationary backdrop

RON m	1Q22	1Q21	Δ '22/'21
Revenue	56.2	49.8	13%
Cost of Sales	(26.9)	(23.8)	13%
Gross Profit	29.3	26.0	12%
<i>Gross Profit margin</i>	52%	52%	-
SG&A:	(11.5)	(11.0)	4%
<i>Marketing and selling</i>	(4.9)	(5.0)	-2%
<i>General and Administrative</i>	(6.6)	(6.0)	9%
Other income/expenses:	(1.4)	0.5	-
EBITDA	20.5	19.6	4%
<i>EBITDA margin</i>	36%	39%	(3 pp)
Net Profit	12.0	10.3	17%
<i>Net Profit margin</i>	21%	21%	1 pp

Comments

- Gross profit margin at 52%, the highest level since IPO with Revenue and Cost of sales in 1Q22 growing at the same pace. Positive impact on better mix and good control of costs.
- Marketing and selling expenses at 9% of revenue, down 2% vs 1Q21; agile marketing approach, to quickly react to context changes.
- G&A expenses at 11% of revenue, growing slower than inflation in the countries of operation; includes humanitarian expenses related to helping Ukrainian refugees. Ongoing focus on cost discipline.
- Increase in Other expenses, comprising bad debt provision for trade receivables related largely to Ukrainian sales. Receivables related to Belarus being collected in full in 1Q22. Applying a prudent approach as uncertainty in the region persists.
- The second highest quarterly EBITDA since the IPO at RON 20.5m. EBITDA margin of 36% significantly above 20-25% guidance provided.
- Net profit at RON 12 million, increase by 17% YoY with a 21% margin, also above guidance.

4 Key operational highlights for 1Q22

Solid growth, despite difficult macro backdrop

- Revenues up 13% on better mix and select price increases applied.
- Strong performance for high premium brands Purcari and Bardar.
- Moldova showing strong evolution, brands performing well across all channels. China showing a 20% increase on quarterly basis.
- Facing well the logistic turmoil for maritime shipments by switching to Constanta port. Certain deliveries postponed to 2Q22.

Strong margins on improving mix

- Net income up by 17% to RON 12m with EBITDA at RON 20.5m.
- Improving mix, with strong growth of flagship Purcari brand, both value and volume, contributing to better margins. Bardar showing exceptional traction.
- Cost discipline and positive impact from higher sales of the premium brands helped sustain margins, despite the inflationary pressures; EBITDA and Net Profit margins at 36% and 21%, exceeding guidance.

Academia, a new super-premium range

- Launched a new range of experimental, super-premium wines – Academia Purcari; focus on indigenous grapes, minimally invasive vinification techniques, maturation in amphorae.
- Positive year start with 16 gold and grand gold medals acquired at Challenge International du Vin, Concours Mondial de Bruxelles and Mundus Vini Germany Spring Tasting.

Committed to humanitarian efforts

- Continued our refugee-help efforts, providing shelter to over 5,000 refugees from Ukraine.
- Unprecedented media coverage, featured on CNN, BBC, Bloomberg, Le Monde, Washington Post etc.
- Visits of appreciation by Samantha Power (US Ambassador to UN, USAID Administrator), Charles Michel (President of the European Council), and Orlando Bloom as UNICEF Ambassador.

“A story about terroir, patience, harmony and experience...”



4632 bottles



6000 bottles










3250 bottles







6123 bottles

*A range of experimental wines, signed by our oenologist, Federico Giotto.
Only indigenous grapes, minimally invasive vinification methods
and maturation in clay amphorae.*

4 Strong traction in markets with higher premium mix

Market	Share of sales, 1Q22	Δ 1Q22 YoY	Comments
RO 	55%	+7%	<ul style="list-style-type: none"> RO: Double digit growth for Purcari, strong traction for Nocturne series in HoReCa. Bardar doubled sales YoY on increased demand from Key accounts, albeit from smaller base. Efforts on higher marginal Bostavan SKUs at expense of volume increase.
MD 	18%	+36%	<ul style="list-style-type: none"> MD: Sales accelerating in all channels. Better product mix for all brands with Bostavan and Bardar leading the growth. Strong rebound for Duty Free channel in January and February, with full stop on Moldovan air space being halted in first weeks after Russian war in Ukraine. Robust performance in HoReCa, Covid restriction being fully lifted starting from April to positively contribute to 2Q22 results.
PL 	9%	-1%	<ul style="list-style-type: none"> PL: Prioritizing margin over volumes with Bostavan -4% vs 1Q21 on Lidl sales not yet resumed. Targeting premium segment is paying off with 3.5x increase in Purcari sales. Trading environment still challenging, certain price increases to be in force starting from 2Q22.
ASIA 	4%	+20%	<ul style="list-style-type: none"> ASIA: up 20% with Purcari and Bardar leading the growth. Shipments shifted to 2Q22 due to changes in logistics from Odessa port to Constanta and higher demand for containers. Challenging trading environment in China on general lockdown at the end of 1Q22.
CZ SK 	4%	-7%	<ul style="list-style-type: none"> CZ&SK: ongoing weakness amid Tesco restructuring, but effect diminishing. Price increases agreed with TESCO starting from 1st of April, as continue to prioritize margins over volumes.
UA 	2%	-48%	<ul style="list-style-type: none"> UA: Sales stopped after Russian invasion and ban on alcohol sales under martial law. Distribution restarted in mid April in Western Ukraine, certain delivers expected at the end of 2Q22.
RoW 	9%	-28%	

4 Premium Purcari and Bardar brands lead the growth, helping mix

Brand	Share of sales, 1Q22	Δ 1Q22 YoY	Comments
	52%	+12%	<ul style="list-style-type: none"> PURCARI: +28% growth in Moldova, followed by double digit growth in Romania. Threefold increase in Poland and +88% increase in Asia and CZ&SK, albeit from a smaller base, compensated for the loss of sales in Ukraine.
	22%	-13%	<ul style="list-style-type: none"> BOSTAVAN: Moldova leading the growth with 52% on volume increase and better product mix. Poland showing -4% in challenging trading environment and ongoing focus on margins vs. volumes; positive outcomes on price increase negotiations to be enforce starting from 2Q22. TESCO restructuring still affecting the sales in CZ&SK.
	14%	-7%	<ul style="list-style-type: none"> CRAMA CEPTURA: Flat volume and slight downgrade in mix, as lower priced brands saw higher growth. Not seen as trend shift and continue to prioritize premiumization of portfolio, with focus on margins.
	12%	+29%	<ul style="list-style-type: none"> BARDAR: Moldova +41% yoy. Romania strong traction +71%, high demand from Key Accounts, increasing numeric distribution. Improving product mix, launched Divin Bardar 25 years. Belarus facing 66% decrease in sales due to Russian war in Ukraine.

The Purcari Help Center opened on 24th of February, 11 600 refugees aided, 108 volunteers 27/7



1971 refugees transported to a safer place



Refugees fleeing war in Ukraine board a bus as they arrive at Palanca, Moldova.
AP Photo/Aurel Obreja

The winery has allowed refugees to stay at its chateau and another hotel it rented for free. Only two other countries – Poland and Hungary – have taken in more Ukrainian refugees so far.



TOP STORIES BUSINESS
For a Moldovan winemaker, hosting Ukrainian refugees is political

31.03.2022



The opulent rooms of Chateau Purcari in Moldova are now hosting Ukrainians fleeing the war in their country. For the owner of the hotel, accommodating



Orlando Bloom, UNICEF Goodwill Ambassador visiting refugees at Purcari and Palanca border crossing point

First refugees arriving at Chateau Purcari

THE BUYER
CONNECTING THE PREMIUM ON-TRADE



Three weeks after Putin's tanks invaded Ukraine the world looks on appalled and wonders what next? In the former Soviet republic

III □ <

Live intervention with **Richard Quest** on CNN on Purcari efforts to aid refugees



Samantha Power, the 19th Administrator of the USAID on visit to Chateau Purcari



"Humanity must prevail" Purcari in the THE BUYER article by Caroline Gilby, Master of Wine



Eastern European wineries in turmoil as war rages in Ukraine

By Rebecca Holland

April 21, 2022 at 1:00 p.m. EDT



When the war started in Ukraine, Purcari Winery set up a shelter and provided blankets, meals and other aid to refugees crossing into Moldova in February 2022. (Aleksandru Kiria/ Purcari Winery)

Because of this past, Purcari Winery makes a wine called Freedom Blend, made with saperavi grapes from Georgia, bastardo from Ukraine, and rara negra from Moldova. "All these states have suffered Russian aggression," Comendant said. "It is symbolic to take the grapes of these three countries that are still fighting for their freedom in the real sense. They may have independence, but that doesn't mean they have their freedom."

Meeting room at Chateau Purcari temporary transformed in a logistic center for distributing first aid goods



Purcari Freedom Blend iconic wine on Japanese TV



Thank you.