



# Purcari Wineries Public Company Limited

## FINANCIAL REPORT for the 1<sup>st</sup> HALF of 2023

Including the Non-Audited, Interim Condensed Consolidated  
Financial Statements for the six-month period ended 30 June 2023

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023  
*all amounts are in RON, unless stated otherwise*

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**Name of the issuing entity:** Purcari Wineries Public Company Limited

**Social headquarters:** 1 Lampousas Street, 1095 Nicosia, Cyprus

**Fax number:** +357 22 779939

**Unique registration code:** HE 201949

**Registration number in the Trade Register:** HE 201949

**Issued share capital:** 401,175 EUR

**The regulated market on which the issued securities are traded:** Bucharest Stock Exchange

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Note: These financial statements have been prepared in accordance with the international reporting standards adopted by the European Union ("IFRS").

Base of Reporting: According to Regulation C.N.V.M. no. 5/2018 on Issuers and Operations with Securities and Law 24/2017 on Issuers of Financial Instruments and Market Operations; according to Section 10 of the Cyprus Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended.

**Purcari Wineries Public Company Limited**

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**I. Board of Directors and other officers****Board of Directors:**

<b>Name</b>	<b>Date of appointment</b>	<b>Title</b>
Victor Bostan	Listing date	Executive Director
Monica Cadogan	Listing date (first appointment), re-appointed by the AGM on 28 April 2021	Non-executive, Independent Director
Neil McGregor	Listing date (first appointment), re-appointed by the AGM on 28 April 2022	Non-executive, Independent Director
Vasile Tofan	Listing date (first appointment), re-appointed by the AGM on 26 May 2023	Non-executive Director
Eugen Comendant	Appointed by the AGM on 26 May 2023	Non-executive Director
Raluca Man	Appointed by the AGM on 26 May 2023	Non-executive, Independent Director
Catalina Banu	Appointed by the AGM on 26 May 2023	Non-executive, Independent Director

**Chairman of the Board of Directors:**

Vasile Tofan, firstly elected by the Board of Directors to this position on 14 June 2018, was most recently re-elected as Chairman by the Board on 26 May 2023

**Company Secretary:**

Inter Jura CY (Services) Limited

**Registered office:**

1, Lampousas Street  
1095 Nicosia  
Cyprus

**Registration number:**

HE 201949

The Financial Report for the First Half of 2023, including the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-months period ended 30 June 2023 was approved by the Board of Directors on August 23<sup>rd</sup>, 2023.

**Purcari Wineries Public Company Limited**

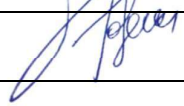




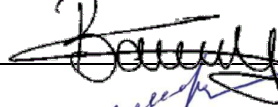

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023  
*all amounts are in RON, unless stated otherwise*

**II. Statement by the Members of the Board of Directors and other responsible officers of the Company for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023**

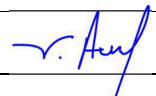
In accordance with Section 10 sub-sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading on a Regulated Markets) Law of 2007 as amended (the “Law”), we, the members of the Board of Directors and the other responsible persons for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023 (the “Interim Condensed Consolidated Financial Statements”) of Purcari Wineries Public Company Limited (the “Company”) confirm to the best of our knowledge that:

- (a) the Interim Condensed Consolidated Financial Statements
  - (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 10, sub-section (4) of the Law, and
  - (ii) give a true and fair view of the assets, liabilities, the financial position and the profit or loss of Purcari Wineries Public Company Limited and the undertakings included in the consolidated accounts taken as a whole, and
- (b) the Interim Management Report includes a fair review of the information required under Section 10, sub-section (6) of the Law.

Members of the Board of Directors:

Vasile Tofan	Non-executive Director	
Monica Cadogan	Non-executive, Independent Director	
Neil McGregor	Non-executive, Independent Director	
Eugen Comendant	Non-executive Director	
Raluca Man	Non-executive, Independent Director	
Catalina Banu	Non-executive, Independent Director	
Victor Bostan	Executive Director	

Person responsible for the preparation of the consolidated financial statements of the Company:

Victor Arapan	Chief Financial Officer	
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23 August 2023

### **III. Interim Management Report**

The Board of Directors presents its Interim Management Report to be followed by the Non-Audited, Interim Condensed Consolidated Financial Statements for the Company and its subsidiaries (the “Group”) for the six-month period ended 30 June 2023.

#### *1. Principal activities of the Group remain the same, but new segment added to diversify the business*

Purcari Wineries Plc (“Purcari”, “Group”, or “Company”) is one of the largest wine groups in the Central and Eastern Europe (CEE) region. The Group manages circa 1,450 hectares of vineyards and operates seven production platforms in Romania, Moldova, and Bulgaria, six of which are dedicated to wine production using grapes from own vineyards and third-party suppliers, and one dedicated to brandy production. In December 2022, the Group had over 800 employees in all its production platforms.

The Group is the leader in the premium wine segment in Romania<sup>1</sup>, with a circa 25% segment share, and the largest wine exporter from Moldova, delivering to over 40 countries in Europe (Poland, Czech Republic, Slovakia, Ukraine, Scandinavian countries, UK, etc.), in Asia (China, Japan, South Korea) and in America (Canada and USA).

The core business of the Group is production and sale of wine and brandy. In 2021, a new segment was added through the acquisition of the Romanian subsidiary Ecosmart Union SA, involved in waste recycling management services (which for the year ended 31 December 2022 has not been yet a significant one).

#### *2. Economic analysis of the results and comparative economic analysis in relation to the previous corresponding period*

#### **Economic performance and financial analysis**

The Company’s revenue increased +30% YoY in the first half of 2023, reaching RON 161.4 million compared to RON 123.9 million in the similar period of the last year. Sales in Q2 2023 accelerated and increased by +20% compared to Q1 2023.

During 1H 2023 the Company realized a net profit of RON 25.5 million, increasing by +22% YoY. Net profit for Q2 2023 recorded RON 12.8 million, similar with that one realized in Q1 2023. However, the result from operating activities increased only by +4% YoY, representing 31.1 million RON for six-month period of 2023, as gross margin decreased from 47% to 41%, still being under pressure of cost of packaging and higher cost of bulk wine of 2020-2021 vintage.

Total assets increased by 7% compared to 2022 year end, mainly driven by a net increase in property, plant and equipment with +8%, as the Company made RON 26 million of capital expenditures during first six month of 2023, while the inventories increased by +10% compared to 2022 year-end, mainly relating to packaging, work-in-progress (grapes) and bottled wine, as the Company try to mitigate the risks related to disruption of the supply chains, affected by the war in Ukraine.

Company’s total liabilities increased by +11% versus end of 2022, mainly on increase of trade and other payables with RON 22 million RON, as the Company announced distribution of dividends, which were paid on 18<sup>th</sup> August 2023.

The core business sales reached RON 145 million, a +29% upside compared to the first half of previous year. Romanian market contributed the most to the growth, increasing sales by +40% YoY, while revenues in Moldova grew +11% YoY. A positive impact on sales was ensured by sales in Bulgaria, after consolidation of new subsidiary Angel’s Estate, with sales of RON 4.5 million compared to nil in 2022.

The new business segment - waste recycling management services - have added RON 13.2 million to the total revenue.

For details regarding sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester of 2023 and similar period of last year please see note 15 to these financial statements.

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<sup>1</sup> Premium market size based on Nielsen data for 2022.

## Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise*

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The evolution of sales by main markets is described below:

- **Romania:** Sales increased by +40% YoY. Very strong performance for all brands in portfolio - Purcari brand, up +47% YoY, Bardar's brandy grew by +31% and Crama Ceptura brand gains +24%;
- **Moldova:** Moderate growth of +11% YoY, but Purcari brand growing faster at +20% YoY;
- **Poland:** Revenues stay flat. A 15% price increase of Bostavan brand – a mass market one, generated a -13% drop of sold quantities;
- **Asia:** the rebound of the market after Covid-19 unpredictably stopped and Q2 sales recorded a decrease by -82%, that led to a -58% drop in sale in first six months of 2023;
- **Czechia and Slovakia:** The markets recovered after a weak Q1. The Group tries to prioritize margin, as a 5% increase in average price led to -5% drop in volumes for its mainstream brand Bostavan;
- **Ukraine:** Revenues in Q2 almost doubled compared to Q1, as result a strong 1H2023, but still below pre-war sales of 1H2021.

The evolution of sales by brands is described below:

- **Purcari:** Purcari brand recorded an increase of +38% YoY, with impressive growth of +47% on Romanian market and a strong traction in Moldova, increasing +20% YoY. Promising recovery in Ukraine with +125% YoY and performance in newer markets, such as Czech Republic and Slovakia with +68% YoY and Poland with +7% YoY;
- **Bostavan:** A mainstream brand that faces many challenges on main markets like Poland, Czech Republic, Slovakia and Baltic States, that counts for more than 60% of its sales, as the necessity to increase the prices generate drop in volumes, and as result a flat evolution of sales. Recovery in Ukraine and development of a new market like Turkey helped to record an overall increase of brand sales by +6% YoY;
- **Crama Ceptura:** The brand is on a continuous increase trend for last four years. The overall sales for 6m2023 increase by +20% YoY, while in Romania which is core market for the brand, it recorded an increase by +24% YoY;
- **Bardar:** Excellent sales in Romania with +31% YoY, albeit from a lower base, and thus becoming the second largest market, after Moldova. Moldovan market is under pressure by low consumer confidence and have recorded only a +5% increase.

Gross margin decreased year-on-year, from 47% to 41%, driven mainly by use of expensive bulk of 2020-2021 vintages, additional depreciation deriving from capital expenditures and newly consolidated Angel's Estate, as well from increase of quota of waste recycling services in total revenue up to 8% but which is less marginal segment of Group business.

General & Administrative ("G&A") expenses increased +19% YoY, reaching RON 17.5 million, with RON 2.8 million more than last year. The main drivers were expenses lines like depreciation (+RON 1.2 million or +65%), taxes and fees (+RON 0.6 million or +84%) and travelling (+RON 0.3 million or +190%).

The biggest G&A expense line – salaries, recorded a small increase by +4% YoY or RON 0.3 million. If excluding impact of Stock Option Plan for both 2023 and 2022, the salary expense would show an increase of +16% YoY, including newly consolidated subsidiary Angel's Estate.

The marketing and selling expenses recorded RON 19.2 million in the reporting period, with a significant increase by +52% YoY, and its share slightly increased from 10.2% of revenue last year to 11.9% of revenue in the reported period. The biggest impact came from trade and brand marketing activities, which increased by +87% and reached RON 10.3 million. But this significant increase is explained by very low marketing activity in comparative period, due to the uncertainties regarding military conflict in Ukraine.

Impairment loss on trade receivables decreased significantly compared to six-month period of 2022 and represents only RON 0.7 million for the reported period. The Company continued to make 100% loss provisions for all its receivables in the region affected the military conflict in the Ukraine, i.e. Russia, Belarus and Ukraine.

Depreciation and amortisation expenses increased by RON 4.5 million or +51% YoY, as result of realized capital expenditures to increase production capacities, as well as result of Angel's Estate acquisition and its valuation at acquisition date.

## **Purcari Wineries Public Company Limited**

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*all amounts are in RON, unless stated otherwise*

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The net finance cost decreased in first semester of 2023 by -80% YoY. This significant decrease was mainly determined by the appreciation of MDL against the EUR, that had a positive impact due to a short position in balance sheet of Moldovan subsidiaries. So, in 1H2023 the Group recorded RON 2.0 million net foreign exchange gain compared to RON 2.8 million net foreign exchange loss in previous period.

Interest expenses increased by +51% YoY on overall interest rates increase, but mainly due to increase of the exposure to banks and finance lease by +31% YoY at the end of the reported period.

As a result, the EBITDA increased +15% YoY with a 28% margin, which is 3pp lower than margin reported last year.

Net income of the Company increased by +22% YoY and represents RON 25.5 million for the six-month period of 2023.

Non-current assets of the Company grew by +7% compared to 2022 year-end, on continuation of capital expenditures realized to increase capacities and assurance for high quality products and other improvements of production flow.

Current assets increased by +5% compared to the level as of 2022 year-end. The largest portion of the increase is attributable to inventories, such as packaging, work-in-progress (grapes) and bottled wine, in order to mitigate the risks related to disruption of the supply chains, affected by the war in Ukraine.

Loans and borrowings increased only by +3% compared to 2022 year-end, as the Company try to reduce the impact of higher interest rates and keeps the available credit lines for Q3 to ensure smooth harvesting season and dividend payment.

The Trade and Other Payables increased by +27% on decision of shareholders to distribute dividends amounting RON 22.1 million.

In the first half of 2023, the Group's general liquidity ratio stays at an acceptable level of 1.01, decreasing from 1.12 at 2022 year-end. The indebtedness of the Company measured by gearing ratios (Debt/Equity and Debt/Capital Employed) stay flat. In view of the above, the financial position of the Company as presented in these financial statements is at a comfortable level.

For details on performance of the main financial indicators, their meaning and calculations, please see section *Financial Indicators*.

### **Important events**

On 26 May 2023, the shareholders of the Company voted in favour of dividends payment to all shareholders out of accumulated profits in the amount RON 0.55 per ordinary share which will correspond to RON 22.1 million. The record date was set at 31.07.2023 and payment date was set at 18.08.2023.

### **Financial indicators**

Liquidity ratio – represent the ability of the company to pay off its current debt obligations without raising external capital. It is calculated by dividing Current Assets to Current Liabilities. A company with a current ratio less than one does not, in many cases, have the capital on hand to meet its short-term obligations if they were all due at once, while a current ratio greater than one indicates the company has the financial resources to remain solvent in the short-term. However, because the current ratio at any one time is just a snapshot, it is usually not a complete representation of a company's liquidity or solvency. In the reported period the liquidity ratio for the Company fell to 1.01 compared to 1.12 recorded at 2022 year-end. This happen mainly because the Company announced dividends distribution that increased significantly the current liabilities at 30 June 2023.

Gearing ratio – represents a measurement of the entity's financial leverage, which demonstrates the degree to which a firm's activities are funded by shareholders' funds versus creditor's funds. A gearing ratio between 25% and 50% is typically considered optimal or normal for well-established companies. An optimal gearing ratio is primarily determined by the individual company relative to other companies within the same industry.

Receivables Turnover – represents an accounting measure used to quantify a company's effectiveness in collecting its receivables or money owed by clients. The indicator is showing a slightly improved trend, which means that the company's collection of accounts receivable is under control and that the company has a high proportion of quality customers that pay their debts quickly.

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Non-current Assets turnover – determines the efficiency with which a business uses its non-current assets to generate revenue for the business. A higher ratio implies that management is using its fixed assets more effectively. A high ratio does not tell anything about a company's ability to generate solid profits or cash flows. This indicator stays flat compared to 2022-year end.

<b>Item, RON</b>	<b>30 June 2023</b>		<b>31 December 2022</b>	
<b>Liquidity ratio</b>				
Current Assets	214,452,745	1.01	203,544,657	1.12
Current liabilities	212,472,222		181,970,520	
<b>Gearing ratios</b>				
Debt	137,027,972	43%	132,677,615	43%
Equity	316,180,741		307,154,837	
Debt	137,027,972	30%	132,677,615	30%
Total Capital Employed	453,208,713		439,832,452'	
<b>Receivables Turnover, days</b>				
Receivables	77,951,789	87	78,162,465	93
Net Sales Annualized / 360	896,752		840,241	
<b>Non-current Assets turnover</b>				
Net Sales Annualized	322,830,630	0.8	302,486,660	0.8
Non-current Assets	393,331,121		366,218,558	

**EBITDA Evolution**

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is calculated as profit / (loss) for the year (as presented in the consolidated statement of profit or loss and other comprehensive income), and adding back the income tax, net finance result and total amortization of intangible assets and total depreciation of property plant and equipment (as presented in Notes 4 and 5).

The management of the Group monitors the EBITDA metric at a consolidated level, as a measure considered to be relevant to the understanding of the Group’s financial performance.

EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. Consequently, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.



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The EBITDA increased by +15% YoY for the reported 6-month period and its calculation is presented below:

	<b>Indicator</b>	<b>3-month ended 30 June 2023</b>	<b>3-month ended 30 June 2022</b>	<b>6-month 2023</b>	<b>6-month 2022</b>
<b>EBITDA</b>	<b>EBITDA</b>	<b>23,351,299</b>	<b>18,144,721</b>	<b>44,497,307</b>	<b>38,623,322</b>
Less: depreciation		(6,108,045)	(4,673,618)	(12,078,768)	(8,721,701)
Less: amortization		(654,415)	(60,468)	(1,295,653)	(110,290)
<b>Result from operating activities</b>	<b>EBIT</b>	<b>16,588,839</b>	<b>13,410,635</b>	<b>31,122,886</b>	<b>29,791,331</b>
Less: net finance costs		(1,751,817)	(2,431,736)	(975,858)	(4,790,019)
<b>Earnings Before Taxes</b>	<b>EBT</b>	<b>14,837,022</b>	<b>10,978,899</b>	<b>30,147,028</b>	<b>25,001,312</b>
Less: income tax		(2,080,095)	(2,080,505)	(4,610,898)	(4,124,196)
<b>Profit for the period</b>		<b>12,756,927</b>	<b>8,898,394</b>	<b>25,536,130</b>	<b>20,877,116</b>

### 3. *Non-recurring or extraordinary activities for the 1st semester 2023*

The Group did not conduct any non-recurring or extraordinary activities that could generate income from such activities during the reporting period.

### 4. *Important Events during the first six months of the financial year, and their impact on the interim financial results*

No important events with impact on the interim financial results took place during the first six months of 2023.

### 5. *Principal Risks and Uncertainties for the second semester of the financial year 2023*

#### **Climate-related matters could have a material adverse effect on the Group's business**

Grape yields and quality can be affected by certain climate-related matters. The weather conditions in Moldova are favourable for development of some diseases, but the management of the Group believes it has handled the situation well, which will ensure an optimal quantity and quality of grapes on its own plantations. The main risk now is the loss of weight by grapes in the vineyards located in south of Moldova and those located in Bulgaria, due to high temperatures and lack of precipitation during the ripening period of the grapes.

#### **In the absence of hedging arrangements in place, the Group is exposed to the risk of currency exchange fluctuations**

The results of the Group are subject to fluctuations in the foreign exchange rates of EUR and USD against the local currencies (especially RON and MDL). Thus, the Group's operating subsidiaries in Romania and the Republic of Moldova generate revenue and record their financial results in RON and MDL, respectively, while the Group also earns a significant share of revenues from EUR and USD linked contracts. The Group manages its currency exchange risk exposure in a limited manner and there is no hedging arrangement at Group level designed or implemented to this end. Therefore, any unfavourable shift in exchange rates could have a material adverse effect on the Group's business, financial condition, and the results of operations.

#### **Interest rate risk**

The Group faces business risks stemming from central banks' monetary policy decisions. Any rise in interest rates could have material adverse effects on the Group. During the last 18 months, due to unprecedented inflationary pressure, due to the post-Covid-19 increased demand and military conflict in Ukraine, many central banks began to actively tighten monetary policy and announces interest hikes.

**Purcari Wineries Public Company Limited**

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Even the National Bank of Moldova decreased the rate four times during the first six-month period of 2023, the borrowings in MDL are still expensive and the Group mainly borrows funds in EUR. But European Central Bank hiked the benchmark rate to 3.75%, which matches the highest rate since the launch of the euro currency in 1999. On this event, the Group's costs on borrowings linked to Euribor also have increased.

In this way, the cost at which the Group is able to raise new financing and refinance its existing liabilities could still increase. Moreover, because of the dampening effect that a tighter monetary policy typically has on the general economy, private households on average are likely to have less disposable income, which may impact the sales of the Group. Therefore, if central banks continue to tighten monetary policy, the Group's results could be materially adversely affected.

**War in Ukraine**

According to the management's assessment, the current risk for the war in Ukraine to spill over to Moldova is extremely remote, as Ukraine managed to resist, as well to obtain military and financial support.

During the first six-month period of 2023 the Group continued to sell to Ukraine, Belarus, and Russia, but these represented 2.8% of total sales and the gross amount of trade receivables for clients located in these countries counts only 2.3% of total trade receivables of the Group as at 30 June 2023. Therefore, the management considers that stopping doing business in these countries will not have a significant impact on the financial position of the Group, even in case of full provisioning.

Whilst the Company did not register any material disruption to its operational activity, the Management will continue to assess the financial impact, as well as any risks and uncertainties that the crisis in Ukraine may cause to the Company's operations and make any adjustments as and when necessary to the Company's operational activities, depending on the evolution of the crisis and its potential impact on the Company, its workings and economic fundamentals.

6. *Other substantial information which affects or could affect the assessment or evaluation regarding profits and losses, the prospects and trends of the operations and gain or loss of important contracts or co-operations*

There is no other substantial information which affects or could affect the assessment or evaluation of Company's profitability, its financial position and developing trends, except those disclosed in this Interim Management Report and in Notes to the Condensed Consolidated Interim Financial Statements.

7. *Related parties' transactions during the 1st semester of the financial year*

The transactions of the Group with related parties are stated under Note 23 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

Nicosia,  
23 August 2023

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise*

**IV. Condensed Consolidated Interim Statement of Financial Position as at 30 June 2023**

	Note	30 June 2023	31 December 2022	Variation
<b>Assets</b>				
Property, plant and equipment	4	240,453,426	222,663,835	8%
Intangible assets	5	16,493,946	17,464,362	(6%)
Loan receivables	8	2,425,843	2,407,049	1%
Inventories	9	129,301,506	118,970,653	9%
Equity instruments at fair value through profit or loss	7	4,561,856	4,621,285	(1%)
Other non-current assets		94,544	91,374	3%
<b>Non-current assets</b>		<b>393,331,121</b>	<b>366,218,558</b>	<b>7%</b>
Inventories	9	105,290,495	93,801,461	12%
Loans receivables	8	536,057	458,623	17%
Trade and other receivables	6	77,951,789	78,162,465	0%
Income tax assets		792,384	924,446	(14%)
Prepayments		1,174,306	6,097,245	(81%)
Other current assets		737,047	645,285	14%
Cash and cash equivalents	10	27,970,667	23,455,132	19%
<b>Current assets</b>		<b>214,452,745</b>	<b>203,544,657</b>	<b>5%</b>
<b>Total assets</b>		<b>607,783,866</b>	<b>569,763,215</b>	<b>7%</b>
<b>Equity</b>				
Share capital		1,763,121	1,763,121	0%
Share premium	11	83,184,367	83,184,367	0%
Treasury shares reserve		(98,847)	(1,716,796)	(94%)
Other reserves		(11,654,471)	(10,805,505)	8%
Translation reserve		20,304,273	14,055,122	44%
Retained earnings		189,456,315	187,644,399	1%
<b>Equity attributable to owners of the Company</b>		<b>282,954,758</b>	<b>274,124,708</b>	<b>3%</b>
<b>Non-controlling interests</b>		<b>33,225,983</b>	<b>33,030,129</b>	<b>1%</b>
<b>Total equity</b>		<b>316,180,741</b>	<b>307,154,837</b>	<b>3%</b>
<b>Liabilities</b>				
Borrowings and lease liabilities	14	40,845,827	44,245,400	(8%)
Deferred income	13	14,482,908	12,464,744	16%
Deferred tax liability		12,006,765	12,198,584	(2%)
Put option over non-controlling interests		11,795,403	11,729,130	1%
<b>Non-current liabilities</b>		<b>79,130,903</b>	<b>80,637,858</b>	<b>(2%)</b>
Borrowings and lease liabilities	14	96,182,145	88,432,215	9%
Deferred income	13	1,324,644	2,011,021	(34%)
Income tax liabilities		-	25,524	(100%)
Employee benefits	22	7,441,362	5,609,592	33%
Trade and other payables	12	101,285,157	79,571,978	27%
Provisions		6,238,914	6,320,190	(1%)
<b>Current liabilities</b>		<b>212,472,222</b>	<b>181,970,520</b>	<b>17%</b>
<b>Total liabilities</b>		<b>291,603,125</b>	<b>262,608,378</b>	<b>11%</b>
<b>Total equity and liabilities</b>		<b>607,783,866</b>	<b>569,763,215</b>	<b>7%</b>

These Condensed Consolidated Interim Financial Statements were approved by management on 23<sup>rd</sup> of August 2023 and were signed on its behalf by:

Victor Bostan, CEO



Victor Arapan, CFO



The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 32.

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise***V. Condensed Consolidated Interim Statement of Comprehensive Income for the six-month period ended 30 June 2023**

	Note	3-month ended 30 June 2023	3-month ended 30 June 2022	6-month 2023	6-month 2022	Variation
Revenue	15	88,079,511	67,691,902	161,415,315	123,880,051	30%
Cost of sales	16	(53,854,032)	(38,320,854)	(94,457,732)	(65,221,379)	45%
<b>Gross profit</b>		<b>34,225,479</b>	<b>29,371,048</b>	<b>66,957,583</b>	<b>58,658,672</b>	<b>14%</b>
Other operating income	19	674,182	430,745	1,286,210	747,876	72%
Marketing and sales expenses	17	(10,108,278)	(7,764,756)	(19,171,894)	(12,647,388)	52%
General and administrative expenses	18	(9,695,857)	(8,116,129)	(17,465,147)	(14,709,849)	19%
Other operating expenses	20	433,342	8,807	226,913	(65,692)	(445%)
Impairment loss on trade and loan receivables		1,059,971	(519,080)	(710,779)	(2,192,288)	(68%)
<b>Result from operating activities</b>		<b>16,588,839</b>	<b>13,410,635</b>	<b>31,122,886</b>	<b>29,791,331</b>	<b>4%</b>
Finance income	21	107,968	35,077	2,171,635	48,042	4420%
Finance costs	21	(1,859,785)	(2,466,813)	(3,147,493)	(4,838,061)	(35%)
<b>Net finance costs</b>	21	<b>(1,751,817)</b>	<b>(2,431,736)</b>	<b>(975,858)</b>	<b>(4,790,019)</b>	<b>(80%)</b>
<b>Profit before tax</b>		<b>14,837,022</b>	<b>10,978,899</b>	<b>30,147,028</b>	<b>25,001,312</b>	<b>21%</b>
Income tax expense		(2,080,095)	(2,080,505)	(4,610,898)	(4,124,196)	12%
<b>Profit for the period</b>		<b>12,756,927</b>	<b>8,898,394</b>	<b>25,536,130</b>	<b>20,877,116</b>	<b>22%</b>
<b>Profit attributable to:</b>						
Owners of the Company		11,395,722	7,707,893	23,870,819	18,750,520	27%
Non-controlling interests		1,361,205	1,190,501	1,665,311	2,126,596	(22%)
<b>Profit for the period</b>		<b>12,756,927</b>	<b>8,898,394</b>	<b>25,536,130</b>	<b>20,877,116</b>	<b>22%</b>

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 32.

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise*

**VI. Condensed Consolidated Interim Statement of Cash Flow for the six-month period ended 30 June 2023**

	Note	6-month 2023	6-month 2022
<b>Cash flows from operating activities</b>			
Profit for the year		25,536,129	20,877,116
<i>Adjustments for:</i>			
Depreciation and amortization	4,5	13,374,421	8,831,991
Equity-settled share-based payment transactions		986,091	1,126,835
Gain on disposal of property, plant & equipment & intangible assets	20	(544,545)	(51,882)
Impairment of property, plant and equipment, net	4	(41,352)	(58,993)
Impairment of trade receivables, net		710,779	2,192,288
Release of deferred income	19	(959,103)	-
Gains on write-off of trade and other payables	19	(570)	(1,624)
Adjustment to fair value of biological assets	20	110,849	-
Income tax expense		4,610,899	4,083,510
Net finance costs	21	975,858	4,790,019
<b>Operating profit before working capital changes</b>		<b>44,759,456</b>	<b>41,789,260</b>
<i>Changes in working capital:</i>			
Inventories		(20,635,246)	(12,305,910)
Trade and other receivables		3,615,074	(3,935,419)
Prepayments		4,970,127	1,770,430
Other assets		(84,755)	(242,097)
Employee benefits		1,916,463	740,428
Trade and other payables		4,354,716	(15,717,048)
<b>Cash generated from operating activities</b>		<b>38,895,835</b>	<b>12,099,644</b>
Income tax paid		(4,718,042)	(3,087,752)
Interest paid		(2,577,384)	(1,761,977)
<b>Net cash generated from operating activities</b>		<b>31,600,409</b>	<b>7,249,915</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of intangible assets	5	(259,100)	(266,387)
Payments for acquisition of property, plant and equipment	4	(25,714,515)	(20,519,107)
Loans granted		-	(2,045,187)
Receipt of government grants		770,237	-
Proceeds from sale of property, plant and equipment		1,789,749	(340,240)
<b>Net cash used in investing activities</b>		<b>(23,413,629)</b>	<b>(23,170,921)</b>
<b>Cash flows from financing activities</b>			
Receipt of borrowings		65,181,840	21,349,071
Repayment of borrowings and lease liabilities		(66,258,895)	(13,554,671)
Dividends paid		(2,160,721)	(917,803)
<b>Net cash (used in)/generated from financing activities</b>		<b>(3,237,776)</b>	<b>6,876,597</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,949,005</b>	<b>(9,044,409)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>23,455,132</b>	<b>32,100,114</b>
Effect of movements in exchange rates on cash held		(433,470)	764,212
<b>Cash and cash equivalents at 30 June</b>	<b>10</b>	<b>27,970,667</b>	<b>23,819,917</b>

The condensed consolidated interim statement of cash flow is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 32.

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise*
**VII. Condensed Consolidated Interim Statement of Changes in Equity for the six-month period ended 30 June 2023**

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury shares reserve	Other reserves	Translation reserve	Retained earnings			Total
<b>Balance at 1 January 2023</b>	<b>1,763,121</b>	<b>83,184,367</b>	<b>(1,716,796)</b>	<b>(10,805,505)</b>	<b>14,055,122</b>	<b>187,644,399</b>	<b>274,124,708</b>	<b>33,030,129</b>	<b>307,154,837</b>
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	23,870,819	23,870,819	1,665,311	25,536,130
Foreign currency translation differences	-	-	-	-	6,249,151	-	6,249,151	769,088	7,018,239
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,249,151</b>	<b>23,870,819</b>	<b>30,119,970</b>	<b>2,434,399</b>	<b>32,554,369</b>
<b>Transaction with owners of the Company</b>									
Shares allocated to employees	-	-	1,617,949	(1,617,949)	-	-	-	-	-
Equity-settled share-based payment	-	-	-	986,091	-	-	986,091	-	986,091
Dividends	-	-	-	-	-	(22,058,903)	(22,058,903)	-	(22,058,903)
Put written on minority shareholders	-	-	-	(217,108)	-	-	(217,108)	-	(217,108)
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>1,617,949</b>	<b>(848,966)</b>	<b>-</b>	<b>(22,058,903)</b>	<b>(21,289,920)</b>	<b>-</b>	<b>(21,289,920)</b>
<b>Other changes in equity</b>									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,238,545)	(2,238,545)
<b>Total Other changes in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,238,545)</b>	<b>(2,238,545)</b>
<b>Balance at 30 June 2023</b>	<b>1,763,121</b>	<b>83,184,367</b>	<b>(98,847)</b>	<b>(11,654,471)</b>	<b>20,304,273</b>	<b>189,456,315</b>	<b>282,954,758</b>	<b>33,225,983</b>	<b>316,180,741</b>
<b>Balance at 1 January 2022</b>	<b>1,763,121</b>	<b>83,184,367</b>	<b>(5,532,543)</b>	<b>5,079,807</b>	<b>16,194,236</b>	<b>142,714,713</b>	<b>243,403,701</b>	<b>16,543,032</b>	<b>259,946,733</b>
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	18,750,520	18,750,520	2,126,596	20,877,116
Foreign currency translation differences	-	-	-	-	3,820,075	-	3,820,075	219,539	4,039,614
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,820,075</b>	<b>18,750,520</b>	<b>22,570,595</b>	<b>2,346,135</b>	<b>24,916,730</b>
<b>Transaction with owners of the Company</b>									
Shares allocated to employees	-	-	3,815,747	(3,815,747)	-	-	-	-	-
Equity-settled share-based payment	-	-	-	1,126,835	-	-	1,126,835	-	1,126,835
Dividends	-	-	-	-	-	(20,403,084)	(20,403,084)	-	(20,403,084)
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>3,815,747</b>	<b>(2,688,912)</b>	<b>-</b>	<b>(20,403,084)</b>	<b>(19,276,249)</b>	<b>-</b>	<b>(19,276,249)</b>
<b>Other changes in equity</b>									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,371,782)	(2,371,782)
<b>Total Other changes in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,371,782)</b>	<b>(2,371,782)</b>
<b>Balance at 30 June 2022</b>	<b>1,763,121</b>	<b>83,184,367</b>	<b>(1,716,796)</b>	<b>2,390,895</b>	<b>20,014,311</b>	<b>141,062,149</b>	<b>246,698,047</b>	<b>16,517,385</b>	<b>263,215,432</b>

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 32.

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023  
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**VIII. Notes to the Condensed Consolidated Interim Financial Statements****Note 1. Reporting entity (Background)**

These preliminary unaudited financial statements are the consolidated financial statements of Purcari Wineries Public Company Limited (the “Company”) and its subsidiaries (together “the Group”).

The Company was incorporated in Cyprus on 14 June 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. As at 11 January 2018 the Company has been transformed into a public company and its shares started being traded at Bucharest Stock Exchange on February 15, 2018.

Its registered office is at 1 Lampousas Street, 1095 Nicosia, Cyprus and its Tax Identification Number is 12201949I.

The Group is primarily involved in the production and sale of wine and brandy.

*Subsidiaries*

The Group’s subsidiaries and information related to the Company’s ownership interest, are presented below:

	Country of incorporation	Ownership interest	
		30 June 2023	31 December 2022
Vinorum Holdings Ltd	Gibraltar	100%	100%
West Circle Ltd	British Virgin Islands	100%	100%
Crama Ceptura SRL	Romania	100%	100%
Ecosmart Union SA	Romania	65.75%	65.75%
Vinoteca Gherasim Constantinescu SRL	Romania	100%	100%
Purcari Wineries Ukraine LLC	Ukraine	100%	100%
Angel’s Estate SA	Bulgaria	76%	76%
Vinaria Bostavan SRL	Republic of Moldova	100%	100%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Domeniile Cuza SRL	Republic of Moldova	100%	100%
Casa Purcari SRL	Republic of Moldova	80%	80%
Fundatia Purcari AO	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%

The structure of the Group as at 30 June 2023 is as follows:

- Purcari Wineries Public Company Limited is a holding company and is domiciled in Cyprus;
- Vinorum Holdings Ltd is a holding company and is domiciled in Gibraltar;
- West Circle Ltd is a holding company and is domiciled in British Virgin Islands;
- Crama Ceptura SRL is domiciled in Romania. Its major activity is the production, bottling and sale of wines;
- Ecosmart Union SA is domiciled in Romania. Its major activity is providing waste recycling management services;
- Vinoteca Gherasim Constantinescu SRL is domiciled in Romania. Its major activity is cultivation of grapes.
- Purcari Wineries Ukraine LLC is domiciled in Ukraine. Its major activity is trade marketing services for Group’s product portfolio;
- Angel’s Estate SA is domiciled in Bulgaria. Its major activity is the production, bottling and sale of wines;
- Vinaria Bostavan SRL, Vinaria Purcari SRL and Domeniile Cuza SRL are domiciled in Republic of Moldova. Their major activity is the production, bottling and sale of wines;
- Casa Purcari SRL is domiciled in Republic of Moldova and its activity relates to hospitality industry (bar&restaurant);
- Fundatia Purcari AO is domiciled in Republic of Moldova. This is a non-profit charity foundation;
- Vinaria Bardar SA is domiciled in Republic of Moldova. Its major activity is the production, bottling and sale of brandy and divin. The nominal ownership interest of the Group in Vinaria Bardar SA is 53.91% as at 30 June 2023 (31 December 2022: 53.91%). However, because 3.83% of shares of Vinaria Bardar SA are treasury shares, the effective ownership interest of the Group in the subsidiary is equal to 56.05% as at 30 June 2023 (31 December 2022: 56.05%).

## **Note 2. Basis of preparation**

### **(a) Statement of compliance**

These condensed consolidated interim financial statements (hereinafter “consolidated financial statements” or “financial statements”) have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2022.

These Interim Condensed Consolidated Financial Statements have not been audited by the external auditors of the Company.

### **(b) Basis of measurement**

Management has prepared these consolidated financial statements under the going concern basis, which assumes the realisation of assets and settlement of liabilities in the course of ordinary economic activity.

These consolidated financial statements have been prepared on the historical cost basis, except for:

- biological assets (grapes on vines) which are measured at fair value less costs to sell;
- equity securities measured at FVTP;
- put option over non-controlling interests measured at fair value.

### **(c) Functional and presentation currency**

The consolidated financial statements are presented in Romanian Leu (“RON”) as the Group is listed on the Bucharest Stock Exchange (BVB), beginning 15 February 2018. All amounts have been rounded to the nearest unit, unless otherwise indicated.

Each entity of the Group determines its own functional currency, and items included in its financial statements are measured using the functional currency.

The currencies of the primary economic environment in which the companies of the Group operate were as follows:

- Purcari Wineries Public Company Limited, Vinorum Holdings Ltd, West Circle Ltd - US Dollar (USD),
- Crama Ceptura SRL, Ecosmart Union SA, Vinoteca Gherasim Constantinescu - Romanian Leu (RON),
- Vinaria Bardar SA, Vinaria Bostavan SRL, Vinaria Purcari SRL, Domeniile Cuza SRL, Casa Purcari SRL - Moldovan Leu (MDL).
- Purcari Wineries Ukraine LLC - Ukrainian Hryvnia (UAH),
- Angel’s Estate SA – Bulgarian Lev (BGN).

When converting functional currency to RON as presentation currency, IAS 21 requires that assets and liabilities are converted using the closing exchange rate prevailing at each reporting date. Revenue and expenses are converted using the exchange rates prevailing at the transaction date. Equity elements, other than Profit or loss for the year and Translation reserve, are translated using the historical exchange rate at the transaction date.

All foreign exchange rate differences resulting from the translation from functional currency to presentation currency are recognized as a separate component of equity (“Translation reserve”) in the Consolidated Statement of Financial Position and in other comprehensive income in the Consolidated Statement of Comprehensive Income.

### **(d) Going concern**

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The majority of the Group’s funding comes from cash generated from its normal operating activities.



**Purcari Wineries Public Company Limited**

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**(e) Use of estimates and judgments**

In preparing this interim financial information, management makes judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2022.

**Note 3. Significant accounting policies**

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended 31 December 2022.

**Purcari Wineries Public Company Limited**

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2023

*all amounts are in RON, unless stated otherwise*

**Note 4. Property, plant and equipment**

The movements of property, plant and equipment from 1 January 2022 to 30 June 2023 were as follows:

	<u>Assets under construction</u>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Other</u>	<u>Grape vines</u>	<u>Total</u>
<b>Cost</b>								
<b>Balance at 1 January 2023</b>	<b>8,113,683</b>	<b>14,201,397</b>	<b>171,073,254</b>	<b>149,281,778</b>	<b>13,577,469</b>	<b>7,446,412</b>	<b>49,346,163</b>	<b>413,040,156</b>
Additions	23,634,540	87,687	-	224,739	448,196	20,258	1,387,566	25,802,986
Transfers	(9,339,754)	-	873,497	7,084,779	503,021	878,457	-	-
Disposals	-	-	-	(4,560,117)	(1,129,374)	(19,784)	(436,084)	(6,145,359)
Effect of movement in exchange rates	336,656	264,609	4,420,016	3,605,682	418,057	281,897	1,287,279	10,614,196
<b>Balance at 30 June 2023</b>	<b><u>22,745,125</u></b>	<b><u>14,553,693</u></b>	<b><u>176,366,767</u></b>	<b><u>155,636,861</u></b>	<b><u>13,817,369</u></b>	<b><u>8,607,240</u></b>	<b><u>51,584,924</u></b>	<b><u>443,311,979</u></b>
<b>Accumulated depreciation and impairment losses</b>								
<b>Balance at 1 January 2023</b>	-	<b>737,207</b>	<b>85,623,489</b>	<b>73,943,946</b>	<b>10,103,373</b>	<b>6,984,342</b>	<b>12,983,964</b>	<b>190,376,321</b>
Depreciation for the year	-	68,387	3,712,917	5,909,234	774,236	320,454	1,293,540	12,078,768
Impairment loss, net	-	-	(39,723)	(1,629)	(8,014)	-	-	(49,366)
Disposals	-	-	-	(4,230,938)	(393,163)	(16,475)	(259,579)	(4,900,155)
Effect of movement in exchange rates	-	14,882	2,487,178	1,778,059	456,949	210,205	405,712	5,352,985
<b>Balance at 30 June 2023</b>	<b>-</b>	<b><u>820,476</u></b>	<b><u>91,783,861</u></b>	<b><u>77,398,672</u></b>	<b><u>10,933,381</u></b>	<b><u>7,498,526</u></b>	<b><u>14,423,637</u></b>	<b><u>202,858,553</u></b>
<b>Carrying amounts</b>								
<b>At 1 January 2023</b>	<b>8,113,683</b>	<b>13,464,190</b>	<b>85,449,765</b>	<b>75,337,832</b>	<b>3,474,096</b>	<b>462,070</b>	<b>36,362,199</b>	<b>222,663,835</b>
<b>At 30 June 2023</b>	<b><u>22,745,125</u></b>	<b><u>13,733,217</u></b>	<b><u>84,582,906</u></b>	<b><u>78,238,189</u></b>	<b><u>2,883,988</u></b>	<b><u>1,108,714</u></b>	<b><u>37,161,287</u></b>	<b><u>240,453,426</u></b>

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*all amounts are in RON, unless stated otherwise*

	<u>Assets under construction</u>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Other</u>	<u>Grape vines</u>	<u>Total</u>
<b>Cost</b>								
<b>Balance at 1 January 2022</b>	<b>5,367,748</b>	<b>9,546,439</b>	<b>128,590,439</b>	<b>120,634,965</b>	<b>11,493,542</b>	<b>6,911,457</b>	<b>37,406,488</b>	<b>319,951,078</b>
Additions	30,036,791	194,226	95,439	53,289	492,700	80,230	2,245,674	33,198,349
Acquisitions through business combinations	-	4,180,220	30,979,883	17,580,159	465,502	126,979	9,494,752	62,827,495
Transfers	(27,157,213)	40,898	11,632,520	13,050,909	1,656,785	776,101	-	-
Disposals	-	-	(523,058)	(1,556,019)	(451,170)	(34,329)	(195,735)	(2,760,311)
Effect of movement in exchange rates	(133,643)	239,614	298,031	(481,525)	(79,890)	(414,026)	394,984	(176,455)
<b>Balance at 31 December 2022</b>	<b>8,113,683</b>	<b>14,201,397</b>	<b>171,073,254</b>	<b>149,281,778</b>	<b>13,577,469</b>	<b>7,446,412</b>	<b>49,346,163</b>	<b>413,040,156</b>
<b>Accumulated depreciation and impairment losses</b>								
<b>Balance at 1 January 2022</b>	-	<b>574,236</b>	<b>72,952,848</b>	<b>58,448,991</b>	<b>5,485,032</b>	<b>5,283,521</b>	<b>9,918,480</b>	<b>152,663,108</b>
Depreciation for the year	-	167,211	4,724,822	4,862,176	5,233,332	1,863,843	1,062,925	17,914,309
Increase through business combinations	-	-	8,914,611	11,376,209	196,786	92,059	2,033,792	22,613,457
Impairment loss, net	-	-	(80,141)	-	-	-	-	(80,141)
Disposals	-	-	(406,657)	(819,901)	(295,816)	(26,345)	(45,342)	(1,594,061)
Effect of movement in exchange rates	-	(4,240)	(481,994)	76,471	(515,961)	(228,736)	14,109	(1,140,351)
<b>Balance at 31 December 2022</b>	-	<b>737,207</b>	<b>85,623,489</b>	<b>73,943,946</b>	<b>10,103,373</b>	<b>6,984,342</b>	<b>12,983,964</b>	<b>190,376,321</b>
<b>Carrying amounts</b>								
<b>At 1 January 2022</b>	<b>5,367,748</b>	<b>8,972,203</b>	<b>55,637,591</b>	<b>62,185,974</b>	<b>6,008,510</b>	<b>1,627,936</b>	<b>27,488,008</b>	<b>167,287,970</b>
<b>At 31 December 2022</b>	<b>8,113,683</b>	<b>13,464,190</b>	<b>85,449,765</b>	<b>75,337,832</b>	<b>3,474,096</b>	<b>462,070</b>	<b>36,362,199</b>	<b>222,663,835</b>

**Capital commitments**

As at 30 June 2023 the Company has contracts to purchase property, plant and equipment for about RON 15 million. Delivery is expected during next six months.

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**Note 5. Intangible assets**

The movements in intangible assets from 1 January 2022 to 30 June 2023 were the following:

	<u>30 June 2023</u>	<u>31 December 2022</u>
<b>Cost</b>		
Balance at 1 January	19,658,607	15,184,375
Additions		
Purchase	259,100	589,635
Business combination	-	3,633,456
Disposals	-	-
Effect of movement in exchange rates	106,987	251,141
<b>Balance at 30 June / 31 December</b>	<u><b>20,024,694</b></u>	<u><b>19,658,607</b></u>
<b>Amortization</b>		
Balance at 1 January	2,194,245	986,131
Amortization for the year	1,295,653	1,216,530
Increase due to business combinations	-	27,395
Disposals	-	-
Effect of movement in exchange rates	40,850	(35,811)
<b>Balance at 30 June / 31 December</b>	<u><b>3,530,748</b></u>	<u><b>2,194,245</b></u>
<b>Carrying amounts</b>		
At 1 January	<u><b>17,464,362</b></u>	<u><b>14,198,244</b></u>
At 30 June / 31 December	<u><b>16,493,946</b></u>	<u><b>17,464,362</b></u>

**Note 6. Trade and other receivables**

The trade and other receivables at the end of reported period were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
<b><i>Financial receivables</i></b>		
Gross trade receivables	74,835,342	75,221,765
Allowance for impairment of trade receivables	(3,703,118)	(3,985,808)
<b>Total financial receivables</b>	<u><b>71,132,224</b></u>	<u><b>71,235,957</b></u>
<b><i>Non-financial receivables</i></b>		
VAT receivable	4,922,297	4,524,171
Other taxes receivable	413,040	122,622
Excise receivable	398,574	37,517
Other receivables	1,085,654	2,242,198
<b>Total non-financial receivables</b>	<u><b>6,819,565</b></u>	<u><b>6,926,508</b></u>
<b>Total trade and other receivables</b>	<u><b>77,951,789</b></u>	<u><b>78,162,465</b></u>

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**Note 7. Equity instruments at fair value through profit or loss**

The movements in equity instruments at fair value through profit or loss from 1 January 2022 to 30 June 2023 were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
<b>Balance at 1 January</b>	<b>4,621,285</b>	<b>4,341,709</b>
Change in fair value	-	17,629
Effect of movements in exchange rates	(59,429)	261,947
<b>Balance at 30 June / 31 December</b>	<b><u>4,561,856</u></b>	<b><u>4,621,285</u></b>

**8Wines Czech Republic s.r.o.**

On 13 May 2021, the Company purchased 10.00% ownership interest in 8Wines Czech Republic s.r.o. (8Wines), a Czech-based fast growing online retail platform, for a cash consideration of RON 3,414,780.

The Group neither has any significant influence nor is involved in the management of 8Wines. Therefore, the ownership interest in 8Wines is accounted as equity instruments at fair value through profit or loss and represents as at 30 June 2023 RON 4,561,856 (31 December 2022: RON 4,621,285). No valuation of the investment was performed at the reporting date.

**IM Glass Container Company SA group**

On 9 December 2020, Vinaria Purcari SRL has exited IM Glass Container Company SA, a manufacturer of glass bottles, by selling its 31.415% ownership interest for a consideration of EUR 7,819,163 to Vetropack Group, a leading Swiss corporate group in the European glass packaging industry.

Under the Sales Agreement, the former selling shareholders, including Vinaria Purcari SRL, have provided Representations, Warranties, and Indemnities to Vetropack Group, thus, in case of adverse effects it might be liable for paying certain compensations.

Therefore, the amount of EUR 595,070 has been deducted and retained from the initial purchase price as indemnity holdback, which will be reimbursed on the date falling three years after completion of the transaction. The management estimates that no claims for indemnification will appear during this period and that full amount of indemnity holdback will be received. This discounted receivable amounts to RON 2,881,762 as at 30 June 2023 (31 December 2022: RON 2,741,667) and has been included in trade and other receivables.

**Note 8. Loans receivables**

The loans receivables at the end of reported period were as follows:

	Currency	Interest rate	Year of maturity	30 June 2023		31 December 2022	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines s.r.o.	EUR	3.0%	2025	371,632	-	364,378	-
8Wines s.r.o.	EUR	6.0%	2024	2,054,211	536,057	2,042,671	458,623
<b>Total loan receivables</b>				<b><u>2,425,843</u></b>	<b><u>536,057</u></b>	<b><u>2,407,049</u></b>	<b><u>458,623</u></b>

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**Note 9. Inventories**

As at 30 June 2023 and 31 December 2022 inventories were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
<b>Raw materials</b>		
Distilled alcohol	46,231,931	40,411,951
Wine materials	8,755,594	10,429,500
Other raw materials	329,816	371,996
<b>Total raw materials</b>	<u>55,317,341</u>	<u>51,213,447</u>
<b>Other materials</b>		
Packaging materials	29,102,453	22,231,333
Chemicals	4,051,474	2,548,469
Other materials	7,418,591	6,470,068
<b>Total other materials</b>	<u>40,572,518</u>	<u>31,249,870</u>
<b>Semi-finished production</b>		
Wine in barrels	98,971,208	95,922,608
Divin in barrels	7,757,448	6,220,347
Brandy in barrels	181,417	173,983
<b>Total semi-finished production</b>	<u>106,910,073</u>	<u>102,316,938</u>
<b>Bottled finished goods</b>		
Wine	30,479,217	26,771,604
Divin	973,757	865,651
Brandy	19,677	37,183
Other finished goods	319,418	317,421
<b>Total bottled finished goods</b>	<u>31,792,069</u>	<u>27,991,859</u>
<b>Total inventories</b>	<u>234,592,001</u>	<u>212,772,114</u>

**Note 10. Cash and cash equivalents**

As at 30 June 2023 and 31 December 2022 cash and cash equivalents were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Bank accounts	27,544,076	19,772,784
Short-term interest-bearing deposits	275,341	3,531,973
Petty cash	151,250	150,375
<b>Total cash and cash equivalents</b>	<u>27,970,667</u>	<u>23,455,132</u>

Cash and cash equivalents consist of cash in hand, current accounts and short-term deposits with banks, which are at the free disposal of the Group.

**Note 11. Share Capital and Premium**

At the reporting date, the issued share capital of the Company is comprised of 40,117,500 ordinary shares with nominal value of EUR 0.01 each. All issued shares are fully paid.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of shares. Share premium account can only be resorted to limited purposes, which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

On 15 June 2023, the Company transferred free of charge to its management and employees 101,047 shares with a total value of RON 1,617,949 (2022: 251,036 shares with a total value of RON 3,815,747).

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**Note 12. Trade and other payables**

As at 30 June 2023 and 31 December 2022 trade and other payables were as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
<i>Financial payables</i>		
Trade accounts payable	63,708,903	70,649,710
Trade payables due to related parties	4,712,830	2,636,599
<b>Total financial payables</b>	<b>68,421,733</b>	<b>73,286,309</b>
<i>Non-financial payables</i>		
Other tax liabilities	4,349,164	3,695,384
Advances received	1,893,048	410,477
Dividend payables	26,621,212	2,179,808
<b>Total non-financial payables</b>	<b>32,863,424</b>	<b>6,285,669</b>
<b>Total trade and other payables</b>	<b>101,285,157</b>	<b>79,571,978</b>

**Note 13. Deferred income**

The movements in deferred income from 1 January 2022 to 30 June 2023 were as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Balance at 1 January 2023 / 1 January 2022</b>	<b>14,475,765</b>	<b>9,183,161</b>
Grants received	770,237	692,706
Increase due to business combinations	-	5,731,950
Release of deferred income	(959,103)	(1,917,100)
Effect of movements in exchange rates	1,520,653	785,048
<b>Balance at 30 June 2023 / 31 December 2022</b>	<b>15,807,552</b>	<b>14,475,765</b>

The Group's deferred income mainly represents government grants received for investments in property, plant and equipment. The Group is restricted to sell the assets for which a grant has been received for a period of five years.

**Note 14. Borrowings and finance lease**

This note provides information about the contractual terms of the Group's interest-bearing borrowings and lease liabilities, which are measured at amortized cost.

As at 30 June 2023 and 31 December 2022, borrowings and lease liabilities were as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
<i>Non-current liabilities</i>		
Secured bank loans	35,872,273	39,530,884
Lease liabilities	4,973,554	4,714,516
<b>Total non-current portion</b>	<b>40,845,827</b>	<b>44,245,400</b>
<i>Current liabilities</i>		
Current portion of secured bank loans	94,938,671	86,937,305
Current portion of lease liabilities	1,243,474	1,494,910
<b>Total current portion</b>	<b>96,182,145</b>	<b>88,432,215</b>
<b>Total borrowings and lease liabilities</b>	<b>137,027,972</b>	<b>132,677,615</b>

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*all amounts are in RON, unless stated otherwise***Terms and debt repayment schedules**

Type of loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2023		31 December 2022	
					Non-current	Current	Non-current	Current
Secured bank loan	BC MAIB SA (1)	EUR	4.00%	2024	-	7,188,407	-	5,423,057
Secured bank loan	BC MAIB SA (2)	MDL	15.98%	2024	-	-	-	1,209,579
Secured bank loan	BC MAIB SA (3)	EUR	3.40%	2024	-	25,261,514	-	17,355,101
Secured bank loan	BC MAIB SA (4)	EUR	3.40%	2027	-	12,455,388	-	11,092,617
Secured bank loan	BC MAIB SA (5)	EUR	3.40%	2025	-	12,468,075	-	17,294,622
Secured bank loan	BC MAIB SA (6)	MDL	8.00%	2023	-	-	-	967,663
Secured bank loan	BC MAIB SA (7)	EUR	3.40%	2025	-	7,070,495	-	8,952,481
Secured bank loan	BC MAIB SA (8)	EUR	3.40%	2027	10,829,647	11,547,398	8,542,774	1,317,330
Secured bank loan	BC MAIB SA (9)	EUR	3.40%	2023	-	-	-	1,023,923
Secured bank loan	BC Victoriabank SA (1)	EUR	3.40%	2024	22,367,788	-	25,578,134	-
Secured bank loan	OTP Bank SA (1)	EUR	4.46%	2025	818,904	1,403,366	1,640,025	1,598,414
Secured bank loan	OTP Bank SA (2)	EUR	4.46%	2025	696,237	1,594,247	1,313,503	1,113,262
Secured bank loan	OTP Bank SA (3)	EUR	4.17%	2024	260,217	1,559,647	1,053,754	1,580,204
Secured bank loan	OTP Bank SA (5)	USD	4.25%	2025	392,410	244,385	371,630	245,839
Secured bank loan	OTP Bank SA (6)	USD	3.95%	2026	799,661	436,072	1,027,303	435,737
Secured bank loan	UNICREDIT BANK SA (1)	USD	EURIBOR 1M+1.50%	2023	-	13,709,677	-	17,285,773
Lease liabilities		RON/MDL/EUR	3.90%-11.25%	2022-2047	4,680,963	1,243,474	4,718,277	1,536,613
<b>Total borrowings and lease liabilities</b>					<b>40,845,827</b>	<b>96,182,145</b>	<b>44,245,400</b>	<b>88,432,215</b>



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**Note 15. Revenue**

Revenues for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<u>3-month ended 30 June 2023</u>	<u>3-month ended 30 June 2022</u>	<u>6-month 2023</u>	<u>6-month 2022</u>
<i>Sales of finished goods</i>				
Vin	71,590,248	54,513,848	130,928,797	99,406,716
Divin	7,410,505	7,119,211	13,953,339	13,039,621
Brandy	7,550	140,841	25,799	181,859
<b>Total sales of finished goods</b>	<b><u>79,008,303</u></b>	<b><u>61,773,900</u></b>	<b><u>144,907,935</u></b>	<b><u>112,628,196</u></b>
<i>Sales of other goods</i>				
Merchandise	1,000,418	287,433	1,170,114	772,910
Wine materials	230,103	11,148	255,786	42,343
Other	25,863	146,949	47,224	273,902
<b>Total sales of other goods</b>	<b><u>1,256,384</u></b>	<b><u>445,530</u></b>	<b><u>1,473,124</u></b>	<b><u>1,089,155</u></b>
<i>Services</i>				
Hotel and restaurant services	1,154,367	696,833	1,813,578	1,191,296
Agricultural services	24,202	30,317	47,800	56,925
Waste recycling management services	6,636,255	4,745,322	13,172,878	8,914,479
<b>Total services</b>	<b><u>7,814,824</u></b>	<b><u>5,472,472</u></b>	<b><u>15,034,256</u></b>	<b><u>10,162,700</u></b>
<b>Total revenue</b>	<b><u>88,079,511</u></b>	<b><u>67,691,902</u></b>	<b><u>161,415,315</u></b>	<b><u>123,880,051</u></b>

*Segment analysis*

By 2020 the management monitored the performance of the Group as a single segment (production, bottling and sales of wines, divin and brandy), and through the acquisition of the subsidiary Ecosmart Union SA in 2021 a second segment related to waste recycling management services appeared (which for the year ended 31 December 2022 has not been yet a significant one).

A reportable segment is a component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generate revenues other that risks and income of those components that are peculiar to other business segments.

The operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets.

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*all amounts are in RON, unless stated otherwise*Sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester 2023 were as follows:

	<b>Bostavan wine</b>	<b>Purcari wine</b>	<b>Domeniile Cuza wine</b>	<b>Crama Ceptura wine</b>	<b>Angel's Estate wine</b>	<b>Bardar divin and brandy</b>	<b>Total</b>
Romania	1,192,508	57,987,981	726,120	20,555,655	-	2,403,582	<b>82,865,846</b>
Republic of Moldova	3,272,893	12,414,462	78,706	-	-	9,722,297	<b>25,488,358</b>
Bulgaria	-	121,132	-	-	4,339,130	-	<b>4,460,262</b>
Poland	10,280,195	448,438	-	20,109	-	-	<b>10,748,742</b>
Czech & Slovakia	3,494,257	206,293	-	-	4,754	-	<b>3,705,304</b>
Asia	1,003,582	1,109,636	-	229,475	-	-	<b>2,342,693</b>
Baltic countries	2,686,740	-	-	109,663	-	25,784	<b>2,822,187</b>
Turkey	1,791,091	-	-	-	-	-	<b>1,791,091</b>
Ukraine	1,196,986	1,410,807	-	154,848	-	230,064	<b>2,992,705</b>
Other	1,733,257	3,775,960	32,031	501,311	50,777	1,597,411	<b>7,690,747</b>
<b>Total</b>	<b>26,651,509</b>	<b>77,474,709</b>	<b>836,857</b>	<b>21,571,061</b>	<b>4,394,661</b>	<b>13,979,138</b>	<b>144,907,935</b>

Sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester 2022 were as follows:

	<b>Bostavan wine</b>	<b>Purcari wine</b>	<b>Domeniile Cuza wine</b>	<b>Crama Ceptura wine</b>	<b>Angel's Estate wine</b>	<b>Bardar divin and brandy</b>	<b>Total</b>
Romania	1,176,041	39,562,017	172,605	16,587,851	-	1,838,525	<b>59,337,039</b>
Republic of Moldova	3,292,130	10,342,426	-	-	-	9,254,467	<b>22,889,023</b>
Bulgaria	-	-	-	-	-	-	<b>-</b>
Poland	10,293,916	418,265	-	14,000	-	41,750	<b>10,767,931</b>
Czech & Slovakia	3,262,080	123,100	-	231,014	-	-	<b>3,616,194</b>
Asia	2,099,780	2,338,087	-	601,140	-	500,949	<b>5,539,956</b>
Baltic countries	2,916,028	-	-	-	-	137,900	<b>3,053,928</b>
Turkey	809,553	540,423	-	-	-	-	<b>1,349,976</b>
Ukraine	533,082	535,815	-	-	-	-	<b>1,068,897</b>
Other	862,521	2,186,772	24,898	483,172	-	1,447,889	<b>5,005,252</b>
<b>Total</b>	<b>25,245,131</b>	<b>56,046,905</b>	<b>197,503</b>	<b>17,917,177</b>	<b>-</b>	<b>13,221,480</b>	<b>112,628,196</b>

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*all amounts are in RON, unless stated otherwise*Sales of finished goods by brand and geographic region for the 2<sup>nd</sup> quarter of 2023 were as follows:

	<b>Bostavan wine</b>	<b>Purcari wine</b>	<b>Domeniile Cuza wine</b>	<b>Crama Ceptura wine</b>	<b>Angel's Estate wine</b>	<b>Bardar divin and brandy</b>	<b>Total</b>
Romania	751,932	32,112,908	537,937	11,711,612	-	1,163,759	<b>46,278,148</b>
Republic of Moldova	1,774,914	7,448,903	59,696	-	-	5,320,644	<b>14,604,157</b>
Bulgaria	-	111,051	-	-	2,782,031	-	<b>2,893,082</b>
Poland	4,676,648	238,414	-	11,947	-	-	<b>4,927,009</b>
Czech & Slovakia	2,254,450	108,073	-	-	2,784	-	<b>2,365,307</b>
Asia	271,182	200,818	-	123,418	-	-	<b>595,418</b>
Baltic countries	2,029,032	-	-	109,663	-	6,692	<b>2,145,387</b>
Turkey	408,367	-	-	-	-	-	<b>408,367</b>
Ukraine	281,658	853,141	-	11,048	-	-	<b>1,145,847</b>
Other	507,120	1,897,291	20,811	248,669	44,730	926,960	<b>3,645,581</b>
<b>Total</b>	<b>12,955,303</b>	<b>42,970,599</b>	<b>618,444</b>	<b>12,216,357</b>	<b>2,829,545</b>	<b>7,418,055</b>	<b>79,008,303</b>

Sales of finished goods by brand and geographic region for the 2<sup>nd</sup> quarter of 2022 were as follows:

	<b>Bostavan wine</b>	<b>Purcari wine</b>	<b>Domeniile Cuza wine</b>	<b>Crama Ceptura wine</b>	<b>Angel's Estate wine</b>	<b>Bardar divin and brandy</b>	<b>Total</b>
Romania	826,963	19,728,014	159,268	9,941,374	-	904,516	<b>31,560,135</b>
Republic of Moldova	1,741,275	6,200,488	-	-	-	5,827,367	<b>13,769,130</b>
Bulgaria	-	-	-	-	-	-	<b>-</b>
Poland	5,844,810	262,318	-	146	-	14,132	<b>6,121,406</b>
Czech & Slovakia	1,501,521	37,969	-	10,168	-	-	<b>1,549,658</b>
Asia	1,276,736	1,666,379	-	450,515	-	9,690	<b>3,403,320</b>
Baltic countries	1,442,490	-	-	-	-	124,564	<b>1,567,054</b>
Turkey	809,553	540,423	-	-	-	-	<b>1,349,976</b>
Ukraine	5,593	291,122	-	-	-	-	<b>296,715</b>
Other	590,228	993,285	14,250	178,623	-	380,120	<b>2,156,506</b>
<b>Total</b>	<b>14,039,169</b>	<b>29,719,998</b>	<b>173,518</b>	<b>10,580,826</b>	<b>-</b>	<b>7,260,389</b>	<b>61,773,900</b>

The waste recycling management services are provided by the Group's subsidiary Ecosmart Union SA and the entire revenue is realised in Romania.

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**Note 16. Cost of sales**

Cost of sales for 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<b>3-month ended 30 June 2023</b>	<b>3-month ended 30 June 2022</b>	<b>6-month 2023</b>	<b>6-month 2022</b>
<b>Sales of finished goods</b>				
Wine	43,622,562	30,552,751	74,807,728	50,454,735
Divin	3,197,453	2,895,002	5,780,045	5,044,484
Brandy	5,297	109,182	9,725	131,145
<b>Total sales of finished goods</b>	<b>46,825,312</b>	<b>33,556,935</b>	<b>80,597,498</b>	<b>55,630,364</b>
<b>Sales of other goods</b>				
Merchandise	594,551	244,317	738,792	656,973
Wine materials	206,294	1,163,263	225,092	1,190,715
Other	23,470	135,154	47,099	251,950
<b>Total sales of other goods</b>	<b>824,315</b>	<b>1,542,734</b>	<b>1,010,983</b>	<b>2,099,638</b>
<b>Services</b>				
Hotel and restaurant services	1,126,252	661,992	1,722,899	1,131,731
Agricultural services	22,027	27,588	43,498	51,801
Waste recycling management services	5,056,126	2,531,605	11,082,854	6,307,845
<b>Total goods and services</b>	<b>6,204,405</b>	<b>3,221,185</b>	<b>12,849,251</b>	<b>7,491,377</b>
<b>Total cost of sales</b>	<b>53,854,032</b>	<b>38,320,854</b>	<b>94,457,732</b>	<b>65,221,379</b>

**Note 17. Marketing and sales expenses**

Marketing and selling expenses for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<b>3-month ended 30 June 2023</b>	<b>3-month ended 30 June 2022</b>	<b>6-month 2023</b>	<b>6-month 2022</b>
Transportation expenses	1,567,501	1,360,794	2,731,119	2,210,661
Employee benefits	3,191,556	2,416,593	5,689,364	4,438,576
Marketing and selling	5,116,436	3,644,805	10,249,189	5,475,000
Certification of production	173,133	160,795	362,595	296,993
Other expenses	59,652	181,769	139,627	226,158
<b>Total marketing and sales expenses</b>	<b>10,108,278</b>	<b>7,764,756</b>	<b>19,171,894</b>	<b>12,647,388</b>

**Note 18. General and administrative expenses**

General and administrative expenses for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<b>3-month ended 30 June 2023</b>	<b>3-month ended 30 June 2022</b>	<b>6-month 2023</b>	<b>6-month 2022</b>
Employee benefits	4,821,038	4,776,909	8,369,036	8,074,337
Depreciation	1,537,636	808,322	3,053,270	1,852,238
Professional fees	910,054	984,225	1,858,357	2,265,830
Taxes and fees	691,140	430,446	1,295,037	703,520
Travel	309,392	137,676	513,110	176,821
Rent	73,244	26,239	160,031	47,902
Bank charges	92,639	77,306	294,947	157,323
Repairs and maintenance	245,479	143,767	367,282	238,580
Communication	104,329	79,436	195,833	167,350
Fuel	73,889	69,278	164,430	122,515
Penalties	15,363	161,784	42,023	224,247
Insurance	83,882	65,360	172,759	113,433
Other	737,772	355,381	979,032	565,753
<b>Total general and administrative expenses</b>	<b>9,695,857</b>	<b>8,116,129</b>	<b>17,465,147</b>	<b>14,709,849</b>

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**Note 19. Other operating income**

Other operating income for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<u>3-month ended</u> <u>30 June 2023</u>	<u>3-month ended</u> <u>30 June 2022</u>	<u>6-month</u> <u>2023</u>	<u>6-month</u> <u>2022</u>
Release of deferred income	527,158	240,547	959,103	477,984
Gains on write-off of trade and other payables	6	11	570	1,624
Net gain/(loss) from sale of other materials	(396)	(14,466)	26,082	(21,420)
Other	147,414	204,653	300,455	289,688
<b>Total other operating income</b>	<b><u>674,182</u></b>	<b><u>430,745</u></b>	<b><u>1,286,210</u></b>	<b><u>747,876</u></b>

**Note 20. Other operating expenses**

Other operating expenses for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<u>3-month ended</u> <u>30 June 2023</u>	<u>3-month ended</u> <u>30 June 2022</u>	<u>6-month</u> <u>2023</u>	<u>6-month</u> <u>2022</u>
Impairment of property, plant and equipment, net	(21,591)	(18,495)	(41,352)	(58,993)
Change in provisions, net	-	-	-	-
Unallocated overheads	138,248	81,831	248,133	163,293
Adjustment to fair value of harvest of grapes from own grape vines	(137,497)	(80,676)	62,742	(57,748)
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	33,465	39,338	48,109	71,022
Net gain from disposal of property, plant and equipment and intangible assets	(445,967)	(30,805)	(544,545)	(51,882)
<b>Total other operating expenses</b>	<b><u>(433,342)</u></b>	<b><u>(8,807)</u></b>	<b><u>(226,913)</u></b>	<b><u>65,692</u></b>

**Provisions**

The Group has set-up provisions for tax risks for which management has assessed as probable an outflow of resources.

The movements in provisions from 1 January 2022 to 30 June 2023 were as follows:

	<u>30 June 2023</u>	<u>31 December</u> <u>2022</u>
<b>Balance at 1 January 2023 / 1 January 2022</b>	<b>6,320,190</b>	<b>5,960,310</b>
Provisions used during the year	-	-
Effect of movements in exchange rates	(120,414)	359,880
<b>Balance at 30 June 2023 / 31 December 2022</b>	<b><u>6,199,776</u></b>	<b><u>6,320,190</u></b>

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**Note 21. Net finance costs**

The net finance costs for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 were as follows:

	<u>3-month ended</u> <u>30 June 2023</u>	<u>3-month ended</u> <u>30 June 2022</u>	<u>6-month</u> <u>2023</u>	<u>6-month</u> <u>2022</u>
Interest income	107,968	35,077	234,332	48,042
Foreign exchange income	-	-	1,937,303	-
<b>Finance income</b>	<b>107,968</b>	<b>35,077</b>	<b>2,171,635</b>	<b>48,042</b>
Interest expenses	(1,699,132)	(1,122,543)	(3,137,927)	(2,082,961)
Foreign exchange loss	(152,859)	(1,344,270)	-	(2,755,100)
Other	(7,794)	-	(9,566)	-
<b>Finance costs</b>	<b>(1,859,785)</b>	<b>(2,466,813)</b>	<b>(3,147,493)</b>	<b>(4,838,061)</b>
<b>Net finance costs</b>	<b>(1,751,817)</b>	<b>(2,431,736)</b>	<b>(975,858)</b>	<b>(4,790,019)</b>

**Note 22. Employee benefits**

The employee benefits payables at the end of reported period were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Payables to employees	4,051,766	3,618,371
Accruals for unused vacation	3,389,596	1,991,221
<b>Total employee benefits payables</b>	<b>7,441,362</b>	<b>5,609,592</b>

Employee benefit expenses include base salaries, mandatory medical contributions, mandatory social contributions, bonuses for performance and equity-settled share-based payments.

The employee benefit expenses were included in the following captions:

	<u>3-month ended</u> <u>30 June 2023</u>	<u>3-month ended</u> <u>30 June 2022</u>	<u>6-month</u> <u>2023</u>	<u>6-month</u> <u>2022</u>
General and administrative expenses	4,821,038	4,776,909	8,369,036	8,074,337
Cost of sales	3,445,511	2,470,519	6,074,061	4,566,310
Inventory	1,396,695	1,035,690	4,209,023	3,868,330
Marketing and sales expenses	3,191,556	2,416,593	5,689,364	4,438,576
<b>Total employee benefits expenses</b>	<b>12,854,800</b>	<b>10,699,711</b>	<b>24,341,484</b>	<b>20,947,553</b>

The employee benefit expenses comprised the following categories:

	<u>3-month ended</u> <u>30 June 2023</u>	<u>3-month ended</u> <u>30 June 2022</u>	<u>6-month</u> <u>2023</u>	<u>6-month</u> <u>2022</u>
Base salaries and bonuses for performance	10,244,172	8,618,957	20,163,920	17,313,752
Equity-settled share-based payments	932,281	1,016,815	986,091	1,126,835
Mandatory social and medical contributions	1,678,347	1,063,939	3,191,473	2,506,966
<b>Total employee benefit expenses</b>	<b>12,854,800</b>	<b>10,699,711</b>	<b>24,341,484</b>	<b>20,947,553</b>

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**Note 23. Related parties**

The Group's related parties for the six-months period ended 30 June 2023 were the following:

Name of the entity	Relationship with the Company
Key management personnel	Members of board of directors of the Company, CEOs, COO, CFO and Sales Director of Group entities
Victor Bostan	CEO, Member of the Board of Directors, significant shareholder via Amboselt Universal Inc.
Agro Sud Invest SRL	Entity controlled by a key member of management thru a significant shareholding
BSC Agro SRL	Entity controlled by a key member of management thru a significant shareholding
Victoriavin SRL	Entity controlled by Victor Bostan through a significant shareholding
Media Alternativa AO	Common member in the board of directors
MAIB SA	Common member in the board of directors of the Company and of the Bank

**Transactions with key management personnel and other related parties:**

	Transactions value - income/(expenses) for six-month period ended		Outstanding balance – receivable/(payable) as at	
	30 June 2023	30 June 2022	30 June 2023	31 December 2022
<b>Victor Bostan</b>				
- Fixed salary	(534,474)	(572,712)	(1,983,131)	(1,798,819)
<b>MAIB SA</b>				
- Sales of merchandise	3,331	7,943	-	-
- Interest expense	(1,968,921)	(1,193,058)	-	-
- Secured bank loans	10,209,653	1,320,048	(84,238,975)	(73,741,878)
- Bank charges	(119,925)	(98,155)	-	-
- Cash and cash equivalents	-	-	2,602,174	6,891,127
<b>Victoriavin SRL</b>				
- Lease liabilities	-	-	(4,095,316)	(3,659,807)
- Interest expense	(214,168)	(202,937)	-	-
- Trade payables	-	(1,690)	(10,749)	(5,422)
- Acquisition of inventories	(2,583)	-	-	-
- Operating leases	(24,125)	(23,507)	-	-
<b>Agro Sud Invest SRL</b>				
- Agricultural services	(3,741,017)	(2,915,342)	-	-
- Trade payables	-	-	(2,454,613)	(1,182,472)
<b>BSC Agro SRL</b>				
- Agricultural services	(4,154,423)	(3,691,221)	-	-
- Trade payables	-	-	(2,243,974)	(1,448,705)
<b>Media Alternativa AO</b>				
- Trade receivables	-	-	-	9,068
- Trade payables	-	-	(3,495)	-
- Marketing services	(19,032)	-	-	-
<b>Key management personnel</b>				
- Salaries and bonuses for performance	(1,753,614)	(1,705,416)	(391,686)	(2,939,163)
- Equity-settled share-based payment	(557,205)	(768,987)	(28,254)	(480,650)

## Note 24. EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is calculated as profit/(loss) for the period (as presented in the condensed consolidated statement of profit or loss and other comprehensive income), and adding back the income tax, net finance result and total amortization of intangible assets and total depreciation of property plant and equipment.

The management of the Group routinely tracks the EBITDA metrics and considers it relevant for a better understanding of the Group’s financial performance.

EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

EBITDA for the 1<sup>st</sup> Semester 2023 and 1<sup>st</sup> Semester 2022 was as follows:

	<b>Indicator</b>	<b>3-month ended 30 June 2023</b>	<b>3-month ended 30 June 2022</b>	<b>6-month 2023</b>	<b>6-month 2022</b>
<b>EBITDA</b>	<b>EBITDA</b>	<b>23,351,300</b>	<b>18,144,721</b>	<b>44,497,306</b>	<b>38,623,322</b>
Less: depreciation		(6,108,045)	(4,673,618)	(12,078,768)	(8,721,701)
Less: amortization		(654,415)	(60,468)	(1,295,653)	(110,290)
<b>Result from operating activities</b>	<b>EBIT</b>	<b>16,588,840</b>	<b>13,410,635</b>	<b>31,122,885</b>	<b>29,791,331</b>
Less: net finance costs		(1,751,817)	(2,431,736)	(975,858)	(4,790,019)
<b>Earnings Before Taxes</b>	<b>EBT</b>	<b>14,837,023</b>	<b>10,978,899</b>	<b>30,147,027</b>	<b>25,001,312</b>
Less: income tax		(2,080,095)	(2,080,505)	(4,610,899)	(4,124,196)
<b>Profit for the period</b>		<b>12,756,928</b>	<b>8,898,394</b>	<b>25,536,128</b>	<b>20,877,116</b>

## Note 25. Events after the reported balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of these consolidated financial statements, except:

On August 18, 2023, the Company paid dividends in the amount of RON 22.1 million.