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Purcari demonstrates strong resilience, margins, booking a net income growth of 17% in 1Q22

Bucharest, May 16th, 2022

Purcari Wineries Plc (“Group”, “Company”), the CEE’s leading wine producer, announced today the publication of results for the first quarter of 2022. Revenues rose by 13% to RON 56.2 million vs. the similar period of last year. The Group delivered an excellent performance in terms of margins, amid global inflationary pressures, with EBITDA and Net Income margins reaching 36% and 21%, respectively. The strong performance of our flagship Purcari brand, as well as Bardar, our premium brandy, have contributed to a significant improvement in mix, offsetting cost pressures.

“Our results demonstrate the strong resilience of our business model, against a challenging backdrop of geopolitical turbulences and inflationary pressures. The combination of our strong brands, offering an affordable luxury, in an environment when consumers are focused on value, as well as our cost discipline, put us in a good position to weather this challenging period for our region and world”, said Victor Bostan, CEO.

Key highlights

- **Romania:** +7% growth in 1Q22 with Purcari brand showing double digit growth on strong traction for Nocturne, our HoReCa range, reaching 100k bottles in sales. Bardar doubled sales yoy on increased demand from key accounts, albeit from smaller base.
- **Moldova:** sales up by 36%, accelerating in all channels. Better product mix for all brands with Bostavan and Bardar leading the growth. Robust uptake in HoReCa, as Covid restrictions have been largely lifted.
- **Poland:** sales down -1% YoY. Prioritizing margin over volumes with Bostavan -4% vs 1Q21 on Lidl sales not yet resumed. Focus on premiumization paying off with 3.5x increase in Purcari sales. Trading environment still challenging; nevertheless, pushing through select price increases to starting from 2Q22, to offset rise in costs.
- **Asia:** revenues up 20%, with Purcari and Bardar leading the growth. Certain shipments shifted to 2Q22 due to changes in logistics from Odessa port to Constanta and containers’ shortage. Challenging trading environment in China on general lockdown at the end of 1Q22.
- **Czechia and Slovakia:** Overall growth still strained by TESCO restructuring, but effect diminishing. Price increases agreed with TESCO starting from 1st of April to positively impact margins.
- **Ukraine:** sales down by 48% yoy. Distribution restarted in mid-April in Western Ukraine, certain deliveries expected at the end of 2Q22.

Selected financial information

	1Q 2022	1Q 2021	Δ 1Q
Revenue	56,188,149	49,845,667	13%
Gross Profit	29,287,624	26,034,372	12%
% Gross margin	52%	52%	-
EBITDA	20,478,601	19,626,253	4%
% EBITDA margin	36%	39%	(3 pp)
Net Profit	11,978,722	10,281,448	17%
% Net Profit margin	21%	21%	1 pp

Investors' Conference Call

The conference call for discussion and presentation of 1Q 2022 financial results shall be held on May 17th, at 14:00 EEST, 13:00 CEST. Attached are the Interim Financial Results for the three-month period ended 31 March 2022 and the Presentation for the conference call.

About Purcari Wineries

Purcari Wineries Public Company Limited (with its brands: Purcari, Crama Ceptura, Bostavan, Bardar and Domeniile Cuza) is one of the largest wine and brandy groups in the Central and Eastern European (CEE) Region. The Group manages around 1 350 hectares of vineyards and operates six production platforms in Romania and Moldova. Purcari Wineries is the leader in the Premium wine segment in Romania with a 30% segment share and the largest wine exporter from Moldova, delivering to over 40 countries. Founded in 1827, Chateau Purcari is the most awarded winery of the CEE Region at Decanter London 2015-2021, as well as among the best ranked wineries on Vivino, with an average score of 4.1 out of 5.0, based on over 65,000 reviews. Since February 2018, the Group is listed on the Bucharest Stock Exchange under the ticker WINE. Purcari Wineries is led by Victor Bostan, a veteran with more than 30 years of experience in the wine business and is endorsed by top institutional investors such as: Conseq, East Capital, Franklin Templeton, Fiera Capital, Horizon Capital and Norges Bank.

Enquiries

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