



## **Purcari delivers another strong year, revenues up 20%**

*Bucharest, February 28<sup>th</sup>, 2022*

Purcari Wineries Plc (“Group”), the CEE’s leading wine producer, announced today the publication of preliminary unaudited financial results for 2021. Group revenue rose 20%, reaching RON 244.6 million, with the core Wine business reaching RON 237.3 million, +17% year on year. Improved mix and recovery of sales in higher margin markets helped offset inflationary pressures on costs, with annual core Wine EBITDA reaching RON 72.4 million and Net Profit RON 45.0 million.

“We delivered another strong year, with robust growth and strong margins, despite the mounting cost pressures. We look forward to continue maintaining a robust pace of growth in 2022 too. We continue to run a very strong balance-sheet, conferring additional resilience to our business and maximizes our optionality, which we believe is particularly important in the inflationary and geopolitically volatile environment we find ourselves in”, said Victor Bostan, CEO of Purcari Wineries.

### *Ecosmart Union consolidation*

The Group consolidated Ecosmart Union (“Ecosmart”), a waste recycling management company, by increasing its stake from 27% to 65.5%. The new activity line, started as a cooperative by founding businesses with a high packaging component, aiming to meet rising recycling targets, has been mismanaged by the previous executive team, triggering the need to obtain control in the company and initiate an operational turnaround. Ecosmart accounts for RON 7.3 million in Group’s revenues and a negative contribution of RON 3.9 million at Net Profit level. The consideration paid for the controlling stake in Ecosmart is not a material one, relative to Group’s balance sheet. The Group is also undertaking legal action against the former Ecosmart administrator. Subject to a successful turnaround, Group’s management sees the Ecosmart investment as potentially highly accretive. In addition, the consolidation helps the Group meet its ambitious ESG targets, by ensuring a transparent and responsible recycling of primarily glass bottles and paper carton, used in Group’s operations. Ecosmart is expected to bring circa RON 30 million in Group revenues in 2022, operating at an estimated EBITDA margin of mid- to high single digits percent.

### *Russian invasion of Ukraine*

We cannot omit the fact that the world has changed on February 24, following the Russian invasion of Ukraine. Our view on the regional geopolitics was framed back in 2014, when we launched [Purcari Freedom Blend](#), made of Ukrainian, Moldovan and Georgian indigenous grapes, one of our all-time bestsellers. Faced with the imminent wave of refugees, our team has launched a help-center and 24/7 contact line by the afternoon of February 24, to arrange accommodation for as many as possible of the tens of thousands of fleeing Ukrainian families.

“Our team, led by Corina Timofti, tourism manager, have worked heroically, taking only 3-4 hours of sleep per night, to deal with the avalanche of primarily women and children seeking a safe and peaceful new home in Moldova. Our luxury Chateau, was basically turned into a multi-functional refugee camp overnight. Many of our employees, opened their homes to the families fleeing the war. By all means, the current crisis, is a test of our humanity and compassion, and I am immensely inspired about the way Purcari’s team stepped up to this challenge”, added Victor Bostan, CEO of Purcari Wineries.

#### Guidance for 2022

- Total revenue growth: +15-20%
- Wine revenue growth: +10-15%
- EBITDA margin: 20-25%
- Net Income margin: 10-15%

#### Selected financial information

RON, 000	4Q21	4Q20	Δ 4Q	2021 Group	2021 Wine	2020	Δ YoY Group	Δ YoY Wine
Revenue	78,159	65,350	20%	244,598	237,309	203,672	20%	17%
Gross Profit	29,086	29,529	-2%	114,023	111,849	97,785	17%	14%
% Gross margin	37%	45%	(8 pp)	47%	47%	48%	(1 pp)	(1 pp)
EBITDA	10,561	16,308	-35%	68,721	72,377	60,499	14%	20%
% EBITDA margin	14%	25%	(11 pp)	28%	30%	30%	(2 pp)	1 pp
Net Profit	1,280	33,634	-96%	41,067	44,986	59,230	-31%	-24%
% Net Profit margin	2%	51%	(50 pp)	17%	19%	29%	(12 pp)	(10 pp)

#### Investors’ call

The conference call for discussion and presentation of 2021 Preliminary Unaudited Financial Results shall be held on March 1<sup>st</sup>, at 14:00 EET, 13:00 CET. Attached are the Preliminary Unaudited Financial Results for 2021 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 SEB.

#### Enquiries

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