

# Purcari Wineries

Public Company Limited

BVB: WINE

Corporate Presentation

First Quarter 2023 Financial Results



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## Our Board



### Vasile Tofan

Chairman of the Board

- Senior Partner at Horizon Capital, with over 15 years of experience in investments in Consumer Goods and Technology sectors.
- MBA from Harvard Business School, Master of Science in Public Management from Erasmus University Rotterdam
- Speaks EN, RO, RU, FR, NL, UA



### Raluca Ioana Man

Non-executive, Independent Director

- Over 15 years experience in branding, reputation management, marketing, business and talent development; founder of RSEVEN and Business Development Director of ServPRO.
- BSc in International Business, BSc in Finance and Economics, and MBA.
- Speaks RO, EN, GR.



### Monica Cadogan

Non-executive, Independent Director

- Over 20 years of experience in management consultancy, construction companies, retail and logistics in CEE.
- BA in Banking, Corporate Finance and Securities Law from Bucharest University of Economic Studies.



### Eugen Comendant

Non-executive Director

- Over 15 years of experience in management in Western Europe and Middle East.
- BBA degree from HES Amsterdam University of Applied Sciences
- Speaks EN, RO, RU, NL, FR.



### Victor Bostan

CEO, Founder, Executive Director

- Founder of the Group, since 2002.
- Over 35 years of experience in the wine industry.
- Degree in Wine Technology from the Technical University of Moldova.
- Speaks RO, RU, FR.



### Paula Cătălina Banu

Non-executive, Independent Director

- Member of the Cyprus Bar, experienced legal counsel, currently with Pavlos S. Papasavvas & Associates, advising on commercial, corporate and business development matters; founder of PharmAlex.
- LLB in International Law from Coventry University, Double masters in International Law, LLM from Maastricht University, LLM from University of Zurich.
- Speaks RO, EN, GR, DE.



### Neil McGregor

Non-executive, Independent Director

- Over 20 years of legal experience; Founder and managing partner of McGregor & Partners SCA, law firm associated with Stephenson Harwood.
- Vice-Chair of the British Romanian Chamber of Commerce for Corporate Governance and relations with the British Chamber of Commerce.
- Bachelor of Laws (LLB) from the University of Aberdeen.

*Note: In 2023, the Board of Directors decided to increase the number of Board members to 7 (seven) by appointing Raluca Ioana Man and Paula Catalina Banu as Non-executive, Independent Directors, both effective as of 5 April 2023.*

**1 Purcari Wineries Group Key Info**

2 Vision and Strategy

3 Q1 2023 Operational Results

4 Guidance

5 Purcari Wineries Stock



**Alb de Purcari 2020**  
A sensual, slightly velvety experience that seduces your senses like a first love.

**Gold at Mundus Vini Spring Tasting 2023, Gold at Challenge International du Vin 2023, Gold at Berliner Wine Trophy 2023**

# 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 2015-2022 at Decanter London, "Wine Olympics".
- #1** Best premium wine brand in Romania, Moldova.
- #1** Fastest growing large winery in CEE.
- #1** Largest exporter of bottled wine from Moldova.
- top** 1,450+ hectares of prime vineyards, top production assets.
- top** Listed on Bucharest Stock Exchange, with reputable shareholders alongside founder, Victor Bostan: Horizon Capital, Fiera Capital, Conseq, East Capital, Firebird, Paval Holding and Norges Bank etc.

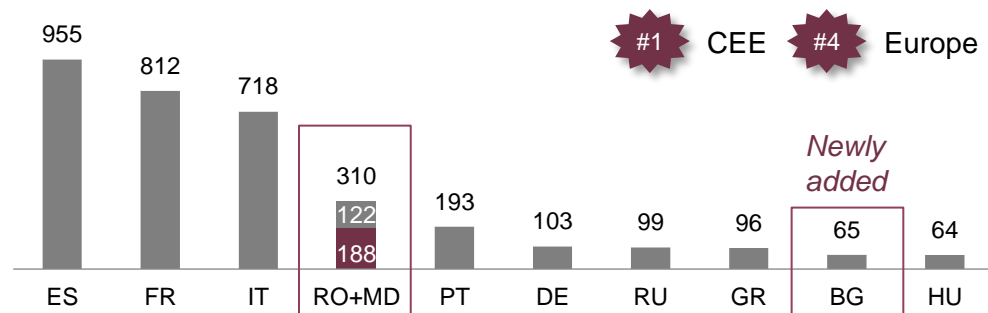
## ... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms for Q1 2023, %



## Located in a region with one of the richest wine heritages

Top 10 European countries by area under vines, kha



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



Source: Company Information, FAOSTAT, OIV, Decanter, the Ministry of Finance of Romania, Nielsen

# 1 Strong track record of growth year to year

## Sustainable profitability accompanying strong growth

	2017	2018	2019	2020	2021	2022
Revenue	142.3	168.1	199.1	203.7	248.1	302.5
CoS	(74.5)	(85.5)	(100.2)	(105.9)	(132.3)	(170.2)
Gross profit	67.7	82.6	98.9	97.8	115.8	132.3
Gross profit margin, %	48%	49%	50%	48%	47%	44%
SG&A	(31.7)	(36.0)	(44.2)	(49.2)	(53.8)	(68.9)
EBITDA	42.4	54.4	65.4	60.5	75.2	110.8
EBITDA margin, %	30%	32%	33%	30%	30%	37%
Depreciation	(5.9)	(6.8)	(9.6)	(12.1)	(13.8)	(19.1)
Net finance cost	(1.6)	1.0	(6.9)	21.7	0.1	(10.2)
Income tax	(5.9)	(7.0)	(8.5)	(10.8)	(10.4)	(12.0)
Net profit	29.0	41.7	40.5	59.2 <sup>2</sup>	51.2 <sup>3</sup>	69.4 <sup>4</sup>
Net profit margin, %	20%	25%	20%	29%	21%	23%
Earnings per share <sup>1</sup> , RON	na	0.96	0.91	1.42	1.19	1.64

(1) Common denominator being the number of shares on 31<sup>st</sup> December 2021, following doubling of issued share capital.

(2) Includes RON 21.6m income from sale of the stake in Glass Container Company and RON 4.3 million of income on settlement of assigned receivable from Speed SRL

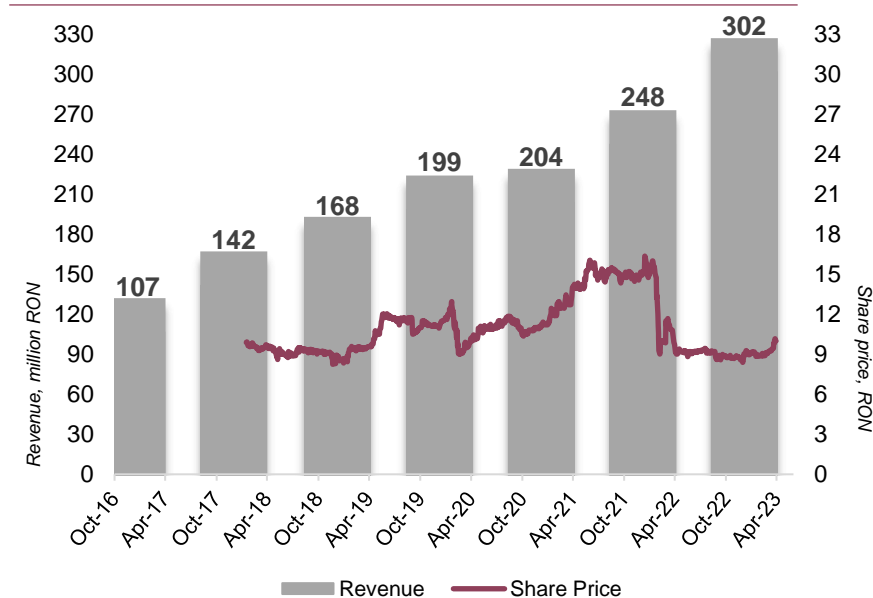
(3) Includes RON 5.6 million gain from sale of the stake in Glass Container Company

(4) Includes RON 28.2 million one-off gain from bargain purchase of Angel's Estate

## Comments

- IPO'd on Bucharest Stock Exchange in February 2018
- Doubled sales since pre-IPO
- Strong operating results and cost-efficient production
- SG&A stable over time at 22% of revenue
- Maintained strong EBITDA margin at 30%+ and Net Income margin at 20%+
- Steady dividend stream: 2018 (RON 0.475 per share\*), 2020 (RON 0.65 per share), 2021 (RON 0.51 per share), 2022 (proposed RON 0.55 per share)

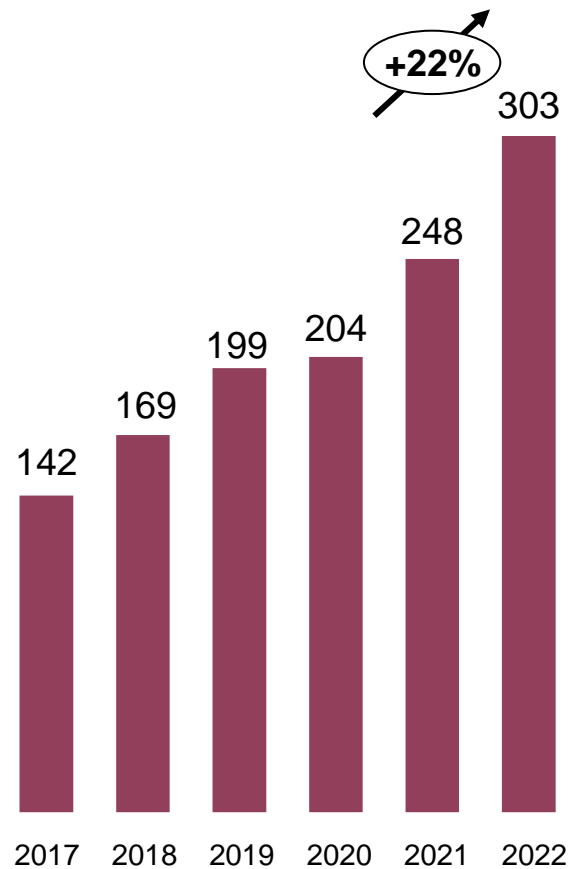
## Revenue vs. share price evolution



# 1 Long history of growth, high profitability

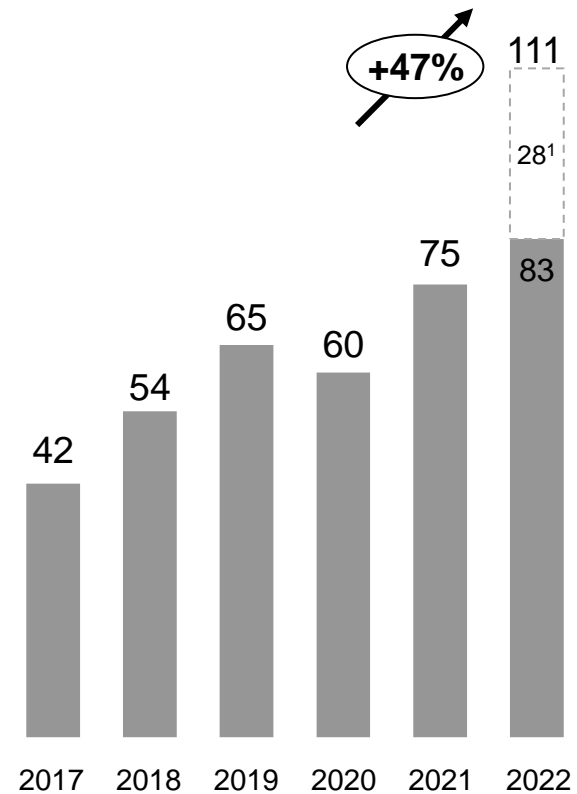
## Revenues

RON m



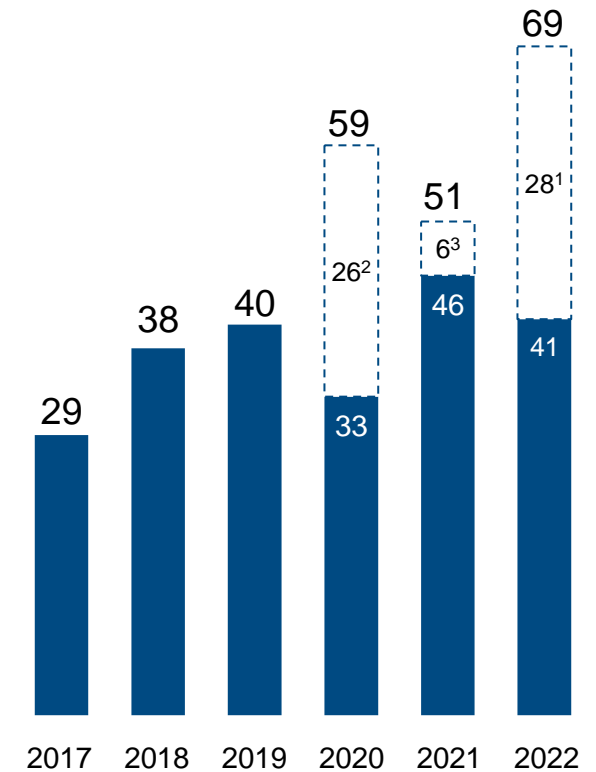
## EBITDA

RON m



## Net Income

RON m



(1) RON 28 million one-off gain from bargain purchase of Angel's Estate

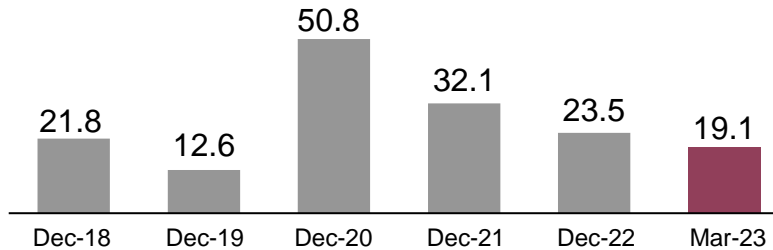
(2) RON 21.6m income from sale of the stake in Glass Container Company and RON 4.3 million of income on settlement of assigned receivable from Speed SRL

(3) RON 5.6 million gain from sale of the stake in Glass Container Company

## Cash and Receivables

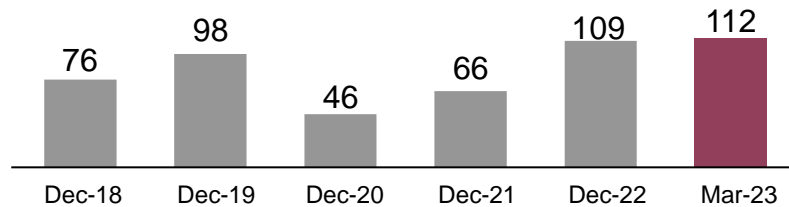
## Cash Position

RON m



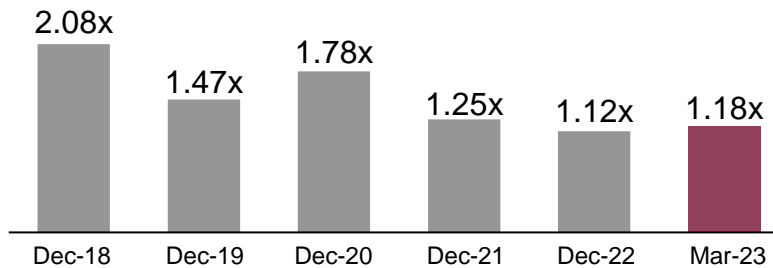
## Net Debt

RON m

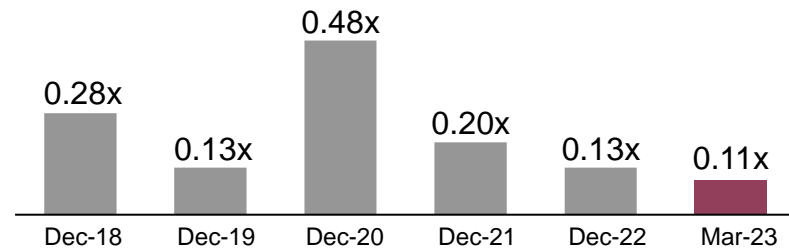


## Liquidity

## Current Ratio

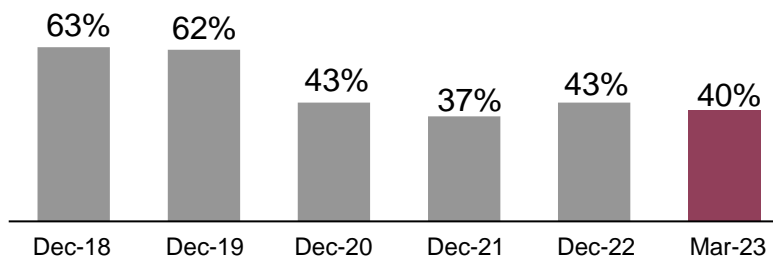


## Cash Ratio

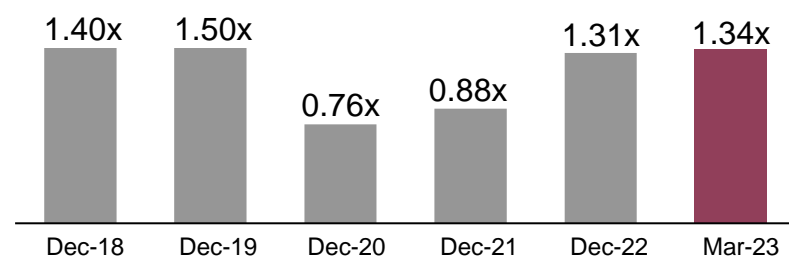


## Solvency

## Debt-to-Equity



## Net Debt-to-LTM EBITDA





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2 **Vision and Strategy**

3 Q1 2023 Operational Results

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**Nocturne Viorica de Purcari 2022**

A fresh, light and memorable wine; the perfect portrayal of a warm, spring evening.

**Gold at Mundus Vini Spring Tasting 2023,  
Gold at Challenge International du Vin 2023**



## 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.

### 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

### Operational excellence

- **Location:** low-cost production platform in Romania, Moldova; very competitive vs. other EU, New world
- **Scale:** large and growing scale in a fragmented market where scale matters
- **Processes:** solid processes in place, minimizing the guesswork and human factor in operations
- **Culture:** past crises – following 2006, 2013 embargos cultivated hard learned cost-discipline
- **Balance sheet:** strong balance sheet to trade payment terms for margin
- **Quality:** offer superior quality at a given price point

Lower costs

### Clever marketing

- **Philosophy:** be genuine, talk to the consumer, don't sell to them
- **On a shoestring:** focus on creative, viral marketing, on small budgets
- **Digital first:** focus on new media, with Facebook, Instagram and YouTube as main platforms
- **"Lean Startup":** fast prototyping, encourage experimentation, tolerate failure, react fast to flops
- **Product innovation:** constantly innovate line-up and packaging, to keep up with the changing tastes
- **Influencer marketing:** work along key opinion leaders, including bloggers and fashion divas

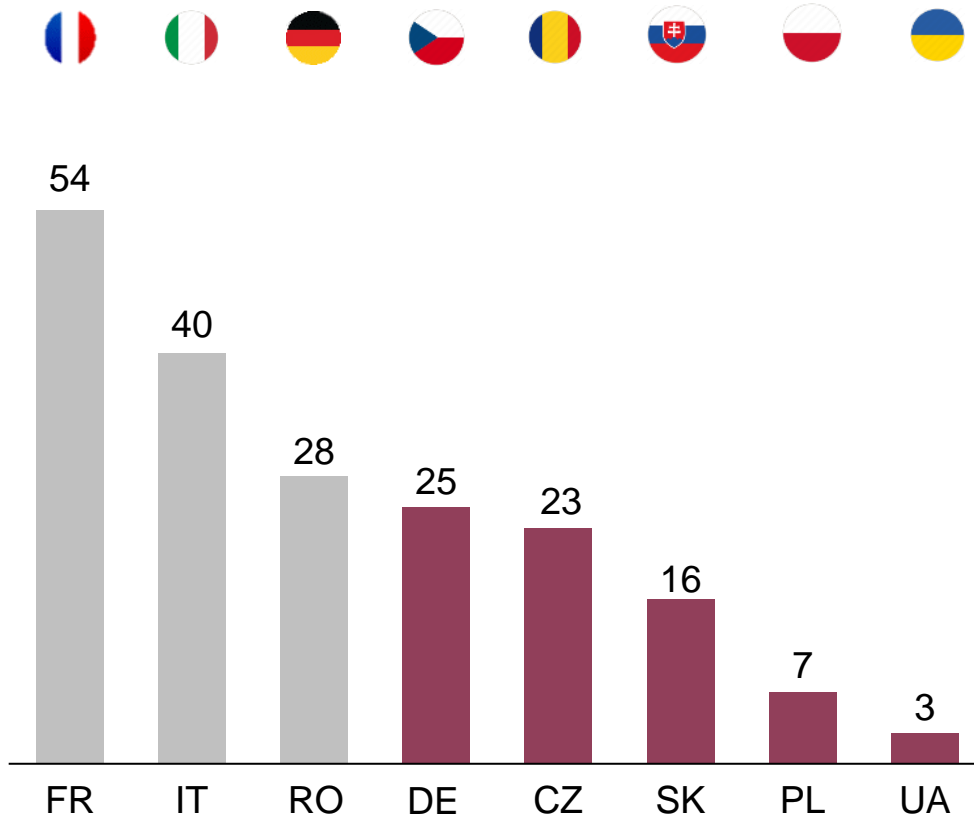
Brand premium

Strong sales and margins

## 2 CEE consumption especially strong, on shifting drinking patterns

### Plenty of catch up for CEE countries

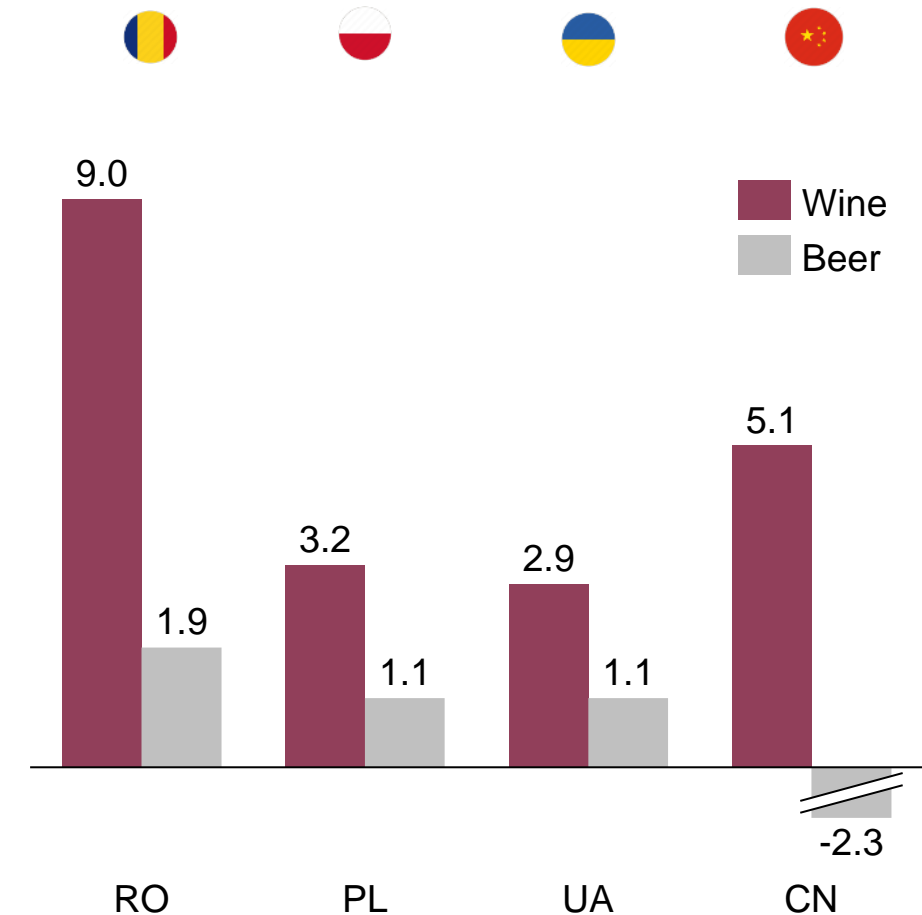
Wine consumption, litres per capita, selected countries



- Per capita wine consumption in CEE lags significantly WE levels, but catches up on growing share vs. beer

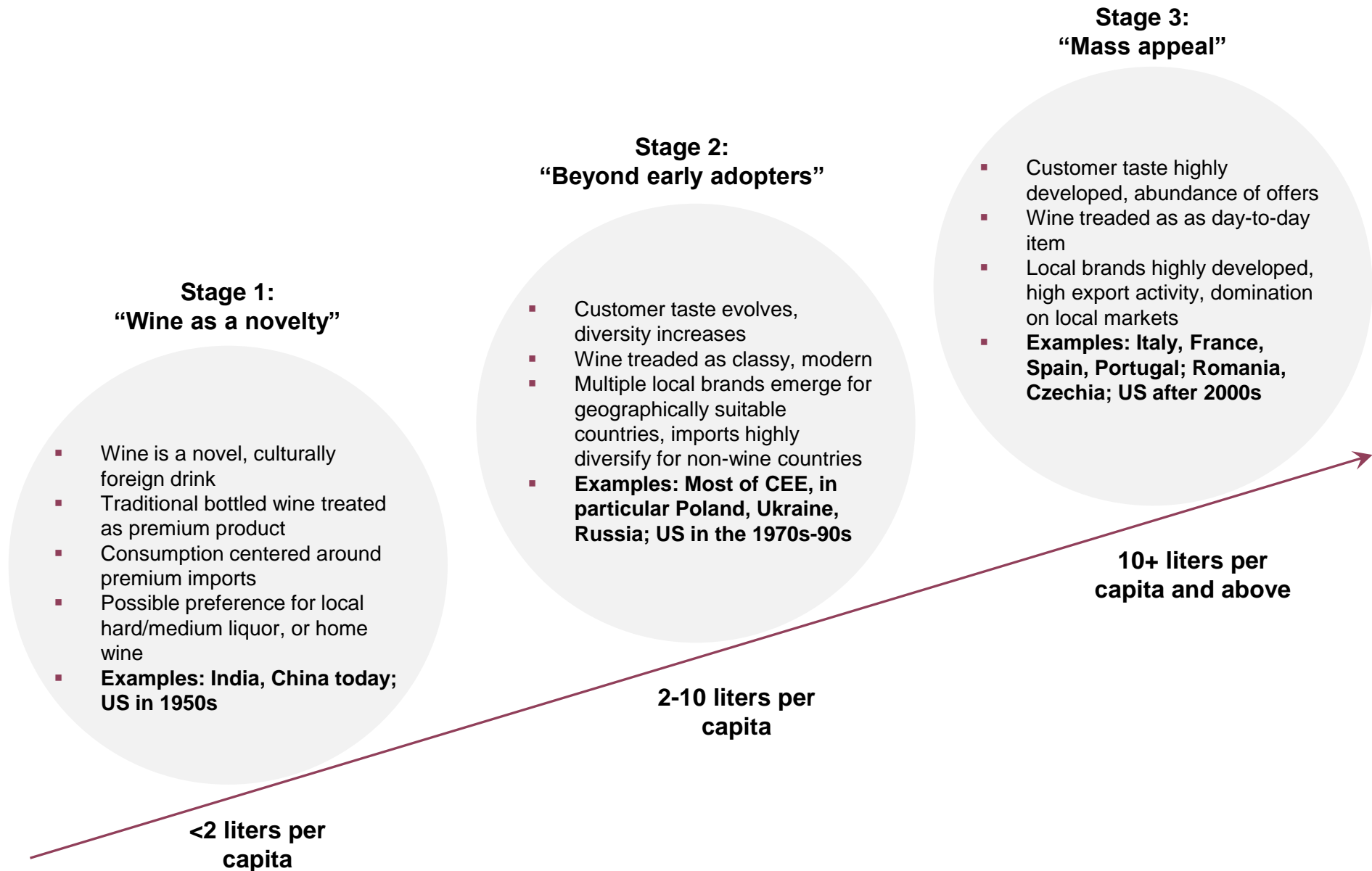
### Wine steals share from beer

Forecast growth by category, by country 2016-2020F, %



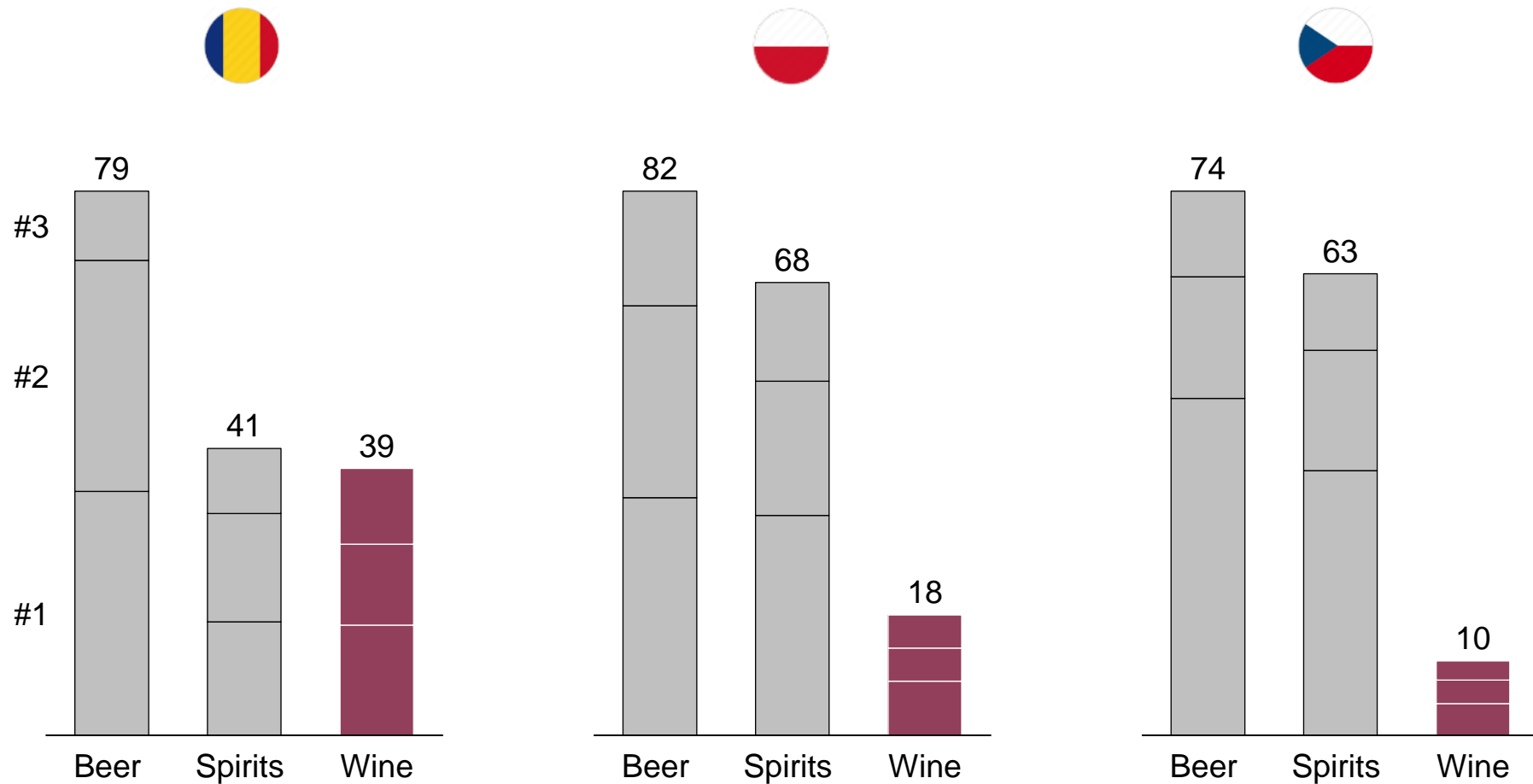
- Romania, Group's largest market, show fastest growth forecast in CEE

Source: Statista, Euromonitor, Nielsen, World Health Organization



## 2 Vision: be the consolidator of a fragmented market

Volume share top-3 players by country, %



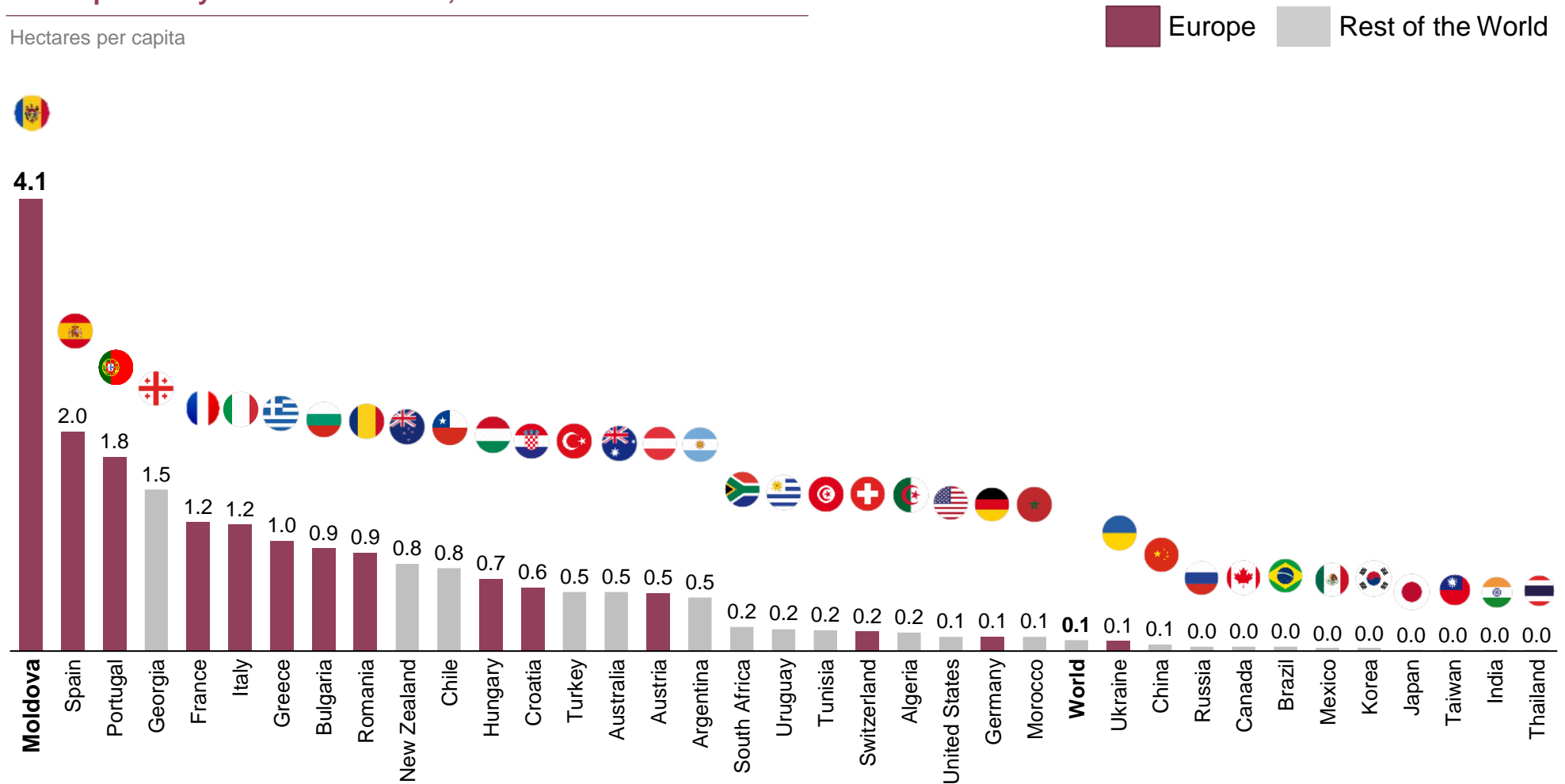
*Unlike beer or spirits, **wine market remains very fragmented**; players who have the scale and sophistication needed – are in a **great position to consolidate it***

Source: Euromonitor 2016, market share for top-3 players in the still wine category; \*excludes Murfatlar, in insolvency

## 2 Moldova has the largest vineyard area per capita globally

### Per Capita vineyard area worldwide, 2018

Hectares per capita

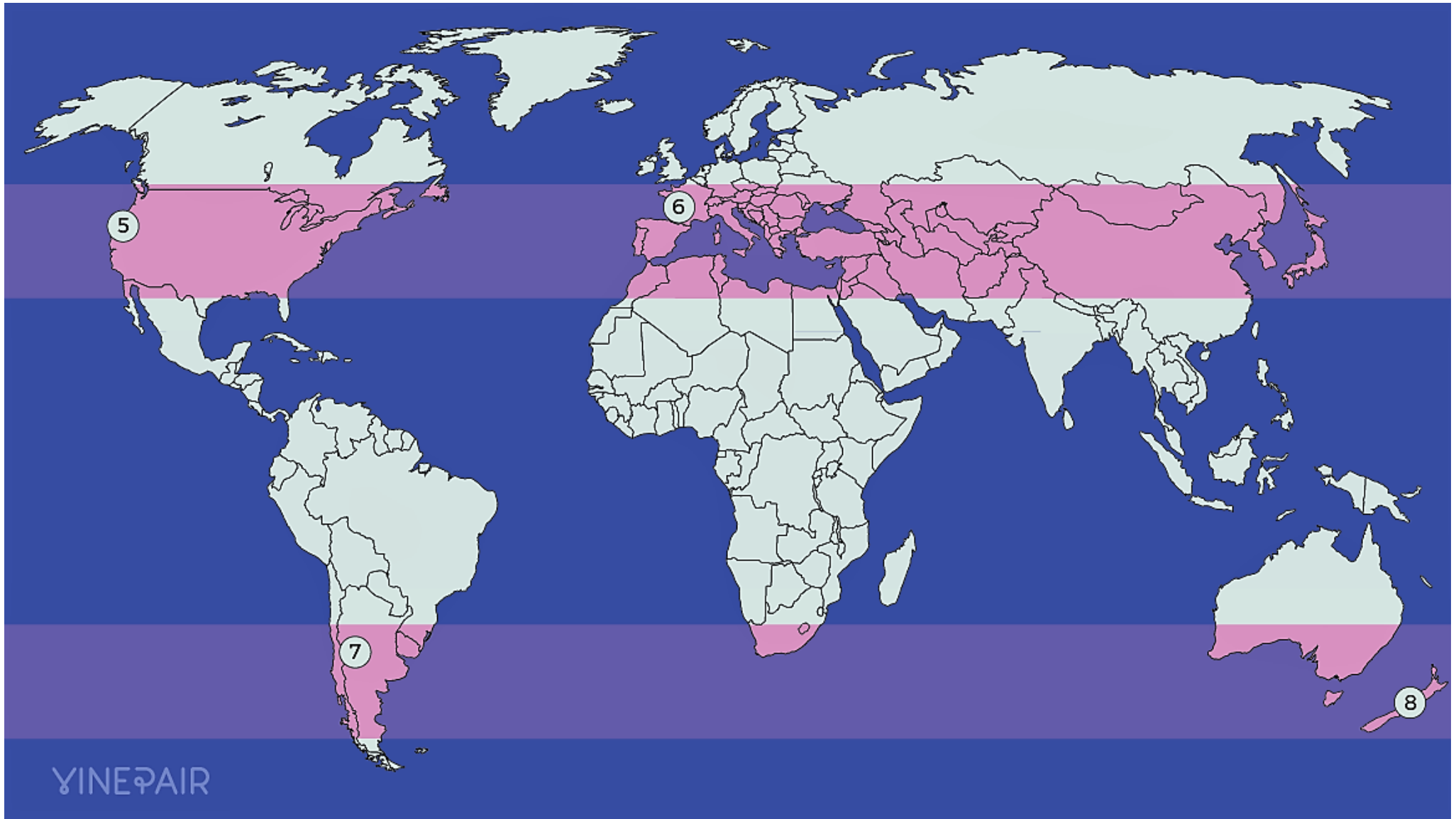


*In Moldova, the Group benefits from a very **competitive exports** platform to all of CEE*

Source: Anderson, K. and V. Pinilla (2020) Annual Database of Global Wine Markets , 1835 to 2018



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

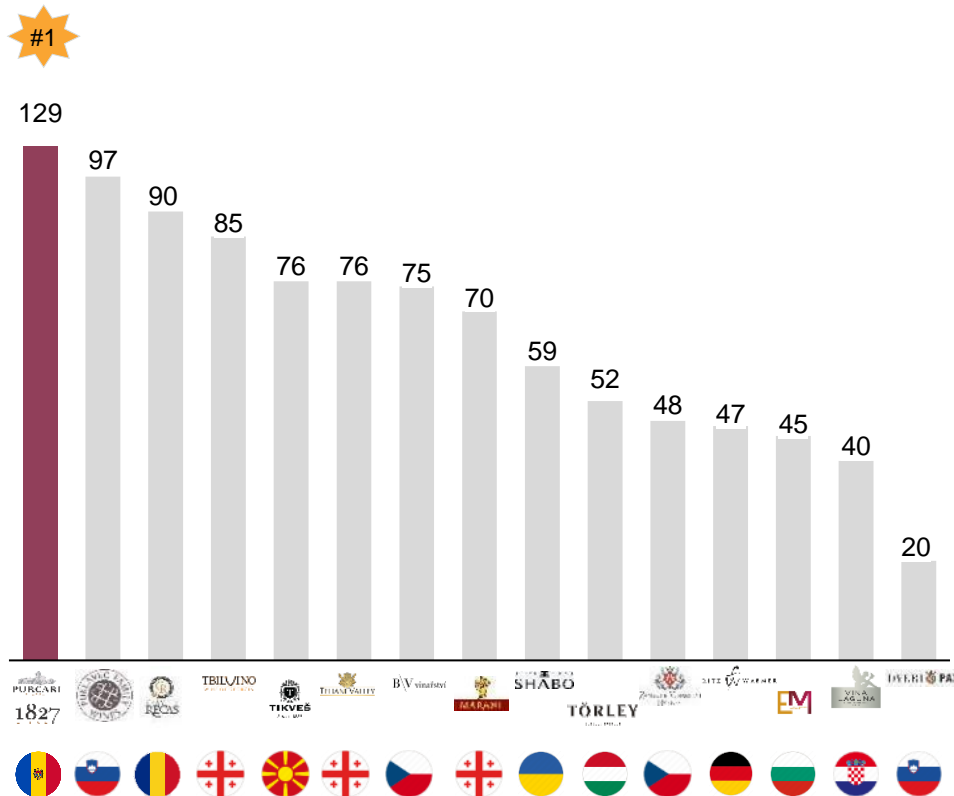


(5) Napa (US); (6) Bordeaux (FR); (7) Mendoza (AR); Marlborough (NZ).  
Source: Vinepair – The World's Coffee & Wine Belts

## 2 Quality highly commended; most awarded winery in the World in 2021

### Leading medal-winning winery in CEE at Decanter, the Wine "Olympics"

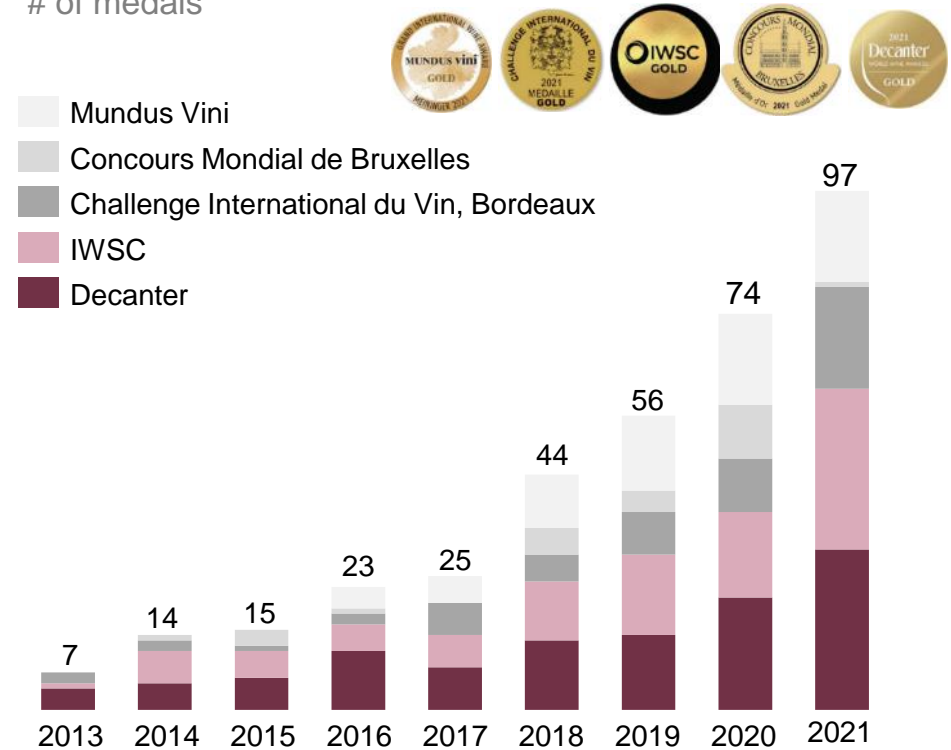
# of Decanter medals in 2015 – 2022



- Most awarded winery to the east of Rhine, ahead of reputable (and much pricier) German, Hungarian or Austrian wineries

### Increasing number of medals won from year to year, In 2021 the most awarded winery in the World

# of medals

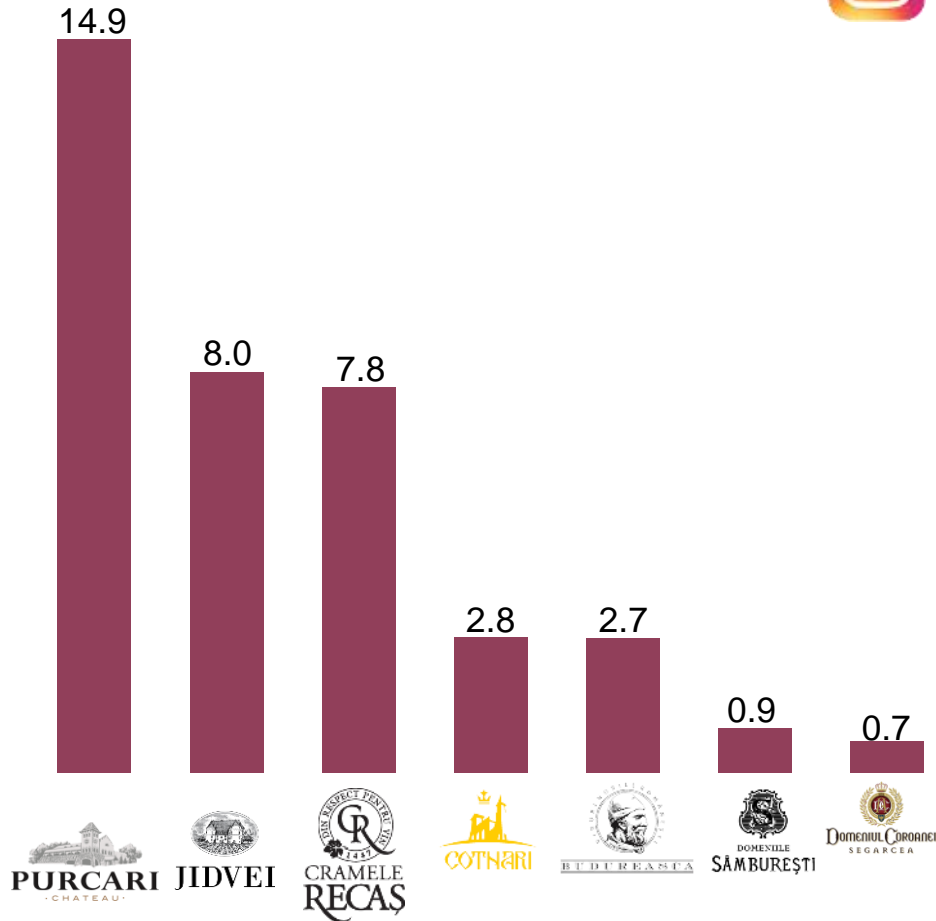


- Unlike beer or spirits, wine production is more prone to quality fluctuations. The Group has demonstrated the ability to consistently raise its quality bar, as illustrated by the mounting number of medals - won at top global competitions.

## 2 Topping competition at engagement and quality

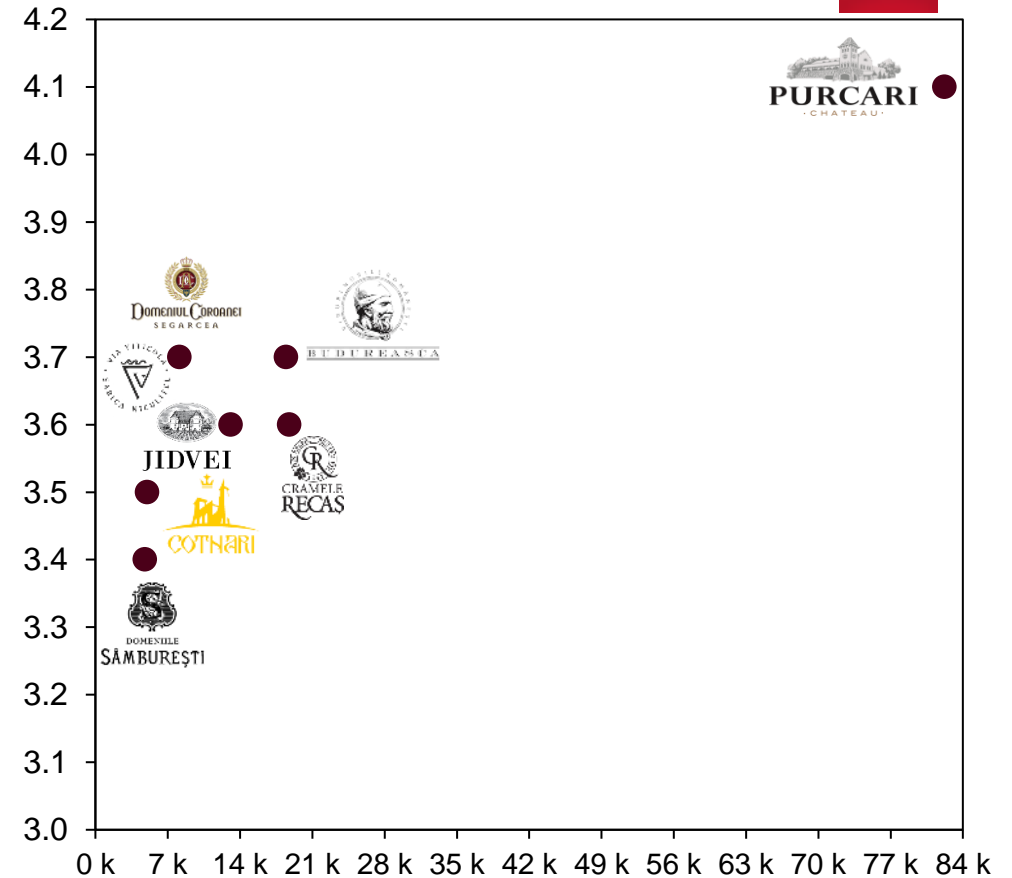
### Aspirational brand which consumers like sharing about

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



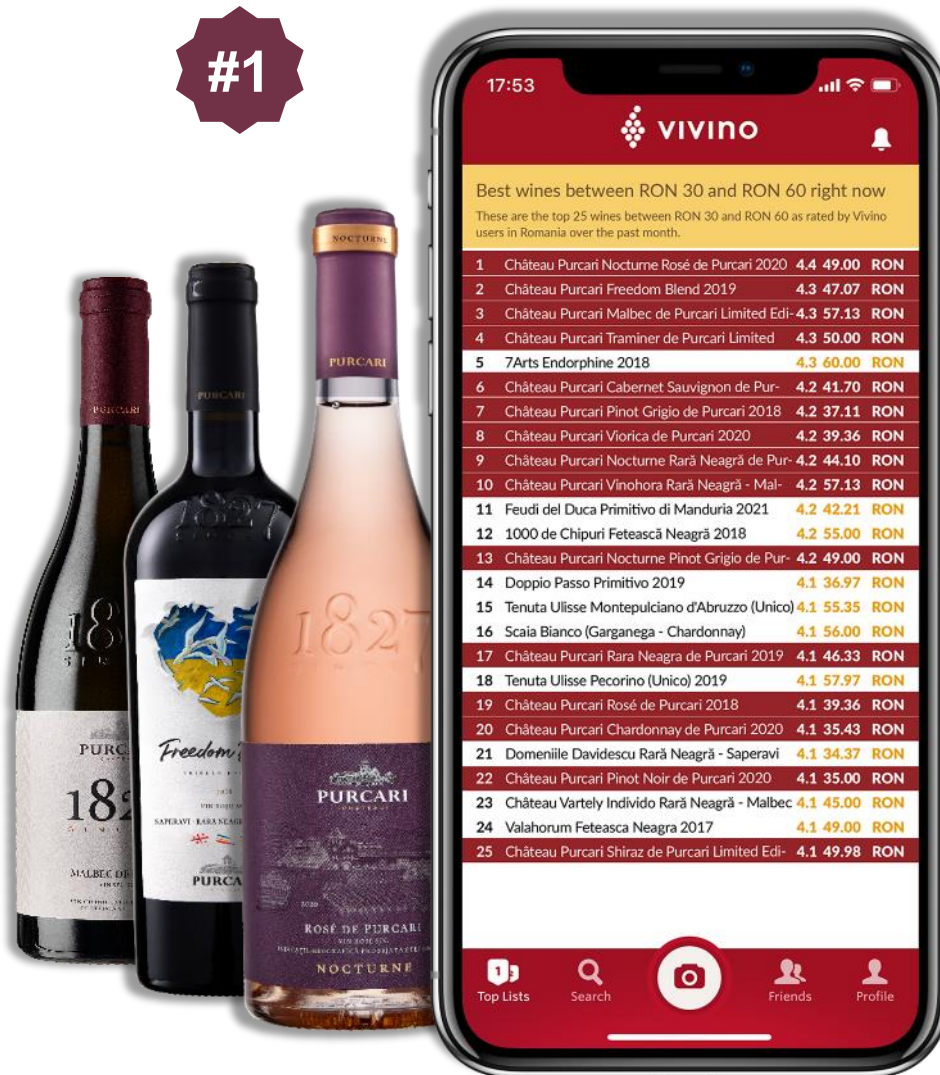
Note: Purcari - #purcari, Cramele Recas - #recas, Jidvei - #jidvei, Cotnari - #cotnari, Budureasca - #budureasca, Samburesti - #samburesti, Segarcea - #segarcea  
Sources: Instagram, Vivino as of April 2023

## 2 Vivino feedback remains very strong, essential for online sales

#1 presence in the crucial RON 30-60 segment, holding 15 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 **15 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.

Note: as per Vivino breakdown as of April 2023

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



**4.19**

Average score out of 5.0 in Q1 2023

**78%**

Scores equal or above 4.0

**Top 1%**

Global ranking based on avg. score received

**12,774**

Vivino scans in Q1 2023

**+14%**

Q1 2023 YoY scans

**122**

# of countries where Purcari has been scanned

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### Native Pinot Noir de Purcari 2021

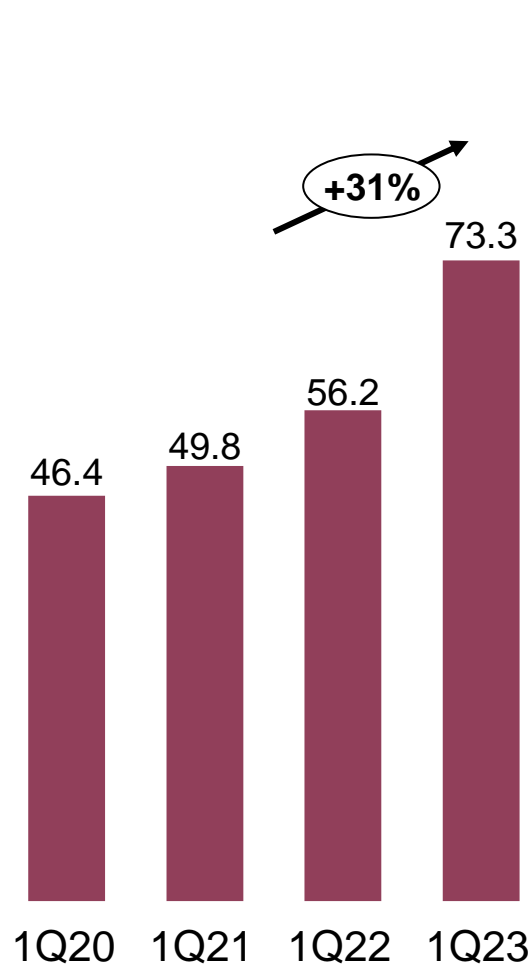
A wine produced from grapes in conversion to organic farming, with a delicate bouquet, supported by an ample and generous taste, with a refreshing undertone..

Gold at Mundus Vini Spring Tasting 2023

### 3 Strong Q1 2023 growth, profitability on top of the guidance

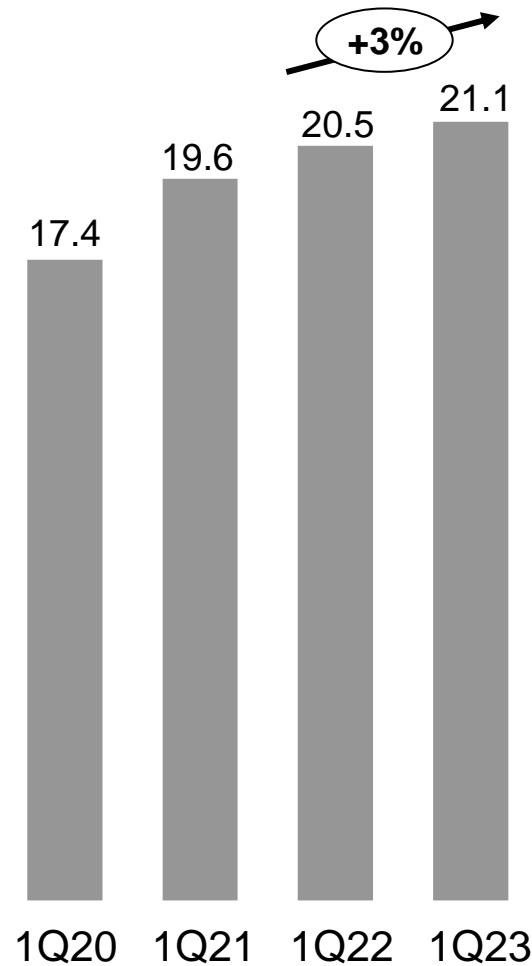
#### Revenues

RON m



#### EBITDA

RON m

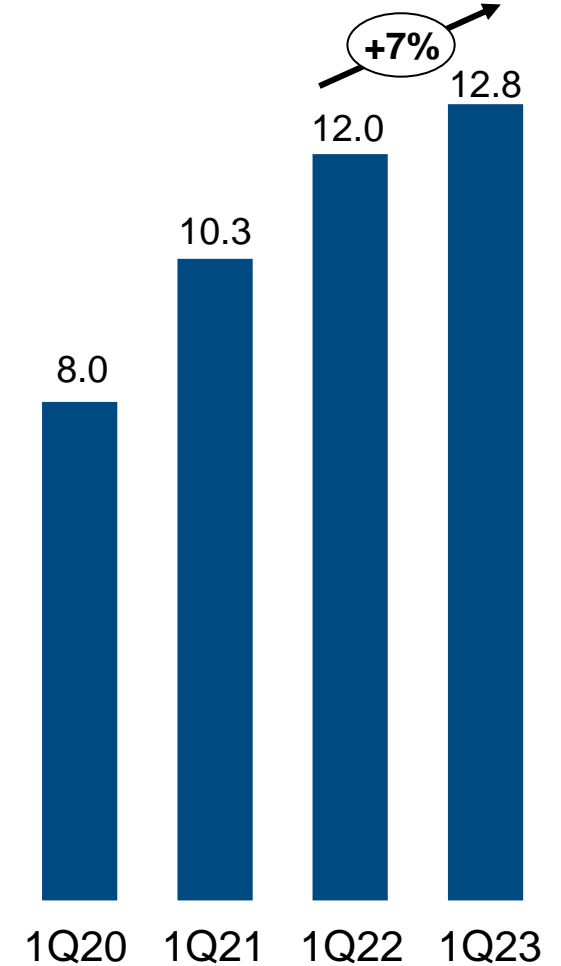


37% 39% 36% 29%

EBITDA margin

#### Net Income

RON m



17% 21% 21% 17%

Net Income margin

### Ongoing organic revenue growth, defying challenging macro backdrop

- Sales up 31%, to RON 73.3m exceeding the guidance. Strongest 1Q growth since 2019. Core Wine revenues +28% YoY and Ecosmart contributing additionally with RON 6.5m.
- Double digit growth for all brands on volume rise, mixed with effects of price increases pushed through in 2022.
- Sales of newly added Angel's Estate incorporated in the 1Q accounts.
- Romania, Moldova, Poland performing strong, with Purcari leading the growth. Ukraine 2.4x in 1Q YoY.
- Strong recovery for Crama Ceptura in Romania +28% and Bostavan in Poland +25%1Q YoY.

### Resilient margins, amid inflationary pressures

- EBITDA at RON 21.5m, a margin of 29%, exceeding the 22-26% guidance. Net Profit at RON 12.8m, with a 17.4% margin, over the guidance of 12-16%.
- Sticky inflation and higher borrowing costs continue, consumer confidence still high.
- Supply chain bottlenecks - cleared, cost pressure is easing with packaging prices and transport costs declining. A more expensive wine stock from the smaller 2020 harvest, still significant in the mix of sales; expected to gradually decrease by the end of 2023.
- Staying nimble and cost efficient on facing the headwinds from tighter economical conditions.

### Moldova on firm path to EU

- National Assembly "European Moldova" on 21<sup>st</sup> of May, 2023.
- Moldova is to host the second meeting of the European Political Community on June 1<sup>st</sup> 2023, bringing to Chisinau over 40 heads of state, in an unprecedented event for Moldova in terms of political magnitude.
- European Commission proposed further trade facilitation of imports from Moldova to EU. In force since 25 July 2022, boosted Moldova's trade to the EU from EUR 1.8billion in 2021 to EUR 2.6 billion in 2022.
- EU accession negotiations with Moldova to start by the end of 2023.

### Active IR agenda

- Proposed dividend of 0.55 RON/share. Ex-date on July 28<sup>th</sup>, 2022, 6% yield on announcement date.
- #4 best performing among companies in BET index, with +18% increase YTD.
- AGM to be held on May 26, 2023. Adopting shareholder friendly tools, online voting available through eVOTE platform.
- High liquidity of WINE share, maintained in FTSE Global Micro Cap Index as of February 2023 review.



### 3 PL: Strong performance, despite sticky inflation and tighter environment

RON m	1Q23	1Q22	Δ 1Q
Revenue	73.3	56.2	31%
Cost of Sales	(40.6)	(26.9)	51%
Gross Profit	32.7	29.3	12%
<i>Gross Profit margin</i>	45%	52%	(7 pp)

SG&A:	(16.8)	(11.5)	47%
<i>Marketing and selling</i>	(9.1)	(4.9)	86%
<i>General and Administrative</i>	(7.8)	(6.6)	18%
Other income/ (expenses):	(1.4)	(1.4)	-5%

EBITDA	21.1	20.5	3%
<i>EBITDA margin</i>	29%	36%	(8 pp)

Net Profit	12.8	12.0	7%
<i>Net Profit margin</i>	17%	21%	(4 pp)

#### Comments








- Gross margin at 45%, highest margin since 1Q22. Inflationary pressures, more expensive wine stock of 2020 vintage, along with higher depreciation fueled up the COGS. Cost discipline, price increases pushed through, premiumization strategy and better mix minimizing the adverse effects.
- Marketing and selling expenses at 12% of revenue; +86% in 1Q23 on active marketing agenda vs. 1Q22, when all expenses were halted due to Russian invasion in Ukraine.
- G&A expenses at 11% of revenue, growing slower than inflation in the countries of operation and below revenues growth. Strict cost discipline limited the expense growth to +13% YoY, additional +5% YoY coming from depreciation increase. Including expenses related to newly incorporated Angel's Estate, active travelling expense and higher local taxes.
- EBITDA up by 3% to RON 21.1 million with a 29% margin above the guidance. -8pp vs. 1Q22 on back of the negative inflationary impact on operational activity.
- Net profit at RON 12.8 million, increase by 7% YoY. Incorporating negative effects from turning around last added Angel's Estate and Ecosmart.

### 3 Segment reporting: growing strong in WINE, turning around Ecosmart





RON m	Purcari Group			Ecosmart			WINE Business		
	1Q23	1Q22	Δ 1Q	1Q23	1Q22	Δ 1Q	1Q23	1Q22	Δ 1Q
Revenue	73.3	56.2	31%	6.5	4.2	57%	66.8	52.0	28%
Cost of Sales	(40.6)	(26.9)	51%	(6.0)	(3.8)	60%	(34.6)	(23.1)	50%
Gross Profit	32.7	29.3	12%	0.5	0.4	na	32.2	28.9	12%
<i>Gross Profit margin</i>	45%	52%	(7 pp)	8%	9%	(2 pp)	48%	56%	(7 pp)
SG&A:	(16.8)	(11.5)	47%	(0.9)	(0.9)	-5%	(16.0)	(10.6)	51%
<i>Marketing and selling</i>	(9.1)	(4.9)	86%	(0.0)	(0.0)	-97%	(9.1)	(4.8)	87%
<i>General and Administrative</i>	(7.8)	(6.6)	18%	(0.9)	(0.9)	-1%	(6.9)	(5.7)	21%
Other income/ (expenses):	(1.4)	(1.4)	-5%	(0.0)	(0.0)	na	(1.4)	(1.4)	na
EBITDA	21.1	20.5	3%	0.9	(0.1)	-1751%	20.2	20.5	-2%
<i>EBITDA margin</i>	29%	36%	(8 pp)	14%	-1%	16 pp	30%	39%	(9 pp)
Net Profit	12.8	12.0	7%	(0.3)	(0.4)	-13%	13.1	12.4	6%
<i>Net Profit margin</i>	17%	21%	(4 pp)	-5%	-9%	4 pp	20%	24%	(4 pp)

- Overall strong performance of core WINE business, while incorporating negative effects from turnaround of newly added Angel's Estate.
- Waste Recycling profitability on improving trend, still in negative territory.
- EBITDA margin +14%, exceeding the full 2022 EBITDA by 3x in 1Q23.
- Expected back-to-normal operations going forward, with Ecosmart being a net contributor to Group's profitability.

### 3 Strong growth in core markets on high consumer confidence

Market	Share of sales1Q23	Δ 1Q23 YoY	Comments
RO 	56%	+32%	<ul style="list-style-type: none"> <li><b>RO:</b> Double digit growth for all brands, on both volume and value increases. Price increases pushed in February, certain partners stocking up to benefit from old pricing. Doubled number of SKUs in LIDL. Nocturne series continues its tremendous success in a good HoReCa environment. Domeniile Cuza accelerating by 9x YoY, albeit from a smaller base.</li> </ul>
MD 	17%	+19%	<ul style="list-style-type: none"> <li><b>MD:</b> Sales maintain consistent growth in all channels, outperforming +19% YoY, with Purcari and Bardar leading the growth. Negotiations with IKA to push through price increases. HoReCa returned to normal. Resumed collaboration with a large retail chain in Fragmented Trade. Increase in Excise duties in force from January 1<sup>st</sup> for brandy products.</li> </ul>
PL 	9%	25%	<ul style="list-style-type: none"> <li><b>PL:</b> Strong increase on Bostavan and Purcari sales vs. a weaker 1Q22. Pressures in the mainstream wines market continues. Prioritizing margin over volumes with Bostavan, expanding HoReCa coverage with Purcari. Active Trade marketing agenda.</li> </ul>
ASIA 	3%	-18%	<ul style="list-style-type: none"> <li><b>ASIA:</b> Weak year start for the overall Chinese Wine market. Purcari brand defied overall weakness, with strong performance +35% YoY; weaker Bostavan sales. Improving outlook for China on post-Covid reopening. Our country manager returned to China, after 3 years travel ban for foreigners.</li> </ul>
CZ SK 	2%	-35%	<ul style="list-style-type: none"> <li><b>CZ&amp;SK:</b> Low consumer confidence, eroded by decrease in purchasing power. Navigating the market with great care, while prioritizing margin over volumes. Betting on premiumization, with Purcari growing +15% YoY, albeit from a smaller base.</li> </ul>
UA 	3%	+139%	<ul style="list-style-type: none"> <li><b>UA:</b> Strong 1Q23 beating pre-war 1Q21 by 24%. Maintaining the local team and increased distribution in IKA channels. Export only with 100% prepayment. Expanding Bardar's sales geography by starting collaboration with Coca-Cola Beverages Ukraine.</li> </ul>
RoW 	10%	+77%	

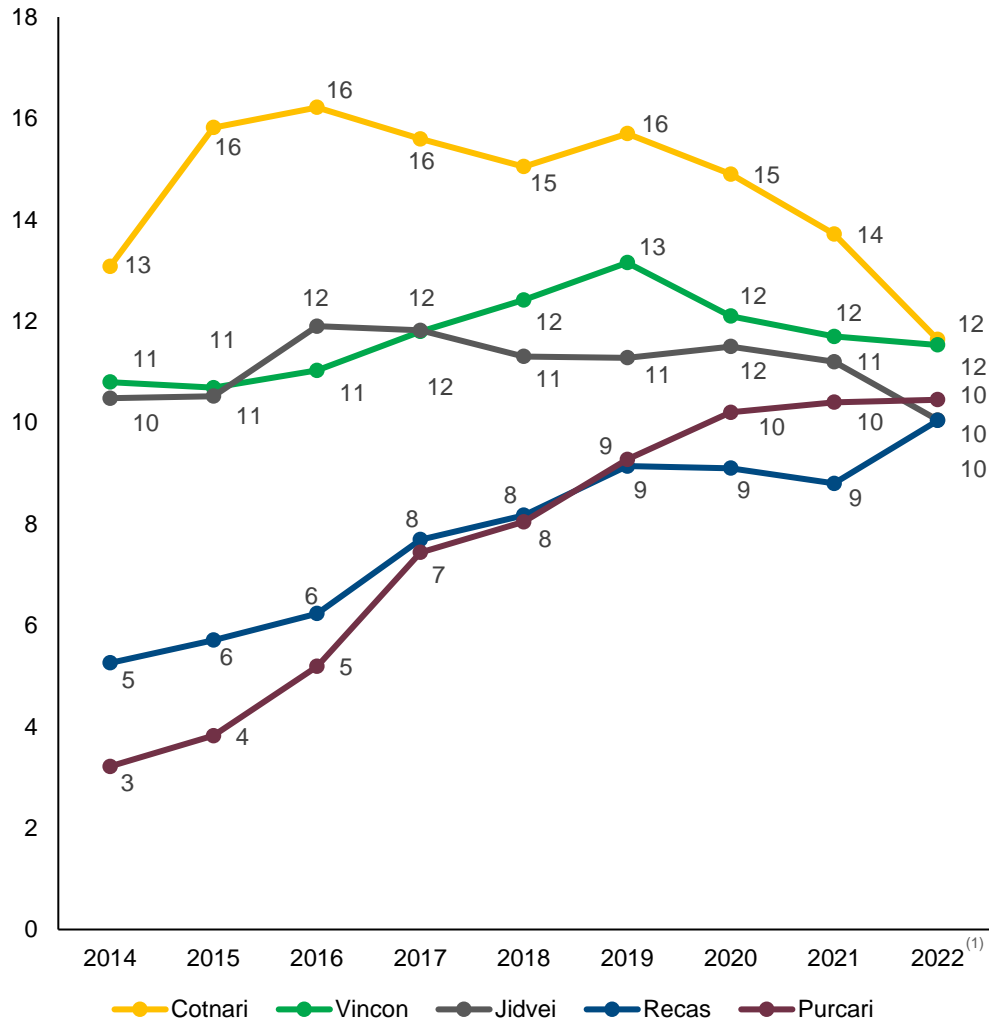
### 3 Excellent start to the year, amid global headwinds

Brand	Share of sales, 1Q23	Δ 1Q23 YoY	Comments
	52%	+31%	<ul style="list-style-type: none"> <li>▪ <b>PURCARI:</b> Strong double-digit growth in all markets, equal contribution from volumes and price increases. Romania accelerating +30% YoY. The brand showing resilient consumption, facing well tighter conditions. Capitalizing on brand value by expanding to new markets and investment in new partnerships, Poland and China +35% YoY, albeit from a smaller base.</li> </ul>
BOSTAVAN	21%	+22%	<ul style="list-style-type: none"> <li>▪ <b>BOSTAVAN:</b> Poland sales up +25% YoY. Strong sales in Turkey, fulfilling the entire 2023 quota. Good performance in Ukraine, exceeding pre-war sales. Price increases pushed in main markets. Czechia &amp; Slovakia facing headwinds, prioritizing margins over volumes.</li> </ul>
 CRAMA CEPTURA	14%	+28%	<ul style="list-style-type: none"> <li>▪ <b>CRAMA CEPTURA:</b> +28% Q1 YoY sales growth in Romania, continuing the upward trend in sales. Focus on portfolio development and premiumization, prioritizing margins. Gradually passing price increases in current inflationary context.</li> </ul>
	10%	+10%	<ul style="list-style-type: none"> <li>▪ <b>BARDAR:</b> Strong growth in Moldova, Romania and Baltics. No sales to China in 1Q, expecting region to enjoy a re-opening upturn. Increase in Excise duties in Moldova in force from January 1<sup>st</sup> for brandy products.</li> </ul>
 ANGEL'S ESTATE SA	2%	n/a	<ul style="list-style-type: none"> <li>▪ <b>Angel's Estate:</b> Sales contributed with 2% to the total Group's sales. Integration of Operational and commercial activity in process.</li> </ul>

### 3 Continuous increase in market share in Romania

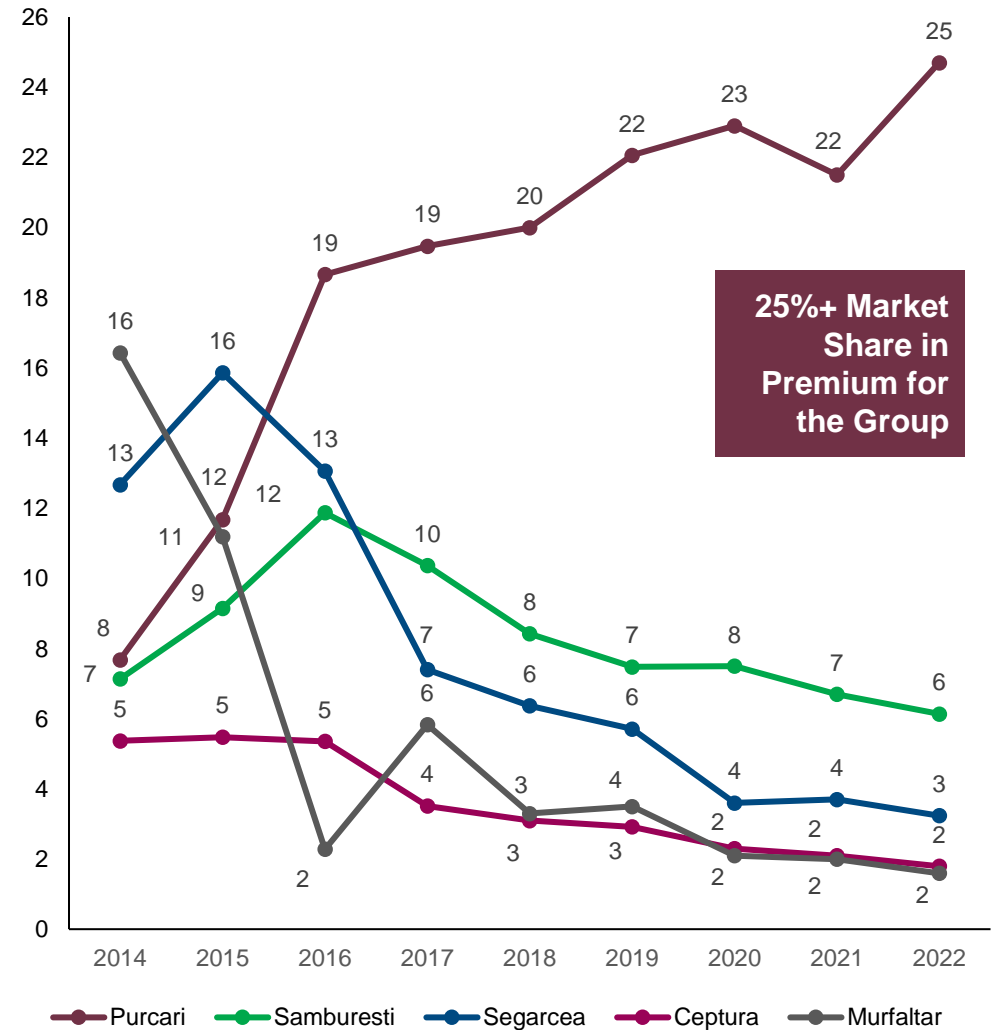
#### Jumped to #3 in overall market, reaching 10%+ share...

Value share of TOTAL retail market, Romania, %



#### ...while distancing by 20+ percentage points vs #2 in premium

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



Notes: (1) YTD December 2022

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

### 3 Implementing irrigation systems to secure yield and quality

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

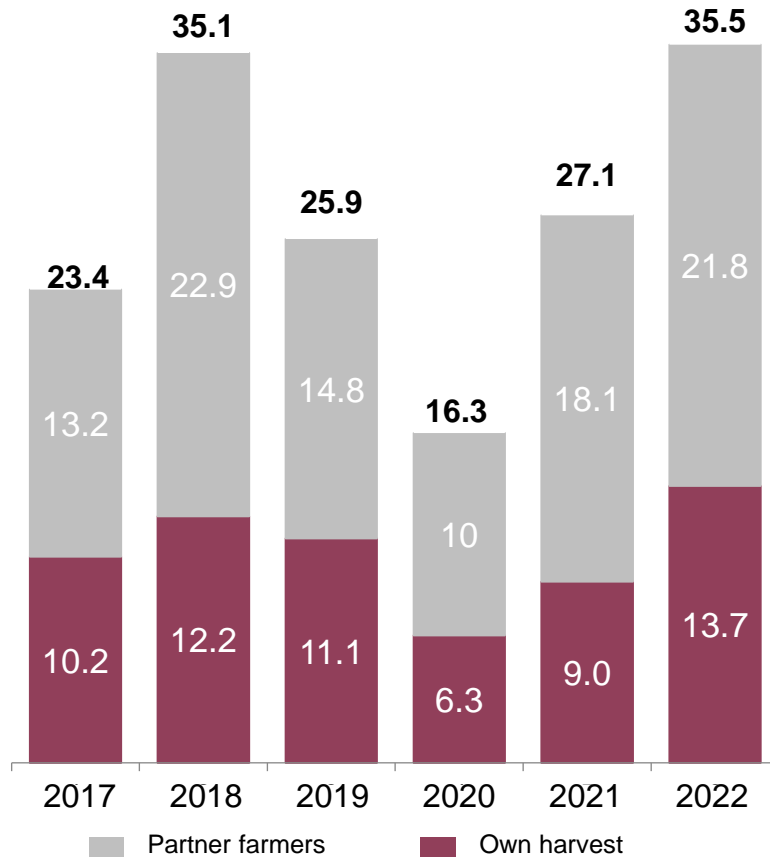


### 3 Exceptional 2022 agricultural season: high quality vintage and good yield



#### Good 2022 harvest

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



Source: (1) International Wine Organization

#### Comments

- Own vineyards fully recovered after an unprecedented draught in 2020.
- High attention in maintaining the vineyards has paid off, ensuring good health of the plants in the long term.
- Own harvest exceeded the record high 2018 results. Timely rains in pre-harvest period resulted in higher yields than initially anticipated.
- Fulfilling required stocks from 3rd party purchases; favorable price environment to positively influence margins starting from 2H 2023.
- Irrigation system functional at Purcari Winery vineyards as of July 1<sup>st</sup>, 2022. Irrigation system roll out at Cuza Vineyards (Bostavan) planned for 2023.
- World wine production volume expected to be slightly below its 20-year average. Harvest in France recovered +17% YoY after disastrous 2021, while Italy being flat and Spain -6% YoY.<sup>1</sup>

### 3 Continuing investing in both: growth and sustainability

#### Solar panels and dedicated warehouse

- Solar Panels installed on the roof of the Purcari Winery, to provide 15% of annual electricity consumption for the winery.
  - 1,025 m2 area covered by solar panels.
  - Annual production 240 000 kw.
  - Aiming to reach up to 80% coverage of energy demand from photovoltaic power stations in coming years.
- 
- New warehouse built at Crama Ceptura winery with one million bottles storage capacity.
  - Supports regional growth and streamlines the logistics.
  - Purcari group is still only player #3-4 in the market, with circa 11% market share, so ample room for growth, hence focus on long term expansion.





### 3 Portfolio development: continue creating inspired products

#### PURCARI NOCTURNE

*HoReCa – focused edition*



- Launched in 2021, a bet on HoReCa in the mid of lockdown.
- Increased demand from HoReCa.
- Fastest growing series in Purcari portfolio.
- New addition: Nocturne Viorica awarded with GOLD at Mundus Vini Spring Tasting 2023 and Challenge International du Vin 2023.

#### ACADEMIA

*ambitious oeno-project*



- Launched in 2022, vinification and aging in clay amphoras.
- Limited edition, less than 20k bottles.
- First Orange wine in Moldova from indigenous grapes – Viorica.
- Academia Viorica 2021 awarded with GOLD and Best of Show Moldova White at Mundus Vini Spring Tasting 2023.

#### PROCIANO, NATIVE

*adapting to wine trends*



- NATIVE – wine from vineyards in organic conversion.
- NATIVE Pinot Noir 2021 awarded with GOLD at Mundus Vini Spring Tasting 2023.
- PROCIANO – Alcohol free, low calorie per intake, rich in Procyanidins.
- Targeting new segments and new markets.

#### WINE CRIME, BARDAR

*expanding the growth pillars in RO*



- 2023 focused on listing, new partnerships.
- 1H 2022 increasing brand awareness, BTL and TTL activities.
- 2H 2022 brand building, ATL activities.
- Expanding Bardar and Bostavan to Romania.

### 3 Outstanding results at most reputable wine competitions

**Best Producer from Moldova 2023**  
As well as 24 distinctions granted by Mundus Vini Spring Tasting



**Gold at Concours Mondial de Bruxelles - Rosé Selection**  
The only Rosé from MD awarded with Gold



**10 Gold Medals Collected**  
Berliner Wein Trophy 2023



**17 Gold Medals Collected**  
Challenge International du Vin 2023



**Best Wine from Moldova in the Competition**  
And 7 Gold Medals from Concours International de Lyon



**Grand Prize at Wine Vernissage**  
Purcari Native Rosé highest distinction within the category "Vernissage in Rosé"



### 3 Continue supporting, engaging, inspiring

**Donation through Purcari Foundation**  
More than 400 tablets sent to Ukrainian children from 9 regions within Kherson - donation made through the Freedom Blend Campaign



**We Thank You Today and #EveryDay**  
An appreciation campaign launched on the 8th of March, dedicated to women



**Wine Vernissage – 2023 Edition**  
A new successful edition; Purcari Native Rosé won the Grand Prize in the category “Vernissage in Rosé”



**Best Producer from Moldova**  
The 32<sup>nd</sup> edition of the Grand International Wine Award Mundus Vini Spring Award brings 24 medals and maintains our title of Best Producer from MD



**Highly appreciated at ProWein 2023**  
Both by the renowned Master of Wine Caroline Gilby and the British expert Robert Joseph



**We do not! Never!**  
A manifesto for what Purcari Wineries Group will NEVER do ... lose faith!

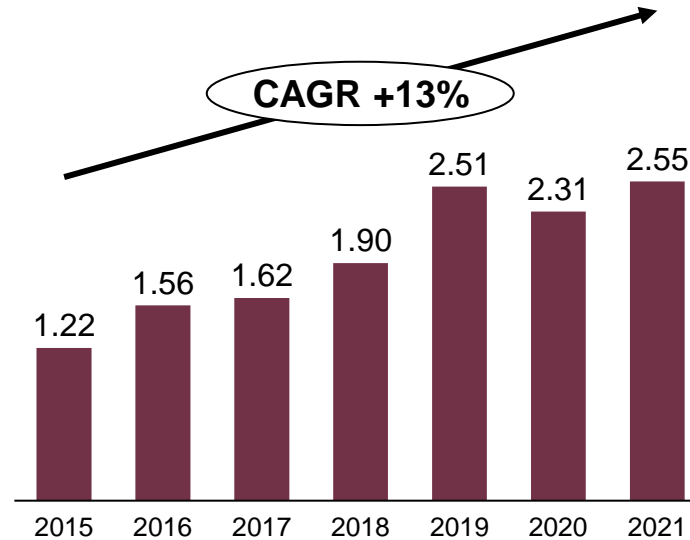


### 3 Acquisition of Angel's Estate in Bulgaria

#### Key info on Angel's Estate

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

#### Revenues, EUR m



#### Key Development Plans

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



### 3 Becoming the undisputable Wine Champion in CEE

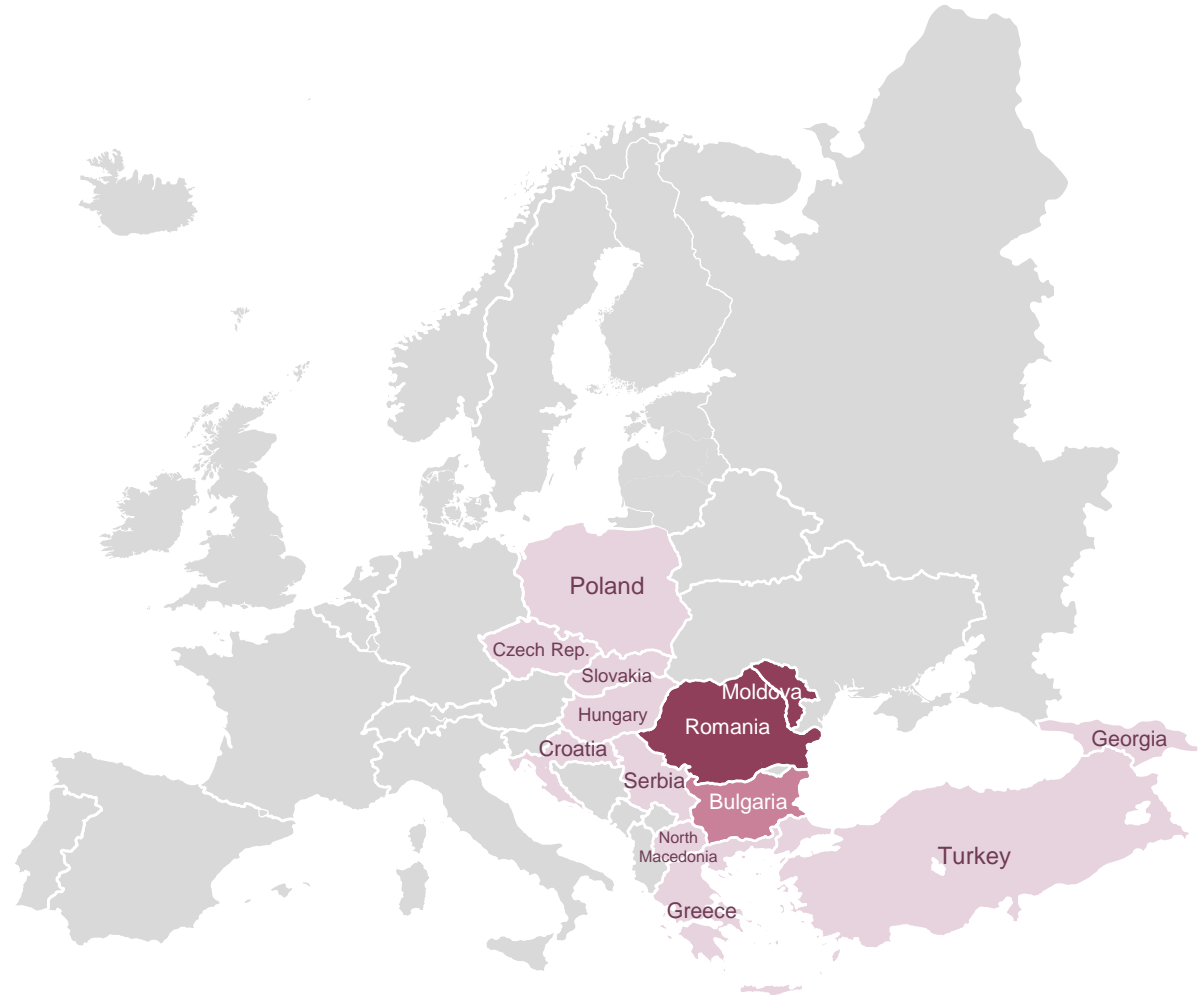
#### Formula of becoming wine champion in CEE

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

#### M&A focus map

##### Purcari footprint and M&A directions

Existing      Newly added      Directions for M&A opportunities



### 3 ESG Impact

Purcari Wineries is building up its foundation in sustainability and ESG management, by aligning its business and model to the UN Sustainable Development Goals (SDGs).

#### ENVIRONMENT

- Launched the irrigation system at Purcari Winery, securing the sustainable development for 300ha of vineyards
- To expand environmentally friendlier sub-surface irrigation system for another 600ha in 2023.
- Solar Panels installed on the roof of the Purcari Winery, to provide 15% of annual electricity consumption for the winery.
- 25 ha of vines in conversion (C3) towards ecological and biodynamic viticulture.
- 73,811 tons of waste recycled for customers by Ecosmart Union, waste recycling management company in Romania.
- 3,566 t of CO2 sequestered in 2021<sup>1</sup>. Corporate Carbon Footprint planned to be calculated in 2023.
- 1 FTE to be certified in GSTC<sup>2</sup>, as part of our engagement to sustainable tourism.

#### SOCIAL

- Launched Purcari Foundation in July 2022 to consolidate our efforts towards social projects.
- The Purcari Help Center opened on 24<sup>th</sup> of February, 2022. 13,000 refugees aided, 2,600 refugees transported to a safer place, 3,540 refugees sheltered.
- Supporting CCF/HHC Moldova (a team of people working to give every child the opportunity to grow up in a loving family).
- Contributing to Hospice Angelus, a home palliative care service.
- General Sponsor of the Moldovan National Olympic Committee and main partner for volleyball club USM-Bostavan.
- Fully equipped 3 classrooms in the school of the Purcari village.
- Providing hot meal for tens of vulnerable people in our communities.

#### GOVERNANCE

- Having a seven - member board composed of both women and men with diverse skills, experience, backgrounds, and perspectives represents a competitive advantage.
- Awarded Best Board of Directors in 2021 by the Romanian Investor Association.
- The Group holds itself accountable for its activities in the field of environmental protection, safety, and health, having following certificates: ISO 9001:2015, ISO 22000:2005, ISO:9001:2015 HU 06/1763, ISO22000:2018, HU 11/6104 and ISO 22000:2018, on Quality Management Systems and Food Safety Management Systems

(1) Based on the CO2-balance studies carried out by PwC, available at Amorim Cork, in 2021; (2) GSTC – Global Sustainable Tourism Council

- 1 Purcari Wineries Group Key Info
- 2 Vision and Strategy
- 3 Q1 2023 Operational Results
- 4 **Guidance**
- 5 Purcari Wineries Stock



**Vinohora de Purcari  
Fetească Neagră – Pinot  
Grigio 2022**

A rosé blend of a festive pink color, that exudes romance and freshness. A wine of a velvety flavor, full and fruity, with notes of vanilla.

**Gold at Mundus Vini  
Spring Tasting 2022,  
Gold at Concours  
Mondial de Bruxelles –  
Rosé Selection.**

## 4 Guidance 2023: maintaining the guidance for the year

Target	2023 guidance	1Q 2023	Status	Comments
Revenue growth	+18-22%	+31%	>	<ul style="list-style-type: none"> <li>Growth in 1Q significantly above guidance, amid a challenging macro backdrop.</li> <li>Consumer demand for premium brands remains healthy. Affordable luxury positioning coping well also in current environment.</li> </ul>
Revenue growth, WINE <sup>1</sup>	+14-18%	+28%	>	
EBITDA margin	22-26%	+29%	>	<ul style="list-style-type: none"> <li>Inflation moderating, with supply chains returning slowly to smoother-functioning.</li> <li>COGS still includes significant portion of more expensive wine stocks of 2020 and 2021 vintage.</li> <li>Pressure on Net Income due to higher financing costs, strengthening of MDL vs RON, EUR, higher depreciation from Capex executed in prior periods.</li> <li>Turnaround cost related to addition of Angel's Estate and Ecosmart into the Group.</li> </ul>
Net Income margin	12-16%	+17%	>	

(1) Core wine segment, except Ecosmart revenues



1 Purcari Wineries Group Key Info

2 Vision and Strategy

3 Q1 2023 Operational Results

4 Guidance

5 **Purcari Wineries Stock**



Cuvée de Purcari Rosé  
Brut

An elegant blend,  
completed by a floral  
bouquet with a subtle  
flavour of blackcurrant.

Gold at Challenge  
International du Vin  
2023

## 5 Active stock, on strong fundamentals and on upside potential

### Backed by Reputable shareholders

AMBOSELT UNIVERSAL  
INC.



Horizon Capital



FIREBIRD MANAGEMENT LLC



NORGES BANK

**Paval Holding**

~140 institutional  
investors



CONSEQ

EAST CAPITAL

ERSTE  
Asset Management



21% / 79%  
Retail / Institutional

### Consensus forecasts

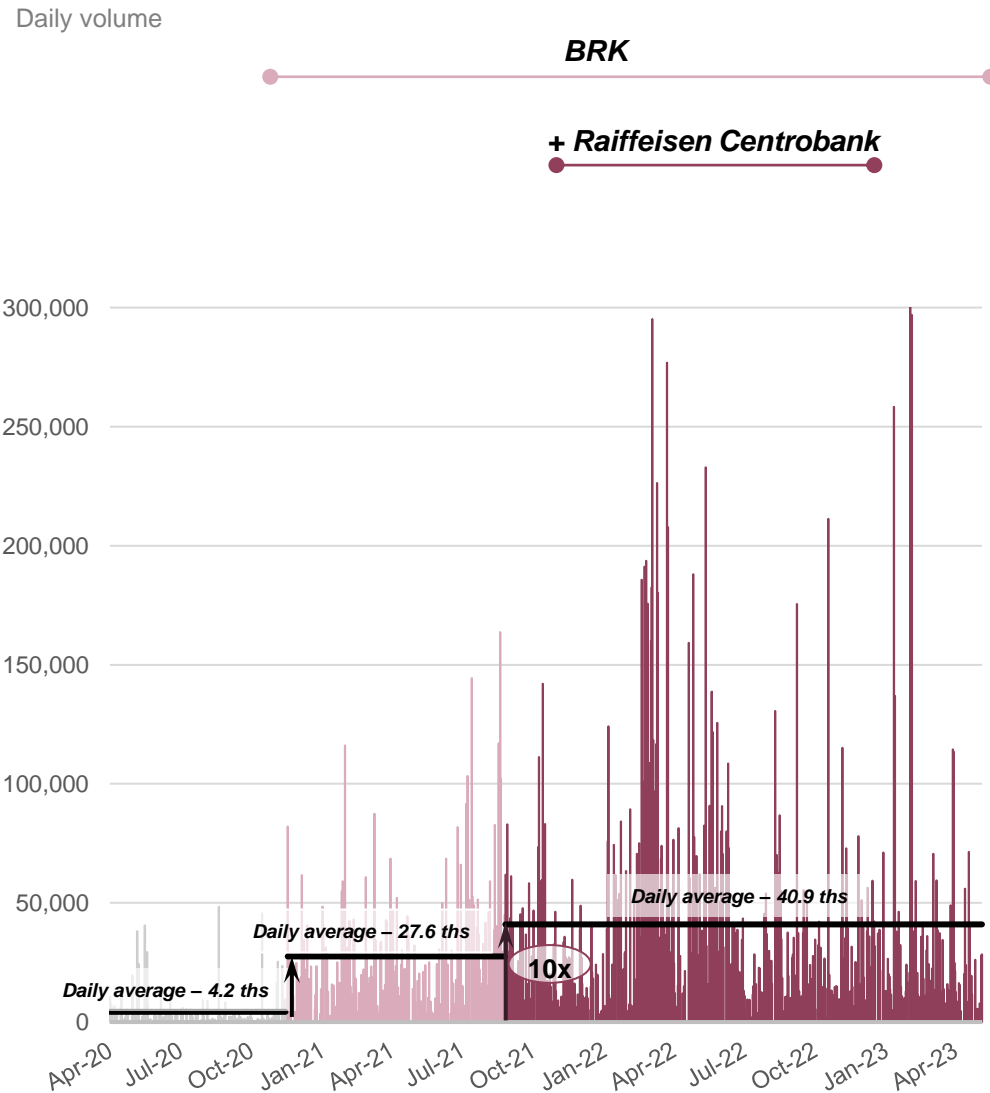
	Rating	Target Price	Date
Wood&Company	Buy	18.70	May-23
Raiffeisen	Buy	11.30	March-23
BT Capital	Outperform	12.26	May-23
Ipopema	Buy	11.50	Feb-23
Goldring <sup>1</sup>	na	10.10	April-23

- #4 best performing among companies in BET index, with +18% increase YTD.
- +28% upside potential vs. consensus.
- 7.6% of total issued shares traded in Jan-Apr'23

(1) Initiation coverage report

# 5 Purcari shares liquidity

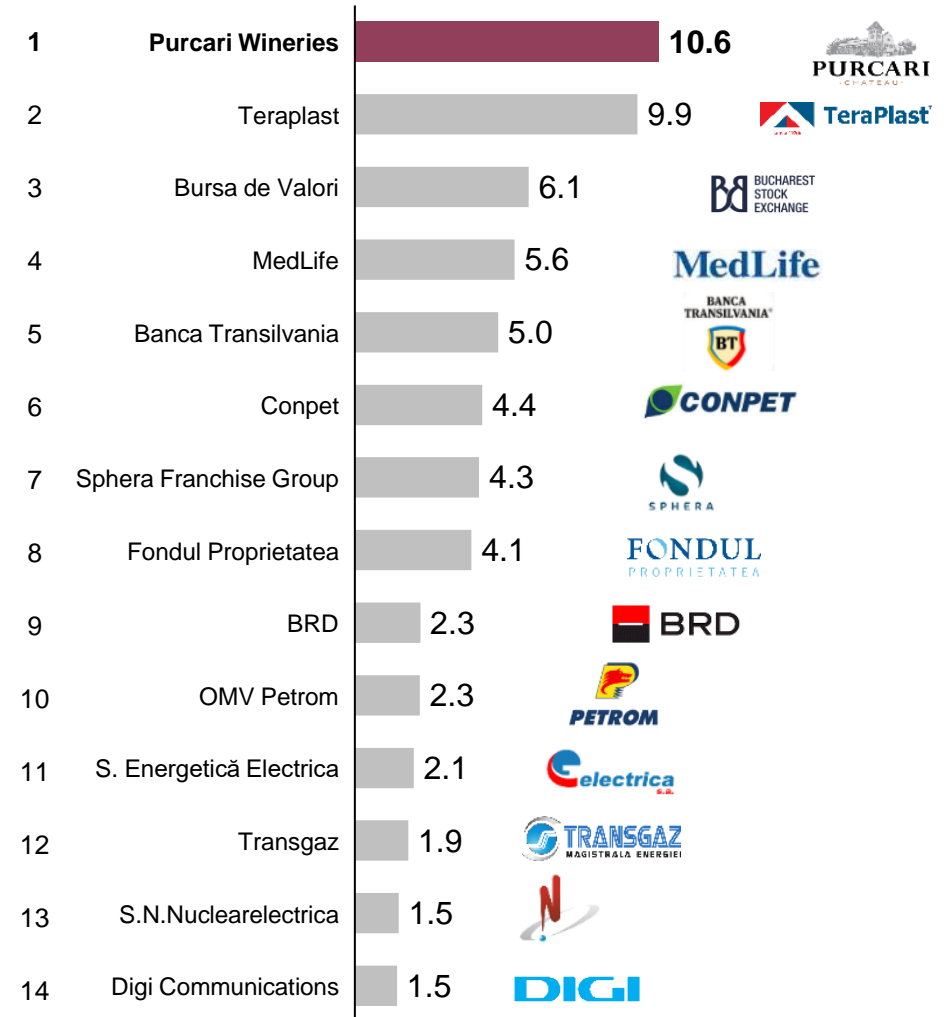
## Rapid rise of stock's liquidity after starting working with Market Makers for Purcari shares



Source: Bucharest Stock Exchange, Capital IQ

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

Ratio of daily trade value to Market Capitalisation, 2021-2023 YTD average, bps



## 5 EBITDA profitability relative to WINE listed peers

### Purcari vs selected Wine public companies

EBITDA 2022 Margin, %

\* Adjusted for one-off gain Purcari FY2022 margin

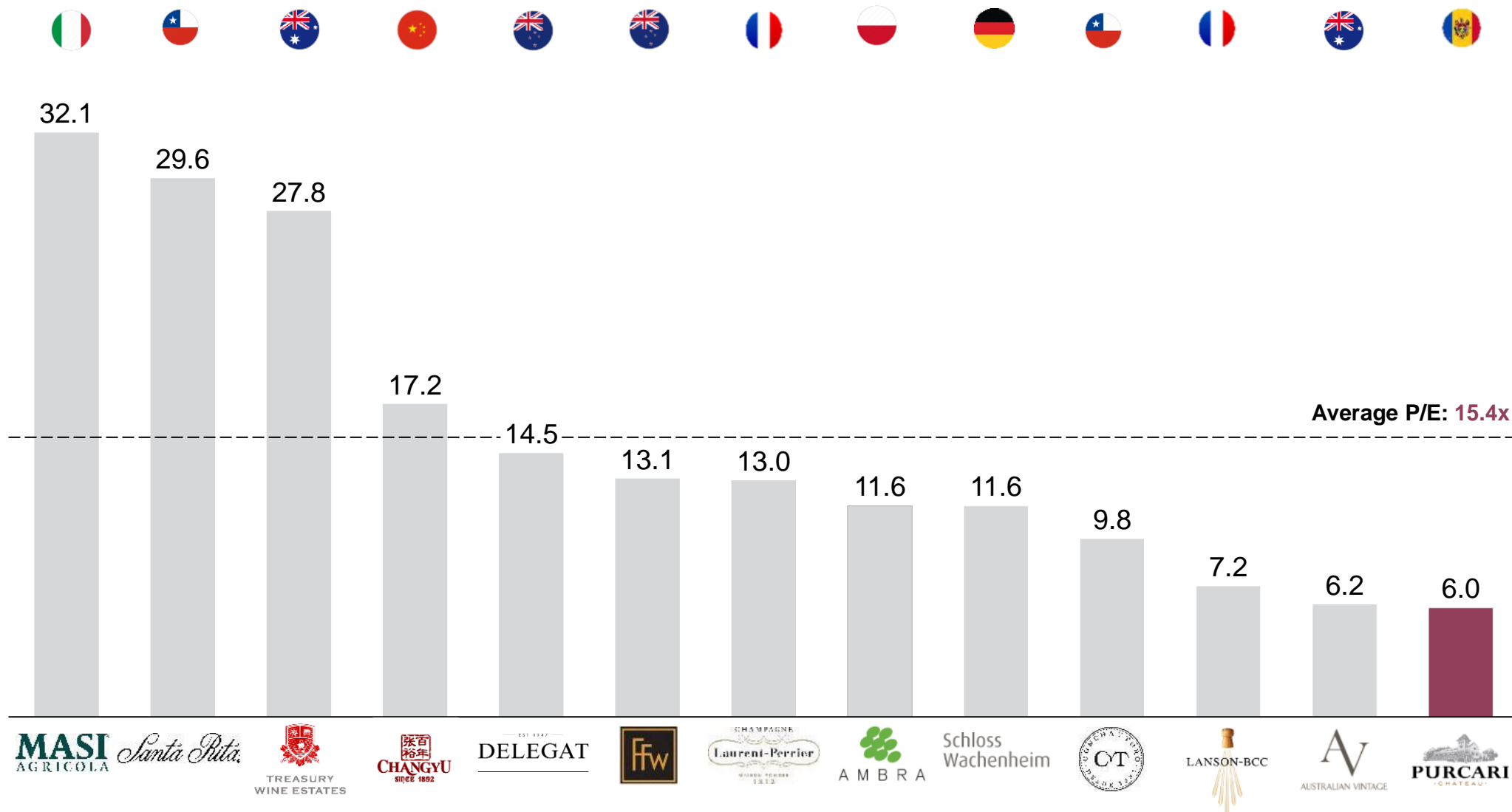


Source: Capital IQ, Company Data as per Capital IQ as of May 10th, 2023  
 (1) Italian Wine Brands

# 5 Low valuation relative to wine peers

## Purcari vs Selected wine public companies

P/E LTM Multiples

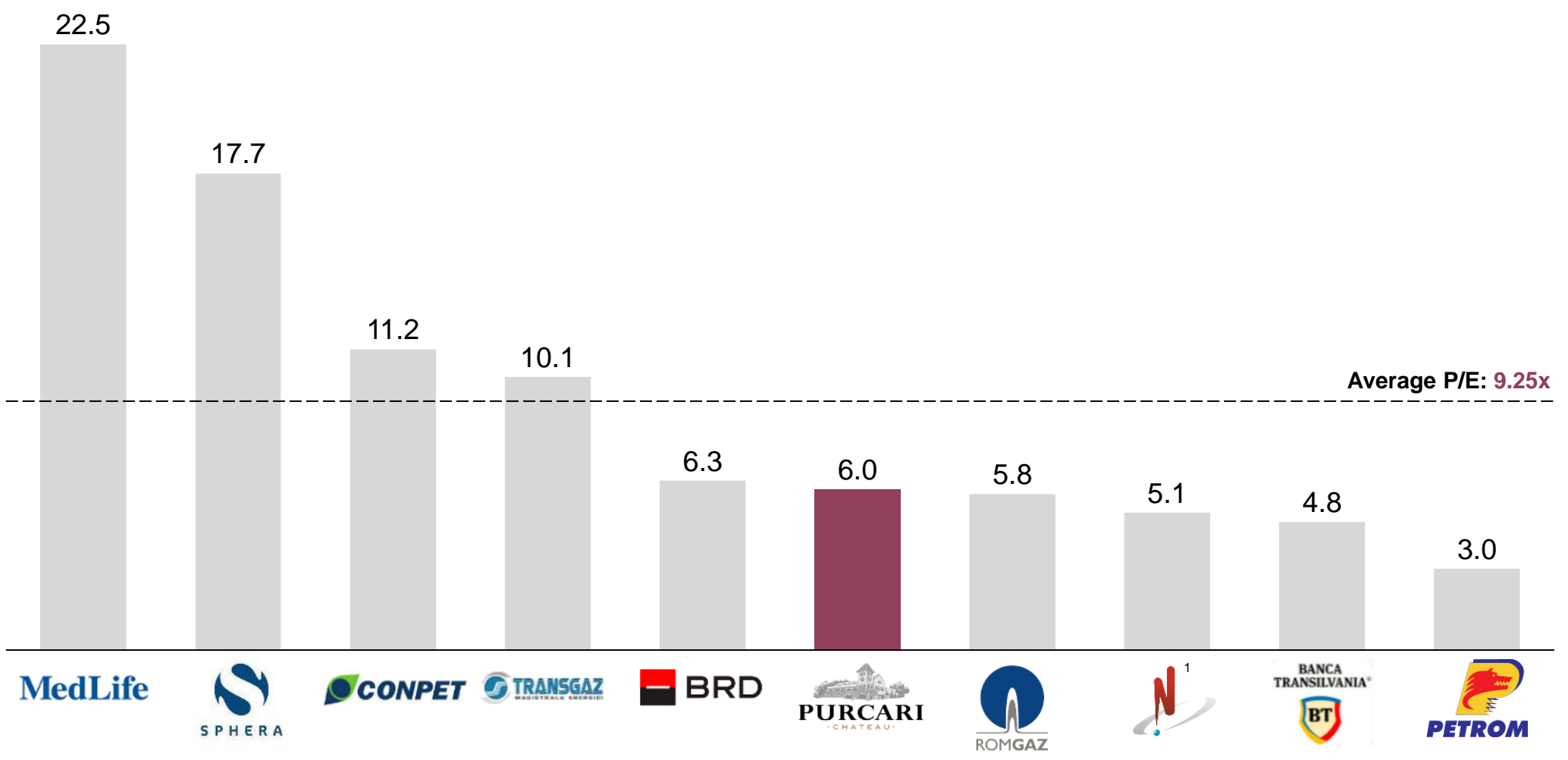


Source: Net Income and Market Cap as per Capital IQ as of May 10th, 2023  
 Note: Diluted EPS excluding extra items used for P/E multiple

# 5 Average valuation relative to Romanian listed peers

## Purcari vs selected Romanian public companies

P/E LTM Multiples



Source: Capital IQ, Company Data as per Capital IQ as of May 10<sup>th</sup>, 2023  
 Note: Diluted EPS excluding extra items used for P/E multiple; (1) Nuclearelectrica

# Learn more about our products



1827  
SINCE



BOSTAVAN



CRAMA CEPTURA





**1827**  
S I N C E

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