



Purcari Wineries Public Company Limited

INTERIM FINANCIAL REPORT

Including the Non-Audited, Interim Condensed Consolidated
Financial Statements for the nine-month period ended
30 September 2021

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021
all amounts are in RON, unless stated otherwise

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: 400,000 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

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021
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I. Condensed Consolidated Interim Statement of Financial Position as at 30 September 2021

	Note	30 September 2021 (unaudited)	31 December 2020 (audited)	Variation
Assets				
Property, plant and equipment	4	158,576,544	141,815,513	12%
Intangible assets	5	1,369,068	1,187,013	15%
Loans receivables	9	346,901	-	100%
Non-current receivables	8	2,385,549	2,348,704	2%
Equity-accounted investees	7	-	558,109	(100%)
Investments in equity instrument	8	3,319,397	-	100%
Inventories	10	63,374,245	46,497,027	36%
Other non-current assets		61,901	-	100%
Total non-current assets		229,433,605	192,406,366	19%
Inventories	10	88,605,500	83,021,797	7%
Loans receivables	9	4,086	-	100%
Trade and other receivables	6	51,343,654	51,714,357	(1%)
Cash and cash equivalents	11	29,375,179	50,788,605	(42%)
Income tax assets		837,323	362,406	131%
Prepayments		13,683,817	3,276,990	318%
Other current assets		464,091	166,918	178%
Total current assets		184,313,650	189,331,073	(3%)
Total assets		413,747,255	381,737,439	8%
Equity				
Share capital	12	1,732,502	728,279	138%
Share premium	12	81,529,698	82,533,921	(1%)
Treasury shares reserve	12	(3,929,405)	(4,424,086)	(11%)
Other reserve		5,365,470	3,029,812	77%
Foreign currency translation reserve		12,798,170	3,375,006	279%
Retained earnings		131,188,319	121,125,160	8%
Equity attributable to owners of the Company		228,684,755	206,368,092	11%
Non-controlling interests		19,546,316	16,262,285	20%
Total equity		248,231,071	222,630,377	11%
Liabilities				
Loans and borrowings	14	58,381,185	42,479,687	37%
Deferred income		7,024,154	3,922,919	79%
Deferred tax liability		6,919,580	6,481,383	7%
Total non-current liabilities		72,324,919	52,883,989	37%
Loans and borrowings	14	21,181,177	54,102,685	(61%)
Deferred income		378,801	614,664	(38%)
Current tax liabilities		855,731	2,075,584	(59%)
Employee benefits		4,994,022	3,457,842	44%
Trade and other payables	13	59,964,957	38,457,018	56%
Provisions		5,816,577	7,515,280	(23%)
Total current liabilities		93,191,265	106,223,073	(12%)
Total liabilities		165,516,184	159,107,062	4%
Total equity and liabilities		413,747,255	381,737,439	8%

These Condensed Consolidated Interim Financial Statements were approved by management on 12th of November 2021 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 8 to 24.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021
all amounts are in RON, unless stated otherwise

II. Condensed Consolidated Interim Statement of Comprehensive Income for the three-month and nine-month period ended 30 September 2021

	Note	3-month ended 30 September 2021	3-month ended 30 September 2020	9-month 2021 (unaudited)	9-month 2020 (unaudited)	Variation
Revenue	15	59,908,834	53,430,027	166,439,683	138,322,411	20%
Cost of sales	16	(28,282,685)	(26,045,282)	(81,502,508)	(70,066,341)	16%
Gross profit		31,626,149	27,384,745	84,937,175	68,256,070	24%
Other operating income	19	214,614	290,204	1,286,107	456,187	182%
Marketing and sales expenses	17	(6,604,245)	(5,306,455)	(19,355,393)	(14,182,652)	36%
General and administrative expenses	18	(4,439,811)	(4,755,437)	(17,713,367)	(14,614,103)	21%
Other operating expenses	20	(175,863)	(3,241,003)	(106,647)	(3,446,351)	(97%)
Impairment loss on trade and loan receivables		(1,350,253)	(1,035,388)	(1,371,745)	(1,142,021)	20%
Result from operating activities		19,270,591	13,336,666	47,676,130	35,327,130	35%
Finance income	21	4,832,471	-	5,532,547	-	100%
Finance costs	21	(1,575,411)	(1,412,856)	(5,802,751)	(5,429,177)	7%
Net finance costs	21	3,257,060	(1,412,856)	(270,204)	(5,429,177)	(95%)
Share of profit/(loss) of equity-accounted investees, net of tax		(412,096)	(363,166)	(255,333)	119,433	(314%)
Profit before tax		22,115,555	11,560,644	47,150,593	30,017,386	57%
Income tax expense		(2,702,475)	(1,539,129)	(7,363,611)	(4,421,851)	67%
Profit for the period		19,413,080	10,021,515	39,786,982	25,595,535	55%
Profit attributable to:						
Owners of the Company		17,202,298	9,076,647	36,120,119	23,672,554	53%
Non-controlling interests		2,210,782	944,868	3,666,863	1,922,981	91%
Profit for the period		19,413,080	10,021,515	39,786,982	25,595,535	55%

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 8 to 24.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021
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III. Condensed Consolidated Interim Statement of Cash Flow for the nine-month period ended 30 September 2021

	<u>9-month 2021</u> <u>(unaudited)</u>	<u>9-month 2020</u> <u>(unaudited)</u>
Cash flow from operating activities		
Profit for the period	39,786,982	25,595,535
Adjustments for:		
Depreciation and amortization	10,739,153	8,744,245
Equity-settled share-based payment transactions	6,225,872	2,066,247
Non-cash items	(884,058)	(2,077,255)
Income tax expense	7,363,611	4,421,851
Net finance costs	270,204	5,429,176
Operating profit before working capital changes	<u>63,501,764</u>	<u>44,179,799</u>
<i>Changes in:</i>		
Inventories	(19,206,876)	(7,602,444)
Trade and other receivables	(8,871,253)	8,766,380
Trade and other payables	19,705,583	(2,361,252)
Cash generated from operating activities	<u>55,129,218</u>	<u>42,982,483</u>
Income tax paid	(8,620,184)	(7,215,313)
Interest paid	(2,961,355)	(4,085,217)
Net cash generated from operating activities	<u>43,547,679</u>	<u>31,681,953</u>
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(19,131,921)	(15,817,288)
Change in loans receivables	(346,901)	-
Investments in equity instruments	(3,319,397)	-
Acquisitions of associates and non-controlling interest	(254,754)	-
Proceeds from sale of equity instruments	4,829,643	-
Proceeds from sale of property, plant and equipment	307,190	297,955
Net cash used in investing activities	<u>(17,916,140)</u>	<u>(15,519,333)</u>
Cash flows from financing activities		
Change in loans and borrowings and finance lease	(17,020,010)	(15,249,540)
Acquisition of treasury shares	(3,395,533)	(323,635)
Dividends paid	(27,676,973)	(1,839,547)
Net cash generated from/ (used in) financing activities	<u>(48,092,516)</u>	<u>(17,412,722)</u>
Net increase in cash and cash equivalents	<u>(22,460,976)</u>	<u>(1,250,102)</u>
Cash and cash equivalents at beginning of the period	50,788,605	12,573,775
Effect of movements in exchange rates on cash held	1,047,550	379,059
Cash and cash equivalents at end of period	<u>29,375,179</u>	<u>11,702,732</u>

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 8 to 24.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021

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IV. Condensed Consolidated Interim Statement of Changes in Equity for the nine-month period ended 30 September 2021

Below is presented the statement of changes in equity for the nine-month period ended 30 September 2021:

	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
Balance at 1 January 2021	<u>728,279</u>	<u>82,533,921</u>	<u>(4,424,086)</u>	<u>3,029,812</u>	<u>3,375,006</u>	<u>121,125,160</u>	<u>206,368,092</u>	<u>16,262,285</u>	<u>222,630,377</u>
Total comprehensive income									
Profit for the year	-	-	-	-	-	36,120,119	36,120,119	3,666,864	39,786,983
Foreign currency translation differences	-	-	-	-	9,289,883	-	9,289,883	888,765	10,178,648
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,289,883</u>	<u>36,120,119</u>	<u>45,410,002</u>	<u>4,555,629</u>	<u>49,965,631</u>
Transaction with owners of the Company									
Increase of share capital from share premium	1,004,223	(1,004,223)	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	133,281	128,791	262,072	219,625	481,697
Treasury shares acquired	-	-	(3,395,533)	-	-	-	(3,395,533)	-	(3,395,533)
Shares allocated to employees	-	-	3,890,214	(3,890,214)	-	-	-	-	-
Dividends	-	-	-	-	-	(26,185,750)	(26,185,750)	-	(26,185,750)
Total transactions with owners of the company	<u>1,004,223</u>	<u>(1,004,223)</u>	<u>494,681</u>	<u>(3,890,214)</u>	<u>133,281</u>	<u>(26,056,959)</u>	<u>(29,319,211)</u>	<u>219,625</u>	<u>(29,099,586)</u>
Other changes in equity									
Equity-settled share-based payment	-	-	-	6,225,872	-	-	6,225,872	-	6,225,872
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,491,223)	(1,491,223)
Total Other changes in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,225,872</u>	<u>-</u>	<u>-</u>	<u>6,225,872</u>	<u>(1,491,223)</u>	<u>4,734,649</u>
Balance at 30 September 2021	<u>1,732,502</u>	<u>81,529,698</u>	<u>(3,929,405)</u>	<u>5,365,470</u>	<u>12,798,170</u>	<u>131,188,320</u>	<u>228,684,755</u>	<u>19,546,316</u>	<u>248,231,071</u>

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 8 to 24.

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Below is presented the statement of changes in equity for the nine-month period ended 30 September 2020:

	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
Balance at 1 January 2020	728,279	82,533,921	(4,573,126)	1,946,882	15,160,426	64,739,104	160,535,486	16,734,268	177,269,754
Total comprehensive income									
Profit for the year	-	-	-	-	-	23,672,554	23,672,554	1,922,981	25,595,535
Foreign currency translation differences	-	-	-	-	(1,515,023)	19	(1,515,004)	(166,660)	(1,681,664)
Total comprehensive income for the year	-	-	-	-	(1,515,023)	23,672,573	22,157,550	1,756,321	23,913,871
Transaction with owners of the Company									
Treasury shares acquired	-	-	(323,635)	-	-	-	(323,635)	-	(323,635)
Total transactions with owners of the company	-	-	(323,635)	-	-	-	(323,635)	-	(323,635)
Other changes in equity									
Equity-settled share-based payment	-	-	-	2,066,247	-	-	2,066,247	-	2,066,247
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,104,844)	(2,104,844)
Total Other changes in equity	-	-	-	2,066,247	-	-	2,066,247	(2,104,844)	(38,597)
Balance at 30 September 2020	728,279	82,533,921	(4,896,761)	4,013,129	13,645,403	88,411,677	184,435,648	16,385,745	200,821,393

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 8 to 24.

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V. Notes to the Condensed Consolidated Interim Financial Statements**Note 1. Reporting entity (Background)**

These unaudited interim 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 September 2021	31 December 2020
Vinorum Holdings Ltd	Gibraltar	100%	100%
West Circle Ltd	British Virgin Islands	100%	100%
Crama Ceptura SRL	Romania	100%	100%
Ecosmart Union SA	Romania	55%	27%
Purcari Wineries Ukraine LLC	Ukraine	100%	-
Vinaria Bostavan SRL	Republic of Moldova	100%	99.54%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%
Domeniile Cuza SRL	Republic of Moldova	100%	-

The structure of the Group as at 30 September 2021 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;
- Purcari Wineries Ukraine LLC is domiciled in Ukraine. Its major activity is trade marketing services for Group’s product portfolio.
- 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;
- 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 September 2021 (31 December 2020: 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 September 2021 (31 December 2020: 56.05%).

Note 2. Basis of preparation

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 2020.

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 FVTPL.

(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 and Ecosmart Union SA - Romanian Leu (RON),
- Vinaria Bardar SA, Vinaria Bostavan SRL, Vinaria Purcari SRL, Domeniile Cuza - Moldovan Leu (MDL),
- Purcari Wineries Ukraine LLC – Ukrainian Hryvnia (UAH)

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.

(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 2020.

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 2020.

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Note 4. Property, plant and equipment

The movements of property, plant and equipment from 1 January 2020 to 30 September 2021 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>
Cost								
Balance at 1 January 2021	5,553,185	7,266,688	115,797,404	103,760,194	9,242,775	5,729,686	28,724,442	276,074,374
Additions	18,067,911	207,688	1,308,871	1,731,314	1,005,217	52,266	-	22,373,267
Transfers	(8,338,068)	-	1,925,323	1,519,338	3,543,801	844,530	505,076	-
Disposals	-	-	(1,479,586)	(1,390,121)	(3,249,296)	(295,540)	(5,160)	(6,419,703)
Effect of movement in exchange rates	91,148	290,522	4,638,430	5,431,860	(2,042,764)	848,391	2,027,965	11,285,552
Balance at 30 September 2021	15,374,176	7,764,898	122,190,446	111,052,581	8,499,733	7,179,333	31,252,323	303,313,490
Accumulated depreciation and impairment losses								
Balance at 1 January 2021	-	415,351	66,498,725	52,469,986	3,877,758	4,496,603	6,500,438	134,258,861
Depreciation for the period	-	100,486	3,185,206	5,229,628	1,276,100	481,540	346,154	10,619,114
Impairment loss, net	-	-	(59,941)	-	-	-	-	(59,941)
Disposals	-	-	(385,087)	(1,539,637)	(3,572,553)	(55,520)	(5,160)	(5,557,957)
Effect of movement in exchange rates	-	19,462	449,734	1,204,931	3,175,367	238,930	388,445	5,476,869
Balance at 30 September 2021	-	535,299	69,688,637	57,364,908	4,756,672	5,161,553	7,229,877	144,736,946
Carrying amounts								
At 1 January 2021	5,553,185	6,851,337	49,298,679	51,290,208	5,365,017	1,233,083	22,224,004	141,815,513
At 30 September 2021	15,374,176	7,229,599	52,501,809	53,687,673	3,743,061	2,017,780	24,022,446	158,576,544

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	<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>
Cost								
Balance at 1 January 2020	9,880,808	7,765,691	116,795,162	96,958,803	8,334,121	5,420,057	28,486,725	273,641,367
Additions	18,901,808	3,811	29,211	21,793	640,411	-	1,948,662	21,545,696
Transfers	(22,772,867)	-	7,126,241	13,576,081	938,064	722,842	409,639	-
Disposals	-	-	(1,074,409)	(309,237)	(277,642)	(7,936)	-	(1,669,224)
Effect of movement in exchange rates	(456,564)	(502,814)	(7,078,801)	(6,487,246)	(392,179)	(405,277)	(2,120,584)	(17,443,465)
Balance at 31 December 2020	<u>5,553,185</u>	<u>7,266,688</u>	<u>115,797,404</u>	<u>103,760,194</u>	<u>9,242,775</u>	<u>5,729,686</u>	<u>28,724,442</u>	<u>276,074,374</u>
Accumulated depreciation and impairment losses								
Balance at 1 January 2020	-	328,150	67,907,450	50,294,492	3,132,570	4,240,770	6,249,158	132,152,590
Depreciation for the year	-	105,951	3,237,807	6,159,843	1,127,372	563,230	729,573	11,923,776
Impairment loss, net	-	-	(80,598)	-	-	-	-	(80,598)
Disposals	-	-	(644,593)	(305,672)	(223,425)	(7,936)	-	(1,181,626)
Effect of movement in exchange rates	-	(18,750)	(3,921,341)	(3,678,677)	(158,759)	(299,461)	(478,293)	(8,555,281)
Balance at 31 December 2020	<u>-</u>	<u>415,351</u>	<u>66,498,725</u>	<u>52,469,986</u>	<u>3,877,758</u>	<u>4,496,603</u>	<u>6,500,438</u>	<u>134,258,861</u>
Carrying amounts								
At 1 January 2020	<u>9,880,808</u>	<u>7,437,541</u>	<u>48,887,712</u>	<u>46,664,311</u>	<u>5,201,551</u>	<u>1,179,287</u>	<u>22,237,567</u>	<u>141,488,777</u>
At 31 December 2020	<u>5,553,185</u>	<u>6,851,337</u>	<u>49,298,679</u>	<u>51,290,208</u>	<u>5,365,017</u>	<u>1,233,083</u>	<u>22,224,004</u>	<u>141,815,513</u>

Capital commitments

As at 30 September 2021 the Company has contracts to purchase property, plant and equipment for about RON 3 million. Delivery is expected during next three months.

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Note 5. Intangible assets

The movements in intangible assets from 1 January 2020 to 30 September 2021 are the following:

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
Cost		
Balance at 1 January 2021/1 January 2020	1,762,638	1,759,433
Additions	291,434	265,191
Disposals	(76,447)	(157,477)
Effect of movement in exchange rates	81,923	(104,509)
Balance at 30 September 2021/31 December 2020	<u>2,059,548</u>	<u>1,762,638</u>
Amortization		
Balance at 1 January 2021/1 January 2020	575,625	572,865
Amortization for the period	120,038	168,550
Disposals	-	-
Effect of movement in exchange rates	(5,183)	(165,790)
Balance at 30 September 2021/31 December 2020	<u>690,480</u>	<u>575,625</u>
Carrying amounts		
At 1 January 2021/1 January 2020	<u>1,187,013</u>	<u>1,186,568</u>
At 30 September 2021/31 December 2020	<u>1,369,068</u>	<u>1,187,013</u>

Note 6. Trade and other receivables

As at 30 September 2021 and 31 December 2020 trade and other receivables were as follows:

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<i>Financial receivables</i>		
Gross trade receivables	49,516,715	50,139,801
Allowance for impairment of trade receivables	(1,770,938)	(1,839,795)
Total financial receivables	<u>47,745,777</u>	<u>48,300,006</u>
<i>Non-financial receivables</i>		
Other receivables	1,805,918	1,203,540
VAT receivable	1,528,918	1,980,636
Other taxes receivable	35,867	113,412
Excise receivable	227,174	116,763
Total non-financial receivables	<u>3,597,877</u>	<u>3,414,351</u>
Total trade and other receivables	<u>51,343,654</u>	<u>51,714,357</u>

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Note 7. Equity-accounted investees

As at 30 September 2021 and 31 December 2020 interests in equity-accounted investees are as follows:

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
Investment in Ecosmart Union SA	-	558,109
Total interests in equity-accounted investees	<u>-</u>	<u>558,109</u>

Ecosmart Union SA

In March 2017 the Group, through its subsidiary Crama Ceptura SRL, contributed to the foundation of Ecosmart Union SA, contributing RON 108,000 for a 27% share. The main activity of Ecosmart Union SA is providing waste recycling management services.

At 15 September 2021, the Group, through its subsidiary Crama Ceptura SRL, increased its investment to 55.00% of share capital and voting interests and Ecosmart Union SA became a subsidiary from that date:

	<u>Amount</u>
Total consideration transferred	250,000
Estimated value of net assets	250,000
Goodwill	<u>-</u>

The identifiable assets acquired, liabilities assumed, and related goodwill are measured at provisional amounts based on estimated values. The initial accounting for this business combination is incomplete as of 30 September 2021, as the Group shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values, and the measurement period shall not exceed one year from the acquisition date.

The following table summarises the financial information of Ecosmart Union SA as included in its own financial statements. The table reconciles the summarised financial information to the carrying amount of the Group's interest in Ecosmart Union SA. The information for 2020 presented in the table includes the results of Ecosmart Union SA for the period from 1 January to 31 December 2020. The information for 2021 includes the results of Ecosmart Union SA only for the period from 1 January to 15 September 2021, because Ecosmart Union SA became a subsidiary on 15 September 2021.

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
Percentage ownership interest	27%	27%
Non-current assets	-	3,477,760
Current assets	-	16,716,110
Non-current liabilities	-	(15,197)
Current liabilities	-	(18,111,603)
Net assets (100%)	<u>-</u>	<u>2,067,070</u>
Group's share of net assets (27%)	<u>-</u>	<u>558,109</u>
Carrying amount of investment in associate	<u>-</u>	<u>558,109</u>
Revenue	45,577,440	85,832,208
Loss (100%)	945,677	742,857
Share of loss (27%)	<u>255,333</u>	<u>200,571</u>
Group's share of loss	<u>255,333</u>	<u>200,571</u>

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Note 8. Investments in equity instrument

In March 2017 the Group, through its subsidiary Vinaria Purcari SRL, purchased 31.415% ownership interest in IM Glass Container Company SA group (which include IM Glass Container Company SA and its subsidiary Glass Container Company-SP SRL).

On 9 December 2020, Vinaria Purcari SRL has exited Glass Container Company (“GCC”) 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 transactions. 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 2,385,549 as at 30 September 2021 (31 December 2020: RON 2,348,704) and has been presented as non-current receivable in the consolidated statement of financial position.

On 13 May 2021, the Company purchased 10.00% ownership interest in 8Wines Czech Republic s.r.o., a Czech-based fast growing online retail platform.

At 30 September 2021 the ownership interest in 8Wines was recognized at cost plus related costs of the transaction and represents RON 3,319,397.

The management does not intend to sell the investment, therefore the assessment whether the investment should be accounted at either fair value through profit or loss or fair value through other comprehensive income is in progress and will be completed by the year end.

Note 9. Loans receivables

As at 30 September 2021 and 31 December 2020 loans receivables are as follows:

	Currency	Interest rate	Year of maturity	30 September 2021		31 December 2020	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines (Principal)	EUR	3.0%	2024	346,901	-	-	-
8Wines (interest receivable)				-	4,086	-	-
Total loans receivable				346,901	4,086	-	-

Note 10. Inventories

As at 30 September 2021 and 31 December 2020 inventories are as follows:

	30 September 2021 (unaudited)	31 December 2020 (audited)
Bottled Wine	20,982,741	14,986,565
Bottled Brandy	721,190	567,570
Bulk Wine	72,290,822	62,463,294
Bulk Brandy	34,352,927	34,157,180
Packaging	16,859,187	12,909,969
Other	6,722,878	4,434,246
Total inventories	151,979,745	129,518,824

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Note 11. Cash and cash equivalents

As at 30 September 2021 and 31 December 2020 cash and cash equivalents were as follows:

	<u>30 September 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Bank accounts	29,104,793	50,652,861
Petty cash	270,386	135,744
Total cash and cash equivalents	<u>29,375,179</u>	<u>50,788,605</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 12. Share Capital and Premium

On 29 March 2021, the shareholders unanimously voted in favour of approval of the increase of the issued share capital of the Company from EUR 200,000.00 divided into 20,000,000 shares of nominal value EUR 0.01 each to EUR 400,000.00 divided into 40,000,000 shares of nominal value EUR 0.01 each, through issuance of 20,000,000 bonus shares to all shareholders of the Company registered in the shareholders' registry on the record date, which was set 20.07.2021.

On 21.07.2021 the Central Depository announced the registration of share capital increase

At the reporting date, the issued share capital of the Company is comprised of 40,000,000 ordinary shares with nominal value EUR 0.01 each. All issued shares are fully paid.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

As at 30 September 2021 the share capital structure and the ownership of registered shares was as follows:

	<u>Number of shares</u>	<u>% of ownership</u>
Amboselt Universal Inc.	8,012,344	20.0309%
Dealbeta Investment	3,172,754	7.9319%
Fiera Capital	3,115,924	7.7898%
East Capital	2,127,027	5.3176%
Conseq	2,127,822	5.3196%
Paval Holding	2,000,000	5.0000%
Others	19,444,129	48.6102%
Total	<u>40,000,000</u>	<u>100%</u>

As at 31 December 2020 the share capital structure and the ownership of registered shares was as follows:

	<u>Number of shares</u>	<u>% of ownership</u>
Amboselt Universal Inc.	4,006,172	20.0309%
Dealbeta Investments	1,586,377	7.9319%
Fiera Capital	1,531,467	7.6573%
East Capital	1,520,848	7.6042%
Conseq	1,293,961	6.4698%
Paval Holding	1,000,000	5.0000%
Others	9,061,175	45.3059%
Total	<u>20,000,000</u>	<u>100%</u>

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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 28 April 2021, the AGM voted a new buy-back program for a maximum 369,156 shares, to meet the Company's obligations arising from Management Incentive Program.

The redemption started on 10 August 2021 targeting to purchase 329,156 shares. During the reporting period the Company purchased 219,233 shares.

As of 30 September 2021, the Company transferred free of charge to its management and employees 174,982 shares.

Note 13. Trade and other payables

As at 30 September 2021 and 31 December 2020 trade and other payables were as follows:

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<i>Financial payables</i>		
Trade accounts payable	53,668,868	32,994,820
Trade payables due to related parties	2,686,157	1,724,323
Total financial payables	56,355,025	34,719,143
<i>Non-financial payables</i>		
Other tax liabilities	1,837,623	1,847,172
Advances received	213,756	142,336
Dividend payables	1,558,553	1,748,367
Total non-financial payables	3,609,932	3,737,875
Total trade and other payables	59,964,957	38,457,018

Note 14. Borrowings and finance lease

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

As at 30 September 2021 and 31 December 2020 borrowings and finance lease were as follows:

	<u>30 September 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<i>Non-current liabilities</i>		
Secured bank loans	58,381,185	42,479,687
<i>Current liabilities</i>		
Current portion of secured bank loans	21,181,177	54,102,685
Total borrowings and finance lease	79,562,362	96,582,372

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The split of borrowings and finance lease by currency at 30 September 2021 and 31 December 2020 was as follows:

	30 September 2021 (unaudited)	31 December 2020 (audited)
MDL	8,585,374	15,792,994
EUR	62,328,465	70,313,950
USD	8,648,523	10,475,428
Total borrowings and finance lease	79,562,362	96,582,372

The split of borrowings and finance lease by lender at 30 September 2021 and 31 December 2020 was as follows:

	30 September 2021 (unaudited)	31 December 2020 (audited)
BC Moldova Agroindbank SA	48,811,189	65,830,168
Ministry of Finance of Republic of Moldova	426,257	834,372
OTP Bank SA	8,648,523	10,475,428
UNICREDIT BANK SA	-	12,154,771
BC Victoriabank SA	14,920,593	-
Finance Lease Liabilities	6,755,800	7,287,633
Total borrowings and finance lease	79,562,362	96,582,372

Note 15. Revenue

Revenues for the Q3 and 9 months 2021 and Q3 and 9 months 2020 are as follows:

	3-month ended 30 September 2021 (unaudited)	3-month ended 30 September 2020 (unaudited)	9-month 2021 (unaudited)	9-month 2020 (unaudited)
Wine	49,049,049	45,731,194	142,829,867	121,105,370
Brandy	8,443,007	5,791,874	19,004,767	13,841,247
Other	1,421,870	1,906,959	3,610,141	3,375,794
Waste recycling management services	994,908	-	994,908	-
Total revenue	59,908,834	53,430,027	166,439,683	138,222,411

The management monitors the performance of the Group as a single segment, however it analyses the gross margin per categories of products, as presented above.

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Sales of finished goods by brand and geographic region for the 9 months ending 30 September 2021 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	1,640,468	58,076,948	24,713,203	1,526,478	85,957,097
Republic of Moldova	4,077,500	13,265,086	-	13,066,720	30,409,306
Poland	12,982,611	337,068	37,882	39,713	13,397,274
Belarus	-	-	-	2,875,575	2,875,575
Czech Rep. and Slovakia	5,802,024	112,674	211,204	-	6,125,902
Asia	2,251,142	2,151,292	551,316	483,344	5,437,094
Baltic countries	5,138,310	344,698	88,397	172,794	5,744,199
Ukraine	2,618,130	2,595,178	-	-	5,213,308
Other	1,492,397	3,330,139	1,012,200	840,143	6,674,879
Total	36,002,582	80,213,083	26,614,202	19,004,767	161,834,634

Sales of finished goods by brand and geographic region for the 9 months ending 30 September 2020 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	1,671,850	44,864,574	21,707,508	906,836	69,150,768
Republic of Moldova	2,756,670	7,305,704	-	6,961,115	17,023,489
Poland	16,348,849	298,384	35,592	25,293	16,708,118
Belarus	358,445	97,013	-	4,822,161	5,277,619
Czech Rep. and Slovakia	6,282,120	54,579	-	-	6,336,699
Asia	1,313,880	2,611,109	369,756	332,109	4,626,854
Baltic countries	5,414,688	-	-	175,047	5,589,735
Ukraine	2,498,947	2,360,045	-	-	4,858,992
Other	1,808,271	2,293,152	654,234	618,686	5,374,343
Total	38,453,720	59,884,560	22,767,090	13,841,247	134,946,617

Sales of finished goods by brand and geographic region for the 3rd quarter of 2021 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	354,967	20,448,192	9,194,490	445,830	30,443,479
Republic of Moldova	1,695,138	6,208,551	-	6,640,115	14,543,804
Poland	3,490,435	126,602	5,304	-	3,622,341
Belarus	-	-	-	1,013,346	1,013,346
Czech Rep. and Slovakia	1,452,497	12,035	211,204	-	1,675,736
Asia	464,310	631,443	72,838	-	1,168,591
Baltic countries	1,678,141	1,721	441	6,701	1,687,004
Ukraine	1,016,649	452,111	-	-	1,468,760
Other	243,250	1,016,956	271,774	337,015	1,868,995
Total	10,395,387	28,897,611	9,756,051	8,443,007	57,492,056

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Sales of finished goods by brand and geographic region for the 3rd quarter of 2020 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	487,542	17,266,230	8,048,408	404,667	26,206,847
Republic of Moldova	1,112,666	3,560,960	-	3,355,492	8,029,118
Poland	5,580,674	152,015	17,823	8,552	5,759,064
Belarus	-	-	-	1,638,271	1,638,271
Czech Rep. and Slovakia	1,779,462	49,772	-	-	1,829,234
Asia	735,365	1,893,761	93,481	260,275	2,982,882
Baltic countries	1,683,206	-	-	12,639	1,695,845
Ukraine	690,226	627,216	-	-	1,317,442
Other	601,258	1,155,308	195,821	111,978	2,064,365
Total	12,670,399	24,705,262	8,355,533	5,791,874	51,523,068

Note 16. Cost of sales

Cost of sales for Q3 and 9 months ended at 30 September 2021 and Q3 and 9 months ended at September 2020 are as follows:

	3-month ended 30 September 2021	3-month ended 30 September 2020	9-month 2021 (unaudited)	9-month 2020 (unaudited)
Sales of finished goods				
Wine	23,580,593	21,736,734	71,093,600	60,590,151
Divin	3,390,587	2,588,924	6,856,832	6,366,844
Brandy	2,839	13,134	293,729	131,208
Total sales of finished goods	26,974,019	24,338,792	78,244,161	67,088,203
Sales of other goods				
Merchandise	319,144	1,022,591	1,355,189	1,514,423
Other	30,493	89,103	91,531	110,556
Wine materials	60,351	69,666	110,619	516,534
Agricultural products	334,777	214	334,777	11,400
Total sales of other goods	744,765	1,181,574	1,892,116	2,152,913
Services				
Hotel and restaurant services	485,971	511,575	1,258,789	702,984
Agricultural services	17,586	13,341	47,098	122,241
Waste recycling management services	60,344	-	60,344	-
Total services	563,901	524,916	1,366,231	825,225
Total cost of sales	28,282,685	26,045,282	81,502,508	70,066,341

Note 17. Marketing and sales expenses

Marketing and Selling distribution expenses for Q3 and 9 months ended at 30 September 2021 and Q3 and 9 months ended at 30 September 2020 are as follows:

	3-month ended 30 September 2021	3-month ended 30 September 2020	9-month 2021 (unaudited)	9-month 2020 (unaudited)
Transport	1,091,842	1,023,961	2,975,091	2,823,376
Employee benefits	2,144,314	1,947,634	7,300,311	4,778,567
Marketing and selling	3,049,034	2,209,043	8,342,275	6,090,374
Certification of production	124,304	106,781	316,089	336,180
Other expenses	194,751	19,036	421,627	154,155
Total marketing and sales expenses	6,604,245	5,306,455	19,355,393	14,182,652

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Note 18. General and administrative expenses

General and administrative for Q3 and 9 months ended at 30 September 2021 also Q3 and 9 months ended at 30 September 2020 are as follows:

	<u>3-month ended 30 September 2021</u>	<u>3-month ended 30 September 2020</u>	<u>9-month 2021 (unaudited)</u>	<u>9-month 2020 (unaudited)</u>
Employee benefits	1,778,209	2,821,640	10,605,247	8,857,132
Depreciation	653,473	480,225	1,840,391	1,934,907
Professional fees	585,446	308,944	1,782,001	906,549
Taxes and fees	27,219	334,165	1,043,869	1,032,462
Travel	76,987	5,861	106,697	69,384
Security	3,179	1,830	9,392	6,776
Rent	42,986	38,952	82,991	78,368
Bank charges	122,503	113,844	266,834	312,680
Repairs and maintenance	91,912	73,640	267,478	219,779
Communication	59,301	93,684	167,205	254,774
Fuel	56,087	41,872	147,706	111,111
Penalties	431	1,445	79,633	2,870
Insurance	52,453	45,854	128,638	147,207
Materials	54,747	5,206	121,007	82,360
Other	834,878	388,269	1,064,278	597,747
Total general and administrative expenses	<u>4,439,811</u>	<u>4,755,431</u>	<u>17,713,367</u>	<u>14,614,106</u>

Note 19. Other operating income

Other operating income for Q3 and 9 months ended at 30 September 2021 and Q3 and 9 months ended at 30 September 2020 are as follows:

	<u>3-month ended 30 September 2021</u>	<u>3-month ended 30 September 2020</u>	<u>9-month 2021 (unaudited)</u>	<u>9-month 2020 (unaudited)</u>
Release of deferred income	229,033	83,202	791,251	477
Gains on write-off of trade and other payables	3,818	(4)	447,219	4,382
Net gain/(loss) from sale of other materials	32,615	(17,504)	28,472	169,477
Other	(50,852)	224,515	19,165	281,851
Total other operating income	<u>214,614</u>	<u>290,209</u>	<u>1,286,107</u>	<u>456,187</u>

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Note 20. Other operating expenses

Other operating expenses for Q3 and 9 months ended at 30 September 2021 and Q3 and 9 months ended at 30 September 2020 are as follows:

	<u>3-month ended 30 September 2021</u>	<u>3-month ended 30 September 2020</u>	<u>9-month 2021 (unaudited)</u>	<u>9-month 2020 (unaudited)</u>
Impairment of property, plant and equipment, net	(20,200)	(20,197)	(59,941)	(60,401)
Change in provisions, net	-	(1,572)	-	88,573
Unallocated overheads	81,849	88,402	259,395	281,496
Adjustment to fair value of harvest of grapes from own grape vines	(220,582)	2,831,722	(259,555)	2,767,827
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	566,204	238,676	640,762	286,471
Net (gain)/ loss from disposal of property, plant and equipment and intangible assets	(231,408)	78,069	(474,014)	26,256
Other	-	25,904	-	56,129
Total other operating expenses	<u>175,863</u>	<u>3,241,004</u>	<u>106,647</u>	<u>3,446,351</u>

Note 21. Net finance cost

The net finance costs for Q3 and 9 months ended at 30 September 2021 also Q3 and 9 months ended at 30 September 2020 are as follows:

	<u>3-month ended 30 September 2021</u>	<u>3-month ended 30 September 2020</u>	<u>9-month 2021 (unaudited)</u>	<u>9-month 2020 (unaudited)</u>
Net gain from disposal of equity instruments	4,829,643	-	5,527,621	-
Interest income	2,588	-	4,113	-
Other income	236	-	812	-
Finance income	<u>4,832,467</u>	<u>-</u>	<u>5,532,546</u>	<u>-</u>
Interest expenses	(792,120)	(1,287,049)	(2,961,355)	(4,085,217)
Net foreign exchange loss	(783,287)	(125,807)	(2,841,395)	(1,343,960)
Finance costs	<u>(1,575,407)</u>	<u>(1,412,856)</u>	<u>(5,802,750)</u>	<u>(5,429,177)</u>
Net finance income/(costs)	<u>3,257,060</u>	<u>(1,412,856)</u>	<u>(270,204)</u>	<u>(5,429,177)</u>

Net gain from disposal of equity instruments mainly represents the additional cash consideration of EUR 978,232 received on 30.07.2021 by Vinaria Purcari SRL, a wholly owned subsidiary, and relates to the exit from Glass Container Company ("GCC") to Vetropack Group that occurred on 09.12.2020.

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Note 22. Related parties

The Group's related parties for the nine-months period ended 30 September 2021 were the following:

Name of the entity	Relationship with the Company
Key management personnel	Members of board of directors of the Company, CEOs, CFO and Sales Director of the Group companies
Victor Bostan	CEO and majority shareholder of Amboselt Universal Inc.
Agro Sud Invest SRL	Entity controlled by a key member of management through a significant shareholding
BSC Agro SRL	Entity controlled by a key member of management through a significant shareholding
Victoriavin SRL	Entity controlled by Victor Bostan through a significant shareholding
Moldova Agroindbank SA	Financing bank with Vasile Tofan as Member in Board of Directors
Ecosmart Union SA	A subsidiary from 15 September 2021

Transactions with key management personnel and other related parties:

	Transaction value for nine-month/twelve-month period ended – income/(expenses)		Outstanding balance – receivable/(payable) as at	
	30 September 2021 (unaudited)	31 December 2020 (audited)	30 September 2021 (unaudited)	31 December 2020 (audited)
Victor Bostan				
- Salaries and bonuses for performance	(785,999)	(591,122)	(924,429)	(446,923)
Moldova Agroindbank SA				
- Sales of merchandise	6,343	-	-	-
- Interest expense	(1,745,688)	(3,532,395)	-	-
- Secured bank loans	(18,590,467)	-	(48,560,220)	(65,830,168)
- Bank charges	(205,555)	(198,988)	-	-
- Cash and cash equivalents	-	-	12,924,626	35,849,318
Victoriavin SRL				
- (De)/Recognition of right-of-use assets	-	(407,495)	-	-
- Lease liabilities	-	-	(4,106,711)	(3,522,152)
- Interest expense	(298,107)	(407,749)	-	-
- Trade payables	(3,556)	-	(38,991)	(6,002)
- Operating leases	(33,394)	(47,059)	-	-
- Acquisition of inventories	-	(4,706)	-	-
Agro Sud Invest SRL				
- Agricultural services	(3,102,859)	(3,793,623)	-	-
- Trade payables	-	-	(1,265,282)	(462,055)
BSC Agro SRL				
- Agricultural services	(4,029,360)	(5,310,851)	-	-
- Trade payables	-	-	(1,847,404)	(735,446)
Ecosmart Union SA				
- Trade payables	-	-	(335,990)	(520,820)
- Other expenses	(1,896,678)	(2,303,522)	-	-
Key management personnel				
- Salaries and bonuses for performance	(2,460,576)	(4,383,690)	(393,084)	(1,575,844)
- Equity-settled share-based payment	(3,962,208)	(2,250,359)	(3,512,161)	(2,083,400)

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Note 23. 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.

The EBITDA for Q3 and 9 months ended at 30 September 2021 and Q3 and 9 months ended at 30 September 2020 are as follows:

	3-month ended 30 September 2021	3-month ended 30 September 2020	30 September 2021 (unaudited)	30 September 2020 (unaudited)
EBITDA	23,055,028	15,891,875	58,159,950	44,190,808
Less: depreciation	(4,138,509)	(2,872,198)	(10,619,115)	(8,614,355)
Less: amortization	(58,024)	(46,177)	(120,038)	(129,890)
Result from operating activities	18,858,495	12,973,500	47,420,797	35,446,563
Less: net finance costs	3,257,060	(1,412,856)	(270,204)	(5,429,177)
Earnings Before Taxes	22,115,555	11,560,644	47,150,593	30,017,386
Less: income tax	(2,702,475)	(1,539,129)	(7,363,611)	(4,421,851)
Profit for the period	19,413,080	10,021,515	39,786,982	25,595,535

Note 24. Financial indicators

Below are presented important ratios used to assess the financial position of the Company.

Liquidity ratio – represents 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 reached 1.98, which is a significant improvement compared to 1.78 recorded at 2020 year-end.

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.

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Receivables Turnover – represents an accounting measure used to quantify a company's effectiveness in collecting its receivables or money owed by clients. Considering the seasonality of our business we can see that at the end of the year Receivables turnover indicator slightly increases but recovers in the middle of the year. This indicates that a company's collection of accounts receivable is efficient and that the company has a high proportion of quality customers that pay their debts quickly.

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 decreased from 1.1 to 1.1 comparing to year end because in the first half of 2020 the Company continued to make capital expenditures, which will support future increase of sales.

Item	30 September 2021		31 December 2020	
Liquidity ratio				
Current Assets	184,313,650	1.98	189,331,073	1.78
Current liabilities	93,191,265		106,223,073	
Gearing ratios				
Debt	79,562,362	32%	96,582,372	43%
Equity	248,231,071		222,630,377	
Debt	79,562,362	24%	96,582,372	30%
Total Capital Employed	327,793,433		319,212,749	
Receivables Turnover, days				
Receivables	51,343,654	83	51,714,357	91
Net Sales Annualized / 360	617,321		565,756	
Non-current Assets turnover				
Net Sales Annualized	222,235,603	1.0	203,672,077	1.1
Non-current Assets	229,433,605		192,406,366	

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 14 October 2021, the Group increased its investment in Ecosmart Union SA to 65.75% of shares and voting interests.

On 27 October 2021, the Company ended the buy-back program for redemption of 329,156 own shares.