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Other Announcements

PURCARI WINERIES PUBLIC COMPANY LTD

WINE

Communique: A call for solidarity: together against the virus
Communique: A call for solidarity: together against the virus

Attachment:

1. **Announcement**

Non Regulated

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S I N C E

A call for solidarity: together against the virus

Bucharest, Chisinau, 24 March 2020

Dear friends,

These are challenging times of unprecedented uncertainty, with a crisis ahead of us that will hit those vulnerable the hardest. We at Purcari, acknowledge that despite our financial and operational strengths, our long-term success depends heavily on the well-being of the societies we operate in. And that we, all, will be able to overcome this pandemic with joint forces, each contributing to the fight and each sharing in on the pain. With those beliefs, we have decided to commit to the following:

- **Community.** Purcari will contribute MDL 1,000,000 (RON 250,000), supplemented by an extra MDL 1,000,000 (RON 250,000) donated personally by the Group founder, Mr. Victor Bostan, totalling MDL 2,000,000 (RON 500,000), towards a fund dedicated to combating COVID-19 in Moldova and Romania. We will be keeping the community informed on the projects we finance, from acquiring lung ventilators, to supporting front-line medical staff, to helping the elderly struggling in isolation.
- **Employees.** As a society, we are facing unparalleled uncertainties, on which history offers little help or guidance. If the situation is to evolve as it did in Italy, we can expect painful sacrifices across all businesses. At this moment though, we are pledging to minimize any actions that would affect our regular employees, particularly those working in our vineyards and at our wineries, since we fully recognize our responsibility towards the 1,000+ employees and their family members.
- **Suppliers.** We will maintain our procurement plans towards our suppliers to the best of our abilities. We acknowledge that the well-being of our suppliers, many of them small businesses and farmers, and thousands of their employees, depends on our continued purchase of goods and services.
- **Leadership.** In the spirit of solidarity and abiding by our prudent and responsible approach towards managing our finances, the Purcari management team will be proactively accepting salary reductions. These reductions will be supplementing those donations and contributions towards fighting COVID-19, and are also meant to protect the jobs of our fellow colleagues in lower salary bands. The following salary reductions will apply:
 - Board of Directors
 - Chairman of the Board 100% salary cut for 12 months
 - Members of the Board 50% salary cut for 3 months
 - Management
 - CEO 50% salary cut for 6 months
 - Top Management 25% salary cut for 3 months

Other employees will not be subject to any salary reductions as part of this initiative. Nonetheless, we encourage everyone to donate, within their means, to organizations in Moldova and Romania fighting against COVID-19. Purcari will match any such donation with an equal contribution.

We take this opportunity to reach out to other businesses in the region with a plea to, within means, contribute towards the fight against the virus. We, all, cannot build a successful business for the future without ensuring the health and prosperity of the societies and communities we serve. Now, more than ever, it is important to show our solidarity and to establish joint fronts against this pandemic.

To our shareholders, we would like to send a message of reassurance, confirming that we are in a strong position to cope with this crisis. We do however fully acknowledge the times of global uncertainty ahead of us, and in such, are preparing for the different scenarios this pandemic may unfold. As events progress, we will be actively communicating on the impact of this crisis and the undertaken measures.

Moldovan winemakers have a rich history of proven crisis-resilience: from the Soviet prohibition, to the ruinous transition of the '90s, to the devastating embargoes of 2006 and 2013. And with each of these challenges behind us, we emerged stronger than before. With the 2013 Russian embargo, Purcari was losing its largest export market – salaries were months overdue, bank debt neared \$20 million, EBITDA dropped to nil. Yet just five years later, we were ringing the bell, taking Purcari public on the Bucharest Stock Exchange, with a market cap exceeding \$100 million. Now, we are entering these uncertain times stronger than before, with full determination and confidence in successfully overcoming this challenge too. Only thing we have to fear is fear itself.

Stay healthy, stay home, do your part.

Victor Bostan

CEO



Vasile Tofan

Chairman of the Board

