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3rd Quarter Financial Report

PURCARI WINERIES PUBLIC COMPANY LTD

WINE

Q3 Unaudited Consolidated Financial Report and associated documents

Q3 Unaudited Consolidated Financial Report and associated documents

Attachments:

1. **Announcement - Press Release**
2. **Q3 Unaudited Consolidated Financial Report**
3. **Presentation**

Non Regulated

Publication Date: 15/11/2019

Purcari growth stays strong, up 22%, maintaining a healthy margin level

Bucharest, November 15th, 2019

Purcari Wineries Plc ("Purcari", "Group"), one of the leading wine producers in CEE, announced today the publication of results for the 9 months of 2019. Revenues were up 22% reaching 138.6 RON million, while adjusted EBITDA and Net Income increased YoY by 17% and 15% respectively, to 46.2 RON million and 29.4 RON million.

"We are pleased with the results for the first nine months and we are looking forward to the decisive fourth quarter of the year, seasonally the most important one. We are pleased with the harvest, in what was a challenging year globally, putting us in a good position from a demand and pricing perspective as we prepare for our ambitious 2020 plans", commented Victor Bostan, CEO of Purcari Wineries.

"We continue delivering on our premium strategy, with a very exciting launch of Malbec de Purcari, but also Dominum Cervi, our popular premium offering in the Crama Ceptura range, which is also supported by an ample TV campaign. In terms of our position in the capital markets, we are happy about the boost in our free-float and liquidity, as well as the broadening of our investor base after the ABB of Horizon Capital, which further increased the appeal of our stock" added Eugen Comendant, COO of Purcari Wineries.

Key highlights

- Strong growth, sales increasing +22% YoY in 9M19, to RON 138.6m (vs. +20% YoY in 9M18);
- Romania contributing most to the growth, increasing 25% YoY, on accelerating Purcari performance; Good traction in Asia. Strong development of Bardar in Moldova, crystalizing the shift from bulk sales.
- Solid margins, EBITDA margin at 33% and Net Income margin at 21%, strong growth in revenues accompanied with efficient cost control. Selling and marketing expenses stable as share of revenue; growth year on year explained by uneven allocation among quarters in the comparable period last year.
- Good harvest +11% vs 2017 along with significant stocks build-up in 2018 season are well enough to support ambitious sales plan in 2020.
- Good outlook on full 2019, ahead of crucial Q4, seasonally the most important quarter sales and margin contribution wise. Maintaining the guidance for Revenue, EBITDA margin and Net Income margin.

Selected financial information

	9M 2019	9M 2018	Δ '19/'18
Revenue	138,559,236	113,341,860	22%
Gross Profit	69,344,872	56,578,941	23%
% Gross margin	*50.0%*	*49.9%*	*+0.1 pp*
Adj. EBITDA [1]	46,233,867	39,492,348	17%
% Adj. EBITDA margin	*33%*	*35%*	*(2 pp)*
EBITDA	46,233,867	38,573,923	20%
% EBITDA margin	*33%*	*34%*	*(1 pp)*
Net Income	29,411,696	25,640,681	15%
% Net Income margin	*21%*	*23%*	*(2 pp)*

Notes:

(1) EBITDA for 9M18 calculated net of IPO, non-recurrent expenses to enable apples to apples comparison for growth in 9M19

Investors' call

The conference call for discussion and presentation of 9 months 2019 results shall be held on November 18th, at 02:00 PM CEST, 03:00 PM EEST. [1]

Attached are the Financial Results for 9 months 2019 and the Presentation for the conference call.

Financial reports, the replays of our conference calls and related presentations are available in our Investor Relations section on our corporate website at this link.

About Purcari Wineries

Purcari Wineries Plc (Purcari, Crama Ceptura, Bostavan and Bardar brands) is one of the largest wine and brandy groups in the CEE region. The Group manages around 1,400 hectares of vineyards and operates four production platforms in Romania and Moldova. Purcari is the leader in the premium wine segment in Romania, with a 25% segment share, and the largest wine exporter from Moldova, delivering to over 40 countries. Founded in 1827, Purcari is the most awarded winery in CEE at Decanter London 2015-2019 and among the best ranked on Vivino, with an average score of 4.0 out of 5.0, based on over 31,000 reviews. Starting February 2018, the Group is listed on the Bucharest Stock Exchange, under the ticker WINE. Purcari is led by Victor Bostan, a 30+ years wine business veteran and backed by top institutional investors, including Fiera Capital, Conseq, East Capital, SEB, Franklin Templeton, IFC, Aberdeen.

Enquiries

Investor.relations@purcari.wine

Disclaimer

This document may contain certain forward-looking statements which are based on estimations and forecasts. By their nature, these forward-looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict. These forward-looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward-looking statements only reflect Group's views as of the date of this document, and the Group does not undertake to revise or update these forward-looking statements. The forward-looking statements should be used with caution and circumspection and in no event can the Group and its management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in the Group or an invitation or inducement to engage in any other investment activities.

Purcari Wineries Public Company Limited

Unaudited Consolidated Financial Information

30 September 2019

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

Share capital: 200,000 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

I. Unaudited Consolidated Statement of Financial Position as at 30 September 2019

	30 September 2019 (unaudited)	31 December 2018 (audited)
Assets		
Property, plant and equipment	121,067,220	98,259,527
Intangible assets	1,335,381	1,073,576
Investments in associates	497,147	298,959
Other investments including derivatives	12,884,376	12,484,972
Other non-current assets	62,461	48,014
Total non-current assets	**135,846,585**	**112,165,048**
Biological Assets	16,979,815	-
Inventories	106,861,443	113,145,958
Trade and other receivables	43,222,556	58,936,752
Cash and cash equivalents	18,049,816	21,803,241
Income tax assets	2,705,740	660,552
Prepayments	4,844,675	3,628,145
Other current assets	179,198	94,201
Total current assets	**192,843,243**	**198,268,849**
Total assets	**328,689,828**	**310,433,897**
Equity		
Share capital	723,630	728,279
Share premium	80,235,402	82,533,921
Foreign currency translation reserve	13,502,072	9,658,866
Retained earnings	54,523,474	47,358,345
Equity attributable to owners of the Company	**148,984,578**	**140,279,411**
Non-controlling interests	**15,661,540**	**13,842,222**
Total equity	**164,646,118**	**154,121,633**
Liabilities		
Loans and borrowings	76,691,368	69,235,581
Deferred income	4,020,208	2,251,318
Deferred tax liability	6,110,522	6,206,696
Total non-current liabilities	**86,822,098**	**77,693,595**
Loans and borrowings	27,425,317	28,569,171
Deferred income	287,288	340,880
Current tax liabilities	3,163,525	1,860,216
Employee benefits	2,709,435	2,227,775
Trade and other payables	35,773,840	38,915,065
Provisions	5,930,446	5,555,156
Dividends payables	1,931,761	1,150,406
Total current liabilities	**77,221,612**	**78,618,669**
Total liabilities	**164,043,710**	**156,312,264**
Total equity and liabilities	**328,689,828**	**310,433,897**

II. Unaudited Consolidated Statement of Profit or Loss for the period ended 30 September 2019

	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Revenue	138,559,236	113,341,860
Cost of sales	(69,214,364)	(56,762,919)
Gross profit	**69,344,872**	**56,578,941**
Other operating income	123,127	184,461
Marketing and sales expenses	(10,691,540)	(8,530,834)
General and administrative expenses	(18,215,640)	(15,571,577)
Other operating expenses	(398,227)	(89,635)
Impairment loss on trade and loan receivables	(1,090,094)	-
Result from operating activities	**39,072,498**	**32,571,356**
Finance income	(956,520)	72,767
Finance costs	(4,168,961)	(3,248,301)
Net finance costs	**(5,125,481)**	**(3,175,534)**
Share of profit of equity-accounted investees, net of tax	198,187	1,578,428
Profit before tax	**34,145,204**	**30,974,250**
Income tax expense	(4,733,508)	(5,333,569)
Profit for the period	**29,411,696**	**25,640,681**
Profit attributable to:		
Owners of the Company	26,165,133	22,796,723
Non-controlling interests	3,246,563	2,843,958
Profit for the period	**29,411,696**	**25,640,681**

III. Financial analysis

For 9 months of 2019 net sales of Purcari Group were up +22%, reaching 138.6 mil. RON. Romania, Moldova and China contributed most to the growth in absolute figures, increasing 25% YoY, 18% YoY and 72% YoY respectively. The Group maintained double-digit pace in Poland, Ukraine and Belarus, with 19%, 21% and 23% sales increase respectively.

In terms of product mix, the premium segment continued to demonstrate strong performance, with Purcari brand growing 32% YoY, mainly driven by dynamics in Romania and China. The Bardar, premium brandy brand showed good performance, up 25% YoY.

Gross margin maintained straight at 50%, compared to the same period of the previous year, on good product mix dynamics and controlled personnel costs, leading to Gross Profit increasing by +23%.

On SG&A side, Purcari Group continued increase of marketing investments, to build brand equity for future growth. Nevertheless, share of marketing and selling in revenue was maintained below 8%. The Group continues to demonstrate good control across the level of G&A costs, these being maintained around 13% share in revenue, with slight improve compared to 9M2018 and 2018YE figures.

The Group recorded a provision for impairment loss on trade receivables amounting 1.09 mil. RON, before its expected high season in Q4/2019. The management expects significant recovery of impaired trade receivables but decided to adopt a prudential approach in assessing market risks.

The result from operating activities increased by +20%, versus the previous period, positively influenced by gross profit growth and control over SG&A expenses, despite the recorded provision.

The Group's EBITDA reached 46.2 mil RON, increasing 20% YoY. The adjusted to one-off IPO-related expenses of 2018, EBITDA was up 17% compared to the previous period.

The depreciation and amortization expenses increased by 57% YoY, due to significant Capex program, designed to correlate Group's capacities with strong growth over the years and to ensure continues sustainable growth. The main part of capital expenditures is financed by bank loans. Thus, finance cost over the 9 months of 2019 increased by 61% YoY.

At the reporting date, the Group maintained its general liquidity ratio at the same high level of 2.50, compared to 2.52 at 2018 YE. The receivables turnover ratio improved significantly from 126 days at the end of 2018 to 84 days by end of September 2019.

The gearing ratio of the group is maintained flat compared to 2018 YE, at 63% (D/E).

IV. Important events

On February 28, 2019 the Group finalized the acquisition of assets owned by Vismos winery, including 263 hectares of vineyards and a production platform for primary winemaking, capable of processing up to 8,000 tons of grapes (equivalent of circa 5.0 million liters of wine or 6.7 million bottles). The acquisition, was structured as an assets purchase, paid for in two tranches with 0.76 million EUR paid at closing and 1.49 million EUR to pe paid by March 2020. The Group believes the acquisition shall result in significant benefits for the Group, giving access to prime white grapes plantations in the Chetrosu region (Moldova) and red grapes plantations in the Moscovei region (Moldova), known to be among the most suitable for large scale grape growing and processing. Following this acquisition, the total vineyards area under operation grew to 1,392 hectares.

In March 2019 the Group's subsidiaries signed new loan agreements for a total amount of 150 mil. MDL with MAIB, the largest bank in Moldova, to finance its capital expenditures and to sustain sales increase with necessary working capital. Upon drawing on these new loans, the total debt towards MAIB will grow by a net amount of 65 million MDL by the end of 2019, factoring in the existent debt repayment schedule. The loans were attracted in EUR and MDL, in a proportion of 60% to 40% respectively, with the interest rate on the EUR portion at 3.9% and on the MDL portion at 8.5%.

In May 2019 the Group received 0.86 million EUR from the sale of two land plots pledged as collateral by Speed SRL (entity behind the Cramele Husi winery in Romania). As a background, Speed has been one of the fastest growing wineries in Romania but came in financial difficulties with creditors. The Group has acquired the bank debts of Speed for 1.2 million EUR, at a discount to face value, joining the council of creditors. After the sale of two pledged assets, the Group continues to hold pledges over a number of key assets of Speed, including the main production platform. With bankruptcy procedure ongoing and auctioning of Speed's assets imminent, the Group will seek to either purchase select assets of Speed at auction, provided the prices are deemed attractive, or benefit from receiving the proceeds of those asset disposals as creditors.

On 25 April 2019, the AGM of the Company approved dividend distribution for the year 2018 at 0.95 RON per share, representing 5% dividend yield and the total distribution amounting to RON 19 million.
On 31 July 2019 the Company paid the dividends for financial year 2018.

On 13 June 2019, the Company started the share buyback program for 200,000 shares.
On 13 November 2019 the Company finalized the program, buying back 200,000 shares with total redemption value of RON 4,529,629.

V. Financial indicators

	Period			
Item, RON	**30 September 2019**		**31 December 2018**	
Liquidity ratio				
Current Assets	192,843,243	2.50	198,268,849	2.52
Current liabilities	77,221,612		78,618,669	
Gearing ratio				
Debt	104,116,685	0.63	97,804,752	0.63
Equity	164,646,118		154,121,633	
Debt	104,116,685	0.39	97,804,752	0.39
Total Capital Employed	268,762,803		251,926,385	
Receivables Turnover, days				
Receivables	43,222,556	84	58,936,752	126
Annualized Net Sales /360	513,182		466,997	
Non-current Assets turnover				
Annualized Net Sales	184,745,648	1.4	168,118,988	1.5
Non-current Assets	135,846,585		112,165,048	

VI. EBITDA Statement

	Indicator	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Adjusted EBITDA	**EBITDA**	**46,233,866**	**39,492,348**
Non-recurring G&A expenses related to IPO		-	(918,425)
EBITDA	**EBITDA**	**46,233,866**	**38,573,923**
Less: depreciation		(6,780,110)	(4,365,199)
Less: amortization		(183,071)	(58,940)
Result from operating activities	**EBIT**	**39,270,685**	**34,149,784**
Less: net finance costs		(5,125,481)	(3,175,534)
Earnings Before Taxes	**EBT**	**34,145,204**	**30,974,250**
Less: income tax		(4,733,508)	(5,333,569)
Profit for the period		**29,411,696**	**25,640,681**

Purcari Wineries Plc

9M2019 results presentation

November 15, 2019

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PURCARI

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Today's presenters

PURCARI

Victor Bostan
CEO, Founder

- Founded the Group in 2002
- Over 35 years of experience in wine industry
- Built and exited one of the largest wine companies in RU
- Technical University, Oenology
- Speaks FR, RO, RU

Victor Arapan
CFO

- 20 years of experience in banking, audit, corporate finance
- 10+ years experience in wine making companies
- Ex-PWC, Acorex Wineries
- International Management Institute
- Speaks EN, RO, RU

Eugen Comendant
COO

- Over 10 years of management experience
- Ex Virgin Mobile, ACN in senior Business Development, Sales and Marketing roles
- Amsterdam University of Applied Sciences, ESSEC Business School
- Speaks EN, RO, RU, NL, FR

Vasile Tofan
Chairman

- Over 10 years experience in FMCG
- Partner at Horizon Capital, $850m+ AUM
- Ex- Monitor Group, Philips
- MBA Harvard Business School
- Speaks EN, RO, RU, FR, NL

Agenda

1. **Our Group**
2. 9M2019 Operational Results
3. Update on 2019 Outlook
4. Q&A

Our newest launch, Malbec de Purcari, tapping the global Malbec phenomenon, a fruit-bomb and big hit with consumers.

1 Purcari Wineries at a glance

PURCARI

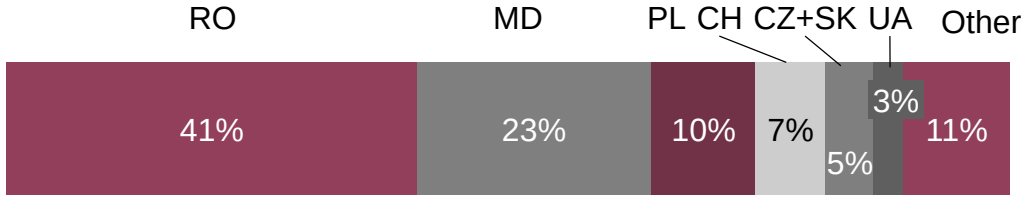
Leading wine player in Romania and the CEE...

Founded in 1827 by French colonists, Purcari group is now...

- #1 awarded CEE winery of the year in 2015-2019 at Decanter London, “wine Olympics”
- #1 premium wine brand in Romania, Moldova
- #1 fastest growing large winery in Romania
- #1 largest exporter of wine from Moldova
- top 1,392+ hectares of prime vineyards, top production assets
- top Reputable shareholders alongside founder, Victor Bostan: Fiera Capital, Conseq, East Capital, SEB, Franklin Templeton, IFC, Aberdeen, etc

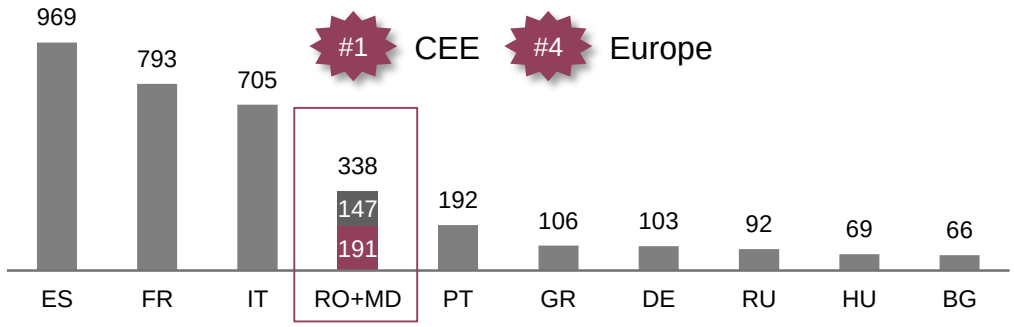
… with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 9M2019, %



Located in a region with one of the richest wine heritages

Top 10 European countries by area under vines, kha



4 brands, covering a broad spectrum of segments

PURCARI CHATEAU

CRAMA CEPTURA

BOSTAVAN

DIVIN BARDAR

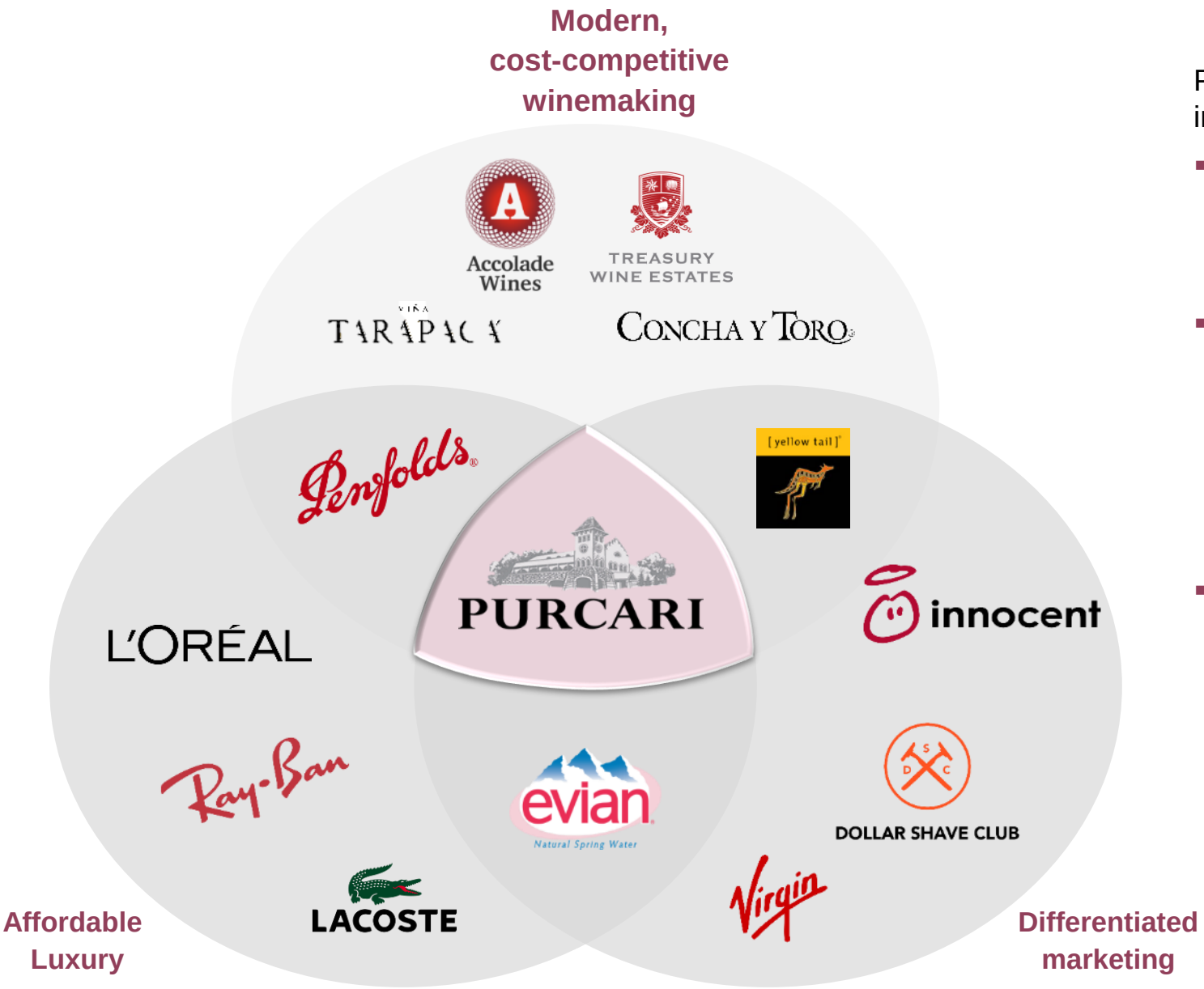
Source: Company Information, FAOSTAT, OIV, Decanter, the Ministry of Finance of Romania, Nielsen

1 Our Group: competitive advantage in an attractive market

PURCARI

Attractive market	Secular shift from beer, spirits to wine, especially in CEE	Competitive advantage	#1 premium wine brand in Romania
Wine growth ’16-’20F in Romania 9.0% vs. 1.9% for beer	Plenty to catch up: wine consumption in Poland = ¼ Germany, per cap.	#1 fastest growing large winery in Romania	#1 most awarded CEE winery at Decanter, “wine Olympics”
Shrinking vine plantations, create shortage, push prices up	Romania+Moldova undisputable #1 vineyards size in CEE, 5x vs #2	#1 EBITDA margin among global publicly traded wine peers	#1 on Instagram, Vivino engaging millennials in Romania

1 Our business model: Affordable Luxury



Purcari is positioned at the intersections of three themes:

- **Modern winemaking:** the company is 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 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

1 Our mission, vision and values

PURCARI

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

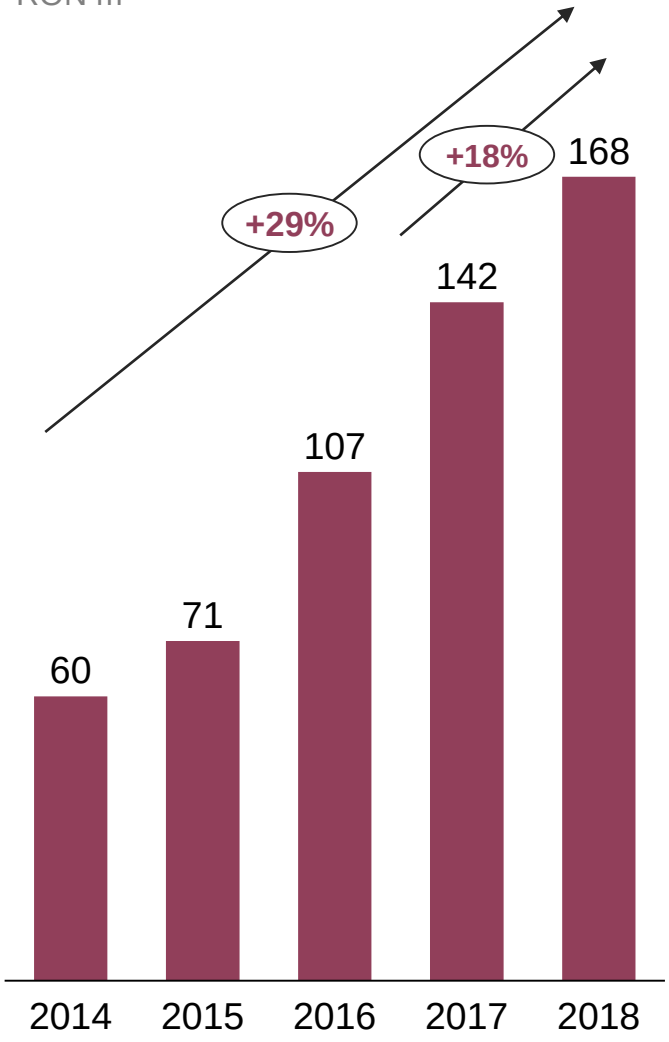
Better
We keep improving – both our wines and our people

1 Strong track record of growth

PURCARI

Revenues

RON m



EBITDA[1]

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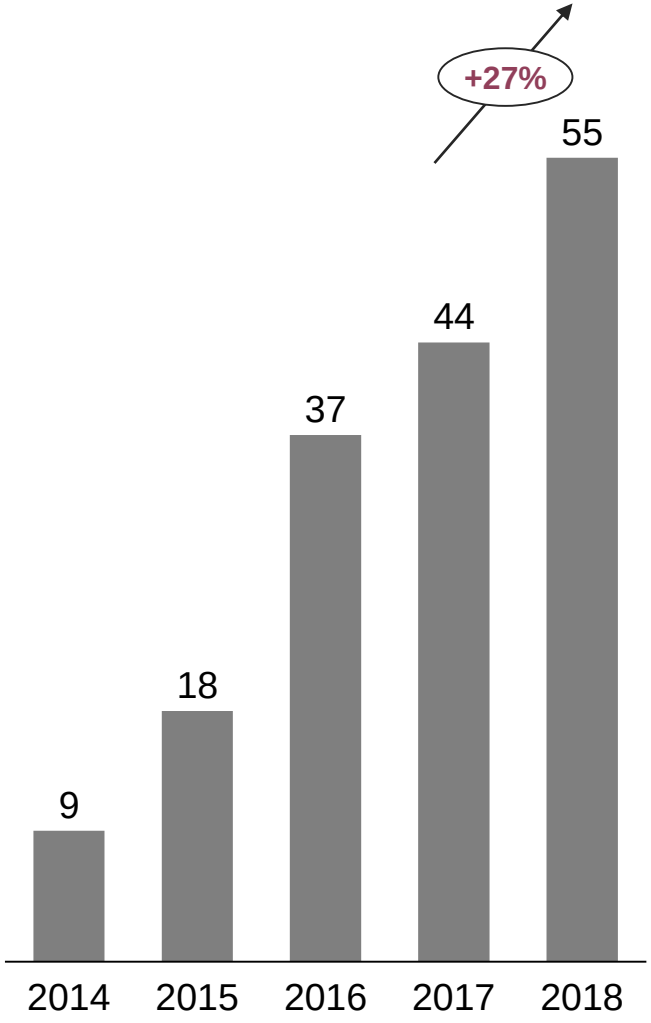

Net Income

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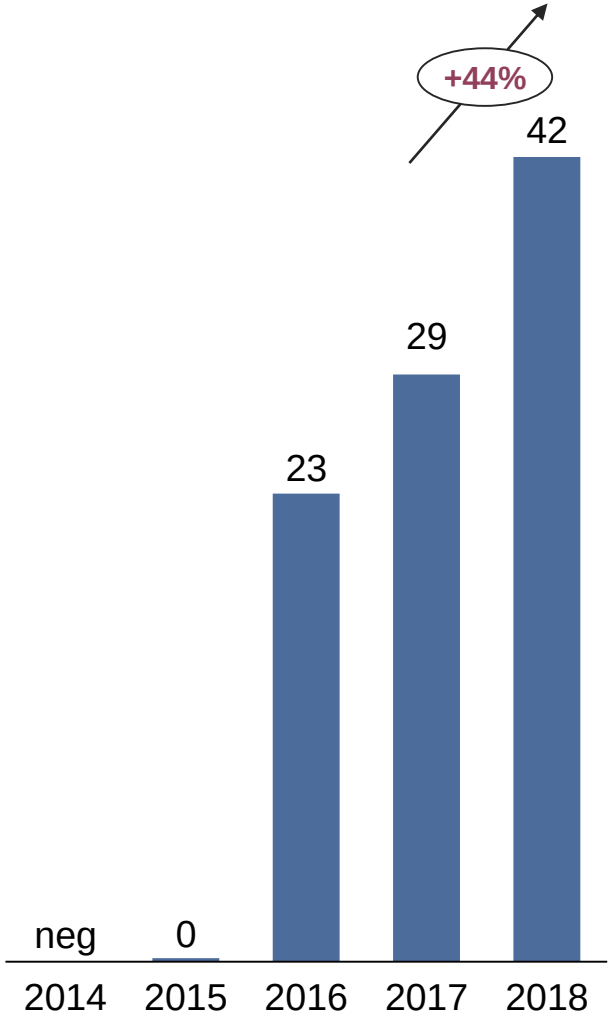
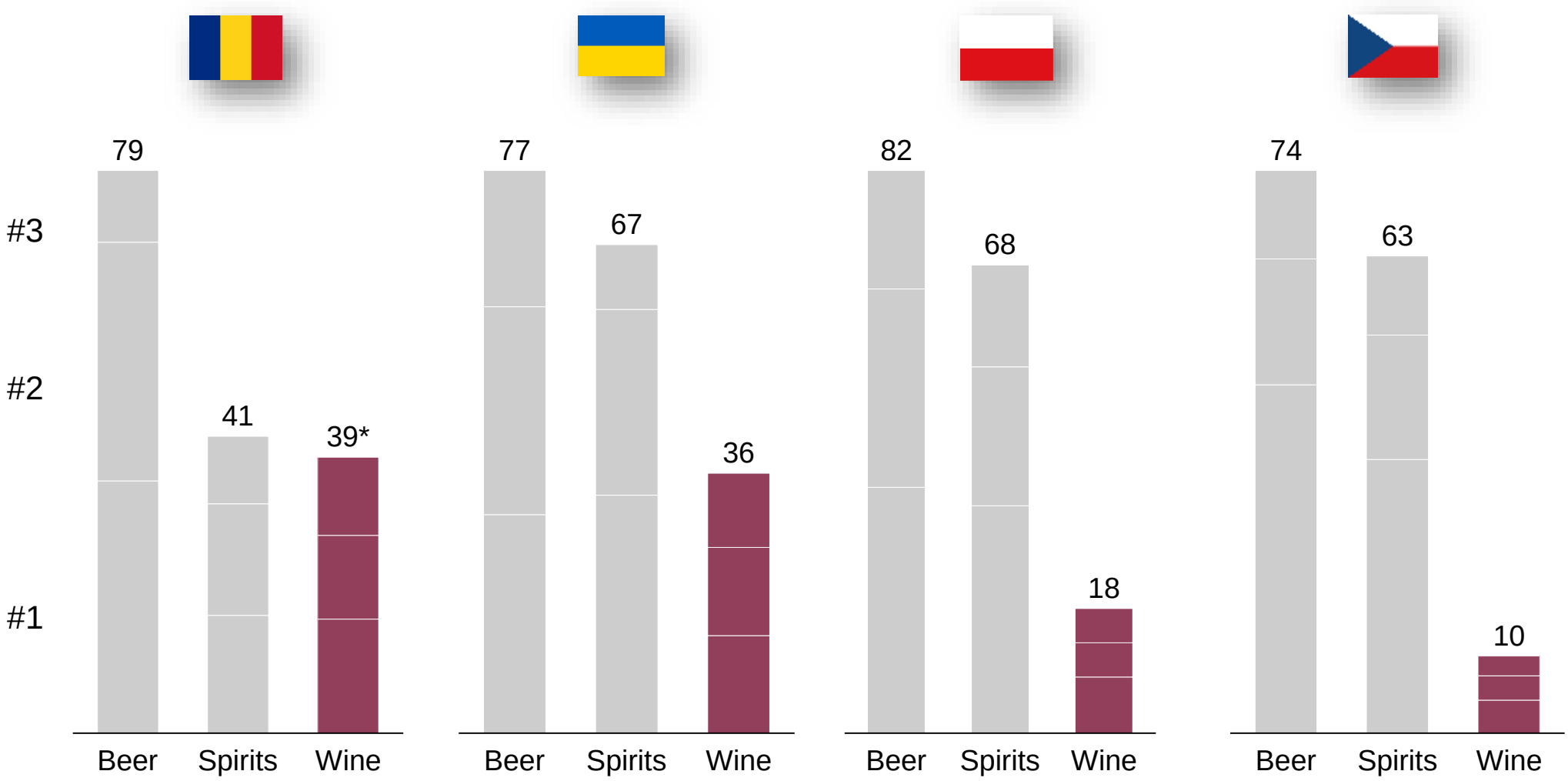


Note: (1) EBITDA normalized for non-recurring, IPO-related expenses incurred in 2017 and 2018

1 Vision: be the consolidator of a fragmented market

PURCARI

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***

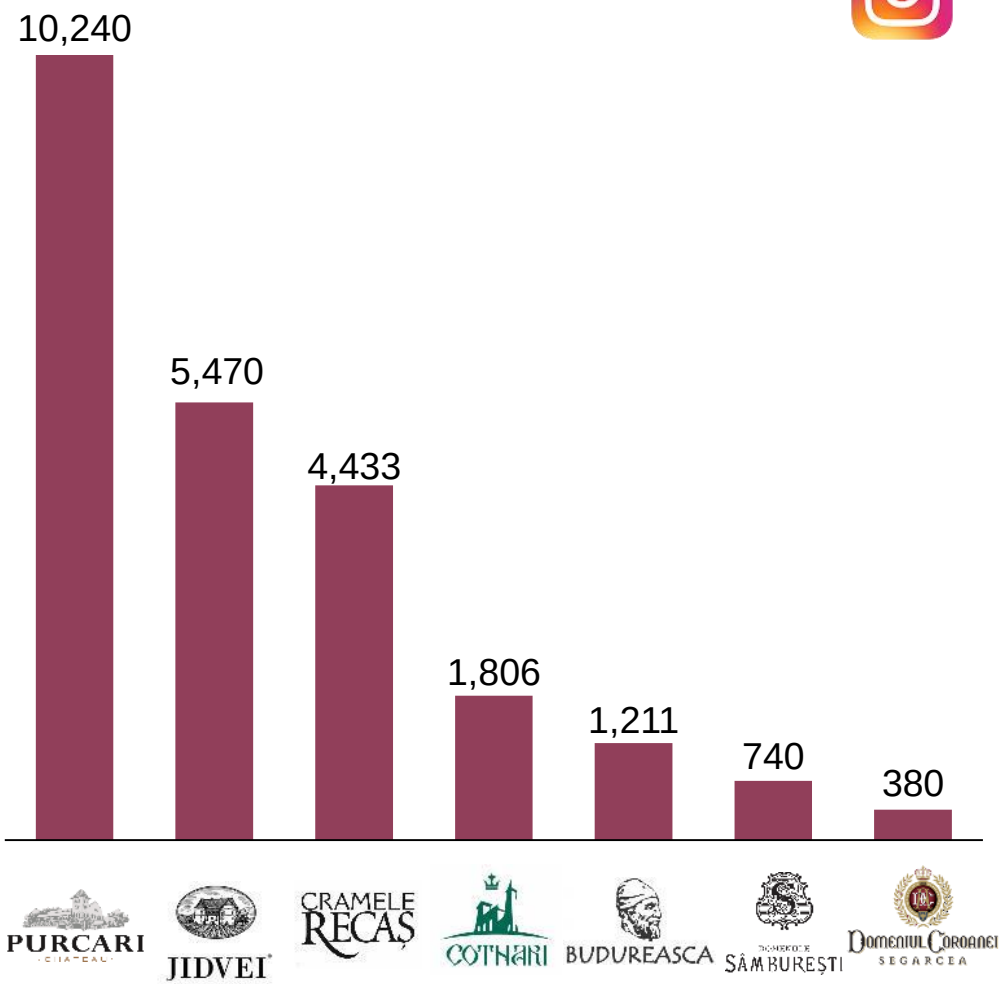
*Source: Euromoniitor 2016, market share for top-3 players in the still wine category; *excludes Murfatlar, in insolvency*

1 Topping competition at engagement, quality

PURCARI

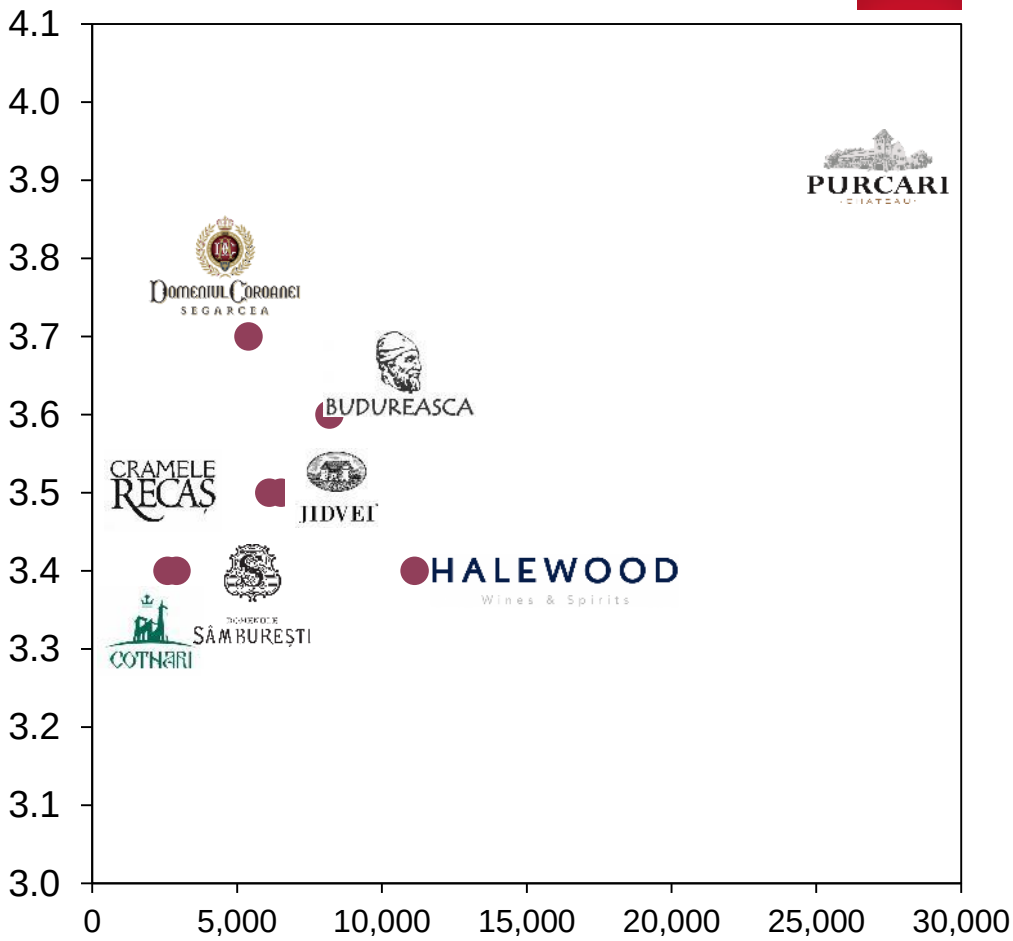
Aspirational brand which consumers like sharing about

Number of #brand uses on Instagram, by key Romanian brands



Highest number of ratings and highest scores on Vivino

X axis – number of Vivino ratings; Y axis – average Vivino score



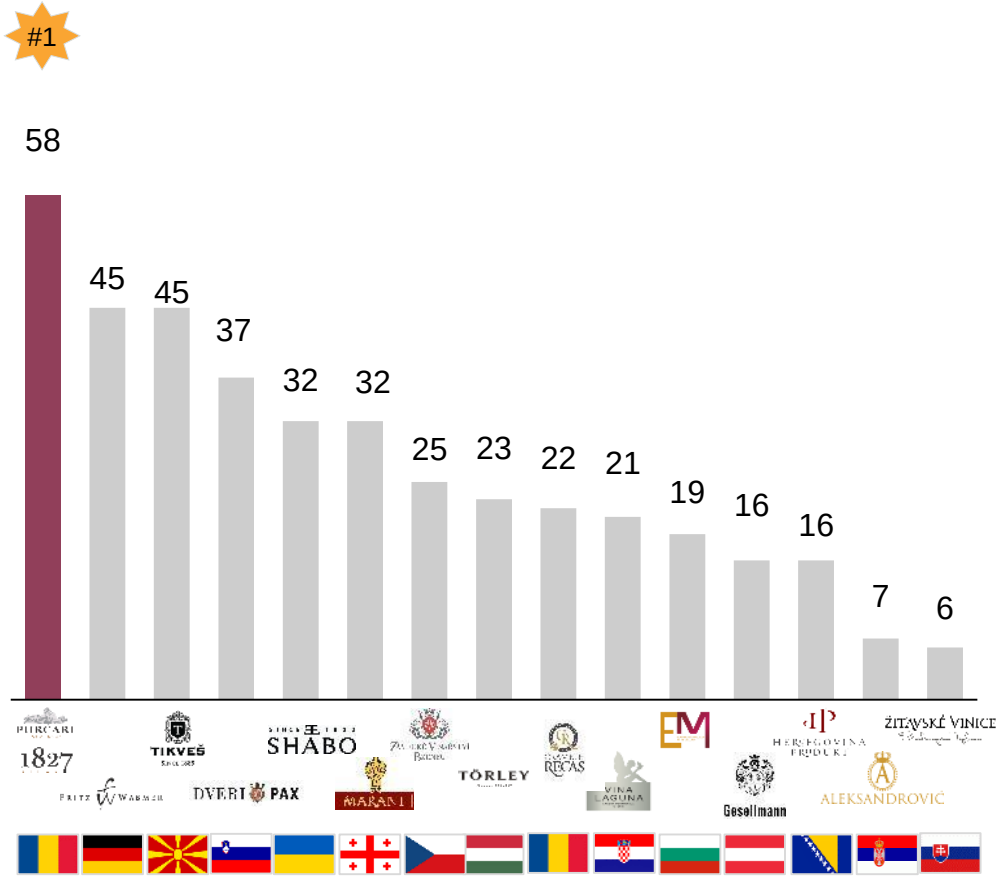
Note: Purcari - #purcari, Cramele Recas - #recas, Jidvei - #jidvei, Cotnari - #cotnari, Budureasca - #budureasca, Samburesti - #samburesti, Segarcea - #segarcea
*Sources: Instagram, Vivino as of **November 6, 2019***

1 Quality highly commended, remain the most awarded winery in CEE

PURCARI

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

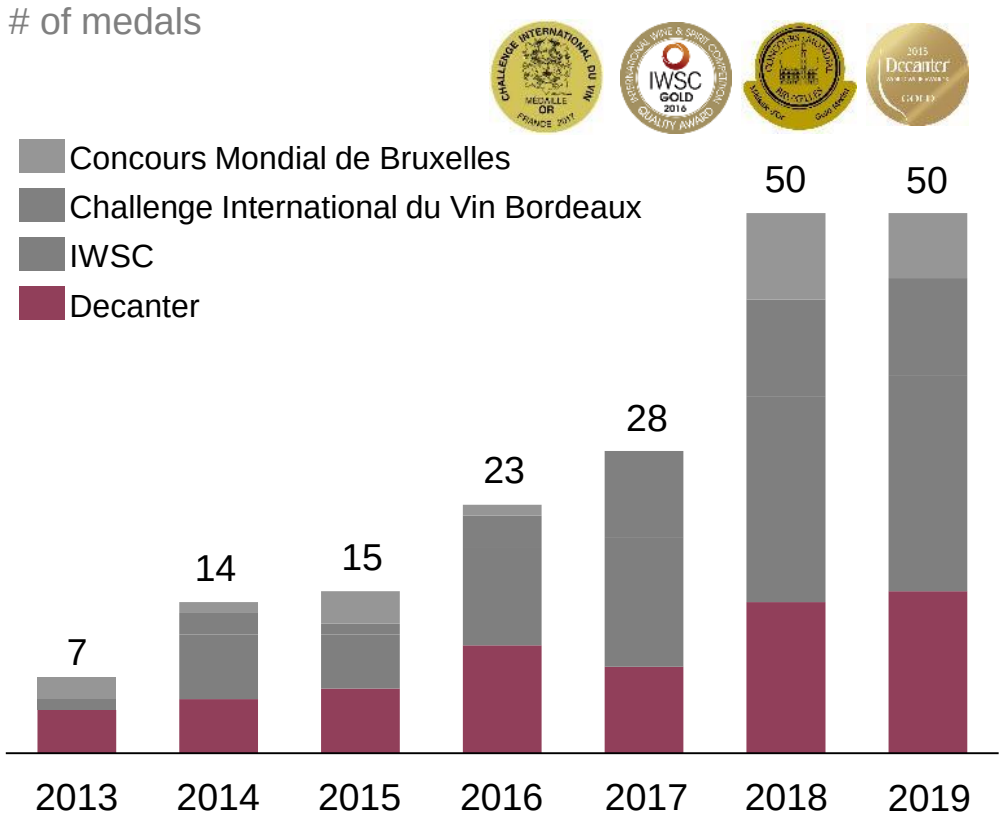
of Decanter medals in 2015 - 19



- 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

of medals



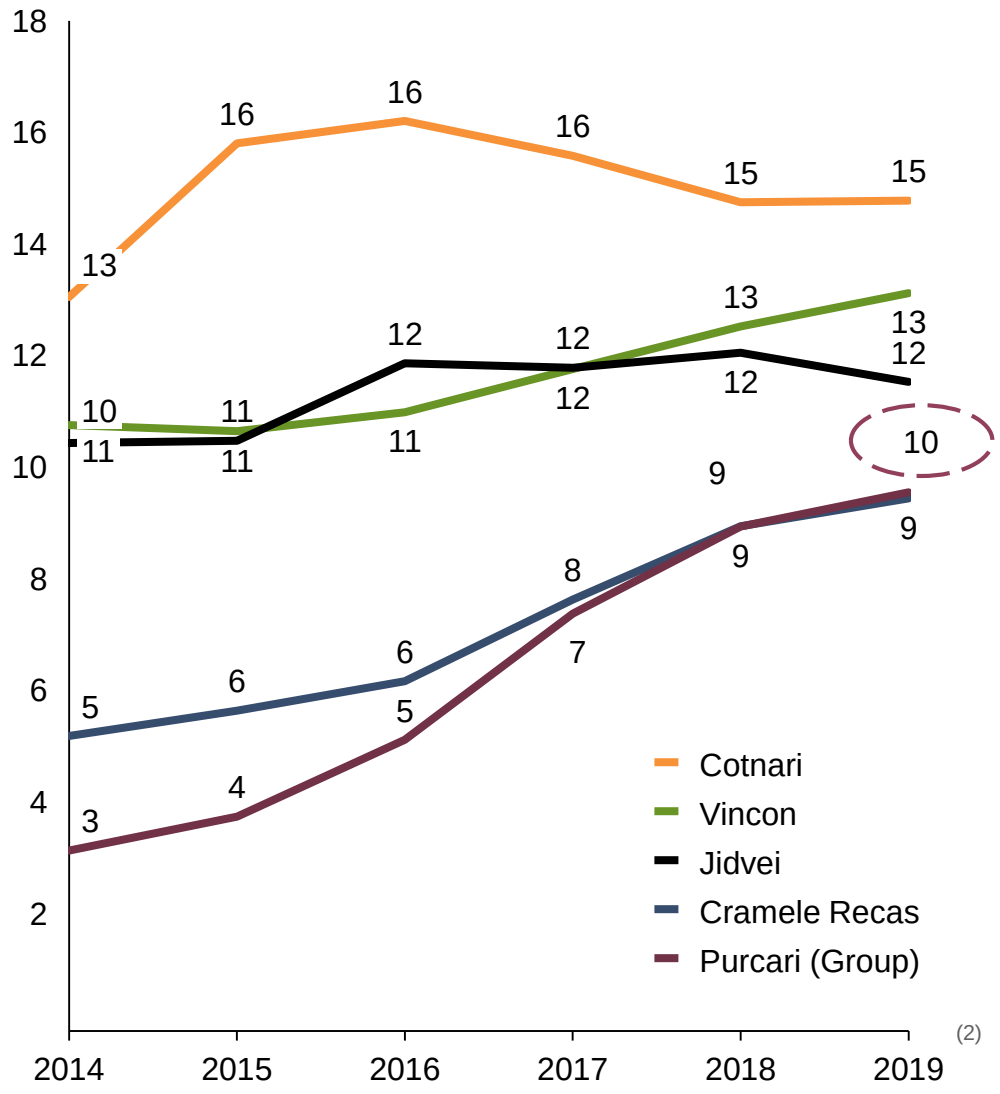
- Unlike beer or spirits, wine production is more prone to quality fluctuations. The Group has demonstrated the ability to keep raising the bar quality wise, as illustrated by the mounting number of medals won at top global competitions

1 Clear #1 in premium in Romania, keep gaining share, ample headroom

PURCARI

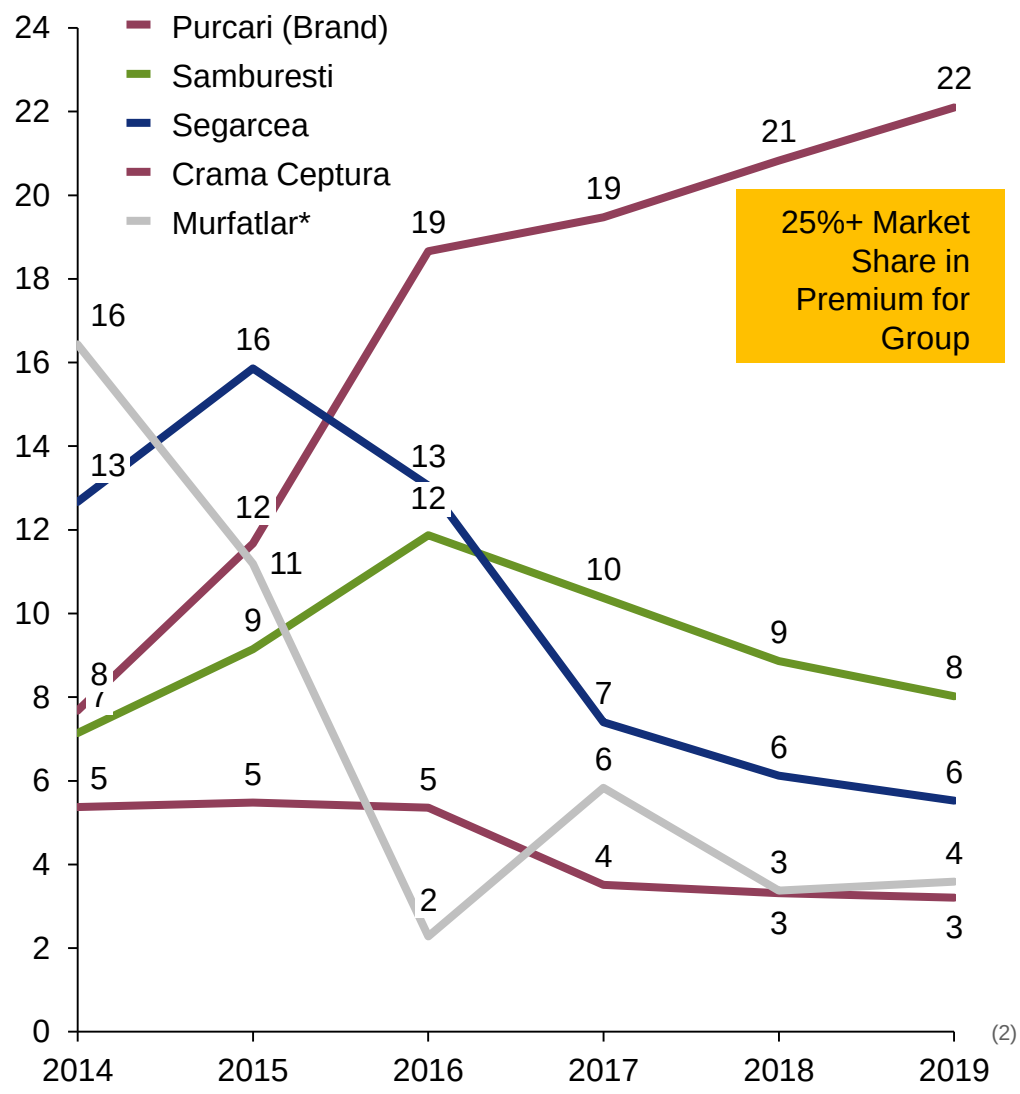
Overall, Purcari has tripled MS in 4 years….

Value share of TOTAL retail market, Romania, %



…while becoming a clear #1 in Premium[1]

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



Notes: (1) YTD June 2019
Sources: Nielsen report; Purcari Group = Purcari, Crama Ceptura and Bostavan brands;

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1. Our Group
2. **9M2019 Operational Results**
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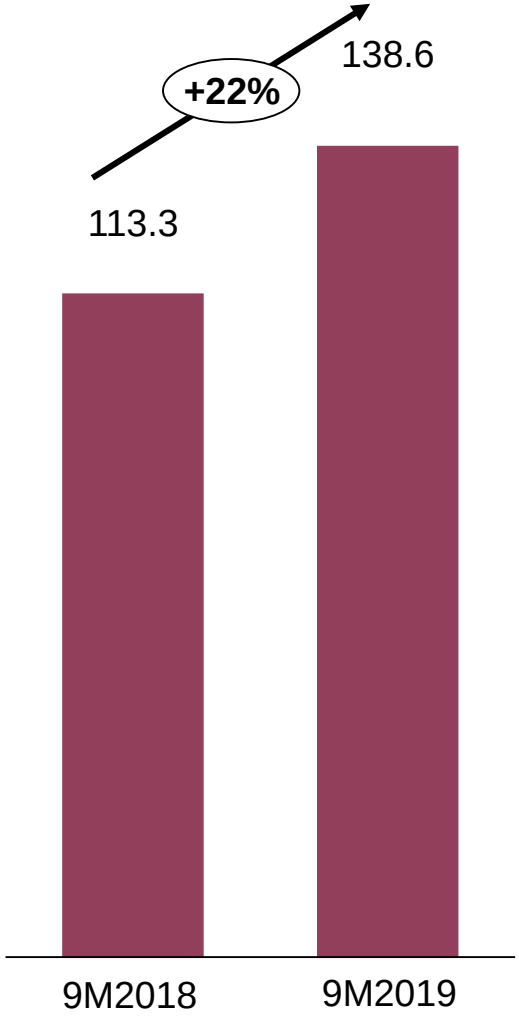
Negru de Purcari 2013, 4.4 score on Vivino, top 1% wine globally

2 Continuing strong growth

PURCARI

Revenues

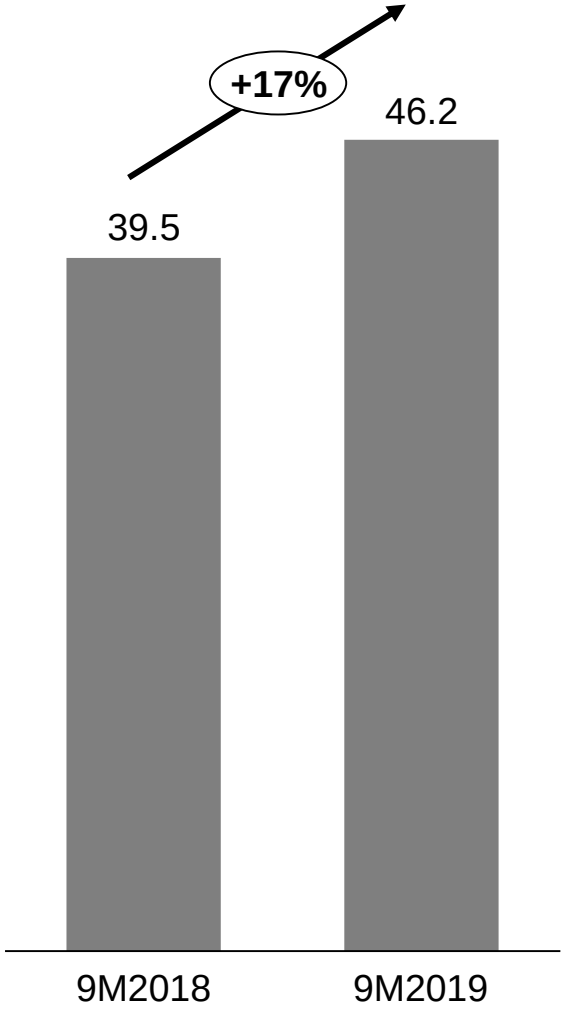
RON m



Adjusted EBITDA[1]

RON m

IFRS EBITDA +20%



35% **33%**

EBITDA margin

Net Income

RON m

23% **21%**

Net Income margin

Note: (1) - excluding non-recurring, 2018 IPO related costs;

2 Key operational highlights for 9M2019

PURCARI

Strong revenue growth	• Strong growth, sales increasing +22% YoY in 9M19, to RON 138.6m (vs. +20% YoY in 9M18). • Romania contributing most to the growth, increasing 25% YoY, on accelerating Purcari performance. • Promising performance in Asia. Strong development of Bardar in Moldova, following through the strategy of shifting from bulk to bottled sales.
Solid margins	• EBITDA margin at 33% and Net Income margin at 21%, on solid revenues growth, good cost control. • Selling and marketing expenses stable as share of revenue; growth year on year explained by uneven allocation among quarters in the comparable period last year. • Includes RON 1.09m trade receivables impairment, per IFRS, which management is confident on recouping.
Decent harvest in a challenging year for growers globally	• 2019 world wine production down 10% YoY, EU's down 15%; conditions for good pricing environment. • Own harvest at Purcari Group down 9% YoY, lower purchases from third parties, along with significant stocks build-up in 2018 season. • Positioned well stock-wise to support ambitious sales plan in 2020.
On track for 2019 outlook	• Good outlook on full 2019, ahead of crucial Q4, seasonally the most important quarter sales and margin contribution wise. • We maintain our guidance for Revenue, EBITDA and Net Income margin.
Higher stock free-float and liquidity post PE divestment	• On October 2, Horizon Capital have divested their 22.7% stake held via Emerging Europe Growth Fund II (a 2008 vintage fund) via ABB. As result of this divestment, the free-float rose to 75%. • Investor base and daily trading in the stock has expanded substantially, on the higher liquidity profile.

Note: (1) –Source International Wine Organization

2 Markets: Romania remains key growth driver, followed by Moldova

PURCARI

Market	Share of sales, 9M19	Growth, 9M19 YoY
RO	41%	+25%
MD	23%	+18%
PL	10%	+19%
ASI	7%	+72%
CZ SK	5%	-18%
UA	3%	+21%
RoW	11%	+9%

Comments

- RO: Strong Purcari performance, up 35% YoY, accompanied by lower double-digit growth of Crama Ceptura. Acceleration for Bardar, newly introduced to the market – 9M2019 sales up twofold FY'18, albeit from a low base.
- MD: Main growth drivers – Purcari and Bardar. Growth accelerating vs. 1H as Coca Cola Hellenic, new distribution partner, picks up pace. Significant benefits in channel penetration and consequently sales performance still to come in mid-to-long-term.
- PL: Growing faster than wine category in PL (+8%[1]). Sales shift for one of main distributor from Q3 to Q4. Maintained success in Bostavan development initiatives, expanding within key accounts, price increases pushed through. Continue to work on brand revamp.
- ASIA: Strong quarter, driven by Purcari closely followed by Bostavan. Crama Ceptura accelerating its growth albeit from a low base. Continue work on implementation the commercial strategy for China.
- CZ&SK: Slowdown impacted by restructuring process of one of key distributors; buffer stock effects on a large order from key partner; much more aggressive price promo from local and EU competitors.
- OTHER: Strong dynamics helped by 9M Bardar sales in Belarus, which may normalize by year-end, resulting in somewhat calmer dynamics and almost double sales of Purcari in RoW.

Note (1) for 8 month according to Nielsen

2 Premium brands Purcari and Bardar lead the growth

Brand	Share of sales, 9M19	Growth, 9M19 YoY	Comments
PURCARI CHATEAU	40%	+32%	• PURCARI: ongoing strong traction in Romania, ample headroom remaining through geographic expansion. Double digit growth in Moldova, larger benefits still to be expected in mid-to-long-term from distributor shift.
BOSTAVAN	29%	+7%	• BOSTAVAN: strong traction in Poland +19% as expanding on to new large retail chains. Successfully optimizing pricing policy, average price per liter up 4% YoY. Two digits growth in Asia and Ukraine, albeit from smaller base. Certain challenges in CZ&SK due to key distributor restructuring, aggressive price competition which overall eroded 7% 9M YoY growth. Expected to mitigate adverse impact in Q4'Y19 and Q1'Y20.
CRAMA CEPTURA	16%	+13%	• CRAMA CEPTURA: Higher growth expected on promising launch of Dominum Cervi, a popular premium offering, already listed in IKA, combined with launch of the new products from Husi Vineyard: Busuioaca de Bohotin, Zghihara de Husi, Tamaioasa Romaneasca.
DIVIN BARDAR	15%	+25%	• BARDAR: Successful commercial strategy in Moldova resulting in very strong quarter, despite challenges with distributor transition. Ongoing switch from bulk to bottle. High growth in Belarus, albeit more temperate after previous quarters procurement shifts for key clients.

2 Margins and sales continuous growth

PURCARI

RON m	9M18	9M19	Δ '19/'18
Revenue	113.3	138.6	22.2%
Cost of Sales	(56.8)	(69.2)	21.9%
Gross Profit	56.6	69.3	22.6%
Gross Profit margin	*49.9%*	*50.0%*	*+0.1 pp*
SG&A	(24.0)	(29.2)	22%
Marketing and selling	(8.5)	(10.7)	25%
General and Administrative	(15.6)	(18.2)	17%
Other income/expenses	0.1	(0.3)	n.a.
EBITDA	38.6	46.2	20%
Adj. EBITDA	39.5	46.2	17%
Adj. EBITDA margin	*35%*	*33%*	*(2 pp)*
Net Profit	25.6	29.4	15%
Net Profit margin	*23%*	*21%*	*(2 pp)*
Net Profit after minorities	22.8	26.2	15%
Net Profit margin, after min.	*20%*	*17%*	*(3 pp)*

Comments

- Revenue up 22.2%, marginally above guidance range of 18-22%, on strong performance of Purcari, Bardar brands.
- Gross margin slightly up with revenues growing faster than cost of goods sold, on improved mix and select price raises.
- GA +17% 9M YoY, but flat at 13% of revenue. Spike of GA costs in Q3 largely impacted by historical accounting practices distorting 2018 allocations (first period reporting post IPO) between quarters, with 9M data as more representative.
- Maintain stable level of marketing investments, slightly below 8% of revenue, despite the accelerating revenue growth. Increase of Marketing and selling triggered by variable components: i.e. trade marketing.
- Adjusted EBITDA margin at 33% level within the guidance range 32-34%. Normalized EBITDA growth of 17% shown, excludes the IPO related expenses in 1H18, with non-adjusted EBITDA up 20% YoY.
- Net profit stood at RON 29.4 million, up 15%, net margin slightly below guidance 21%, impacted by prudential 1.09 mil. RON provision on trade account impairment and larger finance cost. Excluding provision, Net Profit margin at 22% and growth at +19% YoY

2 Excellent feedback from digital natives, dominate premium segment

PURCARI

#1 presence in the RON <30 and RON 30-60 segment;
Hold 8 out of TOP-25 positions in the crucial RON 30-60 segment

#1

#1

- We remain **obsessed about 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 **8 best rated wines in Vivino's in top-25**
- Our **push in upper-mainstream** segment shows good results, with 4 of our wines in top-25 <30 RON
- We remain convinced, it is the **product that will make the difference** mid and long term with consumers, so focus on making exciting wines, that capture people's imagination

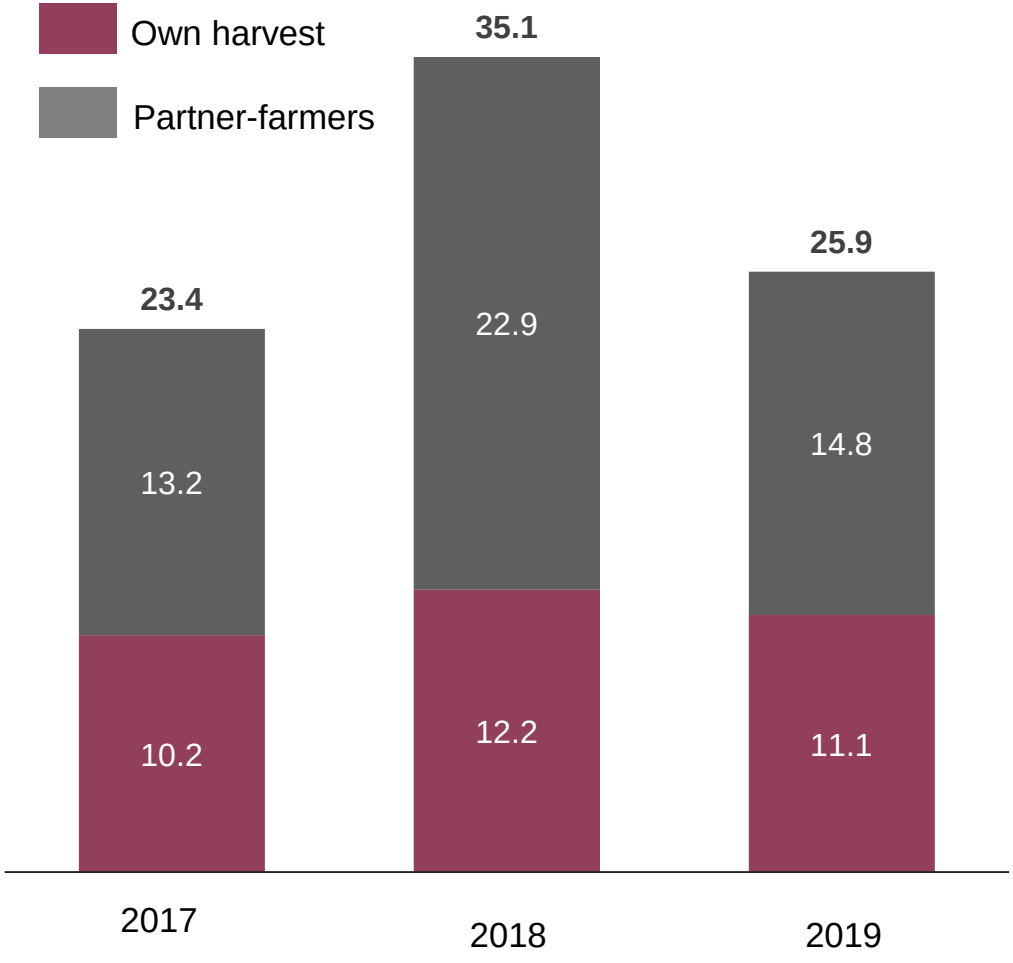
Note: as per Vivino breakdowns as of November, 2019

2 Good 2019 harvest, despite adverse weather conditions worldwide

PURCARI

Good 2019 harvest, against a globally challenging year

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



Comments

- Own harvest 9% lower vs. previous record year, but estimated as better than MD / RO / EU averages. World production down 10%, EU's down 15%[1] .
- Processed grapes +11% vs 2017 along with significant stocks build-up in 2018 season are well enough to support ambitious sales plan in 2020.
- 3rd party purchases significantly lower, as have sufficient stock from 2018 season in which record purchases were made, especially for red wines and brandy distillates, which can be stored for longer.
- Managed to maintain a good cost base, hence anticipating to maintain a good Gross Margin level into 2020.
- Lower EU harvest expected to create a good pricing and demand environment. Harvest in the big-3 producers – France, Italy and Spain – down 13%, 17% and 19% respectively. [1]
- Paul Attwood-Philippe (Vinex, main global wine trading platform): *"The smart buyers will know what wine will be available and will move fast to pick up allocations. But generally we can expect to see 10-15% price rises, particularly across France, Italy and Spain. It will be more stable pricing in Central Europe which might see increases of around 5%. […] From a VINEX point of view we are seeing more buyers working with us from Germany, Scandinavia and the Netherlands. Businesses who are starting to look outside their traditional supply base and into Eastern Europe. But overall people are looking at smarter ways to buy wine"*[2]

Note: (1) – International Wine Organization, European Commission's Directorate-General for Agriculture (DGAgri);
(2) – Vinex, Regional Manager Report – Europe, 16 October 2019

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Freedom Blend, indigenous grapes from Moldova, Georgia, Ukraine; 91 points by Wine Enthusiast

3 Guidance 2019 – on track to deliver

Target	2019 guidance	9M2019 fact	Status	Comments
Organic revenue growth	**+18-22%**	**+22%**	=	• Maintaining growth within the guidance, ahead of crucial Q4 quarter, most important from a seasonality point of view.
EBITDA margin	**32-34%**	**33%**	=	• EBITDA margin on track in 9M 2019, with favorable seasonality effects in Q4, driven both by margin and share of Q4 EBITDA.
Net Income margin	**22-24%**	**21%[1]**	=	• Net Income margin on track in 9M 2019, with favorable seasonality effects in Q4, driven both by margin and share of Q4 Net Income.

Note: (1) – 22% if excluding prudential provision on trade account impairment amounting 1.09 mil. RON

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Cuvée de Purcari, the extension to sparkling launched in 2017. Made according to the traditional, *Champenoise* method, with in-bottle fermentation

PURCARI
CHATEAU
1827
SINCE
2018
MALBEC DE PURCARI
VIN SEC ROȘU
INDICAȚIE GEOGRAFICĂ
PROTEJATĂ ȘTEFAN VODĂ

Thank you.