

# Purcari Wineries Plc

Annual General Meeting

28 April 2021



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# Our AGM team today

**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, finance
- Speaks EN, RO, RU

**Eugeniu Baltag**  
Investor Relations



- Over 10 years in financial management, internal audit
- Ex Transoil, Orange, PWC
- Academy of Economic Studies
- 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, UA, FR, NL

# Our Board

**Victor Bostan**  
Executive Director



- Founded the Group in 2002
- Over 35 years of experience in wine industry
- Built and exited one of the largest wine companies in RU
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**Eugen Comendant**  
Executive Director



- 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

**Monica Cadogan**  
Non-executive Director



- Over 10 years of management experience
- CEO of Vivre Deco, leading CEE e-commerce home products company
- Bucharest University of Economic Studies
- Speaks EN, RO

**Neil McGregor**  
Non-executive Director



- Over 20 years of legal experience
- Managing partner of McGregor & Partners
- President of the British Romanian Chamber of Commerce
- University of Aberdeen
- Speaks EN, RO

**Vasile Tofan**  
Chairman,  
Non-executive Director



- Over 10 years experience in FMCG
- Partner at Horizon Capital, \$850m+ AUM
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## 1 Our Group and Strategy

2 Operational Performance 2020

3 Covid-19 impact and view on 2021

4 Our view on Purcari stock

5 Resolutions subject to AGM voting



Negru de Purcari 2015, **GOLD** at Decanter 2020, **95 pts.**, 4.4 score on Vivino, top 1% wine globally

# 1 Purcari Wineries Group at a glance

## Leading wine player in Central and Eastern Europe...

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

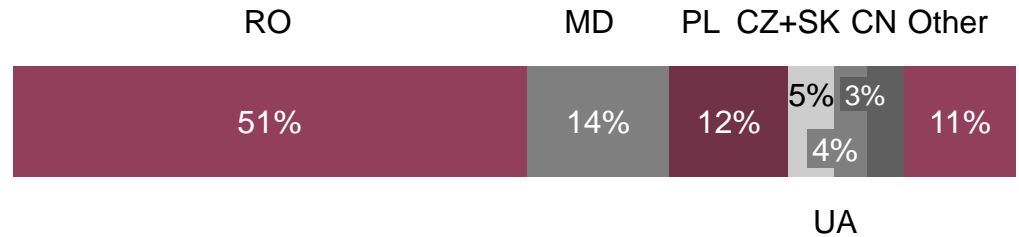
- #1** Most awarded CEE winery of the year in 2015-2020 at Decanter London, "wine Olympics"
- #1** Best premium wine brand in Romania, Moldova
- #1** Fastest growing large winery in CEE
- #1** Largest exporter of wine from Moldova
- top** 1 300 hectares of prime vineyards, top production assets
- top** Listed on Bucharest Stock Exchange, with reputable shareholders alongside founder, Victor Bostan: Fiera Capital, Conseq, East Capital, Franklin Templeton, Horizon Capital, etc.

## 6 production sites and 4 brands, covering a broad spectrum of segments



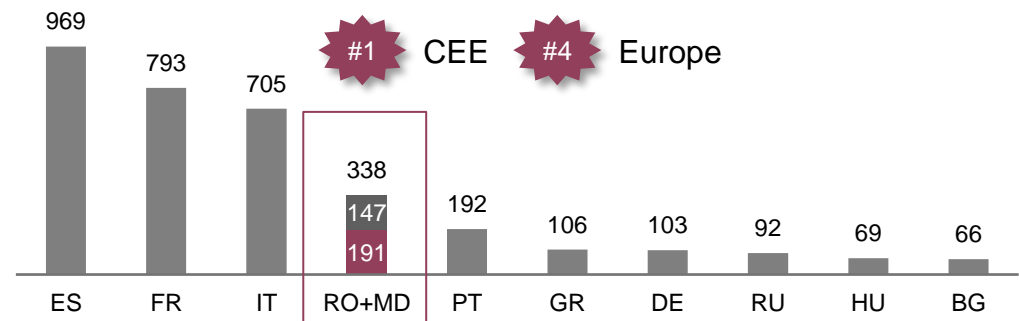
## ... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 2020, %



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

Top 10 European countries by area under vines, kha



# 1 Our business model: Affordable Luxury

Modern,  
cost-competitive  
winemaking

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

## 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 Purcari brand is part of the popular culture, a true icon



Known as the brand with a long standing tradition of shipments to Royal courts



Școala de agricultură Purcari. Camion de distribuție.



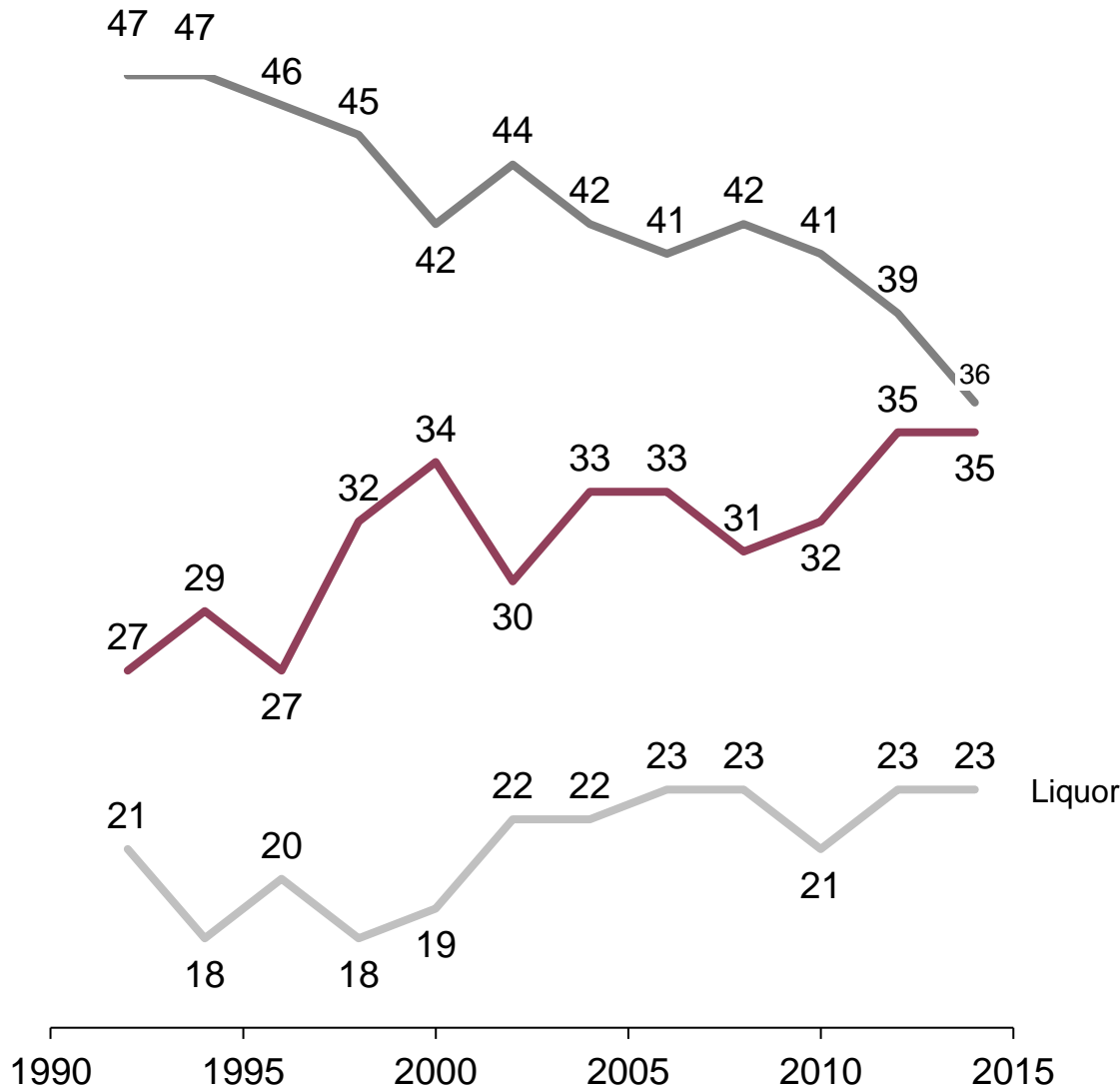
Wine with an attitude, taking position on key societal issues



With a cosmopolitan image; here showcased by John Kerry, the US State Secretary; but also featured in the very popular Black Butler comics (Kuroshitsuji manga), in Japan

## Shifting consumer preferences: wine up, beer down

US Gallup survey: Do you most drink liquor, wine or beer? %



*“Rosé Is Seeing Explosive Growth as Its Summer Rival, Beer, Goes Flat”*

– 3 August, 2017

**Bloomberg**

*“Goldman downgrades beer stocks because millennials like wine better”*

– 24 July, 2017

**CNBC**

*“Millennials Are Drinking More Wine Than Boomers”*

– 17 February, 2016

**FORTUNE**

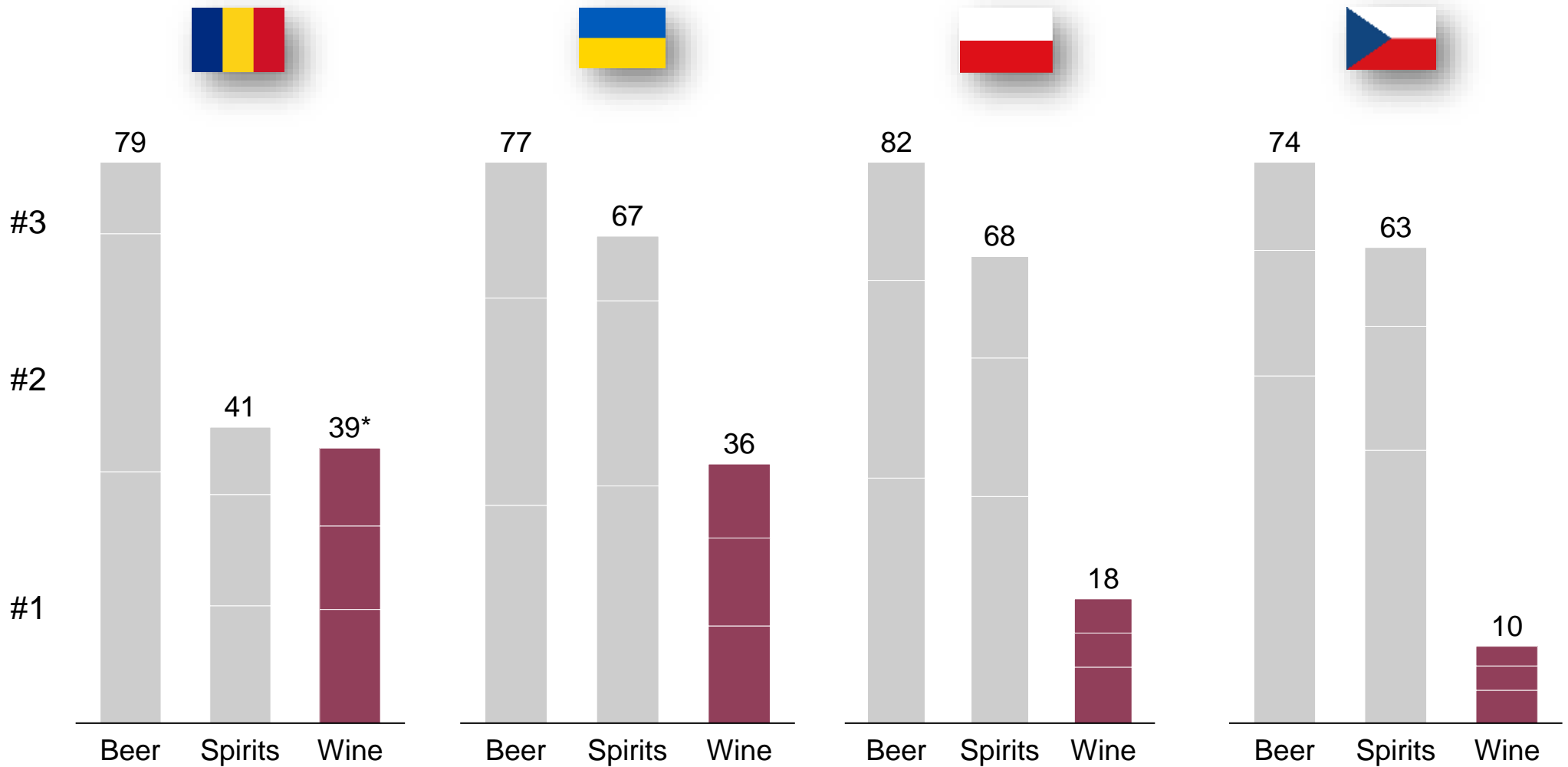
*“The world is facing a wine shortage, with global consumer demand already significantly outstripping supply, a report [by Morgan Stanley] has warned.”*

– 30 October 2013

**BBC**

# 1 Vision: Be the consolidator of a fragmented market

Volume share top-3 players by country, %



***As wine market moves from terroir- to brand-centric and leaders build scale / sophistication, the market is ripe for consolidation***



# 1 Country origin frontier pushed ahead, as millennials search for authenticity

## Old World Before 1980s



## New World 1980s-2010s



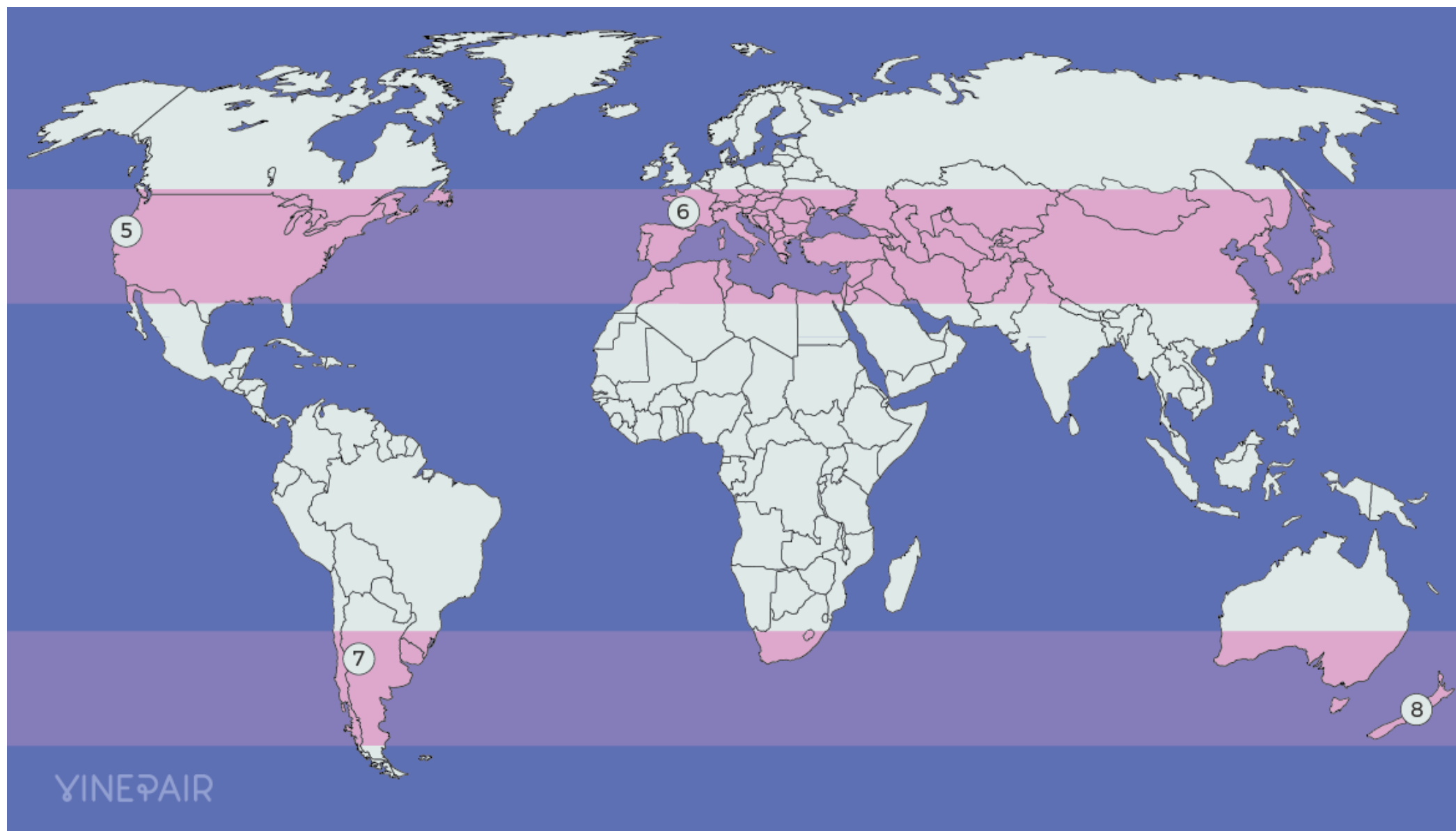
## The New Frontiers 2010s - onwards



***New Frontier champions will inevitably emerge, leveraging a lower cost structure, better access to new markets and better understanding of local consumers***



# 1 Global wine belt does live ample space for pushing New Frontier ahead PURCARI





## Case study: Developing Indians' taste for wine

Authorities have reclassified winemaking as an agribusiness

Anand Narasimhan and Aparna M. Dogra DECEMBER 6, 2011



**The story.** When Rajeev Samant left India to study and work in California, he also found himself learning about wine thanks to that state's burgeoning industry. After returning to India in the late 1990s, he took over land owned by his father outside Nasik, near Mumbai, and tried growing crops such as mangoes, peanuts and roses.

With Nasik being India's biggest table grape region it prompted a question: could he grow wine grapes too and develop a winery that could match foreign wines for quality?

**The challenge.** Growing and processing the grapes – starting with Sauvignon Blanc – turned out to be the easy part. For Sula Vineyards, the toughest test was how to change consumer tastes.

Alcohol has negative connotations in the Hindu, Buddhist, Jain and Muslim traditions, and most Indians had never tasted wine. Getting it into the Indian shopping basket would require a change in social attitudes.



Opinion FT Magazine

## Châteaux China

At several wineries, it is clear that Ningxia's raw material is impressively consistent, and five quality as excellent

JANCIS ROBINSON [+ Add to myFT](#)



Jancis Robinson SEPTEMBER 14, 2012



You know a wine venture is a success if you have the world's most energetic purveyor of special glasses and decanters, Georg Riedel of Austria, volunteering to take part.

Two weeks ago, I flew to a remote province of China to participate in the inaugural Ningxia Wine Festival. But Riedel got there several days before me – and when I managed to visit the

wine producer who first alerted me to the potential of Ningxia, vivacious Emma Gao of Silver Heights, I found that her collection of Riedel glassware took up almost more room than her tiny barrel cellar.

Ningxia is a small, impoverished province 550 miles west of Beijing. Until recently it was best known for its inhospitable mountains and desert, sheep and goji berries, but local government officials have become convinced that Ningxia's future lies in wine. A campaign started in earnest in the late 1990s



## Moldovan winemakers turn their eyes to the west

About 90% of exports used to go to other parts of the former Soviet Union



Victor Bosten: wine is in the blood

Henry Foy NOVEMBER 21, 2015



Moldovan winemaker Purcari's Freedom Blend was created in 2011 to commemorate Moldova, Georgia and Ukraine's 20 years of independence from the Soviet Union. But it took on another meaning when Russian tanks rolled into Crimea last year.

## Operational excellence

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

Lower costs

## Clever marketing












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

Brand premium

Strong sales and margins



# 1 Sustainable cost advantage, across the cost structure

					
<b>Average net salary [€/ month]</b> 	2,209	1,332	544	575	319
<b>Electricity [€/ kwh]</b> 	0.095	0.118	0.120	0.103	0.071
<b>Diesel [€/ liter]</b> 	1.39	1.18	0.72	1.09	0.76
<b>Bottle [€/ 0.75l]</b> 	0.25	0.30	0.15	0.18	0.15
<b>Grapes<sup>1)</sup> [€/ kg]</b> 	0.90 Val de Loire	0.85-1.20 Rioja	0.30 Colchagua	0.30 Ceptura	0.25 Purcari
<b>Vines<sup>2)</sup> [€/ ha]</b> 	25k - 3.4m	31k - 50k	27k – 48k	10k – 15k	4k – 10k

1) Electricity price for business (excl. VAT), September 2020; 2) Quality comparable to Group's production 2) France (Bordeaux); France (Val de Loire, based on 10t/ha yield calculation); Spain (La Rioja, Pais Vasco); Chile (Colchagua); Romania (Crama Ceptura Winery, 2017); Moldova (Purcari Winery, 2017)

Sources: Company data, Numbeo, Eurostat, ODEPA, Ministry of Agriculture of Spain, Agrifrance 2017 Rural Report, [www.vinetur.com](http://www.vinetur.com), [www.larioja.org](http://www.larioja.org), <http://www.lomejordelvinoderioja.com>, [www.vivastreet.cl](http://www.vivastreet.cl), [www.globalpetrolprices.com](http://www.globalpetrolprices.com), [www.exchangerates.org.uk](http://www.exchangerates.org.uk), [www.elobservador.com.uy](http://www.elobservador.com.uy)

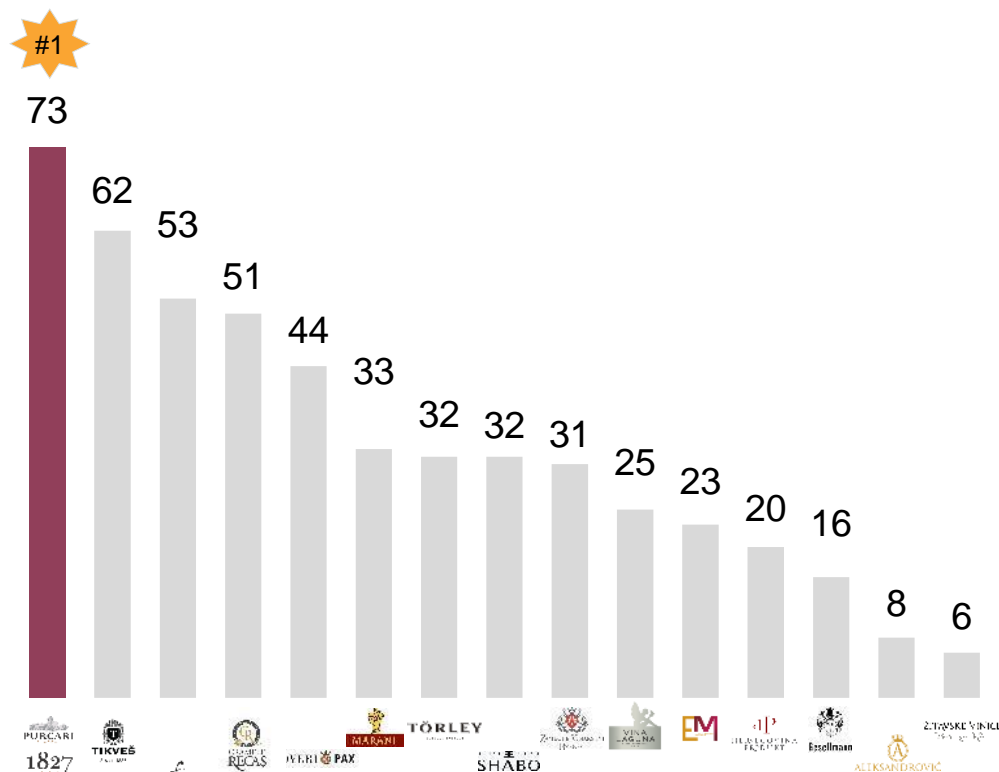




# 1 Quality highly commended, remain the most awarded winery in CEE PURCARI

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

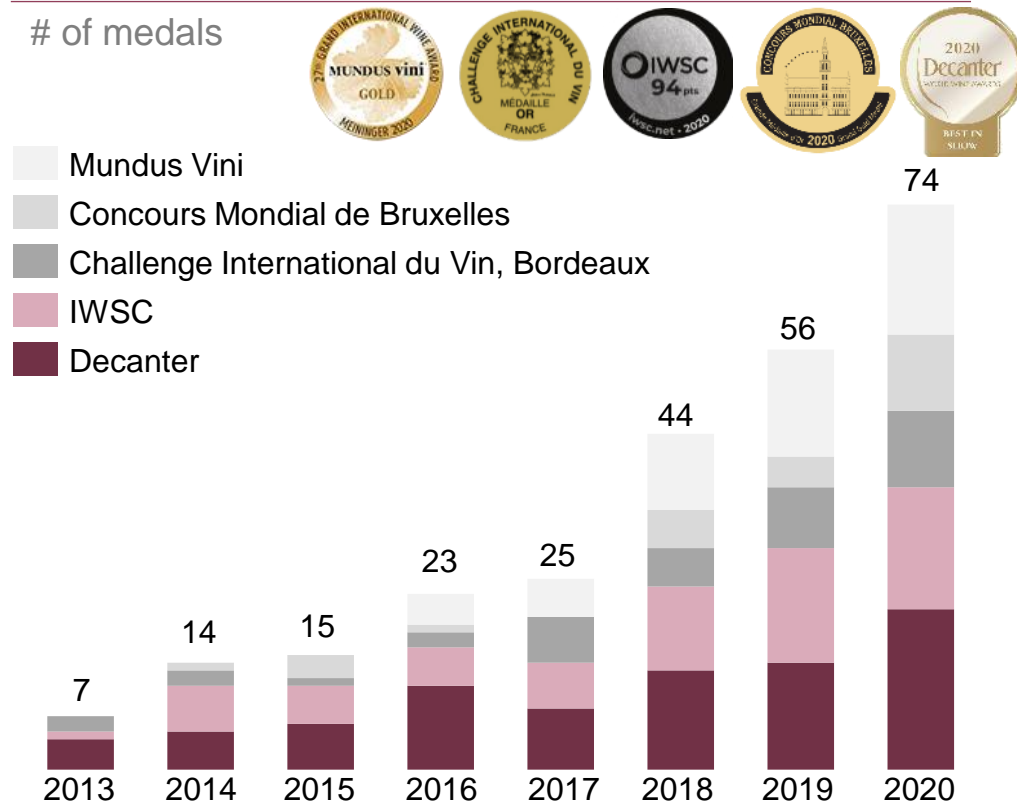
# of Decanter medals in 2015 – 20



- 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

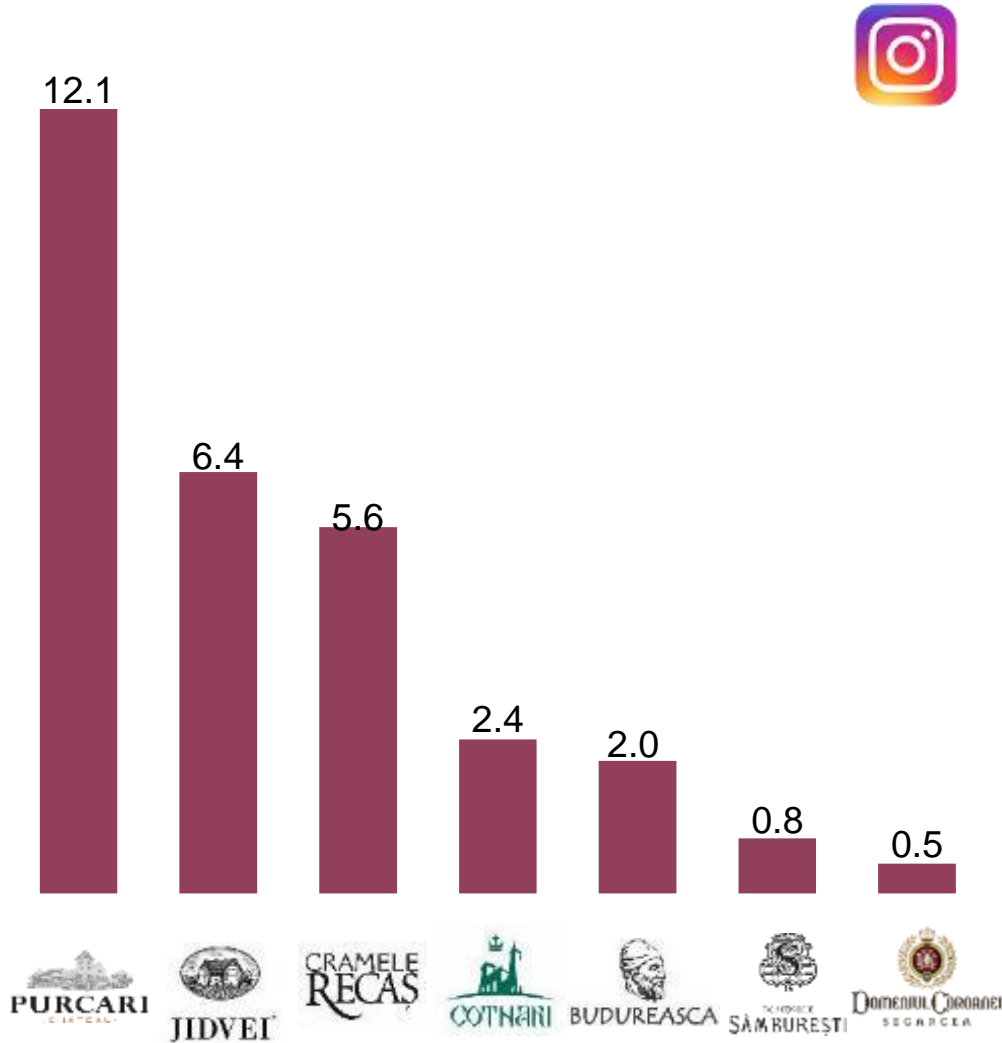


- Unlike beer or spirits, wine production is more prone to quality fluctuations. The Group has demonstrated the ability to keep raising the bar quality wisely, as illustrated by the mounting number of medals won at top global competitions

# 1 Topping competition at engagement, quality

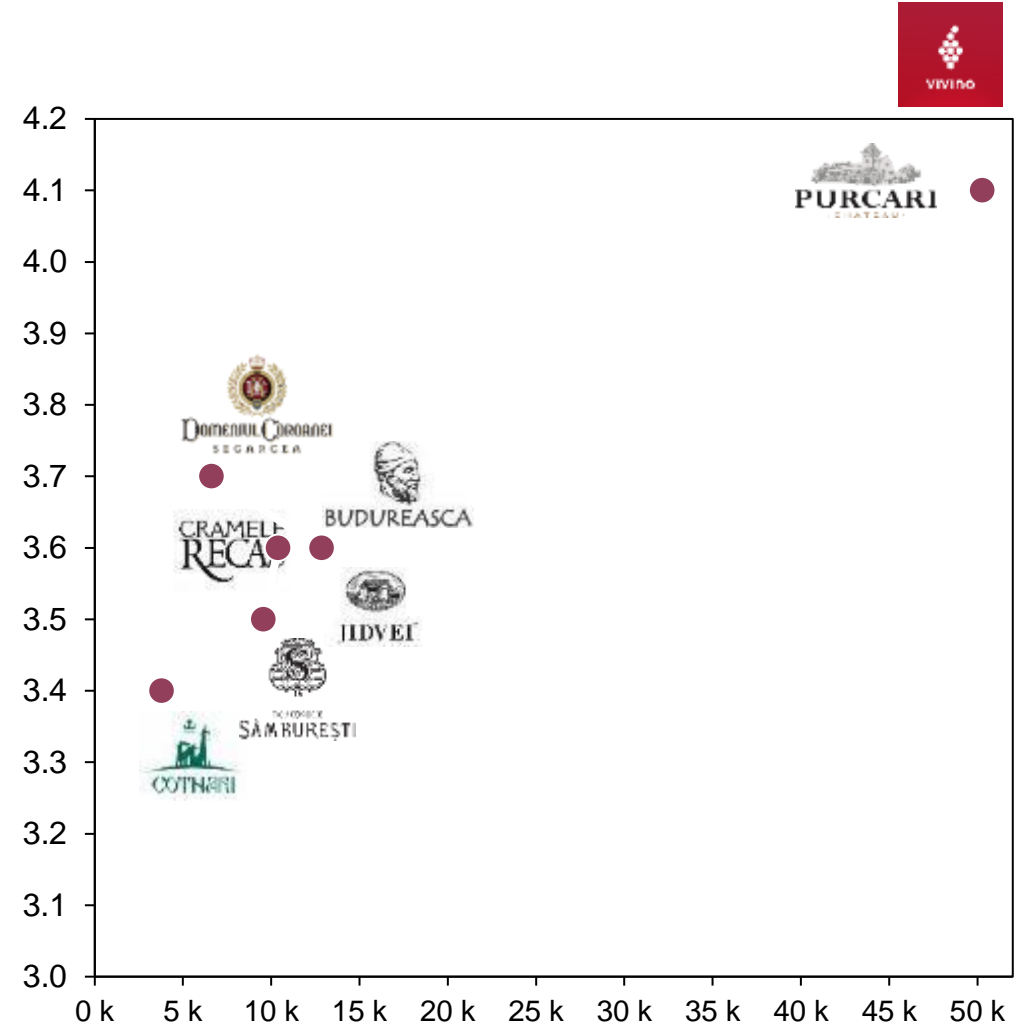
## Aspirational brand which consumers like sharing about

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



## Highest number of ratings and highest scores on Vivino

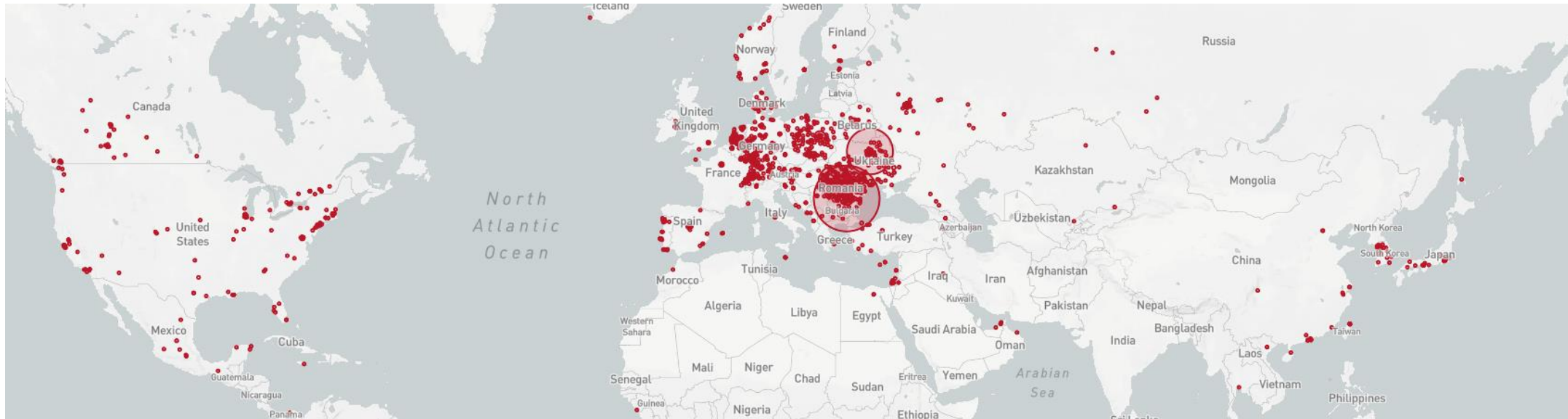
X axis – number of Vivino ratings; Y axis – average Vivino score



Note: Purcari - #purcari, Cramele Recas - #recas, Jidvei - #jidvei, Cotnari - #cotnari, Budureasca - #budureasca, Samburesti - #samburesti, Segarcea - #segarcea

Sources: Instagram, Vivino as of April 2021

# 1 Growth in Vivino usage, key for consumer engagement



**4.24**

Average score out of 5.0 in 1Q21

**84.0%**

Scores equal or above 4.0

**Top 1%**

Global ranking based on avg. score received

**25,256**

Vivino scans in 1Q21

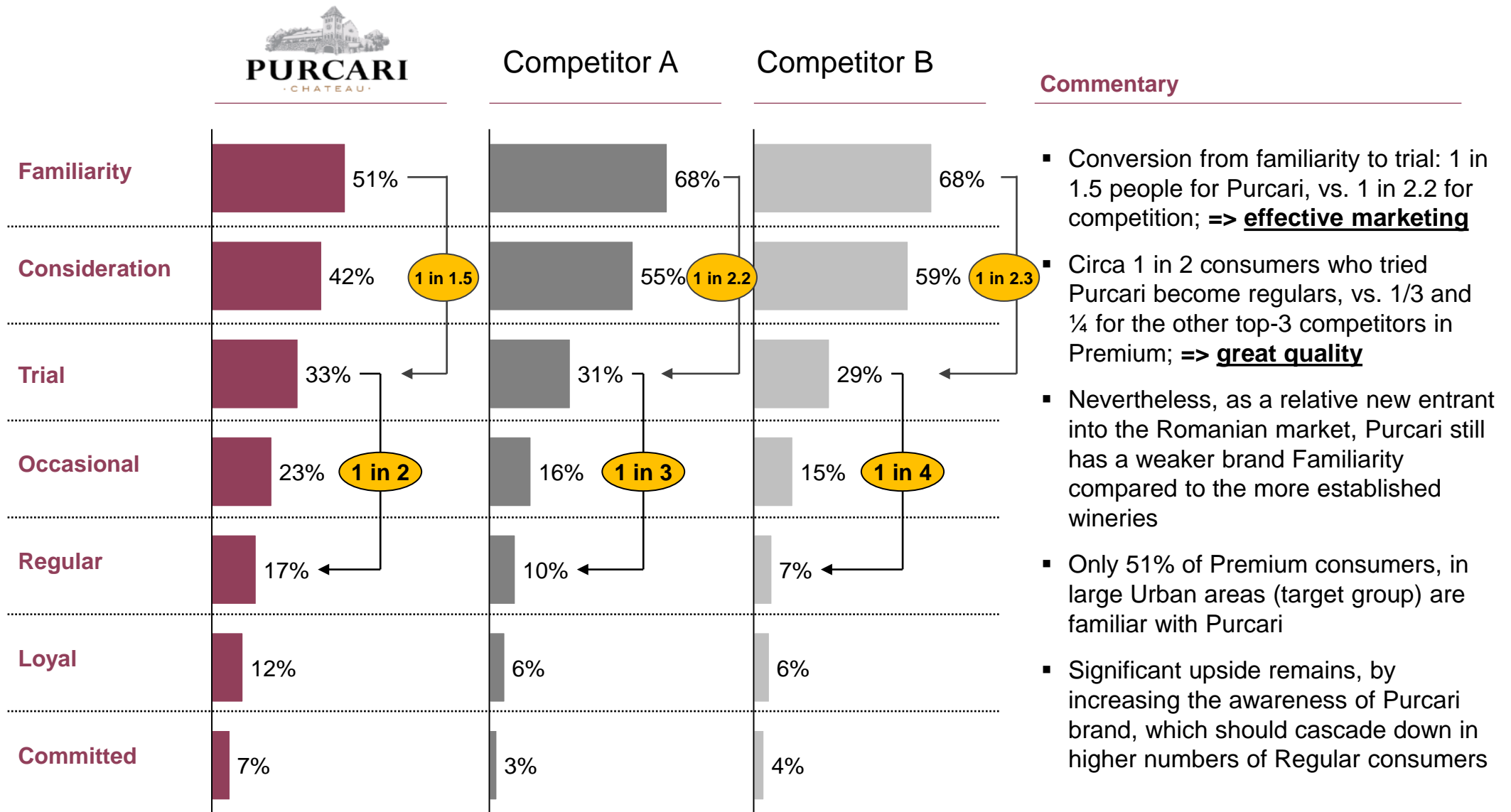
**+30%**

March 2021 YoY scans growth

**61**

# of countries where Purcari has been scanned












# 1 Strong conversion across brand pyramid, with room to grow



1

# Unbeatable quality-to-price ratio: Best in Show & 97 POINTS (DECANTER) FOR OUR ~£15.99 WINE

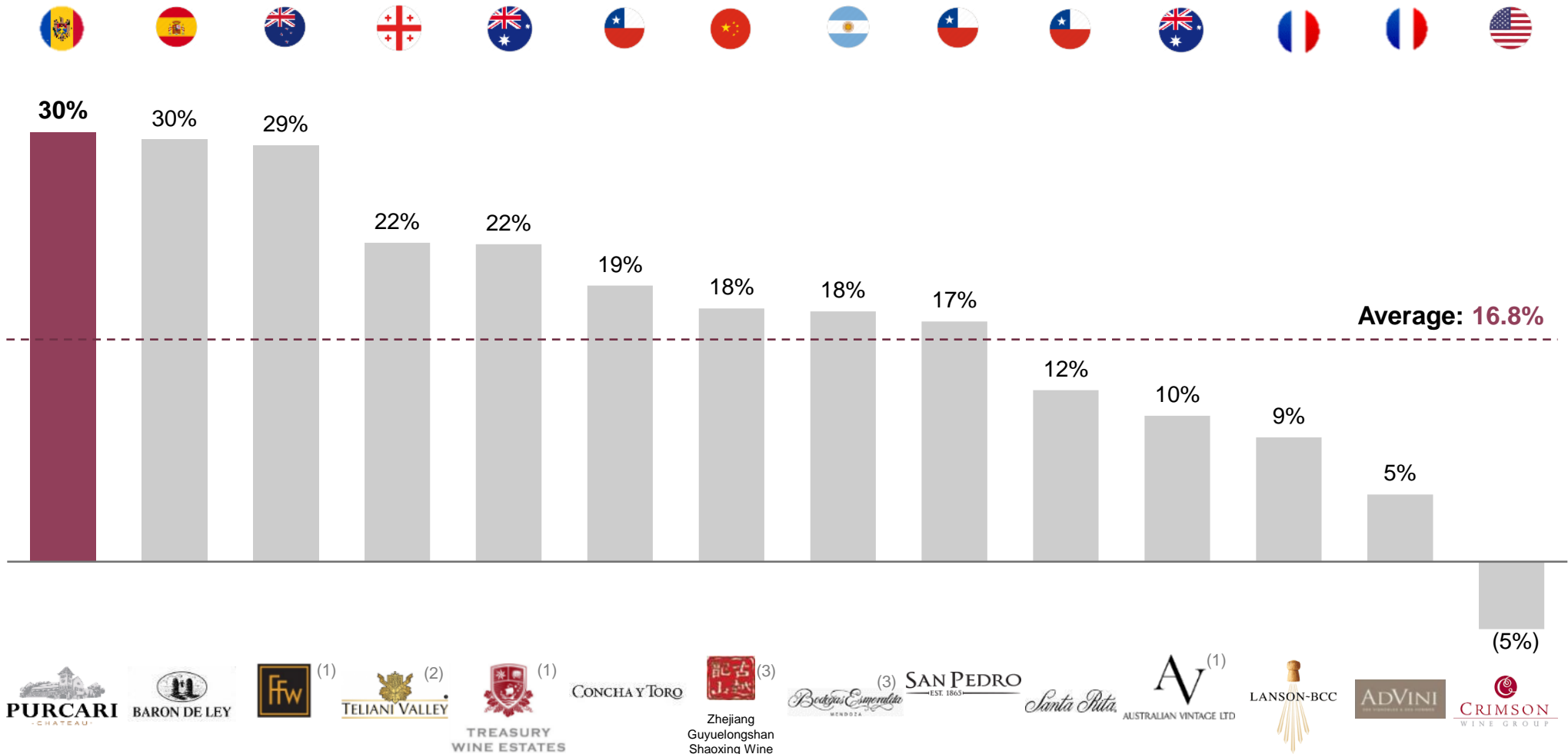
## Selected top awarded white wines at Decanter London 2020

<i>Wine</i>	<i>Origin</i>	<i>Award</i>	<i>Points</i>	<i>Price (in UK)</i>
Viorica de Purcari ( <i>Chateau Purcari</i> )		Best in Show	97	£15.99
Primo Grande Cuvée ( <i>Cantina Terlan</i> )		Platinum	97	£181.75
TED Chardonnay ( <i>Bird in Hand</i> )		Platinum	97	£82.00
Ben Ryé ( <i>Donnafugata</i> )		Best in Show	97	£60.00
Villa Baulieu ( <i>Coteaux d'Aix-en-Provence</i> )		Best in Show	97	£60.00
Gewurztraminer Sélection de Grains Nobles ( <i>Domaine Aimé Stentz</i> )		Best in Show	97	£60.00
Cuvée Evdemon ( <i>Estate Argyos</i> )		Best in Show	97	£58.50
Leonardo ( <i>Simčić</i> )		Best in Show	97	£52.95
Hexham Vineyard Equilibrio Chardonnay ( <i>Soumah</i> )		Best in Show	97	£35.95
Édes Szamorodni ( <i>Juliet Victor</i> )		Best in Show	97	£35.92
Parterre Chardonnay ( <i>Fraser Gallop Estate</i> )		Best in Show	97	£35.00

# 1 Top of peer group margins; still room to grow

## EBITDA margin – global peer group

EBITDA margin 2020, %



Source: IFRS Consolidated Financial Statements of the Group, Capital IQ;

1. Financial year ends as of 06/30; e.g. for 2020, financial statements as of 06/30/2020 were taken into account
2. Wine business of Georgia Capital: Teliani Valley incl. acquired Kindzmaruli and Alaverdi acquisitions
3. Financial year ends as of 09/30 LTM last publicly available as the Company took private.

- 1 Our Group and Strategy
- 2 Operational Performance 2020**
- 3 Covid-19 impact and view on 2021
- 4 Our view on Purcari stock
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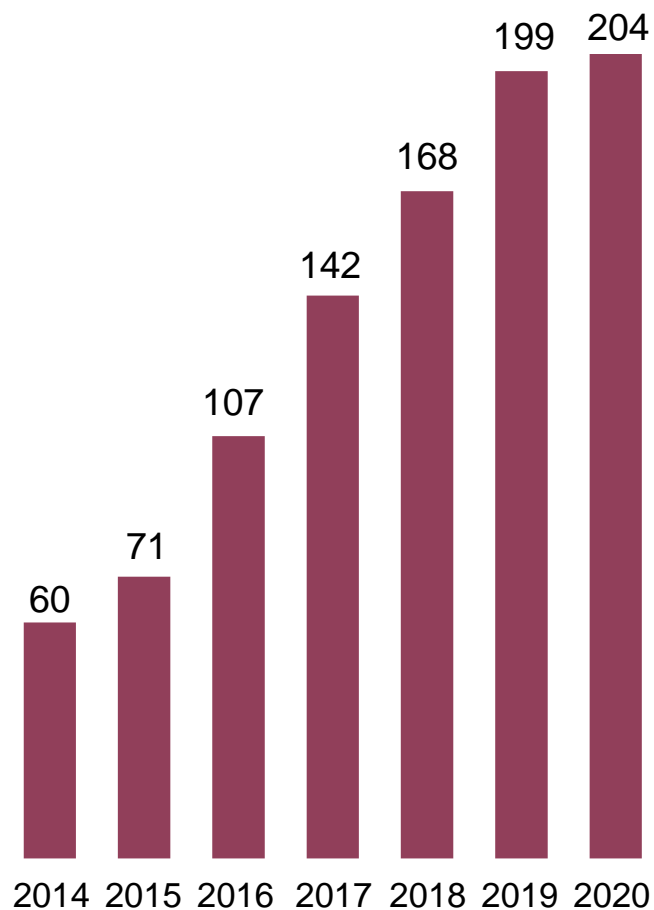
Viorica de Purcari caters to the increasing interest in indigenous aromatic grapes. **BEST IN SHOW** at Decanter 2020, 97 pts.



## 2 Revenues up in 2020, despite lockdowns; profits spiked, on one-offs

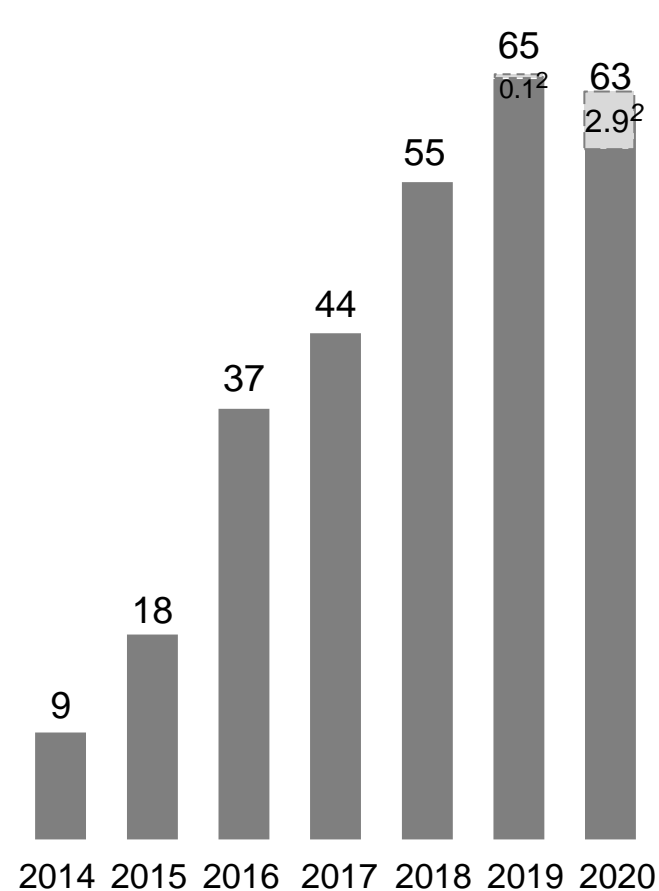
### Revenues

RON m



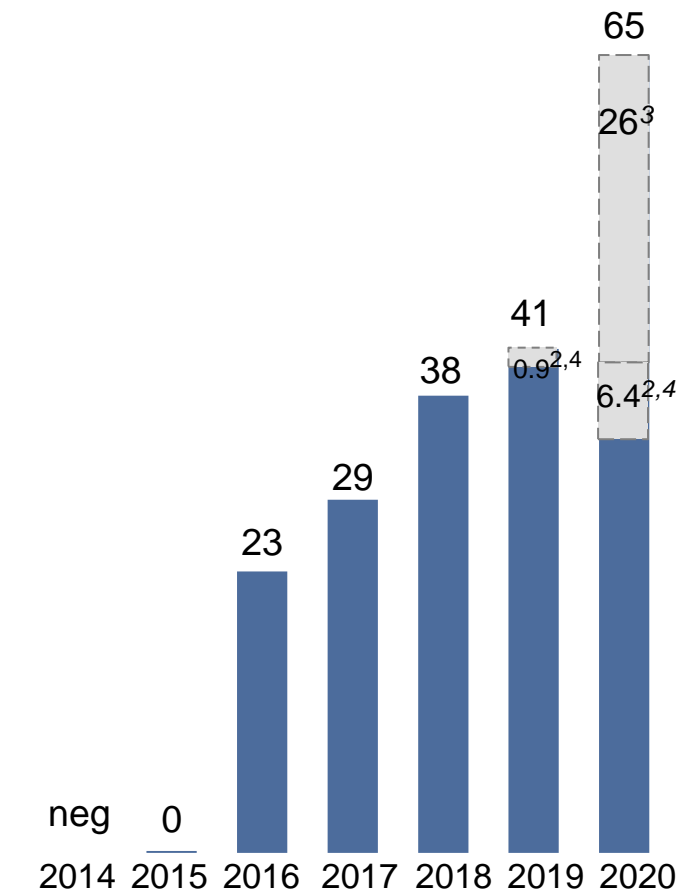
### Normalized EBITDA<sup>1,2</sup>

RON m



### Normalized Net Income<sup>2,3</sup>

RON m



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








(2) Normalized with the impact of fair value adjustment of biological assets: RON 2.9mil. (Y20) and RON 0.1mil. (Y19).

(3) Includes net income from one off transactions adjusted to implied taxation: settlement of assigned receivable from Speed Husi and sale of the stake in Glass Container Company.





(4) FX translation loss due to MDL depreciation vs. hard currencies as of December 31,2020 – RON 3.51mil. (Y20) and RON 0.81mil. (Y19).



## 2 Markets: strong Romania, Poland; improving trend Moldova, China

Market	Share of sales, FY20	Growth, FY20 YoY	Comments
RO 	51%	+24%	<ul style="list-style-type: none"> <li><b>RO:</b> Strong growth in 4Q20 +20% YoY, achieving +24% YoY. Brands performing well with Purcari leading the growth by 31% YoY. IKA sales outperformed 2019 results, retail recovered at the last year figures compensating modest sales through HORECA channel.</li> </ul>
MD 	14%	-38%	<ul style="list-style-type: none"> <li><b>MD:</b> Demand environment significantly improved, but still below 2019 levels. Strongest quarter among all brands: Bardar 43%, Purcari 37% and Bostavan 32% of full year sales. Market most dependent on HoReCa and Duty-Free in Group's universe. Recovery trend crystallized, continue with adopted strategy of avoiding short-term solutions and focus on preserving brand equity.</li> </ul>
PL 	12%	+13%	<ul style="list-style-type: none"> <li><b>PL:</b> Growth fueled by an improved product mix, medium price segment sales increase across all partners supplemented by new listings. Fortifying the leading position among Moldovan wine players in PL, despite heavy discounting from competitors. Strong premium growth i.e. Purcari +77% YoY, Bardar +18% YoY, albeit from a smaller base.</li> </ul>
ASIA 	3%	-44%	<ul style="list-style-type: none"> <li><b>ASIA:</b> 4Q continue the recovery, being only at -6% YoY. Bardar - the only brand outperforming 2019 results with +69%, albeit from a lower base. Purcari was the only company from MD attending China International Import Exposition in Nov'20.</li> </ul>
CZ SK 	5%	-2%	<ul style="list-style-type: none"> <li><b>CZ&amp;SK:</b> Recovery continues with 4Q representing 29% of 2020 sales. Good outcome from campaigns with main partners and new partnership signed mitigated the COVID-19 adverse effects and impact of TESCO restructuring.</li> </ul>
UA 	4%	+11%	<ul style="list-style-type: none"> <li><b>UA:</b> Expanding with Purcari +18% YoY, reaching 54% of total Group sales in UA, as it becomes increasingly popular with Ukrainian consumers, influencers, giving excellent value for money offered.</li> </ul>
RoW 	11%	+12%	<ul style="list-style-type: none"> <li><b>OTHER:</b> Good traction for main brands, Purcari doubling the sales in 2020. Focus on building out partnerships launched in 2020.</li> </ul>

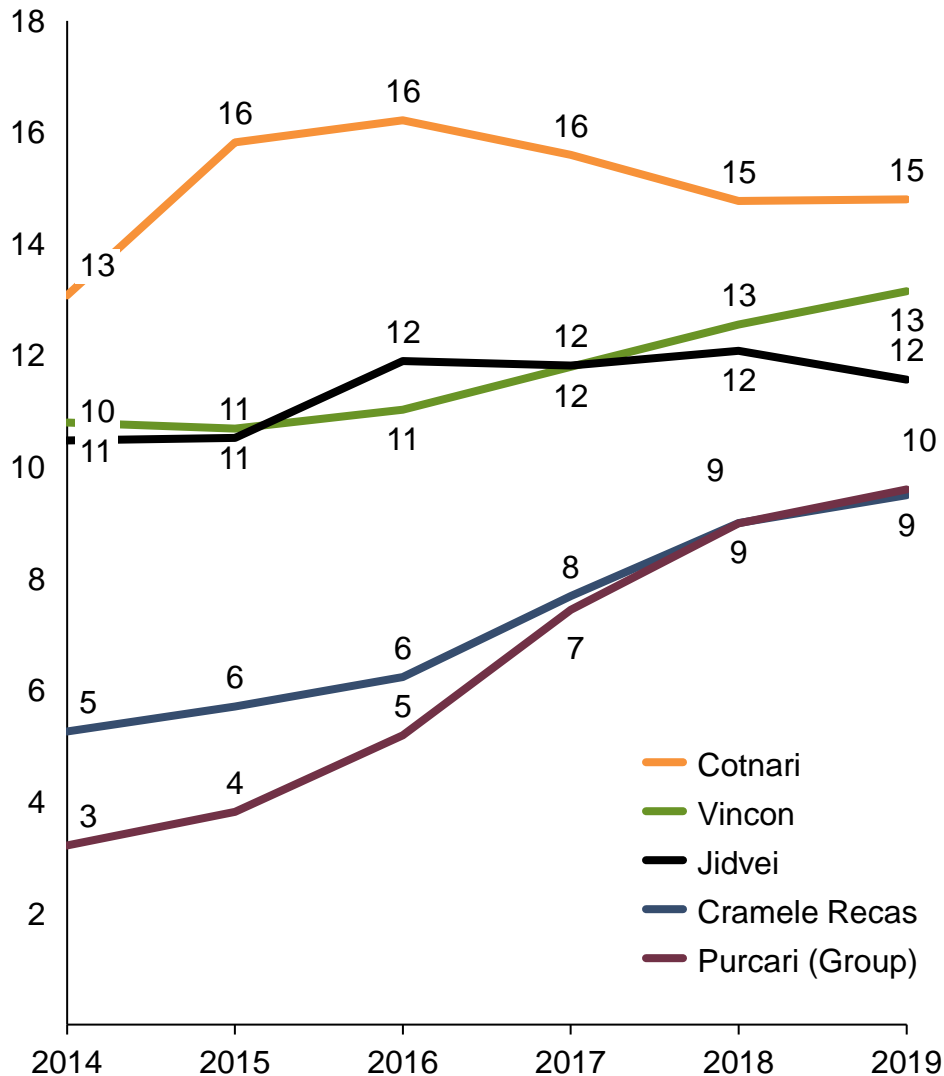
## 2 Premium Purcari and Crama Ceptura brands lead the growth

Brand	Share of sales, FY20	Growth, FY20 YoY	Comments
	45%	+10%	<ul style="list-style-type: none"> <li>• <b>PURCARI:</b> Ongoing strong traction in Romania, largely in the IKA segment; traditional retail has recovered and surpassed by 2% the 2019 figures. Promising performance in newer markets: Poland, Belarus, Czech Republic and Slovakia. Moldova and China are the only markets still underperforming YoY. Most affected by HoReCa and Duty-Free closures in Moldova and slow recovery in China.</li> </ul>
	27%	-2%	<ul style="list-style-type: none"> <li>• <b>BOSTAVAN:</b> 4Q strongest in 2020, standing at 28% of year sales. Performing best in PL by +12% YoY, growth being triggered by equal increase in volumes and prices. Other CEE markets showing good results: both Belarus and Baltics +26% YoY.</li> </ul>
	17%	+11%	<ul style="list-style-type: none"> <li>• <b>CRAMA CEPTURA:</b> Brand continues strong rebound, as a result of re-invigorating marketing campaigns and improvements in quality, new listings (i.e. Pelin, Dominum). Romania +13% YoY.</li> </ul>
	11%	-24%	<ul style="list-style-type: none"> <li>• <b>BARDAR:</b> Very strong 4Q at only -1% YoY. Full year sales in Moldova still down 37% YoY, significantly affected by HoReCa closure, ban on public events (i.e. weddings, anniversaries), traveling restrictions heavily impacting Duty-Free channel. Actioned against the trend of heavy discounting applied by main competitors. Avoided brand erosion, 2020 being the year of lower volumes sold, but at higher prices per liter YoY.</li> </ul>

## 2 Emerged stronger from COVID, boosting market share in Romania

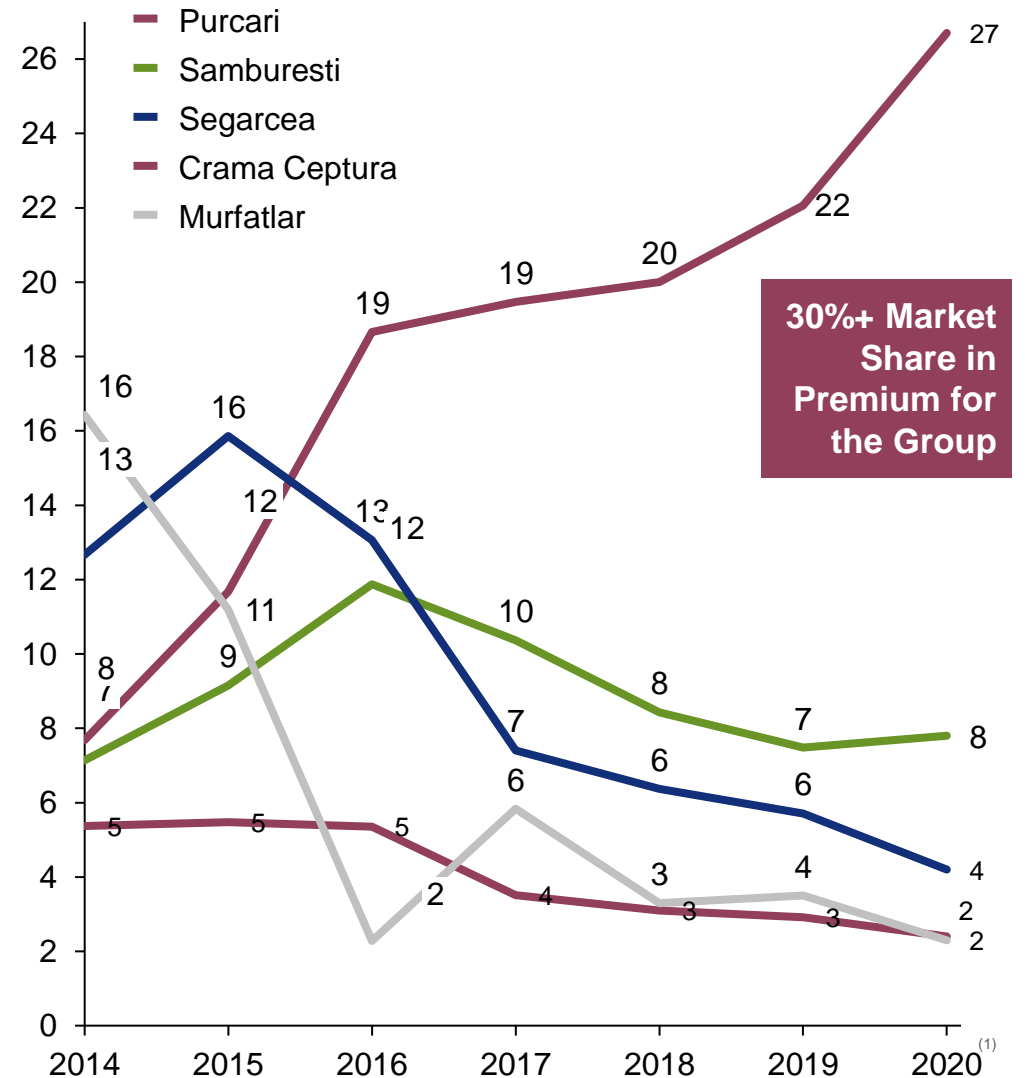
Jumped to #4 in overall market, reaching 10%+ share...

Value share of TOTAL retail market, Romania, %



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

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



Notes: (1) YTD Nov 2020

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

## 2 Vivino feedback remains very strong, key for online sales too

#1 presence in the crucial RON 30-60 segment, holding 11 out of TOP-25 positions



#1



Best wines between RON 30 and RON 60 right now  
These are the top 25 wines between RON 30 and RON 60 as rated by Vivino users in Romania over the past month.

1	Tohani Chocolate Sweet 2017	4,3	35,00 RON
2	Château Purcari Freedom Blend 2017	4,2	39,98 RON
3	Château Purcari Pinot Grigio De Purcari 2018	4,2	33,73 RON
4	Château Purcari Cabernet Sauvignon De Purcari	4,2	33,74 RON
5	Château Purcari Rosé De Purcari 2018	4,2	37,49 RON
6	Château Purcari Malbec De Purcari 2018	4,2	45,61 RON
7	Château Purcari Vinohora 2018	4,2	46,23 RON
8	Fautor Aurore Fetească Neagră - Tempranillo	4,2	59,99 RON
9	Gitana Merlot 2017	4,2	49,00 RON
10	Petro Vaselo Negru De Petro Vaselo 2019	4,2	39,45 RON
11	San Marzano Talò Primitivo Di Manduria 2017	4,1	53,38 RON
12	Château Purcari Rara Neagra De Purcari 2018	4,1	36,74 RON
13	Château Purcari Chardonnay De Purcari 2018	4,1	32,87 RON
14	Château Purcari Merlot De Purcari 2017	4,1	33,74 RON
15	Domenille Davidescu Rară Neagră - Saperavi	4,1	34,30 RON
16	Château Purcari Maluri De Prut Feteasca	4,1	46,23 RON
17	Avincis Cuvée Grandiflora Cabernet Sauvign -	4,1	41,00 RON
18	Château Vartely Individuo Rară Neagră - Malb-	4,1	47,00 RON
19	Tectonic Fetească Neagră Barrique 2018	4,1	47,01 RON
20	Gitana Autograf Cabernet Sauvignon 2016	4,1	60,00 RON
21	Varvaglione 12 E Mezzo Primitivo Del Salento	4,0	45,00 RON
22	Tenuta Ulisse Montepulciano D'Abruzzo	4,0	50,00 RON
23	Tenuta Ulisse Pecorino (Unico) 2019	4,0	49,00 RON
24	Château Vartely Individuo Saperavi Sec Roşu	4,0	48,00 RON
25	Château Purcari Sauvignon Blanc De Purcari	4,0	33,74 RON

- 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 **11 best-rated wines in Vivino's top-25**
- Negru de Purcari 2015 among the **top 1% of all wines in the world**
- We remain convinced, it is the **product that will make the difference** in the mid and long term with consumers, so we are focusing on making exciting wines, that capture people's imagination

## Purcari

- Installed MBF bottling line with filtration system (5 000 bottles/hour), supporting various closures: corks, screw caps
- Automated microfiltration equipment
- +360 new barriques with different toasting levels
- 12 Oak casks and 30 clay amphoras bringing vinification to a new level and opening new horizons for Purcari's oenologists
- Planted 17 ha of new vineyards



## Crama Ceptura

- Started workings for a greenfield Warehouse for finished goods
- Increased the surface of temperature-controlled rooms and insulated stainless steel vessels
- Upgraded equipment required for wine handling (i.e. pumps etc.)

## Bostavan

- Planted 47 ha of new vineyards
- Increased the surface of temperature-controlled rooms, insulated vessels and infrastructure
- Built a refrigeration generator
- Upgraded various production equipment: i.e. Pellenc selection, filters, pneumatic press etc

## Bardar

- Increased stainless steel storing capacities for distillates by 25%
- Extended aging warehouse area by 45% for additional barrels
- Renovated distillery, both building and equipment
- Installed heat recovery system for distillery

## 2 State-of-the-art winery... Upgraded to 10 mil. bottles per annum



Arial view of Purcari Winery production facilities

- 1 Our Group and Strategy
- 2 Operational Performance 2020
- 3 Covid-19 impact and view on 2021**
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Platinum at Decanter 2020, 97 pts., 4.4 score on Vivino, top 1% wine globally

### Vineyards



- Operating with safety measures in place at all vineyard plots.
- No disruptions to harvesting and other vineyards operations.

### Wineries



- Operating with safety measures in place at all production sites.
- No unplanned closures.
- Sufficient inventory stocks.

### Distribution



- Transportation operating as usual.
- No disruptions.
- Green corridor from Moldova to / through Romania for commercial freight, speeding up customs clearance, simplifying logistics.

### Retail



- No major out of stock issues in shipments to retail.
- HoReCa and Chateau de Purcari were affected the most.



# 1 Continued our CSR efforts, made more important by Covid-19

## Community



- Sponsoring **CCF/HHC Moldova**, a program focused on disadvantaged youth. NGO promotes children well-being via prevention of family separation, inclusive education and acceptance of children with special needs.
- Philanthropical Foundation “**Hospice Angelus Moldova**” sponsor. A non- profit organization founded to create a system of medical and social assistance to incurable cancer patients in advanced and terminal stages. Operates a hospice “Angelus Moldova”, a home palliative care service.

## Covid-19



- Donated MDL 1 million to **Covid-19 causes**, supplemented by an extra MDL 1 million donated personally by the Group founder, Mr. Bostan.
- Purchased two high-end Hamilton ventilators for Hospitals in Moldova fighting COVID.
- Supplied with Hematology analyzer to speed up Laboratory needs in performing quick and accurate tests.
- Provided monetary aid and protective medical equipment to regional hospitals.

## Sports and Social



- Main partner of **USM-Bostavan**, women and men volleyball teams, since 2010.
- Despite pandemic, the Group continued to support various sports activities, being the General Sponsor to the Moldovan National Olympic Committee
- **Social Mission “Diaconia”, partner.**  
A Structure of the Orthodox Metropolis of Bessarabia and a member of the Filantropia Federation, being one of the largest providers of social services in Moldova

### 3 Guidance 2021 – back to double digit growth

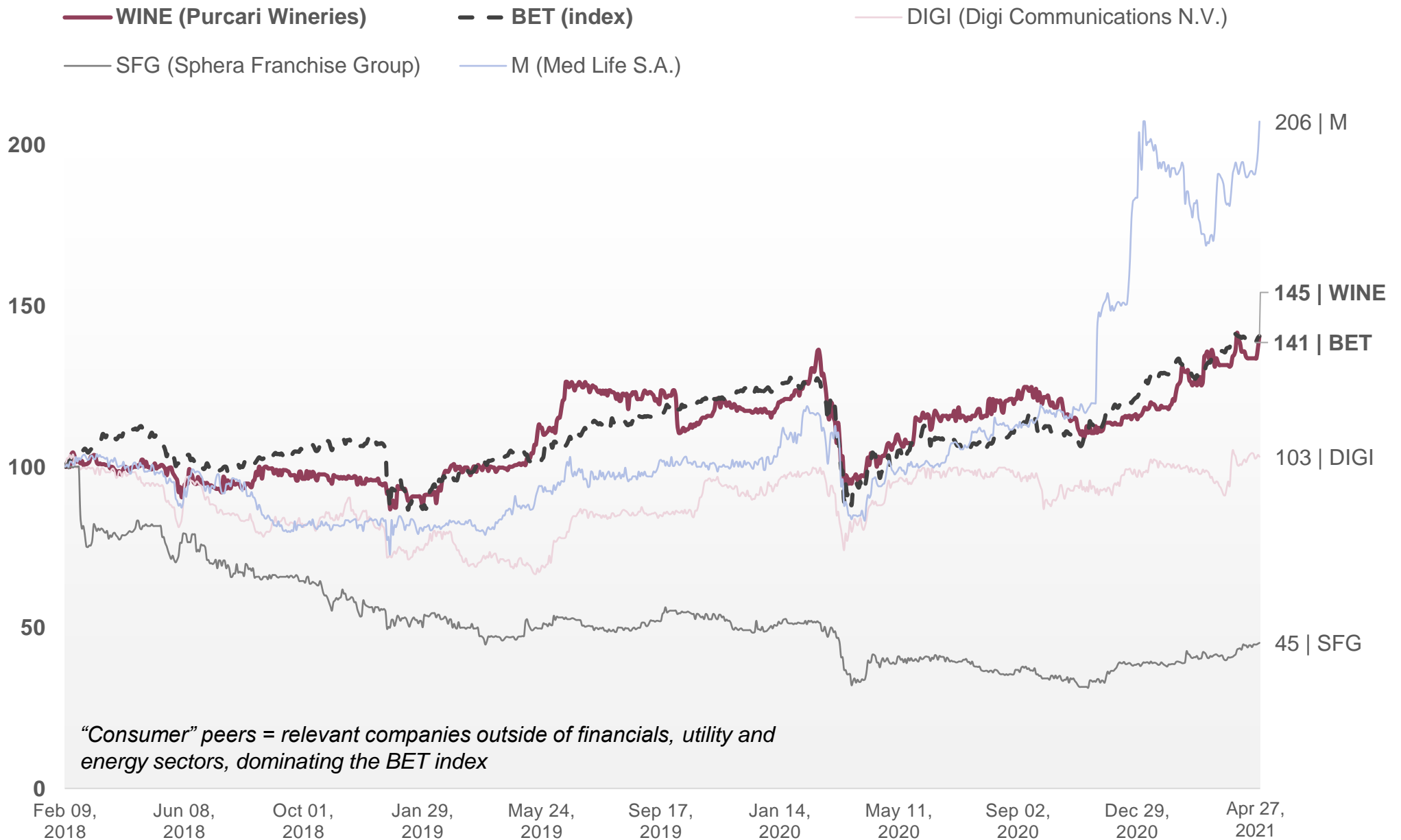
Target	2021 guidance	Comments
<b>Organic revenue growth</b>	<b>+12-14%</b>	<ul style="list-style-type: none"><li>• Romania to remain growth driver, continue focusing on Poland, Czech, Slovakia, Ukraine; Significant recovery expected in Moldova and Asia most affected by pandemic.</li><li>• Bardar expected to emerge strong after COVID situation is cleared up.</li></ul>
<b>EBITDA margin</b>	<b>28-30%</b>	<ul style="list-style-type: none"><li>• Drought and poor harvest in 2020 to drag on margins.</li><li>• Assuming harvest back to normal in 2021 (abundant snow-fall bodes well for the year so far), to see margins revert to low-to-mid 30s.</li></ul>
<b>Net Income margin</b>	<b>18-20%</b>	<ul style="list-style-type: none"><li>• Drought and poor harvest in 2020 to drag on margins.</li><li>• Assuming harvest back to normal in 2021 (abundant snow-fall bodes well for the year so far), to see margins revert to low-to-mid 20s.</li></ul>

- Managed well through the crisis, with revenues up to RON 204 million, 2% YoY, with no disruptions to our operations;
- Moved against the trend with agile marketing, round a clock dedication and hard work led to market share increase by 5% in our core premium segment;
- Net profit at RON 59.1 million, increase by 46% YoY, including one-off transactions;
- Extraordinary achievement with divestment the stake in Glass Container Company for EUR 7.8 million contribution in a pandemic year;
- Strong balance sheet with Net debt to EBITDA ratio improved to 0.74x. Geared up to seize on M&A opportunities, especially in a marketplace weakened by Covid;
- Successful overcame pandemic headwinds and unprecedented draught;
- Accelerating our irrigation rollout plans, demonstrating a very attractive payback period of up to three years;
- Comfortable stock levels to support an ambitious sales plan in 2021 given Covid impact on sales in 2020;
- Remained an active, responsible corporate citizen, giving back and supporting the communities in which we operate.

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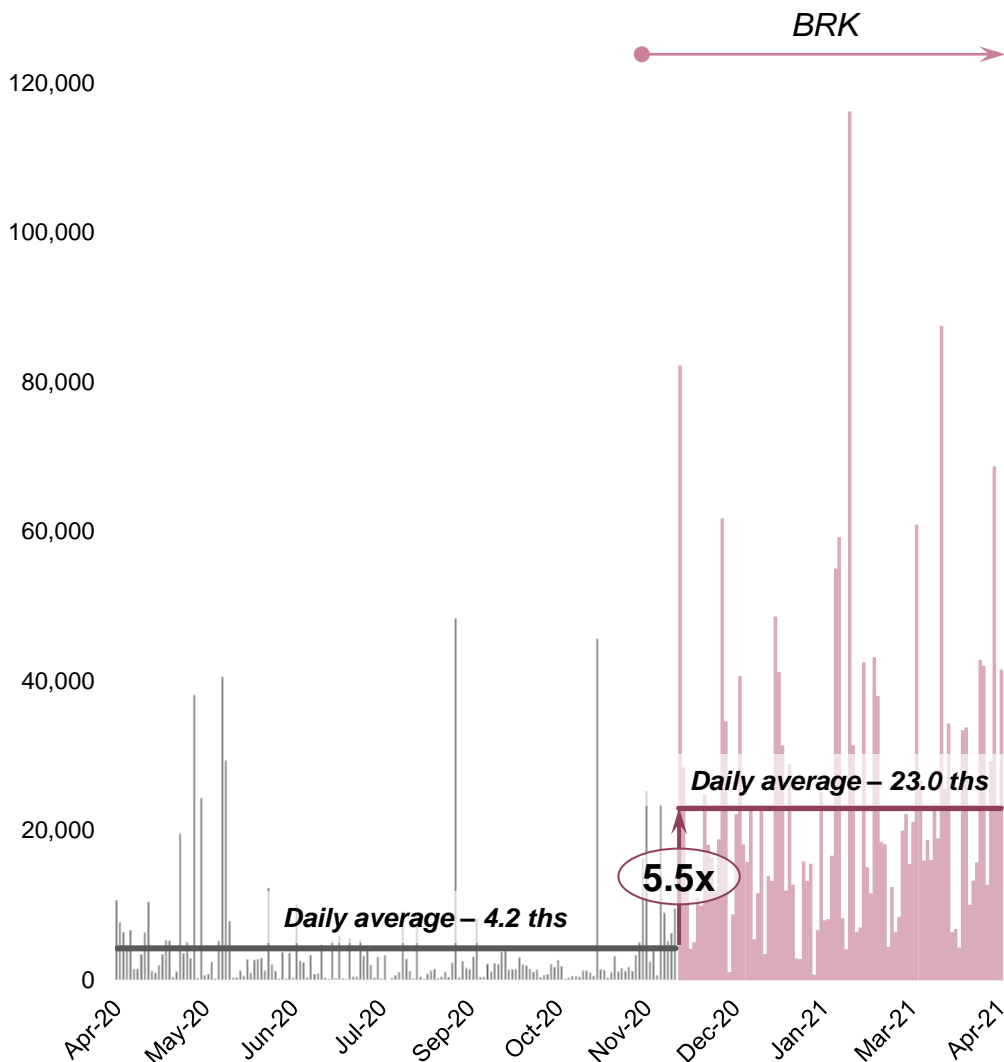
Cuvée de Purcari, the extension to sparkling launched in 2017. Made according to the traditional, *Champenoise* method, with in-bottle fermentation



# 4 Purcari's stock liquidity – among the strongest on the Romanian market

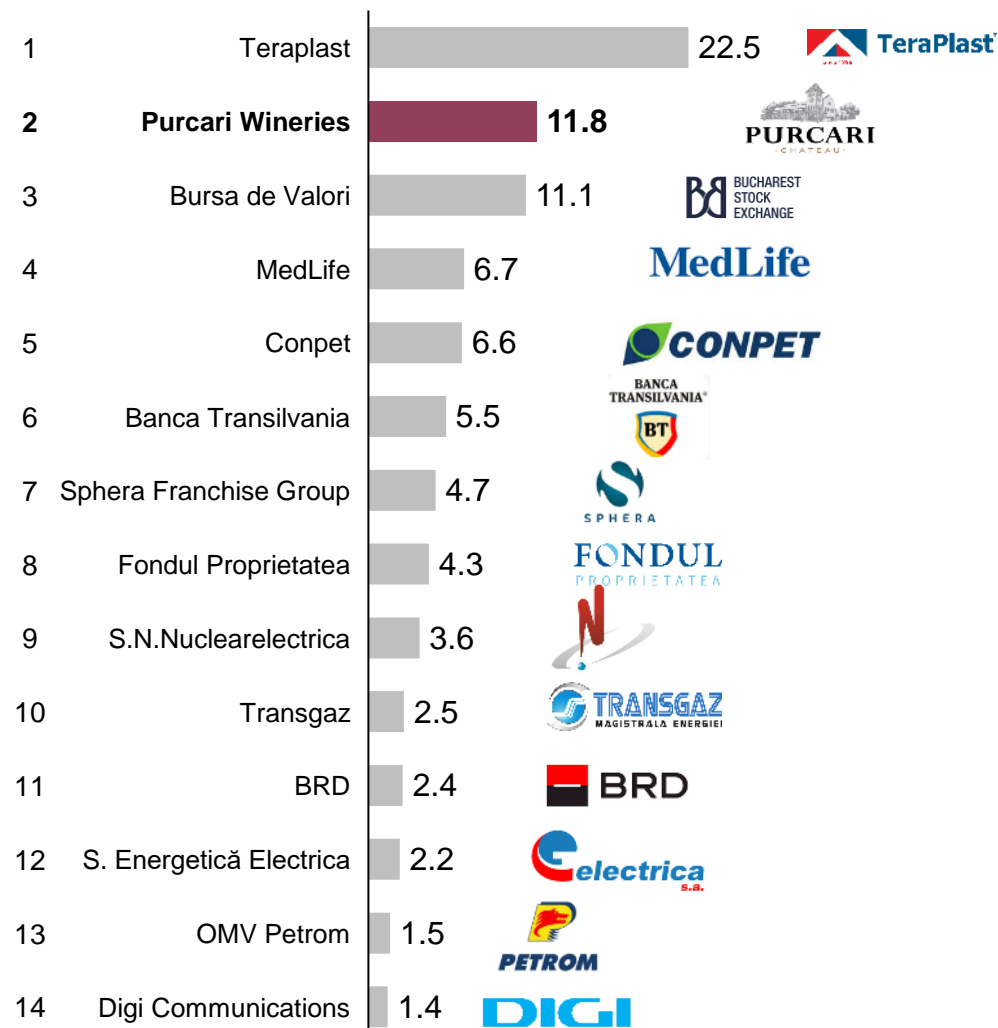
## Rapid rise of stock's liquidity after BRK Financial Group became Market Maker for Purcari shares

Daily volume



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

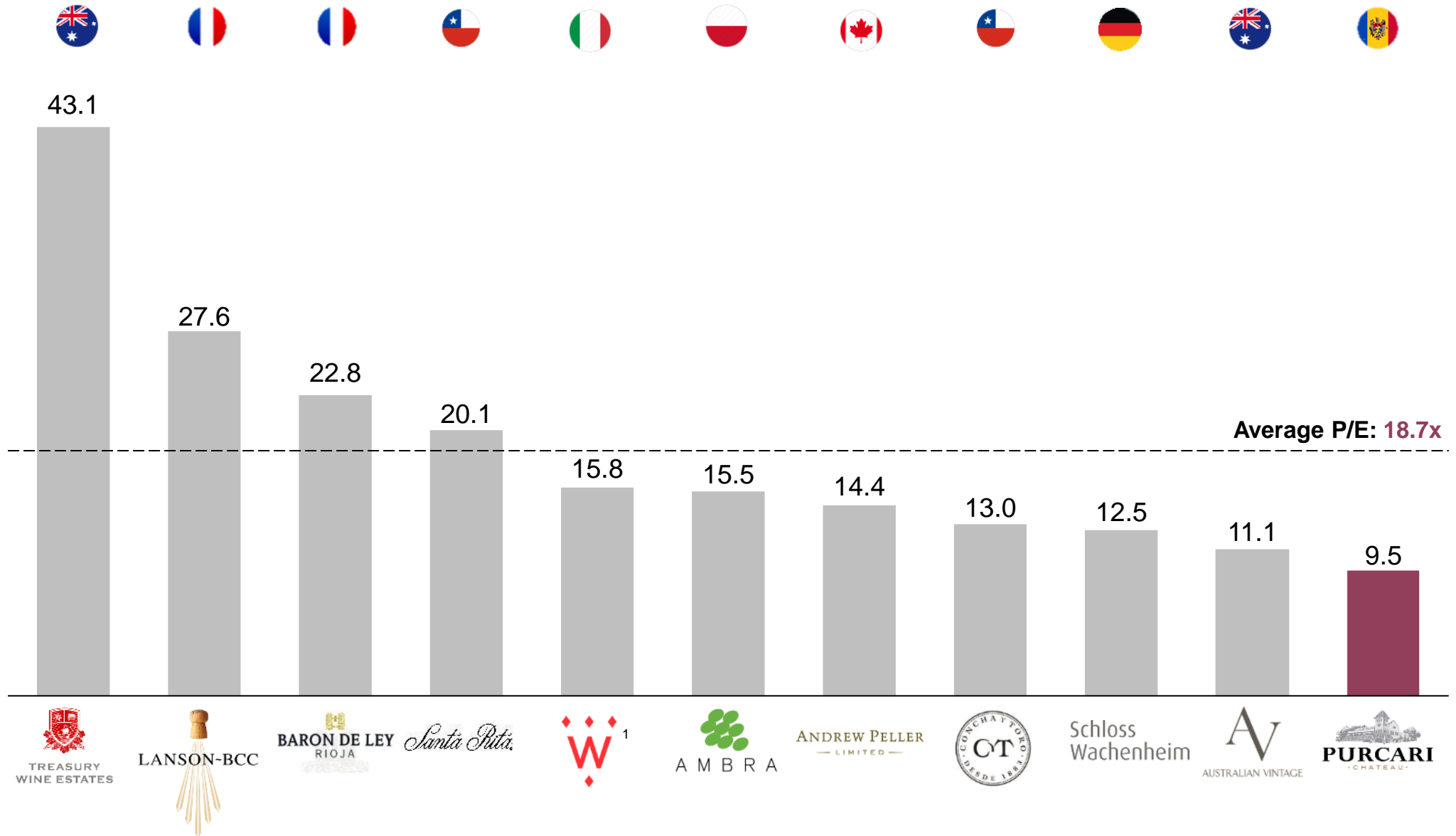
Ratio of daily trade value to Market Capitalisation, 2021 YTD average, bps



# 4 Low valuation relative to wine peers

## Purcari vs Selected wine public companies

P/E LTM Multiples

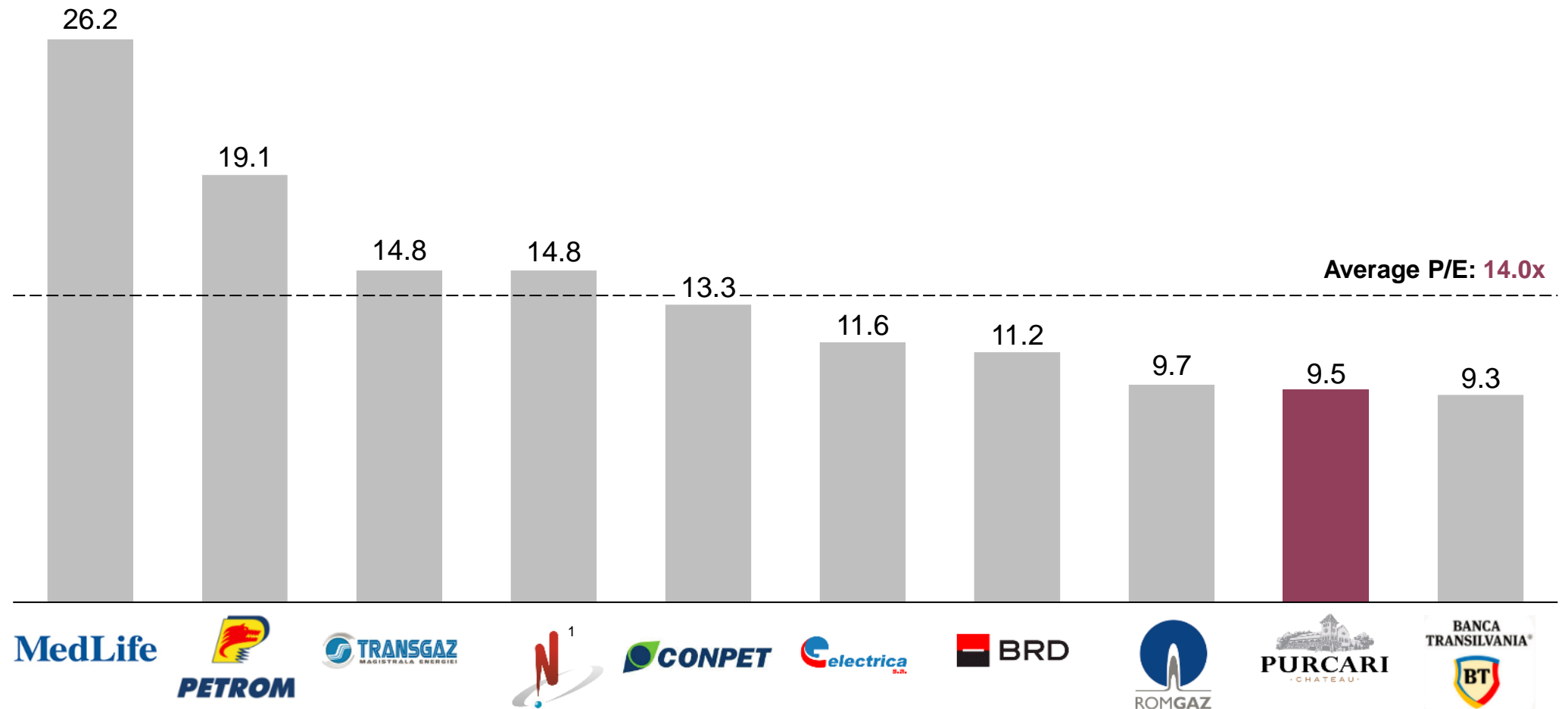


Source: Net Income and Market Cap as per Capital IQ as of April 27<sup>th</sup>, 2021  
 Note: Net Profit after minorities is used for P/E multiple (1) Italian Wine Brands

## 4 Average valuation relative to Romanian listed peers

### Purcari vs Selected Romanian public companies

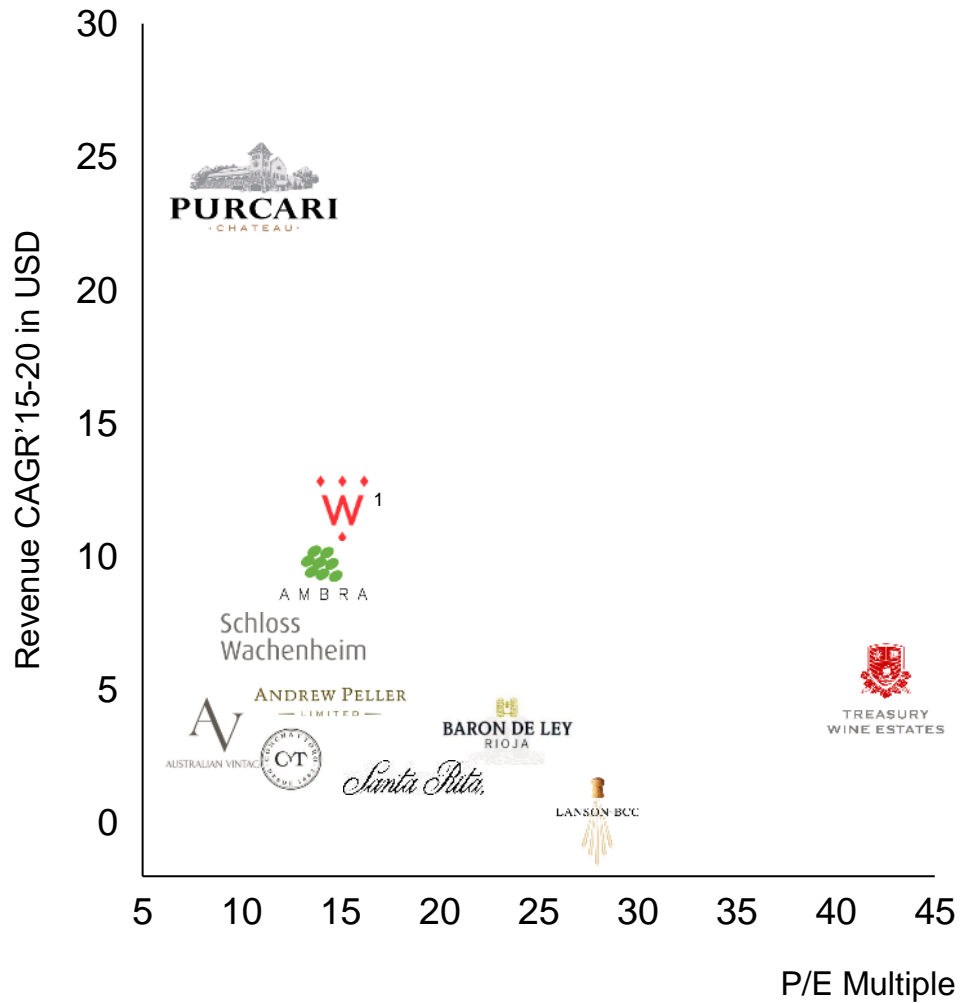
P/E LTM Multiples



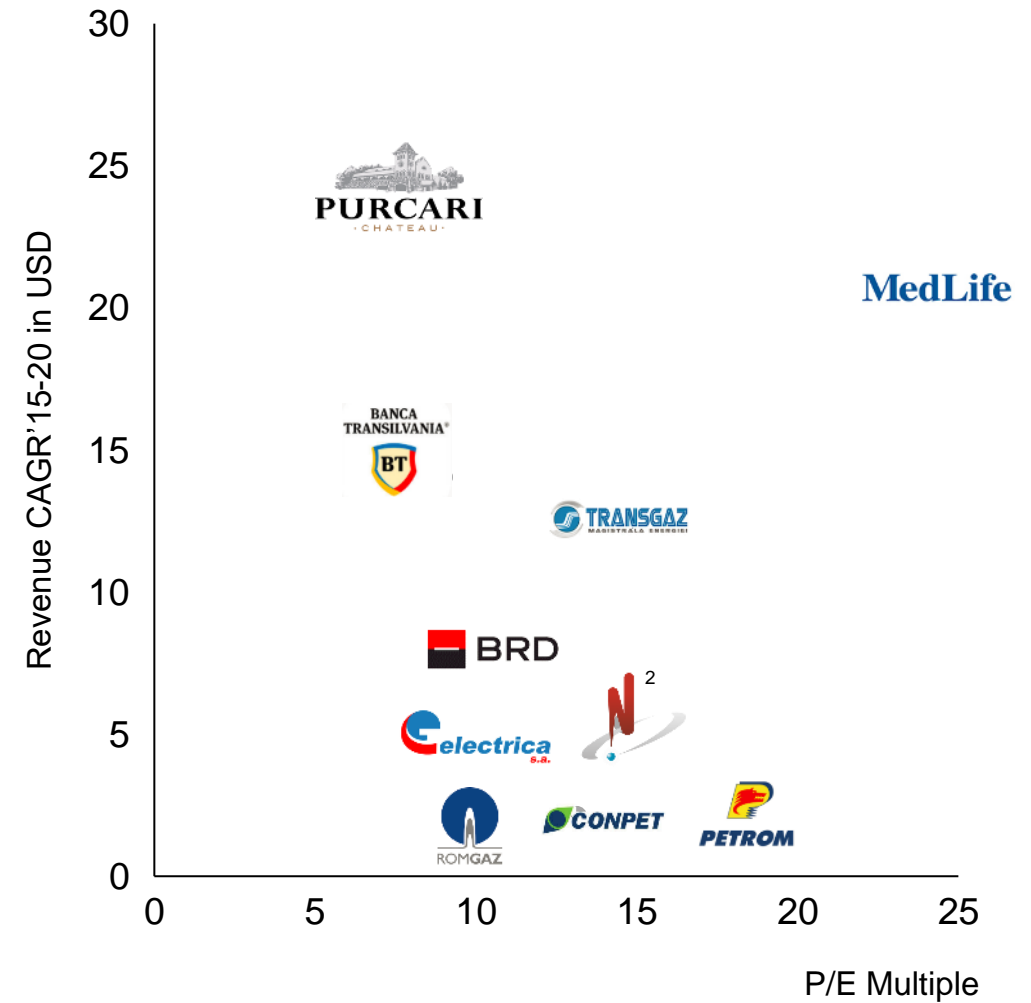


# 4 High growth not incorporated in valuations yet

## Purcari vs Selected wine public companies



## Purcari vs Selected Romanian public companies



Source: Capital IQ, Company Data, LTM P/E multiples as of April 27<sup>th</sup>, 2021. Growth figures as per Capital IQ, minor discrepancies with Purcari reported performance possible due to exchange rate treatment  
 Note: Net Profit after minorities is used for P/E multiple; (1) Italian Wine Brands; (2) Nuclearelectrica

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

## 5 Resolutions subject to AGM voting

Quorum 53.50% representing 10 699 662 shares out of 20 000 000 issued shares

1. Re-appointment of Monica Cadogan as Director	100%
2. Reappointment of KPMG as Auditors	100%
3. Approval of share buy back for Management Incentive Program	85.44%
4. Approval of dividends payment	100%
5. Approval of capital increase option (but not the obligation), up to 1.0m shares	95.96%

Please check the full AGM notice and letter to shareholders at: <https://bit.ly/3xIVosW>

Thank you.

