

PURCARI

WINERIES GROUP

Purcari revenues up 11% in Q1 and 18% in the first four months of 2024

Bucharest, May 15, 2024

Purcari Wineries PCL (“Group”, “Company”), CEE’s leading wine producer, announced today its financial results for the first quarter of 2024. The Group’s revenue grew by 11% in Q1 ‘24, reaching RON 81.6 million, despite the high base of the same period in 2023, given the shift in timing of the Orthodox Easter. For the four months of 2024, normalizing for the Easter timing, the revenue growth reached 18% year-on-year. EBITDA rose to RON 23.1 million in Q1’24, a margin of 28%.

“We have had a good start of the year and are pleased to see ongoing strong demand for our brands, showing in consistent market share gains in our key markets. As inflationary pressures ease and the effects of the strong harvest in 2023 trickle in, we are seeing also more headroom for improving margins”, said Victor Bostan, CEO of Purcari Wineries.

Key commercial highlights for Q1 2024:

- **Romania:** +13% in Q1 ‘24 YoY. Strong year start considering Easter timing. Purcari and Crama Ceptura performing best. Domeniile Cuza doubling sales, albeit from a smaller base.
- **Moldova:** Accelerating growth for the second quarter in a row, +7% Q1 ‘24 YoY. Strong recovery for Bardar with +22% in Q1 ‘24 YoY, after a weaker 2023. IKA performing strong, whilst the duty-free channel is undergoing changes, strong competition in the traditional trade segment. Prioritizing margins over volumes with Bostavan and Bardar.
- **Poland:** Pricing pressures in the mainstream wine market continue, with Bostavan -8% Q1’24 YoY. Purcari continues its strong growth with +21% Q1 ‘24 YoY, albeit from a smaller base. Prioritizing margins over volumes with Bostavan.
- **Czech and Slovakia:** Accelerated growth for the second quarter in a row, +37% Q1 ‘24 YoY, Bostavan leading the growth. Prioritizing margins over volumes with Bostavan.
- **Bulgaria:** +88% in Q1 ‘24 YoY. Continuous development of the market, expanding the commercial team and collaborating with local partners. Focus on highest margin products and channels. Accelerated listing of Purcari brand in leading HoReCa locations across the country.
- **Asia:** +29% in Q1 ‘24 YoY attributed to previous year’s investments in building brand awareness and local presence. Difficult macro environment persists, overall weak Chinese wine market. Double-digit decline of wine imports in China in 2023 YoY.

Update on Ecosmart

The Group anticipates the discontinuation of the activity of the EcoSmart Union SA, the waste recycling business in which the Group holds a 65.75% stake. This comes following regulatory changes relating to the Guarantee Return System (SGR), affecting the recycling demand for glass bottles, as well as the effects of litigation with the Environmental Fund Administration, as communicated in the Current Report of April 18, 2024. Ecosmart accounted for circa 8% of revenues and 4% of EBITDA and Net Income in 2023.

Updated Guidance for 2024

Following the expected discontinuation of the Ecosmart line of business, the Group updates the annual guidance to the one presented below. No changes are made for the core WINE business, while the numbers are adjusted to reflect the expected impact of discontinuing the Ecosmart business starting 2Q'24.

- Revenue growth: +12-15% (lowered from +16-20%, reflecting Ecosmart adjustment)
- Revenue growth WINE: +20-24% (maintained)
- EBITDA margin: 26-28% (maintained)
- Net Income margin: 14-16% (maintained)

Selected Financial Information

	<i>RON</i>		
	1Q 2024	1Q 2023	Δ 1Q
Revenue	81,591,002	73,335,804	11%
Gross Profit	35,660,725	32,732,104	9%
<i>% Gross margin</i>	<i>44%</i>	<i>45%</i>	<i>(1 pp)</i>
EBITDA	23,068,614	21,146,006	9%
<i>% EBITDA margin</i>	<i>28%</i>	<i>29%</i>	<i>(1 pp)</i>
Net Profit	10,845,657	12,779,202	-15%
<i>% Net Profit margin</i>	<i>13%</i>	<i>17%</i>	<i>(4 pp)</i>

Investors' Conference Call

The conference call for discussion and presentation of Q1 2024 financial results shall be held on May 16, at 13:00 EEST, 12:00 CEST. Attached are the Interim Financial Results for the three-month period ended March 31, 2024, and the Presentation for the conference call.

About Purcari Wineries

Purcari Wineries Public Company Limited (with its brands: Purcari, Crama Ceptura, Bostavan, Bardar, Domeniile Cuza and Angel's Estate) is one of the largest wine and brandy groups in the Central and Eastern European (CEE) Region. The Group manages around 1,560 hectares of vineyards and operates seven production platforms in Romania, Moldova, and Bulgaria. Purcari Wineries is the leader in the Premium wine segment in Romania and the largest wine exporter from Moldova, delivering to over 40 countries. Founded in 1827, Chateau Purcari is the most awarded winery of the CEE Region at Decanter London 2015-2023, as well as among the best ranked wineries on Vivino, with an average score of 4.1 out of 5.0, based on approximately 100,000 reviews. Since February 2018, the Group is listed on the Bucharest Stock Exchange under the ticker WINE. Purcari Wineries is led by Victor Bostan, a veteran with more than 30 years of experience in the wine business and is endorsed by top institutional investors such as: Horizon Capital, Fiera Capital, Conseq, East Capital and Norges Bank.

Enquiries

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