



# Purcari Wineries Public Company Limited

## FINANCIAL REPORT for the 1<sup>st</sup> HALF of 2021

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

**Purcari Wineries Public Company Limited**

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

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**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

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**I. Board of Directors and other officers****Board of Directors:**

<b>Name</b>	<b>Date of appointment</b>	<b>Title</b>
Monica Cadogan	Listing date (first appointment), re-appointed by the AGM on 28 April 2021	Non-executive, Independent Director
Vasile Tofan	Listing date (first appointment), re-appointed by the AGM on 29 April 2020	Non-executive, Non-independent Director
Neil McGregor	Listing date (first appointment), re-appointed by the AGM on 25 April 2019	Non-executive, Independent Director
Victor Bostan	Listing date	Executive, Non-independent Director
Eugen Comendant	Appointed by the AGM on 29 April 2020	Executive, Non-independent Director

**Chairman of the Board of Directors:** Vasile Tofan, firstly elected by the Board of Directors to this position on 14 June 2018 and re-elected by the Board on 29 April 2020

**Company Secretary:** Inter Jura CY (Services) Limited

**Registered office:** 1, Lampousas Street  
1095 Nicosia  
Cyprus

**Registration number:** HE 201949

The Financial Report for the First Half of 2021, including the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-months period ended 30 June 2021 was approved by the Board of Directors on the August 24<sup>th</sup>, 2021.

**Purcari Wineries Public Company Limited**

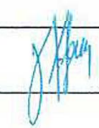

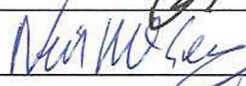
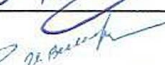
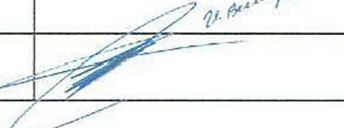
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**II. Statement by the Members of the Board of Directors and other responsible officers of the Company for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021**


In accordance with Section 10 sub-sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading on a Regulated Markets) Law of 2007 as amended (the "Law"), we, the members of the Board of Directors and the other responsible persons for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021 (the "Interim Condensed Consolidated Financial Statements") of Purcari Wineries Public Company Limited (the "Company") confirm to the best of our knowledge that:

- (a) the Interim Condensed Consolidated Financial Statements
  - (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 10, sub-section (4) of the Law, and
  - (ii) give a true and fair view of the assets, liabilities, the financial position and the profit or loss of Purcari Wineries Public Company Limited and the undertakings included in the consolidated accounts taken as a whole, and
- (b) the Interim Management Report includes a fair review of the information required under Section 10, sub-section (6) of the Law.

Members of the Board of Directors:

Vasile Tofan	Non-executive, Non-independent Director	
Monica Cadogan	Non-executive, Independent Director	
Neil McGregor	Non-executive, Independent Director	
Victor Bostan	Executive, Non-independent Director	
Eugen Comendant	Executive, Non-independent Director	

Person responsible for the preparation of the consolidated financial statements of the Company:

Victor Arapan	Chief Financial Officer	
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## Purcari Wineries Public Company Limited

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

*all amounts are in RON, unless stated otherwise*

### III. Interim Management Report

The Board of Directors presents its Interim Management Report to be followed by the Non-Audited, Interim Condensed Consolidated Financial Statements for the Company and its subsidiaries (the “Group”) for the six-month period ended 30 June 2021.

#### 1. Principal activities of the Group remain the same

Purcari Wineries Plc (“Purcari”, “Group”, or “Company”) is one of the largest wine groups in the Central and Eastern Europe (CEE) region. The Group manages circa 1,300 hectares of vineyards and operates four production platforms in Romania and Moldova, three of which are dedicated to wine production using grapes from own vineyards and from third-party suppliers and one is dedicated to brandy production. In June 2021, the Group had over 700 employees across its four production platforms.

The Group is the leader in the premium wine segment in Romania and the largest wine exporter from Moldova, delivering to over 40 countries in Europe (Poland, the Czech Republic, Slovakia, Ukraine, Norway, UK, etc.), in Asia (China, Japan, South Korea) and in North America (Canada and USA).

#### 2. Economic analysis of the results and comparative economic analysis in relation to the previous corresponding period

#### Economic performance and financial analysis

The Company’s sales grew by 25% YoY in the first half of 2021, reaching RON 106,5 million compared to RON 85 million in the similar period of the last year, helped by strong performance in core markets. Romania contributed the most to the growth, increasing sales by 29% YoY, while revenues in Moldova grew 76% YoY. Asian region registered the highest growth, up 160% YoY, albeit vs. a depressed based last year.

Sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester of 2021 were as follows:

	<b>Bostavan wine (unaudited)</b>	<b>Purcari wine (unaudited)</b>	<b>Crama Ceptura wine (unaudited)</b>	<b>Bardar divin and brandy (unaudited)</b>	<b>Total (unaudited)</b>
Romania	1,285,501	37,628,755	15,518,714	1,080,648	55,513,618
Republic of Moldova	2,382,361	7,056,536	-	6,426,605	15,865,502
Poland	9,492,176	210,466	32,578	39,713	9,774,933
Belarus	-	-	-	1,862,229	1,862,229
Czech Rep. and Slovakia	4,349,526	100,640	-	-	4,450,166
Asia	1,786,833	1,519,848	478,478	483,344	4,268,503
Baltic countries	3,460,169	342,977	87,955	166,093	4,057,194
Ukraine	1,601,481	2,143,067	-	-	3,744,548
Other	1,249,148	2,313,184	740,425	503,128	4,805,885
<b>Total</b>	<b>25,607,195</b>	<b>51,315,473</b>	<b>16,858,150</b>	<b>10,561,760</b>	<b>104,342,578</b>

The evolution of sales by main markets is described below:

- **Romania:** Sales increased by +29%. Very strong performance for the flagship Purcari brand, up 36% YoY. Crama Ceptura demonstrated accelerated growth on the back of quality improvements, active marketing, expanding 14%; Bardar 115%, albeit from a lower base. The challenges in the HoReCa segment were compensated by very strong traction in modern trade channel, especially with international key accounts;
- **Moldova:** Strong growth of +76% YoY, continuing V shape recovery across all brands and channels. HORECA and Duty-Free sales still behind 2019 results as most of pandemic restrictions were lifted as of late 2Q2021;

## Purcari Wineries Public Company Limited

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- **Poland:** Revenues down by 11% YoY on strong price competition from international brands, combined with pandemic restrictions in 1Q21. Adapting trade activity and marketing efforts with expected effects in 4Q: i.e. including by targeting Polish HORECA with the newly launched Purcari Nocturne series;
- **Asia:** V shape rebound continues, up 160% YoY, yet still behind 1H19 level; All brands showing significant progress. Bardar, generating highest margins, is the only brand surpassing 2019 sales, albeit from a smaller base;
- **Czechia and Slovakia:** Sales are on a recovery track, recording a small decrease by -1% YoY. Strict restrictive measures in 1Q21, especially in Slovakia, had an effect on full 1H results. TESCO restructuring still adversely affecting results, but effect is diminishing. Growing the premium segment with Purcari brand, which saw sales doubling vs. similar period last year;
- **Ukraine:** Revenues expanded by 6%, with Purcari brand up 24%, as it becomes increasingly popular with Ukrainian consumers, influencers, given excellent value for money offered. Established a local office to sustain growth.

The evolution of sales by brands is described below:

- **Purcari:** Purcari brand recorded impressive increase of 46% YoY, with ongoing strong traction in Romania +36% YoY and firm recovery in Moldova +88% YoY and Asia +112% YoY. Promising performance in newer markets, such as Poland Czech Republic and Slovakia;
- **Bostavan:** Drop of sales in Poland, Baltics and Ukraine. The impact is offset by a strong recovery in Moldova +45 YoY and Asia +209% YoY. In Romania the brand was up 9% YoY;
- **Crama Ceptura:** The brand is on a strong rebound trajectory with +17% increase YoY, as a result of re-invigorating marketing campaigns and improvements in quality. Focus on premium and higher-margin wines, such as Astrum and Magnus series;
- **Bardar:** Strong recovery in Moldova +78% YoY, Romania +115% YoY, albeit from a low base. Sales in Belarus declining as effect of focus on bottled products versus sales in bulk.

Gross margin increased year-on-year, from 48% to 50%, pushed up mainly by recovery of higher margin sales of Purcari brand in Moldova and China and its strong traction in Romania.

G&A expenses increased 35% YoY, mainly due to salaries increase by +46% or RON 2.8 million, which in turn, was nearly entirely driven by the implementation of the Stock Option Plan and increased price quotation of Company's shares. The Stock Option Plan impacted this expense line with RON 2.7 million. The need for many professional fees inquired by the Group in relation to share capital increase, market-making services, M&A consulting and legal fees led to an increase of these expenses by RON 0.6 million.

The share of marketing and selling expenses slightly increased from 10% of revenue last year to 12% of revenue in the reported period, main drivers being increased marketing and trade activities to support sales and increase in commercial salaries, impacted by above mentioned implementation of Stock Option Plan.

Depreciation expenses increased by RON 0.7 million or +13% YoY, as result of realized capital expenditures to increase production capacities.

The net finance cost improved in first semester of 2021, recording a decrease by 12% YoY. Interest expenses reduced on earlier reimbursement of loans given cash excess, but the depreciation of MDL increased FX loss by 69% YoY.

As a result, the EBITDA increased 24% YoY. EBITDA margin reached 33%, similar to the level reported last year. Typical seasonality trends, with the usual profitability skew towards Q3-Q4, leave room for possible additional upside.

Net income of the Company increased by 31% YoY or RON 4.8 million and represents RON 20.4 million for the six-month period of 2021.

The non-current assets of the Company grew by 5% compared to 2020 year-end, on continuation of capital expenditures realized to finalize the reconstruction of new Purcari production platform and other improvements of production flow. Also, the Company made an investment in equity instruments, buying a minority stake in the capital of 8Wines.com, a Czech-based online retailer of wines.

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Current assets decreased by 6% in the reported period, compared to the level as of 2020 year-end. The largest portion of decrease is attributable to Cash and cash equivalents, as the Group repaid some loans given cash excess, after divestment of the stake in Glass Container Company SA in Dec-2020. Trade and Other Receivables also decreased, as the collection improved from 91 days to 77 days.

Loans and borrowings decreased by 24% compared to 2020 year-end, on regular and earlier repayments.

The Trade and Other Payables increased significantly by 54% on decision of shareholders to distribute dividends amounting RON 26 million.

In the first half of 2021, the Group's general liquidity ratio continue to improve, increasing to 1.80 from 1.78 at 2020 year-end. The indebtedness of the Company measured by gearing ratios (Debt/Equity and Debt/Capital Employed) shows improvement. In view of the above, the financial position of the Company as presented in these financial statements are considered to be at a comfortable level.

For details on performance of the main financial indicators, their meaning and calculations, please see section *Financial Indicators*.

### **Important events**

On 29 March 2021, the shareholders of the Company approved the increase of issued share capital from EUR 200,000.00 to EUR 400,000.00 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 at 20.07.2021. On the payment date, 21.07.2021, the Central Depository announced the registration of share capital increase.

On 28 April 2021, the shareholders of the Company voted in favour of dividends payment to all shareholders out of accumulated profits in the amount RON 26,000,000. The record date was set at 20.08.2021 and payment date was set at 09.09.2021. The dividend will represent RON 0.65 per ordinary share, based on the recently increased issued share capital and the respective doubling of the number of shares in circulation, as described above.

On 28 April 2021, the AGM approved a buy-back program for up to 369,156 own shares, to allow the Company to meet its obligations arising from earlier approved Management Incentive Program. The Company started the buy-back program at 10.08.2021, planning for a redemption of 329,156 own shares.

On 29 March 2021, Vinaria Purcari SRL, a Company's subsidiary in Moldova, entered into an agreement to open a new revolving credit line amounting up to MDL 50 million from a local bank, for working capital needs.

Later, on 19 May 2021, Vinaria Bostavan SRL, a Company's subsidiary in Moldova, obtained new financing from a local bank for working capital needs in the form of medium- and short-term revolving credit lines and overdraft to current account, all amounting up to MDL 191 million.

On 13 May 2021, the Company entered into an agreement to invest in 8Wines, a Czech-based fast growing online retail platform, by acquiring a minority stake in the share capital. The agreement allows for an option to further increase the stake at predefined terms. Also, the Company undertook a commitment to provide an interest-bearing loan facility to 8Wines for up to EUR 0.9 million, with final repayment not later than 31 December 2024.

### **Financial indicators**

Liquidity ratio – represent 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 1.80, which is a slightly improvement compared to 1.78 recorded at 2020 year-end.

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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.

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 remains the same of 1.1 comparing to year end.

<b>Item, RON</b>	<b>30 June 2021</b>		<b>31 December 2020</b>	
<b>Liquidity ratio</b>				
Current Assets	177,735,364	1.80	189,331,073	1.78
Current liabilities	98,735,347		106,223,073	
<b>Gearing ratios</b>				
Debt	73,047,650	33%	96,582,372	43%
Equity	222,375,834		222,630,377	
Debt	73,047,650	25%	96,582,372	30%
Total Capital Employed	295,423,484		319,212,749	
<b>Receivables Turnover, days</b>				
Receivables	45,862,685	77	51,714,357	91
Net Sales Annualized / 360	591,838		565,756	
<b>Non-current Assets turnover</b>				
Net Sales Annualized	213,061,698	1.1	203,672,077	1.1
Non-current Assets	201,498,787		192,406,366	

**EBITDA Evolution**

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is calculated as profit / (loss) for the year (as presented in the 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 (as presented in Notes 4 and 5).

The management of the Group monitors the EBITDA metric at a consolidated level, as a measure considered to be relevant to the 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



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by the Group. Consequently, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

The EBITDA increased by 24% compared to previous period and its calculation is presented below.

	<b>Indicator</b>	<b>3-month ended 30 June 2021</b>	<b>3-month ended 30 June 2020</b>	<b>6-month 2021 (unaudited)</b>	<b>6-month 2020 (unaudited)</b>
<b>EBITDA</b>	<b>EBITDA</b>	<b>15,478,670</b>	<b>10,939,613</b>	<b>35,104,923</b>	<b>28,298,933</b>
Less: depreciation		(3,240,238)	(2,716,076)	(6,480,606)	(5,742,157)
Less: amortization		(30,666)	(43,081)	(62,015)	(83,713)
<b>Result from operating activities</b>	<b>EBIT</b>	<b>12,207,766</b>	<b>8,180,456</b>	<b>28,562,302</b>	<b>22,473,063</b>
Less: net finance costs		(435,230)	657,455	(3,527,264)	(4,016,321)
<b>Earnings Before Taxes</b>	<b>EBT</b>	<b>11,772,536</b>	<b>8,837,911</b>	<b>25,035,038</b>	<b>18,456,742</b>
Less: income tax		(1,680,082)	(1,296,923)	(4,661,136)	(2,882,722)
<b>Profit for the period</b>		<b>10,092,454</b>	<b>7,540,988</b>	<b>20,373,902</b>	<b>15,574,020</b>

### 3. *Non-recurring or extraordinary activities for the 1st semester 2021*

The Group did not conduct any non-recurring or extraordinary activities that could generate income from such activities during the reporting period.

### 4. *Important Events during the first six months of the financial year, and their impact on the interim financial results*

No important events with impact on the interim financial results took place during the first six months of the 2021.

### 5. *Principal Risks and Uncertainties for the second semester of the financial year 2021*

#### **The ongoing uncertainty related to the Covid-19 pandemic may create additional pressures on Group's financial performance**

Group revenues rose by 25% compared to similar period of the last year. Many restrictive measures have been lifted or weakened, which has led to an increased level of economic activity in the Group's main markets. However, the Group notes the risk of slowing down vaccination rates as well as increased uptake in infections in our target markets, including as result of the Delta variant, which may lead to new restrictive measures which may adversely impact our sales.

#### **The adverse weather patterns could have a material adverse effect on the Group's business**

Grape yields and quality can be affected by certain adverse weather patterns. During the first six months of the year, heavy rains in the regions, where the Group manages vineyards, hampered agricultural protection work. Nevertheless, the management of the Group believes it has handled the situation well, which will ensure an optimal quantity and quality of grapes on its own plantations. However, many third-party farmers have faced challenges in protecting their crops, including posed by vine diseases, which could have an impact on the availability for acquisition of quality grapes.

#### **In the absence of hedging arrangements in place, the Group is exposed to the risk of currency exchange fluctuations**

The results of the Group are subject to fluctuations in the foreign exchange rates of EUR and USD against the local currencies (especially RON and MDL). Thus, the Group's operating subsidiaries in Romania and the Republic of Moldova generate revenue and record their financial results in RON and MDL, respectively, while the Group also earns a significant share of revenues from EUR and USD linked contracts. The Group manages its currency exchange risk

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exposure in a limited manner and there is no hedging arrangement at Group level designed or implemented to this end. Therefore, any unfavourable shift in exchange rates could have a material adverse effect on the Group's business, financial condition, and the results of operations.

**Interest rate risk**

The Group faces business risks stemming from central banks' monetary policy decisions. Any rise in interest rates could have material adverse effects on the Group.

Even if the inflation rate in Romania doubled against the targeted one, during 1H2021, the 1M ROBOR has decreased from 1.98% to 1.45%, lowering the finance costs for Group's loan portfolio in Romania.

National Bank of Moldova has kept unchanged the basic rate for monetary policy operations during 1H2021, and on 30.07.2021 it made an increase from 2.65% to 3.65%.

Although the estimates for year-end inflation rate show a significant increase in both Romania and Moldova, the management does not estimate as high the risk of interest rates increases and their material impact on our operations for the remainder of 2021.

**Increases in taxes, particularly increases to excise duty rates, could adversely affect demand for the Group's products**

Wine and spirits are subject to excise duties and other taxes (including VAT) in most of the countries in which the Group operates. Nevertheless, the Group management does not expect any such changes to take place within next six month.

*6. Other substantial information which affects or could affect the assessment or evaluation regarding profits and losses, the prospects and trends of the operations and gain or loss of important contracts or co-operations*

There is no other substantial information which affects or could affect the assessment or evaluation of Company's profitability, its financial position and developing trends, except those disclosed in this Interim Management Report and in Notes to the Condensed Consolidated Interim Financial Statements.

*7. Related parties' transactions during the 1st semester of the financial year*

The transactions of the Group with related parties are stated under note 24 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

Chisinau, 24 August 2021

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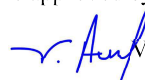
**IV. Condensed Consolidated Interim Statement of Financial Position as at 30 June 2021**

	Note	30 June 2021 (unaudited)	31 December 2020 (audited)	Variation
<b>Assets</b>				
Property, plant and equipment	4	145,253,428	141,815,513	2%
Intangible assets	5	1,216,933	1,187,013	3%
Loans receivables	9	345,828	-	100%
Non-current receivables	8	2,386,726	2,348,704	2%
Equity-accounted investees	7	714,876	558,109	28%
Equity instruments at fair value through profit or loss	8	3,223,830	-	100%
Inventories	10	48,307,378	46,497,027	4%
Other non-current assets		49,788	-	100%
<b>Total non-current assets</b>		<b>201,498,787</b>	<b>192,406,366</b>	<b>5%</b>
Inventories	10	86,229,420	83,021,797	4%
Loans receivables	9	1,392	-	100%
Trade and other receivables	6	45,862,685	51,714,357	(11%)
Cash and cash equivalents	11	38,932,426	50,788,605	(23%)
Income tax assets		607,576	362,406	68%
Prepayments		5,729,321	3,276,990	75%
Other current assets		372,544	166,918	123%
<b>Total current assets</b>		<b>177,735,364</b>	<b>189,331,073</b>	<b>(6%)</b>
<b>Total assets</b>		<b>379,234,151</b>	<b>381,737,439</b>	<b>(1%)</b>
<b>Equity</b>				
Share capital	12	728,279	728,279	0%
Share premium	12	82,533,921	82,533,921	0%
Treasury shares reserve	12	(650,264)	(4,424,086)	(85%)
Other reserves		5,893,360	3,029,812	95%
Foreign currency translation reserve		3,557,359	3,375,006	5%
Retained earnings		114,042,986	121,125,160	(6%)
<b>Equity attributable to owners of the Company</b>		<b>206,105,641</b>	<b>206,368,092</b>	<b>0%</b>
<b>Non-controlling interests</b>		<b>16,270,193</b>	<b>16,262,285</b>	<b>0%</b>
<b>Total equity</b>		<b>222,375,834</b>	<b>222,630,377</b>	<b>0%</b>
<b>Liabilities</b>				
Loans and borrowings	15	44,497,454	42,479,687	5%
Deferred income		6,871,398	3,922,919	75%
Deferred tax liability		6,754,118	6,481,383	4%
<b>Total non-current liabilities</b>		<b>58,122,970</b>	<b>52,883,989</b>	<b>10%</b>
Loans and borrowings	15	28,550,196	54,102,685	(47%)
Deferred income	14	438,397	614,664	(29%)
Current tax liabilities		50,678	2,075,584	(98%)
Employee benefits	23	4,723,852	3,457,842	37%
Trade and other payables	13	59,323,109	38,457,018	54%
Provisions		5,649,115	7,515,280	(25%)
<b>Total current liabilities</b>		<b>98,735,347</b>	<b>106,223,073</b>	<b>(7%)</b>
<b>Total liabilities</b>		<b>156,858,317</b>	<b>159,107,062</b>	<b>(1%)</b>
<b>Total equity and liabilities</b>		<b>379,234,151</b>	<b>381,737,439</b>	<b>(1%)</b>

These Condensed Consolidated Interim Financial Statements were approved by management on 24<sup>th</sup> of August 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 15 to 32.

**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise*

**V. Condensed Consolidated Interim Statement of Comprehensive Income for the six-month period ended 30 June 2021**

	Note	3-month ended 30 June 2021	3-month ended 30 June 2020	6-month 2021 (unaudited)	6-month 2020 (unaudited)	Variation
Revenue	16	56,685,182	38,532,603	106,530,849	84,892,384	25%
Cost of sales	17	(29,408,528)	(21,251,690)	(53,219,823)	(44,021,059)	21%
<b>Gross profit</b>		<b>27,276,654</b>	<b>17,280,913</b>	<b>53,311,026</b>	<b>40,871,325</b>	<b>30%</b>
Other operating income	20	877,125	182,219	1,071,493	165,983	546%
Marketing and sales expenses	18	(7,776,176)	(4,935,740)	(12,751,148)	(8,876,197)	44%
General and administrative expenses	19	(7,230,358)	(4,303,403)	(13,273,556)	(9,858,666)	35%
Other operating expenses	21	(838,997)	(53,185)	69,216	(205,348)	(134%)
Impairment loss on trade and loan receivables		(178,864)	(252,063)	(21,492)	(106,633)	(80%)
<b>Result from operating activities</b>		<b>12,129,384</b>	<b>7,918,741</b>	<b>28,405,539</b>	<b>21,990,464</b>	<b>29%</b>
Finance income	21	699,626	1,907,296	700,079	-	100%
Finance costs	21	(1,134,856)	(1,249,841)	(4,227,343)	(4,016,321)	5%
<b>Net finance costs</b>	21	<b>(435,230)</b>	<b>657,455</b>	<b>(3,527,264)</b>	<b>(4,016,321)</b>	<b>(12%)</b>
Share of profit of equity-accounted investees, net of tax		78,382	261,715	156,763	482,599	(68%)
<b>Profit before tax</b>		<b>11,772,536</b>	<b>8,837,911</b>	<b>25,035,038</b>	<b>18,456,742</b>	<b>36%</b>
Income tax expense		(1,680,082)	(1,296,923)	(4,661,136)	(2,882,722)	62%
<b>Profit for the period</b>		<b>10,092,454</b>	<b>7,540,988</b>	<b>20,373,902</b>	<b>15,574,020</b>	<b>31%</b>
<b>Profit attributable to:</b>						
Owners of the Company		9,288,682	7,294,321	18,917,826	14,595,907	30%
Non-controlling interests		803,772	246,667	1,456,076	978,113	49%
<b>Profit for the period</b>		<b>10,092,454</b>	<b>7,540,988</b>	<b>20,373,902</b>	<b>15,574,020</b>	<b>31%</b>

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 15 to 32.

**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise***VI. Condensed Consolidated Interim Statement of Cash Flow for the six-month period ended 30 June 2021**

	<u>6-month 2021 (unaudited)</u>	<u>6-month 2020 (unaudited)</u>
<b>Cash flow from operating activities</b>		
Profit for the period	<b>20,373,902</b>	<b>15,574,020</b>
<b>Adjustments for:</b>		
Depreciation and amortization	6,542,621	5,825,870
Equity-settled share-based payment transactions	6,637,370	1,376,799
Non-cash items	-	265,841
Income tax expense	4,661,136	2,882,722
Net finance costs	3,527,264	4,016,321
<b>Operating profit before working capital changes</b>	<b><u>41,742,293</u></b>	<b><u>29,941,573</u></b>
<i>Changes in:</i>		
Inventories	(5,017,974)	481,728
Trade and other receivables	3,192,323	13,267,607
Trade and other payables	(5,344,954)	(12,555,986)
<b>Cash generated from operating activities</b>	<b>34,571,688</b>	<b>31,134,922</b>
Income tax paid	(6,658,477)	(4,725,257)
Interest paid	(1,469,156)	(2,798,168)
<b>Net cash generated from operating activities</b>	<b><u>26,444,055</u></b>	<b><u>23,611,497</u></b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of property, plant and equipment and intangible assets	(10,268,624)	(13,059,006)
Loans granted	(345,828)	-
Investments in equity instruments	(3,223,830)	-
Proceeds from sale of property, plant and equipment	208,380	126,311
<b>Net cash used in investing activities</b>	<b><u>(13,629,902)</u></b>	<b><u>(12,932,695)</u></b>
<b>Cash flows from financing activities</b>		
Change in loans and borrowings and finance lease	(23,534,722)	(6,211,910)
Dividends paid	(1,340,167)	(1,003,808)
<b>Net cash used in financing activities</b>	<b><u>(24,874,889)</u></b>	<b><u>(7,215,718)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>(12,060,735)</b>	<b>3,463,084</b>
Cash and cash equivalents at beginning of the period	50,788,605	12,573,775
Effect of movements in exchange rates on cash held	204,556	(137,093)
<b>Cash and cash equivalents at end of period</b>	<b><u>38,932,426</u></b>	<b><u>15,899,766</u></b>

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 15 to 32.

**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise*

**VII. Condensed Consolidated Interim Statement of Changes in Equity for the six-month period ended 30 June 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
<b>Balance at 1 January 2020</b>	<b>728,279</b>	<b>82,533,921</b>	<b>(4,573,126)</b>	<b>1,946,882</b>	<b>15,160,426</b>	<b>64,739,104</b>	<b>160,535,486</b>	<b>16,734,268</b>	<b>177,269,754</b>
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	56,386,056	56,386,056	2,843,710	59,229,766
Foreign currency translation differences	-	-	-	-	(11,785,420)	-	(11,785,420)	(1,236,585)	(13,022,005)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(11,785,420)</b>	<b>56,386,056</b>	<b>44,600,636</b>	<b>1,607,125</b>	<b>46,207,761</b>
<b>Transaction with owners of the Company</b>									
Treasury shares acquired	-	-	(2,636,198)	-	-	-	(2,636,198)	-	(2,636,198)
Shares allocated to employees	-	-	2,785,238	(2,785,238)	-	-	-	-	-
Equity-settled share-based payments	-	-	-	3,868,168	-	-	3,868,168	-	3,868,168
<b>Total transactions with owners of the company</b>	-	-	<b>149,040</b>	<b>1,082,930</b>	-	-	<b>1,231,970</b>	-	<b>1,231,970</b>
<b>Other changes in equity</b>									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,079,108)	(2,079,108)
<b>Total Other changes in equity</b>	-	-	-	-	-	-	-	<b>(2,079,108)</b>	<b>(2,079,108)</b>
<b>Balance at 31 December 2020 / 1 January 2021</b>	<b>728,279</b>	<b>82,533,921</b>	<b>(4,424,086)</b>	<b>3,029,812</b>	<b>3,375,006</b>	<b>121,125,160</b>	<b>206,368,092</b>	<b>16,262,285</b>	<b>222,630,377</b>
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	18,917,826	18,917,826	1,456,076	20,373,902
Foreign currency translation differences	-	-	-	-	182,353	-	182,353	28,887	211,240
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>182,353</b>	<b>18,917,826</b>	<b>19,100,179</b>	<b>1,484,963</b>	<b>20,585,142</b>
<b>Transaction with owners of the Company</b>									
Dividends	-	-	-	-	-	(26,000,000)	(26,000,000)	-	(26,000,000)
Shares allocated to employees	-	-	3,773,822	(3,773,822)	-	-	-	-	-
<b>Total transactions with owners of the company</b>	-	-	<b>3,773,822</b>	<b>(3,773,822)</b>	-	<b>(26,000,000)</b>	<b>(26,000,000)</b>	-	<b>(26,000,000)</b>
<b>Other changes in equity</b>									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,477,055)	(1,477,055)
Equity-settled share-based payment	-	-	-	6,637,370	-	-	6,637,370	-	6,637,370
<b>Total Other changes in equity</b>	-	-	-	<b>6,637,370</b>	-	-	<b>6,637,370</b>	<b>(1,477,055)</b>	<b>5,160,315</b>
<b>Balance at 30 June 2021</b>	<b>728,279</b>	<b>82,533,921</b>	<b>(650,264)</b>	<b>5,893,360</b>	<b>3,557,359</b>	<b>114,042,986</b>	<b>206,105,641</b>	<b>16,270,193</b>	<b>222,375,834</b>

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 15 to 32.

**Purcari Wineries Public Company Limited**

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

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

These preliminary unaudited 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 June 2021	31 December 2020
Vinorum Holdings Ltd	Gibraltar	100%	100%
West Circle Ltd	British Virgin Islands	100%	100%
Crama Ceptura SRL	Romania	100%	100%
Vinaria Bostavan SRL	Republic of Moldova	99.54%	99.54%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%

The structure of the Group as at 30 June 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;
- Vinaria Bostavan SRL and Vinaria Purcari 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 June 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 June 2021 (31 December 2020: 56.05%).

**Note 2. Basis of preparation****(a) 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.

**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise*

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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 - Romanian Leu (RON),
- Vinaria Bardar SA, Vinaria Bostavan SRL and Vinaria Purcari SRL - Moldovan Leu (MDL).

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.



**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise***Note 4. Property, plant and equipment**

The movements of property, plant and equipment from 1 January 2020 to 30 June 2021 were as follows:

	<b>Assets under construction</b>	<b>Land</b>	<b>Buildings and constructions</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Other</b>	<b>Grape vines</b>	<b>Total</b>
<b>Cost</b>								
<b>Balance at 1 January 2021</b>	<b>5,553,185</b>	<b>7,266,688</b>	<b>115,797,408</b>	<b>103,760,190</b>	<b>9,242,775</b>	<b>5,729,686</b>	<b>28,724,442</b>	<b>276,074,374</b>
Additions	8,315,076	64,040	557,432	173,675	-	6,522	659,908	9,776,653
Transfers	(3,310,244)	-	305,946	1,959,881	752,763	291,654	-	-
Disposals	-	-	(41,619)	(2,116,296)	(69,012)	(30,239)	-	(2,257,166)
Effect of movement in exchange rates	(117,098)	(17,587)	62,395	155,443	12,148	3,265	(60,466)	38,100
<b>Balance at 30 June 2021</b>	<b>10,440,919</b>	<b>7,313,141</b>	<b>116,681,562</b>	<b>103,932,893</b>	<b>9,938,674</b>	<b>6,000,888</b>	<b>29,323,884</b>	<b>283,631,961</b>
<b>Accumulated depreciation and impairment losses</b>								
<b>Balance at 1 January 2021</b>	-	<b>415,351</b>	<b>66,498,725</b>	<b>52,469,986</b>	<b>3,877,758</b>	<b>4,496,603</b>	<b>6,500,438</b>	<b>134,258,861</b>
Depreciation for the period	-	57,835	1,529,165	3,480,260	597,373	229,061	586,912	6,480,606
Impairment loss, net	-	-	(39,741)	(1,545)	-	-	-	(41,286)
Disposals	-	-	(32,935)	(2,100,891)	(28,755)	(30,227)	-	(2,192,803)
Effect of movement in exchange rates	-	2,564	74,534	(126,698)	(9,564)	582	(68,263)	(126,845)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>475,750</b>	<b>68,029,748</b>	<b>53,721,112</b>	<b>4,436,812</b>	<b>4,696,029</b>	<b>7,019,087</b>	<b>138,378,533</b>
<b>Carrying amounts</b>								
<b>At 1 January 2021</b>	<b>5,553,185</b>	<b>6,851,337</b>	<b>49,298,679</b>	<b>51,290,208</b>	<b>5,365,017</b>	<b>1,233,083</b>	<b>22,224,004</b>	<b>141,815,513</b>
<b>At 30 June 2021</b>	<b>10,440,919</b>	<b>6,837,391</b>	<b>48,651,814</b>	<b>50,211,781</b>	<b>5,501,862</b>	<b>1,304,864</b>	<b>22,304,797</b>	<b>145,253,428</b>

**Purcari Wineries Public Company Limited**

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

*all amounts are in RON, unless stated otherwise*

	<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>
<b>Cost</b>								
<b>Balance at 1 January 2020</b>	<b>9,880,808</b>	<b>7,765,691</b>	<b>116,795,162</b>	<b>96,958,803</b>	<b>8,334,121</b>	<b>5,420,057</b>	<b>28,486,725</b>	<b>273,641,367</b>
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)
<b>Balance at 31 December 2020</b>	<b>5,553,185</b>	<b>7,266,688</b>	<b>115,797,404</b>	<b>103,760,194</b>	<b>9,242,775</b>	<b>5,729,686</b>	<b>28,724,442</b>	<b>276,074,374</b>
<b>Accumulated depreciation and impairment losses</b>								
<b>Balance at 1 January 2020</b>	-	<b>328,150</b>	<b>67,907,450</b>	<b>50,294,492</b>	<b>3,132,570</b>	<b>4,240,770</b>	<b>6,249,158</b>	<b>132,152,590</b>
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)
<b>Balance at 31 December 2020</b>	-	<b>415,351</b>	<b>66,498,725</b>	<b>52,469,986</b>	<b>3,877,758</b>	<b>4,496,603</b>	<b>6,500,438</b>	<b>134,258,861</b>
<b>Carrying amounts</b>								
<b>At 1 January 2020</b>	<b>9,880,808</b>	<b>7,437,541</b>	<b>48,887,712</b>	<b>46,664,311</b>	<b>5,201,551</b>	<b>1,179,287</b>	<b>22,237,567</b>	<b>141,488,777</b>
<b>At 31 December 2020</b>	<b>5,553,185</b>	<b>6,851,337</b>	<b>49,298,679</b>	<b>51,290,208</b>	<b>5,365,017</b>	<b>1,233,083</b>	<b>22,224,004</b>	<b>141,815,513</b>

**Capital commitments**

As at 30 June 2021 the Company has contracts to purchase property, plant and equipment for about RON 4 million. Delivery is expected during next six months.

**Purcari Wineries Public Company Limited**

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

**Note 5. Intangible assets**

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

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<b>Cost</b>		
Balance at 1 January 2021/1 January 2020	1,762,638	1,759,433
Additions	84,406	265,191
Disposals	(854)	(157,477)
Effect of movement in exchange rates	(7,322)	(104,509)
<b>Balance at 30 June 2021/31 December 2020</b>	<b><u>1,838,868</u></b>	<b><u>1,762,638</u></b>
<b>Amortization</b>		
Balance at 1 January 2021/1 January 2020	575,625	572,865
Amortization for the period	62,015	168,550
Disposals	-	-
Effect of movement in exchange rates	(15,705)	(165,790)
<b>Balance at 30 June 2021/31 December 2020</b>	<b><u>621,935</u></b>	<b><u>575,625</u></b>
<b>Carrying amounts</b>		
<b>At 1 January 2021/1 January 2020</b>	<b><u>1,187,013</u></b>	<b><u>1,186,568</u></b>
<b>At 30 June 2021/31 December 2020</b>	<b><u>1,216,933</u></b>	<b><u>1,187,013</u></b>

**Note 6. Trade and other receivables**

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

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<b>Financial receivables</b>		
Gross trade receivables	44,418,993	50,139,801
Allowance for impairment of trade receivables	(1,629,880)	(1,839,795)
<b>Total financial receivables</b>	<b><u>42,789,113</u></b>	<b><u>48,300,006</u></b>
<b>Non-financial receivables</b>		
Other receivables due from related parties	5,428	-
Other receivables	1,144,169	1,203,540
VAT receivable	1,802,161	1,980,636
Other taxes receivable	38,840	113,412
Excise receivable	82,974	116,763
<b>Total non-financial receivables</b>	<b><u>3,073,572</u></b>	<b><u>3,414,351</u></b>
<b>Total trade and other receivables</b>	<b><u>45,862,685</u></b>	<b><u>51,714,357</u></b>

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*all amounts are in RON, unless stated otherwise***Note 7. Equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the equity-accounted investees include the Group's share of the profit or loss and other comprehensive income of associates, until the date on which significant influence ceases.

Unrealised gains or losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee.

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

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
Investment in Ecosmart Union SA	714,876	558,109
<b>Total interests in equity-accounted investees</b>	<b><u>714,876</u></b>	<b><u>558,109</u></b>

***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 recycling management services.

**Note 8. Equity instruments at fair value through profit or loss**

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 amount to RON 2,386,726 as at 30 June 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 June 2021 the ownership interest in 8Wines was recognized at cost plus related costs of the transaction and represents RON 3,223,830.

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.

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*all amounts are in RON, unless stated otherwise***Note 9. Loans receivables**

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

	Currency	Interest rate	Year of maturity	30 June 2021		31 December 2020	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines (Principal)	USD	3.0%	2024	345,828	-	-	-
8Wines (interest receivable)				-	1,392	-	-
<b>Total loans receivable</b>				<b>345,828</b>	<b>1,392</b>	<b>-</b>	<b>-</b>

**Note 10. Inventories**

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

	30 June 2021 (unaudited)	31 December 2020 (audited)
Bottled Wine	15,513,688	14,986,565
Bottled Brandy	745,617	567,570
Bulk Wine	62,669,568	62,463,294
Bulk Brandy	34,324,212	34,157,180
Packaging	16,359,818	12,909,969
Other	4,923,895	4,434,246
<b>Total inventories</b>	<b>134,536,798</b>	<b>129,518,824</b>

**Note 11. Cash and cash equivalents**

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

	30 June 2021 (unaudited)	31 December 2020 (audited)
Bank accounts	38,777,331	50,652,861
Petty cash	155,095	135,744
<b>Total cash and cash equivalents</b>	<b>38,932,426</b>	<b>50,788,605</b>

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**

At the reporting date, the issued share capital of the Company is comprised of 20,000,000 ordinary shares with nominal value of one 0.01 EUR each. All issued shares are fully paid.

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 at 20.07.2021.

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

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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 program did not start yet at the reporting date.

On 17 June 2021, the Company transferred free of charge to its management and employees 174,982 shares with a total value of RON 3,773,822 (2020: RON 2,785,238).

**Note 13. Trade and other payables**

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

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<i>Financial payables</i>		
Trade accounts payable	25,906,191	32,994,820
Trade payables due to related parties	2,473,661	1,724,323
<b>Total financial payables</b>	<b>28,379,852</b>	<b>34,719,143</b>
<i>Non-financial payables</i>		
Other tax liabilities	2,948,644	1,847,172
Advances received	179,735	142,336
Dividend payables	27,814,878	1,748,367
<b>Total non-financial payables</b>	<b>30,943,257</b>	<b>3,737,875</b>
<b>Total trade and other payables</b>	<b>59,323,109</b>	<b>38,457,018</b>

**Note 14. Deferred income**

The movement in deferred income for six-month period ended 30 June 2021 and the year ended 31 December 2020 was as follows:

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December 2020</u> <u>(audited)</u>
<b>Balance at 1 January</b>	<b>4,537,583</b>	<b>4,039,518</b>
Grants received	3,546,968	2,085,964
Release of deferred income	(562,218)	(1,545,839)
Effect of movements in exchange rates	(212,538)	(42,060)
<b>Balance at 31 December</b>	<b>7,309,795</b>	<b>4,537,583</b>

The Group's deferred income mainly represents government grants received for investments in property, plant and equipment. The Group is restricted to sell the assets for which a grant has been received for a period of five years.

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*all amounts are in RON, unless stated otherwise***Note 15. 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 June 2021 and 31 December 2020 borrowings and finance lease were as follows:

	<b>30 June 2021</b> <b>(unaudited)</b>	<b>31 December 2020</b> <b>(audited)</b>
<i><b>Non-current liabilities</b></i>		
Secured bank loans	44,497,454	42,479,687
<i><b>Current liabilities</b></i>		
Current portion of secured bank loans	28,550,196	54,102,685
<b>Total borrowings and finance lease</b>	<b>73,047,650</b>	<b>96,582,372</b>

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**Terms and debt repayment schedules**

Type of Loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2021 (unaudited)		31 December 2020 (audited)	
					Non-current	Current	Non-current	Current
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2022	-	-	-	1,071,294
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2021	-	-	-	1,543,585
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	-	-	2,306,229
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.80%	2021	-	-	-	4,734,447
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	-	-	1,838,854
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	105,681	-	930,077
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2022	-	1,484,361	1,484,517	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.80%	2022	-	2,888,492	1,502,233	2,149,181
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2021	-	-	-	243,363
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	3,705,461	-	3,609,528
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	-	-	5,298,637
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.80%	2023	-	2,386,813	-	2,407,982
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2021	-	110,129	-	739,510
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	-	-	2,339,121
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2021	-	-	-	1,034,432
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2022	-	7,088,123	2,609,821	5,862,536
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2025	10,579,996	-	10,558,056	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.80%	2025	-	426,337	180,548	186,419
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	2,534,978	-	2,428,531	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2023	10,913,257	-	10,771,267	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2021	-	4,650,340	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.40%	2024	3,698,573	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.65%	2024	1,152,263	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	7.80%	2023	459,302	-	-	-



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Type of Loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2021 (unaudited)		31 December 2020 (audited)	
					Non-current	Current	Non-current	Current
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.80%	2023	4,290,345	-	-	-
Secured bank loan	Ministry of Finance of Moldova (1) (project financed by EIB)	EUR	3.73%	2021	-	422,648	-	834,372
Secured bank loan	Mobiasbanca - OTP Group SA (1)	USD	3.95%	2024	2,991,714	1,150,787	3,525,298	440,702
Secured bank loan	Mobiasbanca - OTP Group SA (2)	USD	3.95%	2022	-	2,452,778	939,308	2,721,310
Secured bank loan	Mobiasbanca - OTP Group SA (3)	USD	4.25%	2025	669,173	223,057	747,439	213,554
Secured bank loan	Mobiasbanca - OTP Group SA (4)	USD	3.95%	2026	1,486,482	347,079	1,646,243	241,574
Secured bank loan	UNICREDIT BANK SA (1)	EUR	EURIBOR1M +1.50%	2021	-	-	-	8,989,661
Secured bank loan	UNICREDIT BANK SA (2)	EUR	EURIBOR1M +1.50%	2021	-	-	-	3,165,110
Finance lease liabilities	Finance Lease Liabilities	EUR	3.90% - 11.25%	2021-2047	5,721,371	1,108,110	6,086,426	1,201,207
<b>Total borrowings and finance lease</b>					<b>44,497,454</b>	<b>28,550,196</b>	<b>42,479,687</b>	<b>54,102,685</b>

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*all amounts are in RON, unless stated otherwise***Note 16. Revenue**Revenues for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<b>3-month ended 30 June 2021</b>	<b>3-month ended 30 June 2020</b>	<b>6-month 2021 (unaudited)</b>	<b>6-month 2020 (unaudited)</b>
Wine	49,416,829	35,515,836	93,780,818	75,374,177
Brandy	5,938,707	2,704,547	10,561,760	8,049,374
Other	1,329,646	312,220	2,188,271	1,468,833
<b>Total revenue</b>	<b>56,685,182</b>	<b>38,532,603</b>	<b>106,530,849</b>	<b>84,892,384</b>

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.

Sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester 2021 are as follows:

	<b>Bostavan wine (unaudited)</b>	<b>Purcari Wine (unaudited)</b>	<b>Crama Ceptura wine (unaudited)</b>	<b>Bardar divin and brandy (unaudited)</b>	<b>Total (unaudited)</b>
Romania	1,285,501	37,628,755	15,518,714	1,080,648	55,513,618
Republic of Moldova	2,382,361	7,056,536	-	6,426,605	15,865,502
Poland	9,492,176	210,466	32,578	39,713	9,774,933
Belarus	-	-	-	1,862,229	1,862,229
Czech and Slovakia	4,349,526	100,640	-	-	4,450,166
Asia	1,786,833	1,519,848	478,478	483,344	4,268,503
Baltic countries	3,460,169	342,977	87,955	166,093	4,057,194
Ukraine	1,601,481	2,143,067	-	-	3,744,548
Other	1,249,148	2,313,184	740,425	503,128	4,805,885
<b>Total</b>	<b>25,607,195</b>	<b>51,315,473</b>	<b>16,858,150</b>	<b>10,561,760</b>	<b>104,342,578</b>

Sales of finished goods by brand and geographic region for the 1<sup>st</sup> Semester 2020 are as follows:

	<b>Bostavan wine (unaudited)</b>	<b>Purcari Wine (unaudited)</b>	<b>Crama Ceptura wine (unaudited)</b>	<b>Bardar divin and brandy (unaudited)</b>	<b>Total (unaudited)</b>
Romania	1,184,308	27,598,343	13,659,101	502,169	42,943,921
Republic of Moldova	1,644,005	3,744,743	-	3,605,623	8,994,371
Poland	10,768,174	146,370	17,768	16,742	10,949,054
Belarus	359,718	97,358	-	3,183,889	3,640,965
Czech and Slovakia	4,502,658	4,807	-	-	4,507,465
Asia	578,514	717,348	276,275	71,835	1,643,972
Baltic countries	3,731,482	-	-	162,409	3,893,891
Ukraine	1,808,721	1,732,830	-	-	3,541,551
Other	1,205,741	1,137,499	458,413	506,708	3,308,361
<b>Total</b>	<b>25,783,321</b>	<b>35,179,298</b>	<b>14,411,557</b>	<b>8,049,375</b>	<b>83,423,551</b>

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	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
<b>Sales of finished goods</b>				
Wine	26,074,180	20,281,891	47,513,011	38,853,417
Divin	1,893,615	704,907	3,466,245	3,777,920
Brandy	256,579	20,237	290,890	118,074
<b>Total sales of finished goods</b>	<u>28,224,374</u>	<u>21,007,035</u>	<u>51,270,146</u>	<u>42,749,411</u>
<b>Sales of other goods</b>				
Merchandise and other goods	687,771	209,071	1,147,347	971,339
<b>Total sales of other goods</b>	<u>687,771</u>	<u>209,071</u>	<u>1,147,347</u>	<u>971,339</u>
<b>Services</b>				
Hotel and other services	496,383	35,584	802,330	300,309
<b>Total goods and services</b>	<u>496,383</u>	<u>35,584</u>	<u>802,330</u>	<u>300,309</u>
<b>Total cost of sales</b>	<u>29,408,528</u>	<u>21,251,690</u>	<u>53,219,823</u>	<u>44,021,059</u>

**Note 18. Marketing and sales expenses**Marketing and Selling distribution expenses for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Transportation expenses	973,382	721,208	1,883,249	1,799,438
Employee benefits	3,131,608	1,466,662	5,155,997	2,830,959
Marketing and selling	3,439,091	2,570,642	5,293,241	3,881,280
Certification of production	95,771	108,264	191,785	229,402
Other expenses	136,324	68,964	226,876	135,118
<b>Total marketing and sales expenses</b>	<u>7,776,176</u>	<u>4,935,740</u>	<u>12,751,148</u>	<u>8,876,197</u>

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*all amounts are in RON, unless stated otherwise***Note 19. General and administrative expenses**General and administrative expenses for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Employee benefits	5,085,225	2,385,962	8,827,038	6,035,492
Depreciation	555,654	779,885	1,186,918	1,454,682
Professional fees	615,867	223,753	1,196,555	597,604
Taxes and fees	653,545	438,800	1,016,650	698,297
Travel	26,473	854	29,710	63,524
Security	3,102	1,152	6,213	4,946
Rent	20,709	20,227	40,005	39,416
Bank charges	81,099	79,186	144,331	198,834
Repairs and maintenance	80,357	79,339	175,566	146,139
Communication	50,919	78,091	107,904	161,090
Fuel	39,934	30,383	91,619	69,239
Penalties	(77,851)	373	79,202	1,426
Insurance	42,550	56,710	76,185	101,353
Materials	44,621	25,949	66,260	77,154
Other	8,154	102,739	229,400	209,470
<b>Total general and administrative expenses</b>	<b>7,230,358</b>	<b>4,303,403</b>	<b>13,273,556</b>	<b>9,858,666</b>

**Note 20. Other operating income**Other operating income for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Release of deferred income	523,545	(9,903)	562,218	(82,725)
Gains on write-off of trade and other payables	324,818	4,386	443,401	4,386
Net gain/(loss) from sale of other materials	5,997	185,667	(4,143)	186,981
Other	22,765	2,069	70,017	57,341
<b>Total other operating income</b>	<b>877,125</b>	<b>182,219</b>	<b>1,071,493</b>	<b>165,983</b>

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*all amounts are in RON, unless stated otherwise***Note 21. Other operating expenses**Other operating expenses for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Impairment of property, plant and equipment, net	(19,980)	(19,984)	(39,741)	(40,204)
Change in provisions, net	976,640	90,145	-	90,145
Unallocated overheads	91,708	98,325	177,546	193,094
Adjustment to fair value of harvest of grapes from own grape vines	(23,735)	(61,985)	(38,973)	(63,895)
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	43,812	(48,902)	74,558	47,796
Net (gain)/loss from disposal of property, plant and equipment and intangible assets	(229,448)	(23,221)	(242,606)	(51,813)
Other	-	18,807	-	30,225
<b>Total other operating expenses</b>	<b><u>838,997</u></b>	<b><u>53,185</u></b>	<b><u>(69,216)</u></b>	<b><u>205,348</u></b>

**Provisions**

The Group has set-up provisions for tax risks for which management has assessed as probable an outflow of resources.

The movement in provisions for six-month period ended 30 June 2021 and the year ended 31 December 2020 was as follows:

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December</u> <u>2020</u> <u>(audited)</u>
<b>Balance at 1 January</b>	<b>7,515,280</b>	<b>6,794,885</b>
Provisions made during the year	-	43,853
Provision reversed in relation to disposal of equity instruments	(697,978)	-
Provision reversed in relation to taxation	(976,640)	-
Effect of movements in exchange rates	(191,547)	676,542
<b>Balance at 30 June / 31 December</b>	<b><u>5,649,115</u></b>	<b><u>7,515,280</u></b>

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*all amounts are in RON, unless stated otherwise***Note 22. Net finance income/(costs)**The net finance costs for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 are as follows:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Net gain from disposal of equity instruments	697,978	-	697,978	-
Net foreign exchange gain	-	1,907,296	-	-
Interest income	1,404	-	1,525	-
Other income	244	-	576	-
<b>Finance income</b>	<b><u>699,626</u></b>	<b><u>1,907,296</u></b>	<b><u>700,079</u></b>	<b><u>-</u></b>
Interest expenses	(1,133,130)	(1,249,841)	(2,169,235)	(2,798,168)
Net foreign exchange loss	(1,726)	-	(2,058,108)	(1,218,153)
<b>Finance costs</b>	<b><u>(1,134,856)</u></b>	<b><u>(1,294,841)</u></b>	<b><u>(4,227,343)</u></b>	<b><u>(4,016,321)</u></b>
<b>Net finance income/(costs)</b>	<b><u>(435,230)</u></b>	<b><u>657,455</u></b>	<b><u>(3,527,264)</u></b>	<b><u>(4,016,321)</u></b>

**Note 23. Employee benefits**

As at 30 June 2021 and 31 December 2020, employee benefit payables were as follows:

	<u>30 June</u> <u>2021</u> <u>(unaudited)</u>	<u>31 December</u> <u>2020</u> <u>(audited)</u>
Payables to employees	2,205,649	1,987,577
Accruals for unused vacation	2,518,203	1,470,265
<b>Total employee benefits payables</b>	<b><u>4,723,852</u></b>	<b><u>3,457,842</u></b>

Employee benefit expenses include base salaries, mandatory medical contribution, mandatory social contribution, bonuses for performance and equity-settled share-based payments.

The employee benefit expenses are included in the following captions:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
General and administrative expenses (Note 19)	5,085,225	2,385,962	8,827,038	6,035,492
Cost of sales	1,882,431	1,826,009	4,068,179	3,691,347
Inventory	1,082,249	1,075,396	2,893,024	2,864,805
Marketing and sales expenses (Note 18)	3,131,608	1,466,662	5,155,997	2,830,959
<b>Total employee benefits expenses</b>	<b><u>11,181,513</u></b>	<b><u>6,754,029</u></b>	<b><u>20,944,238</u></b>	<b><u>15,422,603</u></b>

The employee benefit expenses comprise the following categories:

	<u>3-month ended</u> <u>30 June 2021</u>	<u>3-month ended</u> <u>30 June 2020</u>	<u>6-month 2021</u> <u>(unaudited)</u>	<u>6-month 2020</u> <u>(unaudited)</u>
Base salaries and bonuses for performance	5,554,782	4,597,400	12,198,212	12,254,981
Equity-settled share-based payments	4,632,432	1,376,799	6,637,370	1,376,799
Mandatory social and medical contributions	994,299	779,830	2,108,656	1,790,823
<b>Total employee benefit expenses</b>	<b><u>11,181,513</u></b>	<b><u>6,754,029</u></b>	<b><u>20,944,238</u></b>	<b><u>15,422,603</u></b>

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*all amounts are in RON, unless stated otherwise***Note 24. Related parties**

The Group's related parties for the six-months period ended 30 June 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	Associate

**Transactions with key management personnel and other related parties:**

	Transaction value for six-month/twelve-month period ended – income/(expenses)		Outstanding balance – receivable/(payable) as at	
	30 June 2021 (unaudited)	31 December 2020 (audited)	30 June 2021 (unaudited)	31 December 2020 (audited)
<b>Victor Bostan</b>				
- Salaries and bonuses for performance	(521,095)	(591,122)	(752,778)	(446,923)
<b>Moldova Agroindbank SA</b>				
- Sales of merchandise	6,299	-	-	-
- Trade receivables	-	-	5,428	-
- Interest expense	(1,190,806)	(3,532,395)	-	-
- Secured bank loans	-	-	(56,714,891)	(65,830,168)
- Bank charges	(104,364)	(198,988)	-	-
- Cash and cash equivalents	-	-	15,166,631	35,849,318
<b>Victoriavin SRL</b>				
- (De)/Recognition of right-of-use assets	-	(407,495)	-	-
- Lease liabilities	-	-	(3,709,386)	(3,522,152)
- Interest expense	(188,909)	(407,749)	-	-
- Trade payables	-	-	(5,994)	(6,002)
- Operating leases	(22,109)	(47,059)	-	-
- Acquisition of inventories	-	(4,706)	-	-
<b>Agro Sud Invest SRL</b>				
- Agricultural services	(1,631,284)	(3,793,623)	-	-
- Trade payables	-	-	(919,968)	(462,055)
<b>BSC Agro SRL</b>				
- Agricultural services	(2,191,804)	(5,310,851)	-	-
- Trade payables	-	-	(1,326,460)	(735,446)
<b>Ecosmart Union SA</b>				
- Trade payables	-	-	(221,240)	(520,820)
- Other expenses	(1,139,108)	(2,303,522)	-	-
<b>Key management personnel</b>				
- Salaries and bonuses for performance	(1,545,937)	(4,383,690)	(263,873)	(1,575,844)
- Equity-settled share-based payment	(3,963,841)	(2,250,359)	(3,513,794)	(2,083,400)

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*all amounts are in RON, unless stated otherwise***Note 25. 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.

EBITDA for the 1<sup>st</sup> Semester 2021 and 1<sup>st</sup> Semester 2020 was as follows:

	<b>Indicator</b>	<b>3-month ended 30 June 2021</b>	<b>3-month ended 30 June 2020</b>	<b>6-month 2021 (unaudited)</b>	<b>6-month 2020 (unaudited)</b>
<b>EBITDA</b>	<b>EBITDA</b>	<b>15,478,670</b>	<b>10,939,613</b>	<b>35,104,923</b>	<b>28,298,933</b>
Less: depreciation		(3,240,238)	(2,716,076)	(6,480,606)	(5,742,157)
Less: amortization		(30,666)	(43,081)	(62,015)	(83,713)
<b>Result from operating activities</b>	<b>EBIT</b>	<b>12,207,766</b>	<b>8,180,456</b>	<b>28,562,302</b>	<b>22,473,063</b>
Less: net finance costs		(435,230)	657,455	(3,527,264)	(4,016,321)
<b>Earnings Before Taxes</b>	<b>EBT</b>	<b>11,772,536</b>	<b>8,837,911</b>	<b>25,035,038</b>	<b>18,456,742</b>
Less: income tax		(1,680,082)	(1,296,923)	(4,661,136)	(2,882,722)
<b>Profit for the period</b>		<b>10,092,454</b>	<b>7,540,988</b>	<b>20,373,902</b>	<b>15,574,020</b>

**Note 26. 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 21 July 2021, the issued share capital of the Company was increased from EUR 200,000 to EUR 400,000 through issuance of 20,000,000 bonus shares out of the share premium reserves.

On 30 July 2021, Vinaria Purcari SRL, a wholly owned subsidiary of Purcari Wineries PLC, has received from Vetropack Group an additional cash consideration of EUR 978,232 as price adjustment related to the exit from Glass Container Company (“GCC”) in a deal that occurred on 09.12.2020.

On 10 August 2021, the Company started a new buy-back program for redemption of 329,156 own shares.