



Purcari Wineries Public Company Limited

INTERIM FINANCIAL REPORT

Including the Non-Audited, Interim Condensed Consolidated
Financial Statements for the nine-month period ended
30 September 2023

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

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: 401,175 EUR

The regulated market on which the issued securities are traded: Bucharest Stock Exchange

Contents

I.	Condensed Consolidated Interim Statement of Financial Position	3
II.	Condensed Consolidated Interim Statement of Comprehensive Income	4
III.	Condensed Consolidated Interim Statement of Cash Flows	5
IV.	Condensed Consolidated Interim Statement of Changes in Equity	6
V.	Notes to the Condensed Consolidated Interim Financial Statements	7

Note: These financial statements have been prepared in accordance with the international reporting standards adopted by the European Union ("IFRS").

Base of Reporting: According to Regulation C.N.V.M. no. 5/2018 on Issuers and Operations with Securities and Law 24/2017 on Issuers of Financial Instruments and Market Operations; according to Section 10 of the Cyprus Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended

I. Condensed Consolidated Interim Statement of Financial Position as at 30 September 2023

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>Variation</u>
Assets				
Property, plant and equipment	4	255,743,592	222,663,835	15%
Intangible assets	5	16,264,813	17,464,362	(7%)
Loan receivables	8	2,425,348	2,407,049	1%
Inventories	9	152,330,741	118,970,653	28%
Equity instruments at fair value through profit or loss	7	4,672,936	4,621,285	1%
Other non-current assets		238,877	91,374	161%
Non-current assets		431,676,307	366,218,558	18%
Inventories	9	111,656,709	93,801,461	19%
Loans receivables	8	573,353	458,623	25%
Trade and other receivables	6	84,283,709	78,162,465	8%
Income tax assets		586,863	924,446	(37%)
Prepayments		1,414,154	6,097,245	(77%)
Other current assets		585,844	645,285	(9%)
Cash and cash equivalents	10	18,213,697	23,455,132	(22%)
Current assets		217,314,329	203,544,657	7%
Total assets		648,990,636	569,763,215	14%
Equity				
Share capital		1,763,121	1,763,121	0%
Share premium	11	83,184,367	83,184,367	0%
Treasury shares reserve	11	(180,882)	(1,716,796)	(89%)
Other reserves		(9,356,351)	(10,805,505)	(13%)
Translation reserve		29,025,438	14,055,122	108%
Retained earnings		206,625,862	187,644,399	10%
Equity attributable to owners of the Company		311,061,555	274,124,708	13%
Non-controlling interests		35,006,495	33,030,129	6%
Total equity		346,068,050	307,154,837	13%
Liabilities				
Borrowings and lease liabilities	14	64,558,839	44,245,400	46%
Deferred income	13	14,478,328	12,464,744	16%
Deferred tax liability		12,279,437	12,198,584	1%
Put option over non-controlling interests		11,780,163	11,729,130	0%
Non-current liabilities		103,096,767	80,637,858	28%
Borrowings and lease liabilities	14	96,067,303	88,432,215	9%
Deferred income	13	1,357,870	2,011,021	(32%)
Income tax liabilities		-	25,524	(100%)
Employee benefits	22	8,477,193	5,609,592	51%
Trade and other payables	12	87,532,623	79,571,978	10%
Provisions		6,390,830	6,320,190	1%
Current liabilities		199,825,819	181,970,520	10%
Total liabilities		302,922,586	262,608,378	15%
Total equity and liabilities		648,990,636	569,763,215	14%

These Condensed Consolidated Interim Financial Statements were approved by management on 14th of November 2023 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 7 to 25.

II. Condensed Consolidated Interim Statement of Comprehensive Income for the three-month and nine-month periods ended 30 September 2023

	Note	3-month ended 30 September 2023	3-month ended 30 September 2022	9-month 2023	9-month 2022	Variation
Revenue	15	91,095,972	75,891,658	252,511,287	199,771,709	26%
Cost of sales	16	(54,208,437)	(43,996,487)	(148,666,169)	(109,217,866)	36%
Gross profit		36,887,535	31,895,171	103,845,118	90,553,843	15%
Other operating income	19	1,419,985	36,097	2,706,195	783,973	245%
Marketing and sales expenses	17	(10,034,514)	(7,338,323)	(29,206,408)	(19,985,711)	46%
General and administrative expenses	18	(9,292,661)	(6,955,002)	(26,757,808)	(21,664,851)	24%
Other operating expenses	20	2,296,164	389,890	2,523,077	324,198	678%
Impairment loss on trade and loan receivables		236,230	(80,500)	(474,549)	(2,272,788)	(79%)
Result from operating activities		21,512,739	17,947,333	52,635,625	47,738,664	10%
Finance income	21	93,091	38,758	317,866	86,800	266%
Finance costs	21	148,190	(794,742)	(1,052,443)	(5,632,803)	(81%)
Net finance costs	21	241,281	(755,984)	(734,577)	(5,546,003)	(87%)
Profit before tax		21,754,020	17,191,349	51,901,048	42,192,661	23%
Income tax expense		(3,528,050)	(2,698,890)	(8,138,949)	(6,823,086)	19%
Profit for the period		18,225,970	14,492,459	43,762,099	35,369,575	24%
Profit attributable to:						
Owners of the Company		17,169,546	12,871,464	41,040,364	31,621,984	30%
Non-controlling interests		1,056,424	1,620,995	2,721,735	3,747,591	(27%)
Profit for the period		18,225,970	14,492,459	43,762,099	35,369,575	24%

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 7 to 25.

III. Condensed Consolidated Interim Statement of Cash Flow for the nine-month period ended 30 September 2023

	Note	9-month 2023	9-month 2022
Cash flows from operating activities			
Profit for the year		43,762,099	35,369,575
<i>Adjustments for:</i>			
Depreciation and amortization	4,5	19,532,761	12,968,886
Equity-settled share-based payment transactions		2,905,008	1,553,834
Gain on disposal of property, plant & equipment & intangible assets	20	(1,269,953)	(156,407)
Impairment of property, plant and equipment, net	4	(59,951)	(76,662)
Impairment of trade receivables, net		474,549	2,272,788
Release of deferred income	19	(1,580,257)	(800,837)
Gains on write-off of trade and other payables	19	(260,834)	(1,643)
Adjustment to fair value of biological assets	20	(1,545,552)	(640,461)
Income tax expense		8,167,626	7,202,134
Net finance costs	21	734,577	5,546,003
Operating profit before working capital changes		70,860,073	63,237,210
<i>Changes in working capital:</i>			
Inventories		(47,412,833)	(37,179,164)
Trade and other receivables		(1,272,459)	(7,211,876)
Prepayments		4,765,603	1,520,859
Other assets		(70,910)	(39,449)
Employee benefits		3,022,344	1,478,726
Trade and other payables		13,632,025	(5,492,545)
Cash generated from operating activities		43,523,843	27,298,851
Income tax paid		(7,739,669)	(6,729,170)
Interest paid		(4,512,115)	(3,082,849)
Net cash generated from operating activities		31,272,059	17,486,832
Cash flows from investing activities			
Payments for acquisition of intangible assets	5	(317,648)	(571,319)
Payments for acquisition of property, plant and equipment	4	(41,575,421)	(28,746,207)
Loans granted		-	(2,082,235)
Receipt of government grants		2,416,822	741,781
Proceeds from sale of property, plant and equipment		3,377,025	(33,156)
Net cash used in investing activities		(36,099,222)	(30,624,824)
Cash flows from financing activities			
Receipt of borrowings		135,379,976	57,274,826
Repayment of borrowings and lease liabilities		(111,294,403)	(35,799,248)
Dividends paid		(24,204,470)	(19,496,450)
Net cash (used in)/generated from financing activities		(118,897)	1,979,128
Net decrease in cash and cash equivalents		(4,946,060)	(11,158,864)
Cash and cash equivalents at 1 January		23,455,132	32,100,114
Effect of movements in exchange rates on cash held		(295,375)	1,581,246
Cash and cash equivalents at 30 September	10	18,213,697	22,522,496

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 7 to 25.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023

all amounts are in RON, unless stated otherwise
IV. Condensed Consolidated Interim Statement of Changes in Equity for the nine-month period ended 30 September 2023

	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
Balance at 1 January 2023	1,763,121	83,184,367	(1,716,796)	(10,805,505)	14,055,122	187,644,399	274,124,708	33,030,129	307,154,837
Total comprehensive income									
Profit for the year	-	-	-	-	-	41,040,365	41,040,365	2,721,735	43,762,100
Foreign currency translation differences	-	-	-	-	14,970,316	-	14,970,316	1,490,675	16,460,991
Total comprehensive income for the year	-	-	-	-	14,970,316	41,040,365	56,010,681	4,212,410	60,223,091
Transaction with owners of the Company									
Shares allocated to employees	-	-	1,535,914	(1,535,914)	-	-	-	-	-
Equity-settled share-based payments	-	-	-	2,905,008	-	-	2,905,008	-	2,905,008
Dividends	-	-	-	-	-	(22,058,902)	(22,058,902)	-	(22,058,902)
Put written on minority shareholders	-	-	-	80,060	-	-	80,060	-	80,060
Total transactions with owners of the company	-	-	1,535,914	1,449,154	-	(22,058,902)	(19,073,834)	-	(19,073,834)
Other changes in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,236,044)	(2,236,044)
Total Other changes in equity	-	-	-	-	-	-	-	(2,236,044)	(2,236,044)
Balance at 30 September 2023	1,763,121	83,184,367	(180,882)	(9,356,351)	29,025,438	206,625,862	311,061,555	35,006,495	346,068,050
Balance at 1 January 2022	1,763,121	83,184,367	(5,532,543)	5,079,807	16,194,236	142,714,713	243,403,701	16,543,032	259,946,733
Total comprehensive income									
Profit for the year	-	-	-	-	-	31,621,992	31,621,992	3,747,590	35,369,582
Foreign currency translation differences	-	-	-	-	13,881,571	-	13,881,571	877,795	14,759,366
Total comprehensive income for the year	-	-	-	-	13,881,571	31,621,992	45,503,563	4,625,385	50,128,948
Transaction with owners of the Company									
Shares allocated to employees	-	-	3,815,747	(3,815,747)	-	-	-	-	-
Equity-settled share-based payments	-	-	-	1,553,834	-	-	1,553,834	-	1,553,834
Dividends	-	-	-	-	-	(20,403,084)	(20,403,084)	-	(20,403,084)
Total transactions with owners of the company	-	-	3,815,747	(2,261,913)	-	(20,403,084)	(18,849,250)	-	(18,849,250)
Other changes in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,434,107)	(2,434,107)
Total Other changes in equity	-	-	-	-	-	-	-	(2,434,107)	(2,434,107)
Balance at 30 September 2022	1,763,121	83,184,367	(1,716,796)	2,817,894	30,075,807	153,933,621	270,058,014	18,734,310	288,792,324

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 7 to 25.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

V. 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 September 2023	31 December 2022
Vinorum Holdings Ltd	Gibraltar	100%	100%
West Circle Ltd	British Virgin Islands	100%	100%
Crama Ceptura SRL	Romania	100%	100%
Ecosmart Union SA	Romania	65.75%	65.75%
Vinoteca Gherasim Constantinescu SRL	Romania	100%	100%
Purcari Wineries Ukraine LLC	Ukraine	100%	100%
Angel’s Estate SA	Bulgaria	76%	76%
Vinaria Bostavan SRL	Republic of Moldova	100%	100%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Domeniile Cuza SRL	Republic of Moldova	100%	100%
Casa Purcari SRL	Republic of Moldova	80%	80%
Fundatia Purcari AO	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%

The structure of the Group as at 30 September 2023 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;
- Ecosmart Union SA is domiciled in Romania. Its major activity is providing waste recycling management services;
- Vinoteca Gherasim Constantinescu SRL is domiciled in Romania. Its major activity is cultivation of grapes.
- Purcari Wineries Ukraine LLC is domiciled in Ukraine. Its major activity is trade marketing services for Group’s product portfolio;
- Angel’s Estate SA is domiciled in Bulgaria. Its major activity is the production, bottling and sale of wines;
- Vinaria Bostavan SRL, Vinaria Purcari SRL and Domeniile Cuza SRL are domiciled in Republic of Moldova. Their major activity is the production, bottling and sale of wines;
- Casa Purcari SRL is domiciled in Republic of Moldova and its activity relates to hospitality industry (bar&restaurant);
- Fundatia Purcari AO is domiciled in Republic of Moldova. This is a non-profit charity foundation;
- 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 September 2023 (31 December 2022: 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 September 2023 (31 December 2022: 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 2022.

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 FVTP;
- put option over non-controlling interests measured at fair value.

(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, Ecosmart Union SA, Vinoteca Gherasim Constantinescu - Romanian Leu (RON),
- Vinaria Bardar SA, Vinaria Bostavan SRL, Vinaria Purcari SRL, Domeniile Cuza SRL, Casa Purcari SRL - Moldovan Leu (MDL).
- Purcari Wineries Ukraine LLC - Ukrainian Hryvnia (UAH),
- Angel’s Estate SA – Bulgarian Lev (BGN).

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 2022.

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 2022.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023

all amounts are in RON, unless stated otherwise

Note 4. Property, plant and equipment

The movements of property, plant and equipment from 1 January 2022 to 30 September 2023 were as follows:

	<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>
Cost								
Balance at 1 January 2023	8,113,683	14,201,397	171,073,254	149,281,778	13,577,469	7,446,412	49,346,163	413,040,156
Additions	38,311,313	88,355	-	840,843	660,099	20,135	1,745,912	41,666,657
Transfers	(22,744,127)	-	2,495,819	17,711,953	1,074,904	1,461,451	-	-
Disposals	(7,631)	-	-	(5,085,519)	(2,525,355)	(2,808)	(453,084)	(8,074,397)
Effect of movement in exchange rates	572,490	526,138	8,817,193	8,284,553	744,830	541,235	2,430,497	21,916,936
Balance at 30 September 2023	24,245,728	14,815,890	182,386,266	171,033,608	13,531,947	9,466,425	53,069,488	468,549,352
Accumulated depreciation and impairment losses								
Balance at 1 January 2023	-	737,207	85,623,489	73,943,946	10,103,373	6,984,342	12,983,964	190,376,321
Depreciation for the year	-	103,790	5,502,508	8,407,239	1,144,509	499,782	1,939,598	17,597,426
Impairment loss, net	-	-	(58,305)	(1,646)	(8,019)	-	-	(67,970)
Disposals	-	-	-	(4,567,079)	(1,137,858)	(2,808)	(259,580)	(5,967,325)
Effect of movement in exchange rates	-	41,091	5,002,876	3,947,520	744,752	427,476	703,593	10,867,308
Balance at 30 September 2023	-	882,088	96,070,568	81,729,980	10,846,757	7,908,792	15,367,575	212,805,760
Carrying amounts								
At 1 January 2023	8,113,683	13,464,190	85,449,765	75,337,832	3,474,096	462,070	36,362,199	222,663,835
At 30 September 2023	24,245,728	13,933,802	86,315,698	89,303,628	2,685,190	1,557,633	37,701,913	255,743,592

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023

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>
Cost								
Balance at 1 January 2022	5,367,748	9,546,439	128,590,439	120,634,965	11,493,542	6,911,457	37,406,488	319,951,078
Additions	30,036,791	194,226	95,439	53,289	492,700	80,230	2,245,674	33,198,349
Acquisitions through business combinations	-	4,180,220	30,979,883	17,580,159	465,502	126,979	9,494,752	62,827,495
Transfers	(27,157,213)	40,898	11,632,520	13,050,909	1,656,785	776,101	-	-
Disposals	-	-	(523,058)	(1,556,019)	(451,170)	(34,329)	(195,735)	(2,760,311)
Effect of movement in exchange rates	(133,643)	239,614	298,031	(481,525)	(79,890)	(414,026)	394,984	(176,455)
Balance at 31 December 2022	8,113,683	14,201,397	171,073,254	149,281,778	13,577,469	7,446,412	49,346,163	413,040,156
Accumulated depreciation and impairment losses								
Balance at 1 January 2022	-	574,236	72,952,848	58,448,991	5,485,032	5,283,521	9,918,480	152,663,108
Depreciation for the year	-	167,211	4,724,822	4,862,176	5,233,332	1,863,843	1,062,925	17,914,309
Increase through business combinations	-	-	8,914,611	11,376,209	196,786	92,059	2,033,792	22,613,457
Impairment loss, net	-	-	(80,141)	-	-	-	-	(80,141)
Disposals	-	-	(406,657)	(819,901)	(295,816)	(26,345)	(45,342)	(1,594,061)
Effect of movement in exchange rates	-	(4,240)	(481,994)	76,471	(515,961)	(228,736)	14,109	(1,140,351)
Balance at 31 December 2022	-	737,207	85,623,489	73,943,946	10,103,373	6,984,342	12,983,964	190,376,321
Carrying amounts								
At 1 January 2022	5,367,748	8,972,203	55,637,591	62,185,974	6,008,510	1,627,936	27,488,008	167,287,970
At 31 December 2022	8,113,683	13,464,190	85,449,765	75,337,832	3,474,096	462,070	36,362,199	222,663,835

Capital commitments

As at 30 September 2023 the Company has contracts to purchase property, plant and equipment for about RON 4 million. Delivery is expected during next three months.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 5. Intangible assets

The movements in intangible assets from 1 January 2022 to 30 September 2023 were the following:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Cost		
Balance at 1 January	19,658,607	15,184,375
Additions		
Purchase	317,648	589,635
Business combination	-	3,633,456
Disposals	-	-
Effect of movement in exchange rates	561,491	251,141
Balance at 30 September / 31 December	<u>20,537,746</u>	<u>19,658,607</u>
Amortization		
Balance at 1 January	2,194,245	986,131
Amortization for the year	1,935,335	1,216,530
Increase due to business combinations	-	27,395
Disposals	-	-
Effect of movement in exchange rates	143,353	(35,811)
Balance at 30 September / 31 December	<u>4,272,933</u>	<u>2,194,245</u>
Carrying amounts		
At 1 January	<u>17,464,362</u>	<u>14,198,244</u>
At 30 September / 31 December	<u>16,264,813</u>	<u>17,464,362</u>

Note 6. Trade and other receivables

The trade and other receivables at the end of reported period were as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
<i>Financial receivables</i>		
Gross trade receivables	81,424,769	75,221,765
Allowance for impairment of trade receivables	(3,549,412)	(3,985,808)
Total financial receivables	<u>77,875,357</u>	<u>71,235,957</u>
<i>Non-financial receivables</i>		
VAT receivable	3,546,653	4,524,171
Other taxes receivable	839,156	122,622
Excise receivable	53,266	37,517
Other receivables	1,969,277	2,242,198
Total non-financial receivables	<u>6,408,352</u>	<u>6,926,508</u>
Total trade and other receivables	<u>84,283,709</u>	<u>78,162,465</u>

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 7. Equity instruments at fair value through profit or loss

The movements in equity instruments at fair value through profit or loss from 1 January 2022 to 30 September 2023 were as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Balance at 1 January	4,621,285	4,341,709
Change in fair value	-	17,629
Effect of movements in exchange rates	51,651	261,947
Balance at 30 September / 31 December	<u>4,672,936</u>	<u>4,621,285</u>

8Wines Czech Republic s.r.o.

On 13 May 2021, the Company purchased 10.00% ownership interest in 8Wines Czech Republic s.r.o. (8Wines), a Czech-based fast growing online retail platform, for a cash consideration of RON 3,414,780.

The Group neither has any significant influence nor is involved in the management of 8Wines. Therefore, the ownership interest in 8Wines is accounted as equity instruments at fair value through profit or loss and represents as at 30 September 2023 RON 4,672,936 (31 December 2022: RON 4,621,285). No valuation of the investment was performed at the reporting date.

IM Glass Container Company SA group

On 9 December 2020, Vinaria Purcari SRL has exited IM Glass Container Company SA, a manufacturer of glass bottles, by selling its 31.415% ownership interest 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 transaction. 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 amounts to RON 2,899,125 as at 30 September 2023 (31 December 2022: RON 2,741,667) and has been included in trade and other receivables.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 8. Loan receivables

The loan receivables at the end of reported period were as follows:

	Currency	Interest rate	Year of maturity	30 September 2023		31 December 2022	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines s.r.o.	EUR	3.0%	2025	373,790	-	364,378	-
8Wines s.r.o.	EUR	6.0%	2024	2,051,558	573,355	2,042,671	458,623
Total loan receivables				2,425,348	573,355	2,407,049	458,623

Note 9. Inventories

The inventories at the end of reported period were as follows:

	30 September 2023	31 December 2022
Raw materials		
Distilled alcohol	47,352,642	40,411,951
Wine materials	17,486,749	10,429,500
Other raw materials	393,751	371,996
Total raw materials	65,233,142	51,213,447
Other materials		
Packaging materials	29,722,822	22,231,333
Chemicals	4,319,605	2,548,469
Other materials	12,094,267	6,470,068
Total other materials	46,136,694	31,249,870
Semi-finished production		
Wine in barrels	107,679,947	95,922,608
Divin in barrels	7,039,193	6,220,347
Brandy in barrels	177,385	173,983
Total semi-finished production	114,896,525	102,316,938
Bottled finished goods		
Wine	36,296,669	26,771,604
Divin	663,800	865,651
Brandy	37,726	37,183
Other finished goods	722,894	317,421
Total bottled finished goods	37,721,089	27,991,859
Total inventories	263,987,450	212,772,114

Note 10. Cash and cash equivalents

The cash and cash equivalents at the end of reported period were as follows:

	30 September 2023	31 December 2022
Bank accounts	17,669,865	19,772,784
Short-term interest-bearing deposits	232,313	3,531,973
Petty cash	311,519	150,375
Total cash and cash equivalents	18,213,697	23,455,132

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.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 11. Share Capital and Premium

At the reporting date, the issued share capital of the Company is comprised of 40,117,500 ordinary shares with nominal value of EUR 0.01 each. All issued shares are fully paid.

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 15 June 2023, the Company transferred free of charge to its management and employees 101,047 shares with a total value of RON 1,535,914 (2022: 251,036 shares with a total value of RON 3,815,747).

Note 12. Trade and other payables

The trade and other payables at the end of reported period were as follows:

	30 September 2023	31 December 2022
<i>Financial payables</i>		
Trade accounts payable	73,203,774	70,649,710
Trade payables due to related parties	5,669,711	2,636,599
Total financial payables	78,873,485	73,286,309
<i>Non-financial payables</i>		
Other tax liabilities	3,220,021	3,695,384
Advances received	1,258,491	410,477
Dividend payables	4,180,626	2,179,808
Total non-financial payables	8,659,138	6,285,669
Total trade and other payables	87,532,623	79,571,978

Note 13. Deferred income

The movements in deferred income from 1 January 2022 to 30 September 2023 were as follows:

	30 September 2023	31 December 2022
Balance at 1 January 2023 / 1 January 2022	14,475,765	9,183,161
Grants received	2,416,822	692,706
Increase due to business combinations	-	5,731,950
Release of deferred income	(1,580,257)	(1,917,100)
Effect of movements in exchange rates	523,868	785,048
Balance at 30 September 2023 / 31 December 2022	15,836,198	14,475,765

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.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 14. 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.

The borrowings and finance lease at the end of reported period were as follows:

	30 September 2023	31 December 2022
<i>Non-current liabilities</i>		
Secured bank loans	59,861,553	39,530,884
Lease liabilities	4,697,286	4,714,516
Total non-current portion	64,558,839	44,245,400
<i>Current liabilities</i>		
Current portion of secured bank loans	94,788,870	86,937,305
Current portion of lease liabilities	1,278,433	1,494,910
Total current portion	96,067,303	88,432,215
Total borrowings and lease liabilities	160,626,142	132,677,615

The split of borrowings and finance lease by currency at the end of the reported period was as follows:

	30 September 2023	31 December 2022
MDL	5,975,728	2,177,242
EUR	153,058,094	111,134,091
USD	1,592,320	19,366,282
Total borrowings and finance lease	160,626,142	132,677,615

The split of borrowings and finance lease by lender at the end of the reported period was as follows:

	30 September 2023	31 December 2022
MAIB SA	92,153,059	73,179,147
OTP Bank SA	12,410,093	10,379,671
UNICREDIT BANK SA	23,812,109	17,285,773
Victoriabank SA	26,275,154	25,578,134
Finance Lease Liabilities	5,975,727	6,254,890
Total borrowings and finance lease	160,626,142	132,677,615

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

Note 15. Revenue

Revenues for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended</u> <u>30 September</u> <u>2023</u>	<u>3-month ended</u> <u>30 September</u> <u>2022</u>	<u>9-month</u> <u>2023</u>	<u>9-month</u> <u>2022</u>
<i>Sales of finished goods</i>				
Vin	70,534,304	60,533,353	201,463,101	159,940,069
Divin	7,598,103	8,502,908	21,551,442	21,542,529
Brandy	11,832	424,691	37,631	606,550
Total sales of finished goods	<u>78,144,239</u>	<u>69,460,952</u>	<u>223,052,174</u>	<u>182,089,148</u>
<i>Sales of other goods</i>				
Merchandise	1,471,754	471,056	2,641,868	1,243,966
Wine materials	399,065	260,709	654,998	303,052
Other	-	152,698	47,076	426,600
Total sales of other goods	<u>1,870,819</u>	<u>884,463</u>	<u>3,343,942</u>	<u>1,973,618</u>
<i>Services</i>				
Hotel and restaurant services	1,776,484	1,290,904	3,590,062	2,482,200
Agricultural services	37,131	41,145	84,931	98,070
Waste recycling management services	9,267,299	4,214,194	22,440,178	13,128,673
Total services	<u>11,080,914</u>	<u>5,546,243</u>	<u>26,115,171</u>	<u>15,708,943</u>
Total revenue	<u>91,095,972</u>	<u>75,891,658</u>	<u>252,511,287</u>	<u>199,771,709</u>

Segment analysis

By 2020 the management monitored the performance of the Group as a single segment (production, bottling and sales of wines, divin and brandy), and through the acquisition of the subsidiary Ecosmart Union SA in 2021 a second segment related to waste recycling management services appeared (which for the year ended 31 December 2022 has not been yet a significant one).

A reportable segment is a component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generate revenues other than risks and income of those components that are peculiar to other business segments.

The operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023

all amounts are in RON, unless stated otherwise

Sales of finished goods by brand and geographic region for the 9-month 2023 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Angel's Estate wine	Bardar divin and brandy	Total
Romania	1,890,730	91,921,475	914,332	32,556,100	6,183	3,297,722	130,586,542
Republic of Moldova	5,076,661	20,008,750	189,017	-	-	15,077,807	40,352,235
Bulgaria	-	315,191	-	-	6,706,908	-	7,022,099
Poland	13,359,395	582,724	-	30,551	-	-	13,972,670
Czech & Slovakia	5,294,746	257,013	-	-	6,286	-	5,558,045
Asia	1,681,583	1,915,384	-	229,475	-	154,890	3,981,332
Baltic countries	3,888,681	79,640	-	109,663	-	37,229	4,115,213
Turkey	1,791,091	-	-	-	-	-	1,791,091
Ukraine	1,867,769	2,572,718	89,445	154,848	-	489,053	5,173,833
Other	2,150,559	5,088,858	34,649	637,180	55,496	2,532,372	10,499,114
Total	37,001,215	122,741,753	1,227,443	33,717,817	6,774,873	21,589,073	223,052,174

Sales of finished goods by brand and geographic region for the 9-month 2022 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Angel's Estate wine	Bardar divin and brandy	Total
Romania	1,841,218	64,243,624	307,369	25,783,153	-	2,835,671	95,011,035
Republic of Moldova	5,573,286	17,752,942	-	-	-	15,881,737	39,207,965
Bulgaria	-	-	-	-	-	-	-
Poland	13,950,986	504,046	-	22,620	-	426,658	14,904,310
Czech & Slovakia	4,925,564	221,911	-	356,074	-	-	5,503,549
Asia	2,941,387	4,251,855	-	601,140	-	671,974	8,466,356
Baltic countries	5,060,144	145,935	29,877	63,488	-	174,850	5,474,294
Turkey	809,553	540,423	-	-	-	-	1,349,976
Ukraine	1,033,740	1,565,094	-	-	-	-	2,598,834
Other	2,904,664	3,927,102	30,895	551,979	-	2,158,189	9,572,829
Total	39,040,542	93,152,932	368,141	27,378,454	-	22,149,079	182,089,148

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023

all amounts are in RON, unless stated otherwise

Sales of finished goods by brand and geographic region for the 3rd quarter of 2023 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Angel's Estate wine	Bardar divin and brandy	Total
Romania	698,221	33,933,494	188,212	12,000,445	6,183	894,141	47,720,696
Republic of Moldova	1,803,768	7,594,288	110,311	-	-	5,355,510	14,863,877
Bulgaria	-	194,059	-	-	2,367,778	-	2,561,837
Poland	3,079,200	134,286	-	10,442	-	-	3,223,928
Czech & Slovakia	1,800,489	50,720	-	-	1,532	-	1,852,741
Asia	678,001	805,748	-	-	-	154,890	1,638,639
Baltic countries	1,201,942	79,640	-	-	-	11,444	1,293,026
Turkey	-	-	-	-	-	-	-
Ukraine	670,783	1,161,911	89,445	-	-	258,989	2,181,128
Other	417,302	1,312,898	2,618	135,869	4,719	934,961	2,808,367
Total	10,349,706	45,267,044	390,586	12,146,756	2,380,212	7,609,935	78,144,239

Sales of finished goods by brand and geographic region for the 3rd quarter of 2022 were as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Angel's Estate wine	Bardar divin and brandy	Total
Romania	665,177	24,681,607	134,764	9,195,302	-	997,146	35,673,996
Republic of Moldova	2,281,156	7,410,516	-	-	-	6,627,270	16,318,942
Bulgaria	-	-	-	-	-	-	-
Poland	3,657,070	85,781	-	8,620	-	384,908	4,136,379
Czech & Slovakia	1,663,484	98,811	-	125,060	-	-	1,887,355
Asia	841,607	1,913,768	-	-	-	171,025	2,926,400
Baltic countries	2,144,116	145,935	29,877	63,488	-	36,950	2,420,366
Turkey	-	-	-	-	-	-	-
Ukraine	500,658	1,029,279	-	-	-	-	1,529,937
Other	2,042,143	1,740,330	5,997	68,807	-	710,300	4,567,577
Total	13,795,411	37,106,027	170,638	9,461,277	-	8,927,599	69,460,952

The waste recycling management services are provided by the Group's subsidiary Ecosmart Union SA and the entire revenue is realised in Romania.

Note 16. Cost of sales

Cost of sales for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Sales of finished goods				
Wine	35,449,959	34,791,846	110,257,687	86,400,038
Divin	7,952,583	3,392,658	13,732,628	8,437,135
Brandy	9,134	244,893	18,859	376,038
Total sales of finished goods	43,411,676	38,429,397	124,009,174	95,213,211
Sales of other goods				
Merchandise and other goods	1,232,299	400,418	1,971,091	1,059,422
Wine materials	351,163	229,424	576,255	266,686
Other	-	140,455	47,099	390,377
Total sales of other goods	1,583,462	770,297	2,594,445	1,716,485
Services				
Hotel and other services	1,687,660	1,226,359	3,410,559	2,358,090
Agricultural services	33,789	37,443	77,287	89,244
Waste recycling management services	7,491,850	3,532,991	18,574,704	9,840,836
Total services	9,213,299	4,796,793	22,062,550	12,288,170
Total cost of sales	54,208,437	43,996,487	148,666,169	109,217,866

Note 17. Marketing and sales expenses

Marketing and selling expenses for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Transportation expenses	1,643,177	842,046	4,374,296	3,052,707
Employee benefits	4,001,992	2,028,742	9,691,356	6,467,318
Marketing and selling	4,005,175	4,360,177	14,254,364	9,835,177
Certification of production	164,498	181,554	527,093	478,550
Other expenses	219,672	(74,196)	359,299	151,959
Total marketing and sales expenses	10,034,514	7,338,323	29,206,408	19,985,711

Note 18. General and administrative expenses

General and administrative expenses for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Employee benefits	4,855,586	3,712,963	13,224,622	11,787,300
Depreciation	1,462,028	861,815	4,515,298	2,714,053
Professional fees	1,137,974	696,192	2,996,331	2,962,022
Taxes and fees	666,460	941,150	1,961,497	1,644,670
Travel	191,558	150,419	704,668	327,240
Rent	85,997	23,854	246,028	71,756
Bank charges	142,975	116,124	437,922	273,447
Repairs and maintenance	124,395	149,392	491,677	387,972
Communication	60,711	58,608	256,544	225,958
Fuel	98,045	89,230	262,475	211,745
Penalties	62,834	537	104,857	224,784
Insurance	64,977	37,116	237,736	150,549
Charity and sponsorships	224,238	35,661	633,504	253,009
Other	114,883	81,941	684,649	312,368
Total general and administrative expenses	9,292,661	6,955,002	26,757,808	21,664,851

Note 19. Other operating income

Other operating income for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Release of deferred income	625,103	322,848	1,594,671	800,832
Gains on write-off of trade and other payables	260,264	19	260,834	1,643
Net gain/(loss) from sale of other materials	30,080	4,422	56,162	(16,998)
Other	504,538	(291,192)	794,528	(1,504)
Total other operating income	<u>1,419,985</u>	<u>36,097</u>	<u>2,706,195</u>	<u>783,973</u>

Note 20. Other operating expenses

Other operating expenses for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Impairment of property, plant and equipment, net	(18,598)	(17,669)	(59,950)	(76,662)
Change in provisions, net	-	-	-	-
Unallocated overheads	105,054	73,225	353,187	236,518
Adjustment to fair value of harvest of grapes from own grape vines	(3,118,399)	(2,086,925)	(3,055,657)	(2,144,673)
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	1,461,996	1,433,190	1,510,105	1,504,212
Net (gain)/loss from disposal of property, plant and equipment and intangible assets	(726,217)	208,289	(1,270,762)	156,407
Total other operating expenses	<u>(2,296,164)</u>	<u>(389,890)</u>	<u>(2,523,077)</u>	<u>(324,198)</u>

Provisions

The Group has set-up provisions for tax risks for which management has assessed as probable an outflow of resources. The movements in provisions from 1 January 2022 to 30 September 2023 were as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Balance at 1 January 2023 / 1 January 2022	6,320,190	5,960,310
Provisions used during the year	-	-
Effect of movements in exchange rates	70,640	359,880
Balance at 30 June 2023 / 31 December 2022	<u>6,390,830</u>	<u>6,320,190</u>

Note 21. Net finance income/(costs)

The net finance costs for Q3 and 9-month 2023 and Q3 and 9-month 2022 were as follows:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Interest income	110,672	38,757	345,004	86,800
Net foreign exchange gain	2,126,064	385,085	4,063,367	-
Finance income	<u>2,236,736</u>	<u>423,842</u>	<u>4,408,371</u>	<u>86,800</u>
Interest expenses	(1,977,884)	(1,179,826)	(5,115,811)	(3,262,790)
Net foreign exchange loss	-	-	-	(2,370,013)
Other expenses	(17,571)	-	(27,137)	-
Finance costs	<u>(1,995,455)</u>	<u>(1,179,826)</u>	<u>(5,142,948)</u>	<u>(5,632,803)</u>
Net finance income/(costs)	<u>241,281</u>	<u>(755,984)</u>	<u>(734,577)</u>	<u>(5,546,003)</u>

Note 22. Employee benefits

The employee benefits payables at the end of reported period were as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Payables to employees	5,174,039	3,618,371
Accruals for unused vacation	3,303,154	1,991,221
Total employee benefits payables	<u>8,477,193</u>	<u>5,609,592</u>

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

The employee benefit expenses were included in the following captions:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
General and administrative expenses	4,855,586	3,712,963	13,224,622	11,787,300
Cost of sales	5,941,470	3,105,640	12,015,531	7,671,950
Inventory	82,926	2,388,788	4,291,949	6,257,118
Marketing and sales expenses	4,001,992	2,028,742	9,691,356	6,467,318
Total employee benefits expenses	<u>14,881,974</u>	<u>11,236,133</u>	<u>39,223,458</u>	<u>32,183,686</u>

The employee benefit expenses comprised the following categories:

	<u>3-month ended 30 September 2023</u>	<u>3-month ended 30 September 2022</u>	<u>9-month 2023</u>	<u>9-month 2022</u>
Base salaries and bonuses for performance	10,963,574	9,045,416	31,127,494	26,359,168
Equity-settled share-based payments	1,918,917	426,999	2,905,008	1,553,834
Mandatory social and medical contributions	1,999,483	1,763,718	5,190,956	4,270,684
Total employee benefit expenses	<u>14,881,974</u>	<u>11,236,133</u>	<u>39,223,458</u>	<u>32,183,686</u>

Note 23. Related parties

The Group's related parties for the nine-months period ended 30 September 2023 were the following:

Name of the entity	Relationship with the Company
Key management personnel	Members of board of directors of the Company, CEOs, COO, CFO and Sales Director of Group entities
Victor Bostan	CEO, Member of the Board of Directors, significant shareholder via Amboselt Universal Inc.
Agro Sud Invest SRL	Entity controlled by a key member of management thru a significant shareholding
BSC Agro SRL	Entity controlled by a key member of management thru a significant shareholding
Victoriavin SRL	Entity controlled by Victor Bostan through a significant shareholding
Media Alternativa AO	Common member in the board of directors
MAIB SA	Common member in the board of directors of the Company and of the Bank

Transactions with key management personnel and other related parties:

	Transactions value - income/(expenses) for nine-month period ended		Outstanding balance – receivable/(payable) as at	
	30 September 2023	30 September 2022	30 September 2023	31 December 2022
Victor Bostan				
- Fixed salary	(806,129)	(890,161)	(2,126,439)	(1,798,819)
MAIB SA				
- Sales of merchandise	3,355	8,552	-	-
- Interest expense	(3,337,509)	(2,126,004)	-	-
- Secured bank loans	16,824,005	6,158,397	(91,092,973)	(73,741,878)
- Bank charges	(119,925)	(173,194)	-	-
- Cash and cash equivalents	-	-	1,453,109	6,891,127
Victoriavin SRL				
- Lease liabilities	-	-	(4,338,273)	(3,659,807)
- Interest expense	(336,234)	(324,041)	-	-
- Trade payables	-	-	(11,242)	(5,422)
- Acquisition of inventories	(5,227)	(3,986)	-	-
- Operating leases	(36,005)	(35,616)	-	-
Agro Sud Invest SRL				
- Agricultural services	(6,265,228)	(4,571,336)	-	-
- Trade payables	-	-	(2,675,587)	(1,182,472)
BSC Agro SRL				
- Agricultural services	(6,535,973)	(5,775,380)	-	-
- Trade payables	-	-	(2,977,760)	(1,448,705)
Media Alternativa AO				
- Trade receivables	-	-	-	9,068
- Trade payables	-	-	(5,121)	-
- Sales of merchandise	2,300	-	-	-
- Marketing services	(30,161)	-	-	-
Key management personnel				
- Salaries and bonuses for performance	(2,594,342)	(2,336,429)	(339,697)	(2,939,163)
- Equity-settled share-based payment	(1,765,771)	(1,050,228)	(1,236,819)	(480,650)

Note 24. 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 Q3 and 9-month 2023 and Q3 and 9-month 2022 was as follows:

	Indicator	3-month ended 30 September 2023	3-month ended 30 September 2022	9-month 2023	9-month 2022
EBITDA	EBITDA	27,671,081	22,084,229	72,168,387	60,707,551
Less: depreciation		(5,518,659)	(4,075,689)	(17,597,427)	(12,797,389)
Less: amortization		(639,683)	(61,207)	(1,935,335)	(171,497)
Result from operating activities	EBIT	21,512,739	17,947,333	52,635,625	47,738,664
Less: net finance costs		241,281	(755,984)	(734,577)	(5,546,003)
Earnings Before Taxes	EBT	21,754,020	17,191,349	51,901,048	42,192,661
Less: income tax		(3,528,050)	(2,698,890)	(8,138,949)	(6,823,086)
Profit for the period		18,225,970	14,492,459	43,762,099	35,369,575

Note 25. Financial indicators

Below are presented important ratios used to assess the financial position of the Company.

Liquidity ratio – represents 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 1.09, slightly decreasing compared to 1.12 recorded at 2022 year-end.

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.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2023
all amounts are in RON, unless stated otherwise

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 remained flat compared to 2022 year-end, current capital expenditures being made to support future sales increase and quality improvement.

Item	30 September 2023		31 December 2022	
Liquidity ratio				
Current Assets	217,314,329	1.09	203,544,657	1.12
Current liabilities	199,825,819		181,970,520	
Gearing ratios				
Debt	160,626,142	46%	132,677,615	43%
Equity	346,068,050		307,154,837	
Debt	160,626,142	32%	132,677,615	30%
Total Capital Employed	506,694,192		439,832,452	
Receivables Turnover, days				
Receivables	84,283,709	85	78,162,465	93
Net Sales Annualized / 360	986,740		840,241	
Non-current Assets turnover				
Net Sales Annualized	355,226,238	0.8	302,486,660	0.8
Non-current Assets	431,676,307		366,218,558	

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.