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Purcari Wineries Public Company Limited
(Formerly Bostavan Wineries Ltd.)

HALF YEARLY FINANCIAL REPORT 2019

which includes the

Non-Audited, Interim Condensed Consolidated
Financial Statements
for the six-month period ended 30 June 2019

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019
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

Share capital: 200,000 EUR

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

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

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

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I. Board of Directors and other officers

Board of Directors:

Name	Date of appointment	Title
Monica Cadogan	Listing date (first appointment), re-appointed by the AGM on 25 April 2019	Non-executive, Independent Director
Vasile Tofan	Listing date (first appointment), re-appointed by the AGM on 25 April 2019	Non-executive, Non-independent Director
Victor Bostan	Listing date	Executive, Non-independent Director
Victor Arapan	25 April 2019	Executive, Non-independent Director
Neil McGregor	Listing date (first appointment), re-appointed by the AGM on 25 April 2019	Non-executive, Independent Director

Chairman of the Board of Directors: Vasile Tofan, first appointment on the 24 April 2018,
re-elected by the Board of Directors on 25 April 2019

Company Secretary: Inter Jura CY (Services) Limited

Registered office: 1, Lampousas Street
1095 Nicosia
Cyprus

Registration number: HE 201949

The Half-Yearly Financial Report 2019, including the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-months period ended 30 June 2019 was approved by the Board of Directors on the August 15th, 2019.

Purcari Wineries Public Company Limited

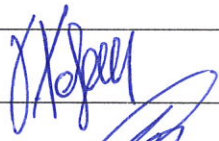
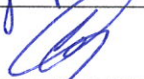


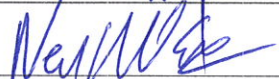
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II. Statement by the Members of the Board of Directors and other responsible officers of the Company for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

In accordance with Section 10 sub-sections (3 (c)) and (7) of the Transparency Requirements (Securities for Trading on 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 2019 (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 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	
Victor Bostan	Executive, Non-independent Director	
Victor Arapan	Executive, Non-independent Director	
Neil McGregor	Non-executive, 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 2019

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 2019.

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 around 1,400 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 2019, the Group had over 600 employees in 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 30 countries, in Europe (Poland, the Czech Republic, Slovakia, Ukraine, Norway, UK, etc.), Asia (China, Japan, South Korea) and in America (Canada and USA).

On 28 February 2019 the Group acquired 260 hectares of vineyards in the Central and Southern regions of Moldova, to ensure high-quality grape supply for the growing premium segment of both white and red wines. In addition, the Group acquired production assets for primary winemaking in Moscovei village (Moldova) – a strategic region, to sustain the growth of red wine production.

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 25% YoY in the first half of 2019, reaching RON 88 million, helped by strong performance in core markets. Poland contributed most to the growth, increasing 47% YoY, Czechia and Slovakia increased 24% YoY, while Romania and Moldova both grew 16% YoY. While higher dynamics were reported in the first quarter of 2019 those were partly impacted by historical accounting practices distorting 2018 allocations (first time reporting post-IPO) between quarters, with half-year data as more representative.

Sales of finished goods by brand and geographic region for the 1st Semester 2019 were as follows:

	Bostavan wine (unaudited)	Purcari wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	1,228,398	21,437,326	11,597,899	333,406	34,597,029
Republic of Moldova	2,573,196	8,081,567	-	6,874,368	17,529,131
Poland	10,256,125	72,709	8,657	16,342	10,353,833
Belarus	206,853	55,132	-	4,104,550	4,366,535
Czech Rep. and Slovakia	4,687,350	7,692	-	-	4,695,042
Asia	2,616,093	1,960,436	789,279	103,787	5,469,594
Baltic countries	2,422,398	-	-	300,165	2,722,563
Ukraine	1,436,918	913,695	-	-	2,350,613
Other	1,726,945	1,046,928	461,205	341,298	3,576,376
Total	27,154,276	33,575,485	12,857,040	12,073,916	85,660,716

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The evolution of sales by main markets and brands is described below:

- RO: Strong Purcari performance, up 44% per managerial reporting. The growth per IFRS reporting is c. 30% YoY impacted by the change in discount application practices by key retail partners in Romania in 2Q18, which increased the comparative base. Strong dynamics on Bardar, newly introduced to the market – 2Q sales up over 50% vs. 1Q2019, albeit from a low base.
- MD: Growth accelerating vs. 1Q as Coca Cola Hellenic, new distribution partner, picks up pace. Still see transition challenges, expect significant benefits in channel penetration and consequently sales performance in mid-to-long-term.
- PL: Maintained success in Bostavan development initiatives, expanding within key accounts, price increases pushed through. Continue to work on brand revamp, still early in the process.
- CZ&SK: Strong growth in Bostavan sales performance; buffer stock effects on a large order from key partner led to lower dynamics versus Q1.
- ASIA: Strong quarter, driven by promising Bostavan, Bardar performance on large orders from new distributor accounts, continue work on developing the commercial strategy for China.
- OTHER: Strong dynamics helped by Q2 Bardar sales in Belarus, which may normalize by year-end, resulting in somewhat calmer dynamics.
- PURCARI: ongoing strong traction in Romania, growing circa 30% versus 2018, ample headroom remaining. Continue to see adverse effects of distributor shift in Moldova - even though growth is double digit, expect larger benefits in mid-to-long-term.
- BOSTAVAN: good performance across all key markets, strong traction in Poland as expanding to new large retail chains. Successfully optimizing pricing policy, average price per liter up 5% YoY.
- CRAMA CEPTURA: the growth per managerial reporting is 18%. The IFRS reporting impacted by the change in discount application practices by key retail partners in Romania in 2Q18, which increased the comparative base. Starting Q3 the comparison shall be apples-to-apples again.
- BARDAR: Ongoing switch from bulk to bottle. Successful commercial strategy in Moldova resulting in stable double-digit growth, despite challenges with distributor transition. High growth in Belarus, albeit affected by quarterly procurement shifts for key clients, may normalize by year-end.

Gross margin declined insignificantly year-on-year, from 51% to 49%, pushed down by higher costs of raw materials, helped by improved pricing and lower personnel costs on MD tax reform effects. G&A remained under control, -8% YoY, executing on cost discipline, helped by halt in MDL appreciation and lower professional fees year-on-year (2018 IPO costs). The Company maintained a stable share of marketing and selling expenses, slightly below 8% of revenue, despite the accelerating revenue growth.

As a result, the adjusted EBITDA grew up by 30%, with profitability increasing ahead of revenues. Adjusted EBITDA margin increased to 34%, up 1 pp year-on-year, at the top of the guidance range. Typical seasonality trends, with the usual profitability skew towards Q3-Q4, leave room for possible additional upside.

Net income increased 7% YoY reaching RON 17 million. Net Income figures are adversely impacted by one-off non-operating, non-cash FX loss on revaluation of the foreign currency-denominated debt of Moldovan entities, as a result of weakening Moldovan Leu, the local currency for Bostavan, Purcari and Bardar operations. While weakening local currency is a clear positive for the Company, given predominantly export sales, it has negative spot impact on IFRS Net Income. If normalized for non-operating, non-cash FX effects, Net Income increased 35% YoY in the first half of 2019, with a 24% margin, top of guidance.

The non-current assets of the Company grew up 7% compared to 2018 year-end. The management expects further increase in non-current assets on CAPEX to increase production capacity. Current assets increased by 21% in the reported period. The largest portion of growth was attributable to Cash and cash equivalents, due to preparation to settle dividend payables on 31 July 2019, as per AGM decision. Also, the prepayments increased significantly, as the Company financed the future acquisitions of the property, plant and equipment, as well as forward arrangements on supply of grapes from partner-farmers, for the upcoming harvesting season.

Loans and borrowings increased by 20% compared to 2018 year-end, as the Company engaged new investment loans to finance capital expenditures and new loans for working capital needs.

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In the first half of 2019, the Group's general liquidity ratio slightly reduced YoY from 2.10 to 2.02 and the gearing ratio (D/E) of the Group stood at 81%. While the ratio increased from 58% at the end of June 2018, the management considers this a temporary effect of higher borrowings in 2Q2019, while last year the new borrowings were engaged in 3Q2018. In view of the above, the financial position, development and performance of the Company as presented in these financial statements are considered very good.

Important events

On 28 February 2019 the Group acquired ~260 hectares of vineyards in the Central and South regions of Moldova. Thus, the total area of vineyards operated by the Company grew to circa 1.4 thousand hectares. On same date, the Group bought a production platform for primary winemaking located in Moscovei village (Moldova), mainly targeted at the expansion of production capacity of red wines.

On 25 April 2019, the AGM of the Company approved dividend distribution for the year 2018 at 0.95 RON per share, with the total distribution amounting to RON 19 million.

On 13 June 2019, the Company started the share buyback program for 200.000 shares, with the progress of the program indicated in respective current reports of the Company.

Financial indicators

Item, RON	30 June 2019		30 June 2018	
Liquidity ratio				
Current Assets	240,663,328	2.02	159,091,358	2.10
Current liabilities	119,362,474		75,721,241	
Gearing ratio				
Debt	117,988,891	81%	72,361,717	58%
Equity	145,344,822		124,805,493	
Debt	117,988,891	45%	72,361,717	37%
Total Capital Employed	263,333,713		197,167,210	
Receivables Turnover, days				
Receivables	64,751,182	133	45,541,691	117
Net Sales Annualized / 360	487,745		388,673	
Not-current Assets turnover				
Net Sales Annualized	175,588,252	1.5	139,922,268	1.6
Non-current Assets	120,439,785		85,348,438	

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*all amounts are in RON, unless stated otherwise***EBITDA Evolution**

The adjusted EBITDA increased by 30% YoY.

	Indicator	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Adjusted EBITDA	EBITDA	30,110,613	23,147,711
Non-recurring G&A expenses related to IPO		-	(918,424)
EBITDA	EBITDA	30,110,613	22,229,287
Less: depreciation		(4,381,839)	(2,848,029)
Less: amortization		(36,501)	(38,629)
Result from operating activities	EBIT	25,692,273	19,342,629
Less: net finance costs		(5,428,041)	(516,423)
Earnings Before Taxes	EBT	20,264,232	18,826,206
Less: income tax		(3,146,159)	(2,852,881)
Profit for the period		17,118,073	15,973,325

3. *Non-recurring or extraordinary activities for the 1st semester 2019*

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*

In the first half of 2019, the Group did not record any Important Events of operational nature, impacting its interim financial results. In terms of non-operating events, the Group has recorded a non-cash FX loss of circa RON 4 million on revaluation of loans and borrowings denominated in EUR.

5. *Principal Risks and Uncertainties for the second semester of the financial year 2019***In the absence of hedging arrangements in place, the Group is exposed to the risk of currency exchange fluctuations between multiple currencies**

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 Moldovan Leu). 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 earns also a significant share of revenues from EUR and USD linked contracts. The Group manages its currency exchange risk exposure in a limited manner and there is no hedging arrangement at Group level designed or implemented to this end. As a consequence, any unfavorable shift in exchange rates could have a material adverse effect on the Group's business, financial condition and the results of operations.

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 half of the year agricultural sector of the Group was partially affected by the hail. About 45 hectares in the Ceptura region in Romania and 13 hectares in Etulia region in Moldova were affected, out of which 33 hectares have a compromised harvest.

As this represents just 2% of operated vineyards, management do not expect significant impact of this event on the overall Group's harvest.

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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 do not expect any such changes to take place within next six month. While there are discussions on possible changes by Moldovan Government, in certain tax policies, for example 10% VAT in the HoReCa sector and select tax incentives for employees, the management considers that these will have no material impact on financial results of the Company.

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. During 1H2019, the 1M ROBOR increased, as result all loans and borrowings in Romania linked to this reference rate will generate additional cost.

National Bank of Moldova increased twice this year the basic rate, by 1 pp in total, as a reaction on rising inflation. The management believes that no increase in interest rate on existing borrowings will follow till end of 2019.

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 substantial information which affects or could affect the evaluation of Group's profitability in the reported period.

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

The transactions of the Group with related parties are stated under note 14 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

Purcari, 15 August 2019

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

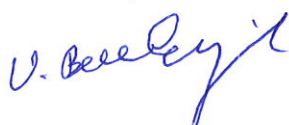
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IV. Condensed Consolidated Interim Statement of Financial Position as at 30 June 2019

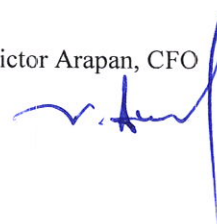
	30 June 2019 (unaudited)	31 December 2018 (audited)	Variation
Assets			
Property, plant and equipment	106,322,195	98,259,527	8%
Intangible assets	1,285,583	1,073,576	20%
Loans receivable	-	-	0%
Investments in associates	736,052	298,959	146%
Equity instruments at fair value through profit or loss	12,041,602	12,484,972	-4%
Other non-current assets	54,353	48,014	13%
Total non-current assets	120,439,785	112,165,048	7%
Inventories	101,640,136	113,145,958	-10%
Biological assets	8,474,212	-	100%
Trade and other receivables	64,751,182	58,936,752	10%
Cash and cash equivalents	50,772,686	21,803,241	133%
Income tax assets	1,130,991	660,552	71%
Prepayments	13,654,402	3,628,145	276%
Other current assets	239,719	94,201	154%
Total current assets	240,663,328	163,390,318	21%
Total assets	631,103,113	310,433,897	16%
Equity			
Share capital	727,546	728,279	0%
Share premium	82,122,172	82,533,921	0%
Foreign currency translation reserve	5,569,592	9,658,866	-42%
Other reserves	-	-	0%
Retained earnings	43,608,003	47,358,345	-8%
Equity attributable to owners of the Company	132,027,23	140,279,411	-6%
Non-controlling interests	13,317,599	13,842,222	-4%
Total equity	145,344,822	154,121,633	-6%
Liabilities			
Loans and borrowings	86,487,483	69,235,581	25%
Deferred income	3,707,640	2,251,318	65%
Deferred tax liability	6,200,694	6,206,696	0%
Total non-current liabilities	96,395,817	77,693,595	24%
Loans and borrowings	31,501,406	28,569,171	10%
Deferred income	300,644	340,880	-12%
Current tax liabilities	2,480,018	1,860,216	33%
Employee benefits	2,535,865	2,227,775	14%
Trade and other payables	76,873,332	40,065,471	192%
Provisions	5,671,209	5,555,156	2%
Total current liabilities	119,362,474	78,618,669	52%
Total liabilities	215,758,291	156,312,264	38%
Total equity and liabilities	361,103,113	310,433,897	16%

These Condensed Consolidated Interim Financial Statements were approved by management on 15th of August 2019 and were signed on its behalf by:

Victor Bostan, CEO



Victor Arapan, CFO



Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

*all amounts are in RON, unless stated otherwise***V. Condensed Consolidated Interim Statement of Comprehensive Income for the six-month period ended 30 June 2019**

	6-month 2019 (unaudited)	6-month 2018 (unaudited)	Variation
Revenue	87,794,126	69,961,134	25%
Cost of sales	(44,572,795)	(33,936,417)	31%
Gross profit	43,221,331	36,024,717	20%
Other operating income	215,105	333,446	-35%
Marketing and sales expenses	(6,839,302)	(5,466,399)	25%
General and administrative expenses	(11,412,640)	(12,350,535)	-8%
Other operating expenses	293,906	39,480	644%
Impairment loss on trade and loan receivables	(223,217)	-	
Result from operating activities	25,255,183	18,580,709	36%
Finance income	(2,732,441)	719,842	-480%
Finance costs	(2,695,601)	(1,236,265)	118%
Net finance costs	(5,428,042)	(516,423)	951%
Share of profit of equity-accounted investees, net of tax	437,092	761,920	-43%
Profit before tax	20,264,233	18,826,206	8%
Income tax expense	(3,146,160)	(2,852,881)	10%
Profit for the period	17,118,073	15,973,325	7%
Profit attributable to:			
Owners of the Company	15,249,656	14,447,889	6%
Non-controlling interests	1,868,656	1,525,436	22%
Profit for the period	17,118,073	15,973,325	7%

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 14 to 25.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

*all amounts are in RON, unless stated otherwise***VI. Condensed Consolidated Interim Statement of Cash Flow for the six-month period ended 30 June 2019**

	6-month 2019 (unaudited)	12-month 2018 (audited)
Cash flow from operating activities		
Profit (Loss) for the period	17,118,073	41,732,930
Adjustments for:		
Depreciation and amortization	4,418,340	6,751,453
Non Cash Items	(3,408,765)	(2,195,716)
Income tax expense/(benefit)	3,146,160	6,975,212
Net finance costs	2,695,600	(1,046,750)
	<u>23,969,408</u>	<u>52,217,129</u>
<i>Changes in:</i>		
Inventories	11,505,822	(32,925,317)
Trade and other receivables	(15,986,205)	(11,633,831)
Trade and other payables	14,981,136	9,340,380
Cash generated from operating activities	34,470,161	16,998,361
Income tax paid	(3,002,799)	(7,015,719)
Interest paid	(2,695,600)	(3,784,661)
Net cash generated from operating activities	<u>28,771,762</u>	<u>6,197,981</u>
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(21,579,101)	(30,135,842)
Acquisition of associates	-	-
Loans received	-	700,204
Interest received	-	643,873
Redemption of own shares	(412,579)	-
Proceeds from sale of property, plant and equipment	405,535	1,140,116
Net cash used in investing activities	<u>(21,586,145)</u>	<u>(27,651,649)</u>
Cash flows from financing activities		
Change in loans and borrowings and finance lease	20,184,139	23,510,812
Proceeds from issue of shares in subsidiaries	-	-
Cash flows from financing activities	-	(1,892,526)
Dividends paid	1,150,406	(57,744)
Net cash generated from/ (used in) financing activities	<u>21,334,545</u>	<u>21,560,542</u>
Net increase in cash and cash equivalents	28,520,162	106,874
Cash and cash equivalents at beginning of the period	21,803,241	21,428,215
Effect of movements in exchange rates on cash held	449,283	268,152
Cash and cash equivalents at end of period	<u>50,772,686</u>	<u>21,803,241</u>

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 14 to 25.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

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 2019

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributions by owners	Translation reserve	Accumulated losses			
Balance at 1 January 2018	34,838	123,685,006	8,916,387	5,088,928	(40,483,788)	97,241,371	11,194,576	108,435,947
Total comprehensive income								
Profit for the year	-	-	-	-	37,965,900	37,965,900	3,767,030	41,732,930
Foreign currency translation differences	-	-	-	4,628,816	-	4,628,816	453,008	5,081,824
Total comprehensive income for the year	-	-	-	4,628,816	37,965,900	42,594,716	4,220,038	46,814,754
Transaction with owners of the Company								
Acquisition of non-controlling interests	-	-	-	(58,878)	502,202	443,324	(483,298)	(39,974)
Other changes in equity								
Dividends to non-controlling interests	-	-	-	-	-	-	(1,089,094)	(1,089,094)
Increase of share capital from share premium	693,441	(693,441)	-	-	-	-	-	-
Offset of accumulated losses with share premium	-	(40,457,644)	-	-	40,457,644	-	-	-
Incorporation of contributions by owners in retained earnings	-	-	(8,916,387)	-	8,916,387	-	-	-
Total other changes in equity	693,441	(41,151,085)	(8,916,387)	-	49,374,031	-	(1,089,094)	(1,089,094)
Balance at 1 January 2019	728,279	82,533,921	-	9,658,866	47,358,345	140,279,411	13,842,222	154,121,633
Total comprehensive income								
Profit for the year	-	-	-	-	15,249,656	15,249,656	1,868,409	17,118,065
Foreign currency translation differences	-	-	-	(4,089,274)	-	(4,089,274)	(408,621)	(4,497,903)
Total comprehensive income for the year	-	-	-	(4,089,274)	15,249,656	11,160,382	1,459,788	12,620,170
Contributions by and distributions to owners								
Redemption of own shares	(823)	(411,749)	-	-	-	(412,572)	-	(412,572)
Dividends	-	-	-	-	(18,999,998)	(18,999,998)	(1,984,411)	(20,984,409)
Balance at 30 June 2019	727,456	82,122,172	-	5,569,592	43,608,003	132,027,223	13,317,599	145,344,822

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 14 to 25.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019
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 (formerly Bostavan Wineries Ltd) (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, Tax Identification Number 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 2019	31 December 2018
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%	91.05%
Vinaria Bardar SA	Republic of Moldova	54.61%	54.61%

The structure of the Group as at 30 June 2019 is as follows:

- Purcari Wineries Public Company Limited (formerly Bostavan Wineries Ltd) 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. The nominal ownership interest of the Group in Vinaria Bardar SA is 52.52%. 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 54.61%.

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 2018.

Purcari Wineries Public Company Limited

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all amounts are in RON, unless stated otherwise

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.

The consolidated financial statements have been prepared on the historical cost basis, except for the biological assets (grapes on vines) which are measured at fair value less costs to sell.

(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/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 consolidated financial statements as at and for the year ended 31 December 2018.

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 consolidated financial statements as at and for the year ended 31 December 2018.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019
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Note 4. Property, plant and equipment**Acquisitions and disposals**

During the six-month period ended June 30, 2019, the Group acquired assets with a cost of RON 21,579,101, mainly equipment and vineyards. During this period the depreciation and amortisation amounted to RON 4,418,340.

Also, during the same period, the Group disposed assets resulting in proceeds of RON 405,535.

Capital commitments

As at 30 June 2019 the Company had contracts to purchase property, plant and equipment for about RON 15 million. Delivery is expected during next six months.

Note 5. 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 1st Semester 2019 and 31 December 2018 interests in equity-accounted investees are as follows:

	<u>30 June 2019</u> <u>(unaudited)</u>	<u>31 December 2018</u> <u>(audited)</u>
Investment in Ecosmart Union SA	736,052	298,959
Total interests in equity-accounted investees	<u>736,052</u>	<u>298,959</u>

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 6. Equity instruments at fair value through profit or loss

Equity instrument at fair value through profit or loss recognised for the period ended as at 1st Semester 2019 and 31 December 2018 is as follows:

	<u>30 June 2019</u> <u>(unaudited)</u>	<u>31 December 2018</u> <u>(audited)</u>
Investment in IM Glass Container Company SA Grup	12,041,602	12,484,972
Total equity instruments at fair value through profit or loss	<u>12,041,605</u>	<u>12,484,972</u>

Purcari Wineries Public Company Limited

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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) for a consideration in cash of RON 6,406,685 (the equivalent of MDL 29,498,035). This ownership interest was acquired from the Moldovan State as a result of privatization round launched in this period. The consideration was paid entirely during the year ended 31 December 2017. The main activity of IM Glass Container Company SA group is the production of glass bottles.

Note 7. Inventories

As at 1st Semester 2019 and 1st Semester 2018 inventories are as follows:

	30 June 2019 (unaudited)	31 December 2018 (audited)
Bottled Wine	12,813,937	9,575,335
Bottled Brandy	931,678	550,608
Bulk Wine	42,695,909	58,404,857
Bulk Brandy	26,592,439	28,104,679
Packaging	14,095,202	13,102,171
Other	4,510,971	3,408,308
Total inventories	101,640,136	113,145,958

Note 8. Share Capital and Premium

The authorized 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.

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 13 June 2019 the Company started the share redemption program for 200,000 shares, approved by AGM on 25 April 2019.

As of 30 June 2019, the Company bought 17,417 of own shares for a consideration of RON 412,579.

Note 9. 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 1st Semester 2019 and 1st Semester 2018 borrowings and finance lease were as follows:

	30 June 2019 (unaudited)	31 December 2018 (audited)
<i>Non-current liabilities</i>		
Secured bank loans	86,487,483	69,235,581
<i>Current liabilities</i>		
Current portion of secured bank loans	31,501,406	28,569,171
Total borrowings and finance lease	117,988,889	97,804,752

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

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Terms and debt repayment schedules

Type of Loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2019 (unaudited)			31 December 2018 (audited)		
					Non-current	Current (classified from non-current)	Current	Non-current	Current (classified from non-current)	Current
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2020	1,136,216	-	605,898	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	-	-	-	1,272,121	-	1,279,219
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	7,047,277	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2022	1,432,111	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2022	3,868,526	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	7,098,612	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2021	2,468,377	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2022	8,281,715	-	-	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2021	838,836	-	2,750,281	-	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2020	1,214,020	-	-	3,132,899	-	695,777
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2020	242,452	-	1,563,115	1,039,091	-	5,061,085
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2021	-	-	4,734,769	4,843,848	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	-	-	5,186,720	5,084,125	-	-
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2021	5,797,084	-	-	6,057,397	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	2,293,353	-	-	2,264,662	-	-

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

all amounts are in RON, unless stated otherwise
Terms and debt repayment schedules (continued)

Type of Loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2019 (unaudited)			31 December 2018 (audited)		
					Non-current	Current (classified from non-current)	Current	Non-current	Current (classified from non-current)	Current
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2021	1,371,295	-	1,378,405	2,261,415	-	1,137,898
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2019	-	-	-	-	-	1,531,280
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2019	-	-	-	-	-	2,781,888
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2020	9,583,378	-	1,652,662	7,199,212	-	5,795,753
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2020	735,802	-	1,188,270	1,690,492	-	1,068,142
Secured bank loan	BC Moldova Agroindbank SA	MDL	8.50%	2021	478,778	-	3,014,996	1,258,720	-	-
Secured bank loan	BC Moldova Agroindbank SA	EUR	3.90%	2020	2,172,176	-	503,619	-	-	-
Secured bank loan	Ministerul Finantelor Moldova	EUR	3.73%	2021	-	-	946,482	463,880	-	927,760
	(proiect finantat de EIB) (1)									
Secured bank loan	Ministerul Finantelor Moldova	EUR	3.73%	2021	1,622,530	-	811,277	1,590,436	-	795,230
	(proiect finantat de EIB) (1)									
Secured bank loan	BC Mobiasbanca - Group Societe Generale SA (1)	USD	4.75%	2026	866,584	-	27,052	-	-	-
Secured bank loan	BC Mobiasbanca - Group Societe Generale SA (2)	USD	4.75%	2021	3,091,321	-	1,450,776	3,706,976	-	1,588,704
Secured bank loan	BC Mobiasbanca - Group Societe Generale SA (3)	USD	4.50%	2025	1,131,926	-	201,087	1,206,412	-	219,348
Secured bank loan	BC Mobiasbanca - Group Societe Generale SA (4)	USD	4.50%	2020	304,520	-	1,223,021	-	-	-

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

all amounts are in RON, unless stated otherwise
Terms and debt repayment schedules (continued)

Type of Loan	Lender	Currency	Nominal interest rate	Year of maturity	30 June 2019 (unaudited)			31 December 2018 (audited)		
					Non-current	Current (classified from non-current)	Current	Non-current	Current (classified from non-current)	Current
Secured bank loan	BC Mobiasbanca - Group Societe Generale SA (5)	USD	4.50%	2019	-	-	-	845,479	-	1,227,237
Secured bank loan	UNICREDIT BANK SA (1)	RON	ROBOR 1M + 2.65%	2022	7,000,000	-	-	7,000,000	-	-
Secured bank loan	UNICREDIT BANK SA (2)	RON	ROBOR 1M+2.95%	2020	145,242	-	24,207	96,828	-	145,242
Secured bank loan	UNICREDIT BANK SA (3)	RON	ROBOR 1M+1.95%	2021	1,822,795	-	1,562,395	2,603,993	-	1,562,395
Secured bank loan	UNICREDIT BANK SA (4)	EUR	EURIBOR 1M+1.6%	2022	8,558,447	-	381,240	8,950,606	-	-
Secured bank loan	UNICREDIT BANK SA (5)	EUR	EUROBOR 1M+2.12%	2023	2,486,956	-	633,188	2,737,748	-	730,062
Secured bank loan	UNICREDIT BANK SA (6)	RON	ROBOR 1M+1.6%	2023	614,401	-	163,840	686,682	-	183,116
Secured bank loan	UNICREDIT BANK SA (7)	EUR	EUROBOR 1M+1.97%	2023	2,440,729	-	1,394,702	2,938,257	-	1,679,004
Finance lease liabilities	Finance Lease Liabilities	EUR	5.99% - 11.25%, EURIBOR 3M + 3.65% - 5.71%	2019-2021	342,024	-	103,404	304,302	-	160,031
Total borrowings and finance lease					86,487,483	-	31,501,406	69,235,581	-	28,569,171

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

*all amounts are in RON, unless stated otherwise***Note 10. Revenue**Revenues for the 1st Semester 2019 and 1st Semester 2018 are as follows:

	Half-Year ended	
	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Wine	73,586,800	60,893,51
Brandy	12,073,916	8,271,551
Other	2,133,410	796,065
Total revenue	87,794,126	69,961,134

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 1st Semester 2019 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	1,228,398	21,437,326	11,597,899	333,406	34,597,029
Republic of Moldova	2,573,196	8,081,567	-	6,874,368	17,529,131
Poland	10,256,125	72,709	8,657	16,342	10,353,833
Belarus	206,853	55,132	-	4,104,550	4,366,535
Czech Rep. and Slovakia	4,687,350	7,692	-	-	4,695,042
Asia	2,616,093	1,960,436	789,279	103,787	5,469,594
Baltic countries	2,422,398	-	-	300,165	2,722,563
Ukraine	1,436,918	913,695	-	-	2,350,613
Other	1,726,945	1,046,928	461,205	341,298	3,576,376
Total	27,154,276	33,575,485	12,857,040	12,073,916	85,660,716

Sales of finished goods by brand and geographic region for the 1st Semester 2018 are as follows:

	Bostavan wine (unaudited)	Purcari Wine (unaudited)	Crama Ceptura wine (unaudited)	Bardar divin and brandy (unaudited)	Total (unaudited)
Romania	1,287,826	16,769,551	11,647,831	-	29,705,208
Republic of Moldova	2,290,875	7,095,458	-	5,687,467	15,073,800
Poland	6,954,881	79,416	20,232	-	7,054,529
Belarus	-	-	-	2,279,974	2,279,974
Czech Rep. and Slovakia	3,785,416	-	-	-	3,785,416
Asia	1,584,537	1,982,601	238,379	8,260	3,813,777
Baltic countries	2,220,102	-	-	153,337	2,373,439
Ukraine	1,124,051	1,046,927	-	-	2,170,978
Other	1,586,462	514,102	664,871	142,513	2,907,948
Total	20,834,150	27,488,055	12,571,313	8,271,551	69,165,069

Purcari Wineries Public Company Limited

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Note 11. Marketing and sales expenses

Marketing and Selling distribution expenses for the 1st Semester 2019 and 1st semester 2018 are as follows:

	Half-Year ended	
	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Transport	1,876,605	1,307,440
Salary and related expense of marketing and sales	1,683,436	1,591,428
Marketing and selling	2,886,768	2,282,031
Certification of production	269,481	187,749
Other expenses	123,012	97,751
Total marketing and sales expenses	6,839,302	5,466,399

Note 12. General and administrative expenses

General and administrative expenses for the 1st Semester 2019 and 1st Semester 2018 are as follows:

	Half-Year ended	
	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Employee benefits	6,976,415	6,688,962
Depreciation	637,733	861,163
Amortization	-	77,892
Professional fees	674,372	1,975,612
Taxes and fees	730,311	562,086
Travel	266,830	244,804
Security	3,499	-
Rent	432,292	193,465
Bank charges	460,535	47,505
Repairs and maintenance	109,972	139,299
Communication	135,850	157,322
Fuel	78,187	100,671
Penalties	16,526	774
Insurance	89,507	82,252
Canteen services	-	67,484
Materials	247,711	30,170
Provisions	-	-
Other	552,900	1,121,074
Total general and administrative expenses	11,412,640	12,350,535

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019
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Note 13. Net finance cost

The net finance costs for the 1st Semester 2019 and 1st Semester 2018 are as follows:

	Half-Year ended	
	30 June 2019	30 June 2018
	(unaudited)	(unaudited)
Interest income	-	(42,381)
Interest expenses	2,695,600	1,043,768
Impairment and other provisions on trade and other receivables	-	(123,966)
Loan related fees	-	358,844
Foreign exchange (gain)/loss	2,732,441	(719,841)
Net finance costs	5,428,041	(2,709,267)

Note 14. Related parties

The Group's related parties for the six-months period ended 30 June 2019 were the following:

Name of the entity	Relationship with the Company
Lorimer Ventures Limited	Shareholder of the Company
Emerging Europe Growth Fund II	Majority shareholder of Lorimer Ventures Limited
Amboselt Universal Inc.	Shareholder of 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
IM Glass Container Company SA	Associate (related party from 1 April 2017 to 16 July 2018)
Glass Container Company-SP SRL	Subsidiary of IM Glass Container Company SA (related party from 1 April 2017 to 16 July 2018)

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019

*all amounts are in RON, unless stated otherwise***Transactions with key management personnel and other related parties**

	Transaction value for six-month period ended – income/(expenses)		Outstanding balance – receivable/(payable) as at	
	30 June 2019 (unaudited)	30 June 2018 (unaudited)	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Victor Bostan				
- Other receivables				296,145
- Borrowings			(12,990)	
- Accommodation expenses		(7,665)		
- Salaries and bonuses for performance	(519,857)	(337,971)	(186,087)	(278,954)
Moldova Agroindbank SA				
Loans received	(38,612,450)			
Loans paid	11,746,342			
Loans balance			(79,321,741)	
Interests	(2,005,050)			
Interest balance			(259,83)	
Bank fees	(100,523)			
Victoriavin SRL				
- Other receivables				3,175,456
- Loans receivable, gross				(66,884)
- Trade payables			111,660	
- Rent expenses	(223,866)	(196,011)		
- Interest income				
-Acquisition of inventories	(3,095)			
IM Glass Container Company SA				
- Trade receivables				59,842
- Acquisition of inventories		(2,578,226)		
- Trade payables				(336,273)
- Sales of merchandise		62,816		
Glass Container Company-SP SRL				
- Acquisition of inventories		(607,070)		
- Trade payables				(310,140)
Agro Sud Invest SRL				
- Agricultural services	(1,923,953)	(1,010,299)		
- Trade payables			(780,139)	(1,007,846)
BSC Agro SRL				
- Agricultural services	(3,158,112)	(2,669,429)		
- Trade payables			(1,205,084)	(1,508,285)
- Transportation services				
- Sales of merchandise				
- Other Receivables				
Ecosmart Union SA				
- Trade payables			(165,608)	(124,915)
- Other expenses	(960,580)	(653,914)		
Key management personnel				
- Salaries and bonuses for performance	(1,822,442)	(2,254,800)	(950,419)	(1,730,754)

Purcari Wineries Public Company Limited

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*all amounts are in RON, unless stated otherwise***Note 15. 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 has presented EBITDA as they monitor this performance measure at a consolidated level, and they believe this measure is relevant to an 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 1st Semester 2019 and 1st Semester 2018 was as follows:

	Indicator	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Adjusted EBITDA	EBITDA	30,110,613	23,147,711
Non-recurring G&A expenses related to IPO		-	(918,424)
EBITDA	EBITDA	30,110,613	22,229,287
Less: depreciation		(4,381,839)	(2,848,029)
Less: amortization		(36,501)	(38,629)
Result from operating activities	EBIT	25,692,273	19,342,629
Less: net finance costs		(5,428,041)	(516,423)
Earnings Before Income Taxes	EBT	20,264,232	18,826,206
Less: income tax		(3,146,159)	(2,852,881)
Profit for the period		17,118,073	15,973,325

Note 16. 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 31 July 2019 the Company paid the dividends for financial year 2018.

The Company continued the redemption of its own shares and as of the date of issuing of these financial statements the Company bought 71,615 shares with total redemption value of RON 1,692,105.