

Purcari Wineries Plc

1Q results presentation

May 15, 2018



Disclaimer

THIS PRESENTATION IS MADE AVAILABLE ON THIS WEBSITE BY PURCARI WINERIES PUBLIC COMPANY LIMITED (the **Company**) AND IS FOR INFORMATION PURPOSES ONLY.

This presentation and its contents do not, and are not intended to, constitute or form part of, and should not be construed as, constituting or forming part of, any actual offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares issued by the Company and its subsidiary undertakings (the **Group**) in any jurisdiction, or any inducement to enter into any investment activity whatsoever; nor shall this document or any part of it, or the fact of it being made available, form the basis of an offer to purchase or subscribe for shares issued by the Company, or be relied on in any way whatsoever.

No part of this presentation, nor the fact of its distribution, shall form part of or be relied on in connection with any contract for acquisition of or investment in any member of the Group, nor does it constitute a recommendation regarding the securities issued by the Company, nor does it purport to give legal, tax or financial advice. The recipient must make its own independent assessment and such investigations as it deems necessary.

The information herein, which does not purport to be comprehensive, has not been independently verified by or on behalf of the Group, nor does the Company or its directors, officers, employees, affiliates, advisers or agents accept any responsibility or liability whatsoever for / or make any representation or warranty, either express or implied, in relation to the accuracy, completeness or reliability of such information, which is not intended to be a complete statement or summary of the business operations, financial standing, markets or developments referred to in this presentation. No reliance may be placed for any purpose whatsoever on the information contained in this presentation. Where this presentation quotes any information or statistics from any external source, it should not be interpreted that the Company has adopted or endorsed such information or statistics as being accurate. Neither the Company, nor its directors, officers, employees or agents accept any liability for any loss or damage arising out of the use of any part of this material.

This presentation may contain statements that are not historical facts and are "forward-looking statements", which include, without limitation, any statements preceded by, followed by or that include the words "may", "will", "would", "should", "expect", "intend", "estimate", "forecast", "anticipate", "project", "believe", "seek", "plan", "predict", "continue", "commit", "undertake" and, in each case, similar expressions or their negatives. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control, and relate to events and depend on circumstances that may or may not occur in the future, which could cause the Company's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on numerous assumptions and are intended only to illustrate hypothetical results under those assumptions. As a result of these risks, uncertainties and assumptions, you should in particular not place reliance on these forward-looking statements as a prediction of actual results, or a promise or representation as to the past or future, nor as an indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared or the information or statements herein are accurate or complete. Past performance of the Group cannot be relied on as a guide to future performance. No statement in this presentation is intended to be a profit forecast. This presentation does not purport to contain all information that may be necessary in respect of the Company or its Group and in any event each person receiving this presentation needs to make an independent assessment.

This presentation contains references to certain non-IFRS financial measures and operating measures. These supplemental measures should not be viewed in isolation or as alternatives to measures of the Company's financial condition, results of operations or cash flows as presented in accordance with IFRS in its consolidated financial statements. The non-IFRS financial and operating measures used by the Company may differ from, and not be comparable to, similarly titled measures used by other companies.

The information presented herein is as of this date and the Company undertakes no obligation to update or revise it to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons who come into possession of it are required to inform themselves about and to observe such restrictions and limitations. Neither the Company, nor its directors, officers, employees, affiliates, advisers or agents accept any liability to any person in relation to the distribution or possession of the presentation in or from any jurisdiction.

Investments in the Company's shares are subject to certain risks. Any person considering an investment in the Company's shares should consult its own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of such an investment

TODAY'S PRESENTERS

Victor Bostan
CEO, Founder



- Founded the Group in 2002
- Over 35 years of experience in wine industry
- Built and exited one of the largest wine companies in RU
- Technical University, Oenology
- Speaks FR, RO, RU

Victor Arapan
CFO



- 20 years of experience in banking, audit, corporate finance
- 10+ years experience in wine making companies
- Ex-PWC, Acorex Wineries
- International Management Institute, finance
- Speaks EN, RO, RU

John Maxemchuk
COO



- 20 years of management experience, including over 10 years in Moldova
- Ex-MetroMedia, Sun/Orange, AT&T
- Wharton, MBA Harvard Business School
- Speaks EN, RO

Diana Durnescu
IR Manager



- Over 5 years of experience in business development and FDI attraction
- Ex-Prime Minister's office for FDI
- Academy of Economic Studies
- Speaks EN, RO, RU

Vasile Tofan
Chairman



- Over 10 years experience in FMCG
- Partner at Horizon Capital, \$700m+ AUM
- Ex- Monitor Group, Philips
- MBA Harvard Business School
- Speaks EN, RO, RU, FR, NL

1 Our Group

2 1Q2018 Operational Results

3 Update on 2018 Outlook

4 Q&A



Rose de Purcari,
90 points by
Wine Enthusiast,
#1 premium Rosé in
Romania

Attractive market

Secular shift from beer, spirits to wine, especially in CEE

Competitive advantage

#1 premium wine brand in Romania

Wine growth '16-'20F in Romania 9.0% vs. 1.9% for beer

Plenty to catch up: wine consumption in Poland = $\frac{1}{4}$ Germany, per cap.

#1 fastest growing large winery in Romania

#1 most awarded CEE winery at Decanter, "wine Olympics"

Shrinking vine plantations, create shortage, push prices up

Romania+Moldova undisputable #1 vineyards size in CEE, 5x vs #2

#2 EBITDA margin among global publicly traded wine peers

#1 on Instagram, Vivino engaging millennials in Romania

1 OUR BUSINESS MODEL: AFFORDABLE LUXURY

Modern,
cost-competitive
winemaking

Purcari is positioned at the intersections of three themes:

- **Modern winemaking:** the company is brand, as opposed to *appellation* centric and runs a cost-efficient business
- **Affordable luxury:** as an aspirational brand, Purcari wines are an example of affordable luxury, building on a heritage dating back to 1827 and ranking among most awarded wineries in Europe
- **Differentiated marketing:** the company is not afraid to be quirky about the way it approaches marketing, prioritizing digital channels and focusing on engaging content as opposed to traditional advertising



1 OUR MISSION, VISION AND VALUES

Our mission

To bring joy in people's lives, by offering them high quality, inspiring, ethical wines and excellent value for money.

Our vision

To become the undisputable wine champion in CEE, acting as a consolidator of a fragmented industry

Our values

Hungry

We win in the marketplace because we want it more

Ethical

Always do the right thing and the money will follow

Thrifty

The only way we can offer better value for money

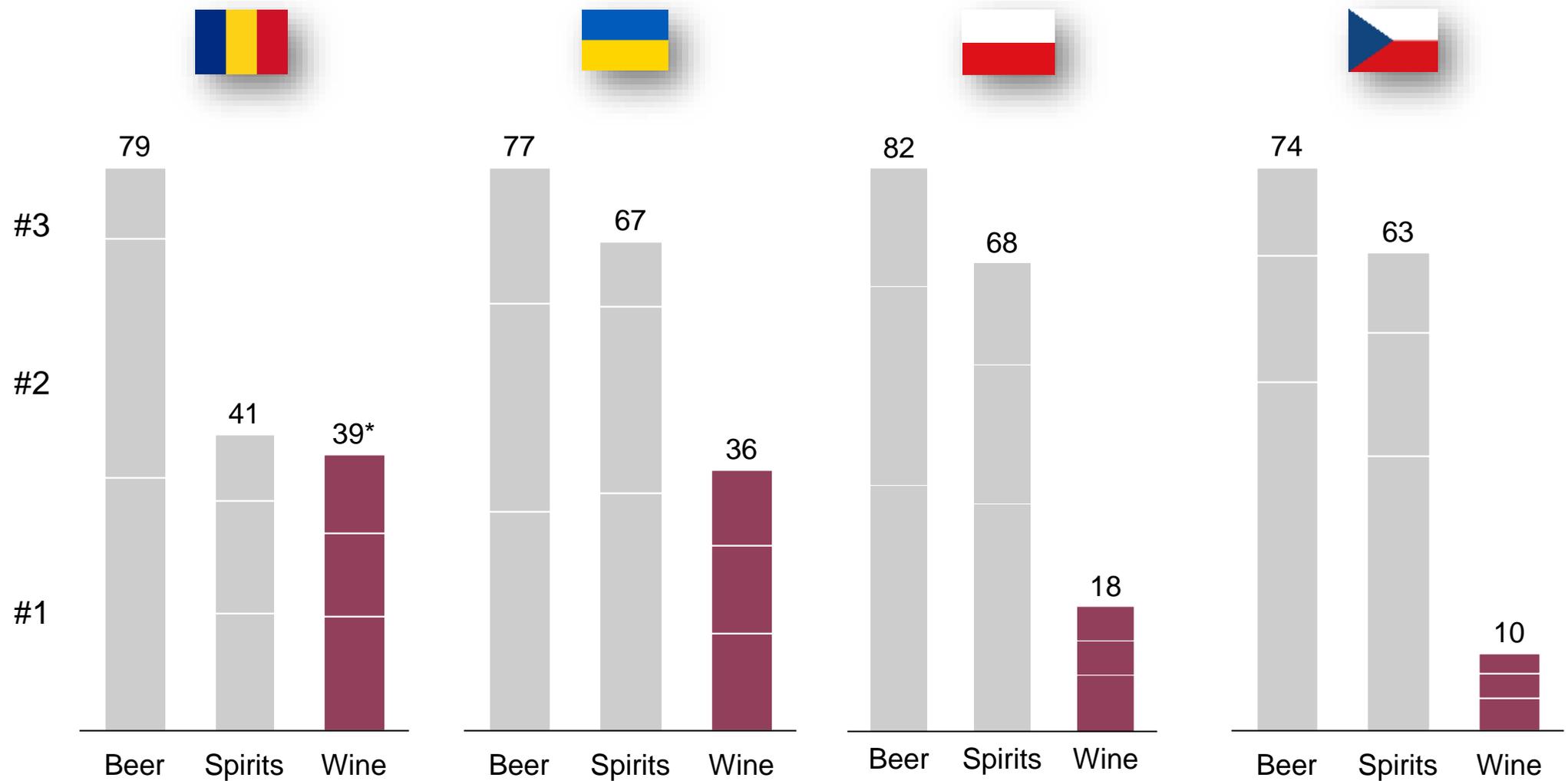
Different

We proud ourselves on taking a fresh look on things

Better

We keep improving – both our wines and our people

Volume share top-3 players by country, %

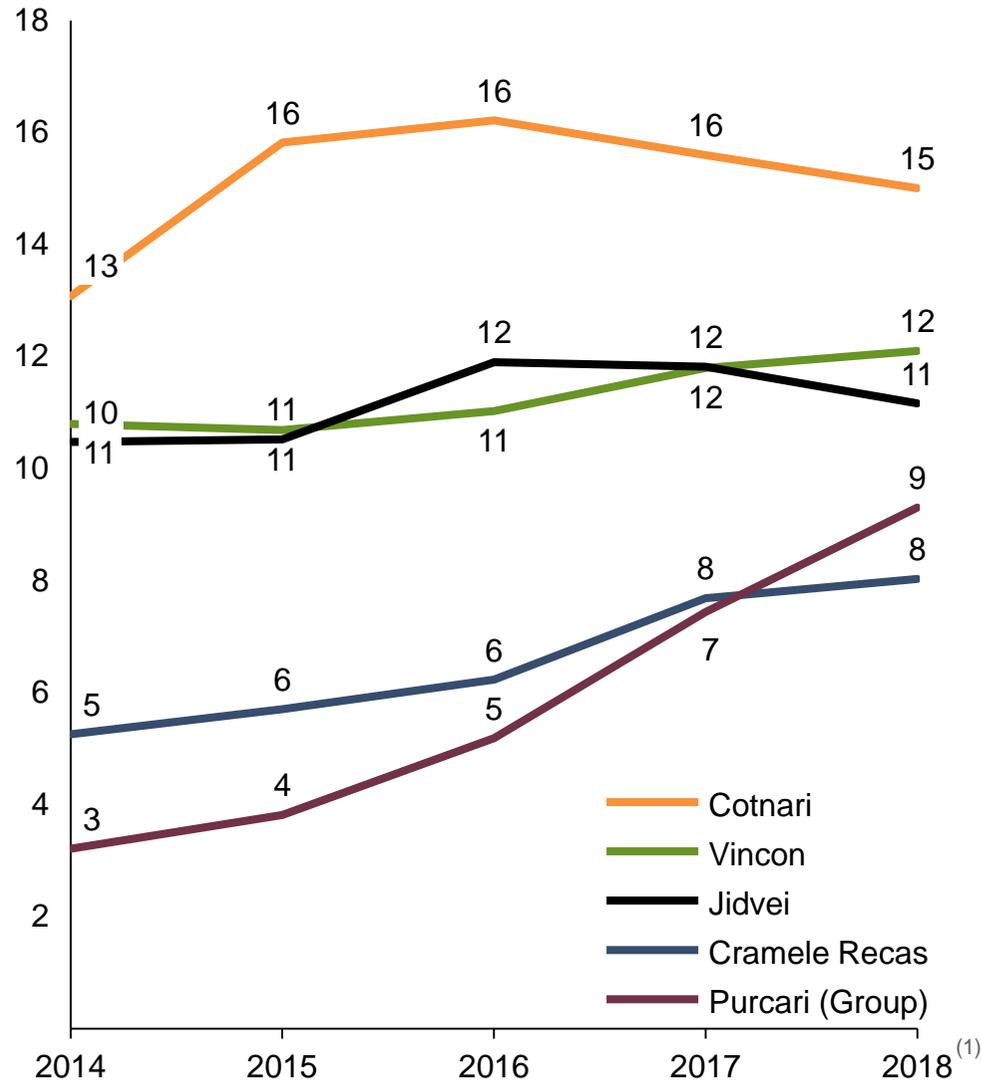


As wine market moves from terroir- to brand-centric and leaders build scale / sophistication, the market is ripe for consolidation

CLEAR #1 IN PREMIUM IN ROMANIA, KEEP GAINING SHARE

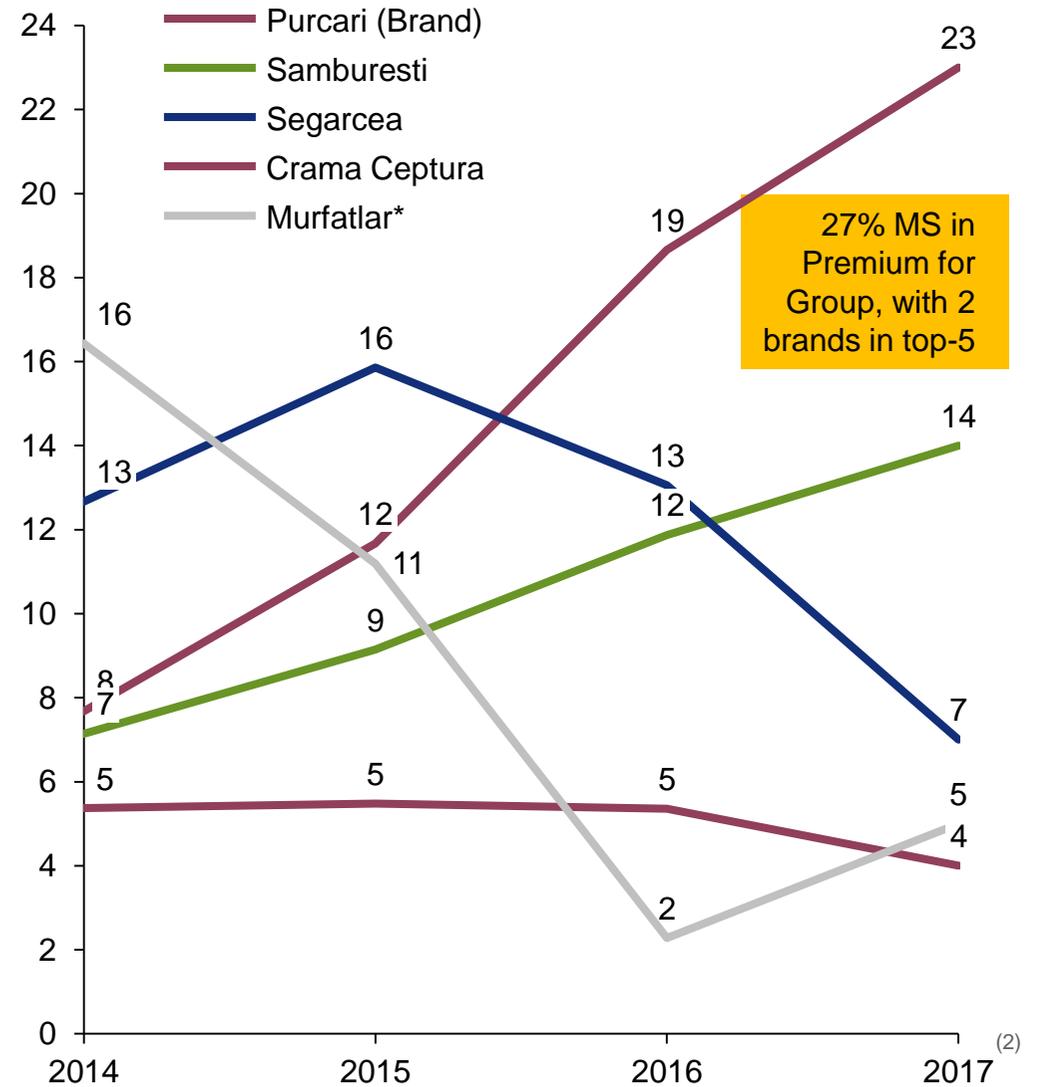
Overall, Purcari has tripled MS in 4 years....

Value share of TOTAL retail market, Romania, %



...while becoming a clear #1 in Premium

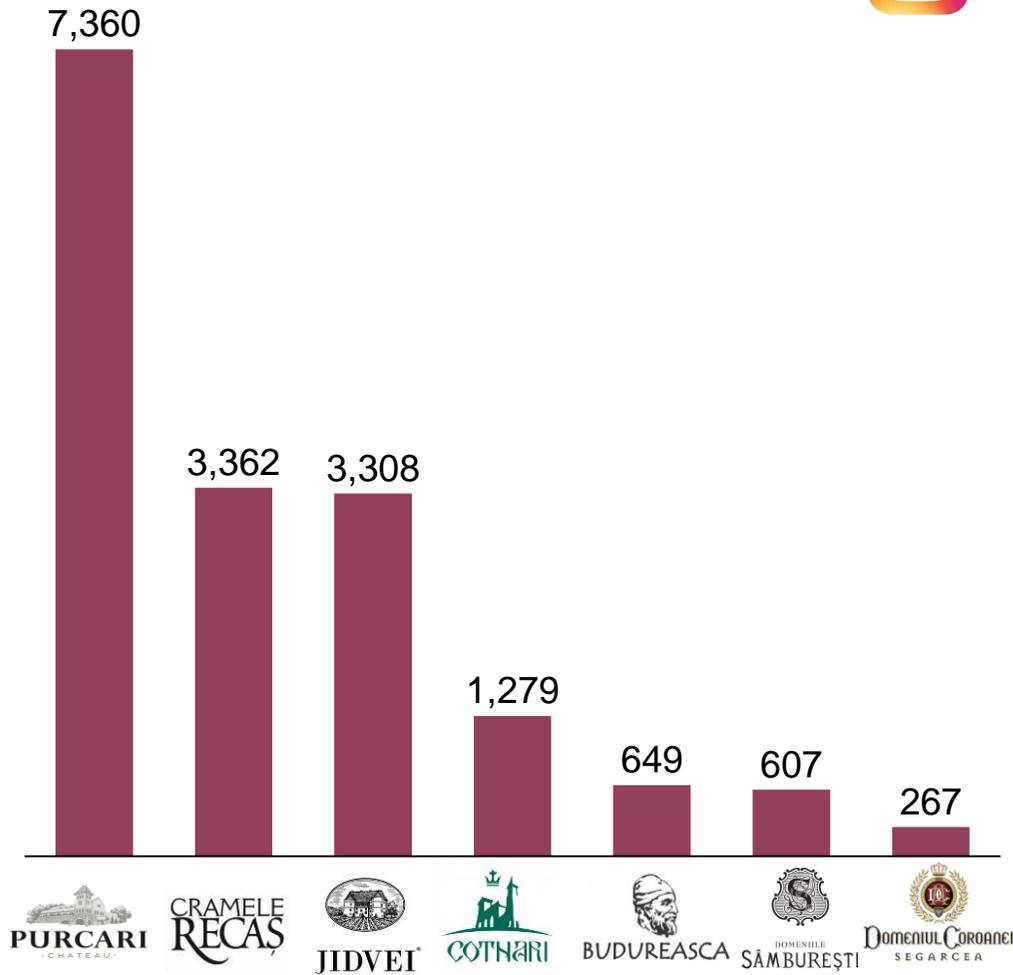
Value share of Premium (RON 30+/liter) retail market, %



TOPPING ROMANIAN WINERIES AT ENGAGEMENT, QUALITY

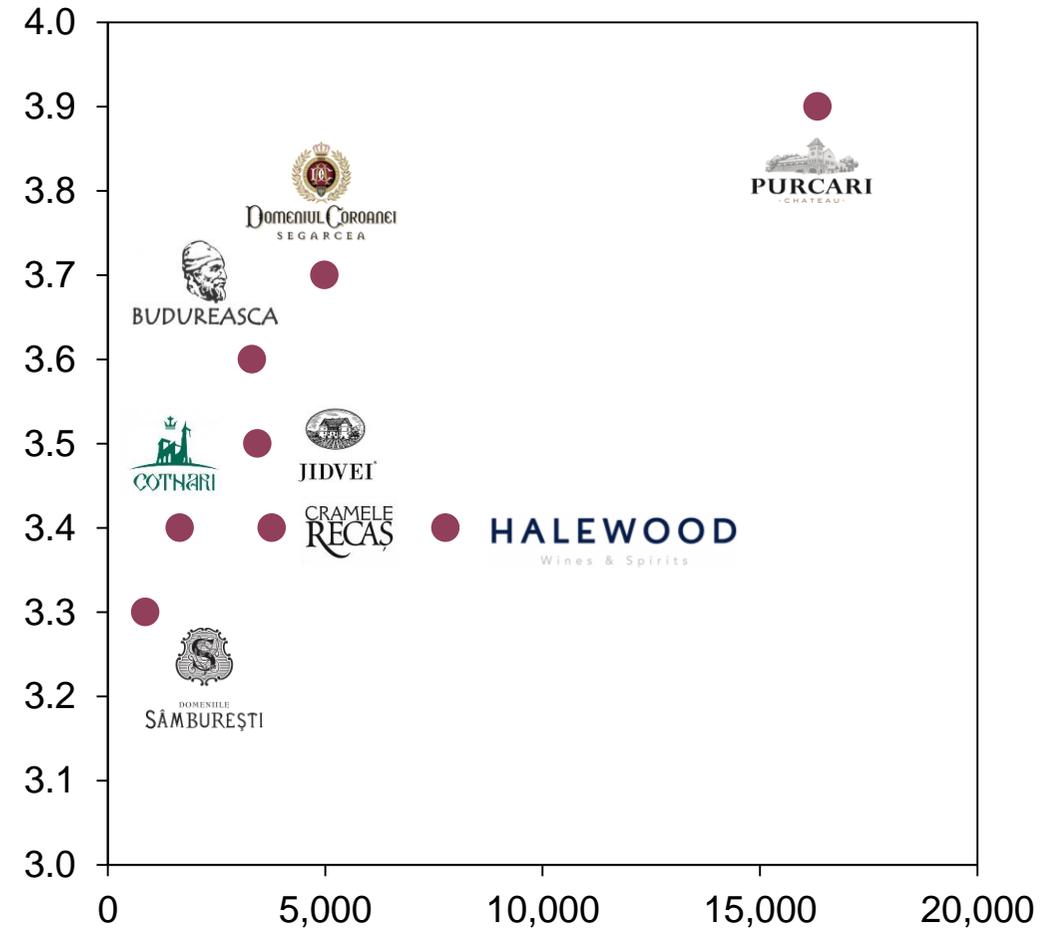
Aspirational brand which consumers like sharing about

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



Highest number of ratings and highest scores on Vivino

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



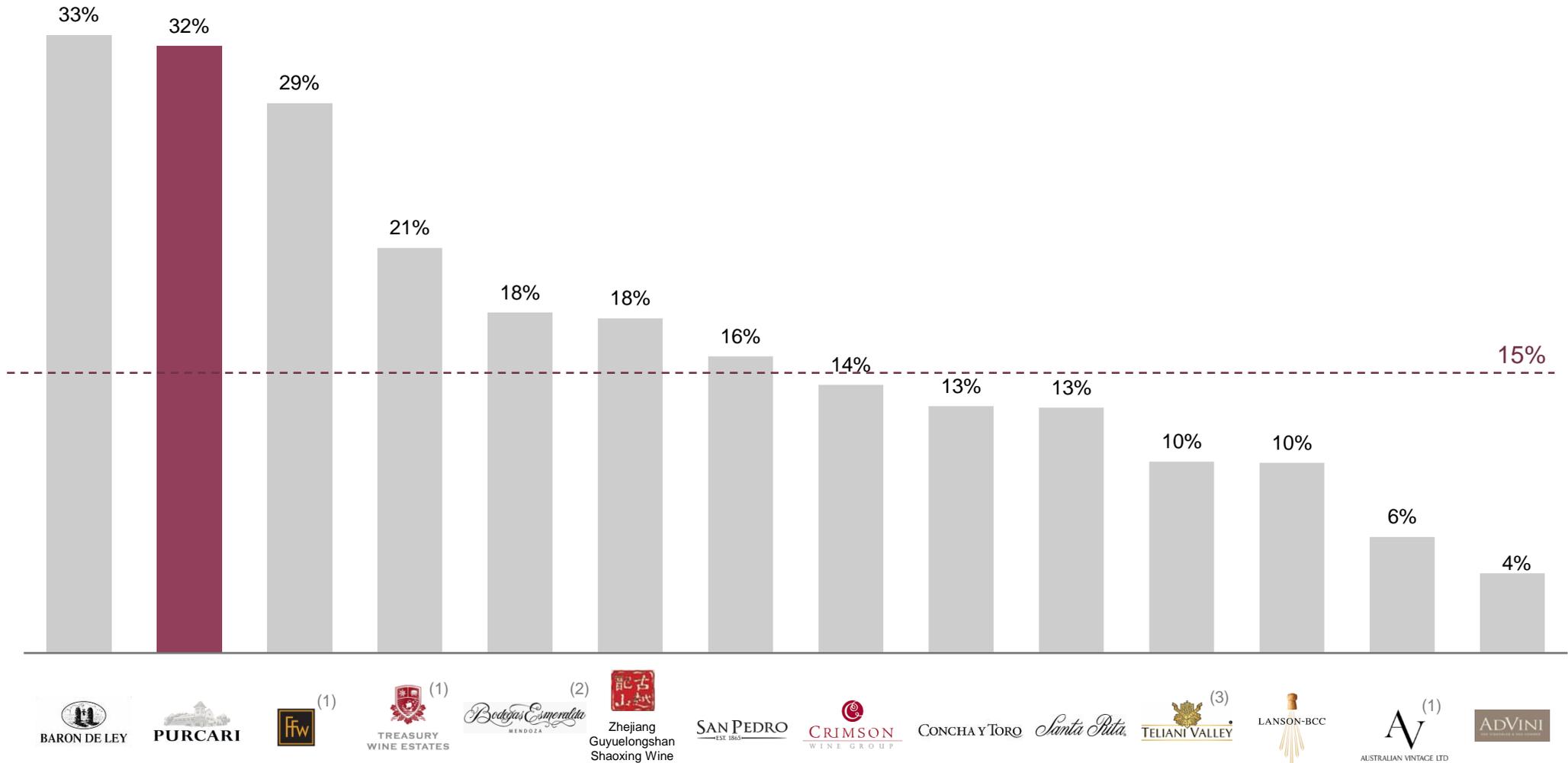
Note: Purcari - #purcari, Cramele Recas - #recas, Jidvei - #jidvei, Cotnari - #cotnari, Budureasca - #budureasca, Samburesti - #samburesti, Segarcea - #segarcea
Sources: Instagram, Vivino as of May 11 2018

TOP OF PEER GROUP MARGIN WISE; STILL ROOM TO GROW

EBITDA margin – global peer group

EBITDA margin 2017, %

--- Median



Source: IFRS Consolidated Financial Statements of the Group, Capital IQ data as of 11 May 2018 ; all figures are based on data in the functional currency of each company

(1) Financial year ends as of 06/30; e.g. for 2016, financial statements as of 06/30/2017 were taken into account

(2) Financial year ends as of 03/31; e.g. for 2016, financial statements as of 03/31/2017 were taken into account

(3) Financial statements as of 12/31/2016 were taken into account, as FY2017 financial statements are not yet available

1 Our Group

2 **1Q2018 Operational Results**

3 Update on 2018 Outlook

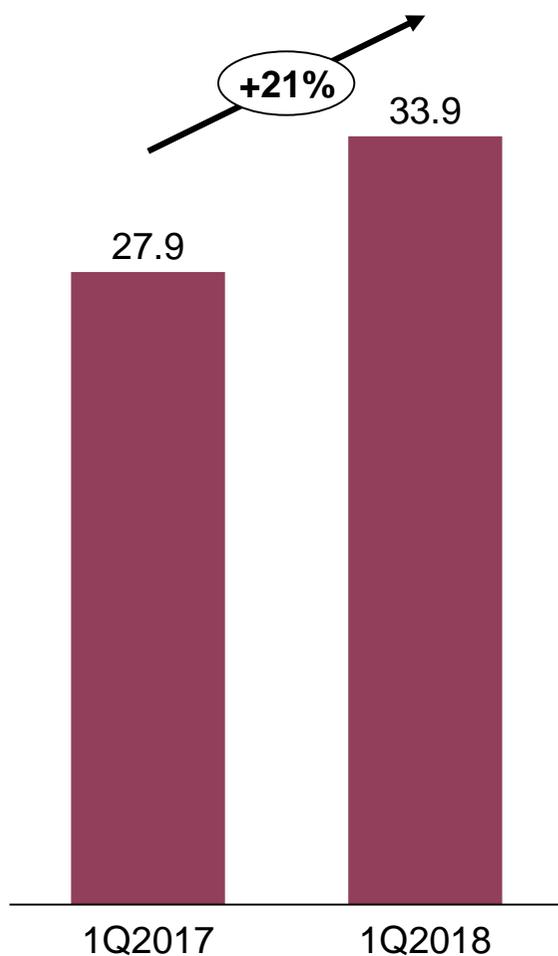
4 Q&A



Crama Ceptura – *Astrum*, the latest introduction in the Ceptura line-up, targeting the 15-20 RON/bottle segment, which accounts for circa 20% of market sales, which the Group started pursuing only in 2017

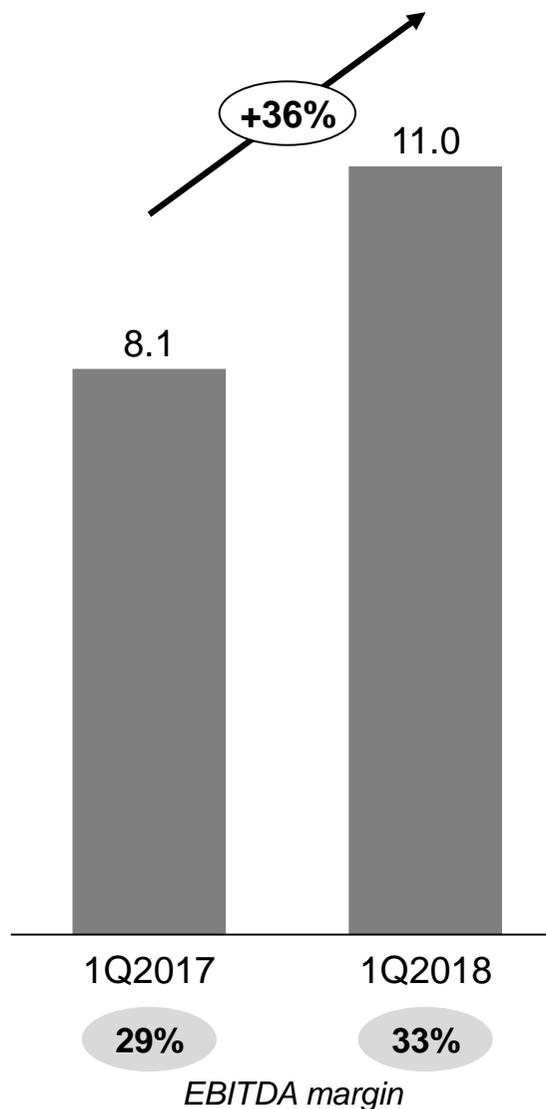
Revenues

RON m



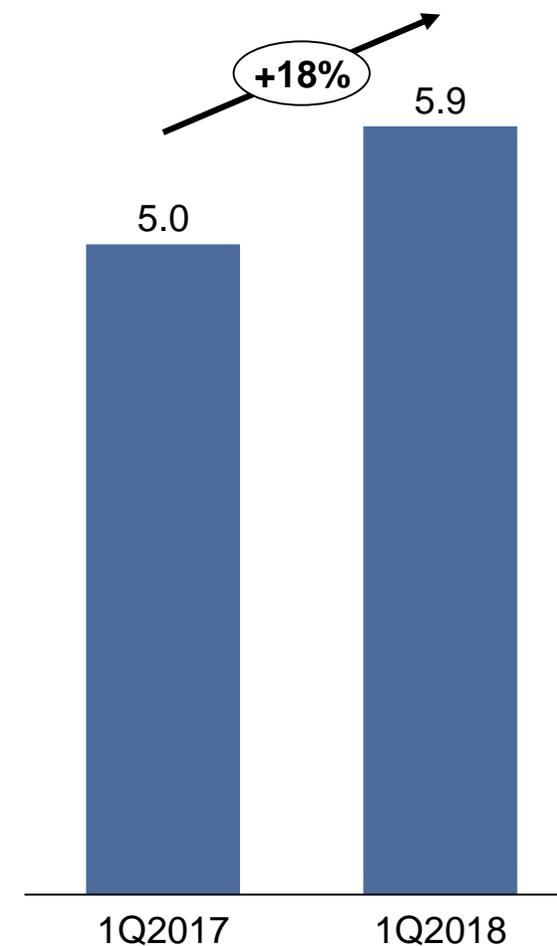
Adjusted EBITDA¹

RON m



Net Income

RON m



Note: 1 – excluding non-recurring, IPO related costs

1 KEY OPERATIONAL HIGHLIGHTS FOR 1Q18

Solid revenue growth

- Sales up 21% yoy, to RON 33.9m; strong shipments in 4Q17, put some pressure on 1Q deliveries
- Romania remains largest growth driver, up 32% yoy
- Maintained premiumization trend, with Purcari, Bardar, Ceptura growing much faster than Bostavan

Strong margins, despite adverse Fx

- Gross margin up 2.3pp vs 1Q17, to 46%, on improved mix, prices and despite adverse FX
- SG&A costs up 34% on increased legal, administrative and travel costs, as well as expansion of management team; management closely watches the costs looking for optimization.
- Adj. EBITDA up 36% to RON 11m; adj EBITDA margin up 3.4pp to 32.6%

Excellent traction on sparkling

- Strong consumer & critics reception for Sparling launch (1 gold, 2 silvers at *Effervescents du Monde*)
- Sparkling now ~2% of our sales in 1Q, despite seasonality strongly skewed to 4Q

Ready for summer with top whites, rosés

- The 2017 white and rose 2017 vintages, already released, are arguably the best we've had
- Puts us in strong position to compete vs. other wines (and beer) as the refreshing drink of choice

Maintain outlook for 2018

- Optimistic outlook on 2018, on favorable pricing environment, strong 2017 harvest
- Organic revenues growth guidance +24-28%
- EBITDA margin 33-36% and Net Income margin 23-26%, assuming no Fx improvements

Market	Share of sales, 1Q18, %	Growth, 1Q18 yoy, %	Comments
RO 	43%	+32%	<ul style="list-style-type: none"> RO: Crama Ceptura brand main growth driver up +37%; Purcari brand up +26%.
MD 	20%	+48%	<ul style="list-style-type: none"> MD: very strong growth across brand portfolio, pushed in particular by successful introduction of sparkling, and great traction of brandy
PL 	11%	16% ¹	<ul style="list-style-type: none"> PL: good traction with all key partners, including Partner Center, Eurocash and Tim; push on premium Purcari brand
ASI 	5%	-40%	<ul style="list-style-type: none"> ASIA: overhang from 4Q18 shipments, which arrived late to China (12 containers took circa 70 days to arrive instead of customary 40), pushing back the follow on orders from largest distributor
CZ SK 	5%	-11%	<ul style="list-style-type: none"> CZ,SK: strong traction in Czechia offset by financially stretched distributor in Slovakia. Shipments stopped as exceeding credit limits. Contract signed with new distributor. Sales expected to recover swiftly.
UA 	3%	-25%	<ul style="list-style-type: none"> UA: delay of a large shipment to 2Q affected 1Q results. Sellout from distributors, retail good. Market performs in line with expectations.
RoW 	14%	+59%	<ul style="list-style-type: none"> UA: delay of a large shipment to 2Q affected 1Q results. Sellout from distributors, retail good. Market performs in line with expectations.

Note: 1 – like for like sales, adjusting for moving out the (pan-CEE) Tesco account sales, previously reported under Poland; now Tesco sales are not broken down by country anymore.

Brand	Share of sales, 2017, %	Growth, 2017 yoy, %	Comments
	37%	+14%	<ul style="list-style-type: none"> PURCARI: solid traction across markets, including key market of Romania. Lower volumes to Asia, on overhang from 4Q17
	31%	+3%	<ul style="list-style-type: none"> BOSTAVAN: underwhelming performance, mainly due to lower shipments to Slovakia (distressed distributor) and Romania (brand deprioritized as focus on Purcari, Ceptura) though strong traction in Czechia, Poland
	18%	+31%	<ul style="list-style-type: none"> CRAMA CEPTURA: strong traction across range including excellent off-take of the Astrum series positioned in the strategic 15-20 RON bottle segment, previously not targeted by the company
	14%	+108%	<ul style="list-style-type: none"> BARDAR: continued shift from bulk to bottled brandy, started in 2015; expect to remain fastest growing brand in company portfolio

3 MARGINS: SOLID DESPITE ADVERSE FX EFFECTS

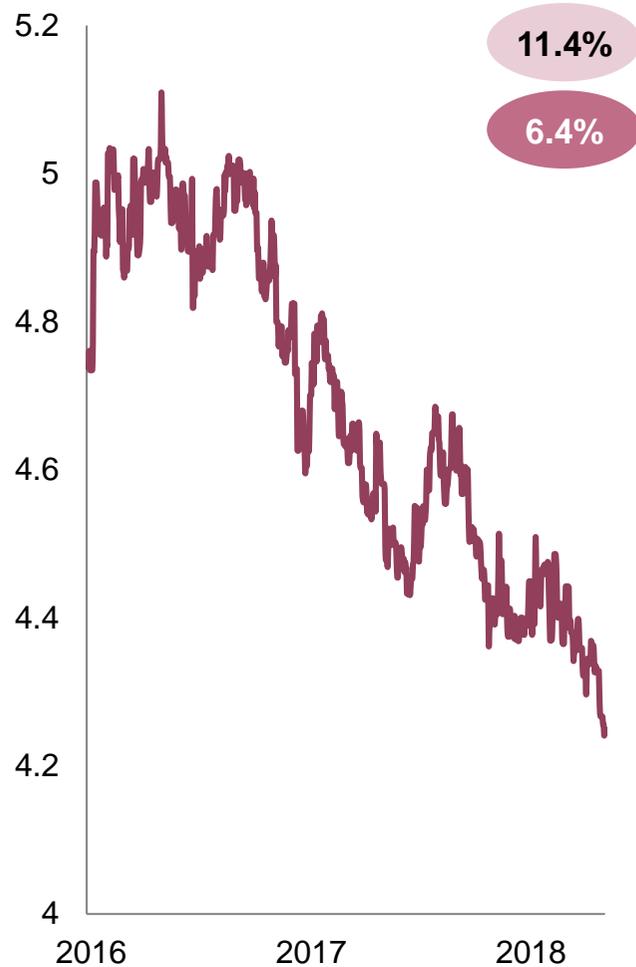
RON m	1Q17	1Q18	Δ '18/'17
Revenue	27.9	33.9	21%
Cost of Sales	(15.7)	(18.3)	16%
Gross Profit	12.2	15.6	28%
<i>Gross Profit margin</i>	<i>44%</i>	<i>46%</i>	-
SG&A	(5.4)	(7.3)	34%
Marketing and selling	(2.2)	(3.3)	54%
General and Administrative	(4.3)	(6.1)	42%
Other income/(expense)	1.0	2.1	112%
EBITDA	8.1	10.2	26%
Adj. EBITDA ¹	8.1	11.0	36%
<i>Adj. EBITDA margin</i>	<i>29%</i>	<i>33%</i>	-
Net Profit	5.0	5.9	18%
<i>Net Profit Margin</i>	<i>18%</i>	<i>17%</i>	-
Net profit after minorities	4.2	4.9	18%
<i>Net profit margin, after min</i>	<i>15%</i>	<i>15%</i>	

Comments

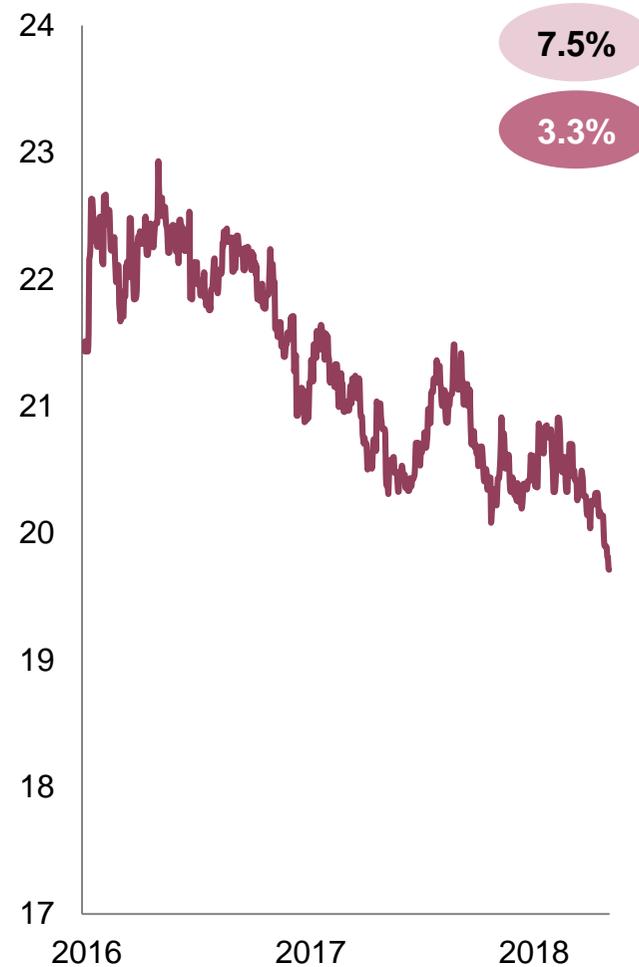
- Gross margin up 2.3pp, on improved mix given ongoing premiumization of portfolio and select price increases
 - Improvement in margin despite adverse Fx effect, given MDL appreciated 6.4% vs. 1Q17. MDL rate significantly affects COGS given wine inventories from 2017 harvest are kept on balance largely in MDL
- SG&A costs up 34% on increased legal, administrative and travel costs, as well as expansion of management team.
- Adj. EBITDA up 36%, to RON 11.0m and Net Income up 18% to RON 5.9m

MDL APPRECIATED STRONGLY, ADVERSELY IMPACTING MARGINS

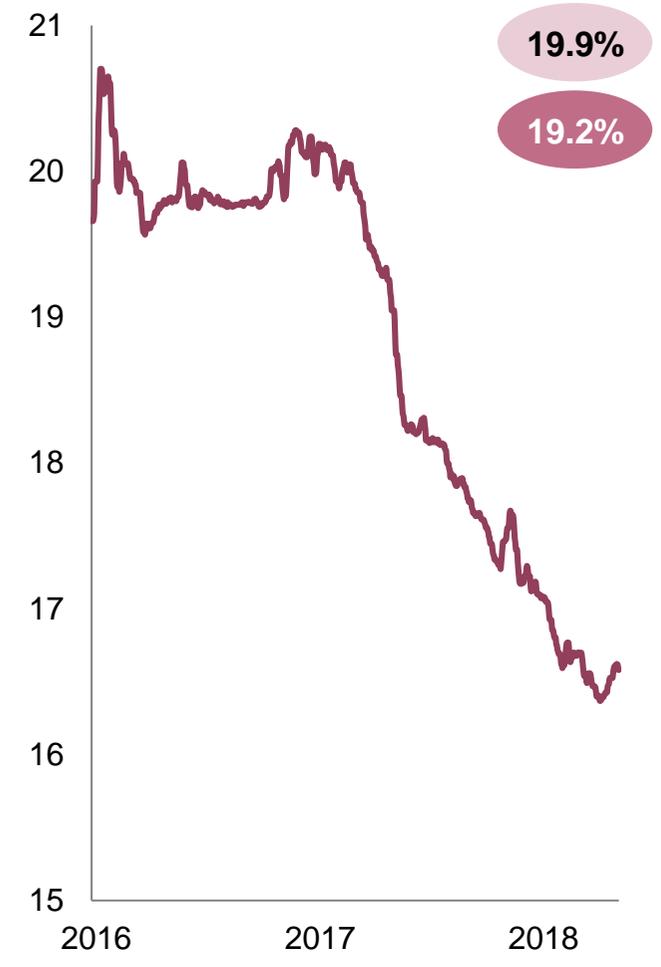
MDL vs RON: 2016 – 2018 FX evolution



MDL vs EUR: 2016 – 2018 FX evolution



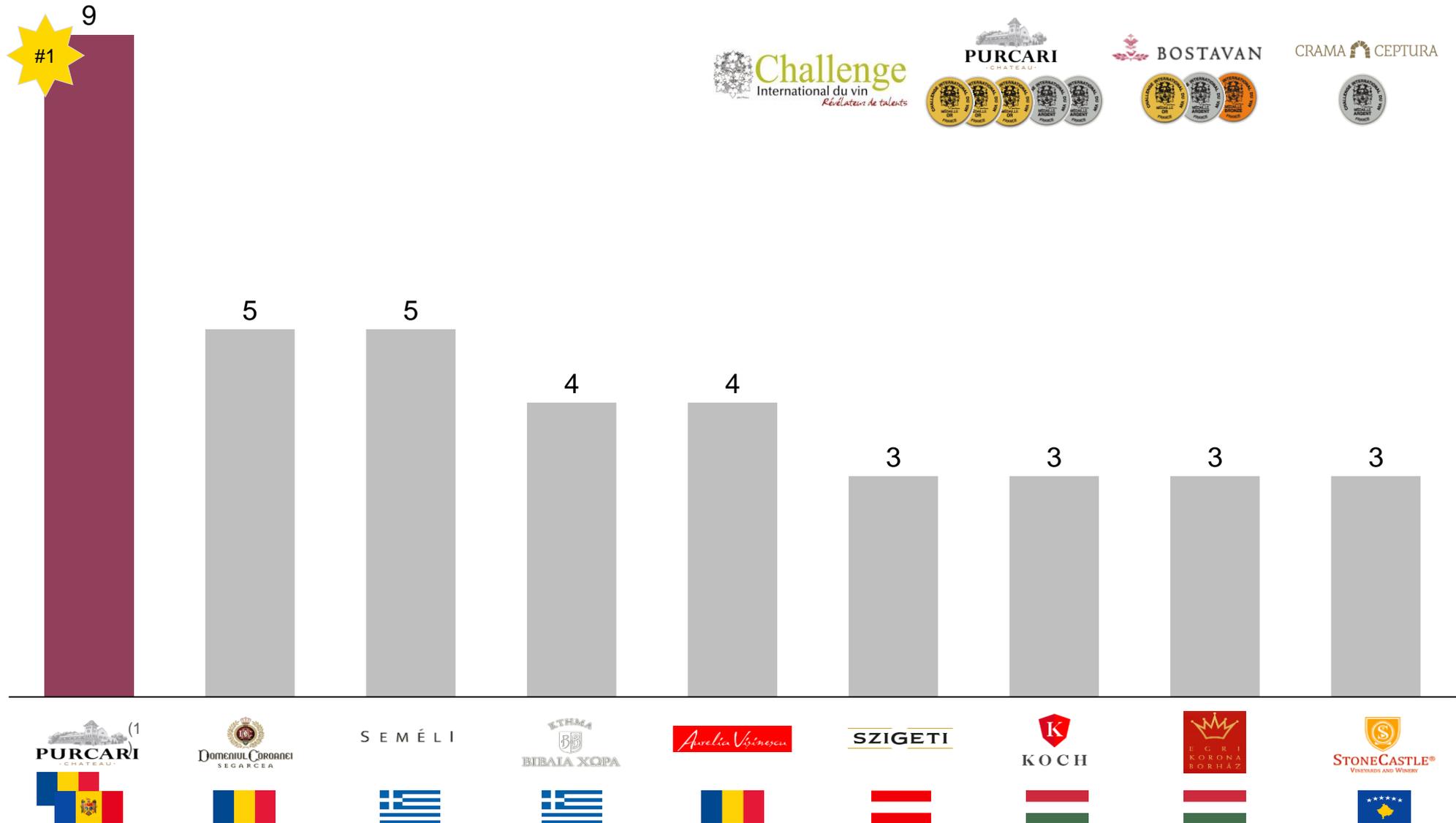
MDL vs USD: 2016 – 2018 FX evolution



MDL appreciation vs. 1Q16
 MDL appreciation vs. 1Q17

Challenge International du Vin's leading medal-winning winery in CEE

of medals at 2018 competition



Note: (1) Purcari Group (ie Purcari, Crama Ceptura & Bostavan brands)
Sources: Challenge International du Vin



MARKETING – CONTINUED SIGNATURE CAMPAIGNS: APRIL 1st EXAMPLES PURCARI

Ininitial Cork Offering

Screw It. Wine not?

Introducing world's first wine-based cryptocurrency.




ORIGINAL CRAMQUICK

BEST SERVED WITH CREAM & CESTURA

380 g

11g

10%

HERSCA DEGALI

by PURCARI

The Romanian Breakfast



WINEDETOX™
by DOR & Corina Dascalu

DOR WINEDETOX™
by DOR & Corina Dascalu



BARDAR STEEL LIMITED EDITION

DIN METAL TOPIT

MAI TARE DECĂT OȚELUL.

*DOAR 6500 STICLE

- 1 Our Group
- 2 1Q2018 Operational Results
- 3 **Update on 2018 Outlook**
- 4 Q&A



Negru de Purcari
2013, 4.4 score on
Vivino, top 1% wine
globally

3 WE MAINTAIN OUR GUIDANCE FOR 2018

Target	FY18	1Q18	Status	Comments
Organic revenue growth	+24-28%	21%		<ul style="list-style-type: none"> • Strong shipments in 4Q17, mainly Asia, limited somewhat primary sales in 1Q18 • We stick to 24-28% guidance for FY18, given 1Q seasonally smallest quarter and 79-82% of sales are done in 2Q-4Q²
EBITDA margin ¹	33-36%	33%		<ul style="list-style-type: none"> • Good EBITDA margin despite ongoing adverse Fx on MDL appreciation • EBITDA margin typically higher in quarters with larger sales (disproportionate EBITDA is made in Q3-Q4)
Net Income margin	23-26%	17%		<ul style="list-style-type: none"> • 1Q margin affected by higher interest expense on MDL appreciation, ROBOR rise • Net Income margin typically higher in quarters with larger sales (disproportionate Net Income is made in Q3-Q4)

Note: 1 – excluding non-recurring, IPO related costs; 2 – quarterly seasonality based on 2014-2016 data, as shared in IPO Prospectus

READY FOR SUMMER: SUPERB 2017 VINTAGE WHITES; CHEERS!

★ *Vivino: among the top 7% wines in the world*



Sergey P · 55 rating - Rated on May 10th 2018

Very very very good rose! Full of fruits and flavors! And fresh at the same time!



Fogarasi Istvan · 56 rating - Rated on May 5th 2018

Good summer wine, fresh and rich aromas, mostly floral and citric aromas, citrus is well incorporated in the taste too, well balanced, it goes even with a splash of water. I enjoyed it.



Stefan Mihailescu · 142 rating - Rated on Mar 10th 2018

Fresh and crisp, very floral nose, new world style, citric and elderflower taste. Very good value for money



Michael A · 1270 rating - Rated on Apr 30th 2018

Bags of fruitiness predominated by notes of pear drops. A light and refreshing summer wine.

- 1 Our Group
- 2 1Q2018 Operational Results
- 3 Update on 2018 outlook
- 4 **Q&A**



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



Thank
you.