



Purcari Wineries Public Company Limited

INTERIM FINANCIAL REPORT

Including the Non-Audited, Interim Condensed Consolidated
Financial Statements for the three-month period ended
31 March 2022

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: 401,750 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

I. Condensed Consolidated Interim Statement of Financial Position as at 31 March 2022

	Note	31 March 2022 (unaudited)	31 December 2021 (audited)	Variation
Assets				
Property, plant and equipment	3	162,197,704	167,171,497	(3%)
Intangible assets and goodwill	7	9,242,724	9,050,782	2%
Non-current receivables		2,560,224	2,552,630	0%
Loan receivables	6	1,355,028	849,489	60%
Inventories	9	79,601,859	74,895,843	6%
Equity instruments at fair value through profit or loss	5	4,421,278	4,341,709	2%
Other non-current assets		97,562	118,061	(17%)
Non-current assets		259,476,379	258,980,011	0%
Inventories	9	100,687,307	100,119,797	1%
Trade and other receivables	8	51,164,285	63,320,703	(19%)
Income tax assets		184,604	131,257	41%
Prepayments		15,793,701	6,346,251	149%
Other current assets		637,642	555,554	15%
Cash and cash equivalents	10	24,491,385	32,100,114	(24%)
Current assets		192,958,924	202,573,676	(5%)
Total assets		452,435,303	461,553,687	(2%)
Equity				
Share capital		1,763,121	1,763,121	0%
Share premium	11	83,184,367	83,184,367	0%
Treasury shares reserve		(5,532,543)	(5,532,543)	0%
Other reserves		5,189,827	5,079,807	2%
Translation reserve		14,288,250	16,194,236	(12%)
Retained earnings		153,757,340	142,714,713	8%
Equity attributable to owners of the Company		252,650,362	243,403,701	4%
Non-controlling interests		17,193,330	16,543,032	4%
Total equity		269,843,692	259,946,733	4%
Liabilities				
Borrowings and lease liabilities	12	54,198,409	24,851,576	118%
Deferred income	13	8,295,298	7,215,629	15%
Deferred tax liability		7,143,442	7,407,095	(4%)
Non-current liabilities		69,637,149	39,474,300	76%
Borrowings and lease liabilities	12	46,900,505	73,133,087	(36%)
Deferred income	13	1,083,497	1,967,532	(45%)
Income tax liabilities		996,630	1,053,529	(5%)
Employee benefits	22	4,594,091	4,671,899	(2%)
Trade and other payables	14	53,310,196	75,346,297	(29%)
Provisions		6,069,543	5,960,310	2%
Current liabilities		112,954,462	162,132,654	(30%)
Total liabilities		182,591,611	201,606,954	(9%)
Total equity and liabilities		452,435,303	461,553,687	(2%)

These Condensed Consolidated Interim Financial Statements were approved by management on 13th of May 2022 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 8 to 23.

II. Condensed Consolidated Interim Statement of Comprehensive Income for the three-month period ended 31 March 2022

	Note	3-month 2022 (unaudited)	3-month 2021 (unaudited)	Variation
Revenue	15	56,188,149	49,845,667	13%
Cost of sales	16	(26,900,525)	(23,811,295)	13%
Gross profit		29,287,624	26,034,372	12%
Other operating income	19	317,131	194,368	63%
Marketing and sales expenses	17	(4,882,632)	(4,974,972)	(2%)
General and administrative expenses	18	(6,593,720)	(6,043,198)	9%
Impairment loss on trade and loan receivables, net		(1,673,208)	157,372	(1,163%)
Other operating expenses	20	(74,499)	908,213	(108%)
Profit from operating activities		16,380,696	16,276,155	1%
Finance income	21	12,965	453	2,762%
Finance costs	21	(2,371,248)	(3,092,487)	(23%)
Net finance income	21	(2,358,283)	(3,092,034)	(24%)
Share of profit of equity-accounted investees, net of tax	4	-	78,381	(100%)
Profit before tax		14,022,413	13,262,502	6%
Income tax expense		(2,043,691)	(2,981,054)	(31%)
Profit for the year		11,978,722	10,281,448	17%
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences		(2,191,783)	2,320,720	(194%)
Other comprehensive income for the year		(2,191,783)	2,320,720	(194%)
Total comprehensive income for the year		9,786,939	12,602,168	(22%)
Profit attributable to:				
Owners of the Company		11,042,627	9,629,138	15%
Non-controlling interests		936,095	652,310	44%
		11,978,722	10,281,448	17%
Total comprehensive income attributable to:				
Owners of the Company		9,136,641	11,759,858	(22%)
Non-controlling interests		650,298	842,310	(23%)
		9,786,939	12,602,168	(22%)

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 8 to 23.

III. Condensed Consolidated Interim Statement of Cash Flow for the three-month period ended 31 March 2022

	3-month 2022 (unaudited)	3-month 2021 (unaudited)
Cash flow from operating activities		
Profit for the period	11,978,722	10,281,448
Adjustments for:		
Depreciation and amortization	4,097,905	3,271,717
Non-cash items	1,597,055	2,815,142
Income tax expense	1,780,038	2,981,054
Net finance costs	2,481,268	3,092,034
Operating profit before working capital changes	<u>21,934,988</u>	<u>22,441,395</u>
<i>Changes in:</i>		
Inventories	(5,588,931)	(6,480,118)
Trade and other receivables	1,808,477	7,024,459
Trade and other payables	(20,063,434)	(2,940,942)
Cash generated from operating activities	<u>(1,908,900)</u>	<u>20,044,794</u>
Income tax paid	(1,919,188)	(4,187,914)
Interest paid	(983,377)	(1,035,652)
Net cash generated from operating activities	<u>(4,811,465)</u>	<u>14,821,228</u>
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(603,457)	(3,313,440)
Change in loans receivables	(505,539)	-
Proceeds from sale of property, plant and equipment	(491,770)	47,995
Net cash used in investing activities	<u>(1,600,766)</u>	<u>(3,265,445)</u>
Cash flows from financing activities		
Change in loans and borrowings and finance lease	(505,961)	(10,798,661)
Dividends paid	(888,635)	(1,005,724)
Net cash generated from/ (used in) financing activities	<u>(1,394,596)</u>	<u>(11,804,385)</u>
Net increase in cash and cash equivalents	<u>(7,806,827)</u>	<u>(248,602)</u>
Cash and cash equivalents at beginning of the period	32,100,114	50,788,605
Effect of movements in exchange rates on cash held	198,098	(268,168)
Cash and cash equivalents at end of period	<u>24,491,385</u>	<u>50,271,835</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 8 to 23.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2022

all amounts are in RON, unless stated otherwise

IV. Condensed Consolidated Interim Statement of Changes in Equity for the three-month period ended 31 March 2022

Below is presented the statement of changes in equity for the three-month period ended 31 March 2022:

	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 2022	<u>1,763,121</u>	<u>83,184,367</u>	<u>(5,532,543)</u>	<u>5,079,807</u>	<u>16,194,236</u>	<u>142,714,713</u>	<u>243,403,701</u>	<u>16,543,032</u>	<u>259,946,733</u>
Total comprehensive income									
Profit for the year	-	-	-	-	-	11,042,627	11,042,627	936,095	11,978,722
Foreign currency translation differences	-	-	-	-	(1,905,986)	-	(1,905,986)	(285,797)	(2,191,783)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,905,986)</u>	<u>11,042,627</u>	<u>9,136,641</u>	<u>650,298</u>	<u>9,786,939</u>
Transaction with owners of the Company									
Increase of share capital from share premium	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-
Shares allocated to employees	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owners of the company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other changes in equity									
Equity-settled share-based payment	-	-	-	110,020	-	-	110,020	-	110,020
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Total Other changes in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,020</u>	<u>-</u>	<u>-</u>	<u>110,020</u>	<u>-</u>	<u>110,020</u>
Balance at 31 March 2022	<u>1,763,121</u>	<u>83,184,367</u>	<u>(5,532,543)</u>	<u>5,189,827</u>	<u>14,288,250</u>	<u>153,757,340</u>	<u>252,650,362</u>	<u>17,193,330</u>	<u>269,843,692</u>

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 8 to 23.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2022

all amounts are in RON, unless stated otherwise

Below is presented the statement of changes in equity for the three-month period ended 31 March 2021:

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury shares reserve	Other reserves	Translation reserve	Retained earnings			Total
Balance at 1 January 2021	<u>728,279</u>	<u>82,533,921</u>	<u>(4,424,086)</u>	<u>3,029,812</u>	<u>3,375,001</u>	<u>121,125,160</u>	<u>206,368,087</u>	<u>16,262,285</u>	<u>222,630,372</u>
Total comprehensive income									
Profit for the year	-	-	-	-	-	9,629,138	9,629,138	652,310	10,281,448
Foreign currency translation differences	-	-	-	-	1,788,214	-	1,788,214	190,000	1,978,214
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,788,214</u>	<u>9,629,138</u>	<u>11,417,352</u>	<u>842,310</u>	<u>12,259,662</u>
Transaction with owners of the Company									
Treasury shares acquired	-	-	-	-	-	-	-	-	-
Total transactions with owners of the company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other changes in equity									
Equity-settled share-based payment	-	-	-	2,004,938	-	-	2,004,938	-	2,004,938
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Total Other changes in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,004,938</u>	<u>-</u>	<u>-</u>	<u>2,004,938</u>	<u>-</u>	<u>2,004,938</u>
Balance at 31 March 2021	<u>728,279</u>	<u>82,533,921</u>	<u>(4,424,086)</u>	<u>5,034,750</u>	<u>5,163,215</u>	<u>130,754,298</u>	<u>219,790,377</u>	<u>17,104,595</u>	<u>236,894,972</u>

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 8 to 23.

V. Notes to the Condensed Consolidated Interim Financial Statements**Note 1. Reporting entity**

These unaudited interim financial statements are the consolidated financial statements of Purcari Wineries Public Company Limited (the “Company”) and its subsidiaries (together “the Group”).

Purcari Wineries Public Company Limited (“the Company”) is a company domiciled in Cyprus. It was incorporated on 14 June 2007 as a private liability company under the provisions of the Cyprus Companies Law, Cap. 113. The registered office of the Company is 1 Lampousas Street, 1095 Nicosia, Cyprus, Tax Identification Number 12201949I. In December 2017 the Company changed its name from Bostavan Wineries Ltd. to Purcari Wineries Ltd., and at the beginning of 2018 became a public limited company and changed its name to Purcari Wineries Public Company Limited.

On 15 February 2018 the Company made a secondary IPO and its shares were admitted for trading at Bucharest Stock Exchange.

The Company has an issued share capital of 401,175 EUR as at 31 March 2022, which consists of 40,117,500 ordinary shares with the nominal value of 0.01 EUR each (2021: 40,117,500 ordinary shares with the nominal value of 0.01 EUR each).

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	
		31 March 2022	31 December 2021
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%	67.75%
Vinoteca Gherasim Constantinescu SRL	Romania	100%	100%
Purcari Wineries Ukraine LLC	Ukraine	100%	100%
Vinaria Bostavan SRL	Republic of Moldova	100%	100%
Vinaria Purcari SRL	Republic of Moldova	100%	100%
Vinaria Bardar SA	Republic of Moldova	56.05%	56.05%
Casa Purcari SRL	Republic of Moldova	80%	80%
Domeniile Cuza SRL	Republic of Moldova	100%	100%

The structure of the Group as at 31 March 2022 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;
- 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);
- 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 31 March 2022 (31 December 2021: 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 31 March 2022 (31 December 2021: 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 2021.

These Interim Condensed Consolidated Financial Statements have not been audited by the external auditors of the Company.

(b) Basis of measurement

Management has prepared these consolidated financial statements under the going concern basis, which assumes the realisation of assets and settlement of liabilities in the course of ordinary economic activity.

These consolidated financial statements have been prepared on the historical cost basis, except for:

- biological assets (grapes on vines) which are measured at fair value less costs to sell;
- equity securities measured at FVTPL.

(c) Functional and presentation currency

The consolidated financial statements are presented in Romanian Leu (“RON”) as the Group is listed on the Bucharest Stock Exchange (BVB), beginning 15 February 2018. All amounts have been rounded to the nearest unit, unless otherwise indicated.

Each entity of the Group determines its own functional currency, and items included in its financial statements are measured using the functional currency.

The currencies of the primary economic environment in which the companies of the Group operate were as follows:

The currencies of the primary economic environment in which the companies of the Group operate were as follows:

- Purcari Wineries Plc, Vinorum Holdings Ltd, West Circle Ltd - US Dollar (USD),
- Crama Ceptura SRL, Ecosmart Union SA, Vinoteca Gherasim Constantinescu SRL - 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).

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 2021.

(f) 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 2021.

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2022

all amounts are in RON, unless stated otherwise

Note 3. Property, plant and equipment

The movements of property, plant and equipment from 1 January 2021 to 31 March 2022 are presented in the following tables:

	<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	120,524,295	11,353,820	6,911,449	37,406,488	319,700,678
Additions	17,495	84,142	95,405	5,284	-	9,580	204,383	416,289
Transfers	(2,081,364)	-	521,255	580,010	945,343	34,756	-	-
Disposals	-	-	(121,770)	(23,532)	579,922	(28,604)	-	406,016
Effect of movement in exchange rates	(935,653)	(93,910)	(1,730,298)	(217,836)	(295,668)	(149,365)	(451,364)	(3,874,094)
Balance at 31 March 2022	2,368,226	9,536,671	127,355,031	120,868,221	12,583,417	6,777,816	37,159,507	316,648,889
Accumulated depreciation and impairment losses								
Balance at 1 January 2022	-	574,236	72,952,848	58,432,859	5,367,237	5,283,521	9,918,480	152,529,181
Depreciation for the year	-	31,301	1,057,507	1,577,810	681,994	233,921	465,550	4,048,083
Impairment loss, net	-	-	(19,764)	(16,719)	(4,015)	-	-	(40,498)
Disposals	-	-	(74,279)	(24,611)	(1,344)	(6,597)	-	(106,831)
Effect of movement in exchange rates	-	(1,443)	(937,791)	(604,508)	(200,515)	(106,577)	(127,916)	(1,978,750)
Balance at 31 March 2022	-	604,094	72,978,521	59,364,831	5,843,357	5,404,268	10,256,114	154,451,185
Carrying amounts								
At 1 January 2022	5,367,748	8,972,203	55,637,591	62,091,436	5,986,583	1,627,928	27,488,008	167,171,497
At 31 March 2022	2,368,226	8,932,577	54,376,510	61,503,390	6,740,060	1,373,548	26,903,393	162,197,704

Purcari Wineries Public Company Limited

Non-Audited, Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2022

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 2021	5,553,185	7,266,688	115,797,404	103,760,194	9,242,775	5,729,686	28,724,442	276,074,374
Additions	22,158,715	594,421	1,187,878	607,972	115,996	49,958	1,156,800	25,871,740
Acquisitions through business combinations	-	1,172,367	108,532	1,491,437	810,388	51,368	5,359,222	8,993,314
Transfers	(22,638,055)	-	7,427,150	13,651,362	860,870	698,673	-	-
Disposals	-	-	(2,948,077)	(4,887,863)	(421,310)	(34,877)	-	(8,292,127)
Effect of movement in exchange rates	293,903	512,963	7,017,552	5,901,193	745,101	416,641	2,166,024	17,053,377
Balance at 31 December 2021	5,367,748	9,546,439	128,590,439	120,524,295	11,353,820	6,911,449	37,406,488	319,700,678
Accumulated depreciation and impairment losses								
Balance at 1 January 2021	-	415,351	66,498,725	52,469,986	3,877,758	4,496,603	6,500,438	134,258,861
Depreciation for the year	-	136,694	3,320,116	7,240,402	1,244,430	499,647	884,197	13,325,486
Increase through business combinations	-	-	108,532	482,948	248,060	16,983	1,990,689	2,847,212
Impairment loss, net	-	-	(80,142)	-	-	-	-	(80,142)
Disposals	-	-	(1,176,611)	(4,766,200)	(139,640)	(31,773)	-	(6,114,224)
Effect of movement in exchange rates	-	22,191	4,282,228	3,005,723	136,629	302,061	543,156	8,291,988
Balance at 31 December 2021	-	574,236	72,952,848	58,432,859	5,367,237	5,283,521	9,918,480	152,529,181
Carrying amounts								
At 1 January 2021	5,553,185	6,851,337	49,298,679	51,290,208	5,365,017	1,233,083	22,224,004	141,815,513
At 31 December 2021	5,367,748	8,972,203	55,637,591	62,091,436	5,986,583	1,627,928	27,488,008	167,171,497

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As at 31 March 2022 property, plant and equipment includes right-of-use assets of RON 6,751,090 (2021: RON 7,095,218) related to leased land, buildings and vehicles.

The property, plant and equipment of the Group are located in the following countries:

	<u>31 March 2022 (unaudited)</u>	<u>31 December 2021 (audited)</u>
Republic of Moldova	131,777,568	135,693,788
Romania	30,420,136	31,477,709
Total	<u>162,197,704</u>	<u>167,171,497</u>

Note 4. Equity-accounted investees and Acquisition of subsidiary

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 waste recycling management services, under specific law and authorisation given by State Environment Agency.

At 15 September 2021, the Group, through its subsidiary Crama Ceptura SRL, increased its investment to 55.00% of share capital and voting interests and Ecosmart Union SA became a subsidiary from that date.

On 14 October 2021, the Group increased its investment in Ecosmart Union SA to 65.75% of shares and voting interests.

Ecosmart Union SA as an equity-accounted investee

During the three-month period ended 31 March 2021, a share of profit from Ecosmart Union SA activity, amounting RON 78,381 net of tax, was recognized in the profit or loss account.

Ecosmart Union SA as a subsidiary

For the three-month period ended 31 March 2022, Ecosmart Union SA contributed to the Group's revenue with an amount of RON 4,169,157 and to the Group's results with a loss in amount of RON 525,625.

Note 5. Equity instruments at fair value through profit or loss

The movement in equity instruments at fair value through profit or loss from 1 January 2021 to 31 March 2022 is as follows:

	<u>31 March 2022 (unaudited)</u>	<u>31 December 2021 (audited)</u>
Balance at 1 January	4,341,709	-
Purchase of equity instruments	-	3,414,780
Change in fair value	-	882.329
Effect of movements in exchange rates	79,569	44,600
Balance at 31 March / 31 December	<u>4,421,278</u>	<u>4,341,709</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. 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 31 March 2022 RON 4,421,278.

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Note 6. Loan receivables

As at 31 March 2022 and 31 December 2021 loan receivables are as follows:

	Currency	Interest rate	Year of maturity	31 March 2022 (unaudited)		31 December 2021 (audited)	
				Non-current portion	Current portion	Non-current portion	Current portion
8Wines s.r.o.	EUR	3.0%	2025	356,384	-	350,438	-
8Wines s.r.o.	EUR	6.0%	2024	998,644	-	499,051	-
Total loan receivables				1,355,028	-	849,489	-

Note 7. Intangible assets and goodwill

The movements in intangible assets from 1 January 2021 to 31 March 2022 are the following:

	31 March 2022 (unaudited)			31 December 2021 (audited)		
	Goodwill	Other	Total	Goodwill	Other	Total
Cost						
Balance at 1 January	7,153,863	2,643,037	9,796,900	-	1,762,638	1,762,638
Additions						
Purchase	-	187,168	187,168	-	696,800	696,800
Business combination	-	-	-	6,984,076	19,726	7,003,802
Disposals	-	-	-	-	(143,417)	(143,417)
Effect of movement in exchange rates	-	(3,198)	(3,198)	169,787	307,290	477,077
Balance at 31 December	7,153,863	2,827,007	9,980,870	7,153,863	2,643,037	9,796,900
Amortization						
Balance at 1 January	-	746,118	746,118	-	575,625	575,625
Amortization for the year	-	49,822	49,822	-	173,663	173,663
Increase due to business combinations	-	-	-	-	4,165	4,165
Disposals	-	-	-	-	(27,359)	(27,359)
Effect of movement in exchange rates	-	(57,794)	(57,794)	-	20,024	20,024
Balance at 31 December	-	738,146	738,146	-	746,118	746,118
Carrying amounts						
At 1 January	7,153,863	1,896,919	9,050,782	-	1,187,013	1,187,013
At 31 December	7,153,863	2,088,861	9,242,724	7,153,863	1,896,919	9,050,782

Other intangible assets are represented by trademarks, technological instructions, licenses, software and other.

Note 8. Trade and other receivables

As at 31 March 2022 and 31 December 2021, trade and other receivables were as follows:

	31 March 2022 (unaudited)	31 December 2021 (audited)
Financial receivables		
Gross trade receivables	45,093,374	61,540,000
Allowance for impairment of trade receivables	(3,186,809)	(4,349,115)
Total financial receivables	41,906,565	57,190,885
Non-financial receivables		
Other receivables	2,945,154	1,154,357
VAT receivable	5,948,272	4,635,735
Other taxes receivable	22,570	6,045
Excise receivable	341,724	333,681
Total non-financial receivables	9,257,720	6,129,818
Total trade and other receivables	51,164,285	63,320,703

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Note 9. Inventories

As at 31 March 2022 and 31 December 2021 inventories were as follows:

	<u>31 March 2022</u> <u>(unaudited)</u>	<u>31 December</u> <u>2021 (audited)</u>
Raw materials		
Distilled alcohol	39,278,426	36,508,269
Wine materials	3,126,656	6,378,783
Other raw materials	459,834	600,311
Total raw materials	<u>42,864,916</u>	<u>43,487,363</u>
Other materials		
Packaging materials	14,011,995	14,242,424
Other materials	6,449,334	5,075,436
Chemicals	2,717,347	2,687,849
Total other materials	<u>23,178,676</u>	<u>22,005,709</u>
Semi-finished production		
Wine in barrels	82,649,264	82,678,184
Divin in barrels	6,252,586	4,023,269
Brandy in barrels	247,865	276,333
Total semi-finished production	<u>89,149,715</u>	<u>86,977,786</u>
Bottled finished goods		
Wine	23,991,388	21,945,866
Divin	1,053,291	541,198
Other finished goods	27,929	53,461
Brandy	23,251	4,257
Total bottled finished goods	<u>25,095,859</u>	<u>22,544,782</u>
Total inventories	<u>180,289,166</u>	<u>175,015,640</u>

The inventories that are expected to be recovered in more than 12 months after the end of the reporting date have been classified to non-current assets and amount to RON 78,306,583 as at 31 March 2022 (2021: RON 74,895,843). These relate to wine in barrels RON 44,553,474 (2021: RON 46,644,827) and distilled alcohol and divin in barrels RON 33,753,109 (2021: RON 28,251,016).

Note 10. Cash and cash equivalents

As at 31 March 2022 and 31 December 2021 cash and cash equivalents were as follows:

	<u>31 March</u> <u>2022 (unaudited)</u>	<u>31 December</u> <u>2021 (audited)</u>
Bank accounts	24,224,951	31,935,828
Petty cash	266,434	164,286
Total cash and cash equivalents	<u>24,491,385</u>	<u>32,100,114</u>

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.

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Note 11. Share Capital and Premium

(in shares)	31 March 2022 (unaudited)	31 December 2021 (audited)
On issue at 1 January	40,117,500	20,000,000
Bonus shares issued	-	20,000,000
Share option exercised	-	117,500
On issue at 31 March / 31 December	40,117,500	40,117,500
Authorized – par value	EUR 0.01	EUR 0.01

Share capital and share premium

On 29 March 2021, the shareholders unanimously voted for the increase of the issued share capital of the Company from EUR 200,000.00 divided into 20,000,000 shares of nominal value EUR 0.01 each to EUR 400,000.00 divided into 40,000,000 shares of nominal value EUR 0.01 each. The 20,000,000 bonus shares were issued at nominal value and paid out of the share premium reserve of the Company.

At the AGM dated 14.06.2018 the Company launched its Management Incentive Programme mainly targeting members of the Group’s senior management team (except the CEO) and board of directors (the “Beneficiaries”), intended, as disclosed in the Company’s prospectus published in relation to its admission to trading, to further align the interests of such Beneficiaries with those of the Company’s shareholders, comprising: (a) award of shares in the Company to the Beneficiaries, free of charge; and (b) award of stock options to the Beneficiaries (the PSOs).

As of 30.09.2021, seven employees and managers submitted their exercise letters for purchase of 117,500 shares at an exercise price of RON 10 per share.

On 12.11.2021 the Directors of the Company unanimously resolved that, based on the authority granted by the Company’s shareholders, as per resolution dated 28.04.2021, the Company be authorized to issue and allot additional 117,500 shares of nominal value EUR 0.01 each, issued at a premium of EUR 2.01118 for a total subscription amount of RON 1,175,000 (equivalent of EUR 237,488.65).

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

As of 31 March 2022, the share premium amounts to RON 83,184,367 (31 December 2021: RON 83,184,367).

Note 12. Borrowings and lease liabilities

This note provides information about the contractual terms of the Group's interest-bearing borrowings and lease liabilities, which are measured at amortized cost.

As at 31 March 2022 and 31 December 2021, borrowings and lease liabilities were as follows:

	31 March 2022 (unaudited)	31 December 2021 (audited)
Non-current liabilities		
Secured bank loans	48,735,915	19,081,919
Lease liabilities	5,462,494	5,769,657
Total non-current portion	54,198,409	24,851,576
Current liabilities		
Current portion of secured bank loans	45,640,980	70,319,375
Current portion of unsecured loan	-	1,316,195
Current portion of lease liabilities	1,259,525	1,497,517
Total current portion	46,900,505	73,133,087
Total borrowings and lease liabilities	101,098,914	97,984,663

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The split of borrowings and finance lease by currency at 31 March 2022 and 31 December 2021 was as follows:

	31 March 2022 (unaudited)	31 December 2021 (audited)
MDL	11,121,934	12,446,687
EUR	82,193,902	78,170,910
USD	7,783,078	7,367,066
Total borrowings and finance lease	101,098,914	97,984,663

The split of borrowings and finance lease by lender at 31 March 2022 and 31 December 2021 was as follows:

	31 March 2022 (unaudited)	31 December 2021 (audited)
BC MAIB SA	57,318,550	55,803,095
OTP Bank SA	8,045,749	7,367,066
UNICREDIT BANK SA	15,680,718	11,383,630
BC Victoriabank SA	13,331,877	14,847,503
Chateau Vartely SRL	-	1,316,195
Finance Lease Liabilities	6,722,020	7,267,174
Total borrowings and finance lease	101,098,914	97,984,663

Note 13. Deferred income

The Group's deferred income, amounting at 31 March 2022 RON 9,378,795 (2021: 9,183,161) 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.

Note 14. Trade and other payables

As at 31 March 2022 and 31 December 2021 trade and other payables were as follows:

	31 March 2022 (unaudited)	31 December 2021 (audited)
<i>Financial payables</i>		
Trade accounts payable	45,515,796	67,246,874
Trade payables due to related parties	2,791,616	2,203,759
Total financial payables	48,307,412	69,450,633
<i>Non-financial payables</i>		
Other tax liabilities	3,624,834	3,822,723
Advances received	804,429	509,007
Dividends payable	573,521	1,563,934
Total non-financial payables	5,002,784	5,895,664
Total trade and other payables	53,310,196	75,346,297

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Note 15. Revenue

Revenues for the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 were as follows:

	<u>3-month 2022</u> <u>(unaudited)</u>	<u>3-month 2021</u> <u>(unaudited)</u>
Sales of finished goods		
Wine	44,892,868	44,363,989
Divin	5,920,410	4,571,150
Brandy	41,018	51,903
Total sales of finished goods	<u>50,854,296</u>	<u>48,987,042</u>
Sales of other goods		
Merchandise	485,477	449,582
Other	126,953	36,200
Wine materials	31,195	50,147
Total sales of other goods	<u>643,625</u>	<u>535,929</u>
Services		
Hotel and restaurant services	494,463	307,317
Agricultural services	26,608	15,379
Waste recycling management services	4,169,157	-
Total services	<u>4,690,228</u>	<u>322,696</u>
Total revenue	<u><u>56,188,149</u></u>	<u><u>49,845,667</u></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 2021 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.

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All operating segments results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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.

Sales of finished goods by brand and geographic region for the three-month period ending 31 March 2022 are as follows:

	<u>Bostavan</u> <u>wine</u>	<u>Purcari</u> <u>wine</u>	<u>Domeniile</u> <u>Cuza wine</u>	<u>Crama</u> <u>Ceptura</u> <u>wine</u>	<u>Bardar</u> <u>divin and</u> <u>brandy</u>	<u>Total</u>
Romania	349,078	19,834,003	13,337	6,646,477	934,009	27,776,904
Republic of Moldova	1,550,855	4,141,938	-	-	3,427,100	9,119,893
Poland	4,449,106	155,947	-	13,853	27,618	4,646,524
Czech & Slovakia	1,760,559	85,131	-	220,846	-	2,066,536
Asia	823,044	671,708	-	150,625	491,259	2,136,636
Belarus	-	-	-	-	375,150	375,150
Baltic countries	1,473,538	-	-	-	13,336	1,486,874
Ukraine	527,489	244,693	-	-	-	772,182
Other	272,293	1,193,487	10,648	304,550	692,619	2,473,597
Total	<u>11,205,962</u>	<u>26,326,907</u>	<u>23,985</u>	<u>7,336,351</u>	<u>5,961,091</u>	<u>50,854,296</u>

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Sales of finished goods by brand and geographic region for the three-month period ending 31 March 2021 are as follows:

	Bostavan wine	Purcari wine	Domeniile Cuza wine	Crama Ceptura wine	Bardar divin and brandy	Total
Romania	599,615	17,765,680	-	7,144,144	544,964	26,054,403
Republic of Moldova	1,018,075	3,241,498	-	-	2,430,323	6,689,896
Poland	4,643,237	44,238	-	11,918	17,422	4,716,815
Czech & Slovakia	-	-	-	-	1,093,532	1,093,532
Asia	2,185,134	45,214	-	-	-	2,230,348
Belarus	1,033,285	354,883	-	197,370	197,691	1,783,229
Baltic countries	2,011,290	308,125	-	48,909	35,892	2,404,216
Ukraine	670,931	823,400	-	-	-	1,494,331
Other	792,057	969,898	-	455,088	303,229	2,520,272
Total	12,953,624	23,552,936	-	7,857,429	4,623,053	48,987,042

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 the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 was as follows:

	3-month 2022 (unaudited)	3-month 2021 (unaudited)
Sales of finished goods		
Wine	19,901,984	21,438,831
Divin	2,149,482	1,572,630
Brandy	21,963	34,311
Total sales of finished goods	22,073,429	23,045,772
Sales of other goods		
Merchandise	412,656	382,145
Other	116,798	33,301
Wine materials	27,452	44,130
Total sales of other goods	556,906	459,576
Services		
Hotel and restaurant services	469,739	291,952
Agricultural services	24,213	13,995
Waste recycling management services	3,776,238	-
Total services	4,270,190	305,947
Total cost of sales	26,900,525	23,811,295

Note 17. Marketing and sales expenses

Marketing and sales expenses for the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 were as follows:

	3-month 2022 (unaudited)	3-month 2021 (unaudited)
Marketing and sales	1,830,195	1,854,150
Transportation expenses	849,867	909,867
Employee benefits	2,021,983	2,024,389
Certification of production	136,198	96,014
Other expenses	44,389	90,552
Total marketing and sales expenses	4,882,632	4,974,972

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Note 18. General and administrative expenses

General and administrative expenses for the Q1 ended at 31 March 2022 and Q1 ended at 31 December 2021 were as follows:

	<u>3-month 2022</u> <u>(unaudited)</u>	<u>3-month 2022</u> <u>(unaudited)</u>
Employee benefits	3,297,428	3,741,813
Taxes and fees	273,074	363,105
Depreciation	1,043,916	631,264
Repairs and maintenance	76,796	95,209
Operating lease	21,663	19,296
Travel	39,145	3,327
Professional fees	1,281,605	580,688
Bank charges	80,017	63,232
Communication	87,914	56,985
Insurance	48,073	33,635
Fuel	53,237	51,685
Materials	6,178	21,639
Penalties	80,480	157,053
Other	204,194	224,357
Total general and administrative expenses	<u>6,593,720</u>	<u>6,043,198</u>

Note 19. Other operating income

Other operating income for the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 was as follows:

	<u>3-month 2022</u> <u>(unaudited)</u>	<u>3-month 2021</u> <u>(unaudited)</u>
Release of deferred income	237,437	38,673
Gains on write-off of trade and other payables	1,613	118,583
Net loss from sale of other materials	(6,954)	(10,140)
Other	85,035	47,252
Total other operating income	<u>317,131</u>	<u>194,368</u>

Note 20. Other operating expenses

Other operating expenses for the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 were as follows:

	<u>3-month 2022</u> <u>(unaudited)</u>	<u>3-month 2021</u> <u>(unaudited)</u>
Impairment of property, plant and equipment	(40,498)	(19,761)
Change in provisions, net	-	(976,640)
Unallocated overheads	81,462	85,838
Adjustment to fair value of harvest of grapes from own grape vines	22,928	(15,238)
Adjustment to fair value of harvest of grapes from joint operation / operating leasing	31,684	30,746
Net gain from disposal of property, plant and equipment and intangible assets	(21,077)	(13,158)
Total other operating expenses	<u>74,499</u>	<u>(908,213)</u>

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Note 21. Net finance cost

Net finance costs for the Q1 ended at 31 March 2022 and Q1 ended at 31 March 2021 were as follows:

	<u>3-month 2022</u> <u>(unaudited)</u>	<u>3-month 2021</u> <u>(unaudited)</u>
Interest income	12,965	121
Other	-	332
Finance income	<u>12,965</u>	<u>453</u>
Interest expense	(960,418)	(1,036,105)
Net foreign exchange loss	(1,410,830)	(2,056,382)
Finance costs	<u>(2,371,248)</u>	<u>(3,092,487)</u>
Net finance income	<u>(2,358,283)</u>	<u>(3,092,034)</u>

Note 22. Employee benefits

As at 31 March 2022 and 31 December 2021, employee benefit payables were as follows:

	<u>31 March</u> <u>2022</u> <u>(unaudited)</u>	<u>31 December</u> <u>2021</u> <u>(audited)</u>
Payables to employees	2,236,177	2,005,195
Accruals for unused vacation	2,357,914	1,776,040
Total employee benefit payables	<u>4,594,091</u>	<u>3,781,235</u>

Note 23. Related parties

The Group's related parties for the three-months period ended 31 March 2022 were the following:

<u>Name of the entity</u>	<u>Relationship with the Company</u>
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 through 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
Ecosmart Union SA	An associate company till 15 September 2021
BC Moldova Agroindbank SA	Common member in the board of directors of the Company and of the Bank

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Key management personnel and other related party transactions:

	Transaction value for the three-month period ended		Outstanding balance - receivable/(payable) as at	
	31 March 2022 (unaudited)	31 March 2021 (unaudited)	31 March 2022 (unaudited)	31 December 2021 (audited)
Victor Bostan				
- Salaries and bonuses for performance	(279,738)	(256,149)	(1,283,504)	(1,102,570)
Ecosmart Union SA				
- Other expenses	-	(577,148)	-	-
Victoriavin SRL				
- Lease liabilities	-	-	(292,679)	(3,894,567)
- Interest expense	(98,869)	(95,725)	-	-
- Trade payables	(1,681)	-	(4,858)	(5,545)
- Operating leases	(11,688)	(11,098)	-	-
BC Moldova Agroindbank SA				
- Sales of merchandise	2,416	1,780	-	-
- Interest expense	(576,104)	(641,339)	-	-
- Bank charges	(47,996)	(49,197)	-	-
- Secured bank loans	-	-	(56,009,815)	(55,803,095)
- Cash and cash equivalents	-	-	3,195,567	21,065,011
Agro Sud Invest SRL				
- Agricultural services	(1,024,609)	(662,296)	-	-
- Trade payables	-	-	(1,366,111)	(1,070,597)
BSC Agro SRL				
- Agricultural services	(1,521,407)	(983,666)	-	-
- Trade payables	-	-	(1,420,647)	(1,127,617)
Key management personnel				
- Salaries and bonuses for performance	(828,703)	(762,985)	(2,397,033)	(2,491,011)
- Equity-settled share-based payment	(175,260)	(415,041)	(3,437,512)	(3,262,251)

Note 24. EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is calculated as profit for the year (as presented in the consolidated statement of profit or loss and other comprehensive income), and adding back the income tax, net finance result and total amortization of intangible assets and total depreciation of property plant and equipment (as presented in Notes 3 and 7).

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

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EBITDA for the Q1 ended at 31 March 2022 and Q1 ended at 31 December 2021 was as follows:

	<u>Indicator</u>	<u>Note</u>	<u>31 March 2022 (unaudited)</u>	<u>31 March 2021 (unaudited)</u>
EBITDA	EBITDA		20,478,601	19,626,253
Less: depreciation for the year		3	(4,048,083)	(3,240,368)
Less: amortization for the year		7	(49,822)	(31,349)
Result from operating activities	EBIT		16,380,696	16,354,536
Less: net finance income		21	(2,358,283)	(3,092,034)
Earnings Before Income Taxes	EBT		14,022,413	13,262,502
Less: tax expense			(2,043,691)	(2,981,054)
Profit for the year			11,978,722	10,281,448

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 1.71, which is a significant improvement compared to 1.25 recorded at 2021 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 reported period Receivables turnover indicator slightly improved. This indicates that a company's collection of accounts receivable is efficient and that the company has a high proportion of quality customers that pay their debts quickly.

Non-current Assets turnover – determines the efficiency with which a business uses its non-current assets to generate revenue for the business. A higher ratio implies that management is using its fixed assets more effectively. A high ratio does not tell anything about a company's ability to generate solid profits or cash flows. This indicator decreased from 1.0 to 0.9 comparing to year end because in calculations is used annualized sales based on current quarter revenue, without considering for seasonality in sales.

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Item	31 March 2022		31 December 2021	
Liquidity ratio				
Current Assets	192,958,924	1.71	202,573,676	1.25
Current liabilities	112,954,462		162,132,654	
Gearing ratios				
Debt	101,098,914	37%	97,984,663	38%
Equity	269,843,692		259,946,733	
Debt	101,098,914	27%	97,984,663	27%
Total Capital Employed	370,942,606		357,931,396	
Receivables Turnover, days				
Receivables	51,164,285	82	63,320,703	92
Net Sales Annualized / 360	624,313		689,260	
Non-current Assets turnover				
Net Sales Annualized	224,752,596	0.9	248,133,715	1.0
Non-current Assets	259,476,379		258,980,011	

Note 26. Events after the reporting period

There were no material post balance sheet events, which have a bearing on the understanding of these interim condensed consolidated financial statements, except:

On 28 April 2022 the shareholders approved a final dividend for year 2021 of RON 0.51 per ordinary share.