



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

**Unaudited Consolidated Financial
Information**

31 March 2018

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

Unaudited Consolidated Financial Information as at and for the period ended 31 March 2018

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

Contents

I.	Unaudited Consolidated Statement of Financial Position as at 31 March 2018	2
II.	Unaudited Consolidated Statement of Profit or Loss for the period ended 31 March 2018	3
III.	Financial Analysis	4
IV.	Important events 1 st Quarter 2018	5
V.	Financial indicators	6
VI.	EBITDA Statement	7

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

Base of Reporting: According to Regulation C.N.V.M. no. 1/2006 on Issuers and Operations with Securities and Law 24/2017 on Issuers of Financial Instruments and Market Operations

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

Unaudited Consolidated Financial Information as at and for the period ended 31 March 2018

*all amounts are in RON, unless stated otherwise***I. Unaudited Consolidated Statement of Financial Position as at 31 March 2018**

	31 March 2018 (unaudited)	31 December 2017 (audited)
Assets		
Property, plant and equipment	67,458,157	72,709,746
Intangible assets	617,191	1,055,960
Loans receivable	3,002,152	1,270,157
Investments in associates	7,281,494	7,257,508
Other non-current assets	132,644	24,446
Total non-current assets	78,491,638	82,317,817
Inventories	84,897,784	78,807,488
Trade and other receivables	43,775,720	47,203,153
Cash and cash equivalents	16,065,930	21,428,215
Prepayments	1,419,484	871,636
Other current assets	230,730	65,362
Total current assets	146,389,648	148,375,854
Total assets	224,881,286	230,693,671
Equity		
Share capital	915,113	34,838
Share premium	122,810,430	123,685,006
Foreign currency translation reserve	4,669,139	5,088,928
Other reserves	10,452,395	8,916,387
Retained earnings	(35,544,076)	(40,483,788)
Equity attributable to owners of the Company	103,303,000	97,241,371
Non-controlling interests	10,578,110	11,194,576
Total equity	113,881,111	108,435,947
Liabilities		
Loans and borrowings	11,392,828	10,476,771
Deferred income	12,612	702,807
Deferred tax liability	5,336,987	5,078,353
Total non-current liabilities	16,742,428	16,257,931
Loans and borrowings	58,838,546	63,746,168
Deferred income	-	268,049
Current tax liabilities	629,941	2,190,399
Employee benefits	892,023	1,791,184
Trade and other payables	28,745,327	32,697,166
Provisions	5,151,911	5,306,827
Total current liabilities	94,257,748	105,999,793
Total liabilities	111,000,176	122,257,724
Total equity and liabilities	224,881,286	230,693,671

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

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*all amounts are in RON, unless stated otherwise***II. Unaudited Consolidated Statement of Profit or Loss for the period ended 31 March 2018**

	31 March 2018 (unaudited)	31 March 2017 (unaudited)
Revenue	33,856,540	27,877,662
Cost of sales	(18,286,088)	(15,703,584)
Gross profit	15,570,452	12,174,078
Other operating income	1,689,851	828,014
Marketing and sales expenses	(3,321,444)	(2,163,517)
General and administrative expenses	(6,091,512)	(4,277,203)
Other operating expenses	416,532	166,440
Result from operating activities	8,263,880	6,727,812
Finance income	(557,231)	(95,491)
Finance costs	(1,246,151)	(834,160)
Net finance costs	(1,803,382)	(929,651)
Share of profit of equity-accounted investees, net of tax	558,232	(2,618)
Profit before tax	7,018,730	5,795,544
Income tax expense	(1,101,322)	(785,239)
Profit for the period	5,917,408	5,010,305
Profit attributable to:		
Owners of the Company	4,939,712	4,175,326
Non-controlling interests	977,697	834,978
Profit for the period	5,917,408	5,010,305

III. Financial analysis

In Q1 2018, the net sales of Purcari Group increased with +21%, up to 33.85 mln. RON, Romanian and Moldovan markets remained the largest growth drivers, where sales boosted with +32% and +48% and represent 63% from total figure.

In term of product mix, the most relevant growth was recorded at bottled distilled, followed by middle class (Ceptura) and premium wine (Purcari).

Other operational income recorded a significant growth in 1st quarter 2018, compared with the previous period. The difference is 0.8 mln. RON and was generated by provisions corrections and income from subsidies.

Cost of sales increased with +16%, being at slower growth than sales, leading to Gross Profit growth with +28%.

Operational Income increased with +23%, compared with the previous period, being positively influenced by gross profit growth and negatively by administrative expenses linked with listing. EBITDA was adjusted and constitute 11 mln RON, with an increase of +36% compared with previous period.

In the 1st quarter 2018, the Group improved its general liquidity ratio, from 1.40 to 1.55. The gearing ratio of the group is 38% (D/E), indicating a low financial risk.

IV. Important events

At 04 January 2018 the company increased its authorized share capital to 200.000 EUR divided into 20.000.000 ordinary shares with nominal value of 0,01 EUR each, by making subdivision and issue of fully paid bonus shares, made out of the share premium reserve.

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.

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V. Financial indicators

Item, RON	Period			
	31 March 2018		31 December 2017	
Liquidity ratio				
Current Assets	146,389,648	1.55	148,375,854	1.40
Current liabilities	94,257,748		105,999,793	
Gearing ratio				
Debt	70,231,375	0.62	74,222,939	0.68
Equity	113,881,111		108,435,947	
Debt	70,231,375	0.38	74,222,939	0.41
Total Capital Employed	184,112,485		182,658,886	
Receivables Turnover, days				
Receivables	43,775,720	116	47,203,153	152
Net Sales x 4/360	376,184		309,752	
Non-current Assets turnover				
Net Sales x 4	135,426,159	1.7	111,510,646	1.4
Non-current Assets	78,491,638		82,317,817	

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VI. EBITDA Statement

	Indicator	31 March 2018 (unaudited)	31 March 2017 (unaudited)
Adjusted EBITDA	EBITDA	11,044,525	8,132,932
Non-recurring G&A expenses related to IPO		(836,995)	-
EBITDA	EBITDA	10,207,530	8,132,932
Less: depreciation		(1,366,163)	(1,388,527)
Less: amortization		(19,256)	(19,210)
Result from operating activities		8,822,112	6,725,195
Less: net finance costs		(1,803,382)	(929,651)
Earnings Before Income Taxes	EBIT	7,018,730	5,795,544
Less: income tax		(1,101,322)	(785,239)
Profit for the period		5,917,408	5,010,305