

PRESS RELEASE
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PURCARI WINERIES CHEERS ITS SUCCESSFUL IPO ON BUCHAREST STOCK EXCHANGE, A FIRST FOR A MOLDOVA-BASED COMPANY

- **Victor Bostan, Purcari:** Today we begin a new chapter for Purcari, continuing on our roadmap to becoming the undisputed wine champion in Central and Eastern Europe
- **Lenna Koszarny, Horizon Capital:** Purcari Wineries has made history today with the first public listing by a Moldova-based company on Bucharest Stock Exchange
- **Lucian Anghel, BVB:** The example set by Purcari should be followed by all companies that want to become leaders in their business field

Shares of [Purcari Wineries](#), a leading CEE wine producer, started trading today on the Main Market of [Bucharest Stock Exchange \(BVB\)](#), symbol [WINE](#), following a successful IPO of 49% of its shares.

The offering was well received, with retail investors oversubscribing more than four times over, despite heavy turbulence on global markets, and the Dow Jones recording the two largest point-drops on record. The final offer price was RON 19 per share, valuing the offering at over RON 186 million (some USD 50 million or EUR 40 million).

Purcari is led by Founder and CEO Victor Bostan, an oenologist by training with over 35 years of experience in the wine business, and backed by Horizon Capital, the leading private equity firm in Ukraine and Moldova, and the International Finance Corporation (IFC), a member of the World Bank Group.

"Today we begin a new chapter for Purcari, continuing on our roadmap to becoming the undisputed wine champion in Central and Eastern Europe. The biggest thanks go to our loyal consumers, whom we will continue to delight. I am grateful to our team, from grape pickers to accountants, winemakers to salesmen, who work tirelessly to deliver our bold vision. I could not have wished for better partners, including Horizon Capital who supported us through good and bad and contributed immensely to our success as a hands-on investor, as well as IFC for their financial backing. I also extend a warm welcome to our new shareholders, who kept calm amidst market jitters and who embraced our vision of building a regional champion in the rapidly growing CEE wine market. It is truly a great time to be in the wine business: global supply is unable to meet rising consumption, leading to shortages and higher margins for producers. Unlike oil, the supply-demand curve cannot be easily rebalanced as there is no such thing as "shale wine". We look forward to capitalizing on these favourable conditions, leveraging our low-cost position and strong brands. I am truly delighted that all who enjoy our wines and love our brand will now be able to own shares in Purcari Wineries and participate, together with us, in our success," said Victor Bostan.

Lenna Koszarny, Founding Partner and CEO of Horizon Capital, added: *"Purcari Wineries has made history today with the first public listing by a Moldova-based company. This is a fitting legacy for an iconic brand, one that has delighted*

BUCHAREST STOCK EXCHANGE runs markets for shares, bonds and other instruments, through regulated platforms and alternative systems, and provides a wide range of services to participants of financial markets.

Bucharest Stock Exchange is a public company, listed on its own market since 2010. For more information refer to WWW.BVB.RO

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wine lovers since 1827 and earned a well-deserved leading position in Romania and Moldova while expanding its global reach. Congratulations to Founder and CEO Victor Bostan for his leadership, determination and tenacity, and the entire Purcari team for pursuing their bold dream of building a regional champion while remaining true to their passion for producing wine of the highest quality. Congratulations to Vasile Tofan, Horizon Capital Partner for his creativity, contribution and commitment over many years, working tirelessly alongside Victor Bostan and the Purcari team to pivot westward into new markets, quadruple EBITDA over the past three years and catapult the company to new heights. Visionary entrepreneurs like Victor Bostan are the foundation for every successful business and we are thrilled to support this fantastic result with our capital and expertise. We remain active shareholders and dedicated fans of Freedom Blend, Negru de Purcari and their many excellent products."

Lucian Anghel, President of Bucharest Stock Exchange, said: "Romania was one of the most active capital markets in terms of IPOs in 2017, and the trend will continue in 2018. Through the listing on the BVB, Purcari is sending a strong message regarding its objective of becoming the undisputed leader of the wine market in the CEE region. Their example should be followed by all companies that want to become leaders in their business field".

Driven by robust consumer spending across CEE, Purcari has expanded revenues significantly at a CAGR of 34% between 2014-2016, with the growth rate in Romania at 55%, Poland at 49%, Moldova at 44%, and the Czech Republic and Slovakia at 15%. The high level of growth sustained in the first nine months of 2017, when Purcari grew sales 35% year-on-year, accelerating to 69% growth in Romania.

The company leverages a sustainable low-cost base and abundant, high quality grapes supply, to build a highly profitable business. The EBITDA margin for the first 9 months of 2017 stood at 33%, while the net income margin rose to 23%, expanding 29% and 55%, respectively, versus the same period in 2016.

Global wine consumption in 2017 is estimated by the International Organisation of Vine and Wine (OIV) at 243 million hectoliters, with production at 247 million. Over the past two decades, the global consumption to production ratio has been between 0.85 and 0.90. Yet poor harvests in 2017 will see this ratio rocket to 0.98.

This rebalancing of the global wine market has had a positive effect on traded wine prices, which increased, on average, from EUR 2.1 per litre in 2006 to EUR 2.8 by 2016, according to OIV. The trend was expected to continue in 2017, as the OIV projected an 8% drop in global output, with volumes down in Italy 23%, France 19%, Spain 15%, Germany 10% and Chile 6%, lifting global wine prices. Romania and Moldova were an exception to the trend, both showing strong harvests, up 64% and 20% respectively, putting producers from both countries in a good position for 2018.

About Purcari Wineries

Purcari Wineries is one of the largest CEE wine groups, encompassing four wineries in Moldova and Romania: Purcari, Crama Ceptura, Bostavan and Bardar, operating over 1,000 hectares of vineyards. The company is the leader in the premium segment in Romania, with a 26% segment share, and the largest wine exporter from Moldova, delivering to over 30 countries around the globe. Founded in 1827, Purcari is the most awarded winery from the CEE region at Decanter London 2015-2016 and among the best ranked on Vivino, a testament to Purcari's commitment to delight consumers with excellent wines and superior value for money.

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