

Horizon Capital backs the successful IPO of Purcari Wineries in Bucharest

From left to right: Purcari Founder and CEO Victor Bostan, Lenna Koszarny, Founding Partner and CEO, Horizon Capital, and Vasile Tofan, Partner, Horizon Capital

Kyiv, February 15, 2018 – Horizon Capital, a leading private equity firm in the region, announced today that Purcari Wineries PLC (Purcari) has completed its Initial Public Offering and commenced trading on the Bucharest Stock Exchange (BSE: WINE). The offering was well received, with retail investors oversubscribing more than four times over, despite heavy turbulence on global markets as the Dow recorded its two largest point-drops on record. As a result of this successful public launch, Horizon Capital, on behalf of its fund EEGF II, has sold a 40.9% stake in Purcari, realizing a 3.2 times gross cash-on-cash return on the sale of these shares. Horizon Capital remains an active shareholder with a 22.7% stake held, aiming to further capitalize on the fast growth of the Company, as Purcari seeks to become the undisputed champion of the high-growth CEE wine market.

The Company operates over 1,000 hectares of vineyards and four production platforms, in Romania and Moldova, scoring as the most awarded CEE winery at Decanter London in 2015-2016. Purcari owns two of the top-5 premium brands in Romania, for a combined 26% segment share, according to Nielsen. Purcari heritage goes back to 1827, winning the first gold medal at the Paris World Exhibition in 1878, with a tradition of supplying to the royal courts in Europe. The Company leverages a sustainable low-cost base and abundant, high quality grapes supply, to build a highly profitable business. EBITDA margin for 9M 2017 stood at 33%, while the Net Income margin rose to 23%, expanding 29% and 55%, respectively, versus the same period in 2016. Driven by robust consumer spending across CEE, Purcari has grown revenues at a CAGR of 34% between 2014-2016, with the growth rate in Romania standing at 55%, Poland at 49%, Moldova at 44%, and the Czech Republic and Slovakia at 15%. The high level of growth sustained in 9M 2017, during which Purcari grew sales 35% year-on-year, accelerating to 69% growth in Romania.

Lenna Koszarny, Founding Partner and CEO of Horizon Capital, said: *“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 wine lovers since 1827. 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”.*

■ **Emerging Europe Growth Fund II**

■ **Emerging Europe Growth Fund**

Western NIS Enterprise Fund

4 Mykoly Rayevskoho Street, Kyiv 01042, Ukraine Tel: +38 044 490 5580 Fax: +38 044 490 5589
175 West Jackson Boulevard, Suite 1640, Chicago, IL 60604 Tel: +1 312 939 7003 Fax: +1 312 939 7004

info@horizoncapital.com.ua
www.horizoncapital.com.ua

Purcari is run by Founder and CEO Victor Bostan, an oenologist by training with over 35 years of experience in the wine business, who said: *“Today we begin a new chapter for Purcari. The biggest thanks go to our loyal consumers, whom we will continue to delight. I am grateful to our team, who work tirelessly to deliver our bold vision. I could have not 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. 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. We look forward to capitalizing on these favorable 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.”*

Vasile Tofan, Horizon Capital Partner, commented: *“I am incredibly proud to witness the first Moldovan IPO today in Bucharest. This is the story of a dedicated Founder who had the audacity to dream big and, despite challenges, built a true regional champion. This is what Horizon Capital is about – finding and backing visionary entrepreneurs, offering more than capital alone, working shoulder-to-shoulder to build a successful business. Having lost sales in Russia and the CIS, Purcari demonstrated incredible grit and creativity, overdelivering beyond expectations in CEE markets. This day is a celebration, though our work does not stop. We remain a large shareholder, focused on contributing to Purcari’s growth and further boosting our returns.”*

About HORIZON CAPITAL

Horizon Capital is the leading private equity firm in Ukraine backed by over 40 institutional investors, managing four funds with assets under management of over \$700 million and a tenure of 25 years in the region. Horizon Capital is an active value-added investor, backing visionary entrepreneurs who lead transformational businesses in Ukraine and the region. Our investment strategy is focused primarily on export-driven companies and select domestic champions in fast-growing sectors of the economy, including IT, light manufacturing, food and agriculture, e-commerce and pharma. Our deal partners have 75+ years of investment experience in the region, formerly at blue-chip institutions including McKinsey/Merrill Lynch/Deutsche Bank and with MBAs from leading institutions. We are known for our integrity, commitment to transparency, governance, value creation and successful exits. More info at www.horizoncapital.com.ua.

Contact details:

Tetyana Bega
Investor Relations Manager
Horizon Capital
E-mail: tbega@horizoncapital.com.ua
Tel: +380 44 490 5580