



## Consolidated half-yearly report for the first half of 2025 according to ASF Regulation no. 5/2018

Report Date	14.08.2025
Name of the issuing entity	VRANCART SA
Registered office	Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea county
Phone/Fax Number:	0237-640.800; 0237-641.720
Unique registration code at the O.R.C.	1454846
Serial number in the Trade Register	J39/239/1991
Subscribed and paid-up share capital	201,011,575 RON
Regulated market on which it is traded securities issued	Bucharest Stock Exchange
Main characteristics of securities Issued by Emitent	Standard Category

### 1. Presentation of VRANCART SA Group

The Vrancart Group was initially established in 1977 as the Vrancea Pulp and Paper Factory, the company becoming Vrancart S.A. in 1992. The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the ticker symbol VNC, starting with July 15, 2005. The Group publishes the consolidated financial statements on [www.vrancart.ro](http://www.vrancart.ro).

**Vrancart Group** operates on the Romanian market through its companies - Vrancart S.A., Rom Paper, Vrancart Recycling and Ecorep Group. The main activities of the subsidiaries:

- Vrancart S.A. and Rom Paper - the companies produce and sell corrugated cardboard, paper, toilet paper and associated products from recycled raw materials;
- Vrancart Recycling and Ecorep - the companies focus their activity on the recycling of raw materials, ensuring the circularity of operations.

As of March 31, 2025, the Company holds:

- 76.33% of Lion Capital SA,
- 17.35% de Pavăl Holding SRL
- 6.32% by other shareholders.



The record of shares and shareholders is kept in accordance with the law by Depozitarul Central S.A. Bucharest.

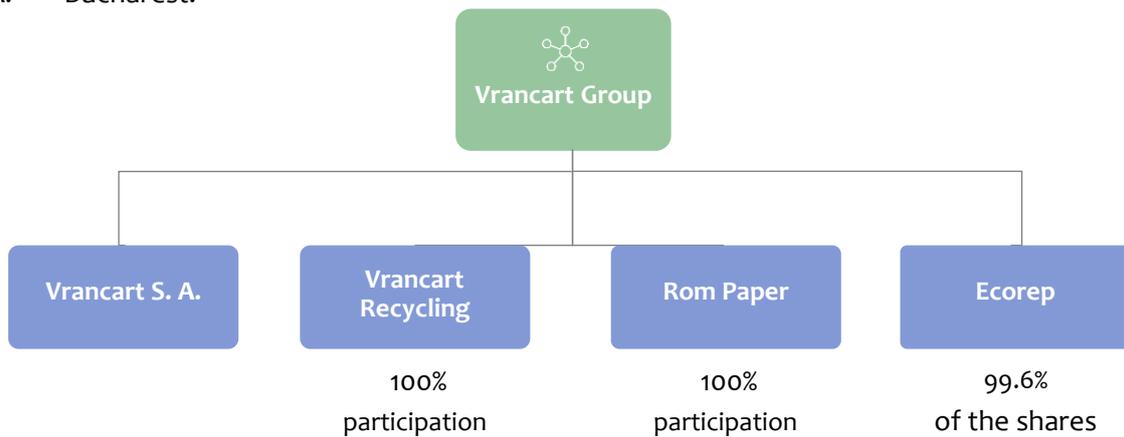


Figure 1. Group structure

The Vrancart Group is headquartered in Adjud, Vrancea County, where the cardboard production factories are also located. The toilet paper manufacturing subsidiary, Rom Paper, is located in Braşov. In addition to these two locations, there are also waste collection centers spread throughout Romania: Bucharest (2 centers), Iasi, Ploiesti, Botosani, Sibiu, Brasov, Pitesti, Timisoara, Bacau, Cluj. In addition, the Group has two production centers in Călimăneşti and Santana de Mureş, specialized in the production of corrugated cardboard and cardboard packaging.



Figure 2. Locations

The object of activity of Vrancart SA consists in the production and marketing of the following products:

- corrugated cardboard,

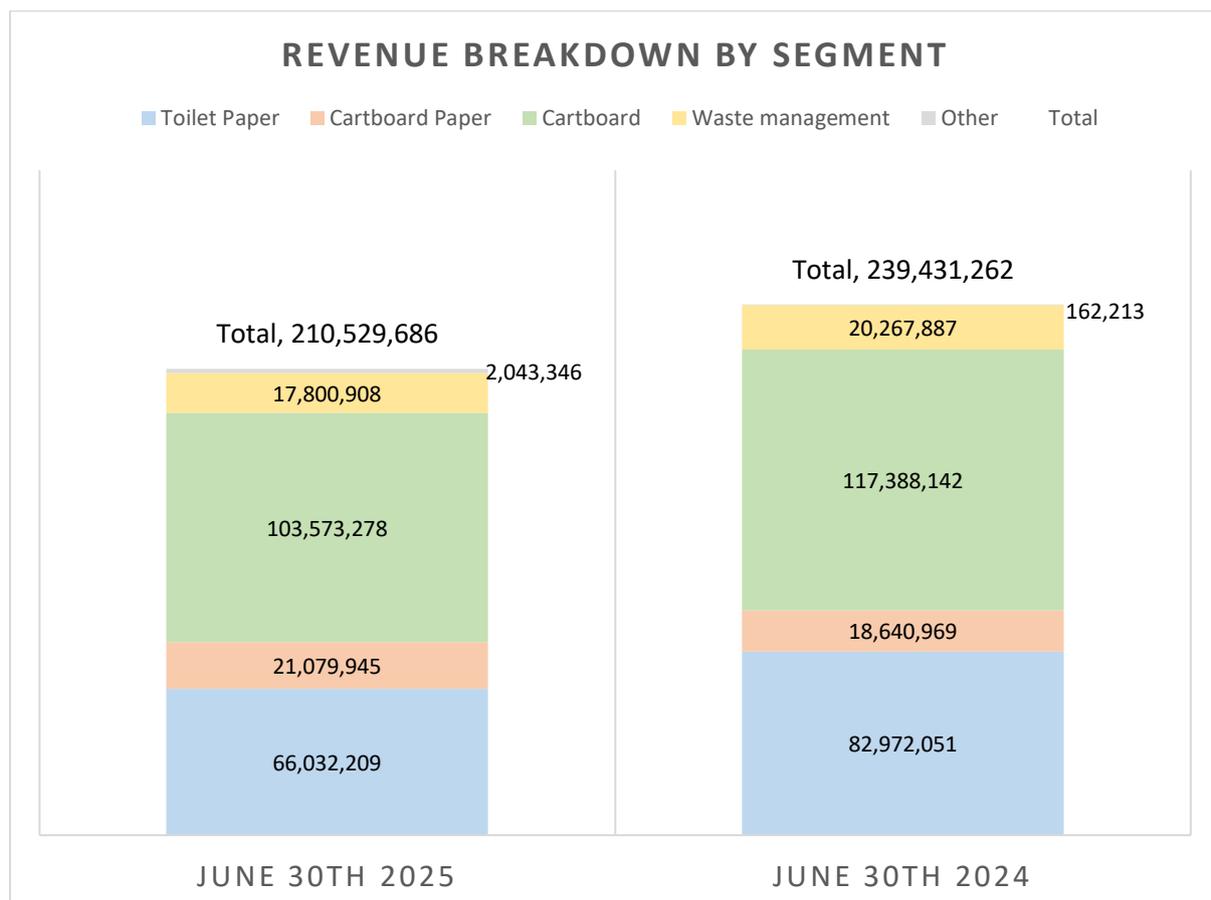


- corrugated cardboard packaging,
- papers for the manufacture of corrugated cardboard,
- hygienic-sanitary papers in various assortments,
- waste recycling equipment (sale, rental and maintenance),
- electricity from photovoltaic parks (self-consumption and sale).

Rom Paper operates in the field of production of hygienic-sanitary items made of recycled paper and cellulose, such as:

- napkins,
- folded towels,
- toilet paper
- professional roles,
- cosmetic towels
- wipes in the box.

The products made are sold both on the territory of Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash and carry), but also through distributors, distinguishing themselves on store shelves both through their own brands "Mototo!" and "Papely", as well as through the various private labels of its customers.





## 2. Economic and financial situation of VRANCART SA Group

During the first half of 2024, the evolution of the Vrancart SA Group (hereinafter referred to as the "Group") was influenced by the decrease in volumes sold, which led to revenues below 2024 in particular in the case of Vrancart SA.

The decrease in domestic demand in the first half of 2025 was driven by the uncertainties generated by the unstable international context, the global crisis, the tense political climate in Romania and the presidential elections that dramatically affected the evolution of the exchange rate, but also consumer confidence and investment appetite.

The value of revenues obtained from waste management was also lower compared to the same period of the previous year as a result of the increase in prices influenced by the increase in exports, the company focusing its efforts on ensuring raw materials for production.

In the case of Rom Paper SRL, we observe a decrease in volumes sold compared to the first half of the previous year, accompanied by a slight increase in prices on this market.

Vrancart Recycling has completed the implementation process of the investment project in the cogeneration plant, molding facilities, pallet and foil recycling facilities and is in the period of attracting customers for products made from recycled raw materials, while Ecorep Group focuses on attracting new customers and additional volumes.

EBITDA at Group level stood at 30.2 mln. RON (vs. RON 42.1 million budget) in absolute value, and in relative value it recorded the level of 14.4% of turnover (vs. 15.6% budget), all the companies in the group having a negative impact compared to the budgeted expectations, mainly determined by the decrease in sales. The Group's management aims to recover the gap recorded on sales volume in the analyzed semester before the end of the year.

Compared to the same period of last year, the net result recorded was -12 mln. RON (vs. -9.3 mln. RON). Current liquidity decreased slightly to 0.87 (vs. 0.95), influenced by the repayment of long-term liabilities related to completed investments. Immediate liquidity decreased from 0.66 to 0.45 in the context of the increase in the value and volume of inventories.

The company negotiated and signed contracts for the sale of the assets held for sale, completing the sale for the buildings and land in the Ungheni Mureş location in the 1st quarter and the full receipt of the advance for the equipment in Piatra Neamţ. The transaction for the sale of the equipment owned in Piatra Neamţ is expected to be completed in the 3rd quarter, after the dismantling.

From 2025, with the completion of the investment projects, the Group began to benefit from significant synergies in terms of optimizing production costs (especially energy and gas consumption) and increasing productivity, as well as a massive positive impact on the environment. At the same time, in July 2025, it was planned to stop the paper machine for cardboard in order to connect the Drum-pulper into the production flow and put into operation – a new investment that will lead to an improvement in the quality of paper and a reduction of the consumption norm of raw material.

### 2.1. Balance sheet items

*(all elements are expressed in RON, unless otherwise stated)*

**30 Jun 2025**

**Dec 31, 2024**



Fixed assets	622,647,919	659,564,600
Current assets, of which:	233,302,598	206,936,780
- Trade receivables	89,988,879	92,812,431
- Inventories	112,957,074	85,375,917
<b>Total assets</b>	<b>872,952,249</b>	<b>866,501,380</b>
<b>Total debts, of which:</b>	<b>513,346,054</b>	<b>495,183,533</b>
Current payables	266,892,884	223,342,080
<b>Equity, of which:</b>	<b>359,606,195</b>	<b>371,317,847</b>
- Reserves	177,976,331	178,767,507
- Deferred result	(19,378,339)	(9,300,660)

As of June 30<sup>th</sup>, 2025 and between January 1<sup>st</sup> and June 30<sup>th</sup>, 2025, the evolution of the main financial indicators was as follows:

- The Group's fixed assets decreased by 5.6% as a result of the calculated depreciation but also of the exit of some equipment by returning the goods at the end of the leasing contracts or by sale (morally or physically worn equipment). The main investment projects were completed during 2024.
- The value of the Group's current assets increased by 12.7% as of June 30, 2025 compared to the beginning of the year, mainly as a result of the increase in the value of inventories.
- Inventories increased by 32.3% compared to the end of the year. The increase was determined on the one hand by the increased production of semi-finished products planned to ensure the continuity of the production process during the shutdown of the paperboard machine. On the other hand, the increase is also due to the increase in prices, both for raw materials and for finished and semi-finished products. Starting July, these will begin to decrease as they are used in the production process.
- Trade receivables decreased in the first six months of 2025 compared to the beginning of the year by RON 2,823,552, especially as a result of the decrease in sales.
- The total debts recorded as of June 30<sup>th</sup>, 2025, amounted to 513,346,054, up 3.2% compared to the value recorded on January 1<sup>st</sup>, 2025, mainly as a result of the receipt of the advance for the equipment in Piatra Neamț, for which the sale will be made in the 3<sup>rd</sup> quarter, after dismantling and delivery. Long-term lease loans and liabilities have diminished as installments have been repaid, while short-term loans have increased to support rising inventories.
- The value of shareholders' equity as of June 30<sup>th</sup>, 2025 is RON 359,606,195, down 3.2% compared to the beginning of the year, because of the incorporation of the result achieved in the first half of the year. The Group's reserves also decreased by the amount of revaluations (net of deferred tax) related to the fixed assets disposed of since the beginning of the year.

Attached to this report are the Interim Consolidated Financial Statements (simplified, unaudited) as of June 30, 2025, according to the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.



The interim consolidated financial statements for the first 6 months of 2025 have not been reviewed by an independent external auditor and are not a legal or statutory requirement.

## 2.2. Profit and loss account

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Operating income, of which:	238,519,993	243,723,502
Revenue from turnover	210,529,686	239,431,262
Operating expenses	(237,569,851)	(245,471,221)
<b>Operating result</b>	<b>950,142</b>	<b>(1,747,719)</b>
Financial income	236	1,801
Financial expenses	(11,100,568)	(6,591,865)
<b>Total Revenue</b>	<b>238,520,229</b>	<b>243,725,303</b>
<b>Total expenses</b>	<b>(248,670,419)</b>	<b>(252,063,086)</b>
<b>Gross result</b>	<b>(10,150,190)</b>	<b>(8,337,783)</b>
<b>Net Score</b>	<b>(12,022,472)</b>	<b>(9,268,900)</b>

The Group's management is considering a series of measures to boost sales to bring the Group's financial indicators back on an upward trend, in order to confirm the sustainability of the business, as well as the Group's resilience to adverse changes in the market.

In the first six months of 2025 compared to the same period last year, the main indicators of the Profit and Loss Account are presented as follows:

- The total revenues in the period analyzed were 238,520,229 RON, down by 2.1% compared to the same period last year, due to the reduction in the volume of sales of finished products and collected waste.
- The total expenses for the period amounted to RON 248,670,419, down by 1.3% compared to the same period of the previous year.
- The Group's operating result is RON 950,142 at a low level but improved compared to the same reporting period of the previous year. The effects are mainly due to non-recurring events:
  - non-registration of the operating subsidy for electricity, (RON 3.5 million in semester 1 - 2024), which will be registered on the date of collection due to the uncertainty induced by the austerity measures adopted or announced by the Government.
  - exchange rate differences caused by the revaluation of loans and debts in foreign currency - RON 5.1 million as a result of political instability in the context of the elections in Romania in May 2025.



- minimum tax, calculated at a double level compared to the previous year (RON 1.9 million in H1 2025 compared to RON 0.9 million in the same period of 2024 in the context of higher investments)
- Reductions in utility and wage costs could not counterbalance the reduction in sales and the increase in raw material prices influenced by the national and international political context.

### 2.3. Cash flows

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>June 30 2025</b>	<b>June 30 2024</b>
<i>Flows from the operating activity</i>		
Revenues from operating activity	256,641,324	261,642,599
Payments from operating activity	(256,771,512)	(229,730,123)
<b>Net cash from operating activity</b>	<b>(130,188)</b>	<b>31,912,476</b>
<i>Flows from investment activity</i>		
Receipts from investment activity	22,471,841	47,524,385
Payments from investment activity	(8,617,625)	(100,600,426)
<b>Net cash from investment activity</b>	<b>13,854,216</b>	<b>(53,076,041)</b>
<i>Flows from financing activity</i>		
Proceeds from financing activity (including bonds)	28,778,676	151,743,416
Payments from financing activity	(39,615,020)	(88,353,603)
<b>Net cash from financing activity</b>	<b>(10,836,344)</b>	<b>63,389,813</b>
<b>Balance at the beginning of the period</b>	<b>1,845,212</b>	<b>2,823,520</b>
<b>Balance at the end of the period</b>	<b>4,732,896</b>	<b>45,049,768</b>

The balance of cash and cash equivalents recorded as of June 30, 2025 is positive, respectively of RON 4,732,896.

### 3. The economic and financial indicators as of June 30, 2025, according to Annex no. 13/ ASF Regulation no. 5/2018

Name of the indicator	Calculation Mod	UM	30-Jun-25	30-Jun-24
<b>General liquidity</b>	Current assets/ Current payables	Rap	0.87	0.95
<b>Immediate liquidity</b>	(Current Assets- Inventories)/Current payables	Rap	0.45	0.66
<b>Inventory Rotation</b>	Turnover/Stocks/ No. days period x360	Red/on	4	7
<b>Debt collection</b>	Receivables/Turnover x No. Days period	Days	77	62
<b>Repayment of commercial debts</b>	Short-term trade debts/ Turnover x No. Days period	Days	73	48
<b>Operating profitability</b>	Operating profit/ Turnover	%	0%	-1%
<b>Gross Profit Rate</b>	Gross Profit/Turnover	%	-5%	-3%



**FEDOR Nicu Ciprian**  
**Chairman of the Board of Directors**

**COMAN Gabriela**  
**Director Economic**



**VRANCART SA**

**CONSOLIDATED FINANCIAL STATEMENTS  
(SIMPLIFIED, UNAUDITED)**

**AS OF JUNE 30<sup>th</sup>, 2025**

Issued in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market

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**Vrancart SA**  
**Consolidated statement of financial position**  
*As of June 30<sup>th</sup>, 2025*  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>June 30<sup>th</sup>, 2025</b>	<b>December 31<sup>st</sup>, 2024</b>
<b>ASSETS</b>		
Tangible assets	622,647,919	639,493,054
Prepayments for tangible assets	2,205,960	8,152,139
Intangible assets	5,371,944	2,492,475
Other fixed assets	897,437	900,541
Commercial Fond	8,526,391	8,526,391
<b>Total non-current assets</b>	<b>639,649,651</b>	<b>659,564,600</b>
Inventories	112,957,074	85,375,917
Trade receivables	89,988,879	92,812,431
Prepaid expenses	2,664,205	1,292,579
Receivables regarding current income tax	-	-
Subsidies	3,884,271	3,884,271
Other receivables	2,415,258	2,000,609
Cash and cash equivalents	4,732,896	1,845,212
	<b>216,642,583</b>	<b>187,211,019</b>
Assets held for sale	16,660,015	19,725,761
<b>Total current assets</b>	<b>233,302,598</b>	<b>206,936,780</b>
<b>TOTAL ASSETS</b>	<b>872,952,249</b>	<b>866,501,380</b>
<b>EQUITY</b>		
Share capital	201,011,575	201,011,575
Share premium	842,449	842,449
Revaluation reserves	98,873,652	100,507,277
Legal reserves	13,659,100	13,659,100
Other reserves	64,601,130	64,601,130
Retained earnings	(19,378,339)	(9,300,660)
<b>Total equity – Parent company</b>	<b>359,609,567</b>	<b>371,320,871</b>
Non-controlling interests	(3,372)	(3,024)
<b>Total equity</b>	<b>359,606,195</b>	<b>371,317,847</b>
<b>LIABILITIES</b>		
Long-term loans	138,094,954	156,806,674
Long-term leasing debts	18,169,128	22,994,191
Long-term subsidies	77,653,637	77,812,199
Long-term debts to employees	920,509	920,509
Deferred corporate income tax liabilities	11,608,461	12,868,668
Provisions	6,480	439,212
<b>Total long-term liabilities</b>	<b>246,453,170</b>	<b>271,841,453</b>

**Vrancart SA**  
**Consolidated statement of financial position**  
*As of June 30<sup>th</sup>, 2025*  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Trade liabilities	85,542,433	72,885,129
Short-term loans	144,435,393	122,546,943
Short-term leasing liabilities	7,715,800	8,710,139
Short-term bond loans	-	-
Short-term subsidies	5,914,301	5,724,676
Debts to employees	6,932,004	5,928,386
Current corporate income tax liabilities	2,577,138	890,611
Other short-term liabilities	13,775,815	6,656,196
<b>Total current liabilities</b>	<b>266,892,884</b>	<b>223,342,080</b>
<b>TOTAL LIABILITIES</b>	<b>513,346,054</b>	<b>495,183,533</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>872,952,249</b>	<b>866,501,380</b>

The financial statements have been approved by the Board of Directors.

Chief Executive Officer  
Nicu-Ciprian Fedor

Chief Financial Officer  
Gabriela Coman

**Vrancart SA**  
**Consolidated statement of comprehensive income**  
**As of June 30<sup>th</sup>, 2025**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>June 30<sup>th</sup>, 2025</b>	<b>June 30<sup>th</sup>, 2024</b>
Sales income from customer agreements	210,529,686	239,431,262
Income from operating subsidiaries	-	3,476,143
Other income	5,913,650	5,150,732
Production inventory's changes	22,076,657	(4,334,635)
Raw materials and consumables expenses	(90,088,753)	(81,769,938)
Utilities expenses	(22,676,204)	(27,873,824)
Cost of goods sold	(6,347,735)	(20,207,766)
Third-party expenses	(22,450,227)	(21,678,203)
Labour expenses	(55,666,347)	(58,555,122)
Other expenses	(11,008,622)	(11,347,336)
<b>EBITDA</b>	<b>30,282,240</b>	<b>22,291,313</b>
Depreciation and amortization expenses of fixed assets	(29,332,098)	(24,039,032)
<b>Operating result</b>	<b>950,142</b>	<b>(1,747,719)</b>
Financial income	236	1,801
Financial expenses	(11,100,568)	(6,591,865)
<b>Profit/(Loss) before taxation</b>	<b>(10,150,190)</b>	<b>(8,337,783)</b>
Corporate income tax expense	(1,872,630)	(931,117)
<b>Profit/(Loss) for the year</b>	<b>(12,022,820)</b>	<b>(9,268,900)</b>
- <b>Related to the shareholders of the Parent Company</b>	(12,022,472)	(9,268,913)
- <b>Related to non-controlling interests</b>	(348)	13
<b>Other comprehensive income</b>		
Changes in the reserve from the revaluation of property, plant and equipment, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(12,022,820)</b>	<b>(9,268,900)</b>
- <b>Related to the shareholders of the Parent Company</b>	(12,022,472)	(9,268,913)
- <b>Related to non-controlling interests</b>	(348)	13

The financial statements have been approved by the Board of Directors.

Managing Director  
Nicu-Ciprian Fedor

Director Economic  
Gabriela Coman

**Vrancart SA**

**Consolidated statement of changes in equity**

*As of June 30<sup>th</sup>, 2025*

*(all amounts are expressed in RON, unless otherwise specified)*

	Attributable to shareholders of the parent company						Non-controlling interests	Total equity
	Share capital	Revaluation reserves	Share premiums	Legal Reserves	Other reserves	Retained earnings		
<b>Balance as of January 1<sup>st</sup>, 2025</b>	<b>201,011,575</b>	<b>100,507,277</b>	<b>842,449</b>	<b>13,659,100</b>	<b>64,601,130</b>	<b>(9,300,660)</b>	<b>(3,024)</b>	<b>371,317,847</b>
<b>Comprehensive result for the period</b>								
Net result for the period	-	-	-	-	-	(12,022,472)	(348)	(12,022,820)
<b>Other comprehensive income</b>								
Changes in the reserve from the revaluation of property, plant and equipment, net of deferred tax	-	311,168	-	-	-	-	-	311,168
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>311,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,022,472)</b>	<b>(348)</b>	<b>(11,711,652)</b>
Distribution of reserves	-	-	-	-	-	-	-	-
Transfer of the revaluation reserve to profit or loss carried forward as a result of the disposal of property, plant and equipment, net of tax	-	(1,944,793)	-	-	-	1,944,793	-	-
<b>Shareholder transactions</b>								
Dividend	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as of June 30<sup>th</sup>, 2025</b>	<b>201,011,575</b>	<b>98,873,652</b>	<b>842,449</b>	<b>13,659,100</b>	<b>64,601,130</b>	<b>(19,378,339)</b>	<b>(3,372)</b>	<b>359,606,195</b>

Chief Executive Officer  
Nicu-Ciprian Fedor

Chief Financial Officer  
Gabriela Coman

**Vrancart SA**  
**Consolidated statement of cash flows**  
*As of 30<sup>th</sup>, June 2025*  
*(all amounts are expressed in RON, unless otherwise specified)*

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**DIRECT METHOD**

	<b>June 30<sup>th</sup>, 2025</b>	<b>June 30<sup>th</sup>, 2024</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	256,641,324	261,642,599
Cash paid to suppliers	(185,322,147)	(159,405,999)
Cash paid to employees	(32,905,940)	(39,719,310)
Cash paid to the state budget	(37,290,442)	(29,697,490)
Corporate income tax paid	(1,252,983)	(907,324)
<b>Net cash from operating activity</b>	<b>(130,188)</b>	<b>31,912,476</b>
<b>Cash flows from investment activities</b>		
Cash paid for the purchase of tangible and intangible assets	(8,617,625)	(100,600,426)
Proceeds from the sale of tangible assets	22,460,235	1,887,250
Guarantees for the granting of authorization licenses	11,500	-
Investment subsidies received	-	45,635,522
Interest received	106	1,613
<b>Net cash flows from investment activities</b>	<b>13,854,216</b>	<b>(53,076,041)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	25,827,732	119,804,248
Share capital increase	-	31,939,168
Bond redemption	-	(38,250,000)
Investment subsidies collected	2,950,944	-
Payments for leasing	(5,282,588)	(6,387,357)
Loan repayments	(28,986,536)	(37,154,640)
Interest paid	(5,345,896)	(6,561,606)
<b>Net cash from financing activities</b>	<b>(10,836,344)</b>	<b>63,389,813</b>
	<b>2,887,684</b>	<b>42,226,248</b>
<b>Net (Decrease)/Increase in cash and cash equivalents</b>		
	<b>1,845,212</b>	<b>2,823,520</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4,732,896</b>	<b>45,049,768</b>

Chief Executive Officer  
Nicu-Ciprian Fedor

Chief Financial Officer  
Gabriela Coman

## Vrancart SA

### Notes to the consolidated financial statements

As of June 30<sup>th</sup>, 2025

(all amounts are expressed in RON, unless otherwise specified)

#### Reporting entity

The Vrancart Group ("the Group") includes the company Vrancart SA, with registered office in Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea County and its subsidiaries Rom Paper SRL ("Branch 1"), headquartered in Braşov, Şoseaua Cristianului, nr. 30, Braşov County, Vrancart Recycling SRL ("Branch 2"), headquartered in Adjud, Ecaterina Teodoroiu Street, no. 17, Vrancea County and Ecorep Group SA ("Branch 3"), headquartered in Adjud, Ecaterina Teodoroiu Street, no. 17, Vrancea county.

The Group's consolidated financial statements for the reporting period ended June 30<sup>th</sup>, 2025 consist of the financial statements of Vrancart SA and its subsidiaries, which together form the Group.

<b>Branch</b>	<b>Field of activity</b>	<b>Holding at June 30<sup>th</sup>, 2025</b>	<b>Holding at December 31<sup>st</sup>, 2024</b>
Rom Paper SRL	Manufacture of napkins and sanitary products	<b>100%</b>	<b>100%</b>
Vrancart Recycling SRL	Treatment and disposal of non- hazardous waste	<b>100%</b>	<b>100%</b>
Ecorep Group SA	Business support services activities n.e.c.	<b>99.6%</b>	<b>99.6%</b>

The Group operates in the field of collection and recycling of non-hazardous waste, in the paper and corrugated cardboard industry, and in toilet paper.

The final beneficiary of the Group is LION Capital SA.

#### **VRANCART SA**

Vrancart SA (the "Company") is a joint-stock company operating in Romania in accordance with the provisions of Law 31/1990 on commercial companies.

The company has its registered office in Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea county.

The company has open offices in the following localities: Bucharest, Pantelimon, Chiajna, Calimanesti, Sântana de Mureş, Iaşi, Ploieşti, Sibiu, Braşov, Piteşti, Timişoara, Bacău and Cluj.

The Company's main object of activity is the production and sales of the following products:

- corrugated cardboard,
- corrugated cardboard packaging,
- papers used in the manufacture of corrugated cardboard,
- hygienic-sanitary papers in different assortments,
- waste recycling equipment (sales, rental and maintenance),
- electricity from photovoltaic parks (self-consumption and sales).

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the ticker symbol VNC, starting with July 15, 2005. The Group publishes the consolidated financial statements on **www.vrancart.ro**. The record of shares and shareholders is kept in accordance with the law by Depozitarul Central S.A. Bucharest.

As of June 30, 2025, the Company is 76.33% owned by LION Capital SA, 17.35% by Pavăl Holding SRL and 6.32% by other shareholders.

### ***ROM PAPER SRL***

**Rom Paper SRL ("Subsidiary 1")** established in 2002, is a private company with Romanian capital, operating in the field of hygienic-sanitary items made of recycled paper and cellulose, such as:

- napkins,
- folded towels,
- toilet paper
- professional roles,
- cosmetic towels
- wipes in the box.

The products made are sold both on the territory of Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash and carry), but also through distributors, distinguishing themselves on store shelves both through their own brands "Mototol" and "Papely", as well as through the various private labels of its customers.

Rom Paper SRL is the result of the inorganic growth strategy of the Vrancart business, which on January 20<sup>th</sup>, 2017 acquired the majority stake (70%) from the former owners. As of March 31<sup>st</sup>, 2025, the Group held 100% of the company's shares, following the acquisition in June 2017 of 15%, and in June 2018 of the last tranche of 15%, of the shares of Rom Paper SRL.

### ***VRANCART RECYCLING SRL***

**Vrancart Recycling SRL ("Subsidiary 2")** was established in 2020, in August, and is a private company with Romanian capital, with a sole shareholder. The main activity of this subsidiary is the treatment and disposal of non-hazardous waste.

This company was established with the aim of developing the Group through a greenfield investment, worth over EUR 25 million, in adjacent areas of recycling and heat and electricity production, covering a wide variety of recoverable resources that it will sell or use internally as a result of the newly created synergies.

The investment was completed and received in full on 31.12.2024, starting with 2025 entering the operation phase with all business lines developed.

### ***ECOREP GROUP SA***

**Ecorep Group SA ("Subsidiary 3")** was established in November 2020 and is a private company with Romanian capital. The main activity of this subsidiary is the provision of services regarding the implementation of the obligations related to the extended producer responsibility for the environmental targets related to the packaging placed on the Romanian market.

The Group carries out a laborious and complex activity in areas such as the collection and recycling of non-hazardous waste, the paper and corrugated cardboard industry, respectively corrugated cardboard packaging, the production of hygienic-sanitary paper items, as well as the equipment for recycling paper and cardboard waste. Starting with 2024, the group produces electricity through a new 20MWh photovoltaic park, which it uses for domestic consumption, the excess being capitalized through sale.

The overwhelming share of paper used in the various production processes is obtained from the recycling of paper and cardboard waste, the Group making an essential contribution to the Romanian circular economy.

## **Vrancart SA**

### **Notes to the consolidated financial statements**

**As of June 30<sup>th</sup>, 2025**

*(all amounts are expressed in RON, unless otherwise specified)*

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#### **Main investments underway at Group level**

Within Vrancart S.A., at the end of 2024, a 20MW photovoltaic park worth RON 77 million was completed and put into operation, financed by investment loans, own contribution and grant from the National Recovery and Resilience Plan of Romania ("PNRR") in the amount of RON 29 million. The project was built on its own land of 39 ha, made viable and greened by the company in order to return it to the economic circuit. Another major project consists of the implementation, starting with January 1<sup>st</sup>, 2025, of a new, state-of-the-art ERP system, worth over 500 thousand euros, financed from bank credit and own contribution, meant to cover complex business needs.

There are currently 2 other important projects underway, worth approximately EUR 5 million, aimed at improving the production processes of corrugated paper, consisting of a state-of-the-art technology, unique in Romania.

In Vrancart Recycling S.R.L., during 2024, an integrated waste recycling project was completed, representing a greenfield investment worth 27 million euros, financed through investment loans, own contribution and state aid worth 8.3 million euros, with the main purpose of developing new recycling capabilities for waste, plastic and wood, but also a cogeneration station for the production of thermal energy (16.2 to/h) and electricity (1.2 MW/h), unique in Romania, in terms of the fact that it uses waste and residues resulting from technological processes.

At Rom Paper, at the beginning of 2024, an extensive project to modernize the facial wipes production lines was completed and implemented, by increasing productivity and energy efficiency, worth 4.7 million euros, financed through investment loans, own contribution and a grant from the Innovation Norway program worth 1.9 million euros.

#### **Accounting principles, policies and methods**

The simplified interim consolidated financial statements for the first six months ended June 30<sup>th</sup>, 2025 have been prepared in accordance with IAS 34 Interim Financial Statements.

The simplified interim consolidated financial statements do not include all the information and items published in the annual report and should be read in conjunction with the Company's annual financial statements, prepared as of December 31, 2024.

The accounting policies and valuation methods used for the preparation of the simplified interim consolidated financial statements are consistent with those used for the preparation of the Company's annual financial statements for the year ended December 31, 2024.

Entity combinations are accounted for by the acquisition method at the date on which the Group gains control of the acquired entity. Control requires exposure to or rights to the variable results of the entity in which the investment has been made, as well as the ability to influence those results by exercising authority over that entity.

The subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the moment the exercise of control begins until the moment of its cessation.

The interim consolidated financial statements for the first six months of 2025 have not been reviewed by an external financial auditor and are not a legal requirement.

**Vrancart SA**  
**Notes to the consolidated financial statements**  
**As of June 30<sup>th</sup>, 2025**  
*(all amounts are expressed in RON, unless otherwise specified)*

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### **Foreign currency transactions**

Operations denominated in foreign currency are recorded in RON at the official exchange rate on the date of settlement of transactions. Monetary assets and liabilities recorded in foreign currency at the balance sheet date are converted into functional currency at the exchange rate of that day.

Gains or losses on their settlement and conversion using the exchange rate at the end of the financial year of monetary assets and liabilities denominated in foreign currency are recognised in the statement of comprehensive income.

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>Variation</b>
Euro (EUR)	5,0777	4,9741	+2,08%
American Dollar (USD)	4,3329	4,7768	-9,29%

### **Other Notes**

The Group's management has established its medium and long-term strategy, and estimates foresee increases in sales and decreases in costs as a result of the efficient use of resources, which will lead to an increase in operating profit.

As of June 30<sup>th</sup>, 2025, the Group recorded a positive cash balance of RON 4,732,896. The taxes and fees of Vrancart SA due on June 25<sup>th</sup> in the amount of RON 4,200,089 were paid in July.

The Group attaches great importance to profitability indicators, by streamlining operational processes, and liquidity, by making efficient use of resources.

Based on these analyses, the management considers that the Group will be able to continue its activity for the foreseeable future, but not limited to the next 12 months and, therefore, the application of the business continuity principle in the preparation of the consolidated financial statements is justified.

### **Subsequent events**

On **April 29<sup>th</sup>, 2025**, the Ordinary General Meeting of Shareholders approved the individual and consolidated financial statements as of December 31<sup>st</sup>, 2024 and the Income and Expenditure Budget of VRANCART SA for the financial year 2025, together with the Investment Plan for 2025.

On **January 17<sup>th</sup>, 2025**, the Board of Directors of Vrancart SA decided to close the Sântana de Mureş work point. The production activity was relocated to Călimăneşti and Adjud. The rented space was vacated and handed over to the owner in August 2025.

**Vrancart SA**

**Notes to the consolidated financial statements**

**As of June 30<sup>th</sup>, 2025**

*(all amounts are expressed in RON, unless otherwise specified)*

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**Management statement**

According to the best information available, we confirm that the simplified interim consolidated financial statements as of June 30, 2025, and for the period then ended, prepared in accordance with the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position, and profit and loss account of the issuer or its subsidiaries included in the consolidation process of the Group's financial statements, as provided by the applicable accounting standards, and that the information presented in this report accurately and completely reflects the information about the issuer as it occurred during the first six months of the financial year.

Chief executive Officer

Nicu-Ciprian Fedor

Chief Financial Officer

Gabriela Coman