



## Consolidated quarterly report for the third quarter of 2025 according to ASF Regulation no. 5/2018

Date of report	17.11.2025
Name of the issuing entity	VRANCART SA
Registered office	Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea county
Telephone/fax number:	0237-640.800; 0237-641.720
The 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 lei
The regulated market on which the issued securities are traded	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 indicative VNC, starting with July 15<sup>th</sup>, 2005. The Group publishes the consolidated financial statements on the [www.vrancart.ro](http://www.vrancart.ro).

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

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

As of September 30<sup>th</sup>, 2025, the Company is owned:

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



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

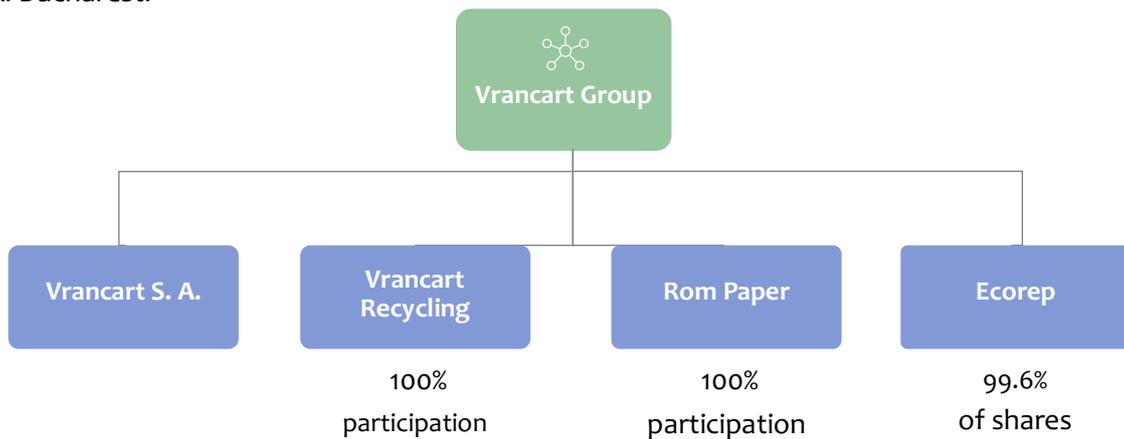
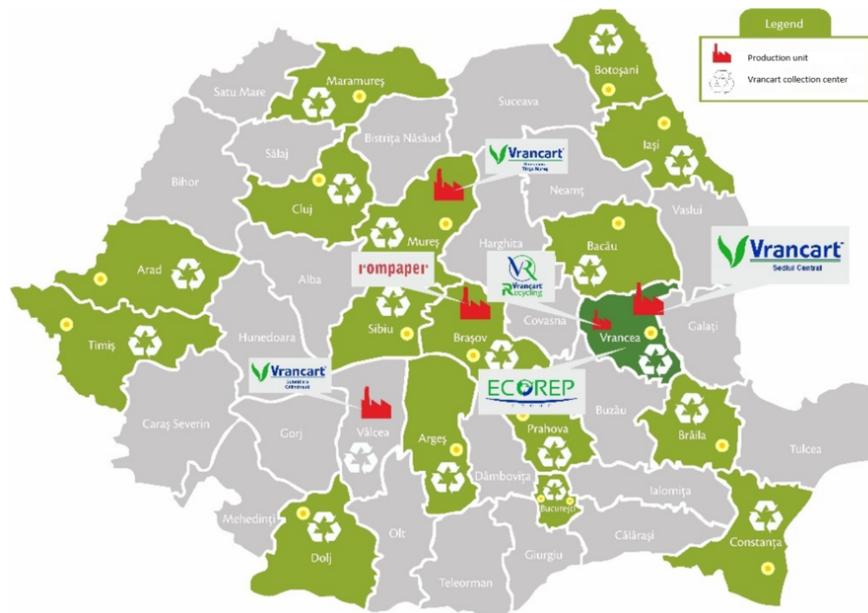


Figure 1. Group structure

The Vrancart Group has its headquarters 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), Iaşi, Ploieşti, Botoşani, Sibiu, Braşov, Piteşti, Timișoara, Bacău, Cluj. In addition, the Group has a production center in Călimăneşti, specialized in the production of corrugated cardboard and cardboard packaging.

Figure 2. Locations



The main 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,

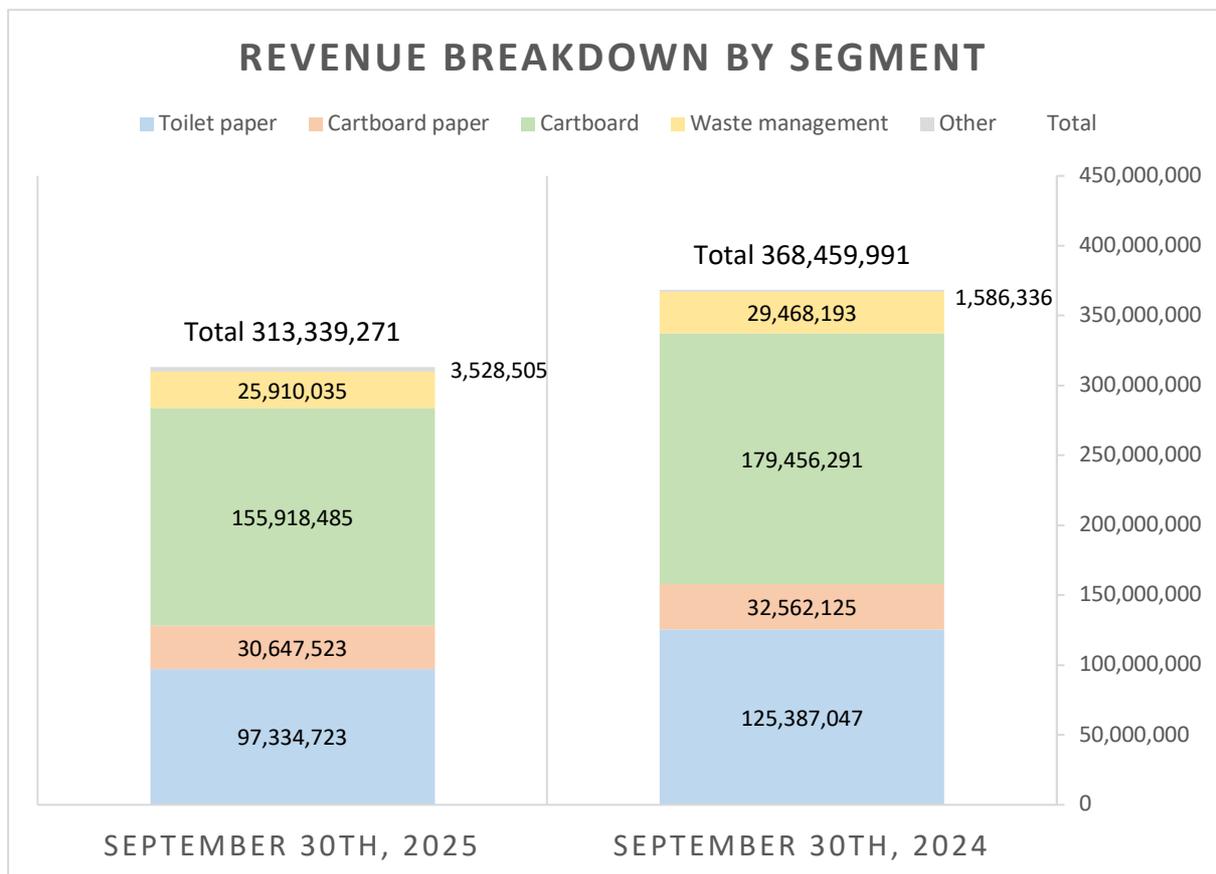


- sanitary papers in various assortments,
- waste recycling equipment (sale, rental and maintenance),
- electricity from photovoltaic parks (self-consumption and sale).

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 by their own brands "Mototol" and "Papely", as well as by the various private labels of its customers.





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

During the first 9 months of 2025, the evolution of the Vrancart SA Group (hereinafter referred to as the "Group") was influenced by the decrease in volumes sold, which led to lower revenues than 2024, in particular in the case of Vrancart SA.

The decrease in domestic demand in the first nine months 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 providing raw materials for production.

At the same time, following a detailed analysis of the operational and logistical costs, correlated with the volumes of waste collected, Vrancart S.A. decided to close the collection centers in Cluj, Timișoara, Pitești and Brașov, keeping operational the centers with superior strategic positioning and significantly higher collection volumes.

On January 17, 2025, the Board of Directors of Vrancart SA decided to close the Sântana de Mureș work site. The production activity was relocated to Adjud and Călimănești. The rented space was released and handed over to the owner in August 2025.

The company negotiated and signed contracts for the sale of the assets held for sale, completing both the sale of the buildings and land at the Ungheni Mureș site in the 1<sup>st</sup> quarter, and the equipment in Piatra Neamț in the 3<sup>rd</sup> quarter, after the dismantling.

The Group began to benefit starting 2025, after the completion of investment projects, from significant synergies in terms of optimizing production costs (especially in terms of 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 to the production flow and put into operation – a new investment that led to the improvement of paper quality and the reduction of the norm of raw material consumption.

In order to optimize utility costs (cogeneration plant and photovoltaic park) and to capitalize on the advantages of newer and more efficient production equipment in Adjud, Vrancart SA has decided to temporarily suspend the activity of the production center in Călimănești, starting with September 2025, which currently operates as a logistics center for storage and delivery to neighboring areas. The production capacity available at Adjud will be used to ensure the fulfillment of orders to all customers, and the third shift will also be introduced. The organizational chart has been updated to reflect the closure of the forementioned work locations and to streamline the entire production and sales flow.

In the case of Rom Paper SRL, we observe a decrease in volumes sold compared to the first 9 months of the previous year, accompanied by a slight increase in prices on this market and a streamlining of general and sales expenses that led to a net result 18% better than in 2024.

Vrancart Recycling has completed the implementation process of the investment project in the cogeneration plant, molding, pallet and film recycling facilities and is in the period of attracting customers for products made from recycled raw materials, bringing an improvement in the net result by 3.3 million lei compared to 2024, while Ecorep Group is focused on attracting new customers and additional volumes, generating a result with 0.2 million lei better than in September 2024.



EBITDA at Group level stood at 41.2 mln. lei (vs. 70.1 million lei budget) in absolute value, and in relative value it recorded the level of 13.1% of the turnover (vs. 15.2% budget), all the companies in the group having a negative impact compared to the budgeted expectations, mainly determined by the decrease in sales.

Compared to the same period last year, the net result recorded was -18.8 mln. lei (vs. -14.1 thousand lei). Current liquidity increased slightly to 0.94 (vs. 0.88), influenced by the repayment of long-term debts related to completed investments. Immediate liquidity decreased from 0.57 to 0.47 in the context of increases in the value and volume of inventories.

## 2.1. Balance sheet items

<i>(all elements are expressed in lei, unless otherwise stated)</i>	Sep 30 <sup>th</sup> , 2025	Dec 31 <sup>st</sup> , 2024
Fixed assets	621,561,108	659,564,600
Current assets, of which:	209,479,831	206,936,780
- Trade receivables	92,229,106	92,812,431
- Inventories	104,186,544	85,375,917
<b>Total assets</b>	<b>831,040,939</b>	<b>866,501,380</b>
<b>Total debts, of which:</b>	<b>477,892,472</b>	<b>495,183,533</b>
Trade payables	222,795,096	223,342,080
<b>Equity, of which:</b>	<b>353,148,467</b>	<b>371,317,847</b>
- Reserves	175,258,837	178,767,507
- Retained earnings	(23,961,876)	(9,300,660)

On September 30<sup>th</sup>, 2025 and between January 1<sup>st</sup> and September 30<sup>th</sup>, 2025, the evolution of the main financial position elements was as follows:

- The Group's fixed assets decreased by 5.8% as a result of the calculated depreciation but also 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 remained at a relatively constant level with an evolution of +1.2% as of September 30<sup>th</sup>, 2025 compared to the beginning of the year.
- Inventories increased by 22% compared to the end of the previous year. The increase is mainly due to the increase in prices, both for raw materials and for finished and semi-finished products.
- The assets held for sale were sold during the year, the decrease in their value offsetting the increase in stocks of raw materials and semi-finished products.
- Trade receivables decreased by RON 583,325 compared to the beginning of the year, mainly as a result of the decrease in sales.
- The total debts recorded as of September 30<sup>th</sup>, 2025 are 477,892,472, down by 3.5% compared to the value recorded on January 1<sup>st</sup>, 2025, mainly as a result of the decrease in loans and long-term lease debts as the installments are repaid.
- The value of equity as of September 30<sup>th</sup>, 2025 is RON 353,148,467, down 4.9% compared to the beginning of the year, as a result of the incorporation of the result achieved in the first 3 quarters. The Group's reserves also decreased with the value of the revaluations (net



of deferred tax) related to the fixed assets decommissioned since the beginning of the year.

Attached to this report are the Interim Consolidated Financial Statements (simplified, unaudited) as of September 30<sup>th</sup>, 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 9 months of 2025 have not been reviewed by an independent external auditor as there is not a legal or statutory requirement.

## 2.2. Profit and loss account

### 2.2.1. Comparative situation January - September (9 months)

<i>(all elements are expressed in RON, unless otherwise stated)</i>	September 30 <sup>th</sup> , 2025	September 30 <sup>th</sup> , 2024
Operating income, of which:	335,945,949	376,009,606
Revenue from turnover	313,339,271	368,459,991
Operating expenses	(338,230,048)	(377,075,584)
<b>Operational result</b>	<b>(2,284,099)</b>	<b>(1,065,978)</b>
Financial income	63,870	8,888
Financial expenses	(14,100,438)	(11,068,187)
<b>Total revenue</b>	<b>336,009,819</b>	<b>376,018,494</b>
<b>Total expenses</b>	<b>(352,330,486)</b>	<b>(388,143,771)</b>
<b>Gross result</b>	<b>(16,320,667)</b>	<b>(12,125,277)</b>
<b>Net Result</b>	<b>(18,817,606)</b>	<b>(14,114,191)</b>

The Group's management is considering a series of measures to reduce expenses and streamline the activity 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 market changes.

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

- The total revenues in the analyzed period were 336,009,819 lei, down with 11% compared to the same period last year, due to the reduction in the volume of sales of finished products and waste.
- The total expenses for the period amounted to RON 352,330,486, down by 9% compared to the same period of the previous year.
- The Group's operating result is RON -2,284,099, more than double compared to the same reporting period of the previous year.
- The net loss increases by 33% compared to the same period of 2024 and the effects are mainly due to non-recurring events:
  - the non-registration of the operating subsidy for electricity, (RON 5.4 million in 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 5.5 million as a result of political instability in the context of the Romanian elections in May 2025.
- minimum tax, up 26% compared to the same period of 2024, (RON 2.5 million by Q3 2025 compared to RON 2 million in the same period of 2024) despite a 15% lower turnover, but influenced by the volume of higher investments in 2024 (which are deducted when calculating the minimum tax).
- the reductions in utility costs (RON 11.6 million) and salaries (RON 6.7 million) could not counterbalance the reduction in sales and the increase in raw material prices influenced by the national and international political context.

### 2.2.2. Comparative situation third quarter (3 months)

<i>(all elements are expressed in RON, unless otherwise stated)</i>	Q3 2025	Q3 2024
Operating income, of which:	97,425,956	132,286,104
Revenue from turnover	102,809,585	129,028,729
Operating expenses	(100,660,197)	(131,604,363)
<b>Operational result</b>	<b>(3,234,241)</b>	<b>681,741</b>
Financial income	63,634	7,361
Financial expenses	(2,999,870)	(4,476,596)
<b>Total revenue</b>	<b>97,489,590</b>	<b>132,293,465</b>
<b>Total expenses</b>	<b>(103,660,067)</b>	<b>(136,080,959)</b>
<b>Gross result</b>	<b>(6,170,477)</b>	<b>(3,787,494)</b>
<b>Net result</b>	<b>(6,795,134)</b>	<b>(4,845,291)</b>

Activity in the third quarter was mainly influenced by the downward trend in consumption, which appeared since the beginning of the year, but was accentuated in August, when most customers stopped activity during the holidays due to extremely low demand. In addition, Vrancart SA also recorded lower production activity as a result of the scheduled shutdown of the paperboard plant between July and August 2025 for the installation and commissioning of the drum-pulper.

- Total revenues in the analyzed period were RON 97,489,590, down 26% compared to the same period last year, due to the reduction in the volume of sales of finished products and waste.
- The total expenses for the period were in the amount of 103,660,067 lei, decreasing by 24% compared to the same period of the previous year.
- The Group's operating loss is 63% higher compared to the same reporting period of the previous year.

As of September, sales have returned to the volumes of the previous year, and the quality of paper and cardboard is significantly higher as a result of the commissioning of the drum-pulper, generating at the same time lower operating costs, which will lead to improved results starting with the 4<sup>th</sup> quarter.



### 2.3. Cash flows

(all elements are expressed in lei, unless otherwise stated)

	September 30 <sup>th</sup> , 2025	September 30 <sup>th</sup> , 2024
<i>Flows from the operating activity</i>		
Revenues from the operating activity	375,159,619	395,116,010
Payments from the operating activity	(371,867,730)	(362,916,780)
<b>Net cash from operating activity</b>	<b>3,291,889</b>	<b>32,199,230</b>
<i>Flows from investment activity</i>		
Proceeds from investment activity	30,181,305	47,690,078
Payments from investment activity	(14,724,503)	(118,408,842)
<b>Net cash from investment activity</b>	<b>15,456,802</b>	<b>(70,718,764)</b>
<i>Flows from the financing activity</i>		
Proceeds from financing activity (including bonds)	44,149,497	158,510,114
Payments from financing activity	(62,944,462)	(128,714,571)
<b>Net cash from financing activity</b>	<b>(18,794,965)</b>	<b>39,795,543</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>1,798,938</b>	<b>4,099,529</b>

The balance of cash and cash equivalents recorded on September 30<sup>th</sup>, 2025 is a positive one, respectively of RON 1,798,938. In the context of a negative profit, the group's cash-flow showed very well on each of its 3 components compared to the same period last year. During this period, the Vrancart SA Group honored all its due obligations on time.

### 3. The economic and financial ratios as of September 30<sup>th</sup>, 2025, according to Annex no. 13/ ASF Regulation no. 5/2018

Indicator name	Calculation Mod	AT	30-Sep-25
<b>Current Liquidity Ratio</b>	<b>Current Assets/Current Liabilities</b>	Rap	0.94
<b>Leverage ratio</b>	<b>Borrowed capital/Equity x 100</b>	%	86%
	<b>Borrowed Capital/Committed Capital x 100</b>	%	46%
<b>Receivables collection period</b>	<b>Average customer balance/Turnover x 270</b>	Rap	80
<b>Fixed Asset turnover ratio</b>	<b>Turnover/ Fixed assets</b>	Rap	0.50

MIHAILOV Sergiu  
Chairman of the Board of Directors

COMAN Gabriela  
Chief Financial Officer

**VRANCART SA**

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

**AS OF SEPTEMBER 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

## **Table of contents**

Consolidated statement of financial position	1
Consolidated statement of comprehensive income	3
Consolidated statement of changes in equity	4
Consolidated cash flow statement	5
Notes to the consolidated financial statements	6 - 10

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

	September 30 <sup>th</sup> , 2025	December 31 <sup>st</sup> , 2024
<b>ASSETS</b>		
Tangible assets	607,024,996	639,493,054
Prepayments for tangible assets	576,911	8,152,139
Intangible assets	4,918,481	2,492,475
Other fixed assets	514,329	900,541
Goodwill	8,526,391	8,526,391
<b>Total non-current assets</b>	<b>621,561,108</b>	<b>659,564,600</b>
Inventories	104,186,544	85,375,917
Trade receivables	92,229,106	92,812,431
Prepaid expenses	3,529,987	1,292,579
Receivables regarding current corporate income tax	-	-
Subsidies	3,884,271	3,884,271
Other receivables	3,850,985	2,000,609
Cash and cash equivalents	1,798,938	1,845,212
	<b>209,479,831</b>	<b>187,211,019</b>
Assets held for sale	-	19,725,761
<b>Total current assets</b>	<b>209,479,831</b>	<b>206,936,780</b>
<b>TOTAL ASSETS</b>	<b>831,040,939</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	96,998,607	100,507,277
Legal reserves	13,659,100	13,659,100
Other reserves	64,601,130	64,601,130
Retained earnings	(23,961,876)	(9,300,660)
<b>Total equity – Parent company</b>	<b>353,150,985</b>	<b>371,320,871</b>
Non-controlling interests	(2,518)	(3,024)
<b>Total equity</b>	<b>353,148,467</b>	<b>371,317,847</b>
<b>LIABILITIES</b>		
Long-term loans	153,461,058	156,806,674
Long-term leasing debts	13,298,843	22,994,191
Long-term subsidies	76,190,332	77,812,199
Long-term debts to employees	920,509	920,509
Deferred corporate income tax liabilities	11,220,999	12,868,668
Provisions	5,635	439,212
<b>Total long-term liabilities</b>	<b>255,097,376</b>	<b>271,841,453</b>

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

	<b>September 30<sup>th</sup>, 2025</b>	<b>December 31<sup>st</sup>, 2024</b>
Trade payables	61,799,967	72,885,129
Short-term loans	132,250,294	122,546,943
Short-term leasing liabilities	6,014,270	8,710,139
Short-term bond loans	-	-
Short-term subsidies	5,910,075	5,724,676
Debts to employees	6,404,962	5,928,386
Current corporate income tax liabilities	1,181,077	890,611
Other short-term liabilities	9,234,451	6,656,196
<b>Total current liabilities</b>	<b>222,795,096</b>	<b>223,342,080</b>
<b>TOTAL LIABILITIES</b>	<b>477,892,472</b>	<b>495,183,533</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>831,040,939</b>	<b>866,501,380</b>

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

Chief Executive Officer  
 Ștefan -Viorel Movilă

Chief Financial Officer  
 Gabriela Coman

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

	<b>September 30 2025</b>	<b>September 30 2024</b>
Sales income from customer agreements	313,339,271	368,459,991
Income from operating subsidiaries	-	5,421,175
Other income	7,618,748	8,747,602
Production inventory's changes	14,987,930	(6,619,162)
Raw materials and consumables expenses	(125,830,583)	(131,403,940)
Utilities expenses	(30,707,921)	(42,281,339)
Cost of goods sold	(7,518,946)	(33,040,577)
Third-party services expenses	(34,981,539)	(33,944,795)
Labor expenses	(79,912,056)	(86,632,234)
Other expenses	(15,818,801)	(13,238,858)
<b>EBITDA</b>	<b>41,176,103</b>	<b>35,467,863</b>
Depreciation and amortization expenses of fixed assets	(43,460,202)	(36,533,841)
<b>Operational result</b>	<b>(2,284,099)</b>	<b>(1,065,978)</b>
Financial income	63,870	8,888
Financial expenses	(14,100,438)	(11,068,187)
<b>Profit/(Loss) before tax</b>	<b>(14,036,568)</b>	<b>(12,125,277)</b>
Corporate income tax expense	(2,496,939)	(1,988,914)
<b>Profit/(Loss) for the year</b>	<b>(18,817,606)</b>	<b>(14,114,191)</b>
- Related to the shareholders of the parent company	(18,818,112)	(14,114,107)
- Related to non-controlling interests	506	(84)
<b>Other comprehensive income</b>		
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(18,817,606)</b>	<b>(14,114,191)</b>
- Related to the shareholders of the parent company	(18,818,112)	(14,114,107)
- Related to non-controlling interests	506	(84)

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

Chief Executive Officer  
Ștefan -Viorel Movilă

Chief Financial Officer  
Gabriela Coman

**Vrancart SA**

**Consolidated statement of changes in equity**

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

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

	Attributable to the 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 income for the period</b>								
Net result for the period	-	-	-	-	-	(18,818,112)	506	(18,817,606)
<b>Other comprehensive income</b>								
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	668,318	-	-	-	-	-	<b>668,318</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>668,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,818,112)</b>	<b>506</b>	<b>(18,149,288)</b>
Distribution of reserves	-	-	-	-	-	-	-	-
Transfer of the revaluation reserve to profit or loss carried forward as a result of the disposal of tangible assets, net of tax	-	(4,176,988)	-	-	-	4,176,988	-	-
Other corrections	-	-	-	-	-	(20,092)	-	<b>(20,092)</b>
<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 September 30<sup>th</sup>, 2025</b>	<b>201,011,575</b>	<b>96,998,607</b>	<b>842,449</b>	<b>13,659,100</b>	<b>64,601,130</b>	<b>(23,961,876)</b>	<b>(2,518)</b>	<b>353,148,467</b>

Chief Executive Officer  
Ștefan - Viorel Movilă

Chief Financial Officer  
Gabriela Coman

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

**DIRECT METHOD**

	September 30 <sup>th</sup> , 2025	September 30 <sup>th</sup> , 2024
<b>Cash flows from operating activity</b>		
Cash receipts from customers	375,159,619	395,116,010
Cash paid to suppliers	(256,735,979)	(261,725,034)
Cash paid to employees	(48,855,915)	(54,398,011)
Cash paid to the state budget	(63,031,694)	(45,864,563)
Corporate income tax paid	(3,244,142)	(929,172)
<b>Net cash flows from operating activity</b>	<b>3,291,889</b>	<b>32,199,230</b>
<b>Cash flows from investment activity</b>		
Cash paid for acquisitions of tangible and intangible assets	(14,724,503)	(118,408,842)
Proceeds from the sale of tangible assets	27,088,402	2,052,904
Guarantees for the granting of authorisation licences	86,020	-
Investment subsidies received	2,950,944	45,635,522
Interest received	55,939	1,652
<b>Net cash flows used in investment activity</b>	<b>15,456,802</b>	<b>(70,718,764)</b>
<b>Cash flows from financing activity</b>		
Proceeds from loans	44,149,497	136,553,204
Share capital increase	-	31,956,910
Bond redemption	-	(38,250,000)
Payments for leasing	(6,905,027)	(7,895,388)
Loan repayments	(47,906,294)	(72,568,089)
Interest paid	(8,133,141)	(10,001,094)
<b>Net cash flows from financing activity</b>	<b>(18,794,965)</b>	<b>39,795,543</b>
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	<b>(46,274)</b>	<b>1,276,009</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1,845,212</b>	<b>2,823,520</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,798,938</b>	<b>4,099,529</b>

Chief Executive Officer  
 Ștefan - Viorel Movilă

Chief Financial Officer  
 Gabriela Coman

## Vrancart SA

### Notes to the consolidated financial statements

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

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

#### Reporting entity

The Vrancart Group (the "Group") comprises the company Vrancart SA, with its 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"), with headquarters 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 ended September 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 September 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 for 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 offices open in the following localities: Bucharest, Pantelimon, Chiajna, Calimanesti, Iaşi, Sântana de Mureş, Ploieşti, Sibiu, Braşov, Piteşti, Timişoara, Bacău and Cluj.

The Company's core business is the production and marketing of the following products:

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

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting with July 15, 2005. The Group publishes the consolidated financial statements on [www.vrancart.ro](http://www.vrancart.ro). The record of shares and shareholders is kept in accordance with the law by the Central Depository S.A. Bucharest.

## **Vrancart SA**

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

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

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

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As of September 30<sup>th</sup>, 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 production of hygienic-sanitary items made of recycled paper and cellulose, such as:

- napkins,
- folded towels,
- toilet paper
- professional roles,
- cosmetic towels
- wipes in a 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 by their own brands "Mototol" and "Papely", as well as by 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 September 30<sup>th</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 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 fully commissioned 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 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.

## **Vrancart SA**

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

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

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

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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.

#### **Main ongoing investments 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 Romania's National Recovery and Resilience Plan ("PNRR") worth RON 29 million. The project was built on a 39 ha owned plot of land, 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 01.01.2025, 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.

Currently, 2 other important projects are underway, worth approximately EUR 5 million, aimed at improving the production processes of corrugated cardboard paper, consisting of a state-of-the-art technology, unique in Romania (Drum Pulper).

In 2024, an integrated waste recycling project was completed in Vrancart Recycling S.R.L., 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 plant 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 facial wipes production lines was completed and implemented, by increasing productivity and energy efficiency, worth €4.7 million, financed through investment loans, own contribution and a grant from the Innovation Norway program worth €1.9 million.

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

The simplified interim consolidated financial statements for the first nine months ended September 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 information and items published in the annual reporting and should be read in conjunction with the Company's annual financial statements as of December 31, 2024.

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

Combinations of entities are accounted for by the acquisition method on the date on which the Group obtains control of the acquired entity. Control requires exposure or rights to the variable results of the investee entity, as well as the ability to influence those results by exercising authority over that entity.

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the moment control begins until the moment it ceases.

The interim consolidated financial statements for the first nine months of 2025 have not been reviewed by an external financial auditor as it is not a legal requirement.

## Vrancart SA

### Notes to the consolidated financial statements

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

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

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#### Foreign currency transactions

Transactions denominated in foreign currency are recorded in RON at the official exchange rate from the date of settlement of transactions. Monetary assets and liabilities recorded in foreign currencies 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:

Currency	September 30 <sup>th</sup> , 2025	December 31 <sup>st</sup> , 2024	Variation
Euro (EUR)	5.0811	4.9741	+2.15%
American Dollar (USD)	4.3247	4.7768	-9.46%

#### Other notes

The Group's management has established its medium and long-term strategy, and the estimates foresee cost reductions as a result of the efficient use of resources, which will lead to flexibility in meeting the low demand in the current geo-political context and the continuation of the investment process in order to increase the quality of products and the efficiency and automation of processes.

As of September 30<sup>th</sup>, 2025, the Group has a positive cash balance of RON 1,798,938 and has no outstanding debts to public budgets or to its private partners.

The Group attaches particular importance to profitability indicators, by streamlining operational processes, and liquidity, through the efficient use of resources.

Based on these analyses, 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 principle of business continuity in the preparation of the consolidated financial statements is justified.

#### Subsequent events

On 05.11.2025, following the retirement of Mr. Ciprian - Nicu Fedor from the positions of General Manager and Chairman of the Board of Directors, the following changes were approved in the management structure of Vrancart S.A.:

- Ștefan - Viorel Movilă was appointed Chief Executive officer of VRANCART S.A. starting with 06.11.2025, for a period of 4 years.
- Alexandru - Lucian Minea has been appointed as a interim member of the Board of Directors of VRANCART S.A., starting with 06.11.2025 and until the date of the Ordinary General Meeting of Shareholders.
- Sergiu Mihailov was appointed as Chairman of the Board of Directors of VRANCART S.A., starting with 06.11.2025 and until 27.04.2026.

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

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On 13 November 2025, the creditor EXPERT SERVICII VIDANJARE S.R.L. filed with the Vrancea Tribunal (file no. 1722/91/2025) a petition for the opening of insolvency proceedings against VRANCART S.A., as Debtor, the amount claimed being RON 93,857.35. The first hearing date has been set for 5 December 2025.

Given that the Company is not in a state of insolvency under any aspect, all necessary legal actions and remedies have been initiated (including the full payment of the alleged claim) in order to demonstrate this fact and to settle the litigation before the first court hearing.

The receipt of the 2024 State aid granted to companies in sectors at risk of CO<sub>2</sub> leakage is highly uncertain, as the repayments were not made according to the scheduled schedule and the amounts for previous years were lower than the level estimated to be due to the company.

**Management Statement**

Based on the best available information, we confirm that the simplified interim consolidated financial statements as of September 30<sup>th</sup>, 2025 and for the period thereafter, prepared in accordance with 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 required by applicable accounting standards, and that the information presented in this report accurately and completely presents the issuer information as it occurred during the first nine months of the financial year.

Chief Executive Officer  
Ștefan - Viorel Movilă

Chief Financial Officer  
Gabriela Coman