

## NOTIFICATION

The company VRANCART informs its investors and shareholders that the Report for the first half of 2023 (individual and consolidated), drawn up in accordance with the International Financial Reporting Standards (IFRS) (the Order of the Public Finance Ministry no. 881/2012 and the Order of the Public Finance Ministry no. 2844/2016 with the subsequent amendments and completions), with the provisions of Law no. 24/2017 and of the Regulation of the Financial Supervisory Authority no. 5/2018, along with the (individual and consolidated) interim financial Reports not audited as at June 30<sup>th</sup>, 2023 and the Statement of the responsible persons may be consulted at the company's office in Adjud, 17<sup>th</sup> Ecaterina Teodoroiu Street, Vrancea county or on the website [www.vrancart.ro](http://www.vrancart.ro), starting from August 16<sup>th</sup>, 2023, at 18<sup>30</sup>.

Although the financial situation of the Company was negatively impacted, mainly by the negative evolution of the packaging demand on the Romanian market, by the increase in inflation and by the increased financing costs due to the significant increase in interest rates, the results of VRANCART for the first six months of 2023 confirm the Company's ability to continue to generate profits and its financial strength.

During this period, the net profit recorded amounted to RON 8,540,680.

The economic and financial indicators as at June 30<sup>th</sup>, 2023 were as follows:

Indicator's name	M.U.	June 30 <sup>th</sup> , 2023	June 30 <sup>th</sup> , 2022
<b>Overall liquidity</b>	ratio	0,88	1,04
<b>Immediate liquidity</b>	ratio	0,56	0,62
<b>Stock turnover</b>	rot/year	7	7
<b>Debt recovery</b>	days	71	71
<b>Reimbursement of trade liabilities</b>	days	34	38
<b>Operating profitability</b>	%	6,9	6,4
<b>Gross profit rate</b>	%	4,3	5,2

The general and immediate liquidity recorded a slight decrease at June 30<sup>th</sup>, 2023 compared to June 30<sup>th</sup>, 2022, mainly due to the classification of the company's convertible bonds amounting to RON 38,250,000 due in March 2024 as "short-term debt".

The recovery period of receivables remained constant, at the same time the number of days of credit obtained from suppliers decreased, which contributed to additional cash requirements.

Profitability of operating activities increased slightly in the first 6 months of 2023 compared to the same period of the previous year. The gross profit rate decreased by 0.9 percentage points as of June 30<sup>th</sup>, 2023 compared to the same period of 2022, mainly due to the decrease in income more pronounced than the decrease in expenses (RON 2.3 million) and the increase in financial expenses (RON 2.4 million) as a result of the increase in ROBOR and loan balance.

Additional information may be obtained at the telephone no. 0237-640800 – ext. 274 or at the e-mail address [marian.radu@vrancart.com](mailto:marian.radu@vrancart.com).

### Chairman of the Board of Administrators

Ionel-Marian CIUCIOI

The Board of Directors' Half Year Report I-2023 (individual and consolidated), together with the unaudited interim financial statements (individual and consolidated) and the statement of responsible persons can be studied by clicking on the link below.