



## Individual half-yearly report for the 1<sup>st</sup> half of 2022 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report	August 16 <sup>th</sup> , 2022
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax no.:	0237-640.800; 0237-641.720
Tax Identification Number	1454846
Trade Registry registration no.	J39/239/1991
Subscribed and paid-in share capital	RON 120.338.551
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange
Main characteristics of the securities issued by the issuer	Standard Category

### 1. The economic and financial situation of VRANCART S.A.

During the first half of 2022, the evolution of Vrancart S.A. (hereinafter referred to as “the Company”) was influenced by the effects of price increases for raw materials, materials and commodities and by the increase of service and utilities fees which occurred in the last quarter of 2021.

In spite of the negative impact onto the company’s financial situation, the results recorded by VRANCART SA in the first six months of 2022 confirm the Company's ability to continue to generate profits and its financial strength. Thanks to an agile commercial and pricing policy, the company was able to constantly adapt its sale prices to the new, particularly volatile market conditions.

During this period, the net profit recorded by the company was RON 12.615.191.

The interim (simplified, not audited) individual financial statements as at June 30<sup>th</sup>, 2022 according to the Order of the Ministry of Public Finances no. 2844/2016 for the approval of the Accounting regulations compliant with the International Financial Reporting Standards applicable to trade companies whose securities are admitted to trading on a regulated market are enclosed hereto.

The interim individual financial statements for the 1<sup>st</sup> half of 2022 have not been revised by an independent external auditor, as this is not a legal or statutory requirement.



## 1.1. Balance sheet items

<i>(all items expressed in RON, unless otherwise stated)</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>December 31<sup>st</sup>, 2021</b>
Non-current assets	354.076.982	350.403.229
Current assets, out of which:	174.516.468	147.801.274
- Trade receivables	99.078.178	84.112.306
<b>Total assets</b>	<b>528.593.450</b>	<b>498.204.503</b>
<b>Total liabilities, out of which:</b>	<b>273.053.774</b>	<b>250.685.994</b>
- Current liabilities	167.233.033	133.290.486
<b>Equity, out of which:</b>	<b>255.539.676</b>	<b>247.518.509</b>
- Reserves	114.898.659	116.569.365
- Retained earnings	20.302.466	10.586.064

As at June 30<sup>th</sup>, 2022 and during the period January 1<sup>st</sup> – June 30<sup>th</sup>, 2022, the evolution of the main financial indicators was as follows:

- The Company's non-current assets increased by 1% following the increase of tangible assets by the amount of RON 4.027.814.
- The amount of the Company's current assets increased by approx. 18% as at June 30<sup>th</sup>, 2022 from the year beginning, mainly due to the increase of inventories by 21%, as well as due to the increase of trade receivables by 18% generated by an increased activity volume.
- Trade receivables increased during the first six months of 2022 compared to the beginning of the year by RON 14.965.872, following the sales volume increase in the context of improvement of the average number of days for collection of the receivables.
- The total liabilities recorded as at June 30<sup>th</sup>, 2022 amount to RON 273.053.774, up by 9% from the amount recorded as at January 1<sup>st</sup>, 2022, mainly due to the working capital financing, by using short-term credit lines and also following the establishing of the debt related to the dividends to be paid according to the decision of the General Meeting of the Shareholders of April 2022.
- The amount of equity as at June 30<sup>th</sup>, 2022 is RON 255.539.676, with no significant changes compared to the beginning of the year. The reserves remained at a relatively constant level from the beginning of the year and the share capital remained unchanged.



## 1.2. Profit and loss account

<i>(all items expressed in RON, unless otherwise stated)</i>	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
Operating income, out of which:	281.753.096	169.358.308
<i>Income from turnover</i>	251.366.741	162.026.636
Operating expenses	(264.277.420)	(157.532.611)
<b>Operating profit</b>	<b>17.475.676</b>	<b>11.825.697</b>
Financial income	375	134
Financial expenses	(3.169.123)	(1.632.280)
<b>Total income</b>	<b>281.753.471</b>	<b>169.358.442</b>
<b>Total expenses</b>	<b>(267.446.543)</b>	<b>(159.164.891)</b>
<b>Gross profit</b>	<b>14.306.928</b>	<b>10.193.551</b>
<b>Net profit</b>	<b>12.615.191</b>	<b>9.101.478</b>

The Company's evolution during the first half of 2022 was influenced by the increase in raw material prices and utility tariffs generated by international market trends, which were also reflected in the local market, as well as by the increase in salary expenses and services provided by third parties.

The results achieved during this period, which are reflected in a higher profitability and good financial indicators, confirm the Company's resilience to adverse market changes.

During the first half of 2022, the evolution of the main indicators of the Profit and Loss Account is as follows:

- The total income during the analysed period amounted to RON 281.753.471, up by 66% from the same period of the previous year, due to the increase of production and sales.
- The total expenses for the period amounted to RON 267.446.543, up by 68% from the same period of the previous year, but the cost of raw materials recorded an increase by 79% following the impact of the increasing prices.
- The Company's operating profit recorded an increase by 48% as a result of the abovementioned effects and the net profit recorded an increase by 39% during the first six months of 2022 compared to the same reporting period of the previous year.



### 1.3. Cash flows

(all items expressed in RON,  
unless otherwise stated)

	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	304.434.747	185.709.290
Payments made from operating activities	(302.775.371)	(168.164.783)
<b>Net cash flows from operating activities</b>	<b>1.659.376</b>	<b>17.544.507</b>
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	955.525	260.544
Payments made from investment activities	(19.611.308)	(30.754.401)
<b>Net cash flows from investment activities</b>	<b>(18.655.783)</b>	<b>(30.493.857)</b>
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities	34.839.276	29.201.119
Payments made from financing activities	(18.164.345)	(18.796.869)
<b>Net cash flows from financing activities</b>	<b>16.674.931</b>	<b>10.404.250</b>
<b>Balance as at the beginning of the period</b>	<b>1.536.938</b>	<b>4.332.741</b>
<b>Balance as at the end of the period</b>	<b>1.215.462</b>	<b>1.787.641</b>

The balance of cash and cash equivalents recorded as at June 30<sup>th</sup>, 2022 is positive, namely RON 1.215.462. During this period, the Company was able to manage its funds in an effective manner and met all its outstanding obligations.

## 2. Analysis of the activity of VRANCART S.A.

### 2.1. Presentation and analysis of the trends, elements, events or uncertainty factors that affect or might affect the issuer's liquidity, compared to the same period of the previous year

The Company's management considers that the positive results achieved as at June 30<sup>th</sup>, 2022 are superior to those achieved during the previous year, but affected by the negative evolutions of the increasing prices and tariffs of raw materials and utilities. The implemented control mechanisms and actions provide the maintenance of the company's financial balance and the company's development strategy is correlated and adapted to the market needs and to the company's development needs.

### 2.2. Presentation and analysis of the effects of all current or anticipated capital expenditures onto the issuer's financial situation (stating the purpose and financing sources of these expenditures) compared to the same period of the previous year

The investments made by the Company during the first six months of 2022 amounted to RON 18.365.199, compared to RON 13.141.832 during the first half of the previous year. The major investments consisted of upgrades and endowment of the corrugated cardboard machine in Calimanesti, the relocation of the production centre in Targu Mures, corrugated cardboard



converting machines, upgrades of the paperboards machine and endowments of the waste paper collection and recycling centres.

The company will continue to implement the investment projects for the year 2022, which were approved by the General Meeting of Shareholders in April 2022, financed both from the company's own sources and from attracted sources (bank loans for investments).

The Company expects that the investments made during the first half of the year will have a favourable impact onto the Company's financial situation on the medium and long term.

The economic and financial indicators as at June 30<sup>th</sup>, 2022 are as follows:

Indicator's name	M.U.	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
Overall liquidity	ratio	1,04	0,95
Immediate liquidity	ratio	0,62	0,58
Stock turnover	rot/year	7	7
Debt recovery	days	71	81
Reimbursement of trade liabilities	days	38	34
Operating profitability	%	6,4	7,0
Gross profit rate	%	5,2	6,1

The overall and immediate liquidity recorded a slight increase as at June 30<sup>th</sup>, 2022 compared to June 30<sup>th</sup>, 2021.

The recovery time of receivables has improved and at the same time, the number of credit days obtained from suppliers has increased, which has contributed to an improved cash conversion cycle.

The profitability of operating activities, as well as the gross profit rate, recorded decreasing values as at June 30<sup>th</sup>, 2022 compared to the same period of the previous year, due to the increase in the production cost.

**2.3. Presentation and analysis of the events, transactions, economic changes that affect to a significant extent the income from the main activity. Specification of the extent to which the income was affected by each of the elements identified. Comparison to the corresponding period of the previous year.**

The company VRANCART S.A. has no events or transactions to report that might affect to a significant extent its income from the main activity.

### 3. Changes that affect the issuer's capital and management

**3.1. Description of the circumstances when the issuer was unable to meet its financial obligations during the analysed period**

The company VRANCART S.A. was not in any situation unable to meet its financial obligations during the analysed period. The company does not have any outstanding liabilities to the public budgets or to its private partners.

**3.2. Description of any changes related to the rights of the holders of securities issued by**



### the issuer

The company VRANCART S.A. does not have any changes to report in relation to the rights of the holders of securities issued.

#### 4. Major transactions

On **April 27<sup>th</sup>, 2022**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31<sup>st</sup>, 2021 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2022, along with the Investment plan for 2022.

Through the Decision no. 4/27.04.2022, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2021 of an amount of RON 5.054.219 for **dividends** (namely a gross amount of a dividend of RON 0,0042/share), the payment date being set for October 3<sup>rd</sup>, 2022.

**CIUCIOI Ionel-Marian**  
Chairman of the Board of Directors

**ARSENE Vasilica-Monica**  
Financial Manager



*Translation for information purposes only*

**VRANCART S.A.**

**Interim individual financial statements  
(simplified, not audited)  
as at June 30<sup>th</sup>, 2022**

drawn up in accordance with the Order of the Public Finance Ministry no. 2844/2016 for the approval of the Accounting regulations compliant with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market

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Vrancart S.A.

## Individual statement of financial position

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	June 30 <sup>th</sup> , 2022	December 31 <sup>st</sup> , 2021
<b>ASSETS</b>		
Tangible assets	304.104.223	300.076.409
Intangible assets	1.025.620	1.379.680
Goodwill	3.380.811	3.380.811
Financial assets	45.566.328	45.566.328
<b>Total non-current assets</b>	<b>354.076.982</b>	<b>350.403.228</b>
Inventories	70.746.126	58.601.760
Trade receivables	99.078.178	84.112.306
Prepaid expenses	2.789.713	517.486
Receivables related to current profit tax	-	212.055
Other receivables	686.989	2.820.729
Cash and cash equivalents	1.215.462	1.536.938
<b>Total current assets</b>	<b>174.516.468</b>	<b>147.801.274</b>
<b>TOTAL ASSETS</b>	<b>528.593.450</b>	<b>498.204.502</b>
<b>EQUITY</b>		
Share capital	120.338.551	120.363.081
Reserves	114.898.659	116.569.364
Retained earnings	20.302.466	10.586.064
<b>Total equity</b>	<b>255.539.676</b>	<b>247.518.509</b>
<b>LIABILITIES</b>		
Long-term loans	38.694.424	47.751.510
Long-term loans from bond issues	37.949.400	37.949.400
Long-term liabilities under leasing agreements	17.751.886	17.768.484
Deferred income	8.028.377	9.034.757
Long-term provisions	422.307	422.307
Debts related to deferred profit tax	2.650.925	4.145.628
Other long-term liabilities	323.422	323.422
<b>Total long-term liabilities</b>	<b>105.820.741</b>	<b>117.395.508</b>
Short-term trade liabilities	52.906.170	61.919.951
Short-term loans	87.601.892	54.642.483
Short-term liabilities under leasing agreements	5.864.003	5.864.025
Deferred income	2.012.878	2.012.878
Debts to employees	6.617.899	4.394.786
Debts related to current profit tax	1.673.528	-
Other liabilities	10.556.663	4.456.362
<b>Total current liabilities</b>	<b>167.233.033</b>	<b>133.290.485</b>
<b>TOTAL LIABILITIES</b>	<b>273.053.774</b>	<b>250.685.993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>528.593.450</b>	<b>498.204.502</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Individual statement of comprehensive income

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
Income from turnover, out of which:	274.054.288	167.959.782
<i>Income from the sale of goods</i>	22.687.547	5.933.146
Other income	3.818.393	1.172.772
Variation of finished product inventories and production in progress	3.880.414	225.755
Expenses related to raw materials and consumables	(154.778.320)	(86.483.576)
Expenses related to commodities	(14.763.386)	(3.032.986)
Third-party expenses	(26.110.354)	(13.536.931)
Personnel-related expenses	(41.603.028)	(34.229.946)
Expenses related to amortisation and impairment of assets	(13.885.007)	(14.065.924)
Other expenses	(13.137.324)	(6.183.249)
<b>Operating result</b>	<b>17.475.676</b>	<b>11.825.697</b>
Financial income	375	134
Financial expenses	(3.169.123)	(1.632.280)
<b>Profit / (Loss) before taxation</b>	<b>14.306.928</b>	<b>10.193.551</b>
Profit tax income / (expense)	(1.691.737)	(1.092.073)
<b>Profit / (Loss) for the year</b>	<b>12.615.191</b>	<b>9.101.478</b>
<b>Other comprehensive income items</b>		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>12.615.191</b>	<b>9.101.478</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Individual statement of changes in equity

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity
<b>Balance as at January 1<sup>st</sup>, 2022</b>	<b>120.363.081</b>	<b>53.327.398</b>	<b>63.241.966</b>	<b>10.586.064</b>	<b>247.518.509</b>
<b>Comprehensive income for the period</b>					
Net profit/loss for the period	-	-	-	12.615.191	12.615.191
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	<b>12.615.191</b>	<b>12.615.191</b>
Distribution from retained earnings	-	-	-	(5.054.219)	(5.054.219)
Share premiums	-	-	43.346	-	43.346
Other changes	(24.530)	-	-	441.379	416.849
Transfer of the revaluation reserve to retained earnings following the cassation/sale of tangible assets	-	(2.040.537)	326.486	1.714.051	-
<b>Balance as at June 30<sup>th</sup>, 2022</b>	<b>120.338.551</b>	<b>51.286.861</b>	<b>63.611.798</b>	<b>20.302.466</b>	<b>255.539.676</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Individual statement of cash flows

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
<b>Cash flows from operating activities</b>		
Amounts collected from customers	304.434.747	185.709.290
Payments to suppliers	(242.687.018)	(117.861.261)
Payments to employees	(27.163.954)	(22.939.322)
Payments to the state budget	(32.038.475)	(24.916.674)
Profit tax paid	(885.924)	(2.447.526)
<b>Net cash flows from operating activities</b>	<b>1.659.376</b>	<b>17.544.507</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of tangible assets	(19.611.308)	(15.154.401)
Payments for the purchase of financial assets	-	(15.600.000)
Amounts collected from the sale of tangible assets	955.150	260.412
Interests collected	375	132
<b>Net cash flows from investment activities</b>	<b>(18.655.783)</b>	<b>(30.493.857)</b>
<b>Cash flows from financing activities</b>		
Amounts collected from loans	34.362.502	29.201.119
Share capital increase	476.774	-
Interests paid and loans reimbursed	(13.854.906)	(16.284.470)
Payments under leasing agreements	(4.309.439)	(2.512.399)
<b>Net cash flows from financing activities</b>	<b>16.674.931</b>	<b>10.404.250</b>
<b>Net increase/ (reduction) of cash and cash equivalents</b>	<b>(321.476)</b>	<b>(2.545.100)</b>
<b>Cash and cash equivalents as at the financial year beginning</b>	<b>1.536.938</b>	<b>4.332.741</b>
<b>Cash and cash equivalents as at the financial year end</b>	<b>1.215.462</b>	<b>1.787.641</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

## Notes to the interim individual financial statements

as at June 30<sup>th</sup>, 2022

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### The reporting entity

Vrancart S.A. (“the Company”) is a joint-stock trade company operating in Romania under the provisions of Law no. 31/1990 on trade companies.

The company operates in the field of non-hazardous waste collection and recycling, in the production of paperboards, corrugated cardboard and cardboard packaging, as well as in the production of tissue paper.

The company has work points opened in the following localities: Bucharest, Călimanești, Ungheni, Iași, Focșani, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Bacău, Cluj, Craiova, Baia Mare, Târgu Mureș, Brăila and Piatra Neamț.

The company’s main object of activity is represented by the manufacture and trading of the following products:

- single-wall, double-wall and double-double wall corrugated cardboard, corrugated cardboard with micro-flutes;
- corrugated cardboard packaging;
- paperboards;
- tissue papers in various assortments.

The company’s shares are listed at the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15<sup>th</sup>, 2005.

As at June 30<sup>th</sup>, 2022, the Company is owned 75% by SIF Banat – Crișana S.A., 17% by Paval Holding SRL and 8% by other shareholders.

The evidence of shares and shareholders is kept according to law by S.C. Depozitarul Central S.A. Bucharest.

### Accounting principles, policies and methods

The simplified interim individual financial statements for the first six months ended on June 30<sup>th</sup>, 2022 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim financial statements do not include all the information and items presented in the annual report and shall be read together with the Company’s annual financial statements, drawn up as at December 31<sup>st</sup>, 2021.

The accounting policies and the evaluation methods used for the preparation of the simplified interim financial statements are in accordance with those used for the preparation of the Company’s annual financial statements for the year ended on December 31<sup>st</sup>, 2021.

The interim individual financial statements for the 1<sup>st</sup> half of 2022 have not been revised by an external financial auditor, as this is not a legal requirement.

### Transactions in foreign currencies

## Notes to the interim individual financial statements

as at June 30<sup>th</sup>, 2022

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The operations expressed in foreign currencies are recorded in RON at the official exchange rate on the date of discounting of the transactions. The monetary assets and liabilities recorded in foreign currencies on the date of preparation of the accounting statements are converted into the functional currency at the exchange rate on that day.

The losses or gains from their discounting and from the conversion using the exchange rate as at the end of the period for reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The exchange rates of the main foreign currencies were as follows:

Currency	June 30 <sup>th</sup> , 2022	December 31 <sup>st</sup> , 2021	Variation
Euro (EURO)	4.9454	4.9481	-0,05%
American dollars (USD)	4.7424	4.3707	+8,50%

### Other notes

The Company recorded as at June 30<sup>th</sup>, 2022 a positive cash balance of RON 1.215.462, and does not have any outstanding liabilities to the public budgets or to its private partners.

The Company's management considers that the Company will be able to continue its business in the foreseeable future, therefore the application of the business continuity principle in the preparation of the financial statements is justified.

### Subsequent events

On **April 27<sup>th</sup>, 2022**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31<sup>st</sup>, 2021 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2022, along with the Investment Plan for 2022.

Through the Decision no. 4/27.04.2022, the Ordinary General Meeting of the Shareholders approved the distribution of the amount of RON 5.054.219 from the net profit of the financial year 2021 for **dividends** (namely a gross amount of a dividend of RON 0,0042/share), the payment date being set for October 3<sup>rd</sup>, 2022.

### Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at June 30<sup>th</sup>, 2022 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Company's position and financial performances, as provided by the applicable accounting standards, and that the information presented in this report provides a fair and accurate view of the main events that took place during the first six months of the financial year and of their impact onto the simplified interim financial statements.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



Translation for information purposes only

## Consolidated half-yearly report for the 1<sup>st</sup> half of 2022 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report	August 16 <sup>th</sup> , 2022
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax no.:	0237-640.800; 0237-641.720
Tax Identification Number:	1454846
Trade Registry registration no.:	J39/239/1991
Subscribed and paid-in share capital	RON 120.338.551
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange
Main characteristics of the securities issued by the issuer	Standard category

### 1. The economic and financial situation of VRANCART SA

During the first half of 2022, the evolution of Vrancart Group (hereinafter referred to as “the Group”) was influenced by the effects of price increases for raw materials, materials and commodities and by the increase of service and utilities fees which occurred in the last quarter of 2021.

In spite of the negative impact onto the company’s financial situation, the results recorded by VRANCART Group in the first six months of 2022 confirm its ability to continue to generate profits and its financial strength. Thanks to an agile commercial and pricing policy, the Group was able to constantly adapt its sale prices to the new, particularly volatile market conditions.

During this period, the net profit recorded by the Group was RON 11.749.459.

The interim (simplified, not audited) consolidated financial statements as at June 30<sup>th</sup>, 2022 according to the Order of the Ministry of Public Finances no. 2844/2016 for the approval of the Accounting regulations compliant with the International Financial Reporting Standards applicable to trade companies whose securities are admitted to trading on a regulated market are enclosed hereto.

The interim consolidated financial statements for the 1<sup>st</sup> half of 2022 have not been revised by an independent external auditor, as this is not a legal or statutory requirement.



## 1.1. Balance sheet items

<i>(all items expressed in RON, unless otherwise stated)</i>	June 30 <sup>th</sup> , 2022	December 31 <sup>st</sup> , 2021
Non-current assets	359.803.714	352.824.272
Current assets, out of which:	203.024.566	181.667.788
- Trade receivables	111.887.119	101.927.129
<b>Total assets</b>	<b>562.828.280</b>	<b>534.492.060</b>
<b>Total liabilities, out of which:</b>	<b>315.411.529</b>	<b>293.986.443</b>
- Current liabilities	195.577.939	163.965.015
<b>Equity, out of which:</b>	<b>247.416.751</b>	<b>240.505.617</b>
- Reserves	113.177.064	115.453.878
- Retained earnings	13.901.532	4.689.698

As at June 30<sup>th</sup>, 2022 and during the period January 1<sup>st</sup> – June 30<sup>th</sup>, 2022, the evolution of the main financial indicators was as follows:

- The Group's non-current assets increased by 2% following the start-up of some investment projects finalised during the first half of 2022.
- The amount of the Group's current assets increased by 12% as at June 30<sup>th</sup>, 2022 from the year beginning, mainly due to the increase of trade receivables by 10%, generated both by an increased activity volume, and by the positively adjusted prices, while the turnover was higher by 56% compared to the first half of the previous year.
- Trade receivables increased during the first six months of 2022 compared to the year beginning by RON 9.959.990, as a result of an increased volume of sales and also as a result of increased prices, in the context of the reduction of the average number of days for collection.
- The total liabilities recorded as at June 30<sup>th</sup>, 2022 amounted to RON 315.411.529, up by 7% from the amount recorded as at January 1<sup>st</sup>, 2022, mainly due to the financing of the additional working capital, by using short-term credit lines.
- The amount of equity as at June 30<sup>th</sup>, 2022 is RON 247.416.751, the additional capitalisation was 3% compared to the beginning of the year, as a result of the incorporation of the profit achieved during the first half of the year.





## 1.2. Profit and loss account

<i>(all items expressed in RON, unless otherwise stated)</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>
Operating income, out of which:	323.324.728	202.872.242
<i>Income from turnover</i>	314.667.578	201.929.986
Operating expenses	(306.149.179)	(191.756.661)
<b>Operating profit</b>	<b>17.175.549</b>	<b>11.115.581</b>
Financial income	471	164
Financial expenses	(3.842.864)	(1.931.357)
<b>Total income</b>	<b>323.325.199</b>	<b>202.872.406</b>
<b>Total expenses</b>	<b>309.992.043</b>	<b>193.688.018</b>
<b>Gross profit</b>	<b>13.333.156</b>	<b>9.184.388</b>
<b>Net profit</b>	<b>11.749.459</b>	<b>8.781.813</b>

The Group's evolution during the first half of 2022 was influenced by the increase in raw material prices and utility tariffs generated by international market trends, which were also reflected in the local market, as well as by the increase in salary expenses and services provided by third parties.

The results achieved during this period, which are reflected in a higher profitability and good financial indicators, confirm the Group's resilience to adverse market changes.

During the first half of 2022, the evolution of the main indicators of the Profit and Loss Account is as follows:

- The total income during the analysed period was RON 323.325.199, up by 59% from the same period of the previous year, due to the increase of the achieved production and of sales.
- The total expenses of the period amounted to RON 309.992.043, up by 60% from the same period of the previous year and the cost of raw materials recorded an increase by 57% following the impact of the increasing prices.
- The Group's operating profit recorded an increase by 55% as a result of the abovementioned effects and the net profit recorded an increase by 34% during the first six months of 2022 compared to the same reporting period of the previous year.



### 1.3. Cash flows

<i>(all items expressed in RON, unless otherwise stated)</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	353.730.224	222.511.210
Payments made from operating activities	(341.939.169)	(205.505.677)
<b>Net cash flows from operating activities</b>	<b>11.791.056</b>	<b>17.005.533</b>
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	955.525	270.584
Payments made from investment activities	(21.893.750)	(20.651.141)
<b>Net cash flows from investment activities</b>	<b>(20.938.225)</b>	<b>(20.380.557)</b>
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities	54.366.788	30.941.869
Payments made from financing activities	(44.558.228)	(16.001.453)
<b>Net cash flows from financing activities</b>	<b>9.808.560</b>	<b>14.940.415</b>
<b>Balance as at the beginning of the period</b>	<b>2.368.774</b>	<b>5.558.078</b>
<b>Balance as at the end of the period</b>	<b>3.030.164</b>	<b>17.123.469</b>

The balance of cash and cash equivalents recorded as at June 30<sup>th</sup>, 2022 is positive, namely RON 3.030.164. During this period, the VRancart Group was able to manage its funds in an effective manner and met all its outstanding obligations.

## 2. Analysis of the activity of VRANCART S.A.

### 2.1. Presentation and analysis of the trends, elements, events or uncertainty factors that affect or might affect the issuer's liquidity, compared to the same period of the previous year

The Group's management considers that the results achieved as at June 30<sup>th</sup>, 2022, which are superior to those achieved during the previous year, are positive, but affected by the negative evolutions of the increasing prices and tariffs of raw materials and utilities. The implemented control mechanisms and actions provide the maintenance of the company's financial balance and the company's development strategy is correlated and adapted to the market needs and to the company's development needs.

### 2.2. Presentation and analysis of the effects of all current or anticipated capital expenditures onto the issuer's financial situation (stating the purpose and financing sources of these expenditures) compared to the same period of the previous year

The investments made by the Company during the first six months of 2022 amounted to RON 18.365.199, compared to RON 13.141.832 during the first half of the previous year. The major investments consisted of upgrades and endowment of the corrugated cardboard machine in Calimanesti, the relocation of the production centre in Targu Mures, corrugated cardboard converting machines, upgrades of the paperboards machine and endowments of the waste paper collection and recycling centres.



The Group will continue to implement the investment projects for the year 2022, which were approved by the General Meeting of Shareholders in April 2022, financed both from the Group's own sources and from attracted sources (bank loans for investments).

Vrancart Group expects that the investments made during the first half of the year will have a favourable impact onto its financial situation on the medium and long term.

The economic and financial indicators as at June 30<sup>th</sup>, 2022 are as follows:

Indicator's name	M.U.	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
Overall liquidity	ratio	1,04	1,03
Immediate liquidity	ratio	0,62	0,65
Stock turnover	rot/year	8	6,8
Debt recovery	days	64	73
Reimbursement of trade liabilities	days	41	39
Operating profitability	%	5,4	5,5
Gross profit rate	%	4,2	4,5

The overall and immediate liquidity recorded a slight increase as at June 30<sup>th</sup>, 2022 compared to June 30<sup>th</sup>, 2021.

The recovery time of receivables has improved and at the same time, the number of credit days obtained from suppliers has increased, which has contributed to an improved cash conversion cycle.

The profitability of operating activities, as well as the gross profit rate, recorded decreasing values as at June 30<sup>th</sup>, 2022 compared to the same period of the previous year, due to the increase in the production cost.

### **2.3. Presentation and analysis of the events, transactions, economic changes that affect to a significant extent the income from the main activity. Specification of the extent to which the income was affected by each of the elements identified. Comparison to the corresponding period of the previous year.**

Vrancart Group has no events or transactions to report that might affect to a significant extent its income from the main activity.

## **3. Changes that affect the issuer's capital and management**

### **3.1. Description of the circumstances when the issuer was unable to meet its financial obligations during the analysed period**

Vrancart Group was not in any situation unable to meet its financial obligations during the analysed period. The Group does not have any outstanding liabilities to the public budgets or to its private partners.

### **3.2. Description of any changes related to the rights of the holders of securities issued by the issuer**



The company VRANCART S.A. does not have any changes to report in relation to the rights of the holders of securities issued.

#### **4. Major transactions**

On **April 27<sup>th</sup>, 2022**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31<sup>st</sup>, 2021 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2022, along with the Investment plan for 2022.

Through the Decision no. 4/27.04.2022, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2021 of an amount of RON 5.054.219 for **dividends** (namely a gross amount of a dividend of RON 0,0042/share), the payment date being set for October 3<sup>rd</sup>, 2022.

**CIUCIOI Ionel-Marian**  
Chairman of the Board of Directors

**ARSENE Vasilica-Monica**  
Financial Manager



*Translation for information purposes only*

**VRANCART S.A.**

**Interim consolidated financial statements  
(simplified, not audited)  
as at June 30<sup>th</sup>, 2022**

drawn up in accordance with the Order of the Public Finance Ministry no. 2844/2016 for the approval of the Accounting regulations compliant with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market

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Vrancart S.A.

## Consolidated statement of financial position

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	June 30 <sup>th</sup> , 2022	December 31 <sup>st</sup> , 2021
<b>ASSETS</b>		
Tangible assets	346.178.354	338.408.016
Intangible assets	5.058.581	5.850.271
Financial assets	40.388	39.594
Goodwill	8.526.391	8.526.391
<b>Total non-current assets</b>	<b>359.803.714</b>	<b>352.824.272</b>
Inventories	82.399.875	72.156.949
Trade receivables	111.887.119	101.927.129
Prepaid expenses	4.785.173	1.115.940
Receivables related to current profit tax	-	242.518
Other receivables	922.235	3.856.477
Cash and cash equivalents	3.030.164	2.368.775
<b>Total current assets</b>	<b>203.024.566</b>	<b>181.667.788</b>
<b>TOTAL ASSETS</b>	<b>562.828.280</b>	<b>534.492.060</b>
<b>EQUITY</b>		
Share capital	120.338.551	120.363.081
Reserves	113.177.064	115.453.878
Retained earnings	13.901.532	4.689.698
<b>Total equity – Parent-company</b>	<b>247.417.147</b>	<b>240.506.657</b>
Non-controlling interests	(396)	(1.040)
<b>Total equity</b>	<b>247.416.751</b>	<b>240.505.617</b>
<b>LIABILITIES</b>		
Long-term loans	47.960.670	58.706.910
Long-term liabilities under leasing agreements	17.751.886	17.870.254
Long-term loans from bond issues	37.949.400	37.949.400
Deferred income	11.655.103	9.620.784
Long-term debts to employees	422.307	422.307
Debts related to deferred profit tax	3.770.802	5.128.351
Other long-term liabilities	323.422	323.422
<b>Total long-term liabilities</b>	<b>119.833.590</b>	<b>130.021.428</b>
Short-term trade liabilities	71.227.838	74.347.087
Short-term loans	96.361.811	71.301.775
Short-term liabilities under leasing agreements	5.864.003	5.864.025
Deferred income	2.071.152	2.219.654
Debts to employees	7.352.830	5.104.218
Debts related to current profit tax	1.643.065	-
Other liabilities	11.057.240	5.128.256
<b>Total current liabilities</b>	<b>195.577.939</b>	<b>163.965.015</b>
<b>TOTAL LIABILITIES</b>	<b>315.411.529</b>	<b>293.986.443</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>562.828.280</b>	<b>534.492.060</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Consolidated statement of comprehensive income

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
Income from turnover	314.667.578	201.929.986
Other income	4.100.051	1.276.268
Variation of finished product inventories and production in progress	4.557.099	(334.012)
Expenses related to raw materials and consumables	(167.242.527)	(106.784.807)
Expenses related to commodities	(28.133.211)	(4.561.239)
Third-party expenses	(29.905.750)	(16.084.706)
Personnel-related expenses	(47.949.286)	(39.568.939)
Expenses related to amortisation and impairment of assets	(15.273.968)	(17.650.008)
Other expenses	(17.644.437)	(7.106.962)
<b>Operating result</b>	<b>17.175.549</b>	<b>11.115.581</b>
Financial income	471	164
Financial expenses	(3.842.864)	(1.931.357)
<b>Profit before taxation</b>	<b>13.333.156</b>	<b>9.184.388</b>
Profit tax income/(expense)	(1.583.697)	(402.575)
<b>Profit for the year</b>		
- of the Parent-company	<b>11.750.136</b>	<b>8.782.244</b>
- of non-controlling interests	(677)	(431)
<b>Other comprehensive income items</b>		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>11.749.459</b>	<b>8.781.813</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager



Vrancart S.A.

## Consolidated statement of changes in equity

as at June 30<sup>th</sup>, 2022

(all amounts expressed in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Non-controlling interests	Total equity
<b>Balance as at January 1<sup>st</sup>, 2022</b>	<b>120.363.081</b>	<b>49.182.872</b>	<b>66.271.006</b>	<b>4.689.698</b>	<b>(1.040)</b>	<b>240.505.617</b>
<b>Comprehensive income for the period</b>						
Net profit/loss for the period	-	-	-	11.750.136	(677)	11.749.459
<b>Other comprehensive income items</b>						
Distribution from retained earnings	-	-	-	(4.858.461)	1.321	(4.857.140)
Other changes	(24.530)	-	-	-	-	(24.530)
Share premiums	-	-	43.346	-	-	43.346
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale/cassation of tangible assets	-	(2.320.160)	-	2.320.160	-	-
<b>Balance as at June 30<sup>th</sup>, 2022</b>	<b>120.338.551</b>	<b>46.862.712</b>	<b>66.314.352</b>	<b>13.901.532</b>	<b>(396)</b>	<b>247.416.751</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

**Consolidated statement of cash flows**as at June 30<sup>th</sup>, 2022*(all amounts expressed in RON, unless otherwise stated)*

	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021
<b>Cash flows from operating activities</b>		
Amounts collected from customers	353.730.224	222.511.210
Payments to suppliers	(270.474.256)	(148.514.345)
Payments to employees	(32.918.010)	(26.151.893)
Payments to the state budget	(37.630.516)	(28.385.555)
Profit tax paid	(916.387)	(2.453.884)
<b>Net cash flows from operating activities</b>	<b>11.791.056</b>	<b>17.005.533</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of tangible assets	(21.893.750)	(18.651.141)
Guarantees for granting of authorisation licenses	-	(2.000.000)
Amounts collected from the sale of tangible assets	955.150	270.422
Interests collected	375	162
<b>Net cash flows from investment activities</b>	<b>(20.938.225)</b>	<b>(20.380.557)</b>
<b>Cash flows from financing activities</b>		
Amounts collected from loans	53.890.014	30.941.869
Share capital increase	476.774	-
Interests paid and loans reimbursed	(40.248.789)	(16.001.453)
Payments under leasing agreements	(4.309.439)	
<b>Net cash flows from financing activities</b>	<b>9.808.560</b>	<b>14.940.415</b>
	<b>661.390</b>	<b>11.565.391</b>
<b>Net increase/ (reduction) of cash and cash equivalents</b>		
	<b>2.368.774</b>	<b>5.558.078</b>
<b>Cash and cash equivalents as at the financial year beginning</b>		
	<b>3.030.164</b>	<b>17.123.469</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

**Notes to the interim consolidated financial statements**as at June 30<sup>th</sup>, 2022**The reporting entity**

Vrancart Group ("the Group") includes the company Vrancart S.A., having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county and its branches Rom Paper SRL ("Branch 1"), having its registered office in Brasov, Soseaua Cristianului, no. 30, Brasov County, Vrancart Recycling S.R.L. ("Branch 2"), having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County and Ecorep Group S.A. ("Branch 3"), having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County.

The Group's interim consolidated financial statements for the first six months of 2022 consist of the interim financial statements of Vrancart S.A. and of its branches, which together form the Group.

<b>Branch</b>	<b>Field of activity</b>	<b>Shareholding as at June 30<sup>th</sup>, 2022</b>	<b>Shareholding as at December 31<sup>st</sup>, 2021</b>
Rom Paper SRL	Production of paper napkins and tissue paper products	100%	100%
Vrancart Recycling SRL	Treatment and removal of non-hazardous waste	100%	100%
Ecorep Group SA	Business support activities n.e.c.	99,6%	99,6%

The Group operates in the field of non-hazardous waste collection and recycling, in the corrugated cardboard, paperboards and corrugated cardboard packaging, as well as in the tissue paper production industry.

**VRANCART S.A.**

Vrancart S.A. ("the Company") is a joint-stock trade company operating in Romania in accordance with the provisions of Law no. 31/1990 on trade companies.

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

The company has its registered office in Adjud and work points opened in the following localities: Bucharest, Călimanești, Ungheni, Iași, Focșani, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Bacău, Cluj, Craiova, Baia Mare, Târgu Mures, Brăila and Piatra Neamț.

The Company's main object of activity is represented by the production and sale of the following products:

## Notes to the interim consolidated financial statements

as at June 30<sup>th</sup>, 2022

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- single-wall, double-wall and double-double wall corrugated cardboard, corrugated cardboard with micro-flutes;
- corrugated cardboard packaging;
- paperboards;
- tissue papers in various assortments.

The company's shares are listed at the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15<sup>th</sup>, 2005. The Group posts its consolidated financial statements on the website [www.vrancart.ro](http://www.vrancart.ro).

As at June 30<sup>th</sup>, 2022, the Company is owned 75% by SIF Banat – Crişana S.A., 17% by Pavala Holding SRL and 8% by other shareholders.

### **ROM PAPER SRL**

**Rom Paper SRL ("Branch 1")** was founded in 2002 and it is a Romanian privately-owned company, operating in the field of production of tissue paper products, such as: paper napkins, folded towels, tissue paper, professional rolls, cosmetic towels and facial tissues. Its products are sold in 7 countries, both in Romania and abroad, by means of chain stores (hypermarkets, supermarkets, cash and carry) and by means of distributors.

On January 20<sup>th</sup>, 2017, Vrancart SA completed the process related to the acquisition of the majority stake in ROM PAPER S.R.L. (70%).

As at June 30<sup>th</sup>, 2022, the Group holds 100% of the shares in Rom Paper S.R.L., following the acquisition of 15% more in June 2017 and of the last tranche of 15% of the shares in Rom Paper SRL in June 2018.

### **VRANCART RECYCLING SRL**

**Vrancart Recycling SRL ("Branch 2")** was established in August 2020 and it is a Romanian privately-owned company having a sole shareholder. The main activity of this branch is represented by the treatment and removal of non-hazardous waste.

The company is at the beginning of its activity.

### **ECOREP GROUP SA**

**Ecorep Group SA ("Branch 3")** was established in November 2020 and it is a Romanian privately-owned company. The main activity of this branch is represented by the provision of services related to the implementation of the obligations related to the producer's extended liability in relation to environmental targets.

The company is at the beginning of its activity and it has obtained the authorisation license from the Ministry of Environment.

**Notes to the interim consolidated financial statements**as at June 30<sup>th</sup>, 2022**Accounting principle, policies and methods**

The simplified interim consolidated financial statements for the first six months ended on June 30<sup>th</sup>, 2022 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim consolidated financial statements do not include all the information and elements presented in the annual report and shall be read together with the Company's annual financial statements, drawn up as at December 31<sup>st</sup>, 2021.

The accounting policies and the evaluation methods used for the preparation of the simplified interim consolidated financial statements are in accordance with those used for the preparation of the Company's annual financial statements for the year ended on December 31<sup>st</sup>, 2021.

Combinations of entities are accounted through the acquisition method on the date when the Group obtains control over the acquired entity. Control requires exposure or rights onto the variable results of the entity in which investments were made, as well as the ability to influence those results by exerting authority over the entity in question.

Branches are entities controlled by the Group. The financial statements of the branches are included in the consolidated financial statements from the date when control starts being exerted until the date of its cessation.

The interim consolidated financial statements for the first six months of 2022 have not been revised by an external financial auditor, as this is not a legal requirement.

**Transactions in foreign currencies**

The operations expressed in foreign currencies are recorded in RON at the official exchange rate on the date of discounting of the transactions. The monetary assets and liabilities recorded in foreign currencies on the date of preparation of the accounting statements are converted into the functional currency at the exchange rate on that day.

The losses or gains from their discounting and from the conversion using the exchange rate as at the end of the period for reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The exchange rates of the main foreign currencies were as follows:

<b>Currency</b>	<b>June 30<sup>th</sup>, 2022</b>	<b>December 31<sup>st</sup>, 2021</b>	<b>Variation</b>
Euro (EURO)	4.9454	4.9481	-0,05%
American dollars (USD)	4.7424	4.3707	+8,50%

**Other notes**

The Group's management has established its medium and long-term strategy, and the estimates provide increases of sales and reductions of costs due to the effective use of the resources, that will lead to an increase of the operating profit.

The Group recorded as at June 30<sup>th</sup>, 2022 a positive cash balance of RON 3.030.164 and does not have any outstanding liabilities to the public budgets or to its private partners.

## Notes to the interim consolidated financial statements

as at June 30<sup>th</sup>, 2022

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The Group pays great attention to profitability indicators, by streamlining its operational and liquidity processes and through the effective use of its resources.

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

### Subsequent events

On **April 27<sup>th</sup>, 2022**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31<sup>st</sup>, 2021 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2022, along with the Investment Plan for 2022.

Through the Decision no. 4/27.04.2022, the Ordinary General Meeting of the Shareholders approved the distribution of the amount of RON 5.054.219 from the net profit of the financial year 2021 for **dividends** (namely a gross amount of a dividend of RON 0,0042/share), the payment date being set for October 3<sup>rd</sup>, 2022.

### Management's statement

According to our best information available, we confirm that the simplified interim consolidated financial statements as at June 30<sup>th</sup>, 2022 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Group's position and financial performances, as provided by the applicable accounting standards, and that the information presented in this report provides a fair and accurate view of the main events that took place during the first six months of the financial year and of their impact onto the simplified interim consolidated financial statements.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



## STATEMENT

The undersigned, Ionel - Marian CIUCIOI, as Chairman of the Board of Directors and General Manager of VRANCART, and Vasilica - Monica ARSENE, as Financial Manager of VRANCART, with registered office in Adjud, 17<sup>th</sup> Ecaterina Teodoroiu Street, Vrancea County, registered at the Vrancea Trade Register under no. J39/239/1991, Unique Registration Code 1454846, being aware of the provisions of Article 326 of the Penal Code, concerning false statements, we declare on our own responsibility that, to the best of our knowledge, the Financial Statements for the first half of the financial year 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) (O.M.F.P. no. 881/2012 and O.M.F.P. no. 2844/2016, with subsequent additions and amendments), the provisions of Law no. 24/2017 and ASF Regulation no. 5/2018, and give a true and fair view of the assets, liabilities, financial position, profit and loss account of VRANCART.

August 16<sup>st</sup>, 2022

Ionel – Marian CIUCIOI – Chairman of the BoD

Vasilica – Monica ARSENE – Financial Manager