



Translation for information purposes only

Individual half-yearly report for the 1st half of 2023
according to the Financial Supervisory Authority Regulation no. 5/2018

Report date	August 16th, 2023
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax number:	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 issued securities are traded	the Bucharest Stock Exchange
Main characteristics of the securities issued	Standard category

1. The economic and financial statement of VRANCART S.A.

During the first half of 2023, the performance of Vrancart S.A. (the "Company") was mainly influenced by the negative evolution of the packaging demand on the Romanian market, the increase in inflation and the increased financing costs due to the significant increase in interest rates.

Although the financial situation was negatively impacted, the results of VRANCART S.A. in the first six months of 2023 confirm the Company's ability to continue to generate profit and its financial strength. Thanks to an agile commercial and pricing policy, it has been possible to constantly adapt sales prices to the new, particularly volatile market conditions.

During this period, the net profit recorded by the company was RON 8.540.680.

The interim (simplified, unaudited) individual financial statements as at June 30th, 2023 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 1st half of 2023 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 30th, 2023	December 31st, 2022
Non-current assets	436.417.773	427.806.735
Current assets, out of which:	173.037.047	176.710.451
- Trade receivables	82.720.054	95.613.017
Total assets	609.454.820	604.517.186
Total liabilities, out of which:	292.278.701	283.859.685
- Current liabilities	197.011.395	129.092.869
Equity, out of which:	317.176.119	320.657.501
- Reserves	175.502.569	175.564.482
- Retained earnings	21.334.999	24.754.468

As at June 30th, 2023 and during the period January 1st – June 30th, 2023, the evolution of the main financial indicators was as follows:

- The Company's non-current assets increased by 2% following the increase in tangible assets by RON 8.683.740.
- The amount of the Company's current assets decreased by 2% as at June 30th, 2023 from the year beginning, mainly due to the decrease in trade receivables by 13% generated by a lower activity volume.
- Trade receivables decreased during the first six months of 2023 compared to the year beginning by RON 12.892.963, following the sales volume reduction in the context of maintenance of the average number of days of collection.
- The total liabilities recorded as at June 30th, 2023 amount to RON 292.278.701, up by 3% from the amount recorded as at January 1st, 2023, mainly due to the financing of working capital, by using short-term credit lines and also as a result of the establishing of the debt related to the dividends to be paid (RON 12.033.855) according to the decision of the General Meeting of the Shareholders of April 2023.
- The amount of equity as at June 30th, 2023 is RON 317.176.119, down by 1% 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 30th, 2023	June 30th, 2022
Operating revenues, out of which:	235.722.811	281.753.096
<i>Income from turnover</i>	208.633.113	251.366.741
Operating expenses	(220.567.401)	(264.277.420)
Operating profit	15.155.410	17.475.676
Financial revenues	490.779	375
Financial expenses	(6.110.309)	(3.169.123)
Total revenues	236.213.590	281.753.471
Total expenses	(226.677.710)	(267.446.543)
Gross profit	9.535.880	14.306.928
Net profit	8.540.680	12.615.191

The Company's evolution during the first half of 2023 was influenced mainly by the decrease in packaging demand on the Romanian market, by the increase in the inflation rate and of the financing costs, as well as by the increase in salary expenses.

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

During the first half of 2023, 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 236.213.590, down by 16% from the same period of the previous year, due to the sale reduction following the reduction of market demand.
- The total expenses for the period amounted to RON 226.677.710, down by 15% from the same period of the previous year, mainly due to the increase in utility prices and personnel-related expenses as a result of salary increases since the beginning of the year.
- The Company's operating profit recorded a reduction by 13% as a result of the effects listed above, and the net profit recorded a percentage decrease of 32% during the first six months of 2023 compared to the same reporting period of the previous year.



1.3. Cash flows

<i>(all items expressed in RON, unless otherwise stated)</i>	June 30th, 2023	June 30th, 2022
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	268.720.736	304.434.747
Payments made from operating activities	(236.477.894)	(302.775.371)
Net cash flows from operating activities	32.242.842	1.659.376
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	251.779	955.525
Payments made from investment activities	(21.979.020)	(19.611.308)
Net cash flows from investment activities	(21.727.241)	(18.655.783)
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities	25.814.524	34.839.276
Payments made from financing activities	(35.859.874)	(18.164.345)
Net cash flows from financing activities	(10.045.350)	16.674.931
Balance as at the beginning of the period	1.288.888	1.536.938
Balance as at the end of the period	1.759.139	1.215.462

The balance of cash and cash equivalents recorded as at June 30th, 2023 is positive, namely RON 1.759.139. 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 SA

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 as positive the results obtained as at June 30th, 2023, in the context of both internal and external economic developments.

Compared to the previous year, they were affected by the decrease in consumption, and implicitly in the demand for the company's products on the Romanian market, as well as by the negative (increasing) evolution of prices and tariffs for utilities, and salary increases.

The implemented control mechanisms and actions ensure the preservation of the company's financial balance, and the company's development strategy is correlated and adapted to the market requirements and 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 amount of investments made by the Company during the first six months of 2023 was RON 25.290.260, compared to RON 18.365.199 lei in the first half of the previous year. Major investments consisted of modernization and endowments of the corrugated cardboard machine in Calimanesti,



the relocation of the production centre in Targu Mures, corrugated cardboard converting machines, modernization of the paperboards machine and endowments for the collection and recycling centres.

The company will continue to implement the investment projects for 2023, projects that were approved by the General Meeting of the Shareholders held in April 2023, the financing sources being both own sources and attracted sources (bank loans for investments).

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

The economic and financial indicators as at June 30th, 2023 were as follows:

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

The overall and immediate liquidity recorded a slight decrease as at June 30th, 2023 compared to June 30th, 2022, mainly due to the classification of the company's convertible bonds amounting to RON 38.250.000, that reach maturity in March 2024 as "short-term liabilities".

It is important to mention in relation to this aspect that during the General Meeting of the Shareholders held in April 27th, 2023, the shareholders of the company approved the share capital increase by RON 48.840.944 in order to cover the investment needs of the company, as well as the repayment of the bonds in question. The capital increase operation will be completed by the end of this year, the funds will be paid by the shareholders by the end of August 2023. Following this operation, it is expected that the level of liquidity indicators will improve significantly.

The debt recovery period 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 slightly increased 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 at June 30th, 2023 compared to the same period of 2022, mainly due to the decrease in income being higher than the decrease in expenses (RON 2,3 million) and the increase in financial expenses (RON 2,4 million) following the increase in ROBOR and the loan balance.

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 SA has no events and transactions to report that could significantly affect the income from the main business.



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 27th, 2023**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2022 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2023, along with the Investment Plan for 2023.

Through the Decision no. 4/27.04.2023, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2022 of the amount of RON 12.033.855 for **dividends** (namely dividends with a gross amount of RON 0,01/share), the payment date being set for October 3rd, 2023.

The Extraordinary General Meeting of the Shareholders of April 27th, 2023 approved the Company's share capital increase by the amount of RON 48.840.944, from RON 120.338.551,40 to RON 169.179.495,40, through the issuance of 488.409.440 new shares, with a nominal value of RON 0,10 each.

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, unaudited)
as at June 30th, 2023**

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 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	June 30 th , 2023	December 31 st , 2022
ASSETS		
Tangible assets	386.590.007	377.906.267
Intangible assets	880.627	953.329
Goodwill	3.380.811	3.380.811
Financial assets	45.566.328	45.566.328
Total non-current assets	436.417.773	427.806.735
Inventories	63.620.957	61.279.453
Trade receivables	82.720.054	95.613.017
Prepaid expenses	1.873.020	1.666.742
Other receivables	23.063.877	14.980.360
Restricted cash	-	1.881.991
Cash and cash equivalents	1.759.139	1.288.888
Total current assets	173.037.047	176.710.451
TOTAL ASSETS	609.454.820	604.517.186
EQUITY		
Share capital	120.338.551	120.338.551
Reserves	175.502.569	175.564.482
Retained earnings	21.334.999	24.754.468
Total equity	317.176.119	320.657.501
LIABILITIES		
Long-term loans	58.556.080	79.531.749
Long-term loans for bond issues	-	38.164.800
Long-term liabilities under leasing agreements	15.684.400	15.701.298
Deferred income	7.409.325	7.207.890
Long-term liabilities to employees	440.169	440.169
Debts related to deferred profit tax	13.154.510	13.612.888
Other long-term liabilities	22.822	108.022
Total long-term liabilities	95.267.306	154.766.816
Short-term trade liabilities	39.794.421	46.344.171
Short-term loans	80.559.777	56.912.405
Short-term loans for bond issues	38.250.000	-
Short-term liabilities under leasing agreements	7.718.763	7.718.425
Deferred income	1.235.178	1.826.984
Debts to employees	7.467.900	6.885.073
Debts related to current profit tax	862.117	670.788
Other liabilities	21.123.239	8.735.023
Total current liabilities	197.011.395	129.092.869
TOTAL LIABILITIES	292.278.701	283.859.685
TOTAL EQUITY AND LIABILITIES	609.454.820	604.517.186

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of comprehensive income

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	June 30 th , 2023	June 30 th , 2022
Income from turnover, out of which:	208.633.113	274.054.288
Revenues from the sale of goods	12.349.506	22.687.547
Other revenues	13.459.626	3.818.393
Variation of finished product inventories and production in progress	1.280.566	3.880.414
Expenses related to raw materials and consumables	(116.906.034)	(154.778.320)
Expenses related to commodities	(6.890.603)	(14.763.386)
Third-party expenses	(19.141.757)	(26.110.354)
Personnel-related expenses	(51.186.674)	(41.603.028)
Expenses related to amortisation and from revaluation	(14.834.503)	(13.885.007)
Other expenses	(11.607.830)	(13.137.324)
Operating result	15.155.410	17.475.676
Financial revenues	490.779	375
Financial expenses	(6.110.309)	(3.169.123)
Profit / (Loss) before taxation	9.535.880	14.306.928
Profit tax income / (expense)	(995.200)	(1.691.737)
Profit / (Loss) for the year	8.540.680	12.615.191
Other comprehensive income items		
Increases in the reserve from revaluation of tangible assets, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8.540.680	12.615.191

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of changes in equity

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity
Balance as at January 1st, 2023	120.338.551	105.690.961	69.873.521	24.754.468	320.657.501
Comprehensive income for the period					
Net profit/loss for the period	-	-	-	8.540.680	8.540.680
Changes in the reserve from revaluation of tangible assets, net of deferred tax	-	-	-	-	-
Total comprehensive income		105.690.961	69.873.521	33.295.148	329.198.181
Distribution from retained earnings	-	-	-	(12.033.855)	(12.033.855)
Share premiums	-	-	-	-	-
Other changes	-	-	-	-	-
Transfer of revaluation reserve to retained earnings following the cassation/sale of tangible assets	-	(61.913)	-	73.706	11.793
Balance as at June 30th, 2023	120.338.551	105.629.048	69.873.521	21.334.999	317.176.119

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of cash flows

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	June 30 th , 2023	June 30 th , 2022
Cash flows from operating activities		
Amounts collected from customers	268.720.736	304.434.747
Payments to suppliers	(167.721.572)	(242.687.018)
Payments to employees	(35.481.785)	(27.163.954)
Payments to the state budget	(32.024.081)	(32.038.475)
Profit tax paid	(1.250.456)	(885.924)
Net cash flows from operating activities	32.242.842	1.659.376
Cash flows from investment activities		
Payments for the purchase of assets	(21.979.020)	(19.611.308)
Amounts collected from the sale of tangible assets	250.442	955.150
Interests collected	1337	375
Net cash flows from investment activities	(21.727.241)	(18.655.783)
Cash flows from financing activities		
Amounts collected from loans	25.814.524	34.362.502
Share capital increase	-	476.774
Interests paid and loans reimbursed	(30.616.063)	(13.854.906)
Payments under leasing agreements	(5.243.811)	(4.309.439)
Net cash flows from financing activities	(10.045.350)	16.674.931
	470.251	(321.476)
Net increase/ (reduction) of cash and cash equivalents		
Cash and cash equivalents as at the financial year beginning	1.288.888	1.536.938
Cash and cash equivalents as at the financial year end	1.759.139	1.215.462

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of cash flows

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

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.

Vrancart S.A. 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 on the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15th, 2005.

As at June 30th, 2023, the Company is owned 75% by Lion Capital, 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 30th, 2023 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 31st, 2022.

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 31st, 2022.

The interim individual financial statements for the first six months of 2023 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

Vrancart S.A.

Individual statement of comprehensive income

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

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 earnings 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 th , 2023	December 31 st , 2022	Variation
Euro (EUR)	4.9634	4.9474	+0,32%
American dollars (USD)	4.5750	4.6346	- 1,29%

Other notes

In the category "other revenues" the Company recognizes compensation for higher electricity costs resulting from indirect emission costs as a result of the EU Emissions Trading Scheme (ETS). According to European and Romanian regulations, Vrancart is entitled to receive the abovementioned compensation for energy costs incurred in 2022 and 2023. As at June 30th, 2023, the balance of subsidies represents the compensation to be received for costs related to 2022 in the amount of RON 6.829 thousand and expected to be received in 2023 and, based on the accrual accounting principle, the compensation for 6 months of 2023 in the amount of RON 4.561 thousand. These were calculated using a clear and transparent formula published in the European Guidelines on the Emissions Trading Scheme (EU-ETS) after 2021, "Guidelines on certain support measures in the context of the EU-ETS after 2021", and reflected as such in the Emergency Ordinance no. 138/2022 and represents management's best estimate of the amounts to be received by the company.

In the first 6 months ended on June 30th, 2023, the Company submitted the documentation for the receipt of the compensation for indirect emission costs incorporated in the energy price for the year 2022, and it is expected that this will have a positive impact onto the Operating Cash Flow in the second half of 2023.

As at June 30th, 2023, the Company recorded a positive cash balance of RON 1.759.139 and it has no 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 going concern principle in the preparation of the financial statements is justified.

Subsequent events

On **April 27th, 2023**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2022 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2023, along with the Investment Plan for 2023.

Through the Decision no. 4/27.04.2023, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2022 of the amount of RON 12.033.855 for **dividends** (namely dividends with a gross amount of RON 0,01/share), the payment date being set for October 3rd, 2023.

Vrancart S.A.

Individual statement of comprehensive income

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

The Extraordinary General Meeting of the Shareholders of April 27th, 2023 approved the Company's share capital increase by the amount of RON 48.840.944, from RON 120.338.551,40 to RON 169.179.495,40, through the issuance of 488.409.440 new shares, with a nominal value of RON 0,10 each.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at June 30th, 2023 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 first half of 2023 according to the Financial Supervisory Authority Regulation no. 5/2018

Report date	August 16 th , 2023
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax number:	0237-640.800; 0237-641.720
Tax Identification Number	1454846
Trade Registry registration number	J39/239/1991
Subscribed and paid-in share capital	RON 120.338.551
The regulated market onto which the traded securities are issued	The Bucharest Stock Exchange
Main characteristics of the securities issued	Standard category

1. The economic and financial statement of VRANCART S.A.

During the first half of 2023, the performance of Vrancart Group (hereinafter referred to as “the Group”) was mainly influenced by the negative evolution of the packaging demand on the Romanian market, the increase in inflation and the increased financing costs due to the significant increase in interest rates.

Although the financial situation was negatively impacted, the results of VRANCART Group in the first six months of 2023 confirm its ability to continue to generate profit and its financial strength. Thanks to an agile commercial and pricing policy, it has been possible to constantly adapt sales prices to the new, particularly volatile market conditions.

During this period, the net profit recorded by the Group was RON 8.987.962.

The interim (simplified, unaudited) consolidated financial statements as at June 30th, 2023 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 1st half of 2023 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 30th, 2023	December 31st, 2022
Non-current assets	514.647.477	475.930.126
Current assets, out of which:	222.325.333	213.068.404
- Trade receivables	91.751.251	106.140.798
Total assets	736.972.810	688.998.530
Total liabilities, out of which:	425.828.188	373.626.939
- Current liabilities	238.529.858	166.005.044
Equity, out of which:	311.144.622	315.371.591
- Reserves	176.190.968	176.252.881
- Retained earnings	14.613.515	18.783.273

As at June 30th, 2023 and during the period January 1st – June 30th, 2023, the evolution of the main financial indicators was as follows:

- The Group's non-current assets increased by 8% following the investments made during the first half of 2023.
- The amount of the Group's current assets increased by 4% as at June 30th, 2023 compared to the beginning of the year mainly as a result of the recognition of the receivables related to the subsidies relating to the compensations for higher electricity costs resulting from indirect emission costs as a result of the EU Emissions Trading Scheme (ETS) at the Parent-company, as well as following the letters of credit issued for the investments in the branch Vrancart Recycling.
- Trade receivables decreased in the first six months of 2023 compared to the beginning of the year by RON 14.389.547, as a result of a lower sales volume, but also as a result of decreasing prices, in the context of reduced market demand.
- The total liabilities recorded as at June 30th, 2023 amount to RON 425.828.188, up by 14% compared to the amount recorded as at January 1st, 2023, mainly as a result of the financing of additional working capital by drawing on short-term credit lines, as well as the recording of the debts related to dividends (RON 12.033.855) of the Parent-company, which will be paid in the second half of 2023.
- The amount of equity as at June 30th, 2023 is RON 311.144.622, down by 1% compared to the beginning of the year, due to the decrease in the retained earnings in the first half of 2023. The Group's reserves did not record any significant changes during this period, and the share capital of the Parent-company did not change.



1.2. Profit and loss account

<i>(all items expressed in RON, unless otherwise stated)</i>	June 30 th , 2023	June 30 th , 2022
Operating revenues, out of which:	285.966.361	323.324.728
Income from turnover	271.137.126	314.667.578
Operating expenses	(269.252.422)	(306.149.179)
Operating profit	16.713.939	17.175.549
Financial revenues	490.944	471
Financial expenses	(7.076.101)	(3.842.864)
Total revenues	286.457.305	323.325.199
Total expenses	(276.328.523)	(309.992.043)
Gross profit	10.128.782	13.333.156
Net profit	8.987.962	11.749.459

The Group's evolution in the first half of 2023 was mainly influenced by the decrease in demand for packaging on the Romanian market, the increase in inflation and financing costs, as well as by the increase in salary expenses.

The results achieved in this period, reflected in a positive result and good financial indicators, confirm the Group's resilience to adverse market changes.

In the first half of 2023, the evolution of the main indicators of the Profit and Loss Account is as follows:

- The total revenues during the analysed period amounted to RON 286.457.305, down by 11% compared to the same period of the previous year, due to lower sales as a result of reduced market demand.
- The total expenses for the period amounted to RON 276.328.523, down by 11% from the same period of the previous year, mainly due to the increase in utility prices and personnel-related costs following the salary increases at the beginning of the year.
- The Group's operating profit decreased by 3% as a result of the effects listed above, and net profit recorded a percentage decrease of 24% during the first six months of 2023 compared to the same reporting period of the previous year.



1.3. Cash flows

(all items expressed in RON,
unless otherwise stated)

	June 30 th , 2023	June 30 th , 2022
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	322.001.639	353.730.224
Payments made from operating activities	(289.326.442)	(341.939.169)
Net cash flows from operating activities	32.675.197	11.791.056
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	293.769	955.525
Payments made from investment activities	(49.964.502)	(21.893.750)
Net cash flows from investment activities	(49.670.733)	(20.938.225)
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities	43.385.796	54.366.788
Payments made from financing activities	(24.541.246)	(44.558.228)
Net cash flows from financing activities	18.844.550	9.808.560
Balance as at the beginning of the period	3.563.830	2.368.774
Balance as at the end of the period	5.412.844	3.030.164

The balance of cash and cash equivalents as at June 30th, 2023 is positive, in the amount of RON 5.412.844. During this period, Vrancart Group has managed its treasury efficiently and paid all its outstanding obligations.

2. Analysis of the activity of VRANCART SA

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 as positive the results obtained as at June 30th, 2023, in the context of both internal and external economic developments.

Compared to the previous year, they were affected by the decrease in consumption, and implicitly in the demand for the company's products on the Romanian market, as well as by the negative (increasing) evolution of prices and tariffs for utilities, and salary increases.

The implemented control mechanisms and actions ensure the preservation of the company's financial balance, and the company's development strategy is correlated and adapted to the market requirements and 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 amount of investments made by the Company during the first six months of 2023 was RON 41.390.127, compared to RON 18.365.199 lei in the first half of the previous year. Major investments consisted of modernization and endowments of the corrugated cardboard machine in Calimanesti,



the relocation of the production centre in Targu Mures, corrugated cardboard converting machines, modernization of the paperboards machine and endowments for the collection and recycling centres and investments in the branch Vrancart Recycling.

The Group will continue to implement the investment projects for 2023, projects that were approved by the General Meeting of the Shareholders held in April 2023, the financing sources being both own sources and attracted sources (bank loans for investments).

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

The economic and financial indicators as at June 30th, 2023 were as follows:

Indicator's name	M.U.	June 30 th , 2023	June 30 th , 2022
Overall liquidity	Ratio	0,93	1,04
Immediate liquidity	Ratio	0,62	0,62
Stock turnover	Rot/year	7	8
Debt recovery	Days	61	64
Reimbursement of trade liabilities	Days	37	41
Operating profitability	%	6,2	5,4
Gross profit rate	%	3,7	4,2

The overall and immediate liquidity recorded a slight decrease as at June 30th, 2023 compared to June 30th, 2022, mainly due to the classification of the company's convertible bonds amounting to RON 38.250.000, that reach maturity in March 2024 as "short-term liabilities".

It is important to mention in relation to this aspect that during the General Meeting of the Shareholders held in April 27th, 2023, the shareholders of the company approved the share capital increase by RON 48.840.944 in order to cover the investment needs of the company, as well as the repayment of the bonds in question. The capital increase operation will be completed by the end of this year, the funds will be paid by the shareholders by the end of August 2023. Following this operation, it is expected that the level of liquidity indicators will improve significantly.

The debt recovery period has improved, but at the same time, the number of credit days obtained from the suppliers recorded a decrease.

The profitability of operating activities, as well as the gross profit rate recorded a decrease as at June 30th, 2023 compared to the same period of the previous year, mainly due to the decrease in income being higher than the decrease in expenses and the increase in financial following the increase in ROBOR and the loan balance.

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 and transactions to report that could significantly affect the income from the main business.



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 27th, 2023**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2022 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2023, along with the Investment Plan for 2023.

Through the Decision no. 4/27.04.2023, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2022 of the amount of RON 12.033.855 for **dividends** (namely dividends with a gross amount of RON 0,01/share), the payment date being set for October 3rd, 2023.

The Extraordinary General Meeting of the Shareholders of April 27th, 2023 approved the increase of the share capital of Vrancart S.A. (the parent-company) by the amount of RON 48.840.944, from RON 120.338.551,40 to RON 169.179.495,40, through the issuance of 488.409.440 new shares, with a nominal value of RON 0,10 each.

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, unaudited)
as at June 30th, 2023**

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 30th, 2023

(all amounts expressed in RON, unless otherwise state)

	June 30 th , 2023	December 31 st , 2022
ASSETS		
Tangible assets	501.547.630	462.255.996
Intangible assets	4.539.088	5.114.021
Financial assets	34.368	33.718
Goodwill	8.526.391	8.526.391
Total non-current assets	514.647.477	475.930.126
Inventories	73.568.272	81.370.713
Trade receivables	91.751.251	106.140.798
Prepaid expenses	2.930.703	4.483.704
Other receivables	26.364.685	15.627.368
Restricted cash	22.297.578	1.881.991
Cash and cash equivalents	5.412.844	3.563.830
Total current assets	222.325.333	213.068.404
TOTAL ASSETS	736.972.810	688.998.530
EQUITY		
Share capital	120.338.551	120.338.551
Reserves	176.190.968	176.252.881
Retained earnings	14.613.515	18.783.273
Total equity – Parent-company	311.143.034	315.374.705
Non-controlling interests	1.588	(3.114)
Total equity	311.144.622	315.371.591
LIABILITIES		
Long-term loans	145.252.351	125.981.209
Long-term liabilities under leasing agreements	15.684.400	16.346.044
Long-term loans from bond issues	-	38.164.800
Deferred income	11.709.523	11.735.050
Long-term debts to employees	440.169	440.169
Debts related to deferred profit tax	14.108.665	14.766.201
Other long-term liabilities	103.222	188.422
Total long-term liabilities	187.298.330	207.621.895
Short-term trade liabilities	55.708.244	70.804.082
Short-term loans	104.273.019	68.541.291
Short-term liabilities under leasing agreements	7.718.763	7.718.425
Short-term loans for bond issues	38.250.000	-
Deferred income	1.386.486	1.826.984
Debts to employees	8.583.945	7.646.369
Debts related to current profit tax	1.134.957	680.223
Other liabilities	21.474.444	8.787.670
Total current liabilities	238.529.858	166.005.044
TOTAL LIABILITIES	425.828.188	373.626.939
TOTAL EQUITY AND LIABILITIES	736.972.810	688.998.530

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated statement of comprehensive income

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	June 30 th , 2023	June 30 th , 2022
Income from turnover	271.137.126	314.667.578
Other revenues	13.631.945	4.100.051
Variation of finished product inventories and production in progress	1.197.290	4.557.099
Expenses related to raw materials and consumables	(124.374.059)	(167.242.527)
Expenses related to commodities	(27.038.888)	(28.133.211)
Third-party expenses	(24.640.656)	(29.905.750)
Personnel-related expenses	(59.212.723)	(47.949.286)
Expenses related to amortisation and from revaluation	(16.333.297)	(15.273.968)
Other expenses	(17.652.799)	(17.644.437)
Operating result	16.713.939	17.175.549
Financial revenues	490.944	471
Financial expenses	(7.076.101)	(3.842.864)
Profit before taxation	10.128.782	13.333.156
Profit tax income (expense)	(1.140.820)	(1.583.697)
Profit for the year		
- of the Parent-company	8.986.655	11.750.136
- of non-controlling interests	1.307	(677)
Other comprehensive income items		
Increases in the reserve from revaluation of tangible assets, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME	8.987.962	11.749.459

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated statement of changes in equity

as at June 30th, 2023

(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
Balance as at January 1st, 2023	120.338.551	103.350.319	72.902.562	18.783.273	(3.114)	315.371.591
Comprehensive income for the period						
Net profit/loss for the period	-	-	-	8.986.655	1.307	8.987.962
Changes in the reserve from revaluation of tangible assets, net of deferred tax	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale/cassation of tangible assets	-	(61.913)	-	61.913	-	-
Total comprehensive income for the period	-	(61.913)	-	9.048.568	1.307	8.987.962
Distribution from retained earnings	-	-	-	(13.218.324)	3.395	(13.214.930)
Distribution of dividends	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Balance as at June 30th, 2023	120.338.551	103.288.406	72.902.562	14.613.515	1.588	311.144.622

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated statement of cash flows

as at June 30th, 2023

(all amounts expressed in RON, unless otherwise stated)

	June 30 th , 2023	June 30 th , 2022
Cash flows from operating activities		
Amounts collected from customers	322.001.639	353.730.224
Payments to suppliers	(207.364.072)	(270.474.256)
Payments to employees	(40.188.269)	(32.918.010)
Payments to the state budget	(40.467.668)	(37.630.516)
Profit tax paid	(1.406.433)	(916.387)
Net cash flows from operating activities	32.675.197	11.791.056
Cash flows from investment activities		
Payments for the purchase of tangible assets	(49.964.502)	(21.893.750)
Amounts collected from the sale of tangible assets	250.442	955.150
Interests collected	43.327	375
Net cash flows from investment activities	(49.670.733)	(20.938.225)
Cash flows from financing activities		
Amounts collected from loans	43.385.796	53.890.014
Share capital increase	-	476.774
Interests paid and loans reimbursed	(19.297.435)	(40.248.789)
Payments under leasing agreements	(5.243.811)	(4.309.439)
Net cash flows from financing activities	18.844.550	9.808.560
	1.849.014	661.390
Net increase/ (reduction) of cash and cash equivalents		
	3.563.830	2.368.774
Cash and cash equivalents as at the financial year beginning		
	5.412.844	3.030.164
Cash and cash equivalents as at the financial year end		

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Notes to the interim consolidated financial statementsas at June 30th, 2023**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 2023 consist of the interim financial statements of Vrancart S.A. and of its branches, which together form the Group.

Branch	Field of activity	Shareholding as at June 30th, 2023	Shareholding as at December 31st, 2022
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 30th, 2023

- 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 on the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15th, 2005. The Group posts its consolidated financial statements on the website www.vrancart.ro.

As at June 30th, 2023, the Company is owned 75% by SIF Banat – Crișana S.A., 17% by Paval Holding SRL and 8% by other shareholders.

ROM PAPER S.R.L.

Rom Paper S.R.L. ("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 Romania and in 6 other countries, by means of store chains (hypermarkets, supermarkets, cash and carry) and by means of distributors.

Rom Paper SRL is the result of the inorganic growth strategy of Vrancart business, which on January 20th, 2017 acquired the majority stake (70%) from the former owners.

As of June 30th, 2023, the Group held 100% of the company's shares, following the acquisition in June 2017 of 15%, and in June 2018 of the last 15% tranche of Rom Paper SRL shares.

VRANCART RECYCLING S.R.L.

Vrancart Recycling S.R.L. ("Branch 2") was established in August 2020 and it is a privately-owned Romanian company having a sole shareholder. The main activity of this branch is represented by the treatment and disposal of non-hazardous waste. This company was established with the aim of developing the Group through a greenfield investment, worth more than EUR 27 million, in adjacent recycling areas covering a wider diversity of recoverable resources that will be marketed or used internally as a result of newly created synergies.

ECOREP GROUP S.A.

Ecorep Group S.A. ("Branch 3") was founded 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 extended producer's liability for the environmental targets related to packaging placed on the Romanian market.

Notes to the interim consolidated financial statements

as at June 30th, 2023

The Group is active in a wide range of activities in areas such as the collection and recycling of non-hazardous waste, in the paper and corrugated cardboard industry, corrugated cardboard packaging industry, the manufacturing of tissue paper products, as well as in the sale of equipment for recycling paper and cardboard waste. The overwhelming proportion of paper used in the various production processes is obtained from the recycling of paper and cardboard waste, thus the Group makes an essential contribution to the Romanian circular economy.

Accounting principles, policies and methods

The simplified interim consolidated financial statements for the first six months ended on June 30th, 2023 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 31st, 2022.

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 31st, 2022.

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 2023 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 earnings 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 th , 2023	December 31 st , 2022	Variation
Euro (EUR)	4.9634	4.9474	+0,32%
American dollars (USD)	4.5750	4.6346	- 1,29%

Notes to the interim consolidated financial statements

as at June 30th, 2023

Other notes

In the category "other revenues" the parent-company recognizes compensation for higher electricity costs resulting from indirect emission costs as a result of the EU Emissions Trading Scheme (ETS). According to European and Romanian regulations, Vrancart SA is entitled to receive the abovementioned compensation for energy costs incurred in 2022 and 2023. As at June 30th, 2023, the balance of subsidies represents the compensation to be received for costs related to 2022 in the amount of RON 6.829 thousand and expected to be received in 2023 and, based on the accrual accounting principle, the compensation for 6 months of 2023 in the amount of RON 4.561 thousand. These were calculated using a clear and transparent formula published in the European Guidelines on the Emissions Trading Scheme (EU-ETS) after 2021, "Guidelines on certain support measures in the context of the EU-ETS after 2021", and reflected as such in the Emergency Ordinance no.138/2022 and represents management's best estimate of the amounts to be received by the company.

In the first 6 months ended on June 30th, 2023, the parent-company submitted documentation for the receipt of indirect emission cost compensation incorporated in the energy price for 2022, and this is expected to have a positive impact onto the Operating Cash Flow in the second half of 2023.

The Group recorded a positive cash balance of RON 5.412.844 as at June 30th, 2023 and has no outstanding debts to the public budgets or to its private partners.

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

On the basis of these analyses, the management believes that the Group will be able to continue its activities for the foreseeable future, but not limited to the next 12 months, and therefore the application of the going concern principle in the preparation of the consolidated financial statements is justified.

Subsequent events

On **April 27th, 2023**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2022 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2023, along with the Investment Plan for 2023.

Through the Decision no. 4/27.04.2023, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2022 of the amount of RON 12.033.855 for **dividends** (namely dividends with a gross amount of RON 0,01/share), the payment date being set for October 3rd, 2023.

The Extraordinary General Meeting of the Shareholders of April 27th, 2023 approved the increase of the share capital of Vrancart S.A. (the parent-company) by the amount of RON 48.840.944, from RON 120.338.551,40 to RON 169.179.495,40, through the issuance of 488.409.440 new shares, with a nominal value of RON 0,10 each.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at June 30th, 2023 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the

Vrancart S.A.

Notes to the interim consolidated financial statements

as at June 30th, 2023

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, 17th 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 Reports for the first half of the financial year 2023 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 VRANCART's Statement of Financial Position and Statement of Comprehensive Income.

August 16st, 2023

Ionel – Marian CIUCIOI – Chairman of the BoD

Vasilica – Monica ARSENE – Financial Manager