



Translation for information purposes only

Quarterly report for the third quarter of 2021 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report	November 15 th , 2021
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 th 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 103,168,355
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange

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

In the current year, the performance of Vrancart SA (hereinafter referred to as "the Company") was influenced by the aftermath of the ongoing pandemic crisis, which led to bottlenecks in supply chains and, since the third quarter, to price increases for raw materials, materials and commodities and for services and utilities.

Although the company's activity was negatively impacted, VRANCART SA's results for the first nine months of 2021 confirm the company's ability to continue to generate profits and its financial strength.

Compared to the same period last year, the net profit recorded was 10.51 million lei (vs. 10.09 million lei), the current liquidity decreased slightly to 0.94 (vs. 1.14) and the Company's debt ratio increased.

Attached to this report are the Interim Individual Financial Statements (simplified, unaudited) as at September 30th, 2021, in accordance with the Order of the Minister of Public Finance No. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.

The individual interim financial statements for the first 9 months of 2021 have not been reviewed by an independent external auditor, as this is not a legal or statutory requirement.

1.1. Balance sheet items

<i>(all items are expressed in RON, unless otherwise stated)</i>	September 30th, 2021	December 31st, 2020
Non-current assets	341,354,635	320,201,888
Current assets, out of which:	142,824,780	112,801,967
- Trade receivables	85,529,788	64,666,084
Total assets	484,179,416	433,003,855
Total liabilities, out of which:	252,478,331	201,737,225
- Current liabilities	152,617,987	93,814,411
Equity, out of which:	231,701,084	231,266,630
- Reserves	115,612,396	115,711,008
- Retained earnings	12,920,333	12,387,267

As at September 30th, 2021 and during the period between January 1st – September 30th, 2021, the evolution of the main financial indicators was as follows:

- The fixed assets of the Company increased by 7% as a result of the increase of the holding in the subsidiary Vrancart Recycling SRL with the amount of 15,600,000 lei.
- The value of the Company's current assets increased by 27% as at September 30th, 2021 compared to the beginning of the year mainly as a result of a 25% increase in inventories and a 32% increase in trade receivables generated by a higher volume of business, with turnover 30% higher.
- Trade receivables increased in the first nine months of 2021 compared to the beginning of the year by 20,863,704 lei, as a result of the increase in the volume of sales in the context of maintaining the average number of collection days.
- Total liabilities as at September 30th, 2021 amounted to 252,478,331 lei, an increase of 25% compared to the amount as at January 1st, 2021, mainly due to the financing of additional working capital by drawing on short-term credit lines.
- The value of equity as of September 30th, 2021 is 231,701,084 lei, without significant changes compared to the beginning of the year. Reserves remained at a relatively constant level compared to the beginning of the year, with share capital remaining unchanged.

1.2. The profit and loss account

<i>(all items are expressed in RON, unless otherwise stated)</i>	September 30th, 2021	September 30th, 2020
Operating income, out of which:	270,403,652	205,990,375
Income from turnover	268,559,625	207,896,689
Operating expenses	(256,192,492)	(190,452,118)
Operating profit	14,211,160	15,538,257
Financial income	379,627	755
Financial expenses	(2,761,236)	(4,162,253)
Total income	270,783,279	205,991,130
Total expenses	(258,953,729)	(194,614,371)
Gross profit	11,829,550	11,376,759
Net profit	10,519,461	10,093,022

The evolution of the Company in the first nine months of 2021 was influenced by the increase in raw material prices and utility tariffs generated by international market trends and which were also reflected in the local market, as well as by the increase in payroll expenses and services provided by third parties.

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

During the first nine months of 2021, the evolution of the main indicators of the Profit and loss account is as follows:

- Total revenues in the period under review amounted to 270,783,279 lei, an increase of 31% compared to the same period last year, due to increased production and sales.
- Total expenses for the period amounted to 258,953,729 lei, an increase of 33% compared to the same period of the previous year, while the cost of raw materials increased by 60% due to the impact of rising prices.
- The Company's operating profit had a slight decrease of 8.5% as a result of the effects listed above, but this was offset by the higher financial result, and net profit recorded a percentage increase in line with gross profit in the first nine months of 2021 compared to the same reporting period last year, i.e. 3%.

1.3. Cash flows

(all items are expressed in RON,
unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
<i>Cash flows from the operating activity</i>		
Collections from the operating activity	289,128,702	237,498,655
Payments from the operating activity	(278,029,384)	(194,169,930)
Net cash flows from operating activities	11,099,318	43,328,725
<i>Cash flows from the investment activity</i>		
Collections from the investment activity	271,764	1,573,868
Payments from the investment activity	(39,187,263)	(15,578,063)
Net cash flows from investment activities	(38,915,499)	(14,004,195)
<i>Cash flows from the financing activity</i>		
Collections from the financing activity (including bonds)	57,988,975	9,383,507
Payments from the financing activity	(32,733,012)	(38,574,342)
Net cash flows from financing activities	25,255,963	(29,190,835)
Balance as at the beginning of the period	4,332,741	2,149,202
Balance as at the end of the period	1,772,523	2,282,896

The balance of cash and cash equivalents registered on September 30th, 2021 is a positive one, respectively of 1,772,523 lei. The financing of the investments was made both from the attracted sources (bank loans) and from the own sources.

2. The economic-financial indicators as of September 30th, 2021, according to Annex no. 13 / Financial Supervisory Authority Regulation no. 5/2018

Indicator's name	Calculation method	M.U.	Result
Current liquidity	Current assets / Current liabilities	Ratio	0.94
Indebtedness	Borrowed capital /Equity*100	%	75*
	Borrowed capital/Employed capital*100	%	43*
Debts rotation rate - customers	Customers average balance/Turnover * 270	Days	76
Rotation rate of fixed assets	Turnover/Fixed assets	Ratio	0.8

* Borrowed capital includes lines of credit, short-term and long-term bank loans and borrowings, long-term commercial loans, short-term and long-term debt leases, bond issuance loans.

CIUCIOI Ionel-Marian
Chairman of the Board of Directors

ARSENE Vasilica-Monica
Financial Manager

VRANCART S.A.

**Interim individual financial statements
(simplified, not audited)
as at September 30th, 2021**

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 September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	December 31 st , 2020
ASSETS		
Tangible assets	291,244,301	285,408,521
Intangible assets	1,163,195	1,446,228
Goodwill	3,380,811	3,380,811
Financial assets	45,566,328	29,966,328
Total non-current assets	341,354,635	320,201,888
Inventories	52,537,243	42,055,540
Trade receivables	85,529,788	64,666,084
Prepaid expenses	686,585	761,374
Cash and cash equivalents	1,772,523	4,332,741
Other receivables	2,298,642	986,228
Total current assets	142,824,780	112,801,967
TOTAL ASSETS	484,179,416	433,003,855
EQUITY		
Share capital	103,168,355	103,168,355
Reserves	115,612,396	115,711,008
Retained earnings	12,920,333	12,387,267
Total equity	231,701,084	231,266,630
LIABILITIES		
Long-term loans	37,063,355	43,766,905
Long-term loans from bond issues	37,627,000	37,627,000
Long-term leasing debts	10,500,384	10,525,739
Deferred income	9,830,225	10,627,998
Long-term provisions	453,855	453,855
Debts related to deferred profit tax	3,739,705	4,275,495
Other long-term liabilities	645,822	645,822
Total long-term liabilities	99,860,345	107,922,814
Short-term trade liabilities	40,750,539	26,573,457
Short-term loans	84,485,912	50,172,836
Short-term leasing debts	4,011,807	4,011,256
Deferred income	1,720,601	2,522,385
Debts to employees	5,062,393	4,904,713
Debts related to current profit tax	280,700	960,442
Other liabilities	16,306,036	4,669,322
Total current liabilities	152,617,987	93,814,411
TOTAL LIABILITIES	252,478,331	201,737,225
TOTAL EQUITY AND LIABILITIES	484,179,416	433,003,855

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of comprehensive income

as at September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
Income from turnover, out of which:	268,559,625	207,896,689
Income from the sale of goods	12,561,195	10,437,587
Other income	1,734,232	2,118,181
Variation of finished product inventories and production in progress	109,795	(4,024,494)
Expenses related to raw materials and consumables	(146,490,384)	(91,635,785)
Expenses related to commodities	(7,389,761)	(6,343,465)
Third party expenses	(21,461,372)	(15,489,196)
Personnel-related expenses	(50,279,631)	(43,312,554)
Expenses related to amortisation and impairment of assets	(20,956,798)	(20,570,283)
Other expenses	(9,614,547)	(13,100,836)
Operating result	14,211,160	15,538,257
Financial income	379,627	755
Financial expenses	(2,761,236)	(4,162,253)
Profit / (Loss) before taxation	11,829,550	11,376,759
Profit tax income / (expense)	(1,310,089)	(1,283,737)
Profit / (Loss) for the year	10,519,461	10,093,022
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,519,461	10,093,022

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of changes in equity

as at September 30th, 2021

(all the amounts are 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, 2021	103,168,355	54,712,573	60,998,434	12,387,268	231,266,630
Comprehensive income for the period					
Net result for the period	-	-	-	10,519,461	10,519,461
Other comprehensive income items					
Distribution from retained earnings	-	-	-	(10,008,142)	(10,008,142)
Other changes	-	-	810	(96,612)	(95,802)
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	18,937	-	-	18,937
Transfer of the revaluation reserve to retained earnings following the cassation/sale of tangible assets	-	(118,358)	-	118,358	-
Total other comprehensive income items	-	(99,421)	810	(9,986,396)	(10,085,007)
Total comprehensive income for the period	-	(99,421)	810	533,065	434,454
Balance as at September 30th, 2021	103,168,355	54,613,152	60,999,244	12,920,333	231,701,084

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of cash flows

as at September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
Cash flows from operating activities		
Collections from customers	289,128,702	237,498,655
Payments to suppliers	(201,381,616)	(130,018,526)
Payments to employees	(34,559,921)	(26,729,983)
Payments to the state budget	(39,581,299)	(36,448,666)
Profit tax paid	(2,506,548)	(972,755)
Net cash flows from operating activities	11,099,318	43,328,725
Cash flows from investment activities		
Payments for the purchase of assets	(23,587,263)	(14,578,063)
Payments for the purchase of financial assets	(15,600,000)	(1,000,000)
Collections from the sale of tangible assets	271,002	1,573,638
Interests collected	762	230
Net cash flows from investment activities	(38,915,499)	(14,004,195)
Cash flows from financing activities		
Collections from loans	57,988,975	9,383,507
Interests paid and loans reimbursed	(22,895,550)	(38,574,342)
Dividends paid	(9,837,462)	-
Net cash flows from financing activities	25,255,963	(29,190,835)
	(2,560,218)	133,695
Net increase/(reduction) of cash and cash equivalents		
Cash and cash equivalents at the financial year beginning	4,332,741	2,149,202
Cash and cash equivalents at the financial year end	1,772,523	2,282,896

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Notes to the interim individual financial statements

as at September 30th, 2021

The entity reporting

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 SA operates in the field of collection and recycling of non-hazardous waste, in the tissue paper and corrugated cardboard industry.

The company has working points in Bucharest, Calimanesti, Ungheni, Iasi, Focsani, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Bacau, Cluj, Craiova, Baia Mare, Targu Mures, Braila and Piatra Neamt. The company’s main object of activity is represented by the manufacture and trading of the following products:

- corrugated cardboard
- packaging and other corrugated cardboard
- 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 15th, 2005.

As at September 30th, 2021, the company is owned 75% by SIF Banat – Crişana S.A., 17% by Paval Holding S.R.L. and 8% by other shareholders.

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

Accounting principles, policies and methods

The simplified interim individual financial statements for the first nine months ended on September 30th, 2021 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, 2020.

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, 2020.

The interim individual financial statements for the first 9 months of 2021 have not been revised by an external financial auditor, as 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.

Notes to the interim individual financial statements

as at September 30th, 2021

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	September 30 th , 2021	December 31 st , 2020	Variation
Euro (EUR)	4.9471	4.8694	+1,6%
American dollars (USD)	4.2653	3.9660	+7,5%

Other notes

The Company recorded as at September 30th, 2021 a positive cash balance of RON 1,772,523, 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 August 30th, 2021, dividends in the amount of 9,837,462 lei were paid to shareholders, according to legal regulations, based on Resolution No. 4 on the distribution of dividends, approved by the Ordinary General Meeting of Shareholders on April 27th, 2021.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at September 30th, 2021 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



Consolidated Quarterly report for the third quarter of 2021 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report	November 15 th , 2021
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 th 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 103,168,355
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange

1. The economic and financial situation of VRANCART Group

In the current year, the Vrancart Group's ("the Group") performance was influenced by the aftermath of the ongoing pandemic crisis, which led to bottlenecks in supply chains and, from the third quarter, to price increases in raw materials, materials and commodities and in service and utility tariffs.

Although the Group's activity was negatively impacted, Vrancart Group's results for the first nine months of 2021 confirm its ability to continue to generate profits and its financial strength.

Compared to the same period last year, the net profit recorded was 9.80 million lei (vs. 9.85 million lei) and turnover increased from 255 million lei to 321 million lei.

Attached to this report are the Interim Consolidated Financial Statements (simplified, unaudited) as at September 30th, 2021, in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.

The interim consolidated financial statements for the first 9 months of 2021 have not been reviewed by an independent external auditor, as this is not a legal or statutory requirement.

2.1. Balance sheet items

<i>(all items are expressed in RON, unless otherwise stated)</i>	September 30th, 2021	December 31st, 2020
Non-current assets	340,181,173	331,264,500
Current assets, out of which:	160,604,160	132,496,643
- Trade receivables	93,700,519	71,841,836
Total assets	500,785,333	463,761,143
Total liabilities, out of which:	273,935,793	235,983,136
- Current liabilities	160,294,399	124,564,241
Equity, out of which:	226,849,540	227,778,007
- Reserves	114,858,628	114,957,240
- Retained earnings	8,822,257	9,652,131

As at September 30th, 2021 and during the period between January 1st – September 30th, 2021, the evolution of the main financial indicators was as follows:

- The Group's non-current assets increased by 3% due to the increase in property, plant and equipment to the same extent.
- The value of the Group's current assets increased by 21% as at September 30th, 2021 compared to the beginning of the year mainly as a result of a 17% increase in inventories and a 30% increase in trade receivables generated by a higher volume of business, with turnover 26% higher.
- Trade receivables increased in the first nine months of 2021 compared to the beginning of the year by 21,858,683 lei, as a result of the increase in the volume of sales in the context of maintaining the average number of collection days.
- Total liabilities as at September 30th, 2021 amounted to 273,935,793 lei, an increase of 16% compared to the amount as at January 1st, 2021, mainly due to the financing of additional working capital by drawing on short-term credit lines.
- The value of equity as of September 30th, 2021 is 226,849,540 lei, without significant changes compared to the beginning of the year. Reserves remained at a relatively constant level compared to the beginning of the year, with share capital remaining unchanged.

2.2. The profit and loss account

<i>(all items are expressed in RON, unless otherwise stated)</i>	September 30th, 2021	September 30th, 2020
Operating income, out of which:	322,116,949	253,161,345
<i>Income from turnover</i>	321,299,435	255,003,271
Operating expenses	(308,865,295)	(238,432,760)
Operating profit	13,251,654	14,728,585
Financial income	394,057	830
Financial expenses	(3,185,843)	(4,647,685)
Total income	322,511,006	253,162,175
Total expenses	(312,051,138)	(243,080,445)
Gross profit	10,459,868	10,081,730
Net profit	9,800,477	9,851,404

The evolution of the Group in the first nine months of 2021 was influenced by the increase in raw material prices and utility tariffs generated by international market trends and which were also reflected in the local market, as well as by the increase in payroll expenses and services provided by third parties.

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

During the first nine months of 2021, the evolution of the main indicators of the Profit and loss account is as follows:

- Total revenues in the period under review amounted to 322,511,006 lei, an increase of 27% compared to the same period last year, due to increased production and sales.
- Total expenses for the period amounted to 312,051,138 lei, an increase of 28% compared to the same period of the previous year, while the cost of raw materials increased by 52% due to the impact of rising prices.
- The Group's operating profit had a slight decrease of 10% as a result of the effects listed above, but this was offset by the higher financial result, and the Group's gross profit increased by 4%, while net profit remained relatively constant at RON 9.8 million.

2.3. Cash flows

(all items are expressed in RON,
unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
<i>Cash flows from the operating activity</i>		
Collections from the operating activity	346,550,299	295,555,996
Payments from the operating activity	(333,735,148)	(247,023,796)
Net cash flows from operating activities	12,815,151	48,532,200
<i>Cash flows from the investment activity</i>		
Collections from the investment activity	285,768	1,573,943
Payments from the investment activity	(32,207,888)	(19,819,374)
Net cash flows from investment activities	(31,922,120)	(18,245,431)
<i>Cash flows from the financing activity</i>		
Collections from the financing activity (including bonds)	50,154,107	14,009,763
Payments from the financing activity	(33,319,612)	(43,170,085)
Net cash flows from financing activities	16,834,495	(29,207,322)
Balance as at the beginning of the period	5,558,078	2,485,165
Balance as at the end of the period	3,285,604	3,564,611

The balance of cash and cash equivalents registered on September 30th, 2021 is a positive one, respectively of RON 3,285,604. During this period, the Group managed its treasury efficiently, honouring all its due obligations on time and in full.

3. The economic-financial indicators as of September 30th, 2021, according to Annex no. 13 / Financial Supervisory Authority Regulation no. 5/2018

Indicator's name	Calculation method	M.U.	Result
Current liquidity	Current assets / Current liabilities	Ratio	1.0
Indebtedness	Borrowed capital /Equity*100	%	79*
	Borrowed capital/Employed capital*100	%	44*
Debts rotation rate - customers	Customers average balance/Turnover * 270	Days	79
Rotation rate of fixed assets	Turnover/Fixed assets	Ratio	0.9

* Borrowed capital includes lines of credit, short-term and long-term bank loans and borrowings, long-term commercial loans, short-term and long-term debt leases, bond issuance loans.

CIUCIOI Ionel-Marian
Chairman of the Board of Directors

ARSENE Vasilica-Monica
Financial Manager

VRANCART S.A.

**Interim consolidated financial statements
(simplified, not audited)
as at September 30th, 2021**

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 September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	December 31 st , 2020
ASSETS		
Tangible assets	325,860,072	315,908,406
Intangible assets	5,755,116	6,788,609
Financial assets	39,594	41,094
Goodwill	8,526,391	8,526,391
Total non-current assets	340,181,173	331,264,500
Inventories	61,913,550	53,013,513
Trade receivables	93,700,519	71,841,836
Prepaid expenses	813,992	870,819
Cash and cash equivalents	3,285,604	5,558,078
Other receivables	890,495	1,212,397
Total current assets	160,604,160	132,496,643
TOTAL ASSETS	500,785,333	463,761,143
EQUITY		
Share capital	103,168,355	103,168,355
Reserves	114,858,628	114,957,240
Retained earnings	8,822,257	9,652,131
Total equity - Parent company	226,849,240	227,777,726
Non-controlling interests	300	281
Total equity	226,849,540	227,778,007
LIABILITIES		
Long-term loans	47,582,962	43,766,905
Long-term leasing debts	10,500,384	10,570,722
Long-term bond loans	37,627,000	37,627,000
Deferred income	11,900,126	12,851,179
Long-term debts to employees	453,855	453,855
Debts related to deferred profit tax	4,931,245	5,503,412
Other long-term debts	645,822	645,822
Total long-term liabilities	113,641,394	111,418,895
Short-term trade liabilities	51,145,806	39,683,654
Short-term loans	93,083,898	66,709,792
Short-term leasing debts	4,011,807	4,011,256
Deferred income	1,924,974	2,726,759
Debts to employees	5,568,332	5,411,426
Debts related to current profit tax	309,391	966,800
Other liabilities	4,250,191	5,054,554
Total current liabilities	160,294,399	124,564,241
TOTAL LIABILITIES	273,935,793	235,983,136
TOTAL EQUITY AND LIABILITIES	500,785,333	463,761,143

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated statement comprehensive income

as at September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
Income from turnover	321,299,435	255,003,271
Other income	1,888,847	1,859,264
Variation in finished product inventories and production in progress	(1,071,333)	(3,701,190)
Expenses related to raw materials and consumables	(177,932,947)	(117,424,297)
Expenses related to commodities	(9,566,204)	(10,933,823)
Third party expenses	(25,342,403)	(20,183,773)
Personnel-related expenses	(58,525,601)	(50,645,478)
Expenses related to amortisation and impairment of assets	(26,464,582)	(25,602,594)
Other expenses	(11,033,558)	(13,642,795)
Operating result	13,251,654	14,728,585
Financial income	394,057	830
Financial expenses	(3,185,843)	(4,647,685)
Profit before taxation	10,459,868	10,081,730
Profit tax income/(expense)	(659,391)	(230,326)
Profit for the year	9,800,477	9,851,404
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,800,477	9,851,404

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated statement of changes in equity

as at September 30th, 2021

(all the amounts are 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, 2021	103,168,355	51,668,712	63,288,528	9,652,131	281	227,778,007
Comprehensive income for the period						
Net result for the period	-	-	-	9,800,477	-	9,800,477
Other comprehensive income items						
Distribution from retained earnings	-	-	-	(10,652,097)		(10,652,097)
Other changes	-	-	810	(96,612)	19	(95,783)
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	18,937	-	-		18,937
Transfer of the revaluation reserve to retained earnings following the cassation/sale of tangible assets	-	(118,358)	-	118,358	-	-
Total other comprehensive income items	-	(99,422)	810	(10,630,351)	19	(10,728,943)
Total comprehensive income for the period	-	(99,422)	810	(829,874)	19	(928,466)
Balance as at September 30th, 2021	103,168,355	51,569,290	63,289,338	8,822,257	300	226,849,540

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Consolidated cash flow statement

as at September 30th, 2021

(all the amounts are expressed in RON, unless otherwise stated)

	September 30 th , 2021	September 30 th , 2020
Cash flows from operating activities		
Collections from customers	346,550,299	295,555,996
Payments to suppliers	(246,809,778)	(173,604,518)
Payments to employees	(39,611,993)	(30,797,830)
Payments to the state budget	(44,798,699)	(41,572,084)
Profit tax paid	(2,514,678)	(1,049,364)
Net cash flows from operating activities	12,815,151	48,532,200
Cash flows from investment activities		
Payments for the purchase of assets	(30,207,888)	(19,819,374)
Guarantees for the granting of licences	(2,000,000)	-
Collections from the sale of tangible assets	284,974	1,573,638
Interests collected	794	305
Net cash flows from investment activities	(31,922,120)	(18,245,431)
Cash flows from financing activities		
Collections from loans	50,154,107	14,009,763
Interests paid and loans reimbursed	(23,482,150)	(43,217,085)
Dividends paid	(9,837,462)	-
Net cash flows from financing activities	16,834,495	(29,207,322)
	(2,272,474)	1,079,446
Net increase/(reduction) of cash and cash equivalents		
Cash and cash equivalents at the financial year beginning	5,558,078	2,485,165
Cash and cash equivalents at the financial year end	3,285,604	3,564,611

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Notes to the interim consolidated financial statementsas at September 30th, 2021**The entity reporting**

The Vrancart Group (“the Group”) includes the company Vrancart S.A., having its registered office in Adjud, 17th Ecaterina Teodoroiu Street, Vrancea County, and its branches Rom Paper S.R.L. („the 1st Branch”), based in Brasov, 30th Cristianului Road, Brasov County and Vrancart Recycling S.R.L. („the 2nd Branch”), based in Adjud, 17th Ecaterina Teodoroiu Street, Vrancea County.

The interim consolidated financial statements of the Group for the first nine months of 2021 are formed of the financial statements of Vrancart and of its Branches, together forming the Group.

Branch	Field of activity	Shareholding as at	Shareholding as at
		September 30 th , 2021	December 31 st , 2020
Rom Paper S.R.L.	Production of napkins and tissue paper products	100%	100%
Vrancart Recycling S.R.L.	Treatment and disposal of non-hazardous waste	100 %	100%
Ecorep Group S.A.	Support service activities for enterprises	99,6%	99,6%

The group operates in the field of collection and recycling of non-hazardous waste, in the paper, tissue paper and corrugated board industry.

VRANCART S.A.

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

The company is based in Adjud, 17th Ecaterina Teodoroiu Street, Vrancea County.

The company has working points in Bucharest, Calimanesti, Ungheni, Iasi, Focsani, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Bacau, Cluj, Craiova, Baia Mare, Targu Mures, Braila and Piatra Neamt.

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

- corrugated cardboard
- packaging and other corrugated cardboard
- paperboards
- tissue papers in various assortments.

Vrancart S.A.

Notes to the interim consolidated financial statements

as at September 30th, 2021

The company's shares are listed to 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 September 30th, 2021, the Company is owned 75% by SIF Banat – Crişana S.A., 17 % by Paval Holding S.R.L. and 8% by other shareholders.

ROM PAPER S.R.L.

Rom Paper S.R.L. (the 1st Branch") was founded in 2002 and is a private company with Romanian capital, which produces tablecloths, folded towels, toilet paper, professional rolls, cosmetic towels and boxed towels. The products are sold in 7 countries, both in Romania and abroad, through chain stores (hypermarkets, supermarkets, cash and carry), but also through distributors.

On January 20th, 2017, the Company acquired the majority stake (70%) of shares of Rom Paper S.R.L.

As of September 30th, 2021, the Group owns 100% of the shares of Rom Paper S.R.L., as a result of the acquisition in 2017 and 2018 of the remaining 30% (15% + 15%) of the shares of Rom Paper S.R.L.

VRANCART RECYCLING S.R.L.

Vrancart Recycling SRL ("the 2nd Branch") was founded in 2020, in August, and is a private company with Romanian capital, with sole associate. The main activity of this Branch is the treatment and disposal of non-hazardous waste.

The company has just started its activity.

ECOREP GROUP S.A.

ECOREP GROUP S.A. ("the 3rd Branch") was founded in 2020, in November, and is a private company with Romanian capital. The main activity of this subsidiary is the provision of services related to the implementation of the extended producer responsibility obligations for environmental targets.

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

Notes to the interim consolidated financial statements

as at September 30th, 2021

Accounting principles, policies and methods

The simplified interim consolidated financial statements for the first nine months ended on September 30th, 2021 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, 2020.

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, 2020.

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 nine months of 2021 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:

Currency	September 30 th , 2021	December 31 st , 2020	Variation
Euro (EUR)	4.9471	4.8694	+1.6%
American dollars (USD)	4.2653	3.9660	+7.5%

Other notes

The Group's management has set its strategy for the medium and long term and forecasts predict increases in sales and decreases in costs as a result of efficient use of resources, which will lead to increased operating profit.

Vrancart S.A.

Notes to the interim consolidated financial statements

as at September 30th, 2021

The Group recorded as at September 30th, 2021 a positive cash balance of RON 3,285,604 and does not have any outstanding liabilities to the public budgets or to its private partners.

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

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

Subsequent events

On August 30th, 2021, the parent company paid dividends to shareholders in the amount of 9,837,462 lei, in accordance with legal regulations, based on Resolution No. 4 on the distribution of dividends, approved by the Ordinary General Meeting of Shareholders on 27 April 2021.

Management's statement

According to our best information available, we confirm that the simplified interim consolidated financial statements as at September 30th, 2021 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 nine 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
