



## Quarterly report for the 1<sup>st</sup> quarter of 2022 according to the Financial Supervisory Authority Regulation no. 5/2018

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

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

During the first quarter of 2022, the evolution of Vrancart S.A. ("the Company") was influenced by the effects of price increases for raw materials, materials and commodities, as well as by the increases of tariffs for services and utilities, which occurred in the last quarter of 2021.

Although the financial situation was negatively impacted, the results of VRANCART S.A. for the first three months of 2022 confirm the Company's ability to continue to generate profits and its financial strength. Thanks to an agile commercial and pricing policy, it was possible to constantly adapt sales prices to the new, extremely volatile market conditions.

Compared to the same period of the previous year, the net profit recorded was RON 4.24 million (vs. RON 5.34 million), the current liquidity slightly decreased to 1.07 (vs. 1.08) and the Company's indebtedness remained at the same level.

The Interim individual financial statements (simplified, not audited) as at March 31<sup>st</sup>, 2022, drawn up in accordance with the Order of the Minister of Public Finance No. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, are attached to this report.



The interim individual financial statements for the first 3 months of 2022 have not been revised by an independent external auditor, as this is not a legal or statutory requirement.

### 1.1. Balance sheet items

<i>(all items in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2022</b>	<b>December 31<sup>st</sup>, 2021</b>
Intangible assets	351.456.564	350.403.228
Current assets, out of which:	174.771.093	147.801.274
- Trade receivables	109.865.485	84.112.306
<b>Total assets</b>	<b>526.227.657</b>	<b>498.204.502</b>
<b>Total liabilities, out of which:</b>	<b>274.445.824</b>	<b>250.685.993</b>
Current liabilities	163.045.705	133.290.485
<b>Equity, out of which:</b>	<b>251.781.833</b>	<b>247.518.509</b>
- Reserves	116.612.710	116.569.364
- Retained earnings	14.830.572	10.586.064

As at March 31<sup>st</sup>, 2022 and during the period January 1<sup>st</sup> – March 31<sup>st</sup>, 2022, the evolution of the main financial indicators was as follows:

- The Company's non-current assets increased by 0,3% following the commissioning of some investment projects finalised during the first quarter of 2022.
- The value of the Company's current assets increased by 18% as at March 31<sup>st</sup>, 2022 from the year beginning, mainly due to the increase in trade receivables by 31% generated both by a higher activity volume, and by the positively adjusted prices and the turnover increased by 68% compared to the first quarter of the previous year.
- Trade receivables increased during the first three months of 2022 from the beginning of the year by RON 22.753.179, following a higher volume of sales, as well as due to some increased prices, in the context of the reduction of the average number of days for collection.
- The total liabilities recorded as at March 31<sup>st</sup>, 2022 amount to RON 274.445.824, up by 9% from the amount recorded as at January 1<sup>st</sup>, 2022, mainly due to the financing of the additional working capital, through the use of short-term credit lines.
- The amount of equity as at March 31<sup>st</sup>, 2022 is RON 251.781.833, the additional capitalisation being 2% compared to the beginning of the year, following the incorporation of the profit achieved during the 1<sup>st</sup> quarter. The Company's reserves remained at a relatively constant level from the beginning of the year.



## 1.2. Profit and loss account

<i>(all items in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2022</b>	<b>March 31<sup>st</sup>, 2021</b>
Operating income, out of which:	139.347.866	80.075.375
<i>Income from turnover</i>	140.755.593	83.772.496
Operating expenses	(133.342.172)	(73.073.593)
<b>Operating profit</b>	<b>6.005.695</b>	<b>7.001.782</b>
Financial income	89	63
Financial expenses	(1.417.492)	(697.514)
<b>Total income</b>	<b>139.347.955</b>	<b>80.075.438</b>
<b>Total expenses</b>	<b>(134.759.664)</b>	<b>(73.771.107)</b>
<b>Gross profit</b>	<b>4.588.291</b>	<b>6.304.331</b>
<b>Net profit</b>	<b>4.244.508</b>	<b>5.346.433</b>

The Company's evolution during the first three months of 2022 was influenced by the increase of prices in raw materials and of the utility tariffs generated by the trends on the international market that were also reflected on the local market, as well as of the salary expenses and third party expenses.

The results achieved during this period, which are reflected in a profitability level in accordance with the expectations and good financial indicators, confirm the business sustainability, as well as the Company's resilience to adverse market changes.

During the first three months of 2022 compared to the same period of the previous year, the main indicators of the Profit and loss account are as follows:

- The total income during the analysed period amounted to RON 139.347.955, up by 74% from the same period of the previous year, due to an increase in the production volume achieved and to the sale of finished and semi-finished products.
- The total expenses for the period amounted to RON 134.759.664, up by 83% from the same period of the previous year; the cost of raw materials contributed to this evolution through an increase of 115% following the impact of the increasing trend of the purchase prices.
- The Company's operating profit recorded a reduction by 14% as a result of the abovementioned effects. The net profit, in spite of the reduction by 21% compared to the same reporting period of the previous year, is still at the level estimated through the Revenues and expenses budget.



### 1.3. Cash flows

<i>(all items in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2022</b>	<b>March 31<sup>st</sup>, 2021</b>
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	140.796.194	87.724.974
Payments made from operating activities	(150.145.104)	(77.607.110)
<b>Net cash flows from operating activities</b>	<b>(9.348.910)</b>	<b>10.117.864</b>
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	87.770	259.881
Payments made from investment activities	(11.026.352)	(6.017.543)
<b>Net cash flows from investment activities</b>	<b>(10.938.582)</b>	<b>(5.757.662)</b>
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities (including bonds)	30.880.240	1.421.698
Payments made from financing activities	(7.427.305)	(6.670.328)
<b>Net cash flows from financing activities</b>	<b>23.452.935</b>	<b>(5.248.630)</b>
<b>Balance as at the beginning of the period</b>	<b>1.536.938</b>	<b>4.332.741</b>
<b>Balance as at the end of the period</b>	<b>4.702.381</b>	<b>3.444.313</b>

The balance of cash and cash equivalents recorded as at March 31<sup>st</sup>, 2022 is positive, namely RON 4.702.381. During this period, the Company was able to manage its cash flows effectively and paid all the amounts owed entirely and on time.

### 2. Economic and financial indicators as at March 31<sup>st</sup>, 2022, according to Appendix no. 13/the Financial Supervisory Authority Regulation no. 5/2018

Indicator's name	Calculation modality	M.U.	Result
<b>Current liquidity indicator</b>	Current assets/Current liabilities	ratio	1,07
<b>Indebtedness degree indicator</b>	Borrowed capital/Equity <sup>x</sup> 100	%	68*
	Borrowed capital/Employed capital <sup>x</sup> 100	%	40*
<b>Debts-clients turnover</b>	Average customers balance/Turnover <sup>x</sup> 90	days	64
<b>Non-current assets turnover</b>	Turnover/Non-current assets	ratio	0,4

\* Borrowed capital includes credit lines, short and long-term bank loans, long-term trade loans, liabilities under short and long-term leasing agreements, as well as loans from bond issues.

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

**ARSENE Vasilica-Monica**  
Financial Manager

*Translation for information purposes only*

**VRANCART S.A.**

**Interim individual financial statements  
(simplified, not audited)  
as at March 31<sup>st</sup>, 2022**

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

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Vrancart S.A.

## Individual statement of financial position

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	December 31 <sup>st</sup> , 2021
<b>ASSETS</b>		
Tangible assets	301.305.722	300.076.409
Intangible assets	1.203.703	1.379.680
Goodwill	3.380.811	3.380.811
Financial assets	45.566.328	45.566.328
<b>Total non-current assets</b>	<b>351.456.564</b>	<b>350.403.228</b>
Inventories	56.179.069	58.601.760
Trade receivables	109.865.485	84.112.306
Prepaid expenses	1.839.110	517.486
Receivables related to current profit tax	-	212.055
Other receivables	2.185.048	2.820.729
Cash and cash equivalents	4.702.381	1.536.938
<b>Total current assets</b>	<b>174.771.093</b>	<b>147.801.274</b>
<b>TOTAL ASSETS</b>	<b>526.227.657</b>	<b>498.204.502</b>
<b>EQUITY</b>		
Share capital	120.338.551	120.363.081
Reserves	116.612.710	116.569.364
Retained earnings	14.830.572	10.586.064
<b>Total equity</b>	<b>251.781.833</b>	<b>247.518.509</b>
<b>LIABILITIES</b>		
Long-term loans	42.809.781	47.751.510
Long-term loans from bond issues	37.949.400	37.949.400
Long-term liabilities under leasing contracts	17.760.155	17.768.484
Deferred income	8.531.567	9.034.757
Long-term provisions	422.307	422.307
Liabilities related to deferred profit tax	3.603.487	4.145.628
Other long-term liabilities	323.422	323.422
<b>Total long-term liabilities</b>	<b>111.400.119</b>	<b>117.395.508</b>
Short-term trade liabilities	57.120.149	61.919.951
Short-term loans	84.202.570	54.642.483
Short-term liabilities under leasing contracts	5.864.011	5.864.025
Deferred income	2.012.878	2.012.878
Debts to employees	5.682.905	4.394.786
Liabilities related to current profit tax	673.869	-
Other liabilities	7.489.323	4.456.362
<b>Total current liabilities</b>	<b>163.045.705</b>	<b>133.290.485</b>
<b>TOTAL LIABILITIES</b>	<b>274.445.824</b>	<b>250.685.993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>526.227.657</b>	<b>498.204.502</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Individual statement of comprehensive income

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
Income from turnover, out of which:	140.755.593	83.772.496
<i>Income from the sale of goods</i>	9.426.460	3.498.817
Other income	1.702.357	618.881
Variation of finished product inventories and production in progress	(3.110.083)	(4.316.002)
Expenses related to raw materials and consumables	(78.931.928)	(36.697.185)
Expenses related to commodities	(5.528.798)	(1.826.480)
Third-party expenses	(16.653.886)	(6.103.050)
Personnel-related expenses	(19.273.157)	(16.734.259)
Expenses related to amortisation and from re-evaluation	(6.865.390)	(8.118.731)
Other expenses	(6.089.011)	(3.593.887)
<b>Operating result</b>	<b>6.005.695</b>	<b>7.001.782</b>
Financial income	89	63
Financial expenses	(1.417.492)	(697.514)
<b>Profit / (Loss) before taxation</b>	<b>4.588.291</b>	<b>6.304.331</b>
Profit tax income / (expense)	(343.783)	(957.898)
<b>Profit / (Loss) for the year</b>	<b>4.244.508</b>	<b>5.346.433</b>
<b>Other comprehensive income items</b>		
Increases in the reserve from revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>4.244.508</b>	<b>5.346.433</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



Vrancart S.A.

## Individual statement of changes in equity

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity
<b>Balance as at January 1<sup>st</sup>, 2022</b>	<b>120.363.081</b>	<b>53.327.398</b>	<b>63.241.966</b>	<b>10.586.064</b>	<b>247.518.509</b>
<b>Comprehensive income for the period</b>					
Net profit/loss for the period	-	-	-	4.244.508	4.244.508
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-
<b>Total comprehensive income</b>	<b>120.363.081</b>	<b>53.327.398</b>	<b>63.241.966</b>	<b>14.830.572</b>	<b>251.763.017</b>
Distribution from retained earnings	-	-	-	-	-
Share premiums	-	-	43.346	-	43.346
Other changes	(24.530)	-	-	-	(24.530)
Transfer of the revaluation reserve to retained earnings following the cassation of tangible assets	-	-	-	-	-
<b>Balance as at March 31<sup>st</sup>, 2022</b>	<b>120.338.551</b>	<b>53.327.398</b>	<b>63.285.312</b>	<b>14.830.572</b>	<b>251.781.833</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Individual statement of cash flows

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Cash flows from operating activities</b>		
Amounts collected from customers	140.796.194	87.724.974
Payments to suppliers	(123.473.057)	(53.628.281)
Payments to employees	(12.308.730)	(11.263.594)
Payments to the state budget	(14.363.317)	(11.728.483)
Profit tax paid	-	(986.752)
<b>Net cash flows from operating activities</b>	<b>(9.348.910)</b>	<b>10.117.864</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of assets	(11.026.352)	(6.017.543)
Amounts collected from the sale of tangible assets	87.681	259.818
Interests collected	89	63
<b>Net cash flows from investment activities</b>	<b>(10.938.582)</b>	<b>(5.757.662)</b>
<b>Cash flows from financing activities</b>		
Amounts collected from loans	30.403.466	1.421.698
Share capital increase	476.774	-
Interests paid and loans reimbursed	(7.418.843)	(4.647.778)
Payments under leasing contracts	(8.462)	(22.550)
Loans granted to affiliates	-	(2.000.000)
<b>Net cash flows from financing activities</b>	<b>23.452.935</b>	<b>(5.248.630)</b>
<b>Net increase/ (reduction) of cash and cash equivalents</b>	<b>3.165.443</b>	<b>(888.428)</b>
<b>Cash and cash equivalents as at the financial year beginning</b>	<b>1.536.938</b>	<b>4.332.741</b>
<b>Cash and cash equivalents as at the financial year end</b>	<b>4.702.381</b>	<b>3.444.313</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

## Notes to the interim individual financial statements

as at March 31<sup>st</sup>, 2022

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### The reporting entity

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.

Vrancart S.A. operates in the field of collection and recycling of non-hazardous waste, in the paperboards, corrugated cardboard and corrugated cardboard packaging, as well as in the tissue paper industry.

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

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

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

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

As at March 31<sup>st</sup>, 2022, the Company is held in a percentage of 75% by SIF Banat - Crișana S.A., 17% by Paval Holding S.R.L. and 8% by other shareholders.

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

### Accounting principles, policies and methods

The simplified interim individual financial statements for the first three months ended on March 31<sup>st</sup>, 2022 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim individual 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 individual financial statements, drawn up as at December 31<sup>st</sup>, 2021.

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

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

### Transactions in foreign currencies

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

## Notes to the interim individual financial statements

as at March 31<sup>st</sup>, 2022

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The losses or gains from their discounting and from the conversion using the exchange rate 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	March 31 <sup>st</sup> , 2022	December 31 <sup>st</sup> , 2021	Variation
Euro (EURO)	4.9466	4.9481	-0,03%
American dollars (USD)	4.4508	4.3707	+1,83%

### Other notes

The company recorded a positive cash balance of RON 4.702.381 as at March 31<sup>st</sup>, 2022 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 drafting the financial statements is justified.

### Subsequent events

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

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

### Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at March 31<sup>st</sup>, 2022 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 herein provides a fair and accurate view of the main events that took place during the first three 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 1<sup>st</sup> quarter of 2022 according to the Financial Supervisory Authority Regulation no. 5/2018

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

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

During the current year, the evolution of Vrancart Group (hereinafter referred to as “the Group”) was influenced by the effects of price increases for raw materials, materials and commodities, as well as by the increases of tariffs for services and utilities, which occurred in the last quarter of 2021.

Although the financial situation was negatively impacted, the results of VRANCART Group for the first three months of 2022 confirm its ability to continue to generate profits and its financial strength. Thanks to an agile commercial and pricing policy, it was possible to constantly adapt sales prices to the new, extremely volatile market conditions.

Compared to the same period of the previous year, the net profit recorded was RON 4.04 million (vs. RON 5.53 million) and the turnover increased from RON 100 million to RON 157 million.

The Interim consolidated financial statements (simplified, not audited) as at March 31<sup>st</sup>, 2022, drawn up in accordance with the Order of the Minister of Public Finance No. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting



Standards, applicable to companies whose securities are admitted to trading on a regulated market, are attached to this report.

The interim consolidated financial statements for the first 3 months of 2022 have not been revised by an independent external auditor, as this is not a legal or statutory requirement.

### 1.1. Balance sheet items

<i>(all items in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2022</b>	<b>December 31<sup>st</sup>, 2021</b>
Non-current assets	353.628.751	352.824.272
Current assets, out of which:	198.842.138	181.667.788
- Trade receivables	118.510.005	101.927.129
<b>Total assets</b>	<b>552.470.889</b>	<b>534.492.060</b>
<b>Total liabilities, out of which:</b>	<b>308.153.028</b>	<b>293.986.443</b>
Current liabilities	185.024.470	163.965.015
<b>Equity, out of which:</b>	<b>244.317.861</b>	<b>240.505.617</b>
- Reserves	114.891.115	115.453.878
- Retained earnings	9.088.848	4.689.698

As at March 31<sup>st</sup>, 2022 and during the period January 1<sup>st</sup> – March 31<sup>st</sup>, 2022, the evolution of the main financial indicators was as follows:

- The Group's non-current assets increased by 4,6% following the commissioning of some investment projects finalised during the first quarter of 2022.
- The value of the Group's current assets increased by 9,5% as at March 31<sup>st</sup>, 2022 from the year beginning, mainly due to the increase in trade receivables by 16% generated both by a higher activity volume, and by the positively adjusted prices and the turnover increased by 57% compared to the first quarter of the previous year.
- Trade receivables increased during the first three months of 2022 from the beginning of the year by RON 16.582.876, following a higher volume of sales, as well as due to some increased prices, in the context of the reduction of the average number of days for collection.
- The total liabilities recorded as at March 31<sup>st</sup>, 2022 amount to RON 308.153.028, up by 5% from the amount recorded as at January 1<sup>st</sup>, 2022, mainly due to the financing of the additional working capital, through the use of short-term credit lines.
- The amount of equity as at March 31<sup>st</sup>, 2022 is RON 244.317.861, the additional capitalisation being 2% compared to the beginning of the year, following the incorporation of the profit achieved during the 1<sup>st</sup> quarter. The Group's reserves remained at a relatively constant level from the beginning of the year.



## 1.2. Profit and loss account

<i>(all items in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2022</b>	<b>March 31<sup>st</sup>, 2021</b>
Operating income, out of which:	156.294.670	95.955.791
Income from turnover	157.052.076	100.117.423
Operating expenses	(150.275.343)	(89.240.406)
<b>Operating profit</b>	<b>6.019.327</b>	<b>6.715.385</b>
Financial income	110	91
Financial expenses	(1.730.647)	(867.620)
<b>Total income</b>	<b>156.294.780</b>	<b>95.955.882</b>
<b>Total expenses</b>	<b>(152.005.990)</b>	<b>(90.108.026)</b>
<b>Gross profit</b>	<b>4.288.790</b>	<b>5.847.856</b>
<b>Net profit</b>	<b>4.037.729</b>	<b>5.533.638</b>

The Group's evolution during the first three months of 2022 was influenced by the increase of prices in raw materials and of the utility tariffs generated by the trends on the international market that were also reflected on the local market, as well as of the salary expenses and third party expenses.

The results achieved during this period, which are reflected in a profitability level in accordance with the expectations and good financial indicators, confirm the business sustainability, as well as the Group's resilience to adverse market changes.

During the first three months of 2022 compared to the same period of the previous year, the main indicators of the Profit and loss account are as follows:

- The total income during the analysed period amounted to RON 156.294.780, up by 64% from the same period of the previous year, due to an increase in the production volume achieved and to the sale of finished and semi-finished products.
- The total expenses for the period amounted to RON 152.005.990, up by 68% from the same period of the previous year; the cost of raw materials contributed to this evolution through an increase of 83% following the impact of the increasing trend of the purchase prices.
- The Group's operating profit recorded a reduction by 10% as a result of the abovementioned effects. The net profit, in spite of the reduction by 27% compared to the same reporting period of the previous year, is still at the level estimated through the Revenues and expenses budget.



### 1.3. Cash flows

(all items in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<i>Cash flows from operating activities</i>		
Amounts collected from operating activities	168.096.131	110.132.933
Payments made from operating activities	(167.336.683)	(96.962.395)
<b>Net cash flows from operating activities</b>	<b>759.448</b>	<b>13.170.538</b>
<i>Cash flows from investment activities</i>		
Amounts collected from investment activities	354.964	266.811
Payments made from investment activities	(12.566.466)	(8.946.988)
<b>Net cash flows from investment activities</b>	<b>(12.211.502)</b>	<b>(8.680.177)</b>
<i>Cash flows from financing activities</i>		
Amounts collected from financing activities (including bonds)	29.780.240	1.790.614
Payments made from financing activities	(15.400.416)	(7.552.924)
<b>Net cash flows from financing activities</b>	<b>14.379.824</b>	<b>(5.762.310)</b>
<b>Balance as at the beginning of the period</b>	<b>2.368.774</b>	<b>5.558.078</b>
<b>Balance as at the end of the period</b>	<b>5.296.544</b>	<b>4.286.129</b>

The balance of cash and cash equivalents recorded as at March 31<sup>st</sup>, 2022 is positive, namely RON 5.296.544. During this period, the Group was able to manage its cash flows effectively and paid all the amounts owed entirely and on time.

### 2. Economic and financial indicators as at March 31<sup>st</sup>, 2022, according to Appendix no. 13/the Financial Supervisory Authority Regulation no. 5/2018

Indicator's name	Calculation modality	M.U.	Result
<b>Current liquidity indicator</b>	Current assets/Current liabilities	ratio	1,07
<b>Indebtedness degree indicator</b>	Borrowed capital/Equity <sup>x</sup> 100	%	86*
	Borrowed capital/Employed capital <sup>x</sup> 100	%	46*
<b>Debts-clients turnover</b>	Average customers balance/Turnover <sup>x</sup> 90	days	68
<b>Non-current assets turnover</b>	Turnover/Non-current assets	ratio	0,4

\* Borrowed capital includes credit lines, short and long-term bank loans, long-term trade loans, liabilities under short and long-term leasing agreements, as well as loans from bond issues.

**CIUCIOI Ionel-Marian**

Chairman of the Board of Directors

**ARSENE Vasilica-Monica**

Financial Manager



*Translation for information purposes only*

**VRANCART S.A.**

**Interim consolidated financial statements  
(simplified, not audited)  
as at March 31<sup>st</sup>, 2022**

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

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Vrancart S.A.

## Consolidated statement of financial position

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	December 31 <sup>st</sup> , 2021
<b>ASSETS</b>		
Tangible assets	339.638.233	338.408.016
Intangible assets	5.424.533	5.850.271
Financial assets	39.594	39.594
Goodwill	8.526.391	8.526.391
<b>Total non-current assets</b>	<b>353.628.751</b>	<b>352.824.272</b>
Inventories	71.003.287	72.156.949
Trade receivables	118.510.005	101.927.129
Prepaid expenses	3.087.478	1.115.940
Receivables related to current profit tax	-	242.518
Other receivables	944.824	3.856.477
Cash and cash equivalents	5.296.544	2.368.775
<b>Total current assets</b>	<b>198.842.138</b>	<b>181.667.788</b>
<b>TOTAL ASSETS</b>	<b>552.470.889</b>	<b>534.492.060</b>
<b>EQUITY</b>		
Share capital	120.338.551	120.363.081
Reserves	114.891.115	115.453.878
Retained earnings	9.088.848	4.689.698
<b>Total equity – the parent-company</b>	<b>244.318.514</b>	<b>240.506.657</b>
Non-controlling interests	(653)	(1.040)
<b>Total equity</b>	<b>244.317.861</b>	<b>240.505.617</b>
<b>LIABILITIES</b>		
Long-term loans	52.831.567	58.706.910
Long-term liabilities under leasing contracts	17.760.155	17.870.254
Long-term loans from bond issues	37.949.400	37.949.400
Deferred income	9.103.025	9.620.784
Long-term debts to employees	422.307	422.307
Liabilities related to deferred profit tax	4.738.682	5.128.351
Other long-term liabilities	323.422	323.422
<b>Total long-term liabilities</b>	<b>123.128.558</b>	<b>130.021.428</b>
Short-term trade liabilities	66.965.990	74.347.087
Short-term loans	96.787.078	71.301.775
Short-term liabilities under leasing contracts	5.864.011	5.864.025
Deferred income	2.071.152	2.219.654
Debts to employees	6.522.776	5.104.218
Debts related to current profit tax	643.406	-
Other liabilities	6.170.057	5.128.256
<b>Total current liabilities</b>	<b>185.024.470</b>	<b>163.965.015</b>
<b>TOTAL LIABILITIES</b>	<b>308.153.028</b>	<b>293.986.443</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>552.470.889</b>	<b>534.492.060</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Consolidated statement of comprehensive income

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
Income from turnover	157.052.076	100.117.423
Other income	2.055.540	670.409
Variation of finished product inventories and production in progress	(2.812.946)	(4.832.041)
Expenses related to raw materials and consumables	(84.604.794)	(46.172.122)
Expenses related to commodities	(8.182.819)	(2.624.529)
Third party expenses	(18.310.512)	(7.452.721)
Personnel-related expenses	(22.816.608)	(19.107.116)
Expenses related to amortisation and impairment of assets	(7.555.004)	(8.863.931)
Other expenses	(8.805.606)	(5.019.987)
<b>Operating result</b>	<b>6.019.327</b>	<b>6.715.385</b>
Financial income	110	91
Financial expenses	(1.730.647)	(867.620)
<b>Profit before taxation</b>	<b>4.288.790</b>	<b>5.847.856</b>
Profit tax income (expense)	(251.061)	(314.218)
<b>Profit for the year</b>	<b>4.037.729</b>	<b>5.533.638</b>
- Of the parent-company	4.038.663	5.533.657
- Of non-controlling interests	(934)	(19)
<b>Other comprehensive income items</b>		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4.037.729</b>	<b>5.533.638</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Consolidated statement of changes in equity

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Non-controlling interests	Total equity
<b>Balance as at January 1<sup>st</sup>, 2022</b>	<b>120.363.081</b>	<b>49.182.872</b>	<b>66.271.006</b>	<b>4.689.698</b>	<b>(1.040)</b>	<b>240.505.617</b>
<b>Comprehensive income for the period</b>						
Net profit/loss for the period	-	-	-	4.038.663	(934)	4.037.729
<b>Other comprehensive income items</b>						
Distribution from retained earnings	-	-	-	(245.622)	1.321	(244.301)
Other changes	(24.530)	-	-	-	-	(24.530)
Share premiums	-	-	43.346	-	-	43.346
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale/cassation of tangible assets	-	(606.109)	-	606.109	-	-
<b>Balance as at March 31<sup>st</sup>, 2022</b>	<b>120.338.551</b>	<b>48.576.763</b>	<b>66.314.352</b>	<b>9.088.848</b>	<b>(653)</b>	<b>244.317.861</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Consolidated statement of cash flows

as at March 31<sup>st</sup>, 2022

(all amounts in RON, unless otherwise stated)

	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Cash flows from operating activities</b>		
Amounts collected from customers	168.096.131	110.132.933
Payments to suppliers	(137.248.658)	(70.129.193)
Payments to employees	(13.919.855)	(12.507.801)
Payments to the state budget	(16.168.170)	(13.332.291)
Profit tax paid	-	(993.110)
<b>Net cash flows from operating activities</b>	<b>759.448</b>	<b>13.170.538</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of tangible assets	(12.566.466)	(6.946.988)
Guarantees for granting of operating permits	-	(2.000.000)
Amounts collected from the sale of tangible assets	354.875	266.720
Interests collected	89	91
<b>Net cash flows from investment activities</b>	<b>(12.211.502)</b>	<b>(8.680.177)</b>
<b>Cash flows from financing activities</b>		
Amounts collected from loans	29.303.466	1.790.614
Share capital increase	476.774	-
Interests paid and loans reimbursed	(13.052.499)	(5.530.374)
Payments under leasing contracts	(2.347.917)	(2.022.550)
<b>Net cash flows from financing activities</b>	<b>14.379.824</b>	<b>(5.762.310)</b>
	<b>2.927.770</b>	<b>(1.271.949)</b>
<b>Net increase/ (reduction) of cash and cash equivalents</b>		
	<b>2.368.774</b>	<b>5.558.078</b>
<b>Cash and cash equivalents as at the financial year beginning</b>		
	<b>5.296.544</b>	<b>4.286.129</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

**Notes to the interim consolidated financial statements**as at March 31<sup>st</sup>, 2022**The reporting entity**

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

The Group’s interim consolidated financial statements for the first three months of 2022 are formed of the interim financial statements of Vrancart S.A. and of its branches, which form together the Group.

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

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

**VRANCART S.A.**

Vrancart SA (“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, Calimanesti, Ungheni, Iași, Focșani, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Bacău, Cluj, Craiova, Baia Mare, Târgu Mures, Braila and Piatra Neamt.

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 March 31<sup>st</sup>, 2022

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- single-wall, double-wall and double-double wall corrugated cardboard, corrugated cardboard with micro-flutes;
- corrugated cardboard boxes of various formats, die-cut and printed;
- paperboards;
- tissue papers in various assortments.

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

As at March 31<sup>st</sup>, 2022, the Company is held in a percentage of 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. ("Branch 1")** was established in 2002 and it is a Romanian privately-owned company which manufactures tissue paper products, such as: napkins, folded towels, tissue paper, professional rolls, towels for cosmetic use and facial tissues. The products manufactured are traded in 7 countries, on the Romanian territory and abroad, by means of store chains (hypermarkets, supermarkets, cash and carry), and also by means of distributors.

On January 20<sup>th</sup>, 2017 Vrancart S.A. completed the process for the purchase of the main stake (70%) in Rom Paper S.R.L.

As at March 31<sup>st</sup>, 2022, the Group holds 100% of the company's shares, following the acquisition in June 2017 of 15%, respectively in June 2018 of the last tranche of 15% of the shares of Rom Paper S.R.L.

### **VRANCART RECYCLING S.R.L.**

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

The company is at the beginning of its activity.

### **ECOREP GROUP 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 obligations related to the producers' extended liability for environmental targets.

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



## Notes to the interim consolidated financial statements

as at March 31<sup>st</sup>, 2022

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### Accounting principles, policies and methods

The simplified interim consolidated financial statements for the first three months ended on March 31<sup>st</sup>, 2022 were drafted in accordance with IAS 34 Interim Financial Statements.

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

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

Combinations of entities are accounted through the acquisition method on the date when the Group obtains control over the acquired entity. Control requires exposure or rights onto the variable results of the entity invested in, 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 three months of 2022 have not been revised by an external financial auditor, as this is not a legal requirement.

### Transactions in foreign currency

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 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	March 31 <sup>st</sup> , 2022	December 31 <sup>st</sup> , 2021	Variation
Euro (EURO)	4.9466	4.9481	-0,03%
American dollars (USD)	4.4508	4.3707	+1,83%

### Other notes

The Group's management has established its medium and long-term strategy and the estimates provide sales increases and cost reductions following the effective use of resources, leading to an increase of the operating profit.

As at March 31<sup>st</sup>, 2022, the Group recorded a positive cash balance of RON 5.296.544 and it does not have any outstanding debts to the public budgets or to its private partners.

## Notes to the interim consolidated financial statements

as at March 31<sup>st</sup>, 2022

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

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

### Subsequent events

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

Through the decision no. 4/April 27<sup>th</sup>, 2022, the Ordinary General Meeting of the Shareholders approved the distribution of **dividends** from the net profit of the financial year 2021 in the amount of RON 5.054.219 (namely dividends with a gross amount of RON 0.0042/share), the payment date being set for October 3<sup>rd</sup>, 2022.

### Management's statement

According to our best information available, we confirm that the simplified interim consolidated financial statements as at March 31<sup>st</sup>, 2022 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Group's position and financial performances, as provided by the applicable accounting standards, and that the information presented in this report provides a fair and accurate view of the main events that took place during the first three 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