



To,

**The Financial Supervisory Authority  
The Bucharest Stock Exchange**

**Current report according to Financial Supervisory Authority Regulation  
no. 5/2018**

<b>Date of report:</b>	February 28 <sup>th</sup> , 2022
<b>Name of the issuing entity:</b>	VRANCART S.A.
<b>Registered office:</b>	Adjud, 17 <sup>th</sup> Ecaterina Teodoroiu Street, Vrancea County
<b>Telephone/fax no.:</b>	0237-640.800/0237-641.720
<b>Tax Identification Number:</b>	RO 1454846
<b>Trade Registry registration no.:</b>	J39/239/1991
<b>Subscribed and paid-in share capital:</b>	RON 120,338,551.40
<b>The regulated trading market:</b>	The Bucharest Stock Exchange

**Major events to report:**

VRANCART S.A. informs shareholders and investors that, in accordance with the Financial Reporting Calendar, the unaudited preliminary annual financial statements (individual and consolidated) for the financial year 2021, 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), with the provisions of Law no. 24/2017 and SFA Regulation no. 5/2018, may be consulted at the company's headquarters in Adjud, 17<sup>th</sup> Ecaterina Teodoroiu, Vrancea County or at the web address [www.vrancart.ro](http://www.vrancart.ro), starting from February 28<sup>th</sup>, 2022, from 06.00 PM.

Attached to this Current Report are the unaudited preliminary annual financial statements (individual and consolidated) for the financial year 2021, prepared in accordance with International Financial Reporting Standards – IFRS.

**Chairman of the Board of Directors**

**Ionel-Marian CIUCIOI**



*Translation for information purposes only*

# **VRANCART CONSOLIDATED PRELIMINARY FINANCIAL RESULTS**

## **for the financial year ended on December 31<sup>st</sup>, 2021**

**Note:**

The preliminary financial results presented in this document are consolidated results, being reported in accordance with the *Public Finance Ministry Order no. 2844/2016* as subsequently amended, which is in compliance with the *International Financial Reporting Standards (IFRS)* adopted by the European Union.

The consolidated preliminary financial results are not audited, this process being ongoing. As a result, the final and audited financial statements for 2021 may differ from these.

The functional and presentation currency is the Romanian leu (RON).

## **Content**

Consolidated statement of financial position	3
Consolidated situation of the overall result	4
Consolidated statement of changes in equity capital	5
Consolidated cash flow statement	6
Notes to the consolidated preliminary financial statements	7-9

**Consolidated statement of financial position***as of December 31<sup>st</sup>, 2021**(all the amounts are expressed in RON, unless otherwise stated)*

	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
<b>ASSETS</b>		
Tangible assets	338,307,136	315,908,406
Intangible assets	5,850,271	6,788,609
Goodwill	39,594	41,094
Financial assets	8,526,391	8,526,391
<b>Total non-current assets</b>	<b>352,723,392</b>	<b>331,264,500</b>
Inventories	73,107,759	53,013,513
Trade receivables	101,927,129	71,841,836
Accrued expenses	1,115,940	870,819
Cash and cash equivalents	2,368,775	5,558,078
Receivables related to current income tax	114,401	-
Other receivables	1,814,989	1,212,397
<b>Total current assets</b>	<b>180,448,993</b>	<b>132,496,643</b>
<b>TOTAL ASSETS</b>	<b>533,172,385</b>	<b>463,761,143</b>
<b>EQUITY</b>		
Share capital	120,363,080	103,168,355
Reserves	115,500,390	114,957,240
Retained earnings	5,321,734	9,652,131
<b>Total equity - Parent company</b>	<b>241,185,204</b>	<b>227,777,726</b>
Non-controlling interests	(1,021)	281
<b>Total equity</b>	<b>241,184,183</b>	<b>227,778,007</b>
<b>LIABILITIES</b>		
Long-term loans	64,405,440	43,766,905
Long-term loans from bond issues	37,949,400	37,627,000
Long-term leasing debts	17,768,484	10,570,722
Advance income	10,040,444	12,851,179
Long-term debts to employees	422,307	453,855
Debts related to deferred profit tax	5,156,169	5,503,412
Other long-term liabilities	323,422	645,822
<b>Total long-term liabilities</b>	<b>136,065,666</b>	<b>111,418,895</b>
Short-term trade liabilities	74,347,087	39,683,654
Short-term loans	65,603,245	66,709,792
Short-term leasing debts	5,864,025	4,011,256
Advance income	1,799,994	2,726,759
Debts to employees	5,221,418	5,411,426
Debts related to current profit tax	-	966,800
Other debts	3,086,767	5,054,554
<b>Total current liabilities</b>	<b>155,922,536</b>	<b>124,564,241</b>
<b>TOTAL LIABILITIES</b>	<b>291,988,202</b>	<b>235,983,136</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>533,172,385</b>	<b>463,761,143</b>

CIUCIOI Ionel-Marian  
Director General

ARSENE Vasilica-Monica  
Director Financiar

**Consolidated situation of the overall result**as of December 31<sup>st</sup>, 2021*(all the amounts are expressed in RON, unless otherwise stated)*

	2021	2020
Turnover income	453,888,676	349,656,944
Other income	8,596,073	5,402,360
Change in stocks of finished goods and work in progress	8,824,259	(7,569,998)
Expenditure on raw materials and consumables	(271,358,232)	(161,404,382)
Expenditure on goods	(16,052,868)	(12,929,903)
Expenditure on services provided by third parties	(40,434,950)	(27,931,900)
Staff expenditure	(82,727,422)	(71,963,147)
Depreciation and impairment of fixed assets	(35,104,380)	(34,834,216)
Other expenses	(12,290,944)	(13,725,893)
<b>Operational result</b>	<b>13,340,212</b>	<b>24,699,865</b>
Financial income	588,277	925
Financial expenses	(5,231,162)	(6,062,153)
<b>Profit / (Loss) before tax</b>	<b>8,697,327</b>	<b>18,638,637</b>
Income / (expense) with income tax	(999,051)	(2,025,331)
<b>Profit/(Loss) for the year</b>	<b>7,698,276</b>	<b>16,613,306</b>
- Related to the Parent Company	7,699,597	16,613,325
- Related to Minority interests	(1,321)	(19)
<b>Other comprehensive income</b>		
Increases in the revaluation reserve for tangible fixed assets, net of deferred tax	-	-
<b>TOTAL OVERALL RESULT FOR THE YEAR</b>	<b>7,698,276</b>	<b>16,613,306</b>
- Related to the Parent Company	7,699,597	16,613,325
- Related to Minority interests	(1,321)	(19)

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart

## Consolidated statement of changes in equity capital

as of December 31<sup>st</sup>, 2021

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

	Share capital	Reserves from revaluation of tangible fixed assets	Other reserves	Reported result	Non-controlling interests	Total equity
<b>Balance on January 1<sup>st</sup>, 2021</b>	<b>103,168,355</b>	<b>51,668,712</b>	<b>63,288,528</b>	<b>9,652,131</b>	<b>281</b>	<b>227,778,007</b>
<b>Overall result for the period</b>						
Net result for the period	-	-	-	7,699,597	(1,321)	7,698,276
<b>Other comprehensive income</b>						
Capital increase	17,194,726	-	-	-	-	17,194,726
Allocation from retained earnings	-	-	2,067,605	(12,719,700)	19	(10,652,076)
Other changes	-	-	810	(96,612)	-	(95,802)
Changes in the revaluation reserve for tangible fixed assets, net of deferred tax	-	(738,947)	-	-	-	(738,947)
Transfer of revaluation reserve to retained earnings following sale/disposal of property, plant and equipment	-	(786,317)	-	786,317	-	-
<b>Total other comprehensive income</b>	<b>17,194,726</b>	<b>(1,525,264)</b>	<b>2,068,415</b>	<b>(12,092,995)</b>	<b>19</b>	<b>5,707,901</b>
<b>Total comprehensive income for the period</b>	<b>17,194,726</b>	<b>(1,525,264)</b>	<b>2,068,415</b>	<b>(4,330,398)</b>	<b>(1,302)</b>	<b>13,406,177</b>
<b>Balance on December 31<sup>st</sup>, 2021</b>	<b>120,363,080</b>	<b>50,143,448</b>	<b>65,356,942</b>	<b>5,321,734</b>	<b>(1,021)</b>	<b>241,184,183</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

**Consolidated cash flow statement**as of December 31<sup>st</sup>, 2021*(all the amounts are expressed in RON, unless otherwise stated)*

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Collections from customers	494,782,112	400,037,149
Supplier payments	(343,291,206)	(230,364,017)
Payments to employees	(56,334,135)	(46,401,229)
Payments to the state budget	(62,360,626)	(55,125,576)
Income tax paid	(2,850,515)	(2,171,302)
<b>Net cash from operating activities</b>	<b>29,945,630</b>	<b>65,975,025</b>
<b>Cash flows from investing activities</b>		
Payments for the purchase of fixed assets	(47,392,126)	(39,342,622)
Payments for the acquisition of financial fixed assets	(2,000,000)	-
Proceeds from the sale of tangible fixed assets	380,648	10,282,717
Interest received	934	400
<b>Net cash from investing activities</b>	<b>(49,010,544)</b>	<b>(29,059,505)</b>
<b>Cash flows from financing activities</b>		
Receipts from loans	22,182,446	18,582,699
Cash contribution to the company	-	300
Shareholder contribution to share capital increase	16,736,768	-
Lease payments	(5,813,819)	(5,068,315)
Interest paid and loan repayments	(7,392,322)	(35,695,646)
Dividends paid	(9,837,462)	(11,661,645)
<b>Net cash from financing activities</b>	<b>15,875,611</b>	<b>(33,842,607)</b>
	<b>(3,189,303)</b>	<b>3,072,913</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the financial year	5,558,078	2,485,165
Cash and cash equivalents at the end of the financial year	2,368,775	5,558,078

**CIUCIOI Ionel-Marian**

Director General

**ARSENE Vasilica-Monica**

Director Financiar

## Notes to the preliminary consolidated financial statements

as of December 31<sup>st</sup>, 2021

---

The Vrancart Group ("the Group") comprises Vrancart, with registered office in Adjud, 17th Ecaterina Teodoroiu, Vrancea county and its subsidiaries Rom Paper ("Subsidiary 1"), with registered office in Brasov, 30th Soseaua Cristianului, Brasov County, Vrancart Recycling ("Subsidiary 2"), with registered office in Adjud, 17th Ecaterina Teodoroiu, Vrancea County and Ecorep Group ("Subsidiary 3"), with registered office in Adjud, 17th Ecaterina Teodoroiu, Vrancea County.

The preliminary consolidated financial statements of the Group for the financial year ending December 31<sup>st</sup>, 2021 consist of the preliminary financial statements of Vrancart and its subsidiaries, which together form the Group.

Subsidiary	Field of activity	Holding as of	Holding as of
		December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
Rom Paper	Manufacture of napkins and sanitary towels	100%	100%
Vrancart Recycling	Treatment and disposal of non-hazardous waste	100%	100%
Ecorep Group	Support service activities for enterprises	99.60%	99.60%

### VRANCART

Vrancart ("the Company") is a joint stock company operating in Romania in accordance with the provisions of Law 31/1990 on companies.

The Company has its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County.

The company has offices in 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 core business is the production and marketing of the following products:

- corrugated cardboard,
- packaging and other corrugated board products,
- papers for corrugated board,
- sanitary papers in various assortments.

The Company's shares have been listed on the Bucharest Stock Exchange, Standard category, under the ticker symbol VNC, since July 15<sup>th</sup>, 2005. The Group publishes its consolidated financial statements on [www.vrancart.ro](http://www.vrancart.ro).



## Notes to the preliminary consolidated financial statements

as of December 31<sup>st</sup>, 2021

---

As of December 31<sup>st</sup>, 2021, the Company is 75% owned by SIF Banat - Crisana SA, 17% by Paval Holding SRL and 8% by other shareholders.

The records of shares and shareholders are kept in accordance with the law by the Central Depository S.A. Bucharest.

### **ROM PAPER**

Rom Paper ("Subsidiary 1") was established in 2002 and is a private company with Romanian capital, active in the production of sanitary paper products, such as: table napkins, folded towels, toilet paper, professional rolls, cosmetic towels and boxed towels. The products made are marketed in 7 countries, both in Romania and abroad, through chain stores (hypermarkets, supermarkets, cash and carry) and through distributors.

On January 20<sup>th</sup>, 2017 the acquisition of the majority stake (70%) of Rom Paper by Vrancart was completed.

As at December 31<sup>st</sup>, 2021, the Group held 100% of the company's shares, following the acquisition in June 2017 of a further 15% and in June 2018 of the final 15% stake in Rom Paper.

### **VRANCART RECYCLING**

Vrancart Recycling ("Subsidiary 2") was established in 2020, in August, and is a private company with Romanian capital, with a single partner. The main activity of this subsidiary is the treatment and disposal of non-hazardous waste.

### **ECOREP GROUP**

Ecorep Group ("Subsidiary 3") was established 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 Group is active in the collection and recycling of non-hazardous waste, in the paper and corrugated board industry, and in the sanitary paper industry.

In 2021, the development of the Vrancart Group (the "Group") 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, the results achieved during 2021 confirm the Vrancart Group's ability to continue to generate profits and its financial strength.

Compared to the same period last year, the gross profit recorded was RON 7,7 million (vs. RON 18,6 million), current liquidity increased to 1.16 (vs. 1.06), and the Group's debt ratio increased.

## Notes to the preliminary consolidated financial statements

as of December 31<sup>st</sup>, 2021

---

The balance of cash and cash equivalents recorded as at December 31<sup>st</sup>, 2021 was positive, i.e. RON 2,368,775. During this period, the Company has managed to manage its treasury efficiently, honouring all its due obligations on time and in full.

### General evaluation elements:

a) gross accounting result	RON 7.698 thousands
b) turnover	RON 453.888 thousands
c) operational costs	RON 457.968 thousands

The economic and financial indicators at Group level as at December 31<sup>st</sup>, 2021 are as follows:

Indicator name	Method of calculation	UM	Result
<b>Current liquidity indicator</b>	Current assets/Current liabilities	rap	1,16
<b>Debt ratio indicator</b>	Borrowed capital/Equity100	%	83*
	Borrowed capital/Capital employed x100	%	45*
<b>Rotational speed of customer flows</b>	Average customer balance/turnover turnover x 360	days	81
<b>Turnover speed of fixed assets</b>	Turnover/fixed assets	rap	1,29

\* Borrowed capital includes lines of credit, short-term and long-term bank loans and borrowings, short-term and long-term lease liabilities and borrowings under bond issues.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



*Translation for information purposes only*

## **VRANCART INDIVIDUAL PRELIMINARY FINANCIAL RESULTS**

for the financial year ended on  
December 31<sup>st</sup>, 2021

Note:

The preliminary financial results presented in this document are individual results, being reported in accordance with the *Public Finance Ministry Order no. 2844/2016* as subsequently amended, which is in compliance with the *International Financial Reporting Standards (IFRS)* adopted by the European Union.

The individual preliminary financial results are not audited, this process being ongoing. As a result, the final and audited financial statements for 2021 may differ from these.

The functional and presentation currency is the Romanian leu (RON).

## Content

Individual statement of financial position	3
Individual situation of the overall result	4
Individual statement of changes in equity capital	5
Individual cash flow statement	6
Notes to the preliminary individual financial statements	7-8

**Individual statement of financial position***as of December 31<sup>st</sup>, 2021**(all the amounts are expressed in RON, unless otherwise stated)*

	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
<b>ASSETS</b>		
Tangible assets	300,076,410	285,408,521
Intangible assets	1,379,680	1,446,228
Goodwill	3,380,811	3,380,811
Financial assets	45,566,328	29,966,328
<b>Total non-current assets</b>	<b>350,403,229</b>	<b>320,201,888</b>
Inventories	59,552,570	42,055,540
Trade receivables	84,112,306	64,666,084
Accrued expenses	517,486	761,374
Cash and cash equivalents	1,536,938	4,332,741
Receivables related to current income tax	83,938	-
Other receivables	2,820,729	986,228
<b>Total current assets</b>	<b>148,623,967</b>	<b>112,801,967</b>
<b>TOTAL ASSETS</b>	<b>499,027,196</b>	<b>433,003,855</b>
<b>EQUITY</b>		
Share capital	120,363,080	103,168,355
Reserves	116,615,876	115,711,008
Retained earnings	11,245,008	12,387,267
<b>Total equity</b>	<b>248,223,964</b>	<b>231,266,630</b>
<b>LIABILITIES</b>		
Long-term loans	47,751,510	43,766,905
Long-term loans from bond issues	37,949,400	37,627,000
Long-term leasing debts	17,768,484	10,525,739
Advance income	9,454,417	10,627,998
Long-term debts to employees	422,307	453,855
Debts related to deferred profit tax	4,145,666	4,275,495
Other long-term liabilities	323,422	645,822
<b>Total long-term liabilities</b>	<b>117,815,206</b>	<b>107,922,814</b>
Short-term trade liabilities	61,919,951	26,573,457
Short-term loans	54,642,483	50,172,836
Short-term leasing debts	5,864,025	4,011,256
Advance income	1,593,218	2,522,385
Debts to employees	4,511,986	4,904,713
Debts related to current profit tax	-	960,442
Other debts	4,456,363	4,669,322
<b>Total current liabilities</b>	<b>132,988,026</b>	<b>93,814,411</b>
<b>TOTAL LIABILITIES</b>	<b>250,803,232</b>	<b>201,737,225</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>499,027,196</b>	<b>433,003,855</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

**Individual situation of the overall result**as of December 31<sup>st</sup>, 2021*(all the amounts are expressed in RON, unless otherwise stated)*

	<b>2021</b>	<b>2020</b>
Turnover income of which:	387,017,600	286,476,932
Income from sale of goods	21,754,089	12,273,022
Other income	6,929,773	5,120,006
Change in stocks of finished goods and work in progress	9,525,599	(7,948,360)
Expenditure on raw materials and consumables	(229,269,419)	(124,223,310)
Expenditure on goods	(13,055,876)	(7,497,067)
Expenditure on services provided by third parties	(34,634,513)	(21,789,796)
Staff expenditure	(70,747,581)	(61,989,022)
Depreciation and impairment of fixed assets	(32,086,789)	(31,795,560)
Other expenses	(7,022,112)	(10,165,789)
<b>Operational result</b>	<b>16,656,682</b>	<b>26,188,032</b>
Financial income	421,246	821
Financial expenses	(4,611,181)	(5,422,241)
<b>Profit / (Loss) before tax</b>	<b>12,466,747</b>	<b>20,766,612</b>
Income / (expense) with income tax	(1,861,249)	(2,233,002)
<b>Profit/(Loss) for the year</b>	<b>10,605,498</b>	<b>18,533,610</b>
<b>Other comprehensive income</b>		
Increases in the revaluation reserve for tangible fixed assets, net of deferred tax	-	-
<b>TOTAL OVERALL RESULT FOR THE YEAR</b>	<b>10,605,498</b>	<b>18,533,610</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart

## Individual statement of changes in equity capital

as of December 31<sup>st</sup>, 2021

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

	Share capital	Reserves from revaluation of tangible fixed assets	Other reserves	Reported result	Total equity
<b>Balance on January 1<sup>st</sup>, 2021</b>	<b>103,168,355</b>	<b>54,712,573</b>	<b>60,998,434</b>	<b>12,387,268</b>	<b>231,266,630</b>
<b>Overall result for the period</b>					
Net result for the period	-	-	-	10,605,498	<b>10,605,498</b>
<b>Other comprehensive income</b>					
Capital increase	17,194,725	-	-	-	<b>17,194,725</b>
Allocation from retained earnings	-	-	2,067,605	(12,075,746)	<b>(10,008,141)</b>
Other changes	-	-	810	(96,612)	<b>(95,802)</b>
Changes in the revaluation reserve for tangible fixed assets, net of deferred tax	-	(738,947)	-	-	<b>(738,947)</b>
Transfer of revaluation reserve to retained earnings following sale/disposal of property, plant and equipment	-	(424,600)	-	424,600	-
<b>Total other comprehensive income</b>	<b>17,194,725</b>	<b>(1,163,547)</b>	<b>2,068,415</b>	<b>(11,747,758)</b>	<b>6,351,836</b>
<b>Total comprehensive income for the period</b>	<b>17,194,725</b>	<b>(1,163,547)</b>	<b>2,068,415</b>	<b>(1,142,260)</b>	<b>16,957,334</b>
<b>Balance on December 31<sup>st</sup>, 2021</b>	<b>120,363,080</b>	<b>53,549,026</b>	<b>63,066,849</b>	<b>11,245,008</b>	<b>248,223,964</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

**Individual cash flow statement**as of December 31<sup>st</sup>, 2021*(all the amounts are expressed in RON, unless otherwise stated)*

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Collections from customers	433,426,416	331,173,886
Supplier payments	(283,219,633)	(172,027,266)
Payments to employees	(49,029,042)	(40,879,964)
Payments to the state budget	(54,727,134)	(48,247,992)
Income tax paid	(2,813,694)	(2,074,422)
<b>Net cash from operating activities</b>	<b>43,636,913</b>	<b>67,944,242</b>
<b>Cash flows from investing activities</b>		
Payments for the purchase of fixed assets	(34,883,285)	(32,718,920)
Payments for the acquisition of financial fixed assets	(15,600,000)	(1,099,600)
Proceeds from the sale of tangible fixed assets	364,446	1,578,635
Interest received	896	296
<b>Net cash from investing activities</b>	<b>(50,117,943)</b>	<b>(32,239,589)</b>
<b>Cash flows from financing activities</b>		
Receipts from loans	6,400,000	13,548,248
Shareholder contribution to share capital increase	16,736,768	-
Lease payments	(5,813,819)	(5,069,270)
Interest paid and loan repayments	(3,800,260)	(30,338,447)
Dividends paid	(9,837,462)	(11,661,645)
<b>Net cash from financing activities</b>	<b>3,685,227</b>	<b>(33,521,114)</b>
	<b>(2,795,803)</b>	<b>2,183,539</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		
	<b>4,332,741</b>	<b>2,149,202</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		
	<b>1,536,938</b>	<b>4,332,741</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



## Notes to the preliminary individual financial statements

as of December 31<sup>st</sup>, 2021

---

Vrancart ("the Company") is a joint stock company operating in Romania in accordance with the provisions of Law 31/1990 on companies.

Vrancart SA is active in the field of non-hazardous waste collection and recycling, in the corrugated paper and board industry, and in the sanitary paper industry.

The company has working points in Bucharest, Calimanesti, Ungheni, Iasi, Focșani, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Bacău, Cluj, Craiova, Baia Mare, Târgu Mures, Braila and Piatra Neamt.

The Company's core business is the production and marketing of the following products:

- corrugated cardboard,
- packaging and other corrugated board products,
- papers for corrugated board,
- sanitary papers in various assortments.

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the ticker VNC, since 15 July 2005.

As of 31 December 2021, the Company is owned 75% by SIF Banat - Crisana SA, 17% by Paval Holding SRL and 8% by other shareholders.

The shares and shareholders' records are kept in accordance with the law by S.C. Depozitarul Central S.A. Bucuresti.

In 2021, the development of Vrancart (hereinafter referred to as the "Company") was influenced by the aftermath of the ongoing pandemic crisis, which resulted in supply chain bottlenecks and, as of the third quarter, price increases for raw materials, materials and commodities and service and utility tariffs.

Although the Company's activity was negatively impacted, the results achieved by Vrancart during 2021 confirm the Company's ability to continue to generate profits and its financial strength.

Compared to the same period last year, the gross profit recorded was 12,5 million lei (vs. 20,7 million lei), the current liquidity decreased slightly to 1,12 (vs. 1,20) and the Company's debt ratio increased.

The balance of cash and cash equivalents recorded as at December 31<sup>st</sup>, 2021 is positive, i.e. 1,536,938 lei. During this period, the Company has managed to manage its treasury efficiently, honouring all its due obligations on time and in full.

### General evaluation elements:

a) gross accounting result	RON 12,467 thousand
b) turnover	RON 387,017 thousand
c) operating costs	RON 386,816 thousand

**Notes to the preliminary individual financial statements**as of December 31<sup>st</sup>, 2021

d) % of market held

Year 2021	Sanitary papers	- 9%
	Paper for cardboard	- 16%
	Corrugated cardboard	- 15%

The economic and financial indicators as of December 31<sup>st</sup>, 2021 are as follows:

Indicator name	Method of calculation	UM	Result
<b>Current liquidity indicator</b>	Current assets/Current liabilities	rap	1,12
<b>Debt ratio indicator</b>	Borrowed capital/Equity100	%	66*
	Borrowed capital/Capital employeeed x100	%	40*
<b>Rotational speed of customer flows</b>	Average customer balance/turnover turnover x 360	days	78
<b>Turnover speed of fixed assets</b>	Turnover/fixed assets	rap	1,10

\* Borrowed capital includes lines of credit, short-term and long-term bank loans and borrowings, short-term and long-term lease liabilities and borrowings under bond issues.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager