

## NOTIFICATION

The company VRANCART informs investors and shareholders that the Report for the first half of 2024 (individual and consolidated), drawn up in accordance with the International Financial Reporting Standards (IFRS) (the Order of the Public Finance Ministry no. 881/2012 and the Order of the Public Finance Ministry no. 2844/2016 with the subsequent amendments and completions), with the provisions of Law no. 24/2017 and of the Regulation of the Financial Supervisory Authority no. 5/2018, along with the (individual and consolidated) interim financial Reports not audited as at June 30<sup>th</sup>, 2024 and the Statement of the responsible persons may be consulted at the company's office in Adjud, 17<sup>th</sup> Ecaterina Teodoroiu Street, Vrancea county or on the website [www.vrancart.ro](http://www.vrancart.ro), starting from August 16<sup>th</sup>, 2024, at 18<sup>30</sup>.

During the first half of 2024, the performance of the Company was impacted by the decrease in sales volumes, as well as by the lower prices in the corrugated cardboard and packaging market, which resulted in revenues lower than in 2023, but which are expected to be recovered by the end of the current year.

Packaging demand has started to pick up slightly since the second half of the first quarter and the Company's management expects improved results starting from the second half of the year. The minimum wage increase from October 1<sup>st</sup>, 2023 continued to impact personnel-related costs in the first half of the current year. Financing costs, although down by 1,3% compared to the same period of the previous year, still remain at high levels.

EBITDA was RON 19,0 mil. (vs. the budgeted amount of RON 17,9 mil.) in absolute value, and its relative value recorded the level of 10,4% (vs. 9% budgeted). The Company's management aims to maintain the trend recorded in the first half of the year until the year end.

Compared to the same period of the previous year, the net result recorded was RON -8.4 million (vs. RON +8.5 million). The current liquidity improved to 0,92 (vs. 0,88), being influenced by the reimbursement at the maturity date (March 15<sup>th</sup>, 2024) of the debenture loan.

The economic and financial indicators as at June 30<sup>th</sup>, 2024 are as follows:

Indicator's name	M.U.	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
<b>Overall liquidity</b>	ratio	0,92	0,88
<b>Immediate liquidity</b>	ratio	0,61	0,56
<b>Stock turnover</b>	rot/year	6	7
<b>Debt recovery</b>	days	74	71
<b>Reimbursement of trade liabilities</b>	days	51	34
<b>Operating profitability</b>	%	-1%	6,9
<b>Gross profit rate</b>	%	-4%	4,3

Overall and immediate liquidity recorded a slight increase as at June 30<sup>th</sup>, 2024 compared to June 30<sup>th</sup>, 2023, as a result of the cash inflow received on the share capital increase.

The debt recovery period recorded a slight increase and at the same time, the number of days of credit obtained from suppliers also increased, which contributed to the improvement in the company's liquidity.

Additional information may be obtained at the telephone no. 0237-640800 – ext. 274 or at the e-mail address [marian.radu@vrancart.com](mailto:marian.radu@vrancart.com) .

**Chairman of the Board of Administrators**

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The Board of Directors' Half Year Report I-2024 (individual and consolidated), together with the unaudited interim financial statements (individual and consolidated) and the statement of responsible persons can be studied by clicking on the link below.