



Translation for information purposes only

VRANCART S.A. PRELIMINARY INDIVIDUAL FINANCIAL RESULTS

For the financial year ended on
December 31st, 2023

Note:

The preliminary financial results presented in this document are individual results and are reported in accordance with the Order of the Minister of Public Finance No. 2844/2016 as amended, which is in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preliminary individual financial results are unaudited as this process is ongoing. As a result, the final and audited financial statements for 2023 may differ from these.

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

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Vrancart S.A.

Individual statement of financial position

as at December 31st, 2023

(all amounts in RON, unless otherwise stated)

	December 31 st , 2023	December 31 st , 2022
ASSETS		
Tangible assets	384.337.065	377.906.267
Intangible assets	775.019	953.329
Goodwill	3.380.811	3.380.811
Financial assets	62.587.328	45.566.328
Other non-current assets	13.100.000	-
Total non-current assets	464.180.223	427.806.735
Inventories	66.810.661	61.279.453
Assets held for sale	19.725.761	-
Trade receivables	68.563.419	95.613.017
Prepaid expenses	858.748	1.666.742
Other receivables	10.353.820	14.980.360
Restricted cash	113.275	1.881.991
Cash and cash equivalents	2.088.021	1.288.888
Total current assets	168.513.705	176.710.451
TOTAL ASSETS	632.693.928	604.517.186
EQUITY		
Share capital	169.121.665	120.338.551
Reserves	173.675.223	175.564.482
Retained earnings	20.691.913	24.754.468
Total equity	363.488.801	320.657.501
LIABILITIES		
Long-term loans	67.826.778	79.531.749
Long-term loans from bond issues	-	38.164.800
Long-term liabilities under leasing agreements	21.333.018	15.701.298
Deferred income	8.761.341	7.207.890
Long-term debts to employees	444.379	440.169
Debts related to deferred profit tax	12.876.271	13.612.888
Other long-term liabilities	12.961	108.022
Total long-term liabilities	111.254.748	154.766.816
Short-term trade liabilities	32.527.381	46.344.171
Short-term loans	62.541.116	56.912.405
Short-term loans from bond issues	38.250.000	-
Short-term liabilities under leasing agreements	9.300.908	7.718.425
Deferred income	1.361.714	1.826.984
Debts to employees	5.466.888	6.885.073
Debts related to current profit tax	-	670.788
Other liabilities	8.502.372	8.735.023
Total current liabilities	157.950.379	129.092.869
TOTAL LIABILITIES	269.205.127	283.859.685
TOTAL EQUITY AND LIABILITIES	632.693.928	604.517.186

DUMITRESCU Nicolae-Paul
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of comprehensive income

as at December 31st, 2023

(all amounts in RON, unless otherwise stated)

	2023	2022
Income from turnover	412.683.130	526.031.865
Other income	21.771.730	13.893.815
Variation in finished product inventories and production in progress	5.074.068	5.295.240
Expenses related to raw materials and consumables	(215.963.362)	(310.034.864)
Expenses related to commodities	(13.612.864)	(23.465.836)
Third-party expenses	(37.466.894)	(44.299.954)
Personnel-related expenses	(102.060.153)	(87.100.187)
Expenses related to amortisation and impairment of assets	(39.836.284)	(31.090.782)
Other expenses	(13.084.300)	(13.612.749)
Operating result	17.505.071	35.616.548
Financial income	1.327.060	277.534
Financial expenses	(12.155.856)	(9.686.315)
Profit / (Loss) before taxation	6.676.275	26.207.767
Profit tax income/(expense)	(1.086.157)	(2.518.876)
Profit / (Loss) for the year	5.590.118	23.688.891
Other comprehensive income items		
Changes in the reserve from revaluation of tangible assets, net of deferred tax	-	54.485.505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5.590.118	78.174.396

DUMITRESCU Nicolae-Paul
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of changes in equity

as at December 31st, 2023

(all amounts in RON, unless otherwise stated)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity
Balance as at January 1st, 2023	120.338.551	105.690.961	69.873.521	24.754.468	320.657.501
Comprehensive income for the period					
Net profit/loss for the period	-	-	-	5.590.118	5.590.118
Changes in the reserve from revaluation of tangible assets, net of deferred tax	-	-	-	380.989	380.989
Total comprehensive income	-	-	-	5.971.107	5.971.107
Share capital increase	48.783.114			110.933	48.894.047
Distribution of dividends	-			(12.033.855)	(12.033.855)
Distribution of legal reserves and other reserves	-	-	110.933	(110.933)	-
Transfer of the revaluation reserve to retained earnings following the sale/cassation of tangible assets	-	(2.381.182)	380.989	2.000.193	-
Balance as at December 31st, 2023	169.121.665	103.309.779	70.365.443	20.691.913	363.488.801

DUMITRESCU Nicolae-Paul
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of cash flows

as at December 31st, 2023

(all amounts in RON, unless otherwise stated)

	2023	2022
Cash flows from operating activities		
Amounts collected from customers	511.357.338	605.702.567
Payments to suppliers	(296.257.896)	(454.957.336)
Payments to employees	(71.912.777)	(58.414.086)
Payments to the state budget	(62.652.883)	(59.493.349)
Profit tax paid	(2.112.573)	(2.559.452)
Net cash flows from operating activities	78.421.209	30.278.344
Cash flows from investment activities		
Payments for the purchase of assets	(55.937.492)	(41.107.009)
Payments for the purchase of financial assets	(17.021.000)	-
Letters of credit for the purchase of assets	(113.275)	(1.881.991)
Amounts collected from the sale of tangible assets	3.993.119	1.354.572
Interests collected	7.041	3.257
Net cash flows from investment activities	(69.071.607)	(41.631.171)
Cash flows from financing activities		
Amounts collected from loans	-	35.872.018
Interests paid and loans reimbursed	(34.380.833)	(12.339.992)
Payments for leasing	(11.252.030)	(7.951.788)
Share capital increase	48.894.047	476.774
Dividends paid	(11.811.653)	(4.952.235)
Net cash flows from financing activities	(8.550.469)	11.104.777
	799.133	(248.050)
Net increase/(reduction) of cash and cash equivalents		
	1.288.888	1.536.938
Cash and cash equivalents as at the financial year beginning		
	2.088.021	1.288.888
Cash and cash equivalents as at the financial year end		

DUMITRESCU Nicolae-Paul
General Manager

ARSENE Vasilica-Monica
Financial Manager

Notes to the preliminary individual financial statements

as at December 31st, 2023

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

The Company operates in the field of non-hazardous waste collection and recycling, in the production of paperboards, corrugated cardboard and cardboard packaging, as well as in the production of tissue paper. The company has work points opened in the following localities: Bucharest, Călimănești, Sântana de Mureș, Iași, Focșani, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Bacău, Cluj, Craiova, Baia Mare, Târgu Mureș and Brăila.

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

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

The company’s shares are listed on the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15th, 2005. As at December 31st, 2023, the Company is owned 75% by Lion Capital S.A., 17% by Pavai Holding SRL and 8% by other shareholders. The records of shares and shareholders is kept according to law by S.C. Depozitarul Central S.A. Bucharest.

In 2023, the Company's performance was influenced by the decreasing demand for packaging, generated by a decrease in consumption at a macroeconomic level, due to the still high rate of annual inflation, as well as to the record high interest rates. Labour costs were also a stress factor to the Company's profitability. The pressure on sales prices caused by the lower demand was a particular challenge in maintaining the Company's profitability.

Although the financial situation has been negatively impacted, the Company's results as at the end of 2023 confirm the Company's ability to generate profit and the Company's resilience to adverse market changes.

The economic and financial indicators as at December 31st, 2023 are as follows:

Indicator’s name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,07
Indebtedness degree indicator	Borrowed capital/Equity*100	%	55*
	Borrowed capital/Employed capital *100	%	35*
Debts-customers turnover	Average customers balance/Turnover * 360	days	60
Non-current assets turnover	Turnover/Non-current assets	ratio	0,89

* Borrowed capital includes credit lines, short- and long-term bank loans, debts from short- and long-term leasing agreements and loans from bond issues.

DUMITRESCU Nicolae-Paul
General Manager

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