



## Quarterly report for the first quarter of 2026 according to ASF Regulation no. 5/2018

Date of report	15.05.2026
Name of the issuing entity	VRANCART SA
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County
Phone/fax number	0237-640.800; 0237-641.720
Unique registration code at the O.R.C.	1454846
Registration number at the Trade Register	J39/239/1991
Subscribed and paid-in share capital	RON 201,011,575
The regulated market on which the securities are traded	Bucharest Stock Exchange

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

In the first quarter of 2026, the activity of Vrancart SA (hereinafter referred to as the “Company”) was influenced by the maintenance of a prudent economic climate and a moderate level of domestic demand, a context which continued to exert pressure on sales volumes and working capital. Under these conditions, liquidity indicators recorded a slight decrease compared to the same period of the previous year, with the current ratio standing at 0.97 (vs. 1.01 as of 31<sup>st</sup> March 2025) and the quick ratio at 0.55 (vs. 0.57 as of 31<sup>st</sup> March 2025).

Inventory turnover decreased to 3 rotations/year (vs. 4 rotations/year as of 31<sup>st</sup> March 2025), while the trade receivables collection period increased to 104 days (vs. 89 days as of 31<sup>st</sup> March 2025), due to the extension of credit terms granted to commercial partners. The trade payables payment period stood at 68 days, compared to 66 days in the same period of the previous year. At the same time, the Company recorded an improvement in profitability, with operating profitability reaching 3% (vs. 0% as of 31<sup>st</sup> March 2025), and the gross profit margin reaching 2% (vs. -1% as of 31<sup>st</sup> March 2025).



Compared to March 31<sup>st</sup>, 2025, the Company's indebtedness ratio improved significantly, with the ratio of borrowed capital to equity decreasing to 48% (vs. 108% as of 31<sup>st</sup> March 2025) and the ratio of borrowed capital to committed capital to 33% (vs. 52% as of 31<sup>st</sup> March 2025). The turnover rate of fixed assets remained at 0.16, similar to the previous period.

The Company's management continues to pursue measures to improve operational efficiency and strengthen its financial position by the end of the 2026 financial year.

### 1.1. Balance sheet items

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>Mar 31<sup>st</sup>, 2026</b>	<b>Dec 31<sup>st</sup>, 2025</b>
Non-current assets	424.690.646	431.019.211
Current assets, of which:	192.662.286	174.107.800
- Trade receivables	75.715.042	74.400.741
<b>Total assets</b>	<b>617.352.932</b>	<b>605.127.011</b>
<b>Total liabilities, of which:</b>	<b>324.523.083</b>	<b>312.874.148</b>
Current liabilities	198.219.669	179.898.110
<b>Equity, of which:</b>	<b>292.829.849</b>	<b>292.252.863</b>
- Reserves	131.443.855	131.505.567
- Retained earnings	(39.625.581)	(40.264.279)

On March 31<sup>st</sup>, 2026 and between January 1<sup>st</sup> and March 31<sup>st</sup>, 2026, the trends in the key financial indicators were as follows:

- The Company's non-current assets decreased by approximately 1% compared to the beginning of 2026.
- The Company's current assets increased by 11% as of March 31, 2026, compared to the beginning of the year, primarily as a result of the action plan implemented by the Company starting in the second half of 2025.
- Trade receivables increased in the first three months of 2026 compared to the beginning of the year by RON 6.315.220, due to sales growth as well as the extension of payment terms granted to customers.
- Total liabilities as of March 31<sup>st</sup>, 2026, amounted to RON 324.531.001, an increase of 4% compared to the amount recorded on January 1<sup>st</sup>, 2026, primarily due to financing of current operations and working capital.
- Equity as of March 31<sup>st</sup>, 2026, amounted to RON 292.829.849, a slight increase compared to the beginning of the year, due to an improvement in retained earnings. The Company's reserves remained at a constant level compared to the beginning of the year.



## 1.2. Income statement

<i>(all elements are expressed in RON, unless otherwise stated)</i>	March 31 <sup>st</sup> , 2026	March 31 <sup>st</sup> , 2025
Operating income, of which:	79.759.655	95.788.699
Revenue from customer contracts	69.855.534	86.447.984
Operating expenses	(77.537.318)	(95.569.117)
<b>Operating result</b>	<b>2.222.337</b>	<b>219.581</b>
Financial income	1.135.432	1.088.789
Financial expenditure	(1.951.936)	(2.334.704)
<b>Total revenue</b>	<b>80.895.087</b>	<b>96.877.487</b>
<b>Total expenses</b>	<b>(80.329.856)</b>	<b>(97.932.852)</b>
<b>Gross result</b>	<b>1.405.833</b>	<b>(1.026.334)</b>
<b>Net result</b>	<b>565.231</b>	<b>(1.055.365)</b>

The Company's performance in the first three months of 2026 was influenced by the lower level of operating revenues compared to the same period of the previous year, in the context of declining sales volumes and continued pressure on the market. At the same time, the operational efficiency and cost control measures implemented by management contributed to an improvement in profitability compared to the first quarter of 2025. The Company's management continues to pursue measures aimed at strengthening financial performance and maintaining the sustainability of the business in a volatile economic environment.

In the first three months of 2026, compared to the same period last year, the key indicators of the income statement are as follows:

- Total revenue for the analysed period was RON 80.895.087 lei, down 17% from the same period last year, due to a decline in revenue from customer contracts and sales volumes.
- Total expenses for the period amounted to RON 80.329.856, down 18% compared to the same period of the previous year, due to cost-optimization measures and a reduction in operational activity.
- The Company's operating result was positive in the amount of RON 2.222.337 as a result of the improvement in operational efficiency.



### 1.3. Cash flows

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

	March 31 <sup>st</sup> , 2026	March 31 <sup>st</sup> , 2025
<i>Cash flows from operating activities</i>		
Cash receipts from operating activities	88.498.106	102.863.983
Cash payments from operating activities	(79.658.043)	(111.589.674)
<b>Net cash from operating activity</b>	<b>8.840.062</b>	<b>(8.725.691)</b>
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	-	9.370.674
Cash outflows from investment activities	(3.810.288)	(2.588.589)
<b>Net cash from investment activity</b>	<b>(3.810.288)</b>	<b>6.782.085</b>
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	19.131.361	24.019.970
Cash outflows from financing activities (including bonds)	(11.488.464)	(19.271.446)
<b>Net cash from financing activity</b>	<b>7.642.897</b>	<b>4.748.525</b>
<b>Cash at the beginning of the period</b>	<b>1.776.246</b>	<b>1.050.589</b>
<b>Cash at the end of the period</b>	<b>14.448.916</b>	<b>3.855.508</b>

The balance of cash and cash equivalents recorded on March 31<sup>st</sup>, 2026, is positive, respectively of RON 14.448.916. During this period, the Company was able to manage its cash efficiently, honoring all its due obligations.

**NOTE:** The positive cash balance of RON 14.448.916 is influenced by a transaction of EUR 2.000.000 (respectively RON 10.197.800) in relation to BCR Bank arising as a result of the credit facility update process, whereby the current account was debited with this amount and withdrawn on April 1<sup>st</sup>, 2026.

This transaction also affected the short-term loan liabilities as of March 31<sup>st</sup>, 2026, which amount to RON 122.728.508.

Thus, after excluding this amount, the balance of the cash accounts is positive at RON 4.251.116, while short-term liabilities total RON 112.530.708.



2. The economic and financial indicators as of March 31<sup>st</sup>, 2026, according to Annex no. 13/ ASF Regulation no. 5/2018

Indicator name	Calculation method	UM	Result
Current liquidity indicator	Current Assets/Current Liabilities	rap	0.97
Debt-to-equity ratio	Borrowed capital / Equity capital*100	%	75*
	Borrowed Capital/Capital Employee*100	%	43*
Receivables turnover ratio	Average Customer Balance/ Revenue *90	days	98
Non-current asset turnover ratio	Revenue / Non-current assets	rap	0.16

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

**Alexandru-Lucian MINEA**

Chairman of the Board of Directors

Prepared:

**DA.AI AUDIT&ACCOUNTING S.R.L.**

SE15003

Radu Gabriel

**VRANCART SA**

**INTERIM INDIVIDUAL FINANCIAL STATEMENTS  
(SIMPLIFIED. UNAUDITED)**

**AT MARCH 31<sup>st</sup>, 2026**

Prepared in accordance with  
Order of the Minister of Public Finance No. 2844/2016  
for the approval of accounting regulations in accordance with  
International Financial Reporting Standards,  
applicable to commercial companies whose securities  
are admitted to trading on a regulated market

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**Vrancart SA**  
**Individual statement of financial position**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>
<b>ASSETS</b>		
Property, plant. and equipment	324.520.077	329.516.328
Advances on property, plant and equipment	343.696	1.466.508
Intangible assets	2.924.583	3.115.337
Goodwill	-	-
Financial assets	62.587.328	62.587.328
Other long-term receivables	34.314.962	34.333.710
<b>Total fixed assets</b>	<b>424.690.646</b>	<b>431.019.211</b>
Inventory	84.252.582	80.045.008
Assets held for sale	-	-
Trade receivables	75.715.042	74.400.741
Prepaid expenses	2.978.975	2.092.420
Deferred income tax receivables	577.200	1.056.770
Restricted Cash	-	-
Cash and cash equivalents	14.448.916	1.776.246
Receivables regarding current corporate income tax	-	-
Other receivables	9.830.089	14.736.615
Short-term investments	4.859.482	-
<b>Total current assets</b>	<b>192.662.286</b>	<b>174.107.800</b>
<b>TOTAL ASSETS</b>	<b>617.352.932</b>	<b>605.127.011</b>
<b>EQUITY</b>		
Share capital	201.011.575	201.011.575
Revaluation reserves	56.465.998	56.527.710
Share premiums	842.449	842.449
Legal reserves	13.345.280	13.345.280
Other reserves	60.790.128	60.790.128
Retained earnings	(39.625.581)	(40.264.279)
<b>Total equity</b>	<b>292.829.849</b>	<b>292.252.863</b>
<b>LIABILITIES</b>		
Long-term trade payables	-	-
Long-term lease liabilities	6.621.986	8.420.009
Long-term loans	86.209.756	90.719.480
Long-term bond loans	-	-
Long-term grants	32.791.339	33.156.215
Long-term liabilities to employees	675.543	675.543
Deferred income tax liabilities	-	-
Other long-term liabilities	4.790	4.790
<b>Total long-term liabilities</b>	<b>126.303.414</b>	<b>132.976.037</b>

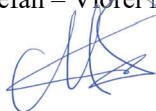
**Vrancart SA**  
**Individual statement of financial position**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>
Short-term trade payables	52.649.703	50.967.756
Short-term loans	122.728.508	108.564.883
Short-term lease liabilities	2.866.960	5.743.232
Short-term grants	1.483.388	1.468.841
Short-term bond loans	-	-
Short-term deferred income	-	-
Employee payables	4.535.241	4.804.868
Current income tax liabilities	862.142	512.865
Other liabilities	13.093.727	7.835.665
<b>Total current liabilities</b>	<b>198.219.669</b>	<b>179.898.110</b>
<b>TOTAL LIABILITIES</b>	<b>324.523.083</b>	<b>312.874.148</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>617.352.932</b>	<b>605.127.011</b>

The interim financial statements were approved by the Board of Directors.

General Manager  
Ștefan – Viorel MOVILĂ



Prepared:  
DA.AI AUDIT&ACCOUNTING S.R.L.  
SE15003  
Radu Gabriel



**Vrancart SA**  
**Individual statement of comprehensive income**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>2026</b>	<b>2025</b>
Revenue	69.855.534	86.447.984
Income from operating grants	-	-
Other income	5.202.985	2.988.754
Change in finished goods and work in progress inventories	4.701.137	6.351.961
Raw materials and consumables expenses	(28.831.171)	(28.436.331)
Utilities expenses: electricity, water, gas	(14.950.697)	(17.651.235)
Cost of goods sold	(405.379)	(2.836.032)
Third-party services expenses	(7.786.924)	(8.005.497)
Personnel expenses	(16.889.817)	(23.382.915)
Depreciation and amortization expenses	(5.534.466)	(11.140.765)
Other expenses	(3.138.863)	(4.116.343)
<b>Operating result</b>	<b>2.222.337</b>	<b>219.581</b>
Financial income	1.135.432	1.088.789
Financial expenses	(1.951.936)	(2.334.704)
<b>Profit before tax</b>	<b>1.405.833</b>	<b>(1.026.334)</b>
Income tax expense	(840.602)	(29.031)
<b>Profit for the year</b>	<b>565.231</b>	<b>(1.055.365)</b>
<b>Other elements of comprehensive income</b>		
Changes in the revaluation reserve for property, plant, and equipment, net of deferred tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>565.231</b>	<b>(1.055.365)</b>

The interim financial statements were approved by the Board of Directors.

General Manager  
 Ștefan – Viorel MOVILĂ



Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel



**Vrancart SA**  
**Statement of Changes in Equity**  
**at March 31<sup>st</sup>, 2026**

*(all amounts are expressed in RON, unless otherwise specified)*

	Share capital	Revaluation reserves	Share premiums	Legal reserves	Other reserves	Retained earnings	Total equity
<b>Balance as of January 1<sup>st</sup>, 2025</b>	201.011.575	103.936.472	842.449	13.345.280	60.790.128	4.209.322	384.135.226
<b>Total comprehensive income for the period</b>							
Net result for the period	-	-	-	-	-	(48.121.680)	(48.121.680)
<b>Other elements of comprehensive income</b>							
Establishment 105 rev.	-	(52.790.936)	-	-	-	-	(52.790.936)
Changes in the revaluation reserve for property, plant, and equipment, net of deferred tax	-	9.030.253	-	-	-	-	9.030.253
Transfer of the revaluation reserve to retained earnings resulting from the sale of property, plant, and equipment	-	(3.648.079)	-	-	-	3.648.079	-
<b>Total other comprehensive income</b>		<b>(47.408.762)</b>				<b>(44.473.601)</b>	<b>(91.882.363)</b>
<b>Total comprehensive income for the period</b>		<b>(47.408.762)</b>				<b>(44.473.601)</b>	<b>(91.882.363)</b>
Capital increase							
Dividends granted	-	-	-	-	-	-	-
Establishment of legal reserves	-	-	-	-	-	-	-
Establishment of other reserves	-	-	-	-	-	-	-
Other corrections	-	-	-	-	-	-	-
<b>Balance as of December 31<sup>st</sup>, 2025</b>	201.011.575	56.527.710	842.449	13.345.280	60.790.128	(40.264.279)	292.252.863

**Vrancart SA**  
**Statement of Changes in Equity**  
**at March 31<sup>st</sup>, 2026**

*(all amounts are expressed in RON, unless otherwise specified)*

	Share capital	Revaluation reserves	Share premiums	Legal reserves	Other reserves	Retained earnings	Total equity
<b>Balance as of January 1<sup>st</sup>, 2026</b>	201.011.575	56.527.710	842.449	13.345.280	60.790.128	(40.264.279)	292.252.863
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Net result for the period	-	-	-	-	-	565.231	565.231
<b>Other elements of comprehensive income</b>	-	-	-	-	-	-	-
Establishment 105 rev.	-	-	-	-	-	-	-
Changes in the revaluation reserve for property, plant, and equipment, net of deferred tax	-	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings resulting from the sale of property, plant, and equipment	-	(61.712)	-	-	-	73.467	11.755
<b>Total other comprehensive income</b>	-	(61.712)	-	-	-	73.467	11.755
<b>Total comprehensive income for the period</b>	-	(61.712)	-	-	-	638.698	576.986
Capital increase	-	-	-	-	-	-	-
Dividends granted	-	-	-	-	-	-	-
Establishment of legal reserves	-	-	-	-	-	-	-
Establishment of other reserves	-	-	-	-	-	-	-
Other corrections	-	-	-	-	-	-	-
<b>Balance as of March 31<sup>st</sup>, 2026</b>	201.011.575	56.465.998	842.449	13.345.280	60.790.128	(39.625.581)	292.829.849

General Manager  
 Ștefan-Viorel Movilă



Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel



**Vrancart SA**  
**Individual Cash Flow Statement**  
**at March 31<sup>st</sup>, 2026**

*(all amounts are expressed in RON, unless otherwise specified)*

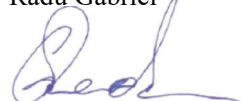
**DIRECT METHOD**

	<b>March 31<sup>st</sup> 2026</b>	<b>March 31<sup>st</sup> 2025</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	80.393.569	102.863.983
Supplier payments	(51.359.438)	(83.738.778)
Cash receipts from related parties	8.104.537	-
Payments to related parties	(8.673.397)	-
Payments to employees	(9.730.720)	(13.235.948)
Payments to the state budget	(9.894.488)	(14.614.949)
Income tax paid	-	-
<b>Net cash from operating activities</b>	<b>8.840.062</b>	<b>(8.725.691)</b>
<b>Cash flows from investment activities</b>		
Cash payments for purchase of property, plant and equipment and intangible assets	(3.810.288)	(738.589)
Loans granted to related parties	-	(1.850.000)
Proceeds from the sale of property, plant and equipment	-	9.370.674
Interest received	-	-
<b>Net cash from investment activities</b>	<b>(3.810.288)</b>	<b>6.782.085</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	19.131.361	21.069.026
Investment grants	-	2.950.944
Bond repayment	-	-
Lease payments	-	(612.757)
Lease interest paid	-	-
Loan repayments	(8.971.999)	(16.758.565)
Interest paid	(2.516.465)	(1.900.123)
Dividends paid	-	-
<b>Net cash from financing activities</b>	<b>7.642.897</b>	<b>4.748.525</b>
	<b>12.672.670</b>	<b>2.804.919</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>		
	<b>1.776.246</b>	<b>1.050.589</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		
<b>Cash and cash equivalents at the end of the financial year</b>	<b>14.448.916</b>	<b>3.855.508</b>

General Manager  
 Ștefan Viorel MOVILĂ



Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel



• **Reporting entity**

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

The company is headquartered in Adjud at 17 Ecaterina Teodoroiu Street, Vrancea County.

The company operates in the field of non-hazardous waste collection and recycling, in the paper industry for cardboard and corrugated cardboard, corrugated cardboard packaging, as well as sanitary paper products. The company has branches in the following locations: Chiajna, Ploiești, Pantelimon, and Bacău.

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

- corrugated cardboard.
- corrugated cardboard packaging.
- paper used in the manufacture of corrugated cardboard.
- hygienic and sanitary paper in various assortments.
- waste paper recycling equipment, including rental and maintenance.
- electricity from photovoltaic parks, including for self-consumption.

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, under the ticker symbol VNC, starting with July 15<sup>th</sup>, 2005. The Company publishes its individual financial statements at **www.vrancart.ro**.

As of March 31<sup>st</sup>, 2026, the Company is 76.33% owned by Lion Capital SA, 17.35% by Pavăl Holding S.R.L. and 6.32% by other shareholders. The record of shares and shareholders is kept in accordance with the law by the Central Depository S.A. Bucharest.

• **Accounting principles, policies and methods**

The simplified interim individual financial statements for the first three months ended March 31<sup>st</sup>, 2026 have been prepared in accordance with IAS 34 Interim Financial Statements.

The simplified interim financial statements do not include all the information and items disclosed in the annual report and should be read in conjunction with the Company's annual financial statements as of December 31<sup>st</sup>, 2025.

The accounting policies and valuation methods used in the preparation of the simplified interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31<sup>st</sup>, 2025.

The interim individual financial statements for the first three months of 2026 have not been reviewed by an external financial auditor, as it is not a legal requirement.

**Functional and presentation currency**

The Company's management considers that the functional currency, as defined by IAS 21 "The Effects of Changes in Foreign Exchange Rates" is the Romanian RON. The individual financial statements are presented in RON, rounded to the nearest RON.

Transactions denominated in foreign currency are recorded in RON at the official exchange rate in effect on the settlement date of the transactions. Monetary assets and liabilities denominated in foreign currency as of the balance sheet date are converted into the functional currency at the exchange rate in effect on that day.

**Vrancart SA**  
**Notes to the interim individual financial statements**  
**at March 31<sup>st</sup>, 2026**

*(all amounts are expressed in RON, unless otherwise specified)*

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Gains or losses arising from their settlement and from the conversion using the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>	<b>Variation</b>
Euro (EUR)	5.0988	5.0985	+0,01%
US Dollar (USD)	4.4463	4.3417	+0.02%

**Other notes**

- 1) As of March 31<sup>st</sup>, 2026, the company has a positive cash balance of RON 14.448.916 and has no debts to public budgets or to its private partners. whose maturity dates have been exceeded.

**NOTE:** The positive cash balance of RON 14.448.916 is influenced by a transaction of EUR 2.000.000 (respectively RON 10.197.800) in relation to BCR Bank arising as a result of the credit facility update process, where by the current account was debited with this amount and withdrawn on April 1<sup>st</sup>, 2026.

This transaction also affected the short-term loan liabilities as of March 31<sup>st</sup>, 2026, which amount to RON 122.728.508.

Thus, after excluding this amount, the balance of the cash accounts is positive, amounting to RON 4.251.116, while short-term liabilities total RON 112.530.708.

- 2) In the first quarter. the Company recognized EU greenhouse gas emission allowances (EUAs) in its financial statements as part of the EU Emissions Trading Scheme (ETS), using a minimum trading price from the 2025 range, to which a 5% adjustment was added.  
The allowances are for the year 2025 and number 14.909; their value. as recognized and revalued in the January–March 2026 quarter. was RON 4.859.482.
- 3) In addition, in the month of January 2026, the Parent Company completely repaid the multi-currency investment loan contracted from Raiffeisen Bank, in the amount of EUR 1.012.725.

The Company's management believes that the Company will be able to continue its activity for the foreseeable future and therefore, the application of the principle of business continuity in the preparation of financial statements is justified.

**Subsequent events**

On **April 29<sup>th</sup>, 2026**, the Ordinary General Meeting of Shareholders approved the individual and consolidated (unaudited) financial statements as of December 31<sup>st</sup>, 2025 and the Income and Expenditure Budget of VRANCART SA for the financial year 2026, together with the Investment Plan for 2026.

**Vrancart SA**  
**Notes to the interim individual financial statements**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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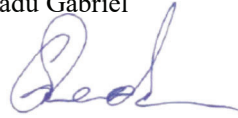
**Management Statement**

Based on the best available information, we confirm that the simplified interim financial statements as of March 31<sup>st</sup>, 2026 and for the period ended on this date, prepared in accordance with International Financial Reporting Standards, present a true and fair view of the Company's financial position and performance, as required by the applicable accounting standards and that the information presented in this report provides a true and fair view of the main events that occurred during the first three months of the financial year and their impact on the simplified interim financial statements.

General Manager  
Ștefan – Viorel MOVILĂ



Prepared:  
DA.AI AUDIT&ACCOUNTING S.R.L.  
SE15003  
Radu Gabriel





## Consolidated quarterly report for the first quarter of 2026 according to ASF Regulation no. 5/2018

Date of report	15.05.2026
Name of the issuing entity	VRANCART SA
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County
Telephone/fax number:	0237-640.800; 0237-641.720
Unique registration code at the O.R.C.	1454846
Registration number at the Trade Register	J39/239/1991
Subscribed and paid-in share capital	RON 201,011,575
The regulated market on which the securities are traded	Bucharest Stock Exchange

### 1. Presentation of VRANCART SA Group

The Vrancart Group was originally founded in 1977 as the Vrancea Pulp and Paper Factory, and the company became Vrancart S.A. in 1992. The Company's shares are listed on the Bucharest Stock Exchange, Standard category, under the ticker symbol VNC, starting with July 15<sup>th</sup>, 2005. The Group publishes its consolidated financial statements at [www.vrancart.ro](http://www.vrancart.ro).

**The Vrancart Group** operates on the Romanian market through its companies - Vrancart S.A., Rom Paper, Vrancart Recycling and Ecorep Group. The main activities of the subsidiaries are:

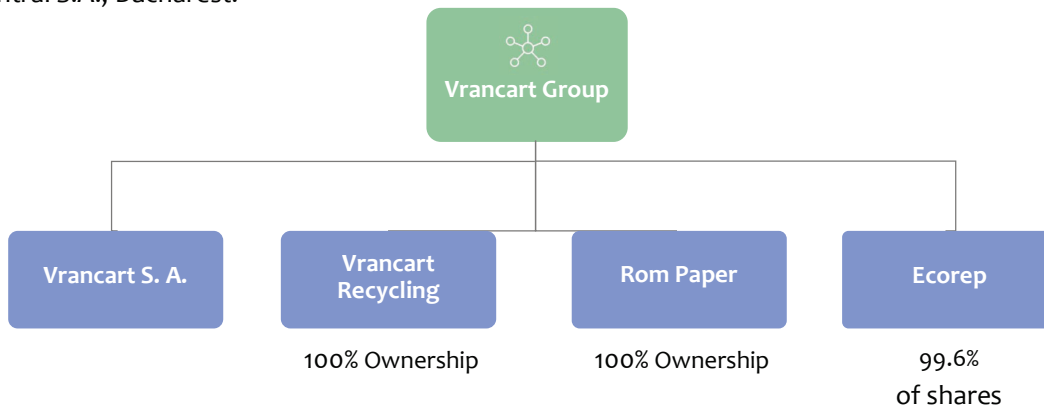
- Vrancart S.A. and Rom Paper - companies that manufacture and sell corrugated cardboard, paper, sanitary paper, and related products made from recycled raw materials;
- Vrancart Recycling and Ecorep - companies that focus their operations on recycling raw materials, ensuring the circularity of their operations.

As of March 31<sup>st</sup>, 2026, the Company is owned:

- 76.33% by Lion Capital SA,
- 17.35% by Pavăl Holding S.R.L.,
- 6.32% by other shareholders.

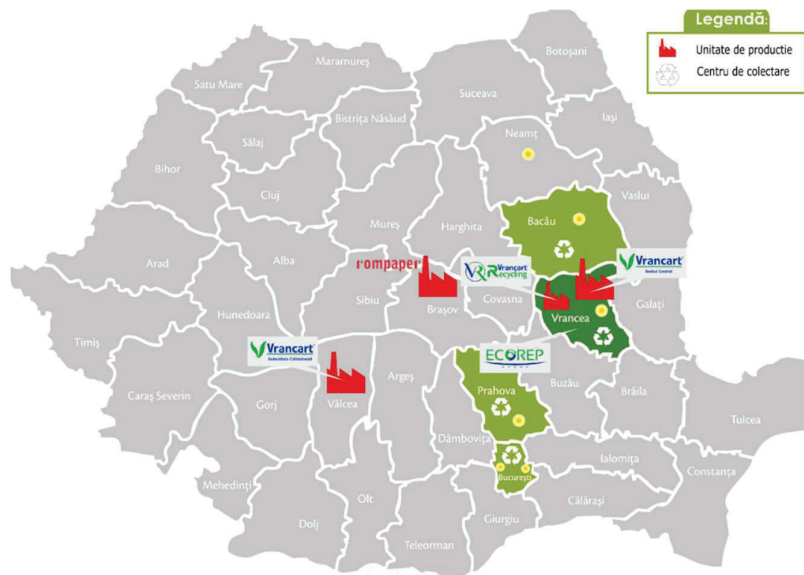


The record of shares and shareholders is maintained in accordance with the law by Depozitarul Central S.A., Bucharest.



**Figure 1. Group structure**

The Vrancart Group is headquartered in Adjud, Vrancea County, where its cardboard production plants are also located. Its sanitary paper manufacturing subsidiary, Rom Paper, is located in Braşov. In addition to these two locations, the company also operates waste collection centers in Bucharest (2 centers), Ploieşti, and Bacău.



The main activity of Vrancart SA consists in the production and sale of the following products:

- corrugated cardboard,
- corrugated cardboard packaging,
- paper used in the manufacture of corrugated cardboard,
- hygienic and sanitary paper in various assortments,
- paper waste recycling equipment (sale, rental and maintenance),
- electricity from photovoltaic parks (self-consumption and sale).

Rom Paper operates in the field of production of hygienic-sanitary items made of recycled paper and cellulose, such as:



- table napkins,
- folded towels,
- toilet paper,
- professional rollss,
- cosmetic towels
- box tissues.

The products made are sold both on the territory of Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash-and-carry stores), as well as through distributors, distinguishing themselves on store shelves both by their own brands "Mototo!" and "Papely", as well as by the various private labels of its customers.

## 2. Economic and financial situation of VRANCART SA Group

During the first quarter of 2026, the performance of the Vrancart SA Group (hereinafter referred to as the "Group") was affected by a decline in sales volumes, which resulted in lower revenue compared to the first quarter of 2025.

In the first quarter of 2026, domestic demand continued to be influenced by a volatile economic and geopolitical environment, as well as by the persistence of a cautious sentiment among consumers and the business environment, factors which affected order volumes and the dynamics of commercial relationships.

The Romanian market for toilet paper and paper tissues remains predominantly oriented towards products manufactured from cellulose, with consumer awareness regarding the use of products made from recycled raw materials and the benefits of sustainability still being relatively low. In this context, products made from recycled fibres continue to face competitive pressure and high price sensitivity among consumers.

Revenues generated from waste management activities recorded a higher level compared to the same period of the previous year.

Starting from the third quarter of 2025 and continuing into 2026, the Group has continued to initiate the implementation of a broad restructuring and efficiency improvement process, with an impact on operations and financial governance mechanisms. This process has primarily targeted the optimisation of fixed cost and personnel cost structures, the recalibration and efficiency improvement of the production mix in line with market conditions, as well as the conduct of in-depth analyses regarding the strategic investments required to support medium- and long-term development, including the identification and assessment of the most appropriate related financing structures. The scope and complexity of these analyses required additional time for the completion of internal assessments and the substantiation of relevant decisions, which objectively led to delays in the submission of information within the initially estimated deadlines.

In the case of Rom Paper S.R.L., we observe a decrease in sales volumes compared to the first quarter of the previous year, driven by lower prices in this market.

Group EBITDA recorded a positive level in the first quarter of 2026, driven by the measures implemented to optimise costs and improve operational efficiency, amounting to RON 13 million. Operating performance was further supported by the reduction in operating expenses. Compared to the same period of the previous year, the Group reported a net profit of RON 1.8 million, versus





a net loss of RON 1.2 million in the corresponding period of the previous year, highlighting a significant improvement in financial performance.

The Group's current liquidity ratio stood at 0.87, being influenced by the repayment of liabilities related to completed investments and by the structure of working capital. The main financial and economic indicators reflect the maintenance of a stable financial position of the Group, in the context of the efficiency measures implemented during the analysed period. Furthermore, in January 2026, the parent company fully repaid the multicurrency investment loan contracted from Raiffeisen Bank, in the amount of EUR 1.012.725.

## 2.1. Balance sheet elements

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>Mar 31<sup>st</sup>, 2026</b>	<b>Dec 31<sup>st</sup>, 2025</b>
Non-current assets	541.916.389	549.533.305
Current assets, of which:	207.451.419	182.606.991
- Trade receivables	82.459.662	80.761.555
- Inventory	96.769.483	86.886.092
<b>Total assets</b>	<b>749.367.807</b>	<b>732.140.296</b>
<b>Total liabilities, of which:</b>	<b>468.330.726</b>	<b>459.474.352</b>
Current liabilities	237.410.017	215.584.339
<b>Equity, of which:</b>	<b>281.037.080</b>	<b>272.665.944</b>
- Reserves	135.350.332	135.340.527
- Retained earnings	(56.161.111)	(64.522.329)

On March 31<sup>st</sup>, 2026 and between January 1<sup>st</sup> and March 31<sup>st</sup>, 2026, the trends in the key financial indicators were as follows:

- The Group's non-current assets decreased by 1.4% as a result of depreciation, in the context of the main investment projects having been completed in previous periods.
- The Group's current assets increased by 13.6% as of 31<sup>st</sup> March 2026 compared to the beginning of the year, mainly as a result of the increase in inventory and trade receivables, in line with the action plan adopted by the Group in the second half of 2025;
- Inventories increased by 11.4% compared to the end of the year. The increase was driven by an adjustment in the sales pace and the maintenance of a high level of prices for raw materials and finished goods, in line with the action plan adopted by the Group in the second half of 2025;
- Trade receivables increased in the first three months of 2026 compared to the beginning of the year by RON 1.698.107, mainly as a result of longer collection terms granted to commercial partners and the evolution of sales.
- Total liabilities recorded as of 31<sup>st</sup> March 2026 amounted to RON 468.330.726, representing an increase of 1.9% compared to the value recorded as of January 1<sup>st</sup>, 2026, mainly as a result of financing working capital through the use of short-term credit facilities.



- The value of equity as of 31<sup>st</sup> March 2026 amounted to RON 281.037.080, representing an increase of 3.1% compared to the beginning of the year, as a result of the positive performance recorded in the first quarter of 2026. The Group's reserves remained at a constant level compared to the beginning of the year.

Attached to this report are the Interim Consolidated Financial Statements (simplified, unaudited) as of March 31<sup>st</sup>, 2026, prepared in accordance with Order of the Minister of Public Finance No. 2844/2016 approving the accounting regulations in line 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 3 months of 2026 have not been reviewed by an independent external auditor and are not a legal or statutory requirement.

## 2.2. Income statement

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2026</b>	<b>March 31<sup>st</sup>, 2025</b>
Operating income, of which:	97.385.659	119.111.880
<i>Revenue from customer contracts</i>	87.062.923	109.652.194
Operating expenses	(92.459.979)	(117.411.240)
<b>Operating result</b>	<b>4.925.680</b>	<b>(1.610.640)</b>
Financial income	476.572	182
Financial expenditure	(2.504.412)	(2.728.173)
<b>Total revenue</b>	<b>97.862.231</b>	<b>119.112.062</b>
<b>Total expenses</b>	<b>(94.964.391)</b>	<b>(120.139.413)</b>
<b>Gross result</b>	<b>2.897.840</b>	<b>(1.117.351)</b>
<b>Net result</b>	<b>1.770.406</b>	<b>(1.232.374)</b>

Demand for cardboard packaging continued to evolve moderately in the first quarter of 2026; however, the measures implemented by management to optimise costs and improve operational efficiency contributed to a significant improvement in financial performance compared to the same period of the previous year. The Group's management continues to pursue measures aimed at strengthening sales and maintaining financial indicators on a positive trend, in order to support the sustainability of the business and the Group's resilience in the current market environment.

In the first three months of 2026, compared to the same period last year, the key indicators of the income statement are as follows:

- Total revenues for the analysed period amounted to RON 97.862.231, down 17.8% compared to the same period of the previous year, due to a decrease in finished goods sales volumes and in revenue from turnover, mainly at the level of the parent company.



- Total expenses for the period amounted to RON 94.964.391, down by approximately 20.9% compared to the same period of the previous year, driven by cost optimisation measures and the adjustment of operational activity, mainly at the level of the parent company.
- The Group's operating result was positive, amounting to RON 4.925.680, compared to an operating loss of RON (1.610.640) in the same period of the previous year, as a result of the implemented measures and the developments mentioned above. At the same time, the reported net result was a profit of RON 1.770.406, reflecting a significant improvement compared to the same reporting period of the previous year.

### 2.3. Cash flows

<i>(all elements are expressed in RON, unless otherwise stated)</i>	<b>March 31<sup>st</sup>, 2026</b>	<b>March 31<sup>st</sup>, 2025</b>
<i>Cash flows from operating activities</i>		
Cash receipts from operating activities	112.781.995	126.359.935
Cash payments from operating activities	(97.363.781)	(132.610.442)
<b>Net cash from operating activity</b>	<b>15.418.214</b>	<b>(6.250.507)</b>
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	1	9.370.729
Cash outflows from investment activities	(3.907.908)	(738.589)
<b>Net cash from investment activity</b>	<b>3.907.907</b>	<b>8.632.140</b>
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	18.439.488	24.026.267
Cash outflows from financing activities (including bonds)	(15.277.835)	(23.336.593)
<b>Net cash from financing activity</b>	<b>3.161.653</b>	<b>689.674</b>
<b>Cash at the beginning of the period</b>	<b>2.138.112</b>	<b>1.845.212</b>
<b>Cash at the end of the period</b>	<b>16.810.072</b>	<b>4.916.519</b>

The balance of cash and cash equivalents recorded as of March 31<sup>st</sup>, 2026 is a positive one, respectively of RON 16.810.072. During this period, the Group managed its cash flow effectively, meeting all its due obligations on time and in full.

**NOTE:** The positive balance of the treasury in the amount of is influenced by a transaction belonging to Vrancart in the amount of EUR 2.000.000 (respectively RON 10.197.800) in relation to BCR bank arising as a result of the process of updating the credit facilities, through which the current account was debited with this amount and withdrawn on April 1<sup>st</sup>, 2026.

This transaction also affected the short-term loan liabilities as of March 31<sup>st</sup>, 2026, which amount to RON 105.299.343.

Thus, after excluding this amount, the balance of the cash accounts is positive at RON 4.234.174, while short-term liabilities total RON 95.101.543.



3. The economic and financial indicators as of March 31<sup>st</sup>, 2026, according to Annex no. 13/ ASF Regulation no. 5/2018

Indicator name	Calculation method	UM	Result
<b>Current liquidity indicator</b>	Current Assets/Current Liabilities	rap	0.87
<b>Debt-to-equity ratio</b>	Borrowed capital / Equity capital*100	%	107*
	Borrowed Capital/Capital Employee*100	%	52*
<b>Receivables turnover ratio</b>	Average Customer Balance/Turnover Business*90	days	85
<b>Non-current asset turnover ratio</b>	Revenue /Non-current assets	rap	0.2

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

**Alexandru-Lucian MINEA**

Chairman of the Board of Directors

Prepared:

**DA.AI AUDIT&ACCOUNTING S.R.L.**

SE15003

Radu Gabriel

**VRANCART SA**

**CONSOLIDATED FINANCIAL STATEMENTS  
(SIMPLIFIED, UNAUDITED)**

**AT 31<sup>st</sup> MARCH 2026**

Prepared in accordance with  
Order of the Minister of Public Finance No. 2844/2016  
for the approval of accounting regulations in accordance with  
International Financial Reporting Standards,  
applicable to commercial companies whose securities  
are admitted to trading on a regulated market

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**Vrancart SA**  
**Consolidated statement of financial position**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>
<b>ASSETS</b>		
Property, plant, and equipment	532.250.273	538.377.784
Advances on property, plant and equipment	426.853	1.599.146
Intangible assets	3.513.811	3.901.596
Other trade receivables	579.872	509.199
Goodwill	5.145.580	5.145.580
<b>Total fixed assets</b>	<b>541.916.389</b>	<b>549.533.305</b>
Inventory	96.769.483	86.886.092
Trade receivables	82.459.662	80.761.555
Prepaid expenses	3.741.377	2.263.300
Receivables regarding current income tax	-	-
Deferred corporate income tax claims	577.200	1.056.770
Other receivables	2.234.143	2.138.112
Short-term investments	4.859.482	-
Grants	-	-
Cash and cash equivalents	16.810.072	9.501.162
Assets held for sale	-	-
<b>Total current assets</b>	<b>207.451.419</b>	<b>182.606.991</b>
<b>TOTAL ASSETS</b>	<b>749.367.807</b>	<b>732.140.296</b>
<b>EQUITY</b>		
Share capital	201.011.575	201.011.575
Share premiums	842.449	842.449
Revaluation reserves	58.550.953	58.541.147
Legal reserves	13.365.280	13.365.280
Other reserves	63.434.099	63.434.100
Retained earnings	(56.161.111)	(64.522.329)
<b>Total equity – Parent company</b>	<b>281.043.245</b>	<b>272.672.222</b>
Non-controlling interests	(6.165)	(6.278)
<b>Total equity</b>	<b>281.037.080</b>	<b>272.665.944</b>
<b>LIABILITIES</b>		
Long-term loans	140.074.521	150.215.451
Long-term lease liabilities	9.379.714	11.752.154
Long-term deferred income	76.412.012	77.249.425
Long-term liabilities to employees	675.543	675.543
Deferred income tax liabilities	3.865.852	3.992.650
Provisions	513.067	4.790
<b>Total long-term liabilities</b>	<b>230.920.709</b>	<b>243.890.013</b>

**Vrancart SA**  
**Consolidated statement of financial position**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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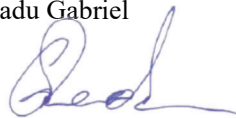
	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>
Short-term trade payables	62.125.090	61.045.662
Short-term loans	147.260.916	128.893.620
Short-term lease liabilities	3.848.778	6.735.731
Short-term deferred income	2.868.000	3.362.415
Employee payables	5.804.248	5.940.268
Current income tax liabilities	1.206.994	524.635
Other liabilities	14.295.991	9.082.008
<b>Total current liabilities</b>	<b>237.410.017</b>	<b>215.584.339</b>
<b>TOTAL LIABILITIES</b>	<b>468.330.726</b>	<b>459.474.352</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>749.367.806</b>	<b>732.140.296</b>

The financial statements have been approved by the Board of Directors.

General Manager  
Ștefan-Viorel Movilă



Prepared:  
DA.AI AUDIT&ACCOUNTING S.R.L.  
SE15003  
Radu Gabriel



**Vrancart SA**  
**Consolidated statement of comprehensive income**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>March 31<sup>st</sup>, 2026</b>	<b>March 31<sup>st</sup>, 2025</b>
Revenue from customer contracts	87.062.923	109.652.194
Income from operating grants	-	-
Other income	5.676.207	2.995.240
Change in finished goods and work in progress inventories	4.646.529	6.464.446
Raw materials and consumables expenses	(28.355.743)	(30.432.162)
Utilities expenses	(9.790.429)	(13.365.815)
Cost of goods sold	(7.132.911)	(10.547.397)
Third-party services expenses	(12.034.680)	(13.134.696)
Personnel expenses	(21.878.769)	(28.502.904)
Other expenses	(5.173.213)	(6.802.411)
<b>EBITDA</b>	<b>13.019.914</b>	<b>16.326.495</b>
Depreciation and amortization expenses	(8.094.234)	(14.715.855)
<b>Operating result</b>	<b>4.925.680</b>	<b>1.610.640</b>
Financial income	476.572	182
Financial expenses	(2.504.412)	(2.728.173)
<b>Profit before tax</b>	<b>2.897.840</b>	<b>(1.117.351)</b>
Income tax expense	(1.127.434)	(115.023)
<b>Profit for the year</b>	<b>1.770.406</b>	<b>(1.232.374)</b>
- Related to the shareholders of the parent company	1.770.593	(1.231.503)
- Related to non-controlling interests	(187)	(871)
<b>Other elements of the overall result</b>		
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
<b>TOTAL OVERALL RESULT FOR THE YEAR</b>	<b>1.770.406</b>	<b>(1.232.374)</b>
- Related to the shareholders of the parent company	1.770.593	(1.231.503)
- Related to non-controlling interests	(187)	(871)

The financial statements have been approved by the Board of Directors.

General Manager  
 Ștefan-Viorel Movilă

Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel

**Vrancart SA**  
**Consolidated statement of changes in equity**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

	Related to the shareholders of the parent company							Total equity
	Share capital	Revaluation reserves	Share premiums	Legal reserves	Other reserves	Retained earnings	Non-controlling interests	
<b>Balance as of January 1<sup>st</sup>, 2026</b>	201.011.575	58.541.147	842.449	13.365.280	63.434.100	(64.522.329)	(6.278)	272.665.944
<b>Comprehensive income for the period</b>								
Net result for the period	-	-	-	-	-	1.770.593	(187)	1.770.406
<b>Other elements of comprehensive income</b>								
Transfer of the revaluation reserve to retained earnings resulting from the disposal of property, plant, and equipment	-	71.518				6.517.158	300	6.588.976
Changes in the revaluation reserve for property, plant, and equipment, net of deferred tax	-	(61.712)				73.467		11.755
<b>Total comprehensive income for the period</b>	-	9.806				8.361.218	113	8.371.137
Distribution of reserves	-	-	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings resulting from the disposal of property, plant, and equipment, net of tax	-	-	-	-	-	-	-	-
<b>Transactions with shareholders</b>								
Dividends	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-
<b>Total transactions with shareholders</b>	-	-	-	-	-	-	-	-
<b>Balance as of March 31<sup>st</sup>, 2026</b>	201.011.575	58.550.953	842.449	13.365.280	63.434.100	(56.161.111)	(6.165)	281.037.081

General Manager  
 Ștefan-Viorel Movila



Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel



**Vrancart SA**  
**Consolidated cash flow statement**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

**DIRECT METHOD**

	<b>March 31<sup>st</sup>, 2026</b>	<b>March 31<sup>st</sup>, 2025</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	112.781.995	126.359.935
Supplier payments	(70.298.771)	(96.768.673)
Payments to employees	(12.288.044)	(15.975.706)
Payments to the state budget	(14.776.966)	(19.866.063)
<b>Net cash from operating activities</b>	<b>15.418.214</b>	<b>(6.250.507)</b>
<b>Cash flows from investment activities</b>		
Cash payments for purchase of property, plant and equipment and intangible assets	(3.810.288)	(738.589)
Net payments for purchases of financial assets	(97.620)	-
Proceeds from the sale of property, plant and equipment	-	9.370.674
Interest received	1	55
<b>Net cash used in investment activities</b>	<b>(3.907.907)</b>	<b>8.632.140</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	18.439.488	21.075.323
Investment grants	-	2.950.944
Bond repayment	-	-
Lease payments	(165.751)	(805.756)
Lease interest paid	(35,013)	-
Loan repayments	(9.517.511)	(19.772.250)
Interest paid	(5.559.560)	(2.758.587)
<b>Net cash from financing activities</b>	<b>3.161.653</b>	<b>689.674</b>
	<b>14.671.960</b>	<b>3.071.307</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>		
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>2.138.112</b>	<b>1.845.212</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16.810.072</b>	<b>4.916.519</b>

General Manager  
 Ștefan-Viorel Movilă

Prepared:  
 DA.AI AUDIT&ACCOUNTING S.R.L.  
 SE15003  
 Radu Gabriel

**Vrancart SA**  
**Notes to the consolidated financial statements**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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**Reporting entity**

The Vrancart Group (“the Group”) comprises Vrancart SA, with its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County, and its subsidiaries Rom Paper S.R.L. (“Subsidiary 1”), with its registered office in Braşov, 30 Şoseaua Cristianului, Braşov County, Vrancart Recycling S.R.L. (“Subsidiary 2”), with its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County, and Ecorep Group SA (“Subsidiary 3”), with its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County.

The Group’s consolidated financial statements for the reporting period ended March 31<sup>st</sup>, 2026 consist of the financial statements of Vrancart SA and its subsidiaries, which together form the Group.

Subsidiary	Field of activity	Holdings at	Holdings at
		March 31 <sup>st</sup> , 2026	December 31 <sup>st</sup> , 2025
Rom Paper S.R.L.	Manufacture of table napkins and hygienic-sanitary products	<b>100%</b>	<b>100%</b>
Vrancart Recycling S.R.L.	Treatment and disposal of non-hazardous waste	<b>100%</b>	<b>100%</b>
Ecorep Group SA	Business support services n.e.c.	<b>99,6%</b>	<b>99,6%</b>

The group operates in the fields of non-hazardous waste collection and recycling, the paper and corrugated cardboard industry, and the hygiene and sanitary paper industry.

The final beneficiary of the Group is LION Capital SA (formerly known as SIF Banat-Crişana).

***VRANCART SA***

Vrancart SA (the "Company") is a joint stock company operating in Romania in accordance with the provisions of Law 31/1990 on Commercial Companies. The Company has its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County. The company has offices open in the following locations: Bucureşti, Pantelimon, Chiajna, Călimăneşti, Sântana de Mureş, Iaşi, Ploieşti, Sibiu, Braşov, Piteşti, Timişoara, Bacău şi Cluj.

The Company’s main activity consists of the production and sale of the following products:

- corrugated cardboard,
- corrugated cardboard packaging,
- paper used in the manufacture of corrugated cardboard,
- hygienic and sanitary paper in various assortments,
- paper waste recycling equipment (sale, rental and maintenance),
- electricity from photovoltaic parks (self-consumption and sale).

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, under the ticker symbol VNC, starting with July 15<sup>th</sup>, 2005. The Group publishes its consolidated financial statements at [www.vrancart.ro](http://www.vrancart.ro). At March 31<sup>st</sup>, 2026, the Company is 76.33% owned by Lion Capital SA, 17.35% by Pavăl Holding S.R.L. and 6.32% by other shareholders. The record of shares and shareholders is kept in accordance with the law by the Central Depository S.A. Bucharest.

***ROM PAPER S.R.L.***

**Rom Paper S.R.L. ("Subsidiary 1")**, established in 2002, is a privately held company with Romanian capital that operates in the production of hygiene and sanitary products made from recycled paper and cellulose, such as:

- table napkins,
- folded towels,
- toilet paper,
- professional rolls,
- cosmetic towels
- box tissues.

The products made are sold both on the territory of Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash-and-carry stores), as well as through distributors, distinguishing themselves on store shelves both by their own brands "Mototol" and "Papely", as well as by the various private labels of its customers.

Rom Paper S.R.L. is the result of the inorganic growth strategy of the Vrancart business, which on January 20<sup>th</sup>, 2017 acquired the majority stake (70%) from the former owners. As of March 31<sup>st</sup>, 2025, the Group held 100% of the company's shares, following the acquisition in June 2017 of 15%, and in June 2018 of the final 15% of the shares in Rom Paper S.R.L..

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

**Vrancart Recycling S.R.L. ("Subsidiary 2")** was established in August 2020 and is a privately held company with Romanian capital and a sole shareholder. The main activity of this subsidiary is the treatment and disposal of non-hazardous waste.

This company was established with the aim of developing the Group through a greenfield investment, worth over EUR 25 million, in adjacent areas of recycling and thermal and electricity production, covering the widest possible range of recoverable resources that it will market or use internally as a result of the newly created synergies.

The investment was completed and fully received on December 31<sup>st</sup>, 2024, and as of 2025 it entered the operating phase, with all business lines developed.

***ECOREP GROUP SA***

**Ecorep Group SA ("Subsidiary 3")** was established in November 2020 and is a privately held company with Romanian capital. The main activity of this subsidiary is the provision of services related to the implementation of extended producer responsibility obligations for environmental targets pertaining to packaging on the Romanian market.

The Group carries out complex and extensive activity in areas such as the collection and recycling of non-hazardous waste, the paper and corrugated cardboard industry, including corrugated cardboard packaging, the production of paper-based hygiene and sanitary products, as well as equipment for the recycling of paper and cardboard waste. Starting in 2024, the Group has been producing electricity through a new 20 MWh photovoltaic park, which is used for internal consumption, with the surplus being sold.

The vast majority of the paper used in various production processes is obtained through the recycling of waste paper and cardboard, with the Group making a vital contribution to Romania's circular economy.

### **Main ongoing investments at the Group level**

At Vrancart S.A., at the end of 2024, a 20MW photovoltaic park worth RON 77 million was completed and put into operation, financed through investment loans, own contribution, and a grant from Romania's National Recovery and Resilience Plan ("NRRP") amounting to RON 29 million. The project was developed on a 39-hectare owned plot of land, which was rehabilitated and environmentally restored by the Company in order to reintegrate it into the economic circuit. Another major project consists of the implementation, starting from January 1<sup>st</sup>, 2025, of a new state-of-the-art ERP system, with a value of over EUR 750 thousand, financed through a bank loan and own contribution, designed to meet the Group's complex business requirements.

The parent company has also invested in state-of-the-art technology equipment, unique in Romania (Drum Pulper), which aims to improve the production processes of corrugated cardboard paper, an investment completed in 2025 and put into operation in January 2026.

Currently, at the level of the parent company, 2 other important projects are underway, worth approximately EUR 6 million, aimed at increasing the production capacity - converting.

At the Vrancart Recycling S.R.L. subsidiary, in 2024, an integrated waste recycling project was completed, representing a greenfield investment worth EUR 27 million, financed through investment loans, own contribution and state grants worth EUR 8.3 million, with the main purpose of developing new recycling capabilities for waste, plastic and wood, but also a cogeneration plant for the production of thermal energy (16.2 to/h) and electricity (1.2 MW/h), unique in Romania, in terms of the fact that it uses waste and residues resulting from technological processes.

At the Rom Paper S.R.L. subsidiary, at the beginning of 2024, an extensive project to modernize the facial tissue production lines was completed and implemented, by increasing productivity and energy efficiency, worth EUR 4.7 million, financed through investment loans, own contribution and a grant from the Innovation Norway program worth EUR 1.9 million.

### **Accounting principles, policies and methods**

The simplified interim consolidated financial statements for the first three months ended March 31<sup>st</sup>, 2026 were prepared in accordance with IAS 34 Interim Financial Reporting.

The simplified interim consolidated financial statements do not include all information and items disclosed in the annual reporting and should be read in conjunction with the Company's annual financial statements as of December 31<sup>st</sup>, 2025.

The accounting policies and valuation methods used in the preparation of the simplified interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31<sup>st</sup>, 2025.

Combinations of entities are accounted for using the acquisition method on the date on which the Group obtains control of the acquired entity. Control requires exposure or rights to the variable results of the investee entity, as well as the ability to influence those results by exercising authority over that entity.

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the moment control begins until the moment it ceases.

**Vrancart SA**  
**Notes to the consolidated financial statements**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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The interim consolidated financial statements for the first three months of 2026 have not been reviewed by an external financial auditor and are not a legal or statutory requirement.

– **Foreign currency transactions**

Transactions denominated in foreign currency are recorded in RON at the official exchange rate in effect on the settlement date of the transactions. Monetary assets and liabilities denominated in foreign currency as of the balance sheet date are converted into the functional currency at the exchange rate in effect on that date.

Gains or losses arising from their settlement and from the conversion using the year-end exchange rate of monetary assets and liabilities denominated in foreign currency are recognized in the statement of comprehensive income.

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>March 31<sup>st</sup>, 2026</b>	<b>December 31<sup>st</sup>, 2025</b>	<b>Variation</b>
Euro (EUR)	5.0988	5.0985	+0.01%
US Dollar (USD)	4.4463	4.3417	-0.02%

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**Other notes**

The Group's management has established its medium-term and long-term strategy, and the estimates foresee increases in revenues as well as decreases in costs as a result of the efficient use of resources, which will lead to an increase in operating profit.

1) As of March 31<sup>st</sup>, 2026, the Group has a positive cash balance of RON 16,810,072 and has no debts to public budgets or to its private partners, whose maturity dates have been exceeded.

**NOTE:** The positive cash balance of RON 16.810.072 is influenced by a transaction of EUR 2.000.000 (respectively RON 10.197.800) in relation to BCR Bank at the level of the Parent Company, an event that occurred as a result of the process of updating the credit facilities, whereby the current account was debited with this amount and withdrawn on April 1<sup>st</sup>, 2026.

This transaction also affected the short-term loan liabilities, at the level of the Parent Company as of March 31<sup>st</sup>, 2026, which amount to RON 147.260.916 at the Group level.

Thus, after excluding this amount, the balance of the treasury accounts at group level is positive in the amount of RON 6.612.272, and the value of short-term liabilities is in the amount of RON 147.260.916.

The Group places particular emphasis on profitability indicators, achieved through the streamlining of operational processes, and on liquidity indicators, achieved through the efficient use of resources.

Based on these analyses, management considers that the Group will be able to continue its activity for the foreseeable future and therefore the application of the principle of business continuity in the preparation of consolidated financial statements is justified.

2) In the first quarter, the parent company recognized EU greenhouse gas emission allowances (EUAs) in its financial statements as part of the EU Emissions Trading Scheme (ETS), using a minimum trading price from the 2025 range, to which a 5% adjustment was added.

The allowances are for the year 2025 and number 14.909; their value, as recognized and revalued in the January–March 2026 quarter, was RON 4.859.482.

3) Also, in January 2026, the parent company fully repaid the multicurrency investment loan contracted from Raiffeisen Bank, in the amount of EUR 1.012.725.

**Vrancart SA**  
**Notes to the consolidated financial statements**  
**at March 31<sup>st</sup>, 2026**  
*(all amounts are expressed in RON, unless otherwise specified)*

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Management believes that the Group will be able to continue its activity for the foreseeable future and therefore the application of the principle of business continuity in the preparation of financial statements is justified.

**Subsequent events**

On **April 29, 2026**, the Ordinary General Meeting of Shareholders approved the individual and consolidated (unaudited) financial statements as of December 31<sup>st</sup>, 2025 and the Income and Expenditure Budget of the VRANCART SA Group for the financial year 2026, together with the Investment Plan for 2026.

**Management Statement**

Based on the best available information, we confirm that the simplified interim consolidated financial statements as of March 31<sup>st</sup>, 2026 and for the period ended on this date, prepared in accordance with International Financial Reporting Standards, present a true and fair view of the assets, liabilities, financial position, and the profit and loss account of the issuer or its subsidiaries included in the consolidation of the Group's financial statements, as required by applicable accounting standards, and that the information presented in this report accurately and completely reflects the issuer's financial position as of the end of the first three months of the fiscal year.

General Manager  
Ștefan-Viorel Movilă



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