



To,

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

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

Date of report:	February 27 th , 2026
Name of the issuing entity:	VRANCART
Registered office:	Adjud, 17 th Ecaterina Teodoroiu Street, Vrancea County
Telephone/fax no.:	0237-640.800/0237-641.720
Tax Identification Number:	RO 1454846
Trade Registry registration no.:	J39/239/1991
Subscribed and paid-in share capital:	RON 201,011,575.10
The regulated trading market:	The Bucharest Stock Exchange

Major events to report:

VRANCART 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 2025, 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, 17th Ecaterina Teodoroiu, Vrancea County or at the web address www.vrancart.ro, starting from February 27th, 2026, from 06.30 PM.

Attached to this Current Report are the unaudited preliminary annual financial statements (individual and consolidated) for the financial year 2025, prepared in accordance with International Financial Reporting Standards – IFRS.

**General Manager
Ștefan – Viorel MOVILĂ**



VRANCART S.A.

PRELIMINARY STANDALONE FINANCIAL RESULTS (UNAUDITED)

For the financial year ended on
December 31st, 2025

Note:

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

The preliminary individual financial results are unaudited because this process is ongoing. As a result, the final and audited financial statements for 2025 may differ from these.

These final financial statements are unaudited and do not present the impact of the revaluation as of December 31, 2025.

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

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Vrancart S.A.

Standalone Statement of Financial Position

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

Elements	December 31 st , 2025	December 31 st , 2024
ASSETS		
Tangible assets	388.602.714	423.011.121
Intangible assets	3.115.337	708.852
Goodwill	-	3.380.811
Financial Assets	62.587.328	62.587.328
Other non-current assets	34.333.710	32.824.177
Total non-current assets	488.639.089	522.512.289
Inventories	89.217.002	73.791.524
Assets held for sale	-	19.725.761
Trade receivables	75.900.022	83.623.082
Prepaid expenses	2.092.420	1.154.845
Prepayments for tangible assets	1.466.508	8.152.139
Receivable subsidies	-	3.884.271
Current profit tax receivable	-	-
Other receivables	14.736.615	2.505.966
Cash and cash equivalents	1.777.956	1.050.589
Total current assets	185.190.524	193.888.177
TOTAL ASSETS	673.829.612	716.400.466
EQUITY		
Share capital	201.011.575	201.011.575
Reserves	176.019.195	178.914.329
Retained earnings	(22.993.305)	4.367.770
Total equity	354.037.466	384.293.674
LIABILITIES		
Long-term loans	94.839.201	86.689.040
Long-term leasing liabilities	8.853.602	19.066.190
Long-term subsidies	31.647.203	31.825.414
Long-term debts to employees	675.543	920.509
Deferred profit tax liabilities	8.396.995	12.168.086
Other long-term liabilities	4.790	439.212
Total long-term liabilities	144.417.334	151.108.451
Trade payables	49.572.530	57.603.898
Short-term loans	104.445.163	101.412.440
Short-term bond loans	-	-
Short-term leasing liabilities	5.309.639	7.712.995
Short-term subsidies	2.977.853	2.805.360
Short-term debts to employees	4.748.224	4.821.776
Current profit tax liabilities	491.722	885.127
Other short-term liabilities	7.829.683	5.756.745
Total current liabilities	175.374.812	180.998.341
TOTAL LIABILITIES	319.792.146	332.106.792
TOTAL EQUITY AND LIABILITIES	673.829.612	716.400.466

MOVILĂ Ștefan Viorel
Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL - SE15003

Prepared:



Standalone Statement of Comprehensive Incomeas of December 31st, 2025

(all amounts in RON, unless otherwise specified)

Element	2025	2024
Sales income from customers agreements	328.957.760	396.553.776
Income from operating subsidiaries	-	408.956
Other income	42.565.864	12.023.720
Production inventory's changes	11.708.527	(960.268)
Raw materials and consumables expenses	(188.573.102)	(213.238.440)
Cost of goods sold	(7.285.242)	(13.153.158)
Third-party expenses	(35.960.986)	(34.692.284)
Labor expenses	(86.366.073)	(96.129.900)
Assets amortization and depreciation expenses	(43.734.876)	(42.064.249)
Other expenses	(41.982.641)	(12.505.011)
Operating result	(20.670.770)	(3.756.858)
Financial Income	2.914.025	4.371.922
Financial expenses	(12.688.513)	(9.933.293)
Profit / (Loss) before taxation	(30.445.258)	(9.318.229)
Income / (Expense) for corporate income tax	(405.448)	(1.959.688)
Profit / (Loss) for the year	(30.850.706)	(11.277.917)
Other elements of comprehensive income		
Changes in the reserve from the revaluation of tangible assets, net of deferred tax		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(30.850.706)	(11.277.917)

MOVILĂ Ștefan Viorel
Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL - SE15003

Prepared:



Vrancart S.A.

Standalone Statement of Changes in Equity

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

	Share Capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity reserves
Balance as of January 1st, 2025	201,011,575	103,936,472	74,977,857	4,367,770	384,293,674
Comprehensive income for the period					
Net profit/loss for the period				(30,850,706)	(30,850,706)
Changes in the reserve from revaluation of tangible assets, net of deferred tax	-	(3,648,078)		3,648,078	-
Total comprehensive income	-	(3,648,078)	-	(27,202,628)	(30,850,706)
Share capital increase	-	-	-	-	-
Dividends distributed	-	-	-	-	-
Dividends distributed	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale/decommissioning of tangible assets	-	752,944			752,944
Other corrections				(158.446)	(158.446)
Balance as of December 31st, 2025	201,011,575	101,041,338	74,977,857	(22,993,304)	354,037,466

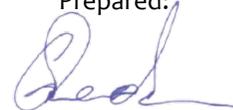
MOVILĂ Ștefan Viorel

Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL - SE15003

Prepared:



Standalone Statement of Cash Flowsas of December 31st, 2025

(all amounts in RON, unless otherwise specified)

	2025	2024
DIRECT METHOD		
Cash-flows from operating activities		
Cash receipts from customers	397.202.298	444.323.879
Cash paid to suppliers	(278.599.348)	(278.279.255)
Cash paid to employees	(53.400.613)	(61.652.313)
Cash paid to the state budget	(66.153.434)	(52.550.885)
Corporate income tax paid	(3.817.000)	(1.143.997)
Net cash flows from operating activities	(4.768.097)	50.697.429
Cash flows from investment activities		
Cash paid for the purchase of tangible and intangible assets	(18.877.850)	(96.663.614)
Cash paid for the purchase of financial assets		-
Loans granted to affiliates	(1.850.000)	(19.050.000)
Proceeds from the sale of tangible assets	28.173.880	2.095.381
Interest collected	1.304.907	1.738.906
Dividends collected		2.500.000
Cash flows from investment activities	8.750.936	(109.379.327)
Cash flows from financing activities		
Proceeds from loans	42.874.457	120.341.599
Loans repaid	(35.736.753)	(63.043.879)
Bonds repaid		(38.250.000)
Subsidies collected	4.214.054	25.993.202
Payments for leasing	(6.355.531)	(10.631.130)
Interests for leasing	(246.993)	(401.659)
Capital increase		31.956.911
Interest paid	(8.004.706)	(8.320.578)
Dividends paid		-
Net cash flows from financing activities	(3.255.473)	57.644.466
Net increase/ (decrease) of cash and cash equivalents	727.367	(1.037.432)
Cash and cash equivalents at the financial year beginning	1.050.589	2.088.021
Cash and cash equivalents at the financial year end	1.777.956	1.050.589

MOVILĂ Ștefan Viorel
Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL - SE15003

Prepared:



Notes to the Preliminary Standalone Financial Statements

as of December 31st, 2025

Vrancart S.A. (hereinafter referred to as “the Company”) is a joint-stock company operating in Romania in accordance with the provisions of Law 31/1990 on commercial companies.

The Company operates in the collection and recycling of non-hazardous waste, the paper and corrugated cardboard industry, the production of corrugated cardboard packaging, and the production of hygienic-sanitary paper. The Company has operational units in the following locations: Pantelimon, Chiajna, Iași, Ploiești și Bacău.

The Company’s business activity consists of the production and commercialization of the following products:

- corrugated cardboard
- corrugated cardboard packaging
- papers for the production of corrugated cardboard
- hygienic-sanitary papers in various assortments
- wastepaper recycling equipment (sales, 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 VNC, starting from July 15, 2005. As of December 31, 2024, the Company is owned 76.33% by Lion Capital SA, 17.35% by Pavăl Holding SRL, and 6.32% by other shareholders. The record of shares and shareholders is maintained under legal provisions by Depozitarul Central S.A. Bucharest.

In 2025, the Company's performance was influenced, on the one hand, by increased operating costs and, on the other hand, by a decline in sales volume. The decline in domestic demand in 2025 was driven by uncertainties stemming from an unstable international context, the global crisis, the tense political climate in Romania, and the presidential elections, which dramatically affected the exchange rate, consumer confidence, and investment appetite.

Paper production was correlated with market demand, with Vrancart S.A. adopting an order-based production approach. In this context, the costs and consumption of raw materials, utilities, and operational resources were adjusted accordingly. This alignment between actual production and market demand contributed to optimizing resource utilization and cost efficiency, thereby mitigating the risk of imbalances between production and sales volumes. At the same time, the measure supported maintaining a sustainable operational flow and more rigorous commercial discipline.

In the cardboard industry and market, fluctuations were felt in 2025 due to the increase in raw material purchase costs, so, in order to mitigate some of the variations in acquisition costs, Vrancart SA implemented an investment plan to improve the process of obtaining internally generated and used production, starting in the second half of 2025.

Between July and August 2025, the Company's activity was interrupted due to the planned shutdown of the cardboard paper machine in order to connect it to the production flow and commission the Drum-pulper – a new investment that led to improved paper quality and reduced raw material consumption. At the same time, in August, there was another shutdown due to a lack of electricity after the photovoltaic park was connected to the national grid.

To optimize utility costs (cogeneration plant and photovoltaic park) and capitalize on the advantages of newer, more efficient production equipment in Adjud, Vrancart SA has decided to temporarily suspend operations at the Călimănești production center, starting in September 2025. which currently operates as a logistics center for storage and delivery to neighboring areas. The

Notes to the Preliminary Standalone Financial Statements

as of December 31st, 2025

production capacity available in Adjud will be used to ensure that orders to all customers are fulfilled, with a third shift to be introduced.

Despite the increase in the minimum wage by approximately +9% starting in January 2025, Vrancart SA has implemented a series of measures to reduce labor-related operating costs in the context of declining domestic demand correlated with the production and sales strategy, so that starting with the third quarter of 2024, personnel costs have decreased by approximately 25%.

Furthermore, during 2025, Vrancart S.A. analyzed and implemented a series of measures at the collection centers and at the factory located in Călămanești de Jos, and decided to close the collection centers in Cluj, Timișoara, Pitești, and Brașov, keeping operational those centers with superior strategic positioning and significantly higher collection volumes.

The pressure on sales prices from customers' need to optimize their costs, as well as fierce market competition, made it impossible to fully absorb all price increases, thereby inevitably affecting the Company's profitability.

Although the financial context deteriorated significantly, the Company maintained a fully functional operational level throughout 2025, with the exception of the period July-August 2025, and carried out its activities within normal parameters. Moreover, it completed the investment programs it had undertaken, including some of the most important production lines (Drum-Pulper) and administrative ones (ERP system).

The economic and financial indicators on December 31st, 2025 are presented as follows:

Indicator	Calculation Formula	UM	Result
Current liquidity Indicator	Current Assets/Current liabilities	Rate	1.06
Indebtedness indicator	Borrowed Capital /Share Capital x100	%	60%
	Borrowed Capital/Employed Capital x100	%	38%
Customer rotation period	Average trade receivables/Turnover x 360	Days	84.2
Fixed assets turnover rate	Turnover/Fixed Assets	Rate	0.67

* Borrowed capital includes lines of credit, short-term and long-term bank loans and credits, short-term and long-term lease liabilities and bond issued loans.

MOVILĂ Ștefan Viorel
Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL - SE15003

Prepared:





VRANCART S.A.

PRELIMINARY FINANCIAL RESULTS CONSOLIDATED (UNAUDITED)

For the financial year ended on
December 31st, 2025

Note:

The Financial preliminary results presented in this document are consolidated results, being reported in accordance with the Order of the Minister of Public Finance no. 2844/2016 with all subsequent amendments, which is in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

The preliminary consolidated financial results are unaudited, as the audit process is still ongoing. As a result, the final audited financial statements for 2025 may differ from these.

These final financial statements are unaudited and do not reflect the impact of the revaluation as of December 31st, 2025.

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

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Vrancart S.A.

Consolidated Statement of Financial Position

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

Elements	December 31 st , 2025	December 31 st , 2024
ASSETS		
Tangible assets	593,571,271	639,505,600
Intangible assets	3,901,597	2,492,475
Goodwill	509,199	900,541
Other non-current assets	5,145,580	8,526,391
Total non-current assets	603,127,647	651,425,007
Inventories	101,208,604	85,375,917
Assets held for sale	-	19,725,761
Trade receivables	82,757,474	91,036,449
Prepaid expenses	2,263,300	1,292,579
Prepayments for tangible assets	1,599,146	8,152,139
Cash and cash equivalents	2,139,822	1,845,212
Current profit tax receivable	-	-
Other receivables	9,424,129	1,988,109
Subsidies	-	3,884,271
Total current assets	199,392,475	213,300,437
TOTAL ASSETS	802,520,122	864,725,444
EQUITY		
Share capital	201,011,575	201,011,575
Reserves	176,722,603	179,597,736
Retained earnings	(38,444,631)	(8,426,150)
Total equity – mother company	339,289,547	372,183,161
Non-controlling Interests	(2,641)	(3,024)
Total equity	339,286,906	372,180,137
LIABILITIES		
Long-term loans	160,305,009	155,170,179
Long-term leasing liabilities	9,912,298	20,158,109
Long-term subsidies	74,689,523	80,041,451
Long-term debts to employees	675,543	920,509
Deferred profit tax liabilities	9,027,865	12,175,228
Other long-term liabilities	4,790	439,212
Total long-term liabilities	254,615,028	268,904,688
Trade payables	62,735,044	65,923,072
Short-term loans	119,054,309	121,361,672
Short-term leasing liabilities	5,746,877	8,268,948
Short-term bond loans	-	-
Short-term subsidies	5,922,317	3,495,424
Short-term debts to employees	5,883,625	5,915,886
Current profit tax liabilities	506,173	892,212
Other short-term liabilities	8,769,843	17,783,405
Total current liabilities	208,618,188	223,640,619
TOTAL LIABILITIES	463,233,216	492,545,307
TOTAL EQUITY AND LIABILITIES	802,520,122	864,725,444

MOVILĂ Ștefan Viorel

Chief Executive Officer

DA.AI AUDIT&ACCOUNTING SRL SE15003

Prepared

Vrancart S.A.

Consolidated Statement of Comprehensive Income

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

Elements	2025	2024
Sales income from customers agreements	408,527,928	486,955,387
Income from operating subsidiaries	-	408,956
Other income	13,822,728	12,327,114
Production inventory's changes	11,246,031	275,351
Raw materials and consumables expenses	(195,287,671)	(236,057,136)
Cost of goods sold	(38,059,359)	(45,069,441)
Third-party expenses	(30,170,614)	(47,529,758)
Labor expenses	(106,648,586)	(114,128,732)
Assets amortization and depreciation expenses	(57,926,066)	(48,489,491)
Other expenses	(20,394,089)	(13,941,340)
Operating result	(14,889,698)	(5,249,090)
Financial Income	63,893	5,852
Financial expenses	(18,076,448)	(10,772,480)
Profit / (Loss) before taxation	(32,902,253)	(16,015,718)
Income / (Expense) for corporate income tax	(661,903)	(1,391,264)
Profit / (Loss) for the year	(33,564,156)	(17,406,983)
for the mother company	(33,564,820)	(17,407,716)
- for non-controlling interests	664	733
- other elements of comprehensive income		
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(33,564,156)	(17,406,983)
- for the mother company	(33,564,820)	(17,407,716)
- for non-controlling interests	664	733

MOVILĂ Ștefan Viorel

Chief Executive Officer

DA.AI AUDIT&ACCOUNTING SRL SE15003

Prepared

Vrancart S.A.

Consolidated Statement of Changes in Equity

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Reported result	Interests that do not control	Total equity
Balance as at January 1, 2025	201,011,575	100,507,277	79,090,459	(8,426,150)	(3,024)	372,180,137
Consolidated result for the period						
Net result for the period	-	-	-	(33,564,156)	-	(33,564,156)
Transfer of revaluation reserve to retained earnings as a result of the sale/disposal of tangible assets	-	-	-	-	-	-
Changes in the revaluation reserve for tangible assets, net of deferred tax	-	(3,648,078)	-	3,648,078	-	-
Total consolidated net result for the period	-	(3,648,078)	-	(29,916,078)		(33,564,156)
Capital increase	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-
Reserve distribution	-	-	-	-	-	-
Other adjustments	-	-	20,000	(102,402)	-	(82,402)
Transfer of revaluation reserve to retained earnings as a result of disposal of property, plant and equipment	-	752,944	-	-	-	752,944
Changes in group structure - non-controlling interests	-	-	-	-	383	383
Balance as at 31 December 2025	201,011,575	97,612,143	79,110,460	(38,444,631)	(2,641)	339,286,906

MOVILĂ Ștefan Viorel

Chief Executive Officer

DA.AI AUDIT&ACCOUNTING SRL SE15003

Prepared

Vrancart S.A.

Consolidated Statement of Cash Flows

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

DIRECT METHOD

	2025	2024
Cash-flows from operating activities		
Cash receipts from customers	493,725,190	547,538,046
Cash paid to suppliers	(323,340,377)	(352,990,370)
Cash paid to employees	(64,312,758)	(72,003,853)
Cash paid to the state budget	(83,331,417)	(64,986,249)
Corporate income tax paid	(4,425,219)	(1,637,065)
Net cash flows from operating activities	18,315,419	55,920,509
Cash flows from investment activities		
Cash paid for the purchase of tangible and intangible assets	(19,181,571)	(134,001,873)
Intragroup loans granted	(1,850,000)	-
Warranties for the granting of authorization licenses	70,870	(149,962)
Proceeds from the sale of tangible assets	28,173,880	2,114,855
Interest collected	55,958	1,717
Cash flows from investment activities	7,269,137	(132,035,263)
Cash flows from financing activities		
Proceeds from loans	65,177,898	137,255,249
Loans repaid	(76,480,285)	(102,245,805)
Bonds repaid	-	(38,250,000)
Payments for leasing	(7,236,172)	(11,621,229)
Leasing interest paid	(154,038)	(415,399)
Capital increase	-	31,956,911
Investment subsidies collected	4,214,054	71,628,724
Interest paid	(10,811,405)	(13,172,005)
Dividends paid	-	-
Net cash flows from financing activities	(25,289,948)	75,136,446
Net increase/ (decrease) of cash and cash equivalents	294,608	(978,308)
Cash and cash equivalents at the financial year beginning	1,845,212	2,823,520
Cash and cash equivalents at the financial year end	2,139,820	1,845,212

MOVILĂ Ștefan Viorel

Chief Executive Officer

DA.AI AUDIT&ACCOUNTING SRL SE15003

Prepared

Vrancart S.A.

Notes to the Preliminary Consolidated Financial Statement

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

The reporting entity

The Vrancart Group ("the Group") includes the company Vrancart SA, with registered office in Adjud, Ecaterina Teodoroiu Street, No. 17, Vrancea County and its branches Rom Paper SRL ("Branch 1"), with headquarters in Braşov, Cristianului Road, no. 30, Braşov County, Vrancart Recycling SRL ("Branch 2"), with headquarters in Adjud, Ecaterina Teodoroiu street, no. 17, Vrancea county and Ecorep Group SA ("Branch 3"), with headquarters in the town of Adjud, Ecaterina Teodoroiu street, no. 17, Vrancea county.

The preliminary consolidated financial statements of the Group for the financial year ending on December 31, 2025 are generated from the preliminary financial statements of Vrancart SA and its subsidiaries, which together form the Group.

Branch	Activity domain	Ownership as of December 31,2025	Ownership as of December 31,2024
Rom Paper S.R.L.	Manufacture of table napkins and sanitary products	100%	100%
Vrancart Recycling S.R.L.	Treatment and disposal of non- hazardous waste	100%	100%
Ecorep Group S.A.	Support activities for businesses n.e.c.	99,6%	99,6%

The Group operates in the field of waste collection and recycling, in the paper and corrugated cardboard industry, and in the sanitary paper industry.

The ultimate beneficiary of the Group is LION Capital S.A.

Vrancart S.A.

Notes to the Preliminary Consolidated Financial Statement

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

VRANCART S.A.

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’s registered office is located in Adjud, Ecaterina Teodoroiu Street, No. 17, Vrancea County. The Company has operational units in the following locations: Pantelimon, Chiajna, Iași, Ploiești and Bacău.

The Company’s business activity consists of the production and commercialization of the following products:

- Corrugated cardboard
- Corrugated cardboard packaging
- Papers for the production of corrugated cardboard
- Hygienic-sanitary papers in various assortments
- Wastepaper recycling equipment (sales, 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 VNC, starting from July 15, 2005. The Group publishes consolidated financial statements on www.vrancart.ro. As of December 31, 2025, the Company is owned 76.33% by Lion Capital SA, 17.35% by Pavăl Holding SRL, and 6.32% by other shareholders. The record of shares and shareholders is maintained under legal provisions by Depozitarul Central S.A. Bucharest.

ROM PAPER S.R.L.

Rom Paper SRL (“Subsidiary 1”) was founded in 2002 as a private Romanian-owned company, operating in the production of hygienic-sanitary products made from recycled paper and cellulose, including:

- Napkins
- Folded towels
- Toilet paper
- Professional rolls
- Cosmetic towels
- Boxed tissues

The products are sold in Romania and in six other countries, through retail chains (hypermarkets, supermarkets, cash & carry) and distributors, standing out on store shelves under its own brands “Mototol” and “Papely”, as well as various private-label brands of its clients.

Rom Paper SRL is the result of Vrancart’s inorganic growth strategy, which, on January 20th, 2017 acquired a 70% majority stake from the former owners. By December 31st, 2025, the Group had acquired 100% ownership, following the purchase of an additional 15% in June 2017 and the final 15% stake in June 2018 for the Rom Paper shares.

Vrancart S.A.

Notes to the Preliminary Consolidated Financial Statement

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

VRANCART RECYCLING S.R.L.

Vrancart Recycling SRL (“Subsidiary 2”) was established in August 2020 as a private Romanian-owned company with a sole shareholder. The primary activity of this subsidiary is the treatment and disposal of non-hazardous waste.

This company was founded as part of the Group’s greenfield investment strategy, with an investment exceeding EUR 25 million, aiming to expand into adjacent recycling and energy production sectors. The project is designed to recover a wide variety of resources, which will either be commercialized or used internally due to the newly created synergies.

The investment was fully completed and received by December 31st, 2025, and starting from 2025, the company will enter its operational phase, utilizing all its developed business lines.

ECOREP GROUP S.A.

Ecorep Group SA (“Subsidiary 3”) was founded in November 2020 as a privately owned Romanian company. The core activity of this subsidiary is the provision of services related to the implementation of Extended Producer Responsibility obligations for environmental targets associated with packaging placed on the Romanian market.

Major investments ongoing at Group level

The group carries out laborious and complex activities in areas such as the collection and recycling of non-hazardous waste, the paper and corrugated cardboard industry, corrugated cardboard packaging, the production of paper hygiene products, and the manufacture of equipment for recycling paper and cardboard waste. Since 2024, the group has been producing electricity from a new 20MWh photovoltaic park, which it uses for internal consumption, with any surplus sold.

Within Vrancart S.A., a 20MW photovoltaic park, valued at 77 million lei, was completed and put into operation in 2024, financed by investment loans, an own contribution, and a grant of 29 million lei from Romania's National Recovery and Resilience Plan ("PNRR"). The project was built on 39 hectares of the company's own land, which the company developed and greened to return to the economic circuit.

Another major project consists of implementing, starting on January 1, 2025, a new, state-of-the-art ERP system worth over €500,000, financed by a bank loan and own contribution, designed to meet complex business needs.

In 2024, Vrancart Recycling S.R.L. completed an integrated waste recycling project, representing a greenfield investment worth €27 million, financed through investment loans, own contributions, and state aid worth €8.3 million. Its main purpose is to develop new recycling capabilities for waste paper, plastic, and wood, as well as a cogeneration plant for the production of thermal energy (16.2 to/h) and electricity (1.2 MW/h), unique in Romania in that it uses waste and residues from technological processes.

Vrancart S.A.

Notes to the Preliminary Consolidated Financial Statement

as of December 31st, 2025

(all amounts in RON, unless otherwise specified)

At the Rom Paper subsidiary, a large-scale project to modernize the facial tissue production lines was completed in early 2024, increasing productivity and energy efficiency. The project, worth €4.7 million, was financed through investment loans, an own contribution, and a € 1.9 million grant from the Innovation Norway program.

In 2025, the Group's performance was influenced, on the one hand, by increased operating costs and, on the other hand, by a decline in sales volume. The decline in demand in 2025 was driven by uncertainties stemming from an unstable international context, the global crisis, the tense political climate in Romania, and the presidential elections, which dramatically affected the exchange rate, consumer confidence, and investment interest.

During July–August 2025, the Group's activity was interrupted due to the planned shutdown of the cardboard paper machine in order to connect it to the production flow and commission the Drum-pulper – a new investment that led to improved paper quality and reduced raw material consumption. At the same time, in August 2025, there was another shutdown due to a power outage after the photovoltaic park was connected to the national grid.

Although the financial context saw a significant reduction in profitability, the Group maintained a fully functional operational level throughout 2025, with the exception of the period July-August 2025, and carried out its activity within normal parameters. Moreover, it completed the investment programs it had undertaken, including some of the most important production lines (Drum-Pulper) and administrative systems (ERP).

The economic and financial indicators at Group level as of December 31, 2025 are as follows:

Indicator name	Calculation method	UM	Result
Current liquidity indicator	Current assets/Current liabilities	Rap	0.96
Debt ratio indicator	Borrowed capital/Equity x 100	%	87%
	Borrowed capital/Committed capital x 100	%	47%
Accounts receivable turnover - customers	Average customer balance/Turnover x 360	Days	73.9
Fixed asset turnover	Turnover/Fixed assets	Rap	0.68

*Borrowed capital includes credit lines, short- and long-term bank loans and credits, short- and long-term lease liabilities, and loans from bond issues.

MOVILĂ Ștefan Viorel

Chief Executive Officer



DA.AI AUDIT&ACCOUNTING SRL SE15003

Prepared

