NOTICE

VRANCART S.A. (the "**Company**"), registered at the Trade Register Office attached to the Vrancea Tribunal under the order number J39/239/1991, Unique Registration Code 1454846, Tax Attribute RO, with registered office in Vrancea County, Adjud Municipality, 17th Ecaterina Teodoroiu Street, informs investors and shareholders that, in accordance with the Financial Reporting Calendar, the Individual, Unaudited Financial Statements and the Consolidated Financial Statements, unaudited for the Semester ended June 30th, 2026, prepared in accordance with *the International Financial Reporting Standards (IFRS) (O.M.F.P. no. 881/2012 and O.M.F.P. no. 2844/2016, as subsequently supplemented and amended)*, of the provisions of the *Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and completions* and of *ASF Regulation no. 5/2018 on issuers of financial instruments and market operations*, with subsequent amendments and completions, can be consulted at the Company's registered office in Vrancea County, Adjud Municipality, 17th Ecaterina Teodoroiu Street, at the web address www.vrancart.ro in the section "For Shareholders – Financial Information 2026 – Half-Year Reports" or in the link below, starting with August 14th, 2026, at 12:00.

The consolidated economic and financial indicators of VRANCART S.A. for the Semester ended June 30th, 2026 are presented in the table below:

Indicator name	Calculation method	UM	Result
Name of the indicator	Current Assets/Current Liabilities	rap	0.87
Current Liquidity Indicator **Indebtedness Indicator**	Borrowed capital / Own capitalx100	%	110*
	Borrowed Capital/Capital Employed x 100	%	52*
Viteza de rotație a debitelor-clienți	Average customer balance/Turnover Business x 180	zile	39
Rotation speed of customer debts	Turnover/Fixed Assets	rap	0,3

* The borrowed capital includes lines of credit, short- and long-term bank loans and debts from short- and long-term leases.

Additional information can be obtained by phone 0237 640 800 – ext. 113 or by e-mail at raluca.chiriac@vrancart.com.

Alexandru-Lucian MINEA,

CHAIRMAN OF THE BOARD OF DIRECTORS OF VRANCART S.A.

Alexandru-Lucian Minea

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Date: 2026.08.13 16:45:50 +03'00'

Report for the first semester of 2026

according to ASF Regulation no. 5/2018

Date of report	**13.08.2026**
Name of the issuing entity	**VRANCART SA**
Registered office Phone/fax number	**Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County** **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

During the first half of 2026, the activity of Vrancart SA (referred to as the "Company") continued to operate in a prudent economic environment characterized by moderate domestic demand, with an impact on sales volumes and working capital management. Under these circumstances, the current ratio improved slightly, reaching 0.97 as of June 30, 2026, compared to 0.91 as of June 30, 2025. The quick ratio also increased to 0.50, compared to 0.38 in the same period of the previous year.

Inventory turnover remained at 3 rotations per year, at the same level as of June 30, 2025. The collection period for trade receivables increased to 100 days, compared to 86 days in the same period of the previous year, reflecting the extension of payment terms granted to commercial partners. At the same time, the trade payables payment period increased to 80 days, compared to 75 days as of June 30, 2025, in the context of working capital.

Regarding the financing structure, as of June 30, 2026, the ratio of borrowed capital to equity stood at 76%, compared to 58% as of June 30, 2025, while the ratio of borrowed capital to invested capital was 43%, compared to 37% in the same period of the previous year. The evolution of these indicators reflects the use of external financing sources to support ongoing operations and working capital requirements, while the Company continues to monitor its financing structure and level of indebtedness.

The fixed assets turnover ratio remained at 0.33, at the same level as of June 30, 2025.

The Company's management continues to pursue measures aimed at improving operational efficiency and profitability, as well as strengthening the Company's financial position through the end of the 2026 financial year.

1.1. Balance sheet items

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**December 31st, 2025**
Non-current assets	426.268.976	431.019.211
Current assets, of which:	187.226.948	174.107.800
- *Trade receivables*	77.517.909	74.400.741
Total assets	**613.495.924**	**605.127.011**
Total liabilities, of which:	**329.676.448**	**312.874.148**
Current liabilities	193.954.445	179.898.110
Equity, of which:	**283.819.476**	**292.252.863**
- *Reserves*	131.383.594	131.505.567
- *Retained earnings*	(48.575.693)	(40.264.279)

On June 30, 2026 and between January 1st and June 30, 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, from RON 431 million RON to 426 million RON.
- The Company's current assets increased by approximately 8% as of June 30, 2026 compared to the beginning of the year, reaching RON 187,2 million, mainly driven by the increase in trade receivables and cash and cash equivalents related to ongoing operations.
- Trade receivables increased by RON 3,1 million during the first six months of 2026 compared to the beginning of the year, representing an increase of approximately 4%, reaching RON 77,5 million, in the context of the evolution of commercial activity and the payment terms granted to customers.
- Total liabilities as of June 30, 2026 amounted to RON 329,7 million, representing an increase of approximately 5% compared to the amount recorded as of December 31, 2025, mainly because of financing ongoing operations and working capital requirements.
- Equity value to RON is 283,8 million as of June 30, 2026, representing a decrease of approximately 3% compared to the beginning of the year, mainly driven by retained earnings. The Company's reserves remained relatively stable compared to December 31, 2025.

1.2. Income statement

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**June 30th, 2025**
Operating income, of which:	161.688.627	198.816.386
Revenue from customer contracts	*139.929.923*	*170.874.987*
Operating expenses	(161.444.945)	(201.517.529)
Operating result	**243.682**	**(2.701.144)**
Financial income	1.601.936	1.426.828
Financial expenditure	(8.977.437)	(7.605.072)
Total revenue	**163.290.563**	**200.243.213**
Total expenses	**(170.422.382)**	**(209.122.602)**
Gross result	**(7.131.819)**	**(8.879.389)**
Net result	**(8.445.838)**	**(10.538.631)**

The Company's performance during the first six months of 2026 was impacted by lower operating revenues compared to the same period of the previous year, in the context of lower sales volumes and a continued prudent economic environment. Nevertheless, the operational efficiency and cost control measures implemented by management contributed to a significant improvement in the operating result, with the Company moving from an operating loss in the same period of 2025 to a positive operating result in the first half of 2026. The Company's management continues to pursue measures aimed at optimizing operations and strengthening financial performance through the end of the 2026 financial year.

During the first six months of 2026, compared to the same period of the previous year, the main indicators of the Statement of Profit or Loss were as follows:

- Operating revenues for the period amounted to RON 161,7 million, representing a decrease of approximately 19% compared to the same period of the previous year, mainly because of the decrease in revenues from contracts with customers and lower sales volumes.
- Revenues from contracts with customers decreased by approximately 18%, from RON 170,9 million as of June 30, 2025 to RON 139,9 million as of June 30, 2026.
- Operating expenses decreased by approximately 20%, from RON 201,5 million to RON 161,4 million, reflecting the positive impact of the operational efficiency and cost control measures implemented by the Company.
- The operating result improved significantly, from an operating loss of RON 2,7 million as of June 30, 2025 to a positive operating result of RON 0,2 million as of June 30, 2026, reflecting the impact of the efficiency measures on the operating cost structure.
- Financial income increased by approximately 12%, from RON 1,4 million as of June 30, 2025 to RON 1,6 million as of June 30, 2026, while financial expenses increased by approximately 18%, reaching RON 8,9 million.
- The gross result improved compared to the same period of the previous year, with the gross loss decreasing from RON 8,9 million as of June 30, 2025 to RON 7,1 million as of June 30, 2026.
- The net result also improved, with the net loss decreasing by approximately 20%, from RON 10,5 million as of June 30, 2025 to RON 8,4 million as of June 30, 2026.

1.3. Cash flows

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**June 30th, 2025**
Cash flows from operating activities		
Cash receipts from operating activities	174.980.952	222.132.178
Cash payments from operating activities	(160.013.660)	(209.806.476)
Net cash from operating activity	**14.967.292**	**12.325.702**
Cash flows from investment activities		
Cash inflows from investment activities	-	-
Cash outflows from investment activities	(8.561.933)	(6.862.133)
Net cash from investment activity	**(8.561.933)**	**(6.862.133)**
Cash flows from financing activities		
Cash inflows from financing activities	17.858.081	28.768.147
Cash outflows from financing activities (including bonds)	(17.568.320)	(31.442.878)
Net cash from financing activity	**289.761**	**(2.674.731)**
Cash at the beginning of the period	**1.776.246**	**1.050.589**
Cash at the end of the period	**8.471.366**	**3.839.427**

The balance of cash and cash equivalents as of June 30, 2026 was positive, amounting to RON 8,4 million, representing a significant increase compared to RON 3,8 million recorded as of June 30, 2025.

This evolution reflects effective cash flow management, with the Company ensuring sufficient liquidity to support its ongoing operations and meet its obligations as they fall due.

2. The economic and financial indicators as of June 30th, 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	%	76*
	Borrowed Capital/Capital Employee*100	%	43*
Receivables turnover ratio	Average Customer Balance/ Revenue *90	days	100
Non-current asset turnover ratio	Revenue / Non-current assets	rap	0.33

* 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.

Prepared:

Alexandru-Lucian MINEA

Chairman of the Board of Directors

Alexandru-Lucian Minea
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Date: 2026.08.13 16:46:09 +03'00'

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Radu Gabriel

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Date: 2026.08.13 18:46:41 +03'00'

VRANCART SA

INTERIM INDIVIDUAL FINANCIAL STATEMENTS (SIMPLIFIED. UNAUDITED)

AT JUNE 30, 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

Table of Contents

Vrancart SA
Individual statement of financial position
at June 30, 2026
(all amounts are expressed in RON, unless otherwise specified)

	June 30th, 2026	December 31st, 2025
ASSETS		
Property, plant. and equipment	322.189.208	329.516.328
Advances on property, plant and equipment	920.456	1.466.508
Intangible assets	2.733.849	3.115.337
Goodwill	-	-
Financial assets	62.587.328	62.587.328
Other long-term receivables	37.838.135	34.333.710
Total fixed assets	**426.268.976**	**431.019.211**
Inventory	89.689.536	80.045.008
Assets held for sale	-	-
Trade receivables	77.517.909	74.400.741
Prepaid expenses	3.700.821	2.092.420
Deferred income tax receivables	494.488	1.056.770
Restricted Cash	-	-
Cash and cash equivalents	8.471.366	1.776.246
Receivables regarding current corporate income tax	-	-
Other receivables	7.027.774	14.736.615
Short-term investments	325.054	-
Total current assets	**187.226.948**	**174.107.800**
TOTAL ASSETS	**613.495.924**	**605.127.011**
EQUITY		
Share capital	201.011.575	201.011.575
Revaluation reserves	56.405.737	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	(48.575.693)	(40.264.279)
Total equity	**283.819.476**	**292.252.863**
LIABILITIES		
Long-term trade payables	-	-
Long-term lease liabilities	5.996.800	8.420.009
Long-term loans	96.620.518	90.719.480
Long-term bond loans	-	-
Long-term grants	32.426.043	33.156.215
Long-term liabilities to employees	675.543	675.543
Deferred income tax liabilities	-	-
Other long-term liabilities	3.099	4.790
Total long-term liabilities	**135.722.003**	**132.976.037**

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

	June 30th, 2026	December 31st, 2025
Short-term trade payables	62.342.321	50.967.756
Short-term loans	110.975.248	108.564.883
Short-term lease liabilities	2.656.327	5.743.232
Short-term grants	1.481.676	1.468.841
Short-term bond loans	-	-
Short-term deferred income	-	-
Employee payables	5.308.783	4.804.868
Current income tax liabilities	903.010	512.865
Other liabilities	10.287.080	7.835.665
Total current liabilities	**193.954.445**	**179.898.110**
TOTAL LIABILITIES	**329.676.448**	**312.874.148**
TOTAL EQUITY AND LIABILITIES	**613.495.924**	**605.127.011**

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

General Manager
Marius NICA

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Vrancart SA
Individual statement of comprehensive income
at June 30, 2026
(all amounts are expressed in RON, unless otherwise specified)

	2026	2025
Revenue	139.929.923	170.874.987
Income from operating grants	-	-
Other income	11.299.193	4.453.403
Change in finished goods and work in progress inventories	10.459.511	23.487.996
Raw materials and consumables expenses	(59.299.038)	(74.718.306)
Utilities expenses: electricity. water. gas	(29.109.780)	(31.833.059)
Cost of goods sold	(806.115)	(4.788.500)
Third-party services expenses	(16.415.477)	(16.782.107)
Personnel expenses	(33.890.189)	(45.253.994)
Depreciation and amortization expenses	(11.115.032)	(22.181.048)
Other expenses	(10.809.315)	(5.960.516)
Operating result	**243.682**	**(2.701.144)**
Financial income	1.601.936	1.426.828
Financial expenses	(8.977.437)	(7.605.072)
Profit before tax	**(7.131.819)**	**(8.879.389)**
Income tax expense	(1.314.019)	(1.659.242)
Profit for the year	**(8.445.838)**	**(10.538.631)**
Other elements of comprehensive income		
Changes in the revaluation reserve for property. plant. and equipment. net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(8.445.838)**	**(10.538.631)**

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

General Manager
Marius NICA

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SE15003
Radu Gabriel

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Vrancart SA
Statement of Changes in Equity
at June 30, 2026
(all amounts are expressed in RON, unless otherwise specified)

	Share capital	Revaluation reserves	Share premiums	Legal reserves	Other reserves	Retained earnings	Total equity
Balance as of January 1st, 2025	**201.011.575**	**103.936.472**	**842.449**	**13.345.280**	**60.790.128**	**4.209.322**	**384.135.226**
Total comprehensive income for the period							
Net result for the period	-	-	-	-	-	(48.121.680)	(48.121.680)
Other elements of comprehensive income	**-**	-	-	-	**-**	-	**(52.790.936)**
Establishment 105 rev.	-	(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	-
Total other comprehensive income		**(47.408.762)**	**-**	**-**	**-**	**(44.473.601)**	**(91.882.363)**
Total comprehensive income for the period		**(47.408.762)**	**-**	**-**	**-**	**(44.473.601)**	**(91.882.363)**
Capital increase							
Dividends granted	-	-	-	-	-	-	-
Establishment of legal reserves	-	-	-	-	-	-	-
Establishment of other reserves	-	-	-	-	-	-	-
Other corrections	-	-	-	-	-	-	-
Balance as of December 31st, 2025	**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 of June 30, 2026
(all amounts are expressed in RON, unless otherwise specified)

	Share capital	Revaluation reserves	Share premiums	Legal reserves	Other reserves	Retained earnings	Total equity
Balance as of January 1st, 2026	**201.011.575**	**56.527.710**	**842.449**	**13.345.280**	**60.790.128**	**(40.264.279)**	**292.252.863**
Total comprehensive income for the period	-	-	-	-	-	-	-
Net result for the period	-	-	-	-	-	(8.445.838)	**(8.445.838)**
Other elements of comprehensive income	-	-	-	-	-	-	-
Establishment 105 rev.	-	-	-	-	-	-	-
Changes in the revaluation reserve for property, plant, and equipment, net of deferred tax	-	12.451	-	-	-	-	**12.451**
Transfer of the revaluation reserve to retained earnings resulting from the sale of property, plant, and equipment	-	(134.424)	-	-	-	134.424	-
Total other comprehensive income		**(121.973)**	-	-	-	**134.424**	**12.451**
Total comprehensive income for the period		**(121.973)**	-	-	-	**(8.311.414)**	**(8.433.387)**
Capital increase	-	-	-	-	-	-	-
Dividends granted	-	-	-	-	-	-	-
Establishment of legal reserves	-	-	-	-	-	-	-
Establishment of other reserves	-	-	-	-	-	-	-
Other corrections	-	-	-	-	-	-	-
Balance as of June 30, 2026	**201.011.575**	**56.405.737**	**842.449**	**13.345.280**	**60.790.128**	**(48.575.693)**	**283.819.476**

General Manager
Marius NICA

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SE15003
Radu Gabriel

Gabriel Radu
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Date: 2026.08.13 18:47:28 +03'00'

Vrancart SA
Individual Cash Flow Statement
at June 30, 2026
(all amounts are expressed in RON, unless otherwise specified)

DIRECT METHOD

	June 30th, 2026	**June 30th, 2025**
Cash flows from operating activities		
Cash receipts from customers	161.101.731	200.677.500
Supplier payments	(97.349.023)	(141.116.775)
Cash receipts from related parties	13.879.222	21.454.677
Payments to related parties	(17.618.596)	(14.503.401)
Payments to employees	(17.746.836)	(24.514.658)
Payments to the state budget	(26.950.064)	(28.777.546)
Income tax paid	(349.141)	(894.096)
Net cash from operating activities	**14.967.292**	**12.325.702**
Cash flows from investment activities		
Cash payments for purchase of property. plant and equipment and intangible assets	(8.561.933)	(5.062.133)
Loans granted to related parties	-	(1.800.000)
Proceeds from the sale of property. plant and equipment	-	-
Interest received	-	-
Net cash from investment activities	**(8.561.933)**	**(6.862.133)**
Cash flows from financing activities		
Proceeds from loans	17.858.081	25.817.204
Investment grants	-	2.950.944
Bond repayment	-	-
Lease payments	-	-
Lease interest paid	-	-
Loan repayments	(12.836.143)	(27.184.971)
Interest paid	(4.732.177)	(4.257.907)
Dividends paid	-	-
Net cash from financing activities	**289.761**	**(2.674.731)**
Net increase/ (Decrease) in cash and cash equivalents	**6.695.120**	**2.788.838**
Cash and cash equivalents at the beginning of the financial year	**1.776.246**	**1.050.589**
Cash and cash equivalents at the end of the financial year	**8.471.366**	**3.839.427**

General Manager
Marius NICA

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Prepared:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

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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, in`cluding 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 15th, 2005. The Company publishes its individual financial statements at **www.vrancart.ro.**

As of June 30, 2026, the Company is 76.33% owned by Lion Capital SA, 17.35% by Pavăl Holding SRL 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 six months ended June 30, 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 31st, 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 31st, 2025.

The individual interim financial statements for the first six months of 2026 have not been reviewed by an independent financial auditor, as such a review 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.

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

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:

Currency	**June 30th, 2026**	**December 31st ,2025**	**Variation**
Euro (EUR)	5.2438	5.0985	+0,02
US Dollar (USD)	4.6010	4.3417	+0.05

Other notes

1) As of June 30, 2026, the Company had a positive cash balance of RON 8,471,366.

2) The certificates relate to 2025 and amounted to 14.909 units, with a recognized and remeasured value of RON 4.859.482 during the January–March 2026 period. In June 2026, the 909 certificates remaining in the balance were remeasured in accordance with the accounting policies applied by the Company. In May 2026, 14.000 certificates were sold.

3) In addition, in the month of January 2026, the 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

There are no subsequent events.

Management Statement

Based on the best available information, we confirm that the simplified interim financial statements as of June 30, 2026 and for the six-month 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 six months of the financial year and their impact on the simplified interim financial statements.

General Manager
Marius NICA

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Prepared:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

Gabriel Radu
Digitally signed by Gabriel Radu
Date: 2026.08.13 18:49:42 +03'00'

Consolidated report for the first semester of 2025

according to ASF Regulation no. 5/2018

Report Date	**13.08.2026**
Name of the issuing entity	**VRANCART SA**
Registered office Phone/Fax Number:	**Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea county** **0237-640.800; 0237-641.720**
Unique registration code at the O.R.C.	**1454846**
Serial number in the Trade Register	**J39/239/1991**
Subscribed and paid-up share capital	**201,011,575 lei**
Regulated market on which it is traded securities issued	**Bucharest Stock Exchange**

1. Presentation of VRANCART SA Group

The Vrancart Group was initially established in 1977 as the Vrancea Pulp and Paper Factory, the company becoming Vrancart S.A. in 1992. The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the ticker symbol VNC, starting with July 15, 2005. The Group publishes the consolidated financial statements on www.vrancart.ro.

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:

- Vrancart S.A. and Rom Paper - the companies produce and sell corrugated cardboard, paper, toilet paper and associated products from recycled raw materials;
- Vrancart Recycling and Ecorep - the companies focus their activity on the recycling of raw materials, ensuring the circularity of operations.

As of June 30, 2026, the Company holds:

- 76.33% by Lion Capital SA,
- 17.35% by Pavăl Holding SRL
- 6.32% by other shareholders.

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

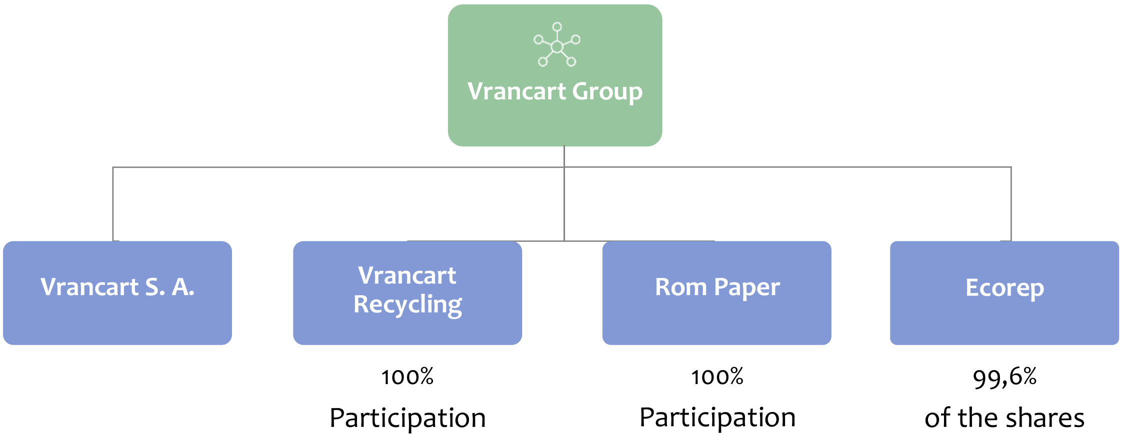
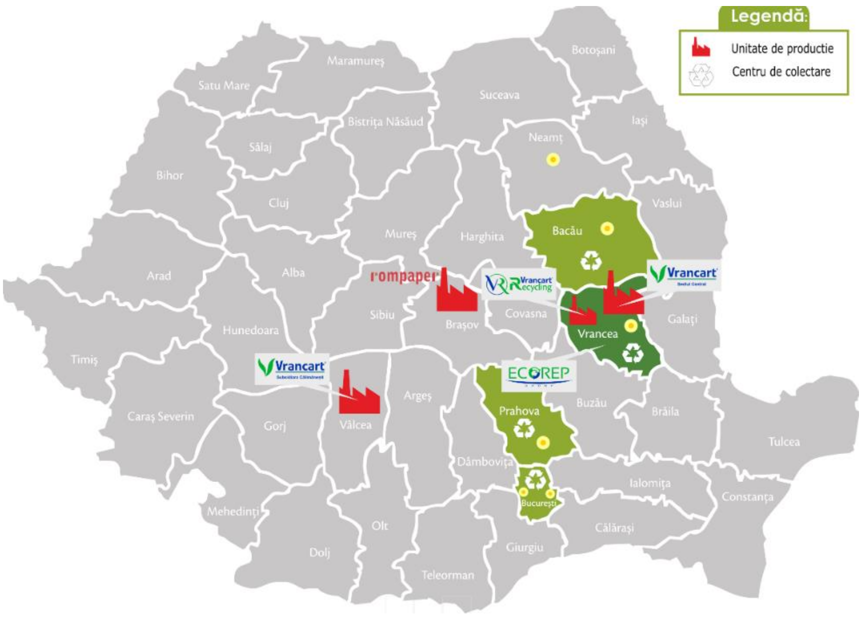


Figure 1. Group structure

The Vrancart Group is headquartered in Adjud, Vrancea County, where the cardboard production factories are also located. The toilet paper manufacturing subsidiary, Rom Paper, is located in Brașov. In addition to these two locations, there are also waste collection centers spread throughout Romania: București (2 centers), Ploiești, Bacău.



The object of activity of Vrancart SA consists in the production and marketing of the following products:

- corrugated cardboard,
- corrugated cardboard packaging,
- papers for the manufacture of corrugated cardboard,
- hygienic-sanitary papers in various assortments,
- 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:

- napkins,
- folded towels,
- toilet paper
- professional roles,
- cosmetic towels
- wipes in the box.

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

2. Economic and financial situation of VRANCART SA Group

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

During the first half of 2026, domestic demand evolved in an environment marked by persistent economic and geopolitical uncertainty. The cautious approach adopted by consumers and the business community continued to affect order volumes and the dynamics of commercial relationships.

During the first half of 2026, the Romanian market for paper hygiene products, such as toilet paper and tissues, continued to be dominated by cellulose-based products. The adoption of recycled-fibre solutions and awareness of the related sustainability benefits remained moderate, limiting the expansion of this segment. Consequently, manufacturers of recycled-fibre products continued to operate in a highly competitive environment characterised by significant price sensitivity among consumers.

Revenue generated from waste management activities increased compared with the corresponding period of the previous year.

Starting in the third quarter of 2025 and continuing throughout the first half of 2026, the Group implemented a comprehensive restructuring and operational efficiency programme affecting its operations and financial governance mechanisms. The programme focused mainly on optimising the fixed-cost and personnel-cost structures, recalibrating and improving the efficiency of the production mix in line with market conditions, and conducting in-depth analyses of 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 to complete the internal assessments and substantiate the relevant decisions, which objectively resulted in delays in providing the information within the initially estimated time frames.

Rom Paper SRL recorded a slight decrease in revenue compared with the first half of the previous year, mainly due to lower prices in this market.

At Group level, EBITDA remained positive in the first half of 2026, supported by the measures implemented to optimise costs and improve operational efficiency, and amounted to RON 12.7 million. Operating performance improved as a result of lower operating expenses. Compared with the corresponding period of the previous year, the Group recorded an operating profit of RON 8.5 million, compared with RON 0.9 million in the corresponding period of the previous year, reflecting a significant improvement in financial performance.

The Group's current ratio remained broadly in line with the corresponding period of the previous year, at 0.87, and was affected by the repayment of liabilities relating to completed investments and by the working capital structure. The key financial indicators reflect the Group's continued stable financial position in the context of the efficiency measures implemented during the period under review. In January 2026, the Parent Company also fully repaid the multicurrency investment loan obtained from Raiffeisen Bank, amounting to EUR 1,012.725.

2.1. Balance sheet items

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**December 31st, 2025**
Fixed assets	537.506.165	549.533.305
Current assets, of which:	200.309.323	181.550.221
- *Trade receivables*	*80.759.137*	*80.761.555*
- *Stocks*	*102.346.497*	*86.886.092*
Total assets	**737.815.488**	**731.083.526**
Total debts, of which:	**468.297.663**	**458.417.582**
Current payables	*229.572.478*	*215.584.339*
Equity, of which:	**269.517.826**	**272.665.944**
- *Reserves*	*135.290.071*	*135.340.527*
- *Deferred result*	*(67.631.707)*	*(64.522.329)*

As at 30 June 2026, the key financial indicators evolved as follows:

- The Group's non-current assets decreased by 2% as a result of the depreciation charge recognised, given that the main investment projects had been completed in previous periods.
- The Group's current assets increased by 10% as at 30 June 2026 compared with the beginning of the year, mainly due to the increase in inventories under the action plan adopted by the Group in the second half of 2025.
- Inventories increased by 18% compared with the end of the previous year. The increase resulted from the adjustment in the pace of sales and the persistently high prices of raw materials and finished goods, in line with the action plan adopted by the Group in the second half of 2025.
- Trade receivables remained broadly stable during the first half of 2026 compared with the beginning of the year, despite the acceleration of the collection cycle from approximately 70 days to approximately 40 days. This development can be explained by the dynamics of

commercial flows, the timing differences between invoicing and collection, and the composition and maturity profile of the customer portfolio. At the same time, the slower pace of sales during the period under review limited the accumulation of additional receivables, partially offsetting the decrease in the receivables balance resulting from collections.

- Total liabilities as at 30 June 2026 amounted to RON 468 million, representing a 2% increase compared with the amount recorded as at 1 January 2026, mainly due to the financing of working capital through short-term credit facilities.
- Equity as at 30 June 2026 amounted to RON 269 million, representing a 1% decrease compared with the beginning of the year as a result of the loss recorded in the first half of 2026. The Group's reserves remained unchanged compared with the beginning of the year.

The condensed, unaudited interim consolidated financial statements as at 30 June 2026 are attached to this report. They were prepared in accordance with Order No. 2844/2016 of the Minister of Public Finance approving the accounting regulations compliant 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 six months of 2026 have not been reviewed by an independent external auditor, as no such review is required by law or by the Company's constitutional documents.

2.2. Profit and loss account

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**June 30th, 2025**
Operating income, of which:	210.589.714	238.519.993
Revenue from turnover	*187.979.593*	*210.529.686*
Operating expenses	(202.051.293)	(237.569.851)
Operating result	**8.538.421**	**950.142**
Financial income	283.250	236
Financial expenses	(12.166.391)	(11.100.568)
Total Revenue	**210.872.964**	**238.520.229**
Total expenses	**(214.500.934)**	**(248.670.419)**
Gross result	**(3.627.970)**	**(10.150.190)**
Net Score	**(5.147.940)**	**(12.022.820)**

The demand for cardboard packaging remained moderate during the first half of 2026, in line with the subdued dynamics of domestic consumption and commercial activity in Romania. Demand was affected by weaker consumption and ongoing pressures on purchasing power, which led customers to adopt a more cautious approach and limited the pace of orders. In this context, the measures adopted by management to improve operational efficiency and optimise the cost structure supported the Group's financial performance and contributed to the favourable development of its key financial indicators.

The Group's management continues to prioritise strengthening its commercial position, improving operational efficiency and maintaining financial discipline, while adapting its operations to changes in demand and current market conditions. These priorities are intended to support the sustainable development of the business and strengthen the Group's resilience in an environment characterised by volatility and moderate domestic consumption.

For the first six months of 2026, compared with the corresponding period of the previous year, the key income statement indicators were as follows:

- Total income for the period under review amounted to RON 211 million, representing a 12% decrease compared with the corresponding period of the previous year, due mainly to lower sales volumes of finished goods and a decline in revenue, primarily at Parent Company level.
- Total expenses for the period amounted to RON 214 million, representing a decrease of approximately 14% compared with the corresponding period of the previous year, mainly due to cost optimisation measures and adjustments to operating activities at Parent Company level.
- The Group recorded an operating loss of RON 5.1 million, compared with an operating loss of RON 12 million in the corresponding period of the previous year, as a result of the measures implemented and the developments described above.
- Foreign exchange expenses increased during the first half of 2026, mainly due to adverse exchange-rate movements and the accelerated depreciation of the Romanian leu between April and May 2026. This resulted in foreign exchange losses of approximately RON 5.2 million.

2.3. Cash flows

(all elements are expressed in RON, unless otherwise stated)	**June 30th, 2026**	**June 30th, 2025**
Flows from the operating activity		
Revenues from operating activity	224.903.955	256.641.324
Payments from operating activity	(200.302.986)	(256.771.512)
Net cash from operating activity	**24.600.969**	**(130.188)**
Flows from investment activity		
Receipts from investment activity	7.004	22.471.841)
Payments from investment activity	(9.285.799)	(8.617.625)
Net cash from investment activity	**(9.278.795)**	**13.854.216**
Flows from financing activity		
Proceeds from financing activity (including bonds)	12.414.810	28.778.676
Payments from financing activity	(19.470.664)	(39.615.020)
Net cash from financing activity	**(7.055.854)**	**(10.836.344)**
Balance at the beginning of the period	**2.138.112**	**1.845.212**
Balance at the end of the period	**10.404.432**	**4.732.896**

The balance of cash and cash equivalents recorded as of June 30th, 2026 is positive, respectively of RON 10,4 milions.

3. **The economic and financial indicators as of June 30th, 2026, according to Annex no. 13/ ASF Regulation no. 5/2018**

Indicator name	Calculation method	UM	Result
Name of the indicator	Current Assets/Current Liabilities	rap	0.87
Current Liquidity Indicator	Borrowed capital / Own capitalx100	%	110*
Indebtedness Indicator	Borrowed Capital/Capital Employed x 100	%	52*
Viteza de rotație a debitelor-clienți	Average customer balance/Turnover Business x 180	zile	39
Rotation speed of customer debts	Turnover/Fixed Assets	rap	0,3

* The borrowed capital includes lines of credit, short- and long-term bank loans and debts from short- and long-term leases.

Prepared by:

Alexandru-Lucian MINEA

Chairman of the Board of Directors

Alexandru-Lucian Minea

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VRANCART SA

CONSOLIDATED FINANCIAL STATEMENTS (SIMPLIFIED, UNAUDITED)

AS OF June 30th, 2026

Issued in accordance with the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market

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Vrancart SA
Consolidated statement of financial position
As of 30th of June, 2026
(all amounts are expressed in RON, unless otherwise specified)

	June 30th, 2026	December 31st, 2025
ASSETS		
Tangible assets	527.796.179	538.377.784
Prepayments for tangible assets	920.456	1.599.146
Intangible assets	3,126,045	3.901.596
Other fixed assets	517.905	509.199
Goodwill	5.145.580	5.145.580
Total non-current assets	**537.506.165**	**549.533.305**
Inventories	102.346.497	86.886.092
Trade receivables	80.759.137	80.761.555
Prepaid expenses	4.282.920	2.263.300
Current income tax receivables	27.564	-
Deferred income tax receivables	494.488	-
Other receivables	1.669.231	9.501.162
Short-term investments	325.054	-
Cash and cash equivalents	10.404.432	2.138.112
Assets held for sale	-	-
Total active curente	**200.309.323**	**181.550.221**
TOTAL ACTIVE	**737.815.488**	**731.083.526**
EQUITY		
Share capital	201.011.575	201.011.575
Share premiums	842.449	842.449
Revaluation reserves	58.490.692	58.541.147
Legal reserves	13.365.280	13.365.280
Other reserves	63.434.099	63.434.100
Retained earnings	(67.631.707)	(64.522.329)
Total equity – Parent company	**269.512.388**	**272.672.222**
Non-controlling interests	5.348	(6.278)
Total equity	**269.517.826**	**272.665.944**
LIABILITIES		
Long-term loans	151.506.310	150.215.451
Long-term leasing liabilities	6.174.383	11.752.154
Long-term deferred income	76.519.938	77.249.425
Long-term debts to employees	675.543	675.543
Deferred corporate income tax liabilities	3.845.912	2.935.880
Provisions	3.099	4.790
Total long-term liabilities	**238.725.185**	**242.833.243**

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

	June 30th, 2026	**December 31st, 2025**
Trade liabilities	70.854.776	61.045.662
Short-term loans	134.106.345	128.893.620
Short-term leasing liabilities	3.345.624	6.735.731
Short-term subsidies	2.428.121	3.362.415
Debts to employees	6.688.458	5.940.268
Current corporate income tax liabilities	903.010	524.635
Other short-term liabilities	11.246.144	9.082.008
Total current liabilities	**229.572.478**	**215.584.339**
TOTAL LIABILITIES	**468.297.663**	**458.417.582**
TOTAL EQUITY AND LIABILITIES	**737.815.489**	**731.083.526**

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

General Director,
Marius NICA

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Prepared by,
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

Gabriel Radu
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Date: 2026.08.13 18:50:45 +03'00'

Vrancart SA
Consolidated statement of financial position
As of 30th of June, 2026
(all amounts are expressed in RON, unless otherwise specified)

	June 30th, 2026	**June 30th, 2025**
Sales income from customer agreements	187.979.593	210.529.686
Income from operating subsidies	-	-
Other income	12.225.639	5.913.650
Production inventory's changes	10.384.482	22.076.657
Raw materials and consumables expenses	(76.012.054)	(90.088.753)
Utility expenses	(22.332.522)	(22.676.204)
Cost of goods sold	(5.486.066)	(6.347.735)
Third-party expenses	(22.963.846)	(22.450.227)
Labour expenses	(44.067.916)	(55.666.347)
Other expenses	(14.957.960)	(11.008.622)
EBITDA	**24.769.350**	**30.282.240**
Depreciation and amortization expenses of fixed assets	(16.230.929)	(29.332.098)
Operating result	**8.538.421**	**950.142**
Financial income	283.250	236
Financial expenses	(12.449.641)	(11.100.568)
Profit/(Loss) before taxation	**(3.627.970)**	**(10.150.190)**
Corporate income tax expense	(1.519.970)	(1.872.630)
Profit/(Loss) for the year	**(5.147.940)**	**(12.022.820)**
- **Related to the shareholders of the Parent Company**	(5.147.375)	(12.022.472)
- **Related to non-controlling interests**	(565)	(348)
Other comprehensive income		
Changes in the reserve for the revaluation of property, plant and equipment, net of deferred tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(5.147.940)**	**(12.022.820)**
- **Related to the shareholders of the Parent Company**	(5.147.375)	(12.022.472)
- **Related to non-controlling interests**	(565)	(348)

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

General Manager
Marius NICA

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Prepared by:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

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Date: 2026.08.13 18:51:04 +03'00'

Vrancart SA
Consolidated statement of changes in equity
As of June 30th, 2026
(all amounts are expressed in RON, unless otherwise specified)

	Attributable to shareholders of the parent company							
	Share capital	**Revaluation reserves**	**Share premiums**	**Legal Reserves**	**Other reserves**	**Retained earnings**	**Non-controlling interests**	**Total equity**
Balance as of January 1st, 2026	**201.011.575**	**58.541.147**	**842.449**	**13.365.280**	**63.434.100**	**(64.522.329)**	**(6.278)**	**272.665.944**
Comprehensive result for the period								
Net result for the period	-	-	-	-	-	(5.147.375)	(565)	(5.147.940)
Other comprehensive income		71.518				1.903.573	12.281	1.987.372
Transfer of the revaluation reserve to retained earnings upon the disposal of property, plant and equipment.	-	(121.973)				134.424		12.451
Changes in the reserve for the revaluation of property, plant and equipment, net of deferred tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**50.455**	**-**	**-**	**-**	**(3.109.378)**	**11.716**	**(3.148.117)**
Distribution of reserves	-		-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale/decomissioning of tangible assets, net of tax	-	-	-	-	-	-	-	-
Shareholder transactions								
Dividend	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-
Total shareholder transactions	-	-	-	-	-	-	-	-
Balance as of June 30th, 2026	**201.011.575**	**58.490.692**	**842.449**	**13.365.280**	**63.434.099**	**(67.631.707)**	**5.438**	**269.517.826**

General Manager,
Marius NICA

Prepared by:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

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

DIRECT METHOD

	June 30th, 2026	June 30th, 2025
Cash flows from operating activities		
Cash receipts from customers	224.903.955	256.641.324
Cash paid to suppliers	(140.082.152)	(185.322.147)
Cash paid to employees	(23.370.585)	(32.905.940)
Cash paid to the state budget	(36.850.249)	(38.543.425)
Net cash flows from operating activity	**24.600.969**	**(130.188)**
Cash flows from investment activities		
Cash paid for the purchase of tangible and intangible assets	(9.285.799)	(8.606.125)
Net payments for the acquisition of financial assets	-	
Proceeds from the sale of tangible assets	7.000	22.460.235
Interest received	4	106
Net cash lows from investment activities	**(9.278.795)**	**13.854.216**
Cash flows from financing activities		
Proceeds from loans	12.414.810	25.827.732
Investment subsidies collected	-	2.950.944
Payments for leasing	(987.994)	(5.282.588)
Loan repayments	(13.392.697)	(28.986.536)
Interest paid	(5.089.973)	(5.345.896)
Net cash from financing activities	**(7.055.854)**	**(10.836.344)**
Net (Decrease)/Increase in cash and cash equivalents	**8.266.320**	**2.887.684**
Cash and cash equivalents at the beginning of the financial year	2.138.112	1.845.212
Cash and cash equivalents at the end of the financial year	**10.404.432**	**4.732.896**

General Director,
Marius NICA

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Prepared by:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

Gabriel Radu
Digitally signed by Gabriel Radu
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(all amounts are expressed in RON, unless otherwise specified)

Reporting entity

The Vrancart Group ("the Group") includes the company Vrancart SA, with registered office in Adjud, str. Ecaterina Teodoroiu nr. 17, Vrancea County and its subsidiaries Rom Paper SRL ("Branch 1"), headquartered in Brașov, Șoseaua Cristianului, nr. 30, Brașov County, Vrancart Recycling SRL ("Branch 2"), headquartered in Adjud, Ecaterina Teodoroiu Street, no. 17, Vrancea County and Ecorep Group SA ("Branch 3"), headquartered in Adjud, Ecaterina Teodoroiu Street, no. 17, Vrancea county.

The Group's consolidated financial statements for the reporting ended June 30th, 2026 consist of the financial statements of Vrancart SA and its subsidiaries, which together form the Group.

Branch	**Field of activity**	**Holding at June 30th, 2026**	**Holding at December 31st, 2025**
Rom Paper SRL	Manufacture of napkins and sanitary products	**100%**	**100%**
Vrancart Recycling SRL	Treatment and disposal of non-hazardous waste	**100%**	**100%**
Ecorep Group SA	Business support services activities n.e.c.	**99,6%**	**99,6%**

The Group operates in the field of collection and recycling of non-hazardous waste, in the paper and corrugated cardboard industry, and in toilet paper.

The final beneficiary of the Group is LION Capital SA (formerly called SIF Banat-Crișana).

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, str. Ecaterina Teodoroiu no. 17, Vrancea county. The company has open work points in the following localities: Pantelimon, Chiajna, Brașov si Bacău.

The Company's object of activity consists in the production and marketing of the following products:

- corrugated cardboard,
- corrugated cardboard packaging,
- papers for the manufacture of corrugated cardboard,
- hygienic-sanitary papers in various assortments,
- 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, with the ticker symbol VNC, starting with July 15th, 2005. The Group publishes the consolidated financial statements on www.vrancart.ro. As of June 30 th, 2026, the Company is 76.33% owned by Lion Capital SA, 17.35% by Pavăl Holding SRL and 6.32% by other shareholders. The record of shares and shareholders is kept in accordance with the law by Depozitarul Central S.A. Bucharest

ROM PAPER SRL

Rom Paper SRL ("Subsidiary 1") established in 2002, is a private company with Romanian capital, operating in the field of hygienic-sanitary items made of recycled paper and cellulose, such as:

- napkins,
- folded towels,
- toilet paper
- professional roles,
- cosmetic towels
- wipes in the box.

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

Rom Paper SRL is the result of the inorganic growth strategy of the Vrancart business, which on January 20th, 2017 acquired the majority stake (70%) from the former owners. As of June 30th, 2026, the Group held 100% of the company's shares, following the acquisition in June 2017 of 15%, and in June 2018 of the last tranche of 15%, of the shares of Rom Paper SRL.

VRANCART RECYCLING SRL

Vrancart Recycling SRL ("Subsidiary 2") was established in 2020, in August, and is a private company with Romanian capital, with 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 heat and electricity production, covering a wide variety of recoverable resources that it will sell or use internally as a result of the newly created synergies.

The investment was completed and received in full on December 31st. 2024, starting with 2025 entering the operation phase with all business lines developed.

ECOREP GROUP SA

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

The Group carries out a laborious and complex activity in areas such as the collection and recycling of non-hazardous waste, the paper and corrugated cardboard industry, respectively corrugated cardboard packaging, the production of hygienic-sanitary paper items, as well as the equipment for recycling paper and cardboard waste. Starting with 2024, the group produces electricity through a new 20MWh photovoltaic park, which it uses for domestic consumption, the excess being capitalized through sale.

The overwhelming share of paper used in the various production processes is obtained from the recycling of paper and cardboard waste, the Group making an essential contribution to the Romanian circular economy.

Main investments underway at Group level

Within Vrancart S.A., at the end of 2024, a 20MW photovoltaic park worth RON 77 million was completed and put into operation, financed by investment loans, own contribution and grant from the National Recovery and Resilience Plan of Romania ("PNRR") in the amount of RON 29 million. The project was built on its own land of 39 ha, made viable and greened by the company in order to return it to the economic circuit. Another major project consists of the implementation, starting with January 1st, 2025, of a new, state-of-the-art ERP system, worth over 500 thousand euros, financed from bank credit and own contribution, meant to cover complex business needs.

There are currently 2 other important projects underway, worth approximately EUR 5 million, aimed at improving the production processes of corrugated paper, consisting of a state-of-the-art technology, unique in Romania.

In Vrancart Recycling S.R.L., during 2024, an integrated waste recycling project was completed, representing a greenfield investment worth 27 million euros, financed through investment loans, own contribution and state aid worth 8.3 million euros, with the main purpose of developing new recycling capabilities for waste, plastic and wood, but also a cogeneration station 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 Rom Paper, at the beginning of 2024, an extensive project to modernize the facial wipes production lines was completed and implemented, by increasing productivity and energy efficiency, worth 4.7 million euros, financed through investment loans, own contribution and a grant from the Innovation Norway program worth 1.9 million euros.

Accounting principles, policies and methods

The simplified interim consolidated financial statements for the first six months ended June 30th, 2026 have been prepared in accordance with IAS 34 Interim Financial Statement

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

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

Entity combinations are accounted for by the acquisition method at the date on which the Group gains control of the acquired entity. Control requires exposure to or rights to the variable results of the entity in which the investment has been made, as well as the ability to influence those results by exercising authority over that entity.

The subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the moment the exercise of control begins until the moment of its cessation.

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

The interim consolidated financial statements for the first three months of 2025 have not been reviewed by an external financial auditor and are not a legal or statutory requirement.

Foreign currency transactions

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

Gains or losses on their settlement and conversion using the exchange rate at the end of the financial year of monetary assets and liabilities denominated in foreign currency are recognised in the statement of comprehensive income.

The exchange rates of the main foreign currencies were:

Valuta	*June 30th, 2026*	*December 31st, 2025*	Variație
Euro (EUR)	5,2438	5,0985	+0,02%
Dolar american (USD)	4,6010	4,3417	-0.05%

Other notes

1) The Group's management has established its medium-and long-term strategy and foresees increases in sales and decreases in costs because of the efficient use of resources, which will lead to an increase in operating profit.
2) As at 30 June 2026, the Group has a positive cash balance of RON 10.4 million. The Group places particular emphasis on profitability indicators by improving the efficiency of its operational processes, and on liquidity indicators through the efficient use of resources.
   Based on these analyses, management considers that the Group will be able to continue operating for the foreseeable future. Accordingly, the use of the going concern basis of accounting in preparing the consolidated financial statements is justified.
3) During the first half of 2026, the Group accelerated the collection of receivables, reducing the average collection period from approximately 70 days to 40 days.
4) In the first semester, the Parent Company recognised EU Allowances (EUAs) under the EU Emissions Trading System (EU ETS) in the financial statements, using the lowest trading price recorded during 2025, adjusted upwards by 5%.

The allowances relate to 2025 and total 14,909 units. The amount recognised and remeasured during the January–March 2026 period was RON 4,859,482. In May 2026, 14,000 allowances were sold.

5) In January 2026, the Parent Company also fully repaid the multicurrency investment loan obtained from Raiffeisen Bank, amounting to EUR 1.012.725.

Management considers that the Group will be able to continue operating for the foreseeable future. Accordingly, the use of the going concerning basis of accounting in preparing the financial statements is justified.

Subsequent events

There are no subsequent events.

Management Statement

To the best of our knowledge, we confirm that the condensed interim consolidated financial statements as at 30 June 2026 and for the period then ended, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and its subsidiaries included in the consolidation of the Group's financial statements, in accordance with the applicable accounting standards, and that the information presented in this report provides a fair and complete account of the issuer and of the events occurring during the first six months of the financial year.

General Director
Marius NICA
NICA MARIUS
Semnat digital de NICA MARIUS
Data: 2026.08.13 19:59:38 +03'00'

Prepared by:
DA.AI AUDIT&ACCOUNTING SRL
SE15003
Radu Gabriel

Gabriel Radu
Digitally signed by Gabriel Radu
Date: 2026.08.13 18:52:23 +03'00'