



To,

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

Regular report according to the ASF Regulation no. 5/2018

Date of report:	February 26th, 2021
Name of the issuing entity:	VRANCART S.A.
Registered office:	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County
Telephone/fax no.:	0237-640.800 / 0237-641.720
Tax Identification Number:	1454846
Trade Registry registration no.:	J39/239/1991
Subscribed and paid-in share capital:	103.168.354,70 lei
The regulated trading market:	The Bucharest Stock Exchange

Major events to report:

The company VRANCART S.A. Adjud informs its shareholders and investors of the fact that the (individual and consolidated) preliminary annual financial statements, not audited, for the financial year 2020, drawn up in accordance with the International Financial Reporting Standards (IFRS) (the Order of the Public Finance Ministry no. 881/2012 and the Order of the Public Finance Ministry no. 2844/2016 as subsequently amended and completed), with the provisions of Law no. 24/2017 and of the ASF Regulation no. 5/2018, may be consulted at the company's headquarters in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County or at the website www.vrancart.ro, starting from February 26th, 2021, from 06⁰⁰ PM.

We enclose hereto the (individual and consolidated) preliminary annual financial statements, not audited, for the financial year ended on December 31st, 2020, according to IFRS.

**Chairman of the Board of Administrators,
CIUCIOI IONEL-MARIAN**



VRANCART S.A. INDIVIDUAL PRELIMINARY FINANCIAL RESULTS

for the financial year ended on
December 31st, 2020

Note:

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

The individual preliminary financial results are not audited, this process being ongoing. As a result, the final and audited financial statements for 2020 may differ from these.

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





Individual statement of financial position *(not audited)*
Preliminary data as of December 31st, 2020
(all the amounts are expressed in RON, unless otherwise stated)

	December 31 st , 2020	December 31 st , 2019
ASSETS		
Tangible assets	285.408.521	282.772.387
Intangible assets	1.446.228	1.404.918
Goodwill	3.380.811	3.380.811
Financial assets	29.966.328	28.866.728
Total non-current assets	320.201.888	316.424.844
Inventories	42.055.540	52.797.252
Trade receivables	64.666.084	65.265.430
Accrued expenses	761.374	802.431
Cash and cash equivalents	4.332.741	2.149.202
Receivables related to current income tax	-	6.070
Other receivables	986.227	343.920
Total current assets	112.801.966	121.364.305
TOTAL ASSETS	433.003.854	437.789.149
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	115.711.008	108.655.307
Retained earnings	12.387.267	12.876.888
Total equity	231.266.630	224.700.550
LIABILITIES		
Long-term loans	43.545.384	46.168.826
Long-term loans from bond issues	37.627.000	37.942.100
Long-term leasing debts	10.531.057	8.438.653
Advance income	11.047.632	13.141.728
Long-term provisions	476.677	372.440
Debts related to deferred profit tax	4.275.495	5.083.427
Other long-term liabilities	623.000	307.900
Total long-term liabilities	108.126.245	111.455.074
Short-term trade liabilities	26.573.457	26.176.054
Short-term loans	50.394.357	59.132.674
Short-term leasing debts	4.005.938	4.035.213
Advance income	2.102.750	2.531.041
Debts related to current profit tax	960.442	-
Other debts	9.574.035	9.758.543
Total current liabilities	10.625.460	10.197.880
TOTAL LIABILITIES	93.610.979	101.633.525
TOTAL EQUITY AND LIABILITIES	201.737.224	213.088.599
	433.003.854	437.789.149

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager



Individual statement of comprehensive income *(not audited)*

Preliminary data as of December 31st, 2020

(all the amounts are expressed in RON, unless otherwise stated)

	2020	2019
Income from turnover	285.591.627	300.788.776
Other income	5.100.280	3.469.300
Variation in stocks of finished products and work in progress	(7.948.360)	14.059.496
Expenses related to raw materials and consumables	(124.223.310)	(160.518.413)
Expenses related to commodities	(7.497.067)	(6.745.963)
Third party expenses	(21.789.796)	(21.861.116)
Personnel-related expenses	(61.989.022)	(63.398.441)
Expenses related to the amortisation and depreciation of assets	(31.795.560)	(26.784.329)
Other expenses	(9.260.758)	(8.403.992)
Operating profit from the current activity	26.188.032	30.605.318
Financial income	821	1.661
Financial expenses	(5.422.241)	(6.390.366)
Profit before taxation	20.766.612	24.216.613
Profit tax expenses	(2.386.161)	(1.323.757)
Profit for the year	18.380.451	22.892.856
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	11.008.730
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18.380.451	33.901.586
Earnings per share		
Profit (loss) attributable to ordinary shareholders	18.380.451	22.892.856
Weighted average number of ordinary shares	1.031.683.547	1.031.683.547
Base earnings per share (RON/share)	0,018	0,022

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager



Individual statement of cash flows *(not audited)*

Preliminary data as of December 31st, 2020

(all the amounts are expressed in RON, unless otherwise stated)

	2020	2019
Cash flows from the operating activity		
Collection from customers	331.173.886	345.047.452
Payments to suppliers	(172.028.221)	(220.294.555)
Payments to employees	(40.879.964)	(40.570.656)
Payments to the state budget	(48.247.992)	(51.716.432)
Profit tax paid	(2.074.422)	(1.590.547)
Net cash flow from operating activities	67.943.287	30.875.262
Cash flows from investment activities		
Payments for the purchase of tangible and intangible assets	(32.718.920)	(28.732.757)
Payments for the purchase of financial assets	(1.099.600)	-
Collections from the sale of tangible assets	1.578.635	186.315
Interests collected	296	220
Net cash flow from investment activities	(32.239.589)	(28.546.222)
Cash flows from financing activities		
Collections from loans	13.548.248	30.491.156
Interests paid and loans reimbursed	(30.338.447)	(19.693.835)
Leasing payments	(5.068.315)	(3.437.669)
Dividends paid	(11.661.645)	(9.603.862)
Net cash flow from financing activities	(33.520.159)	(2.244.210)
	2.183.539	84.830
Net increase/(reduction) of cash and cash equivalents		
Cash and cash equivalents at the financial year beginning	2.149.202	2.064.372
Cash and cash equivalents at the financial year end	4.332.741	2.149.202

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager



Explanatory notes

Preliminary individual financial results as of December 31st, 2020 (not audited)

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

Vrancart SA operates in the field of collection and recycling of non-hazardous waste, in the paper and corrugated cardboard industry, and of the hygienic-sanitary paper.

The company has its registered office in Adjud, 17th Ecaterina Teodoroiu Street, Vrancea County and has working points open in the localities: Bucharest, Calimanesti (Valcea County), Ungheni (Mures County) and collection points in Bucharest, Iasi, Focsani, Bacau, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Cluj-Napoca, Baia Mare, Craiova, Targu Mures, Braila and Calimanesti.

The main activity of the Company is the production and marketing of the following products:

- corrugated cardboard type II, III, V, corrugated cardboard with microwave
- corrugated cardboard boxes
- corrugated cardboard papers
- tissue papers in different assortments

The shares of the Company are listed on the Bucharest Stock Exchange Share, Standard category, with the VNC indicative, starting with July 15th, 2005.

As of December 31st, 2020, 75% of the Company is owned by SIF Banat - Crişana S.A., 17% by Paval Holding S.R.L. and 8% by other shareholders.

The records of the shares and the shareholders are kept according to the law by Depozitarul Central S.A. Bucharest.

The evolution of the Romanian economy and implicitly of Vrancart SA in 2020 was marked by uncertainties and the crisis caused by the "Covid-19" pandemic.

Thus, although the Company's activity was strongly affected by the health crisis, the preliminary results of VRANCART SA for the financial year ended December 31, 2020 confirm the Company's ability to generate profit and its financial soundness.

In the financial year ended December 31, 2020, the Company continued to maintain and develop its activity in all three business lines in which it operates (cardboard paper, corrugated packaging and toilet paper), which led to achieving a turnover by 2% above the estimates from the Revenue and Expenditure Budget, but by 5% below the level of the previous year.

The Company's profitability in 2020 was strongly influenced by the crisis generated by the "Covid-19" virus, leading to negative effects both within the Company, such as temporary interruptions of activity, higher staff security costs, supply difficulties and logistics, as well as in its market, such as the strong decrease of the demand for some products (especially during March - June), negative evolution of the selling prices, difficulties regarding the identification and contacting of new clients.



However, the gross profit of the Company in 2020 was achieved in a percentage of 100% compared to the estimates from the Revenue and Expenditure Budget, but by 14% below the level of the previous year.

The results obtained by the Company during this period, such as maintaining profitability and good financial indicators, reducing indebtedness and high liquidity, confirm the company's ability to react quickly to adverse changes in the market and take the necessary measures to protect interests. shareholders and employees.

Overall evaluation elements:

a) gross book result	RON 20,766 thousand
b) turnover	RON 285,592 thousand
c) export	RON 44,467 thousand
d) operating costs	RON 256,556 thousand
e) % of the market held	

2020	Tissue paper	- 9%
	Paperboards	- 16%
	Corrugated cardboard	- 15%

f) liquidity as at the year-end	RON 4,332 thousand
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Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager