



VRANCART S.A.

625100 Adjud-Vrancea, România, Str. Ecaterina Teodoroiu 17
RO 1454846, J39/239/1991
Capital social subscris și vărsat 103.168.354,70 RON
RO54 RNCB 0268 0087 9340 0001 - BCR Adjud
RO95 RZBR 0000 0600 0094 5306 - Raiffeisen Bank Adjud
T: 0237 64 08 00, F: 0237 64 17 20
office@vrancart.com, www.vrancart.ro



To,

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

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

Date of report:	February 28th, 2020
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 2019, 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 28th, 2020, from 06⁰⁰ PM.

We enclose hereto the (individual and consolidated) preliminary annual financial statements, not audited, for the financial year ended on December 31st, 2019, according to IFRS.

Chairman of the Board of Administrators,
Ionel-Marian CIUCIOL



Translation for information purposes only



VRANCART S.A.

625100 Adjud-Vrancea, România, Str. Ecaterina Teodorescu 17

RO 1454846, 139/239/1991

Capital social subscris și vărsat 103.168.354,70 RON

RO54 RNCB 0268 0087 9340 0001 - BCR Adjud

RO95 RZBR 0000 0600 0094 5306 - Raiffeisen Bank Adjud

T: 0237 64 08 00, F: 0237 64 17 20

office@vrancart.com, www.vrancart.ro



VRANCART S.A. INDIVIDUAL PRELIMINARY FINANCIAL RESULTS

for the financial year ended on
December 31st, 2019

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 2019 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, 2019

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

	December 31 st , 2019	December 31 st , 2018
ASSETS		
Tangible assets	282.800.838	253.882.844
Intangible assets	1.404.918	742.663
Goodwill	3.380.811	3.380.811
Financial assets	28.866.728	28.866.728
Total non-current assets	316.453.295	286.873.046
Inventories	52.797.252	40.212.707
Trade receivables	65.265.430	59.884.485
Accrued expenses	802.431	836.013
Cash and cash equivalents	2.149.202	2.064.372
Receivables related to current income tax	6.070	-
Other receivables	343.921	93.484
Total current assets	121.364.306	103.091.061
TOTAL ASSETS	437.817.601	389.964.107
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	109.843.945	84.767.377
Retained earnings	11.932.765	12.664.226
Total equity	224.945.065	200.599.958
LIABILITIES		
Long-term loans	46.168.826	51.495.657
Long-term loans from bond issues	37.942.100	37.887.400
Long-term deferred income	13.141.728	15.672.765
Long-term provisions	372.440	372.440
Debts related to deferred profit tax	5.130.001	3.253.586
Other long-term liabilities	11.120.506	362.600
Total long-term liabilities	113.875.601	109.044.448
Short-term trade liabilities	26.176.054	27.737.837
Short-term loans	59.664.380	39.840.140
Short-term deferred income	2.531.041	2.535.916
Debts related to current profit tax	-	7.928
Other debts	10.625.460	10.197.880
Total current liabilities	98.996.935	80.319.701
TOTAL LIABILITIES	212.872.536	189.364.149
TOTAL EQUITY AND LIABILITIES	437.817.601	389.964.107

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager

Individual statement of comprehensive income *(not audited)*

Preliminary data as of December 31st, 2019

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

	2019	2018
Income from turnover	300.788.776	295.295.394
Other income	3.459.598	3.473.520
Variation of finished products inventories and production in progress	14.059.496	3.826.288
Expenses related to raw materials and consumables	(160.518.413)	(156.745.033)
Expenses related to commodities	(6.745.963)	(4.459.109)
Third party expenses	(21.861.116)	(19.453.202)
Personnel-related expenses	(63.398.441)	(58.389.483)
Expenses related to the amortisation and depreciation of assets	(26.784.329)	(22.714.532)
Other expenses	(8.403.992)	(17.835.715)
Operating profit from the current activity	30.595.616	22.998.128
Financial income	1.661	1.984.932
Financial expenses	(6.099.277)	(5.907.566)
Profit before taxation	24.498.000	19.075.494
Profit tax expenses	(1.370.331)	(1.303.477)
Profit for the year	23.127.669	17.772.017
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	11.008.730	872.522
Transfer of the revaluation reserve to retained assets following the cassation of tangible assets	(23.979)	(66.475)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	34.112.420	18.578.064
Earnings per share		
Profit (loss) attributable to ordinary shareholders	23.127.669	17.772.017
Weighted average number of ordinary shares	1.031.683.547	1.031.683.547
Base earnings per share (RON/share)	0,022	0,017

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager

Individual statement of cash flows *(not audited)*

Preliminary data as of December 31st, 2019

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

	2019	2018
Cash flows from the operating activity		
Collection from customers	345.047.452	331.147.639
Payments to suppliers	(221.708.656)	(206.492.576)
Payments to employees	(40.570.656)	(37.577.657)
Payments to the state budget	(51.716.432)	(46.290.986)
Profit tax paid	(1.590.547)	(1.616.233)
Net cash flow from operating activities	29.461.161	39.170.188
Cash flows from investment activities		
Payments for the purchase of tangible and intangible assets	(30.756.325)	(44.141.332)
Letters of credit for the purchase of tangible assets	-	(530.871)
Payments for the purchase of financial assets	-	(5.074.273)
Collections from the sale of tangible assets	186.315	712.768
Interests collected	220	32.393
Merger balance take over	-	1.503.847
Net cash flow from investment activities	(30.569.790)	(47.497.468)
Cash flows from financing activities		
Collections from loans	30.491.156	43.118.451
Interests paid and loans reimbursed	(19.693.835)	(23.469.287)
Dividends paid	(9.603.862)	(11.159.080)
Net cash flow from financing activities	1.193.459	8.490.084
	84.830	162.804
Net increase/(reduction) of cash and cash equivalents		
	2.064.372	1.901.568
Cash and cash equivalents at the financial year beginning		
	2.149.202	2.064.372

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager

Explanatory notes

Preliminary individual financial results as of December 31st, 2019 (not audited)

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

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

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 of different sizes, stamped and printed
- 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 15, 2005 and the company publishes the individual financial statements on **www.vrancart.ro**.

As of December 31st, 2019, 75% of the Company is owned by SIF Banat - Crişana S.A. and 25% by other shareholders. The records of the shares and the shareholders are kept according to the law by Depozitarul Central S.A. Bucharest.

During the financial year ended on December 31st, 2019, the Company continued developing its activity in all of its three lines of business where it operates (paperboards, corrugated cardboard packaging and tissue paper), which led to a turnover increase by 2% and an operating profit increase by over 30%.

As of December 31st, 2018, the Company recorded a net loss from the sale of tangible assets of 7,393 thousand lei (evidenced by the "other expenses" line), which consisted in the disposal of economically inefficient production facilities, some of them being replaced with new, modern and high productivity equipment.

Starting with 2019, the Company has applied the provisions of IFRS 16, analyzing all the contracts for the rental of the machines (containers and prescontainers), as well as the spaces held for collecting the wastepaper and logistical warehouses for the delivery of the finished product, recognizing in the tangible assets the right of use, concurrently with the related debts, of about 11,680 thousand lei.

It is worth mentioning that in the second half of 2019 the production from the Calimanesti work point was stopped for investments regarding the modernization and extension of the production spaces and the installation of another corrugated cardboard machine. This negatively impacted the company's results.

The process of modernization and growth of production capacities will continue in 2020, important investment projects being planned, which will strengthen the Company's position on the market and

its ability to generate profit.

Overall evaluation elements:

a) gross book result	RON 24,498 thousand
b) turnover	RON 300,789 thousand
c) export	RON 40,755 thousand
d) operating costs	RON 287,712 thousand
e) % of the market held	

2019	Tissue paper	- 11%
	Paperboards	- 17%
	Corrugated cardboard	- 17%

f) liquidity as at the year-end **RON 2,149 thousand**

Ciucioi Ionel-Marian
General Manager

Arsene Vasilica-Monica
Financial Manager