

Translation for information purposes only

VRANCART S.A.

**Interim individual financial statements
(simplified, not audited)
as at June 30th, 2019**

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

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Vrancart S.A.

Individual statement of financial position

as at June 30th, 2019

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

	June 30 th , 2019	December 31 st , 2018
ASSETS		
Tangible assets	255.403.876	253.882.844
Intangible assets	1.580.461	742.663
Goodwill	3.380.811	3.380.811
Financial assets	28.866.728	28.866.728
Total non-current assets	289.231.876	286.873.046
Inventories	45.152.404	40.212.707
Trade receivables	60.982.648	59.884.485
Prepaid expenses	890.050	836.013
Cash and cash equivalents	2.150.285	2.064.372
Other receivables	279.556	93.484
Total current assets	109.454.943	103.091.061
TOTAL ASSETS	398.686.819	389.964.107
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	84.748.797	84.767.377
Retained earnings	13.067.141	12.664.226
Total equity	200.984.293	200.599.958
LIABILITIES		
Long-term loans	49.188.630	51.495.657
Long-term loans from bond issues	37.887.400	37.887.400
Deferred income	14.407.247	15.672.765
Long-term provisions	372.440	372.440
Debts related to deferred profit tax	3.144.646	3.253.586
Other long-term liabilities	362.600	362.600
Total long-term liabilities	105.362.963	109.044.448
Short-term trade liabilities	21.729.273	27.737.837
Short-term loans	50.023.207	39.840.140
Deferred income	2.533.477	2.535.916
Debts related to current profit tax	-	7.928
Other liabilities	18.053.606	10.197.880
Total current liabilities	92.339.563	80.319.701
TOTAL LIABILITIES	197.702.526	189.364.149
TOTAL EQUITY AND LIABILITIES	398.686.819	389.964.107

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of comprehensive income

as at June 30th, 2019

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

	June 30 th , 2019	June 30 th , 2018
Income from turnover	144.436.733	140.577.949
Income from the sale of goods	3.945.921	3.769.277
Other income	1.378.149	1.816.459
Variation of finished product inventories and production in progress	7.874.474	(1.113.020)
Expenses related to raw materials and consumables	(81.280.777)	(76.829.275)
Expenses related to commodities	(2.807.048)	(2.839.451)
Third party expenses	(10.826.426)	(9.692.383)
Personnel-related expenses	(31.428.512)	(26.616.864)
Expenses related to amortisation and impairment of assets	(11.755.413)	(11.101.032)
Other expenses	(5.768.216)	(5.112.813)
Operating result	13.768.884	12.858.846
Financial income	731	1.000.850
Financial expenses	(3.064.651)	(1.800.195)
Profit / (Loss) before taxation	10.704.964	12.059.501
Profit tax income / (expense)	(523.174)	(1.140.047)
Profit / (Loss) for the year	10.181.790	10.919.454
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
Transfer of the revaluation reserve to retained earnings following the cassation of tangible assets	(22.118)	(24.145)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10.159.672	10.895.310

CIUCIOI Ionel-Marian
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Individual statement of changes in equity

as at June 30th, 2019

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

	Share capital	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Total equity
Balance as at January 1st, 2019	103.168.355	44.685.068	40.082.309	12.664.226	200.599.958
Comprehensive income for the period					
Net profit/loss for the period	-	-	-	10.181.790	10.181.790
Other comprehensive income items					
Distribution from retained earnings	-	-	-	(9.800.993)	(9.800.993)
Other changes	-	-	-	-	-
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	3.538	-	-	3.538
Transfer of the revaluation reserve to retained earnings following the cassation/sale of tangible assets	-	(22.118)	-	22.118	-
Total other comprehensive income items	-	(18.580)	-	(9.778.875)	(9.797.455)
Total comprehensive income for the period	-	(18.580)	-	402.915	384.335
Balance as at June 30th, 2019	103.168.355	44.666.488	40.082.309	13.067.141	200.984.293

CIUCIOI Ionel-Marian
General Manager

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Financial Manager

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Individual statement of cash flows

as at June 30th, 2019

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

	June 30th, 2019	June 30th, 2018
Cash flows from operating activities		
Collections from customers	170.949.167	163.920.132
Payments to suppliers	(114.266.155)	(103.084.576)
Payments to employees	(20.473.748)	(19.073.201)
Payments to the state budget	(26.831.467)	(20.913.911)
Profit tax paid	(636.503)	-
Net cash flows from operating activities	8.741.294	20.848.444
Cash flows from investment activities		
Payments for the purchase of assets	(14.634.959)	(17.784.375)
Collections from the sale of tangible assets	-	723.114
Interests collected	123	112
Net cash flows from investment activities	(14.634.836)	(17.061.149)
Cash flows from financing activities		
Collections from loans	18.149.416	13.511.404
Interests paid and loans reimbursed	(12.169.961)	(15.541.223)
Net cash flows from financing activities	5.979.455	(2.029.819)
	85.913	1.757.476
Net increase/(reduction) of cash and cash equivalents		
	2.064.372	1.901.568
Cash and cash equivalents at the financial year beginning		
	2.150.285	3.659.044
Cash and cash equivalents at the financial year end		

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Financial Manager

The entity reporting

Vrancart S.A. (“the Company”) is a joint-stock trade company operating in Romania under the provisions of Law no. 31/1990 on trade companies.

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

The company has work points opened in the following localities: Bucharest, Iași, Focșani, Bacau, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Cluj, Craiova, Targu Mures, Baia Mare, Calimanesti and Braila.

The company’s main object of activity is represented by the manufacture and trading of the following products:

- single-wall, double-wall and double-double wall corrugated cardboard, corrugated cardboard with micro-flutes;
- corrugated cardboard boxes of various formats, die-cut and printed;
- paperboards;
- tissue papers in various assortments.

The company’s shares are listed at the Bucharest Stock Exchange, Standard category, with the indicative VNC, starting from July 15th, 2005.

As at June 30th, 2019, the company is owned 75% by SIF Banat – Crișana S.A. and 25% by other shareholders.

The evidence of shares and shareholders is kept according to law by S.C. Depozitarul Central S.A. Bucharest.

Accounting principles, policies and methods

The simplified interim individual financial statements for the first six months ended on June 30th, 2019 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim financial statements do not include all the information and items presented in the annual report and shall be read together with the Company’s annual financial statements, drawn up as at December 31st, 2018.

The accounting policies and the evaluation methods used for the preparation of the simplified interim financial statements are in accordance with those used for the preparation of the Company’s annual financial statements for the year ended on December 31st, 2018.

The interim individual financial statements for the 1st half of 2019 have not been revised by an external financial auditor.

Transactions in foreign currencies

The operations expressed in foreign currencies are recorded in RON at the official exchange rate on the date of discounting of the transactions. The monetary assets and liabilities recorded in foreign currencies on the date of preparation of the accounting statements are converted into the functional currency at the exchange rate on that day.

The losses or gains from their discounting and from the conversion using the exchange rate as at the end of the period for reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Notes to the interim individual financial statements

as at June 30th, 2019

The exchange rates of the main foreign currencies were as follows:

Currency	June 30th, 2019	December 31st, 2018	Variation
Euro (EUR)	4,7351	4.6639	+1,53%
American dollars (USD)	4,1587	4.0736	+2,09%

Other notes

The Company recorded as at June 30th, 2019 a positive cash balance of RON 2.150.285, and does not have any outstanding liabilities to the public budgets or to its private partners.

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

Subsequent events

Not applicable.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at June 30th, 2019 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Company's position and financial performances, as provided by the applicable accounting standards, and that the information presented in this report provides a fair and accurate view of the main events that took place during the first six months of the financial year and of their impact onto the simplified interim financial statements.

CIUCIOI Ionel-Marian
General Manager

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Financial Manager