

**VRANCART S.A.**

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RO 1454846, J39/239/1991  
Capital social subscris și vărsat 103.168.354,70 RON  
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*Translation for information purposes only*

## **Consolidated quarterly report corresponding to the 1<sup>st</sup> quarter of 2020 according to the Financial Supervisory Authority Regulation no. 5/2018**

Date of report:	May 15 <sup>th</sup> , 2020
Name of the issuing entity:	VRANCART – Group of companies
Registered office:	Adjud, 17 <sup>th</sup> 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:	RON 103.168.354,70
The regulated market onto which the securities issued are trade:	The Bucharest Stock Exchange

### **A. Overview as at March 31<sup>st</sup>, 2020**

- Major events that occurred during the 1<sup>st</sup> quarter of 2020 and their impact onto the consolidated financial position
- Overview of the consolidated financial position and of the company's performances achieved during the reporting period

The company VRANCART S.A. applies the accounting regulations according to the Order of the Public Finance Minister 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.

As at March 31<sup>st</sup>, 2020 and during the period between January 1<sup>st</sup> – March 31<sup>st</sup>, 2020, the evolution of the main financial indicators was as follows:

- The amount of equity as at March 31<sup>st</sup>, 2020 was RON 227.500.896, up by 1,2% from the amount recorded as at the beginning of the year, due to the profit achieved during the 1<sup>st</sup> quarter.
- The amount of the Company's current assets increased by 2,1% during the analysed period, due to the trade receivables increase by 13% during the 1<sup>st</sup> quarter. The amount of current assets as at March 31<sup>st</sup>, 2020 was RON 139.122.904.

- The total liabilities recorded as at March 31<sup>st</sup>, 2020 amounted to RON 241.185.473, down by 2% from the amount recorded as at January 1<sup>st</sup>, 2020, due to the repayment of loan installments to finance investments.
- The operating income for the period amounted to RON 90.710.772, down by 4,3% from the same period of the previous year, due to the effect generated by the variation of the stocks of finished products and the production in execution, as a result of the use of the stocks from the previous periods.
- The operating expenses for the period amounted to RON 86.014.723, down by 1,7% from the same period of the previous year. A significant increase is registered by the depreciation expenses and the depreciation of fixed assets, as a result of the registration of the depreciation of the new production capacities related to the corrugated cardboard line.
- The operating profit for the period amounted to RON 4.696.049, down by 35% from the amount recorded during the same period of the previous year. The net profit for the 1<sup>st</sup> quarter of 2020 amounted to RON 3.106.224.

Compared to the same period last year, the decrease is due to:

- o Temporary closure of the working point in Calimanesti, Valcea for expansion and modernization (a new production hall was built and the cardboard machine was changed).
- o Decrease in orders for corrugated packaging following the onset of the health crisis and the measures imposed by the state of emergency (starting with March 16, 2020).
- o Decreased demand for cardboard paper due to overproduction on the European market.

The consolidated accounting report drawn up as at March 31<sup>st</sup>, 2020 was not audited by the financial auditor, as this is not a legal or statutory requirement.

#### B. Economic and financial indicators at the **Group** level, as at March 31<sup>st</sup>, 2020

Indicator's name	Calculation modality	M.U.	Result
<b>Current liquidity indicator</b>	Current assets/Current liabilities	ratio	1,14
<b>Indebtedness degree indicator</b>	Borrowed capital /Equity <sup>x</sup> 100	%	70,74*
	Borrowed capital/Employed capital <sup>x</sup> 100	%	41,43*
<b>Debts-customers turnover</b>	Average customer balance/Turnover <sup>x</sup> 90	days	79,04
<b>Non-current assets turnover</b>	Turnover/Non-current assets	ratio	0,28

\* Borrowed capital includes credit lines, short and long-term bank loans, long-term trade loans, liabilities under short and long-term financial leasing agreements, as well as loans from bond issues.

**CIUCIOI Ionel-Marian**  
Chairman of the Board of Administrators

**ARSENE Vasilica-Monica**  
Financial Manager