

**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

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***Translation for information purposes only*****Individual quarterly report corresponding to the 1st quarter of 2020 according to the Financial Supervisory Authority Regulation no. 5/2018**

Date of report:	May 15 th , 2020
Name of the issuing entity:	VRANCART S.A.
Registered office:	Adjud, 17 th 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 issued securities are traded:	The Bucharest Stock Exchange

A. Overview as at March 31st, 2020

- Major events that occurred during the 1st quarter of 2020 and their impact onto the individual financial position
- Overview of the individual 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 31st, 2020 and during the period between January 1st – March 31st, 2020, the evolution of the main financial indicators was as follows:

- The amount of equity as at March 31st, 2020 was RON 226.701.049, up by 1% from the amount recorded as at the beginning of the year, due to the profit achieved during the 1st quarter.
- The amount of the Company's current assets increased by 0,2% during the analysed period, due to the increase of trade receivables by 13% during the 1st quarter. The amount of current assets as at March 31st, 2020 was RON 121.643.139.

- The total liabilities recorded as at March 31st, 2020 amounted to RON 206.941.855, down by 3% from the amount recorded as at January 1st, 2020, due to the repayment of loans for financing investments and credit lines for the current activity.
- The operating income for the period amounted to RON 73.411.730, down by 6% from the same period of the previous year.

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 16th, 2020).
- o Decreased demand for cardboard paper due to overproduction on the European market.
- The operating expenses for the period amounted to RON 69.853.806, down by 2% from the same period of the previous year. A significant decrease is registered by the expenses with raw materials and consumables by 16%.
- Under these conditions, the operating profit for the period amounted to RON 3.557.924, down by 47% from the amount recorded during the same period of the previous year. The net profit during the 1st quarter of 2020 was RON 1.804.431.

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

B. The economic and financial indicators as at March 31st, 2020

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,20
Indebtedness degree indicator	Borrowed capital /Equity ^x 100	%	64,33*
	Borrowed capital/Employed capital ^x 100	%	39,15*
Debts-customers turnover	Average customers balance/Turnover ^x 90	days	81,71
Non-current assets turnover	Turnover/Non-current assets	ratio	0,24

* 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