



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
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**Consolidated Quarterly report for the third quarter of 2020
 according to the Financial Supervisory Authority Regulation no. 5/2018**

Date of report	November 16th, 2020
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17th 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 103.168.355
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange
Main characteristics of the securities issued by the issuer	Standard category

A. General overview of the Group as of September 30th, 2020

- Important events that occurred in the first nine months of 2020 and their impact on the Group's financial position
- General overview of the Group's financial position and performance during the reporting period

The Vrancart Group (“the Group”) includes the company Vrancart S.A., with its registered office in Adjud, 17th Ecaterina Teodoroiu, Vrancea County and its branches Rom Paper S.R.L. (“the 1st Branch”), headquartered in Brasov, 30th Cristianului Road, Brasov County and Vrancart Recycling S.R.L. (“the 2nd Branch”), based in Adjud, 17th Ecaterina Teodoroiu, Vrancea County.

The Vrancart Group applies the accounting regulations approved by the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards.

Branch	Field of activity	Shareholding as at September 30th, 2020	Shareholding as at December 31st, 2019
Rom Paper S.R.L.	Production of napkins and tissue paper products	100%	100%
Vrancart Recycling S.R.L.	Treatment and disposal of non-hazardous waste	100 %	-

The Group's profitability in the first nine months of 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 their market, such as the sharp decrease in demand for some products (especially during March - June), negative evolution of sales prices, difficulties in identifying and contacting new customers.

The Group's results during this period, such as maintaining profitability and good financial indicators, including a high liquidity ratio, confirm its ability to react quickly to adverse changes in the market and to take the necessary measures to protect the interests of shareholders and employees.

As at September 30th, 2020 and during the period between January 1st – September 30th, 2020, the evolution of the main financial indicators was as follows:

- The amount of equity as of September 30th, 2020 is 220,747,934 lei, decreasing by 2% compared to their value at the beginning of the year, as a result of the decrease of revaluation reserves by 3% in the first nine months of 2020.
- The Group's current assets decreased during the analysed period by 6% as a result of the decrease of inventories by 17%. The amount of current assets as of September 30th, 2020 is 128,526,406 lei.
- The total debts registered on September 30th, 2020 are in the amount of 226,622,855 lei, decreasing by 8% compared to the value registered on January 1st, 2020, due to the decrease of the indebtedness degree, by repaying the installments on the outstanding loans, but also by decreasing the degree use of credit lines.
- Operating revenues during the period were 253,161,345 lei, down 11% compared to the same period last year, due on the one hand to the decrease of the Group's turnover by 6% in the same period analyzed, and on the other hand of the reduction of revenues with the variation of stocks by about 13 million lei following the sale of existing stocks at the beginning of the period.
- The operational expenses related to the period amounted to 238,432,760 lei, decreasing by 9% compared to the same period of the previous year, due to the decrease of expenditures on raw materials and goods by 14%, but also on personnel expenses by 6%.
- The operational result of the period was 14,728,585 lei, decreasing by 35% compared to the same period of the previous year.

The consolidated accounting report prepared on September 30th, 2020 was not audited by the financial auditor, as it is not a legal or statutory requirement.

B. The economic-financial indicators as of September 30th, 2020, according to Annex no. 13 / Financial Supervisory Authority Regulation no. 5/2018

Indicator's name	Calculation method	M.U.	Result
Current liquidity	Current assets / Current liabilities	Ratio	1,03
Indebtedness	Borrowed capital /Equity ^{x100}	%	66,4*
	Borrowed capital/Employed capital ^{x100}	%	39,9*
Debts rotation rate - customers	Customers average balance/Turnover ^{x 270}	Days	76,5
Rotation rate of fixed assets	Turnover/Fixed assets	Ratio	0,80

* Borrowed capital includes lines of credit, short-term and long-term bank loans and borrowings, long-term commercial loans, short-term and long-term debt leases, bond issuance loans.

CIUCIOI Ionel-Marian
Chairman of the Board of Directors

ARSENE Vasilica-Monica
Financial Manager