

VRANCART S.A.

**Interim individual financial statements
(simplified, not audited)
as at September 30th, 2017**

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 September 30th, 2017

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

	September 30 th , 2017	December 31 st , 2016
ASSETS		
Tangible assets	189.719.125	180.855.000
Intangible assets	242.668	372.026
Financial assets	30.448.288	6.657.600
Receivables related to deferred profit tax	1.253.516	800.666
Total non-current assets	221.663.597	188.685.292
Inventories	26.376.680	27.750.242
Trade receivables	48.674.591	39.695.711
Prepaid expenses	618.113	739.398
Restricted cash	-	8.899.753
Cash and cash equivalents	15.040.329	24.287.793
Other receivables	8.156.021	400.809
Total current assets	98.865.734	101.773.706
TOTAL ASSETS	320.529.331	290.458.998
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	45.979.894	46.537.915
Retained earnings	19.000.856	16.433.985
Total equity	168.149.104	166.140.255
LIABILITIES		
Long-term loans	33.960.620	34.619.168
Long-term loans from bond issues	38.250.000	-
Deferred revenues	18.634.584	20.904.331
Long-term provisions	243.389	291.803
Total long-term liabilities	91.088.592	55.815.302
Short-term trade liabilities	22.185.507	17.089.495
Short-term loans	12.506.072	41.605.434
Deferred revenues	3.026.330	3.026.330
Debts related to current profit tax	1.329.449	494.330
Other liabilities	22.244.277	6.287.852
Total current liabilities	61.291.635	68.503.441
TOTAL LIABILITIES	152.380.227	124.318.743
TOTAL EQUITY AND LIABILITIES	320.529.331	290.458.998

CIUCIOI Ionel Marian
General Manager



ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of comprehensive income

as at September 30th, 2017

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

	September 30 th , 2017	September 30 th , 2016
Income from turnover	189.593.049	171.257.244
Other income	2.339.508	2.982.678
Variation of finished products inventories and production in progress	(2.322.514)	(449.063)
Expenses related to raw materials and consumables	(95.153.109)	(91.645.035)
Expenses related to goods	(2.460.851)	(3.125.259)
Third-party expenses	(13.824.105)	(13.115.059)
Personnel-related expenses	(38.813.611)	(26.824.112)
Expenses related to amortisation and from re-evaluation	(14.723.985)	(13.147.489)
Other expenses	(4.794.815)	(6.469.533)
Operating result	19.839.567	19.559.674
Financial revenues	(55.659)	(22.316)
Financial expenses	(1.455.187)	(1.025.446)
Profit/(Loss) before taxation	18.328.722	18.511.912
Profit tax income/(expense)	(2.395.266)	(1.805.484)
Profit / (Loss) for the year	15.933.456	16.706.428
Other comprehensive income items		
Increases of the reserve from the re-evaluation of tangible assets, net of deferred tax	-	-
Transfer of the re-evaluation reserve to retained earnings following the cassation of tangible assets	(664.311)	(283.319)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	15.269.144	16.423.109

CIUCIOI Ionel-Marian
General Manager



ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of changes in equity

as at September 30th, 2017

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

	Share capital	Share capital adjustments	Reserves from the re-evaluation of tangible assets	Other reserves	Retained earnings	Retained earnings from the first adoption of IAS ²⁹	Total equity
Balance as at January 1st, 2017	103.168.355	-	26.408.552	20.129.363	16.433.985	-	166.140.255
Comprehensive income for the period							
Net profit/loss for the period	-	-	-	-	15.933.456	-	15.933.456
Other comprehensive income items							
Distribution from retained earnings	-	-	-	-	(14.030.896)	-	(14.030.896)
Correction related to fixed assets	-	-	-	-	-	-	-
Other equity items changes	-	-	-	-	-	-	-
Other corrections	-	-	-	-	-	-	-
Changes in the reserve from the re-evaluation of tangible assets, net of deferred tax	-	-	106.290	-	-	-	106.290
Transfer of the re-evaluation reserve to retained earnings following the sale/cassation of tangible assets	-	-	(664.311)	-	664.311	-	-
Total other comprehensive income items	-	-	(58.021)	-	(13.366.585)	-	(13.924.606)
Total comprehensive income for the period	-	-	(58.021)	-	2.566.871	-	2.008.850
Balance as at September 30th, 2017	103.168.355	-	25.850.531	20.129.363	19.000.856	-	168.149.104



CIUCIOI Leivel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Individual statement of cash flows

as at September 30th, 2017

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

	September 30 th , 2017	September 30 th , 2016
Cash flows from operating activities		
Collection from customers	208.867.676	196.459.478
Payments to suppliers	(127.582.020)	(126.186.419)
Payments to employees	(28.285.297)	(22.293.192)
Payments to the state budget	(22.385.524)	(20.558.396)
Profit tax paid	(1.906.707)	(1.884.561)
Net cash flows from operating activities	28.708.128	25.536.910
Cash flows from the investment activity		
Payments for the purchase of assets	(30.863.559)	(29.944.472)
Payments for the purchase of financial assets	(23.790.688)	-
Escrow account for the purchase of financial assets	8.899.753	(8.897.511)
Letters of credit for the purchase of assets	-	10.786.408
Collections from the sale of tangible assets	13.150	283.700
Interests collected	852	645
Net cash flow from the investment activity	(45.740.491)	(27.771.229)
Cash flows from the financing activity		
Collections from loans	28.601.268	31.768.835
Collections from bond issuance	38.250.000	-
Interests paid and loans reimbursed	(59.066.369)	(12.743.736)
Dividends paid	-	(13.533.159)
Net cash flows from the financing activity	7.784.899	5.491.940
	(9.247.464)	3.257.621
Net increase/(reduction) of cash and cash equivalents		
Cash and cash equivalents at the financial year beginning	24.287.793	1.320.375
Cash and cash equivalents at the financial year end	15.040.329	4.577.996

CIUCIOI Ionel-Marian
General Manager



ARSENE Vasilica-Monica
Financial Manager

Vrancart S.A.

Notes to the interim individual financial statements

as at September 30th, 2017

The entity reporting

Vrancart S.A. (“the Company”) is a joint stock trade company operating in Romania in accordance with 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, Iasi, Focsani, Bacau, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Cluj, Baia Mare, Craiova, Targu Mures, Braila and Calimanesti.

The Company’s main object of activity is represented by the manufacturing 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 to the Bucharest Stock Exchange, 2nd category, with the indicative VNC, starting from July 15th, 2005.

As at September 30th, 2017 the Company is owned in a proportion of 75% by SIF Banat - Crisana S.A. and 25% by other shareholders.

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

The submitted financial statements are interim financial statements, not audited by an independent external auditor, as this is not a legal requirement.

Accounting principles, policies and methods

The simplified interim financial statements for the first nine months ended on September 30th, 2017 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim financial statements do not include all the information and elements published in the annual report and must be read with the Company’s financial statements, drawn up as at December 31st, 2016.

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, 2016.

The simplified interim financial statements for the first nine months of 2017 have not been reviewed by an external financial auditor.

Transactions in foreign currencies

The operations expressed in foreign currencies are registered in RON at the official currency exchange rate on the date of discounting of the transactions. The monetary assets and liabilities registered in

Vrancart S.A.

Notes to the interim individual financial statements

as at September 30th, 2017

foreign currencies on the date of preparation of the accounting statements are converted into the functional currency at the currency exchange rate on that date.

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

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

Currency	September 30 th , 2017	December 31 st , 2016	Variation
Euro (EUR)	4,5991	4,5411	+1,28%
American dollars (USD)	3,8977	4,3033	-9,42%

Other notes

The Company's management established its medium and long-term strategy and the estimates provide increases of sales and cost reductions following the effective use of resources, that will lead to the operating profit increase.

The Company recorded as at September 30th, 2017 a positive cash balance of RON 15.040.329 and does not have any outstanding liabilities to the public budgets or to its private partners.

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

On July 11th, 2017, the purchase of the second trench of 15% of the shares of ROM PAPER S.R.L. based in Cristian township, Brasov County, registered with the Brasov Trade Registry Office under no. J8/548/2002, Tax Identification Number 14619270 was completed, according to the sales agreement concluded between the contracting parties. Following this transaction, Vrancart S.A. holds 85% of the shares of ROM PAPER S.R.L.

Subsequent events

On October 23rd, 2017, dividends in the amount of RON 13.786.199 were paid to the shareholders, according to the legal provisions, based on the Decision to pay dividends, approved by the Ordinary General Meeting of the Shareholders from April 2017.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at September 30th, 2017 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide an accurate and fair view on the Company's position and financial performances, as provided by the applicable accounting standards, and that the information presented in this report provides an accurate and fair view of the main events that occurred during the first nine months of the financial year and of their impact onto the simplified interim financial statements.

CIUCIOTI Ionel-Marian
General Manager



ARSENE Vasilica-Monica
Financial Manager