

*Translation for information purposes only*

**VRANCART S.A.**

**Interim individual financial statements  
(simplified, not audited)  
as at September 30<sup>th</sup>, 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

## **Contents**

Individual statement of financial position	3
Individual statement of comprehensive income	4
Individual statement of changes in equity	5
Individual statement of cash flows	6
Notes to the interim individual financial statements	7-8

Vrancart S.A.

## Individual statement of financial position

as at September 30<sup>th</sup>, 2019

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

	September 30 <sup>th</sup> , 2019	December 31 <sup>st</sup> , 2018
<b>ASSETS</b>		
Tangible assets	254.811.833	253.882.844
Intangible assets	1.493.698	742.663
Goodwill	3.380.811	3.380.811
Financial assets	28.866.728	28.866.728
<b>Total non-current assets</b>	<b>288.553.070</b>	<b>286.873.046</b>
Inventories	46.098.983	40.212.707
Trade receivables	67.248.273	59.884.485
Prepaid expenses	768.415	836.013
Cash and cash equivalents	2.463.887	2.064.372
Other receivables	281.884	93.484
<b>Total current assets</b>	<b>116.861.442</b>	<b>103.091.061</b>
<b>TOTAL ASSETS</b>	<b>405.414.512</b>	<b>389.964.107</b>
<b>EQUITY</b>		
Share capital	103.168.355	103.168.355
Reserves	84.748.783	84.767.377
Retained earnings	18.325.200	12.664.226
<b>Total equity</b>	<b>206.242.338</b>	<b>200.599.958</b>
<b>LIABILITIES</b>		
Long-term loans	45.271.119	51.495.657
Long-term loans from bond issues	37.887.400	37.887.400
Deferred income	13.774.487	15.672.765
Long-term provisions	372.400	372.440
Debts related to deferred profit tax	2.880.988	3.253.586
Other long-term liabilities	362.600	362.600
<b>Total long-term liabilities</b>	<b>100.549.034</b>	<b>109.044.448</b>
Short-term trade liabilities	25.126.400	27.737.837
Short-term loans	50.944.985	39.840.140
Deferred income	2.532.259	2.535.916
Debts related to current profit tax	952.196	7.928
Other liabilities	19.067.300	10.197.880
<b>Total current liabilities</b>	<b>98.623.140</b>	<b>80.319.701</b>
<b>TOTAL LIABILITIES</b>	<b>199.172.174</b>	<b>189.364.149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>405.414.512</b>	<b>389.964.107</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Individual statement of comprehensive income

as at September 30<sup>th</sup>, 2019

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

	September 30 <sup>th</sup> , 2019	September 30 <sup>th</sup> , 2018
Income from turnover, out of which:	225.333.749	217.332.958
<i>Income from the sale of goods</i>	6.980.185	4.930.998
Other income	2.790.578	3.129.421
Variation of finished products inventories and production in progress	9.581.610	889.142
Expenses related to raw materials and consumables	(121.017.924)	(114.566.764)
Expenses related to commodities	(5.213.867)	(3.546.353)
Third party expenses	(16.373.497)	(14.112.090)
Personnel-related expenses	(47.215.995)	(41.556.614)
Expenses related to amortisation and from re-evaluation	(17.912.897)	(16.759.856)
Other expenses	(8.747.268)	(9.491.560)
<b>Operating result</b>	<b>21.224.488</b>	<b>21.318.285</b>
Financial income	1.216	1.001.401
Financial expenses	(4.574.158)	(3.108.515)
<b>Profit / (Loss) before taxation</b>	<b>16.651.546</b>	<b>19.211.171</b>
Profit tax income/ (expense)	(1.211.715)	(1.154.981)
<b>Profit / (Loss) for the year</b>	<b>15.439.831</b>	<b>18.056.190</b>
<b>Other comprehensive income items</b>		
Increase in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
Transfer of the re-evaluation reserve to retained earnings following the cassation of tangible assets	(22.136)	(26.394)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>15.417.695</b>	<b>18.029.796</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Individual statement of changes in equity

as at September 30<sup>th</sup>, 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
<b>Balance as at January 1<sup>st</sup>, 2019</b>	<b>103.168.355</b>	<b>44.685.068</b>	<b>40.082.309</b>	<b>12.664.226</b>	<b>200.599.958</b>
<b>Comprehensive income for the period</b>					
Net profit/loss for the period	-	-	-	15.439.831	<b>15.439.831</b>
<b>Other comprehensive income items</b>					
Distribution from retained earnings	-	-	-	(9.800.993)	<b>(9.800.993)</b>
Other changes	-	-	-	-	-
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	3.542	-	-	<b>3.542</b>
Transfer of the revaluation reserve to retained earnings following the sale/cassation of tangible assets	-	(22.136)	-	22.136	-
<b>Total other comprehensive income items</b>	-	<b>(18.594)</b>	-	<b>(9.778.857)</b>	<b>(9.797.451)</b>
<b>Total comprehensive income for the period</b>	-	<b>(18.594)</b>	-	<b>5.660.974</b>	<b>5.642.380</b>
<b>Balance as at September 30<sup>th</sup>, 2019</b>	<b>103.168.355</b>	<b>44.666.474</b>	<b>40.082.309</b>	<b>18.325.200</b>	<b>206.242.338</b>

**CIUCIOI Ionel-Marian**  
General Manager

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Financial Manager

Vrancart S.A.

## Individual statement of cash flows

as at September 30<sup>th</sup>, 2019

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

	September 30 <sup>th</sup> , 2019	September 30 <sup>th</sup> , 2018
<b>Cash flows from the operating activity</b>		
Amounts collected from customers	254.603.122	245.283.540
Payments to suppliers	(162.395.735)	(152.662.754)
Payments to employees	(29.782.471)	(27.012.924)
Payments to the state budget	(39.521.941)	(33.031.468)
Profit tax paid	(636.503)	(1.066.618)
<b>Net cash flows from the operating activity</b>	<b>22.266.472</b>	<b>31.509.776</b>
<b>Cash flows from the investment activity</b>		
Payments for the purchase of assets	(22.501.282)	(35.362.024)
Payments for the purchase of financial assets	-	(5.074.273)
Letters of credit for the purchase of assets	-	(530.871)
Amounts collected from the sale of tangible assets	141.500	723.114
Interests collected	164	187
<b>Net cash flows from the investment activity</b>	<b>(22.359.618)</b>	<b>(40.243.867)</b>
<b>Cash flows from the financing activity</b>		
Amounts collected from loans	21.026.981	29.510.837
Interests paid and loans reimbursed	(20.534.320)	(20.840.328)
Dividends paid	-	-
<b>Net cash flows from the financing activity</b>	<b>492.661</b>	<b>8.670.509</b>
	<b>399.515</b>	<b>(63.582)</b>
<b>Net increase/(reduction) of cash and cash equivalents</b>		
	<b>2.064.372</b>	<b>1.901.568</b>
<b>Cash and cash equivalents at the financial year beginning</b>		
	<b>2.463.887</b>	<b>1.837.986</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

## Notes to the interim individual financial statements

as at September 30<sup>th</sup>, 2019

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### 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, Iași, Focșani, Bacău, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Cluj, Baia Mare, Craiova, Târgu Mureș, Brăila and Călimănești.

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 at the Bucharest Stock Exchange, 2<sup>nd</sup> category, with the indicative VNC, starting from July 15<sup>th</sup>, 2005.

As at September 30<sup>th</sup>, 2019 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.

### Accounting principles, policies and methods

The simplified interim individual financial statements for the first nine months ended on September 30<sup>th</sup>, 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 published in the annual report and must be read with the Company’s financial statements, drawn up as at December 31<sup>st</sup>, 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 31<sup>st</sup>, 2018.

The interim individual financial statements for the first nine months of 2019 have not been revised by an external financial auditor, as this is not a legal requirement.

### 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 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.

## Notes to the interim individual financial statements

as at September 30<sup>th</sup>, 2019

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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 <sup>th</sup> , 2019	December 31 <sup>st</sup> , 2018	Variation
Euro (EUR)	4.7511	4.6639	+1,9%
American dollars (USD)	4.3488	4.0736	+6,8%

### 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, which will lead to the operating profit increase.

The Company recorded as at September 30<sup>th</sup>, 2019 a positive cash balance of RON 2.463.887 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.

### Subsequent events

On October 21<sup>st</sup>, 2019, the company paid dividends to its shareholders amounting to RON 9.638.742, in accordance with the legal regulations, based on the Decision on the distribution of dividends, approved by the Ordinary General Meeting of the Shareholders held in April 2019.

### Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at September 30<sup>th</sup>, 2019 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate 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 a fair and accurate 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.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager