



**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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## **Quarterly report for the 3<sup>rd</sup> quarter of 2017 according to the CNVM Regulation no. 1/2006**

Date of report	<b>November 15<sup>th</sup>, 2017</b>
Name of the issuing entity	<b>VRANCART S.A.</b>
Registered office	<b>Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county</b>
Telephone/fax no.:	<b>0237-640.800; 0237-641.720</b>
Tax Identification Number	<b>1454846</b>
Trade Registry registration no.:	<b>J39/239/1991</b>
Subscribed and paid-in share capital	<b>RON 103.168.355</b>
The regulated market onto which the securities issued are traded	<b>The Bucharest Stock Exchange</b>

### **1. The economic and financial situation of VRANCART S.A.**

The results achieved by VRANCART S.A. (hereinafter referred to as “the Company”) in the first nine months of 2017 confirm the company’s ability to generate profit and its financial soundness.

During this period, the net profit recorded amounted to RON 15.933.456, 8% above the level forecasted in the Revenues and Expenditures Budget.

The Intermediate individual financial statements (simplified, not audited) as at September 30<sup>th</sup>, 2017, according to 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, are enclosed to this report.

The intermediate individual financial statements for the first 9 months of 2017 have not been reviewed by an independent external auditor, as this is not a legal or statutory requirement.

## 1.1. Balance sheet items

<i>(all the items are expressed in RON, unless otherwise stated)</i>	<b>September 30<sup>th</sup>, 2017</b>	<b>December 31<sup>st</sup>, 2016</b>	<b>%</b>
Non-current assets	221.663.597	188.685.292	17%
Current assets, out of which:	98.865.734	101.773.706	-3%
- Trade receivables	48.674.591	39.695.711	23%
<b>Total assets</b>	<b>320.529.331</b>	<b>290.458.998</b>	<b>10%</b>
<b>Total liabilities, out of which:</b>	<b>152.380.227</b>	<b>124.318.743</b>	<b>23%</b>
Current liabilities	61.291.635	68.503.442	-11%
<b>Equity, out of which:</b>	<b>168.149.104</b>	<b>166.140.255</b>	<b>1%</b>
- Reserves	45.979.894	46.537.915	-1%
- Retained earnings	19.000.856	16.433.985	16%

As at September 30<sup>th</sup>, 2017 and during the period between January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the evolution of the main financial indicators was as follows:

- The Company's non-current assets increased by 17% following the financial investments made during the first 9 months of 2017. 85% of the shares of the company Rom Paper S.R.L. Braşov were purchased, according to the Ordinary General Meeting of the Shareholders.
- The volume of the Company's current assets decreased by 3% as at September 30<sup>th</sup>, 2017 compared to the year beginning especially due to the decrease of the cash amounts in the accounts, following the payments for investments.
- The trade receivables increased by 23% (RON 9 million) during the first nine months of 2017 compared to the year beginning, following the increase of the deliveries' volume, respectively following the turnover increase.
- The total liabilities recorded as at September 30<sup>th</sup>, 2017 amount to RON 152.380.227, up by 23% from the amount recorded as at January 1<sup>st</sup>, 2017, due to the increase of the loan from bond issues in the amount of RON 38.250.000 and the dividends to be paid in the amount of RON 14.030.896.
- The equity amount as at September 30<sup>th</sup>, 2017 amounted to RON 168.149.104, up by 1% from the amount recorded as at the year beginning, following the increase of retained earnings.

## 1.2. The profit and loss account

<i>(all the items are expressed in RON, unless otherwise stated)</i>	<b>September 30<sup>th</sup>, 2017</b>	<b>September 30<sup>th</sup>, 2016</b>	<b>%</b>
Operating revenues, out of which:	189.610.043	173.790.859	9%
Income from turnover	189.593.049	171.257.244	11%
Operating expenses	(169.770.476)	(154.231.185)	10%
<b>Operating profit</b>	<b>19.839.567</b>	<b>19.559.674</b>	<b>1%</b>

Financial revenues	(55.659)	(22.316)	
Financial expenses	(1.455.187)	(1.025.446)	42%
<b>Total revenues</b>	<b>189.554.384</b>	<b>173.768.543</b>	<b>9%</b>
<b>Total expenses</b>	<b>(171.225.662)</b>	<b>(155.256.631)</b>	<b>10%</b>
<b>Gross profit</b>	<b>18.328.722</b>	<b>18.511.912</b>	<b>-1%</b>
<b>Net profit</b>	<b>15.933.456</b>	<b>16.706.428</b>	<b>-5%</b>

During the first nine months of 2017, compared to the same period of the previous year, the main indicators of the Profit and loss account are as follows:

- The total revenues during the analysed period amounted to RON 189.554.384, up by 9% from the same period of the previous year, mainly due to the turnover increase by 11% during the same period analysed.
- The total expenses for the period amounted to RON 171.225.662, up by 10% from the same period of the previous year, following the personnel expenses increase by 45%. The salary expenses increase is mainly due to the increase of the minimum prescribed wage in May 2016 by 19% and in February 2017 by 16%.
- The gross profit for the period amounted to RON 18.328.722, down by 1% from the same period of the previous year, but up by 8% from the budgeted level for this period. The company expects the profitability indicators to be reached at the year end according to the forecasts in the Revenues and Expenditures Budget approved within the Ordinary General Meeting of the Shareholders for 2017 and there will not be any major changes compared to the previous year.

### 1.3. Cash flows

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

	September 30 <sup>th</sup> , 2017	September 30 <sup>th</sup> , 2016
<i>Cash flows from the operating activity</i>		
Collections from the operating activity	208.867.676	196.459.478
Payments from the operating activity	(180.159.548)	(170.922.568)
<b>Net cash flows from the operating activity</b>	<b>28.708.128</b>	<b>25.536.910</b>
<i>Cash flows from the investment activity</i>		
Collections from the investment activity	14.002	284.345
Letters of credit for investment payments	-	10.786.408
Escrow account for the purchase of financial assets	8.899.753	(8.897.511)
Payments from the investment activity	(54.654.247)	(29.944.472)
<b>Net cash flows from the investment activity</b>	<b>(45.740.491)</b>	<b>(27.771.229)</b>
<i>Cash flows from the financing activity</i>		
Collections from the financing activity (including bonds)	66.851.268	31.768.835
Payments from the financing activity	(59.066.369)	(26.276.895)
<b>Net cash flows from the financing activity</b>	<b>7.784.899</b>	<b>5.491.940</b>
<b>Balance at the beginning of the period</b>	<b>24.287.793</b>	<b>1.320.375</b>
<b>Balance at the end of the period</b>	<b>15.040.329</b>	<b>4.577.996</b>

The amount of cash and cash equivalents as at September 30<sup>th</sup>, 2017 is positive, namely of RON 15.040.329. The cash amount increase from the same period of the previous year is mainly due to the contracting of cash inflows from the issuance of bonds in the amount of RON 38.250.000.

**2. The economic and financial indicators as at September 30<sup>th</sup>, 2017, according to Appendix 30B of the Financial Supervisory Authority Regulation no. 1/2006**

<b>Indicator's name</b>	<b>Calculation modality</b>	<b>M.U.</b>	<b>Result</b>
<b>Current liquidity indicator</b>	Current assets/Current liabilities	ratio	1,61
<b>Indebtedness degree indicator</b>	Borrowed capital /Equity <sup>x</sup> 100	%	50,38*
	Borrowed capital/Employed capital <sup>x</sup> 100	%	33,50*
<b>Debts-customers turnover</b>	Average customers balance/Turnover <sup>x</sup> 270	days	66,25
<b>Non-current assets turnover</b>	Turnover/Non-current assets	ratio	0,86

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

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

**ARSENE Vasilica-Monica**  
Financial Manager

**VRANCART S.A.**

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

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

	September 30 <sup>th</sup> , 2017	December 31 <sup>st</sup> , 2016
<b>ASSETS</b>		
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
<b>Total non-current assets</b>	<b>221.663.597</b>	<b>188.685.292</b>
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
<b>Total current assets</b>	<b>98.865.734</b>	<b>101.773.706</b>
<b>TOTAL ASSETS</b>	<b>320.529.331</b>	<b>290.458.998</b>
<b>EQUITY</b>		
Share capital	103.168.355	103.168.355
Reserves	45.979.894	46.537.915
Retained earnings	19.000.856	16.433.985
<b>Total equity</b>	<b>168.149.104</b>	<b>166.140.255</b>
<b>LIABILITIES</b>		
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
<b>Total long-term liabilities</b>	<b>91.088.592</b>	<b>55.815.302</b>
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
<b>Total current liabilities</b>	<b>61.291.635</b>	<b>68.503.441</b>
<b>TOTAL LIABILITIES</b>	<b>152.380.227</b>	<b>124.318.743</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>320.529.331</b>	<b>290.458.998</b>

**CIUCIOI Ionel-Marian**  
**Monica**  
General Manager

**ARSENE Vasilica-**  
Financial Manager

Vrancart S.A.

## Individual statement of comprehensive income

as at September 30<sup>th</sup>, 2017

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

	September 30 <sup>th</sup> , 2017	September 30 <sup>th</sup> , 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)
<b>Operating result</b>	<b>19.839.567</b>	<b>19.559.674</b>
Financial revenues	(55.659)	(22.316)
Financial expenses	(1.455.187)	(1.025.446)
<b>Profit/(Loss) before taxation</b>	<b>18.328.722</b>	<b>18.511.912</b>
Profit tax income/(expense)	(2.395.266)	(1.805.484)
<b>Profit / (Loss) for the year</b>	<b>15.933.456</b>	<b>16.706.428</b>
<b>Other comprehensive income items</b>		
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)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>15.269.144</b>	<b>16.423.109</b>

**CIUCIOI Ionel-Marian**  
**Monica**  
General Manager

**ARSENE Vasilica-**  
Financial Manager

Vrancart S.A.

## Individual statement of changes in equity

as at September 30<sup>th</sup>, 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
<b>Balance as at January 1<sup>st</sup>, 2017</b>	<b>103.168.355</b>	-	<b>26.408.552</b>	<b>20.129.363</b>	<b>16.433.985</b>	-	<b>166.140.255</b>
<b>Comprehensive income for the period</b>							
Net profit/loss for the period	-	-	-	-	15.933.456	-	<b>15.933.456</b>
<b>Other comprehensive income items</b>							
Distribution from retained earnings	-	-	-	-	(14.030.896)	-	<b>(14.030.896)</b>
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	-	-	-	<b>106.290</b>
Transfer of the re-evaluation reserve to retained earnings following the sale/cassation of tangible assets	-	-	(664.311)	-	664.311	-	-
<b>Total other comprehensive income items</b>	-	-	(558.021)	-	(13.366.585)	-	<b>(13.924.606)</b>
<b>Total comprehensive income for the period</b>	-	-	(558.021)	-	2.566.871	-	<b>2.008.850</b>
<b>Balance as at September 30<sup>th</sup>, 2017</b>	<b>103.168.355</b>	-	<b>25.850.531</b>	<b>20.129.363</b>	<b>19.000.856</b>	-	<b>168.149.104</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Individual statement of cash flows

as at September 30<sup>th</sup>, 2017

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

	September 30 <sup>th</sup> , 2017	September 30 <sup>th</sup> , 2016
<b>Cash flows from operating activities</b>		
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)
<b>Net cash flows from operating activities</b>	<b>28.708.128</b>	<b>25.536.910</b>
<b>Cash flows from the investment activity</b>		
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
<b>Net cash flow from the investment activity</b>	<b>(45.740.491)</b>	<b>(27.771.229)</b>
<b>Cash flows from the financing activity</b>		
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)
<b>Net cash flows from the financing activity</b>	<b>7.784.899</b>	<b>5.491.940</b>
	<b>(9.247.464)</b>	<b>3.257.621</b>
<b>Net increase/(reduction) of cash and cash equivalents</b>		
	<b>24.287.793</b>	<b>1.320.375</b>
<b>Cash and cash equivalents at the financial year beginning</b>		
	<b>15.040.329</b>	<b>4.577.996</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

**Vrancart S.A.**

## **Note to the interim financial statements**

*as at September 30<sup>th</sup>, 2017*

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

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

As at September 30<sup>th</sup>, 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 30<sup>th</sup>, 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 31<sup>st</sup>, 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 31<sup>st</sup>, 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.

## Note to the interim financial statements

as at September 30<sup>th</sup>, 2017

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

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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 <sup>th</sup> , 2017	December 31 <sup>st</sup> , 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 30<sup>th</sup>, 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 11<sup>th</sup>, 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

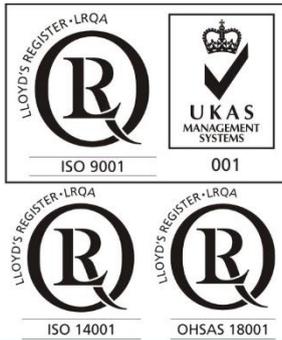
On October 23<sup>rd</sup>, 2017, dividends in the amount of RON 13.786.199 were paid to the shareholders, according to the legal provisions, based on the Decision to pay dividends, approved by the Ordinary General Meeting of the Shareholders from April 2017.

### Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements as at September 30<sup>th</sup>, 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.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager



**VRANCART S.A.**  
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office@vrancart.com, www.vrancart.ro



## **Consolidated quarterly report for the 3<sup>rd</sup> quarter of 2017 according to the CNVM Regulation no. 1/2006**

Date of report	November 15 <sup>th</sup> , 2017
Name of the issuing entity	VRANCART S.A.
Registered office Street,	Adjud, 17 Ecaterina Teodoroiu
	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 traded	The Bucharest Stock Exchange

### **A. Group overview as at September 30<sup>th</sup>, 2017**

- Major events that occurred during the first nine months of 2017 and their impact onto the Group's financial position
- Overview of the group's financial position and performances achieved during the reporting period

The Vrancart Group ("the Group") includes the company Vrancart S.A., having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county, and its branches Giant Prodimpex S.R.L., based in Ungheni locality, strada Principală No. 161/J, Mureș county and Rom Paper S.R.L. based in Cristian township, Brasov county.

The Vrancart Group applies the accounting regulations approved through the Public Finance Ministry Order no. 2844/2016 on the approval of the Accounting regulations complaint with the International Financial Reporting Standards.

<b>Branch</b>	<b>Field of activity</b>	<b>Shareholding as at September 30<sup>th</sup>, 2017</b>	<b>Shareholding as at December 31<sup>st</sup>, 2016</b>
Giant Prodimpex S.R.L.	Production of corrugated cardboard papckaging	<b>100%</b>	<b>100%</b>
Rom Paper S.R.L.	Production of napkins and tissue paper products	<b>85%</b>	<b>0%</b>

As at September 30<sup>th</sup>, 2017 and during the period between January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the evolution of the main financial indicators was as follows:

- The equity amount as at September 30<sup>th</sup>, 2017 is RON 176.241.106, up by 6% from its amount at the beginning of the year, following the profit achieved during the first nine months of 2017.
- The volume of the Group's current assets increased by 16% during the analysed period, due to the inventories and trade receivables increase. The amount of current assets at as September 30<sup>th</sup>, 2017 is RON 119.002.709.
- The total liabilities recorded as at September 30<sup>th</sup>, 2017 amount to RON 176.359.041, up by 40% from the amount recorded as at January 1<sup>st</sup>, 2017, due to the contracting of new loans (bank loans and loans from bond issues) to finance the investments.
- The operating revenues of the period amounted to RON 251.227.072, up by 45% from the same period of the previous year, due to the Group's turnover increase by 46% during the same analysed period.
- The operating expenses of the period amounted to RON 225.626.027, up by 46% from the same period of the previous year, mainly due to the increase of raw materials and materials expenses by 47%. Personnel-related expenses increased by 66% due to the increase of the minimum prescribed wage in two stages (in May 2016 and in February 2017).
- The operating profit for the period amounted to RON 25.601.045, up by 31% from the same period of the previous year. The net profit for the first nine months of 2017 amounted to RON 21.553.673, 29% above the level recorded in the same period of 2016.

The consolidated accounting report drafted as at September 30<sup>th</sup>, 2017 was not audited by the financial auditor, as this is not a legal or a statutory requirement.

The economic and financial indicators presented in the Quarterly report must be read bearing in mind the fact that they are not comparable, since the financial statements of Rom Paper S.R.L. are included in the Group's consolidated statement only in 2017 (the year when the shares purchase was completed).

**B. Economic and financial indicators as at September 30<sup>th</sup>, 2017**

<b>Indicator's name</b>	<b>Calculation modality</b>	<b>M.U.</b>	<b>Result</b>
<b>Current liquidity indicator</b>	Current assets/Current liabilities	ratio	1,51
<b>Indebtedness degree indicator</b>	Borrowed capital /Equity <sup>x</sup> 100	%	52,56*
	Borrowed capital/Employed capital <sup>x</sup> 100	%	34,45*
<b>Debts-customers turnover</b>	Average customer balance/Turnover <sup>x</sup> 270	days	67,37
<b>Non-current assets turnover</b>	Turnover/Non-current assets	ratio	1,07

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

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

**ARSENE Vasilica-Monica**  
Financial Manager

*Translation for information purposes only*

**VRANCART S.A.**

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

## Consolidated statement of financial position

as at September 30<sup>th</sup>, 2017

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

	September 30 <sup>th</sup> , 2017	December 31 <sup>st</sup> , 2016
<b>ACTIVE</b>		
Tangible assets	215.363.958	184.159.320
Intangible assets	11.894.558	1.364.307
Financial assets	3.534	845
Goodwill	4.934.837	3.380.811
Receivables related to deferred profit tax	1.400.551	427.686
<b>Total non-current assets</b>	<b>233.597.438</b>	<b>189.332.969</b>
Inventories	31.937.864	27.979.866
Trade receivables	62.590.429	39.692.123
Prepaid expenses	681.492	760.687
Restricted cash	-	8.899.753
Cash and cash equivalents	15.901.174	24.932.865
Other receivables	7.891.750	400.809
<b>Total current assets</b>	<b>119.002.709</b>	<b>102.666.103</b>
<b>TOTAL ASSETS</b>	<b>352.600.147</b>	<b>291.999.072</b>
<b>EQUITY</b>		
Share capital	103.168.355	103.168.355
Reserves	48.251.871	46.411.085
Retained earnings	21.122.845	16.856.244
Non-controlling interests	3.698.035	-
<b>Total equity</b>	<b>176.241.106</b>	<b>166.435.684</b>
<b>LIABILITIES</b>		
Long-term loans	36.212.066	34.619.168
Long-term loans from bond issues	38.250.000	-
Deferred revenues	21.574.264	20.936.397
Long-term provisions	243.389	291.803
Debts related to deferred profit tax	1.346.725	-
<b>Total long-term liabilities</b>	<b>97.626.444</b>	<b>55.847.368</b>
Short-term trade liabilities	32.755.115	17.838.095
Short-term loans	18.176.440	41.762.760
Deferred revenues	3.235.087	3.038.904
Debts related to current profit tax	1.499.655	515.975
Other liabilities	23.066.300	6.560.286
<b>Total current liabilities</b>	<b>78.732.597</b>	<b>69.716.020</b>
<b>TOTAL LIABILITIES</b>	<b>176.359.041</b>	<b>125.563.388</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>352.600.147</b>	<b>291.999.072</b>

CIUCIOI Ionel-Marian  
General Manager

ARSENE Vasilica-Monica  
Financial Manager

Vrancart S.A.

## Consolidated statement of comprehensive income

as at September 30<sup>th</sup>, 2017

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

	September 30 <sup>th</sup> , 2017	September 30 <sup>th</sup> , 2016
Income from turnover	250.853.269	171.257.244
Other income	2.462.493	2.982.678
Variation of finished products inventories and production in progress	(2.088.690)	(449.063)
Expenses related to raw materials and consumables	(134.545.326)	(91.645.035)
Expenses related to goods	(6.905.122)	(3.125.259)
This party expenses	(18.081.202)	(13.115.059)
Personnel-related expenses	(44.659.143)	(26.824.112)
Expenses related to amortisation and depreciation of assets	(14.620.446)	(13.147.489)
Other expenses	(6.814.788)	(6.374.231)
<b>Operating result</b>	<b>25.601.045</b>	<b>19.559.674</b>
Financial revenues	(106.105)	(22.316)
Financial expenses	(1.611.268)	(1.025.446)
<b>Profit / (Loss) before taxation</b>	<b>23.883.672</b>	<b>18.511.912</b>
Profit tax income/(expense)	(2.329.999)	(1.805.484)
<b>Profit / (Loss) for the year</b>	<b>21.553.673</b>	<b>16.706.428</b>
<b>Other comprehensive income items</b>		
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	(735.467)	(283.319)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>20.818.206</b>	<b>16.423.109</b>

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager

Vrancart S.A.

## Note to the interim consolidated financial statements

as at September 30<sup>th</sup>, 2017

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

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### The entity reporting

The Vrancart Group (“the Group”) includes the company Vrancart SA, having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County, and its branches Giant Prodimpex SRL, based in Ungheni locality, Str. Principală No. 161/J, Mureş County and Rom Paper S.R.L., based in Cristian township, Brasov county. The interim consolidated financial statements of the Group for the first nine months of 2017 are formed of the financial statements of Vrancart S.A. and of its branches, that form together the Group.

Branch	Field of activity	Shareholding as at	Shareholding as at
		September 30 <sup>th</sup> , 2017	December 31 <sup>st</sup> , 2016
Giant Prodimpex S.R.L.	Production of corrugated cardboard packaging	100%	100%
Rom Paper S.R.L.	Production of napkins and tissue paper products	85%	0%

The Group operates in the paperboards, tissue paper and corrugated cardboard fields.

### VRANCART S.A.

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, , Targu Mures, Craiova, 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, 2<sup>nd</sup> category, with the indicative VNC, starting from July 15<sup>th</sup>, 2005. The Group posts its consolidated financial statements on [www.vrancart.ro](http://www.vrancart.ro).

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

**Vrancart S.A.**

## **Note to the interim consolidated financial statements**

*as at September 30<sup>th</sup>, 2017*

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

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### ***GIANT PRODIMPEX S.R.L.***

On July 17<sup>th</sup>, 2015, the Company completed the process related to the acquisition of Giant Prodimpex S.R.L., that was approved by the Ordinary General Meeting of the Shareholders from April 29<sup>th</sup>/ 30<sup>th</sup>, 2015, through the Decision no. 7. Following the acquisition, Vrancart holds 100% of the shares of Giant Prodimpex S.R.L.

Giant Prodimpex S.R.L. (“the Branch”) was established in 1994 and it is a Romanian privately-owned company. The continuous investments in technology, production areas and not least, for personnel, shortly turned Giant into one of the most important corrugated cardboard processors in Romania.

### ***ROM PAPER S.R.L.***

On January 19<sup>th</sup>, 2017, the process related to the purchase of the shares of Rom Paper S.R.L. was completed. This purchase was approved by the Ordinary General Meeting of the Shareholders. Following the purchase, as at September 30<sup>th</sup>, 2017, Vrancart holds 85% of the shares. The acquisition contract provides the purchase of the shares in three annual trenches of 70% (completed), 15% (completed), respectively 15% (in 2018).

Rom Paper S.R.L. (“the Branch”) was established in 2002 and it is a Romanian privately-owned company. The products it manufactures are traded in 7 countries, on the territory of Romania and abroad, by means of store chains (hypermarkets, supermarkets, cash and carry), and also by means of distributors. The product range offered by the company went through a constant diversification and evolution, being adapted to customers’ needs.

### **Accounting principles, policies and methods**

The simplified interim consolidated financial statements for the first nine months ended on September 30<sup>th</sup>, 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 31<sup>st</sup>, 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 31<sup>st</sup>, 2016.

Combinations of entities are accounted for through the acquisition method on the date when the Group obtains control over the purchased entity. The control requires exposure or rights onto the variable results of the entity invested in, as well as the capacity to influence those results by exercising authority on that entity.

Branches are entities controlled by the Group. The financial statements of the branches are included in the consolidated financial statements from the date when control starts to be exercised until the date when it ceases.

The interim consolidated financial statements for the first nine months of 2017 have not been reviewed by an external financial auditor, as this is not a legal requirement.

Vrancart S.A.

## Note to the interim consolidated financial statements

as at September 30<sup>th</sup>, 2017

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

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### 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.

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> , 2017	December 31 <sup>st</sup> , 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 Group recorded as at September 30<sup>th</sup>, 2017 a positive cash balance in the amount of RON 15.901.174 and does not have any outstanding liabilities to the public budgets or to its private partners.

The Group gives particular importance to profitability indicators, by optimizing the operational and liquidity processes, through the effective use of resources.

Based on these analyses, the management considers that the Group will be able to continue its business in the foreseeable future, but not limited to the following 12 months and therefore, the application of the business continuity principle in the preparation of the financial statements is justified.

### Subsequent events

On October 23<sup>rd</sup>, 2017, dividends in the amount of RON 13.786.199 were paid to the shareholders of Vrancart S.A., according to the legal provisions, based on the Decision on the payment of 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 consolidated financial statements as at September 30<sup>th</sup>, 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 Group'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.

**CIUCIOI Ionel-Marian**  
General Manager

**ARSENE Vasilica-Monica**  
Financial Manager