

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
T: 0237 64 08 00, F: 0237 64 17 20
office@vrancart.com, www.vrancart.ro



Translation for information purposes only

Individual quarterly report corresponding to the 1st quarter of 2019 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report:	May 15 th , 2019
Name of the issuing entity:	VRANCART S.A.
Registered office:	Adjud, 17 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 securities issued are traded:	The Bucharest Stock Exchange

A. Overview as at March 31st, 2019

- Major events that occurred during the 1st quarter of 2019 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, 2019 and during the period between January 1st – March 31st, 2019, the evolution of the main financial indicators was as follows:

- The amount of equity as at March 31st, 2019 was RON 205.013.108, up by 2% from the amount recorded as at the year beginning, due to the profit achieved during the 1st quarter.

- The amount of the Company's current assets increased by 7% during the analysed period, due to the increase of trade receivables by 6% during the 1st quarter. The amount of current assets as at March 31st, 2019 was RON 110.562.122.
- The total liabilities recorded as at March 31st, 2019 amounted to RON 193.321.132, up by 2% from the amount recorded as at January 1st, 2019, due to the contracting of loans to finance the investments and the use of credit lines for the current activity.
- The operating income for the period amounted to RON 78.287.981, up by 10% from the same period of the previous year, due to the turnover increase by 5% during the same analysed period.
- The operating expenses for the period amounted to RON 71.636.133, up by 7% from the same period of the previous year. A significant increase by 16% was recorded by personnel-related expenses, due to the increase of the minimum national wage by approximately 10% during the 1st quarter of 2019.
- Under these conditions, the operating profit for the period amounted to RON 6.651.849, up by 64% from the amount recorded during the same period of the previous year. The net profit during the 1st quarter of 2019 was RON 4.413.150, up by 46% from the amount recorded during the same period of 2018.

The accounting report drawn up as at March 31st, 2019 was not audited by the financial auditor, as this is not a legal or statutory requirement.

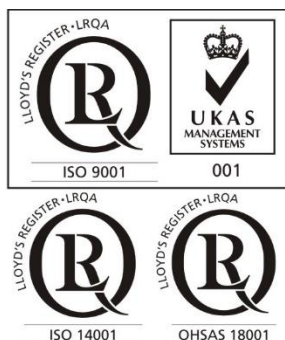
B. The economic and financial indicators as at March 31st, 2019

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,26
Indebtedness degree indicator	Borrowed capital /Equity ^x 100	%	65,95*
	Borrowed capital/Employed capital ^x 100	%	39,74*
Debts-customers turnover	Average customers balance/Turnover ^x 90	days	73,28
Non-current assets turnover	Turnover/Non-current assets	ratio	0,26

* 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



VRANCART S.A.
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Consolidated quarterly report corresponding to the 1st quarter of 2019 according to the Financial Supervisory Authority Regulation no. 5/2018

Date of report:	May 15 th , 2019
Name of the issuing entity: companies	VRANCART – Group of
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 trade:	The Bucharest Stock Exchange

A. Overview as at March 31st, 2019

- Major events that occurred during the 1st quarter of 2019 and their impact onto the consolidated financial position
- Overview of the consolidated 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, 2019 and during the period between January 1st – March 31st, 2019, the evolution of the main financial indicators was as follows:

- The amount of equity as at March 31st, 2019 was RON 207.799.099, up by 2,6% from the amount recorded as at the year beginning, due to the profit achieved during the 1st

quarter.

- The amount of the Company's current assets increased by 7% during the analysed period, due to the trade receivables increase by 6,5% during the 1st quarter. The amount of current assets as at March 31st, 2019 was RON 130.880.472.
- The total liabilities recorded as at March 31st, 2019 amounted to RON 224.326.954, up by 2% from the amount recorded as at January 1st, 2019, due to the contracting of loans to finance the investments and the use of credit lines for the current activity.
- The operating income for the period amounted to RON 94.759.677, up by 5% from the same period of the previous year, due to the turnover increase by 2% during the same analyzed period.
- The operating expenses for the period amounted to RON 87.534.351, up by 2,6% from the same period of the previous year. A significant increase by 13% was recorded by personnel-related expenses, due to the increase of the minimum national wage by approximately 10% during the 1st quarter of 2019.
- Under these conditions, the operating profit for the period amounted to RON 7.225.326, up by 54% from the amount recorded during the same period of the previous year. The net profit for the 1st quarter of 2019 amounted to RON 5.323.444, up by 5% from the amount recorded during the same period of 2018.

The consolidated accounting report drawn up as at March 31st, 2019 was not audited by the financial auditor, as this is not a legal or statutory requirement.

B. Economic and financial indicators at the Group level, as at March 31st, 2019

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,21
Indebtedness degree indicator	Borrowed capital /Equity ^x 100	%	72,18*
	Borrowed capital/Employed capital ^x 100	%	41,92*
Debts-customers turnover	Average customer balance/Turnover ^x 90	days	73,30
Non-current assets turnover	Turnover/Non-current assets	ratio	0,29

* 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

Translation for information purposes only

VRANCART S.A.

**Interim individual financial statements
(simplified, not audited)
as at March 31st, 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

VRANCART S.A.**Individual statement of financial position***as at March 31st, 2019**(all the amounts are expressed in RON, unless otherwise stated)*

	March 31st, 2019	December 31st, 2018
ASSETS		
Tangible assets	254.787.259	253.882.844
Intangible assets	737.320	742.663
Goodwill	3.380.811	3.380.811
Financial assets	28.866.728	28.866.728
Total non-current assets	287.772.118	286.873.046
Inventories	41.582.538	40.212.707
Trade receivables	63.360.101	59.884.485
Prepaid expenses	1.108.596	836.013
Cash and cash equivalents	4.270.723	2.064.372
Other receivables	240.164	93.484
Total current assets	110.562.122	103.091.061
TOTAL ASSETS	398.334.240	389.964.107
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	84.767.377	84.767.377
Retained earnings	17.077.377	12.664.226
Total equity	205.013.108	200.599.958
LIABILITIES		
Long-term loans	48.431.544	51.495.657
Long-term loans from bond issues	37.887.400	37.887.400
Deferred income	15.040.006	15.672.765
Long-term provisions	372.440	372.440
Debts related to deferred profit tax	3.252.735	3.253.586
Other long-term liabilities	362.600	362.600
Total long-term liabilities	105.346.725	109.044.448
Short-term trade liabilities	26.378.249	27.737.837
Short-term loans	48.882.057	39.840.140
Deferred income	2.534.697	2.535.916
Debts related to current profit tax	628.575	7.928
Other liabilities	9.550.830	10.197.880
Total current liabilities	87.974.407	80.319.701
TOTAL LIABILITIES	193.321.132	189.364.149
TOTAL EQUITY AND LIABILITIES	398.334.240	389.964.107

Notes to the statement of financial position as at March 31st, 2019

The amount of equity as at March 31st, 2019 was RON 205.013.108, up by 2% from the amount recorded as at the year beginning, due to the profit achieved during the 1st quarter.

The amount of the Company's current assets increased by 7% during the analysed period, due to the increase of trade receivables by 6% during the 1st quarter. The amount of current assets as at March 31st, 2019 is RON 110.562.122.

The total liabilities recorded as at March 31st, 2019 amount to RON 193.321.132, up by 2% from the amount recorded as at January 1st, 2019, due to the contracting of loans to finance the investments and the use of credit lines for the current activity.

Individual statement of comprehensive income

as at March 31st, 2019

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

	March 31 st , 2019	March 31 st , 2018
Income from turnover	74.211.758	70.758.023
Other income	684.736	772.414
Variation of finished products inventories and production in progress	3.391.488	(387.246)
Expenses related to raw materials and consumables	(41.676.639)	(40.204.094)
Expenses related to commodities	(1.000.445)	(1.306.682)
Third party expenses	(5.473.522)	(4.785.029)
Personnel-related expenses	(15.139.748)	(13.039.723)
Expenses related to amortisation and impairment of assets	(5.834.383)	(5.467.797)
Other expenses	(2.511.395)	(2.277.616)
Operating result	6.651.849	4.062.251
Financial income	354	415
Financial expenses	(1.611.329)	(935.853)
Profit before taxation	5.040.874	3.126.812
Profit tax expenses	(627.724)	(101.150)
Net profit	4.413.150	3.025.662
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
Transfer of the revaluation reserve to retained earnings following the cassation of tangible assets	-	-
TOTAL COMPREHENSIVE INCOME	4.413.150	3.025.662

Notes to the statement of comprehensive income for the 1st quarter of 2019, compared to the 1st quarter of 2018

The operating income for the period amounted to RON 78.287.981, up by 10% from the same period of the previous year, due to the turnover increase by 5% during the same analysed period.

The operating expenses for the period amounted to RON 71.636.133, up by 7% from the same period of the previous year. A significant increase by 16% was recorded by personnel-related expenses, due to the increase of the minimum national wage by approximately 10% during the 1st quarter of 2019.

Under these conditions, the operating profit for the period amounted to RON 6.651.849, up by 64% from the amount recorded during the same period of the previous year. The net profit for the 1st quarter of 2019 amounted to RON 4.413.150, up by 46% from the amount recorded during the same period of 2018.

Economic and financial indicators as at March 31st, 2019 (in accordance with Appendix no. 13 to the Financial Supervisory Authority Regulation no. 5/2018)

Indicator's name	Calculation modality	M.U.	March 31 st , 2019
Current liquidity indicator	Current assets/Current liabilities	ratio	1,26
Indebtedness degree indicator	Borrowed capital/Equity x 100	%	65,95*
	Borrowed capital/Employed capital x 100	%	39,74*
Debts-customers turnover	Average customers balance/Turnover x 90	days	73,28
Non-current assets turnover	Turnover/Non-current assets	ratio	0,26

* 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.

VRANCART S.A.

Summarized statement of changes in equity (not audited)

as at March 31st, 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
Balance as at January 1st, 2019	103.168.355	44.685.067	40.082.309	12.664.226	200.599.958
Total comprehensive income for the period					
Net profit/loss for the period	-	-	-	4.413.150	4.413.150
Other comprehensive income items					
Distribution from retained earnings	-	-	-	-	-
Other changes	-	-	-	-	-
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale of tangible assets	-	-	-	-	-
Total other comprehensive income items	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4.413.150	4.413.150
Balance as at March 31st, 2019	103.168.355	44.685.067	40.082.309	17.077.376	205.013.108

VRANCART S.A.

Notes to the interim individual financial statements

(simplified, not audited)

The entity reporting

Vrancart SA (“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, Craiova, Târgu Mureș, Baia Mare, Călimănești and Brăila.

The Company’s main object of activity is represented by the manufacture 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, Standard category, with the indicative VNC, starting from July 15th, 2005 and the company posts its financial statements on the website www.vrancart.ro.

As at March 31st, 2019, the Company is held in a percentage of 75% by SIF Banat - Crișana S.A. and in a percentage of 25% by other shareholders.

The records of shares and shareholders is 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 three months ended on March 31st, 2019 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim individual financial statements do not include all the information and elements presented in the annual report and shall be read together with the Company’s annual individual financial statements, drawn up as at December 31st, 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 31st, 2018.

The simplified interim individual financial statements for the 1st quarter of 2019 have not been audited and revised by an external auditor.

Transactions in foreign currencies

The operations expressed in foreign currencies are recorded in RON at the official exchange rate on the date of discounting of the transactions. The monetary assets and liabilities recorded in foreign currencies on the date of preparation of the accounting statements are converted into the functional currency at the exchange rate on that day.

VRANCART S.A.

Notes to the interim individual financial statements

(simplified, not audited)

The losses or gains from their discounting and from the conversion using the exchange rate at the end of the period for 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	March 31st, 2019	December 31st, 2018	Variation
Euro (EUR)	4.7628	4.6639	+2,12%
American dollars (USD)	4.2434	4.0736	+4,17%

Other notes

The company had a positive cash flow of RON 2.206.351 during the 1st quarter of 2019 and it does not have any outstanding debts to the public budgets or to its private partners.

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

Subsequent events

On **April 24th, 2019**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2018 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2019, along with the investments plan for the period between 2019 – 2020.

Through the decision no. 4/24.04.2019, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit of the financial year 2018 of the amount of RON 9.800.993,70 for **dividends** (namely dividends with a gross amount of RON 0,0095/share), the payment date being set for October 22nd, 2019.

Management's statement

According to our best information available, we confirm that the simplified interim individual financial statements for the period ended on March 31st, 2019, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Company's assets, liabilities, financial position and of its income and expenses, as provided by the applicable accounting standards, and that the statement of its operating performances and the information presented in this report provide a fair and accurate view of the main events that took place during the first three months of the financial year and of their impact onto the simplified interim financial statements.

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 March 31st, 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

VRANCART S.A.**Consolidated statement of financial position (not audited)***as at March 31st, 2019**(all the amounts are expressed in RON, unless otherwise stated)*

	March 31 st , 2019	December 31 st , 2018
ASSETS		
Tangible assets	284.850.883	284.802.972
Intangible assets	7.868.307	8.052.663
Financial assets	-	34.756
Goodwill	8.526.391	8.526.391
Total non-current assets	301.245.581	301.416.782
Inventories	50.433.930	48.922.412
Trade receivables	73.346.612	68.673.849
Prepaid expenses	1.154.490	880.606
Cash and cash equivalents	4.834.364	2.435.896
Receivables related to current profit tax	155.115	102.001
Other receivables	955.961	765.937
Total current assets	130.880.472	121.780.701
TOTAL ASSETS	432.126.053	423.197.483
EQUITY		
Share capital	103.168.355	103.168.355
Reserves	86.759.411	86.396.421
Retained earnings	17.871.333	12.949.042
Total equity	207.799.099	202.513.818
LIABILITIES		
Long-term loans	55.092.270	52.434.084
Long-term loans from bond issues	37.887.400	37.887.400
Deferred income	17.620.842	18.304.694
Long-term provisions	372.440	372.440
Debts related to deferred profit tax	5.117.945	5.143.692
Other long-term liabilities	362.600	362.600
Total long-term liabilities	116.453.497	114.504.910
Short-term trade liabilities	36.906.664	38.611.249
Short-term loans	56.648.292	53.202.034
Deferred income	2.739.071	2.740.289
Debts related to current profit tax	628.575	7.928
Other liabilities	10.950.855	11.617.255
Total current liabilities	107.873.457	106.178.755
TOTAL LIABILITIES	224.326.954	220.683.665
TOTAL EQUITY AND LIABILITIES	432.126.053	423.197.483

CIUCIOI Ionel-Marian
General Manager**ARSENE Vasilica-Monica**
Financial Manager

Notes to the consolidated statement of financial position as at March 31st, 2019

The amount of equity as at March 31st, 2019 was RON 207.799.099, up by 2,6% from the amount recorded as at the year beginning, due to the profit achieved during the 1st quarter.

The amount of the Company's current assets increased by 7% during the analysed period, due to the increase of trade receivables by 6,5% during the 1st quarter. The amount of current assets as at March 31st, 2019 is RON 130.880.472.

The total liabilities recorded as at March 31st, 2019 amount to RON 224.326.954, up by 2% from the amount recorded as at January 1st, 2019, due to the contracting of loans to finance the investments and the use of credit lines for the current activity.

Consolidated statement of comprehensive income (not audited)

as at March 31st, 2019

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

	March 31 st , 2019	March 31 st , 2018
Income from turnover	90.048.960	88.531.078
Other income	801.985	1.387.869
Variation of finished product inventories and production in progress	3.908.732	46.105
Expenses related to raw materials and consumables	(47.850.329)	(48.266.723)
Expenses related to commodities	(5.409.210)	(4.705.362)
Third party expenses	(7.000.962)	(6.469.555)
Personnel-related expenses	(17.498.088)	(15.512.344)
Expenses related to amortisation and impairment of assets	(6.551.920)	(7.283.615)
Other expenses	(3.223.842)	(3.040.823)
Operating result	7.225.326	4.686.630
Financial income	2.663	1.199.266
Financial expenses	(1.813.229)	(1.266.893)
Profit before taxation	5.414.760	4.619.003
Profit tax income (expense)	(91.316)	451.659
Profit for the year	5.323.444	5.070.662
Other comprehensive income items		
Increases in the reserve from the revaluation of tangible assets, net of deferred tax	-	-
Transfer of the revaluation reserve to retained earnings following the cassation of tangible assets	-	(197.315)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5.323.444	4.873.347

CIUCIOI Ionel-Marian
General Manager

ARSENE Vasilica-Monica
Financial Manager

Notes to the statement of comprehensive income for the 1st quarter of 2019, compared to the 1st quarter of 2018

The operating income for the period amounted to RON 94.759.677, up by 5% from the same period of the previous year, due to the turnover increase by 2% during the same analysed period.

The operating expenses for the period amounted to RON 87.534.351, up by 2,6% from the same period of the previous year. A significant increase by 13% was recorded by personnel-related expenses, due to the increase of the minimum national wage by approximately 10% during the 1st quarter of 2019.

Under these conditions, the operating profit for the period amounted to RON 7.225.326, up by 54% from the amount recorded during the same period of the previous year. The net profit of the 1st quarter of 2019 amounted to RON 5.323.444, up by 5% from the level recorded during the same period of 2018.

Economic and financial indicators at Group level, as at March 31st, 2019 (in accordance with Appendix no. 13 to the Financial Supervisory Authority Regulation no. 5/2018)

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,21
Indebtedness degree indicator	Borrowed capital/ Equity x 100	%	72,18*
	Borrowed capital/Employed capital x 100	%	41,92*
Debts-customers turnover	Average customer balance/Turnover x 90	days	73,30
Non-current assets turnover	Turnover/Non-current assets	ratio	0,29

* 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.

VRANCART S.A.

Notes to the interim consolidated financial statements (not audited)

as at March 31st, 2019

The entity reporting

Vrancart Group (“the Group”) includes the company Vrancart S.A., based in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county and its branch Rom Paper S.R.L. (“the Branch”), based in Cristian locality, DN73B, Brasov county.

The Group’s interim consolidated financial statements for the first three months of 2019 are formed of the financial statements of Vrancart S.A. and of its branch, together forming the Group.

Branch	Field of activity	Shareholding as at March 31st, 2019	Shareholding as at December 31st, 2018
Rom Paper S.R.L.	Production of napkins and tissue paper products	100%	100%

The Group performs its activity in the paperboards, tissue paper and corrugated cardboard industry.

VRANCART S.A.

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The company is based in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county.

The company has working points for waste paper collection opened in the following localities: Bucharest, Iași, Focșani, Bacău, Ploiești, Botoșani, Sibiu, Constanța, Arad, Brașov, Pitești, Timișoara, Cluj, Baia Mare, Târgu Mureș, Craiova, Brăila and Călimănești.

The company’s main object of activity is represented by the manufacture 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, Standard category, with the indicative VNC, starting from July 15th, 2005. The Group posts its consolidated financial statements on the website www.vrancart.ro.

As at March 31st, 2019, the Company is held in a percentage of 75% by SIF Banat - Crișana S.A. and in a percentage of 25% by other shareholders.

ROM PAPER S.R.L.

On January 20th, 2017, the company completed the process related to the acquisition of the majority stake of Rom Paper S.R.L., that was approved by the Ordinary General Meeting of the Shareholders.

Rom Paper S.R.L. (“the Branch”) was established in 2002 and it is a Romanian privately-owned company that produces napkins, folded towels, tissue paper, professional rolls, facial tissues and boxed tissues. The products manufactured are traded in 7 countries, on the Romanian territory and abroad, by means of store chains (hypermarkets, supermarkets, cash and carry), and also by means of distributors.

The acquisition agreement provided the sale of 70% of the shares of Rom Paper S.R.L. in the first stage.

The Group had the option to acquire the remaining shares as follows: 15% of the shares in April 2017 (call 1 option) and 15% of the shares in April 2018 (call 2 option).

If the Company failed to exert its option to acquire the remaining shares, the sellers of Rom Paper S.R.L. had the option to sell these to the Company as follows: 15% of the shares in 2017 (put 1 option) and 15% of the shares in 2018 (put 2 option).

During the period when the option rights could be exerted by both parties, it was forbidden the granting of dividends by Rom Paper S.R.L. The price at which the Seller’s options, respectively the Buyer’s options were exerted, was based on an EBITDA multiplier corresponding to the latest financial year ended previously to the periods during which the options could be exerted.

As at March 31st, 2019, the Group held 100% of the shares of Rom Paper S.R.L., following the exertion of the call 2 option for the acquisition of 15% of the shares of Rom Paper S.R.L. in 2018.

Accounting principles, policies and methods

The simplified interim consolidated financial statements for the first three months ended on March 31st, 2019 were drafted in accordance with IAS 34 Interim Financial Statements.

The simplified interim consolidated financial statements do not include all the information and elements included in the annual report and must be read with the Company’s annual financial statements, drawn up as at December 31st, 2018.

The accounting policies and the evaluation methods used for the preparation of the simplified interim consolidated 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, 2018.

Combinations of entities are accounted through the purchase method on the date when the Group obtains control over the acquired entity. Control requires exposure or rights onto the variable results of the entity invested in, as well as the ability to influence those results by exerting authority over the entity in question.

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 being exerted until the date of its cessation.

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

Transactions in foreign currency

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

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

The losses or gains from their discounting and from the conversion using the exchange rate at the end of the period for 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	March 31st, 2019	December 31st, 2018	Variation
Euro (EUR)	4.7628	4.6639	+2,12%
American dollar (USD)	4.2434	4.0736	+4,17%

Other notes

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

As at March 31st, 2019, the Group recorded a positive cash balance of RON 4.834.364 and it does not have any outstanding debts to the public budgets or to its private partners.

The Group pays particular attention to profitability indicators, by streamlining its operational processes and to liquidity indicators, through the effective use of resources.

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

Subsequent events

On **April 24th, 2019**, the Ordinary General Meeting of the Shareholders approved the individual and consolidated financial statements as at December 31st, 2018 and the Revenues and Expenses Budget of VRANCART S.A. for the financial year 2019, along with the investments plan for the period between 2019 – 2020.

Through the decision no. 4/April 24th, 2019, the Ordinary General Meeting of the Shareholders approved the distribution of **dividends** from the net profit of the financial year 2018 in the amount of RON 9.800.993,70 (namely dividends with a gross amount of RON 0,0095/share), the payment date being set for October 22nd, 2019.

Management's statement

According to our best information available, we confirm that the simplified interim consolidated financial statements as at March 31st, 2019 and for the period then ended, drawn up in accordance with the International Financial Reporting Standards, provide a fair and accurate view of the Group'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 took place during the first three 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