

INDEPENDENT LIMITED ASSURANCE REPORT ON THE INFORMATION INCLUDED IN THE CURRENT REPORTS DRAWN UP BY THE COMPANY IN ACCORDANCE WITH THE PROVISIONS OF LAW NO. 24/2017 AND OF THE REGULATION NO. 5/2018

**To the Board of Directors,
Vrancart S.A.**

1. We have been engaged by the Board of Directors of Vrancart S.A. („the Company”) to report on the information included in the enclosed Current Report dated 18 May 2022 prepared by the Company, comprising the juridical deeds concluded during the period between January 1st, 2022 - May 17st, 2022 by the Company, in accordance with the provisions of article 108 of Law no. 24/2017 for issuers of financial instruments and other market operations („Law no. 24/2017”), according to which transactions over 5% from the net assets are included in Current Reports, and of the Regulation no. 5/2018 of the Financial Supervisory Authority („ASF”) on issuers and securities operations, with the subsequent amendments („Regulation no. 5/2018”) (hereinafter referred to as Reported transactions included in the “Current Reports”), in the form of an independent limited assurance conclusion if, based on the procedures performed, nothing came to our attention that would make us to believe that the price of the Reported Transactions included in the Current Report does not meet, in all material aspects, the criteria defined in paragraph 10 of this independent limited assurance report.

Responsibilities of the Company’s management

2. The Company’s Management is responsible to prepare and submit the Current reports that are free of material misstatements, in accordance with art. 108 of Law no. 24/2017 and with Regulation no. 5/2018, for their completeness and for the information presented therein, for the accuracy of the prices used of the Reported transactions included in the Current reports by reference to the other offers available on the market, as well as for the fulfilment of the criteria defined in paragraph 10 of this report. This responsibility includes: designing, implementing and maintaining a relevant internal control for preparing and submission of the Current reports that are free of material misstatements, whether due to fraud or error and for recording the Reported Transactions included in the Current reports at a fair price by reference to the other offers available on the market and for the fulfilment of the criteria defined in paragraph 10 of this report. This responsibility also includes assuring the compliance with the requirements of art. 108 of Law no. 24/2017 and of the Regulation no. 5/2018, the compliance of the Reported transactions included in the Current reports with the supporting documents and the maintenance of adequate records in relation to the Reported transactions and the Current reports. The company’s management is responsible to prevent and detect fraud and to assure the Company’s compliance with the legislation and the regulations in force. The Company’s management is responsible to make sure that the personnel involved in the conclusion of the Reported transactions included in the Current reports and the drafting of the Current reports is adequately trained and the computer systems are adequately updated.

Auditor’s responsibilities

3. Our responsibility is to analyze the Reported transactions included in the Current reports submitted by the Company and to report in the form of an independent limited assurance conclusion, based on the evidences obtained. We have conducted our engagement in accordance with the International Standard for Assurance Engagements („ISAE”) 3000 Assurance engagements, other than audits or reviews of historical financial information issued by the Council for International Audit and Assurance Standards. This standard requires us to plan and perform our procedures in such manner, to obtain an adequate assurance level if the price of the Reported transactions included in the Current reports meets, in all material aspects, the criteria defined in paragraph 10 of this independent limited assurance report as a basis for our independent limited assurance conclusion.
4. We apply the International Standard on Quality Control 1 and, therefore, we have a complex quality control system, including documented policies and procedures related to the compliance with the ethical requirements, professional standards and legal provisions and of the applicable regulatory bodies.
5. We have met the independence requirements and other ethical requirements provided by the Code of Ethics of the Professional Accountant issued by the Council for International Ethics Standards for Accountants that are based on the fundamental principles of integrity, objectiveness, professional competence and diligence, confidentiality and professionalism.

6. The selected procedures depend on our understanding of the Reported transactions included in the Current reports and of other circumstances of the engagement, as well as on our considerations related to the areas where material misstatements could occur. In obtaining an understanding of the Reported transactions included in the Current reports, we have taken into consideration the process used by the Company to conclude the transactions and to prepare and submit the Current reports in accordance with the requirements of art. 108 of Law no. 24/2017 and of Regulation no. 5/2018 in order to determine the relevant assurance procedures under the given circumstances, but not for the purpose of stating a conclusion on the effectiveness of the process or of the Company's internal control for the conclusion of the Reported transactions included in the Current reports and for the drafting and submission of the Current reports.

The procedures conducted consisted mainly of taking interviews of the management and of other employees of the Company, comparison of the price used for the transactions reported in the Current reports with the criteria used by the Management to evaluate it, as well as of evaluating the evidence obtained.

7. The procedures conducted to obtain evidences within a limited assurance engagement are different in terms of nature and timing and are more restricted, in terms of scope, than the procedures conducted within a reasonable assurance engagement. Therefore, the assurance level that is obtained within a limited assurance engagement is considerably lower than the assurance level that would have been obtained if a reasonable assurance engagement had been conducted.
8. As part of this engagement, we have not conducted any procedures for auditing, reviewing or verification of the Reported transactions included in the Current reports in accordance with the International Audit Standards or the International Standards on Reviewing Engagements or of the sources from which the transactions included in the Current reports originate, nor did we conduct any procedures related to the completeness of the Reported transactions included in the Current reports.
9. Our procedures were applied only for the Sales of finished goods Agreement 30732/ 03.01.2019 (with no addendums in the current year) and the Sale of wastepaper Agreement 471/ 01.09.2016 (with no addendums in the current year). Procedures were applied also for the following contracts which are related to the transfer of a part of operations to Rom Paper SRL subsidiary, respectively: rent Agreement 3935/ 13.02.2020, Agreement for rented equipment 11300/ 29.05.2020, Agreement for maintenance 8940/ 23.04.2020, Car sublease agreement 3934/ 07.11.2019 and Agreement for sale of fixed assets 5297/ 28.12.2021 concluded with Rom Paper S.R.L. We did not conduct any procedures to check whether the Current report include all the transactions and details on the transactions that the Company must report in accordance with the requirements of art. 108 of Law no. 24/2017 and with Regulation no. 5/2018 for the period between January 1st, 2022 - May 17st, 2022.

Criteria

10. The criteria used within this engagement were as follows:

- for the current report related to the sale of finished goods agreement 30732/ 03.01.2019: the comparison of the applicable sale prices with the affiliated company to the sale prices applicable to other customers within the normal course of business.
- for the current report related to the sale of wastepaper agreement 471/ 01.09.2016: the comparison of the applicable sale prices with the affiliated company to the sale prices applicable to other customers within the normal course of business.
- for the current report related to agreements 11300/29.05.2020, 8940/23.04.2020, 3934/ 07.11.2019 and the agreement from 28.12.2021 we did not observe the comparison between prices used and market prices, taking into account the strategic objective of transferring part of the operations and providing additional related services (rent, maintenance).
- For the current reports related to agreement 5297/ 28.12.2021: comparison of selling prices used for affiliated party transactions with market value determined by external experts.

Conclusion

11. Our conclusion was formed based on and considering the aspects presented in this report.

12. We believe that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.



13. Based on the procedures conducted and the evidences obtained, we have not identified any matters that would make us believe that the price related to the Reported transactions included in the Current report does not meet, in all material aspects, the criteria defined in paragraph 10 of this independent limited assurance report.
14. In accordance with the engagement terms, our independent limited assurance report on the information included in the enclosed Current report dated 18 May 2022 drafted by the Company's Management to report to the Financial Supervisory Authority in accordance with the requirements of art. 108 of Law no. 24/2017 and of the Regulation no. 5/2018, was drafted for the Company's Board of Directors in relation to the requirements of these regulations and for no other purpose or in any other context.
15. The price of the Reported transactions included in the Current report was assessed based on the criteria defined in paragraph 10 of this independent limited assurance report. The criteria were developed only for the purpose of this engagement and should not be considered adequate for any other purpose.

Restrictions on the use of our report

16. Our report must not be considered adequate for use by other parties that want to acquire rights against us, other than the Company, for any purpose or in any context. Any third party, other than the Company, that gains access to our report or to a copy thereof and chooses to rely on our report (or on any part thereof) shall do this by its own responsibility. To the extent permitted by law, we do not accept and do not assume responsibility to third parties other than to the Company's Board of Directors, as a whole, for our engagement, for this report or for the conclusion obtained.
17. This report is addressed to the Company's Board of Directors, as a whole, assuming that it will not be copied, mentioned or presented, in its entirety (except for the Company's internal purposes) or in part, without our prior written consent. A copy of this independent limited assurance report may be submitted to the Financial Supervisory Authority.

On behalf of BDO AUDIT SRL

Registered to Electronic Public Register of
financial auditors and audit companies no. FA18

Refer to original signed version in Romanian language
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Name of the engagement partner: Cristian Iliescu

Registered to Electronic Public Register of
financial auditors and audit companies no. AF1530

July 29, 2022

Bucharest, Romania



Către:

**Autoritatea de Supraveghere Financiară din România (ASF)
Bursa de Valori București (BVB)**

Raport curent conform Legii nr. 24/2017 privind emitenții de instrumente financiare și operațiuni de piață, Regulamentului ASF nr. 5/2018 și Codului Burselor de Valori București

Data Raportului: **18 mai 2022**

Denumirea entității emitente: **VRANCART S.A.**

Sediul Social: **Mun. Adjud, Str. Ecaterina Teodoroiu, Nr. 17, Jud. Vrancea, România**

Număr de telefon/fax: **004-0237-640800/ 004-0237-641720**

Codul unic de înregistrare fiscală: **RO 1454846**

Număr de ordine în Registrul Comerțului: **J39/239/1991**

Capital social subscris și vărsat: **120.338.551,40 RON**

Piața reglementată pe care se tranzacționează valorile mobiliare emise: **Bursa de Valori București (BVB)**

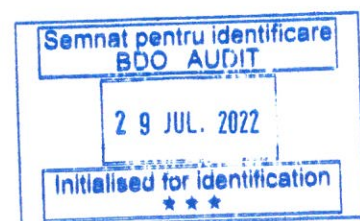
Evenimente importante de raportat:

Raportarea tranzacțiilor cu părți afiliate, conform art. 108 din Legea nr. 24/2017, încheiate între VRANCART S.A. (VNC) și ROM PAPER S.R.L., filiala sa.

VRANCART S.A. informează acționarii și investitorii că, la data de 17 mai 2022, valoarea tranzacțiilor comerciale dintre VRANCART S.A. și filiala sa, ROM PAPER S.R.L., cumulată cu restul tranzacțiilor încheiate/efectuate în perioada 01 ianuarie 2022 – 17 mai 2022, depășește pragul de 5% din activele nete ale VRANCART S.A., conform situațiilor financiare individuale aferente anului 2021.

Detaliile privind tranzacțiile până la data de 17 mai 2022, conținând informații cu privire la data încheierii, natura tranzacțiilor, descrierea obiectului acestora, valoarea tranzacțiilor, data expirării, creanțele și datoriile reciproce, garanțiile constituite, penalitățile stipulate, termenele și modalitățile de plată sunt prezentate în Anexa 1.

**Președinte Consiliu de Administrație
Ionel-Marian CIUCIOI**



Anexa 1 – Detaliile tranzacțiilor încheiate între VRANCART S.A. și ROM PAPER S.R.L. în perioada 01 ianuarie 2022 – 17 mai 2022, de tipul celor enumerate la art. 108 din Legea nr. 24/2017

Nr. crt	Societatea	Obiectul tranzacției	Tip si Nr. Contract	Data încheierii	Durata contract/act adițional	Valoare tranzacții 01.01.2022-17.05.2022 (RON)	Valoare totală tranzacții (estimat) (RON)	Garanții (RON)	Penalități	Termen de plată
	Denumire									
0	1	2	3	4	5	6	7	8	9	10
1	ROM PAPER S.R.L.	Vânzare – cumpărare deșeuri	Contract de vânzare – cumpărare nr. 471	01.09.2016	Durată nelimitată	53.538	160.000	n/a	0,06 %/zi de întârziere	La 30 de zile de la facturare - cu OP sau compensare
2	ROM PAPER S.R.L.	Vânzare – cumpărare produs finit	Contract de vânzare – cumpărare nr. 30732	03.01.2019	1 an (cu prelungire automată pe durate de câte 1 an)	14.506.014	26.431.000	n/a	n/a	La 90 de zile de la facturare - cu OP sau compensare
3	ROM PAPER S.R.L.	Subînchiriere imobil	Contract de subînchiriere nr. 3935	13.02.2020	31.03.2022	100.228	100.228	n/a	0,1 %/zi de întârziere	Trimestrial, la 30 de zile de la facturare - cu OP sau compensare
4	ROM PAPER S.R.L.	Locațiune echipamente	Contract de locațiune nr. 11300	29.05.2020	31.03.2022	232.239	232.239	n/a	0,1 %/zi de întârziere	La 90 de zile de la facturare - cu OP sau compensare
5	ROM PAPER S.R.L.	Prestare servicii mentenanță	Contract cadru de mentenanță nr. 8940	23.04.2020	31.03.2022	72.974	72.974	n/a	0,1%/zi de intarziere	La 90 de zile de la facturare - cu OP sau compensare
6	ROM PAPER S.R.L.	Vânzare active	Contract de vânzare nr. 5297	28.12.2021	6 luni	6.006.138	6.006.138	n/a	0,1%/zi de intarziere	La 30 de zile de la facturare - cu OP
7	ROM PAPER S.R.L.	Sublocațiune auto	Contract de sublocațiune auto nr. 3934	29.11.2019	07.11.2022	2260	14.100	n/a	n/a	La 15 zile de la facturare - cu OP

Valoarea totală a tranzacțiilor realizate în perioada 01 ianuarie 2022 – 17 mai 2022: 20.973.391 RON

Datoriile reciproce scadente și nescadente ale VRANCART S.A. către ROM PAPER S.R.L. la 17 mai 2022: 47.782 RON

Datoriile reciproce scadente și nescadente ale ROM PAPER S.R.L. către VRANCART S.A. la 17 mai 2022: 12.416.203 RON

