



To,

The Financial Supervisory Authority
The Bucharest Stock Exchange

CURRENT REPORT

Prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions, FSA Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions and the Bucharest Stock Exchange Code

Date of report:	July 31 st , 2024
Name of the issuing entity:	VRANCART
Registered office:	Adjud, 17 th Ecaterina Teodoroiu Street, Vrancea County
Telephone/fax no.:	0237-640.800/0237-641.720
Tax Identification Number:	RO 1454846
Trade Registry registration no.:	J39/239/1991
Subscribed and paid-in share capital:	RON 169,121,665.30
The regulated trading market:	The Bucharest Stock Exchange

Major events to report:

Independent Limited Assurance Report of the Financial Auditor pursuant to Article 108 of Law no. 24/2017 for transactions concluded during the first half of 2024

VRANCART informs the shareholders and investors, in accordance with the provisions of Art. 108 paras. (5) - (7) of Law no. 24/2017, on the Independent Limited Assurance Report of the Financial Auditor on the transactions reported by VRANCART pursuant to Art. 108 of Law no. 24/2017 in the first semester of 2024.

The Report is presented in the Appendix.

General Manager

Nicu – Ciprian FEDOR



Independent Limited Assurance Report

To the Board of Directors of Vrancart SA

Introduction

We have been engaged by the Board of Directors of Vrancart S.A. (the "Company") to perform a limited assurance engagement on the information included in the attached Current Report dated 29 May 2024 ("the "Current Report"), issued by the Company under the requirements of Article 108 of the Law No. 24/2017 for issuers of financial instruments and market operations, with the subsequent amendments and additions ("Law 24/2017") and in accordance with the Regulation No. 5/2018 of the Financial Supervisory Authority ("Regulation No. 5/2018"), for the period from 1 January 2024 to 30 June 2024.

Description of the subject matter and applicable criteria

The Company has prepared and published the following Current Report:

1. Current Report regarding the transactions with Vrancart Recycling SRL, dated 29 May 2024.

This Current Report contain list of transactions with related parties and other information to comply with the requirements of Article 108 of the Law 24/2017 and Regulation No. 5/2018 ("Reported Transactions").

The criteria for our assessment of the Reported Transactions is contained in items 5 and 6 of Article 108 of the Law 24/2017, specifically:

- (1) the Reported Transactions are correct and justified from the point of view of the Company and of the shareholders who are not affiliated parties, including the minority shareholders, and the Current Reports include explanations of the assumptions on which they are based, and the methods used;
- (2) the prices related to the Reported Transactions and disclosed in the Current Reports, combined with the rights and obligations assumed by the parties, are correct by reference to the other existing offers on the market or if the transactions are not carried out at the market price, the causes that led to this derogation and the pricing policies will be specified.

The requirements stated above (the "Applicable Criteria"), in our view, constitute appropriate criteria to form the limited assurance conclusion.

According to the requirements of Law 24/2017, the reported transactions included in the Current Report are subject to verification by an independent auditor for the purpose of submitting this report to The Financial Supervisory Authority ("ASF") and the Bucharest Stock Exchange ("BVB"). This report was prepared to assist the Company in fulfilling these requirements.

Responsibility of the Management

The Management of the Company is responsible for the preparation of the Reported Transactions included in the Current Reports in accordance with Law 24/2017 and the Regulation No. 5/2018. The Management is also responsible for correctness and justification of the Reported Transactions and for application of correct prices to the Reported Transactions by reference to the other existing offers on the market. This includes the responsibility for the selection and application of the appropriate methods for preparation of financial data and non-financial information, as well as for the design, implementation and maintenance of systems and processes of internal control and accounting

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records, that are necessary to enable preparation of the Current Report and assessment of the Reported Transactions that is free of material misstatements, whether due to fraud or error, and complies with the applicable requirements.

Our responsibility

Our responsibility was to assess the compliance, in all material respects, of the Reported Transactions included in the Current Reports with the Applicable Criteria and to express, based on the evidence obtained, an independent limited assurance conclusion.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) – “*Assurance Engagements other than Audits and Reviews of Historical Financial Information*” (“ISAE 3000”). This standard requires that we comply with ethical requirements, and to plan and perform procedures to obtain limited assurance whether the information included in the Current Report are prepared, in all material respects, in accordance with the Applicable Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Quality management requirements and professional ethics

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining limited assurance whether the information about the Reported Transactions included in the Current Report complies with the Applicable Criteria. We have performed the following procedures:

- We have obtained from the Company the attached Current Report, related to the verified period and the details of the transactions included in these Reports.
- We verified that the persons approving this Current Report are the authorized representatives of the Company and requested the list of authorized signatures.
- We inquired the management how they identified the Reported Transactions and about procedures and policies designed to avoid omitting relevant information from the Current Report.
- We inquired the management how the management ensured the Current Report include all transactions that need to be reported according to the legal requirements and no significant information in the Current Report is omitted.
- For a sample of the Reported Transactions presented in the Current Report, we have determined whether their details correspond, in all material respects, with the information included in the signed contracts and/or other similar contractual documentation made available to us and whether they were signed by representatives of the Company, in accordance with the list of authorized

signatures provided to us. Where it was the case, we compared whether the details included in the Current Report correspond with the documentation related to the respective contracts: the parties who signed the supporting documents; the date the documentation was signed and its nature; description of the type of goods/services indicated in the documentation; the total realised or estimated value of the contracts and, where applicable, the established guarantees and stipulated penalties, the terms and method of payment, as well as the related contractual conditions.

- We inquired the management representatives whether market prices existed for the Reported Transactions or other offers were available on the market on comparable terms. We also inquired management whether the Reported Transactions are correct and justified from the point of view of the Company and the shareholders, including the minority shareholders, and, where relevant, obtained management's explanation of the assumptions on which they based their conclusion as well as of the methods used by them.
- For a sample of the Reported Transactions, to the extent that there is a market price for the goods or services provided between the Company and the related parties, we discussed with the Company's management how these prices were determined and whether, on a case-by-case basis, the agreed prices correspond to those used in contractual relations with other parties (third parties), for similar services or goods, and respectively if the related contracts are approved by the Company's Board of Directors.

In the event that there were no market prices or offers available, we have analyzed whether the respective transactions are carried out based on the Company's internal procedures regarding the substantiation of the price and, respectively, the related contracts are approved by the Board of Directors of the Company, in accordance with its internal procedures.

In cases the Reported Transactions were not carried out at the market prices, we obtained the Management representation about the causes that led to this derogation and the related pricing policies.

The Current Report was not subject to audit as defined in International Standards on Auditing. In the course of performing the limited assurance procedures, we have not conducted an audit or review of the historical financial information used in the process of preparation of the Current Report and therefore we do not accept any responsibility for the issuance or update of any reports or opinions on historical financial information of the Company.

Our procedures were carried out, as described above, exclusively on the Reported Transactions included in the attached Current Report, published by the Company's Management in the period 1 January – 30 June 2024, related to the same period. We did not perform any procedure to determine whether the Current Report include all transactions that the Company had to report in accordance with the requirements of Law 24/2017 in this period.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Reported Transactions included in the Current Report do not comply, in all material respects, with the Applicable Criteria.

Restrictions of use and distribution

This report has been prepared by PricewaterhouseCoopers Audit SRL for the Board of Directors of the Company. and is intended solely to fulfill the purpose described in the section "*Description of the subject matter and applicable criteria*". It should not be used for any other purpose.

In connection with this report, PricewaterhouseCoopers Audit SRL does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) towards entities other than the Company. The above does not relieve us of liability where such release is excluded by law.

We permit this report to be published on the Company's website. The Management Board of the Company is responsible for publishing the Report on the Company's website and for the reliability of information on the Company's website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the Company's website.

On behalf of PricewaterhouseCoopers Audit SRL

PricewaterhouseCoopers Audit SRL

Audit firm registered in the Auditors' Public Register with the number FA6

**Refer to the original signed
Romanian version**

Florin Deaconescu

Statutory Auditor

the Public Electronic Register of financial auditors and audit firms under no AF1524

Bucharest, 30 July 2024



To:

**Romanian Financial Supervisory Authority (FSA)
Bucharest Stock Exchange (BSE)**

Current report in compliance with the Law 24/2017 on issuers of financial instruments and market operations, SFA Regulation no. 5/2018 and the BSE Code

Report date: **May 29th, 2024**

Company name: **VRANCART**

Headquarters: **Adjud, 17th Ecaterina Teodoroiu Street, Vrancea County, Romania**

Phone/fax no.: **004-0237-640800/ 004-0237-641720**

Fiscal Code: **RO 1454846**

Trade Register registration number: **J39/239/1991**

Subscribed and paid in share capital: **169,121,665.30 RON**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BSE)**

Significant events to be reported:

Transactions with related parties according to Art. 108 of Law no. 24/2017 concluded between VRANCART (VNC) and its subsidiary VRANCART RECYCLING.

VRANCART informs its shareholders and investors that the transactions concluded with its subsidiary VRANCART RECYCLING from the beginning of the year, namely in the period January 01st, 2024 - May 28th, 2024, exceeds the threshold of 5% of the net assets of VRANCART, according to the individual financial statements for the year 2023.

Details of the transactions concluded in the period January 01st, 2024 - May 28th, 2024, containing information on the date of conclusion, the nature of the transactions, the description of their subject matter, the value of the transactions, the expiry date, the mutual claims and debts, the guarantees constituted, the penalties stipulated, the terms and methods of payment are set out in the Annex.

**General Manager
Nicu – Ciprian FEDOR**

Annex – Details of the transactions concluded between VRANCART and VRANCART RECYCLING between January 1st, 2024 – May 28th, 2024, of the type listed in Art. 108 of Law 24/2017

No.	Company	Scope of transaction	Type and contract number	Closing date	Contract / Addendum	Amount of transactions January 1 st , 2024 – May 28 th , 2024 (RON)	Total amount of transactions (estimated 2024) (RON)	Guarantees (RON)	Penalties	Payment terms
	Name									
0	1	2	3	4	5	6	7	8	9	10
1	Vrancart Recycling	Provision of various services	Service contract no. 39	January 3 rd , 2022	Automatic extension with periods of 1 (year)	229,523	2,000,000	n/a	n/a	Within 30 days from the invoice, with PO
2	Vrancart Recycling	Creation of a real right	Surface contract no. 938	June 03 rd , 2021	99 years	6,147	25,000	n/a	0,1%/day of delay	Monthly, within 30 days from the invoice, with PO
3	Vrancart Recycling	Rental of head office space	Rental contract	August 20 th , 2020	10 years	2,487	10,000	n/a	n/a	Monthly, within 15 days from the invoice, with PO
4	Vrancart Recycling	Sale of wooden packaging	Sale contract no. 9532	May 31 st , 2022	Automatic extension with periods of 1 (year)	201,259	2,000,000	n/a	0,5%/day of delay	Within 30 days from the invoice, with PO
5	Vrancart Recycling	Wooden pallet sales	Sale contract no. 182	May 31 st , 2022	Automatic extension with periods of 1 (year)	1,467,126	7,000,000	n/a	0,5%/day of delay	Within 30 days from the invoice, with PO
6	Vrancart Recycling	Goods acquisition	No contract	March – May 2024	n/a	38,688	100,000	n/a	n/a	Within 15 days from the invoice, with PO
7	Vrancart Recycling	Waste recycling	Recycling contract no. 180	May 31 st , 2022	Automatic extension with periods of 1 (year)	704	50,000	n/a	0,5%/day of delay	Within 30 days from the invoice, with PO

8	Vrancart Recycling	Various services	Service contract no. 001	September 1 st , 2021	Automatic extension with periods of 1 (year)	509,440	3,000,000	n/a	0,1%/day of delay	Within 30 days from the invoice, with PO
9	Vrancart Recycling	Loan	Loan agreement no. 21,776	December 14 th , 2022	December 31 st , 2031	14,550,000	34,000,000	n/a	n/a	3m+2% Robor interest rate, payable quarterly
10	Vrancart Recycling	Interest received	Loan agreement no. 21,776	March 31 st , 2024	December 31 st , 2021	300,969	2,500,000	n/a	n/a	Quarterly
11	Vrancart Recycling	VAT Take-up	Set up of a VAT tax group	November 2021	n/a	1,763,178	5,000,000	n/a	n/a	Monthly
12	Vrancart Recycling	PSI Services	Service contract no. 330	November 17 th , 2023	1 year	120.000	360,000	n/a	n/a	Within 30 days from the invoice, with PO
13	Vrancart Recycling	Canteen goods	No contract	March - May 2024	n/a	1,698	5,000	n/a	n/a	December 31 st , 2024

The total value of the transactions during the period January 1st, 2024 – May 28th, 2024: 19,191,219 RON
Due and non-due mutual debts of VRANCART to VRANCART RECYCLING on May 28th, 2024: 2,973,680 RON
Due and non-due mutual debts of VRANCART RECYCLING to VRANCART on May 28th, 2024: 28,677,936 RON