



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
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To,
**The Financial Supervisory Authority
The Bucharest Stock Exchange**

Current report according to the CNVM Regulation no. 1/2006

Date of report:	July 28th, 2017
Name of the issuing entity:	VRANCART S.A.
Registered office:	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax number:	0237-640.800/0237-641.720
Tax Identification Number:	RO 1454846
Trade Registry registration number:	J39/239/1991
Subscribed and paid-in share capital:	103.168.354,70 lei
The regulated trading market:	The Bucharest Stock Exchange

Major events to report:

The company VRANCART S.A. Adjud informs its shareholders and investors that the transactions reported under art. 82 of Law no. 24/2017, that were made between our company and Industrial Energy S.A. Bucharest under the electricity supply agreement, for the period between January 1st, 2017 – June 30th, 2017, fall under the category of regular transactions that take place between electricity suppliers and consumers, an opinion certified by the financial auditor, according to the additional half-yearly report enclosed hereto.

We enclose hereto the financial auditor's additional report, related to the transactions performed with Industrial Energy S.A. Bucharest between January 1st, 2017 – June 30th, 2017.

**Chairman of the Board of Administrators,
Ec. Ciucioi Ionel-Marian**





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Actual findings report

To the Board of Administrators
Vrancart S.A.

We performed the procedures agreed through the services agreement concluded on July 7th, 2017 between Vrancart S.A. („the Company”) and KPMG Audit S.R.L. in relation to the juridical deeds reported by the company to the Financial Supervisory Authority and the Bucharest Stock Exchange, through the „Current report according to the CNVM Regulation no. 1/2006 of CNVM” dated February 17th, 2017; „Current report according to the CNVM Regulation no. 1/2006 of CNVM” dated May 31st, 2017; „Current report according to the CNVM Regulation no. 1/2006 of CNVM” dated June 16th, 2017; „Current report according to the CNVM Regulation no. 1/2006 of CNVM” dated June 26th, 2017; (hereinafter referred to as „the Current reports”) enclosed hereto.

The agreed-upon procedures were performed in accordance with the International Standard on Related Services 4400 „Engagements to perform agreed-upon procedures regarding financial information” („ISRS 4400”).

These procedures were only conducted to assist the Company in complying with the reporting requirements provided by the CNVM Regulation no. 1/2006 regarding related-party transactions reported through the Current reports. The sufficiency of the procedures is the exclusive responsibility of the specified users of this report. Therefore, we will not provide any representation on the sufficiency of the agreed procedures conducted by us for the purpose that the report was issued or for any other purpose. The procedures performed are detailed below:

We performed the following procedures:

1. obtaining the juridical deeds included in the Current reports – the addenda no. 2-5/2017 to the electricity supply agreement no. C0.FZ – 354/2016 dated June 28th, 2016.
2. the reconciliation of the information presented in the Current reports: the parties that concluded the juridical deed, the date of conclusion and the type of deed, the description of its subject-matter, the total value of the juridical deed, the mutual receivables, the



guarantees established, the stipulated penalties, the payment terms and modalities with the provisions of the addenda obtained through the procedure mentioned in item 1.

3. obtaining from the Company the alternative offers requested from electricity suppliers, as part of the process conducted by the Company to assign the company to be contracted to supply electricity, respectively to continue the contractual relations (mentioned in item 1).

Comparing the price of electricity according to the juridical deeds in the Current reports to the arithmetic average calculated based on the alternative offers that were supplied to us by the Company, and reporting whether these have any deviation that represents a deviation percentage higher than $\pm 3\%$ compared to the arithmetic average of the prices in the alternative offers.

Our findings are presented below:

1. Regarding the 1st procedure, we obtained the juridical deeds included in the Current reports – the electricity supply agreement no. C0.FZ -354/2016 dated June 28th, 2016 and the addenda 2-5/2017 thereto.
2. Regarding the second procedure, we have reconciled the information included in the Current reports: the parties that concluded the juridical deed, the date of conclusion and the type of deed, the description of its subject-matter, the total value of the juridical deed, the mutual receivables, the guarantees established, the stipulated penalties, the payment terms and modalities with the electricity supply agreement no. C0.FZ – 354/2016 and the addenda no. 2-5/2017 thereto. We found no other differences/reconciliation elements following this reconciliation, except for the following:
 - a. The addendum no. 3/2017 dated May 31st, 2017 to the agreement C0.FZ -354/2016 dated June 28th, 2016 provides a unit price/MWh, and the Current report dated May 31st, 2017 provides a monthly value of the agreement estimated by the Company's executive management to EUR 222.000 without VAT. According to the statements of the executive management, this value was estimated based on a monthly consumption estimate.
 - b. The addendum no. 5/2017 dated June 26th, 2017 to the agreement C0.FZ -354/2016 dated June 28th, 2016 provides a supplementation of the electricity purchase for the work point in Călimănești and the Current report dated June 26th, 2017 provides a monthly value of the agreement and of the supplementation estimated by the Company's executive management to EUR 226.000 without VAT. According to the statements of the executive management, this value was estimated based on a monthly consumption estimate.

3. Regarding the third procedure:

We obtained from the Company the 4 alternative offers requested from different electricity suppliers, as part of the process conducted by the Company to choose the company to be contracted for the supply of electricity, respectively for further contractual relations. We calculated the arithmetic average of the unit prices per MWh from the alternative offers and compared this average to the unit price per MWh in the addenda included in the Current reports. We found that the unit prices per MWh in the addenda included in the Current reports do not have a deviation percentage higher than $\pm 3\%$ compared to the arithmetic average of the prices from the related alternative offers.



Considering the fact that the conducted procedures do not represent an audit, a reviewing engagement or an assurance engagement conducted in accordance with the International Audit Standards, the International Standards on the Reviewing Missions or the International Standards on Assurance Missions, we do not express any assurance on the specified elements.

If we had conducted additional procedures or if we had conducted an audit, a reviewing engagement or an assurance engagement conducted in accordance with the International Audit Standards, the International Standards on the Reviewing Missions or the International Standards on Assurance Missions, other aspects could have drawn our attention and would have been reported to you. Our findings represent the results of the application of the abovementioned procedures. We have no responsibility to update our report for events and circumstances that occurred after the date of this report.

Moreover, this report refers only to the abovementioned elements and does not extend onto any of the financial statements of the Company in their entirety.

This report is intended solely for the purpose described in the third paragraph of the report and to the Company's Board of Administrators, in its assembly, and a copy hereof can be submitted to the Financial Supervisory Authority (ASF), respectively to the Bucharest Stock Exchange (BVB). ASF, respectively BVB are not part of our agreement for the conducting of the agreed procedures, therefore we assume no responsibility towards ASF, respectively towards BVB that might rely on this report, in which case they will do at their own risk. ASF/BVB may assess the conducted procedures and the reported findings and make their own conclusions. This report cannot be invoked by the Company or by ASF, respectively by BVB, for any other purpose, nor can it be distributed to other parties. This report was drafted to be able to report to the Company's Board of Administrators, as a whole, the aspects that we need to report in an actual findings report, and not for any other purposes. To the extent permitted by law, we only accept and assume the responsibility for this report towards the Company and to its Board of Administrators, in its entirety.

KPMG Audit S.R.L.
July 27th, 2017
Bucharest, Romania

Appendices:

“Current reports according to the CNVM Regulation no. 1/2006” dated February 17th, 2017, May 31st, 2017, June 16th, 2017 and June 26th, 2017.