

INDEPENDENT LIMITED ASSURANCE REPORT^{*)}

on the information included in the current reports prepared by the Company in accordance with the requirements of Law no. 24/2017, article 82 and the ASF Regulation no. 5/2018 (former CNVM Regulation no. 1/2006)

**To the General Manager of
Societatea Nationala Nuclearelectrica S.A.**

1. We were engaged by Societatea Nationala Nuclearelectrica S.A. (hereinafter referred to as "the Company") to report on the information (hereinafter referred to as "Reported Transactions") included in the current reports (hereinafter referred to as "Current Reports") dated 8 July 2019 (order to the frame contract), 8 August 2019 (fixed-term deposit without extension), 14 August 2019 (fixed-term deposit without extension), 22 August 2019 (wholesale energy contract), 23 August 2019 (agreement framework of services), 27 August 2019 (fixed-term deposit without extension), 29 August 2019 (contract for sale of electricity), 3 September 2019 (sector contract services), 26 September 2019 (framework agreement of services), 8 October 2019 (fixed-term deposit without extension), 10 October 2019 (contract for the exercise of rights of use and easements), 14 October 2019 (addendum for uranium acquisition), 15 October 2019 (framework agreement), 25 October 2019 (fixed-term deposit without extension), 12 November 2019 (work contract), 13 November 2019 (fixed-term deposit without extension), 18 November 2019 (services contract), 20 November 2019 ((fixed-term deposit without extension), 27 November 2019 (services contract), 29 November 2019 (addendum for spaces rented), 6 December 2019 (contract of services), 10 December 2019 (fixed-term deposit without extension), 17 December 2019 (fixed-term deposit without extension), 24 December 2019 (addendum to the contract to the use / exploitation subscription), 24 December 2019 (contract to the use / exploitation subscription), 24 December 2019 (addendum to a service agreement), 6 January 2020 (wholesale energy contract), 7 January 2020 (fixed-term deposit without extension), 15 January 2020 (fixed-term deposit without extension) prepared by the Company in accordance with Law no. 24/2017 on Issuers of Financial Instruments and Market Operations (hereinafter referred to as "Law no. 24/2017") and the Regulation no. 5/2018 of Financial Supervisory Authority (hereinafter referred to as "ASF") on Issuers of Financial Instruments and Market Operations (hereinafter referred to as "Regulation no. 5/2018"), in a form of an independent limited assurance conclusion that, based on our procedures performed, to confirm whether or not nothing has come to our attention that causes us to believe that the Reported Transactions included in the Current Reports are not, in all material respects, in conformity with article 144, letter B, 4th paragraph of the Regulation no. 5/2018. The Current Reports mentioned above have been prepared by the management of the Company to report to ASF according to the requirements of the article 82 from the Law no. 24/2017 and the Regulation no. 5/2018.

Management's Responsibilities

2. The management of the Company is responsible for the preparation and presentation of the Current Reports and Reported Transactions included in the above - mentioned Current Reports that are free from material misstatements, in accordance with article 82 from the Law no. 24/2017 and the Regulation no. 5/2018, and for the information contained therein. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of these Current Reports and Reported Transactions included in the Current Reports, which are free from material misstatements, whether due to fraud or error. Also, this responsibility includes the compliance with the requirements of article 82 from the Law no. 24/2017 and the Regulation no. 5/2018 and maintenance of adequate supporting documentation in relation to the Current Reports and Reported Transactions included in the Current Reports. The management of the Company is responsible for preventing and detecting fraud and for ensuring that the Company complies with the legislation and regulations in force. The management of the Company is responsible to ensure that personnel involved in preparation of the Current Reports and Reported Transactions included in the Current Reports is properly trained.

Our Responsibilities

3. Our responsibility is to examine the Reported Transactions disclosed by the Company in the Current Reports and report in the form of an independent limited assurance conclusion on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3000 regarding assurance engagements other than audits or review of historical financial information. This standard requires that we comply with ethical requirements, including independence requirements and plan and perform our procedures in such a way as to obtain a meaningful level of assurance about whether the Reported Transactions included in the Current Reports are, in all material respects, in conformity with article 144, letter B, 4th paragraph of the Regulation no. 5/2018, as the basis for our limited independent assurance conclusion.
4. The procedures selected depend on our understanding of the Current Reports and Reported Transactions included in Current Reports and other circumstances of the engagement, and on our considerations on areas where material misstatements are likely to arise. In developing our understanding of the Current Reports and Reported Transactions included in the Current Reports we considered Company's internal controls relevant to the preparation and presentation of the Company's Current Reports and Reported Transactions in accordance with the requirements of article 82 from the Law no. 24/2017 and the Regulation no. 5/2018 in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Company's internal control over the preparation and presentation of the Current Reports

and for concluding the Reported Transactions.

5. Limited assurance is narrower than absolute or reasonable assurance. The procedures for obtaining evidence for a limited assurance engagement are more limited than for a reasonable assurance engagement, and therefore lower level of assurance is obtained than in the case of a reasonable assurance engagement.
6. As part of this engagement, we have not performed any audit, review procedures or verification of the Current Reports and of Reported Transactions included in the Current Reports in accordance with the International Standards of Audit or with the International Standards on Review Engagements and nor on the sources from which the Current Reports and Reported Transactions were extracted.

Criteria

7. Regarding the Company's electricity sales reported in the Current Report dated 22 August 2019 (contract – no. 799) and 29 August 2019 (contract - no. 819) were considered the results of the bidding sessions organized by Opcom S.A., for the electricity sales offers of the Company.
8. Regarding the Company's electricity sales reported in the Current Reports dated 6 January 2020 (contract – no. 1506) , was considered the ANRE Decision no. 2213/ 23.12.2019.
9. Regarding the bank deposits concluded with the Export-Import Bank of Romania – Exim Bank S.A - Bucharest and reported in the Current Reports on 7 August 2019, 14 August 2019, 27 August 2019, 8 October 2019, 25 October 2019, 10 December 2019, 17 December 2019 and 7 January 2020, the centralized results of tenders received by the Company from several banking institutions were considered.
10. Regarding bank deposits concluded with CEC BANK S.A- Bucharest and reported in the Current Reports on 13 November 2019, 20 November 2019 and 15 January 2020 the centralized results of tenders received by the Company from several banking institutions were considered.
11. The transaction concluded with S.C. Pegas Impex S.R.L. and S.C. Public Utilities Cernavoda S.R.L.- reported in the Current Report on 11 November 2019 , (contract no. act 1113), the SEAP Report no. 12260/17.01.2019 was considered.
12. The transaction concluded with RATEN - ICN- reported in the Current Report on 10 October 2019, with no act. 966, was concluded in the form of the contract no. 966 / 04.10.2019, regarding the exercise of the rights of use and easements for the connection to the public natural gas distribution network, based on provisions of art. 113 of Law no. 123/2012.

13. Our conclusion has been formed based on, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Basis for qualified conclusion

14. The Company does not have alternative market offers for all the services included in the contracts concluded with National Uranium Company S.A. ("CNU"); Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitesti ("RATEN - ICN"); National Company Administration of the Navigable Canals ("CNACN"); National Water Administration Romanian and Romanian Waters National Administration - Dobrogea Seaside Water Administration ("ABADL") reported in the Current Reports dated 8 July 2019 (order for contract framework – report no. 636), 23 August 2019 (agreement framework – report no. 773), 3 September 2019 (contract – report no. 828), 26 September 2019 (agreement framework for services- report no. 900), 10 October 2019 (contract-report no. 966), 14 October 2019 (addendum for order no. 636 – report no. 988), 15 October 2019 (agreement framework – report no. 982), 18 November 2019 (contract – report no. 1165), 27 November 2019 (contract – report no. 1133), 29 November 2019 (addendum – report no. 1228), 6 December 2019 (contract – report no. 1259 and no. 1264), 24 December 2019 (addendum – report no. 1412), 24 December 2019 (subscription to the use / exploitation no. 1413) and 24 December 2019 (addendum – no. 1495).

The Company does not have evidence regarding alternative offers on the market for the above-mentioned contracts because:

- i) Transactions concluded with CNU – reported in the Current Reports from 26 September 2019, report no. 900 and 18 November 2019 report no. 1165 were concluded as Frame contract no. 900/23.09.2019 and Service agreement no. 1165/15.11.2019 as an exception from applying the Law no. 99/2016 regarding the sectorial procurements, according with article 38, by virtue of exclusive right based on normative national Romanian acts refers (Law no 193/2018 to maintain the integrated nuclear cycle, by providing the raw material for producing of the nuclear fuel necessary for the functioning of the units at the Cernavodă Nuclear Power Plant). This law is not applicable to sectorial service contracts awarded to an entity which is itself a contracting entity or an association of contracting entities based of an exclusive right which they enjoy for providing of those services according to the law or other regulatory acts which are published, to the extent that they are compatible with the TFUE.
- ii) Transaction concluded with CNU – reported in the Current Report from 8 July 2019, report no. 636 and 14 October 2019, report no. 988 were concluded as Order to Frame Contract report no. 914/19.07.2018 and addendum no. 1 to the order no. SNUU RUEC 636/04.07.2019 at the Framework Contract no. 914/19.07.2018, as an exception from applying Law no. 99/2016, regarding the sectorial procurements, according with article

- 39, lit B and has the object to supply 70.000 kg +/-5% of natural Uranium in the form of UO₂ sinterized powder, however, the acquisition was carried out through a competitive type procedure, to which were invited the two qualified suppliers of the Company for the product of sinterized uranium powder and contracts were concluded with both suppliers (CNU and Cameco), according with supply strategy approved by SNN's Board of Directors; SNN has the right that during the 36 months of validity of the framework contracts, to place UO₂ orders to one or another of the two suppliers by resuming the competition, according to the lowest offered price. The two framework contract were concluded in 19 July 2018. Subsequently, on 23 July 2018, the Law no. 193/2018 was enacted, which gives CNU an exclusive right to supply UO₂ powder, pursuant to art. 2 paragraph (1) and, therefore, Nuclearelectrica S.A. has the obligation to purchase UO₂ from CNU and only if CNU does not have the capacity to cover all the SNN necessity, SNN can purchase the difference from import. Moreover, according to law 193/2018 and HG 126/2019, the acquisition price of UO₂ from CNU is regulated and approved by Ministry of Economy, Ministry of Public Finance and Competition Counsel. In this context, based on the framework contract no. 915/2018 concluded with Cameco Canada, SNN placed 3 orders to Cameco (one order in 2018 and 2 orders in 2019), for which there were alternative price offers.
- iii) The transaction concluded with CNU - reported by the Current Report of 23 August 2019, report no. 773, was concluded in the form of a Sectorial Services Framework Agreement no. 773/06.08.2019, through a Negotiation procedure without prior invitation to a competitive tender procedure, pursuant to the provisions of art. 117, para. (1), lit. c), in conjunction with para. (2), lit. b) and paragraph 4 of Law no. 99/2016, regarding the sectoral acquisitions and of the Provisions of art. 52 paragraph (5) of OUG no. 109/2011 regarding the corporate governance of public enterprises, through which it was approved the conclusion of the framework contract having as object services of storing radioactive waste arising from the activity of FCN Pitesti Branch of CNU.
- iv) The transaction concluded with CNACN-reported through the Current Report of 29 November 2019, with act no. 1228, was concluded in the form of Additional Act no. 3/2019, according to the provisions of Law no. 99/2016, except direct entrustment.
- v) The transaction concluded with RATEN - ICN- reported by the Current Report of 3 September 2019, report no 828, 15 October 2019 report no. 982, 6 December 2019 report no. 1259 was concluded in the form of Sectoral Services Agreement no. 828/30 August 2019, Framework Agreement no. 982 / 10.10.2019 and Additional Act no. 1 to the Convention on the provision of services no. 1565 / 19.12.2018, pursuant to the provisions of art. 117 paragraph (1) lit. c) corroborated with par. (2) lit. b) and para. (4) of Law no. 99/2016, by negotiation without prior invitation to a competitive tender procedure.

- vi) The transaction concluded with the Romanian Waters National Administration - reported by the Current Report of 24 December 2019, report. no. 1413, was concluded in the form of a subscription for use no. 2/13.12.2019, as an exception from the application of Law no. 99/2016 - art. 38 regarding the sectoral acquisitions, the law is not applicable to the service contracts awarded to an entity which is itself a contracting entity or an association of contracting entities, based on an exclusive right which it benefits for rendering the respective services by virtue of the law or other acts of a character normative. It is worth mentioning that the water use / receiving water subscriptions used in the resource are standardized, respecting the provisions of Order no. 798/31.08.2005.
- vii) The transaction concluded with the Romanian Waters National Administration - Dobrogea Seaside Water Administration - reported through the Current Report on 24 December 2019, report no. 1412, was concluded in the form of Additional Act no. 2 to the Subscription for use / exploitation of water resources no. 66/2019, by exception from the provisions of Law no. 99/2016 - art. 38.
- viii) The transaction concluded with CNACN-reported by the Current Report on 24 December 2019, report no. 1495, was concluded in the form of Additional Act no. 1 to the Contract for services provision no. 270/2019 (RUEC no. 437 / 16.05.2019), according to the provisions, except from the provisions of Law no. 99/2016 - art. 38.
- ix) The transaction concluded with RATEN- reported by the Current Report of 27 November 2019 report no. 1133, was concluded in the form of Service Contract no. 1133/08.11.2019, according to the open tender procedure - art. 12 paragraph (1) lit. a) and art. 82 paragraph (1) lit. a) and para. (2) of Law no. 99/2016.

Consequently, we were not in the position to express a conclusion that the prices established in these contracts, correlated with the rights and obligations assumed by the parties, for which the Company does not have evidence of alternative offers on the market, are in line with other offers from the market.

Qualified conclusion

15. Based on the procedures performed, except for the possible effects of the above mentioned aspects from the paragraph “*Basis for qualified conclusion*”, if any, nothing has come to our attention that causes us to believe that the Reported Transactions included in the Current Reports are not, in all material respects, in accordance with provisions of the art. 144, letter B, 4th paragraph from the Regulation no. 5/2018.

Other matters

16. This report is made solely for the scope described in the first paragraph and is addressed to the Company's General Manager. We do not accept or assume responsibility for any other purposes or to any other party to whose knowledge this report may come to. This engagement was performed in order to report to the Company's General Manager those aspects that should be disclosed in a limited assurance independent report and for no other purposes. To the fullest extent permitted by the law, we do not accept and assume responsibility to anyone other than the Company's General Manager for our engagement, for this report or for the conclusion we have formed. This report refers only to the above-mentioned elements and does not refer in any way to other Company's reports.

Mazars Romania S.R.L.

Date: 30 January 2020

Bucharest, Romania