

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 16 January 2020 (frame contract for technical checks in use services), 20 January 2020 (fixed-term deposit without extension), 21 January 2020 (fixed-term deposit without extension), 22 January 2020 (addendum to the contract of use and servitude), 23 January 2020 (wholesale energy sale contract), 7 February 2020 (fixed-term deposit without extension), 7 February 2020 (wholesale energy sale contract), 17 February 2020 (addendums to the service contracts), 18 February 2020 (wholesale energy sale contract), 19 February 2020 (addendum to the EFET „European Federation of Energy Traders” wholesale energy sale contract), 21 February 2020 (fixed-term deposit without extension), 24 February 2020 (addendum to the service frame agreement), 25 February 2020 (fixed-term deposit without extension), 6 March 2020 (pre-order to the frame contract of the supply of natural uranium in the form of UO₂), 10 March 2020 (wholesale energy sale contract), 11 March 2020 (fixed-term deposit without extension), 16 March 2020 (addendums to the EFET wholesale energy sale frame contract), 16 March 2020 (wholesale energy sale contracts), 16 March 2020 (addendum to the EFET wholesale energy sale frame contract), 19 March 2020 (fixed-term deposit without extension), 24 March 2020 (subsequent contract to the service frame agreement), 3 April 2020 (sectoral service contract), 10 April 2020 (fixed-term deposit without extension), 14 April 2020 (fixed-term deposit without extension), 23 April 2020 (wholesale energy sale contracts), 29 April 2020 (fixed-term deposit without extension), 6 May 2020 (fixed-term deposit without extension), 8 May 2020 (addendum to the subscription for the use/exploitation of water resources – receiving wastewater in the resource, from the Nuclear Power Plant Unit 1 and Unit 2, in 2020), 14 May 2020 (wholesale energy acquisition contract), 19 May 2020 (fixed-term deposit without extension), 25 May 2020 (wholesale energy acquisition contract), 26 May 2020 (fixed-term deposit without extension), 29 May 2020 (wholesale energy acquisition contract), 10 June 2020 (fixed-term deposit without extension), 16 June 2020 (fixed-term deposit without extension), 18 June 2020 (addendums to the EFET wholesale energy sale frame contract), 19 June 2020 (fixed-term deposit without extension), 19 June 2020 (fixed-term deposit without extension), 22 June 2020 (fixed-term deposit without extension), 22 June 2020 (sectoral

service contract), 23 June 2020 (fixed-term deposit without extension), 25 June 2020 (fixed-term deposit without extension) and 3 July 2020 (wholesale energy sale contract), 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 23 January 2020 (contract – no. 72), 7 February 2020 (contract – no. 128), 18 February 2020 (contract – no. 179), 10 March 2020 (contract – no. 278), 16 March 2020 (contracts – no. 313 and 314) and 23 April 2020 (contracts – no. 516, 517 and 518), 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 19 February 2020 (addendum to the EFET frame contract – no. 32741), 16 March 2020 (addendums to the EFET frame contract – no. 33042 and 33043), 16 March 2020 (addendum to the EFET frame contract – no. 33147) and 18 June 2020 (addendums to the EFET frame contract – no. 33670, 33671, 33724 and 33743), were assigned through transactions concluded on PC-OTC

“Centralized market with continuous double negotiation of bilateral electricity contracts”. The addendums to the EFET frame contract were drawn up based on confirmations received from Opcom S.A. regarding the conclusion of transactions.

9. Regarding the Company's electricity sales reported in the Current Report dated 3 July 2020 (contract – no. 824), was considered the ANRE Decision no. 1077/ 29.06.2020.
10. Regarding the Company's electricity acquisitions reported in the Current Reports dated 14 May 2020 (contract – no. 584), 25 May 2020 (contracts – no. 624 and 626) and 29 May 2020 (contract – no. 640), were considered the results of the bidding sessions organized by Opcom S.A., for the electricity acquisitions offers of the Company.
11. 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 February 2020, 25 February 2020, 10 April 2020, 14 April 2020, 29 April 2020, 6 May 2020, 10 June 2020, 19 June 2020 and 25 June 2020, the centralized results of tenders received by the Company from several banking institutions were considered.
12. Regarding bank deposits concluded with CEC BANK S.A – Bucharest and reported in the Current Reports on 20 January 2020, 21 January 2020, 21 February 2020, 11 March 2020, 19 March 2020, 19 May 2020, 26 May 2020, 16 June 2020, 19 June 2020, 22 June 2020 and 23 June 2020, the centralized results of tenders received by the Company from several banking institutions were considered.
13. The transaction concluded with Technologies for Nuclear Energy State Owned Company – Nuclear Objectives Technological Engineering Center – reported in the Current Report on 3 April 2020, with no. act 432, which was concluded in the form of the sectoral service contract no. RUEC 432/31.03.2020 regarding supply of services for tracking the behavior over time of nuclear constructions at CNE Cernavoda, based on Law no. 99/2016 regarding sectoral acquisitions, the SEAP procedure Report no. 4519/26.03.2020 was considered.
14. The transaction concluded with National Research and Development Institute For Cryogenic And Isotopic Technologies (ICSI Rm. Valcea) and Kinectrics Nuclear Romania – reported in the Current Report on 22 June 2020, with no act.679, was concluded in the form of the sectoral service contract no. RUEC 679/04.06.2020 regarding consulting, engineering and supervision and follow-up services of the executor at the implementation of the detritiation installation at CNE Cernavoda, in accordance with the provisions of art. 12 paragraph (1) let. a) in conjunction with art. 82 paragraph (1) let. c) and paragraph (2) of Law no. 99/2016 regarding sectoral acquisitions. Based on art. 12 paragraph (1) let. a) of Law no. 99/2016 regarding sectoral acquisitions: “The contracting entity is required to publish a notice of participation and/or assignment in the Official Journal of the European Union for the assigning of public acquisition contracts/frame agreements the estimated value of which, excluding VAT, is equal

to, or greater than the following thresholds: a) RON 1,994,386, for the sectoral contracts of products and services, as well as for the solution contests [...]”. According to art. 82 paragraph (1) of Law 99/2016 regarding sectoral acquisitions: “Without prejudice to the provisions of art. 12 paragraph (3), the assigning procedures regulated by the present law, applicable for the assigning of sectoral contracts/frame agreements or the organization of solutions contests with an estimated value equal or higher than the thresholds provided in art. 12 paragraph (4), are the following: a) open tender; b) restricted tender; c) competitive negotiation; d) competitive dialogue; e) the partnership for innovation; f) negotiation without prior invitation to the competitive bidding procedure; g) the solutions contest; h) the assigning procedure applicable in the case of social services and other specific services; i) simplified procedure”. According to art. 82 paragraph (2) of Law 99/2016 regarding sectoral acquisitions: “The contracting entity awards the sectoral contracts/frame agreements in case the estimated value is equal to or higher than the value thresholds provided in art. 12 paragraph (1) by applying the procedures of open tender, restricted tender, competitive negotiation or competitive dialogue”.

15. 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

16. The Company does not have alternative market offers for all the services included in the contracts concluded with the National Company for the Control of Boilers, Lifting Installations and Pressure Vessels S.A., Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitesti, National Company Administration of the Navigable Canals S.A., National Uranium Company S.A. and Romanian Water National Administration – Dobrogea Seaside Water Administration, reported in the Current Reports dated 16 January 2020 (frame contract for the technical checks in use services – act no. 48), 22 January 2020 (addendum to the contract of use and servitude – act no. 64), 17 February 2020 (addendums to the service contracts – acts no. 176 and 177), 24 February 2020 (addendum to the service frame agreement – act no. 209), 6 March 2020 (pre-order to the frame contract of the supply of natural uranium in the form of UO₂ – act no. 286), 24 March 2020 (subsequent contract to the service frame agreement – act no. 350) and 8 May 2020 (addendum to the subscription for the use/exploitation of water resources – receiving wastewater in the resource, from the Nuclear Power Plant Unit 1 and Unit 2, in 2020 – act no. 558).

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

- i) Transaction concluded with the National Company for the Control of Boilers, Lifting Installations and Pressure Vessels S.A. – reported in the Current Report from 16 January 2020, with act no. 48, was concluded as service frame contract no. 48/09.01.2020, as an exception from applying the Law no. 99/2016 regarding the sectoral acquisitions, based on art. 38, by virtue of exclusive right which benefits the aforementioned entity, according to national normative acts (Law no. 64/2008 on the safe operation of pressure installations, lifting installations and fuel consuming appliances, republished, establishes at art. 9 (1) that: “Technical checks for the authorization of operation and technical checks in use for installations and equipment provided for in Annexes no. 2 and 3 shall be carried out by CNCIR”). This law is not applicable to sectoral 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 Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitesti – reported in the Current Report from 22 January 2020, with act no. 64, was concluded in the form of Addendum no. 1 to the Contract no. 966/2019 regarding the exercise of the rights of use and servitude in order to connect to the public natural gas distribution network, in accordance with art. 113 of Electricity and natural gas Law no. 123/2012. The transaction represents a direct acquisition based on the provisions of art. 12 paragraph (4) of Law no. 99/2016 regarding sectoral acquisitions, which states that contracting entities have the right to directly purchase products or services if the estimated value of the acquisition, excluding VAT, is less than RON 135,060, respectively works, if the estimated value of the purchase, without VAT, is less than RON 450,200. The value of the transaction without VAT is EUR 16,392 per year, therefore it meets the conditions of art. 12 paragraph (4) of Law no. 99/2016 regarding sectoral acquisitions.
- iii) Transactions concluded with National Company Administration of the Navigable Canals S.A. – reported in the Current Report from 17 February 2020, with acts no. 176 and 177, were concluded in the form of Addendum no. 2 to the Service contract no. 270/2019 (RUEC no. 437/16.05.2019) regarding water transit services in Bieful I of the Danube – Black Sea Canal through a water supply route from the Danube to the distribution basin of the CNE Cernavoda, during 01.03.2020 – 31.12.2020, and Addendum no. 2 to the Service contract no. 271/2019 (RUEC no. 438/16.05.2019) regarding services of transit and discharge to the sea of cooling water discharged by



CNE Cernavoda in Bieful II of the Danube – Black Sea Canal, during 01.03.2020 – 31.12.2020, as an exception from applying the Law no. 99/2016 regarding the sectoral acquisitions, based on art. 38, by virtue of exclusive right which benefits the aforementioned entity, according to national normative acts (Government Ordinance no. 79/2000 on the navigation regime on the Danube – Black Sea Canal and the Poarta Alba – Midia – Navodari Canal, through which the National Company Administration of Navigable Canals S.A. was appointed as administrator of the navigable canals (Danube – Black Sea Canal and Poarta Alba – Midia – Navodari Canal), having as attribution the maintenance of these navigable canals in conditions in which to ensure the good functioning of all water consumers and the navigation). This law is not applicable to sectoral 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.

- iv) Transaction concluded with Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitesti – reported in the Current Report from 24 February 2020, with act no. 209, was concluded in the form of Addendum no. 4 to the Service frame agreement no. 544/2018, in accordance of the provisions of art. 117 paragraph (1) let. c) in conjunction with paragraph (2) let. b) and paragraph (4) of Law no. 99/2016 regarding sectoral acquisitions, by negotiation without prior invitation to a competitive bidding procedure.
- v) Transaction concluded with National Uranium Company S.A. – reported in the Current Report from 6 March 2020, with act no. 286, was concluded as pre–order to the Frame contract no. 914/19.07.2018 regarding supply of natural uranium in the form of UO₂, as an exception from applying the Law no. 99/2016 regarding the sectoral acquisitions, based on art. 39. This law is not applicable to: (a) contracts having as their object the purchase of water, if they are assigned by a contracting entity carrying out one or both activities related to drinking water provided for in art. 7 paragraph (1), and (b) contracts assigned by contracting entities that carry out activities of the nature provided for in art. 5 paragraph (1), art. 6 paragraph (1) or art. 11, in order to supply energy or supply fuels for energy production. The company has existing alternative offers on the market, respectively from the company Cameco Marketing Inc., but according to art. 2 of Law no. 193/2018 for the regulation of the principles regarding the assurance of the national strategy of Romania regarding the maintenance of the integrated nuclear cycle, by ensuring the raw material for the manufacture of nuclear fuel necessary for the operation of the units from the Cernavoda Nuclear Power Plant, the National Uranium Company S.A. has an exclusive right to supply nuclear fuel, respectively uranium



- dioxide powder, on the territory of Romania and only if the National Uranium Company S.A. cannot fully provide the amount of fuel necessary for the operation of CNE Cernavoda, the operator of Units 1 and 2 of CNE Cernavoda (S.N. Nuclearelectrica S.A.) has the right to purchase nuclear fuel through a competitive procedure.
- vi) Transaction concluded with National Uranium Company S.A. – reported in the Current Report from 24 March 2020, with act no. 350, was concluded as Subsequent contract no. 2 to the Service frame agreement no. 900/23.09.2019 regarding processing services for non-compliant nuclear materials containing natural uranium from the FCN Pitesti, in order to recover uranium in the form of sinterable UO₂ powder, in accordance to the provisions of art. 117 paragraph (1) let. c) in conjunction with paragraph (2) let. b) and paragraph (4) of Law no. 99/2016 on sectoral acquisitions, by negotiation without prior invitation to a competitive bidding procedure.
 - vii) Transaction concluded with Romanian Waters National Administration – Dobrogea Seaside Water Administration – reported in the Current Report from 8 May 2020, with act no. 558, was concluded in the form of Addendum no. 3 to the Subscription no. 66/2019 (RUEC no. 427/14.05.2019) for the use/exploitation of water resources – receiving wastewater in the resource, from the Nuclear Power Plant Unit 1 and Unit 2, in 2020, as an exception from applying the Law no. 99/2016 regarding the sectoral acquisitions, based on art. 38, by virtue of exclusive right which benefits the aforementioned entity, according to national normative acts (Government Emergency Ordinance no. 107/2002 regarding the establishment of the Romanian Waters National Administration, art. 3, paragraph (3): “The Romanian Waters National Administration is the sole operator for natural or arranged surface water resources, regardless of the owner for any title of the surface, and for groundwater resources, regardless of their nature and related installations, purpose for which allocates the right to use water resources with their natural potentials, in accordance with the law, except for those expressly provided in the specific regulations in force”). This law is not applicable to sectoral 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.

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

17. 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

18. 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: 16 July 2020

Bucharest, Romania