

valuation of these assets. These limitations have impact as well on the deferred tax liability allocated for the Units 3 and 4 as at 31 December 2020 in amount of RON 43,524,186 (RON 43,524,186 as at 31 December 2019). Consequently, we were not able to determine if adjustments are needed on the fixed assets, deferred tax liability and retained earnings as at 31 December 2020 and therefore on the depreciation and amortization, profit tax and net profit for the year then ended.

4. We conducted our audit in accordance with the International Standards on Auditing (“ISA”), the (EU) Regulation no. 537/2014 of the European Parliament and of the Council of the European Union (“Regulation no. 537/2014”) and with the Law no. 162/2017 (“Law”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the separate financial statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) and in accordance with all other ethical requirements relevant for the audit of financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

5. Without further qualifying our opinion in this respect, we draw attention to the Note 1 of the separate financial statements, which describe aspects with regard to the going concern of the subsidiary Energonuclear S.A and Units 3 and 4 Project. The total estimated recoverable amount of the investment in Units 3 and 4 of Cernavoda, including also all capitalized individual elements of the Company, was determined by the management based on certain assumptions, professional judgments, expectations regarding future events, which are believed to be reasonable under the circumstances, and other factors under the assumption that the current negotiations between the management of the Company and its partners with whom discussions regarding the investment in these Units are held will be successfully concluded. In the event that any of the assumptions, professional judgments, expectations of future events and other factors do not materialize, this may cause a material adjustment to the carrying amounts of the individual Company's assets, liabilities and results within the current or the following financial year, the impact of which cannot be reasonably estimated as of the date of the issue of these separate financial statements.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Audit procedures performed to address the key audit matter
<p>Provisions for risk and changes</p> <p>As disclosed in Note 19 to the separate financial statements, the Company has in balance at 31 December 2020 total Provisions for risk and charges in amount of RON 292,682,420, out of which long-term provisions in amount of RON 235,409,546.</p> <p>Estimating a provision involves significant professional judgment from the Company's management with regard to the probable outcome of the relevant events and the quantification of the related probable liability.</p> <p>Due to the importance of the amounts reported in the Provisions for risk and charges, and the fact that, by their nature, the provisions imply a significant degree of professional judgment, we consider that these represent a key audit matter for the 2020 audit.</p>	<p>In order to obtain reasonable assurance regarding Provisions for risk and charges we have performed the following procedures:</p> <ul style="list-style-type: none"> • We have reviewed the Company's current obligations under which provisions were recognized; • We have reviewed the professional judgment used by the management of the Company in order to determine the probable outcome of the relevant events and the quantification of the related probable liability; • We have obtained and analysed the answers received from the internal and external legal advisors of the Company, regarding the probability of settling disputes in progress, as well as the best estimate of the consideration necessary to settle the probable liability arising from these disputes; • We have analysed the maturity of the obligations that have generated the provisions and their classification in the short and long term; • We have evaluated if the information disclosed in the notes to the separate financial statements regarding Provisions for risk and charges are in compliance with the applicable financial reporting standards.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. The Management of the Company is responsible for the preparation and fair presentation of these separate financial statements in accordance with OMFP 2844/2016 and with the accounting policies presented in the notes to the separate financial statements, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these separate financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. As part of the audit process, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Conformity of the Administrators' Report with the Separate Financial Statements

The Company's Administrators are responsible for the preparation and presentation, in accordance with the requirements of articles 15-19 from the Accounting Regulations approved by OMFP 2844/2016, of an Administrators' Report which is free from significant misstatements, and for such internal control as the Management considers necessary to enable the preparation of the Administrators' Report which shall be free from material inconsistencies, whether due to fraud or error.

The Administrators' Report is not part of the Company's separate financial statements.

Our opinion on the accompanying separate financial statements does not cover the Administrators' Report.

In connection with our audit of the separate financial statements of the Company as at 31 December 2020, we have read the Administrators' Report attached to the separate financial statements and we report the following:

- a) we have not identified in the Administrators' Report any information which is not consistent, in all material respects, with the information presented in the accompanying separate financial statements.
- b) the Administrators' Report identified above includes, in all material respects, the information required by articles 15-19 from the Accounting Regulations approved by OMFP 2844/2016.
- c) the Administrators' Report identified above includes the non-financial declaration requested in art. 39 of the Accounting Regulations approved by OMFP 2844/2016;
- d) based on our knowledge and understanding acquired during the audit of the separate financial statements for the year ended 31 December 2020 regarding the Company and its environment, we have not identified in the Administrators' Report any information that would be significantly misstated.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) no. 537/2014, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as auditors of the Company through the Decision no. 3/11 July 2017 and subsequently through the Decision no. 7/12 June 2020 of the General Meeting of Shareholders ("GMS"), to audit the separate and consolidated financial statements prepared by the Company for the financial years 2017-2022. Our uninterrupted engagement is of 4 years, covering the financial years ended from 31 December 2017 until 31 December 2020.

Consistency with the Additional Report to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 11 March 2021 in accordance with Article 11 of Regulation (EU) no. 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services, as referred to in Article 5(1) of Regulation (EU) no. 537/2014, were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the separate financial statements.

Bucharest, 15 March 2021

Ella Chilea

Auditor registered in the Public Electronic Register under no. 2190 / 2007

On behalf of Mazars Romania S.R.L.

Audit firm registered in the Public Electronic Register under no. 699 / 2007