Information Note to the shareholders of S.N. Nuclearelectrica S.A. on the matters covered by the conclusions and recommendations included in the Control Report on Societatea Nuclearelectrica S.A., issued by the Prime Minister's Control Body further to the control conducted during the period 15 October 2025 – 20 March 2026

1. Introduction and Background

Further to the control engagement undertaken by the Prime Minister's Control Body (CCPM), concluded with the Control Report no. 6016/10.06.2026 (as served to SNN with the Letter no. 6053/11.06.2026, registered with SNN under no. Guv_SNN-26-04969/11.06.2026), a number of conclusions and recommendations were issued, of which those intended at S.N. Nuclearelectrica S.A. (SNN) are included in Chapter VI.1 "Recommendations for Corrective Actions", Point B.

With the Letter of the Ministry of Energy (ME) no. 30631/CSB/06.07.2026, sent to the attention of SNN's Board of Directors and registered with SNN under no. AUTORITATI_SNN-26-06061-14.07.2026, the Ministry of Energy, as majority shareholder of SNN, holding participating interests in excess of 5%, requested SNN's Board of Directors to call an Extraordinary General Meeting of SNN Shareholders to address the sole agenda item "Information Note to the shareholders of S.N. Nuclearelectrica S.A. on the matters covered by the conclusions and recommendations included in the Control Report on Societatea NUCLEARELECTRICA S.A., issued by the Prime Minister's Control Body further to the control conducted during the period 15 October 2025 – 20 March 2026".

With the Decision of SNN's Board of Directors (BoD) no. 190 of 21 July 2026, a task force group was set up of directors not in a conflict of interest as regards the content of the report, which, together with SNN's internal structures, to respond to the requests made in the ME Letter and issue this Information Note. During the same BoD meeting, the company's executive management informed the directors that, even before receiving the CCPM Report under discussion, it had requested that the management of Ropower Nuclear S.A. (RPN)—the project company—to conduct, on an urgent basis, a forensic audit of Ropower Nuclear S.A. (RPN) by an independent external auditor; this decision was implemented through RPN's engagement of such an independent consultant of international reputation, with the objective of completing the forensic audit within approximately 5 weeks.

With the Letter no. E-DAI-ORDIN-OS-10601-24-07-26, the Company's Board of Directors requested DAMR (the Audit and Risk Management Department) of SNN, to carry out a review of the recommendations intended at S.N. Nuclearelectrica S.A. (SNN) in the CCPM Control Report, with the view to presenting the Board of Directors with a point of view on how these are to be implemented.

With the Letter E-DAI-NOTA-INFORM-10621-27-07-26, DAMR submitted to the Board of Directors the document containing DAMR's position on the topic concerned.

The conclusions of the abovementioned CCPM's Control Report are as follows:

- The stages of the SMR Project, as initially established under the EGMS Resolution no. 9/22.09.2022, are currently delayed, with completion of the FEED 2 stage running 20 months late against the initially determined timeline.
- The site of Doicești, which was selected for deployment of the SMR Project, ranked second in the assessment carried out by the consultant Sargent & Lundy. The decision to select the Doicești site was based on general arguments, and was not backed by any benchmarking of the technical and economic/financial specific pros and cons of the sites recommended in the Sargent & Lundy report.
- Neither the choice of SNN's partner in the joint venture, namely NPG, nor the subsequent establishment and operation of the SPV (RPN) relied on a Joint Venturing Procedure approved by SNN, as requested in the ME Order no. 1180/2021, or a prior assessment of compliance with the European rules governing State intervention in the economy. The lack of a Joint Venturing Procedure at SNN level at the time the JV was established was the outcome of lack of action on the part of SNN's BoD as regards the writing and approval of the Joint Venturing Procedure since 4 November 2021 (the issue date of the OME Order no. 1180/2021) and until 22 September 2022 (the date of SNN EGMS Resolution no. 9/22.09.2022 approving the establishment of the SPV), although this more than 9-month period could be considered reasonable for writing the Joint Venturing Procedure, and the need for such a procedure arising precisely from the existence of the SMR Project and the lack of other applicable regulations. The lack of a Joint Venturing Procedure stemmed also from the passivity of SNN's Chief Executive Officer in initiating the steps needed to have such regulations prepared. The Joint Venture between SNN and NPG was subject to an ex post review (almost 2 years after the SPV establishment) by a company specializing in assessment of such operations, against the rules applicable to State intervention in the economy. The said assessment concluded that, based on the national and international investment practice, a private investor would have proceeded in a similar manner, noting that, as regards the decision to have SNN and NPG enter into a Joint Venture, "it is not possible to assess the level of risk attached to, or the arm's length conditions of, decisions concerned". The same study recommended obtaining a formal standpoint from the Competition Council on the conclusions of that report, which has never happened. The inclusion in the Investors' Agreement of measures to mitigate the risk of economic concentration shows that, at the time the JV was established, the shareholders realized the need to perform the Prudent Private Investor Test (TIPP) and to take "steps to obtain the unconditional authorization from the Relevant Competition Authority"; nevertheless, both actions were disregarded in marking the joint venturing decision.
- The process that concluded with the joint venturing decision was not substantiated by any benchmarking of the potential private entities against quantifiable criteria, by which the private partner should have demonstrated (through acquired qualifications and experience and, possibly, through assessable tenders) their financial, technical and engineering capacity (possibly complementary to that of SNN), including their capacity to take out the risks of the SPV's business activity in the same proportion as, post-joint venture, the decision-making control and financial results would have been shared. Claiming sole investor status based on land ownership cannot be accepted, as the private partner's conduct resulted in the sale of the land and the additional rebilling of works performed on said site, rather than in an in-kind contribution to the SPV's capital.
- The provisions of the Investors' Agreement underlaying the Joint Venture between SNN and NPG, and even prevailing over the SPV's articles of association, do not grant symmetrical rights and obligations to the two shareholders throughout the SPV's operation and the deployment of the project, which means that the shareholders' risks are also shared disproportionately, to the detriment of SNN.

The private partner’s participation in the project was secured through the Investors’ Agreement, which provides for no right whatsoever to withdraw from the JV or recovering of the loan extended to the SPV, on terms equivalent to those granted to NPG. Such a disproportionate sharing of the risks, *i.e.,* the asymmetric allocation of some of the rights and obligations, does not apply also to overall decision-making control over the business activity, which, under the terms of both the Investors' Agreement and the Articles of Association, are perfectly balanced. Such decision-making balance can be easily seen in the powers and duties reserves to the GMS, the Bod and the CEO, according to which SNN may not decide on any matters relating to the SPV’s business activity, unless such decisions are backed by the private shareholder.

- The SPV establishment terms removed its business activity from the scope of both the applicable domestic regulations or the principles devised by the Organization for Economic Co-operation and Development on the corporate governance of State-owned enterprises, and the domestic and European regulations concerning public/sectoral procurement, and further resulted in a joint venture between a State-owned enterprise and a private partner whom significant non-transparent and non-competitive purchases of works and services have been and will be recognized, and reimbursed or compensated to, even from related private-law entities.
- Prior to closure of the deal whereby the SPV acquired the site under RPN EGMS Resolution no. 1/29.05.2025, the limits of the powers to conclude and approve contracts had been amended to the effect that the minimum threshold above which EGMS had to approve a contract was raised from more than EUR 5,000,000 to more than EUR 50,000,000, while approval of contracts between EUR 20,000,000 and EUR 50,000,000 (inclusive) was placed under BoD’s scope of powers; the CEO was left only with the power to approve to approve contracts up to EUR 20,000,000. Thus, with the vote in favor of the SNN’s representative in the general meeting of shareholders and even at the initiative of the State-owned enterprise, a contractual framework was put in place under which the SNN’s representative mandated in the RPN EGMS and the one appointed to the BoD would not formally assume any responsibility for approving any operations related to the site acquisition transaction.
- Despite the valuation reports and the studies indicating vastly different values for the site of Doicești, and in a blunt disregard of the right (as provided in the Articles of Association of ROPOWER NUCLEAR SA) of any shareholder to seek or directly conduct an audit/review, subject to unrestricted access to the premises and documents related to the SPV's business activities, SNN failed to take any step to clarify the discrepancies concerning the site's market values presented in those reports.
- Both the amendment of the Investors’ Agreement and the consummation of the transaction, through simultaneous conclusion of a sale contract and a rebilling agreement, were attempts to create the appearance that the site acquisition was an arm's length transaction. Nevertheless, since certain costs are rebilled, the transaction runs counter to any operations that two independent entities would have accepted under competitive market terms, since acquisition of an asset that required execution of an agreement additional to the sale and purchase contract, namely the Rebilling Agreement, implied that the buyer would assume a price significantly higher than its market price.
- In December 2025, the estimated cost of the project was USD 6.5 billion, that is approximately USD 3.8 billion more than the initial estimate. Backed by sound reasoning, this conclusion is included strictly to highlight a broader trend in this type of process.
- SNN was found to not have in place any system to monitor RPN’s spending, specifically that covered from the shareholder loan extended by the State-owned enterprise. This oversight gap occurred despite the SPV’s shareholder resolutions, as passed at the same time with approval of SNN's financing caps, explicitly allowing the delegation of “certain or all operating activities” to the executive management. Nor did SNN make any use whatsoever of the provision in the Investors’ Agreement allowing shareholders to seek or directly conduct, periodically, an audit/review of RPG’s business activity, subject to unrestricted access to the premises and documents related to RPN’s business activity.

- The conduct of SNN's Chief Executive Officer, the BoD members, and the Ministry of Energy, as supervising public authority, or of the persons mandated by it, in allowing or facilitating, as the case may be, the placement of SNN in a disadvantageous or onerous decision-making position vis-à-vis the other JV member (NPG) or the SPV (RPN), stands for a breach of each party's respective obligations under Law no. 31/1990 (republished) and the Civil Code.

The CCPM report also contains two recommendations intended at the Company, which are detailed and addressed at paragraph 3 of this Note.

The members of the established Task Force examined the following documents:
- the CCPM Report no. 6016/10.06.2026;
- the response/opinion of SNN's executive management on the conclusions and recommendations included in the abovementioned CCPM Report;
- the Letter no. E-DAI-NOTA-INFORM-10621-27-07-26, containing DAMR's position on the matter under discussion, where each member documented their respective opinions and proposals to compile/prepare this Information Note.

Below, the Board of Directors advises the Company's shareholders about how the recommendations intended at S.N. Nuclearelectrica S.A. (SNN) in the Control Report of the Prime Minister's Control Body are to be implemented.

2. Actions envisaged by SNN's Board of Directors

After having reviewed the indicated documents and the proposals made, SNN's Board of Directors is envisaging taking the following steps:

2.1 Bearing in mind that SNN requested an independent forensic audit of the rebilled amounts and that the purpose of the assessment, as disclosed by SNN, is to obtain a high level of assurance as to the accuracy, reality, compliance and reasonableness of the costs and transactions under review, the BoD considers this measure as the first one capable of providing the information needed to substantiate subsequent decisions.

The subsequent steps (cancellation of the Rebilling Agreement, adjustment of the expenses), which are conditional on the result of the forensic audit, will be ordered by SNN, through its representative appointed in the General Meeting of Shareholders (GMS) of RPN, for implementation by the Special Purpose Vehicle.

2.2 Since the control proposals presented by the audit team, namely ***"SNN to establish a more detailed and more effective system of monitoring the commitment and making of the Special Purpose Vehicle's expenditure"*** ,come to complete the actions announced by SNN and provide the practical tools needed for their proper implementation, SNN's Board of Directors is considering strengthening these measures as an essential step to ensure enforceability and to guarantee the financial discipline desired and recommended by CCPM.

3. Recommendations made by CCPM in Control Report no. 6016/10.06.2026

Chapter VI.1 "Recommendations for Corrective Actions" of the CCPM Control Report no. 6016/10.06.2026 contains recommendations made by CCPM for further review by the entity, namely by SNN (Point B), and by the supervising authority (Point A), and for taking steps accordingly. Next, we will only refer to Point B of the CCPM Control Report, namely to those recommendations for corrective actions made by CCPM for further review by the entity, namely by SNN, in its capacity as shareholder of the Special Purpose Vehicle:

3.1 Assess the costs rebilled by NPG to RPN, including look into the advisability of taking legal steps to have the *Rebilling Agreement* cancelled, on the ground that this agreement did not go through the corporate approval process provided for in the *Articles of Association* of the Special Purpose Vehicle;

3.2 SNN to establish a more detailed and more effective system of monitoring the commitment and making of the Special Purpose Vehicle's expenditure, all the more so as such costs have been and are being covered from loans granted by the State-owned enterprise, and the private JV member has not yet participated even in the financing of the items specifically provided for in the *Investors' Agreement*, which reads that the private JV member shall provide the Special Purpose Vehicle with a loan for the land purchase.

4. Proposals to implement the CCPM recommendations intended at SNN

4.1 As to the recommendations made by CCPM under Point B of the Control Report intended directly at SNN

4.1.1 Regarding the *"Assessment of Costs Rebilled by NPG to RPN"*, SNN has already requested—as previously emphasized, even before the CCPM audit was completed—that the Chief Executive Officer of RPN, with the knowledge of the RPN Board of Directors, commission an independent forensic audit of the rebilled amounts. The purpose of the assessment submitted by SNN is described as obtaining a high degree of assurance regarding the accuracy, reality, compliance, and reasonableness of the analyzed costs and transactions.

According to the Engagement Letter signed on 2 July 2026 by between the consultant selected by RPN to undertake the forensic audit and RPN, Annex 2 "Scope of Work", the purpose of the hired services is to assess *"...whether there are red flags related to* ***the nature, reasonableness, advisability and economic justification of the expenditure.*** *Moreover, this will allow us to understand whether there are discrepancies between the services provided and the rebilled amounts."* We believe that, in light of this purpose, as defined and accepted by RPN and consultant, added to a good understanding of the nature of the project by the consultant, the audit will help objectively clarify the factual situation of the rebilled costs.

Nevertheless, the opinion of SNN's DAMR is that, since the *Rebilling Agreement* covers expenses incurred by NPG since the date on which it had acquired the site and until the date on which ownership thereon had been transferred to RPN, and KPMG Advisory SRL has the market value of the site as at 31 July 2024, any expenses prior to that date can no longer be subject of the *Rebilling Agreement*, since their effect has already been included in the market value. Therefore, the clarifications provided by the forensic audit will be relevant only for the rebilled expenses corresponding to the period between 31 July 2024 (the date on which the market value of the site was established) and 5 June 2025 (the date of the sale and purchase contract for the site). The Board of Directors recommends that the consultant should also consider in its review (the forensic audit), the matters raised by SNN's DAMR, so that, once the audit is completed, both SNN and RPN have a very clear and exhaustive picture of all the matters related to the Rebilling Agreement.

With regard to the recommendation "*look into the advisability of taking legal steps to have the Rebilling Agreement cancelled, on the ground that this agreement did not go through the corporate approval process provided for in the Articles of Association of the Special Purpose Vehicle*", SNN, relying the basis of the rights granted to it under RPN's Articles of Association reading that which any shareholder of the Special Purpose Vehicle may undertake control/audit steps, will have a legal review of how the *Rebilling Agreement* was approved at corporate level conduct, and will obtain an opinion on whether the conditions for its cancellation are met, together with a way of adjusting the agreed value, considering the expenditure rebilling eligible period and the forensic audit's results.

The legal review (of both SNN and RPN) on the lawful way to have the Rebilling Agreement cancelled will also include an analysis of the effects/consequences on the project's continuity.

Based on the considerations regarding the period during which the rebilling expenses were incurred, as well as the conclusions of the two assessments—the forensic audit and the assessment of the legal validity/ approval defects of the *Rebilling Agreement*— SNN should instruct RPN, at the RPN General Shareholders' Meeting, to implement the established actions, either to cancel the *Re-billing Agreement* or to adjust the amount of the re-billed expenses. Further steps (cancellation of the Re-billing Agreement, adjustment of expenses) are also contingent upon the outcome of the forensic audit.

4.1.2 With regard to the CCPM recommendation "***SNN to establish a more detailed and more effective system of monitoring the commitment and making of the Special Purpose Vehicle's expenditure***", with the Letter SNN_AUTORITATI-26-02680-10-07-2026 sent to the Ministry of Energy, SNN will, within 90 calendar days of the letter's date, complete the steps of revising *RPN's Articles of Association* so as to:

- Strengthen the role of the audit and internal control structures of RPN;
- Put in place a mechanism for periodic reporting to shareholders including, without limitation, on the IEB execution, the elated-party transactions, and the reports of the audit and internal control structures;
- Put in place mechanisms to ensure that the performance indicators of the management bodies are correlated with the cost efficiency ratios;
- Clarify the value thresholds attached to the power (amounts w/ or w/o VAT).

SNN's Board of Directors considers that the recommendation implementation strategy, as devised by SNN's executive management, provides a correct and conceptually comprehensive direction and reflects a clear intention to strengthen RPN's internal control mechanisms, the reporting system, the power limits, and the performance indicators.

The conclusions of the forensic audit will serve as core elements for substantiating subsequent decisions regarding any potential legal, corporate, or other measures that may be required to protect the interests of RPN, SNN, and the Romanian State.

In addition, in the spirit of CCPM's recommendation to put in place a more effective monitoring across SNN, in particular as regards the commitment and making of expenditure by the SPV, we consider that, without duplicating the internal control to be developed at RPN level, a number of key controls over high-risk financial decisions and flows should be established within SNN, which would also ensure more effective monitoring of the commitment and making of RPN's expenditure, as requested by CCPM.

In this regard, "*instructions and implementing rules will be devised to establish the expenditure monitoring and control principles, responsibilities, tools and mechanisms, and these will be adapted to the particularities of each category of company and will be further compatible with the applicable legal framework.*"

The Board of Directors proposes the establishment in RPN, at the same time with the approval of the staffing memorandum, of the Financial Management Control department and/or the exercise of these responsibilities by the peer department of SNN, for notable and significant risks.

Therefore, in order to provide a practical illustration of how monitoring mechanisms can be implemented in SNN level, on top of the measures defined by SNN's executive management to strengthen RPN's control environment, SNN's Board of Directors, relying on the opinion of the DAMR team, proposes maintaining and adding the following controls:

- Preventive Control 1: Approval of the Special Purpose Vehicle's annual income and expenditure budget by SNN (this control is already in place, as it was approved by SNN's BoD);
- Preventive Control 2: Financing control, which involves approving the loan drawdowns on the basis of supporting documents and of the intended use of the funds (each loan tranche is conditional upon approval of a budget and a clear intended use for the funds to be disbursed). The conditions must be included in the loan agreements;
- Preventive Control 3: Prior approval of certain expenditure (for a defined threshold value or for sensitive categories of costs, SNN's approval is required before committing thereto). This control will become increasingly important once the Special Purpose Vehicle starts obtaining financing from sources other than SNN;
- Detective Control 1: Verification of how funds are effectively used against the drawdown requests approved by SNN, and their intended uses assumed by the Special Purpose Vehicle. This control's result should generate constraints or limitations on the disbursement of the next loan tranche. In order to ensure enforceability against both entities, these restrictive conditions must be expressly integrated into the loan agreements;
- Detective Control 2: Monthly budget variance control (any deviation above a set threshold, including reallocation of amounts between budget lines, requires reapproval of the budget by SNN).

These controls do not all have a high periodic recurrence, save for the analysis of the monthly budget execution. Thus, at SNN level, they could be included in the internal control or financial analysis activity.

The Board of Directors proposes a review of the both the advisability and necessity of amending the contract approval power limits for RoPower Nuclear's corporate bodies, and put this matter on the agenda of RoPower's upcoming GMS.

SNN's Board of Directors intends to implement all the recommendations made in the CCPM Report, in addition to the actions already announced by SNN's executive management, since these control proposals provide the practical tools needed for their proper implementation, which will help strengthen these measures as essential actions to ensure enforceability and to guarantee the financial discipline desired and recommended by CCPM. These implementation measures will be updated and supplemented later, once the forensic audit report is also received.

SNN's Board of Directors

Chairman,

Laurentiu Nicolae Cazan