NUCLEARELECTRICA

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Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.
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Phone/Fax Number: 021-203.82.00 / 021 – 316.94.00
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To: Bucharest Stock Exchange
Financial Supervisory Authority

Significant Event to Report: The Position of the Executive Management of S.N. Nuclearelectrica S.A. (SNN) Regarding the Findings Contained in the Report of the Control Body of the Prime Minister of Romania (CCPM)

S.N. Nuclearelectrica S.A. hereby informs its shareholders of the executive management's position regarding the findings contained in the Report of the Control Body of the Prime Minister of Romania, a document publicly presented, in summary form, by its issuer, the Control Body of the Prime Minister.

1. Regarding the status of the SMR (Small Modular Reactor) Project

The project phases themselves were not subject to approval by the General Shareholders' Meeting, as they constitute only a section of the Implementation Strategy for the Doicesti SMR Project. The Implementation Strategy was approved under Item 2 of HAGOA No. 8/September 22, 2022. At the end of the second paragraph of Section II.4 of the Strategy, it states: *"These stages were developed with the assistance of the NuScale and Fluor teams and* ***represent an estimate at this time. As the studies progress, they may be subject to change****."*

Regarding the 20-month delay: for a project of the complexity and specificity of the one concerning the implementation of SMRs—a unique project at the national level, with implications for nuclear safety, the special licensing regime, and international financing—such a duration does not constitute a significant deviation from the initial estimates, given that no approved document related to the project specifies binding deadlines. The novelty of the project—recognized and accepted by the Romanian State from the outset—and its scope may result in implementation timelines longer than those initially estimated, as the engineering phase is the only one that documents this project objectively and in detail.

At the SNN level, all necessary organizational and administrative measures have been put in place to enable the project's completion under the conditions initially estimated. The absence of firm contractual deadlines, established through legally binding documents, eliminates the risk of any potential contractual or legal liability on the part of SNN or its corporate bodies.
Treating the timeframes allocated to the project's phases as a firm commitment—such that exceeding the estimated deadlines would constitute a violation of a resolution of the SNN General Shareholders' Meeting—even though the material for the SNN Extraordinary General Shareholders' Meeting was very clearly stated (and is publicly posted on the SNN website)—does not in any way constitute a fault on the part of the company.

2. Regarding the site selection

Although the information presented by CCPM indicates that SNN based its decision to select the site ranked second in the S&L Study on a series of technical studies and analyses, the result of this decision was not formalized in a document such as a comparative analysis. This fact does not, in and of itself, constitute a violation of any legal provision, for the following legal reasons:
(i) First, Law No. 31/1990 and SNN's articles of incorporation do not require the preparation of a formal document such as a comparative site analysis in the decision-making process of the corporate bodies. There is no legal provision establishing this requirement for business decisions made by the board of directors or the general meeting of shareholders.
(ii) Second, SNN specialists, executive management, directors, and shareholders—including the Ministry of Energy, as the majority shareholder, which possesses recognized sectoral expertise in the field of nuclear energy—considered that the available information was sufficient to support the decision. According to Article 117^1 of Law No. 31/1990, shareholders had the express right to request any additional study, analysis, or document on which to base their vote. The absence of any such request from the shareholders attests that they had adequate information to cast an informed vote.
(iii) Third, the standard for evaluating a business decision is not perfect ex-ante documentation, but rather the reasonable conduct of a professional in similar circumstances. *The business judgment rule*, enshrined in Article 144^2(2) of Law No. 31/1990, protects directors who act in good faith and based on adequate information, without imposing a standard of perfect, formalized documentation.
The Iernut Alternative site, as mentioned in the SNN AGM Note, was owned by over 100 owners, and its zoning classification was/is agricultural land, a fact that would clearly have led to a delay in the project (involving a cumbersome, if not impossible, process of negotiating —multiple buy-sell agreements) and, consequently, higher project costs.
Even though SNN was unable to provide documentary evidence of this situation (nor could it have done so, as it did not have official access to such documents from the OCPI), the full status of the Iernut Alternative land could have been determined by querying the OCPI, a task that would have been very easy for the CCPM to carry out.
The site selection was independently evaluated by the IAEA (the UN's International Atomic Energy Agency) through a series of assessment missions; Nuclearelectrica's application has been publicly confirmed (https://www.iaea.org/newscenter/news/iaea-seed-follow-up-mission-highlights-good-progress-in-smr-site-selection-in-romania).
The first IAEA SEED mission took place in August 2022 and was intended to review the SMR site selection study in Romania. A series of recommendations was formulated. After all recommendations were addressed, a follow-up IAEA SEED mission (April 2024) confirmed that all recommendations had been fulfilled and concluded that the site selection had been conducted in accordance with international standards (i.e., in full compliance with IAEA standards).
In May 2025, another IAEA SEED mission reviewed sections of the Initial Safety Analysis

Report (ISAR) and the methodologies to be used for detailed studies related to external hazards that could affect the site, including the hazard associated with the presence of natural gas. The results of this IAEA mission confirmed all the methodologies and steps taken and proposed by RoPower to complete the detailed site-specific studies.
In addition to the strictly technical criteria specific to selecting a site for a nuclear facility, it should be noted that this site already has an existing energy infrastructure, which means a positive impact on development and on cost reduction, effectively distinguishing between a greenfield project and a brownfield project (as in the case of Doicesti).

3. Regarding the establishment of the project company

The report must comply with the specific legal framework applicable in this matter, governed primarily by Law No. 137/2002 on certain measures to accelerate privatization (an act that amends and supplements Government Emergency Ordinance No. 88/1997 on the privatization of commercial companies, approved by Law No. 44/1998) and its implementing regulations, Government Decision No. 577/2002 approving the Methodological Rules for the Application of Government Emergency Ordinance No. 88/1997 and Law No. 137/2002. In the absence of this reference to the specific legal framework—without which no assessment of the legality of the transaction can be valid—the necessary legal basis is lacking.
The concept of a "mixed-capital company" is not, in fact, a creation of Law No. 137/2002 — it originates in Law No. 15/1990 on the reorganization of state-owned economic entities into commercial companies, a legislative act that introduced into Romanian law the concept of companies with simultaneous participation by the state and private capital.
Thus, Article 190 of the Methodological Rules for the Application of Law No. 137/2002, as subsequently amended and supplemented (Government Decision No. 577/2002)—a provision that provides the legal basis for the very possibility of establishing a mixed-capital company—unequivocally states:
"(1) Commercial companies in which the state or a local public administration authority is the majority shareholder may participate in the formation of mixed-capital commercial companies, subject to the approval of the general meeting of shareholders.
(2) Following approval by the general meeting of shareholders, the public institution involved shall arrange for the drafting of the articles of incorporation and the registration of the commercial company in accordance with legal provisions."
However, in the present case, both conditions imperatively required by law were strictly complied with, namely:
(i) the status of the state participant—the provision requires that the participant be a commercial company in which the state (through the relevant public institution) or a local public administration authority holds the status of majority shareholder, and not merely that of a minority shareholder; the legal text therefore does not apply to companies with a minority state stake—a condition that is fully met in this case;
(ii) prior approval by the General Shareholders' Meeting—the decision to participate in the formation of a new mixed-capital company falls within the exclusive competence of the general shareholders' meeting of the state-owned parent company, and not of the executive management or the relevant public institution acting directly; this rule reflects the general principle enshrined in Law No. 31/1990, according to which fundamental decisions regarding corporate assets—including the contribution of capital toward the formation of another company—fall within the competence of the general meeting of shareholders, and not that of the executive management bodies.
As is evident, without any possibility of a contrary interpretation, from the data, documents, and information made available to the CCPM and analyzed in this opinion, both mandatory

conditions provided by law were fully complied with—both by our company and by the public institution involved, which also holds the status of majority shareholder of SNN, namely the Ministry of Energy.

Regarding the assertion that the process of appointing SNN's future partner, the partnership between SNN and NPG, and the manner in which the project company (RPN) was established and operates took place "without a prior assessment of compliance with European rules governing public intervention in the economy," in which context the provisions of Article 107(1) of the TFEU (Treaty on the Functioning of the European Union) are cited, we make the following clarifications:

According to Article 107(1) of the TFEU, "(1) Save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever that distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States, be incompatible with the internal market." On June 4, 2024, Lotus Advisory Services S.R.L. issued the "Legal Analysis from the Perspective of State Aid Legislation and the Conduct of a Prudent Private Investor Test ('PPIT')," pursuant to Contract No. RUEC056 dated March 7, 2024, entered into between Lotus Advisory and RPN. Several of the conclusions of this PIT are relevant:

(i) regarding the selection of NPG as an investment partner – "The details considered in selecting the Doicești site, based on the analysis described in the Sargent & Lundy report, are sufficiently relevant and documented in detail, such that we can conclude that a private investor would have made the same decision. Regarding the manner in which it was decided to incorporate the Doicești land into the investment project—namely, by bringing the landowner on board as an equal partner in the project company— there is no theoretical framework to support an assessment of the decision, but it can be concluded, based on general investment practice, that a private investor would have acted in a similar manner";

(ii) regarding SNN's contribution to the share capital at the time of incorporation and at the time of subsequent capital increases – "Given that the information underlying the investment decisions—both at the time of incorporation and at the time of subsequent capital increases—was based on the investment needs at those respective times, and not on a business plan with financial projections and profitability calculations, it is not possible to assess the level of risk or how those decisions fit within market conditions. However, based on the information provided, we understand that the investment decisions were made to the extent necessary to cover the project's operating expenses during the initial phases (e.g., FEED 1) and based on an analysis of the costs required for this purpose, with the capital contribution and subsequent capital increases being carried out simultaneously by both investment partners. We consider this approach to be consistent with that of a prudent private investor."

The TIPP conclusions cited above are also confirmed by the Competition Council—at SNN's initiative, consultations were held with this institution, during which the issues discussed were recorded in detail in the form of a transcript.

Last but not least, we would also like to highlight the provisions of Articles 4.3 and 4.4 of the Investors' Agreement signed between SNN and NPG, pursuant to which: *"The Project Company shall not engage in any economic activities or establish a presence in any market, but shall exclusively carry out the Preparatory Activities, until the DDRPN ('DDRPN' means the date of the decision to proceed with the Nuclear Project, i.e., the date of adoption of the resolution of the Extraordinary General Meeting of Shareholders confirming that an agreement has been reached regarding the attainment of the Ready-to-Build Stage of the Nuclear Project and the transition to the implementation of the Nuclear Project by commencing the construction phase of the Nuclear Power Plant) with respect to the Nuclear Project. The Parties, as applicable, together with any new Shareholder, shall periodically review the Project Company's status under applicable legislation governing economic concentrations and shall take steps to obtain unconditional authorization from the Relevant Competition Authority as* *soon as possible, but, in any event, prior to the initiation of any measures, actions, or decisions that would result in the Project Company being classified as a fully operational entity or any component of the Project being classified as a merger.*

If, at any time, the Parties receive a conditional opinion or authorization or a refusal of authorization from the CEISD and/or the Relevant Competition Authority, they shall meet to negotiate and establish the conditions for the continuation of the Project Company's operations and/or the Project, in compliance with applicable legal requirements and those of the competent authorities. If the Parties fail to agree on the conditions for the continuation of the Project Company's operations and/or the Project, within no more than 2 months from the date of conditional authorization or refusal of authorization by CEISD and/or the Relevant Competition Authority, the Parties shall exercise their Shareholder Rights to decide on the dissolution and liquidation of the Project Company, in accordance with the provisions of the Companies Act."

Equally, in the text cited above, the CCPM Report selectively quotes from the TIPP Report by Lotus Advisory Services, ignoring the conclusions that refer to the conditions under which the partnership was formed—namely, prior to the completion of on-site technical tests to confirm that the site meets the requirements of the Nuclear Project. Thus, Lotus notes (on page 47 of the TIPP) the following:

a) ***"The strategic rationale behind*** *the partnership between RoPower Nuclear S.A. and Nova Power and Gas* ***was to facilitate the site evaluation and characterization activities during the first phase of the project****, with the objective of defining key elements for the Project based on site* conditions";

b) *"The amount of 1 million EUR, which was capitalized upon the establishment of RoPower by each of the two shareholders, was set as a sign of their commitment to maintaining a balanced balance of power within the project company,* ***with the founding shareholders' desire remaining implicit that, as clarity emerged regarding the amounts related to Phase 1 FEED, their investment effort would be better defined****, a fact that materialized in the form of details regarding the value of the individual contributions and the share of the company's stock allocated to each shareholder.*"

The transition from one phase to another in the nuclear project involves conducting complex and lengthy on-site tests and assessments, which render the site unavailable for a significant period. Furthermore, depending on the results of the on-site investigations, the technical design may undergo significant changes that impact costs and—by extension—the outcome of the investment analysis.

In fact, the CCPM Report extracts from the TIPP Report prepared by Lotus Advisory Services only a single sentence that seemingly validates the CCPM's preconception that the SNN-NPG joint venture for establishing the project company was carried out outside the applicable legal and/or regulatory framework. In fact, the conclusions of the Lotus Advisory report regarding Transaction 1 (the SNN-NPG Joint Venture) are positive across all five criteria analyzed, concluding that *"a private investor would have acted in a similar manner*."

NPG's involvement in the project—specifically, the partnership between SNN and NPG—was based precisely on NPG's status as the owner of the Doicesti site; the legal form (sale or contribution to share capital) through which NPG transferred ownership of the Doicesti site to RPN was not particularly relevant. It is important to note, however, that for the project it was necessary for NPG to also be a shareholder in the project company; NPG was not merely a seller of the land, since the land in question is designated as a site for the development of a nuclear project. If we analyze the issue from this perspective, it is very clear that NPG's involvement in the project, as a shareholder, takes on a different significance. Specifically, an analysis of the entire Investors' Agreement reveals a series of additional obligations incumbent upon NPG regarding the site—obligations that are also linked to its status as a shareholder of RPN—and which a mere seller of the land could not have been required to assume. Even though this is a land sale and purchase transaction, NPG has, in this regard, also assumed a series of other obligations related to the land—obligations that a typical real estate seller would be unlikely to have assumed. Furthermore, pursuant to Annex 8 of the Investors' Agreement, NPG, as the owner of the land pertaining to the Nuclear Power Plant, undertakes to maintain the representations and warranties set forth in Annex 7 to the Investors' Agreement for the period between the Signing Date and the date of any transfer of ownership of the Land to the Project Company in accordance with the provisions of the Agreement, to the extent permitted by law, NPG undertakes to make the representations and warranties set forth in Annex 7 to the Project Company upon the occurrence of any transfer of ownership of the Land Adjacent to the Nuclear Power Plant in accordance with the provisions of the Agreement, and NPG undertakes that, from the Signing Date until the date of transfer of ownership of the Land to the Project Company, subject to the terms of this Agreement and **provided that NPG or an Affiliate of NPG is a Shareholder and/or a Party to this Agreement**, not to take any action of any kind to: (a) develop on the Land associated with the Nuclear Power Plant any project other than the Project; and/or (b) to dispose of, directly or indirectly, the Land pertaining to the Nuclear Power Plant; and/or (c) encumber the Land Adjacent to the Nuclear Power Plant with any Encumbrance in favor of any natural person and/or legal entity other than the Project Company and/or a Project financier; and/or (d) construct any new buildings on the Land Adjacent to the Nuclear Power Plant without the express, written consent of the Project Company.

NPG's cash contribution to RPN's share capital entailed a financial participation equal to that of SNN and, consequently, the assumption of general responsibilities for the Project. In conclusion, the manner in which the land becomes the property of the Project—whether through a contribution in kind to the share capital or a sale to the project company—is a matter of legal choice and is a distinct issue from NPG's involvement as a shareholder in the Project.

Under these circumstances, the selection of the joint venture partner for this project was based primarily on the location criterion, and from the perspective of the "creditworthiness" criterion (financial capacity), it must be considered that the partnership between SNN and NPG was established on an equal basis, including the willingness to grant a loan under terms identical to those applicable to loans granted by SNN. In fact, these are two cumulative criteria, but priority was given to the location criterion. To finance the Project, the intention was to bring in new shareholders to the Project Company (RPN) at a later stage, a point highlighted as early as in the preamble to the Investors' Agreement, Section F), where it is very clearly stated that "The Parties wish t to enter into this Agreement to govern the establishment of a project company ("Project Company") by SNN and NPG and the conduct of SNN and NPG as **initial shareholders** of the Project Company," thereby confirming the idea that new shareholders will be brought in after the establishment of RPN. Moreover, this idea is reinforced by Article 2.1 of the Investors' Agreement, which states that "The purpose of this Agreement is to govern the formation of the Project Company, the conduct of the Parties as Shareholders of the Project Company, **the admission of new shareholders to the Project Company**, as well as the Project implementation phases set forth in Clause 3 and the activities carried out during these phases." Consequently, it was established from the outset that the formation of the project company would not be limited to the two initial shareholders, as the Project's financial needs could not, objectively speaking, be covered solely by their financial contributions.

However, for the initial phase of the Project, the score obtained by the Doicesti site—owned by NPG—as a result of the S&L Report, combined with NPG's capabilities at that time, and considering that it was part of the E-INFRA and NPG group pursuant to the Investors' Agreement, it had ***"no interest in leveraging the Land as an asset in a real*** estate transaction"—these were the factors that led to the conclusion that the Doicesti site met the Project's requirements and resulted in the selection of NPG as SNN's partner for this Project, without a competitive process being conducted to select investors in the Project Company. The establishment of RPN was an initiative intended to launch the Project Company, establish it, and get it up and running, with its expansion being part of the Project's subsequent phases.

We also refer to the provisions set forth in SNN General Shareholders' Meeting Note No. 10332/09.09.2022, Chapter 4—*Considerations Regarding Shareholder Structure and Investment Strategy*, the text of which is reproduced in full below:

"Shareholding Structure of the Project Company—The first step in developing the Project is the establishment of a new company, organized as a joint-stock company, for the purpose of developing the project ("project company"). At the time of the project company's incorporation, its ownership structure will consist of 50% SNN and 50% Nova Power and Gas SRL ("NPG"), the owner of the land in Doicesti. The initial share capital of the project company will be 2 million EUR. SNN and NPG intend to start with equal stakes in the project company, with the capital structure of this company to evolve, if necessary, based on the investment plan to be developed and agreed upon for the project. This investment plan will include the investment budget and timeline, and the shareholders will agree on the amounts they intend to invest and the methods by which they will finance the project. Equal ownership stakes in the project company make it possible to create a stable and balanced decision-making structure and minimize the risk of the project company's debt burden being consolidated at the SNN level, which could have adverse consequences regarding SNN's ability to secure bank financing for its own investment projects. The 50%-50% equal ownership structure also allows for the rapid launch of the project. SNN and NPG plan to attract new investors to the project company's shareholder base in order to finance the project. It is anticipated that attracting new investors to the project will likely entail a reduction in the initial shareholders' stake in the project company's share capital. Bringing in additional investors to the project company's shareholder base also further secures the project's financing. For example, if, for various reasons, the project company were unable to continue providing financing for the project, a new shareholder could take over the financial support of the project, either through its own capital or by bringing in other investors. Nova Power & Gas Overview. Partnership Synergies Based on an analysis of public data and information provided by the company, Nova Power & Gas is a diversified energy company: a solar power producer, a natural gas-fired power plant operator, an owner and operator of natural gas distribution concessions, a supplier of electricity and natural gas to industrial and residential consumers, and a developer of electricity generation capacity, with over 15 years of experience in the industry. According to available information, Nova Power & Gas is part of the Electrogrup Infrastructure ("E-INFRA") group, a company with 100% Romanian capital, with a 25-year history, active in the construction (EPC) of energy, civil, and telecommunications infrastructure through its subsidiaries Electrogrup and WESEE, and owner of critical telecommunications infrastructure through its subsidiaries Netcity and Direct One. Through its partnership with the E-INFRA Group, SNN benefits from the expertise of an experienced partner in the construction, design, and permitting of energy infrastructure, which complements SNN's operational expertise in the nuclear sector."

The legal provisions governing the establishment of joint ventures—which, as previously noted, were strictly adhered to. Thus, Article 50 of Law No. 137/2002 provides that:

- Commercial companies in which the state or a local public administration authority is the majority shareholder may participate with a capital contribution in the establishment of joint-venture companies with Romanian legal personality.
- The establishment of mixed-capital commercial companies shall be carried out through partnerships with natural persons or legal entities with a majority of private capital.
- The newly-established shall have a right of first refusal to purchase the assets, fixed assets, and tangible and intangible fixed assets of the founding commercial company—in which the state or a local public administration authority is the majority shareholder—that are necessary and directly contribute to the achievement of the mixed-capital commercial company's primary business purpose.

- The mixed-capital company may exercise its right of first refusal within 15 calendar days from the date of receipt of the notice of intent to sell issued by the founding company in which the state or a local public administration authority is the majority shareholder.
- If the right of first refusal is not exercised, the founding company in which the state or a local public administration authority is the majority shareholder may sell the assets referred to in paragraph (3), in accordance with the applicable legal provisions.

We note that, upon undertaking the SMR project, SNN's vision was (and continues to be) to become a regional hub, which is why SNN has acted accordingly. SNN's status as a regional hub entails, among other things:

- Romania will achieve a leading position and numerous socioeconomic benefits, including a hub to support the production and assembly of SMR components, a training and education center for future operators and specialists, as well as a catalyst for the implementation of SMR in the region and a preferred operator for future SMR projects;
- Romania's opportunity to become a regional hub by developing its capacity for the production, assembly, and maintenance of SMR components, as well as the importance of developing the Romanian nuclear industry's supply chain;
- It offers the opportunity to become the regional leader in the operation and development of nuclear technologies and to support Romania's goals of becoming a regional leader in the nuclear industry. Specifically regarding the Doicesti SMR project and the collaboration with NuScale, SNN's goal of becoming a regional hub for the nuclear industry is supported by the Memorandum of Understanding with NuScale, which entails securing several rights for Nuclearelectrica.

Thus, the development of projects similar to the one in Doicesti—from the perspective of revitalizing decommissioned conventional sites located in high-risk areas—can be achieved through the development of hybrid nuclear-renewable energy platforms, an approach considered to have a significant impact in such areas and supported by the EU. The program economically revitalizes affected areas, supports new and state-of-the-art technologies, and fosters the development of a national and international operational hub within the country.

Regarding the fact that NPG did not contribute the land as an in-kind contribution but only a purchase option, this overlooks the specific legal nature of an Independent Power Producer (IPP), namely that at the time of the Project Company's incorporation, it required initial working capital to commence operations—capital raised precisely through a cash contribution, in equal shares, by both shareholders.

From a legal standpoint, the purchase option established in favor of the Project Company constitutes, correspondingly, an obligation on the part of NPG equivalent to a promise to sell—an obligation to perform, enforceable between the parties, pursuant to Article 1279 et seq. of the Civil Code.

The economic rationale behind this decision lies in the shareholders' interest—particularly that of SNN—to protect themselves in the event that the project proved unfeasible, considering it reasonable to acquire the land only after the commencement of Phase I of the Nuclear Project, thereby avoiding premature capital immobilization and unjustified financial risk. This conduct is fully consistent with the duty of care owed by a prudent director.

The risks assumed by the Project Company are borne equally by the two shareholders, in accordance with the provisions of Article 3, paragraphs (1) and (3) of Law No. 31/1990. In joint-stock companies, shareholders are liable for the company's obligations only to the extent of the subscribed capital (their contribution). Each shareholder's financial risk is limited to the value of the shares held, and if the company incurs losses or becomes insolvent, the shareholders risk only the loss of the amount invested, without incurring personal liability with their own assets.

The obligations assumed by SNN with respect to NPG are intended precisely to safeguard

the Project Company's overriding interest, namely to prevent—given the strategic importance of the investment—NPG from transferring its receivables to any party on the open market. These clauses were introduced in accordance with NPG's right to property, a right constitutionally guaranteed by Article 44(1) of the Romanian Constitution, which protects the right to property against arbitrary interference.

These clauses, approved by the investors/shareholders, were adopted to protect the interests of the Romanian State as a shareholder, through the Ministry of Energy, and constitute an advantage for the State—which is why the Extraordinary General Shareholders' Meeting resolution approving the Investors' Agreement (from September 2022) was adopted. Characterizing them as obligations that are disadvantageous to SNN is a matter of judgment, based on arbitrary and entirely subjective standards, not a finding of illegality.

Regarding the finding of disproportionate risks among shareholders—particularly the risk related to the shareholder loans that SNN would be required to assume from NPG—we believe that the relevant clause was introduced precisely to protect SNN's interests (by limiting the possibility of assigning the receivables), as previously argued. An actual disproportion could have been established only if the Project Company's Articles of Incorporation had lacked the conditions allowing SNN to be compelled to accept RPN's taking out of any loan from NPG without SNN's consent—a circumstance not confirmed by an examination of the documents.

The fact that SNN refused, under the current circumstances, to adopt any decision involving the taking out of a loan from NPG to pay the amount due under the Rebilling Agreement—until certainty was obtained regarding the accuracy of the amounts and the reality of the invoiced services — demonstrates, through concrete legal facts, the prudent and diligent attitude of SNN's representatives, which is diametrically opposed to the CCPM's unfounded conclusions. At SNN's request, RPN ordered, prior to the completion of the CCPM report, a forensic audit, precisely for the purpose of verifying the reality and legality of the amounts invoiced under the Rebilling Agreement. Currently, this forensic audit is underway, and any payment will be made only after certainty regarding the refactured amounts has been established. This not only fulfills the measure requested by the CCPM but also precedes it as a matter of administrative diligence.

Regarding the audit team's assertion that the Investors' Agreement does not confer symmetrical rights and obligations on the two shareholders during the operation of the project company and the implementation of the Project, such that the shareholders' risks are disproportionately allocated to the detriment of SNN—in this context, the audit team asserts that while the private partner's participation in the Project was secured by the Investors' Agreement , SNN does not hold a right to withdraw from the partnership or to realize the credit held with the Project Company, to the extent established for the benefit of NPG; we make the following observations:

On the one hand, it is claimed that the private partner NPG was selected for the Project solely for the purpose of acquiring the site, being, from this perspective, a shareholder of RPN *in name* only; on the other hand, it is noted that *the private partner's participation in the project was secured through the Investors' Agreement*.

On the other hand, the audit team characterizes a certain strategic approach—in which the aim was for SNN, a strategic state-owned company, to maintain permanent control over who owns and controls the project company—as unbalanced. However, this strategic approach also gives rise to these discrepancies between the rights and obligations of the shareholders and the seemingly disproportionate allocation of risks to the detriment of SNN. **From the outset, it was not intended for SNN to acquire a right to withdraw from the partnership, as SNN's objective was never to withdraw from this partnership; on the contrary, the intention was for SNN to own the project company so that NuScale's technology would remain permanently under the control of the Romanian state, through SNN. For this reason, SNN did not seek to obtain the right to withdraw from the Project under the same conditions**

under which this right was granted to NPG, as set forth in the SNN AGM minutes dated September 9, 2022.

In conclusion, at the time the company was established, there was no intention for the Project to be financed in its entirety by NPG and SNN.

Last but not least, a highly relevant element for this analysis is that, in favor of SNN, the Investors' Agreement includes a provision of particular strategic importance: Article 5.3. provides that the parties agree that, following the completion of the Nuclear Project, SNN or an Affiliate thereof shall be, to the extent permitted by law, the operator of the Nuclear Power Plant, pursuant to a contract to that effect entered into by the Project Company with SNN or its Affiliate. Such a provision, in favor of SNN, represents a very significant business opportunity for SNN, spanning a very long period of time (60 years—corresponding to the Project's lifespan), generating substantial profits; it is likely a benefit secured by SNN through these negotiations, which should have been taken into account by the CCPM audit team when it concluded that the Investors' Agreement was unbalanced to the detriment of SNN.

This Strategy and the Investors' Agreement were approved in September 2022 by the Extraordinary General Meeting of SNN Shareholders, a body in which the Romanian state, through the Ministry of Energy, holds absolute control—approximately 82 percent—and therefore such a decision could not have been adopted without the Ministry of Energy's favorable vote.

4. Regarding the project company's acquisition of the site

The structure of the transaction for the acquisition of the site was determined based on a prudent and phased analysis, conducted with reference to the specific nature of the nuclear project, the available assessments, and the need to protect SNN's interests.

The proposed structure resulted from the following main considerations:

1. **The specific nature of the site in relation to the requirements for developing a nuclear project**—The site has distinct strategic significance and was analyzed not only from the perspective of a standard real estate transaction but also in light of the specific requirements for developing a nuclear project, including the work, conditions, and technical details necessary to prepare such a project.

2. **The Need to Separate the Site Acquisition Transaction from the Clarification of Amounts Related to the Re-billing Agreement**

Given the strategic importance of acquiring the site for the Project in accordance with the approved Implementation Strategy and the need to avoid further delays in this process, it was decided to structure the operation into two separate transactions:

(i) the purchase and sale agreement for the site, which has been fully executed; and (ii) the Re-invoicing Agreement, which is currently being finalized and constitutes a transaction separate from the sale and purchase transaction.

This structure allowed for the completion of the site acquisition without prejudice to RoPower Nuclear's right and obligation to separately verify, document, and validate the amounts to be re-invoiced by NPG.

The reason why the Reimbursement Agreement remains, at this time, unpaid stems from the findings resulting from internal audits conducted at SNN. These audits indicated that the amounts to be reimbursed by RoPower Nuclear to NPG are not currently sufficiently documented to allow for payment to be made with certainty and in compliance. It should also be noted that if SNN intended, in any way, to "facilitate" NPG's receipt of the amount due under the Rebilling Agreement, as reported at the time the Investors' Agreement was amended (April 2025), there is no logical reason why this amount would not have been paid immediately after April 2025. The fact that the amount in question has not yet been

paid by RPN to NPG is due exclusively to SNN and SNN's need to have definitive documentation regarding these matters, which is why SNN's management has not authorized RPN to make this payment from the credit extended by SNN to RPN. The steps initiated and supported by SNN's executive management regarding the forensic audit, as mentioned earlier, follow the same logic.
In this context, as early as the time the Rebilling Agreement was concluded, SNN included an indemnity clause specifically to limit the risks associated with a potential subsequent payment of amounts lacking sufficient justification. Subsequently, SNN decided that further clarification of these amounts was necessary through a forensic analysis, in order to obtain an adequate level of assurance regarding the reality, justification, documentation, and eligibility of the amounts that could be subject to rebilling.
Furthermore, the activities included in the Rebilling Agreement are of an operational nature, which, at the time of their initiation and execution, fell under the responsibility of RoPower Nuclear's executive management. This was, in fact, one of the reasons why authority regarding the Rebilling Agreement was delegated to RoPower Nuclear.
The documents submitted to SNN in its capacity as a shareholder have repeatedly highlighted the need for additional justifications regarding certain operations or transactions carried out between RoPower Nuclear and the other shareholder. Consequently, to date, SNN has not approved the method of capitalizing or financing these activities through loans; such approval will be granted only after obtaining the necessary assurance that the respective amounts are fully documented, justified, and consistent with the nature of the transaction regarding ownership of the site, thereby protecting SNN from any potential risks arising from the transaction.
Upon completion of the forensic audit, SNN will act in accordance with the audit's findings.

5. Regarding the estimated project costs

In accordance with project management practices in the nuclear sector, cost estimates were made progressively, with the degree of accuracy increasing as certain engineering packages and the associated technical details were finalized.

6. Regarding the price for *the* "*Transfer of Ownership of the Land and* Buildings": "*… SNN has shown no interest in clarifying the differences between the market values of the site presented in the respective appraisal reports*."

With regard to the transaction value of the Doicesti site, there is no question of acceptance or approval—by a shareholder or any other corporate governance body—of the findings of a valuation report prepared by an ANEVAR-authorized appraiser. Any interpretation to the contrary would lead to the conclusion that the interested parties could influence the transaction price by influencing the appraiser's conclusions (who, by definition, is independent), which is neither customary nor legal. The parties to such a transaction may only take into account the market value established by the appraiser and may, if necessary, negotiate the transaction price starting from this minimum level.
Regarding ***the* "*differences between the market values of the property presented in the respective appraisal reports*,"** the CCPM lists a series of reports that differ in terms of the appraiser (and possibly the method used), the purpose for which they were prepared, and the reference date—all of which are important factors for the appraisal result. Thus, the following reports are listed in the order below:
1. Valuation report prepared on October 17, 2024, by KPMG for RPN, with **a reference date of July 31, 2024**, prepared *"to inform RoPower's management in order to assist it in the*

decision-making process regarding the acquisition"; the market value determined by this report was 24,453,713 euros;

2. Report prepared by Pricewaterhouse Coopers Management Consultants SRL at the request of NPG, with **a reference date of June 30**, **2024**, for the purpose of determining the market value of a contribution-in-kind to the share capital; the market value determined by PWC ranged from 56.93 million euros to 60.34 million euros;

3. Valuation report prepared in August 2025 by PWC at the request of RPN, with **a reference date of June 30, 2025** (following the completion of the transaction) and with the purpose *of "estimating the value of the Doicești Site, in accordance with legal provisions, including those of the Tax Code and the Methodological Norms, for the purpose of developing and implementing the Doicești SMR Project (in accordance with the principles of business continuity and corporate benefit), ensuring compliance with applicable legal regulations and tax rules, ensuring transparency and fairness in transactions, and providing a solid basis for determining the value of the Doicești Site in relation to third parties in potential* transactions"; "The market value estimated in this report was *61.6–65.4 million euros."*

4. Report No. 5084/November 25, 2024, issued by RATEN-CITON (which is not an ANEVAR-certified appraiser) regarding the appropriateness, for the progress of the nuclear project, of the additional expenses incurred by NPG for improvements made to the land and property in Doicești.

Beyond the aforementioned distinguishing factors (purpose, reference date, appraiser)—which can lead to significant variations in market value—SNN's investigation into the differences between the two appraisal reports is without merit. The parties involved in the transaction (NPG and RPN)—and even less so SNN (which is not a party to the transaction)—have no grounds to investigate or question **the market value established by the appraiser**, as this is the exclusive professional prerogative of the licensed appraiser, based on the applicable legal framework and professional standards. In this regard, the legislature itself has stipulated that such transactions are conducted on the basis of a competent and ANEVAR-certified appraisal (see, in this regard, the provisions of Government Ordinance 24/2011 on certain measures in the field of property appraisal, as subsequently amended and supplemented); determining the market value of a property constitutes a regulated professional activity, carried out in accordance with the valuation standards adopted by ANEVAR; in this context, the authorized appraiser is the qualified professional responsible for determining the value resulting from the application of specific appraisal methodologies; the recipient of the report—or, in this case, its affiliates—does not have the authority to influence the appraiser's technical conclusions).

7. Regarding the Action Plan for implementing the recommendations made by the CCPM inspection team to the Ministry of Energy:

- Any measure ordered by the Ministry of Energy in its capacity as majority shareholder/supervisory public authority must take into account the fact that no legal act adopted by SNN, in this case, could not produce legal effects—that is, validly bind the company—without the corporate approvals required by law (we refer, in this case, to the resolutions of the general meeting of shareholders), approvals that were obtained in accordance with the law;
- Any decision adopted by the shareholders, in the absence of a sound rationale, cannot be attributed to SNN and its governing bodies, provided that they respected the shareholders' right to information and made available all requested data and information.

In conclusion, based on the foregoing considerations, SNN's official position regarding the findings and conclusions in Audit Report No. 6016 / June 10, 2026, of the Prime Minister's Audit Office is:

A. SNN, through its management and administrative bodies, acted within the limits of the law, with the prudence and diligence of a good administrator, in the exclusive interest of the company, in accordance with Articles 144^1 and 144^2 of Law No. 31/1990;

B. No decision adopted by SNN's bodies has caused quantifiable damage to the company's assets—an absence that renders any form of liability inapplicable, in accordance with Article 155^1 of Law No. 31/1990.

Cosmin Ghita
Chief Executive Officer