

**To: Bucharest Stock Exchange – Department of Operations Issuers of Regulated Markets  
Financial Supervisory Authority – General Supervisory Division – Issuers Division**

Current report as per the provision of Law 24/2017, ASF Regulation 5/2018 and BVB Code

Date of the report: **July 30, 2020**

Name of Issuer Company: **CNTEE TRANSELECTRICA SA, company managed in two-tier system**

Registered headquarters: Blvd. Gheorghe Magheru 33, Bucharest 1

Working location: Str. Olteni no. 2-4, Bucharest 3

Phone / fax numbers: 004021 30 35 611/021 30 35 610

Single registration (fiscal) code: 13328043

LEI code: 254900OLXCOUQC90M036

Number in the Commercial Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 Lei

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

**Communiqué – External auditor report, in accordance with art. 144 lit. B par. (4) of the ASF Regulation no. 5/2018**

The National Power Grid Company "Transelectrica" SA informs the interested public about the fact that the Company's external auditor issued the Limited Independent Insurance Report on the transactions reported by the Company during the first half of 2020, according to the provisions of art. 82, Law no. 24/2017. The limited insurance independent report of BDO Audit SRL, attached to this release, is also available online on Transelectrica's website, [www.transelectrica.ro](http://www.transelectrica.ro), Investor Relations - Current Reports section, respectively <https://www.transelectrica.ro/en/web/tel/raportari-curente>.

**Cătălin NIȚU**

**Executive Director General  
Directorate Chairman**

**Ionuț-Bogdan GRECIA  
Directorate Member**

**Andreea Mihaela MIU  
Directorate Member**

**Marius Viorel STANCIU  
Directorate Member**

**Corneliu Bogdan MARCU  
Directorate Member**

**LANGUAGE DISCLAIMER:** This document represents the English version of the original official Romanian document filed with the Financial Supervisory Authority ASF. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. Any discrepancies or differences created in the translation are not binding. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document which is the official version.

**INDEPENDENT REPORT OF LIMITED ASSURANCE  
ON THE INFORMATION INCLUDED IN THE CURRENT REPORTS ISSUED BY THE COMPANY IN  
ACCORDANCE WITH THE PROVISIONS OF LAW NO. 24/2017 (ARTICLE 82) AND REGULATION  
NO. 5/2018 ISSUED BY THE FINANCIAL SUPERVISORY AUTHORITY**

To the Directors,  
C.N.T.E.E. Transelectrica S.A.

*Purpose of the independent auditor's report*

We have been appointed by C.N.T.E.E. Transelectrica S.A. („the Company”) to report on the information included in the Current Reports dated 6 January 2020 and 16 April 2020 (“Reports” or “Current Reports”), issued by the Company in accordance with the provisions of the Issuers of financial instruments and market operations law no. 24/2017 (“Law no. 24/2017”) and of the Regulation no. 5/2018 on issuers of financial instruments and market operations issued by the Financial Supervisory Authority („ASF”).

The Current Reports has been prepared by the Company’s management for the purpose to report to ASF in accordance with the provisions of art. 82 from Law no. 24/2017 and Regulation no. 5/2018.

*Management's Responsibility*

Management is responsible for the preparation and fair presentation of the Current Reports and for the transactions reported included in the Current Reports, in accordance with art. 82 from Law no. 24/2017 and Regulation no. 5/2018, and for the information presented in the Reports. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation and presentation of the Current Reports that is free of material misstatement, due to fraud or error. Also, this responsibility includes keeping adequate supporting documents regarding the Current Reports. Management is responsible for preventing and detecting fraud and ensuring compliance with the legislation and regulations in force.

*Auditor's responsibility*

Our responsibility is to analyze the reported transactions included by the Company in the Current Reports and to report in the form of an independent conclusion of limited assurance, based on the evidence obtained. We conducted the engagement in accordance with International Standard on Assurance Engagements („ISAE”) 3000 as adopted by the Chamber of Financial Auditors of Romania regarding the assurance engagements, other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures in order to obtain a limited assurance level of whether the transactions included in the Current Reports are in accordance, in all material respects, with art. 82 of Law no. 24/2017 and of Regulation no. 5/2018.

The procedures selected by us depend on our understanding of the Current Reports and of other circumstances of the engagement, as well as our considerations on areas where material misstatements may occur. In developing our understanding on the Current Reports and on the

transactions reported in the Current Reports we took into consideration the Company's internal control relevant to the preparation and presentation of the Current Reports in accordance with the provisions of art. 82 of Law no. 24/2017 and Regulation no. 5/2018 in order to establish the procedures that are appropriate in these circumstances, but not for the purpose of expressing a conclusion on the effectiveness of internal control for the preparation and fair presentation of the Company's Current Reports and transactions presented in the Current Reports.

Limited assurance is narrower than absolute or reasonable assurance. The procedures for obtaining evidence for a limited assurance engagement are more restricted than in a reasonable assurance engagement, and therefore the level of assurance obtained is lower than in a reasonable assurance engagement.

As part of this engagement, we have not performed audit or review procedures on the Current Reports and on the transactions included in the Current Reports in accordance with International Standards on Auditing or International Standards on Review Engagements adopted by the Chamber of Financial Auditors of Romania, nor on the sources from which the Current Reports and transaction included in the Current Reports were extracted.

Our procedures were only performed in connection with the Current Reports. We have not performed other additional procedures to verify whether the Company reported all contracts with managers, employees, shareholders, as well as their affiliated entities to be reported according to Art. 82 of Law no. 24/2017 with subsequent amendments for the period January 1 - June 30, 2020.

The procedures performed are as follows:

Regarding to Current Report dated 6 January 2020, we obtained and examined the addendum no. 6/23 December 2019 to the contract C256/01 July 2014 concluded by the Company with Teletrans S.A., the contract C256/01 July 2014, all subsequent addendums, the memo no. 53173/13 December 2019 regarding the need to conclude the addendum, the transfer pricing file for the year 2019 and fiscal inspection report prepared by ANAF on December 19, 2019 for the period 2012-2019.

Regarding to Current Report dated 16 April 2020, we obtained and examined the contract no. C75/14 April 2020 concluded by the Company with Teletrans S.A., as well as the documents related to the procurement procedure, respectively negotiation with the affiliated company. Also, we obtained and examined the transfer pricing file for the year 2019.

### *Criteria*

The procedures were performed to analyze the transactions reported by the Company in the Current Reports and to check whether the price corroborated with the rights and obligations undertaken by the parties is correct by reference to the other offers existing on the market.

Our conclusion was formed on the basis and in connection with the aspects presented in the Current Reports. We believe that the evidence we have obtained is sufficient and appropriate to form the basis of our qualified conclusion of limited assurance.

### *Basis for qualified conclusion*

Considering the results of the external consultant's transfer pricing file prepared for the year 2019, independent companies involved in the provision of services comparable to those provided by Teletrans to Transelectrica have profit margins ranging from -11.83% to 0.52%. According to the offers made by Teletrans during the negotiation process, the profit margin is not mentioned. As a result, we did not obtain sufficient information to determine if the value of the contract, corroborated with the rights and obligations assumed by the parties, is adequate as compared to other offers existing on the market.

### *Qualified conclusion*

Based on the procedures performed and the evidence obtained, except for the possible effect of the aspect mentioned in the previous paragraph, nothing has come to our attention that causes us to believe that the transactions reported in the Current Reports from 6 January 2020 and 16 April 2020 are not in accordance, in all material aspects, with art. 82 of Law no. 24/2017 and Regulation no. 5/2018.

### *Other matters*

Our report is solely issued for the purpose stated in the first paragraph hereof and for the Company's Directorate information and for the information of Bucharest Stock Exchange (BVB) and ASF, and is not to be used for any other purpose. Our report should not be regarded as suitable for use by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company that obtains access to our report or a copy of the report and chooses to rely on our report (or part thereof), should do so at their own risk. Our engagement was performed in order to report to the Directorate of the Company on those aspects that need to be reported in an independent report of limited assurance, and for no other purpose. Our report relates only to the Current Reports mentioned above and does not extend to any other reports of the Company.

For and behalf of BDO Audit SRL

Registered in the Public Electronic Registry of financial auditors and audit firms with no. FA18

Partner's name: Vasile Bulata

Registered in the Public Electronic Registry of financial auditors and audit firms with no. AF1480  
Bucharest, Romania

30 July 2020

Note: This is the English translation of the Romanian version of the limited assurance report. In case of any discrepancies the Romanian version will prevail.

