



**Current Report according to the provisions of art. 65 of Law no. 24/2017 on the issuers of financial instruments and market operations and Regulation no. 5/2018 regarding issuers of financial instruments and market operations**

**Report date: 14.08.2019**

*Name of the issuing entity: NUCLEARELECTRICA S.A. National Company*

*Registered office: 65 Polona St., district 1, Bucharest*

*Telephone/Fax Number: 021.203.82.00 / 021.316.94.00*

*Sole Registration Code with the Trade Register Office: 10874881*

*Registration number in the Trade Register: J40/7403/1998*

*Subscribed and paid-up share capital: RON 3.015.138.510*

*Regulated market on which the issued securities are traded: Bucharest Stock Exchange*

**To: Bucharest Stock Exchange**

**Significant event to report:**

**Availability of the Half-Year Report for the period January 1 - June 30, 2019**

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the availability of the Report related to half-year I for the financial year 2019, prepared in accordance with the provisions of Law no. 24/2017, art. 65, and Annex no. 14 to ASF Regulation no. 5/2018, as of August 14, 2019, as follows:

- in written format, on request, at the registered office of the company in Bucharest, 65 Polona St., District 1, Department for Communication and Relations with Investors;
- in electronic format, on the company's website, under the section "Investor Relations - Financial Statements 2019" ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)).

The Half-Year Report includes:

- The main events of the company's activity during the reporting period;
- Revised Simplified Individual Interim Financial Statements on the date and for the six-month period ended on June 30, 2019, drafted according to the OMFP [Order of the Ministry of Public Finance] no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union;
- Revised Simplified Consolidated Interim Financial Statements on the date and for the six-month period ended on June 30, 2019, drafted according to the OMFP no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union;
- Half-year report of the Board of Directors on the administration activity for period January 1 – June 30, 2019.

**The main results**

## 1. Financial results of the period

During the 6-month period that ended on June 30, 2019, SNN recorded a net profit of 290,661 thousand lei, 59.4% more than in the similar period of last year. The operational result (EBIT) recorded a 69.2% increase, and the EBITDA a 31.1% increase, compared to the same period of the previous year, mainly following the increase of operational revenues by 20.1%, influenced by the increase by 22% of the revenues from the sale of electricity.

Indicator [thousand RON]	6-month period ended on June 30, 2019 (revised)	6-month period ended on June 30, 2018 (revised)	Variation
<b>Production (GWh)*</b>	4,919	4,969	(1.0%)
Operating income, out of which:	1,208,559	1,006,687	20.1%
<i>Income from electricity sales**</i>	1,181,738	968,625	22.0%
Operating expenses, minus impairment and depreciation	(569,502)	(519,334)	9.7%
<b>EBITDA</b>	<b>639,057</b>	<b>487,353</b>	<b>31.1%</b>
Impairment and depreciation	(274,872)	(272,099)	1.0%
<b>EBIT</b>	<b>364,185</b>	<b>215,254</b>	<b>69.2%</b>
Net financial result	(4,063)	14,936	n/a
Net corporate tax expense	(69,461)	(47,876)	45.1%
<b>Net profit</b>	<b>290,661</b>	<b>182,314</b>	<b>59.4%</b>

\*Electricity produced and delivered by Cernavoda NPP in the National Energy System.

\*\*Including revenues from the sale of thermal energy, insignificant in the total revenues.

\*\*\*) Extract from the Revised Simplified Individual Interim Financial Statements on the date and for the six-month period ended on June 30, 2019.

The gross electricity production of the two operational units of CNE Cernavoda was 5,367,792 MWh in the first half-year of 2019, out of which 4,918,714 MWh delivered in the National Energy System.

**The Operating income** increased by 20.1%, influenced by the 22.1% increase in the weighted average price of the electricity sold in the first half-year of 2019 as compared to the weighted average price in the first half-year of 2018, given the sale of a total quantity of electricity over the period January 1 - June 30, 2019 similar to the total quantity sold over the period January 1 - June 30, 2018 (only 1% decrease).

**Operating expenses** increased by 9.7% over the period January 1 - June 30, 2019, as compared to the same period of the year of 2018. This evolution is mainly determined by the increase of the expenses with the purchased electricity and the slight increase of personnel expenses, partially compensated by the decrease of the repair and maintenance expenses.

**Net currency exchange differences** negatively influenced the net result, so in the first half-year of 2019, net financial expenses were recorded, while in the same period of the previous year net financial revenues were recorded. The main currencies to which there are exposures are EUR and CAD.

The increase of the **corporate tax expense** diminishes the positive influences of the other elements. This increase was caused by the increase of taxable profit calculated for the first half-year of 2019 compared to that calculated for the same period of the previous year.

## 2. Electricity sales (quantities, prices and values) in the 1st half-year of 2019

The gross electricity production of the two operational units of CNE Cernavoda was 5,367,792 MWh in the first half-year of 2019, out of which 4,918,714 MWh delivered in the National Energy System.

### Electricity sales (quantities, prices and values) in the 1st half-year of 2019

Sales by types	Quantities in MWh	% of total sales	Average price [Ron/MWh with Tg included]	Revenues from sales [Ron]
Sales on the regulated market	6,100	0.1%	189.51	1,156,011
Sales on the free market (bilateral contracts and PZU sales), out of which:	5,091,397	99.6%	231.62	1,179,269,082
- Sales on PCCB - LE, PCCB - NC, PCSU, PC - OTC contracts and supply contracts	4,400,917	86.1%	233.66	1,028,300,818
- PZU sales	690,480	13.5%	218.64	150,968,264
PE positive imbalances <sup>*)</sup>	14,827	0.3%	165.28	2,450,621
<b>Total sales First half-year of 2019</b>	<b>5,112,324</b>	<b>100%</b>	<b>231.38</b>	<b>1,182,875,714</b>

<sup>\*) NB: RON 104,201 of the value presented represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018.</sup>

As compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts increased by 9%, and benefited from an increase of the average sale price on this market by 18% (price without Tg), while the electricity quantity sold on the spot market (PZU) decreased by 35%, whereas an average sale price on this market higher by 38% (price without Tg) was registered.

### Sales on the regulated market

In the six-month period that ended on June 30, 2019, the Company sold approximately 0.1% of energy on the regulated market at a regulated price. For the year 2019, in order to comply with the provisions of the Government Emergency Ordinance no. 114/28.12.2018, ANRE issued Decision no. 326/2019, by which it established a quantity of energy to be sold by SNN on regulated contracts of 1,377 GWh (out of which 6.1 GWh for the period January 1 - June 30, 2019), and for the following years, the sales obligations based on regulated contracts for SNN to be set at a maximum level of 65% of the amount of electricity delivered. Also, ANRE established by said Decision the regulated price that must be used in 2019, i.e. 188.33 RON/MWh, value which does not include the tariff for electric energy transmission service paid to Transelectrica S.A. for the introduction of electricity in the electricity transmission network.

In the first half-year of 2019, the energy quantities sold based on contracts concluded on the regulated market were compliant with ANRE Decision no. 326/25.02.2019. ANRE established a regulated price for SNN of RON 188.33 /MWh (without Tg).

### Sales on the competitive market

The sold electricity quantities on the competitive market of bilateral contracts represented in the first half-year of 2019 a percentage rate of 86% out of the total volume of the sold energy. The average sale price on bilateral contracts in the first half-year of 2019 was RON 233.66 /MWh (with T<sub>g</sub>), recording an increase of 18.2% as compared to the average price recorded in the first half-year of 2018, of RON 197.68 /MWh (with T<sub>g</sub>); given the fact that the values of the electric power input transport fee in the T<sub>g</sub> network were the following: RON 1.05 /MWh for the period July 1, 2017 - June 30, 2018, according to ANRE Order no. 48/22.06.2017 and RON 1.18 /MWh for the period July 1, 2018 - June 30, 2019, according to ANRE Order no. 108/20.06.2018.

The electricity quantity sold based on contracts, on the spot market (PZU) and on PE is 5,112,324 MWh, 2.9% more than the sales program, of 4,968,531 MWh (sized on the production estimate, without estimating unplanned outages) and 0.26% less than the electricity quantity sold in the same period of 2018.

On the spot market (PZU), during the first half-year of 2019, a quantity of electricity representing 13.5% of the total sale volumes was sold, compared to the percentage share of 20.6% recorded in the same period of 2018. The energy average selling price on the spot market (PZU) achieved by SNN in the 1st half-year of 2019 was 218.64 lei/MWh (with T<sub>g</sub> included), compared to 158.73 lei/MWh (with T<sub>g</sub> included) recorded during the same period of 2018.

The revenues obtained from the electricity market related to electricity deliveries in the first half-year of 2019 are 1,182,875,714 lei (out of which 104,201 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018), 0.16% higher than the budget revenues for the first semester of 2019, and 21.8% higher than the revenues in the same period of the previous year.

### 3. Degree of achievement of investments at the end of the first half of 2019

The total value of the investment program of SNN for 2019 is 256,548 thousand RON (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 6/20.05.2019 of the Ordinary General Assembly of Shareholders of SNN.

The comparative situation of the investment accomplishments (value and percentage) for the first half-year of 2019 compared to the same period of 2018 is presented in the table below:

Year	Value of the investment program [thousand RON]	Performed (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2019	256,548	136,948	53.4%
2018	244,867	74,582	30.5%

As in the previous years, Nuclearelectrica S.A. structured its investment development program on objectives defined in relation to the needs of the production branches (Cernavoda NPP and Pitesti NFF), so as to achieve a high level of utilization of the production capacity (EAF Energy Availability Factor) in compliance with the nuclear safety norms and the long-term maintenance of the level of excellence in the operation of the plant. At the same time, the goal of the development program is to cover the necessity to upgrade/refurbish certain systems, for economic reasons (specific consumption reductions, improvement of certain parameters related

to served processes, with a positive impact on efficiency), and legal ones – the need to implement upgrades associated with nuclear security, environment protection and labor security, representing imperative requirements from the regulatory authorities in the field.

The investment program of SNN for 2019 annexed to BVC was value-sized by considering the ongoing contractual commitments, the estimates regarding the investment objectives to be made, including amounts allocated to investment projects for which the fulfillment of certain requirements outside the control of SNN is anticipated (e.g. prior approvals of regulation authorities, legal terms regarding the completion of public tender procedures, including appeals, obtaining the necessary approvals from SNN corporate bodies, etc.), in order to allow the implementation of these projects by fitting into the approved budget values.

The budget engagement degree on June 30, 2019 is over 95%, and the remaining unengaged investment objectives are in various procurement procedure implementation stages. The budget engagement represents the sum of all the endeavors of the company in implementing investments, including already concluded contracts, an advanced progress in obtaining authorizations, approvals, etc., controlled by the company.

Additional information may be obtained from the Department for Communication and Relations with Investors, e-mail: [investor.relations@nuclearelectrica.ro](mailto:investor.relations@nuclearelectrica.ro).

**Cosmin Ghita**  
**General Manager**

**Adrian Gabriel Dumitriu**  
**Financial Manager**