



Current Report in compliance with the provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations and the ASF Regulation No. 5/2018 regarding issuers of securities and market operations

Report date: 14.11.2019

Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.

Registered office: 65, Polona street, District 1, Bucharest

Phone/fax number: 021-203.82.00 / 021 – 316.94.00

Sole Registration Code with the Trade Register Office: 10874881

Order number in the Trade Register: J40/7403/1998

Subscribed and paid share capital: RON 3.015.138.510

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

**To: Bucharest Stock Exchange
Financial Supervisory Authority**

Important event to be reported

Availability of the Quarterly Report as at and for the first nine months ended on September 30, 2019

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the availability of the Quarterly Report as at and for the first nine months of 2019 ended on September 30, 2019, prepared in accordance with the provisions of art. 67 of Law no. 24/2017 regarding the financial instruments issuers and capital market transactions and with Appendix 13 to the ASF Regulation no. 5/2018, starting with **November 14, 2019, 08:00 HRS**, as follows:

- In written format, by request, at the Bucharest Headquarters, 65 Polona Street, District 1, Communications and Investor Relations Department;
- Electronically on the company’s website, in the “Investor Relations – 2019 Financial Results” section (www.nuclearelectrica.ro).

The Quarterly Report as at and for the first nine months ended on September 30, 2019 comprises:

- The main events in the company’s activity throughout the reporting period;
- The Individual Interim Condensed Unaudited Financial Statements as at and for the nine month period ended on September 30, 2019;
- The Quarterly Report of the Board of Directors on the administration activity for the period January 1 – September 30, 2019.

The main results:

In the first nine months ended on September 2019, SNN registered a net profit of 415.946 Thousand lei, 29,6% higher than the same period of last year. EBIT increased by 36,3%, while EBITDA increased by 17,3% compared to the similar period of last year, mainly as a result of 15% higher operation revenues influenced by the 16,6% increase in sales.

Indicator [thousand RON]	9-month period ended on September 30, 2019 (unaudited)	9-month period ended on September 30, 2018 (unaudited)	Variation
Production (GWh)*	7,524	7,640	(1.5%)
Operating income, out of which:	1,810,218	1,574,294	15.0%
<i>Income from electricity sales**</i>	<i>1,771,356</i>	<i>1,519,372</i>	<i>16.6%</i>
Operating expenses, minus impairment and depreciation	(873,954)	(776,293)	12.6%
EBITDA	936,264	798,001	17.3%
Impairment and depreciation	(415,582)	(416,129)	(0.1%)
EBIT	520,682	381,872	36.3%
Net financial result	(4,704)	17,996	n/a
Net corporate tax expense	(100,032)	(78,872)	26.8%
Net profit	415,946	320,996	29.6%

*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.

*** Excerpted from the Interim Individual Simplified Unaudited Financial Statements as at and for the nine month period ended on September 30, 2019

The **Operational profit** (EBITDA) increased by 17.3% as compared to the same period of the previous year, mainly following the increase of operational revenues by 15%, influenced by the increase by 16,6% of the revenues from the sale of electricity.

The **operating income** increased by 15%, determined by the 17% increase in the weighted average price of the electricity sold during the period January 1 - September 30, 2019, as compared to the weighted average price in the same period of 2018, considering the sale of a total quantity of electricity during the period January 1 - September 30, 2019 similar to the total quantity sold during the period January 1 - September 30, 2018 (only 1% decrease).

As compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts decreased by 2%, and benefited from an increase of the average sale price on this market by 16% (price without Tg), while the electricity quantity sold on the spot market (PZU) decreased by 33%, considering an average sale price on this market higher by 32% (price without Tg) was registered.

Also, in the 9-months period that ended on September 30, 2019, the Company sold approximately 7.4% of the energy on the regulated market (the Company did not sell energy on the regulated market in the 9-months period that ended as of September 30, 2018), at 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 558.9 GWh for the period January 1 - September 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.

2. Sales (quantities, price and values) during January 1-September 30, 2019

The gross production of electricity of the two operational units of Cernavoda NPP was 8,214,746 MWh over the period January 1 - September 30, 2019 (of which 2,846,955 MWh in the 3rd quarter of 2019); from this gross production, the own technological consumption of the Units during operation, and during the outages ensured from own production was of 691 thousand MWh over the period January 1 - September 30, 2019 (of which 242 thousand MWh in the 3rd quarter of 2019).

Electric power sales (quantities, prices and values) over the period January 1 - September 30, 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	558,540	7.1%	189.51	105,848,909
Sales on the free market (bilateral contracts and PZU sales), out of which:	7,244,206	92.6%	229.25	1,665,804,607
- Sales on PCCB - LE, PCCB - NC, PCSU, PC - OTC contracts and supply contracts	6,323,345	80.8%	230.14	1,455,274,403
- PZU sales	920,861	11.8%	228.62	210,530,204
PE positive imbalances ^{*)}	21,750	0.3%	169.49	3,686,426
Total sales January 1 - September 30, 2019	7,824,496	100%	226.90	1,775,339,942

^{*) NB: RON 148,897 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.}

During the period January 1 - September 30, 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 T_g).

The electricity quantities sold on **the competitive market** of bilateral contracts represented over the period January 1 - September 30, 2019, a percentage rate of 80.8% out of the total volume of the sold electric power. The average sale price on bilateral contracts over the period January 1 - September 30, 2019 was 230.14 RON/MWh (with T_g included), recording an increase of 16.1% as compared to the average price recorded over the same period of 2018, of 198.28 RON/MWh (with included T_g); given the fact that the values of the electric power input transport fee in the T_g 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 - September 30, 2019, according to ANRE Order no. 108/20.06.2018.

On **the spot market (PZU)**, over the period January 1 - September 30, 2019, a quantity of electricity representing 11.8% of the total sales volume was sold, compared to the percentage share of 17.4% recorded over the same period of 2018. The energy average selling price on the spot market (PZU) achieved by SNN over the period January 1 - September 30, 2019 was of RON 228.62/MWh (with T_g included), as compared to RON 173.97/MWh (with T_g included) recorded over the same period of 2018.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (301 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 52% from the spot market, 36% from the Centralized Markets, and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries over the period January 1 - September 30, 2019 are of RON 1,775,339,942 (of which RON 148,897 represent redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 76/2017, ANRE Order no. 31/2018), 0.76% higher than the budget revenues over the period January 1 - September 30, 2019, and 16.5% higher than the revenues in the same period of the previous year, respectively.

According to the sales strategy, 9 contracts for purchase on the Centralized Markets were concluded between August 2018 and April 2019, for a constant power of 145 MWh, with delivery in May 2019, at an average price of 210.93 RON/MWh which partially covered the sale obligations assumed by the contracts whose average weighted price in May 2019 was 216.03 RON/MWh.

The average weighted sale price, for the electricity quantities sold (without the resulted market and PE), resulted over the period January 1 - September 30, 2019, is of 229.95 RON/MWh (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated over the period January 1 - September 30, 2019 (PCCB -

LE, PCCB - NC, PCSU and PZU), calculated based on the values published by OPCOM in the monthly market reports, is of RON 240.29/MWh. Over the same period of 2018, the average weighted sale price, for the energy quantities sold (without PE) was RON 194.07/MWh (including T_g).

3. Investments execution on September 30, 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, as part of the Revenues and Expenses Budget ("BVC") of SNN for 2019.

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 comparative situation of the investment accomplishments (value and percentage) for January 1 - September 30, 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 - 30.09) [thousand RON]	Achievement level (01.01 - 30.09) (%)
2019	256,548	178,370	69.5%
2018	244,867	116,626	47.6%

Additional information may be obtained from the Communications and Investor Relations Department, e-mail : investor.relations@nuclearelectrica.ro.

Cosmin Ghita

Chief Executive Officer