



## QUARTERLY FINANCIAL REPORT

**regarding the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations for the 9-month period that ended on September 30, 2019  
(Third quarter of the financial year 2019)**

Quarterly report according to:	Art. 67 of Law no. 24/2017 on issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 for the 9-month period that ended on September 30, 2019 (Third quarter of the financial year 2019)
Report date:	November 12, 2019
Issuer's name:	<b>S.N. Nuclearelectrica S.A. ("SNN")</b>
Registered office:	Bucharest, No. 65, Polona Street, District 1
Telephone/Fax Number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Trade Register sole registration number:	10874881
Registration number in the Trade Register:	J40/7403/1998
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro) Premium Category
Subscribed and paid-up share capital:	RON 3,015,138,510 301.513.851 shares, nominal value of 10 RON/share, dematerialized, nominative, ordinary, indivisible, with equal voting rights, freely tradable on Bucharest Stock Exchange under the SNN symbol starting with 04.11.2013.
Main features of the securities issued by the issuer:	Unaudited simplified individual interim financial statements on the date and for the 9-month period ended on September 30, 2019 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standards ("IFRS"), based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union.
Applicable accounting standards:	Romanian Leu (RON) – all the presented amounts are in RON, unless indicated otherwise.
Reporting currency:	<b>Third quarter of the financial year 2019</b>
Reported period:	

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## 1. ECONOMIC AND FINANCIAL SITUATION

The information and the unaudited simplified individual interim financial statements on the date and for the period of 9 months ended on September 30, 2019 presented in this report are not audited by the financial auditor of S.N. Nuclearelectrica S.A. and were drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on the International Accounting Standard 34 - “Interim financial reporting” passed by the European Union.

The submitted indicators are in lei (RON) unless otherwise stated.

### a) Financial position statement as of September 30, 2019

Indicator [thousand RON]	September 30, 2019 (unaudited)	December 31, 2018 (audited)
Non-current assets	6,376,460	6,671,436
Current assets	2,360,655	2,194,769
<b>Total Assets</b>	<b>8,737,115</b>	<b>8,866,205</b>
Equity	7,216,162	7,179,131
Total liability, out of which:	1,520,953	1,687,074
Long-term debts	980,021	1,122,870
Short-term debts	540,932	564,204
<b>Total Equity and Liability</b>	<b>8,737,115</b>	<b>8,866,205</b>

### b) Profit and loss account and global result for the 9-month period that ended on September 30, 2019

Indicator [thousand RON]	3-month period ended on September 30, 2019 (unaudited)	3-month period ended on September 30, 2018 (unaudited)	9-month period ended on September 30, 2019 (unaudited)	9-month period ended on September 30, 2018 (unaudited)
Operating revenues	601,659	567,607	1,810,218	1,574,294
Operating expenses	(445,162)	(400,989)	(1,289,536)	(1,192,421)
<b>Operating profit</b>	<b>156,497</b>	<b>166,618</b>	<b>520,682</b>	<b>381,873</b>
Financial revenues	14,482	18,491	49,217	65,142
Financial expenses	(15,124)	(15,431)	(53,921)	(47,147)
<b>Net financial (expenses)/revenues</b>	<b>(642)</b>	<b>3,060</b>	<b>(4,704)</b>	<b>17,995</b>
<b>Profit before income tax</b>	<b>155,855</b>	<b>169,678</b>	<b>515,978</b>	<b>399,868</b>
Net corporate tax expense	(30,571)	(30,996)	(100,032)	(78,872)
<b>Profit for the period</b>	<b>125,284</b>	<b>138,682</b>	<b>415,946</b>	<b>320,996</b>
<b>Other elements of the global result</b>	-	-	-	-
<b>Global result</b>	<b>125,284</b>	<b>138,682</b>	<b>415,946</b>	<b>320,996</b>
<b>Basic earnings per share (RON/share)</b>	<b>0.42</b>	<b>0.46</b>	<b>1.38</b>	<b>1.06</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0.42</b>	<b>0.46</b>	<b>1.38</b>	<b>1.06</b>

## **2. SIGNIFICANT EVENTS**

### **2.1. Significant events over the third quarter of 2019**

Other significant events over the 9-month period ended on September 30, 2019, that were not already presented within the quarterly report related to the first quarter of 2019 are the following:

#### ***The Project for the Units 3 and 4 Cernavoda NPP***

Resolution no. 9/29.07.2019 of the Extraordinary General Assembly of Shareholders approved the endorsement of the SNN Board of Directors to approve the modification of the deadlines / due dates provided in the preliminary form of the Investors' Agreement related to the Project for Units 3 and 4 of CNE Cernavoda

#### ***The launch of the campaign "We grow with you!"***

With the Press Release published on August 30, 2019, S.N. Nuclearelectrica announced the launch of the campaign "We grow with you!", a campaign of involvement in the local community of Constanta county, dedicated to improving education and living conditions, as well as access to quality medical services.

The actions of involvement in the local community target 3 major development areas derived from the actual needs of various social categories:

1. Equipping the Physics and Chemistry laboratories of 11 educational institutions in Constanta county (Cernavoda, Fetesti, Medgidia, Constanta) with modern equipment, amounting to approximately RON 3,000 thousand.
2. Equipping the Cernavoda City Hospital with modern medical equipment amounting to RON 995 thousand.
3. Furnishing playgrounds/relaxation areas, and the modernization of the streets in the City of Cernavoda in partnership with the Cernavoda City Hall amounting to RON 852 thousand.

### **2.2 Significant events subsequent to the date of September 30, 2019**

#### ***Signing the Memorandum of SNN - FALCON Consortium***

On October 3, 2019, the Memorandum of Understanding was signed with the FALCON Consortium (Ansaldo Nucleare, ENEA and ICN), regarding the cooperation for the development of the 4th Generation reactor, ALFRED.

The goal of this Memorandum is to set a cooperation framework between the two parties regarding the pre-project works and the research and development activities which are to be implemented in order to develop the ALFRED project.

#### ***Changes in the management of the Company***

By the Current Report published on October 10, 2019, S.N. Nuclearelectrica S.A. informs the shareholders and investors that starting with October 9, 2019, the mandate contract concluded with Mr. Cristian Dima has ceased, due to the failure to obtain the CNCAN [National Commission for the Control of Nuclear Activities] approval.

### ***Approval of the long-term strategy for the development of DICA***

Resolution no. 10/25.10.2019 of the Ordinary General Meeting of Shareholders of SNN approved the Long-term strategy for the development of the Intermediary Dry Spent Fuel Storage Facility ("DICA") and authorized in perspective the extension of the lifetime of Units 1 and 2 harmonized with the observations of CNCAN and those of the Ministry of Environment.

### **3. ECONOMIC AND FINANCIAL INDICATORS**

The performances of SNN are reflected in the accomplishment of the main economic financial indicators, as follows:

<b>Indicator name</b>	<b>Calculation method</b>	<b>M.U.</b>	<b>Value as of 30.09.2019<sup>*)</sup></b>
<b>1. The current liquidity indicator</b>	Current assets/ Current debts	x	4.36
<b>2. Debt ratio indicator</b>			
2.1. Debt ratio indicator (1)	Borrowed capital/ Equity x 100	%	7.9%
2.1. Debt ratio indicator (2)	Borrowed capital/ Engaged capital x 100	%	7.3%
<b>3. Accounts receivables turnover rate</b>	Average accounts receivables/ Turnover x 270	days	24
<b>4. Fixed assets turnover rate<sup>**)</sup></b>	Turnover/ Non-current assets	x	0.37

<sup>\*)</sup> Based on the Unaudited Simplified Individual Interim Financial Statements on the date and for the 9-month period ended on September 30, 2019.

<sup>\*\*)</sup> The fixed assets turnover rate is calculated by updating the quarterly turnover (360 days/270 days).

#### **4. STATEMENTS AND SIGNATURES**

Based on the best available information, we confirm that the Unaudited Simplified Individual Interim Financial Statements on the date and for the 9-month period ended on September 30, 2019 drafted according to the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standard (“IFRS”), based on the Accounting International Stand 34 – “Interim financial reporting” passed by the European Union, provides an accurate and real image regarding the financial position, the financial performance and the cash flows for the 9-month period ended on September 30, 2019 and that this report, drafted according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 9-month period ended on September 30, 2019, comprises accurate and real information according to the development and performance of the Company.

**Iulian Robert Tudorache,**  
**Chairman of the Board of Directors**

**Approved,**  
**Adrian Gabriel Dumitriu,**  
**Chief Financial Officer**

## **5. APPENDIXES**

### **5.1 – Major LITIGATIONS in progress on September 30, 2019 (over 500 thousand RON), including the non-monetary evaluated ones**

The list of major litigations in progress as of September 30, 2019 is found in Annex 4 – “Major litigations in progress on September 30, 2019 (over 500 thousand RON), including those that did not undergo monetary evaluation” included in the Quarterly report of the Board of Directors of S.N. Nuclearelectrica S.A. on the management activity for period January 1 – September 30, 2019, published on the website of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Investor relation section.

### **5.2 UNAUDITED SIMPLIFIED INDIVIDUAL INTERIM FINANCIAL STATEMENTS on the date and for the 9-month period ended on September 30, 2019**

Unaudited simplified individual interim financial statements on the date and for the 9-month period ended on September 30, 2019 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on Accounting Standard 34 - “Interim financial reporting” passed by the European Union, are published on the internet page of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Investors relation section.

### **5.3 QUARTERLY REPORT of the Board of Directors on the administration activity for January 1st - September 30, 2019**

The Quarterly Report of the Board of Directors for the period January 1 - September 30, 2019 drafted in virtue of the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations, is published on the webpage of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Investor relation section.