



QUARTERLY REPORT
OF
the BOARD OF DIRECTORS
S.N. NUCLEARELECTRICA S.A.
(“SNN”)
Third quarter of 2019

Report date: November 2019

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1. BASIS OF REPORT

The quarterly report of the Board of Directors for the period January 1 - September 30, 2019 is elaborated in virtue of the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations.

2. FINANCIAL STATEMENT ANALYSIS

The information and the revised 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.

2.1. Financial position statement as of September 30, 2019

The financial position as of September 30, 2019 is presented in **Annex 1**.

Indicator [thousand RON]	September 30, 2019 (unaudited)	December 31, 2018 (audited)	Variation
Non-current assets	6,376,460	6,671,436	(4.4%)
Current assets	2,360,655	2,194,769	7.6%
Total assets	8,737,115	8,866,205	(1.5%)
Long-term debts	980,021	1,122,870	(12.7%)
Current liabilities	540,932	564,204	(4.1%)
Total liabilities	1,520,953	1,687,074	(9.8%)
Equities	7,216,162	7,179,131	0.5%
Total equities and liabilities	8,737,115	8,866,205	(1.5%)

Non-current assets registered a slight drop of 4.4% as compared to the level registered on December 31, 2018, especially due to the drop of the net value of the tangible assets by acknowledging the amortization related to the period January 1 - September 30, 2019. The impact of the period’s depreciation was partially compensated by the investments performed for Units 1 and 2 Cernavoda NPP. At the same time, the financial assets of the Company, representing collateral deposits related to bank guarantee letters with maturity of more than 12 months, issued by the Company on behalf of clients, registered a decrease on September 30, 2019 compared to December 31, 2018, contributing to lowering the level of fixed assets.

Current assets recorded an increase of 7.6% compared to December 31, 2018, due to the increase of cash liquidities (cash, cash equivalents and bank deposits, including collateral deposits related to bank guarantee letters with a maturity of less than 12 months, issued by the Company on behalf of clients), of stocks, advances and commercial receivables and other receivables.

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Long-term debts decreased by 12.7%, as compared to the values recorded on December 31, 2018. The decrease is mainly caused by the decrease of the long term portion of the external credits contracted from Societe Generale and EURATOM for building and starting up Unit 2 Cernavoda NPP, following the reclassification of the outstanding installments in the short-term portion, gradually with the maturity of the credits.

Current debts decreased by 4.1% compared to the values registered on December 31, 2018, based on the decrease of the payable profit tax, partially compensated by the increase of the other current debt elements, mainly the increase of the current portion of provisions for risks and expenses, as a result of the partial classification of provisions for radioactive and non-radioactive waste (including the intermediate deposit for burned fuel - DICA) in the short term, as their management, as well as the increase of the current portion of the loans long-term.

2.2. Profit and loss account for the 9-month period ended on September 30, 2019

Over the 9-month period ended on September 30, 2019, SNN recorded a net profit of RON 415,946 thousand.

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.

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

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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 558.54 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.

The **operating expenses** increased by 12.6% over the period January 1 - September 30, 2019, as compared to the same period of the year of 2018. This evolution is mainly from the contribution paid by the Company to ANRE, in accordance with the provisions of GEO no. 114/2018, 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 period January 1 - September 30, 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 period January 1 - September 30, 2019 compared to that calculated for the same period of the previous year.

The profit and loss account for the 9-month period ended on September 30, 2019 is presented in **Annex 2**.

2.3. Execution of the Revenues and Expenses Budget as of September 30, 2019

The revenue and expenses budget ("BVC") of SNN for the year 2019 was approved by the Resolution of the General Assembly of Shareholders no. 6/20.05.2019.

The company is monitored regarding the compliance with the performance indicators, objectives and criteria, respectively the compliance with the salary payroll level, with the revenues and expenses level, the program to reduce the arrears and the outstanding receivables.

The BVC execution on September 30, 2019 is presented in **Annex 3** to this report.

From the analysis of the manner of performance of the Revenue and Expense Budget as of September 30, 2019 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 101% and a reduction of the operating expenses by 9% as compared to the budgeted level result.

The performance level of the total income is 100.4%, higher than the performance level of the total expenses of 90.7%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

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).

Thus, the electricity produced and delivered in the National Energy System ("SEN") was 7,523,762 MWh over the period January 1 - September 30, 2019, as compared to the same period of 2018 (7,640,217 MWh), representing a 1.5% decrease; in the 3rd quarter of 2019, the quantity of electricity that was produced and delivered in SEN was of 2,605,048 MWh, a 2.5% decrease, as compared to the level recorded in the 3rd quarter of 2018 of 2,670,946 MWh.

The net electricity production program approved by the Board of Directors for 2019 (February 2019 revision) considered a quantity of 10,228,403 MWh; of this, for the period January 1 - September 30, 2019, the production program considered a quantity of 7,478,934 MWh, being implemented in a percentage of 100.6% and for the 3rd quarter of 2019 it considered a quantity of 2,688,368 MWh, being implemented in a percentage of 96.9%.

The installed power usage factor, recorded by each operational unit within the Cernavoda NPP during the 3rd quarter of 2019, and cumulated after the start of commercial usage (Unit 1 on December 2, 1996, Unit 2 on November 1, 2007) until September 30, 2019 was as follows:

Cernavoda NPP unit	Cumulated First semester 2019	July 2019	August 2019	September 2019	Cumulated Third quarter 2019	Cumulated from the commercial exploitation
Unit 1	96.16%	92.41%	92.54%	71.43%	92.60%	90.61%
Unit 2	79.68%	96.93%	96.82%	98.14%	85.62%	94.01%

The lower value of the factor for using the installed capacity at Unit 2 CNE Cernavoda reflects the influence of the scheduled outage for an actual duration of 850.6 hours, registered as of May 3, 2019, 11:00, completed on June 7, 2019, 21:22. The unplanned extension of the scheduled outage of Unit 2 CNE Cernavoda lasted for 98.4 hours, and the initial planned moment of the re-synchronization was June 3, 2019, 19:00.

During September, an unplanned stoppage of Unit 1 of Cernavoda NPP occurred, lasting 160 hours, starting with September 18, 2019 at 5:30, in order to perform repair works to some leaks (minor leak of cooling agent) from the primary heat transfer system of the reactor.

3.2. Electricity sales

Within the activity of electricity trading, the Company is obligated to submit letters of bank guarantee to certain contractual partners, according to the provisions stipulated in the electricity sale-purchase contracts. Mainly, these refer to: the contract concluded with C.N. Transelectrica S.A. for electricity transportation (at the moment, a letter of bank guarantee is not necessary given the SNN status of good payer; the contract provides the situations where the security is mandatory); the agreement concluded with OPCOM S.A. for electricity trading on PZU (Next Day Market) and PI (Intra-daily Market); regulated contracts, concluded with last resort providers, based on ANRE Decision no. 326/2019; contracts concluded on the PCCB – NC platform (centralized market of bilateral electricity contracts – the trading method according to which contracts are awarded by Continuous Negotiation); contracts concluded on the PCSU platform (centralized market for the universal service), plus tender procedure securities; the agreement for PE (balancing market) concluded with C.N. Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for PE representation.

For the purpose of this activity, during the period January 1 - September 30, 2019, a letter of bank guarantee, amounting to RON 1,760,131 was issued. Over the period January 1 - September 30, 2019, a number of 4 collateral deposits were liquidated related to letters of bank guarantee amounting to RON 4,309,544, issued both in 2018 and 2019. As of September 30, 2019, there are 39 letters of bank guarantee in the balance, amounting to RON 124,532,821, of which, for 29 letters of bank guarantee, there are collateral deposits set up, amounting to RON 96,659,494.

The quantities of electricity sold in the first 9 months of 2019, and the corresponding incomes, broken down by types of sale contracts, are presented in the table below:

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	6,323,345	80.8%	230.14	1,455,274,403
- OTC contracts and supply contracts				
- 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.

The electricity quantity sold based on contracts, on the spot market (PZU) and on PE is 7,824,496 MWh, 1.9% more than the sales program, of 7,680,459 MWh (sized on the production estimate, without estimating unplanned outages) and 0.5% less than the electricity quantity sold in 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

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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).

Following the Government Emergency Ordinance no. 114/28.12.2018, amending and supplementing Electricity and natural gas law no. 123/2012, by establishing the supply of electricity under conditions regulated by ANRE for household clients, between March 1, 2019 and February 28, 2022 and introducing as an additional obligation of manufacturers to deliver last-instance suppliers, between March 1, 2019 and February 28, 2022, the electricity that is necessary for ensuring the consumption of household consumers for which regulated fees are applied, ANRE issued Order no. 10/01.02.2019 for approving the Methodology for setting the prices for the electricity sold by the manufacturers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by the manufacturers with last-instance suppliers. ANRE sets for the manufacturers in the indicated period obligations to sell firm quantities of electricity based on regulated contracts. For 2019, the estimated quantity to be attributed to SNN for regulated contracts is 1,377 GWh (out of which 558.54 GWh for the period January 1 - September 30, 2019), and for the following years, the sale obligations based on the regulated contracts attributed to SNN shall be set to a maximum level of 65% of the delivered electricity quantity. Also, ANRE set by annual decision the regulated price that must be charged during the current year; the regulated price is set based on economically justified costs, i.e. cost plus profit margin, using a methodology approved by ANRE.

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

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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.

Over the period January 1 - September 30, 2019, SNN implemented 205 energy sale contracts, as follows:

- 5 regulated contracts;
- 118 contracts concluded on PCCB - LE;
- 66 contracts concluded on PCCB - NC;
- 13 contracts concluded on PCSU;
- one transaction concluded on PC - OTC;
- 2 supply contracts for 2 end users.

No contracts were terminated, and no significant delays were notified compared to the due payment terms provided in the contracts over the period January 1 - September 30, 2019. In all the cases in which there have been delays, the Company sent notifications and charged penalties according to the contractual provisions.

The quantities of energy sold in the 3rd quarter of 2019 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) over the 3rd quarter of 2019

Sales by types	Quantities in MWh	% of total sales	Average price [Ron/MWh with T _g included]	Revenues from sales [Ron]
Sales on the regulated market	552,440	20.4%	189.51	104,692,898
Sales on the free market (bilateral contracts and PZU sales), out of which:	2,152,809	79.4%	225.99	486,517,172
- Sales on PCCB - LE, PCCB - NC, PCSU, PC - OTC contracts and supply contracts	1,922,428	70.9%	222.09	426,955,231
- PZU sales	230,381	8.5%	258.54	59,561,941
PE positive imbalances ^{*)}	6,923	0.3%	181.16	1,254,159
Total sales over the 3rd quarter of 2019	2,712,172	100%	218.45	592,464,229

^{*)} NB: RON 44,784 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.

The electricity quantity sold based on contracts, on the spot market (PZU) and on PE is 2,712,172 MWh, 0.01% less than the sales program, of 2,711,928 MWh (sized on the production estimate,

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without estimating unplanned outages) and 0.93% less than the electricity quantity sold in the 3rd quarter of 2018.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (107 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 81% from the spot market, 1% from the Centralized Markets, and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in the 3rd quarter of 2019 are RON 592,464,229 (out of which RON 44,784 represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018), 1.99% higher than the budget revenues for the second quarter of 2019, and 7% higher than the same period of the previous year.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in the 3rd quarter of 2019, is of RON 225.99/MWh (including T_g). In the second quarter of 2018 the average weighted sale price, for the energy quantities sold (without PE) was 202.25 RON/MWh (including T_g).

The sold electricity quantities on the competitive market (bilateral contracts) represented, over the third quarter of 2019, a percentage rate of 70.9% out of the total volume of the sold energy. The average sale price on bilateral contracts in the second quarter of 2019 was 222.09 RON/MWh (with T_g included), recording a 11% increase as compared to the average price registered over the 3rd quarter of 2018, of 199.30 RON/MWh (T_g included), given that T_g in the 3rd quarter of 2018 was lower by 1.18 RON/MWh.

On the spot market (PZU), over the 3rd quarter of 2019, a quantity of electricity representing 8.5% of the total sale volumes was sold, as compared to the percentage share of 11.6% recorded over the third quarter of 2018. The energy average selling price on the spot market (PZU) achieved by SNN over the 3rd quarter of 2019 was 258.54 RON/MWh (with T_g included), compared to 224.85 RON/MWh (with T_g included) recorded over the same period of 2018 (PZU).

Over the third quarter of 2019, SNN implemented 104 energy sale contracts, as follows:

- 5 regulated contracts;
- 66 contracts concluded on PCCB - LE;
- 30 contracts concluded on PCCB - NC;
- 1 contract concluded on PCSU;
- 2 supply contracts for 2 end users.

3.3. Expenses in the energy market

Over the period January 1 - September 30, 2019, the total value of the expenses on the electric power market, incurred by SNN, is of RON 93,051,812, of which RON 18,391,021 represent expenses on the balancing market (PE), RON 8,877,647 represent T_g (the regulated tariff paid to CN Transelectrica SA for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 13,681 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 603,877 represent the tariffs

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paid to OPCOM SA for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

Over the first 9 months of 2019, the expenses with the purchase of electricity from the Centralized Markets amounted to RON 23,040,840 – for 108,600 MWh, and those from the spot market (PZU and PI) amounted to RON 41,774,065 – for 155,33 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to RON 64,814,905 (period January 1 - September 30, 2018: RON 32,568,692), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage (including the unplanned outage, following the extension of the planned outage) of Unit 2 CNE Cernavoda, and for the unplanned stoppage of Unit 1 CNE Cernavoda from September 2019; the purchased quantity of electricity was 263,933 MWh (period January 1 - September 30, 2018: 149,598 MWh), at an average price of 245.57 RON/MWh (period January 1 – September 30, 2018: RON 217.71/MWh).

The PE expenses, over the January 1 – September 30, 2019, amounted to RON 18,391,021, the purchased quantity of electric power being of 36,706 MWh (period January 1 – September 30, 2018: RON 19,520,898, with the purchased quantity of electric power amounting to 73,153 MWh). This amount represents the equivalent value of the energy received from PE for compensating the negative unbalance, which occurred because of the differences between the energy quantities that were actually delivered and the quantities notified on the market according to the daily estimates for each hourly interval, and the value of the unbalance from notification, the penalties for the partial delivery of the balancing energy and redistributed costs resulted from the system balancing, based on ANRE Order no. 76/2017 and ANRE Order no. 31/2018.

In the 3rd quarter of 2019, the total value of the expenses on the electric power market, incurred by SNN, is of RON 44,419,168, out of which RON 11,376,427 represent expenses on the balancing market (PE), RON 3,073,837 represent Tg (the regulated tariff paid to CN Transelectrica SA for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 5,473 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 186,259 represent the tariffs paid to OPCOM SA for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

In the 3rd quarter of 2019 the expenses with the purchase of electricity from the Centralized Markets amounted to RON 285,600 – for 720 MWh, and those from the spot market (PZU and PI) amounted to RON 29,342,143 – for 86,578 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to RON 29,627,743 (3rd quarter of 2018: RON 11,690,328), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the unplanned outage of Unit 1 of CNE Cernavoda; the purchased electricity quantity was 87,298 MWh (3rd quarter of 2018: 39,183 MWh), at an average price of 339.39 RON/MWh (3rd quarter of 2018: RON 298.35/MWh).

The purchases associated to the unplanned extension of the planned outage of Unit 2 CNE Cernavoda on the spot market (PZU and PI) were in total value of RON 6,881,850, for a total quantity of 34,854 MWh, at an average price of 197.45 RON/MWh.

The PE expenses in the 3rd quarter of 2019 were RON 11,376,427, and the purchased electricity quantity was 19,826 MWh (3rd quarter of 2018: RON 8,451,062, with the purchased quantity of electric power amounting to 27,487 MWh).

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The expenses with purchases of electricity and negative imbalances were higher in the 3rd quarter of 2019 than in the 3rd quarter of 2018. The longer term of unplanned stoppages in the 3rd quarter of 2019 in relation to the same period of 2018 (160 hours in the 3rd quarter of 2019, compared to 94 hours in the 3rd quarter of 2018) have led to the increase in the quantity of electricity purchased, at a purchase price that was higher than the previous period.

3.4. Investment program as of 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.

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%

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.

Analysis of the completion degree of the investment program as of September 30, 2019

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 largest investment programs planned to be finalized in 2019 are: acquisition of horizontal and vertical flow detector extraction equipment of the Hesir type, replacing the control part of an excitation system at Unit 2, modules DICA 10 and 11, as well as stage 1 of the modernization and extension of the Physical Protection System. In addition, the investment program includes inspections and capital

repairs carried out at Unit 2 during the planned shutdown, other investment projects required within NPP, NFF and the headquarters, as well as investment objectives with completion in the next years.

During the period January 1 - September 30, 2019, the investments regarding "Equipment for extracting HESIR horizontal and vertical flow detectors" and "DICA - Module 10" were completed, and for the investment regarding "Replacement of the control section of the excitation system 2-41280-PL 1615 at Unit 2" the acceptance of the works is scheduled to take place by the end of 2019.

Out of the investment projects provided in the investment program we mention:

- **"Planned outage of Unit 2 CNE Cernavoda (regular general inspections and capital repairs)":** budgeted 79,628 thousand RON – the value degree of implementation as of September 30, 2019 is 98%.

- **"Burnt fuel intermediary storage (including SICA Unit 2)":** budgeted 12,925 thousand RON – the value achievement degree as of September 30, 2019 is of 79%. Module 10 was completed and accepted in July 2019, but for Module 11, works are in progress. In September, the contractor requested the issue of an addendum for the extension of the execution deadline until March 2020, justifying that from a technological point of view, it is no longer possible to finish Module 11 in 2019.

- **"Modernization and expansion of the physical security system":** budget 19,736 thousand RON – the achievement value degree as of September 30, 2019 is of 28%. The priority 2 stage 1 physical-protection works for supplementing the physical-protection system of CNE Cernavoda are in progress.

- **"Improving the CNE Cernavoda response, respectively the nuclear security functions in case of events outside the design bases following the nuclear accident occurred at the Fukushima 1 nuclear plant, Japan":** budget 31,270 thousand RON - achievement value degree as of September 30, 2019 is of 44%. Within the objective of changing the destination of the existing constructions on the site of Unit 5, it was decided to terminate the contract for works and services, with the contract termination notice being served on August 30, 2019.

- **"Extending the life cycle of unit 1 by re-tubing the reactor and refurbishing the main systems (studies)":** budget 3,665 thousand RON - the accomplishment degree value-wise as of September 30, 2019 is of 11%. The procurement procedure regarding the assessment of the technical condition of structures, systems and components of Unit 1 (Condition Assessment) was completed, with the contract being signed with the Association Candu Energy and Ansaldo Nucleare on October 18, 2019. The procurement procedure "Integrated engineering services in relation to the extension of the lifecycle to 245,000 EFPH" is in the final phase of analysis of the financial proposals, and the procurement procedure for "Engineering services for the elaboration of the Feasibility Study on the Management of Radioactive Waste generated during the refurbishment period of Unit 1 and during operation after refurbishment" is in the phase of analysis of the technical proposals submitted. The competition of solutions for the "Technical and economic documentation regarding the solution for replacing the nuclear fuel channels, calandria tubes and feeders (ICCTCF) of the reactor of Unit 1 of CNE Cernavoda" was launched, and two offers were received in this regard. The procurement procedure for "Engineering assistance for the management of Phase 1 of the Project for the Refurbishing of Unit 1 of Cernavoda CNE" will also be launched.

- **"Fittings",** representing procurements of goods and other investment expenses: budgeted at RON 70,999 thousand – the value degree of implementation as of September 30, 2019 is 67%.

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During the period January 1 - September 30, 2019 the need to include in the investment project for 2019 the following projects was identified:

- Shared project COG – JP 4597/4400 „Pressure Tube Integrated Material Surveillance Program” (PT-IMSP), with an implemented value in this period of RON 7,359 thousand;
- Project "Development of Seiru Warehouse" with an implemented value in this period of RON 775 thousand;
- Project "Replacement of corroded pipeline section in the area of Anghel Saligny - Cernavoda", with an implemented value in this period of RON 54 thousand.

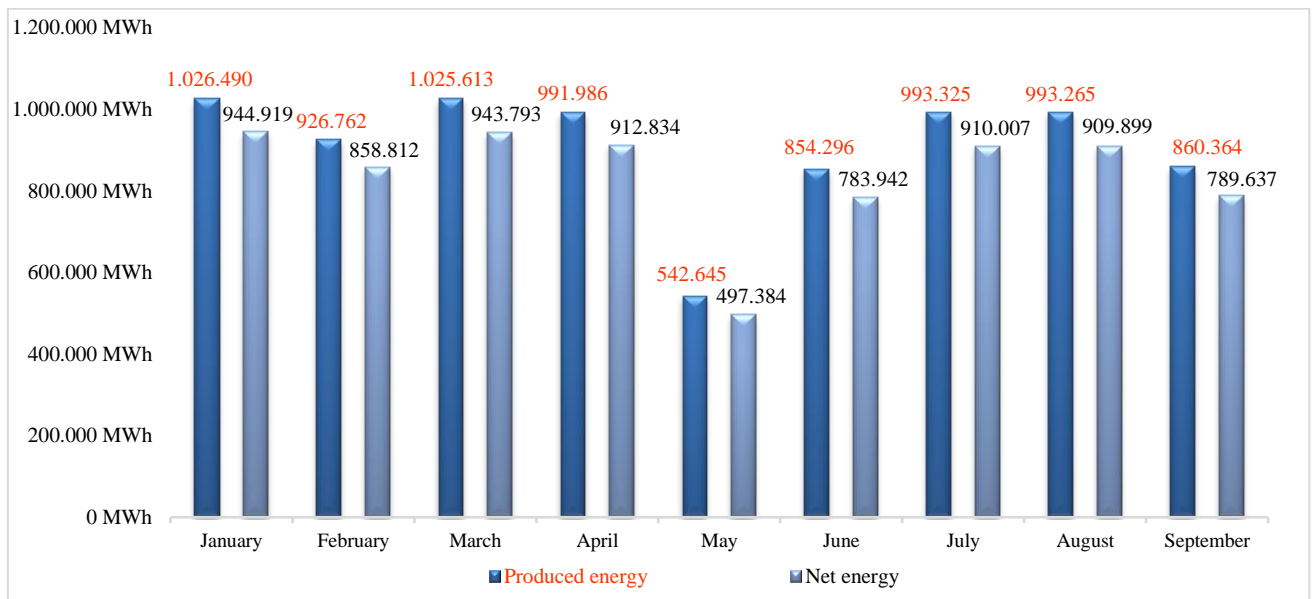
3.5. Activity of the Cernavoda NPP Branch

The operation activity was conducted without events that might have impact an impact on nuclear safety, upon the own personnel, population and environment. The relationship with the regulators was conducted in compliance with the requirements and conditions in the operation licenses.

Over the 9-month period that ended on September 30, 2019, no operation event exceeding level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in-depth defense barriers, impact on the site or outside (INDICATOR 1).

The main indicators of the production activity are shown in the following graphics.

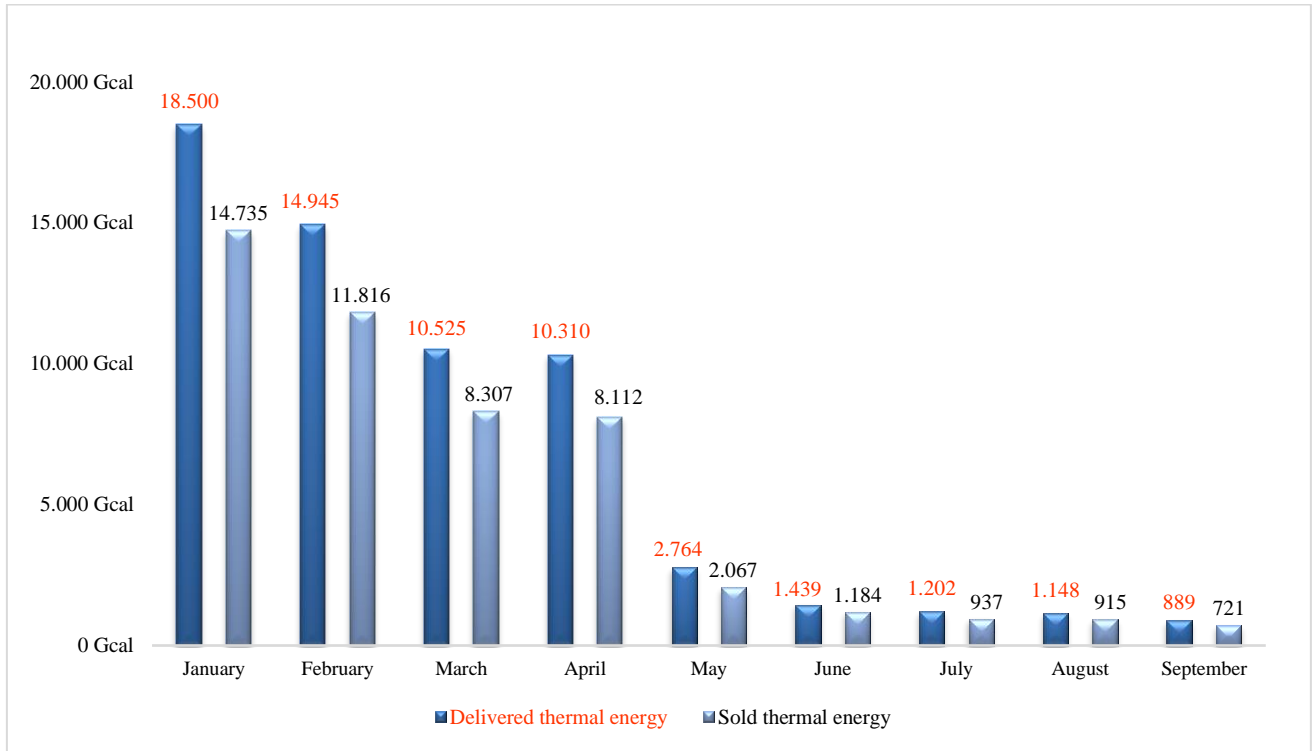
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 8,214,746/Net electricity delivered: 7,551,227)
(Own technological consumption cumulated for 2019: 8.14%)



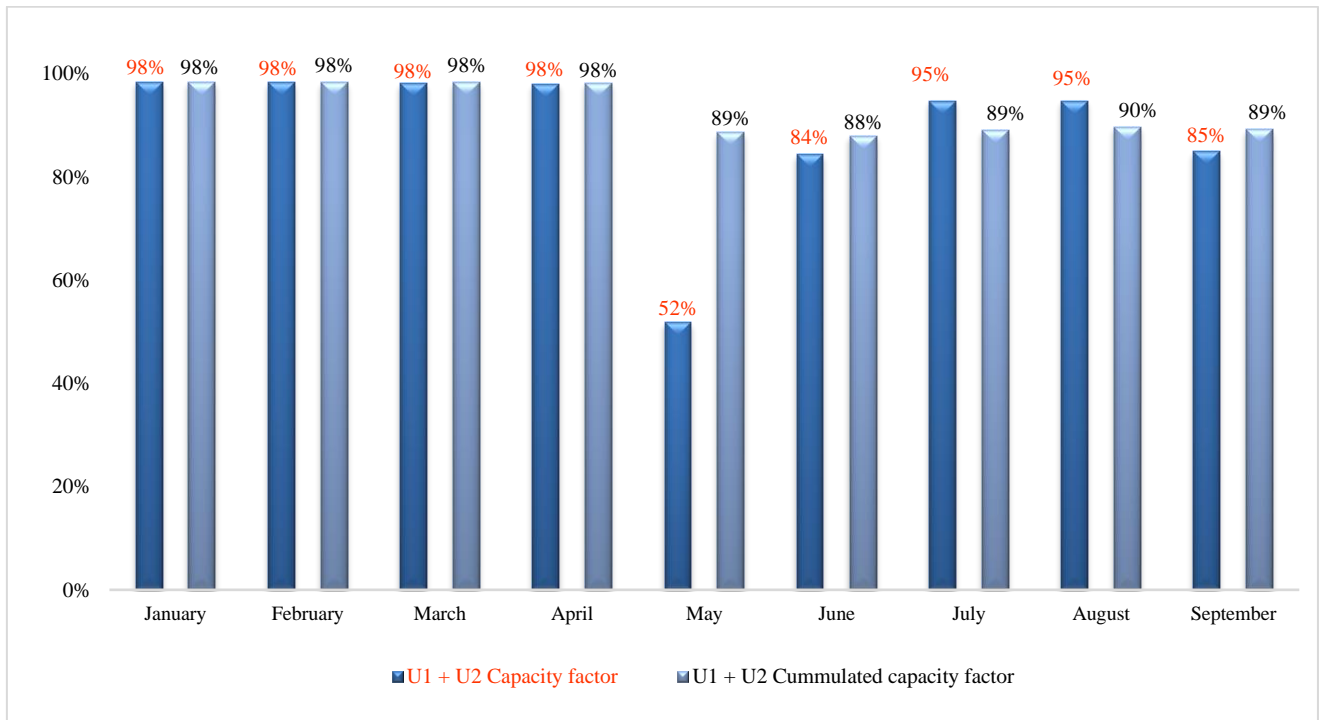
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Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 61,722/Sold thermal energy: 48,794)



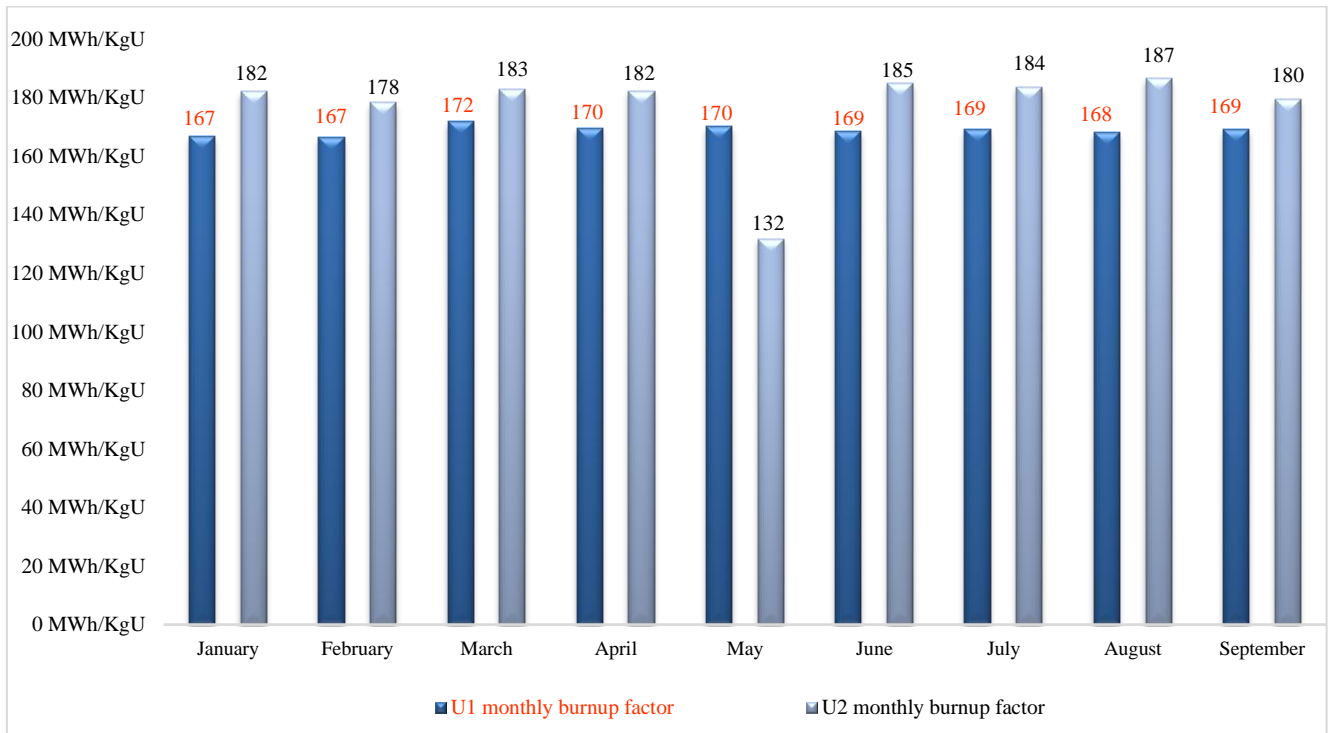
Installed capacity factor U1 + U2 (%)
(Cumulated 2019: 89.11%)



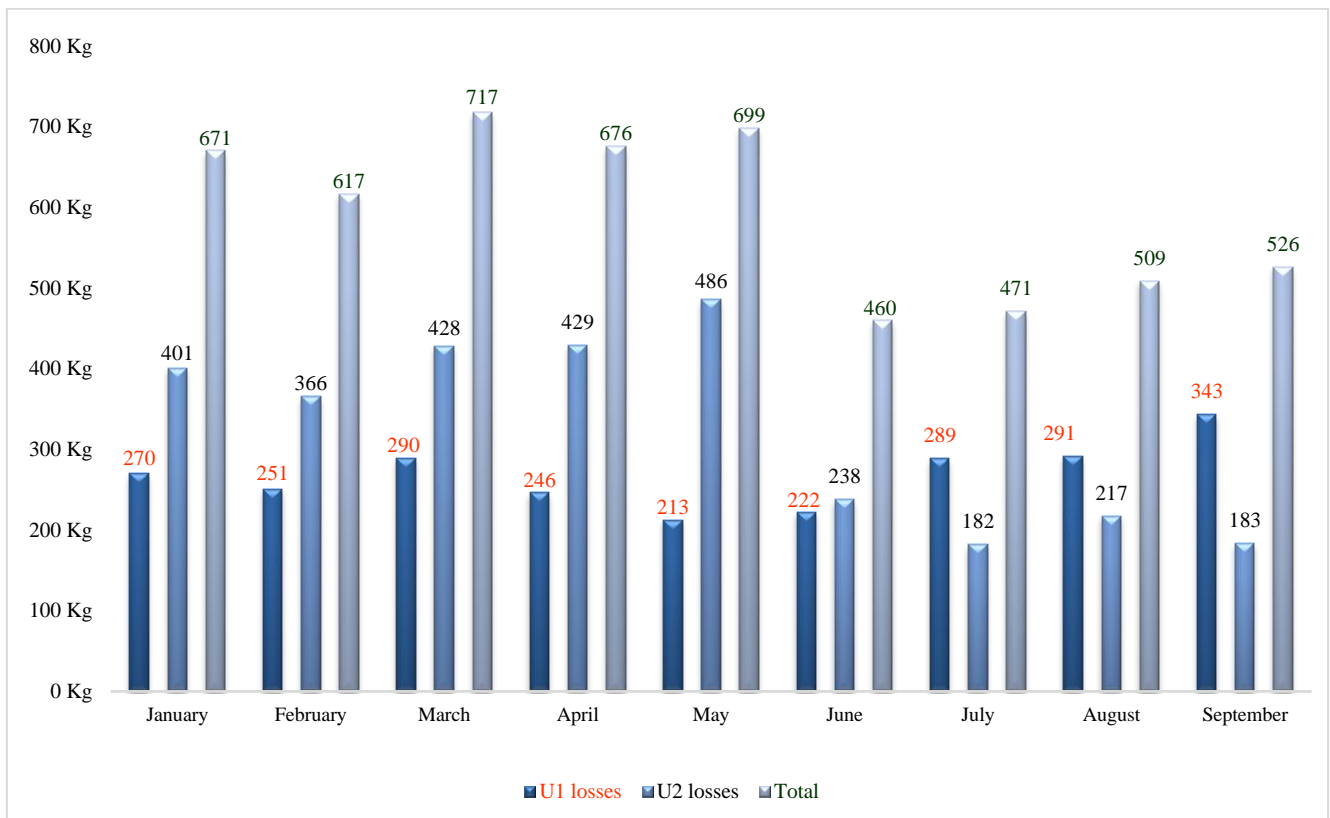
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Nuclear fuel burn up degree (MWh/KgU)
(Cumulated 2019: 174/Provided in the project: min. 156)



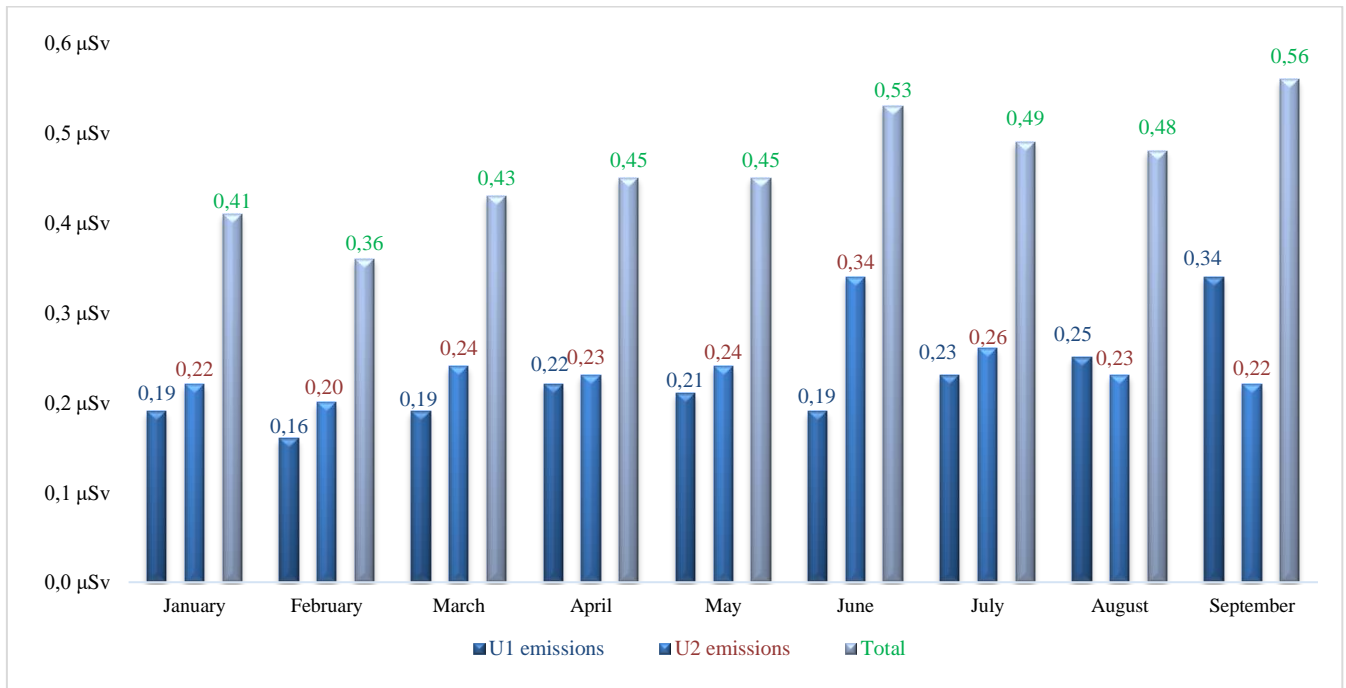
Heavy water loss U1+U2 (Kg)
(Cumulated 2019: 5,344/Provided: max. 10,280)



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Volume of radioactive emissions in the environment U1+U2 (μSv)
(Total cumulated 2019: 4.16/Annual limit: 250)



3.6. Activity of the Pitesti NFF Branch

Over the period January 1 - September 30, 2019, the FCN Pitesti Branch manufactured, controlled and accepted 8,321 nuclear fuel bundles, according to the manufacture plan, all of them within the specifications, and the production of nuclear fuel bundles increased by 2% as compared to the same period of 2018, when 8,144 bundles were manufactured, inspected and accepted.

Over the period January 1 - September 30, 2019, FCN Pitesti branch delivered to CNE Cernavoda a quantity of 7,920 nuclear fuel bundles (January 1 - September 30, 2018: 7,920 bundles), and complied with the agreed delivery schedule.

In the period January 1 - September 30, 2019, for the production of nuclear fuel, sintered uranium dioxide powder was consumed, at an average price of RON 403.93 /kg, from the existing stock on January 1, 2019, and from the purchases from CNU (National Company of Uranium) - Feldioara Branch and Cameco Marketing Inc. Canada.

4. OTHER SIGNIFICANT ASPECTS

4.1. The Project for Units 3 and 4 Cernavoda NPP

The main benchmarks for continuing the Project Units 3 and 4 CNE Cernavoda, over the period January 1 - September 30, 2019, are the following:

- In the period January 21 - 23, 2019, a meeting of the mixed work group Romania - China took place regarding IGA, and the following actions were identified: (1) the JVCO establishment as soon as

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possible to support the implementation of CfD in Romania, ongoing process; (2) the Romanian party to finalize the preparatory technical measures in view of submitting to the Romanian Parliament and to the European Commission the legislative amendments and updates associated with the adoption of the CfD mechanism; (3) SNN and CGN to resume negotiations on the Investors Agreement (“IA”) in preliminary form.

- In meeting of February 4, 2019, the SNN Board of Directors approved the revised mandate of the SNN Negotiating Committee to negotiate the IA and the Articles of Incorporation (“AI”) in a preliminary form to allow the establishment of JVCo by initial minimal cash contribution, calibrated to the development needs of the Project.

- On March 15, 2019, the discussions regarding the IA in preliminary form, and the AI of JVCo were finalized.

- By Resolution no. 4/10.04.2019 of the Extraordinary General Assembly of Shareholders, the following activities regarding Units 3 and 4 Cernavoda NPP were approved:

1. Approval of the Preliminary Form of the Investors Agreement regarding Units 3 and 4 Cernavoda NPP concluded between China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment (RO) CO.S.A. and S.N. Nuclearelectrica S.A. (item 2 of EGMS agenda from April 10, 2019);

2. Approval of the authorization of the Chairman of the Board of Directors of S.N. Nuclearelectrica S.A. to sign the Preliminary Form of the Investors Agreement (item 1 above), in the name and on behalf of the Company (item 3 of EGMS agenda from April 10, 2019);

3. Approval of the authorization of the Board of Directors of S.N. Nuclearelectrica S.A. to initiate and carry out the necessary steps to finalize the Articles of Incorporation of the project company, in accordance with the provisions set in the Preliminary Form of the Investors Agreement (item 1 above); the mandate thus granted to the Board of Directors of SNN may be assigned to the executive management, and the final form of the Articles of Incorporation of the project company will be submitted for the approval of the Extraordinary General Meeting of Shareholders of SNN (item 5 of EGMS agenda from April 10, 2019).

- On May 8, 2019, SN Nuclearelectrica SA and China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment signed the Preliminary Form of the Investors Agreement regarding the continuation of the Units 3 and 4 Cernavoda NPP Project.

- 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

4.2. The litigation initiated by the Union of Cernavoda NPP and employees of the Cernavoda NPP Branch

On the docket of the Constanta Court, a case was filed against SNN, no. 5802/118/2017, and its scope is unpaid salary rights, representing the equivalent value of the occupational risk (hazardous conditions) bonus, and the plaintiff is the Union of Cernavoda NPP on behalf of 757 employees of the Cernavoda NPP Branch.

The company deems these claims as groundless, as all due salary rights were paid to the employees, including the amounts of money that are subject to this litigation. The court rejected the exception of the work authority on trial, invoked by SNN, as groundless, and approved the evidence with documents and accounting studies, and prorogated the technical study related to the classification in the radiological risk areas after SNN submitted the documents. The following hearing date is on November 22, 2019.

4.3. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the Cernavoda NPP Branch

On the docket of the Constanta Court, a case was filed against SNN, no. 7036/118/2017, and its scope is unpaid salary rights, representing the equivalent value of the occupational risk (hazardous conditions) bonus, and the plaintiff is the Energetica Nucleara '90 on behalf of 291 employees of the Cernavoda NPP Branch.

The company deems these claims as groundless, as all due salary rights were paid to the employees, including the amounts of money that are subject to this litigation. The court approved the evidence with documents and accounting study, and prorogated the technical expertise related to the classification in the radiological risk areas after SNN submitted the documents. The court issued an address to CNCAN for clarifications on the applicability of Order no. 40/1990, and the appointment of 3 experts for performing the technical expertise. The following hearing date is on November 22, 2019.

4.4. The litigation initiated by S.N. Nuclearelectrica S.A. against ArcelorMittal Galati S.A.

The Court of Appeal of Galati approved the appeal filed by plaintiff S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by the Court of Law of Galati, Civil Section II in file no. 3490/121/2015, and fully changed the appealed judgment and, in the retrial stage, partially approved the case. Ordered defendant ArcelorMittal S.A. to pay to the plaintiff S.N. Nuclearelectrica S.A. the amount of RON 8,575,245.78, as damage compensations. Rejected as groundless the appeal filed against the judgment of May 26, 2016 issued by the Court of Law of Galati in file no. 3490/121/2015. Ordered the defendant to pay to the plaintiff the amount of RON 142,132.97, trial expenses - merits and appeal, with the right to recourse. S.N. Nuclearelectrica S.A. notified ArcelorMittal Galati S.A. for the payment of RON 1,394,378.75 that is outstanding in order to fully comply with the payment obligation imposed by the Resolution of the Court of Appeal representing damage compensations and the equivalent value of trial expenses, which ArcelorMittal Galati S.A. paid by bank transfer on July 11, 2019. The decision is appealable.

4.5. Amendment of the Articles of Incorporation of the Company

By Resolution no. 2/04.01.2019 of the Extraordinary General Assembly of Shareholders, the amendment of the Articles of Incorporation of SNN, according to the report submitted to the shareholders for this item on the agenda (item 2 of the EGMS agenda of January 4, 2019), was approved. The amendment is as follows: adding par. (7) to art. 8 which is specifying that the Board of Directors is authorized, for a period of three years, to increase the share capital by issuing new shares in exchange for the contributions of the shareholders up to an authorized capital value of RON 3,015,427,983.

4.6. Activities approved for the increase of the share capital

Resolution no. 2/04.01.2019 of the Extraordinary General Assembly of Shareholders approved the following activities for the increase of the share capital:

1. The appointment by the Trade Registry Office attached to the Bucharest Court of Law of an authorized assessor to appraise the land located on 23 Energiei Street, Cernavoda, Constanta County, in order to increase the share capital of S.N. Nuclearelectrica S.A., as per the note forwarded to the shareholders with regard to this item of the agenda (item 3 of EGMS agenda from January 4, 2019);
2. Conferral of power to the Board of Directors for S.N. Nuclearelectrica S.A. share capital increase up to a maximum value of authorized registered capital of RON 3,015,427,983, according to the note forwarded to the shareholders in relation to this item of the agenda (item 4 of EGMS agenda from January 4, 2019).

4.7. Appraisal mission lead by the World Association of Nuclear Operators “WANO”

By the Current Report published on January 30, 2019, S.N. Nuclearelectrica S.A. is notifying the shareholders and investors on the appraisal mission lead by the World Association of Nuclear Operators “WANO” between 5 – 12 November 2018. This appraisal carried out at the request of S.N. Nuclearelectrica S.A., by a team of 25 international experts sent by nuclear power plants from all over the world, concluded that the level of nuclear security at Cernavoda NPP is high.

4.8. Changes in the management of the Company

By Resolutions no. 2/04.02.2019 and no. 3/04.02.2019, SNN Board of Directors has approved the appointment of the Chief Executive Officer, Deputy Executive Officer and Chief Financial Officer for a period of 4 years, starting on February 11, 2019, as follows: Mr. Cosmin Ghita – as Chief Executive Officer; Mr. Dan Laurentiu Tudor – as Deputy Executive Officer and Mr. Adrian Gabriel Dumitriu – as Chief Financial Officer.

4.9. Approval of regulated prices and quantities for the period March 1, 2019 - December 31, 2019

By the Current Report published on February 27, 2019, S.N. Nuclearelectrica S.A. informs the shareholders and the investors about the Decision of the National Energy Regulatory Authority no. 326/25.02.2019, according to which S.N. Nuclearelectrica S.A. has the obligation to sell 1,377,328,968 MWh on the regulated market between March 1, 2019 - December 31, 2019 (March - April 2019, and July - December 2019, respectively), representing 13.4% of the total production schedules for 2019 at the regulated price of RON 188.33/MWh. This regulated price does not include the electricity transmission fee, in the amount of RON 1.18 / MWh (according to the Order of the National Regulatory Authority for Energy No. 108 / 20.06.2018).

4.10. Signing the Memorandum of SNN – NuScale Power

On March 19, 2019 a Memorandum of Agreement was signed with NuScale Power for an exchange of technical and economic information on the innovative nuclear technology developed by NuScale Power: nuclear power plant based on light water modular reactors to provide electricity, heat, desalination. This technology is the first and only technology subject to a certification assessment by the Nuclear Regulatory Commission of the United States, globally. The purpose of this Memorandum

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is to evaluate the development, authorization and construction of small modular reactors as a potential long-term solution for Romania.

4.11. Approving the distribution of the net profit of financial year 2018

By Resolution no. 5/23.04.2019 of the Ordinary General Assembly of Shareholders of SNN the distribution of the net profit for the financial year 2018 by destinations was approved, the total value of gross dividends in value of RON 378,914,310, the value of the gross dividend per share in value of RON 1.25670615, the dividend payment date, namely the date of June 28, 2019 and the payment methods, according to the report submitted to the shareholders for this item of the agenda (item 5 of EGMS agenda from April 23, 2019).

4.12. Planned outage of Unit 2 CNE Cernavoda

Starting from May 3, 2019 at 11:00, Unit 2 CNE Cernavoda entered the planned outage program and the synchronization with the National Energy System was made on June 7, 2019 at 22:00.

During the period of planned outage made once every two years, more than 9,000 activities of the following programs were carried out:

- Preventive and corrective maintenance program;
- Inspection program;
- The mandatory testing program during the period of planned outages, according to the requirements of the National Committee for Nuclear Activities Control which can be made only with the plant stopped;
- Program for implementation of the project modifications by certain systems/equipment/components.

All the objectives of the planned outage were achieved under safety conditions for the staff of the plant, for the public and the environment, according to the procedures approved used by CNE Cernavoda Branch.

4.13. 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.

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4.14. 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.

4.15. 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.

4.16. 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.

4.17. Major litigations

The situation of the major litigations (in amount of over RON 500 thousand) and of the monetary unevaluated ones in progress as of September 30, 2019 is presented in **Annex 4**.

4.18. Other information

The quarterly report of the Board of Directors for the period January 1 - September 30, 2019, is accompanied by the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 9 months ended on September 30, 2019; these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investors relation section.

5. MAIN ECONOMIC FINANCIAL INDICATORS AS OF 30.09.2019

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

Indicator name	Calculation method	M.U.	Value 30.09.2019 ^{*)}
1. The current liquidity indicator	Current assets/ Current debts	x	4.36
2. Debt ratio indicator			
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%
3. Turnover speed, for client debit items	Average accounts receivables/ Turnover x 270	days	24
4. Asset turnover speed^{**)}	Turnover/ Non-current assets	x	0.37

^{*)} Based on the Revised Simplified Individual Interim Financial Statements on the date and for the 9 month period ended on September 30, 2019.

^{**)} The asset turnover speed is calculated by updating the quarterly turnover (360 days/270 days).

6. ACHIEVEMENT DEGREE OF THE KEY PERFORMANCE INDICATORS

By Resolution no. 12/28.09.2018 of the Ordinary General Meeting of the Shareholders of SNN, the structure of the Board of Directors of SNN was approved, for a 4-year term, starting with September 28, 2018, as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Iulian – Robert Tudorache ^{*)}	28.09.2022
2.	Cosmin Ghita ^{**)}	28.09.2022
3.	Dumitru Remus Vulpescu	28.09.2022
4.	Cristian Gentea	28.09.2022
5.	Elena Popescu	28.09.2022
6.	Cristian Dima ^{***)}	28.09.2022
7.	Mihai Daniel Anitei	28.09.2022

^{*)} Chairman of the Board of Directors of SNN, in virtue of the Resolution of the Board of Directors no. 165/02.10.2018.

^{**)} Also occupies the position of Chief Executive Officer of SNN.

^{***)} Mandate contract concluded starting with October 9, 2019, to the failure to obtain the CNCAN approval.

By the Resolution of the Board of Directors no. 187/29.10.2018, the administration component of the Administration Plan was approved. By the Resolution of the Board of Directors no. 33/07.03.2019, the management component of the Administration Plan and the overall Administration Plan were approved.

By Resolution no. 3/10.04.2019 of the Ordinary General Meeting of Shareholders of SNN no. 3/10.04.2019, the following were approved:

- the financial and non-financial performance indicators that will form the annex to the contract of mandate of non-executive directors;
- the equivalent value corresponding to the annual variable component of the remuneration of non-executive directors of the company, amounting to 12 monthly fixed allowances;
- the form of the addendum to be concluded to the contract of mandate of the company's non-executive directors.

The mandate contracts and the addendums to the mandate contracts signed by SNN with the members of the Board of Directors provide their key performance indicators, and the quarterly and annual targets for 2019-2022. According to the provisions of the mandate contracts (section 5 of Annex 3 to the mandate contracts), the total achievement percentage of the key performance indicators is calculated for each quarter.

The calculation of the total achievement percentage of the key performance indicators for the 3rd quarter of 2019 is annexed to this report.

The achievement degree of the key performance indicators is determined by the total achievement percentage of the key performance indicators, in relation to the achievements to the weights of each short, medium- and long-term indicator. The achievement degree of the key performance indicators is limited to the 100% threshold, even if the achievements exceed the targets proposed by the mandate contract.

Thus, the indicators of the key performance indicators were achieved 100% for the 3rd quarter of 2019 cumulated (so over the 75% threshold) for each member of the Board of Directors:

Mandate contract	Achievement level Quarter III 2019 (cummulated)
Board of Directors	100%

Iulian Robert Tudorache,
Chairman of the Board of Directors

Approved,
Adrian Gabriel Dumitriu,
Chief Financial Officer

Annex 1 – Report on the financial position as of September 30, 2019

	September 30, 2019	December 31, 2018
	(unaudited)	(audited)
Assets		
Non-current assets		
Tangible assets	6,138,282,188	6,364,461,135
Intangible assets	53,675,724	54,834,052
Financial investments	141,689,201	141,689,201
Financial assets	42,812,931	110,451,459
Total non-current assets	6,376,460,044	6,671,435,847
Current assets		
Inventories	394,768,269	368,742,400
Trade receivables and other receivables	195,487,986	183,694,590
Prepayments	31,487,881	10,201,321
Bank deposits	58,879,494	20,954,979
Cash and cash equivalents	1,680,031,121	1,611,175,766
Total current assets	2,360,654,751	2,194,769,056
Total assets	8,737,114,795	8,866,204,903
Equity and liabilities		
Equities		
Share capital, out of which:	3,210,641,253	3,210,641,253
<i>Subscribed and paid in share capital</i>	<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>	<i>195,502,743</i>	<i>195,502,743</i>
Share premiums	31,474,149	31,474,149
Reserve paid in advance	21,553,537	21,553,537
Revaluation reserve	235,337,713	257,407,532
Retained earnings	3,717,155,287	3,658,054,141
Total own equity	7,216,161,939	7,179,130,612
Liabilities		
Long-term debts		
Long term borrowings	571,860,662	683,967,469
Provisions for risks and expenses	165,586,686	182,883,283
Deferred revenues	103,998,797	114,757,293
Deferred tax liability	99,957,857	102,644,715
Obligations regarding employees benefits	38,617,348	38,617,348
Total long term liabilities	980,021,350	1,122,870,108
Current liabilities		
Accounts payable and other liabilities	203,309,954	197,107,880
The current share of provisions for risks and expenses	61,064,280	33,831,052
Current tax liability	29,972,197	98,958,158
Deferred revenues	32,827,085	30,913,233
Current share of the long-term borrowings	213,757,990	203,393,860
Total current liabilities	540,931,506	564,204,183
Total liabilities	1,520,952,856	1,687,074,291
Total equities and liabilities	8,737,114,795	8,866,204,903

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Annex 2 - Profit and Loss Account for the 9-month period ended on September 30, 2019

	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)
Incomes				
Sales of electricity	589,617,655	550,747,264	1,771,355,753	1,519,372,107
Proceeds from electric power transmission	3,073,837	3,151,585	8,877,647	8,369,107
Total revenues	592,691,492	553,898,849	1,780,233,400	1,527,741,214
Other income	8,966,804	13,707,296	29,984,766	46,552,390
Operational expenses				
Impairment and depreciation	(140,709,447)	(144,029,912)	(415,581,760)	(416,128,755)
Personnel expenses	(118,031,493)	(109,366,533)	(351,811,855)	(314,386,314)
Cost of traded electricity	(41,004,170)	(20,530,467)	(83,205,926)	(52,478,667)
Repairs and maintenance	(16,231,487)	(15,016,605)	(47,835,143)	(65,112,322)
Electricity transmission expenses	(3,073,837)	(3,151,585)	(8,877,647)	(8,369,107)
Cost of spare parts	(2,666,005)	(1,330,498)	(12,440,587)	(13,199,634)
Cost of nuclear fuel	(27,695,417)	(26,923,348)	(78,601,369)	(78,432,238)
Other operating expenses	(95,749,735)	(80,639,694)	(291,181,794)	(244,314,408)
Total operating expenses	(445,161,591)	(400,988,642)	(1,289,536,081)	(1,192,421,445)
Operating profit	156,496,705	166,617,503	520,682,085	381,872,159
Financial expenses	(15,123,607)	(15,430,736)	(53,920,578)	(47,146,701)
Financial revenues	14,482,393	18,490,860	49,216,608	65,142,411
Net financial (expenses)/revenues	(641,214)	3,060,124	(4,703,970)	17,995,710
Profit before income tax	155,855,491	169,677,627	515,978,115	399,867,869
Net corporate tax expense	(30,571,152)	(30,995,833)	(100,032,477)	(78,871,669)
Profit for the period	125,284,339	138,681,794	415,945,638	320,996,200

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Annex 3 - Execution of the Revenue and Expense Budget as of September 30, 2019

								thousand RON
		Indicators	Row no.	Budget Quarter III 2019 (approved by AGOA Resolution no. 6/20.05.2019)	Achieved Q III 2019	% Performed vs. Approved [Col. 5/Col. 4]	Variation (abs.) [Col. 5 - Col. 4]	Variation (abs.) [Col. 7/Col. 4]
1		2	3	4	5	6	7	8
I.		TOTAL REVENUES (Row 2 + Row 5 + Row 6)	1	1,852,711	1,859,536	100.4%	6,824	0.4%
	1.	Total operating income, out of which:	2	1,792,576	1,810,319	101.0%	17,743	1.0%
		c ₁ Subsidies, in compliance with the legal provisions in force	3	-	-	-	-	-
		c ₂ Transfers, in compliance with the legal provisions in force	4	-	-	-	-	-
	2.	Financial revenues	5	60,135	49,217	81.8%	(10,918)	(18.2%)
	3.	Extraordinary revenues	6	-	-	-	-	-
II.		TOTAL EXPENSES (Row 8 + Row 20 + Row 21)	7	1,481,101	1,343,557	90.7%	(137,543)	(9.3%)
	1.	Operating expenses (Row 9 + Row 10 + Row 11 + Row 19)	8	1,417,225	1,289,637	91.0%	(127,588)	(9.0%)
	A.	Expenses with goods and services	9	492,876	378,167	76.7%	(114,709)	(23.3%)
	B.	Expenses with taxes, duties and similar payments	10	112,749	112,452	99.7%	(296)	(0.3%)
	C.	Personnel expenses (Row 12 + Row 15 + Row 17 + Row 18)	11	361,527	353,139	97.7%	(8,388)	(2.3%)
	C ₀	Salaries expenses (Row 13 + Row 14)	12	327,194	318,808	97.4%	(8,385)	(2.6%)
	C ₁	Salary expenses	13	290,024	282,488	97.4%	(7,536)	(2.6%)
	C ₂	Bonuses	14	37,170	36,320	97.7%	(850)	(2.3%)
	C ₃	Other personnel expenses, out of which:	15	-	-	-	-	-
		a) Expenses with compensations for early release of personnel	16	-	-	-	-	-
	C ₄	Expenses related to the mandate contract and other control authorities, commissions and committees	17	4,805	4,802	99.9%	(3)	(0.1%)
	C ₅	Expenses related to social protection, special funds and other legal obligations	18	29,528	29,528	100.0%	0	0%
	D.	Other operational expenses	19	450,073	445,878	99.1%	(4,194)	(0.9%)
	2.	Financial expenses	20	63,876	53,921	84.4%	(9,955)	(15.6%)
	3.	Extraordinary expenses	21	-	-	-	-	-
III.		GROSS RESULT (profit/loss) (Row 1 – Row 7)	22	371,611	515,978	138.8%	144,367	38.8%
IV.		CORPORATE TAX	23	78,639	100,032	127.2%	21,394	27.2%
V.		PROFIT AFTER CORPORATE TAX	24	292,972	415,946	142.0%	122,974	42.0%

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Annex 4 – Major litigations in progress on September 30, 2019 (over RON 500 thousand), including the non-monetary evaluated ones

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
SNN Executive								
1.	9089/101/2013	Civil Court of Law Mehedinti	Creditor	Autonomous Administration for Nuclear Activities (RAAN)	Insolvency. Winding-up bankruptcy. Claim RON 7,828,405.48	Merits	Procedure in progress. In virtue of art. 107 par. 1 let. c of Law no. 85/2006. Orders the start of the procedure for the bankruptcy of the debtor. In virtue of art. 107 par. 2 of Law no. 85/2006. Appoints as a temporary legal liquidator Euro Insol SPRL.	23.01.2020
2.	873/1259/2008	Civil Court of Law Arges	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Claim RON 2.713.986,71	Merits	Procedure in progress.	10.12.2019
3.	18770/3/2007	Civil Court of Law Bucharest	Creditor	S.C. Con - Dem S.A.	Insolvency Bankruptcy. Claim RON 2,446,227.08. The receivable approved in the payment program is RON 2.079,293.02 (85% of the receivable accepted in the table).	Merits	Pursuant to art. 132 par. 2 of Law. 85/2006, closes the insolvency procedure against debtor S.C. CON-DEM S.A. Rules the deregistration of the debtor. With appeal within 7 days from communication. Judgment no. 4895/18.09.2019.	Settled. Merits.
4.	3793/2/2013	Administrative Court of Appeal High Court of Cassation and Justice	Appellee	Greenpeace CEE Romania	Cancellation of the resolution of the environmental agreement and of the environment agreement related to the Project Units 3 and 4.	Second appeal	Merits Admits the exception of lack of object of the second head of the initial petition (cancellation of the environment agreement regarding the project "Continuation of the construction works and completion of Units 3 and 4"). Rejects head II of the initial petition filed in relation to the cancellation of the environment agreement for the project "Continuation of construction and completion works of Units 3 and 4 Cernavoda NPP", as devoid of object. Overrules the rest of the petition, as it was completed by the additional petition, as ungrounded.	25.03.2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							<p>Second appeal The Decision No. 2100 dated June 23rd, 2016. Accepts the second appeal filed by the Greenpeace CEE Romania Foundation and the Bankwatch Romania Association against the decision no. 1436 from May 9th, 2014 of the Bucharest Court of Appeal – Section 8th administrative and fiscal department. Reverses the appealed sentence and sends the cause back to the retrial towards the same Court. Final, today, June 23rd, 2016.</p> <p>Retrial merits (CAB) Rejects the summons as ungrounded. With appeal within 15 days from the intimation. Decision no. 2208/2017.</p> <p>Retrial recourse (ICCJ)</p>	
5.	1794/118/2016	Criminal Court of Law Constanta	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. as a civil liability party by a legal administrator.	Prejudice EUR 3,471,463.	Merits	Merits In order to continue the judicial investigation.	
6.	38724/3/2014	Bucharest Law Court Section II - administrative division	Third party under seizure	The Romanian State by the Ministry of Public Finance.	Appeal to the enforcement and cancelling all the foreclosure decisions from the foreclosure file 22/2014 creditors Multipack S.R.L., European Food S.A., Starmil S.R.L., Micula Ioan.	Merits	Merits In virtue of art. 413, par. 1, point 1 NCPC suspends the trial until the final resolution of case no. 15755/3/2014. With appeal throughout the suspension.	Suspended.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
7.	3490/121/2015*	Civil Court of Law Galati Court of Appeal Galati ICCJ	Plaintiff	S.C. ArcelorMittal Galati S.A.	Claims RON 8,575,245,78 difference amount energy sale made redundant and other associated expenses.	Second appeal	<p>Merits Rejects the action to oblige the defendant to pay damages deriving from contract no. 207/22.02.2013 as ungrounded.</p> <p>Appeal Approves the appeal filed by plaintiff S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by Galati Court of Law - Civil Section II in Case File no. 3490/121/2015. Fully changes the appealed judgment and, in retrial. Partially admits the action. Orders the defendant ArcelorMittal Galati S.A. to pay to the plaintiff S.N. Nuclearelectrica S.A. the amount of RON 8,645,467.52, as damage compensations. Rejects as ungrounded the appeal filed against the resolution of May 26,2016 of the same court. Orders the defendant to pay to the plaintiff the amount of RON 142,132.97, trial expenses - merits and appeal. Judgment no. 227/27.09.2017.</p> <p>Second appeal Admits the appeal of the appellant-defendant S.C. ArcelorMittal Galati S.A. against civil judgment no. 227/A of September 27, 2017 issued by Galati Court of Law - Civil Section I, which it annuls remanding the case for retrial to the same court. Final.</p> <p>Retrial appeal Civil judgment no. 102/A approves the appeal filed by plaintiff S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by Galati Court of Law - Civil Section II in Case File no. 3490/121/2015. Fully changes the appealed judgment and, in retrial, partially approves the case. Orders the defendant ArcelorMittal Galati S.A. to pay to the plaintiff S.N. Nuclearelectrica S.A. the amount of RON 8,575,245.78, as damage compensations. Rejected as groundless the appeal filed against the judgment of 26.05.2016 issued by the Court of Law of Galati in file no. 3490/121/2015. Orders the defendant to pay to the plaintiff the amount of RON 142,132.97, trial expenses</p>	

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							- merits and appeal. With the right to appeal, which is to be submitted to the Galati Court of Appeal, within 30 days after the issuance. Pronounced today, 26.06.2019, by making the solution available to the parties by the registry of the Court. Judgment no. 102/26.06.2019. Retrial recourse	
8.	4946/2/2015	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts Intervener General Concrete	Measure annulment GENERAL CONCRETE	Merits	Merits To acknowledge the response to objections.	12.12.2019
9.	45494/3/2015*	Bucharest Law Court Civil party Court of Appeal	Plaintiff asked to pay a security	Managers S.N. Nuclearelectrica S.A. and GMS members.	Prejudice RON 708,407. Execution of measure disposed by CC through the 2012 report regarding D&O policies.	Merits	Merits Rejects the exception of the invoked procedure quality by the defendants Grama Mioara, Popescu Lucia - Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Admits the prescription exception. Dismisses the request, stating as prescribed the right to action. Dismisses the application of calling in warranty as left without object. Compels the plaintiff to pay the following trial expenses: RON 8,226.53 towards the defendant Grama Mioara, RON 7,873.53 towards the defendant Popescu Lucia - Ioana and RON 7,925.79 towards the defendant Chiriac Cristiana. With appeal within 30 de days from the intimation. Judgment no.7583/29.11.2016. Appeal Approves the appeal. Partially cancels the appealed judgment regarding the approval of the exception of prescription of the amount of 6,465 EUR paid on 01.03.2011, of the amount of 3,397 EUR paid on 02.05.2011, of the amount of 39,250 EUR paid on 07.06.2011 and the accessories of these amounts and regarding the granting of trial expenses. Sends the case for retrial to the same court in these limits. Maintains the appealed judgement undecided. With second appeal within 30 days from communication. Pronounced in public session today, 15.12.2017.	The hearing is next.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							Second appeal Approves the appeals formulated by defendants Budulan Pompiliu and Teodor Minodor Chirica, Chiriac Cristiana, Grama Mioara, Popescu Lucia Ioana, Serbanescu Cristian - Ovidiu against civil judgment no. 2250 of December 15, 2017 issued by the Bucharest Court of Appeal - Civil Section V, which it cancels and sends the case for retrial to the same court. Final. Retrial merits	
10.	409/2/2016	Bucharest Court of Appeal	Civil Party	Tudor Ion Criminal group House of insolvency Banat liquidator CET Energoterm Resita.	Tax evasion offenses, bribery, corrupt practices RON 580,974.21.	Merits	Procedure in progress.	29.11.2019
11.	41419/3/2016	Civil Court of Law Bucharest S II	Appellant-Defendant	Energo Securent S.R.L.	SNN claims: RON 330,074.32 Claims Energo Securent: RON 2,206,539.80	Merits	Merits Management of the evidence with accounting expertise.	12.11.2019
12.	5802/118/2017	Labor Constanta Court	Defendant	CNE Union for 757 employees	Monetary rights hazardous conditions bonus.	Merits	Merits Pending accounting expertise.	22.11.2019
13.	7036/118/2017	Labor Constanta Court	Defendant	SLEN union for 132 employees 159 plaintiffs on their own behalf	Monetary rights hazardous conditions bonus.	Merits	Merits Evidence administration.	22.11.2019
14.	26294/3/2018	Civil Bucharest Court of Law	Plaintiff	Davi Comfire	Estimated damage RON 1,915,490 + Legal interest and trial expenses.	Merits	Merits Dismisses the application as groundless. Dismisses the application requiring the defendant to pay the trial expenses, as groundless. Compels the plaintiff to pay to the defendant the amount of RON 7,000, as trial expenses, representing the lawyer's fee. With appeal within 30 days from the intimation. Judgment no. 1060/22.04.2019.	Settled. Merits.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
15.	6471/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 1 of the Authentication - Energonuclear loan.	Merits	Merits Admits the action. Partially cancels Resolution no.29/31.07.2018, respectively point.1, and Decision no.5/08.06.2018, respectively the measure ordered at point.I.4 to remove the deviation described in point 4. Compels the defendant to pay the trial expenses. With appeal within 15 days from the intimation. Judgment no. 1229/29.03.2019.	Settled. Merits.
16.	6472/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 4 of the Authentication – Uranium.	Merits	Merits Admits the action. Partially cancels Resolution no.29/31.07.2018, respectively point.4, and Decision no.5/08.06.2018, respectively the measure ordered at point.I.8 to remove the deviation described in point 10. Compels the payment of trial expenses. With appeal within 15 days from the intimation. Judgment no. 1230/29.03.2019.	Settled. Merits.
17.	6479/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 5 in the Decision - ROEL Xerox.	Merits	Merits Partially admits the action. Partially cancels Authentication no. 29/31.07.2018 and judgment no. 5/08.06.2018, both issued by defendant C.C.R. only regarding the establishment of the damage related to the use of the respective equipment at the Ministry of Economy / Energy, only starting with the start date of the activities of the Negotiation commission for the Project of units 3 and 4 of Cernavoda (an order issued under section II.3 of judgment no. 5/08.06.2018, regarding which the administrative appeal was rejected by section 5 of Authentication no. 29/31.07.2018). Rejects the rest of the case. With appeal within 15 days from intimation. Judgment no. 1730/14.05.2019.	Settled. Merits.
18.	6481/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 3 of the Authentication - BVC substantiation.	Merits	Merits Dismisses the action as groundless. With appeal within 15 days from intimation. Judgment no. 05.06.2019.	Settled. Merits.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
19.	6487/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 2 of the Authentication - Non-increase of the share capital.	Merits	Merits Dismisses the action as groundless. With appeal within 15 days from intimation. Judgment dated 05.06.2019.	Settled. Merits
20.	6676/2/2018	Administrative Bucharest Court of Appeal ICCJ	Plaintiff	Court of Accounts	Suspension of measure point 4 of the Court Decision – Uranium.	Second appeal	Merits Admits the petition of suspension of the enforcement of the measures ordered in point 1.8 of Decision no. 5/08.06.2018. In virtue of art. 15 in Law no. 554/2004 orders the suspension of the enforcement of the measures ordered in point 1.8 of Decision no. 5/2018, until the final settlement of the action in annulment contemplated by file no. 6472/2/2018 registered pending with Bucharest Court of Appeal. It compels the defendant to the payment, in favor of the plaintiff, of the legal charges representing the judicial stamp duty, amounting to RON 20. With right to appeal within 5 days of communication. Judgment no. 3975/08.10.2018. Second appeal Rejects the second appeal formulated by the defendant the Romanian Court of Accounts against Civil Decision no. 3975 of October 8, 2018 of the Bucharest Court of Appeal - Administrative and Fiscal Section VIII, as ungrounded. Final. Passed in public session this day of October 9, 2019.	Final settlement.
21.	6753/2/2018	Administrative Bucharest Court of Appeal ICCJ	Plaintiff	Court of Accounts	Suspension of measure point 5 from the Authentication - ROEL.	Merits	Merits Overrules as unsubstantiated the petition of suspension of the enforcement of point II.13 in Judgment no. 5/08.06.2018 issued by the Court of Accounts. With right to appeal within 5 days of communication. Judgment no. 4169/17.10.2018. Second appeal Dismisses the appeal filed by SNN against Judgment no. 4169 / 17.10.2018 of the Bucharest Court of Appeal, as unfounded. Final. Provided in public hearing today, 24.10.2019.	Settlement.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
22.	6969/2/2018	Administrative Bucharest Court of Appeal ICCJ	Plaintiff	Court of Accounts	Suspension of measure point 1 - Energonuclear loan.	Second appeal	<p>Merits Rejects the suspension application. as ungrounded. With appeal. Judgment no. 4815/23.11.2018.</p> <p>Second appeal Admits the second appeal formulated by the plaintiff Nuclearelectrica S.A. against Judgment no. 4815 of November 23, 2018 of the Bucharest Court of Appeal - Administrative and Fiscal Section VIII. Cancels the judgement under the second appeal. Admits the request for suspension of execution formulated by the plaintiff, Nuclearelectrica S.A, against the defendant, the Romanian Court of Accounts. Suspends the enforcement of pt. 1 of Decision no. 29/31.07.2018 and of pt. II.4 of Decision no.5/08.06.2018 issued by the defendant, the Romanian Court of Accounts until the final settlement of the case. Orders the intimate - defendant, the Romanian Court of Accounts, to pay the amount of RON 100 to the appellant - plaintiff, as trial expenses. Final. Pronounced in public session today, September 25, 2019.</p>	Final settlement.
23.	34778/3/2018	Labor - Bucharest Court of Law CAB	Defendant	Dima Tatiana	Action for cancelling the GMS Resolution.	Merits	<p>Merits Approves the exception of not stamping the application, invoked ex officio. Cancels the application as unstamped. With appeal within 5 days of the ruling. Pronounced in public session today, 14.11.2018. Judgment no. 3437/14.11.2018.</p> <p>Appeal Approves the appeal. Cancels the appealed decision. Sends the file to the trial court, for retrial. Final. Pronounced in public session today, 26.03.2019.</p> <p>Merits retrial Admits the exception of the lack of active procedural quality of the applicant, invoked by the defendant. Rejects the main application as being submitted by a person without procedural quality. Dismisses the application for accessory intervention in favor of the</p>	Settlement.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							applicant, as unfounded. Rejects the request to suspend the execution of the OGMS Decision no. 12 / 28.09.2018 as remaining without object. With call within 30 days from the communication regarding the main request. With appeal within 5 days from the pronouncement regarding the request to suspend the execution of the OGM Decision no. 12 / 28.9.2018. Decision no. 3150 / 31.10.2019.	
24.	34088/3/2018	Civil Bucharest Court of Law	Defendant	Termogaz Company S.A.	Claims RON 575,391.88 - equivalent value of performed and unsettled works. Youth Center Social Program.	Merits	Merits Admits the exception of the material law prescription to the action invoked by the respondent. Dismisses the writ of summons formulated by the claimant S.C. Termogaz Company S.A. through the judicial administrator, Heral Consult IPURL, against the defendant S.N. Nuclearelectrica S.A., as prescribed. With appeal within 30 de days from the intimation. Judgment no. 2454/11.09.2019.	Settled. Merits.
25.	35693/299/2018	Civil Court of Law District 1 Civil Section I	Third party under seizure – SNN Debtor claimant AAAS Appellee The Ministry of Public Finance.	Ionita St. Barsoianu Theodora in foreclosure case no. 959/2010 BEJ Draganescu, Ionescu Crafcenco infringed parties FNI.	Seizure validation for RON 2,089,042.69.	Merits	Merits Rejects the exception of the operating authority; ruled as groundless. Rejects the exception of the lack of passive procedural quality as groundless. Rejects the application for validating the seizure, as groundless. Subject to appeal within 15 days of communication, the appeal petition being filed at the Court of Law of District 1, Bucharest. Judgment no. 3733/19.06.2019.	Settled. Merits.
26.	35159/299/2018	Civil – Bucharest District 1 Court Section I Civil Bucharest Law Court	Third party under seizure – SNN Debtor claimant the Ministry of Public Finances	Ionita Stefan – enforcement file 959/2010 BEJ Draganescu, Ionescu, Crafcenco	Appeal against enforcement RON 2,089,042.69.	Second appeal	Merits Admits the request. Orders the suspension of the enforcement procedure in the enforcement file no. 959/2010 by BEJ Draganescu, Ionescu and Crafcenco regarding the claimant the Ministry of Public Finances. Sets the term for the judgement of the enforcement appeal for 24.04.2018, with the summons of the parties, in public hearing. With appeal regarding the suspension of the enforcement within 15 days of communication. Pronounced in public session today,	Final settlement.

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(All amounts are expressed in RON, unless otherwise specified.)

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
			Appellee ASF, AAAS, ATPMB.				20.03.2019. Second appeal Admits the exception of not stamping the second appeal. Cancels the second appeal as unstamped. Overrules as inadmissible the applicable appeal. Final Judgment no. 220/06.09.2019.	
27.	35162/299/2018	Civil – Bucharest District 1 Court Section II Civil	Third party under seizure – SNN Debtor Claimant AAAS Appellee Ionita Stefan.	Ionita Stefan – enforcement file 959/2010 BEJ Draganescu, Ionescu, Crafcenco	Appeal against enforcement RON 2,089,042.69.	Merits	Merits Rejects the exception of the lack of passive procedural quality of the third party under seizure as groundless. Rejects the appeal against the enforcement as groundless. With appeal within 15 days from intimation. Judgment no. 1611/21.03.2019.	Settled. Merits.
28.	7413/299/2019	Civil – Bucharest District 1 Court Section II Civil	Third party under seizure SNN Claimant AAAS Appellee Repair Plant Targu Jiu	Repair Plant Targu Jiu – enforcement file 233M/2010 of BEJ AD REM	Appeal against enforcement RON 3,895,186.86	Merits	Merits	Pending pronouncement.
29.	6632/3/2019	Labor Bucharest Court of Law CMAS Section VIII	Defendant	Botea Ceciliu Lucian	Labor disputes - appeal against dismissal decision	Merits	Postpones the case for the defendant to submit the written documents requested by the court.	Pending pronouncement.
30.	5308/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Annulment of findings II.7 and II.9 of the Follow-up Report of 01.07.2019 on the measures of Decision no. 16/2015.	Merits	Merits	The hearing is next.
31.	4547/109/2019	Labor Arges Tribunal	Defendant	Gheba Florin	Labor disputes - appeal against sanctioning decision.	Merits	Merits	The hearing is next.

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Quarterly report of the Board of Directors for the period January 1 - September 30, 2019

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
32.	5462/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	General Regional Directorate of Public Finance Bucharest General Directorate for the Administration of Large Taxpayers	annulment of fiscal documents	Merits	Merits	The hearing is next.
Cernavoda NPP Branch								
1.	3338/118/2016	Civil/ Court of Appeal of Constanta	Appellee defendant	Employee group Sarman Costel, Dinu Sorin s.a.	Monetary rights radiological risk bonus.	Appeal	Merits Rejects the civil case formulated by Sarman Constantin, Dinu Sorin Stefan, Mitea Ionut Antonel, Cornateanu George, Manole Constantin, Matei Nicusor, Deciu Georgian, Tompe Augustin, Zanfir Bogdan, Mirsu Adrian, Anghel Ene Paul, and others against defendant S.N. Nuclearelectrica S.A., as groundless. With the right to appeal within 10 days after the notification of this Judgment. Judgment no. 2776/13.12.2017. Appeal	12.11.2019
2.	2853/118/2018	Labor/ Constanta Court	Defendant	Employee group Mihaila Alexandru, Munteanu Nicu and others	Monetary rights radiological risk bonus.	Merits	Merits Rejects the summons as ungrounded. With appeal within 10 days from the intimation. The appeal is to be submitted to the Constanta Court. Pronounced by making the solution available to the parties through the mediation of the registry of the Court today, 04.03.2019. Judgment no. 574/04.03.2019. Appeal	26.11.2019
3.	4133/118/2017	Labor / Constanta Court of Law	Defendant	Employee group Catrangiu Rica, Bejenaru Alexandru and others	Monetary rights radiological risk bonus.	Merits	Merits	20.11.2019
4.	3/118/2019	Civil/ Constanta Court	Plaintiff	Cernavoda City Hall	Claim of land in area of 1,393.62 sq m, in extension of Campus 1.	Merits	Merits Approves the material non-competence exception, invoked ex officio. Rejects the material competence for	13.11.2019

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(All amounts are expressed in RON, unless otherwise specified.)

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							the resolution of the case in favor of the Court of Law of Medgidia, Constanta County, the court to which the case is returned. Without appeal. Pronounced by making the solution available to the parties through the mediation of the registry of the Court today, June 14, 2019. Judgment no. 1576/14.06.2019.	
5.	3990/118/2018	Civil / Constanta Court of Law	Plaintiff	CNE S.A.	The obligation to demolish the building erected on the land owned by SNN in area of 579 sq m.	Merits	Merits	14.11.2019
6.	2221/118/2019	Civil / Constanta Court of Law	Plaintiff	Sorex S.A.	Action on the claim/return of cranes or their equivalent value - Euro 114,000.	Merits	Merits	14.11.2019

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Annex 5 – The accomplishment degree of the key performance indicators as of 30.09.2019 – Board of Directors

Nr. Crt.	Objective/Performance indicators				Verification tool	Target Quarter III 2019	Realised Quarter III 2019	Accomplishment degree capped to 100%	Limity capped (%)
	Indicator	Weighting in the variable component of the short - term indicators	Weighting in the variable component of the medium - term indicators	Weighting in the variable component of the long - term indicators					
0	1	2	3	4	5	6	7	8	9
Governance indicators									
1	Monitoring the performance of the executive management	12,00%	-	-	Quarterly report of SNN directors	Accomplished	Accomplished	100%	12%
2	Monitoring of risk management	10,00%	-	-	Quarterly risk management report	Accomplished	Accomplished	100%	10%
3	Monitoring transparency in communication	8,00%	-	-	Regular publication of corporate governance information	Accomplished	Accomplished	100%	8%
4	Implementation of the company's strategy	-	5,00%	5,00%	Progress report	Accomplished	Accomplished	100%	10%
Operational indicators									
1	No operating events that exceeded Level 1 on the International Nuclear Event Scale	2,00%	-	-	INE Scale according to IEAE.org website	Accomplished	Accomplished	100%	2%
2	Degree of achievement of investment budget	10,00%	2,00%	2,00%	Annex no. 4 BVC	40,00%	69,53%	100%	14%
3	Obtaining an utilization coefficient of installed power capacity of minimum	7,00%	1,00%	1,00%	Realised production (MWh)/Maximum theoretical production (MWh)	80%	89%	100%	9%
4	EHS - Annual collective dose	2,00%	-	-	Total dose, average per unit, man Sv (ALARA quarterly report)	Annual indicator level. (0,35 man/Sv)	0,19	100%	2%
5	EHS - Effluents in the environment	2,00%	-	-	MSv/CNE (ALARA quarterly report)	250	4,16	100%	2%
6	EHS - Maximum allowable dose	-	0,50%	0,50%	Msv/man (ALARA annual report)	20	6,85	100%	1%
Financial indicators									
1	Gross profit	7,00%	1,00%	1,00%	Form "Profit and Loss Account"	70.000.000 lei	515.978.115 lei	100%	9%
2	Average price/MWh on the competitive market	8,00%	1,00%	1,00%	Price published by OPCOM	90% * ROPEX_FM 31.12.N-1 (90% * 232,13 lei/MWh = 208,92 lei/MWh)	229,95 lei/MWh	100%	10%
3	Fitting in the total budgeted operating expenses	9,00%	1,00%	1,00%	Annex no. 1 BVC	Accomplished	Accomplished	100%	11%
The weighted average degree of accomplishment of the key indicators									100%

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