



DISCLAIMER: In order to comply with the provisions of Government Emergency Ordinance no. 26/2013, as well as the provisions of Public Finance Minister Order no. 3818/2019 and of Law no. 5/2020 regarding the content and format of the budget of revenues and expenses, the estimation of the result for year 2019, to which we related the budget level for the year 2020, was made on the basis of the accounting records existing on January 27, 2020, respectively based on the trial balance of said date, and as such the 2019 result estimation performed on January 27, 2020, does not represent the estimation for the reporting of February 26, 2020. The preliminary financial statements are to be published on February 26, 2020, as per the financial calendar, and the final annual financial statements for 2019 are to be approved by SNN General Shareholders Meeting on April 28, 2020, according to the approved and published financial calendar.

**Approved,
Board of Directors
Chairman
Iulian - Robert Tudorache**

**NOTE on the
Corrigendum to the Substantiation Report of Revenue and Expenditure Budget Draft
of S.N.”Nuclearelectrica”S.A. for year 2020**

Compared to the Substantiation Report of SN Nuclearelectrica SA Revenue and Expenditure Budget for year 2020, approved by the Board of Directors Decision no. 3/30.01.2020 and subjected to approval by the Ordinary General Shareholders Meeting of 05.03.2020, there is an error related to a budget item from the Revenue and Expenditure Budget Draft for 2020, error which determines a series of changes in the Substantiation Report, according to the aspects specified below. The Substantiation Report, as rectified according to the below Corrigenda, is attached to this Corrigenda, together with the substantiation annexes rectified on all affected items, namely totals, sub-totals, percentages.

As such, The Substantiation Report of Revenue and Expenditure Budget for 2020 will be rectified as follows:

Page 2

Initial form of

“The Revenue and Expenditure Budget Draft for 2020 sets out a gross profit of 649,337 thousand RON (+202,176 thousand RON, i.e. +45.2% vs. budgeted for 2019, +8,841 thousand RON, i.e. +1.4% vs. preliminary achieved in 2019) and a net profit of 549,458 thousand RON (+57% vs. budgeted for 2019, -1.3% vs. preliminary achieved in 2019). The results are obtained based on total revenues of 2,637,573 thousand RON (+7.2% vs. budgeted for 2019, +6.1% vs. preliminary achieved in 2019) and total expenses of 1,988,236 thousand RON (+1.4% vs. budgeted for 2019, +7.8% vs. preliminary achieved in 2019), and based on the estimation of the income tax at 99,879 thousand RON (+2.84% vs. budgeted for 2019, +2.06% vs. preliminary achieved in 2019)”.

To be read:

“The Revenue and Expenditure Budget Draft for 2020 sets out a gross profit of 651,337 thousand RON (+204,176 thousand RON, i.e. +45.7% vs. budgeted for 2019, +10,841 thousand RON, i.e. +1.7% vs. preliminary achieved in 2019) and a net profit of 551,458 thousand RON (+57,5% vs. budgeted for 2019, +1.6% vs. preliminary achieved in 2019). The results are obtained based on total revenues of 2,637,573 thousand RON (+7.2% vs. budgeted for 2019, +6.1% vs. preliminary achieved in 2019) and total expenses of 1,986,236 thousand RON (-1.5% vs. budgeted for 2019, +7.7% vs. preliminary achieved in 2019), and based on the estimation of the income tax at 99,879 thousand RON (+2.84% vs. budgeted for 2019, +2.06% vs. preliminary achieved in 2019)”.

Page 5.

Initial form of

“Total expenses of 1,988,236 thousand RON (+7,5%) comprising operating expenses of 1,934,157 thousand RON (+8,62%) and financial expenses of 54,079 thousand RON (+15.34%).”

To be read:

“Total expenses of 1,986,236 thousand RON (+7,7%) comprising operating expenses of 1,932,157 thousand RON (+8,51%) and financial expenses of 54,079 thousand RON (-15.34%).”

Page 5.

Initial form of

“1. Operating expenses amounting to 1,934,157 thousand RON (+8,62% vs. achieved in 2019, -0.19% vs. budgeted for 2019) are composed of costs of goods and services, expenses with taxes, duties and assimilated payments, expenses with personnel and other operating expenses.

To be read:

“1. Operating expenses amounting to 1, 932,157 thousand RON (+8.51% vs. achieved in 2019, -0.30% vs. budgeted for 2019) are composed of costs of goods and services, expenses with taxes, duties and assimilated payments, expenses with personnel and other operating expenses.

Page 13.

Initial form of

“C. Expenses with personnel amounting to 473,283 thousand RON (+ 10% vs. preliminary achieved in 2019, + 5% vs. budgeted for 2019) include: expenses with salaries, bonuses, other personnel expenses, expenses related to the mandate contract and other management and control bodies, commissions and committees, and expenses with social security and social protection, special funds and other legal obligations. These expenses are detailed below and showed in the following chart.”

To be read:

“C. Expenses with personnel amounting to 471,283 thousand RON (+ 9,89% vs. preliminary achieved in 2019, + 4,34% vs. budgeted for 2019) include: expenses with salaries, bonuses, other personnel expenses, expenses related to the mandate contract and other management and control bodies, commissions and committees, and expenses with social security and social protection, special funds and other legal obligations. These expenses are detailed below and showed in the following chart.” (the chart and indicators are presented as the correct version in the Substantiation Report)

Page 18.

Initial form of

“C4) Expenses related to the mandate contract and other management and inspection bodies, commissions and committees amounting to 5,601 thousand RON”

To be read:

“C4) Expenses related to the mandate contract and other management and inspection bodies, commissions and committees amounting to 3,601 thousand RON” (changed table is presented in its correct version in the Substantiation Report).

Page 18.

Initial form of

“A. Mandate contracts with the managers (row 104) - 3,970 thousands RON (...) For year 2020, the expenses related to the mandate contracts concluded by the Company with the executive managers were set at 3,970 thousand RON.”

To be read:

“A. Mandate contracts with the managers (row 104) - 1,970 thousands RON (...) For year 2020, the expenses related to the mandate contracts concluded by the Company with the executive managers were set at 1,970 thousand RON.”

Page 19.

Initial form of

“b) the variable component of the managers with mandate contract (row 106) – 2,667 thousand RON”

To be read:

“b) the variable component of the managers with mandate contract (row 106) – 667 thousand RON”

Initial form of: “For year 2020, the expense with the variable component of mandate contracts for managers will be 2,667 thousand RON”.

To be read:

“For year 2020, the expense with the variable component of mandate contracts for managers will be 667 thousand RON”.

Page 22.

Initial form of

The estimates for years 2021 and 2022 in Annex 1, for the entire chapter C4 *Expenses related to the mandate contract and other control authorities, commissions and committees* are determined by considering the fixed and variable allowances detailed above, in full for 12 months of every year, including the additional variable component of directors, in view of the level of the net profit estimated for 2021 and 2022, namely 5,601 thousand RON.”

To be read:

“The estimates for 2021 and 2022 of Annex 1, for the entire chapter C4 *Expenses related to the mandate contract and other control authorities, commissions and committees* are determined by considering the fixed and variable compensations detailed above, fully for 12 months of every year, namely 3,601 thousand RON.”

Page 25.

Initial form of

For year 2020, based on the forecasted revenues and expenditure, results a gross profit of 649,337 thousand RON, by 45.2% higher than the one budgeted for year 2019.”

To be read:

For year 2020, based on the forecasted revenues and expenditure, results a gross profit of 651,337 thousand RON, by 45.7% higher than the one budgeted for year 2019.”

Initial form of

“The gross profit level is determined by the cumulative operating profit and the budgeted financial result. The operating profit is estimated at 644,416 thousand RON (+44,6% vs. budgeted for 2019), and the financial result is estimated at the level of 4,921 thousand RON, higher than the level achieved in 2019, as a result of the expected level of interest rates and the expected monetary market conditions in 2020.”

To be read:

“The gross profit level is determined by the cumulative operating profit and the budgeted financial result. The operating profit is estimated at 646,416 thousand RON (+45,1% vs. budgeted for 2019), and the financial result is estimated at the level of 4,921 thousand RON, higher than the level achieved in 2019, as a result of the expected level of interest rates and the expected monetary market conditions in 2020.”

Given the above mentioned aspects, we are requesting approval of the Substantiation Report and Annexes of S.N. “Nuclearelectrica” S.A. Revenue and Expenditure Budget Draft for year 2020 under its correct version, in order to forward it for approval by the ordinary general Shareholders Meeting of 05.03.2020.

**Chief Executive Officer,
Cosmin Ghita**

**Chief Financial Officer,
Adrian Gabriel Dumitriu**

Annexes:

- Substantiation Report of S.N.”Nuclearelectrica”S.A. Revenue and Expenditure Budget Draft for 2020, in its correct version;
- Revenue and Expenditure Budget for 2020 and estimates for years 2021 and 2022 (Annex no. 1);, correct version;
- Details of the economic-financial indicators provided in the Revenue and Expenditure Budget and their distribution by quarters (Annex no. 2); correct version ;
- Total revenue achievement level (Annex no. 3);
- Investment Schedule (Annex no. 4);
- List of the “Fittings” item for 2020 (Annex no. 4.1);
- Measures for improving the gross result and reducing outstanding payments (Annex no. 5), correct version.