



NUCLEARELECTRICA

## QUARTERLY REPORT

**regarding the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 3-month period that ended on March 31, 2020  
(First quarter of financial year 2020)**

Basis of the report:	Art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to ASF Regulation no. 5/2018 for the 3-month period that ended on March 31, 2020 (First quarter of financial year 2020)
Report date:	May 8, 2020
Issuer's name:	<b>S.N. Nuclearelectrica S.A. ("SNN")</b>
Registered office:	Bucharest, No. 65, Polona Street, District 1
Telephone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Trade Register Office sole registration number:	10874881
Registration number with the Trade Register:	J40/7403/1998
Subscribed and paid share capital:	RON 3,015,138,510
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro) Premium Category 301.513.851 shares, nominal value of RON 10/share, dematerialized, nominative, ordinary, indivisible, with equal voting rights, freely tradable on Bucharest Stock Exchange under the SNN symbol starting with 04.11.2013.
Main features of the issued securities:	Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving 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.
Applicable accounting standards:	Romanian Leu (RON) – all the presented amounts are in RON, unless indicated otherwise.
Reporting currency:	<b>First quarter of financial year 2020</b>
Reported period:	

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## 1. ECONOMIC AND FINANCIAL SITUATION

The information and the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020 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 presented indicators are in lei (RON) unless otherwise stated.

### a) Financial position statement as of March 31, 2020

Indicator [thousand RON]	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Non-current assets	6,151,855	6,301,960
Current assets	2,798,264	2,508,894
<b>Total Assets</b>	<b>8,950,119</b>	<b>8,810,854</b>
Equity	7,549,986	7,334,934
Total liability, out of which:	1,400,133	1,475,920
Long-term liabilities	899,838	936,157
Current liabilities	500,295	539,763
<b>Total Equity and Liability</b>	<b>8,950,119</b>	<b>8,810,854</b>

### b) Profit and loss account and comprehensive income for the 3-month period that ended on March 31, 2020

Indicator [thousand RON]	3-month period ended on March 31, 2020 (unaudited)	3-month period ended on March 31, 2019 (unaudited)
Operating revenues	636,793	678,007
Operational expenses	(394,226)	(391,786)
<b>Operating profit</b>	<b>242,567</b>	<b>286,221</b>
Financial revenues	26,452	14,306
Financial expenses	(9,584)	(31,785)
<b>Net financial income/(expense)</b>	<b>16,868</b>	<b>(17,479)</b>
<b>Profit before profit tax</b>	<b>259,435</b>	<b>268,742</b>
Net income tax expense	(44,383)	(49,457)
<b>Profit for the period</b>	<b>215,052</b>	<b>219,285</b>
<b>Other elements of the global result</b>	<b>7,279</b>	<b>7,365</b>
<b>Global result</b>	<b>222,331</b>	<b>226,650</b>
<b>Basic earnings per share (RON/share)</b>	<b>0.71</b>	<b>0,73</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0.71</b>	<b>0,73</b>

## 2. SIGNIFICANT EVENTS

### 2.1 Significant events in the first quarter of financial year 2020

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

By the Current Report published on January 16, 2020, SNN informed its shareholders and investors regarding the resignation of Mr. Adrian Gabriel Dumitriu from the position of Chief Financial Officer, starting with March 31, 2020.

By the Current Report published on March 27, 2020, SNN informed the shareholders and investors regarding the resolution of the Board of Directors to temporarily suspend the selection procedure, during the state of emergency declared on the territory of Romania. Upon the recommendation of the Nomination and Remuneration Committee, considering the current context, in order to ensure the continuity of SNN activities under optimal conditions, the Board of Directors approved the appointment of Mr. Paul Ichim as Chief Financial Officer with a provisional mandate of 4 months from April 1, 2020 to July 31, 2020, with the possibility of its extension for 2 more months, until September 30, 2020.

#### *Changes in the management of the Company - Board of Directors*

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders (“OGMS”) approved the following activities for selecting a member in the Board of Directors:

1. Approving the initiation of the procedure of selecting a member in the Board of Directors, according to the provisions of Government Emergency Ordinance no. 109/2011 on the corporate governance of public entities, as further amended and supplemented (section 2 of the OGMS of January 30, 2020).
2. Approving the mandating of the Board of Directors for the implementation of the procedure for selecting a member in the Board of Directors (section 3 of the OGMS agenda of January 30, 2020).
3. Appointing Mr. Teodor Minodor Chirica as a provisional member of the Board of Directors, with a mandate duration of 4 months (section 4 of the OGMS agenda of January 30, 2020).

#### *Amendment of the Articles of Incorporation of the Company*

By Resolution no. 2/30.01.2020 of the Extraordinary General Meeting of Shareholders (“EGMS”), the amendment of the Articles of Incorporation, according to the report submitted to the shareholders for this item on the agenda (item 2 of the EGMS agenda of January 30, 2020), was approved. The amendment is as follows: adding par. (4) of art. 5 referring to the introduction of new NACE codes, corresponding to new secondary activities.

#### *Pre-SALTO assessment mission regarding the implementation of the Project for refurbishment Unit 1 of NPP Cernavoda*

By the press release published on February 21, 2020, SNN announced that in February 2020 there was at NPP Cernavoda an international Pre - SALTO (Safety Aspects of Long Term Operation) assessment mission of the International Atomic Energy Agency on the implementation of the Project for refurbishment Unit 1 of NPP Cernavoda.

The international assessment team ascertained an efficient use of the programs related to the implementation of the first stage of the project, by complying with the time schedule and an efficient use of international experience in retrofitting projects implemented within other CANDU units, and recommended the continuous improvement of the long-term operational strategy and the permanent revision of the process correlated with the implementation of a comprehensive methodology regarding the structures and components of the long-term operation process.

### ***Activities approved for the increase of the share capital***

By the Current Report published on February 24, 2020, SNN informed its shareholders and investors on approving the increase of the share capital by the Board of Directors, with an in-kind and cash contribution in total maximum value of 1,380,150 lei, from the current value of 3,015,138,510 lei to the value of 3,016,518,660 lei, by issuing a maximum number of 138,015 new dematerialized registered shares, at a price of 10 lei/share, equal to the nominal value (without the first issue).

### ***Concluding a contract for market making services***

By the current report published on March 10, 2020, SNN informed its shareholders and investors on concluding a contract for market making services on March 9, 2020 with SSIF BRK Financial Group, for 12 months. The contract is concluded according to the legislative provisions set by the Bucharest Stock Exchange and considers increasing the liquidity of the SNN shares and decreasing their volatility on the market. Following the results of 2019, when SNN shares recorded the highest performance in the BET index, and recorded the highest increase, SNN aims for the registration in the FTSE index of the London Stock Exchange.

### ***Implementing Standard ISO 37001 - Anti-bribery management system***

By the current report published on March 24, 2020, SNN informed the shareholders and investors on the completion of the process of implementing Standard ISO 37001 - Anti-bribery management system, and SNN obtained the certification for implementing this standard. The main goal of this standard is to create a management system that would continuously enhance a culture of integrity, transparency, openness, and compliance and promote trust within the relations between business partners.

### ***Activities approved regarding the procurement of the uranium octoxide processing line from Compania Nationala a Uraniului S.A. – Feldioara Branch***

Resolution no. 4/30.03.2020 a of the Extraordinary General Meeting of Shareholders (“EGMS”) approved the following activities for purchasing the uranium octoxide processing line from Compania Nationala a Uraniului S.A. – Feldioara Branch:

1. Approving the initiation of procedures for purchasing the assets related to the Feldioara Branch belonging to Compania Nationala a Uraniului S.A. (topic 3 on the EGMS agenda of March 30, 2020).
2. Mandating the SNN managers for implementing the necessary procedures for purchasing the assets related to the Feldioara Branch belonging to Compania Nationala a Uraniului S.A., including for discussions and negotiations in order to prepare the necessary documentation and the acquisition offer (topic 4 on the EGMS agenda of March 30, 2020).
3. Approving the initiation of endeavors for transferring the license for the concession of the operation activity in the Tulghes – Grinties perimeter (Neamt county), concluded between the National Agency of Mineral Resources and Compania Nationala a Uraniului S.A. (topic 5 on the EGMS agenda of March 30, 2020).

### ***Participation of S.N. Nuclearelectrica S.A. in the incorporation of the Association of Electricity Producers - HENRO***

Resolution no. 4/30.03.2020 of the Extraordinary General Meeting of Shareholders (“EGMS”) approved the following activities in order for SNN to participate in the Association of Electricity Producers - HENRO:

1. Approving the participation of SNN in the incorporation of the Association of Electricity Producers - HENRO and the contribution to its patrimony, according to the note presented to the shareholders for this topic on the agenda (topic 6 on the EGMS agenda of March 30, 2020).
2. Mandating the Chief Executive Officer to implement all the necessary formalities for incorporating the association and to sign all the necessary incorporation documents, on behalf of SNN (topic 7 on the EGMS agenda of March 30, 2020).

### **2.2 Significant events after the date of March 31, 2020**

#### ***Approving the distribution of the net profit of financial year 2019***

By Resolution no. 5/27.04.2020 of the Ordinary General Meeting of Shareholders (“OGMS”) the distribution of the net profit for the financial year 2019 by destinations was approved, the total value of gross dividends in value of lei 498,421,396, the value of the gross dividend per share in value of lei 1.65306302, the dividend payment date, namely the date of June 25, 2020 and the payment methods, according to the report submitted to the shareholders for this item of the agenda (item 6 of OGMS agenda from April 27, 2020).

#### ***Postponing the planned outage of Unit 1 of Cernavoda NPP***

By the Current Report published on April 7, 2020, SNN informed its shareholders and investors on the resolution of the Board of Directors of SNN to postpone the planned outage of Unit 1 of Cernavoda NPP. This decision was determined by the current context of the COVID-19 pandemic corroborated with the measures related to the Plan of ensuring the protection of the personnel and continuing the operation and production.

The measure of postponing the planned outage, in this period, is a common practice for the nuclear plants that use the CANDU technology. Postponing the planned outage of Unit 1 of Cernavoda NPP does not affect the maintenance of a high level of nuclear security and operation efficiency, and the production will take place under normal parameters.

SNN will issue, after conducting an internal analysis of all impact factors, a current report regarding the exact period when the planned outage of Unit 1 of Cernavoda NPP is to be performed.

### 3. ECONOMIC AND FINANCIAL INDICATORS

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

Indicator name	Calculation method	M.U.	Value 31.03.2020 <sup>*)</sup>
<b>1. The current liquidity indicator</b>	Current assets/ Current liabilities	x	5.59
<b>2. Debt ratio indicator</b>			
2.1. Debt ratio indicator (1)	Borrowed capital/ Equity x 100	%	6.2%
2.1. Debt ratio indicator (2)	Borrowed capital/ Employed capital x 100	%	5.8%
<b>3. Turnover speed, for client debit items</b>	Average accounts receivables/ Turnover x 90	days	20
<b>4. Asset turnover speed<sup>**)</sup></b>	Turnover/ Non-current assets	x	0.41

<sup>\*)</sup> Based on the Unaudited Simplified Individual Interim Financial Statements on the date and for the 3-month period ended on March 31, 2020.

<sup>\*\*)</sup> The asset turnover speed is calculated by extrapolating the quarterly turnover (360 days/90 days).

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

Based on the best available information, we confirm that the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020 drafted according to the Order of the Minister of Public Finance no. 2844/2016 for approving 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, provides an accurate and real image regarding the financial position, the financial performance and the cash flows for the 3-month period that ended on March 31, 2020 and that this report, drafted according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations for the 3-month period ended on March 31, 2020, comprises accurate and real information according to the development and performance of the Company.

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

**Approved,**  
**Paul Ichim,**  
**Chief Financial Officer**



## 5. APPENDIXES

### **5.1 UNAUDITED SIMPLIFIED INDIVIDUAL INTERIM FINANCIAL STATEMENTS on the date and for the 3-month period that ended on March 31, 2020**

The Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on the International Accounting Standard Standard 34 - “Interim financial reporting” passed by the European Union, are published on the webpage of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Relations with investors section.

### **5.2 QUARTERLY REPORT of the Board of Directors on the administration activity for the period January 1 - March 31, 2020**

The Quarterly report of the Board of Directors on the administration activity for the period January 1 - March 31, 2020 drafted according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and of the Mandate contracts concluded by the Board of Directors with SNN, is published on the webpage of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Investor relation section.