



## **S.N. Nuclearelectrica S.A.**

**Unaudited Simplified Individual Interim Financial Statements  
on the date and for the period of 3 months  
ended on March 31, 2020**

Prepared in accordance with  
the Public Finances Minister's Order no. 2.844/2016 on the approval  
of the accounting regulations compliant with the  
International Financial Reporting Standards adopted by the  
European Union ("IFRS – EU"), in virtue of the International Accounting Standard  
34 - "Interim Financial Reporting" adopted by the European Union

**S.N. Nuclearelectrica S.A.**  
Simplified Individual Financial Position at March 31, 2020  
*(All amounts are presented in RON, unless otherwise indicated.)*

	Note	March 31, 2020 (unaudited)	December 31, 2019 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	4	5,943,274,056	6,056,697,319
Intangible assets		59,358,454	60,760,656
Financial assets		7,556,031	42,836,031
Financial investments	5	141,666,101	141,666,101
<b>Total non-current assets</b>		<b>6,151,854,642</b>	<b>6,301,960,107</b>
<b>Current assets</b>			
Inventories	6	400,725,491	405,167,792
Trade receivables and other receivables	7	163,353,646	220,284,169
Payments made in advance		46,077,913	31,416,822
Bank deposits	8	-	58,879,494
Cash and cash equivalents	8	2,188,107,322	1,793,145,389
<b>Total current assets</b>		<b>2,798,264,372</b>	<b>2,508,893,666</b>
<b>Total assets</b>		<b>8,950,119,014</b>	<b>8,810,853,773</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
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		220,717,107	227,996,066
Retained earnings		4,065,599,957	3,843,269,056
<b>Total equity</b>		<b>7,549,986,003</b>	<b>7,334,934,061</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long term loans	9	465,271,439	499,908,597
Provisions for risks and expenses	12	217,430,755	213,470,997
Deferred revenues		96,826,466	100,412,631
Deferred tax liability		78,687,961	80,743,008
Obligations regarding employees benefits	10	41,621,644	41,621,644
<b>Total long-term liabilities</b>		<b>899,838,265</b>	<b>936,156,877</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	11	142,638,711	220,236,112
The current share of provisions for risks and expenses	12	75,081,321	65,442,649
Current tax liability		43,873,123	13,329,182
Deferred revenues		27,205,052	27,863,600
Current portion of long-term loans	9	211,496,539	212,891,292
<b>Total current liabilities</b>		<b>500,294,746</b>	<b>539,762,835</b>
<b>Total liabilities</b>		<b>1,400,133,011</b>	<b>1,475,919,712</b>
<b>Total equities and liabilities</b>		<b>8,950,119,014</b>	<b>8,810,853,773</b>

**S.N. Nuclearelectrica S.A.**

The Simplified Individual Profit and Loss Account for the 3-month period that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

	Note	3-month period ended on March 31, 2020 (unaudited)	3-month period ended on March 31, 2019 (unaudited)
<b>Incomes</b>			
Sales of electricity	13	625,536,109	665,435,989
Proceeds from electric power transmission		3,701,193	3,234,846
<b>Total revenues</b>		<b>629,237,302</b>	<b>668,670,835</b>
Other revenues		7,555,502	9,336,485
<b>Operational expenses</b>			
Depreciation and amortization		(137,612,695)	(136,392,196)
Personnel expenses	14	(113,271,055)	(115,432,049)
Cost of traded electricity		(2,015,032)	(5,561,481)
Repairs and maintenance		(12,363,688)	(9,773,378)
Electricity transmission expenses		(3,701,193)	(3,234,846)
Cost with spare parts		(2,553,439)	(3,695,675)
Cost of nuclear fuel		(31,350,473)	(28,222,948)
Other operating expenses	15	(91,359,151)	(89,473,520)
<b>Total operating expenses</b>		<b>(394,226,726)</b>	<b>(391,786,093)</b>
<b>Operating profit</b>		<b>242,566,078</b>	<b>286,221,227</b>
Financial expenses		(9,584,079)	(31,784,625)
Financial revenues		26,452,489	14,305,947
<b>Net financial income/(expense)</b>	16	<b>16,868,410</b>	<b>(17,478,678)</b>
<b>Profit before profit tax</b>		<b>259,434,488</b>	<b>268,742,549</b>
Net income tax expense	17	(44,382,546)	(49,457,128)
<b>Profit for the period</b>		<b>215,051,942</b>	<b>219,285,421</b>

The Simplified Individual Interim Financial Statements presented on page 1 to 23 were signed on May 8, 2020 by:

**Chief Executive Officer**  
Cosmin Ghita

**Chief Financial Officer**  
Paul Ichim

**S.N. Nuclearelectrica S.A.**

The Simplified Individual Profit and Loss Account for the 3-month period that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

	Note	3-month period ended on March 31, 2020 (unaudited)	3-month period ended on March 31, 2019 (unaudited)
<b>Profit for the period</b>		<b>215,051,942</b>	<b>219,285,421</b>
<b>Comprehensive income</b>			
<b>Items that cannot be reclassified in profit or loss</b>			
Revenue from revaluation of buildings and land, net		8,665,427	8,768,192
Deferred tax related to the revaluation reserve		(1,386,468)	(1,402,911)
<b>Total comprehensive income</b>		<b>7,278,959</b>	<b>7,365,281</b>
<b>Total global result for the period</b>		<b>222,330,901</b>	<b>226,650,702</b>
<b>Earnings per share</b>			
Basic earnings per share (RON/share)	18	0.71	0.73
Diluted earnings per share (RON/share)	18	0.71	0.73

**S.N. Nuclearelectrica S.A.**

The Simplified Individual Situation of the Equity Modifications for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

	Share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at January 1, 2020 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>227,996,066</b>	<b>3,843,269,056</b>	<b>7,334,934,061</b>
<b>Comprehensive income</b>						
<i>Profit of the period</i>	-	-	-	-	<i>215,051,942</i>	<i>215,051,942</i>
<i>Comprehensive income</i>	-	-	-	-	-	-
Transfer of the revaluation reserve to the result carried forward	-	-	-	(7,278,959)	7,278,959	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,278,959)</b>	<b>222,330,901</b>	<b>215,051,942</b>
<b>Transactions with the shareholders, recognized only in equity</b>						
Distributed dividends	-	-	-	-	-	-
<b>Transactions with the shareholders, acknowledged only in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as of March 31, 2020 (unaudited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>220,717,107</b>	<b>4,065,599,957</b>	<b>7,549,986,003</b>

**S.N. Nuclearelectrica S.A.**

The Simplified Individual Situation of the Equity Modifications for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated.)*

	Share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as of January 1, 2019 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>257,407,532</b>	<b>3,658,054,141</b>	<b>7,179,130,612</b>
<b>Comprehensive income</b>						
<i>Profit of the period</i>	-	-	-	-	<i>219,285,421</i>	<i>219,285,421</i>
<i>Comprehensive income</i>	-	-	-	-	-	-
Transfer of the revaluation reserve to the result carried forward	-	-	-	(7,365,281)	7,365,281	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,365,281)</b>	<b>226,650,702</b>	<b>219,285,421</b>
<b>Transactions with the shareholders, recognized only in equity</b>						
Distributed dividends	-	-	--	-	-	-
<b>Transactions with the shareholders, acknowledged only in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as of March 31, 2019 (unaudited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>250,042,251</b>	<b>3,884,704,843</b>	<b>7,398,416,033</b>

**S.N. Nuclearelectrica S.A.**

The Simplified Individual Situation of Cash Flow for the period of 3 months that ended on March 31, 2020  
(All amounts are presented in RON, unless otherwise indicated.)

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before profit tax	259,434,488	268,742,549
<b>Adjustments for:</b>		
Impairment and depreciation	137,612,695	136,392,196
Impairment on trade and other receivables	(555)	(610,084)
Impairment on inventories	(237,330)	(115,910)
Provisions corresponding to operating liabilities, risks and expenses	9,909,094	(2,786,857)
(Earnings) from asset assignment	(3,837)	(13,310)
Net financial (revenues)/expenses	(17,102,575)	17,005,664
<b>Changes in:</b>		
Decrease/(Increase) in trade receivables and other receivables	58,247,395	(24,178,337)
Inventory decrease/(increase)	4,679,631	(4,097,893)
Variation of deferred income	(4,244,713)	(3,169,198)
Variation of prepayments	(14,661,091)	(48,276,955)
(Decrease) of trade liabilities and other liabilities	(73,133,266)	(7,744,300)
<b>Cash flows generated from operating activities</b>	<b>360,499,936</b>	<b>331,147,564</b>
Corporate tax paid	(15,893,652)	(100,419,792)
Interest received	13,898,632	17,009,958
Interest paid	(576,290)	(571,493)
<b>Net cash flow from operating activities</b>	<b>357,928,626</b>	<b>247,166,237</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(1,990,327)	(1,224,769)
Purchases of tangible assets	(21,209,607)	(21,573,809)
Proceeds from sale of tangible assets	3,837	13,310
Decrease in bank deposits and financial assets	94,159,494	25,751,509
<b>Net cash flow used in investing activities</b>	<b>70,963,397</b>	<b>2,966,241</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(33,930,090)	(33,262,581)
Dividends	-	-
<b>Net cash flow from financing activities</b>	<b>(33,930,090)</b>	<b>(33,262,581)</b>
<b>Net increase in cash and cash equivalents</b>	<b>394,961,933</b>	<b>216,869,897</b>
<b>Cash and cash equivalents as of January 1 (see Note 8)</b>	<b>1,793,145,389</b>	<b>1,611,175,766</b>
<b>Cash and cash equivalents as of March 31 (see Note 8)</b>	<b>2,188,107,322</b>	<b>1,828,045,663</b>

## **S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica S.A. (the "Company" or "SNN") is a national joint-stock company, one-tier management system, having a head office and two branches without legal personality, Cernavoda NPP (Nuclear Power Plant) – with registered office in Constanta County, Cernavoda City, 2 Medgidiei Street, registered with the Trade Register under number J13/3442/2007, and Pitesti NFF (Nuclear Fuel Factory) - with registered office in Arges County, Mioveni City, 1 Campului Street, registered with the Trade Register under number J03/457/1998, respectively. The address of the registered office is Bucharest Municipality, District 1, 65 Polona Street.

The main activity of the company is "Electricity production" - NACE code 3511 and it is recorded in the Trade Register under number J40/7403/1998, fiscal code 10874881, fiscal attribute RO.

The main activity of the company consists in electricity and thermal energy production by nuclear processes. The main place of business is within the Branch Cernavoda NPP, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two nuclear operational reactors are based on CANDU technology (Canada Deuterium Uranium type PHWR). Besides, at Cernavoda the Company owns two nuclear reactors in the early stages of construction (Unit 3 and unit 4). The Project for Increasing the Production Capacity is planned to be completed by the Energonuclear S.A. subsidiary; at present, there is the revised form of the Strategy to continue the Project for Increasing the Production Capacity, endorsed by the Board of Directors of SNN and approved by the Extraordinary General Meeting of Shareholders by Decision no. 11/14.09.2018 (for more information, see Note 5).

The Company owns a reactor (Unit 5) for which the Company shareholders approved changing the initial destination in March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. In the beginning of 2020 the Atomic Energy International Agency conducted a benchmark assessment of the design requirements for the investment objective Location Emergency Control Center - Unit 5 and an assessment of the technical requirements regarding the qualification of equipment to hazards (especially seismic qualification). On the date on which these Simplified Individual Interim Financial Statements were drafted, the assessment report is pending completion, and after its reception the Company will review the received solutions and recommendations and will initiate the procurement procedures for completing the investment objective. The company estimates the completion of this project in 2021.

Manufacturing of nuclear fuel bundles CANDU type required for operating the two nuclear operational reactors located in the branch Cernavoda NPP is performed by the Company in the branch Pitesti NFF.

The electricity sector is regulated by the National Energy Regulatory Authority ("ANRE"), an autonomous public institution. Starting with 2019, the Company participated in the electricity market both on the competitive segment and on the regulated market segment, in which ANRE has set, by means of annual/semester decisions, the quantities of electricity that need to be sold by the Company on the regulated market and the regulated price to be charged, respectively (for more information, see Note 13).

On March 31, 2020 the shareholders of the company are: The Romanian State via the Ministry of Economy, Energy and Business Environment which holds 248,736,619 shares, representing 82.4959% of the share capital, Fondul Proprietatea S.A. holding 21,268,355 shares, representing 7.0539% of the share capital and other individuals and legal entities shareholders holding together 31,508,877 shares, representing 10.4502% of the share capital.

Since November 4, 2013, the shares of the Company have been traded on Bucharest Stock Exchange, under the issuing symbol SNN.



**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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**2. BASIS OF PREPARATION**

**a) Statement of compliance**

The Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020 have been prepared in accordance with the Order of the Ministry of Public Finance no. 2.844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards (“IFRS”), as further amended (“OMPF 2.844/2016”). As per OMF 2,844/2016, the International Financial Reporting Standards represent the standards adopted in accordance with the procedure provided by the European Commission Regulation no. 1.606/2002 of the European Parliament and of the Council dated on 19 July 2002 regarding the application of the international accounting standards (“IFRS adopted by the European Union”).

These Unaudited Simplified Individual Interim Financial Statements were drafted based on the going concern principle, which assumes the fact that the Company will continue its activities in the foreseeable future. These Simplified Individual Interim Financial Statements were drafted according to IAS 34 *Interim financial reporting*, as passed by the European Union. These do not include the necessary information for a complete set of financial statements according to the International Financial Reporting Standards (“IFRS”) and must be read with the individual annual financial statements of the Company, drafted on December 31, 2019. Nevertheless, certain selected explanatory notes are included in order to explain the events and transactions that are significant for understanding the modifications occurred in the financial and performance position of the Company from the latest individual financial statements on the date and for the financial year that ended on December 31, 2019.

The Unaudited Simplified Individual Interim Financial Statements on the date and for the three-month period that ended on March 31, 2020 are not audited and were not revised by an independent auditor.

These Simplified Individual Interim Financial Statements were authorized for issuance and signed on May 8, 2020 by the Company's management.

**b) Use of estimates and professional judgments**

The preparation of the simplified individual interim financial statements according to IFRS adopted by the European Union involves the use by the managers of estimates, judgments and hypotheses that affect the application of accounting policies, and the reported value of assets, debts, revenues and expenses. The judgments and hypotheses associated with these estimates are based on historical experience and other factors deemed as reasonable in the context of these estimates. The results of these estimates form the basis of the judgments regarding the accounting values of the assets and debts that cannot be obtained from other information sources. The obtained results may be different from the value of the estimates. The statements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are acknowledged in the period in which the estimates were revised and in future periods if the estimates affect both the current period and future periods. Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years is included in Note 5 (key assumptions relating to the continuance of the Project on Increasing the Production Capacity). The significant reasoning used by the managers for applying the accounting policies of the Company and the main uncertainty sources regarding the estimates was the same as the one applied for the Individual Financial Statements on and for the financial year that ended on December 31, 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these Simplified Individual Interim Financial Statements are the same as those applied in the Individual Financial Statements of the Company on the date and for the financial year that ended on December 31, 2019.

**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)***4. TANGIBLE ASSETS**

	Land	Nuclear power plants	Machinery, equipment and other assets	Non-current assets in progress	Total
<b>Cost</b>					
<b>Balance as of January 1, 2019 (audited)</b>	<b>32,302,399</b>	<b>4,677,768,127</b>	<b>1,621,742,572</b>	<b>860,864,324</b>	<b>7,192,677,422</b>
Additions	-	-	24,819,413	194,842,745	219,662,158
Transfers	-	74,616,462	21,485,075	(96,101,537)	-
Transfers to intangible assets	-	-	-	(2,400,260)	(2,400,260)
Transfers to assets held for sale	(120,740)	-	(2,159,074)	-	(2,279,814)
Inventories transfers	-	-	5,158,567	-	5,158,567
Spare parts reclassified as fixed assets	-	42,735,091	(11,864,683)	-	30,870,408
Derecognition of U2 inspections	-	(46,771,637)	-	-	(46,771,637)
Derecognition of the drainage investments	-	-	-	(5,040,010)	(5,040,010)
Reclassification of heavy water	-	632,672,849	(632,672,849)	-	-
Disposals	-	-	(3,623,763)	-	(3,623,763)
<b>Balance as at December 31, 2019 (audited)</b>	<b>32,181,659</b>	<b>5,338,285,801</b>	<b>1,072,326,466</b>	<b>945,459,145</b>	<b>7,388,253,071</b>
<b>Balance as at January 1, 2020 (audited)</b>	<b>32,181,659</b>	<b>5,338,285,801</b>	<b>1,072,326,466</b>	<b>945,459,145</b>	<b>7,388,253,071</b>
Additions	-	-	1,350,172	19,806,160	21,156,332
Transfers	-	24,388,175	1,312,384	(25,700,558)	-
Inventories transfers	-	-	-	(349,214)	(349,214)
Spare parts reclassified as fixed assets	-	-	1,042,636	(1,042,636)	-
Disposals	-	(385,310)	(51,994)	-	(437,304)
<b>Balance as of March 31, 2020 (unaudited)</b>	<b>32,181,659</b>	<b>5,362,288,666</b>	<b>1,075,979,663</b>	<b>938,172,896</b>	<b>7,408,622,885</b>
<b>Depreciation and impairment losses</b>					
<b>Balance as of January 1, 2019 (audited)</b>	<b>550,782</b>	<b>83,657,435</b>	<b>604,284,249</b>	<b>139,723,821</b>	<b>828,216,287</b>
Depreciation charges	-	419,408,749	106,586,058	-	525,994,807
Accumulated amortization for U2 inspections	-	(46,771,637)	-	-	(46,771,637)
Accumulated amortization for outputs	-	-	(3,237,033)	-	(3,237,033)
Derecognition of the accumulated amortization of transfers into inventory	-	-	(48,181)	-	(48,181)
Reclassification of heavy water	-	215,583,234	(215,583,234)	-	-
Adjustments for impairment of intangible assets	-	-	7,429,167	19,972,344	27,401,511
<b>Balance as at December 31, 2019 (audited)</b>	<b>550,782</b>	<b>671,877,780</b>	<b>499,431,025</b>	<b>159,696,165</b>	<b>1,331,555,752</b>
<b>Balance as at January 1, 2020 (audited)</b>	<b>550,782</b>	<b>671,877,780</b>	<b>499,431,025</b>	<b>159,696,165</b>	<b>1,331,555,752</b>
Depreciation charges	-	113,667,040	19,304,636	-	132,971,675
Accumulated amortization for outputs	-	(385,310)	(51,994)	-	(437,304)
Adjustments for impairment of intangible assets	-	-	1,671,410	(412,705)	1,258,705
<b>Balance as of March 31, 2020 (unaudited)</b>	<b>550,782</b>	<b>785,159,510</b>	<b>520,355,076</b>	<b>159,283,460</b>	<b>1,465,348,828</b>
<b>Carrying amount</b>					
<b>Balance as of December 31, 2019 (audited)</b>	<b>31,630,877</b>	<b>4,666,408,021</b>	<b>572,895,440</b>	<b>785,762,980</b>	<b>6,056,697,319</b>
<b>Balance as of March 31, 2020 (unaudited)</b>	<b>31,630,877</b>	<b>4,577,129,156</b>	<b>555,624,587</b>	<b>778,889,436</b>	<b>5,943,274,056</b>

**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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**4. TANGIBLE ASSETS (CONTINUED)**

*Nuclear power plants, machinery, equipment, and other assets*

During 2019, the Company reclassified the "heavy water" asset from the "Machinery, equipment and other assets" category into the "Nuclear power plants" category, because of considering this asset as part thereof. The transferred value is RON 632,672,849, and the cumulated amortization in value of RON 215,583,234.

The position "Machinery, equipment and other assets" mainly includes administrative buildings with a net carrying amount as of March 31, 2020 amounting to RON 254,432,362 (December 31, 2019: RON 258,982,893).

*Non-current assets in progress*

On March 31, 2020, the net book value of the assets in progress, amounting to RON 778,889,436, includes the following items:

- Investment for Increasing the Production Capacity with a net accounting value of 506,948,846 RON (December 31, 2019: 507,128,812 RON);
- Investments related to Units 1 and 2, in total amount of RON 271,940,590, the most representative ones being:
  - D2O tritium removal installation worth RON 63,238,682 (December 31, 2019: RON 63,238,682);
  - Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 27,752,326 (December 31, 2019: RON 25,402,167);
  - Improving the Nuclear security systems following the Fukushima event amounting to RON 34,941,782 (December 31, 2019: RON 34,941,782).
  - Equipment and materials for ongoing investments amounting to RON 47,489,300 (December 31, 2019: RON 47,683,884);
  - Modernization of the physical protection system in value of RO 17,205,918 (December 31, 2019: RON 16,766,486).

The value of the investment for Increasing the Production Capacity is RON 508,647,413, out of which the accounting value of the two reactors is RON 273,960,000 (December 31, 2019: RON 273,960,000), the rest representing heavy water purchased for this investment, namely approx. 75 tons, whose accounting value on March 31, 2020 is RON 159,238,387 (December 31, 2019: RON 159,238,387), and equipment and other assets in value of RON 75,449,026 (December 31, 2019: RON 75,628,992).

On March 31, 2020 the gross accounting value for Unit 5 is RON 137 million (December 31, 2019: 137 million RON). On December 31, 2013 the Group recognized a depreciation adjustment of 100% of the Unit 5 since there were no plans to resume its construction. In March 2014, the Company shareholders approved the change of destination and use of Unit 5 for other activities of the Company, project under implementation the result of which will be an asset with a different use than the initial use of Unit 5.

The main investments made by the Company in the 3-month period that ended on March 31, 2020, from ongoing projects related to Units 1 and 2 is represented by the replacement of the control section of the excitation system of Unit 2, in value of RON 24,388,175.

On March 31, 2020, the Company has fixed assets purchased based on credit from suppliers (commercial credit) amounting to RON 9,714,253 (December 31, 2019: RON 16,166,790).

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Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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**4. TANGIBLE ASSETS (CONTINUED)**

*Decommissioning of nuclear units*

The nuclear power Unit 1 is scheduled to operate until 2026, and Unit 2 until 2037. The Company has not recorded a provision for the decommissioning of the two units because it is not responsible for the decommissioning works. According to Government Decision no. 1080/ 2007, the Nuclear Agency and Radioactive Waste (“ANDR”) is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of the useful life of the two units, as well as for the permanent storage of the resulting waste (see Note 15). The Company's contribution to ANDR during the period of 3 months that ended on March 31, 2020 amounts to RON 24,227,039 (March 31, 2019: RON 24,382,496).

*Assets pledged as security*

As at March 31, 2020, and December 31, 2019 respectively, the Company has no pledged or mortgaged assets.

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*(All amounts are presented in RON, unless otherwise indicated.)*

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### **5. FINANCIAL INVESTMENTS**

On March 31, 2020, the Company records in the position of "Financial investments" the investment held in the subsidiary Energonuclear S.A. ("Energonuclear").

*Financial investments - Business continuity for Energonuclear S.A. and Increasing the Production Capacity*

Financial investments are mainly represented by the investment in Energonuclear S.A. ("Energonuclear"). Company with headquarters in Bucharest, District 2, 5-7, Vasile Lascar Street, 3 floor and registered with the Trade Registry under the number J40/3999/25.03.2009, having sole registration number 25344972, fiscal attribute RO. The main business of Energonuclear consists in "Engineering activities and technical consultancy related to it" – NACE Code 7112.

On March 31, 2020 and December 31, 2019, the Company owns 100% of the share capital of Energonuclear. The value of the interest as at March 31, 2020 and December 31, 2019 amounts to RON 141,666,101.

By the Decision of the Prime Minister no. 318 of December 18, 2018, the Working Group was established for the negotiation of the Intergovernmental Agreement between Romania and the People's Republic of China on the cooperation for the implementation of the Project ("IGA").

The last actions performed by SNN in order to continue the Project for Increasing the Production Capacity are as follows:

- On May 8, 2019, S.N. Nuclearelectrica S.A. 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 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, given the need to calibrate the activities of the companies to the dynamics of progress at the intergovernmental level.
- At the end of 2019, CANDU Energy Inc. (the authority that designed the NPP of Cernavoda) drafted a report for assessing the way the Project complies with the requirements of Nuclear Security Directive 87/2014/EURATOM. The assessment report concludes that the Project, with some additional improvements and in-depth analyses recommended by Candu Energy Inc., is capable of complying with the requirements of the Nuclear Security Directive.

Regarding the activity of Energonuclear:

- By the EGMS Resolution of SNN no. 4/30.03.2020, the shareholders of SNN approved the increase by RON 1,500,000, respectively a maximum total value of RON 5,500,000, of the amount of the Shareholder Loan Agreement, convertible into shares, to the Energonuclear branch, in order to finance its activities until a little on December 31, 2020.
- Until March 31, 2020, Energonuclear requested an installment in total value of RON 3,500,000 to be granted from the maximum amount, for which SNN registered a capitalized interest of RON 158,641.

The management of the company considers realistic the increase of the production capacity, based on the following premises:

- The European Union assumes that, by 2050, it will implement a neutral economy in terms of CO2 emissions.

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**5. FINANCIAL INVESTMENTS (CONTINUED)**

- Nuclear power is a key contributor to reducing CO2 emissions. Without the nuclear component, the CO2 emission reduction program cannot be implemented.
- Romania must implement a program to support new capacities for generating electricity without CO2 emissions for the period 2021-2030.
- The nuclear industry is in an advanced stage of identifying some technical solutions that will ensure the flexibility of electricity production, thus having a potential to compensate for the volatility of renewable sources.
- Romania considers energy independence a competitive advantage that must be developed;
- Romania is a country with potential for economic development, with an ascending trend of electricity consumption.
- Financial markets today are characterized by a shortage of financial investments, inducing a low level of interest rates, favoring the launch of major investment projects.

**6. INVENTORIES**

On March 31, 2020 and December 31, 2019, the inventories are as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Spare parts	139,831,858	135,934,179
Consumables and other materials	46,103,699	48,185,789
Nuclear fuel	166,106,854	158,829,051
Uranium	42,124,455	55,554,976
Other inventories*)	6,558,625	6,663,797
<b>Total</b>	<b>400,725,491</b>	<b>405,167,792</b>

\*) The assets held for sale, in the amount of RON 2,231,633, are included in the category of "Other inventories" (for more details, see Note 5).

**7. TRADE RECEIVABLES AND OTHER RECEIVABLES**

On March 31, 2020 and December 31, 2019, the trade receivables and other receivables are as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Trade receivables	122,681,506	180,490,398
Adjustments for impairment of trade receivables	(10,495,606)	(10,496,161)
Other receivables	26,004,990	24,414,556
Adjustments for impairment of other receivables	(3,074,604)	(3,074,604)
Taxes and duties	28,237,360	28,949,980
<b>Total</b>	<b>163,353,646</b>	<b>220,284,169</b>

As at March 31, 2020, the main trade receivables in the balance are from: Electrica Furnizare S.A. – RON 21,394,824 (December 31, 2019: RON 29,966,395), Enel Energie Muntenia S.A. – RON 13,623,971 (December 31, 2019: RON 9,743,785), Enel Energie S.A. – RON 13,623,971 (December 31, 2019: RON 12,740,951), E.ON Energie Romania S.A. – RON 12,991,893 (December 31, 2019: RON 19,567,382).

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Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

**8. CASH AND CASH EQUIVALENTS**

On March 31, 2020 and December 31, 2019, the cash and cash equivalents are as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Cash and cash equivalents in RON	2,133,121,413	1,767,134,755
Cash and cash equivalents in foreign currencies	54,985,909	26,010,634
<b>Total cash and cash equivalents</b>	<b>2,188,107,322</b>	<b>1,793,145,389</b>

The "Cash and cash equivalents" position also includes bank deposits in value of RON 1,961,463,900 (December 31, 2019: RON 1,604,778,300), as well as the amount of RON 321,179 representing letters of credit issued in favor of providers of equipment, spare parts, services and technical support (December 31, 2019: RON 840,891).

On March 31, 2020 and December 31, 2019, all bank deposits presented under the "Bank deposits" position are in RON.

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Bank deposits	-	<b>58,879,494</b>

On March 31, 2020, the Company is in possession of letters of guarantee issued by different banks at the request of the Company in favor of third parties, for a total value of RON 2,500,000 (December 31, 2019: RON 96,659,494), for which a cash collateral in the form of collateral deposits was established, divided as follows: RON 0 at position "Bank deposits" (December 31, 2019: RON 58,879,494) related to letters of bank guarantee with a maturity of up to one year and RON 2,500,000 under the "Financial assets" position for letters of bank guarantee with a maturity of over one year (December 31, 2019: RON 37,780,000). These letters of bank guarantee are related to the Company's participation on the electricity market, mostly representing the Company's sales of electricity.

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Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

(All amounts are presented in RON, unless otherwise indicated.)

**9. BORROWINGS**

The loan reimbursements in the period of 3 months that ended on March 31, 2020 were as follows:

	Currency	Interest rate	Value	Year of final maturity
<b>Balance as at January 1, 2020 (audited)</b>			<b>728,860,615</b>	
New issues				
<b>Reimbursements, out of which</b>				
Societe Generale - ANSALDO BC	EUR	EURIBOR 6M + 0.7%	-	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0.375%	-	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(33,930,090)	2024
<b>Exchange rate differences</b>			<b>(4,862,505)</b>	
<b>Balance as of March 31, 2020 (unaudited)</b>			<b>690,068,020</b>	

**(i) Long term borrowings**

As at March 31, 2020 and December 31, 2019, the long-term loans from credit institutions are as follows:

	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Societe Generale - ANSALDO BC	92,751,817	91,865,702
Societe Generale - AECL BC	168,820,683	178,660,043
EURATOM	428,495,520	458,334,870
<b>Total long-term loans from credit institutions</b>	<b>690,068,020</b>	<b>728,860,615</b>
<b>Less: Current portion of long-term loans</b>	<b>(216,578,282)</b>	<b>(219,090,059)</b>
<b>Less: Balance of commitment and insurance fees (long term)</b>	<b>(8,218,299)</b>	<b>(9,861,959)</b>
<b>Total long-term loans net of the short-term portion</b>	<b>465,271,439</b>	<b>499,908,597</b>

**(ii) Short-term borrowings**

As at March 31, 2020 and December 31, 2019, the short-term borrowings are as follows:

	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Current portion of long-term loans	216,578,282	219,090,059
Interests related to the long-term borrowings	1,492,896	375,872
Short-term transaction costs	(6,574,639)	(6,574,639)
<b>Total short-term loans</b>	<b>211,496,539</b>	<b>212,891,292</b>



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Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

(All amounts are presented in RON, unless otherwise indicated.)

**10. EMPLOYEE BENEFIT OBLIGATIONS**

As of March 31, 2020, and December 31, 2019, the employee benefit obligations are as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Retirement benefits	25,710,198	25,710,198
Anniversary bonuses	5,905,461	5,905,461
Benefits in case of death	910,676	910,676
Retirement benefits in the energy field	9,095,310	9,095,310
<b>Total</b>	<b>41,621,644</b>	<b>41,621,644</b>

On March 31, 2020 and December 31, 2019, the Company has the following obligations:

- to pay the employees who are retiring retirement premiums ranging between 2 and 3 basic salaries according to the number of years of seniority in the field of electric, thermal and nuclear energy;
- to pay the employees jubilee premiums according to the number of years of uninterrupted seniority in the field of electric, thermal and nuclear energy;
- to pay the aid to the family of the employee, in the event of his/her death;
- to pay employees who are retiring an energy benefit, representing the equivalent value of 1,200 KWh/year electricity share. The awarding criterion for this benefit is the 15-year-old seniority in the field of energy, of which at least the last 10 years within SNN. This benefit is granted as of April 1, 2017.

The following assumptions were considered for the application of IAS 19 "Employee Benefits" on December 31, 2019:

<b>Assessment date</b>	<b>December 31, 2019</b>
Number of employees	2,153
Rate of wage increase	The managers of the company estimated an increase by 3.2% in 2020 and with the annual rate of increase in consumer prices communicated by the National Prognosis Commission. For 2021 and the following years we considered an average increase of salaries with the annual inflation rate estimated at the annual inflation target of 2.5%.
Rate of kWh price increase	The kWh price updated on December 31, 2019 was of RON 0.6683. For the period 2020-2030, we used the estimates provided by the Company and an evolution in the same trend for the following years.
Real average productivity	2.05%
Mortality tables	Mortality rates in Romania in 2013
Gross average wage	8,392

The above assumptions have been considered taking into account:

- The actual average efficiency is calculated based on the estimation of the inflation rate and government bonds efficiency on the active market as at December 31st, 2019 and for the residual term to maturity of 1 - 9 years and 12 years.
- Mortality rate used is the one communicated by the National Institute of Statistics.
- A discount rate of 4.25%.

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(All amounts are presented in RON, unless otherwise indicated.)

**11. TRADING AND OTHER LIABILITIES**

On March 31, 2020 and December 31, 2019, trading and other liabilities are as follows:

	<b>March 31, 2020</b> <b>(unaudited)</b>	<b>December 31, 2019</b> <b>(audited)</b>
Non-current assets suppliers	9,714,253	16,086,321
Trade payables	76,927,453	82,971,731
Obligations regarding employees' benefits	26,288,835	20,531,067
Payables to the State	23,385,673	93,595,144
Dividends payables	862,817	668,882
Other payables	5,459,680	6,382,967
<b>Total</b>	<b>142,638,711</b>	<b>220,236,112</b>

As at March 31, 2020, the main suppliers in the balance are: Apele Romane Bucuresti – RON 11,750,960 (December 31, 2019: RON 11,923,228), Cameco Marketing INC – RON 13,345,922 (December 31, 2019: 0 RON), Elcomex I.E.A. S.A. – RON 6,305,619 (December 31, 2019: RON 9,720,914), General Concrete S.R.L. – RON 5,913,953 (December 31, 2019: RON 3,575,409).

**12. PROVISIONS FOR RISKS AND EXPENSES**

On March 31, 2020, the Company recognized the following provisions, included under the position "Provisions for risks and expense" and the position "Current share of provisions for risks and expenses":

	<b>March 31, 2020</b> <b>(unaudited)</b>	<b>December 31, 2019</b> <b>(audited)</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	70,763,132	69,361,429
Obligations regarding the low and medium radioactive and non-radioactive waste	96,383,499	97,050,892
Salary increase litigation provision	91,913,825	87,801,325
Employees' participation to the profit	27,451,620	18,700,000
Provisions for litigations	6,000,000	6,000,000
<b>Total</b>	<b>292,512,076</b>	<b>278,913,646</b>

On March 31, 2020, the provisions in the total amount of RON 292,512,076 represent long-term and short-term liabilities, as follows:

	<b>Long-term share</b> <b>(&gt; 1 year)</b>	<b>Current share</b> <b>(&lt; 1 year)</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	40,826,331	29,936,801
Obligations regarding the low and medium radioactive and non-radioactive waste	84,690,599	11,692,900
Salary increase litigation provision	91,913,825	-
Employees' participation to the profit	-	27,451,620
Provisions for litigations	-	6,000,000
<b>Total</b>	<b>217,430,755</b>	<b>75,081,321</b>

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*(All amounts are presented in RON, unless otherwise indicated.)*

**13. REVENUES FROM ELECTRICITY SALES****(i) Revenues from electricity sales**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Sales of electricity on regulated market	132,230,621	583,823
Sales of electricity on free market	490,513,855	661,849,247
Sales of thermal energy	2,783,971	2,995,276
Revenues from green certificates	7,662	7,643
<b>Total</b>	<b>625,536,109</b>	<b>665,435,989</b>

**(ii) The amount of energy sold**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Quantity of electricity sold on regulated market (MWh)	701,601	3,100
Quantity of electricity sold on free market (MWh)	2,142,925	2,740,092
<b>Total</b>	<b>2,844,526</b>	<b>2,743,192</b>

The Company is a participant in the balancing market, according to the convention of participation in the balancing market concluded with C.N. Transelectrica S.A. and set up a security in the amount of RON 50,000, valid until May 25.05.2020 and is a member of PRE Ciga Energy SA, in virtue of the contract concluded with Ciga Energy S.A. of supply of the representation service as party in charge of balancing (PRE), in reference to which it set up securities amounting to RON 1,450,000, valid until 27.11.2020.

The Company is developing the activity of producing thermal energy by exploiting the energetic capacities corresponding to the units for producing electrical and thermal energy consisting in two heat switches with a full thermal power of 40 Gcal/h and 46.51 MW. The Company delivers thermal energy to the local thermal energy distribution company S.C. Utilitati Publice S.A. Cernavoda, as well as to other final consumers in the locality Cernavoda – business entities, social - cultural institutions. The sales of thermal energy in Q1 2020 amount to RON 2,783,971 (March 31, 2019: RON 2,995,276).

The amount of energy sold presented does not include the amount of energy related to the revenues from positive imbalances capitalized on the Balancing Market, in the amount of 7,400 MWh for the period of 3 months ended March 31, 2020 (5,728 MWh during the three months ended March 31, 2019). During the first quarter of 2020, the Company sold approximately 24.6% of energy on the regulated market (first quarter 2019: 0.1%), at a regulated price. As a result of the Government Emergency Ordinance no. 114/28.12.2018, which amends and completes the Law on electricity and natural gas no. 123/2012, ANRE issued Order no. 216/11.12.2019 approving the Methodology for establishing the prices for electricity sold by producers on the basis of regulated contracts and the quantities of electricity from regulated contracts concluded by producers with suppliers of last resort. According to the ANRE Decision no. 2213/23.12.2019, the quantity assigned to SNN for the first semester of 2020 on regulated contracts is 1,087 GWh, of which 701.4 GWh for the first quarter of 2020. For the first quarter of 2020, ANRE established for SNN a regulated price of 188.47 lei/MWh (without Tg), and for the first quarter of 2019 a regulated price of 188.33 lei/MWh (without Tg).

On the competitive market, in the first quarter of 2020, the Company delivered 75.1% of the energy sold (first quarter 2019: 99.7%). The average selling price of electricity sold by the Company on this market in the first quarter of 2020 was RON 228.90 / MWh (first quarter 2019: RON 241.54 / MWh), net value of Tg.

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**14. PERSONNEL EXPENSES**

As at March 31, 2020, and March 31, 2019, the personnel expenses comprise:

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Wages and salaries	105,559,142	108,573,484
Expenditure on social security and assimilated costs	7,711,913	6,858,565
<b>Total</b>	<b>113,271,055</b>	<b>115,432,049</b>

**15. OTHER OPERATIONAL COSTS**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Expenses with third parties' services	18,015,134	13,788,717
Expenses on ANDR	24,227,039	24,382,496
Energy and water expenses	20,644,551	19,813,481
Fuel and other consumables expenses	8,972,904	11,126,886
Expenses on the ANRE contribution	1,026,804	10,624,847
Costs of insurance premiums	3,714,997	3,540,855
Transport and telecommunication expenses	1,973,869	1,719,108
Expenses related to provisions and impairments, net	4,132,037	-
Other operating expenses	8,651,816	4,477,130
<b>Total</b>	<b>91,359,151</b>	<b>89,473,520</b>

**Expenses on ANDR**

Starting with 2007, following the Government Decision no. 1.080/2007 regarding the safe management of the radioactive waste and the decommissioning of the nuclear installations, the Company is required to make two types of contributions to the ANDR:

- Contribution for the decommissioning of each nuclear unit amounting to 0,6 EUR/MWh of electricity generated and delivered in the system;
- Contribution for the permanent storage of radioactive waste of 1,4 EUR/MWh of electricity produced and generated and delivered in the system.

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful life of both nuclear units, and the direct annual contribution for permanent storage is paid over the operational period of the nuclear units and consequently, ANDR takes responsibility for managing the entire decommissioning process at the end of the useful life of the nuclear plants and the storage of resulting waste.

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*(All amounts are presented in RON, unless otherwise indicated.)*

**15. OTHER OPERATING EXPENSES (CONTINUED)*****Expenses on the ANRE contribution***

The contribution paid based on ANRE Order no. 1/2020, of 0.1% of the turnover achieved from the activities carried out under the held licenses, as of March 31, 2020 in amount of RON 1,026,804 (March 31, 2019: RON 10,624,847). For the year 2019, the contribution was paid based on ANRE Order no. 114/2018, which set a percentage of 2% of the turnover achieved from the activities carried out under the licenses held.

***Other operating expenses***

The position "Other operating expenses" includes the expenses related to the operating authorizations paid to CNCAN Bucharest amounting to RON 2,475,000 (March 31, 2019: RON 2,475,000), as well as other taxes and contributions paid to governmental and non-governmental organizations amounting to RON 971,423 (March 31, 2019: RON 235,798).

**16. FINANCIAL REVENUES AND EXPENSES**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Interest income	15,217,336	13,591,167
Foreign exchange gains	11,235,153	714,780
<b>Total financial revenues</b>	<b>26,452,489</b>	<b>14,305,947</b>
Foreign exchange losses	(6,247,105)	(27,825,726)
Interest related expenses	(3,336,974)	(3,958,899)
<b>Total financial expenses</b>	<b>(9,584,079)</b>	<b>(31,784,625)</b>
<b>Net financial revenues/(expenses)</b>	<b>16,868,410</b>	<b>(17,478,678)</b>

**17. INCOME TAX**

The income tax recognized in the profit and loss account is as follows:

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
Current corporate tax expense	46,437,593	50,850,405
Deferred tax release	(2,055,047)	(1,393,277)
<b>Total</b>	<b>44,382,546</b>	<b>49,457,128</b>

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Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

**18. EARNINGS PER SHARE**

As at March 31, 2020, and March 31, 2019, the result per share is:

**(i) Basic earnings per share**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
<b>Net profit in period</b>	<b>215,051,942</b>	<b>219,285,421</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Weighted-average number of ordinary shares at the end of the period	301,513,851	301,513,851
<b>Basic earnings per share (RON/share)</b>	<b>0.71</b>	<b>0,73</b>

**(ii) Diluted earnings per share**

	<b>3-month period ended on March 31, 2020 (unaudited)</b>	<b>3-month period ended on March 31, 2019 (unaudited)</b>
<b>Net profit in the period</b>	<b>215,051,942</b>	<b>219,285,421</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Number of ordinary shares at the end of the period (a)	301,513,851	301,513,851
Number of shares corresponding to the prepaid share reserve (b)	-	-
<b>Weighted-average number of ordinary shares (diluted) on March 31 (a) + (b)</b>	<b>301,513,851</b>	<b>301,513,851</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0.71</b>	<b>0,73</b>

**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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**19. CONTINGENCIES AND COMMITMENTS**

**(i) Ongoing litigations**

During the three-month period that ended on March 31, 2020, the Company was involved in a number of legal proceedings arising during its normal course of business. The management of the Company regularly analyses the ongoing litigation sand, after consulting with its legal advisers and external lawyers, decides whether to create a provision for the amounts involved or to present them in the financial statements.

In the opinion of the Company's management, there are no current legal actions or claims, which might have significant effects on the financial earnings and the financial position of the Company that has not been included in these Simplified Individual Interim Financial Statements.

**(ii) Commitments**

As of March 31, 2020, the Company commits to cover operational and investment expenses according to the ongoing contracts for investments and current and normal operations during the basic activity. As of March 31, 2020, the total value of commitments is fully reflected under the position "Trading and other liabilities".

**(iii) Guarantees**

Trading of electricity produced on platforms operated by OPCOM, assume that for some transactions the Company must provide letters of guarantee for participation in certain markets such as DAM (Day After Market) and IM (Intra-day Market), auctions (PCSU–Centralized Market for Universal Service) or in favor of clients (PCCB-NC - Centralized Market for Bilateral Contracts with Continuous Negotiation, PCCB-LE - Centralized Market for Bilateral Contracts through Extended Auctions and PCSU - Centralized Market for Universal Service).

As at March 31, 2020, the total value of letters of bank guarantee issued in favor of customers for contracts concluded on PCCB-NC, PCCB-LE and PCSU amounts to RON 62.88 million, and in favor of OPCOM for the participation to DAM and IM amounted to RON 36.28 million.

Moreover, on March 31, 2020 the Company has established letters of guarantee issued in favor of Transelectrica S.A. and Ciga Energy S.A. amounting to RON 1.5 million, with the role of ensuring the liquidity on the Balancing Market, through the establishment by each of Party Responsible for Balancing of a financial guarantee in favor of Transelectrica S.A. and Ciga Energy S.A., respectively, on the account of the Convention of the Party Responsible for the Balancing concluded between the Company as license holder and Transelectrica S.A. and Ciga Energy S.A., respectively.

For all these letters of guarantee, the Company established collateral deposits at banks issuing the letters of guarantee.

On March 31, 2020, the Company has established a Treasury deposit in the amount of RON 1,436,176, standing for the liens according to the decision made by ANAF - General Directorate against tax fraud.

As at March 31, 2020, the value of the bank guarantee letters issued by clients in favor of the Company for the contracts concluded on PCCB-NC, PCCB-LE and PCSU is in amount of RON 220,31 million. These guarantees cover the risk of unfulfilling the contractual obligations assumed by the clients through the energy sale contracts.

**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements on the date and for the period of 3 months that ended on March 31, 2020

*(All amounts are presented in RON, unless otherwise indicated.)*

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**20. SUBSEQUENT EVENTS**

***Share Capital Increase***

By the Current Report published on February 24, 2020, S.N. Nuclearelectrica S.A. informed its shareholders and investors on approving the increase of the share capital of SNN by the Board of Directors, with an in-kind and cash contribution in total maximum value of 1,380,150 RON, from the current value of 3,015,138,510 RON to the value of 3,016,518,660 RON, 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). For this purpose, on April 2, 2020, the Company published in Official Gazette no. 1,255, part IV, Board of Directors Resolution no. 28 of 24.02.2020.

***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 of SNN the distribution of the net profit for the financial year 2019 by destinations was approved, the total value of gross dividends in value of RON 498,421,396, the value of the gross dividend per share in value of RON 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, S.N. Nuclearelectrica SA 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.

**Chief Executive Officer**  
**Cosmin Ghita**

**Chief Financial Officer**  
**Paul Ichim**