

QUARTERLY REPORT OF THE BOARD OF DIRECTORS

S.N. NUCLEARELECTRICA S.A.

(“SNN”)

First quarter of 2020

Report date: May 2020

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CONTENTS

1. BASIS OF REPORT	3
2. FINANCIAL STATEMENT ANALYSIS	3
2.1. Financial position statement as of March 31, 2020.....	3
2.2. Profit and loss account for the 3-month period ended on March 31, 2020	4
2.3. Implementation of the Revenues and Expenses Budget as at March 31, 2020	5
3. OPERATIONAL ACTIVITIES	6
3.1. Electricity production	6
3.2. Electricity sales.....	6
3.3. Expenses in the energy market	8
3.4. Investment program on March 31, 2020.....	9
3.5. Activity of the Cernavoda NPP Branch.....	10
3.6. Activity of the Pitesti NFF Branch	14
4. OTHER SIGNIFICANT ASPECTS.....	14
4.1. Main aspects of continuing the Project for Increasing the Production Capacity.....	14
4.2. The litigation initiated by the Union of Cernavoda NPP and employees of the Cernavoda NPP Branch.....	14
4.3. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the Cernavoda NPP Branch ...	15
4.4. Litigation initiated by S.N. Nuclearelectrica S.A. against the foreclosure of its shares.....	15
4.5. Litigations initiated by S.N. Nuclearelectrica S.A. against the Energy Regulation National Authority "ANRE"	15
4.6. Changes in the management of the Company - Managers.....	16
4.7. Changes in the management of the Company - Board of Directors	16
4.8. Pre-SALTO assessment mission regarding the implementation of the Project for refurbishment Unit 1 of NPP Cernavoda.....	16
4.9. Concluding a contract for market making services.....	17
4.10. Implementing Standard ISO 37001 - Anti-bribery management system.....	17
4.11. Activities approved regarding the procurement of the uranium octoxide processing line from Compania Nationala a Uraniului S.A. – Feldioara Bbranch	17
4.12. Participation of S.N. Nuclearelectrica S.A. in the incorporation of the Association of Electricity Producers - HENRO	17
4.13. Approving the distribution of the net profit of financial year 2019.....	18
4.14. Postponing the planned outage of Unit 1 of Cernavoda NPP	18
4.15. Major litigations	18
4.16. Other information.....	18
5. MAIN ECONOMIC AND FINANCIAL INDICATORS AS OF 31.03.2020	19
6. ACHIEVEMENT DEGREE OF THE KEY PERFORMANCE INDICATORS	20
Annex 1 - Financial position statement as of March 31, 2020.....	22
Annex 2 – Profit and loss account for the 3-month period that ended on March 31, 2020.....	23
Annex 3 - Execution of the Revenues and Expenses Budget as at March 31, 2020	24
Annex 4 – Major litigations in progress on March 31, 2020 (over RON 500 thousand), including the non-monetary evaluated ones	25
Annex 5 – The accomplishment degree of the key performance indicators as of 31.03.2020 – Board of Directors.....	36

1. BASIS OF REPORT

The quarterly report of the Board of Directors for the period January 1 - March 31, 2020 is drafted in virtue of the provisions of art. 67 of Law no. 24/2017 on issuers of financial instruments and market operations and the mandate contracts concluded by the Board of Directors with SNN.

2. FINANCIAL STATEMENT ANALYSIS

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”).

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

2.1. Financial position statement as of March 31, 2020

The financial position as of March 31, 2020 is presented in **Annex 1**.

Indicator [thousand RON]	March 31, 2020 (unaudited)	December 31, 2019 (audited)	Variation
Non-current assets	6,151,855	6,301,960	(2.4%)
Current assets	2,798,264	2,508,894	11.5%
Total assets	8,950,119	8,810,854	1.6%
Long-term liabilities	899,838	936,157	(3.9%)
Current liabilities	500,295	539,763	(7.3%)
Total liabilities	1,400,133	1,475,920	(5.1%)
Equity	7,549,986	7,334,934	2.9%
Total equities and liabilities	8,950,119	8,810,854	1.6%

Non-current assets registered a slight drop of 2.4% compared to the level registered on December 31, 2019, especially due to the drop of the net value of the tangible assets by acknowledging the amortization for the first quarter of 2020. 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 letters of bank guarantee with maturities longer than 12 months, issued by the Company, recorded a decrease as of March 31, 2020 compared to December 31, 2019, contributing to the decrease of fixed assets.

Current assets recorded a 11.5% increase as compared to December 31, 2019, due to the increase in cash (cash, cash equivalents and bank deposits) and prepayments. This increase is partially compensated by the decrease of commercial receivables, other receivables and inventory.

Long-term liabilities decreased by 3.9%, as compared to the values recorded on December 31, 2019. The decrease is mainly caused by the decrease of the long term portion of the external credits contracted from 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 liabilities decreased by 7.3% compared to the values recorded on December 31, 2019. The decrease was mainly caused by the decrease of commercial debts and other debts, partially compensated by the increase of profit tax debts and current portion of the provisions for risks and expenses.

2.2. Profit and loss account for the 3-month period ended on March 31, 2020

During the period of 3 months ended on March 31, 2020, SNN recorded a net profit of 213,652 thousand lei.

Indicator [thousand RON]	3-month period that ended on March 31, 2020 (unaudited)	3-months period that ended on March 31, 2019 (unaudited)	Variation
Production (GWh)*	2,847	2,742	3.9%
Operating income, out of which:	636,793	678,007	(6.1%)
<i>Income from electricity sales**</i>	625,536	665,436	(6.0%)
Operating expenses, minus impairment, and depreciation	(256,613)	(255,394)	0.5%
EBITDA	380,180	422,613	(10.0%)
Impairment and depreciation	(137,613)	(136,392)	0.9%
EBIT	242,567	286,221	(15.3%)
Net financial result	16,868	(17,479)	n/a
Net income tax expense	(44,383)	(49,457)	(10.3%)
Net profit	215,052	219,285	(1.9%)

*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) decreased by 10% as compared to the same period of the previous year, mainly following the decrease of operational revenues by 6.1%, influenced by the decrease by 6% of the revenues from the sale of electricity.

The **operating income** decreased by 6.1%, determined by the 9.3% decrease in the weighted average price of the electricity sold in the first quarter of 2020, as compared to the weighted average price from the same period of 2019, considering the sale of a total quantity of electricity that was higher by 3.7%.

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, out 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). Compared to the

same period of the previous year, the amount of electricity sold on the competitive market of bilateral contracts decreased by 54%, benefiting from an increase in the average selling price on this market by 12% (price without Tg).

According to the provisions of art. 5 para. (4) of the Methodology annexed to the Order issued by ANRE no. 216/11.12.2019, SNN had the obligation to sell on the basis of regulated contracts a quantity at a maximum level of 65% of the quantity of electricity estimated to be delivered in the first semester of 2020. Subsequently, according to 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. Considering the previously mentioned and the decrease of the spot market price (DAM) starting with the month February 2020 (compared to the same period of 2019), the amount of electricity sold on the spot market (DAM) increased by 278%, given the average selling price on this market lower by 27% (price without Tg).

Operating expenses, minus impairment, and amortization, increased by 0.5% in first quarter 2020, compared to the same period of 2019. This evolution is determined by the increase of nuclear fuel expenses, repair and maintenance expenses, electricity transport expenses and other operating expenses, partially compensated by the decrease of personnel expenses, purchased electricity expenses and spare parts expenses.

Net currency exchange differences positively influenced the net result, so in period January 1 - March 31, 2020, net financial revenues were recorded, while in the same period of the previous year net financial expenses were recorded. The main currencies to which there are exposures are EUR and CAD.

The decrease of **net expenses with the profit tax** positively influenced the net result. This decrease was caused by a reduction in the actual profit taxation rate from 18% for the first quarter of 2019 to 17% for the first quarter of 2020.

The profit and loss account for the period of 3 months that ended on March 31, 2020 is presented in **Annex 2**.

2.3. Implementation of the Revenues and Expenses Budget as at March 31, 2020

The revenue and expenses budget ("BVC") of SNN for the year 2020 was approved by the Resolution of the General Meeting of Shareholders no. 3/05.03.2020.

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 March 31, 2020 is presented in **Annex 3** to the hereby report.

As per the analysis of the Budget of Revenues and Expenses implementation as at March 31, 2020 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 97% and a reduction of the operating expenses of 15.9% compared to the budgeted level results. The performance level of the total income is 98.8%, higher than the performance level of the total expenses of 83.9%.

3. OPERATIONAL ACTIVITIES**3.1. Electricity production**

The gross production of electricity of the two operational units of Cernavoda NPP was 3,087,524 MWh in Q1 2020; from this gross production, the own technological consumption of the Units during the operation ensured from own production was 240 thousand MWh.

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 2,847,193 MWh in Q1 2020, compared to the same period of 2019 (2,741,524 MWh), an increase of 3.9%.

The net electricity production program approved by the Board of Directors for 2020 (revision April 2020) targeted a quantity of 11,079,781 MWh, and for Q1 2020 it targeted a quantity of 2,847,193 MWh and was implemented 100%.

The installed power usage factor, recorded by each operational unit within the Cernavoda NPP during the first quarter of 2020, and cumulated after the start of commercial usage (Unit 1 on December 2, 1996, Unit 2 on November 1, 2007) until March 31, 2020 was as follows:

Cernavoda NPP unit	January 2020	February 2020	March 2020	Cumulated 2020	Cumulated from the commercial exploitation
Unit 1	101.53%	101.64%	101.37%	101.51%	90.80%
Unit 2	99.87%	99.93%	100.01%	99.94%	94.24%

In Q1 2020 the two units operated without interruption.

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; 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 participating in the PE (balancing market) concluded with C.N. Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for providing the representation service as the part in charge with balancing (PRE).

For the purpose of this activity, between January 1 - March 31, 2020:

- 2 letters of bank guarantee were issued, in value of RON 37,740,000;
- 35 letters of bank guarantee were liquidated, amounting to RON 120,429,813 (issued in 2018 and 2019), out of which for 26 letters of bank guarantee, there were collateral deposits of RON 94,159,494.
- the value of 9 letters of bank guarantee was increased, from 21,543,199 RON to 21,552,053 RON.

On March 31, 2020, there are in the balance 19 letters of bank guarantee amounting to RON 82,271,139, out of which, out of which for 3 letters of bank guarantee, there are collateral deposits set up amounting to RON 2,500,000.

The quantities of electricity sold in the first quarter of 2020 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the first quarter of 2020

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	701,601	24.6%	189.77	133,142,702
Sales on the free market (bilateral contracts and PZU sales), out of which:	2,142,925	75.1%	229.62	492,064,660
- Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts	1,133,427	39.7%	270.13	306,175,951
- PZU sales	1,009,498	35.4%	184.14	185,888,709
PE positive imbalances ^{*)}	7,400	0.3%	167.34	1,238,307
Total sales in the first quarter of 2020	2,851,925	100%	219.66	626,445,669

^{*) NB: RON 50,476 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 regulated market, contracts, on the spot market (PZU) and on PE is 2,851,925 MWh, 0.2% more than the sales program, of 2,847,193 MWh (sized on the production estimate, without estimating unplanned outages) and 3.7% more than the electricity quantity sold in the same period of 2019.

The difference between the electricity sold by the Company and the electricity produced and delivered by Cernavoda NPP (4.7 thousand MWh) is represented by the electricity purchased to fully cover the contractual obligations, an electricity quantity that was purchased from PE (negative unbalance and balancing energy).

The revenues obtained from the electricity market related to electricity deliveries in Q1 2020 are 626,445,669 lei (out of which 50,476 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018), 3.24% lower than the budget revenues for Q1 2020, and 5.9% lower 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 Q1 2020, is of RON 229.62 lei/MWh (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN mainly operated in Q1 2020 (PCCB - LE, PCCB - NC and PZU), calculated based on the values published by OPCOM in the monthly market reports, is of RON 233.91 lei/MWh. In the first quarter of 2019 the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 242.29 lei/MWh (including T_g).

Following Government Emergency Ordinance no. 114/28.12.2018, which amends and supplements Electricity and natural gas law no. 123/2012, ANRE issued Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers. 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, out 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 T_g), and for the first quarter of 2019 a regulated price of 188.33 lei/MWh (without T_g).

The sold electricity quantities on the competitive market (bilateral contracts) represented in Q1 2020 a percentage rate of 39.7% out of the total volume of the sold energy. The average sale price on bilateral contracts in this period was 270.13 RON/MWh (with T_g included), recording an increase of 12% as compared to the average price recorded in the same period of 2019, of 241.11 RON/MWh (with T_g included); given the fact that the values of the electric power input transport fee in the T_g network were the following: 1.18 Ron/MWh for the period July 1, 2018 - December 31, 2019, according to ANRE Order no. 108/20.06.2018 and 1.30 Ron/MWh for the period January 1, 2020 - March 31, 2020, according to ANRE Order no. 218/11.12.2019.

On the spot market (PZU), during the first quarter of 2020, a quantity of electricity representing 35.4% of the total sale volumes was sold, compared to the percentage share of 9.7% recorded in the same period of 2019. The average energy selling price on the spot market (PZU) achieved by SNN in Q1 2020 was 184.14 lei/MWh (with T_g included), compared to 253.26 lei/MWh (with T_g included) recorded during the same period of 2019.

In first quarter 2020, SNN implemented 134 energy sale contracts, as follows:

- 10 regulated contracts, out of which 5 with delivery on the first hour of January;
- 79 contracts concluded on PCCB - LE;
- 39 contracts concluded on PCCB - NC;
- 4 transactions 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 during the first quarter of 2020. In all the cases in which there have been delays, the Company sent notifications and charged penalties according to the contractual provisions.

3.3. Expenses in the energy market

In Q1 2020, the total value of the expenses on the electric power market, incurred by SNN, is of RON 6,128,284, out of which RON 2,015,032 represent expenses on the balancing market (PE), RON 3,701,193 represent T_g (the regulated tariff paid to C.N. Transelectrica S.A. for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 7,254 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 335,234 represent the tariffs paid to OPCOM S.A. for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

The PE expenses in Q1 2020 were 2,015,032 lei, and the purchased electricity quantity was 4,732 MWh (Q1 2019: RON 3,349,558, with the purchased quantity of electric power amounting to 7,396 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.

The expenses with purchases of electricity and negative imbalances were lower in the first quarter of 2020, compared to the first quarter of 2019, and neither quarter was affected by unplanned outages.

3.4. Investment program on March 31, 2020

The total value of the investment program of SNN for 2020 is 309,544 thousand RON (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/05.03.2020 of the Ordinary General Assembly of Shareholders of SNN, as part of the Revenues and Expenses Budget ("BVC") of SNN for 2020.

The comparative situation of the investment accomplishments (value and percentage) for 2020 compared to the same period of 2019 is presented in the table below:

Year	Value of the investment program [thousand RON]	Achieved (01.01 - 31.03) [thousand RON]	Achievement level (01.01 - 31.03) (%)
2020	309,544	14,466	4.7%
2019	256,548	16,978	6.6%

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 on March 31, 2020

The investment program of SNN for 2020 annexed to BVC was value-sized by considering the ongoing contractual commitments, the estimates regarding the investment objectives to be made in the following year, 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 projects planned to be implemented in 2020 are: module DICA 11, stage 1 of the modernization and extension of the physical protection system, retrofitting the power discharge transformers at Cernavoda NPP and fitting the Seiru Warehouse. In addition, the investment program includes other necessary investment projects within Cernavoda NPP, the NFP Pitesti branch and the headquarters, as well as investment objectives with completion in the next years.

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

- **“Extending the life cycle of unit 1 by re-tubing the reactor and refurbishing the main systems”**: budgeted 49,710 thousand lei – the achievement value degree as of March 31, 2020 is of 0.4%.

- **“Burnt fuel intermediary storage”**: budgeted 10,035 thousand lei – the value achievement degree as of March 31, 2020, is 23.2%. The reception of Module 11 is pending completion, and the procurement procedure for contracting construction works for Modules 12-17 is in an advanced implementation stage.

- **“Modernization and expansion of the physical security system”**: budgeted 8,511 thousand lei – the achievement value degree on March 31, 2020 is 5.2%.

- **“Fitting the Seiru Warehouse”**: budgeted 2,871 thousand lei – the value achievement degree as of March 31, 2020, is 71.6%.

- **“Increasing the safety in the operation of the power discharge system of Cernavoda NPP”**: budgeted 2,194 thousand lei – the achievement value degree as of March 31, 2020 is 38.3%.

- **“Improving the Cernavoda NPP 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”**: budgeted 1,486 thousand lei – achievement value degree as of March 31, 2020 is 0.4%.

- **“Modernization of the bundle manufacture line”**: budgeted 551 thousand lei – the achievement value degree as of March 31, 2020 is 92.7%.

- **“Fittings”**, representing procurements of goods and other investment expenses: budgeted 71,478 thousand lei – the value degree of implementation on March 31, 2020 is 4.5%.

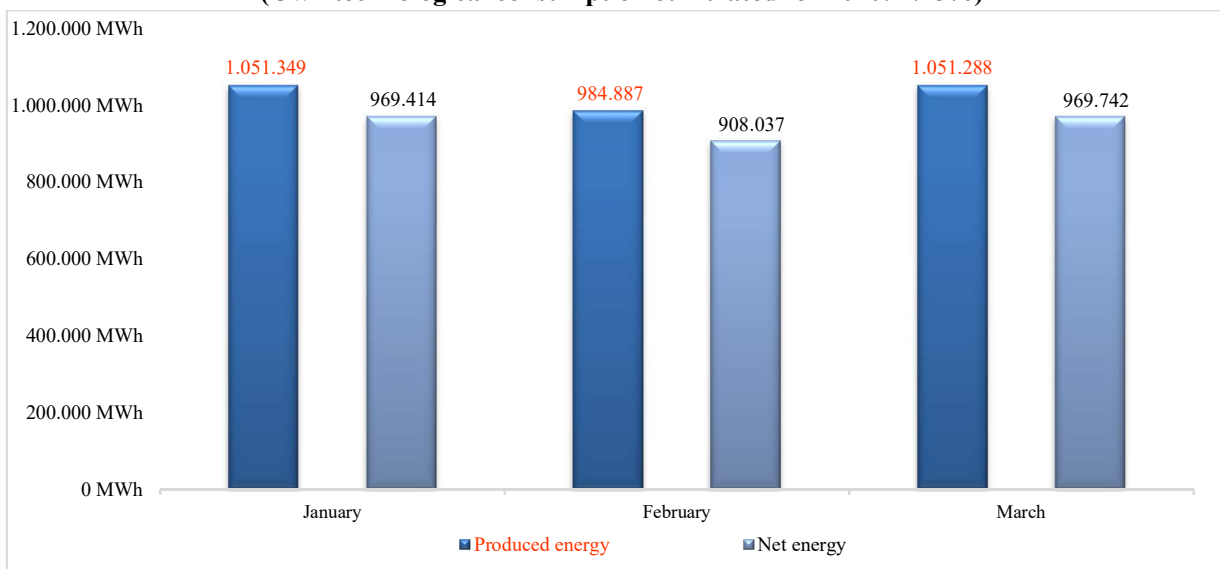
3.5. Activity of the Cernavoda NPP Branch

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.

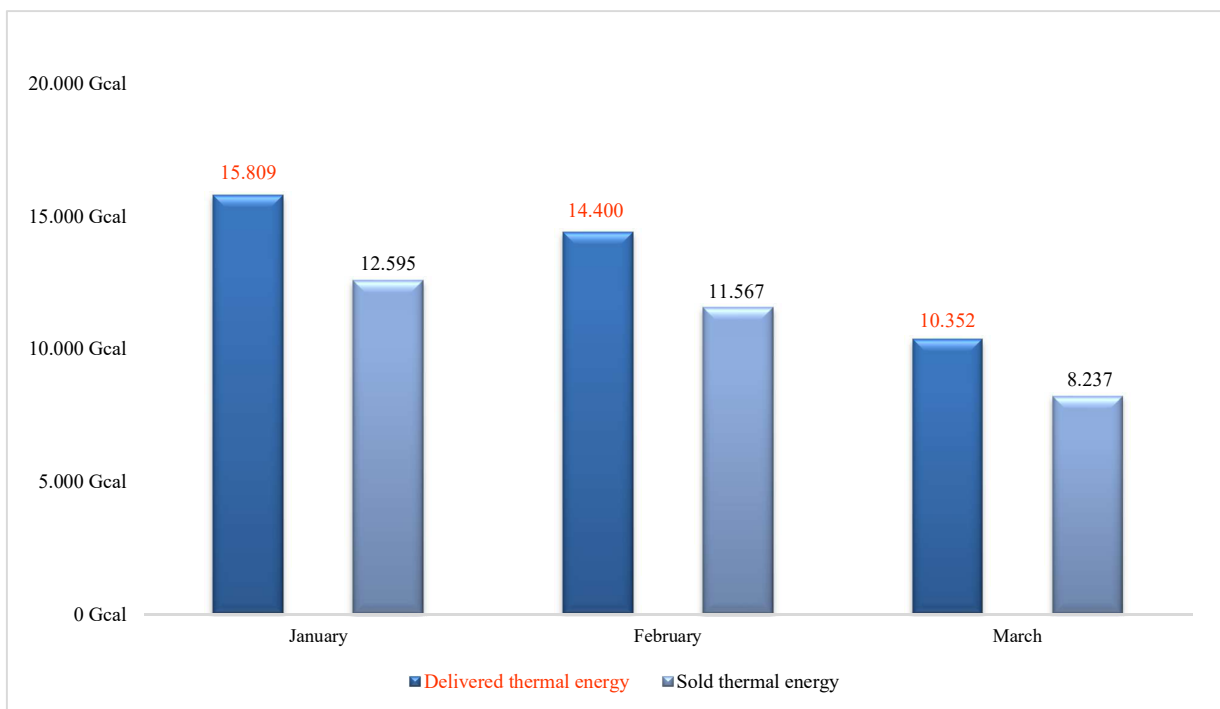
Over the 3-months period ended on March 31, 2020, no operation event exceeding level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in depth defense barriers, impact on the site or outside (INDICATOR 1).

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

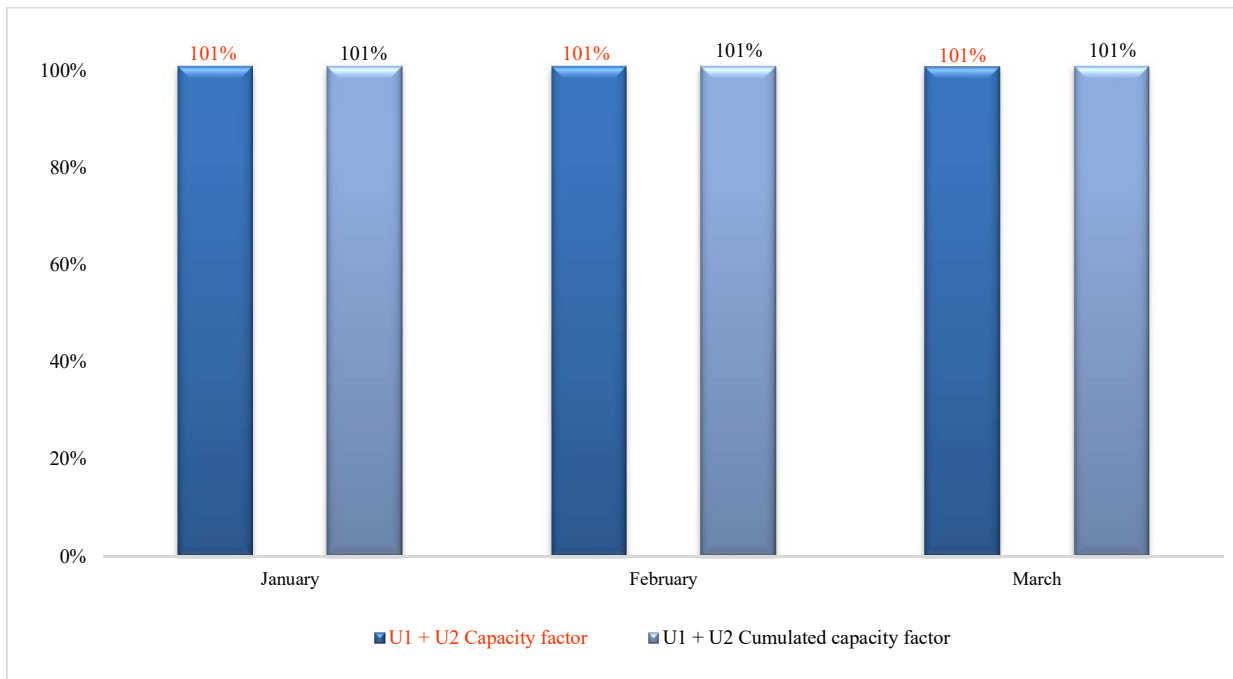
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 3,087,524/Net electricity delivered: 2,847,193)
(Own technological consumption cumulated for 2020: 7.78%)



Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 40,561/Sold thermal energy: 32,399)



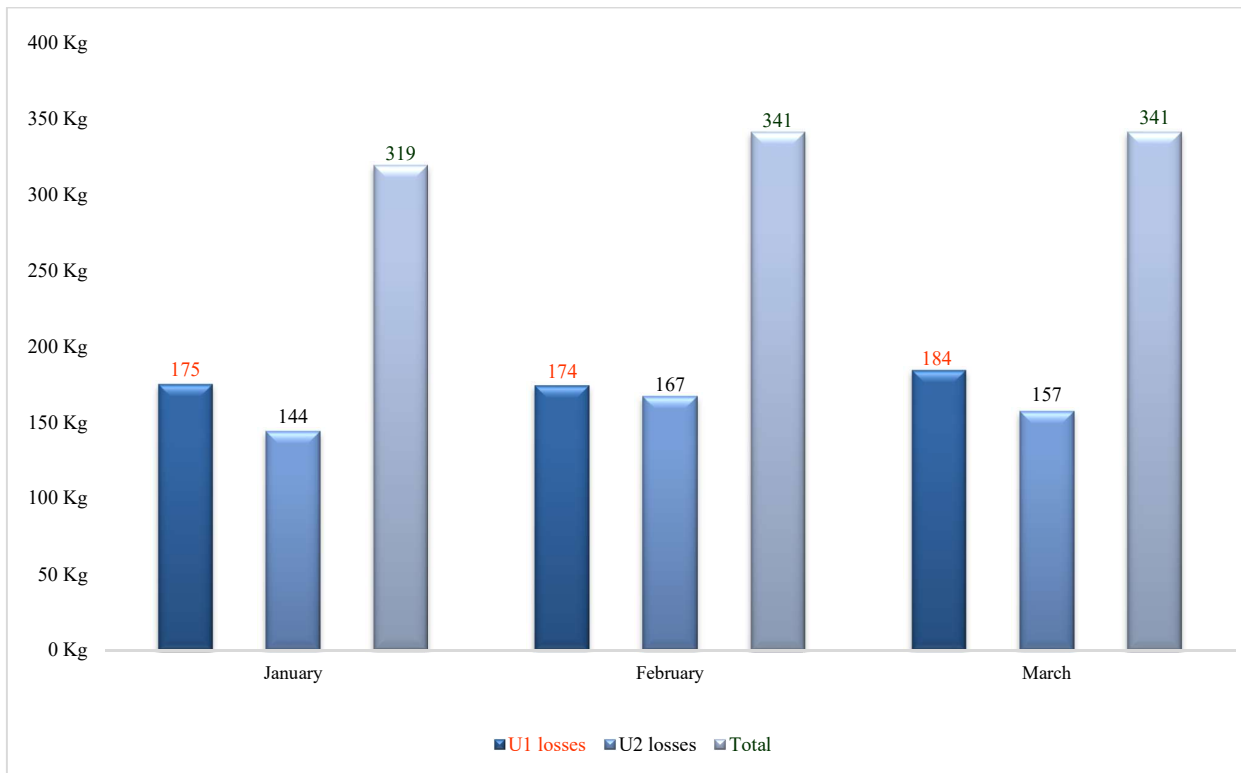
Installed capacity factor U1 + U2 (%)
(Cumulated 2020: 100.7%)



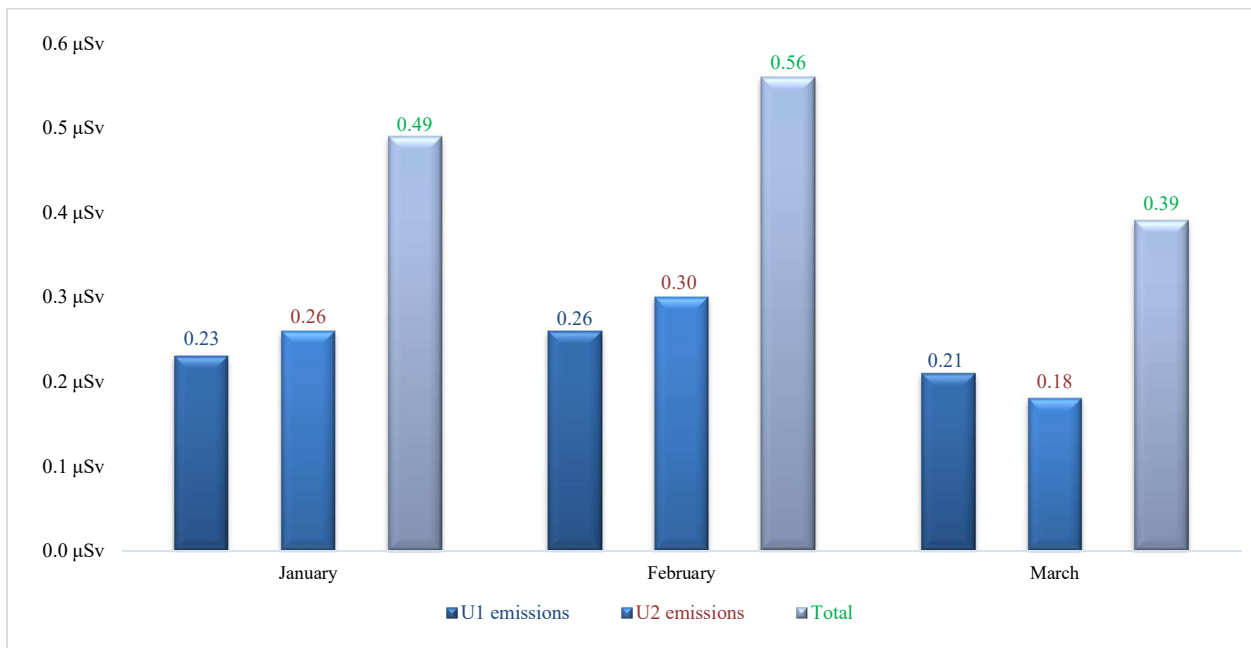
Nuclear fuel burn-up degree (MWh/KgU)
(Cumulated 2020: 174/Provided in the project: min. 156)



Heavy water loss U1+U2 (Kg)
(Cumulated 2020: 1,001/Provided: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (μSv)
(Total cumulated 2020: 1.44/Annual limit: 250)



3.6. Activity of the Pitesti NFF Branch

In Q1 2020, the FCN Pitesti Branch manufactured, controlled and accepted 2,665 nuclear fuel bundles, all of them within the specifications, and the production of nuclear fuel bundles decreased by 15% compared to the same period of 2019, when 3,142 bundles were manufactured, inspected and accepted.

In the period January 1 - March 31, 2020, the Pitesti NFF branch delivered to Cernavoda NPP a quantity of 1,440 nuclear fuel bundles (Q1 2019: 2,160 bundles).

In Q1 2020, for the production of nuclear fuel, sintered uranium dioxide powder was consumed, at an average price of 429.75 lei/kg, from the existing stock on January 1, 2020, and from the purchases from CNU (National Company of Uranium) - Feldioara Branch.

4. OTHER SIGNIFICANT ASPECTS

4.1. Main aspects of continuing the Project for Increasing the Production Capacity

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.

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. An accounting inspection is in progress. The following hearing is on May 8, 2020.

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. In order to conduct the technical expertise study, the court ordered the classification into risk categories to be performed by Mr. Toronto Laszlo with Citon. The following hearing is on May 8, 2020.

4.4. Litigation initiated by S.N. Nuclearelectrica S.A. against the foreclosure of its shares

Civil Professional Firm of Legal Executors "Mazilu and Associates" sent us the attachment protocol drafted on November 25, 2019 on 67,071,301 shares owned by the Romanian State at S.N. Nuclearelectrica S.A. in foreclosure file no. 22/2014, creditors Micula Ioan and companies Multipack S.R.L. and Starmill S.R.L., for a receivable of 670,713,010.55 RON, debtor - the Romanian State, by the Ministry of Public Finance.

S.N. Nuclearelectrica S.A. submitted at the court law of District 5 Bucharest File no. 28932/300/2019 - appeal against the foreclosure, and asked for the final cancellation of the attachment protocol of November 25, 2019 on 67,071,301 shares with a nominal value of 10 RON/share. The file is in administrative procedure at the court of law.

On December 13, 2019, the Ministry of Public Finance communicated by letter no. 32509 to "Mazilu and Associates" Professional Firm of Legal Executors that it had fully paid the amount by payment order no. 33383 / 13.12.2019 and asked for the termination of the foreclosure.

"Mazilu si Asociatii" Professional Firm of Legal Executors asked the Ministry of Public Finance, by Summons of December 23, 2019, to pay the amount of 5,260,959.6 RON representing a receivable difference consisting of the accumulated interest and execution expenses, an amount which the Ministry of Public Finance paid by payment order no. 1/06.01.2020.

Professional Company of Legal Executors "Mazilu and Associates" deregistered the attachment on the SNN shares on January 13, 2020. The file is pending and will be completed on May 25, 2020.

4.5. Litigations initiated by S.N. Nuclearelectrica S.A. against the Energy Regulation National Authority "ANRE"

S.N. Nuclearelectrica S.A. initiated the action of suspending ANRE Order 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with

last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts - File no. 7222/2/2019. The court approved the SNN application and ordered the suspension of the execution of ANRE Order no. 216/11.12.2019 until the merits court issues its judgment. Judgment no. 132/02.03.2020 is legally enforceable and appealable.

S.N. Nuclearelectrica S.A. initiated the action of cancelling ANRE Order 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts - File no. 97/2/2020. No term was granted.

4.6. Changes in the management of the Company - Managers

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.

4.7. 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 starting with January 30, 2020 until May 30, 2020 (section 4 of the OGMS agenda of January 30, 2020).

4.8. 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 CNE 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 CNE 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 refurbishment 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.

4.9. 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.

4.10. 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.

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

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).

4.12. 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).

4.13.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 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).

4.14.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.

4.15.Major litigations

The situation of the major litigations (with a value of over RON 500,000) and of the monetary unevaluated ones in progress on March 31, 2020 is presented in **Annex 4**.

4.16.Other information

The quarterly report of the Board of Directors for the first quarter 2020 is accompanied by the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2020; these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Investor Relations.

5. MAIN ECONOMIC AND FINANCIAL INDICATORS AS OF 31.03.2020

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^{*)}
1. The current liquidity indicator	Current assets/ Current debts	x	5.59
2. Debt ratio indicator			
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%
3. Turnover speed, for client debit items	Average accounts receivables/ Turnover x 90	days	20
4. Asset turnover speed^{**)}	Turnover/ Non-current assets	x	0.41

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

****) The asset turnover speed is calculated by extrapolating the quarterly turnover (360 days/90 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: Mr. Iulian – Robert Tudorache, Mr. Cosmin Ghita, Mr. Dumitru Remus Vulpescu, Mr. Cristian Gentea, Mrs. Elena Popescu, Mr. Cristian Dima and Mr. Mihai Daniel Anitei.

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, 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.

As of October 9, 2019, the mandate contract concluded with Mr. Cristian Dima was terminated, because he did not get the approval of CNCAN.

Board of Directors Resolution no. 216/19.12.2019 approved the recommendation of the Nomination and Remuneration Committee regarding the appointment by the Board of Directors of Mr. Teodor Minodor Chirica as a temporary member of the Board of Directors of SNN until the meeting of the General Meeting of Shareholders, the GMS which was convened for January 30, 2020.

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN approved the appointment of Mr. Domnului Teodor Minodor Chirica as a temporary member of the Board of Directors of SNN, with a 4-month duration, for 30.01.2020 – 30.05.2020, according to Government Emergency Ordinance no. 109/2011 provisions. The remuneration of Mr. Teodor Minodor Chirica is composed of a fixed monthly gross compensation and a variable component set based on short-term financial and non-financial performance indicators for 2020, as approved for the current members of the Board of Directors of SNN with Mandate contracts in force.

As of March 31, 2020, the members of the Board of Directors were 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.	Mihai Daniel Anitei	28.09.2022
7.	Teodor Minodor Chirica ^{***)}	30.05.2020

^{*)} 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.

^{***)} Member of the Board of Directors with a temporary 4-month mandate (30.01.2020 – 30.05.2020).

The calculation of the total achievement percentage of the key performance indicators for the first quarter of 2020 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, if the achievements exceed the targets proposed by the mandate contract.

Thus, the indicators of the key performance indicators were achieved 92% for the first quarter of 2020 (so over the 75% threshold) for each member of the Board of Directors:

Mandate contract	Achievement level First quarter 2020
Board of Directors	92%

Iulian Robert Tudorache,
Chairman of the Board of Directors

Approved,
Paul Ichim,
Chief Financial Officer

Annex 1 - Financial position statement as of March 31, 2020

	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Assets		
Non-current assets		
Tangible assets	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	141,666,101	141,666,101
Total non-current assets	6,151,854,642	6,301,960,107
Current assets		
Inventories	400,725,491	405,167,792
Trade receivables and other receivables	163,353,646	220,284,169
Payments made in advance	46,077,913	31,416,822
Bank deposits	0	58,879,494
Cash and cash equivalents	2,188,107,322	1,793,145,389
Total current assets	2,798,264,372	2,508,893,666
Total assets	8,950,119,014	8,810,853,773
Equity and liabilities		
Equity		
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
Total equity	7,549,986,003	7,334,934,061
Liabilities		
Long-term liabilities		
Long term loans	465,271,439	499,908,597
Provisions for risks and expenses	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	41,621,644	41,621,644
Total long-term liabilities	899,838,265	936,156,877
Current liabilities		
Accounts payable and other liabilities	142,638,711	220,236,112
The current share of provisions for risks and expenses	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	211,496,539	212,891,292
Total current liabilities	500,294,746	539,762,835
Total liabilities	1,400,133,011	1,475,919,712
Total equities and liabilities	8,950,119,014	8,810,853,773

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Annex 2 – Profit and loss account for the 3-month period that ended on March 31, 2020

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

Annex 3 - Execution of the Revenues and Expenses Budget as at March 31, 2020thousand
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Indicators		Row no.	BVC 2020 First quarter 2020 (approved by OGMS Resolution no. 3/05.03.2020)	Achieved First quarter 2020	% Achieved vs. Approved [Col. 5/Col. 4]	Variation (abs.) [Col. 5 - Col. 4]	Variation (%) [Col. 7/Col. 4]
1	2	3	4	5	6	7	8
I.	TOTAL REVENUES (Row 2 + Row 5)	1	671,128	663,249	98.8%	(7,879)	(1.2%)
	1. Total operating income, out of which:	2	656,393	636,797	97.0%	(19,596)	(3.0%)
	c1 Subsidies, in compliance with the legal provisions in force	3	-	-	-	-	-
	c2 Transfers, in compliance with the legal provisions in force	4	-	-	-	-	-
	2. Financial revenues	5	14,735	26,452	179.5%	11,717	79.5%
II.	TOTAL EXPENSES (Row 7 + Row 21)	6	481,295	403,815	83.9%	(77,480)	(16.1%)
	1. Operating expenses (Row 8 + Row 9 + Row 10 + Row 20)	7	468,962	394,231	84.1%	(74,732)	(15.9%)
	A. Expenses with goods and services	8	166,286	105,115	63.2%	(61,172)	(36.8%)
	B. Expenses with taxes, duties and similar payments	9	30,386	29,730	97.8%	(656)	(2.2%)
	C. Personnel expenses (Row 11 + Row 14 + Row 18 + Row 19)	10	113,041	105,637	93.5%	(7,404)	(6.5%)
	C0 Salary expenses (Row 12 + Row 13)	11	102,920	97,394	94.6%	(5,526)	(5.4%)
	C1 Salary expenses	12	97,190	92,516	95.2%	(4,674)	(4.8%)
	C2 Bonuses	13	5,730	4,878	85.1%	(852)	(14.9%)
	C3 Other personnel expenses, out of which:	14	0	0	-	0	-
	a) Expenses with compensations for early release of personnel	15	-	-	-	-	-
	b) Expenses with salary rights ordered by judgments	16	-	-	-	-	-
	c) Salary expenses related to restructuring, privatization, receiver, other commissions, and committees	17	-	-	-	-	-
	C4 Expenses related to the mandate contract and other control authorities, commissions, and committees	18	900	532	59.0%	(369)	(41.0%)
	C5 Expenses related to social protection, special funds, and other legal obligations	19	9,221	7,712	83.6%	(1,509)	(16.4%)
	D. Other operational expenses	20	159,249	153,748	96.5%	(5,501)	(3.5%)
	2. Financial expenses	21	12,332	9,584	77.7%	(2,748)	(22.3%)
III.	GROSS RESULT (profit/loss) (Row 1 – Row 6)	22	189,833	259,434	136.7%	69,602	36.7%
IV.	CORPORATE TAX	23	29,123	44,383	152.4%	15,260	52.4%
V.	PROFIT AFTER CORPORATE TAX (Row 22 – Row 23)	24	160,710	215,052	133.8%	54,342	33.8%

S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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

Annex 4 – Major litigations in progress on March 31, 2020 (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.	07.05.2020
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.	23.06.2020
3.	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. 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. Retrial merits (CAB) Rejects the summons as ungrounded. With appeal within 15 days from the intimation. Decision no. 2208/2017. Retrial recourse (ICCJ)	Suspended according to Decree no. 195/2020.
4.	1794/118/2016	Criminal Court of Law Constanta	Civil party	Bucur Ionel Negulici Elena	Prejudice EUR 3,471,463.	Merits	Merits To continue the judicial investigation.	Suspended according to Decree

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

(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
				Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. as a civil liability party by a legal administrator.				no. 195/2020.
5.	3490/121/2015*	Civil Court of Law Galati Court of Appeal Galati ICCG	Plaintiff	S.C. ArcelorMittal Galati S.A.	Claims 8.575.245,78 lei 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,</p>	The hearing is next.

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

(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
							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 - 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	
6.	4946/2/2015	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts Intervener General Concrete	Measure annulment GENERAL CONCRETE	Merits	Merits Admits the request. Partially cancels resolution no. 59/17.07.2015 issued by the defendant, regarding point 5, resolution no. 16/11.05.2015 issued by the defendant, regarding the measure ordered under section II.7 of the resolution, and section 3.3.1 of the Inspection Report No. 4371/ 10.04.2015 issued by the respondent. Admits the request of accessory intervention. With appeal within 15 days from intimation. Judgment no. 68/28.02.2020.	Settled on the merits.
7.	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 708,407 lei. 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 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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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 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</p> <p>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.</p> <p>Retrial merits</p> <p>Dismisses the appeal as reasonless. Obligates the appellant to pay trial expenses to the appellees as follows: for Chirica Minodor Teodor the amount of 22,519 lei, for Budulan Pompiliu the amount of 7,469 lei, for Chiriac Cristina the amount of 21,634 lei, for Grama Mioara the amount of 21,634 lei, for Serbanescu Cristian the amount of 6,354 lei and for Popescu Lucia the amount of 6,805 lei. With the right to appeal. Judgment no. 2215/20.12.2019.</p> <p>Second appeal</p>	
8.	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.	08.05.2020
9.	41419/3/2016	Civil Court of Law Bucharest S II	Plaintiff-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.	19.05.2020
10.	5802/118/2017	Labor Constanta Court	Defendant	CNE Union for 757 employees.	Monetary rights hazardous conditions bonus.	Merits	Merits Accounting expertise administration.	08.05.2020
11.	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 Technical expertise administration.	08.05.2020

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
12.	26294/3/2018	Civil Bucharest Court of Law Bucharest Court of Appeal	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. Appeal	14.05.2020
13.	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 on the merits.
14.	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 on the merits.
15.	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 on the merits.
16.	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. 1939/ 05.06.2019.	Settled on the merits.
17.	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 no. 1940/05.06.2019.	Settled on the merits.

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
18.	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.	Second appeal	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. Second appeal	The hearing is next.
19.	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. Second appeal Approves the appeal. Approves the exception of the absence of the mandatory passive lawsuit framework, invoked ex officio. Cancels the judgment and sends the case for retrial to the same court. Final. Pronounced in public session today, 14.01.2020. Judgment no. 7/14.01.2020. Retrial merits	The hearing is next.
20.	35693/299/2018	Civil County District 1 Civil Section I Bucharest Law Court	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. Second appeal	15.06.2020
21.	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 Rejects the appeal against the enforcement as groundless. Rejects the application for the cancellation of the foreclosure, as groundless. With appeal within 15 days from the intimation. Judgment no. 6723/17.10.2019.	Settled on the merits.

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
22.	6632/3/2019	Labor Bucharest Court of Law CMAS Section VIII	Defendant	Botea Ceciliu Lucian	Labor disputes - appeal against dismissal decision.	Merits	Merits Cancels dismissal resolution no. 41/08.02.2019 issued by the defendant. Cancels dismissal resolution no. 46/13.02.2019 issued by the defendant. Resumes the parties in the previous situation by reintegrating the plaintiff in the position held before the dismissal. Obligates the defendant to pay to the plaintiff a compensation equal to the indexed salary rights, increased and updated with the other rights the plaintiff would have benefitted from in the absence of the dismissal measure, from the dismissal date to the actual reintegration. Orders the defendant to pay to the plaintiff the amount of RON 4,744.80 as trial expenses. Provisionally enforceable. With appeal within 10 days from the intimation. Pronounced by making the solution available to the parties by the record office of the Court today, 15.11.2019.	Settled on the merits.
23.	5308/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts.	Cancellation of the findings from the follow-up report no .7787/01.07.2019 regarding measures II.7 and II.9 of Resolution no. 16/11.05.2015.	Merits	Merits. Admits the exception of non-admissibility. Dismisses the action as groundless. With appeal within 15 days from intimation. The recourse shall be lodged with the Bucharest Court of Appeal, under the sanction of nullity. Pronounced by making the solution available to the parties by the registry of the Court today, 16.03.2020. Judgment no. 191/16.03.2020.	Settled on the merits.
24.	7086/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts.	Cancellation of the findings from the follow-up report no. 10697/13.09.2019 regarding measures I.5 and II.11 of Resolution no. 5/08.06.2018.	Merits	Merits	The hearing is next.
25.	31481/3/2019	Civil Bucharest Law Court	Plaintiff	Lulache Daniela, Darie Mihai, Bucur Ionel, Alexe Alexandru, Dragan Ioana, Popescu Dan,	Finding of the absolute nullity of the addendums to the mandate and administration contracts return of the collected amounts plus the legal interest and the inflation rate.	Merits	Merits	15.05.2020

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
				Radu Carmen, Sandulescu Alexandru, Stanescu Nicolae, Tcaciuc Sebastian				
26.	32600/3/2019	Civil Bucharest Law Court	Plaintiff	Ministry of Economy, Energy and Business Environment.	2,217,600 lei plus interest and inflation index - damage representing the difference between the variable indemnification collected by the BoD members and the managers for 2015-2017.	Merits	Merits	26.05.2020
27.	6572/109/2019	Labor Arges Tribunal	Defendant	Gheba Florin Ovidiu.	Appeal to Resolution no. 344/17.10.2019.	Merits	Merits	03.06.2020
28.	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.
29.	28932/302/2019	Civil District 5 Court of Law.	Claimant.	Multipack, Starmill, Micula, Romanian State by the		Merits	Merits	25.05.2020

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
				Ministry of Finance.				
30.	7222/2/2019	Administrative Bucharest Court of Appeal.	Plaintiff.	NARE (National Energy Regulatory Authority)	Suspension of administrative order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts.	Merits	Merits The court approved the SNN application and ordered the suspension of the execution of ANRE Order no. 216/11.12.2019 until the merits court issues its judgment. Judgment no. 132/02.03.2020 is legally enforceable and appealable.	Settled on the merits.
31.	97/2/2020	Civil Bucharest Court of Law.	Plaintiff.	NARE (National Energy Regulatory Authority).	Cancellation of administrative order no.216/11.12.2019.	Merits	Merits	The hearing is next.
32.	3083/3/2020	Civil Bucharest Court of Law.	Plaintiff.	National Electricity Transportation Company Transelectrica.	1,472,785 lei	Merits	Merits	The hearing follows.
33.	2929/3/2020	Administrative Bucharest Court of Law.	Respondent.	General Concrete Cernavoda.	Cancellation of the public procurement ascertaining document no. 2865/15.10.2019.	Merits	Merits Approves the exception of the functional non-competence of the Administrative and Fiscal section II of the Bucharest Court of Law. Transfers the case for resolution to the Bucharest Court of Law - Civil Section. Without appeal. Pronounced by making the solution available to the parties through the mediation of the registry of the Court today, 28.02.2020. Document: final order (disinvestment) 28.02.2020.	The hearing is next.

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
34.	1506/118/2020	Civil/ Constanta Court	Plaintiff.	U.A.T. Seimeni Commune, Romanian State by the Ministry of Public Finance, Ministry of Economy, Energy and Business Environment, Government of Romania.	Action for ascertaining the use right, servitude, free use of publicly owned land.	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	05.05.2020
2.	6144/118/2019	Civil/ Constanta Court	Plaintiff.	Public Utilities.	Recovery of the equivalent value of the damage following the non-acceptance of the new fee - 810,257.60 RON	Merits		Suspended according to art. 42 par. 6 of Decree 195/2020.
3.	7023/118/2019	Labor/ Constanta Court	Respondent.	17 MID employees.	Granting a bonus of 30%.	Merits		Suspended according to art. 42 par. 6 of Decree 195/2020.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
4.	4133/118/2017	Labor / Constanta Court of Law	Respondent.	Employee group Catrangu Rica, Bejenaru Alexandru and others	Monetary rights radiological risk bonus.	Merits	Merits Rejects the civil action as groundless. With the right to appeal within 30 days after the notification of this Judgment. Judgment no. 3233/18.12.2019.	Settled on the merits.
5.	3/118/2019	Civil/ Court of Law. Medgidia	Plaintiff.	Cernavoda City Hall.	Claim of land in area of 1,393.62 sq m, in extension of Campus 1.	Merits	Merits Approves the summons formulated by the plaintiff. Ascertains the ownership right of the plaintiff on the land with an area of 1,392 sq m located at this location as identified in the expertise report submitted to the case file. Forces the defendant to pay to the plaintiff trial expenses of 3,679 RON, out of which 1,879 RON represents the stamp tax and 1,800 RON represents the fee for the expertise report. With appeal within 30 days after the notification, to be submitted to the Medgidia Court of Law. Pronounced in public session today, 04.03.2020.	Settled on the merits.
6.	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 Approves the action formulated by plaintiff S.N. Nuclearelectrica S.A. against NPP S.A. Cernavoda. Obligates the defendant CNE S.A. Cernavoda to demolish the building Administrative Premises for offices and archive located on the land that belongs to the plaintiff, at No. 2, Medgidiei Street, registered in the land book under no. 100480 - C226. Obligates the defendant CNE S.A. Cernavoda to pay to the plaintiff the amount of 1,020 RON representing trial expenses (20 RON judiciary stamp tax and 1,000 RON expert fee). With the right to appeal within 30 days after the communication, and the appeal is to be submitted to the Court of Law of Constanta. Judgment no. 1993/19.12.2019.	Settled on the merits.
7.	2221/118/2019	Civil / Constanta Court of Law	Plaintiff.	Sorex S.A.	Action on the claim/return of cranes or their equivalent value - EUR 114,000.	Merits	Merits	14.05.2020

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the first quarter 2020

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Annex 5 – The accomplishment degree of the key performance indicators as of 31.03.2020 – Board of Directors

Nr. Crt.	Objective/Performance indicators				Verification tool	Target Quarter I 2020	Realised Quarter I 2020	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	10,00%	4,70%	47%	7%
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%	101%	100%	9%
4	EHS - Annual collective dose	2,00%	-	-	Total dose, average per unit, man Sv (ALARA quarterly report)	Annual indicator level. (0,42 om/Sv)	0,02	100%	2%
5	EHS - Effluents in the environment	2,00%	-	-	Msv/CNE (ALARA quarterly report)	250	1,44	100%	2%
6	EHS - Maximum allowable dose	-	0,50%	0,50%	Msv/man (ALARA annual report)	20	1,47	100%	1%
Financial indicators									
1	Gross profit	7,00%	1,00%	1,00%	Form "Profit and Loss Account"	30.000.000 lei	259.434.488 lei	100%	9%
2	Average price/MWh on the competitive market	8,00%	1,00%	1,00%	Price published by OPCOM	90% * ROPEX_FM 31.12.2019 (90% * 270,47 lei/MWh = 243,42 lei/MWh)	229,62 lei/MWh	94%	9%
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									92%

Note 1: Values "Target Quarter I 2020": according to Annex no. 3.2. to Mandate Contracts no. 55, 56, 57, 58, 59, 68/28.09.2018.

Note 2: - N = Current year.
- M = Micro.

Note 3: The short - term variable component granted based on quarterly indicators shall be adjusted depending on the cumulative achievements at the end of each financial year.
For calendar quarters not fully covered by the contract of mandate, the variable component shall be granted proportionally, in relation to the period covered by the contract of mandate.

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