



QUARTERLY REPORT

**regarding the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations for the 9 months period that ended on September 30, 2020
(Third quarter of the financial year 2020)**

Quarterly report according to:	Art. 67 of Law no. 24/2017 on issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 for the 9 months period that ended on September 30, 2020 (Third quarter of the financial year 2020)
Report date:	November 9, 2020
Issuer's name:	S.N. Nuclearelectrica S.A. ("SNN")
Registered office:	Bucharest, No. 65, Polona Street, District 1
Telephone/Fax Number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Trade Register sole registration number:	10874881
Registration number in the Trade Register:	J40/7403/1998
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro) Premium Category
Subscribed and paid-up share capital:	RON 3,015,138,510 301.513.851 shares, nominal value of 10 RON/share, dematerialized, nominative, ordinary, indivisible, with equal voting rights, freely tradable on Bucharest Stock Exchange under the SNN symbol starting with 04.11.2013.
Main features of the securities issued by the issuer:	Individual Interim Financial Statements on the date and for the 9 months period ended on September 30, 2020 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 passed by the European Union, based on Accounting Standard 34 - "Interim financial reporting".
Applicable accounting standards:	Romanian Leu (RON) – all the presented amounts are in RON, unless indicated otherwise.
Reporting currency:	Third quarter of the financial year 2020
Reported period:	

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1. ECONOMIC AND FINANCIAL SITUATION

The information and the Individual Interim Financial Statements on the date and for the period of 9 months ended on September 30, 2020 presented in this report are not audited by the financial auditor of S.N. Nuclearelectrica S.A. – S.C. Mazars Romania S.R.L. 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”), passed by the European Union based on the International Accounting Standard 34 – “Interim financial reporting”.

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

a) Financial position statement as of September 30, 2020

Indicator [thousand RON]	September 30, 2020 (unaudited)	December 31, 2019 (audited)
Non – current assets	6,000,932	6,301,960
Current assets	2,649,407	2,508,894
Total Assets	8,650,339	8,810,854
Equity	7,309,086	7,334,934
Total liability, out of which:	1,341,253	1,475,920
Long – term debts	799,053	936,157
Short – term debts	542,200	539,763
Total Equity and Liability	8,650,339	8,810,854

b) Profit and loss account and global result for the 9 months period that ended on September 30, 2020

Indicator [thousand RON]	3 months period ended on September 30, 2020 (unaudited)	3 months period ended on September 30, 2019 (unaudited)	9 months period ended on September 30, 2020 (unaudited)	9 months period ended on September 30, 2019 (unaudited)
Operating revenues	594,199	601,659	1,777,182	1,810,218
Operating expenses	(445,078)	(445,162)	(1,239,453)	(1,289,536)
Operating profit	149,121	156,497	537,729	520,682
Financial revenues	21,445	14,482	68,634	49,217
Financial expenses	(11,150)	(15,124)	(33,730)	(53,921)
Net financial income/(expense)	10,295	(642)	34,904	(4,704)
Profit before profit tax	159,416	155,855	572,633	515,978
Net income tax expense	(24,949)	(30,571)	(94,944)	(100,032)
Profit for the period	134,467	125,284	477,689	415,946
Other elements of the global result	7,172	7,349	16,516	22,070
Comprehensive income	141,639	132,633	494,205	438,016
Basic earnings per share (RON/share)	0.45	0.42	1.58	1.38
Diluted earnings per share (RON/share)	0.45	0.42	1.58	1.38

2. SIGNIFICANT EVENTS

2.1. Significant events over the third quarter of 2020

Other significant events over the 9 months period ended on September 30, 2020, that were not already presented within the half – year report related to the first half – year of 2020 are the following:

Planned outage of Unit 1 CNE Cernavoda

Starting from June 20, 2020 at 11:00, Unit 1 CNE Cernavoda entered the planned outage program and the synchronization with the National Energy System was made on August 6, 2020 at 04:04.

During the period of planned outage made once every two years, more than 10,000 activities of the following programs were carried out:

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

All the works in the scheduled stoppage period were performed under safety conditions for the staff of the plant, for the public and the environment, according to the procedures approved used by CNE Cernavoda Branch and by complying with all the protection measures against COVID 19.

Inclusion in the emerging market indexes of FTSE Russell

By the current report published on September 21, 2020, SNN informed its shareholders and investors on the inclusion in the indexes of the global index provider FTSE Russell in the context of the capital market of Romania passing from the status of Border Market to that of Secondary Emerging Market, as of September 21, 2020. The shares of SNN will be included in the following indexes: FTSE Global All – Cap, FTSE Global Total – Cap, FTSE Global Small Cap, FTSE Emerging Index and FTSE Emerging All Cap Index.

Share capital increase

By the current report published on September 23, 2020, SNN informed its shareholders and investors that on September 22, 2020, the Board of Directors acknowledged and validated the subscriptions made within the share capital increase procedure. This procedure was carried out according to ASF decision no. 976/13.08.2020. The value of the share capital of SNN that will result following this operation will be of RON 3,016,438,940, fully subscribed and paid by the company's shareholders, corresponding to a number of 301,643,894 registered, dematerialized shares, each with a nominal value of 10 RON. On the date on which this report was drafted, the process of increasing the share capital is in progress, and SNN obtained the necessary certifications for approving and registering this capital increase from the Trade Register National Office (“ONRC”), the Financial Supervision Authority (“ASF”) and the central Register.

2.2 Significant events subsequent to the date of September 30, 2020

Authorizing the Agreement between the Romanian Government and the USA Government

By the current report published on October 9, 2020, SNN informed its shareholders and investors regarding the signing of the Agreement between the Government of Romania and the Government of the United States of America was signed regarding the cooperation in connection with the nuclear – energy projects from Cernavoda and in the civil nuclear energy sector in Romania, on October 9, 2020, in Washington DC. In relation to the investment projects implemented by SNN, the stage of authorizing this agreement mainly refers to the extension of the capacity of the NPP Cernavoda and the Project for Modernizing Unit 1 of NPP Cernavoda.

Also, the USA Government expressed its interest to find financing institutions that would support the global funding of the projects by complying with the policies, procedures and the decision independence of these institutions, and this financial component was included in the Inter – Government Agreement. According to the national and European legislation, the Inter-Government Agreement draft is to be sent to the European Commission according to the provisions of the Euratom Treaty.

Changes in the management of the Company – Managers

By the current report published on October 19, 2020, SNN informed its shareholders and investors regarding the termination of the individual employment contract of Mr. Dan Bigu, the Manager of the Cernavoda NPP Branch, by meeting the standard cumulative age conditions and the minimum contribution level for retirement. Following the completion of the internal selection procedure, this position will be taken over by Mr. Valentin Nae as of October 19, 2020.

3. ECONOMIC AND FINANCIAL INDICATORS

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

Indicator name	Calculation method	M.U.	Value 30.09.2020 ^{*)}
1. The current liquidity indicator	Current assets/Current debts	x	4.89
2. Debt ratio indicator			
2.1. Debt ratio indicator (1)	Borrowed capital/Equity x 100	%	5.0%
2.1. Debt ratio indicator (2)	Borrowed capital/Employed capital x 100	%	4.7%
3. Accounts receivables turnover rate	Average accounts receivables/ Turnover x 270	days	26
4. Fixed assets turnover rate^{**)}	Turnover/ Non – current assets	x	0.39

^{*)} Based on the Individual Interim Financial Statements on the date and for the 9 months period ended on September 30, 2020.

^{**)} The fixed assets turnover rate is calculated by updating the quarterly turnover (360 days/270 days).

4. STATEMENTS AND SIGNATURES

Based on the best available information, we confirm that the Individual Interim Financial Statements on the date and for the 9 months period ended on September 30, 2020 drafted according to the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standard (“IFRS”) passed by the European Union, based on the Accounting International Stand 34 – “Interim financial reporting”, provides an accurate and real image regarding the financial position, the financial performance and the cash flows for the 9 months period ended on September 30, 2020 and that this report, drafted according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 9 months period ended on September 30, 2020, comprises accurate and real information according to the development and performance of the company.

Teodor Minodor Chirica,
Chairman of the Board of Directors

Advised,
Paul Ichim,
Chief Financial Officer

5. APPENDIXES

5.1 Major LITIGATIONS in progress on September 30, 2020 (over 500 thousand RON), including the non – monetary evaluated ones

The list of major litigations in progress as of September 30, 2020 is found in Annex 4 – “Major litigations in progress on September 30, 2020 (over 500 thousand RON), including those that did not undergo monetary evaluation” included in the Quarterly report of the Board of Directors of S.N. Nuclearelectrica S.A. for period January 1 – September 30, 2020, published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investor relation section.

5.2 INDIVIDUAL INTERIM FINANCIAL STATEMENTS on the date and for the 9 months period ended on September 30, 2020

Individual Interim Financial Statements on the date and for the 9 months period ended on September 30, 2020 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”), passed by the European Union based on Accounting Standard 34 – “Interim financial reporting”, are published on the internet page of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investors relation section.

5.3 QUARTERLY REPORT of the Board of Directors of S.N. Nuclearelectrica S.A. for the period January 1 – September 30, 2020

The Quarterly Report of the Board of Directors for the period January 1 – September 30, 2020 drafted in virtue of the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations, is published on the webpage of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investor relation section.