

QUARTERLY REPORT
OF THE
BOARD OF DIRECTORS
S.N. NUCLEARELECTRICA S.A.
(“SNN”)
Third quarter of 2020

Report date: November 2020

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In case of any differences between the Romanian and English version, the Romanian version prevails.

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1. BASIS OF REPORT

The quarterly report of the Board of Directors for the period January 1 – September 30, 2020 is elaborated 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 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 thousand lei (RON) unless otherwise stated.

2.1. Financial position statement as of September 30, 2020

The financial position as of September 30, 2020 is presented in **Annex 1**.

Indicator [thousand RON]	September 30, 2020 (unaudited)	December 31, 2019 (audited)	Variation
Non – current assets	6,000,932	6,301,960	(4.8%)
Current assets	2,649,407	2,508,894	5.6%
Total assets	8,650,339	8,810,854	(1.8%)
Long – term debts	799,053	936,157	(14.6%)
Current liabilities	542,200	539,763	0.5%
Total liabilities	1,341,253	1,475,920	(9.1%)
Equity	7,309,086	7,334,934	(0.4%)
Total equities and liabilities	8,650,339	8,810,854	(1.8%)

Non – current assets registered a drop of 4.8% as 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 related to the period January 1 – September 30, 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 September 30, 2020 compared to December 31, 2019, contributing to the decrease of fixed assets.

Current assets recorded a 5.6% increase compared to December 31, 2019, based on the increase of banking deposits, inventories, commercial receivables and other receivables. This increase is partially compensated by the decrease of monetary availabilities (cash and cash equivalents) and payments made in advance.

Long – term debts decreased by 14.6%, 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.

The current debts increased by 0.5% compared to the values registered on December 31, 2019, based on the increase of the payable profit tax, short – term advance revenues and the current portion of provisions for risks and expenses and long – term loans. This increase is partially compensated by the decrease of commercial debts and other debts.

2.2. Profit and loss account for the 9 months period ended on September 30, 2020

Over the 9 months period ended on September 30, 2020, SNN recorded a net profit of RON 477,689 thousand.

Indicator [thousand RON]	9 months period ended on September 30, 2020 (unaudited)	9 months period ended on September 30, 2019 (unaudited)	Variation
Production (GWh)*	7,684	7,524	2.1%
Operating income, out of which:	1,777,182	1,810,218	(1.8%)
<i>Income from electricity sales**</i>	<i>1,731,673</i>	<i>1,771,356</i>	<i>(2.2%)</i>
Operating expenses, minus impairment and depreciation	(830,690)	(873,954)	(5.0%)
EBITDA	946,492	936,264	1.1%
Impairment and depreciation	(408,763)	(415,582)	(1.6%)
EBIT	537,729	520,682	3.3%
Net financial result	34,904	(4,704)	n/a
Net income tax expense	(94,944)	(100,032)	(5.1%)
Net profit	477,689	415,946	14.8%

*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.

Operating profit (EBITDA) increased by 1.1% compared to the same period of the previous year. The increase was caused by a decrease in operating expenses, less depreciation and amortization by 5%, partially offset by a decrease in operating income of 1.8%, influenced by a 2.2% decrease in electricity sales revenues.

The **operating income** decreased by 1.8%, determined by the 3.2% decrease in the weighted average price of the electricity sold in period January 1 – September 30, 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 1.2%.

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 ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for H1 2020 for

regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020 and 385.6 GWh for Q2 2020. For the first half – year of 2020, ANRE established a regulated price for SNN of 188.47 RON/MWh (without Tg). For the second half – year of 2020, ANRE issued Order no. 88/12.06.2020 for approving the Methodology for setting regulated fees and prices applied by last – instance providers to end clients for period July 1 – December 31, 2020 [...]. According to ANRE Decision no. 1077/29.06.2020, the quantity assigned to SNN for the second half – year of 2020 for regulated contracts was 1,095 GWh, out of which 394.9 GWh for Q3 2020 and 700.1 GWh for Q4 2020. For the second half – year of 2020, ANRE established a regulated price for SNN of 182.63 RON/MWh (without Tg). According to ANRE Decision np. 326/2019, the quantity of electricity assigned to SNN for 2019 under regulated contracts is 1,377 GWh (out of which 558.54 GWh for January 1 – September 30, 2019), at a regulated price of 188.33 RON/MWh (without Tg).

Over the 9 months period ended on September 30, 2020, the Company sell 18.7% energy on the regulated market (7.1% over the 9 months period ended on September 30, 2019), at a regulated price.

Compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts decreased by 36% and benefitted from an increase in the average sale price on this market by 16% (price without Tg). The quantity of electricity sold by SNN on the spot market (PZU and PI) in period January 1 – September 30, 2020 increased by 157%, given an average sale price on this market that was 30% lower (price without Tg).

Operating expenses, minus impairment and amortization decreased by 5% in period January 1 – September 30, 2020, compared to the same period of 2019. This evolution is determined by the decrease of expenses with the purchased electricity, personnel expenses, other operating expenses and expenses with repairs and maintenance, partially compensated by the increase of expenses with nuclear fuel, expenses with electricity transportation and expenses with spare parts.

Net currency exchange differences positively influenced the net result, so in the period January 1 – September 30, 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 19% for period January 1 – September 30, 2019 to 17% for period January 1 – September 30, 2020.

The profit and loss account for the 9 months period ended on September 30, 2020 is presented in **Annex 2**.

2.3. Execution of the Revenues and Expenses Budget as of September 30, 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 September 30, 2020 is presented in **Annex 3** to this report.

From the analysis of the manner of performance of the Revenue and Expense Budget as of September 30, 2020 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 94.7% and a reduction of the operating expenses by 12.1% as compared to the budgeted level result. The performance level of the total income is 96.1%, higher than the performance level of the total expenses of 87.8%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

The gross production of electricity of the two operational units of Cernavoda NPP was 8,354,013 MWh over the period January 1 – September 30, 2020 (of which 2,389,939 MWh in the third quarter of 2020); from this gross production, the own technological consumption of the Units during operation, and during the outages ensured from own production was of 670 thousand MWh over the period January 1 – September 30, 2020 (out of which 205 thousand MWh in the third quarter of 2020).

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 7,683,903 MWh in period January 1 – September 30, 2020, compared to the same period of 2019 (7,523,762 MWh), an increase of 2.1%. The increase is mainly due to the modification of the thresholds of triggering the ROPT local supra – power protection systems (the system of protecting the reactor at high zonal powers) implemented at the end of last year at Unit 1 of Cernavoda NPP, which caused the increase of the reactor power, after cleaning the steam generators in 2016.

In Q3 2020 the electricity quantity produced and delivered in SEN was 2,185,269 MWh, 16.1% lower than the level recorded in Q3 2019 of 2,605,048 MWh. The decrease was mainly caused by the postponing of the planned outage of Unit 1 of Cernavoda NPP, started on June 20, 2020, compared to May 3, 2020, according to the initial planning, which led to a cumulated number of operating hours 752 hours shorter than in the same period of last year.

The net electricity production program approved by the Board of Directors for 2020 (June 2020 revision) considered a quantity of 10,391,265 MWh; out of this, for the period January 1 – September 30, 2020, the production program considered a quantity of 7,639,934 MWh, being implemented in a percentage of 100.6% and for the third quarter of 2020 it considered a quantity of 2,179,050 MWh, being implemented in a percentage of 100.3%.

The installed power usage factor, recorded by each operational unit within the Cernavoda NPP during the third quarter of 2020, and cumulated after the start of commercial usage (Unit 1 on December 2, 1996, Unit 2 on November 1, 2007) until September 30, 2020 was as follows:

Cernavoda NPP unit	Cumulated 6M 2020	July 2020	August 2020	September 2020	Cumulated 9M 2020	Cumulated from the commercial exploitation
Unit 1	94.86%	–	79.87%	97.64%	82.73%	90.43%
Unit 2	98.38%	97.39%	89.83%	97.71%	97.89%	94.35%

The lower value of the factor for using the installed capacity at Unit 1 CNE Cernavoda reflects the influence of the planned outage for an actual duration of 1,053 hours, registered as of June 20, at 11:00, completed on August 3, at 08:00. The unplanned extension of the planned outage of Unit 1 CNE Cernavoda lasted for 65.5 hours, and the resynchronization was on August 6, at 04:04.

In August there was an unplanned outage of Unit 2 of Cernavoda NPP, with a duration of 46.6 hours, starting with August 29, at 08:21.

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 Decisions no. 2213/2019 and no. 1077/2020; 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 – September 30, 2020:

- 22 letters of bank guarantee were issued, in value of RON 77,428,571;
- 46 letters of bank guarantee were liquidated, amounting to RON 149,780,198 (issued in 2018, 2019 and 2020), out of which for 28 letters of bank guarantee, there were collateral deposits of RON 95,209,494;
- the value of 9 letters of bank guarantee was increased, from RON 21,543,199 to RON 21,552,053.

On September 30, 2020, there were in the balance 28 letters of bank guarantee amounting to RON 92,609,325, out of which, for one letter of bank guarantee, there was a collateral deposit set up amounting to RON 1,450,000.

The quantities of electricity sold in the first 9 months of 2020, and the corresponding incomes, broken down by types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) over the period January 1 – September 30, 2020

Sales by types	Quantities in MWh	% of total sales	Average price [RON/MWh with Tg]	Revenues from sales [RON]
Sales on the regulated market	1,481,558	18.7%	188.21	278,850,722
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	6,408,101	81.0%	227.15	1,455,617,557
- Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts	4,040,768	51.1%	266.81	1,078,120,683
- PZU and PI sales	2,367,333	29.9%	159.46	377,496,874
PE positive imbalances ^{*)}	25,625	0.3%	124.57	3,191,983
Total sales January 1 - September 30, 2020	7,915,284	100%	219.53	1,737,660,262

^{*) NB: RON 145,161 of the presented value represents revenues redistributed in January – August 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018. The value of positive imbalances for September 2020 is estimated.}

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU and PI) and on PE is 7,915,284 MWh, 2.2% more than the sales program, of 7,742,012 MWh (sized on the production estimate, without estimating unplanned outages) and 1.2% 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 CNE Cernavoda (231,4 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 46% from the Spot Market, 40% by Long – Term Contracts, and the rest on PE.

The revenues obtained from the electricity market related to electricity deliveries over the period January 1 – September 30, 2020 are of RON 1,737,660,262 (out of which RON 145,161 represent redistributed revenues resulted from balancing the system), 5.8% lower than the budget revenues over the period January 1 – September 30, 2020, and 2.1% lower than the revenues in the same period of the previous year, respectively.

According to the sales strategy:

- in period May – June 2020, 4 purchase contracts were concluded on PCCB – NC and 10 purchase transactions were performed on PC – OTC in July, for an hourly quantity of 95 MWh/h, at an average price of 233.2 RON/MWh which partially covered the sale obligations assumed by the contracts whose average weighted price in July 2020 was 266.77 RON/MWh;
- in June 2020, 5 purchase contracts were concluded on the Centralized Markets in June 2020, for a constant power of 50 MWh, with delivery in week June 22 – 28, at an average price of 163.3 RON/MWh which partially covered the sale obligations assumed by the contracts whose average weighted price in June 2020 was 249.16 RON/MWh.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted over the period January 1 – September 30, 2020, is of 227.15 RON/MWh (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated over the period January 1 – September 30, 2020 (PCCB – LE, PCCB – LE flex, PCCB – NC, PC – OTC, PZU and PI), calculated based on the values published by OPCOM in the monthly market reports, is of 228.55 RON/MWh. Over the period January 1 – September 30, 2019, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was of 229.95 RON/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 ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for H1 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020 and 385.6 GWh for Q2 2020. For the first half – year of 2020, ANRE established a regulated price for SNN of 188.47 RON/MWh (without T_g). For the second half – year of 2020, ANRE issued Order no. 88/12.06.2020 for approving the Methodology for setting regulated fees and prices applied by last – instance providers to end clients for period July 1 – December 31, 2020 [...]. According to ANRE Decision no. 1077/29.06.2020, the quantity assigned to SNN for the second half – year of 2020 for regulated contracts was 1,095 GWh, out of which 394.9 GWh for Q3 2020 and 700.1 GWh for Q4 2020. For the second half – year of 2020, ANRE established a regulated price for SNN of 182.63 RON/MWh (without T_g).

The electricity quantities sold on the competitive market of bilateral contracts represented over the period January 1 – September 30, 2020, a percentage rate of 51.1% out of the total volume of the sold electric power. The average sale price on bilateral contracts in this period was 266.81 RON/MWh (with T_g included), recording an increase of 15.9% as compared to the average price recorded in the same period of 2019, of 230.14 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 – September 30, 2020, according to ANRE Order no. 218/11.12.2019.

On the spot market (PZU and PI), over the period January 1 – September 30, 2020, a quantity of electricity representing 29.9% of the total sales volume was sold, compared to the percentage share of 11.8% recorded over the same period of 2019. The energy average selling price on the spot market (PZU and PI) achieved by SNN over the period January 1 – September 30, 2020 was of 159.46 RON/MWh (with T_g included), as compared to 228.62 RON/MWh (with T_g included) recorded over the same period of 2019.

Over the period January 1 – September 30, 2020, SNN implemented 179 energy sale contracts, as follows:

- 10 regulated contracts, out of which 5 with delivery on the first hour of January;
- 86 contracts concluded on PCCB – LE;
- 44 contracts concluded on PCCB – NC;
- 37 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 over the period January 1 – September 30, 2020. In all the cases in which there have been delays, the Company sent notifications and charged penalties according to the contractual provisions.

The quantities of electricity sold in the third 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 third quarter of 2020

Sales by types	Quantities in MWh	% of total sales	Average price [RON/MWh with Tg]	Revenues from sales [RON]
Sales on the regulated market	394,821	16.7%	183.93	72,620,790
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	1,963,596	83.0%	256.15	502,983,411
- Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts	1,726,146	73.0%	263.57	454,963,045
- PZU and PI sales	237,450	10.0%	202.23	48,020,366
PE positive imbalances ^{*)}	7,397	0.3%	156.37	1,156,690
Total sales in the third quarter of 2020	2,365,814	100%	243.79	576,760,892

^{*)} NB: RON 74,551 of the presented value represents revenues redistributed in July – August 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018. The value of positive imbalances for September 2020 is estimated.

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU and PI) and on PE is 2,365,814 MWh, 4.9% more than the sales program, of 2,255,817 MWh (sized on the production estimate, without estimating unplanned outages) and 12.8% less than the electricity quantity sold in the same period of 2019, following the postponing planned outage of Unit 1 of CNE Cernavoda.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (180.5 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 46% by Term Contracts, 41% from the Spot Market and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in Q3 2020 are 576,760,892 RON (out of which 74,551 RON represents redistributed revenues resulted from balancing the system), 16.8% lower than the budget revenues for Q3 2020 following the postponing of the planned outage of Unit 1 of NPP Cernavoda, and 2.7% 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 Q3 2020, is of 256.15 RON/MWh (including Tg). In Q3 2019 the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 225.99 RON/MWh (including Tg).

The sold electricity quantities on the competitive market (bilateral contracts) represented in Q3 2020 a percentage rate of 73% out of the total volume of the sold energy. The average sale price on bilateral contracts to be delivered in Q3 2020 was 263.57 RON/MWh (with Tg included), registering a growth of 19% compared to the average price registered in Q3 2019, of 222.09 RON/MWh (Tg included), given that Tg in Q3 2019 was lower by 0.12 RON/MWh.

On the spot market (PZU and PI), over the third quarter of 2020, a quantity of electricity representing 10% of the total sale volumes was sold, as compared to the percentage share of 8.5% recorded over the third quarter of 2019. The energy average selling price on the spot market (PZU and PI) achieved by SNN in the third quarter of 2020 was 202.23 RON/MWh (with T_g included), compared to 258.54 RON/MWh (with T_g included) recorded during the same period of 2019 (PZU).

In Q3 2020, SNN implemented 108 energy sale contracts, as follows:

- 5 regulated contracts;
- 50 contracts concluded on PCCB – LE;
- 15 contracts concluded on PCCB – NC;
- 36 transactions concluded on PC – OTC;
- 2 supply contracts for 2 end users.

3.3. Expenses in the energy market

In period January 1 – September 30, 2020, the total value of the expenses on the electric power market, incurred by SNN, is of RON 62,868,296, out of which RON 12,832,152 represent expenses on the balancing market (PE) – the value for September 2020 is estimated, RON 9,988,653 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 18,834 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 977,315 represent the tariffs paid to OPCOM S.A. for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

In period January 1 – September 30, 2020, the expenses with the purchase of electricity from the Centralized Markets were RON 20,727,360 – for 91,795 MWh, and those from the spot market (PZU and PI) were RON 17,993,653 – for 106,080 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to RON 38,721,013 (period January 1 – September 30, 2019: RON 64,814,905), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage (including the unplanned outage, following the extension of the planned outage) of Unit 1 CNE Cernavoda, and for the unplanned stoppage of Unit 2 CNE Cernavoda from August 2020; the purchased quantity of electricity was 197,875 MWh (period January 1 – September 30, 2019: 263,933 MWh), at an average price of 195.68 RON/MWh (period January 1 – September 30, 2019: 245.57 RON/MWh).

The PE expenses, over the January 1 – September 30, 2020, amounted to RON 12,832,152, the purchased quantity of electric power being of 33,507 MWh (period January 1 – September 30, 2019: RON 18,391,021, with the purchased quantity of electric power amounting to 36,706 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 value of the negative unbalance in September 2020, associated to the application of ANRE Order no. 61/2020, is estimated.

In the third quarter of 2020, the total value of the expenses on the electric power market, incurred by SNN, is of RON 44,504,730, out of which RON 8,338,493 represent expenses on the balancing market (PE) – the value for September 2020 is estimated, RON 2,840,712 represent Tg (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 5,999 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 278,488 represent the tariffs paid to OPCOM S.A. for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

In the third quarter of 2020, the expenses with the purchase of electricity from the Centralized Markets amounted to RON 19,355,640 – for 83,395 MWh, and those from the spot market (PZU and PI) amounted to RON 13,494,852 – for 74,430 MWh. The expenses with electricity purchase (Centralized Markets and Spot Market) amounted to RON 32,850,492 (third quarter of 2019: RON 29,627,743), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage (including the unplanned outage, following the extension of the planned outage) of Unit 1 CNE Cernavoda, and for the unplanned stoppage of Unit 2 CNE Cernavoda from August 2020; the purchased quantity of electricity was 157,825 MWh (Q3 2019: 87,298 MWh), at an average price of 208.15 RON/MWh (Q3 2019: 339.39 RON/MWh).

The purchases associated to the unplanned extension of the planned outage of Unit 1 CNE Cernavoda and the unplanned outage of Unit 2 Cernavoda on the spot market (PZU and PI) were in value of RON 7,303,738, for a total quantity of 39,558 MWh, at an average price of 184.63 RON/MWh.

The PE expenses in Q3 2020 were RON 8,338,493, and the purchased electricity quantity was 22,720 MWh (Q3 2019: RON 11,376,427, with the purchased quantity of electric power amounting to 19,826 MWh).

The expenses with purchases of electricity and negative imbalances were higher in the third quarter of 2020, compared to the third quarter of 2019, following the postponing of the planned outage of Unit 1 of CNE Cernavoda, which caused a cumulated number of operating hours 752 hours lower than in the same period of last year.

3.4. Investment program as of September 30, 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]	Performed (01.01 – 30.09) [thousand RON]	Achievement level (01.01 – 30.09) (%)
2020	309,544	157,112	50.8%
2019	256,548	178,370	69.5%

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 as of September 30, 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 that are planned to be completed in 2020 are: Module 11 DICA; modernization and expansion of the Physical Protection System – priority 2, stage 1; refurbishing the power outlet transformer and delivering it to CNE Cernavoda and fitting the Seiru Warehouse. In addition, the investment program includes inspections and capital repairs carried out at Unit 1 of CNE Cernavoda during the scheduled shutdown, other necessary investment projects within the CNE Cernavoda branch, the FCN 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:

- **“Planned outage of Unit 1 CNE Cernavoda (regular general inspections and capital repairs)”**: budgeted 111,297 thousand RON – the value degree of implementation as of September 30, 2020 is 76.3%.
- **“Extending the life cycle of Unit 1 by re-tubing the reactor and refurbishing the main systems”**: budget 49,710 thousand RON – the accomplishment degree value – wise as of September 30, 2020 is of 58.2%.

- **“Burnt fuel intermediary storage”**: budgeted 10,053 thousand RON – the value achievement degree as of September 30, 2020, is 25.4%. The reception of Module 11 took place on June 5, 2020. The process of contracting the construction works of Modules 12 – 17 has been completed, and the contract was signed on June 12, 2020.
- **“Modernization and expansion of the physical security system”**: budget 8,511 thousand RON – the achievement value degree as of September 30, 2020 is of 28.4%.
- **“Fitting the Seiru Warehouse”**: budgeted 2,871 thousand RON – the implementation value degree as of September 30, 2020, is 129.8%. The budgeting of this investment was carried out with caution, since on the date on which BVC 2020 was drafted there were uncertainties related to its continuation.
- **“Increasing the safety in the operation of the power evacuation system of CNE Cernavoda, by refurbishing the power evacuation transformers and providing a backup transformer for two units”**: budgeted 2,194 thousand RON – the implementation value degree as of September 30, 2020 is 131.8%.
- **“Improving the CNE Cernavoda 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”**: budget 1,486 thousand RON – achievement value degree as of September 30, 2020 is of 5%.
- **“Modernization of the bundle manufacture line”**: budgeted 551 thousand RON – the implementation value degree as of September 30, 2020 is 92.7%.
- **“Fittings”**, representing procurements of goods and other investment expenses: budgeted at RON 71,478 thousand – the value degree of implementation as of September 30, 2020 is 22.7%.

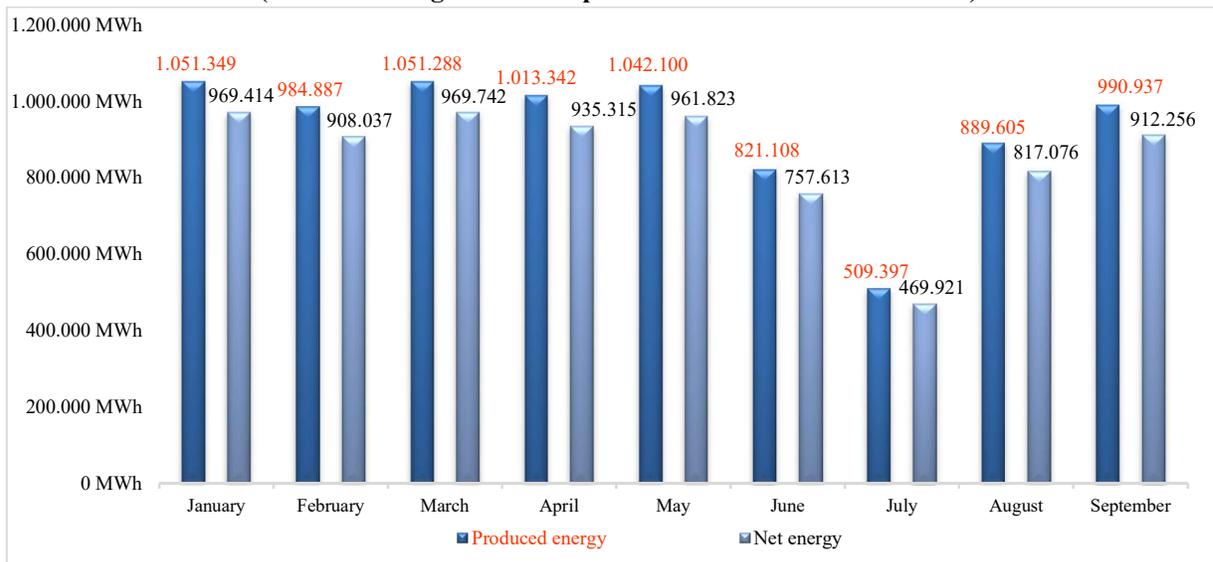
3.5. Activity of the Cernavoda NPP Branch

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.

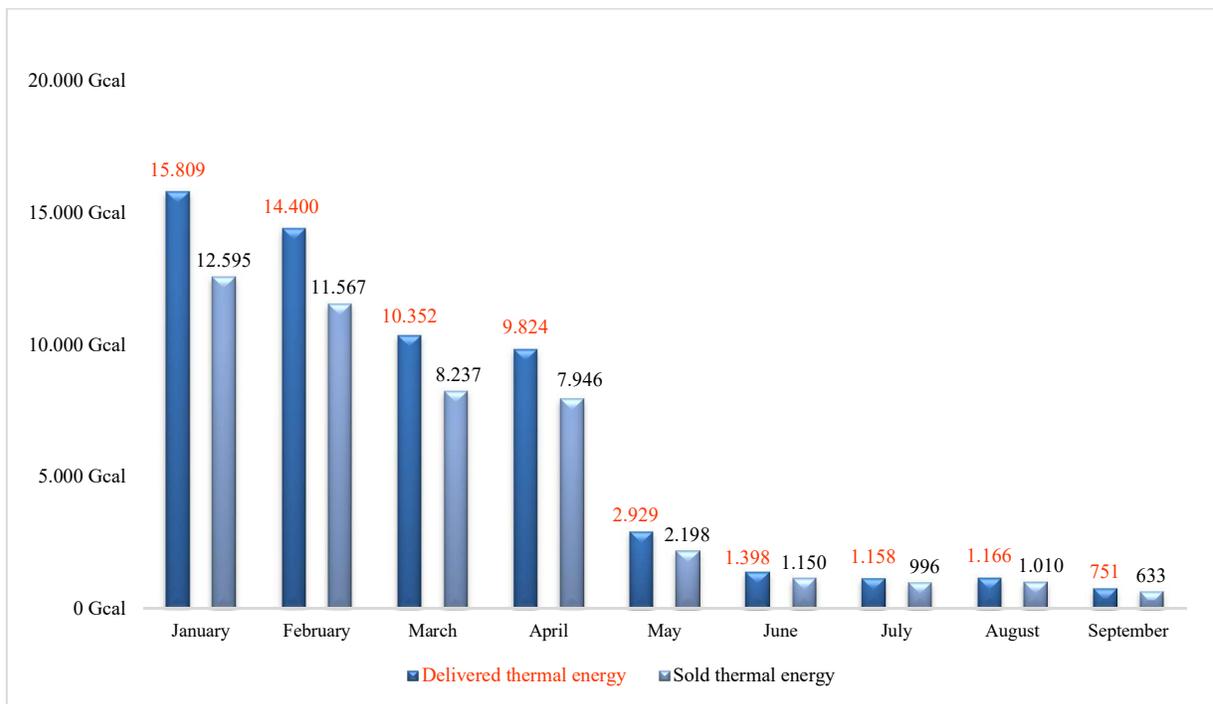
Over the 9 months period that ended on September 30, 2020, no operation event exceeding level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in depth defense barriers, impact on the site or outside (INDICATOR 1).

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

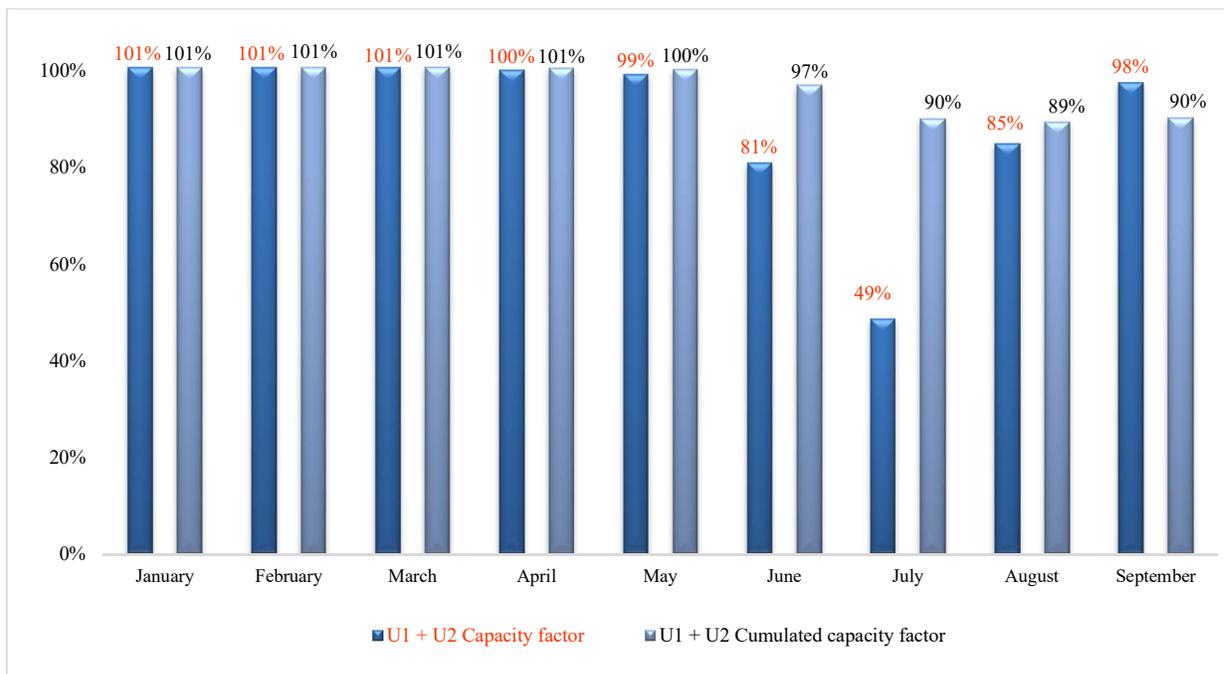
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 8,354,013 / Net electricity delivered: 7,701,197)
(Own technological consumption cumulated for 2020: 7.88%)



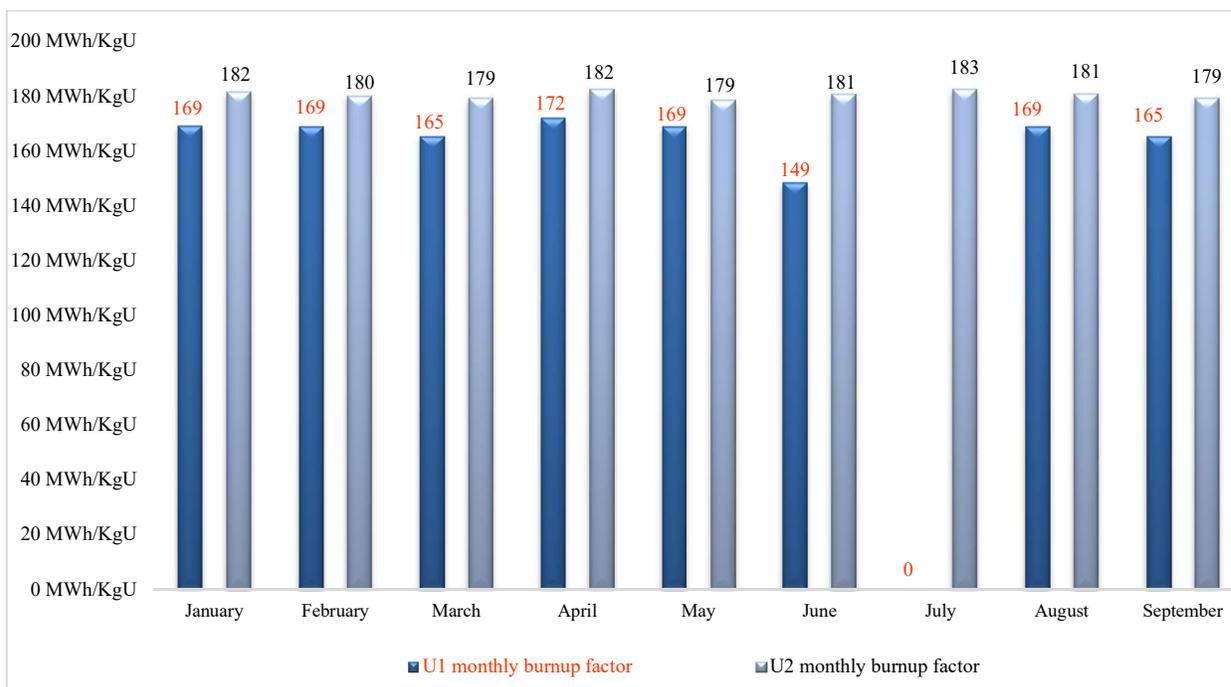
Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 57,787/Sold thermal energy: 46,332)



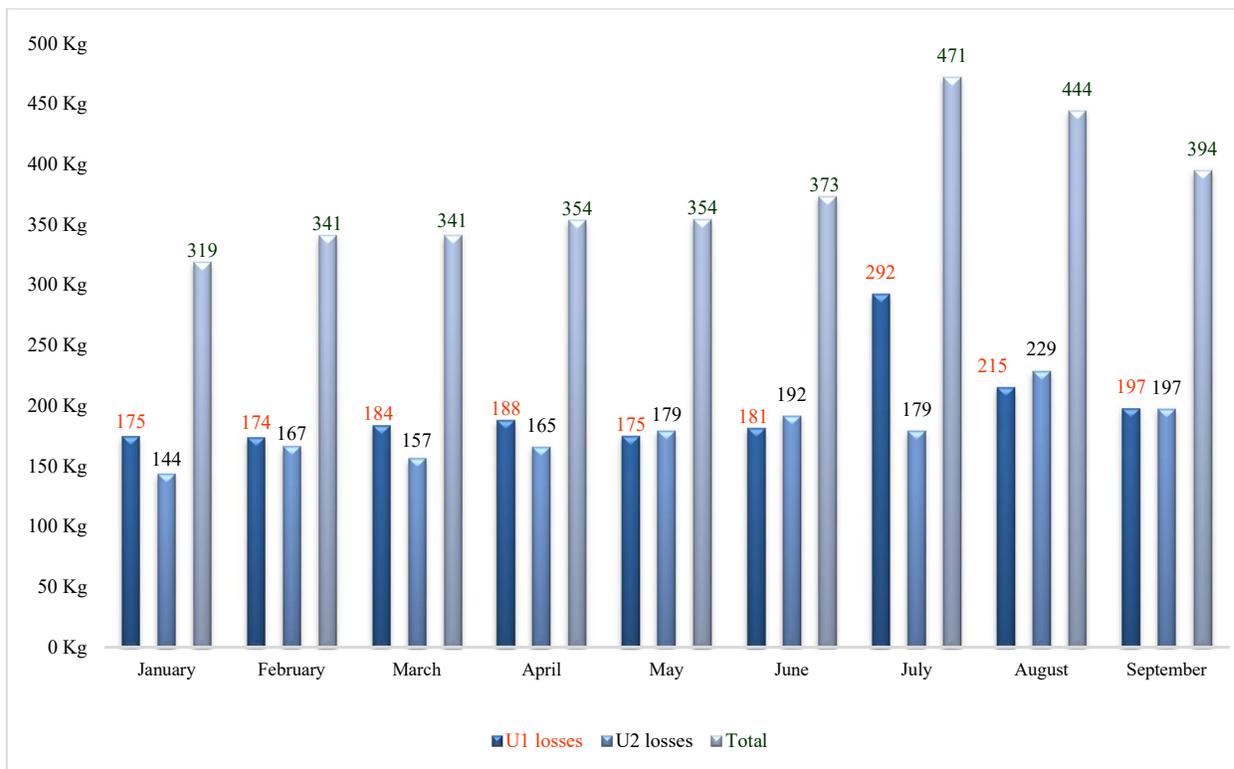
Installed capacity factor U1 + U2 (%)
(Cumulated 2020: 90.31%)



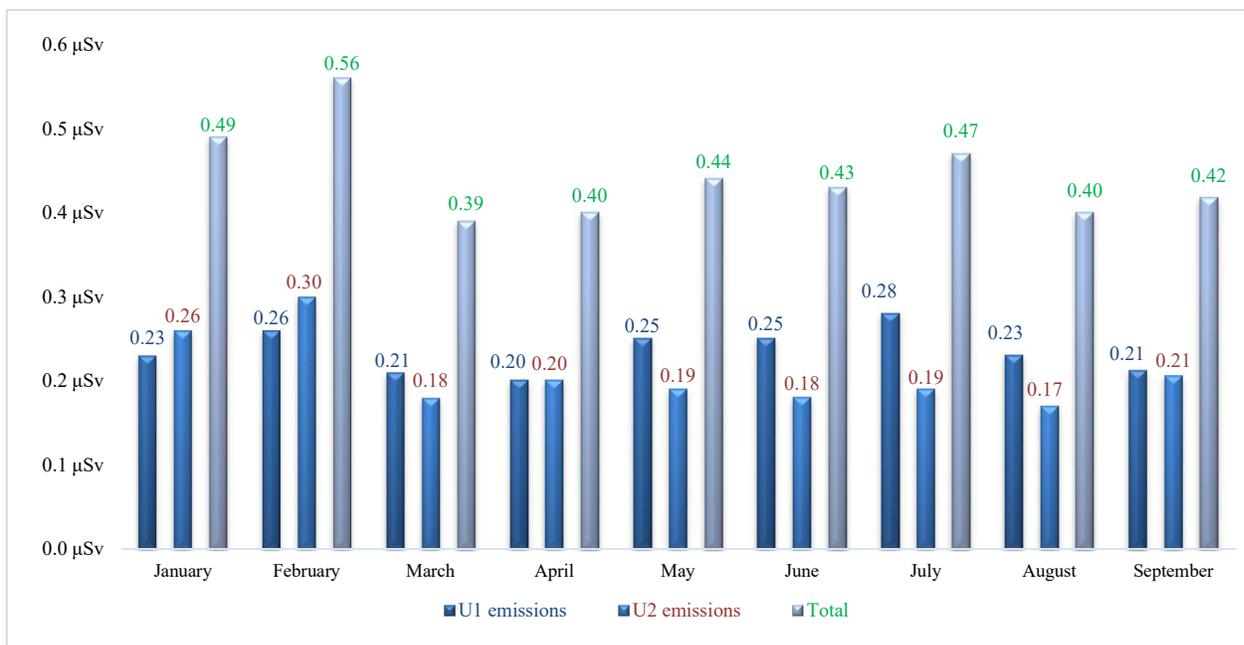
Nuclear fuel burn up degree (MWh/KgU)
(Cumulated 2020: 173/Provided in the project: min. 156)



Heavy water loss U1+U2 (Kg)
(Cumulated 2020: 3,391/Provided: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (µSv)
(Total cumulated 2020: 4/Annual limit: 250)



3.6. Activity of the Pitesti NFF Branch

Over the period January 1 – September 30, 2020, the FCN Pitesti Branch manufactured, controlled and accepted 7,756 nuclear fuel bundles, all of them within the specifications, and the production of nuclear fuel bundles decreased by 6.8% as compared to the same period of 2019, when 8,321 bundles were manufactured, inspected and accepted. In the context of the establishment of the state of emergency on the territory of Romania, between 01.04.2020 and 18.05.2020 the activity of the FCN Pitesti Branch was interrupted.

Over the period January 1 – September 30, 2020, FCN Pitesti Branch delivered to CNE Cernavoda a quantity of 7,920 nuclear fuel bundles (January 1 – September 30, 2019: 7,920 bundles).

In the period January 1 – September 30, 2020, for the production of nuclear fuel, sintered uranium dioxide powder was consumed, at an average price of 510.91 RON/kg, from the existing stock on January 1, 2020, and from the purchases from CNU – Feldioara Branch and Cameco Marketing Inc. Canada.

4. OTHER SIGNIFICANT ASPECTS

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

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

- By Resolution of the Extraordinary General Meeting of Shareholders (“EGMS”) no. 8/12.06.2020, the following measures were approved:

1. Repealing of the “Strategy for the continuation of the Units 3 and 4 Project from Cernavoda NPP by organizing an investor selection procedure” (2014) and of the “Revised strategy for the continuation of the Units 3 and 4 Project from Cernavoda NPP by organizing an investor selection procedure” (2018) (section 2 on the EGMS agenda of June 12, 2020).
2. Authorizing the SNN Board of Directors to initiate the procedures/steps/actions regarding the termination of negotiations with CGN, as well as the termination of the legal effects (by agreement of the parties, denunciation, etc.) of the following documents: "Memorandum of Understanding on the development, construction, operation and decommissioning of Units 3 and 4 of CNE Cernavoda (MoU)" and "Investor Agreement in preliminary form", respectively (item 3 of the EGMS agenda of June 12, 2020).
3. Mandating the Board of Directors of the SNN to initiate the steps for the analysis and crystallization of strategic options for the construction of new nuclear power generation capacities (item 4 of the EGMS agenda of June 12, 2020).

- By Resolution of the Prime Minister of Romania No. 281/14.07.2020, published in the Official Gazette of Romania, Part I, No. 618/14.VII.2020, the Strategic Coordination Committee for the Implementation of the Project for CNE Cernavoda Units 3 and 4 was created.

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. The accounting expertise study was completed. The following hearing is on 29.01.2021.

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. Toro Laszlo, with the Autonomous Administration of Technologies for Nuclear Energy – CITON. Mr. Toro Laszlo passed away, and the Autonomous Administration of Technologies for Nuclear Energy – CITON assumed the technical expertise. The court asked CNCAN for the list of experts in order to appoint a new expert. The following hearing is on 13.11.2020.

4.4. 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. Against this judgment, ANRE declared an appeal currently pending before the High Court of Cassation and Justice, with the first trial date set for November 4, 2020.

S.N. Nuclearelectrica S.A. initiated the action of cancelling ANRE 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 (“ANRE order no. 216/11.12.2019”) - File no. 97/2/2020. In the Current Report published on August 3, 2020, SNN informed its shareholders and investors of the notification on the court portal, of the rejection of the application for annulment of ANRE Order no. 216/11.12.2019. The judgment of the Bucharest Court of Appeal can be appealed within 15 days of the communication. We would like to remind that on March 3, 2020, the Bucharest Court of Appeal approved the request to suspend the execution of ANRE Order no. 216/11.12.2019 as a result of the action formulated by SNN. The suspension judgment was appealed by ANRE on March 16, 2020, and the case was subsequently registered on the docket of the High Court of Cassation and Justice, with the first hearing set on November 4, 2020.

S.N. Nuclearelectrica S.A. has initiated the action to cancel ANRE Order No. 12/30.03.2016 on the approval of the Performance Standard for the electricity transmission service and for the system service (published in the Official Gazette no. 279/13.04.2016) – File No. 2659/2/2020, registered on the docket of the Bucharest Court of Appeal, Section IX – administrative and fiscal litigation, for which no hearing has been set.

S.N. Nuclearelectrica S.A. started the action of annulment and suspension of the execution of ANRE Order no. 88/2020 for the approval of the Methodology for establishing regulated tariffs and prices applied by suppliers of last resort to final customers for the period July 1 – December 31, 2020 and for amending and supplementing the Contract – framework for sale – purchase of electricity concluded between energy producers electricity and suppliers of last resort, approved by Order of the President of the National Energy Regulatory Authority no. 34/2019 – File no. 3570/2/2020 pending before the Bucharest Court of Appeal with a term of December 10, 2020.

4.5. Changes in the management of the Company - Managers

By the Current Report published on March 27, 2020, SNN informed its shareholders and investors regarding the resolution of the Board of Directors of SNN 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 of SNN 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.

By the Current Report published on July 23, 2020, SNN informed its shareholders and investors of the Resolution of the Board of Directors no. 158/23.07.2020 approving the appointment of Mr. Paul Ichim as Chief Financial Officer of SNN with a mandate for a period of 4 years as of August 1, 2020, following the completion of the selection procedure, organized in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented.

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.

4.6. Changes in the management of the Company – Board of Directors

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN (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 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 from January 30, 2020 to May 30,2020 (section 4 of the OGMS agenda of January 30, 2020).

By Resolution no. 6/28.05.2020 of the Ordinary General Meeting of Shareholders (“OGMS”) of SNN, the following were approved:

1. Extension of the mandate of Mr. Teodor Minodor Chirica which was completed on 30.05.2020, for a period of 2 months, as of 31.05.2020, in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, or until the mandate acceptance date by a director appointed in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, if the selection is completed before the indicated deadline (section 2 of the OGMS agenda of May 28, 2020).
2. Maintaining the monthly gross fixed payment and the variable component as approved by Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN (item 3 of the OGMS agenda of May 28, 2020).
3. Form of the addendum to the mandate contract (item 4 of the OGMS agenda of May 28, 2020).

In its Current Report published on July 10, 2020, SNN informed its shareholders and investors that the members of the Board of Directors of SNN have taken note, by Resolution no. 130/10.07.2020, of the resignation request of Mr. Iulian Robert Tudorache pertaining to his position of member of the Board of Directors of SNN, as of August 24, 2020.

By the Current Report published on July 23, 2020, SNN informed its shareholders and investors that at the meeting of the Board of Directors of 23.07.2020, the appointment of Mr. Teodor Minodor Chirica as Chairman of the Board of Directors of SNN was approved as of July 23, 2020 until the expiry of his mandate (Resolution of the Board of Directors no. 131/23.07.2020).

By Resolution no. 9/27.07.2020 of the Ordinary General Meeting of Shareholders of SNN, the following were approved:

1. The election of Mr. Teodor Minodor Chirica as a member of the Board of Directors of the SNN, with a term of office until September 28, 2022, the date on which the term of office of the directors in office ends (paragraphs 3.2 and 4 of the OGMS agenda of July 27, 2020).
2. The monthly gross fixed payment, equal to two times the average of the last 12 months of the monthly gross average wage for the activity performed according to the main scope of business registered by SNN, at class level, according to the national classification of economic activities,

communicated by the National Institute of Statistics prior to appointment (section 5 of the OGMS agenda of July 27, 2020).

3. The annual variable component amounting to 12 fixed monthly allowances, determined based on the financial and non-financial performance indicators - as such have been negotiated with the current directors in office of SNN, and approved by the General Meeting of Shareholders, by Resolution No. 3/April 10, 2019 (section 6 of the OGMS agenda of July 27, 2020).

4. The form of the mandate contract to be concluded with Mr. Teodor Minodor Chirica (section 7 of the OGMS agenda of July 27, 2020).

4.7. Pre-SALTO assessment mission regarding the implementation of the project for retrofitting 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 retrofitting 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 retrofitting projects implemented within other CANDU units, and recommended the continuous improvement of the long – term operational strategy and the permanent revision of the process correlated with the implementation of a comprehensive methodology regarding the structures and components of the long – term operation process.

4.8. 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.

4.9. 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.

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

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

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

4.11. 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).

4.12. 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).

4.13. 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.

4.14. Approval of the Investment Strategy for the period 01.07.2020 – 01.07.2025

By Resolution no. 7/12.06.2020 of the Ordinary General Meeting of Shareholders (“OGMS”), the Investment strategy of SNN for period 01.07.2020 – 01.07.2025, according to the report submitted to the shareholders for this item on the agenda (item 2 of the OGMS agenda of June 12, 2020), was approved.

4.15. The contribution of nuclear energy to the generation of clean hydrogen

By the press release published on June 16, 2020, SNN announced that is signed, on June 15, 2020, along with other energy companies, research institutes and associations, a joint letter to the attention of the European Commission on the contribution of low carbon sources to hydrogen production, thus leading to the achievement of decarbonisation targets set for 2050.

4.16. Approval of regulated prices and quantities for the period July 1, 2020 – December 31, 2020

By the Current Report published on June 29, 2020, SNN informed the shareholders and the investors about the Decision of the National Energy Regulatory Authority no. 1077/29.06.2020, according to which SNN is bound to sell on the regulated market, in period July 1, 2020 – December 31, 2020, a quantity of 1,095,005.088 MWh, representing 10.54% of the total production quantity scheduled for 2020 at the regulated price of 182.63 RON/MWh. This regulated price does not include the electricity transmission fee, in the amount of 1.30 RON/MWh (according to the Order of the National Regulatory Authority for Energy no. 218/11.12.2019).

4.17. 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.

4.18.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.

4.19.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.

4.20.Major litigations

The situation of the major litigations (in amount of over RON 500 thousand) and of the monetary unevaluated ones in progress as of September 30, 2020 is presented in **Annex 4**.

4.21.Other information

The quarterly report of the Board of Directors for the period January 1 – September 30, 2020, is accompanied by the Individual Interim Financial Statements on the date and for the period of 9 months ended on September 30, 2020; these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investors relation section.

5. MAIN ECONOMIC AND FINANCIAL INDICATORS AS OF 30.09.2020

SNN performances 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. Turnover speed, for client debit items	Average accounts receivables/ Turnover x 270	days	26
4. Asset turnover speed^{**)}	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 asset turnover speed is calculated by updating the quarterly turnover (360 days/270 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 years 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 General Meeting of Shareholders, GMS, summoned for January 30, 2020.

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN approved the appointment of Mr. Teodor Minodor Chirica as a temporary member of the Board of Directors of SNN, with a 4 months duration, for 30.01.2020 – 30.05.2020, according to the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public companies, as further amended and supplemented. 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.

Resolution no. 6/28.05.2020 of the Ordinary General Meeting of Shareholders of SNN approved the extension of the mandate of Mr. Teodor Minodor Chirica which was completed on 30.05.2020, for a period of 2 months, as of 31.05.2020, in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, or until the mandate acceptance date by a director appointed in accordance with the provisions of

Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, if the selection is completed before the indicated deadline. It also approved maintaining the monthly gross fixed payment and the variable component as approved by Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN.

By Resolution no. 130/10.07.2020, the Board of Directors of SNN took note of the resignation request of Mr. Iulian Robert Tudorache pertaining to his position of member of the Board of Directors of SNN, as of August 24, 2020.

Resolution of the Board of Directors no. 131/23.07.2020 approved the appointment of Mr. Teodor Minodor Chirica as Chairman of the Board of Directors of SNN as of July 23, 2020 until the expiry of his term of office.

By Resolution no. 9/27.07.2020 of the Ordinary General Meeting of Shareholders of SNN, the following were approved:

- the election of Mr. Teodor Minodor Chirica as a member of the Board of Directors of the SNN, with a term of office until September 28, 2022, the date on which the term of office of the directors in office ends;
- the remuneration of Mr. Teodor Minodor Chirica consisting of a fixed monthly gross payment, equal to twice the average over the last 12 months of the average gross monthly earnings for the activity carried out according to the main scope of activity of SNN, at the class level according to the classification of activities in the national economy, communicated by the National Statistics Institute prior to the appointment, and an annual variable component amounting to 12 monthly fixed allowances determined on the basis of financial and non-financial performance indicators, as they were negotiated with the current directors in office of SNN and approved by the Ordinary General Meeting of Shareholders by Resolution no. 3/10.04.2019;
- the form of the mandate contract to be concluded with Mr. Teodor Minodor Chirica.

As of September 30, 2020, the members of the Board of Directors were as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Teodor Minodor Chirica ^{*)}	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

^{*)} Chairman of the Board of Directors of SNN, in virtue of the Resolution of the Board of Directors no. 131/23.07.2020.

^{**)} Also occupies the position of Chief Executive Officer of SNN.

The calculation of the total achievement percentage of the key performance indicators for the third 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 99% for the third quarter of 2020 cumulated (so over the 75% threshold) for each member of the Board of Directors:

Mandate contract	Achievement level Q3 2020 (cumulative)
Board of Directors	99%

**Teodor Minodor Chirica,
Chairman of the Board of Directors**

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

Annex 1 – Financial position as of September 30, 2020

	September 30, 2020	December 31, 2019
	(unaudited)	(audited)
Assets		
Non-current assets		
Tangible assets	5,796,864,397	6,056,697,319
Intangible assets	55,895,505	60,760,656
Financial assets	6,506,031	42,836,031
Financial investments	141,666,101	141,666,101
Total non-current assets	6,000,932,034	6,301,960,107
Current assets		
Inventories	424,640,707	405,167,792
Trade receivables and other receivables	223,489,838	220,284,169
Payments made in advance	17,799,315	31,416,822
Bank deposits	1,350,359,000	58,879,494
Cash and cash equivalents	633,118,095	1,793,145,389
Total current assets	2,649,406,955	2,508,893,666
Total assets	8,650,338,989	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	206,364,129	227,996,066
Retained earnings	3,839,053,227	3,843,269,056
Total equity	7,309,086,295	7,334,934,061
Liabilities		
Long-term debts		
Long term borrowings	363,865,396	499,908,597
Provisions for risks and expenses	225,200,595	213,470,997
Deferred revenues	89,654,135	100,412,631
Deferred tax liability	78,711,348	80,743,008
Obligations regarding employees benefits	41,621,644	41,621,644
Total long term liabilities	799,053,118	936,156,877
Current liabilities		
Accounts payable and other liabilities	201,960,336	220,236,112
The current share of provisions for risks and expenses	66,381,971	65,442,649
Current tax liability	25,036,759	13,329,182
Deferred revenues	35,791,445	27,863,600
Current portion of long-term loans	213,029,065	212,891,292
Total current liabilities	542,199,576	539,762,835
Total liabilities	1,341,252,694	1,475,919,712
Total equities and liabilities	8,650,338,989	8,810,853,773

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Annex 2 - Profit and Loss Account for the 9 months period ended on September 30, 2020

	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)
Incomes				
Income from energy sales	574,153,486	589,617,655	1,731,672,957	1,771,355,753
Proceeds from electric power transmission	2,840,711	3,073,837	9,988,653	8,877,647
Total revenues	576,994,197	592,691,492	1,741,661,610	1,780,233,400
Other income	17,203,540	8,966,804	35,520,874	29,984,766
Operational expenses				
Impairment and depreciation	(130,508,099)	(140,709,447)	(408,763,469)	(415,581,760)
Personnel expenses	(107,640,056)	(118,031,493)	(326,171,173)	(351,811,855)
Cost of traded electricity	(41,188,984)	(41,004,170)	(51,553,165)	(83,205,926)
Repairs and maintenance	(24,722,887)	(16,231,487)	(46,849,121)	(47,835,143)
Electricity transmission expenses	(2,840,711)	(3,073,837)	(9,988,653)	(8,877,647)
Cost of spare parts	(5,135,073)	(2,666,005)	(13,437,295)	(12,440,587)
Cost of nuclear fuel	(31,494,662)	(27,695,417)	(96,084,383)	(78,601,369)
Other operating expenses	(101,547,062)	(95,749,735)	(286,605,701)	(291,181,794)
Total operating expenses	(445,077,534)	(445,161,591)	(1,239,452,960)	(1,289,536,081)
Operating profit	149,120,203	156,496,705	537,729,524	520,682,085
Financial expenses	(11,150,313)	(15,123,607)	(33,730,056)	(53,920,578)
Financial revenues	21,445,468	14,482,393	68,634,135	49,216,608
Net financial income/(expense)	10,295,155	(641,214)	34,904,079	(4,703,970)
Profit before profit tax	159,415,358	155,855,491	572,633,603	515,978,115
Net income tax expense	(24,948,550)	(30,571,152)	(94,944,348)	(100,032,477)
Profit for the period	134,466,808	125,284,339	477,689,255	415,945,638

Annex 3 - Execution of the Revenue and Expense Budget as of September 30, 2020

								thousand RON
		Indicators	Row no.	BVC 2020 Quarter III 2020 (approved by OGMS Resolution no. 3/05.03.2020)	Performed Quarter III 2020	% Performed 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	1,922,244	1,846,928	96.1%	(75,316)	(3.9%)
	1.	Total operating income, out of which:	2	1,877,909	1,778,294	94.7%	(99,616)	(5.3%)
		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	44,335	68,634	154.8%	24,299	54.8%
II.		TOTAL EXPENSES (Row 7 + Row 21)	6	1,451,487	1,274,294	87.8%	(177,193)	(12.2%)
	1.	Operating expenses (Row 8 + Row 9 + Row 10 + Row 20)	7	1,411,889	1,240,564	87.9%	(171,325)	(12.1%)
		A. Expenses with goods and services	8	480,912	387,490	80.6%	(93,421)	(19.4%)
		B. Expenses with taxes, duties and similar payments	9	84,136	90,787	107.9%	6,651	7.9%
		C. Personnel expenses (Row 11 + Row 14 + Row 18 + Row 19)	10	377,754	326,706	86.5%	(51,048)	(13.5%)
		C0 Salary expenses (Row 12 + Row 13)	11	344,258	299,666	87.0%	(44,592)	(13.0%)
		C1 Salary expenses	12	309,688	272,805	88.1%	(36,882)	(11.9%)
		C2 Bonuses	13	34,571	26,861	77.7%	(7,710)	(22.3%)
		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	2,701	1,912	70.8%	(789)	(29.2%)
		C5 Expenses related to social protection, special funds and other legal obligations	19	30,795	25,127	81.6%	(5,668)	(18.4%)
		D. Other operational expenses	20	469,087	435,581	92.9%	(33,506)	(7.1%)
	2.	Financial expenses	21	39,599	33,730	85.2%	(5,868)	(14.8%)
III.		GROSS RESULT (profit/loss) (Row 1 – Row 6)	22	470,757	572,634	121.6%	101,877	21.6%
IV.		CORPORATE TAX	23	72,180	94,944	131.5%	22,765	31.5%
V.		PROFIT AFTER CORPORATE TAX (Row 22 – Row 23)	24	398,577	477,689	119.8%	79,112	19.8%

S.N. Nuclearelectrica S.A.

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

Annex 4 – Major litigations in progress on September 30, 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.	04.02.2021
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.	19.01.2021
3.	1794/118/2016	Criminal Court of Law Constanta	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. as a civil liability party by a legal administrator.	Prejudice 3,471,463 EUR.	Merits	Merits In order to continue the judicial investigation.	11.11.2020
4.	3490/121/2015*	Civil Court of Law Galati Court of Appeal Galati ICJJ	Plaintiff	S.C. ArcelorMittal Galati S.A.	Claims RON 8,575,245,78 difference amount energy sale made redundant and other associated expenses.	Retrial recourse	Merits Rejects the action to oblige the defendant to pay damages deriving from contract no. 207/22.02.2013 as ungrounded. 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	The hearing is next.

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(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
							<p>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, 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.</p> <p>Retrial recourse</p>	
5.	4946/2/2015	Administrative Bucharest Court of Appeal ICCJ	Plaintiff	Court of Accounts Intervener General Concrete	Measure annulment General Concrete	Merits	<p>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.</p> <p>Second appeal</p>	18.11.2021
6.	45494/3/2015**	Bucharest Law Court Civil party Court of Appeal	Plaintiff asked to pay a security	Managers S.N. Nuclearelectric a S.A. and GMS members.	Prejudice 708,407 RON. Execution of measure disposed by CC through the 2012 report regarding D&O policies.	Retrial recourse	<p>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</p>	The hearing is next.

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(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
		ICCJ					<p>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 de days from the intimation. Judgment no.7583/29.11.2016.</p> <p>Appeal</p> <p>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.</p> <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 RON, for Budulan Pompiliu the amount of 7,469 RON, for Chiriac Cristina the amount of 21,634 RON, for Grama Mioara the amount of 21,634 RON, for Serbanescu Cristian the amount of 6,354 RON and for Popescu Lucia the amount of 6,805 RON. With the right to appeal. Judgment no. 2215/20.12.2019.</p> <p>Second appeal</p>	
7.	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	Merits Procedure in progress.	20.11.2020

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(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
8.	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.	15.12.2020
9.	5802/118/2017	Labor Constanta Court	Defendant	CNE Union for 757 employees.	Monetary rights hazardous conditions bonus.	Merits	Merits Accounting expertise administration.	29.01.2021
10.	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.	13.11.2020
11.	26294/3/2018	Civil Bucharest Court of Law Bucharest Court of Appeal ICCJ	Plaintiff	Davi Comfire	Estimated damage RON 1,915,490 + Legal interest and trial expenses.	Appeal	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 Unfounded. Brief solution: Dismisses the appeal as reasonless. Dismisses the application of the appellant requiring the defendant to pay the trial expenses, as groundless. Compels the appellant to pay the amount of RON 4.500 to the appellee as trial expenses. With second appeal within 30 days from communication. The application for appeal will be submitted to the CAB. Pronounced in public session today, 11.06.2020. Judgment no. 542/11.06.2020. Second appeal	06.11.2020
12.	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.L4 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.

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the period January 1 - September 30, 2020

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
13.	6472/2/2018	Administrativ e 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.
14.	6479/2/2018	Administrativ e Bucharest Court of Appeal ICCJ	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. Second appeal	08.04.2022
15.	6481/2/2018	Administrativ e Bucharest Court of Appeal ICCJ	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.	13.01.2022
16.	6487/2/2018	Administrativ e Bucharest Court of Appeal ICCJ	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.	04.05.2022
17.	34088/3/2018*	Civil Bucharest Court of Law Bucharest Court of Appeal, 5th Civil Division	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. Appeal – negative conflict of jurisdiction.	The hearing is next.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
18.	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 retrial	<p>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.</p> <p>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.</p> <p>Retrial merits</p>	10.11.2020
19.	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	<p>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.</p> <p>Second appeal Modifies the judgment. Solution in brief: admits the appeals. Partially modifies the appealed civil judgment, namely: it approves the enforcement appeal. Cancels the letters issued on 19.02.2019 in enforcement file 233M/2010 of B.E.J. “Ad Rem”, whereby the creation of a seizure up to the amount of 3,895,186.86 RON was ordered, payable by the appellant - debtor the State Asset Management Authority - A.A.A.S., upon the request of creditor S.C. Uzina de Reparatii Targu Jiu S.A. - by legal liquidator Siomax S.P.R.L., against seizure third-parties Societatea Nationala de Transport Gaze Naturale Transgaz S.A., Societatea Nationala de Gaze Naturale Romgaz S.A., Societatea Nationala Nuclearelectrica S.A., Compania Nationala de Transport al Energiei Electrice Transelectrica S.A. and Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A., and the enforcement acts subsequent to the seizure. Maintains the other provisions on the rejection of the foreclosure cancellation request, as ungrounded. Orders S.C. Uzina de Reparatii Targu Jiu S.A. - by legal liquidator Siomax S.P.R.L. to pay to appellant Societatea Nationala Nuclearelectrica S.A. 500 RON, representing trial expenses. Final. Pronounced in public hearing, today, 17.09.2020, with a separate opinion.</p>	Final settlement.

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20.	6632/3/2019	Labor Bucharest Court of Law CMAS Section VIII Bucharest Court of Appeal	Defendant	Botea Ceciliu Lucian	Labor disputes - appeal against dismissal decision.	Appeal	<p>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.</p> <p>Appeal Incheiere, Rejects the request for suspending the provisional enforcement of civil judgment no. 6406 of 15.11.2019 pronounced by the Bucharest Court of Law - Section VIII occupational conflicts and social insurance in file no. 6632/3/2019, as without object. With appeal in 5 days after the issuance, to be submitted at the Bucharest Court of Appeal - Section VII for cases regarding labor and social insurance conflicts. Session authentication 24.06.2020. Maintain the contested decision. The solution in short: reject the appeal as unfounded. Obliges the appellant to pay to the respondent the amount of 2,419.70 lei as court costs on appeal. Decision no. 3831/28.10.2020.</p>	Completed.
21.	5308/2/2019	Administrativ Bucharest Court of Appeal High Court of Cassation and Justice	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.	Second appeal	<p>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.</p> <p>Second appeal</p>	11.05.2022
22.	7086/2/2019	Administrativ 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	Merits	<p>Merits Approves the inadmissibility exception of the request items for cancelling follow-up report no. 10697/13.09.2019, the issuance of a new follow-up report and cancelling letter no. IV/40.701/14.10.2019. Rejects the request items for cancelling follow-up report no. 10697/13.09.2019, the issuance of a new follow-up report and</p>	The hearing is next.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
					and II.11 of Resolution no. 5/08.06.2018.		cancelling letter no. IV/40.701/14.10.2019, as inadmissible. Rejects the inadmissibility exception regarding the other request items. Dismisses the action as groundless. With appeal within 15 days from intimation. Judgment no. 959/06.10.2020.	
23.	31481/3/2019	Civil Bucharest Law Court	Plaintiff	Lulache Daniela, Darie Mihai, Bucur Ionel, Alexe Alexandru, Dragan Ioana, Popescu Dan, Radu Carmen, Sandulescu Alexandru, Stanescu Nicolae, Tcaciuc Sebastian	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 In virtue of art. 242 par. 1 of the New Code of Civil Procedure suspends the judgment of the case. With appeal throughout the duration of the suspension. The appeal application shall be submitted with the Bucharest Court of Law - Civil Section VI. Pronounced today, 03.07.2020, by making the solution available to the parties by the record office of the Court. Resolution - Suspension 03.07.2020.	The hearing is next.
24.	36200/3/2019	Civil Bucharest Law Court	Plaintiff	Ministry of Economy, Energy and Business Environment.	2,217,600 RON 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 Based on Art.413 par.1 section 1 from the Civil procedure code, it orders the suspension of the case until the final resolution of the file no.6481/3/2018 pending before the Bucharest Court of Appeal Section IX, administrative and fiscal litigation. With the right of appeal during the suspension, the appeal application will be submitted to the Bucharest Tribunal – Civil Section VI. Pronounced in public session today, 26.05.2020. Resolution - Suspension 26.05.2020.	The hearing is next.
25.	6026/109/2019	Labor Arges Tribunal	Defendant	Gheba Florin Ovidiu.	Appeal against Resolution No. 344/17.10.2019 on the termination of CIM and Resolution No 300/12.09.2019 - disciplinary investigation commission.	Merits	Merits 244 c.pr,civ, Solution in brief: in virtue of the provisions of art. 413 par. (1) section 1 of the Civil procedure code, it suspends the case trial until the final resolution of the case which represents the object of file no. 1012/46/2019 of Pitesti Court of Appeal. With appeal during the suspension, to be submitted at the Arges Court of Law. Pronounced today, 09.09.2020, according to art. 396 par. 2 from the Civil Procedure Code. Resolution - Suspension 09.09.2020.	The hearing is next.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
26.	5462/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	General Regional Directorate of Public Finance Bucharest General Directorate for the Administration of Large Taxpayers.	Cancellation of fiscal documents	Merits	Merits	27.11.2020
27.	28932/302/2019	Civil Bucharest Law Court	Claimant.	Multipack, Starmill, Micula, Romanian State by the Ministry of Finance		Merits	Merits Rejects the complaint as without object. Orders the plaintiff to pay to appellees S.C. Multipack S.R.L. and S.C. Stramill S.R.L. 802.3 RON transportation and accommodation expenses from October 2020 and the amount of 3,000 RON representing reduced attorneys' fees of 1,500 RON for each appellee. With appeal in 30 days after the issuance, to be submitted under the sanction of nullity at the court of law. Passed in a public session. Judgment no. 1472/06.10.2020.	The hearing is next.
28.	7222/2/2019	Administrative Bucharest Court of Appeal. High Court of Cassation and Justice	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.	Second appeal	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. Second appeal	04.11.2020
29.	97/2/2020	Civil Bucharest Court of Law.	Plaintiff.	NARE (National Energy	Cancellation of administrative order no.216/11.12.2019.	Appeal	Merits Rejects the request. Solution in brief: accepts the lateness exception for formulating requests, invoked by the defendant. Rejects the cancellation case for Decisions 2213/23.12.2019 and no. 2214/23.12.2019, and notice no. 110703/23.12.2019, as formulated	Appeal resolved.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
				Regulatory Authority).			with a delay. Rejects the rest of the summons as ungrounded. With second appeal within 15 days from communication, the request will be submitted to Bucharest Court of Appeal - Administrative and Fiscal Law Section VIII. Pronounced by making the solution available to the parties through the mediation of the registry of the Court today, 31.07.2020. Judgment no. 681/31.07.2020. Appeal Accepts the lateness exception for formulating requests, invoked by the defendant. Rejects the cancellation case for Decisions 2213/23.12.2019 and no. 2214/23.12.2019, and notice no. 110703/23.12.2019, as formulated with a delay. Rejects the rest of the summons as ungrounded. With appeal within 15 days from the intimation. Judgment no. 681/31.07.2020.	
30.	3083/3/2020	Civil Bucharest Court of Law.	Plaintiff.	National Electricity Transportation Company Transelectrica.	1,472,785 RON	Merits	Merits	11.12.2020
31.	2929/3/2020*	Administrative Bucharest Court of Law, Civil Section VI	Respondent.	General Concrete Cernavoda.	Cancellation of the public procurement ascertaining document no. 2865/15.10.2019.	Merits	Merits Postpones the case. Solution in brief: in order to allow the plaintiff to prove that it paid the judicial stamp tax. Session authentication 01.09.2020.	24.11.2020
32.	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	Action for ascertaining the use right, servitude, free use of publicly-owned land.	Merits	Merits	05.02.2021

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
				Environment, Government of Romania.				
33.	1663/118/2020	Civil Constanta Court	Plaintiff	Romanian State by MFP National Administration of Romanian Waters Administratia Bazinala de Apa Dobrogea Litoral	Action for finding the right of land management related to the river basin Cismelei Valley, use, servitude, free use of public property land 31,050 sqm and 73,428 sqm.	Merits	Merits Accepts the exception of the material non-competence of the Constanta Court, invoked ex officio. Declines the competence for resolving the request in favor of the Medgidia Court. Without appeal. Judgment no. 2485/14.10.2020.	The hearing is next.
34.	2659/2/2020	Administrative litigations Bucharest Court of Appeal	Plaintiff	NARE	Cancellation of Order No. 12/2016.	Merits	Merits	The hearing is next.
35.	16597/3/2020	Civil/ Bucharest Law Court	Plaintiff - Defendant	General Concrete Cernavoda S.R.L.	Cancellation of administrative act 2,760,296,490 RON	Merits	Merits	23.11.2020
36.	3570/2/2020	Administrative litigations/ Bucharest Court of Appeal	Plaintiff	NARE	Cancellation of documents issued by the regulation authorities. Order no. 88/2020.	Merits	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 Rejects as groundless the appeals and the intervention request in the interest of the appellees. Final. Pronounced today, 30.09.2020, by making the solution available to the parties by the registry of the Court.	Completed.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
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	Merits Rejects the action formulated by plaintiff Societatea Nationala Nuclearelectrica S.A. against defendant Utilitati Publice Cernavoda S.R.L., as groundless. 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. Pronounced by making the solution available to the parties by the registry of the Court today, 01.10.2020.	Settled on the merits.
3.	7023/118/2019	Labor/ Constanta Court	Respondent.	17 MID employees.	Granting a bonus of 30%.	Merits		10.12.2020
4.	4133/118/2017	Labor / Constanta Court of Law Court of Appeal of Constanta	Respondent.	Employee group Catrangu Rica, Bejenaru Alexandru and others	Monetary rights radiological risk bonus.	Appeal	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. Appeal Dismisses the appeal as groundless. Final. Pronounced today, 12.10.2020, by making the solution available to the parties. Judgment no. 268/12.10.2020.	Completed.
5.	3/118/2019	Civil/ Court of Law. Medgidia Constanta Court	Plaintiff.	Cernavoda City Hall.	Claim of land in area of 1,393.62 sq m, in extension of Campus 1.	Appeal	Merits Approves the summons formulated by the plaintiff. Ascertain 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.	Completed file. Formalities for registering the ownership right were initiated.
6.	3990/118/2018	Civil / Constanta Court of Law Court of Appeal of Constanta	Plaintiff.	CNE S.A.	The obligation to demolish the building erected on the land owned by SNN in area of 579 sq m.	Appeal	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.	Completed.

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							Appeal Dismisses the appeal as groundless. Final. Pronounced today, 12.10.2020, by making the solution available to the parties. Judgment no. 268/12.10.2020.	
7.	2221/118/2019	Civil / Constanta Court of Law	Plaintiff.	Sorex S.A.	Action on the claim/return of cranes or their equivalent value - Euro 114,000.	Merits	Merits Approves the appeal. Fully changes the judgment, namely it rejects the trial request as groundless. Final. Pronounced in public session today, 15.10.2020. Judgment no. 359/15.10.2020.	Completed.

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Annex 5 – The accomplishment degree of the key performance indicators as of 30.09.2020 – Board of Directors

Nr. Crt.	Objective/Performance indicators				Verification tool	Target Quarter III 2020	Realised Quarter III 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	40,00%	50,76%	100%	14%
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%	90%	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)	0,34	100%	2%
5	EHS - Effluents in the environment	2,00%	-	-	MSv/CNE (ALARA quarterly report)	250	4,00	100%	2%
6	EHS - Maximum allowable dose	-	0,50%	0,50%	Msv/man (ALARA annual report)	20	6,58	100%	1%
Financial indicators									
1	Gross profit	7,00%	1,00%	1,00%	Form "Profit and Loss Account"	70.000.000 lei	572.633.603 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)	227,15 lei/MWh	93%	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									99%

Note 1: Values "Target Quarter III 2020": according to Annex no. 3.2. to Mandate Contracts no. 55, 56, 57, 58, 59/28.09.2018 (including related additions) and 68/30.01.2020 (including additional act no. 1/28.05.2020) and 70/27.07.2020.

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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