



**QUARTERLY REPORT**  
**OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”)**  
**for the period January 1<sup>st</sup> - September 30<sup>th</sup>, 2017**

**3<sup>rd</sup> Quarter 2017**

**Date of the report: November 2017**

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## 1. BASIS OF THE REPORT

The quarterly report of the Board of Directors for the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 is prepared based on the provisions of art. 67 of the Law 24/2017 for issuers of financial instruments and market operations.

## 2. ANALYSIS OF THE FINANCIAL STATEMENT

The information and Condensed Individual Interim Financial Statements as at and for the 9 months period ended on September 30, 2017 presented in this report are unaudited, nor reviewed by the financial auditor of SNN and were prepared according to OMFP no. 2844/19.12.2016 for the approval of the Accounting Regulations compliant with International Standards of Financial Reporting, based on the International Accounting Standard 34 “ Interim Financial Reporting”.

The indicators submitted are in RON (lei), if not otherwise mentioned.

### 2.1. Financial position as at 30.09.2017

The financial position as at 30.09.2017 is presented in **Appendix 1**.

Thousand RON	30 September 2017 (unaudited)	31 December 2016 (audited, restated)	Variation
Non-current assets	7.033.594	7.330.813	-4,1%
Current assets	2.235.379	2.014.607	11,0%
<b>Total assets</b>	<b>9.268.973</b>	<b>9.345.420</b>	<b>-0,8%</b>
Non-current liabilities	1.284.419	1.420.338	-9,6%
Current liabilities	495.990	450.313	10,1%
<b>Total liabilities</b>	<b>1.780.409</b>	<b>1.870.651</b>	<b>-4,8%</b>
<b>Shareholder's equity</b>	<b>7.488.564</b>	<b>7.474.769</b>	<b>0,2%</b>
<b>Total equity and liabilities</b>	<b>9.268.973</b>	<b>9.345.420</b>	<b>-0,8%</b>

The **non-current assets** recorded a slight decrease compared to the level recorded as at 31 December 2016, mainly due to the decrease in the net book value of tangible assets by acknowledging the amortization for the period January 1<sup>st</sup> - 30 September 2017. The impact of the amortization for the period was partially compensated by the investments performed for Units 1 and 2 Cernavoda NPP.

The **current assets** recorded an increase of 11% compared to 31 December 2016, mainly due to increase in cash (cash, cash equivalents and bank deposits with a due date exceeding three months) with 17,4%, partially compensated by the reduction by 29% of commercial receivables and other receivables, influenced especially by contractual provisions (payment in advance versus payment after the delivery of electricity).

The **non-current liabilities** were reduced by 9.6% compared to the values registered on December 31<sup>st</sup>, 2016. The drop is determined by the decrease of the long-term portion of the external loans contracted with Societe Generale and Euratom for the execution and commissioning of Cernavoda NPP Unit 2, following the reclassification of due installments from the long-term portion to the short-term portion, as the credits' due date decreased; this reduction was partially compensated by the increase of the long-term obligations for employees' benefits. On March 31<sup>st</sup>, 2017 the provision for the benefits for employees' retirement was registered, consisting in the amount of a rate of 1200 kW/year of electricity after retirement, evaluated at lei 8,500 based on actuarial basis. The provision was updated on June 30<sup>th</sup>, 2017, according to the actuarial report drafted by an actuary expert employed by the Company, up to the amount of lei 8.8 million.

**Current liabilities** increased by 10.1% compared to the values registered on December 31<sup>st</sup>, 2016. The increase is determined mainly by the increase of commercial liabilities and other liabilities by 15.7%, following the increase of liabilities related to dividends to be paid, based on distributing the amount of lei 110 mil. as additional dividends based on the provisions of art. II and art. III of the Emergency Government Ordinance no. 29/2017, from « Other reserves representing financing sources », according to the GMS decision no. 8/28.09.2017, compensated by a drop by 34.9% of the other current liabilities. In the same time, income in advance for a short term have increased following the conclusion of contracts for the delivery of energy paid in advance, for subsequent delivery of energy, as well as for registering the income tax due for Q III 2017. The drop of the current portion of short-term loans by 6.9% partially counterbalanced the increases mentioned before.

## 2.2. Income statement for the period of nine months ended 30.09.2017

During the nine months period ended on 30.09.2017, SNN recorded a net profit of 225.285 thousand lei.

Thousand RON	The nine month period ended on 30 September 2017 (unaudited)	The nine month period ended on 30 September 2016 (unaudited, restated)	Variation
<b>Quantity of electricity produced (GWh)</b>	7.760	7.589	2,3%
Operating income, out of which:	1.401.689	1.194.443	17,4%
<i>Sales of electricity</i>	1.366.427	1.157.741	18,0%
Operating expenses, less depreciation and amortization	(754.588)	(727.306)	3,8%
<b>EBITDA</b>	<b>647.101</b>	<b>467.137</b>	<b>38,5%</b>
Depreciation and amortization	(370.183)	(359.948)	2,8%
<b>EBIT</b>	<b>276.918</b>	<b>107.189</b>	<b>158,3%</b>
Net financial income/(expenses)	(3.861)	15.534	n/a
Income tax expense	(47.772)	(20.326)	135,0%
<b>Net profit</b>	<b>225.285</b>	<b>102.397</b>	<b>120,0%</b>

\*Energy produced and delivered by Cernavoda NPP in the National Energy System.

\*\*Including income from the sale of thermal energy, insignificant in total income.

**The operational profit (EBITDA)** increased by 38.5% compared to the same period of the previous year, mainly as a result of the increase of operating income by 17.4%, influenced by an increase by 18% of income from the sale of energy.

The evolution of **operating income** is explained by the following factors:

- **Increase of the produced energy quantity, respectively sold.**

The planned outage of Cernavoda NPP Unit 1 during May – June 2016 was for a period of 51 days, being influenced by the additional works necessary only once during the initial life time of a Candu 6 type nuclear unit, while the planned outage of Cernavoda NPP Unit 2 during May – June 2017 had an effective period of 26.5 days, with a positive impact on the produced quantity of energy, which increased by 2,3%, respectively on the amount of sold energy, which increased by 3.7%, also considering the mix of sales during the period, respectively the sale of energy by covering the necessary energy during the period of planned outage by energy acquisition.

- **Changing the mix of sales on the regulated and competitive market.**

During the period January 1<sup>st</sup> – September 30<sup>th</sup> 2017, on the regulated market the amount of energy sold decreased by 56% compared to the same period last year, which was an effect of the continuation of the gradual liberalization process of the energy market, based on the delivery schedule established for 2017 by ANRE. At the same time, an increase by

15% of the energy amount sold on the competitive market compared to the same period of last year was registered, the sales on this market being performed at an average weighted price increased by 9.5% compared to the selling price of energy on the regulated market, during the period January 1<sup>st</sup> – September 30<sup>th</sup> 2017. Compared to the same period of last year, the quantity of energy sold on the competitive market of the bilateral contracts increased by 43%, without significant differences in price, while the amount of energy sold on the spot market dropped by 26%, but the average selling price on this market was higher by 57% (price without Tg), the impact of this increase being significantly higher than the impact of the reduction of quantities sold on this market segment.

**The operating expenses** increased by 3.8% during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, compared to the same period of 2016. This evolution is determined mainly by the increase of costs for the acquired energy, representing the compensation of the negative unbalances registered during the period and energy acquisitions during Q II 2017 to ensure the full compliance of contractual obligations for energy delivery for the period of the planned outage of Cernavoda NPP Unit 2 and for the period of unplanned and scheduled outages of the two units of Cernavoda NPP. The costs for the negative unbalances were higher during the period January 1<sup>st</sup> – September 30<sup>th</sup> 2017 in comparison to the similar period of 2016, due to unplanned and scheduled outages of the two units Cernavoda NPP. Also, the increase of operating expenses is also explained by the increase of the energy quantity produced compared to the comparative period.

**Depreciation and amortization costs** registered an increase by 2.8% compared to the same period of last year, determined mainly by the increase of amortization costs for initiating certain investments during the period subsequent to Q III 2016.

**Exchange rate net differences** have negatively influenced the net result, so that during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 net financial costs were registered, while during the same period of last year, a net financial income was registered. The main currency compared to which there are exposures are EUR, CAD and USD.

The income and loss account for the period of 9 months ended on 30.09.2017 is presented in **Appendix 2**.

### **2.3. Execution of the Budget of revenues and expenses as at 30.09.2017**

The revenues and expenses budget (“BVC”) of SNN for 2017 was approved by the Resolution of the General Meeting of Shareholders no. 1/29.03.2017.

The company is monitored in terms of compliance with the performance indicators, objectives and criteria, the realized level of salary expenses compared to the budgeted amount, revenues and expenses levels, and also with the program for reducing arrears and outstanding receivables.

The execution of the BVC as at 30.09.2017 is presented in **Appendix 3** to the current report.

From the analysis of the execution of the Revenues and Expenses Budget as at 30.09.2017 (from **Appendix 3**), it results that budgeted operating revenues were achieved 110.3% and that the operating expenses were with 9.6% below the budgeted level. The realization of the total revenues was of 108.3%, above the realization of the total expenses of 90.2%.

### 3. OPERATIONAL ACTIVITIES

#### 3.1. Electricity production

The gross energy production of the two operational units of Cernavoda NPP was of 8,464,905 MWh during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 (of which 2,945,266 MWh during Q III); from this gross production, the technologic consumption of the Units during operation time, as well as during the outages ensured from its own production was of 705 thousand MWh during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 (of which 251 thousand MWh during Q III 2017).

Therefore, the energy produced and delivered in the National Energy System (“SEN”) was 7.760.368 MWh during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 compared to the similar period of 2016 (7.588.901 MWh), representing an increase by 2.26%; during Q III 2017 the quantity of energy produced and delivered in SEN was 2.694.681 MWh, dropping by 3.25% compared to the level registered during Q III 2016 of 2.785.084 MWh.

The net energy production program approved by the Board of Directors for the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 considered a quantity of 7,668,507 MWh, being accomplished in a proportion of 101.20%; from this, for Q III 2017, the production program targeted a quantity of 2.695.801 MWh and was achieved in a proportion of 99.96%..

The installed capacity factor, recorded by each operational unit of Cernavoda NPP during Q3 2017, as well as cumulatively since in service (Unit 1 on 2 December 1996 and Unit 2 on 1 November 2007) until 30 September 2017, was as follows:

Cernavoda NPP Unit	Cumulated Sem. I 2017	July 2017	August 2017	September 2017	Cumulated 2017	Cumulated since commercial operation
Unit 1	96,16%	97,03%	96,40%	97,51%	96,43%	90,59%
Unit 2	84,73%	88,70%	90,20%	98,53%	87,32%	94,22%

The smaller value of the annual capacity factor of U2 Cernavoda reflects the influence of planned outages with an effective period of 26.5 days (635.6 hours) registered starting May 6<sup>th</sup>, 2017 and which terminated on June 2<sup>nd</sup>, 2017.

Also, during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the following unplanned and planned outages took place at Cernavoda NPP:

- At Unit 1 Cernavoda NPP three unplanned outages occurred with a total period of 34.7 hours and two scheduled outages with a total period of 88.7 hours; therefore, the total number of unplanned and planned outages during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 amount to 123.4 hours, of which 21.2 hours during Q I 2017 and 102.2 hours during Q II 2017;
- At Unit 2 Cernavoda NPP an unplanned outage occurred for a total period of 54.1 hours and a scheduled outages with a total period of 47 hours; therefore, the total number of unplanned and unplanned outages from the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 was of 101.1 hours, of which 101.1 hours during Q III 2017.

#### 3.2. Energy sales

During the energy transaction activities, the Company undertakes to submit letters of bank guarantee to contractual partners, according to the provisions from the sale-purchase contracts for energy. Mainly, these refer to: the contract concluded with Transelectrica S.A. for the transportation of energy (no letter of bank guarantee requested considering

the quality of reliable payer; the contract provides situations when the guarantee is mandatory); the convention concluded with OPCOM S.A. for the transaction of energy on DAM (Day Ahead Market) and PI (Inter-daily market); the contracts concluded on the platform PCCB – NC (Centralized Market of Bilateral Contracts of Energy – transaction method according to which contracts are attributed by Continuous Negotiation); contracts concluded on the PCSU platform (Centralized Market for the Universal Service), plus attendance guarantees for tenders; the convention for PE (Balancing Market) concluded with Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for representation on PE.

For the purpose of this activity, during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 a number of 17 letters of bank guarantee was issued. The cumulated amount is lei 28,562,904 for which collateral deposits were created in an equivalent amount. During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, a number of 45 collateral deposits for the letters of bank guarantee was liquidated in the amount of lei 30,912,620, issued both in 2017, as well as during prior periods. On September 30<sup>th</sup>, 2017, there are 17 collateral deposits in the balance, created for the letters of bank guarantee valid on that date, in the amount of lei 46,467,002.

The amounts of energy sold during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 and the corresponding income, divided on types of sale contracts are presented in the table below:

### Energy sales (quantities, prices and values) for the period 1 January – 30 September 2017

Sale type	Quantities in MWh	% total sales	Average price (lei / MWh with TG included)	Revenues from sales (lei)
Regulated contracts	529.174	6,69%	160,32	84.837.025
Sales on the competitive market (bilateral contacts and PZU & PI sales), out of which:	7.355.497	93,03%	174,77	1.285.548.444
- Contract sales (PCCB, PCCB -LE, PCCB - NC and delivery contracts)	5.474.603	69,24%	163,54	895.292.647
- PZU & PI sales	1.880.894	23,79%	207,48	390.255.797
PRE positive imbalance and balancing electricity	22.397	0,28%	184,57	4.133.855
<b>Total sales January – September 2017</b>	<b>7.907.068</b>	<b>100%</b>	<b>173,83</b>	<b>1.374.519.324</b>

<sup>\*)</sup> Note: lei 43,313 of the value presented represents redistributed income resulted from the system balancing, based on the application of the ANRE Order no. 51/2016.

The amount of energy sold based on contracts, on the spot market (DAM and PI) as well as on the PE is 7.907.068 MWh, by 1.3% over the sales program, of 7.808.541 MWh (dimensioned on the production estimate, less the estimate of unplanned outages) and by 3.7% higher than the quantity of energy sold during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017. The difference between the energy sold by the Company and the energy produced and delivered by Cernavoda NPP is represented by the energy acquired for fully covering the contractual obligations, energy quantity which was acquired in a proportion of 71% from the PE and the rest from DAM.

The income achieved on the energy market for the delivery of energy during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 is lei 1.374.519.324 (of which lei 43,313 representing redistributed income resulted from the system balancing, based on the application of the ANRE Order no. 51/2016), higher by 10.56% compared to the budgeted income for this period and respectively higher by 16.52% compared to the similar period from last year.

The average balanced sale price, for the sold amounts of energy (without PE), resulted during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, is of lei 173.80 /MWh (including T<sub>g</sub>). During the same period of 2016, the average weighted sale price, for the sold energy (without PE), was of lei 155.05 /MWh (including T<sub>g</sub>).

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, except for March and May, the average monthly sale prices achieved by SNN on DAM were in average higher than the sale prices from the bilateral contracts concluded on OPCOM and unfolded d by SNN. The average DAM price posted by OPCOM for January, February, March, April, June, July, August and September 2017 increased by 83%, 105%, 33,2%, 43,6%, 67,8%, 84,8% and respectively 24% compared to the same months of 2016, the prices performed by SNN on DAM following the market rising trend.

The SNN energy sales were performed, as during the prior period, based on regulated contracts, contracts concluded on the competitive market – attributed on PCCB - LE, PCCB - NC and PCSU platforms, plus a negotiated supply contract concluded with C.N.T.E.E. Transelectrica S.A. (station consumption 400kV Cernavoda), as well as by transactions on the spot market (PZU and PI).

For 2017, the amounts of energy sold by SNN based on contracts concluded on the regulated market are according to the ANRE decision no. 1960/14.12.2016. During the elimination process of the regulated fees, compared to 2016, ANRE reduced the regulated amounts from 14.42% (according to the ANRE decision no. 2562/16.12.2015) to 5.85% from the scheduled production of Cernavoda NPP; the regulated amounts attributed to SNN for the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 being of 6.90% from the scheduled production of Cernavoda NPP for this period, compared to the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016, when the percentage was 16.43%.

ANRE established for SNN by Decision no. 1960/14.12.2016 a regulated price of lei 159.57 /MWh (without T<sub>g</sub>), for 2017, smaller by 1.93% compared to the regulated price established by ANRE by Decision no. 2562/16.12.2015 for 2016, respectively lei 162.71 /MWh (without T<sub>g</sub>).

By Decision no. 861/13.06.2017, ANRE changed the Decision no. 1960/14.12.2016 regarding the approval of the amounts of energy sold based on regulated contracts and regulated prices for the energy delivered in 2017 by SNN, in the sense of reducing the average regulated price by 1.65%, from lei 159.57 /MWh to lei 156.93 /MWh, effective July 1<sup>st</sup>, 2017. The adjustment of the regulated average price of the energy for Q II 2017 was based on reducing the average cost of nuclear fuel during the course of 2017, compared to the average cost of nuclear fuel calculated when establishing the average regulated price for 2017.

During Q I 2017, for the sale of energy on the regulated market, to the regulated price is added the regulated fee for introducing the energy in the transportation network (T<sub>g</sub>), of lei 1.34 /MWh (decreased from lei 4.04 /MWh starting July 2016 by the Order of ANRE no. 27/22.06.2016). Starting July 1<sup>st</sup>, 2017, the regulated fee for introducing the energy in the transport network (T<sub>g</sub>) was established at lei 1.05 /MWh, by the Order of ANRE no. 48/22.06.2017.

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, on the basis of the regulated contracts an amount of 529,174 MWh (6.82% from the net production of energy) was delivered, while during the same period of 2016 the amount delivered on the regulated contracts was of 1.206.257 MWh (15,90% of the net production of energy).

The amounts of energy sold on the competitive market of bilateral contracts represented, during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 a percentage quota of 69.24% of the total volume of the sold energy. The average sale price on bilateral contracts during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 was of lei 163,54 lei/MWh (T<sub>g</sub> included), registering a drop by 1% compared to the average price registered during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016, of lei 165,42 /MWh (T<sub>g</sub> included), as T<sub>g</sub> during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016 was higher by lei 2.70 /MWh.

On the spot market, during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 an quantity of energy representing 23.79% of the total sale volume was sold, compared to a percentage rate of 33.54% registered during the same period of 2016. The average sale price of energy on the spot market achieved by SNN during this period was of lei 207.48 /MWh (T<sub>g</sub> included), compared to lei 134.32 /MWh (T<sub>g</sub> included) registered during the same period of 2016.



During January – September 30<sup>th</sup>, 2017, SNN concluded performed 210 energy sale contracts, as follows:

- 6 regulated contracts (with addendums for 2017);
- 144 contracts concluded on PCCB-LE;
- 53 contracts concluded on PCCB-NC;
- 6 contracts concluded on PCSU;
- 1 supply contract (with an addendum concluded for 2017).

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 a single contract concluded with PCCB - LE was terminated, following the lack of payment in due time of invoices for the energy delivered by the buyer. Receivables were recovered in a significant proportion by executing the letter of bank guarantee of good payment issued, according to the contract, in favor of SNN (fully for the delivered energy).

No significant delays have been reported compared to the deadlines stipulated in the contracts during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017.

The quantities of electricity sold in the third quarter of 2017 and the corresponding income, split on types of contracts are presented in the table below:

#### Electricity sales (volumes, price and value) in the third quarter of 2017

Sale type	Quantities in MWh	% total sales	Price (lei / MWh with TG included)	Sales revenues (lei)
Regulated contracts	114.885	4,15%	157,76	18.123.806
Sales on the competitive market (bilateral contacts and PZU & PI sales), out of which:	2.644.295	95,53%	181,46	479.825.507
- Contract sales (PCCB, PCCB-LE, PCCB-NC and delivery contracts)	1.984.570	71,70%	166,58	330.597.769
- PZU & PI sales	659.725	23,83%	226,20	149.227.738
PRE positive imbalance and balancing electricity	8.746	0,32%	173,12	1.514.121
<b>Total sales Q III 2017</b>	<b>2.767.926</b>	<b>100%</b>	<b>180,45</b>	<b>499.463.434</b>

<sup>\*)</sup>Note: lei 11,512 of the value represent redistributed income resulting from the system balancing, based on the application of the ANRE Order no. 51/2016.

The amount of energy sold based on contracts, on the spot market (PZU and PI) and on PE is of 2.767.926 MWh, by 0.8% over the sales program, of 2.745.144 MWh (dimensioned for the production estimate, less the estimate of unplanned outages) and by 1% smaller compared to the amount of energy sold during Q III 2016. The difference between the energy sold by the company and the energy produced and delivered by Cernavoda NPP is represented by the energy acquired for the full coverage of contractual obligations, the energy amount acquired in a proportion of 76% from the PE and the rest from DAM.

The income achieved on the energy market for the delivery of energy from Q III 2017 is of lei 499.463.434 (of which lei 11,512 representing redistributed income resulted from the system balancing, based on the application of the ANRE Order no. 51/2016), higher by 18.09% compared to the budgeted income for Q III 2017 and respectively higher by 14.13% compared to the results from the same period of last year.

The average weighted price for the electricity sold (except the Balancing market), resulted in the 3rd quarter of 2017, is of lei 180,47 /MWh (including TG). During the 3rd quarter of 2016, the average weighted sale price for sold quantities (except for PE) was of lei 156,72 /MWh for the electricity sold (except the Balancing market).

The regulated amounts of energy regulated by ANRE in the responsibility of SNN for Q III 2017 were of 4.26% from the scheduled production of Cernavoda NPP for this period, compared to Q III 2016, when the percentage was 12,62%.

During Q III 2017, on the regulated contracts an amount of 114.885 MWh was delivered (4,26% of the net production of energy), while during Q III 2016 the delivered amount on the regulated contracts was of 339.786 MWh (12,2% of the net production of energy).

The quantities of electricity sold on the competitive market of bilateral contracts represented 71,7% during the 3<sup>rd</sup> quarter of 2017 out of the total volume of the sold electricity. The average price for the bilateral contracts concluded on the 3<sup>rd</sup> quarter of 2017 was 166,58 lei/MWh (T<sub>G</sub> included), recording an increase of 2,2% compared to the average price recorded during the 3<sup>rd</sup> quarter of 2016, of 162,99 lei/MWh (T<sub>G</sub> included), while the T<sub>G</sub> during Q III of 2016 was higher by 0,29 lei/MWh.

On the spot market, during the 3<sup>rd</sup> quarter of 2017, a quantity of electricity representing 23,83% of the total sale volumes was sold, compared to the quota of 36,29% registered in the 3<sup>rd</sup> quarter of 2016. The average selling price on the spot market achieved by SNN during this period was of 226,2 lei/MWh (T<sub>G</sub> included), compared to 145,4 lei/MWh (T<sub>G</sub> included), registered during the same period of 2016.

During the 3<sup>rd</sup> quarter of 2017, SNN concluded 120 electricity sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2017);
- 106 contracts concluded on PCCB-LE;
- 7 contracts concluded on PCCB-NC;
- 1 supply contract (with an addendum concluded for 2017).

### **3.3. Expenses on the electricity market**

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 the total value of the expenses on the electricity market of SNN is of lei 57,353,708, of which lei 9,617,086 represents T<sub>G</sub>, respectively the regulated fee paid to Transelectrica S.A. for the injection of energy produced by Cernavoda NPP in the energy transport system. The costs representing the counter value of the green certificates necessary to be acquired for the provided energy are in the amount of lei 13,203, and the fees paid to OPCOM S.A. for the sale-purchase transactions developed on the platforms managed by OPCOM S.A. are in the amount of lei 420,787.

The costs for the acquisition of energy on the spot market during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 were in the amount of lei 10,822,101 (period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016: lei 49,054), with the purpose of ensuring the full compliance of the contractual obligations for the delivery of energy during the planned outages of Unit 2 Cernavoda NPP and partially of the two unplanned outages of the two units at Cernavoda NPP, the amount of acquired energy being of 42.197 MWh (period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016: 374 MWh), at an average price of lei 256,47 /MWh (period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016: lei 131,34 /MWh).

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the expenses on the Balancing Market amounted to lei 36.224.758 (period January 1<sup>st</sup> – September 30<sup>th</sup>, 2016: lei 7,364,943) . This amount represents the counter value of the electricity received from the Balancing Market to compensate the negative imbalances which occurred because of the differences between the electricity amounts actually delivered and the amounts notified on the market according as per the contractual obligations for each time frame, the amount of the unbalance from the notification and the additional cost from the system balancing, allotted to SNN based on applying the new redistribution methodology of additional costs/income from the system balancing, starting January 1<sup>st</sup>, 2017, established by the ANRE Order no. 51/21.09.2016. The costs for negative unbalances were significantly higher during the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 compared to the similar period of 2016, due to the unplanned and scheduled outages of the two units from Cernavoda NPP.

In the third quarter of 2017, the total amount of the expenditures on the electricity market of SNN is lei 29.439.326, of which lei 2.829.309 represent Tg, respectively the regulated fee paid to Transelectrica S.A. for the injection of energy produced by Cernavoda NPP in the national energy system. The fees paid to OPCOM S.A. for the sale-purchase transactions developed on the platforms managed by OCPOM amount to lei 160,781.

Costs for the acquisition of energy on the spot market from Q III 2017 were in the amount of lei 5,334,354 (Q III 2016: lei 23.187), the amount of energy acquired being of 17,837 MWh (Q III 2016: 210 MWh), at an average price of lei 299,06 /MWh (Q III 2016: lei 110,36 /MWh).

Costs on the Balanced Market from Q III 2017 were in the amount of lei 21,006,248 (Q III 2016: lei 2,167,597), being higher in comparison to the similar period of last year, due to the two outages from Unit 2 Cernavoda NPP (an unplanned outage and a scheduled one).

### **3.4. Investment program as at September 30<sup>th</sup>, 2017**

The total amount of the investment program of SNN for 2017 is of 231,593 thousand lei (without the component allotted to the payment of the debt service for the long term loans), approved through the GMS Decision no. 1/29.03.2017.

The comparative status of investments (value and percentage) for the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 comparative to the same period of 2016 is presented in the table below:

<b>Year</b>	<b>Value of the investment program [thousand lei]</b>	<b>Achieved (01.01 - 30.09) [thousand lei]</b>	<b>Achievement degree (01.01 - 30.09) (%)</b>
2017	231.593	61.836	26,7%
2016	255.394	98.959	38,7%

As in the previous years, the largest weight in the investments program represents long term investment (investments in progress). This is due to the modernization/ replacement necessities of some systems, economical reasons - decrease in specific consumptions, improvement of certain parameters specific to related processes, with positive impact over efficiency or out of legal reasons – the necessity of implementing improvements related to nuclear security, environment protection representing imperative requirements from the authorities (e.g. CNCAN, Ministry of Environment).

#### ***Analysis of the level of completion of the investment program as at 30 September 2017***

The investment program of SNN for 2017 attached to the BVC was dimensioned in value considering the ongoing contractual engagements, estimates related to the investment objectives to be performed in the next year, including the amounts allotted to certain investment projects for which is anticipated the need for compliance with certain requirements outside the SNN control (e.g.: prior notices from regulating authorities, legal terms related to the termination of the public acquisition procedures including claims, obtaining the necessary approvals from the corporate authorities from SNN etc.), to allow the implementing of such projects in the approved budget amounts.

In the analysis of the value degree, the fact that it may be different from the physical performance degree must be considered; therefore, if an investment project was finished successfully, the physical performance degree is 100% but the value „performance” degree may be sub-unitary, respectively under 100%, if the project was implemented to a cost lower than the budgeted amounts; these savings represent benefits for the company, because the same result is obtained with lesser resources.

Among the investment projects provided in the investment program we mention:

- **„Intermediate storage of spent fuel (including SICA Unit 2)“**: budgeted lei 23,743 thousand – the value degree of achievement on September 30<sup>th</sup>, 2017 is 65,79%; in April 2017 the acceptance and commissioning of Module 8 DICA, type MACSTOR 200 was performed; during Q I 2017 preparation works for the following modules took place, as well as investments in the design services for the extension of the location of the Intermediate storage of spent fuel and the replacement of the modules type MACSTOR 200 with modules type MACSTOR 400. On September 30<sup>th</sup>, 2017 the building works for Module 9, type MACSTOR 200 are going to be finished, as well as the preparation of the foundation rock and concrete casting to complete Module 10.
- **„Improvement of the Cernavoda NPP response, respectively of the nuclear safety functions in case of events outside design basis following the nuclear accident occurred at the Fukushima 1 nuclear plant, Japan“**: budgeted 41.079 thousand lei – within the objective for changing the destination of the buildings existent on the location of Unit 5, the activities for the approval of the technical project are ongoing, activities delayed from the contractual schedule because the designing documentation sent by the contractor did not totally comply with the requirements of the Cernavoda NPP, being necessary to reiterate the certification process, by extending the notice in this regard, respectively the implementation. Therefore, on September 30<sup>th</sup>, 2017 the value performances are reduced, in the amount of 1.154 thousand lei.
- **„Upgrade and extension of the Physical protection system“**: budgeted 16.150 thousand lei – in March 2017 the industrial security certificate (ORNIS) was obtained. Up to September 30<sup>th</sup>, 2017 the technical project according to the contractual graphic was drafted and approved and the performance details are ongoing to be drafted/approved, the value performance amounting to 1.698 thousand lei.
- **„Replacing the control part of the excitation system 2-41220-PL 1615 from Unit 2 due to reliability issues“**: budgeted 11.738 thousand lei – this investment represents an initiated project to be effectively finished during the planned outage of Unit 2 Cernavoda NPP in 2019. During Q III 2017 the activity related to the Design Change Package was performed, and for a part of the designing packages, the contracting company requested the displacement of the contractual terms during Q IV 2017. On September 30<sup>th</sup>, 2017 the value performances are in the amount of 1.299 thousand lei.
- **„Extension of the life span of Unit 1 by re-tubing the reactor and refurbishing the main systems (studies)“**: budgeted 4.000 thousand lei – some reports established in the contractual provisions were delivered, and other deliverables register delays in the drafting process of acquisition documents. On September 30<sup>th</sup>, 2017 the value performances are in the amount of 1.137 thousand lei.
- **„Increasing safety in the operation of the evacuation system of power from Cernavoda NPP, by refurbishing the power evacuation transformers and ensuring a spare trafo for two units“**: budgeted 8.284 thousand lei – investment shall be postponed for 2018.
- **„Overhaul of HARPER II sintering oven“**: budgeted 501 thousand lei – project finished on June 30<sup>th</sup>, 2017, with a savings of 19,23%; therefore, the value performance degree is 81,67%, while the physical performance degree is 100%, the project being implemented.
- **„Overhaul Feintool Feintool GKP-F 25/40 press“**: budgeted 951 thousand lei – in May 2017 was signed the acquisition contract, for an amount under the budgeted amount and shall be received in October 2017. Therefore during Q II 2017 the design will be finished in a 100% proportion, making a save from the initially budgeted amount.
- **„Overhaul for the R53 rotating press“**: budgeted 935 thousand lei – the procurement documentation was completed. It is estimated that the contract will be signed and that the works will be completed in Q 4 2017.
- **„SNN’s contribution within the company type IPP for the completion of Units 3 and 4“**: estimated for 8.920 thousand lei (the equivalent of 2.000 thousand euro), according to the EGMS of SNN no. 7/22.08.2014 to approve the Strategy for the continuation of the Project Cernavoda NPP Units 3 and 4. The prior essential conditions is represented by the approval of the EGMS for the Investment Documents with the Selected Investor – process unfolded by the Negotiation Commission and coordinated by the Inter-ministry Commission for the Project Units 3 and 4, so that this contribution shall be performed after the incorporation of the project company.

- **„Capitalization of ELINI (European Liability Insurance for Nuclear Industry)”**: estimated at 5.352 thousand lei (the equivalent of 1.200 thousand euro), representing the company’s contribution as new member of the Mutual European Association for Civil Liability for Nuclear Damage („ELINI”), with the purpose to benefit from the association’s advantages; the approval to adhere to ELINI must be provided by the EGMS of SNN and is estimated to be effectively performed in 2018.
- **„Consolidation of Magheru head office”**: estimated for 2.100 thousand lei. During the course of 2016, the land book for the two undivided units was opened (floor 5 and 6) and the land of SNN in surface of 239,05 sqm was registered; the effective investment was not initiated until the end of Q III 2017, due to the fact that the majority owner (Transelectrica S.A.) did not yet initiate the consolidation operations.

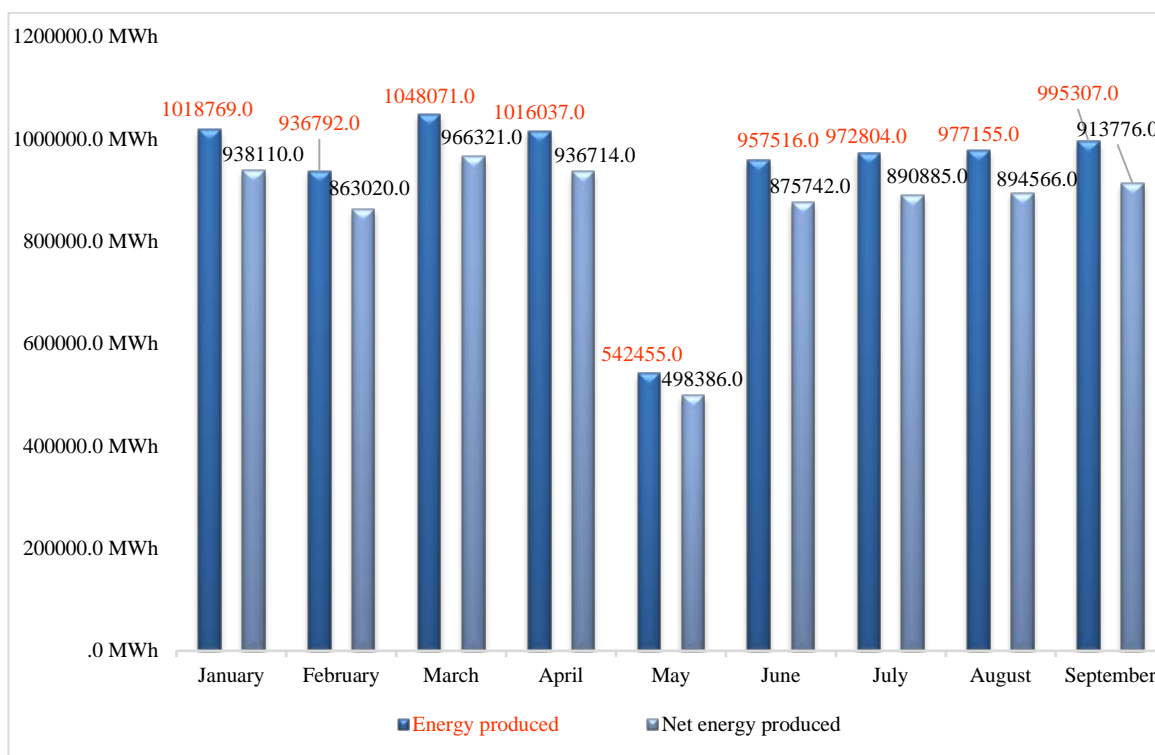
### 3.5 Cernavoda NPP Branch

The operation activity was developed without events having an impact on the nuclear security, on its own personnel, population or the environment. The relation with the regulating authorities was developed by complying with the requirements and conditions from the operating authorities.

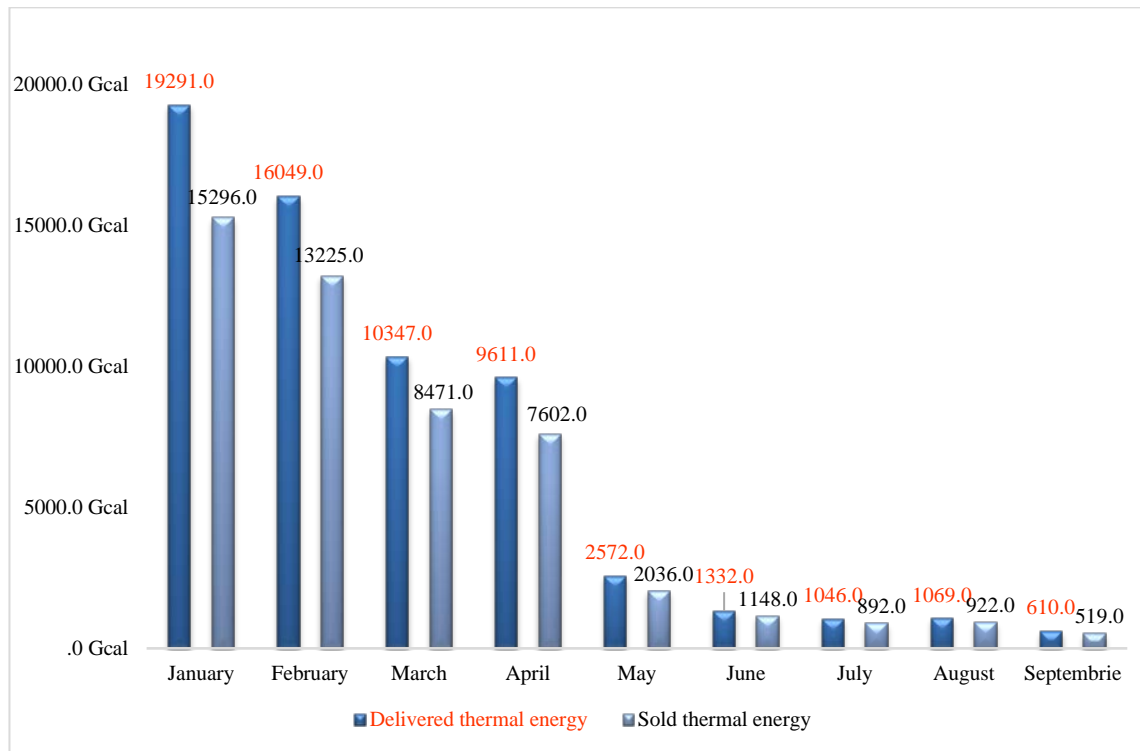
During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 there were no operation events to exceed the level 1 on the international scale of nuclear events, regarding the degradation of the in-depth defense barriers , impact on or off-site (INDICATOR 1).

The main indicators of the production activity are listed in the graphics to follow.

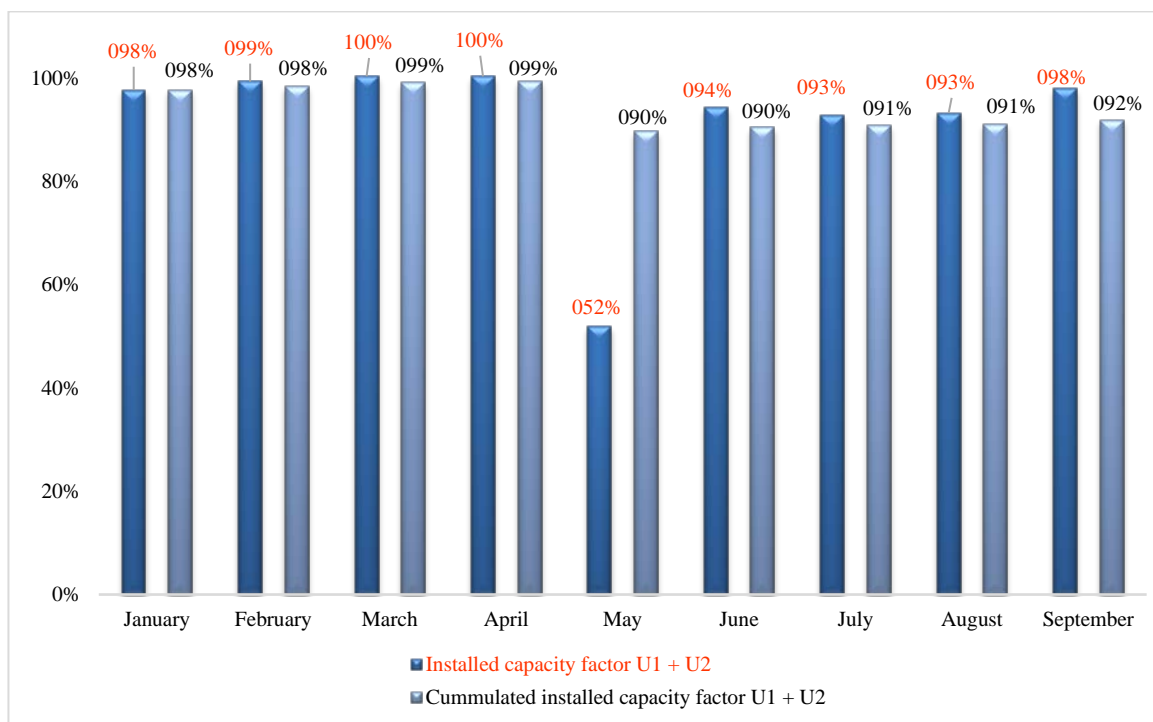
**Produced/net energy U1 + U2 (MWh)**  
**(Produced energy: 8.464.905 / Net delivered energy: 7.777.520)**  
**(Own technological consumption cumulated in Q III 2017: 8,11%)**



**Thermal energy delivered for district heating/sold (Gcal)**  
**(Thermal energy delivered: 61.926 / Sold thermal energy: 50.109)**

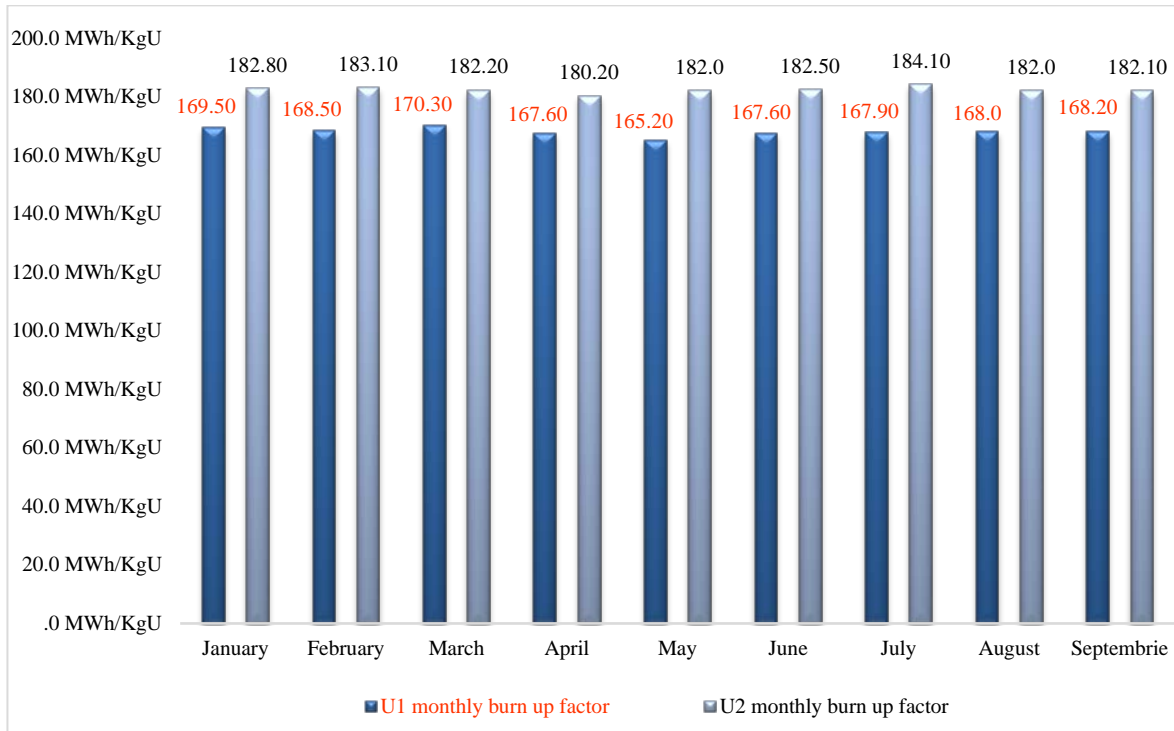


**Installed capacity factor U1 + U2 (%)**  
**(Cumulated for Q III 2017: 91,88%)**

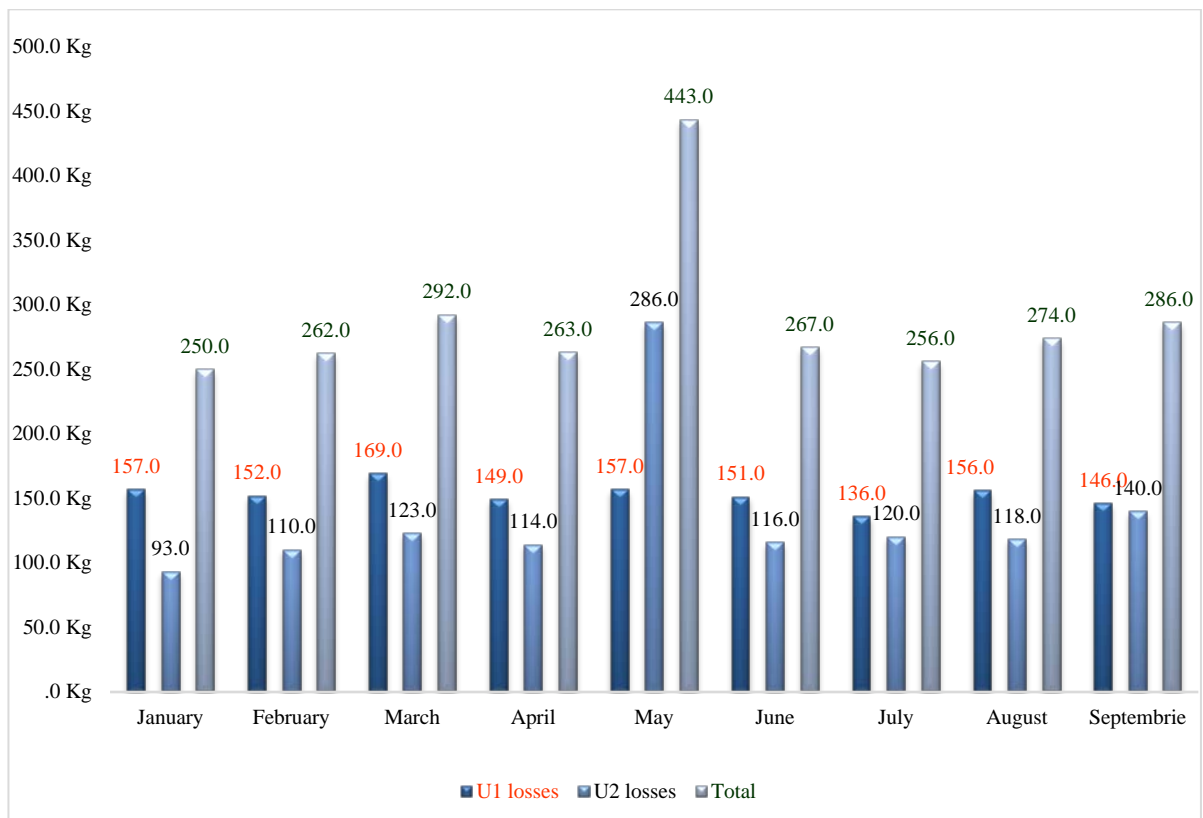


The above translation of the quarterly report for the 3rd quarter 2017 of S.N. Nuclearelectrica S.A. is provided as a free translation from Romanian, which is the official and binding version.

**Fuel burn up factor (MWh/KgU)**  
**(Cumulated Q III 2017: 175,1 / Provided project: min. 156,00)**

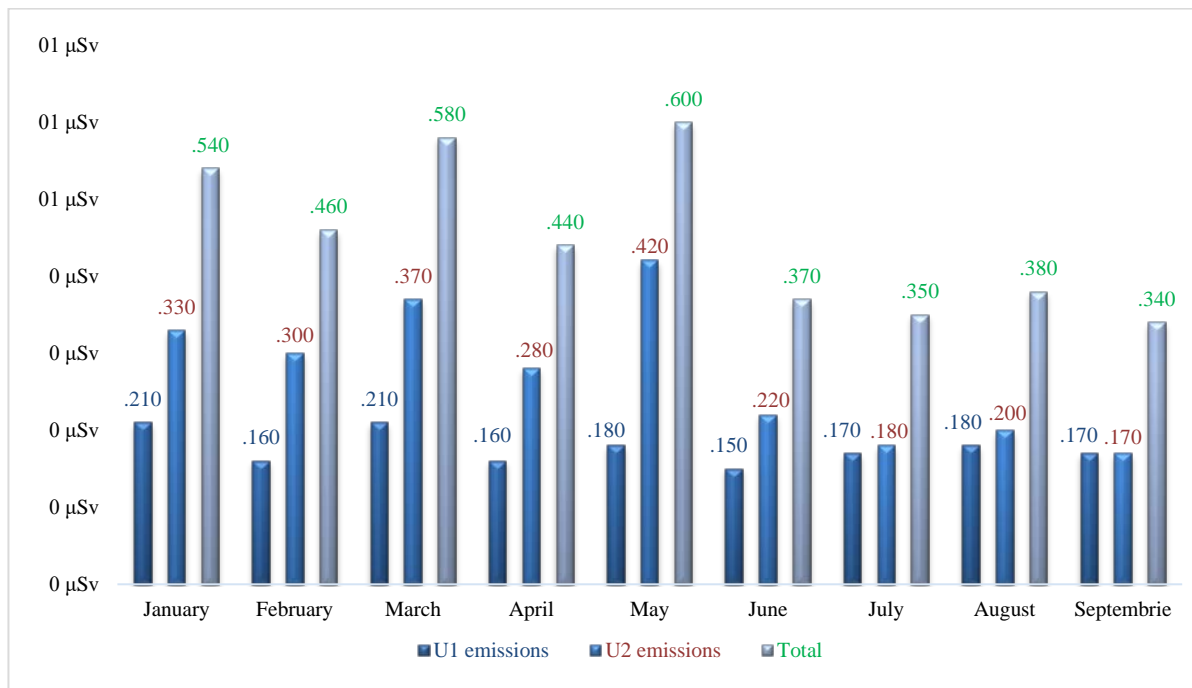


**Heavy water loss U1+U2 (Kg)**  
**(Cumulated Q III 2017: 2.595 / Provided: max. annual 6.800/unit)**



*The above translation of the quarterly report for the 3rd quarter 2017 of S.N. Nuclearelectrica S.A. is provided as a free translation from Romanian, which is the official and binding version.*

**Volume of radioactive emission in the environment U1+U2 (µSv)**  
**(Total cumulated for Q III 2017: 4,02 / Annual limit: 8,50)**



**3.6 FCN Pitesti Branch**

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the FCN Pitesti Branch manufactured, controlled and accepted a number of 8,617 nuclear fuel bundles, according to the manufacturing plan, all according to specifications, the production of nuclear fuel bundles being higher by 15% compared to the same period of 2016 when a number of 7,500 bundle was manufactured, controlled and accepted. Therefore, during Q I of 2017 3,106 nuclear fuel bundles were manufactured, controlled and accepted (Q I of 2016: 2.012), during Q II of 2017, 2,954 bundles (Q II of 2016: 2.935), and during Q III of 2017, 2,557 bundles (Q III of 2016: 2.553).

During the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017, the FCN Pitesti Branch delivered to Cernavoda FCN the amount of 7,920 bundles of nuclear fuel (January 1<sup>st</sup> – September 30<sup>th</sup>, 2016: 7,200 bundles), by complying with the delivery graphic agreed upon: 2,160 nuclear nuclear fuel bundles delivered in Q I of 2017 (Q I of 2016: 2.160), 2,880 bundles in Q II of 2017 (Q II of 2016: 2.880) and respectively 2,880 bundles in Q III of 2017 (Q III of 2016: 2.160).

During Q III of 2017 Uranium dioxide sintering powder, at an average price of lei 349,76 /kg, acquired from the provider Cameco Inc. was consumed, from acquisition performed during 2017. The last contract for the acquisition of Uranium dioxide sintering powder was concluded with Cameco Inc. in June 2017 for a quantity of 120 tons at a price equivalent in lei of the price in USD of lei 337.35 /kg U2 in UO2.



## 4. OTHER SIGNIFICANT ASPECTS

### 4.1. Cernavoda NPP Units 3 and 4 Project

The main milestones of the Cernavoda NPP Units 3 and 4 Project developed in Q III of 2017 are the following:

- As per the Government Memorandum, on July 13<sup>th</sup>, 2017, the continuation of negotiations on the Investment Documents related to the development, building, operation and decommissioning of Units 3 and 4 of Cernavoda NPP with the Chinese company CGN was approved.
- As per the Decision of the BoD of SNN no. 114/20.07.2017, the continuation of negotiations on the Investment Documents under the same conditions of the MoU, for a period of up to 6 months from the date of the institutional and corporate approval, by applying all the other provisions of the MoU, including the possibility of each party to terminate the MoU without any compensation by a simple written notice to the other Party, in case an agreement wasn't reached on the Investment Documents and as the delay was not caused by the respective Party, was endorsed and subjected to the approval of SNN Extraordinary General Meeting of Shareholders.
- As per the Decision of the SNN EGMS no. 6/24.08.2017 the following were approved:
  - The continuation of negotiations on the Investment Documents under the same conditions of the MoU, for a period up to 6 months from the date of the institutional and corporate approval, by applying all the other provisions of the MoU, including the possibility of any party to terminate MoU without any compensation through a simple written notice to the other Party, in case an agreement wasn't reached on the Investment Documents and as the delay was caused by the respective Party.
  - The empowerment of the BoD to establish the terms and conditions for the negotiations to be developed with the Investor Selected by the SNN representatives within the Negotiation Commission for the development of the Project Cernavoda NPP Units 3 and 4, according to the Memorandum of the Romanian Government no. 20/2683/13.07.2017.
- As per the Decision of the BoD of SNN no. 133/24.08.2017 the terms and conditions of the negotiations to be developed with the Investor Selected by the SNN representatives within the Negotiation Commission for the development of the Project Units 3 and 4 Cernavoda NPP mentioned in the Memorandum of the Romanian Government no. 20/2683/13.07.2017 were approved.

The negotiation process was re-initiated on September 13<sup>th</sup>, 2017, according to the calendar agreed upon between the Negotiation Commission and CGN. During the period September 13 – 29<sup>th</sup>, 2017 a series of negotiations on the project for Investors' Agreement ("AI") and its relevant annexes AI took place which lead to the identification of: (i) the clauses/sections on which the parties agreed upon, (ii) the clauses/provisions which need reformulation (sense in which drafting terms were established for certain proposals by advisors of both parties) and/or (iii) aspects under divergence, as well as the discussion of principles listed in aspects escalated by the parties and identification of the flexible positions from the parties.

During October, the Negotiation Commission („CN”) analyzed the aspects discussed during the negotiation sessions with CGN during the period September 13 – 29<sup>th</sup>, 2017 which deviate from the initial mandate received through the Government Memorandum from July 13<sup>th</sup>, 2017 or related to which clarification was necessary related to the strategy for the project. The CN proposals for the change /flexibilization of the negotiation mandate were approved by the SNN BoD and the Inter-ministry Commission.

### 4.2. Litigation with the shareholder Fondul Proprietatea S.A.

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the request for annulment of the EGMS Decision no. 8/6.10.2014 which approved the increase of the share capital of SNN with in kind contribution in the total maximum

amount of 239.172.630 lei, by issuing a maximum number of 23.917.263 shares representing equity in kind of the Romanian state, following the certification for the property right on the land, undivided quota of 239,05 sqm from Bd.Gheorghe Magheru no. 33 Bucharest and in cash contribution representing the amount of budgetary allowances for the period 2006-2009 for Unit 2 from Cernavoda.

The case is the object of file no. 40046/3/2014, on November 7, 2017 a new trial date was held on this, the court of law rejected the request of Fondul Proprietatea S.A, as ungrounded.

#### **4.3. The litigation initiated by Greenpeace CEE Romania Foundation and Bankwatch Romania Association against the Ministry of Environment, Waters and Forests, the Government of Romania and SN Nuclearelectrica SA**

The Greenpeace CEE Romania Foundation and Bankwatch Romania Association filled a summoning to court in the file no. 3793/2/2013 against the Ministry of Environment, Waters and Forests, the Government of Romania and SN Nuclearelectrica SA with the subject of annulling the decision to issue the Environment Agreement and GD 737/2013 regarding the issuance of the Environment Agreement for the project “The continuation of the construction and completion works on Cernavoda NPP Units 3 and 4”.

The Bucharest Court of Appeal rejected the claim, on the merits of the case. Greenpeace CEE Romana Foundation and Bankwatch Romania Association filed an appeal, requesting the cassation of the initial ruling and the retrial of the case, by administering an experts’ examination.

By Decision no. 2100/23 June 2016, the High Court of Cassation and Justice accepted the appeal, ruled the cassation of the decision appealed and sent the case for retrial at the same court of law for managing the proof by expertise and establishing the efficacy of the public advice related to the Environment approval.

The Bucharest Court of Appeal accepted the re-drafting of the expertise objective proposed by SNN, appointed two legal experts and two specialists following to perform the expertise and established their fees, notifying the claimant to pay them.

The requests drafted by the claimants in the sense of exemption from paying the fees, were rejected. By the Decision no. 2208/09.06.2017 the Bucharest Court of Appeal rejected the request of Greenpeace CEE Romania for the summons as being ungrounded.

#### **4.4. The litigation initiated by the Cernavoda NPP Branch Union and employees**

The file no. 5802/118/2017 was registered with Constanta Court of Appeal, on the subject of unpaid salary rights, representing the value of the professional risk indemnity for dangerous conditions, with Cernavoda NPP Union as plaintiff in the name of 757 employees of Cernavoda NPP.

The company considers that the claims are ungrounded and that all the due salary rights were paid to the employees, including the amounts that represent the object of the above mentioned litigation.

#### **4.5 The litigation initiated by SN Nuclearelectrica SA against ArcelorMittal Galati SA.**

Galati Court of Law rejected the claim of SNN to oblige ArcelorMittal Galati S.A. to pay the amount of lei 8,645,467.52 as compensatory damages following the termination of the sale-purchase contract for energy on the centralized market of bilateral contracts of energy (PCCB) no. 207 from February 22<sup>nd</sup>, 2013 before the expiration date, respectively on September 30<sup>th</sup>, 2014.

SNN submitted an appeal against this sentence, and following the appeal, the Galati Court of Appeal ruled the obligation of ArcelorMittal Galati S.A. to pay the entire amount as prejudice, plus court costs. The decision of the Galati Court of Appeal may be brought to action by appeal.

#### **4.6. Changes in the Company's management**

By Decision no. 132/24.08.2017, the BoD of SNN appointed Mr. Cosmin Ghita in the position of CEO of SNN, for a period of 4 months, starting September 2<sup>nd</sup>, 2017, respectively a provisional mandate.

By the Decision no. 5/24.08.2017 of the GMS of SNN the appointment of provisional members of the BoD of SNN, for a period of 4 months, starting August 27<sup>th</sup>, 2017 was approved.

On September 30<sup>th</sup>, 2017 the members of the BoD of SNN are as follows:

<b>No.</b>	<b>Name and Surname</b>	<b>Appointment date</b>	<b>Mandate expiration date</b>
1.	Iulian – Robert Tudorache <sup>*)</sup>	GMS Decision no. 5/24.08.2017	27.12.2017
2.	Cristian Gentea	GMS Decision no. 5/24.08.2017	27.12.2017
3.	Cristian – Romulus Anton	GMS Decision no. 5/24.08.2017	27.12.2017
4.	Sebastian Tcaciuc	GMS Decision no. 28/23.12.2013	23.12.2017
5.	Cezarina Roxana Banica <sup>**)</sup>	GMS Decision no. 5/24.08.2017	27.12.2017
6.	Mirel – Alexandru Marcu	GMS Decision no. 5/24.08.2017	27.12.2017
7.	Elena Popescu	GMS Decision no. 5/24.08.2017	27.12.2017

<sup>\*)</sup> The President of the BoD of SNN for a period of 4 months, period for the provisional mandate.

<sup>\*\*)</sup> On October 17<sup>th</sup>, 2017 the mandate of provisional member of the BoD of Mrs. Cezarina Roxana Banica, was terminated by her resignation, following his appointment in the position of General Secretary of the Government. By the decision of the BoD of SNN no. 167/27.10.2017 Mr. Ionut Dragos Banescu was appointed on the vacant position as provisional administrator.

By the Decision no. 7/28.09.2017 of the OGMS of SNN the initiation of the selection procedure of the members of the SNN BoD according to the provisions of the EGO no. 109/2011 with subsequent amendments and additions was approved, the selection procedure following to be developed by the Ministry of Energy as public custody authority.

#### **4.7. The approval of the distribution of additional dividends**

By decision no. 8/28.09.2017 of the SNN OGMS the distribution of lei 110,000,000 representing additional dividends from other reserves and reported result was approved, based on the provisions of art. II and art. III of the EGO no. 29/2017 for amending the art 1. paragraph (1) letter g) of the Government Ordinance no. 64/2001 regarding the distribution of profit for national companies, national authorities and companies with full or majority state capital, as well as for autonomous administrations and for the amendment of art. 1 paragraph (2) and (3) of the EGO no. 109/2011 regarding corporate governance of public companies, to the SNN shareholders, proportionally with their participation to the share capital.

#### **4.8. Refurbishment Project for Cernavoda NPP Unit 1**

As per the Decision of the EGMS of SNN no. 9/28.09.2017 the initiation of Phase 1 of the „Strategy for the Refurbishment project of Unit 1 Cernavoda NPP” was approved, according to the note submitted for the shareholders for this point on the agenda (point 3 of the GEMS agenda from September 28<sup>th</sup>, 2017).

**4.9. DICA (Intermediate Spent Fuel Storage) investment project**

By decision no. 9/28.09.2017 of the EGMS the change of the DICA investment project was approved, documented by the „Long term development of DICA strategy in dry stage and certification for the perspective of extending the life period for Units 1 and 2 absorbed with the CNCAN observations and the Ministry of Environment and Climate Changes”, reviewed, by mentioning the approved amount of the investment (point 2 on the EGMS agenda from September 28<sup>th</sup>, 2017).

**4.10. Approval of a loan for Energonuclear S.A. branch**

By the decision no. 4/11.07.2017 of the EGMS the provisioning of a loan convertible in shares in the amount of lei 4,000,000 to the branch Energonuclear S.A. was approved in order to finance the maintenance and preservation activities for the site of Units 3 and 4 Cernavoda NPP.

**4.11. Update of the Company’s Articles of Incorporation**

By decision no. 6/24.08.2017 of the EGMS the amendment of the SNN Articles of Incorporation was approved, as follows: the elimination of the attribution of the EGMS to approve the Management Plan (par. (2) of art. 13, eliminating letter k)) and elimination of the attribution of the BoD to draft and submit to the GMS, for approval, the Management Plan, including the management strategy during the mandate (par.(3) of art. 19, eliminating letter d)).

**4.12. Major litigations**

The situation of major litigations (amounting over lei 500 thousand) and for those not evaluated monetary at September 30<sup>th</sup>, 2017 is submitted in **Annex 4**.

**4.13. Other information**

The quarterly report of the BoD for the period January 1<sup>st</sup> – September 30<sup>th</sup>, 2017 is accompanied by the Unaudited Condensed Individual Interim Financial Statements on the date and for the period of 9 months concluded at September 30<sup>th</sup>, 2017; these financial statements being published in the webpage of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Relations with investors.

**5. MAIN ECONOMIC FINANCIAL INDICATORS ON 30.09.2017**

The performance of the company is reflected in the accomplishment of the economic financial indicators, as follows:

Indicator *)	Formula	M.U.	Result on 30.09.2017
<b>1. The current liquidity ratio</b>	Current assets / Current liabilities	x	4,51
<b>2. The indebtedness ratio</b>			
2.1. The indebtedness indicator (1)	Long term liabilities / shareholder’s Equity x 100	%	15,6%
2.1. The indebtedness indicator (2)	Long term liabilities/ Capital employed x 100	%	13,5%
<b>3. Receivables turnover ratio</b>	Average accounts receivable/ turnover x 180	days	21
<b>4. Non-current assets turnover **)</b>	Turnover/ Non-current assets	x	0,26

\*) Based on the condensed unaudited individual interim financial statements on and for the period of 9 months concluded on September 30<sup>th</sup>, 2017.

## **6. DEGREE OF ACCOMPLISHMENT OF THE PERFORMANCE INDICATORS**

The changes occurred during the period January - September 2017 in the company's management, respectively changes in the structure of the BoD, have determined changes on the reporting obligations included in the management contracts concluded by the company with the members of the BoD.

The management contracts concluded by the company with the members of the BoD whose mandate expired on April 25<sup>th</sup>, 2017 provided the awarding of a variable compensation, based on the performance indicators, as well as the following obligations for reporting, according to art. 7.19 and art 7.21 of the management contracts:

- To submit quarterly reports within the GMS on the management activity including also information related to the performance of the mandate contracts of managers, details related to operational activities, Company's financial performances and Company's accounting reports;
- To draft quarterly reports consisting in, but without a limitation to, the compliance degree with performance criteria, considering the weight of each indicator and its variation towards the targeted level established, reports that will be forwarded for the approval of the Company's GMS, following that the payment of the first subcomponent of the variable component, as mentioned at art. 18 of the management contracts, is made only if the quarterly reports are approved.

The performance indicators of the members of the BoD whose mandate expired on April 25<sup>th</sup>, 2017 are presented in the quarterly report of the BoD for Q I 2017.

The management contracts concluded by the company with the members of the BoD starting April 26<sup>th</sup>, 2017 (provisional mandates) do not provide the awarding of a variable compensation and the follow-up and reporting of the performance indicators of the members of the BoD, nor the obligation to submit and have the approval for a quarterly report.

**Board of Directors,  
Iulian Robert Tudorache  
President**

**Appendix 1 – Financial position as at 30.09.2017**

	<b>30 September 2017</b> <b>(unaudited)</b>	<b>31 December 2016</b> <b>(audited, restated)</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6.824.954.433	7.108.486.979
Intangible assets	66.949.975	80.636.405
Financial instruments	141.689.201	141.689.201
<b>Total non-current assets</b>	<b>7.033.593.609</b>	<b>7.330.812.585</b>
<b>Current assets</b>		
Inventories	333.704.356	331.057.122
Trade and other receivables	115.259.460	162.063.302
Prepayments	14.646.734	12.699.411
Bank deposits	1.223.419.327	1.245.073.268
Cash and cash equivalents	548.349.423	263.714.387
<b>Total current assets</b>	<b>2.235.379.300</b>	<b>2.014.607.490</b>
<b>Total assets</b>	<b>9.268.972.909</b>	<b>9.345.420.075</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital, out of which:	3.210.641.253	3.210.641.253
<i>Subscribed and paid in share capital</i>	<i>3.015.138.510</i>	<i>3.015.138.510</i>
<i>Inflation adjustment to share capital</i>	<i>195.502.743</i>	<i>195.502.743</i>
Share premium	31.474.149	31.474.149
Prepaid share reserve	21.553.537	21.553.537
Revaluation reserve	245.513.993	265.842.461
Retained earnings	3.979.381.120	3.945.257.743
<b>Total shareholder's equity</b>	<b>7.488.564.052</b>	<b>7.474.769.143</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term borrowings	959.344.862	1.087.961.815
Deferred income	132.688.120	143.446.616
Deferred tax liability	152.832.853	157.022.057
Employee's benefits	39.553.412	31.907.053
<b>Total non-current liabilities</b>	<b>1.284.419.247</b>	<b>1.420.337.541</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	250.828.990	216.770.484
Current tax liability	23.762.881	6.431.972
Deferred income	15.659.631	6.181.408
Current portion of long term borrowings	205.738.108	220.929.527
<b>Total current liabilities</b>	<b>495.989.610</b>	<b>450.313.391</b>
<b>Total liabilities</b>	<b>1.780.408.857</b>	<b>1.870.650.932</b>
<b>Total equity and liabilities</b>	<b>9.268.972.909</b>	<b>9.345.420.075</b>

**Appendix 2 – Profit and loss account for the period of 9 months concluded on September 30<sup>th</sup>, 2017**

	<b>3 months period ended on 30 September 2017 (unaudited)</b>	<b>3 months period ended on 30 September 2016 (unaudited, restated)</b>	<b>9 months period ended on 30 September 2017 (unaudited)</b>	<b>9 months period ended on 30 September 2016 (unaudited, restated)</b>
<b>Revenues</b>				
Sales of electricity	496.708.256	433.977.007	1.366.426.999	1.157.741.328
Electricity transmission revenues	2.829.309	3.731.887	9.617.086	23.138.456
<b>Total revenues</b>	<b>499.537.565</b>	<b>437.708.894</b>	<b>1.376.044.085</b>	<b>1.180.879.784</b>
Other income	9.178.805	14.487.504	25.644.905	13.563.144
<b>Operating expenses</b>				
Depreciation and amortization	(124.207.211)	(121.543.989)	(370.183.392)	(359.948.779)
Personnel expenses	(79.578.226)	(75.089.837)	(228.715.437)	(217.372.478)
Cost of traded electricity	(26.340.603)	(2.190.784)	(47.046.859)	(7.413.997)
Repairs and maintenance	(25.302.804)	(19.933.681)	(102.158.918)	(100.934.141)
Electricity transmission expenses	(2.829.309)	(3.731.887)	(9.617.086)	(23.138.456)
Costs with spare parts	(2.558.042)	(2.697.007)	(15.870.274)	(19.503.101)
Cost of uranium fuel	(34.132.463)	(43.679.886)	(91.597.936)	(110.585.580)
Other operating expenses	(84.144.892)	(92.472.615)	(259.581.294)	(248.357.779)
<b>Total operating expenses</b>	<b>(379.093.550)</b>	<b>(361.339.686)</b>	<b>(1.124.771.196)</b>	<b>(1.087.254.311)</b>
<b>Operating result</b>	<b>129.622.820</b>	<b>90.856.712</b>	<b>276.917.794</b>	<b>107.188.617</b>
Finance cost	(27.565.607)	(6.105.321)	(64.958.489)	(68.159.701)
Finance income	12.222.766	35.124.973	61.097.122	83.694.403
<b>Net finance income (expenses)</b>	<b>(15.342.841)</b>	<b>29.019.652</b>	<b>(3.861.367)</b>	<b>15.534.702</b>
<b>Profit before income tax</b>	<b>114.279.979</b>	<b>119.876.364</b>	<b>273.056.427</b>	<b>122.723.319</b>
Net income tax expenses	(22.775.378)	(19.215.531)	(47.771.875)	(20.326.491)
<b>Profit for the period</b>	<b>91.504.601</b>	<b>100.660.833</b>	<b>225.284.552</b>	<b>102.396.828</b>

## Appendix 3 – Execution of Budget of revenues and expenses as at 30.09.2017

						thousand lei
		INDICATORS	No.	Budgeted Q III cumulated 2017 – approved by the OGMS Decision no. 1/ 29.03.2017	Achieved Q III cumulated 2017	% Achieved vs. Approved [Col. 5/Col. 4]
1	2		3	4	5	6
<b>I.</b>		<b>TOTAL REVENUES (Rd.2 + Rd.5 + Rd.6)</b>	1	1.351.014	1.462.786	108,3%
	<b>1.</b>	<b>Total operating revenues of which:</b>	2	1.271.144	1.401.689	110,3%
		c <sub>1</sub> Subsidies, according to current legal provisions	3	-	-	-
		c <sub>2</sub> Transfers, according to current legal provisions	4	-	-	-
	<b>2.</b>	<b>Financial revenues</b>	5	79.870	61.097	76,5%
	<b>3.</b>	<b>Extraordinary revenues</b>	6	-	-	-
<b>II.</b>		<b>TOTAL EXPENSES (Rd.8 + Rd.20 + Rd.21)</b>	7	1.319.253	1.189.730	90,2%
	<b>1.</b>	<b>Operating expenses (Rd.9 + Rd.10 + Rd.11 + Rd.19)</b>	8	1.244.863	1.124.771	90,4%
	<b>A.</b>	<b>Expenses for goods and services</b>	9	466.652	390.295	83,6%
	<b>B.</b>	<b>Expenses with taxes, duties and similar payments</b>	10	122.172	78.986	64,7%
	<b>C.</b>	<b>Personnel costs (Rd.12 + Rd.15 + Rd.17 + Rd.18)</b>	11	239.110	232.793	97,4%
	<b>C<sub>0</sub></b>	<b>Personnel expenses (Rd.13 + Rd.14)</b>	12	181.844	175.627	96,6%
	<b>C<sub>1</sub></b>	<b>Salaries</b>	13	164.871	159.946	97,0%
	<b>C<sub>2</sub></b>	<b>Bonuses</b>	14	16.973	15.681	92,4%
	<b>C<sub>3</sub></b>	<b>Other personnel expenses, of which:</b>	15	777	850	109,4%
		a) Expenses with compensation payments for personnel layoff	16	-	-	-
	<b>C<sub>4</sub></b>	<b>Expenses related to the mandate contract and other management and control entities, commissions and committees</b>	17	2.880	2.772	96,3%
	<b>C<sub>5</sub></b>	<b>Social security expenses, special funds and other legal obligations</b>	18	53.609	53.544	99,9%
	<b>D.</b>	<b>Other operating costs</b>	19	416.929	422.697	101,4%
	<b>2.</b>	<b>Finance expenses</b>	20	74.390	64.958	87,3%
	<b>3.</b>	<b>Extraordinary expenses</b>	21	-	-	-
<b>III.</b>		<b>GROSS RESULT (profit/loss) (Rd.1 – Rd.7)</b>	22	31.760	273.056	859,7%
<b>IV.</b>		<b>INCOME TAX</b>	23	11.782	47.772	405,5%
<b>V.</b>		<b>APROFIT AFTER INCOME TAX (Rd.22 – Rd.23)</b>	24	19.978	225.285	1.127,7%

\*) Note: See the information at item 2.3.



**Appendix 4 – SNN current major litigations at 30.09.2017 (over 500 thousand lei) including those which cannot be monetary valued**

No.	File number	Court of Law	SNN position	Opponent	Value	Current process stage	Previous process stages	Process stage term Hearing
<b>SNN Head Office</b>								
1.	3868/118/2012	Constanta Court of Law	Creditor	PROCONEX UNIVERSAL S.R.L.	Bankruptcy, individual proceedings receivables accepted, 3.369.886,85 lei	On the merits	ongoing procedure	08.01.2018
2.	2183/115/2010	Caras-Severin Court of Law	Creditor	Cet Energoterm Resita S.A.	Insolvency file – bankruptcy procedure 580.974,21 lei	On the merits	ongoing procedure	09.11.2017
3.	48031/299/2010	Sector 1 criminal Court of Law Court of Appeal Bucharest	Civil party	Defendants: Rotaru Ioan, Ispas Gheorghe, Irime Traian, TESS Conex S.A. civil responsible party	Corruption – abuse in office SNN is a civil party in the trial with a prejudice estimated for 13.493.080,3 lei	Appeal	<p><i>On the Merits of the case</i> Convicts the defendants to prison and payment of the prejudice</p> <p><i>Appeal</i> Accepts in part the proof requested by the defendants. Approves the re-hearing of witnesses, as well as hearing new witnesses. Approves for the parties the proof with documents submitted to the file. Prorogues the decision regarding the performance of certain special expertise for the following term. Rejects, as not useful, the other trials requested by the parties as well as the requests for issuing letters to S.N. Nuclearelectrica S.A, Tess Conex S.A. and the Romanian Government in order to obtain documents/regulations. Prorogues the decision related to the request for apprehension of the Constitutional Court to solve the constitutional challenge of art of the provision of art. 297 par.1 letter c) Criminal code and art. 13 ind. 2 of the Law no. 78/2000, for the following trial term.</p>	17.11.2017

4.	9089/101/2013	Mehedinti Court of Law	Creditor	RAAN	Insolvency. Receivable under reorganization 5.450.135,91 lei Liquidating bankruptcy. Receivable 7.828.405,48 lei	On the merits	Ongoing procedure. Based on art. 107 par. 1 letter C Law no. 85/2006. Rules the beginning of the procedure for the debtor bankruptcy. Based on art. 107 par. 2 Law no. 85/2006. Appoints a temporary legal liquidator Euro Insol SPRL.	07.12.2017
5.	7238/120/2012	Dambovita Court of Law	Creditor	S.C. Eco Energy	Bankruptcy Receivable lei 2,464,059.64	On the merits	Ongoing procedure Receivable registered in the final table. Follow-up receivable to be recovered from the company Edland S.R.L.	27.11.2017
6.	873/1259/2008	Arges Court of Law	Creditor	Termoficare 2000 SA	Insolvency Bankruptcy. Receivable 2.713.986,71 lei	On the merits	Ongoing procedure	20.02.2018
7.	18770/3/2007	Bucharest Court of Law	Creditor	S.C. Con - Dem S.A.	Insolvency Bankruptcy. Receivable 2.446.227,08 lei. Receivable accepted in the payment program 2.079.293,02 lei (85% of the receivable accepted in the table).	On the merits	Ongoing procedure	31.01.2018
8.	3793/2/2013	Administrative Court of Appeal High Court of Cassation and Justice	Respondent in appeal	Greenpeace CEE Romania	Cancellation of decision to issue the envi"lei"ment agreement and envi"lei"ment agreement for the Project Units 3 and 4.	Second appeal	<p><i>On the merits</i></p> <p>Accepts the exception of the lack of object of the count II initially drafted (cancellation of the envi"lei"ment agreement regarding the project „continuing the building works and finishing for Units 3 and 4).</p> <p>Rejects count II initially drafted regarding the cancellation of the envi"lei"ment agreement related to project „Continuing the building works and termination for Units 3 and 4 to Cernavoda NPP”, as with lack of object. Rejects the request otherwise, as filled-in by additional request, as ungrounded.</p> <p><i>Second appeal</i></p> <p>Decision no. 2100 from June 23<sup>rd</sup>, 2016. Accepts the second appeal drafted by Fundatia Greenpeace CEE Romania and the Association Bankwatch Romania against the decision no. 1436 from May 9<sup>th</sup>, 2014 of the Bucharest Court of Appeal – section VIII of administrative and fiscal court. Cassation of decision appealed and sends the case for retrial at the same court of law. Final today, June 23<sup>rd</sup> 2016.</p> <p><i>Retrial merits (CAB)</i></p> <p>Rejects the summons, as ungrounded. With a right of</p>	The court will establish the term.

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							appeal within 15 days from the communication. Decision no. 2208/2017.	
9.	11661/3/2014	Bucharest Appeal Court  Bucharest Court of Law  Retrial	Intimate	Fondul Proprietatea S.A.	Absolute nullity notice of the Resolution AGEA S.N.N. no. 1/11.03.2014	Appeal  Retrial	<p><i>On the merits (TB)</i> rejected the request of Fondul Proprietatea admitting the exception of the lack of interest reported to the request's object.</p> <p><i>Appeal CAB:</i> admits the FP appeal, cancels the appealed sentence and sends the cause to trial at the same court. Final</p> <p><i>Retrial merits (TB):</i> The court ruled the suspension of the cause in relation to the fact that the Bucharest Court of Law and Craiova Court of Appeal requested to the European Union Court of Justice details regarding the possibility of existing a state aid which is the object of the EGMS of S.N.N. Decision no. 1/11.03.2014.</p>	Suspended
10.	40046/3/2014	Bucharest Court of Law	Defendant	S.C. Fondul Proprietatea S.A.	Stating the absolute invalidity of the GEMS Decision no. 8/6.10.2014 increase of share capital with input in cash by issuing shares. Mentioning the court decision at the Trade Registry and cancellation of mentions from the Trade Registry based on the cancelled GEMS Decision.	On the merits	<p><i>On the merits</i> Had yet to rule on</p>	07.11.2017
11.	416/2/2014	Court of Appeal Bucharest	Claimant Plaintiff	The National Energy Regulatory Authority	Cancellation of administrative deed. Decision 3609/2013 regarding the tariff approval regulated	On the merits	<p><i>On the merits</i> On 14.10.2014 was rejected the request as ungrounded. Decision no. 2723/ 14.10.2014.</p>	27.02.2018

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12.	1794/118/2016	Constanta Court of law	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor Davy Security SRL civil responsible party	prejudice 3.471.463 euro	On the merits	<i>On the merits</i> In order to continue the legal research by hearing the defendants. Discussing proof.	31.12.2017
13.	38724/3/2014	Bucharest Court of Law Section II administrative court	Third party garnishee	Romanian State through the Ministry of Public Finances	Claim in performing and cancellation of all foreclosure documents from the file 22/2014 creditors Multipack SRL, European Food SA, Starmil SRL, Micula Ioan	On the merits	<i>On the merits</i> Based on art. 413 par. 1 point 1 NCPC suspends trial up to the final resolution of the file no. 15755/3/2014. Right of appeal during the entire suspension.	The court will set the term.
14.	13275/3/2015	Bucharest Court of Law Bucharest Court of Appeal	Respondent	Hidroelectrica S.A.	Action in claims: <b>40.812.717 lei</b> representing the difference in counter value for buying energy insurance contact and energy sale and legal interest	On the merits	<i>On the merits</i> The court accepts the statute of limitation of the material right in action invoked by SNN. Rejects the action as being prescribed. With a right of appeal in 30 days from the communication. Decision no. 6860/07.12.2015  <i>Appeal :</i> Rejects the appeal as ungrounded with appeal within 30 days from the communication, to be submitted at the Bucharest Court of Appeal	
15.	4960/2/2015	Administrative Court of Appeal Bucharest ICCJ	Claimant	Court of Auditors	Action for suspending the performance, measure regarding D&O INSURANCE POLICIES	On the merits	<i>On the merits</i> The court accepts the request in part. and suspends the performance of point II.12 of the decision device no. 16/11.05.2015 issued by the Romanian Court of Auditors – Department IV up to the final resolution of the merits action registered in the file no. 4912/2/2015. Enforceable. Rejects as unacceptable the suspension request of performing point 10 of the conclusion no. 59/17.07.2015 and of point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors.  <i>Second appeal</i>	Next hearing shall be allotted subsequently

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16.	4961/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors	Action to suspend the enforcement measure regarding TOURISTIC SERVICES	On the merits	<p><i>On the merits</i></p> <p>Accepts the exception of inadmissibility of the count regarding the suspension of performance of point 3.1.5 of the Control report no. 4371/10.04.2015 and, as a consequence, rejects as unacceptable this end of count. Rejects, in rest, the request to suspend the performance as ungrounded. With a right of appeal in 5 days since the communication. Decision no. 2660/20.10.2015.</p>	Next hearing shall be allotted subsequently
17.	3490/121/2015	Civil Court Galati	Claimant	S.C. ArcelorMittal Galati S.A.	Claims 8.575.245,78 lei difference in counter value for energy sale redundant and other associated costs.	On the merits	<p><i>Second appeal</i></p> <p><i>On the merits</i></p> <p>Rejects the actions for obliging the defendant to pay as compensatory damages deriving from the contract no. 207/22.02.2013 as ungrounded.</p> <p><i>Appeal</i></p> <p>Accepts the appeal stated by the claimant S.N. Nuclearelectrica S.A. against the civil decision no. 278/20.12.2016 ruled by Galati Court of Law - Section II-a civil in the File no. 3490/121/2015. Changes in whole the decision appealed and, in retrial. Accepts in part the action. Obliges the defendant ArcelorMittal Galati S.A. to pay the claimant S.N. Nuclearelectrica S.A. the amount of 8.645.467,52 lei, as prejudice. Rejects as ungrounded the appeal against the conclusion from 26.05.2016 of the same court of law. Obliges the defendant to pay the claimant the amount of 142.132,97 lei, trial costs on the merits and appeal. Decision no. 227/27.09.2017.</p>	Next hearing shall be allotted subsequently
18.	4968/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding fees for LEGAL ADVISERS	On the merits	<p><i>On the merits</i></p> <p>The court accepts the request in part. Rules the suspension of the partial performance of the Decision no. 16/2015, and namely of the measure ruled at point II. 11, as well as the Conclusion no. 59/2015- point 9, up to the final resolution of the action in cancelling point II.11 of the Decision no. 16/2015 and point 9 of the Conclusion no. 59/2015. Rejects the suspension request of the control report no. 4371/2015- point 3.1.9- as unacceptable.</p>	Next hearing shall be allotted subsequently

19.	4969/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding MICROSOFT licenses	On the merits	<p><i>On the merits</i></p> <p>Rejects the suspension request of point 3.1.11 of the control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors as unacceptable. Accepts in part the request for suspension. Suspends the performance of point 11 of the conclusion no. 59/17.07.2015 and of point II.13 of Decision no. 16/11.05.2015 issued by the Romanian Court of Auditors up to the final resolution of the merits action. enforceable.</p> <p><i>Second appeal CC</i></p>	Next hearing shall be allotted subsequently
20.	4970/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding income tax on non-residents	On the merits	<p><i>On the merits</i></p> <p>The court accepts the request in part. Rules the suspension of the partial performance of the Decision no. 16/11.05.2015 in regards to point II.8, respectively the conclusion no. 59/17.07.2015 in regards to point 6, up to the final resolution of the action under cancellation. Rejects as unacceptable the suspension request of point 3.1.3 of the Control report no. 4371-10.04.2015.</p> <p><i>Second appeal CC</i></p>	Next hearing shall be allotted subsequently
21.	4971/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding measure for contract performance GENERAL CONCRETE	On the merits	<p><i>On the merits</i></p> <p>The court of law rejected the suspension request of the Decision no. 16/11.05.2015 and Conclusion no. 59/17.07.2015.</p>	Next hearing shall be allotted subsequently
22.	4959/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for annulment of the measure regarding TOURISTIC SERVICES	On the merits	<p><i>On the merits</i></p> <p>The court accepts the request. Cancels in part the Conclusion no. 59/17.07.2015 issued by the defendant, in regards to point 3. Cancels in part the Decision no. 16/11.05.2015 issued by the defendant, in regards to measures ruled at point 5 and Measure no. I 3. Cancels in part the Control Report no. 4371/10.04.2015 issued by the defendant in regards to point 3.1.5. Obliges the respondent to pay lei 4550 trial expenses to the claimant.</p>	Next hearing shall be allotted subsequently

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23.	4902/2/2015 connected with 4907/2/2015 premiums	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding FEES AND BONUSES	On the merits	<p><i>On the merits</i></p> <p>The court accepts the main request and the one related, in regards to points 1 and 2. Cancels in part the conclusion no. 59/17.07.2015 and the decision no. 16/11.05.2015, in regards to point 9 and point 8 of the conclusion, respectively measures from point II.11 and II.10 of the decision. Rejects as unacceptable point 3 of both requests, regarding the partial annulment of the Control Report no. 4371/10.04.2015, with a right of appeal within 15 days from the communication. The appeal shall be submitted to CAB – section VIII. final. Decision 3419/17.12.2015.</p>	Next hearing shall be allotted subsequently
24.	4906/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding Incompliance of public acquisition procedures	On the merits	<p><i>On the merits</i></p> <p>Based on art. 413 par. 1 point 1 Civil procedure code suspends the trial of the hereby case until the final resolution of the file no. 62136/299/2015 of the Bucharest Sector 1 Court of Law. With a right of appeal during the entire period of suspension. conclusion - suspension 18.01.2016</p> <p>Rejects the action as ungrounded. With a right of appeal in 15 days from the communication. Ruled today, 10.10.2016.</p> <p>Rejects the action as ungrounded. With a right of appeal in 15 days from the communication. Ruled in the public meeting of today, 10.10.2016. Decision no. 2961/2016.</p> <p><i>Appeal</i></p>	Next hearing shall be allotted subsequently

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25.	4912/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court Auditors of	Action to annul the measure regarding D&O POLICIES	On the merits	<p><i>On the merits</i></p> <p>The court accepts the request. Rejects the exception of unacceptability of the partial annulment request of the Control report no. 4371/10.07.20155. Accepts the case. Cancels, in part, the conclusion no. 59/17.07.20155, issued by the defendant regarding point 10, Decision no. 16/11.05.2015 issued by the defendant regarding the measure ruled at point II.12 of the decision device, as well as point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the respondent. with a right of appeal within 15 days from the communication. Decision 173/ 26.01.2016.</p>	Next hearing shall be allotted subsequently
26.	4946/2/2015	Administrative Bucharest Court of Appeal	Claimant	Court Auditors intervention General Concrete	Action to annul the measure regarding the contract concluded with GENERAL CONCRETE S.A.	On the merits	<p><i>Second appeal</i></p> <p><i>On the merits</i></p> <p>Compared to the lack of expertise report, postpones causes and returns with the letter to the expert under the sanction of applying a legal fine according to art. 187 civil procedure code for not submitting the report in the term established. conclusion 09.06.2017.</p>	02.02.2018
27.	4958/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court of Auditors	Cancelling measure for NON-RESIDENTS	On the merits	<p><i>On the merits</i></p> <p>Accepts the action. Cancels in part the conclusion no. 59/17.07.2015, respectively in regards to rejecting point. VI from the claim no. 6420/28.05.2015, and as a consequence, cancels the measure taken at point II.8 from the decision no. 16/11.05.2015 for removing the breach at point 3 from the same decision, as well as point 3.1.3 of the control report no. 4371/10.04.2005. With a right of appeal in 15 days from the communication, the request for appeal following to be submitted at the Bucharest Court of Appeal - Section VIII- administrative and fiscal court. Rules March 10<sup>th</sup>, 2016.</p> <p><i>Second appeal</i></p>	Next hearing shall be allotted subsequently



28.	4964/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court Auditors of	Action to annul the measure regarding COURT DECISIONS	On the merits	<p><i>On the merits</i></p> <p>The court accepts the exception of unacceptability of the request regarding the cancellation of point 3.1.7 of the Control Report no. 4371/10.04.2015 invoked by the respondent. Rejects as unacceptable the request regarding the cancellation of point 3.1.7 of the Control Report no. 4371/10.04.2015. rejects as ungrounded the connected actions. With a right of appeal within 15 days from the communication. Decision 373/ 09.02.2016. SNN filed for appeal.</p> <p><i>Second appeal</i></p>	Next hearing shall be allotted subsequently
29.	4965/2/2015	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	Court Auditors of	Action to annul the measure regarding MICROSOFT licenses	On the merits	<p><i>On the merits</i></p> <p>The court accepts the request, in regards to points 1 and 2. Cancels in part the conclusion no. 59/17.07.2015 and the decision no. 16/11.05.2015, in regards to point 11 of the conclusion, respectively the measure from point II.13 of the decision. Rejects as unacceptable the point 3, regarding the partial cancellation of the Control Report no. 4371/10.04.2015. With a right of appeal within 15 days from the communication. The appeal shall be filed to CAB – section VIII Decision 236/ 28.01.2016.</p>	Next hearing shall be allotted subsequently
30.	45494/3/2015	Bucharest Court of Law section VI Civil	Claimant impleaded	S.N. Nuclearelectrica S.A. manager and GMS members	Prejudice <b>708.407 lei</b> enforcing the measure ruled by the Court of Auditors by the control report from 2012 regarding D&O type insurance policies	On the merits	<p><i>On the merits</i></p> <p>Rejects the lack of passive procedure invoked by defendants Grama Mioara, Popescu Lucia -Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Accepts the exception of prescription. Rejects the request, stating as prescribed the right to action. Rejects the guarantee request as without an object. Obliges the claimant to pay the following trial costs: 8.226,53 lei to the defendant Grama Mioara, 7.873,53 lei to the defendant Popescu Lucia - Ioana and 7.925,79 lei to the defendant Chiriac Cristiana. With a right of appeal within 30 days from the communication. Decision n o. 7583/29.11.2016.</p>	Next hearing shall be allotted subsequently

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31.	1367/2/2016	Bucharest Court of Appeal section administrative Superior Court of Cassation and Justice	Claimant	ANAF Energoterm Resita	Cancellation of the Decision no. 25/29.01.2016	On the merits	<p><i>On the merits</i></p> <p>Rejects the action as ungrounded. With a right of appeal within 15 days from the communication. Decision no. 2656/21.09.2016.</p> <p><i>Second appeal</i></p>	Next hearing shall be allotted subsequently
32.	409/2/2016	Bucharest Court of Appeal	Civil party	Tudor Ion Crimial organization Insolvency company Banat liquidator for CET Energoterm Resita	Tax evasion, counterfeiting, bribery	On the merits	On going	24.11.2017
33.	6874/3/2016*	Bucharest Court of Law	Claimant	Nuclear and Radioactive Agency (ANDR)	Claims EUR 131.080,08 representing contributions according to the G.D. 1080/2007 for 2010-2012 contributions 2013- 2015 for the difference of energy produced and the one delivered in SEN penalties 2010-2015 until the effective payment	On the merits	<p><i>On the merits</i></p> <p>Rejects the exception of statute of limitation as ungrounded. Rejects the summons as being ungrounded. With a right of appeal within 30 days from the communication;</p> <p><i>Appeal</i></p> <p>Had yet to rule</p>	21.11.2017
34.	9230/3/2016	TB S a II-a	Defendant	Greenpeace CEE Romania	Public interest information communication Support Letter Project Unit 3 and 4	On the merits	<p>SNN filed an accessory intervention request in the interest of the respondent- Ministry of Energy</p> <p><i>On the merits</i></p> <p>Rejects the request as ungrounded. Accepts the intervention accessory request in favor of the defendant. With a right of appeal in 15 days from the communication. Decision no. 6924/05.12.2016.</p>	Undrafted decision

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35.	1704/3/2017	Criminal Bucharest Court of Law 2 <sup>nd</sup> section	Claimant	Civitas P.S.G. SRL	Litigation public acquisitions.	On the merits	<p><i>On the merits</i></p> <p>Rejects the exception of inadmissibility of the count, invoked by the defendant claimant. Accepts the exception of lack of interest of the request, invoked by the claimant - defendant. Rejects the request of the claimant – defendant as with lack of interest. Rejects the re-conventional request. Rejects the defendant – claimant request to sanction the claimant - defendant. Accepts the return request drafted by the defendant - claimant CIVITAS P.S.G. S.R.L. Rules the return to the defendant - claimant CIVITAS P.S.G. S.R.L. the amount of 4.797,6 lei paid as stamp duty. With a right of appeal within 10 days from the communication. Decision no. 3878/20.06.2017.</p> <p>Appeal</p>	Next hearing shall be allotted subsequently
36.	41419/3/2016	Civil Bucharest Court of Law 2 <sup>nd</sup> section	Claimant – defendant	Energo Securent S.R.L	Claims SNN: 330.074,32 lei Claims Energo Securent: 2.206.539,80 lei	On the merits	<p><i>On the merits</i></p> <p>Proof administration with accounting expertise.</p>	12.12.2017
37.	5802/118/2017	Labor Constanta Court of law	Defendant	Cernavoda NPP Union	Moneys Bonus for hazardous conditions	On the merits		16.11.2017
38.	7036/118/2017	Labor Constanta Court of law	Defendant	Free union Energetica Nucleara 90 Cernavoda	Moneys Bonus for hazardous conditions	On the merits		Next hearing shall be allotted subsequently

Nr.	File no.	Court of law	SNN's Capacity	Opposing party	Object/value	Current procedural stage	Previous procedural stages	Procedural stage Hearing
<b>Cernavoda NPP</b>								
1.	10673/118/2010	Civil/ Constanta court of Law	Respondent	Sava Marian	Compensations	Appeal	<p><i>On the merits</i></p> <p>Rejects as ungrounded the exceptions of inadmissibility of action, lack of active procedure quality and lack of passive procedure quality, invoked by the defendant S.N. Nuclearelectrica S.A. accepts the exception of delay of the request regarding the change in the passive procedure frame. Rejects as drafted late the request of the claimant drafted regarding the change of the passive procedure frame. States without the object the exception of the lack of procedure capacity of use of the Local Board Cernavoda. Rejects as ungrounded the summons drafted by the claimant Sava Marian in contradiction with the defendant S.N. Nuclearelectrica S.A. Rejects as without an object the summons guarantee formulated by the defendant S.N. Nuclearelectrica S.A. in contradiction with impleader the Town Cernavoda through Mayor and the Mayor of Cernavoda. Obliges the claimant Sava Marian to pay the amount of 27.003,33 lei to de defendant S.N. Nuclearelectrica S.A., as trial costs (stamp duty, stamp, expert fee). With a right of appeal in 15 days from the communication. Civil decision no. 603/14.03.2016. Appeal.</p> <p><i>The appeal</i></p> <p>Was accepted in part, by civil decision no. 196/22.03.2017, cancels in part the appealed decision in regards to the delay exception of the request related to the change in the passive procedure frame. Rejects as ungrounded the exception of delay of the request related to the change in the passive procedure frame and retrial of the summons drafted in contradiction with the defendants Cernavoda Local Council and the town of Cernavoda rules: The rejection of exception of lack of procedure incapacity of use of the Cernavoda Local Council as ungrounded. Rejects the request for summons drafted in contradiction with the defendants Cernavoda Local Council and Cernavoda as ungrounded. Maintains the rest of the provisions of the appealed decision civil statement no. 196/22.03.2017. Final. With a right of appeal within 15 days from the communication. Decision no. 196/22.03.2017.</p>	Next hearing shall be allotted subsequently

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2.	14951/118/2011 (suspended based on art. 36 of the Law no 85/2006)	Civil/ Medgidia Court of Law	Claimant	S.C. Car Construct SRL	Clearing the land, property of SNN SA – concrete platform occupied by SC CAR CONSTRUCT based on the sale-purchase agreement concluded with S.C. CONSTRUCTII NUCLEARELECTRICE S.A	On the merits	According to art. 36 of the Law no. 85/2006 (insolvency law) the case trial was suspended.	Suspended
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