



QUARTERLY REPORT
OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”)
for the 4th Quarter of 2017

Date of the report: March 2018

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1. BASIS OF THE REPORT

The quarterly report of the Board of Directors for the 4th quarter of 2017 is drafted based on the provisions of art. 7, item 7.10 of the Management contracts, valid on December 31, 2017, concluded between the administrators and S.N. Nuclearelectrica S.A. ("SNN"), and art. 55 GEO no. 109/2011 regarding the corporate governance of public companies, as further amended and supplemented ("GEO no. 109/2011").

2. ANALYSIS OF THE FINANCIAL STATEMENT

The information and individual financial statements on the date and for the financial year ended on December 31, 2017 presented in this report are audited by the financial auditor of SNN and were drafted according to the Order of the Ministry of Public Finances no. 2844/19.12.2016 for approving the Accounting Regulations according to the International Financial Reporting Standards ("OMFP no. 2844/2016"). The submitted indicators are in lei (RON) unless otherwise stated.

2.1. Financial position statement as of December 31, 2017

The financial position as of December 31, 2017 is presented in **Annex 1**.

Thousand Lei	December 31, 2017 (audited)	December 31, 2016 (audited, restated)	Variation
Non-current assets	6,948,684	7,293,659	-4.7%
Current assets	2,239,865	1,992,193	12.4%
Total assets	9,188,549	9,285,852	-1.0%
Long term liabilities	1,308,219	1,512,956	-13.5%
Current liabilities	452,185	436,850	3.5%
Total liabilities	1,760,404	1,949,806	-9.7%
Equities	7,428,145	7,336,046	1.3%
Total equities and liabilities	9,188,549	9,285,852	-1.0%

Non-current assets registered a slight drop compared to the level registered on 31.12.2016, especially due to the drop of the net value of the tangible assets by recording the depreciation and amortization for 2017. The impact of the period's depreciation and amortization was partially compensated by the investments performed for Units 1 and 2 Cernavoda CNE.

Current assets increased by 12.4% compared to 31.12.2016, mainly based on the increase by 17.5% of the cash liquidity (cash, cash equivalents and bank deposits with maturities longer than 3 months), partially compensated by the reduction by 7.2% of the trade receivables and other receivables, especially influenced by the contractual provisions (payment in advance versus payment after the delivery of electricity).

Long term liabilities decreased by 13.5%, compared to the values recorded on 31.12.2016. The decrease is caused by the decrease of the long-term portion of the external credits contracted from Societe Generale and EURATOM for building and starting up unit 2 CNE Cernavoda, following the reclassification of the outstanding installments in the short-term portion, gradually with the maturity of

the credits; this decrease was partially compensated by the increase of long-term obligations regarding the benefits of the employees. On March 31, 2017 the company registered the provision for the employee benefits granted on retirement, consisting in the equivalent value of 1,200 kW/year electricity after retirement, assessed at 8,500 lei on actuarial bases. The provision was updated on December 31, 2017, according to the actuarial report by an actuarial expert hired by the Company, up to the value of 7.7 mil. RON.

Current liabilities increased by 3.5% compared to the values recorded on 31.12.2016. The increase was mainly caused by the increase of provisions for risks and expenses by 29.1%, and the increase of commercial debts and other debts by 1.1%. At the same time, the short-term advance revenues increased following the signing of electricity delivery contracts by paying the delivered energy in advance, for deliveries of electricity in subsequent periods and the registration of the profit tax payable for Q4 2017. The decrease of the current portion of the long-term loans by 6.9% partially counterbalanced the aforementioned increases.

2.2. Profit and loss account for the financial year ended on December 31, 2017

During the period of 12 months ended on 31.12.2017, SNN recorded a net profit of 303,876 thousand lei.

Thousand Lei	2017 (audited)	2016 (audited, restated)	Variation
Production (GWh)*	10,561	10,367	1.9%
Operating income, of which:	1,932,900	1,680,220	15.0%
<i>Income from electricity sales**</i>	<i>1,884,741</i>	<i>1,620,770</i>	<i>16.3%</i>
Operating expenses, minus depreciation and amortization	(1,060,388)	(1,048,907)	1.1%
EBITDA	872,512	631,313	38.2%
Depreciation and amortization	(497,185)	(474,392)	4.8%
EBIT	375,327	156,921	139.2%
Net financial expenses	(18,449)	(29,004)	-36.4%
Net income tax expense	(53,002)	(14,721)	260.0%
Net profit	303,876	113,196	168.5%

* Electricity produced and delivered by CNE Cernavoda in the National Energy System.

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

Operational profit (EBITDA) increased by 38.2% compared to the same period of the previous year, mainly following the increase of operational revenues by 15%, influenced by the increase by 16.3% of the revenues from the sale of electricity.

The evolution of **operational revenues** is explained by the following factors:

- **Increase of the quantity of electricity that was produced and sold.**

The planned outage of Unit 1 CNE Cernavoda of May - June 2016 lasted 51 days, influenced by additional works that were needed once during the initial lifecycle of a nuclear unit of type Candu 6, while the planned outage of Unit 2 CNE Cernavoda of May - June 2017 lasted 26.5 days, and had a positive impact on the produced quantity of electricity, which increased by 1.9%, namely on the sold quantity of electricity, which increased by 2.8%, considering the mix of sales from that period, and the sale of electricity by covering the necessities during the planned outage by purchasing electricity.

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- **Modifying the sales mix on the regulated market and the competition market.**

In 2017, on the regulated market, 58% less electricity was sold compared to the same period of last year, an effect of the continuation of the process of gradually liberalizing the electricity market, based on the delivery schedule set for 2017 by ANRE. Concomitantly, there was a 13% increase of the quantity of electricity sold on the competition market compared to the same period of the previous year, and the sales on this market were made at a weighted average price that was 11.3% higher than the electricity sale price on the regulated market, in 2017. Compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts increased by 29%, without significant price differences, while the quantity of electricity sold on the spot market decreased by 20%, but the average sale price on this market was 49% higher (without Tg), and the impact of this price increase was significantly higher than the impact of the decrease of the quantities sold on this market segment.

Operating expenses increased by 1.1% in 2017, compared to the same period of 2016. This evolution was mainly caused by the increase of expenses with purchased electricity, and represented the compensation of negative unbalance recorded in the period and the purchases of electricity made in Q2 2017 in order to ensure the full compliance with the energy delivery contractual obligations during the planned outage of Unit 2 CNE Cernavoda and during the unplanned and scheduled outages of the two units of CNE Cernavoda. The negative imbalance expenses were higher in 2017 compared to the similar period of 2016, because of the unplanned and scheduled outages of the two units of CNE Cernavoda. Also, the increase of operating expenses is explained by the increase of the quantity of electricity produced compared to the similar period.

Expenses with depreciation and amortization increased by 4.8% compared to the same period of the previous year, mainly caused by the increase of expenses with depreciation related to the put in function of investments in the period previous to Q4 2016.

Currency exchange net differences (net financial expenses) decreased by 36.4%, and influenced the net result. The main currencies to which there are exposures are EUR, CAD and USD.

The profit and loss account for the financial year ended on December 31, 2017 is presented in **Annex 2**.

2.3. Execution of the Revenues and Expenses Budget as of December 31, 2017

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

The company is monitored regarding the compliance with the performance indicators, objectives and criteria, respectively the compliance with the salary payroll level, with the revenues and expenses level, the program to reduce the arrears and the outstanding receivables.

The BVC execution on December 31, 2017 is presented in **Annex 3** to the hereby report.

As per the analysis of the Budget of Revenues and Expenses execution as of 31.12.2017 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 112.5% and a reduction of the operating expenses compared to the budgeted level of 5.2%. The performance level of the total income is 110.6%, superior to the performance level of total expenses of 94.6%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

The gross production of electricity of the two operational units of CNE Cernavoda was 11,508,865 MWh in 2017 (out of which 3,043,960 MWh in Q IV 2017); from this gross production, the own technological consumption of the Units during the operation, and during the outages ensured from own production was 948 thousand MWh in 2017 (out of which 243 thousand MWh in Q IV 2017).

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 10,561,051 MWh in 2017, compared to 2016 (10,367,229 MWh), representing a 1.87% increase; in the 4th quarter of 2017 the quantity of electricity that was produced and delivered in SEN was 2,800,682 MWh, a 0.8% increase compared to the level recorded in the 4th quarter of 2016, of 2,778,328 MWh.

The net electricity production program approved by the Board of Directors for 2017 considered a quantity of 10,426,411 MWh, and was implemented 101.29%; out of this, for the 4th quarter of 2017, the production program targeted a quantity of 2,757,904 MWh, and was implemented 101.55%.

The installed power usage factor, recorded by each operational unit within the CNE Cernavoda during the 4th quarter of 2017, and cumulated after the start of commercial usage (Unit 1 on December 2nd, 1996, Unit 2 on November 1st, 2007) until December 31, 2017 was:

CNE Cernavoda unit	Cumulated for period January - September 2017	October 2017	November 2017	December 2017	Cumulated 2017	Cumulated from commercial exploitation
Unit 1	96.43%	99.23%	99.42%	99.09%	97.14%	90.69%
Unit 2	87.32%	99.91%	99.97%	90.72%	89.72%	94.29%

The lower value of the installed power usage factor at Unit 2 CNE Cernavoda reflects the influence of the planned outage with an actual duration of 26.5 days (635.6 hours) operated from May 6, 2017 to June 2, 2017.

Also in 2017, at the units of CNE Cernavoda there were the following unplanned and scheduled outages:

- At Unit 1 CNE Cernavoda there were three unplanned outages with a total duration of 34.7 hours and two scheduled outages with a total duration of 88.7 hours; thus, the total number of unplanned and scheduled outages in 2017 was 123.4 hours, out of which 21.2 hours in Q1 2017 and 102.2 hours in Q2 2017;

- At Unit 2 CNE Cernavoda there were two unplanned outages with a total duration of 114.6 hours and one scheduled outage with a total duration of 47 hours; thus, the total number of unplanned and scheduled outages in 2017 was 161.6 hours, out of which 101.1 hours in Q3 2017 and 60.5 hours in Q4 2017.

3.2. Electricity sales

Within the activity of electricity trading, the Company is obligated to submit letters of bank guarantee to certain contractual partners, according to the provisions stipulated in the electricity sale-purchase contracts. Mainly, these refer to: the contract concluded with Transelectrica S.A. for electricity transportation (a letter of bank guarantee is not necessary given the status of good payer; the contract provides the situations where the security is mandatory); the agreement concluded with OPCOM S.A. for electricity trading on PZU (Day Ahead Market) and PI (Intra-daily Market); contracts concluded on the PCCB – NC market (centralized market of bilateral electricity contracts – the trading method according to which contracts are awarded by Continuous Negotiation); contracts concluded on the PCSU platform (centralized market for the universal service), plus tender procedure securities; the agreement for PE (balancing market) concluded with Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for PE representation.

For the purpose of this activity, in 2017 48 letters of bank guarantee were issued. Their cumulated value is 110,864,777 lei, for which collateral deposits were set up in equivalent value. In 2017, 18 collateral deposits were liquidated related to letters of bank guarantee in value of 30,369,422 lei, issued both in 2017 and in previous periods. On December 31, 2017, there are in balance 45 collateral deposits set up for letters of bank guarantee on that date, in value of 111,477,734 lei.

The quantities of electricity sold during the year 2017 and the corresponding incomes, distributed on sale contract types are presented in the table below:

Electricity sales (quantities, prices and values) in 2017

Sales on types	Quantities [MWh]	% of total sales	Average price [lei/MWh with Tg]	Revenues from sales [lei]
Contracts on the regulated market	609,458	5.7%	159.98	97,498,489
Sales on the free market (bilateral contracts and PZU and PI contracts), out of which:	10,107,639	94.1%	177.36	1,792,705,623
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	7,719,590	71.8%	167.78	1,295,220,128
- PZU and PI sales	2,388,049	22.2%	208.32	497,485,495
PE positive imbalances ^{*)}	28,059	0,3%	175.41	4,921,723
Total sales 2017	10,745,156	100%	176.37	1,895,125,835

^{*)} NB: 51,462 lei of the presented value represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE order no. 51/2016 and ANRE order no. 76/2017.

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 10,745,156 MWh, 1.2% more than the sales program, of 10,616,923 MWh (sized on the production estimate, without estimating unplanned outages) and 2.8% more than the electricity quantity sold in 2016. The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda is represented by the electricity purchased for fully cover the contractual obligations, an electricity quantity that was purchased 63% from PE and the rest from PZU and PI.

The revenues obtained from the electricity market related to electricity deliveries in 2017 are 1,895,125,835 lei (out of which 51,462 lei represents redistributed revenues resulted from balancing

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the system, based on the application of ANRE Order no. 51/2016 and ANRE Order no. 76/2017), 11.76% higher than the budget revenues for this period, and 15.16% higher than 2016.

The average weighted sale price, for the electricity quantities sold (without PE), obtained in 2017, is 176.37 lei/MWh (including T_g). In 2016 the average weighted sale price, for the energy quantities sold (without PE) was 157.6 lei/MWh (including T_g).

In 2017, except for March, May and December, the average monthly sale prices obtained by SNN on PZU were in average higher than the sale prices from the bilateral contracts concluded on OPCOM and implemented by SNN. The average PZU price published by OPCOM for January - November 2017 increased compared to the price from the same months of 2016, and the variations were between 14% and 105%; the prices applied by SNN on PZU followed the trend of the market.

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

For 2017, the electricity sold by SNN based on contracts concluded on the regulated market are compliant with ANRE Decision no. 1960/14.12.2016. In the process of elimination of regulated fees, compared to 2016, ANRE reduced the regulated quantities from 14.42% (according to ANRE Resolution no. 2562/16.12.2015) to 5.85% from the scheduled production of CNE Cernavoda; the regulated quantities assigned to SNN for Q4 2017 were 2.91% of the scheduled production of CNE Cernavoda for this period, compared to Q4 2016, when the percentage was 9.04%.

ANRE set for SNN through Resolution no. 1960/14.12.2016 a regulated price of 159.57 lei/MWh (without T_g), for 2017, lower by 1.93% than the regulated price set by ANRE by Resolution no. 2562/16.12.2015 for 2016, namely 162.71 lei/MWh (without T_g).

By Resolution no. 861/13.06.2017, ANRE amended Resolution no. 1960/14.12.2016 regarding the approval of the quantities of electricity sold based on regulated contracts and the regulated prices for the electricity sold in 2017 by SNN, namely it decreased the regulated price by 1.65%, from 159.57 lei/MWh to 156.93 lei/MWh, effective as of July 1, 2017. The adjustment of the regulated price of the electricity for the 2nd half-year of 2017 was based on the average cost of nuclear fuel in 2017, compared to the average cost of the nuclear fuel considered for substantiating the average regulated price for 2017.

In the first semester of 2017, for selling electricity on the regulated market, the regulated fee for introducing the electricity in the transportation network (T_g) is added to the regulated price, of 1.34 lei/MWh (decreased from 4.04 lei/MWh starting with July 2016 by ANRE Order no. 27/22.06.2016). Starting with July 1, 2017, the regulated fee for introducing the electricity in the transportation network (T_g) was set to 1.05 lei/MWh, by ANRE order no. 48/22.06.2017.

In 2017, based on regulated contracts, a quantity of 609,458 MWh (5.77% of the net electricity production) was delivered, while in 2016 the quantity delivered based on regulated contracts was 1,454,562 MWh (14.03% of the net electricity production).

The sold electricity quantities on the competitive market (bilateral contracts) represented in 2017 a percentage rate of 71.8% out of the total volume of the sold energy. The average sale price on bilateral

contracts in 2017 was 167.78 lei/MWh (with T_g included), registering an increase of 2.4% compared to the average price registered in 2016, of 163.82 lei/MWh (T_g included), given that T_g in January 1 - June 30, 2016 was higher by 2.70 lei/MWh, and in July 1 - December 31, 2016 it was higher by 0.29 lei/MWh.

On the spot market, in 2017, a quantity of electricity representing 22.2% of the total sales volume was sold, compared to a percentage rate of 28.7% registered in 2016. The average sale price of energy on the spot market performed by SNN in 2017 was 208.32 lei/MWh (with T_g included), compared to 141.3 lei/MWh (with T_g included) registered in 2016.

In 2017, SNN performed 220 energy sales contracts, as follows:

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

In 2017, a single contract concluded on PCCB-LE was terminated, because the invoices for the energy delivered to the buyer had not been paid. The receivables were mostly recovered by the enforcement of the letter of bank guarantee for payment issued, according to the contract, in favor of SNN (fully for the delivered energy).

No other significant delays were notified compared to the due payment terms provided in the contracts during 2017.

The quantities of energy sold in the IV quarter of 2017 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the IV quarter of 2017

Sales on types	Quantities [MWh]	% of total sales	Average price [lei/MWh with T _g]	Revenues from sales [lei]
Contracts on the regulated market	80,284	2.8%	157.71	12,661,464
Sales on the free market (bilateral contracts and PZU and PI contracts), out of which:	2,752,142	97.0%	184.28	507,157,267
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	2,244,988	79.1%	178.14	399,927,570
- PZU and PI sales	507,154	17.9%	211.43	107,229,697
PE positive imbalances ^{*)}	5,662	0,2%	139.13	787,779
Total sales on 4th quarter of 2017	2,838,088	100%	183,44	520,606,510

^{*)} NB: 12,125 lei of the presented value represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE order no. 51/2016 and ANRE order no. 76/2017.

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 2,838,088 MWh, 1.1% more than the sales program, of 2,808,382 MWh (sized on the production estimate, without estimating unplanned outages) and 0.1% more than the electricity quantity sold in Q4 of 2016. The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda is represented by the electricity purchased for fully covered the contractual obligations, an electricity quantity that was purchased 31% from PE and the rest from PZU and PI.

The revenues obtained from the electricity market related to electricity deliveries in Q4 2017 are 520,606,510 lei (out of which 12,125 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 51/2016 and ANRE Order no. 76/2017), 15.08% higher than the budget revenues for Q4 2017, and 11.72% higher than the same period of the previous year.

The average weighted sale price, for the energy quantities sold (without PE), result in Q4 2017, is 183.52 lei/MWh (including T_g). In Q4 2016 the average weighted sale price, for the energy quantities sold (without PE) was 164.43 lei/MWh (including T_g).

The regulated quantities of electricity set by ANRE to be covered by SNN for Q4 2017 were 2.91% of the scheduled production of CNE Cernavoda for this period, compared to Q4 2016, when the percentage was 9.04%.

In Q4 2017, based on regulated contracts, a quantity of 80,284 MWh (2.87% of the net electricity production) was delivered, while in Q4 2016 the quantity delivered based on regulated contracts was 248,305 MWh (8.94% of the net electricity production).

The sold electricity quantities on the competitive market (bilateral contracts) represented in Q4 2017 a percentage rate of 79.1% out of the total volume of the sold energy. The average sale price on bilateral contracts to be delivered in Q IV 2017 was 178.14 lei/MWh (with T_g included), registering a drop of

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10.7% compared to the average price registered in Q IV 2016, of 160.94 lei/MWh (T_g included), given that T_g in Q4 2016 was higher by 0.29 lei/MWh.

On the spot market, during the IV quarter of 2017, a quantity of energy representing 17.9% of the total sale volumes was sold, compared to the percentage share of 15.7% recorded in Q IV quarter of 2016. The energy average selling price on the spot market achieved by SNN during this period was 211.43 lei/MWh (with T_g included), compared to 181.42 lei/MWh (with T_g included) recorded during the same period of 2016.

In Q IV 2017, SNN implemented 119 energy sale contracts, as follows:

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

3.3. Expenses in the energy market

In 2017 the total value of expenses on the electricity market by SNN is 69,051,606 lei, out of which 12,557,690 lei represents T_g , namely the regulated fee paid by Transelectrica S.A. for injecting the electricity generated by CNE Cernavoda in the electricity transportation network. The expenses representing the equivalent value of the green certificates that needed to be purchased for the delivered electricity are 13,203 lei, and the fees paid to OPCOM SA for the sale-purchase transactions performed on the platforms managed by OPCOM SA are 576,094 lei.

The expenses with the purchases of electricity on the spot market in 2017 were 16,463,970 lei (2016: 6,007,730 lei), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage of Unit 2 CNE Cernavoda, and partially the unplanned outages of the two units of CNE Cernavoda, and the purchased electricity quantity is 67,945 MWh (2016: 27,425 MWh), at an average price of 242.31 lei/MWh (2016: 219.06 lei/MWh).

PE expenses in 2017 were 39,103,914 lei, the quantity of purchased electricity was 116,161 MWh (2016: 16,657,482 lei), the quantity of purchased electricity was 62,634 MWh. This amount represents the equivalent value of the energy received from PE for compensating the negative imbalance, which occurred because of the differences between the energy quantities that were actually delivered and the quantities notified on the market according to the daily estimates for each hourly interval, and the value of the imbalance from notification and the additional cost derived from the balancing of the system, assigned to SNN based on the application of the new methodology for redistributing the additional costs/revenues derived from the balancing of the system, starting with January 1, 2017, set by ANRE order no. 51/2016 and ANRE order no. 76/2017.

Electricity purchase and negative imbalance expenses were significantly higher in 2017 compared to 2016. The number of unplanned and programmed stops of the two Cernavoda NPPs higher in 2017 compared to 2016 led to an increase in the quantity of the electricity purchased at a higher acquisition price compared to the previous year. Except for the annual planned outage periods, in 2017 the number of outage hours was higher by 201 hours compared to 2016.

In Q4 2017 the total value of expenses on the electricity market by SNN is 11,697,897 lei, out of which 2,940,603 lei represents Tg, namely the regulated fee paid by Transelectrica S.A. for injecting the electricity generated by CNE Cernavoda in the electricity transportation network. The fees paid o OPCOM SA for the sale-purchase transactions performed on the platforms managed by this company were 155,307 lei.

The expenses with electricity purchases from the spot markets in Q4 2017 were 5,641,869 lei (Q4 2016: 5,958,676 lei), and the purchased quantity of electricity was 25,748 MWh (Q4 2016: 27,052 MWh), at an average price of 219.12 lei/MWh (Q4 2016: 220.27 lei/MWh).

The PE expenses from Q4 of 2017 were 2,879,156 lei (Q4 2016: 9,292,539 lei), lower than in the similar period of last year, because of the lower number of hours of unplanned outages.

3.4. Investment program on December 31, 2017

The total value of the investment program of SNN for 2017 is 231,593 thousand lei (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 1/29.03.2017 of the Ordinary General Assembly of Shareholders of SNN.

The comparative situation of the investment accomplishments (value and percentage) for January 1 - December 31, 2017 compared to the same period of 2016 is presented in the table below:

Year	Value of the investment program [thousand lei]	Performed (01.01 - 31.12) [thousand lei]	Achievement level (01.01 - 31.12) (%)
2017	231,593	92,751	40.0%
2016	255,394	131,654	51.5%

As in the previous years, the highest rate in the investment program is for long-term investments (ongoing). This is due to the need of upgrade/replacement of certain systems, out of economical reasons (specific consumption deductions, improvement of certain parameters related to served processes, with a positive impact on efficiency), out of legal reasons – the need to implement new upgrades associated with nuclear security, environment protection and labor security representing imperative requirements from the regulatory authorities in the field (e.g.: CNCAN and the Ministry of Environment).

Analysis of the completion degree of the investment program on December 31, 2017

The investment program of SNN for 2017 annexed to BVC was value-sized by considering the ongoing contractual commitments, the estimates regarding the investment objectives to be made in the following year, including amounts allocated to investment projects for which the fulfillment of certain requirements outside the control of SNN is anticipated (e.g. prior approvals of regulation authorities, legal terms regarding the completion of public tender procedures, including appeals, obtaining the necessary approvals from SNN corporate bodies, etc.), in order to allow the implementation of these projects by fitting into the approved budget values.

The value degree analysis must consider the fact that this can differ from the physical achievement degree; thus, if an investment project was successfully completed, the physical achievement degree is

100% but the value “achievement” degree can be sub-unitary, namely less than 100%, if the project was implemented at a cost lower than the budget amounts; these savings represent benefits for the company, because the same results are obtained with lower resources.

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

- **“Burnt fuel intermediary storage (including SICA Unit 2)”**: budgeted 23,743 thousand lei – the value achievement degree as of December 31, 2017 is 77.3%. In 2017 the reception and startup of Module 8 of DICA and the construction works of Module 9 DICA were performed, both of type MACSTOR 200. At the same time, the design services for extending the site of the Burnt Fuel Intermediary Warehouse were completed. Delays were recorded in contracting assessment services and drafting environment studies in order to obtain the DICA Environment Agreement, because of the necessity of defining as clearly as possible the requirements of the Tender Book, namely successively redrafting the procurement documentation. On the other hand, there were savings by partially not using the various unforeseen expenses, included by the designer in the estimate for the land-foundation fitting works for modules 8, 9 and 10 DICA.
- **“Improving the CNE Cernavoda response, respectively the nuclear security functions in case of events outside the design bases following the nuclear accident occurred at the Fukushima 1 nuclear plant, Japan”**: budget 41,079 thousand lei - achievement value degree as of December 31, 2017 is 3.2%. Within the objective of changing the destination of the existing constructions on the location of Unit 5, the delay in performing the activities of the performance details based on the contractual schedule was caused by the fact that some of the design documentation sent by the contractor was not fully compliant with the requirements of CNE Cernavoda, and it was returned with the comments of the contractor, which led to delays in the approval and implementation processes. The implementation degree was also caused by difficulties in purchasing equipment with special requirements. Thus, as of December 31, 2017, the value achievements are low, in value of 1,334 thousand lei.
- **“Modernization and expansion of the physical security system”**: budget 16,150 thousand lei – the achievement value degree on December 31, 2017 is 16.3%. In March 2017 the company obtained the industrial security certificate (ORNIS). Until December 31, 2017, the company drafted and approved the technical project according to the contractual schedule. Some of the implementation works scheduled for 2017 were postponed for 2018, because of the delays accumulated in the process of drafting/approving the technical project and the performance details.
- **“Replacing the command section of the excitation system 2-41220-PL 1615 from Unit 2 because of reliability problems”**: budgeted 11,738 thousand lei – this investment represents an initiated project which will be actually completed within the planned outage of Unit 2 CNE Cernavoda of 2019. In 2017 the company implemented the Design Change Package, and the contracting company requested the extension of the contractual terms for some of the design packages. As of December 31, 2017, the value achievements are 19,647 thousand lei.
- **“Extension of the lifecycle of Unit 1 by re-tubing the reactor and refurbishing the main systems (studies)”**: budgeted 4,000 thousand lei – some reports set in the contractual provisions were delivered, and other deliverables record delays in the process of drafting the procurement documentation. At the same time, savings were made worth 334 thousand lei resulted from not using a part of the reimbursable component of the contract. As of December 31, 2017, the value achievements are 2,286 thousand lei.
- **“Increasing the safety in the operation of the power evacuation system of CNE Cernavoda, by retooling the power evacuation transformers and providing a spare trafo for two units”**: budget 8,284 thousand lei – the investment is postponed for 2018.

- **“Capital repairs for HARPER II sintering furnace”**: budgeted 501 thousand lei – the project was completed on June 30, 2017, with savings of 19.23%; thus, the value achievement degree is 81.67%, while the physical achievement degree is 100%, and the project was implemented.
- **“Capital repairs on the Feintool GKP-F 25/40 press”**: budgeted 951 thousand lei – the purchase contract was signed in May 2017, at a value lower than the budgeted one, the reception of the work was performed was made in the 2nd half-year 2017, and the project was completed 100%, and savings were made compared to the initially budgeted amount.
- **“Capital repairs on the R53 rotating press”**: budgeted 935 thousand lei – the procurement initiation documentation was completed, but it is estimated that the contracts will be signed and the project will be completed in 2018.
- **“SNN contribution to the establishment of the IPP company type for the completion of Cernavoda NPP Units 3-4”**: estimated to 8,920 thousand lei (equivalent of 2,000 thousand euros), according to the resolution of the EGMS no. 7/22.08.2014 for approving the strategy for the Project of Units 3 and 4 from Cernavoda NPP. The essential prior condition is represented by the approval by AGEA of the Investment Documents with the Selected Investor - a process implemented by the Negotiation Board and coordinated by the Inter-ministry Commission for Project U3 - U4, and this contribution will be implemented after creating the project company.
- **“European Liability Insurance for Nuclear Industry”**:- estimated at 5,352 thousand lei (equivalent value 1,200 thousand euros), representing the contribution of the company as a new member in the European Mutual Association for Civil Liability Insurance (“ELINI”), for the purpose of benefitting from the advantages of the association; the approval of joining ELINI is within the competence of AGEA SNN and is estimated to be actually performed in 2018.
- **“Magheru Office Consolidation”**: estimated at 2,100 thousand lei. In 2016, the land book for the two undividable units was opened (5th floor and 6th floor) and the SNN related land of 239.05 square meters was registered; the actual investment was not initiated until the end of 2017, as the majority shareholder (Transelectrica S.A.) has not initiated the consolidation operations.

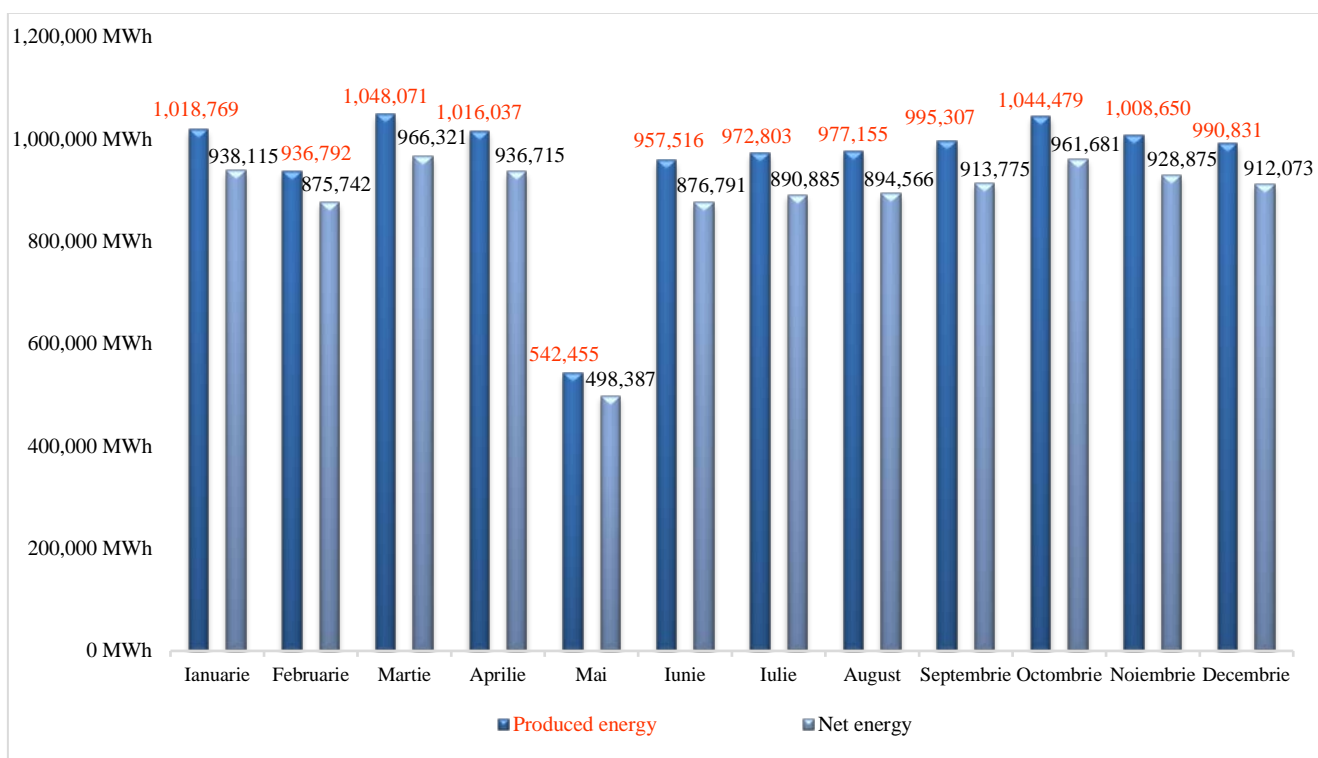
3.5. Activity of the Cernavoda CNE Branch

The operation activity was conducted without events that might have impact an impact on nuclear safety, upon the own personnel, population and environment. The relationship with the regulators was conducted in compliance with the requirements and conditions in the operation licenses.

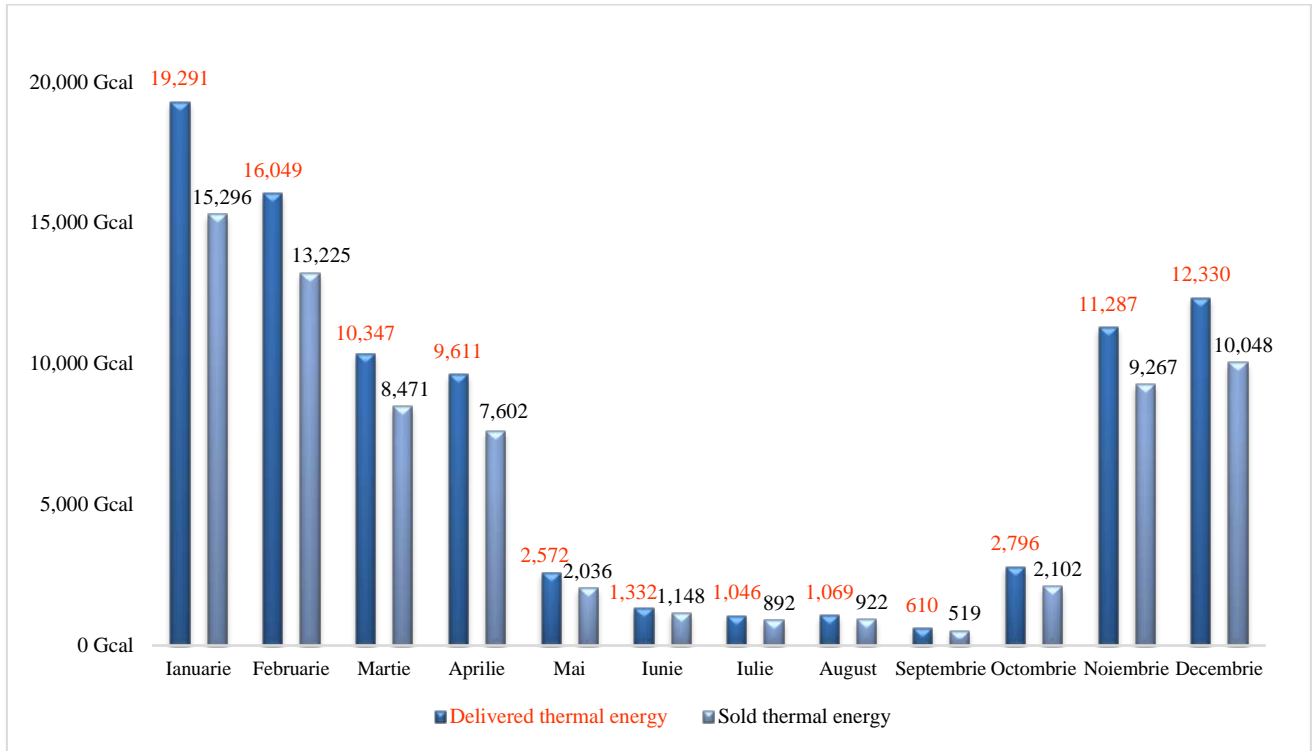
In 2017 no operation event to exceed the level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in depth defense barriers, impact on the site or outside (indicator 1).

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

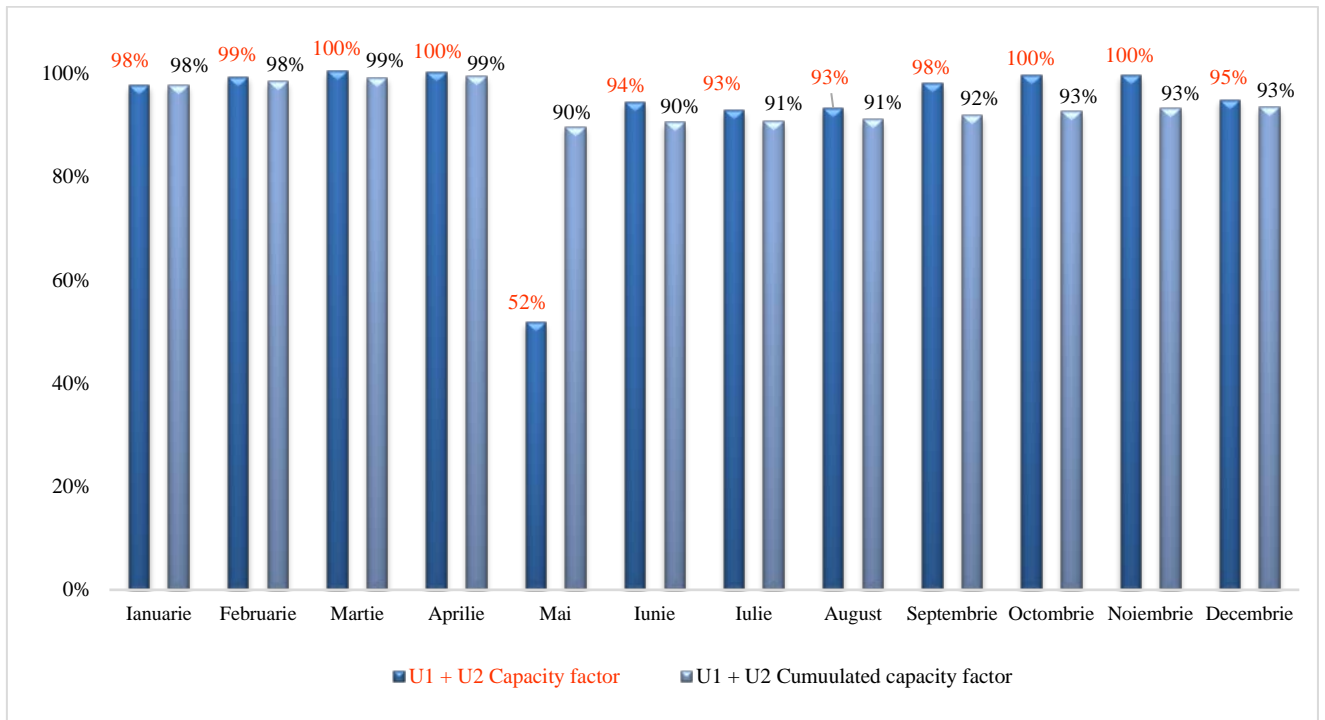
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 11,508,865/net electricity delivered: 10,593,926)
(Own technological consumption cumulated for 2017: 8.06%)



Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 88,340/Sold thermal energy: 71,528)

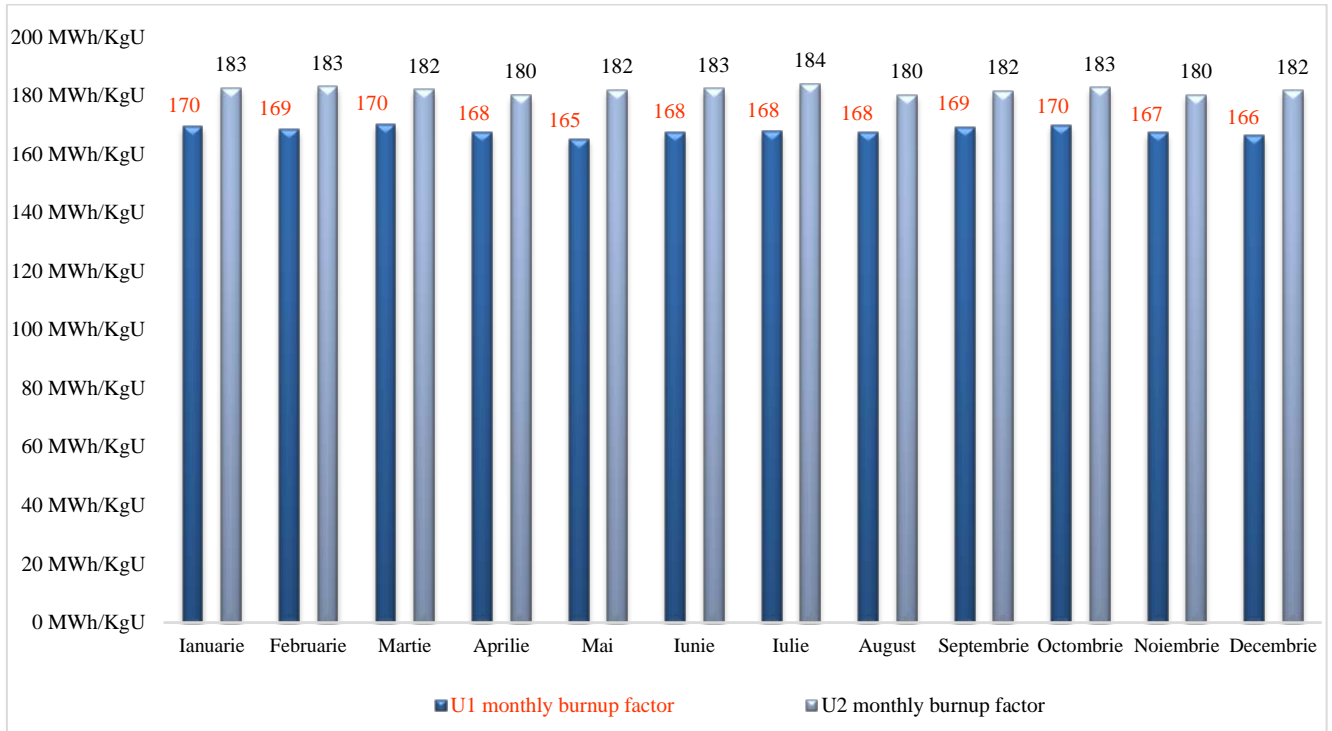


Installed capacity factor U1 + U2 (%)
(Cumulated 2017: 93.43%)

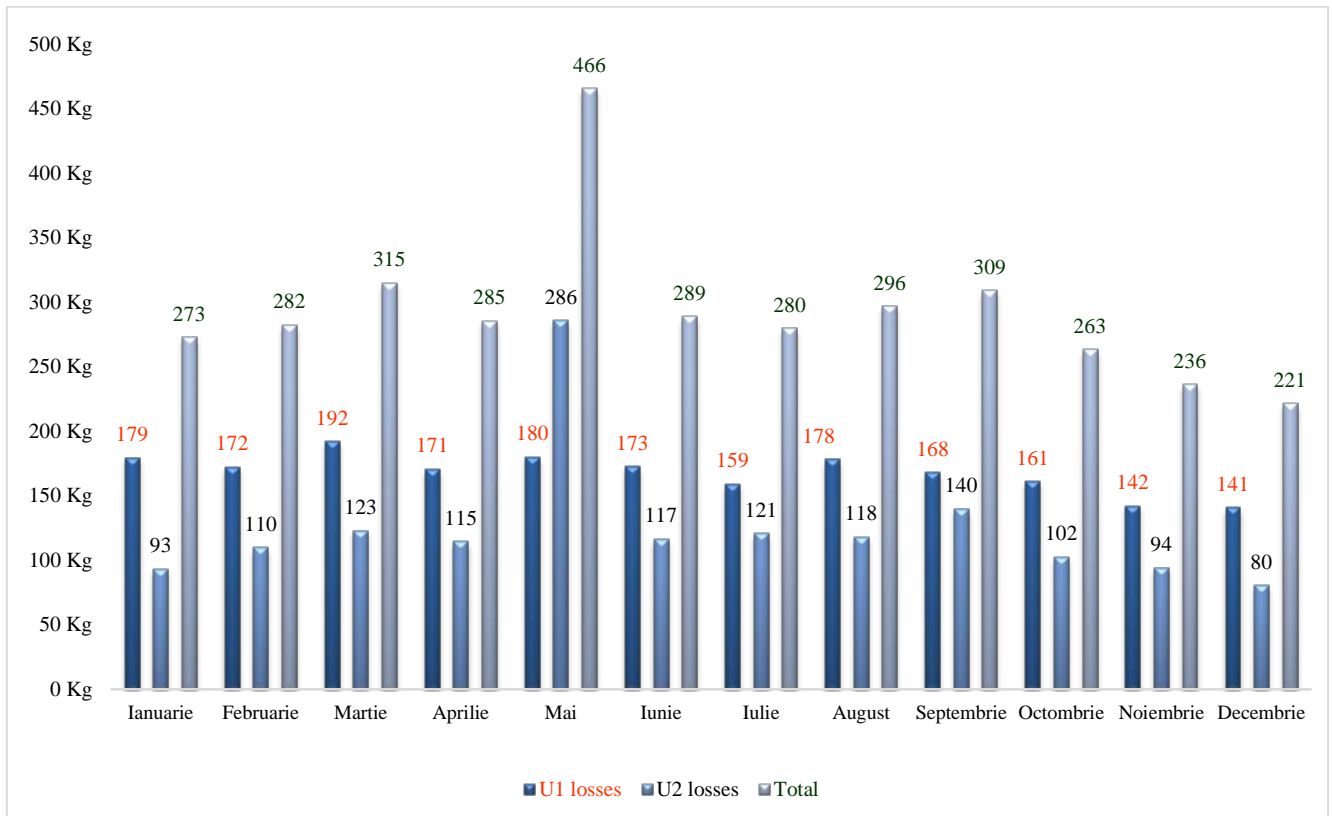


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Nuclear fuel burn up degree (MWh/KgU)
 (Cumulated 2017: 174.11/Provided in the project: min. 156.00)

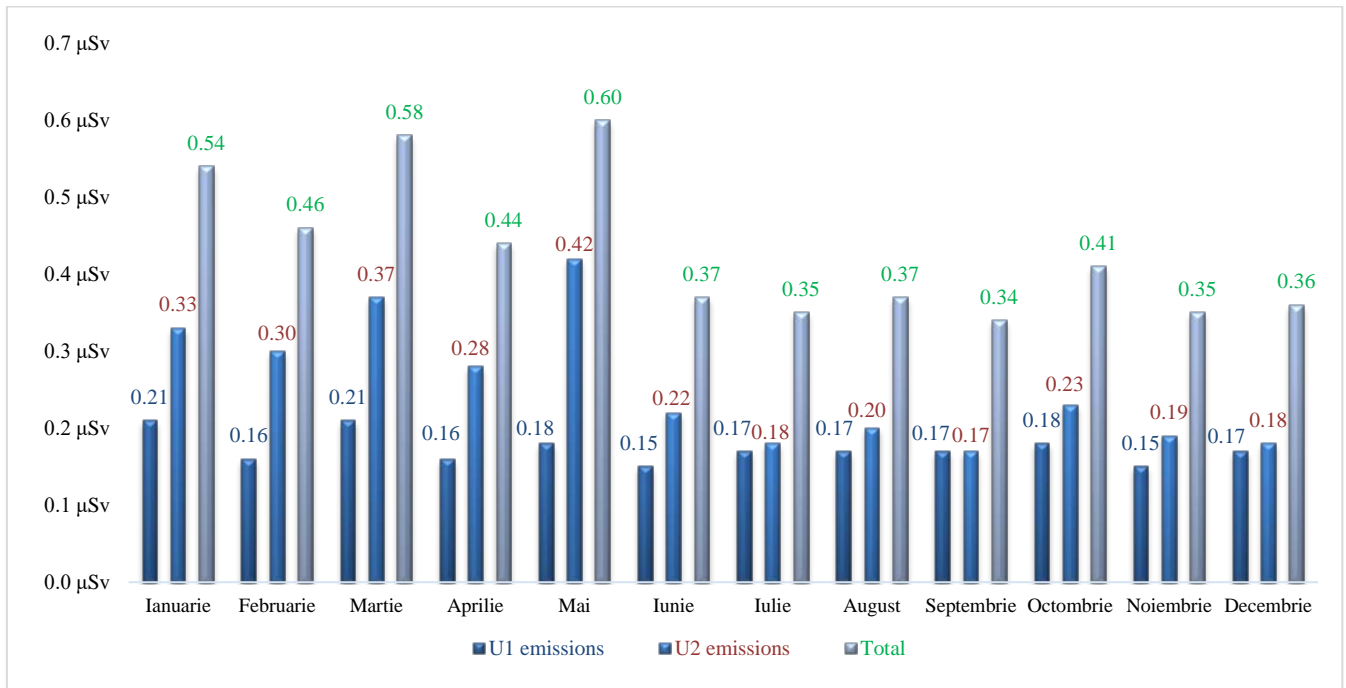


Heavy water loss U1+U2 (Kg)
 (Cumulated 2017: 3,515/Provided: max. annual 6.800/unit)



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Volume of radioactive emissions in the environment U1+U2 (μSv)
(Total cumulated 2017: 5.17/Annual limit: 8.50)



3.6. Activity of the FCN Pitesti Branch

In 2017, the FCN Pitesti Branch manufactured, controlled and accepted 11,804 nuclear fuel bundles, according to the manufacture plan, all of them within the specifications, and the production of nuclear fuel bundles increased by 7% compared to 2016, when 11,002 bundles were manufactured, inspected and accepted. Thus, in the 1st quarter of 2017 the company manufactured, inspected and accepted 3,106 nuclear fuel bundles (1st half-year of 2016: 2,012), in the 2nd quarter of 2017, 2,954 bundles (2nd quarter of 2016: 2,935), in the 3rd quarter of 2017, 2,557 bundles (3rd quarter of 2016: 2,553), in the 4th quarter of 2017, 3,187 bundles (4th quarter of 2016: 3,502).

In 2017 the FCN Pitesti branch delivered to CNE Cernavoda a quantity of 11,520 nuclear fuel bundles (2016: 10,800 bundles), and complied with the agreed delivery schedule: 2,160 nuclear fuel bundles delivered in the 1st quarter of 2017 (1st quarter of 2016: 2,160), 2,880 bundles in the 2nd quarter of 2017 (2nd quarter of 2016: 2,880), 2,880 bundles in the 3rd quarter of 2017 (3rd quarter of 2016: 2,160), and 3,600 bundles in the 4th quarter of 2017 (4th quarter of 2016: 3,600).

In 2017 sintering powder of uranium dioxide was consumed, at an average price of 366.70 lei/kg, derived from the existing storage on December 31, 2016, from the purchases during the year from supplier Cameco Inc., and from the powder resulted from the processing of the non-compliant nuclear material.

4. OTHER SIGNIFICANT ASPECTS

4.1. The Project for the Units 3 and 4 Cernavoda NPP

The main benchmarks for continuing the Project of Units 3 and 4 Cernavoda CNE in Q4 2017 are the following:

- By the Government Memorandum, on July 13, 2017, the continuation of the negotiations on the Investment Documents regarding the development, operation and decommissioning of Units 3 and 4 from CNE Cernavoda with the Chinese company CGN.
- By the Resolution of the Board of Directors of SNN no. 114/20.07.2017, the continuation of the negotiations on the Investment Documents under the same conditions from the Memorandum of Understanding was accepted and submitted for the approval of the Extraordinary General Assembly of Shareholders, for up to 6 months after the date of institution and corporate approval, by applying all the other provisions of the Memorandum of Understanding, including the possibility for any party to terminate the Memorandum of Understanding without any compensations by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by the respective Party.
- By the Resolution of the Extraordinary General Assembly of Shareholders of SNN no. 6/24.08.2017, the following measures were approved:
 - Continuing the negotiations on the Investment Documents under the same conditions from the MoU, for 6 months after the date of institution and corporate approval, by applying all the other provisions of the MoU, including the possibility for any party to terminate the MoU without any compensations by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by the respective Party.
 - Mandating the Board of Directors to set the terms and conditions of the negotiations with the Selected investor by the SNN representatives within the Negotiation Board for the implementation of the Project for Units 3 and 4 CNE Cernavoda, according to the Memorandum of the Romanian Government no. 20/2683/13.07.2017.
- Resolution of the Board of Directors of SNN no. 133/24.08.2017 approved the terms and conditions of the negotiations with the Selected investor by the SNN representatives within the Negotiation Board for the implementation of the Project for Units 3 and 4 CNE Cernavoda, according to the Memorandum of the Romanian Government no. 20/2683/13.07.2017.

The negotiation process restarted on September 13, 2017, according to the calendar agreed between the negotiation board and CGN. On September 13 - 29, 2017, negotiations took place on the draft for the Investors' Agreement ("IA") and the relevant annexes to IA, and the following aspects were identified: (i) the clauses/sections on which the parties agreed; (ii) the clauses/provisions that require reformulation (for this purpose the terms for drafting proposals by the consultants of both parties were set) and/or (iii) divergent aspects, and discussing the principles indicated in the list of aspects escalated by the parties and identifying the flexible positions of the parties.

In October, the Negotiation Board (“NB”) analyzed the aspects discussed in 13-29 September 2017 that deviated from the initial mandate received in the Government Memorandum dated July 13, 2017, or regarding which clarifications were needed in relation to the project strategy. The NB proposals for modifying/increasing the flexibility of the negotiation mandate were approved by the Board of Directors of SNN and by the Inter-ministry Board.

In 6-24 November 2017 there was a new round of negotiations on IA for the non-divergent matters which had been escalated but required the completion of formulations, and this round resulted in new matters that needed to be escalated by the Chinese party.

- By the Resolution of the Extraordinary General Assembly of Shareholders of SNN no. 4/02.03.2018 the company approved continuing the negotiations on the Investment Documents under the same conditions from the Memorandum of Understanding, for 6 months after the date of institution and corporate approval, by applying all the other provisions of the Memorandum of Understanding, including the possibility for any party to terminate the Memorandum of Understanding without any compensations by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by the respective Party.

4.2. Litigation with Fondul Proprietatea S.A.

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the annulment request of the Resolution of the General Extraordinary Meeting of the Shareholders (“EGMS”) no. 8/06.10.2014 through which was approved the increase of the share capital of SNN through cash contribution in a maximum total amount of 239.172.630 lei, by issuing a maximum number of 23.917.263 new shares representing input in kind of the Romanian State, following obtaining the certificate for the ownership right on the land undivided share of 239,05 sq m from Bd. Gheorghe Magheru no. 33 Bucharest and input in cash representing the amount of budgetary allowances for the period 2006-2009 for Unit 2 from Cernavoda.

The action is subject to file no. 40046/3/2014, and on November 7, 2017 there was a new hearing, in which the court rejected the application filed by Fondul Proprietatea S.A., as groundless.

On February 20, 2018 Fondul Proprietatea S.A. appealed the judgment issued on the merits of the case, and an appeal hearing is the next stage.

4.3. The litigation initiated by the Union of CNE Cernavoda and employees of the CNE Cernavoda Branch

On the docket of the Constanta Court, a case was filed against SNN, no. 5802/118/2017, and its scope is unpaid salary rights, representing the equivalent value of the occupational risk (hazardous conditions) bonus, and the plaintiff is the Union of CNE Cernavoda on behalf of 757 employees of the CNE Cernavoda Branch.

The company deems these claims as groundless, as all due salary rights were paid to the employees, including the amounts of money that are subject to this litigation. The court rejected the exception of the trialed operational authority, invoked by SNN, as groundless. The following hearing is on March 15, 2018.

4.4. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the CNE Cernavoda Branch

On the docket of the Constanta Court, a case was filed against SNN, no. 7036/118/2017, and its scope is unpaid salary rights, representing the equivalent value of the occupational risk (hazardous conditions) bonus, and the plaintiff is the Energetica Nucleara '90 on behalf of 291 employees of the CNE Cernavoda Branch.

The company deems these claims as groundless, as all due salary rights were paid to the employees, including the amounts of money that are subject to this litigation. SNN invoked the exception of the trialed operational rights. The following hearing is on April 19, 2018.

4.5. The litigation initiated by S.N. Nuclearelectrica S.A. against ArcelorMittal Galati S.A.

The court of Galati rejected the claim of SNN to order ArcelorMittal Galati S.A. to pay 8,645,467.52 lei as damage compensations following the termination of the electricity sale-purchase contract on the centralized market of electricity bilateral contracts (PCCB) no. 207 of February 22, 2013 before the expiry date, namely on September 30, 2014 (file no. 3490/121/2015).

SNN formulated an appeal against this judgment, and after the appeal, the Court of Appeal of Galati ordered ArcelorMittal Galati S.A. to pay the entire amount as damage compensations, plus trial expenses. ArcelorMittal Galati S.A. appealed the appeal judgment. A hearing is to be established.

The parties concluded a payment agreement whereby ArcelorMittal Galati S.A. undertook to pay the amount it was ordered by the court in 12 monthly instalments plus the related remuneration legal interest. The first instalment was paid.

4.6. Changes in the management of the Company

By Resolution no. 217/20.12.2017, the Board of Directors of SNN appointed Mr. Cosmin Ghita as the General Manager of SNN, for 4 months, starting with January 3, 2018, namely a temporary mandate.

By Resolution no. 206/13.12.2017, the Board of Directors of SNN appointed Dan Laurentiu Tudor and Toni Viorel Lary as Deputy General Managers of SNN, for 4 months, starting with January 3, 2018, namely temporary mandates.

By Resolution no. 218/20.12.2017, the Board of Directors of SNN appointed Mr. Adrian Gabriel Dumitriu as the Chief Financial Officer of SNN, for 4 months, starting with January 3, 2018, namely a temporary mandate.

Resolution no. 10/20.12.2017 of the Ordinary General Assembly of Shareholders of SNN approved the appointment of temporary members in the Board of Directors of SNN, for 4 months, starting with December 28, 2017 or until the completion of the procedure for selecting the members of the Board of Directors of SNN according to the provisions of GEO no. 109/2011 as further amended and supplemented, and the selection procedure will be implemented by the Ministry of Energy as the custody public authority.

On December 31, 2017 the members of the Board of Directors of SNN are as follows:

No.	Name and Surname	Date of appointment	Mandate expiry date ^{**)}
1.	Iulian – Robert Tudorache ^{*)}	AGOA resolution no. 10/20.12.2017	28.04.2018
2.	Cristian Gentea	AGOA resolution no. 10/20.12.2017	28.04.2018
3.	Dragos Ionut Banescu	AGOA resolution no. 10/20.12.2017	28.04.2018
4.	Mirel – Alexandru Marcu	AGOA resolution no. 10/20.12.2017	28.04.2018
5.	Elena Popescu	AGOA resolution no. 10/20.12.2017	28.04.2018
6.	Cristian Dima	AGOA resolution no. 10/20.12.2017	28.04.2018
7.	Mihai Daniel Anitei	AGOA resolution no. 10/20.12.2017	28.04.2018

^{*)} *Chairman of the Board of Directors of SNN for 4 months, the related period of the temporary mandate.*

^{**)} *Mandate expiry date: 4 months, starting with December 28, 2017 or until the completion of the procedure for selecting the members of the Board of Directors of SNN according to the provisions of GEO no. 109/2011 as further amended and supplemented, approved by Law no. 111/2016, is the selection is completed before the aforementioned term.*

4.7. Approval of distributing additional dividends

Resolution no. 8/28.09.2017 of the Ordinary General Assembly of Shareholders of SNN approved the distribution of the amount of 110,000,000 lei representing additional dividends from other reserves and the carried-forward result, in virtue of the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 for amending art. 1 par. (1) let. g) of Government Ordinance no. 64/2001 regarding the distribution of profit at national entities, national companies and commercial companies with full or majority state capital, and at autonomous administrations and for amending art. 1 par. (2) and (3) of Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public companies, to the shareholders of SNN, proportional to their interest in the share capital.

4.8. Project for Refurbishing Unit 1 of CNE Cernavoda

Resolution of the Extraordinary General Assembly of Shareholders of SNN no. 9/28.09.2017 approved the initiation of Stage 1 of the “Strategy for the Project for Refurbishing Unit 1 CNE Cernavoda”, according to the report submitted to the shareholders for this topic on the agenda (section 3 of the AGEA agenda of September 28, 2017).

Starting with October 27, 2017, the Refurbishing Division on headquarters level of SNN was created, made up of internal specialists and managed by the current Technical and Nuclear Security Manager of SNN.

4.9. DICA investment project (Burnt Fuel Intermediary Storage)

Resolution no. 9/28.09.2017 of the Extraordinary General Assembly of Shareholders approved the amendment of the DICA investment project, documented by the “Dry-state DICA long-term development and authorization strategy based on the extension of the lifecycle of Units 1 and 2 harmonized with the comments of CNCAN and the Ministry of Environment and Climate Change”, revised, by maintaining the approved value of the investment (section 2 of the AGEA agenda of September 28, 2017).

4.10. Approval of granting a loan to the branch of Energonuclear S.A.

Resolution no. 4/11.07.2017 of the Extraordinary General Assembly of Shareholders approved the granting of a loan convertible in shares in value of 4,000,000 lei to the branch of Energonuclear S.A. in order to finance activities of maintaining and preserving the site of Units 3 and 4 of CNE Cernavoda.

Resolution no. 11/20.12.2017 of the Extraordinary General Assembly of Shareholders approved amendments of the conditions associated to the loan convertible in shares, according to the report submitted to the shareholders for this section on the agenda (section 2 of the AGEA agenda of December 20, 2017) and mandating the Board of Directors of SNN to approve any other subsequent modifications of the conditions associated thereto, including the volume by categories of expenses and structure, within the maximum approved value of 4,000,000 lei.

4.11. Amendment of the Articles of Incorporation of the Company

Resolution no. 6/24.08.2017 of the Extraordinary General Assembly of Shareholders approved the amendment of the Articles of Incorporation of SNN, as follows: removal of the attribution of the General Assembly of Shareholders to approve the Administration Plan (par. (2) of art. 13, let. k) is removed) and the removal of the attribution of the Board of Directors to draft and submit to the General Assembly of Shareholders, for approval, the Administration Plan, which includes the administration strategy during the mandate (par. (3) of art. 19, let. d) is removed)).

4.12. Major litigations

The situation of the major litigations (in amount of over 500,000 lei) and of the monetary unevaluated ones in progress on 31.12.2017 is presented in **Annex 4**.

4.13. Other information

The quarterly report of the Board of Directors for Q4 2017 is accompanied by the Individual Financial Statements on the date and for the financial year ended on December 31, 2017; these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Relations with Investors.

5. MAIN ECONOMIC FINANCIAL INDICATORS ON 31.12.2017

SNN performance is reflected in the accomplishment of the main economic financial indicators, as follows:

Indicator name	Formula	M.U	Value 31.12.2017^{*)}
1. The current liquidity ration	Current assets/ Current liabilities	x	4.95
2. The indebtedness ratio			
2.1. Indebtedness degree indicator (1)	Borrowed equity/Equity x 100	%	14.8%
2.1. Indebtedness degree indicator (2)	Borrowed capital/ Capital employed x 100	%	12.9%
3. Receivables turnover ratio – clients	Average accounts receivable/ Turnover x 360	days	23
4. Assets turnover ratio ^{*)}	Turnover/Non-current assets	x	0.27

^{*)} Based on the Audited Individual Financial Statements on the date and for the financial year ended on December 31, 2017.

6. THE ACHIEVEMENT DEGREE OF THE PERFORMANCE INDICATORS

The changes occurred in 2017 in the company's management, namely changes in the composition and structure of the Board of Directors, caused changes on the reporting obligations included in the management contracts concluded by the company with the members of the Board of Directors.

The management contracts concluded by the company with the members of the Board of Directors whose mandate expired on April 25, 2017 provided the awarding of a variable compensation, based on the achievement of certain performance indicators, and the following reporting obligations, according to art. 7.19 and art 7.21 from the management contracts:

- to submit quarterly to the General Assembly of Shareholders a report on the management activity, including information regarding the implementation of the managers' mandate contracts, details regarding operational activities, the financial performance of the Company and the accounting reports of the Company;
- to draft quarterly reports comprising in, but without a limitation to, the degree of complying with the performance criteria, by considering the weight of each indicator and its variation related to the set target level, reports to be submitted for approval to the General Assembly of Shareholders of the Company, and the granting of the first subcomponent of the variable component, as stipulated in art. 18 of the management contracts will be performed only if the quarterly reports are approved.

The performance indicators of the members of the Board of Directors whose mandate expired on April 25, 2017 are submitted in the half-year report of the Board of Directors related to 1st half-year of 2017.

The management contracts concluded by the company with the members of the Board of Directors starting with December 28, 2017 (temporary mandates) provide neither the granting of variable compensations and monitoring and reporting the performance indicators of the members of the Board of Directors nor the obligation to submit and have a quarterly report approved.

Board of Directors

Iulian Robert Tudorache,

President

Annex 1 - Financial position statement as of December 31, 2017

	December 31, 2017	31 Dec 2016
	(audited)	(audited, restated)
Assets		
Non-current assets		
Property, plant and equipment	6,668,102,545	7,048,919,083
Intangible assets	62,535,958	80,636,405
Financial instruments	141,689,201	141,689,201
Financial assets	76,355,852	22,414,346
Total non-current assets	6,948,683,556	7,293,659,035
Current assets		
Inventories	332,348,618	331,057,122
Trade and other receivables	150,443,354	162,063,302
Prepayments	10,895,537	12,699,411
Bank deposits	1,172,273,956	1,222,658,922
Cash and cash equivalents	573,903,315	263,714,387
Total current assets	2,239,864,780	1,992,193,144
Total assets	9,188,548,336	9,285,852,179
Equity and liabilities		
Equities		
Share capital, out of which:	3,210,641,253	3,210,641,253
<i>Subscribed and paid in share capital</i>	<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>	<i>195,502,743</i>	<i>195,502,743</i>
Share premium	31,474,149	31,474,149
Prepaid share reserve	21,553,537	21,553,537
Revaluation reserve	236,534,798	263,354,767
Retained earnings	3,927,941,491	3,809,021,821
Total shareholder's equity	7,428,145,228	7,336,045,527
Liabilities		
Non-current liabilities		
Long-term borrowings	894,848,799	1,087,961,815
Provisions for risks and expenses	137,036,268	118,032,110
Deferred income	129,101,954	143,446,616
Deferred tax liability	113,903,761	131,608,365
Obligations regarding employees benefits	33,328,029	31,907,053
Total non-current liabilities	1,308,218,811	1,512,955,959
Current liabilities		
Accounts payable and other liabilities	180,632,919	178,645,222
Current portion of provisions for risks and expenses	31,838,166	24,662,564
Current tax liability	21,726,375	6,431,972
Deferred income	12,331,535	6,181,408
Current portion of the long-term borrowings	205,655,302	220,929,527
Total current liabilities	452,184,297	436,850,693
Total liabilities	1,760,403,108	1,949,806,652
Total equity and liabilities	9,188,548,336	9,285,852,179

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Annex 2 - Profit and loss account for the financial year ended on December 31, 2017

	3-month period ended on December 31, 2017 (unaudited)	3-month period ended on December 31, 2016 (unaudited, restated)	12-month period ended on December 31, 2017 (audited)	12-month period ended on December 31, 2016 (audited, retreated)
Revenues				
Sales of electricity	518,313,513	463,028,189	1,884,740,511	1,620,769,517
Electricity transmission revenues	2,940,604	3,722,836	12,557,690	26,861,292
Total revenues	521,254,117	466,751,025	1,897,298,201	1,647,630,809
Other income	9,957,511	19,026,158	35,602,416	32,589,302
Operating expenses				
Depreciation and amortization	(127,898,459)	(120,090,628)	(497,185,088)	(474,391,750)
Personnel expenses	(96,050,171)	(80,360,454)	(324,765,608)	(297,732,932)
Cost of traded electricity	(8,521,024)	(15,251,215)	(55,567,883)	(22,665,212)
Repairs and maintenance	(21,729,413)	(25,193,948)	(123,888,331)	(126,128,089)
Electricity transmission expenses	(2,940,604)	(3,722,836)	(12,557,690)	(26,861,292)
Costs with spare parts	(2,243,243)	(1,740,601)	(18,113,517)	(21,243,702)
Cost of nuclear fuel	(30,585,759)	(29,811,549)	(122,183,695)	(140,397,129)
Other operating expenses	(153,283,779)	(165,687,297)	(403,311,594)	(413,878,459)
Total operating expenses	(443,252,452)	(441,858,528)	(1,557,573,406)	(1,523,298,565)
Operating profit	87,959,176	43,918,655	375,327,211	156,921,546
Financial costs	(29,143,859)	(50,835,017)	(94,102,348)	(118,994,718)
Finance income	14,556,409	6,296,156	75,653,531	89,990,559
Net financial expenses	(14,587,450)	(44,538,861)	(18,448,817)	(29,004,159)
Profit/(Loss) before income tax	73,371,726	(620,206)	356,878,394	127,917,387
Net income tax expenses	(6,460,384)	3,633,868	(53,002,126)	(14,721,491)
Profit for the period	66,911,342	3,013,662	303,876,268	113,195,896

Annex 3 - Execution of the Revenues and Expenses Budget as of December 31, 2017

thousand lei

		INDICATORS	No.	BVC 2017 - approved by AGOA Resolution no. 1/29.03.2017	BVC 2017 - approved by the BoD Decision no. 80/10.11.2017	Performed 2017	% Achieved vs. Initially approved [Col. 6/Col. 4]	% Achieved vs. Approved rectified [Col. 6/Col. 5]
1		2	3	4	5	6	7	8
I.		TOTAL REVENUES (Row 2 + Row 5 + Row 6)	1	1,816,729	1,996,797	2,008,606	110.6%	100.6%
	1.	Total operating revenues, of which:	2	1,718,844	1,906,799	1,932,952	112.5%	101.4%
		c ₁ Discounts, in compliance with the legal provisions	3	-	-	-	-	-
		c ₂ Transfers, in compliance with the legal provisions	4	-	-	-	-	-
	2.	Financial income	5	97,885	89,998	75,654	77.3%	84.1%
	3.	Extraordinary revenues	6	-	-	-	-	-
II.		TOTAL EXPENSES (Row 8 + Row 20 + Row 21)	7	1,746,495	1,717,831	1,651,727	94.6%	96.2%
	1.	Operating expenses (Row 9 + Row 10 + Row 11 + Row 19)	8	1,643,677	1,626,338	1,557,625	94.8%	95.8%
	A.	Expenses with goods and services	9	617,497	565,387	521,195	84.4%	92.2%
	B.	Expenses with taxes, duties and similar payments	10	148,940	146,140	153,187	102.9%	104.8%
	C.	Personnel expenses (Row 12 + Row 15 + Row 17 + Row 18)	11	324,343	324,343	320,399	98.8%	98.8%
	C₀	Personnel expenses (Row 13 + Row 14)	12	244,907	244,907	242,708	99.1%	99.1%
	C₁	Salary expenses	13	222,799	222,799	222,792	100.0%	100.0%
	C₂	Bonuses	14	22,108	22,108	19,916	90.1%	90.1%
	C₃	Other personnel expenses, out of which:	15	1,036	1,200	1,195	115.4%	99.6%
		a) Expenses with compensations for early release of personnel	16	-	-	-	-	-
	C₄	Expenses related to the mandate contract and other control authorities, commissions and committees	17	3,514	3,361	3,239	92.2%	96.4%
	C₅	Expenses related to social protection, special funds and other legal obligations	18	74,887	74,875	73,258	97.8%	97.8%
	D.	Other operational expenses	19	552,897	590,468	562,844	101.8%	95.3%
	2.	Financial costs	20	102,818	91,493	94,102	91.5%	102.9%
	3.	Extraordinary expenses	21	-	-	-	-	-
III		GROSS RESULT (profit/loss) (Row 1 – Row 7)	22	70,234	278,966	356,878	508.1%	127.9%
IV.		INCOME TAX	23	22,253	48,959	53,002	238.2%	108.3%
V.		PROFIT AFTER INCOME TAX (Row 22 - Row 23)	24	47,981	230,007	303,876	633.3%	132.1%

⁹⁾NB: See the indications from section 2.3.

Annex 4 – Major litigations of SNN in progress on December 31, 2017 (over 500 thousand lei), including those that have not been monetary-assessed

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
SNN Executive								
1.	3868/118/2012	Civil Constanta Court	Creditor	S.C. Proconex Universal S.R.L.	Insolvency. Bankruptcy. Receivable 3,369,886,85 lei.	Merits of the case	Procedure in progress.	26.03.2018
2.	2183/115/2010	Civil Court of Law Caras - Severin	Creditor	S.C. CET Energoterm Resita S.A.	Insolvency. Bankruptcy. Receivable 580,974,21 lei.	Merits of the case	Procedure in progress.	28.06.2018
3.	48031/299/2010	Penal District 1 Law Court Court of Appeal of Bucharest	Civil part	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS civil liability party.	Corruption - abuse of office. SNN is a civil party in the lawsuit with damages estimated to 13,493,080.3 lei.	Appeal	<i>Merits of the case</i> Sentences the defendants to jail and damage payment. <i>Appeal</i> Partially approves the evidence requested by the defendants. Approves the hearing of the witnesses, and hearing new witnesses. Approves for the parties the evidence of documents submitted to the file. Postpones the decision regarding specialized expertise studies for the next hearing. Rejects, as groundless, the other evidence requested by the parties and the requests for issuing memorandums to S.N. Nuclearelectrica S.A., Tess Conex S.A. and the Government of Romania in order to obtain documents/normative acts. Postpones the decision regarding the request to notify the Constitutional Court to resolve the non-constitutionality exception of the provision of art. 297 par. 1 let. c) of the Criminal Code and art. 13 and. 2 of Law no. 78/2000, for the next hearing.	Completed.
4.	9089/101/2013	Civil Court of Law Mehedinti	Creditor	Autonomous Administration for Nuclear Activities (RAAN)	Insolvency. Receivable in the reorganization plan 5,450,135.91 lei. Winding-up bankruptcy. Receivable 7,828,405.48 lei.	Merits of the case	Procedure in progress. In virtue of art. 107 par. 1 let. C Law no. 85/2006. Orders the start of the procedure for the bankruptcy of the debtor. In virtue of art. 107 par. 2 Law no. 85/2006. Appoints as a temporary legal liquidator Euro Insol SPRL.	22.03.2018
5.	7238/120/2012	Civil Court of Law Dambovita	Creditor	S.C. Eco Energy S.R.L.	Bankruptcy. Receivable 2,464,059.64 lei.	Merits of the case	Procedure in progress. Receivable registered with the consolidated list of creditors. Enforcement of the receivable to recover from Edland S.R.L.	23.04.2018
6.	873/1259/2008	Civil Court of Law Arges Court of Law	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Receivable 2,713,986.71 lei.	Merits of the case	Procedure in progress.	15.05.2018

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
7.	18770/3/2007	Civil Court of Law Bucharest	Creditor	S.C. Con - Dem S.A.	Insolvency Bankruptcy. Receivable 2,446,227.08 lei. The receivable approved in the payment program is 2,079,293.02 lei (85% of the receivable accepted in the table).	Merits of the case	Procedure in progress.	16.05.2018
8.	3793/2/2013	Administrative Court of Appeal Cassation and Justice	Respondent	Greenpeace CEE Romania	The cancellation of the decision issuing the environmental agreement and the agreement on the environment on the Project for Units 3 and 4.	Appeal	<p><i>Merits of the case</i> Admits the exception of lack of object of the second end of the initial petition (cancellation of the environment agreement regarding the project "Continuation of the construction works and completion of U 3 and 4). Appeal: Overrules the second end of the initial petition to the annulment of the environment agreement regarding the project "Continuation of the construction works and completion of units 3 and 4 la Cernavoda NPP", as ungrounded. Overrules the rest of the petition, as it was completed by the additional petition, as ungrounded.</p> <p><i>Appeal</i> The Decision No. 2100 of June 23 rd 2016. Accepts the appeal drafted by the Greenpeace Cee Romania Foundation and the Bankwatch Romania Association against the decision no. 1436 from May 9th, 2014 of the Bucharest Court of Appeal – Section 8th administrative and fiscal department. Invalidates the decision attacked and sends the case for re-trial at the same court. Final, today, June 23rd 2016.</p> <p><i>Retrial merits (CAB)</i> Rejects the summons as ungrounded. With a right of appeal within 15 days from the communication. Decision no. 2208/2017.</p>	The hearing is next.
9.	11661/3/2014	Court of Appeal of Bucharest Bucharest Court of Law – retrial	Respondent	S.C. Fondul Proprietatea S.A.	States the absolute nullity of the SNN EGMS Decision no. 1/11.03.2014.	Appeal Retrial merits	<p><i>On the merits (TB)</i> Rejected the request of Fondului Proprietatea S.A. accepting the exception of the lack of interest in relation to the object of the request.</p> <p><i>Appeal CAB</i> Admits the appeal of Fondului Proprietatea S.A., cancels the sentence appealed and sends the case for retrial at the same Court. Final.</p> <p><i>Merits retrial (TB)</i> The court has ruled the suspension of the cause against the fact that the Bucharest Court of first instance and Craiova Court of appeal have requested the Court of Justice of the European Union for some clarification regarding the possibility of the existence of State aid in connection with projects which are the object of the Resolution</p>	Suspended.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
							AGEA SNN no.1/11.03.2014.	
10.	40046/3/2014	Bucharest Court of Law	Claimant	S.C. Fondul Proprietatea S.A.	States the absolute nullity of the EGMS Decision no. 8/6.10.2014 increase of share capital with cash input by issuing shares. Mentioning the decision of the court at the Trade Register and lifting the mentions from the Trade Register based on the annulled EGMS Decision.	Merits of the case	<i>Merits of the case</i> Rejects the summons as ungrounded. With appeal within 30 days from the intimation. Decision no. 4082/07.11.2017.	Judgment not drafted yet.
11.	416/2/2014	Administrative Court of Appeal of Bucharest ICCJ	Claimant Plaintiff	The National Energy Regulatory Authority	Change in regulated tariff through the Decision no 3609/2013.	Merits of the case	<i>Merits of the case</i> On 14.10.2014 the court rejected the claim as unsubstantiated. Decision no. 2723/ 14.10.2014.	27.05.2018
12.	1794/118/2016	Penal Court of Law Constanta	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. civil party by legal administrator.	Prejudice 3,471,463 euros.	Merits of the case	<i>Merits of the case</i> In order to continue the investigation by hearing the defendants. Discussing the evidence.	18.04.2018
13.	38724/3/2014	Bucharest Court of Law Section II - administrative division	In hock third party	Romanian State by the Ministry of Public Finance	Appeal to the enforcement and cancelling all the foreclosure decisions from the foreclosure file 22/2014 creditors Multipack SRL, European Food SA, Starmil SRL, Micula Ioan.	Merits of the case	<i>Merits of the case</i> In virtue of art. 413 par. 1 section 1, NCPC suspends the trial until the final resolution of the Case-file No. 15755/3/2014. With appeal throughout the suspension.	Suspended.
14.	13275/3/2015	Bucharest Court of Law Court of Appeal of Bucharest	Claimant	S.P.E.E.H. Hidroelectrica S.A.	Claims 40,812,717 lei difference of the equivalent value for purchasing energy insurance contract and selling energy and legal interest.	Merits of the case	<i>Merits of the case</i> Admits the exception of the material law prescription to the action. Rejects the lawsuit application as prescribed. With appeal within 30 days of the intimation. Decision no. 6860/07.12.2015. <i>Appeal</i> Dismisses the appeal as reasonless. With recourse within 30 days of the intimation, that is submitted to Bucharest Court of Appeal. <i>Appeal</i>	The hearing is next.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
15.	3490/121/2015	Civil Court of Law Galati Court of Appeal Galati ICCJ	Plaintiff	S.C. ArcelorMittal Galati S.A.	Claims 8,575,245,78 lei difference amount energy sale made redundant and other associated expenses.	Merits of the case	<p><i>Merits of the case</i> Rejects the action to oblige the claimant to pay damage deriving from contract no. 207/22.02.2013 as ungrounded.</p> <p><i>Appeal</i> Approves the appeal stated by the claimant S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by Galati Court - Civil Section II in File no. 3490/121/2015. Fully changes the appealed judgment and, in retrial. Partially admits the action. Orders ArcelorMittal Galati S.A. to pay to the claimant S.N. Nuclearelectrica S.A. the amount of 8,645,467.52 lei, as damage compensations. Rejects as unsubstantiated the appeal initiated against the resolution of 26.05.2016 of the same court. Orders the defendant to pay 142,132.97 lei, trial expenses - merits and appeal. Decision no. 227/27.09.2017.</p> <p><i>Appeal</i></p>	The hearing is next.
16.	4960/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Suspension of measure enforcement INSURANCE POLICIES D&O.	Merits of the case	<p><i>Merits of the case</i> Partially admits the petition and suspends the execution of point II.12 part of the resolution no. 16/11.05.2015 issued by the Romanian Court of Accounts, Department IV until the final solving of the case action registered in file no. 4912/2/2015. Enforceable. Rejects as unacceptable the suspension request of point 10 performance from the resolution no. 59/17.07.2015 and point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors.</p> <p><i>Appeal</i> Judgment of the panel no. 2525 of 19.09.2017. Rejects the exception of lateness of formulating the appeal. Rejects the appeal formulated by the Court of Auditors of Romania against judgment no. 2608 of October 15, 2015 of the Court of Appeal Bucharest - Administrative and Fiscal Section VIII, as unsubstantiated. Final.</p>	Completed.
17.	4961/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Suspension of execution TOURIST SERVICES	Merits of the case	<p><i>Merits of the case</i> Admits the inadmissibility exception of the petition head regarding the execution suspension pct. 3.1.5 of the Control Report no. 4371/10.04.2015 and, consequently, overrules as inadmissible this petition head. Overrules, in the rest, the execution suspension as not funded. With appeal in 5 days from the communication. Resolution no. 2660/20.10.2015.</p> <p><i>Appeal</i></p>	28.03.2018
18.	4968/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Execution suspension measure contributions LEGAL COUNSELORS	Merits of the case	<p><i>Merits of the case</i> Partially admits the action. Rules the suspension of the partial enforcement of Resolution N. 16/2015, namely of the measure arranged at point II.11, as well as the Resolution no. 59/2015- section 9, until the final solving of the action in annulment of pct. II.11 from the Decision no. 16/2015 and section. 9 from the Resolution no. 59/2015. Dismisses the suspension request for Control Report no.</p>	The court will establish a hearing.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
							4371/2015 - section 3.1.9 - as inadmissible.	
19.	4969/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Suspension of measure enforcement MICROSOFT	Merits of the case	<p><i>Merits of the case</i> Overrules the suspension of petition of pct. 3.1.11 of the control report no. 4371/10.04.2015 issued by the Romanian Court of Accounts, as inadmissible. Partially admits the suspension petition. Suspends the enforcement of section 11 of the resolution no. 59/17.07.2015 and of section II.13 of the Resolution no. 16/11.05.2015 issued by the Romanian Court of Accounts until the final solving of the action on the case. Enforceable.</p> <p><i>Recourse CC</i></p>	The court will establish a hearing.
20.	4970/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Suspending measure enforcement NON-RESIDENT	Merits of the case	<p><i>Merits of the case</i> Partially admits the petition. Disposes the partial suspension of the Resolution no. 16/11.05.2015 regarding point II.8, respectively Resolution no. 59/17.07.2015 regarding point 6, until the final solving of the action in annulment. Rejects as inadmissible the suspension petition of point 3.1.3 of the Control Report no. 4371-10.04.2015.</p> <p><i>Recourse CC</i> Judgment no. 508/12.02.2018. Rejects the recourse formulated by the Court of Auditors against civil judgment no. 2503 of October 7, 2015 of the Court of Appeal as unsubstantiated. Final. Public session, today, February 12, 2018.</p>	Completed.
21.	4971/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Suspension of contract unfolding measure GENERAL CONCRETE	Merits of the case	<p><i>Merits of the case</i> The merits court rejected the application for suspending resolution no. 16/11.05.2015 and resolution no. 59/17.07.2015.</p>	The court will establish a hearing
22.	4959/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS TRIPS	Merits of the case	<p><i>Merits of the case</i> Accepts the request. Partially cancels resolution no. 59/17.07.2015 issued by the claimant, regarding point 3. Partially cancels the Decision no. 16/11.05.2015 issued by the claimant regarding the measures ruled at point 5 and the measure no. I 3. Partially cancels the Control Report no. 4371/10.04.2015 issued by the claimant regarding point 3.1.5. Forces the claimant to pay lei 4,550 trial expenses to the claimant.</p>	The court will establish a hearing.
23.	4902/2/2015 joined with 4907/2/2015 bonuses	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS CONTRIBUTIONS and BONUSES	Merits of the case	<p><i>Merits of the case</i> Admits the main petition and the connected petition, regarding points 1 and 2. Admits in part resolution no. 59/17.07.2015 and judgment no. 16/11.05.2015 on section 9 and pct. 8 from the resolution, respectively the measures from pct. II.11 and II.10 from the resolution. Overrules as inadmissible pct. 3 from both petitions, regarding the partial annulment of the control report no. 4371/10.04.2015. With a right of appeal in 15 days since the communication. The recourse will be submitted at CAB - Section VIII. Final. Resolution no. 3419/17.12.2015.</p>	The court will establish a hearing.
24.	4906/2/2015	Administrative	Plaintiff	Court of Auditors	Measure annulment	Merits of		The court

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
		Court of Appeal of Bucharest ICCJ			TRIPS PURCHASES	the case	<p><i>Merits of the case</i></p> <p>Pursuant to art. 413 par. 1 section 1 Cpc suspends the judgment of the present cause until the final solving of the file no 62136/299/2015 of Bucharest Court of Law Sector 1. With recourse for the entire suspension duration. Resolution - Suspension 18.01.2016</p> <p>Rejects the action as ungrounded. With recourse within recurs 15 days from the intimation. Pronounced today, 10.10.2016.</p> <p>Rejects the action as ungrounded. With recourse within recurs 15 days from the intimation. Given in the today's public meeting, 10.10.2016.</p> <p>Resolution no. 2961/2016.</p> <p><i>Appeal</i></p>	will establish a hearing.
25.	4912/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS POLICIES D&O	Merits of the case	<p><i>Merits of the case</i></p> <p>Accepts the request. Overrules the inadmissibility solution of the partial annulment petition of the control report no. 4371/10.07.2015. Admits the action. Partially annuls Resolution no. 59/17.07.2015, issued by the defendant regarding pct. 10, Decision no. 16/11.05.2015 issued by the defendant regarding the measure disposed at pct.II.12 from the resolution, as well as pct. 3.1.10 from the Control Report no. 4371/10.04.2015 issued by the defendant. With a right of appeal in 15 days since the communication. Resolution no. 173/26.01.2016.</p> <p><i>Appeal</i></p>	The court will establish a hearing.
26.	4946/2/2015	Administrative Court of Appeal of Bucharest	Plaintiff	Court of Auditors intervener General Concrete	Measure annulment TRIPS GENERAL CONCRETE	Merits of the case	<p><i>Merits of the case</i></p> <p>In relation to the absence of the expertise report, delays the case and reissues a letter to the expert under the sanction of applying a judiciary fine according to art. 187 of the Civil Procedure Code for not submitting the report in due time. Resolution 09.06.2017.</p>	20.04.2018
27.	4958/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS NON-RESIDENTS	Merits of the case	<p><i>Merits of the case</i></p> <p>Admits the action. Partially annuls resolution no. 59/17.07.2015, respectively regarding the rejection of section VI from the litigation no. 6420/28.05.2015 and, consequently, annuls the measure taken at section II.8 from the decision no. 16/11.05.2015 for removing the error presented at pct. 3 from the same resolution, as well as pct. 3.1.3 from the Control Report no. 4371/10.04.2005. With recourse within 15 days from the intimation, the application for exercise of attack approach to be submitted with the Bucharest Court of Appeal - Section VIII Administrative Legal and Fiscal. Pronounced March 10th 2016.</p>	The court will establish a hearing.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
							<i>Appeal</i>	
28.	4964/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS JUDGMENTS	Merits of the case	<p><i>Merits of the case</i></p> <p>Accepts the exception un acceptability for the end of request regarding the cancellation of point 3.1.7 of the Control Report no. 4371/10.04.2015 invoked by the claimant. Rejects as unacceptable the end of request regarding the cancelation 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. The recourse shall be lodged with the Bucharest Court of Appeal. Resolution no. 373/ 09.02.2016.</p> <p><i>Appeal</i></p>	The court will establish a hearing.
29.	4965/2/2015	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	Court of Auditors	Measure annulment TRIPS MICROSOFT	Merits of the case	<p><i>Merits of the case:</i></p> <p>Approves the application regarding sections 1 and 2. Admits in part resolution no. 59/17.07.2015 and judgment no. 16/11.05.2015 on section 11 from the resolution, respectively the measure from pct. II.13 of the resolution. Overrules as inadmissible pct. 3, regarding the partial annulment of the control report no. 4371/10.04.2015. With a right of appeal in 15 days since the communication. The recourse will be submitted at CAB - Section VIII. Resolution no. 236/ 28.01.2016.</p>	The court will establish a hearing.
30.	45494/3/2015	Bucharest Court of Law Section VI party	Plaintiff asked to pay a security	Managers S.N. Nuclearelectrica S.A. and AGA members.	Prejudice 708,407 lei. Execution of measure disposed by CC through the 2012 report regarding D&O policies.	Merits of the case	<p><i>Merits of the case</i></p> <p>Rejects the exception of the invoked procedure quality by the claimants Grama Mioara, Popescu Lucia -Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Accepts the exception of the prescription. Rejects the request, stating prescribed the right to action. Rejects the summons for guarantee as without an object. Obliges the claimant to pay the following trial costs: 8,226.53 lei towards the respondent Grama Mioara, 7,873.53 lei towards the respondent Popescu Lucia - Ioana and 7,925.79 lei towards the respondent Chiriac Cristiana. With a right of appeal in 30 days from the communication. Resolution no. 7583/29.11.2016.</p> <p><i>Appeal</i></p>	The court will establish a hearing.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
31.	1367/2/2016	Administrative Court of Appeal of Bucharest ICCJ	Plaintiff	ANAF	Cancellation administrative act Decision no. 25/29.01.2016.	Merits of the case	<i>Merits of the case</i> Overrules the action as not funded. With a right of appeal in 15 days since the communication. Resolution no. 2656/ 21.09.2016. <i>Appeal</i>	The court will establish a hearing.
32.	409/2/2016	Court of Appeal of Bucharest	Civil part	Tudor Ion Crime group House of insolvency Banat liquidator at CET Energoterm Resita	Tax evasion offenses, bribery, corrupt practices lei 580,974.21 lei.	Merits of the case	Procedure in progress.	16.04.2018
33.	6874/3/2016	Court of Law Bucharest	Defendant	Agentia Nucleara si Pentru Deseuri Radioactive (ANDR)	Claims 131,080.08 euros contributions according to HG no. 1080/2007 for 2010 - 2012. Contributions for the 2013-2015 for the energy difference produced and the delivered one in SEN. Penalties 2010 - 2015 until the actual payment.	Merits of the case	<i>Merits of the case</i> Rejects the exception of the prescription of the material right to action as ungrounded. Rejects the summons as ungrounded. With a right of appeal within 30 days of communication. <i>Appeal</i> Dismisses the appeal as reasonless. With appeal within 30 days from issuance Resolution no. 2006/27.11.2017. <i>Appeal</i>	The hearing is next.
34.	9230/3/2016	Bucharest Court of Law Section II	Defendant	Greenpeace CEE Romania	Communication of information in public interest Support letter Project Units 3 and 4.	Merits of the case	Accessory intervention request in the interest of the defendant the Ministry of Energy. <i>Merits of the case</i> Rejects the request as ungrounded. Accepts the accessory intervention request in favor of the claimant. With a right of appeal in 15 days since the communication. Resolution no. 6924/05.12.2016.	Judgment not drafted yet.
35.	1704/3/2017	Penal Bucharest Court of Law Section II	Plaintiff	Civitas P.S.G. SRL	Public procurement litigation.	Merits of the case	<i>Merits of the case</i> Rejects the exception of the inadmissibility of the request, invoked by the defendant-plaintiff. Approves the exception of the absence of interest of the request, invoked by the defendant - plaintiff. Rejects the request of the defendant - plaintiff as unsubstantiated. Rejects the counterclaim. Rejects the request of the defendant - plaintiff for sanctioning the plaintiff - defendant. Approves the return request formulated by the defendant - plaintiff CIVITAS P.S.G. S.R.L. Orders the return to the defendant - plaintiff CIVITAS P.S.G. S.R.L. the amount of 4,797.6 lei paid as judicial stamp tax. With recourse within 10 days from intimation. Resolution no. 3878/20.06.2017. <i>Appeal</i>	24.04.2018
36.	41419/3/2016	Civil Bucharest Court of Law Section II	Plaintiff - Defendant	Energosec S.R.L	SNN claims: 330,074.32 lei. Claims Energosec:	Merits of the case	<i>Merits of the case</i> Management of the evidence with accounting expertise.	10.04.2018

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S.N. Nuclearelectrica S.A.

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

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
					2,206,539.80 lei.			
37.	5802/118/2017	Labor Constanta Court of Law	Defendant	Union CNE Cernavoda for 757 employees	Monetary rights Hazardous condition bonus	Merits of the case		03.05.2018
38.	7036/118/2017	Labor Constanta Court of Law	Defendant	Free Union Energetica Nucleara '90 Cernavoda for 132 employees and 159 claimants on their own behalf	Monetary rights Hazardous condition bonus	Merits of the case		19.04.2018

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Term
Cernavoda NPP Subsidiary								
1.	10673/118/2010	Civil/ Court of Appeal of Constanta	Appellee Defendant	Sava Marian	Compensations	Appeal	<p><i>Merits of the case</i> Dismisses as ungrounded the exceptions of action inadmissibility, of active procedural capacity absence and of passive procedural capacity absence, invoked by the respondent SNN. Nuclearelectrica S.A. Approves the exception of lateness for the modification of the passive lawsuit framework. Dismisses as tardy formulated the claimer's request on procedural passive circumstance. Find without object the lack of procedural capacity exception of the Local Council of Cernavoda. Rejects as unsubstantiated the application for filing a lawsuit by plaintiff Sava Marian against defendant S.N. Nuclearelectrica S.A. Rejects as unsubstantiated the guarantee application formulated by defendant S.N. Nuclearelectrica S.A. against defendants the City of Cernavoda by the Mayor and the Mayor of Cernavoda. Obligates the claimer Sava Marian to pay the amount of 27,003.33 lei to the respondent S.N. Nuclearelectrica S.A. representing trial expenses (legal fee stamp, stamp fee, expert fee). With appeal within 15 days from the intimation. Civil Sentence No. 603/14.03.2016. Appeal was formulated.</p> <p><i>Appeal</i> Partially approved, by civil judgment no. 196/22.03.2017, cancels in part the appealed judgment regarding the lateness exception for the application regarding the modification of the passive lawsuit framework. Rejects as unsubstantiated the lateness exception application for modifying the passive lawsuit framework and retrials the writ of summons formulated against the defendants the Local Council of Cernavoda and the City of Cernavoda orders: Rejects the exception of the absence of lawsuit capability of the Local Council of Cernavoda as unsubstantiated. Rejects the writ of summons formulated against the defendants the Local Council of Cernavoda and the City of Cernavoda as groundless. Maintains the other provisions of the appealed judgment of Civil Judgment no. 196/22.03.2017. Final. With a right of appeal within 15 days from</p>	The hearing is next.

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							the communication. Resolution no. 196/22.03.2017. <i>Appeal</i> Resolution no. 341: rejects the appeal formulated by the recourse plaintiff Sava Marian against civil judgment no. 196 of March 22, 2017, issued by the Court of Appeal of Constanta - Civil Section II, administrative and fiscal division, as unsubstantiated. Final.	
2.	14951/118/2011 (Suspended based on art. 36 of the Law no. 85/2006)	Civil/ Medgidia Court of Law	Plaintiff	S.C. Car Construct S.R.L.	Land release SNN SA - property - concrete platform occupied by S.C. Car Construct S.R.L., based on sale- purchase agreement signed with S.C. CNE S.A.	Merits of the case	According to art. 36 of the Law no. 85/2006 (Insolvency law): was suspended the trial of the case.	Suspended.