



QUARTERLY REPORT

**OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”) for the
period January 1st - September 30th, 2018**

3rd quarter of 2018

Report date: November 2018

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1. BASIS OF THE REPORT

The quarterly report of the Board of Directors for the period January 1st - September 30th, 2018 is elaborated in virtue of the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations.

2. FINANCIAL STATEMENT ANALYSIS

The information and the unaudited simplified individual interim financial statements as at and for the period of 9 months ended on September 30th, 2018 presented in this report are not audited by the financial auditor of S.N. Nuclearelectrica S.A. and were drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on the International Accounting Standard 34 - “Interim financial reporting” adopted by the European Union.

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

2.1. Financial position statement as at September 30th, 2018

The financial position as at September 30th, 2018 is presented in **Annex 1**.

Indicator [thousand RON]	September 30th, 2018 (unaudited)	December 31, 2017 (audited, retreated)	Variation
Non-current assets	6,698,382	7,004,655	-4.4%
Current assets	2,477,489	2,239,865	10.6%
Total assets	9,175,871	9,244,520	-0.7%
Long term liabilities	1,157,141	1,308,219	-11.5%
Current liabilities	484,980	452,184	7.3%
Total liabilities	1,642,121	1,760,403	-6.7%
Equity	7,533,750	7,484,117	0.7%
Total equity and liabilities	9,175,871	9,244,520	-0.7%

Non-current assets registered a slight drop of 4.4% as compared to the level registered as at December 31st, 2017, especially due to decrease in net value of tangible assets by recording the depreciation related to January 1st - September 30th, 2018. The impact of the period’s depreciation was partially compensated by the investments capitalized for Units 1 and 2 Cernavoda CNE.

Current assets recorded a 10.6% increase as compared to December 31st, 2017, mainly due to the increase in cash (cash, cash equivalents and bank deposits with a maturity of more than three months) and prepayments for expenses related to the following periods.

Long term debts decreased by 11.5%, as compared to the values recorded as at December 31st, 2017. The decrease is mainly caused by the decrease of the long term portion of external loans, contracted from Societe Generale and EURATOM for building and commissioning Unit 2 CNE Cernavoda,

following the reclassification of the outstanding installments from long term to short-term portion, gradually as the maturity of the loans passes.

Current liabilities increased by 7.3% as compared to the values recorded as at December 31st, 2017, primarily due to the increase of the short-term deferred income, as per the contracts concluded for the supply of electricity with prepayments in advance, for electricity delivered in the following periods.

2.2. Profit and loss account for the 9-month period ended on September 30th, 2018

Over the 9-month period ended on September 30th, 2018, SNN recorded a net profit of 320,996 thousand RON.

Indicator [thousand RON]	9-month period ended on September 30 th , 2018 (unaudited)	9-month period ended on September 30 th , 2017 (audited, retreated)	Variation
Production (GWh)*	7,640	7,760	-1.55%
Operating income, of which:	1,574,294	1,401,689	12.31%
<i>Income from electricity sales**</i>	<i>1,519,372</i>	<i>1,366,427</i>	<i>11.19%</i>
Operating expenses, less depreciation and amortization	(776,293)	(696,193)	11.51%
EBITDA	798,001	705,496	13.11%
Depreciation and amortization	(416,129)	(404,903)	2.77%
EBIT	381,872	300,593	27.04%
Net financial result	17,996	(3,861)	n/a
Net income tax expense	(78,872)	(46,542)	69.46%
Net profit	320,996	250,190	28.30%

*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 13% as compared to the same period of the previous year, mainly following the increase of operational revenues by 12%, influenced by the increase by 11% of the revenues from the sale of electricity.

Following the completion of liberalizing process of electricity market in Romania, starting with 2018 the Energy Regulation National Authority (“ANRE”) no longer set for producers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the producers based on regulated contracts and electricity quantities from the regulated contracts concluded by the producers with last-instance suppliers, after completing the schedule for gradually removing regulated fees.

The **operating income** increased by 12%, influenced by the 11.7% increase in the weighted average price of the electricity sold over the period January 1st - September 30th, 2018, as compared to the weighted average price over the period January 1st - September 30th, 2017, with a total quantity of electricity sold in January 1st - September 30th, 2018 similar to the total quantity sold in January 1st - September 30th, 2017 (only 0.6% decrease). Over the 9-month period ended on September 30th, 2018, the Company did not sell energy on the regulated market (7% over the 9-month period ended on September 30th, 2017), the entire quantity of electricity being sold on the competitive market of

bilateral contracts and on the spot market. As compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts increased by 18%, and benefited from an increase of the average sale price on this market by 22% (price without Tg), while the electricity quantity sold on the spot market (PZU and PI) decreased by 27%, whereas the average selling price on this market decreased by 16% (price without Tg).

The **operating expenses** increased by 11.51% over the period January 1st - September 30th, 2018, as compared to the same period of the year of 2017. This evolution is primarily determined by the increase in personnel expenses by 37% over the period January 1st - September 30th, 2018, as compared to the same period of 2017, as a result of the actual personnel expenses recorded over the 9 months of 2018. The increase is also determined by the increase of the expenses on the electricity purchased for the compensation of the negative imbalances registered in the period and by the purchase of electricity in the second quarter of 2018 for deliveries in the same period related to the portfolio of ongoing contracts in the planned outage period, partially compensated by the decrease of the other expenses that make up the operating expenses.

Net currency exchange differences positively influenced the net result, so in period January 1st - September 30th, 2018, net financial revenues were recorded, while in the same period of the previous year net financial expenses were recorded. The main currencies to which there are exposures are EUR, CAD and USD.

The increase in **corporate tax expense** diminishes the positive influences of the other items, as a result of the increase in the taxable profit calculated for the period January 1st - September 30th, 2018, as compared to the one calculated for the period January 1st - September 30th, 2017.

The profit and loss account for the 9-month period ended on June 30th, 2018 is presented in **Annex 2**.

2.3. Execution of the Revenues and Expenses Budget as of September 30th, 2018

The revenues and expenses budget ("BVC") of SNN for the year 2018 was approved by Resolution no. 3/02.03.2018 of the General Meeting of Shareholders.

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

The BVC execution on September 30th, 2018 is presented in **Annex 3** to this report.

From the analysis of the manner of performance of the Revenue and Expense Budget as of September 30th, 2018 (presented in **Annex 3**), a degree of accomplishment of the budgeted operating revenues of 102.9% and a reduction of the operating expenses by 5.7% as compared to the budgeted level result. The performance level of the total income is 103.5%, higher than the performance level of the total expenses of 94.3%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

The gross production of electricity of the two operational units of CNE Cernavoda was 8,330,941 MWh over the period January 1st - September 30th, 2018 (of which 2,917,829 MWh in the 3rd quarter of 2018); from this gross production, the own technological consumption of the Units during operation, and during the outages ensured from own production was of 691 thousand MWh over the period January 1st - September 30th, 2018 (of which 247 thousand MWh in the 3rd quarter of 2018).

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 7,640,217 MWh over the period January 1st - September 30th, 2018, as compared to the same period of 2017 (7,760,368 MWh), representing a 1.55% decrease; in the 3rd quarter of 2018, the quantity of electricity that was produced and delivered in SEN was of 2,670,946 MWh, a 0.88% decrease, as compared to the level recorded in the 3rd quarter of 2017 of 2,694,681 MWh.

The net electricity production program approved by the Board of Directors for 2018 considered a quantity of 10,405,516 MWh: for the period January 1st - September 30th, 2018, it considered a quantity of 7,648,065 MWh, being implemented in a percentage of 99.9% and for the 3rd quarter of 2018, it considered a quantity of 2,699,489 MWh, being accomplished in a percentage of 98.9%.

The installed power usage factor, recorded by each operational unit within the CNE Cernavoda during the 3rd quarter of 2018, and cumulated after the start of commercial usage (Unit 1 on December 2nd, 1996, Unit 2 on November 1st, 2007) until September 30th, 2018 it was as follows:

CNE Cernavoda unit	Cumulated First semester 2018	July 2018	August 2018	September 2018	Cumulated 2018	Cumulated from the commercial exploitation
Unit 1	78.78%	93.87%	94.36%	95.29%	84.08%	90.47%
Unit 2	98.62%	97.44%	95.95%	85.49%	96.74%	94.46%

The lower value of the installed power usage factor at Unit 1 CNE Cernavoda reflects the influence of the planned outage with an actual duration of 786 hours, registered since May 2, 2018 at 10:53 and which ended on June 4, 2018 at 05:02.

Unplanned outages with an actual duration of 156.9 hours were also recorded over the period January 1st - September 30th, 2018, as follows:

- At unit 1 CNE Cernavoda there was an unplanned outage with a total duration of 46.3 hours: starting with March 25th, 2018, at 09:20. The Unit 1 CNE Cernavoda was disconnected for investigating and remedying the triggering caused by the inverter and voltage regulator.

- At unit 2 CNE Cernavoda there was an unplanned outage with a total duration of 17.1 hours: starting with March 29th, 2018. The Unit 2 CNE Cernavoda was disconnected following the automatic triggering of the main switch. Over the period March 25th-26th, the turbogenerator also operated at a low charge with 55% for replacing the bearing at the engine of a condensation pump, caused by high vibration.

- At unit 1 CNE Cernavoda there was an unplanned outage with a total duration of 8.5 hours: starting with July 23rd, 2018 at 16:38. Unit 1 CNE Cernavoda was disconnected following the false signal that triggered one of the systems of the turbine.

- At Unit 2 CNE Cernavoda, there was an unplanned outage for a total duration of 2.2 hours: starting August 16th, 2018, Unit 2 Cernavoda NPP was disconnected due to external causes - disconnection of power discharge line in the system, as a result of a wrong maneuver of the personnel of C.N. Transelectrica S.A. who performed maintenance works on the 400 kV line Cernavoda - Constanta North.

- At Unit 2 CNE Cernavoda, there was an unplanned outage for a total duration of 82.8 hours: starting September 5th, 2018 at 3:00 p.m. Cernavoda NPP Unit 2 was shut down in order to perform repair works at the bridge of the Fuel Upload/Download Machine ("MID").

3.2. Electricity sales

Within the activity of electricity trading, the Company is obligated to submit letters of bank guarantee to certain contractual partners, according to the provisions stipulated in the electricity sale-purchase contracts. Mainly, these refer to: the contract concluded with C.N. Transelectrica S.A. for electricity transportation (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 (Next Day 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 C.N. Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for PE representation.

For the purpose of this activity, over the period January 1st - September 30th, 2018, 49 letters of bank guarantee were issued, out of which, for 30 letters of bank guarantee, collateral deposits were set up at the equivalent amount. The cumulated value thereof is of RON 69,661,865, out of which, for RON 48,158,968, collateral deposits have been set up. Over the period January 1st - September 30th, 2018, a number of 29 collateral deposits were liquidated related to the letters of bank guarantee amounting to RON 55,951,465, issued both in 2018 and in 2016 - 2017. On September 30th, 2018, there are in the balance 56 letters of bank guarantee amounting to RON 107,082,348, out of which, for 37 letters of bank guarantee, there are collateral deposits set up amounting to RON 85,579,451.

The quantities of electricity sold over the period January 1st - September 30th, 2018 and the corresponding incomes, distributed per types of sale agreements, are presented in the table below:

Electric power sales (quantities, prices and values) over the period January 1st - September 30th, 2018

Sales by types	Quantities in MWh	% of total sales	Average price [lei/MWh with Tg included]	Revenues from sales [lei]
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	7,837,801	99.7%	194.03	1,520,763,474
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	6,466,401	82.2%	198.28	1,282,182,239
- PZU and PI sales	1,371,400	17.5%	173.97	238,581,235
PE positive imbalances ^{*)}	25,215	0.3%	149.82	3,777,770
Total sales over the period January 1st - September 30th, 2018	7,863,016	100%	193.89	1,524,541,244

^{*)} NB: RON 349,218 of the value presented represents redistributed revenues resulted from the balancing of the system, based on the application of NARE Order no. 51/2016, NARE Order no. 76/2017 and NARE Order no. 31/2018.

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 7,863,016 MWh, 1.1% more than the sales program, of 7,777,208 MWh (sized on the production estimate, without estimating unplanned outages) and by 0.56% lower than the electricity quantity sold over the period January 1st - September 30th, 2017.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (223 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 28% from the Centralized Markets, 39% from the spot market and the rest from PE. According to the sales strategy, on the Centralized Markets, 8 purchase agreements were concluded between October 2017 – April 2018, for a constant power of 85 MWh, with delivery in May 2018, at an average purchase price of 167.12 RON/MWh which partially covered the sale obligations undertaken by the contracts whose average weighted sale price in May 2018 was 187.95 RON/MWh. The electric power required to be purchased for the full coverage of contractual obligations was purchased from the spot and PE markets.

The revenues obtained from the electricity market related to electricity deliveries over the period January 1st - September 30th, 2018 are of RON 1,524,541,244 (out of which RON 349,218 represent redistributed revenues resulted from balancing the system, based on the application of NARE Order no. 51/2016, NARE Order no. 76/2017 and NARE Order no. 31/2018), 1.3% higher than the budget revenues over the period January 1st - September 30th, 2018, and respectively 10.91% higher than the revenues in the same period of the previous year.

The average weighted sale price, for the electricity quantities sold (without PE), resulted over the period January 1st - September 30th, 2018, is of 194.03 RON/MWh (including Tg). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated over the period January 1st - September 30th, 2018 (PCCB - LE, PCCB - NC, PCSU and PZU), calculated based on the values published by OPCOM in the monthly market reports, is of RON 194.10/MWh.

Over the period January 1st - September 30th, 2017, the average weighted sale price, for the energy quantities sold (without PE) was of RON 173.80/MWh (including T_g).

Starting with 2018 the Energy Regulation National Authority (“ANRE”) no longer set for manufacturers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the manufacturers based on regulated contracts and electricity quantities from the regulated contracts concluded by the manufacturers with last-instance suppliers, after completing the schedule for gradually removing regulated fees.

The sold electricity quantities on the competitive market of bilateral contracts represented over the period January 1st - September 30th, 2018, a percentage rate of 82.2% out of the total volume of the sold electric power. The average sale price on bilateral contracts over the period January 1st - September 30th, 2018 was 198.28 RON/MWh (with T_g included), recording an increase of 21% as compared to the average price recorded over the period January 1st - September 30th, 2017, of 163.54 RON/MWh (with included T_g); given the fact that the values of the electric power input transport fee in the T_g network were the following: 1.34 RON/ MWh for the period January 1st, 2017 - June 30th, 2017 according to NARE Order no. 27/June 22nd, 2016; 1.05 RON/MWh for the period July 1st, 2017 - June 30th, 2018 according to NARE Order no. 48/June 22nd, 2017 and 1.18 RON/MWh for the period July 1st, 2018 - September 30th, 2018 according to NARE Order no. 108 /June 20th, 2018.

On the spot market (PZU), over the period January 1st - September 30th, 2018, a quantity of electricity representing 17.5% of the total sales volume was sold, compared to the percentage share of 23.8% recorded over the same period of 2017. The energy average selling price on the spot market (PZU and PI) achieved by SNN over the period January 1st - September 30th, 2018 was of RON 173.97/MWh (with T_g included), as compared to RON 207.48/MWh (with T_g included) recorded over the same period of 2017.

Over the period January 1st - September 30th, 2018, SNN implemented 203 energy sale contracts, as follows:

- 137 contracts concluded on PCCB-LE;
- 56 contracts concluded on PCCB-NC;
- 8 contracts concluded on PCSU;
- 2 supply contracts.

over the period January 1st - September 30th, 2018, two contracts were rejected for signing by the buyers designated through tenders (30 tender on PCCB – NC and 2018 tender on PCCB – LE) for which indemnities were received according to the regulations of the Centralized Markets.

No contracts were terminated, and no significant delays were notified compared to the due payment terms provided in the contracts over the period January 1st - September 30th, 2018. In all the cases in which there have been delays, the Company sent notifications and charged penalties according to the contractual provisions.

The quantities of energy sold in Q2 2018 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) over the 3rd quarter of 2018

Sales by types	Quantities in MWh	% of total sales	Average price [lei/MWh with T _g included]	Revenues from sales [lei]
Sales on competitive market (bilateral contracts and PZU contracts), out of which:	2,731,492	99.8%	202.25	552,453,581
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	2,415,458	88.2%	199.30	481,394,531
- PZU sales	316,034	11.6%	224.85	71,059,050
PE positive imbalances ^{*)}	6,125	0.2%	196.33	1,202,540
Total sales over the 3rd quarter of 2018	2,737,617	100%	202.24	553,656,121

^{*)} NB: RON 270,305 of the value presented represents redistributed revenues resulted from the balancing of the system, based on the application of NARE Order no. 51/2016, NARE Order no. 76/2017 and NARE Order no. 31/2018.

The electricity quantity sold based on contracts, on the spot market (PZU) and on PE is 2,737,617 MWh, 0.27% less than the sales program, of 2,745,072 MWh (sized on the production estimate, without estimating unplanned outages) and 1.1% less than the electricity quantity sold in the 3rd quarter of 2017. 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 59% from the spot market and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in the third quarter of 2018 are RON 553,656,121 (out of which RON 270,305 represent redistributed revenues resulted from balancing the system, based on the application of NARE Order no. 51/2016, NARE Order no. 76/2017 and NARE Order no. 31/2018), 6.27% higher than the budget revenues for the 3rd quarter of 2018 and respectively 10.85% higher than the accomplishments over the same period of the previous year.

The average weighted sale price, for the electricity quantities sold (without PE), resulted in the third quarter of 2018, is 202.25 RON/MWh (including T_g). In the second quarter of 2017 the average weighted sale price, for the energy quantities sold (without PE) was 180.47 RON/MWh (including T_g).

The sold electricity quantities on the competitive market (bilateral contracts) represented, over the third quarter of 2018, a percentage rate of 88.2% out of the total volume of the sold energy. The average sale price on bilateral contracts in the second quarter of 2018 was 199.3 RON/MWh (with T_g included), recording a 19.6% increase as compared to the average price registered over the third quarter of 2017, of 166.58 RON/MWh (T_g included), given that T_g in the third quarter of 2017 was lower by 0.13 RON/MWh.

On the spot market (PZU), over the third quarter of 2018, a quantity of electricity representing 11.6% of the total sale volumes was sold, as compared to the percentage share of 23.8% recorded over the third quarter of 2017. The energy average selling price on the spot market (PZU) achieved by SNN over the third quarter of 2018 was 224.85 RON/MWh (with T_g included), compared to 226.20 RON/MWh (with T_g included) recorded over the same period of 2017.

Over the third quarter of 2018, SNN implemented 120 energy sale contracts, as follows:

- 72 contracts concluded on PCCB-LE;
- 42 contracts concluded on PCCB-NC;
- 4 contracts concluded on PCSU;
- 2 supply contracts.

3.3. Expenses in the energy market

Over the period January 1st - September 30th, 2018, the total value of the expenses on the electric power market, incurred by SNN, is of RON 61,620,456, out of which RON 32,957,768 represent expenses on the electric power purchase, RON 19,520,898 represent the expenses on the balancing market (PE), RON 8,369,107 represent Tg (the regulated tariff paid to CN Transelectrica SA for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 33,576 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 498,790 represent the tariffs paid to OPCOM SA for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

The expenses on energy purchase, in total amount of RON 32,957,768 (January 1st – September 30th, 2017: RON 10,822,101), for the purpose of providing the full compliance with the electricity delivery contractual obligations during the planned and unplanned outages of the Units of CNE Cernavoda; the purchased quantity of electric power was of 149,598 MWh (January 1st – September 30th, 2017: 42,197 MWh), at an average price of 217.71 RON/MWh (January 1st – September 30th, 2017: 256.47 RON/MWh).

Over the period January 1st - September 30th, 2018, from the Centralized Markets, electricity amounting to RON 10,568,520 was purchased - for 63,240 MWh, and on the spot market (DAM and PI) amounting to RON 22,389,248 (the actually incurred expenses amounted to RON 22,000,172; the Company recognized on September 30th, 2018, a preliminary quarterly commitment for electric power to be purchased over the period of unplanned outages, amounting to RON 389,076) - for 86,358 MWh.

The PE expenses, over the January 1st – September 30th, 2018, amounted to RON 19,520,898, the purchased quantity of electric power being of 73,153 MWh (over the January 1st – September 30th, 2017: RON 36,224,758, the purchased quantity of electric power being of 104,503 MWh). This amount represents the counter value of the energy received from the Balancing Market for the compensation of the negative imbalances which occurred because of the differences between the quantities of actual delivered energy and quantities notified on the market as per the daily prognosis for each hour frame and the value of the imbalance upon notification.

Over the third quarter of 2018, the total value of the expenses on the electric power market, incurred by SNN, is of RON 23,976,541, out of which RON 12,079,404 represent expenses on the electric power purchase, RON 8,451,062 represent the expenses on the balancing market (PE), RON 3,151,585 represent Tg (the regulated tariff paid to CN Transelectrica SA for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 13,430 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 174,139 represent the tariffs paid to OPCOM SA for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

The expenses on electric power purchase from the spot market (PZU), in total amount of RON 12,079,404 (the actually incurred expenses amounted to RON 11,690,328; the Company recognized on

September 30th, 2018, a preliminary quarterly commitment for electric power to be purchased over the period of unplanned outages, amounting to RON 389,076) (the third quarter of 2017: RON 5,334,354), are done for the purpose of providing the full compliance with the electricity delivery contractual obligations during the unplanned outages of the Unit 2 of CNE Cernavoda; the purchased electricity quantity was 39,183 MWh (third quarter of 2017: 17,837 MWh), at an average price of 298.35 RON/MWh (third quarter of 2017: 299.06 RON/MWh).

The PE expenses in the third quarter of 2018 amounted to RON 27,487, the purchased quantity of electric power being of 27,487 MWh (third quarter of 2017: RON 21,006,248, the purchased quantity of electric power being of 55,409 MWh).

The expenses on electric power procurement and negative imbalances was lower in the third quarter of 2018 as compared to the third quarter of 2017, as a result of a lower number of unplanned outage hours, correlated with the purchase price drop.

3.4. Investment program on September 30th, 2018

The total value of the investment program of SNN for 2018 is 244,867 thousand lei (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/02.03.2018 of the Ordinary General Assembly of Shareholders of SNN.

The comparative situation of the investment accomplishments (value and percentage) for January 1st - September 30th, 2018 compared to the same period of 2017 is presented in the table below:

Year	Value of the investment program [thousand RON]	Performed (January 1st - September 30th) [thousand RON]	Achievement level (January 1st - September 30th) (%)
2018	244,867	116,626	47.6%
2017	231,593	61,836	26.7%

As in the previous years, the highest share in the investment program is for long term investments (ongoing). This is due to the need of upgrade/replacement of certain systems, out of economic 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 September 30th, 2018

The investment program of SNN for 2018 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 14,177 thousand RON – the value achievement degree as of September 30th, 2018 is of 39.3%. In January 1st - September 30th, 2018, the construction and assembly works were completed, and the acceptance upon completion of works was made for Module 30 DICA., as well as the physical protection works related to Module 2018. For Macstor 200 Modules 10 and 11 the contracting of the construction and assembly works was completed, the building permit was obtained and the works commencement order was issued. The assembly - construction works are in progress, but they record delays due to late completion of the contracting process, due to the complex procedure, and the inefficient performance of the services provided by the contractor, which resulted in the delay of the works. At the same time, the company contracted services of re-updating the DICA plans necessary for obtaining the environment permit for DICA with Macstor 400 modules starting with Module 12 and the building permit for Modules 10 and 11. There are delays in contracting the physical protection works for Module 9, caused by the modification of the contracting strategy and the decision to redo the procurement documentation, so the contracting will be made cumulatively for Modules 9, 10 and 11 by two procedures: one with a sole source and one with a competitive source. The procurement of the environmental assessment and development studies, in order to obtain the Environmental Agreement for the Macstor 400 type modules, starting with Module 12, is hampered by the complexity thereof, respectively delayed. The opening of the offers took place on August 17th, 2018, SNN proceeded to the analysis of the offer and clarifications were requested to the sole bidder enrolled in the competition. As it did not send a response within the assigned timeframe, the procedure is being canceled.

- **“Modernization and expansion of the physical security system”**: budget 16,600 thousand RON – the achievement value degree on September 30th, 2018 is of 18.6%. The delayed contracting of some works and the necessity of obtaining the industrial security certificate (ORNIS) caused delays in the performance of the activities in the contractual schedule. The revised economic estimates were redone several times following the observations of the engineers within CNE Cernavoda. At the end of May 2018, the contractor sent the final form of the estimates in order to be included in the addendum to the contract. The addendum to the contract sent to SNN for approval on May 22nd, 2018 was signed in July 2018. The actual physical protection works are in progress.

- **“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 26,241 thousand RON - achievement value degree on September 30th, 2018 is of 17.6%. Within the objective of change of the destination of the existing constructions on Unit 5 site, the design activities have been completed and addendum no. 5 to the contract has been signed. This process has accumulated delays caused by the fact that the design documentation sent by the contractor does not fully comply with the requirements of CNE, and reiterations are necessary in the approval process, by consequently extending the approval and the implementation. Preparatory activities were carried out and the implementation in the planned outage in 2018 of MPA EC 3188 was completed – Qualification to severe accident and earthquake of the loop 1-63432-L11 and provision of indications in SCA.

- **“Extending the life cycle of unit 1 by re-tubing the reactor and refurbishing the main systems (studies)”**: budget 10,373 thousand RON - the accomplishment degree value-wise on September 30th, 2018 is of 22.3%. SNN joined Candu Owners Group (COG) within the Integrated Material Surveillance Program (IMSP), in order to acquire the data needed for the elaboration of the fuel channel studies. The expenses incurred by September 30th, 2018 are largely the cost related to SNN joining the program run by COG, and the report on the results of the analyses being due to be received at the beginning of 2019. The participation in this program provides SNN with the possibility to meet the requirements of standard CSA N 285.4. The development of the revamping project is at an early stage, being subject to changes in terms of strategy/approach during the development thereof. These changes are due to the international practice in this field, as well as to the fact that the service procurements that have to be made are very complex. For this reason, it was preferable to start several market consultations, in order to obtain relevant information from the companies having provided before CANDU reactor-type revamping services.

- **“Modernization of the communication infrastructure, fitting the data center according to the TIA 942-1 standard and implementing measures for mitigating the information security risk”**: budget 2,170 thousand RON – until September 30th, 2018 the purchase for the first stage was initiated - fitting the data center, structured cabling and communication infrastructure.

- **“Capital repairs on the R53 rotating press”**: budgeted 1,840 thousand lei – the procurement initiation documentation was completed, but until September 30th, 2018 there were no value accomplishments for this investment objective.

- **“SNN contribution to the establishment of the IPP company type for the completion of Units 3 and 4”** estimated to 9,100 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 CNE Cernavoda. The essential prior condition is represented by the approval by EGMS 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 5,915 thousand lei (equivalent value 1,300 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. On September 30th,2018 this investment was made at a value of 5,033 thousand RON. The difference between the realized and the budgeted value represents the savings for the benefit of the company.

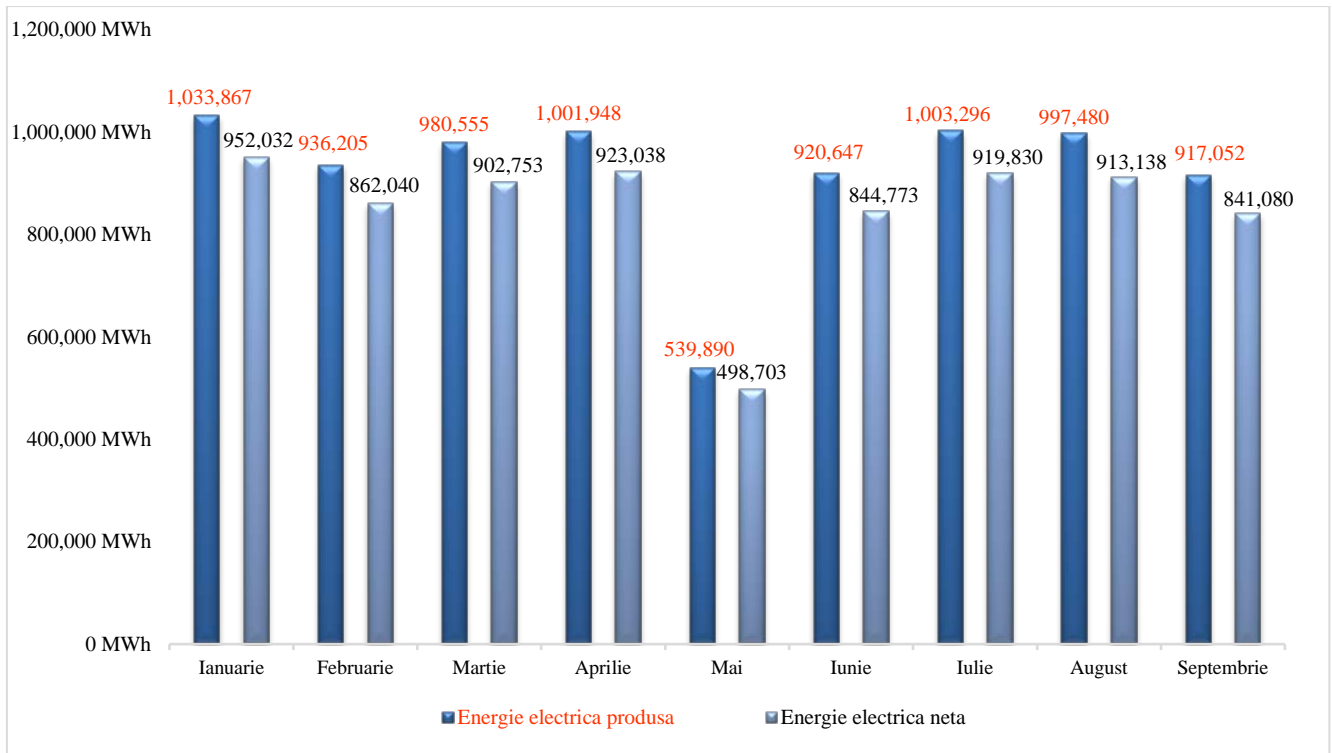
3.5. Activity of the Cernavoda CNE Branch

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.

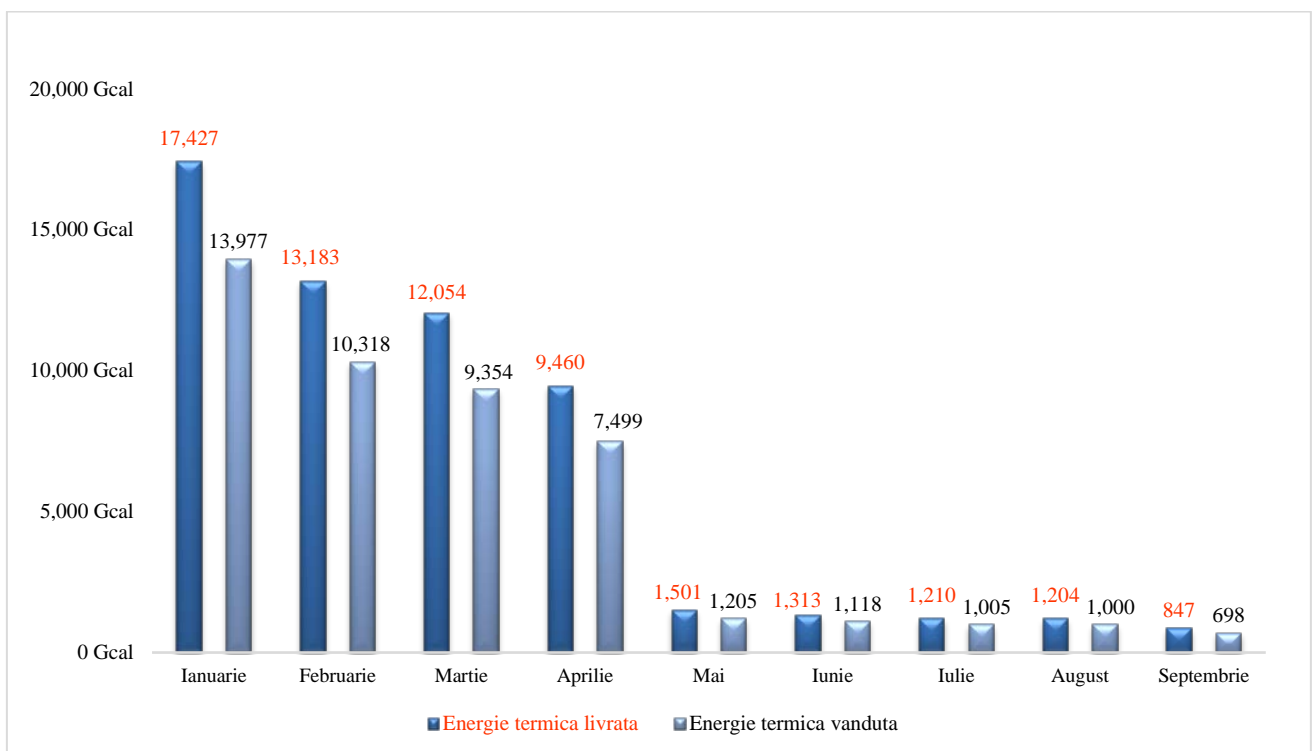
Over the period January 1st - September 30th, 2018, no operation event exceeding level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in depth defense barriers, impact on the site or outside (INDICATOR 2018).

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

Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 8,330,940/Net electricity delivered: 7,657,387)
(Own technological consumption cumulated for 2018: 8.14%)

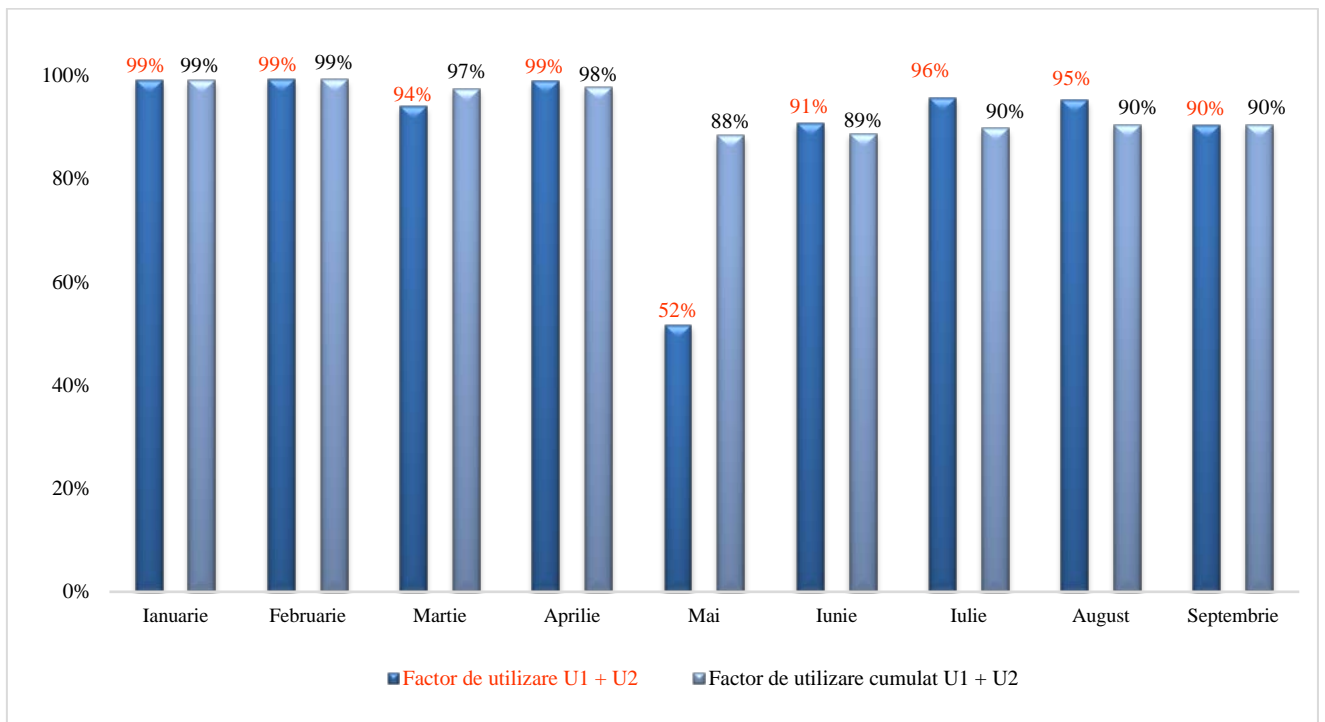


Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 58,199/Sold thermal energy: 46,174)

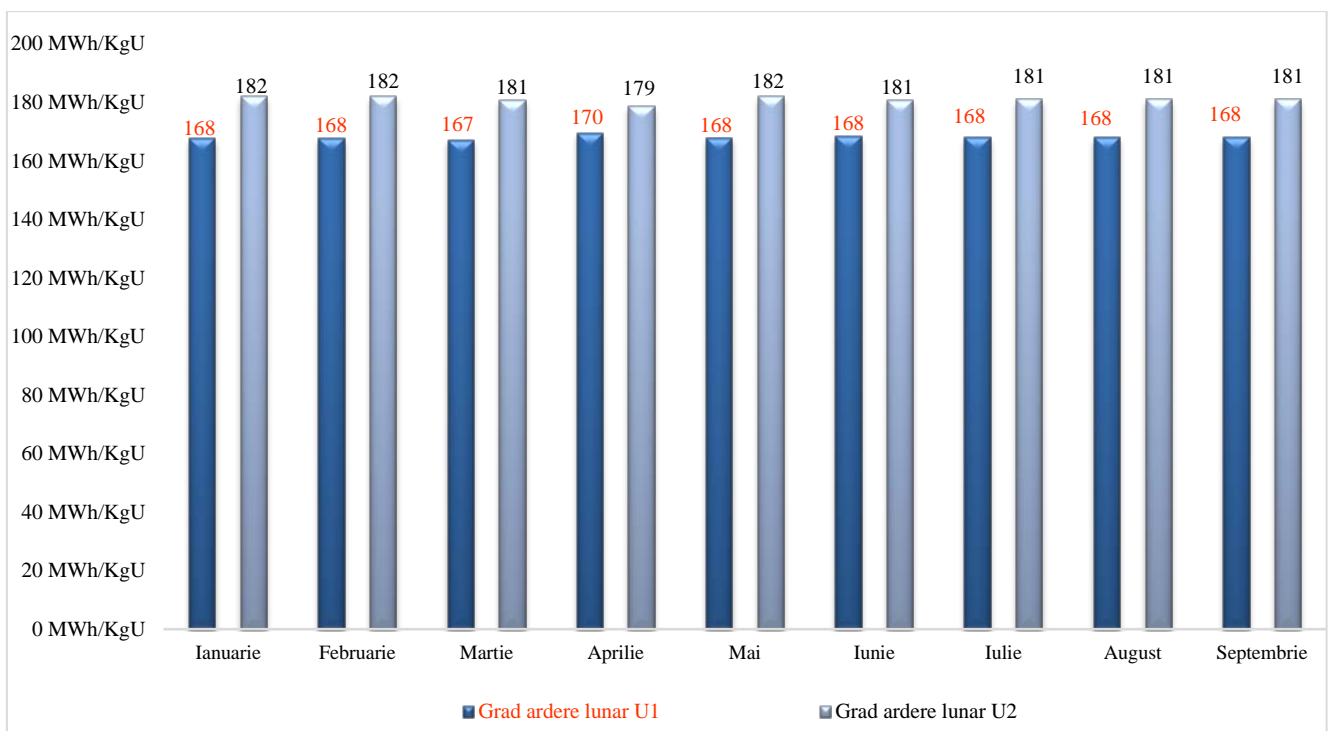


This is a free translation from the Romanian version. In case of any difference between the Romanian and English version, the Romanian version prevails.

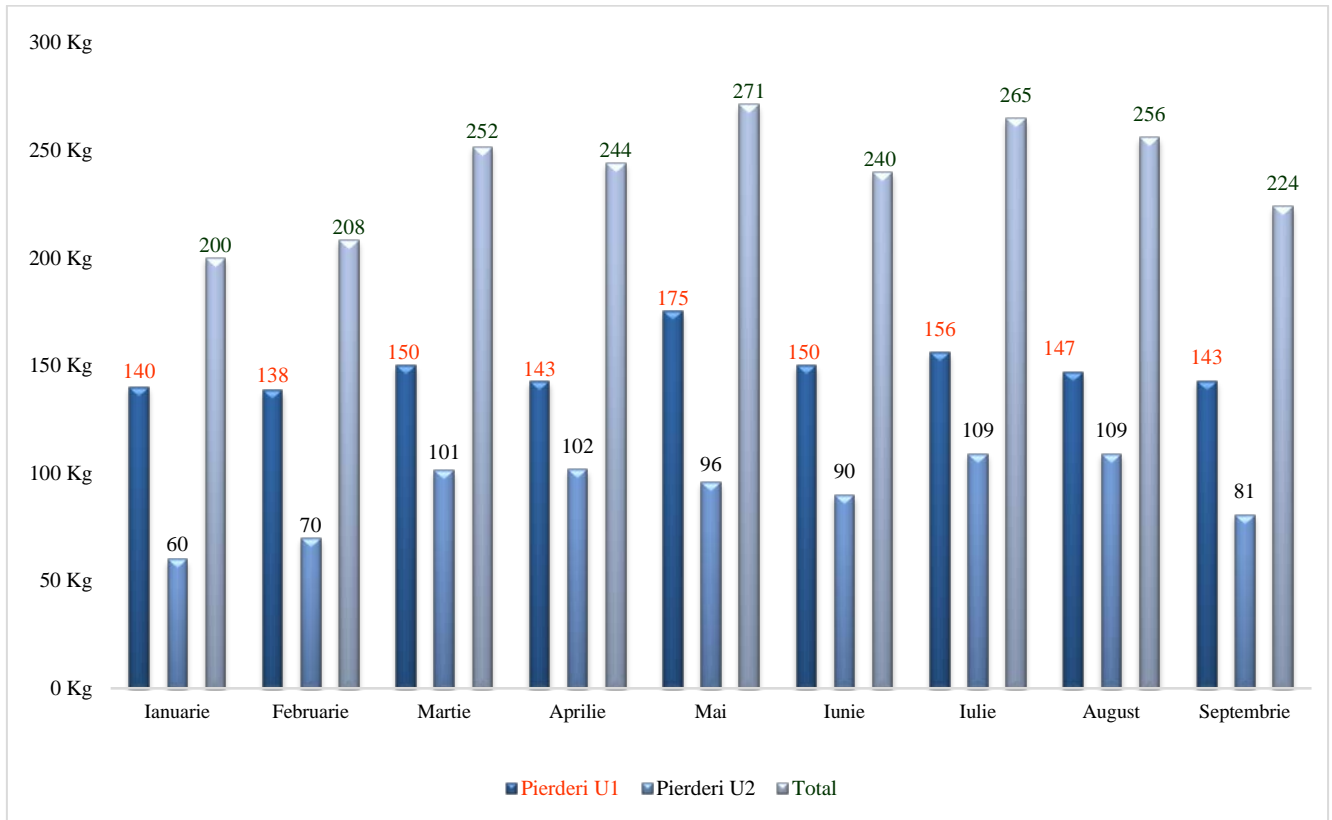
Installed capacity factor U1 + U2 (%)
(Cumulated 2018: 90.41%)



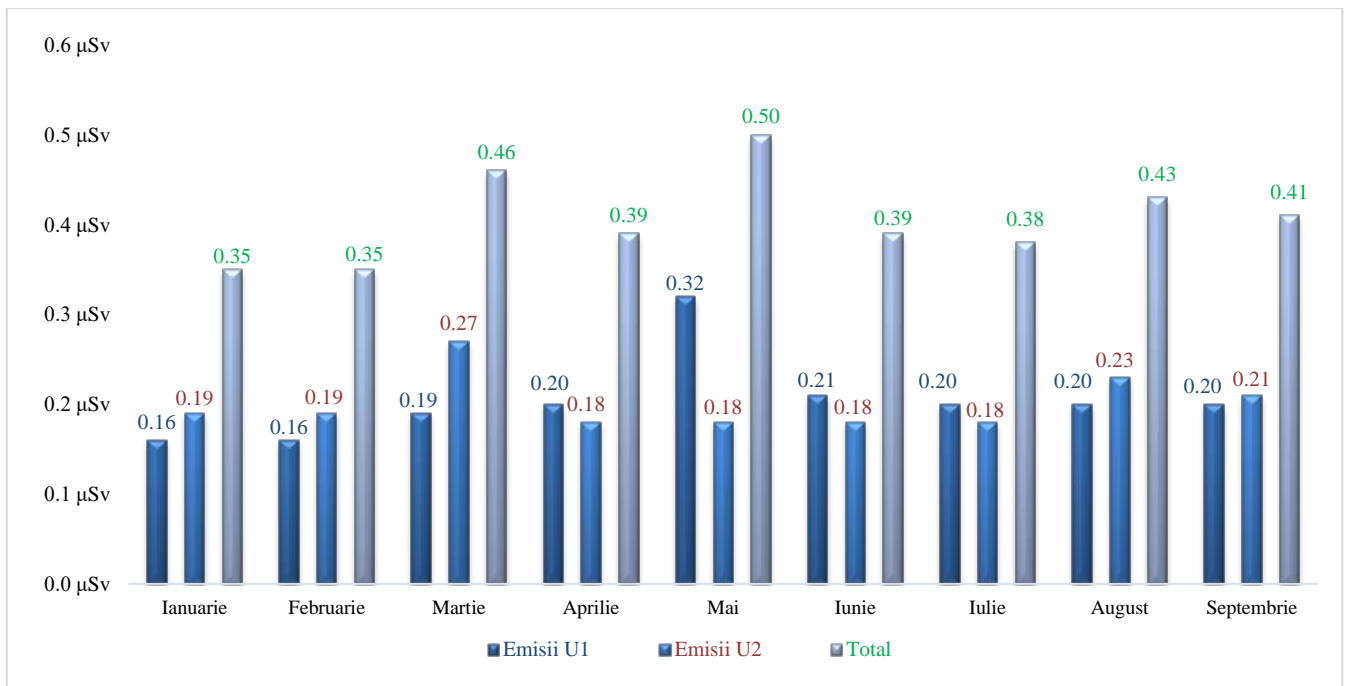
Nuclear fuel burn up degree (MWh/KgU)
(Cumulated 2018: 175/Provided in the project: min. 156)



Heavy water loss U1+U2 (Kg)
(Cumulated 2018: 2,161/Provided: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (µSv)
(Total cumulated 2018: 3.66/Annual limit: 8.5)



3.6. Activity of the FCN Pitesti Branch

Over the period January 1st - September 30th, 2018, the FCN Pitesti Branch manufactured, controlled and accepted 8,144 nuclear fuel bundles, according to the manufacture plan, all of them within the specifications, and the production of nuclear fuel bundles decreased by 5.5% as compared to the same period of 2017, when 8,617 bundles were manufactured, inspected and accepted. Thus, in the first quarter of 2018, the company manufactured, inspected and accepted 2,938 nuclear fuel bundles (first quarter of 2017: 3,106), in the second quarter 2,903 (second quarter of 2017: 2,954), and in the third quarter 2,303 (third quarter of 2017: 2,557).

Over the period January 1st - September 30th, 2018, FCN Pitesti branch delivered to CNE Cernavoda a quantity of 7,920 nuclear fuel bundles (January 1st - September 30th, 2017: 7,920 bundles), and complied with the agreed delivery schedule: 2,160 nuclear fuel bundles delivered in the first quarter of 2018 (first quarter of 2017: 2,160), in the second quarter 2,880 (second quarter of 2017: 2,880) and respectively 2,880 in the third quarter (third quarter of 2017: 2,880).

Over the period January 1st - September 30th, 2018, for the production of nuclear fuel, sintering powder of uranium dioxide was consumed, at an average price of 346.07 RON/kg, derived from the existing storage on January 1st, 2018, from the purchases from supplier Cameco Inc., and from the powder resulted from the processing of the non-compliant nuclear material. (at Compania Nationala a Uraniului – Feldioara Branch).

By Resolution no. 5/April 25th, 2018 of the Ordinary General Meeting of the Shareholders of SNN, the strategy of diversification of the sources of supply with the raw materials necessary for generating nuclear fuel was approved. On September 30th, 2018, the provider qualification documentation is being prepared and the storage activity planning for the raw materials to be purchased is in working progress.

4. OTHER SIGNIFICANT ASPECTS

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

The main benchmarks for continuing the Project Units 3 and 4 CNE Cernavoda, over the period January 1st - September 30th, 2018, are the following:

- 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.

In February - March 2018 there were negotiations regarding the undisputed aspects concerning the Investors' Agreement.

By letter of the General Department for Privatization and State Energy Interest Management (DGPAPSE) no. 261387/June 25th, 2018, SNN was informed about the approval, during the Government meeting as of June 21, 2018, in the confidential section, of the Memorandum on the

“Approval of the necessary measures to provide the continuity of Units 3 and 4 in CNE Cernavoda Project and the finalization of the negotiations with the selected investor”. At the same time, DGPAPSE requested to SNN to take the necessary steps in order to implement the provisions of the Government Memorandum.

- On July 16th, 2018, the Board of Directors of SNN approved the revised form of the Project Continuation Strategy, with the recognition of the milestones performed to date, including those performed pursuant to the provisions of the Government Memorandum no. 20/12683/MB as of July 13th, 2017, and the subsequent mandate granted to the Board of Directors of SNN via the GMS Resolution no. 6/August 24th, 2017. The EGMS of SNN approved on September 14th, 2018 the reviewed form of the Project Continuation Strategy, in line with the requirements of the Government Memorandum.
- The main amendments brought to the Strategy are the segregation of the rights and obligations of SNN and respectively of the Romanian State, intended to lead to the increase in the efficiency of the process by means of a 2-level approach: (1) B2B: SNN - CGN and (2) G2G: Government of Romania – Government of the Popular Republic of China. The new format of new negotiation committee creates the premises for the completion of the negotiations for the Preliminary Investors’ Agreement by December 31st, 2018, the signing of the Investment Documents (the Investors’ Agreement and the Articles of Incorporation of JVCo) and the establishment and operation of the project-related joint venture (JVCo) on January 31st, 2019.
- On September 21st, 2018, following the Resolution of the EGMS as of September 14th, 2018, the Board of Directors of SNN sets out the terms and conditions for the continuation of the negotiations, in order to enable the establishment of JVCo.

4.2. Litigation with the shareholder 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.

On February 20, 2018 Fondul Proprietatea S.A. filed an appeal against the sentence issued on the merits and on the appeal judgment date of May 18, 2018, the Bucharest Court of Appeal rejected the appeal filed by Fondul Proprietatea S.A. as ungrounded, the court decision being final.

By final decision, Bucharest Court of Appeal rejected the appeal filed by Fondul Proprietatea S.A., thus maintaining as grounded and lawful the sentence of Bucharest Court by which the lawfulness of the Resolution of the Extraordinary General Meeting of Shareholders no.8/06.10.2014 was stated. Thus, SNN won the litigation initiated by the shareholder Fondul Proprietatea S.A.

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 work authority on trial, invoked by SNN, as groundless, and approved the evidence with documents and accounting studies, and prorogated the technical study related to the classification in the radiological risk areas after SNN submitted the documents. The following hearing date is on January 17th, 2019.

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. The court approved the evidence with documents and accounting study, and prorogated the technical expertise related to the classification in the radiological risk areas after SNN submitted the documents. The following hearing date is on November 22nd, 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. Until now, the first ten instalments have been paid.

4.6. Changes in the management of the Company

By Resolution no. 153/August 22nd, 2018, the Board of Directors of SNN appointed Mr. Cosmin Ghita as the General Manager of SNN, for 2 months, starting with September 5th, 2018, namely a temporary mandate.

By Resolution no. 153/August 22nd, 2018, the Board of Directors of SNN appointed Dan Laurentiu Tudor and Toni Viorel Lary as Deputy General Managers of SNN, for 2 months, starting with

September 5th, 2018, namely temporary mandates. Mr. Dan Laurentiu Tudor is responsible for coordinating public procurements, legal activities, corporate business and human resource strategies and policies on SNN level, and Mr. Toni Viorel Lary is responsible for coordinating the activities related to the development of investment projects and activities for obtaining revenues related to energy transactions.

By Resolution no. 153/August 22nd, 2018, the Board of Directors of SNN appointed Mr. Adrian Gabriel Dumitriu as the Financial Manager of SNN, for 2 months, starting with September 5th, 2018, namely a temporary mandate.

By Resolution no. 12 /September 28th, 2018 of the Ordinary General Meeting of the Shareholders of SNN, the structure of the Board of Directors of SNN was approved, for a four-year term, starting with September 28th, 2018, as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Iulian – Robert Tudorache ^{*)}	28.09.2022
2.	Cosmin Ghita ^{**)}	28.09.2022
3.	Dumitru Remus Vulpescu	28.09.2022
4.	Cristian Gentea	28.09.2022
5.	Elena Popescu	28.09.2022
6.	Cristian Dima	28.09.2022
7.	Mihai Daniel Anitei	28.09.2022

^{*)} *Chairman of the Board of Directors of SNN, in virtue of the Resolution of the Board of Directors no. 165/October 2nd, 2018.*

^{**)} *Also occupies the position of General Manager of SNN.*

By resolution no. 166/October 2nd, 2018, the Board of Directors of SNN established the structure of the advisory committees, as follows:

- The Audit Committee for Nomination and Remuneration: *Cristian Dima*, Iulian – Robert Tudorache and Dumitru Remus Vulpescu;
- The Audit Advisory Committee: *Dumitru Remus Vulpescu*, Cristian Dima and Mihai Daniel Anitei;
- The Advisory Committee for Nuclear Safety: *Cristian Gentea*, Elena Popescu and Cosmin Ghita;
- Advisory Committee for Strategy, Development and Large Investment Projects: *Elena Popescu*, Cristian Gentea, Mihai Daniel Anitei, Cosmin Ghita and Iulian – Robert Tudorache.

By Resolution no. 176 /October 23rd, 2018, the Board of Directors of SNN approved the extension of the terms of office of the CEO, Deputy CEOs and the CFO for a period of 4 months, starting with November 6th, 2018, respectively temporary mandates.

By Resolution no. 186 /October 29th, 2018, the Board of Directors of SNN approved the initiation of the selection procedure of the CEO, two Deputy CEOs and the CFO, in compliance with the provisions of art. 35 of the Emergency Ordinance no. 109/2011 on Corporate Governance of Public Enterprises, as further amended and supplemented, and the empowerment of the Nomination and Remuneration Advisory Committee for the performance of the selection procedure.

4.7. Amendment of the Articles of Incorporation of the Company

By Resolution no. 4/02.03.2018 of the Extraordinary General Assembly of Shareholders, the amendment of the Articles of Incorporation of SNN, according to the report submitted to the shareholders for this topic on the agenda (topic 2 of the AGEA agenda of March 2, 2018), was approved. The modifications mainly target: the elimination of the secondary scope of activity - NACE code 3512 "Transmission of electricity"; reformulating certain articles or removing some provisions that are unclear, redundant or no longer up-to-date following the amendment of the legal framework; removal of the provisions of art. 7 para. (8) regarding the delegation to the Board of Directors of the increase of the share capital by issuing new shares in exchange of shareholder contributions, provisions that are no longer up-to-date; the share capital increase was completed on December 3, 2015; clarifying and supplementing the organization and attributions of the General Assembly of Shareholders.

4.8. Signing the Memorandum of SNN - CESINA

On March 14, 2018 a Memorandum of Understanding with the Partnership for Research and Education for Advanced Nuclear Systems ("CESINA"), represented by the Institute for Nuclear Research within the Autonomous Administration for Nuclear Energy ("RATEN – ICN") was signed.

The goal of the signing of this memorandum is to involve both signing parties in the acceleration of development and the use of advanced technologies with low emissions of carbon dioxide, improving new technologies and reducing costs by coordinating the national research efforts, and involving SNN in the development of the nuclear technologies of the future, as means for the durable use of nuclear energy in Romania, complementary to the current nuclear program.

The Memorandum of Understanding has a validity period of 3 years after the signing date, and can be extended with the agreement of the parties.

4.9. Approving the distribution of the net profit of financial year 2017

By Resolution no. 5/25.04.2018 of the Ordinary General Assembly of Shareholders of SNN the distribution of the net profit of financial year 2017 by destinations was approved, the total value of gross dividends in value of 271,362,466 lei, the value of the gross dividend per share in value of 0.9 lei, the dividend payment date, namely the date of June 28, 2018 and the payment methods, according to the report submitted to the shareholders for this topic on the agenda (section 5 of the AGOA agenda of April 25, 2018).

4.10. Approving the strategy of diversifying the supply sources

By Resolution no. 5/April 25th, 2018 of the Ordinary General Meeting of the Shareholders of SNN, the strategy of diversification of the sources of supply with the raw materials necessary for generating nuclear fuel was approved.

4.11. Planned outage of Unit 1 CNE Cernavoda

Starting from May 2, 2018 at 11:00 o'clock, Unit 1 CNE Cernavoda entered the planned outage program and the synchronization with the National Energy System was made on June 4, 2018 at 05:02 o'clock.

During the period of planned outage made once every two years, more than 10,500 activities of the following programs were carried out:

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

All the objectives of the planned outage were achieved under safety conditions for the staff of the plant, for the public and the environment, according to the procedures approved used by CNE Cernavoda Branch.

4.12. Signature of the Agreement between SNN - Polytechnic University of Bucharest

On May 31, 2018 an agreement was signed with the Polytechnic University of Bucharest for granting 25 scholarships; each scholarship amounts to 2,000 RON/months for the university years 2018 – 2019 and 2019 – 2020.

The selection of the faculties within the Polytechnic University of Bucharest was made based on the needs of CNE Cernavoda Branch for recruitment retention and training of specialists both for the current operation and production activities and for the major investment projects (Project for Refurbishing Unit 1 CNE Cernavoda; the Project Units 3 and 4 CNE Cernavoda).

Details about the way of granting these scholarships are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro).

4.13. Launch of the mobile phone application “SNN Access”

By the Current Report published on June 7, 2018, S.N. Nuclearelectrica S.A. announces the launch of the mobile phone application, “SNN Access”, destined to the relation with the investors. S.N. Nuclearelectrica S.A. is the first company listed on the Bucharest Stock Exchange (apart from it), which launched such application. The “SNN Access” application may be downloaded from the Android and Apple stores or from the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro).

4.14. Implementing the Business Ethics and Conduct Code

By the Current Report published on July 5, 2018, S.N. Nuclearelectrica S.A. announces the implementation of the Business Ethics and Conduct Code, applicable to the managers, employees, business partners, contractors and consultants of the company.

The Business Ethics and Conduct Code is drafted according to the most recent business and governance standards and can be accessed from the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), “Relations with investors/Corporate governance/Regulations” section.

4.15. Project of the Tritium Removal Facility at Cernavoda NPP

By Resolution no. 9/August 22nd, 2018 of the Extraordinary General Assembly of Shareholders of SNN, the implementation Strategy of the Investment Project entitled “Tritium Removal Facility at CNE Cernavoda” was approved, according to the note submitted to the shareholders for this item on the agenda (section 6 of the AGEA agenda as of August 22nd, 2018).

4.16. Empowerment of the Board of Directors to conduct a due diligence-type analysis

By Decision no. 9 /August 22nd, 2018 of the Extraordinary General Meeting of the Shareholders of SNN, the empowerment of the Board of Directors for the performance of a due diligence (technical, environmental, financial, legal) analysis was approved, in view of a potential takeover of the uranium octoxide processing line (U3O8) in uranium dioxide (UO2) from CNU Branch Feldioara.

4.17. Changes in the management of the CNE Cernavoda branch

By the Current Report published on August 30th, 2018, S.N. Nuclearelectrica S.A. informs the shareholders and investors that, starting with September 1st, 2018, Mr. Dan Bigu will be the Manager of the CNE Cernavoda Subsidiary, as a result of the completion of the internal competition to fill this position, in compliance with the applicable legal provisions.

4.18. Major litigations

The situation of the major litigations (in amount of over 500 thousand lei) and of the monetary unevaluated ones in progress on September 30th, 2018 is presented in **Annex 4**.

4.19. Other information

The quarterly report of the Board of Directors for the period January 1st - September 30th, 2018, is accompanied by the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 9 months ended on September 30th, 2018; 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 SEPTEMBER 30TH, 2018

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

Indicator name	Calculation method	M.U.	Value September 30 th , 2018 ^{*)}
1. The current liquidity indicator	Current assets/ Current debts	x	5.11
2. Indebtedness degree indicator			
2.1. Indebtedness degree indicator (1)	Borrowed capital/ Equity x 100	%	12.8%
2.1. Indebtedness degree indicator (2)	Borrowed capital/ Engaged capital x 100	%	11.4%
3. Speed ratio of debts - Customers	Average customer balance/ Turnover x 270	days	23
4. Turnover speed of fixed assets^{**)}	Turnover/ Non-current assets	x	0.3

^{*)} Based on the Unaudited Simplified Individual Interim Financial Statements on the date and for the 9-month period ended on September 30th, 2018.

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

6. THE ACHIEVEMENT DEGREE OF THE PERFORMANCE INDICATORS

The changes occurred in 2017 in the management of SNN, 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 SNN with the members of the Board of Directors.

The management contracts concluded by SNN with the members of the Board of Directors starting with December 28th, 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.

By Resolution no. 12 /September 28th, 2018 of the Ordinary General Meeting of the Shareholders of SNN, the structure of the Board of Directors of SNN was approved, for a four-year term, starting with September 28th, 2018, as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Iulian – Robert Tudorache ^{*)}	28.09.2022
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6.	Cristian Dima	28.09.2022
7.	Mihai Daniel Anitei	28.09.2022

^{*)} Chairman of the Board of Directors of SNN, in virtue of the Resolution of the Board of Directors no. 165/October 2nd, 2018.

^{**)} also occupies the position of General Manager of SNN.

The Board of Directors is in the process of elaboration of the Management Plan for the 4-year period of the administration mandate, including the setting of the performance indicators, to be submitted to the approval of the General Meeting of the Shareholders. Following the establishment of the performance indicators, as well as the targets thereof, the Board of Directors will report the degree of accomplishment thereof.

**Iulian Robert Tudorache,
Chairman of the Board of Directors**

**Approved,
Adrian Gabriel Dumitriu,
Financial Manager**

Annex 1 – Report on the financial position on September 30th, 2018

	September 30 th , 2018 (unaudited)	December 31, 2017 (audited, retreated)	January 1, 2017 (audited, retreated)
Assets			
Non-current assets			
Tangible assets	6,433,321,369	6,724,074,076	7,102,223,970
Intangible assets	49,856,878	62,535,958	80,636,405
Financial investments	141,689,201	141,689,201	141,689,201
Financial assets	73,514,741	76,355,852	22,414,346
Total non-current assets	6,698,382,189	7,004,655,087	7,346,963,922
Current assets			
Inventories	343,576,079	332,348,618	331,057,122
Trade and other receivables	163,619,257	150,443,354	162,063,302
Payments made in advance	16,639,572	10,895,537	12,699,411
Bank deposits	807,196,641	1,172,273,956	1,222,658,922
Cash and cash equivalents	1,146,457,133	573,903,315	263,714,387
Total current assets	2,477,488,682	2,239,864,780	1,992,193,144
Total assets	9,175,870,871	9,244,519,867	9,339,157,066
Equity and liabilities			
Equities			
Share capital, out of which:	3,210,641,253	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>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>	<i>195,502,743</i>	<i>195,502,743</i>	<i>195,502,743</i>
Share premiums	31,474,149	31,474,149	31,474,149
Reserve paid in advance	21,553,537	21,553,537	21,553,537
Revaluation reserve	217,172,239	236,534,798	263,354,767
Retained earnings	4,052,909,314	3,983,913,022	3,862,326,708
Total own equity	7,533,750,492	7,484,116,759	7,389,350,414
Liabilities			
Long term liabilities			
Long term borrowings	760,246,907	894,848,799	1,087,961,815
Provisions for risks and expenses	134,191,803	137,036,268	118,032,110
Deferred revenues	118,343,458	129,101,954	143,446,616
Deferred tax liability	111,030,442	113,903,761	131,608,365
Employee benefits	33,328,029	33,328,029	31,907,053
Total long term liabilities	1,157,140,639	1,308,218,811	1,512,955,959
Current liabilities			
Accounts payable and other liabilities	182,479,714	180,632,919	178,645,222
The current share of provisions for risks and expenses	39,129,951	31,838,166	24,662,564
Current tax liability	29,005,065	21,726,375	6,431,972
Deferred revenues	27,185,845	12,331,535	6,181,408
Current portion of the long term borrowings	207,179,165	205,655,302	220,929,527
Total current liabilities	484,979,740	452,184,297	436,850,693
Total liabilities	1,642,120,379	1,760,403,108	1,949,806,652
Total equities and liabilities	9,175,870,871	9,244,519,867	9,339,157,066

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Annex 2 - Profit and Loss Account for the 9-month period ended on September 30th, 2018

	3-month period ended on September 30th, 2018 (unaudited)	3-month period ended on September 30th, 2017 (audited, retreated)	9-month period ended on September 30th, 2018 (unaudited)	9-month period ended on September 30th, 2017 (audited, retreated)
Incomes				
Sales of electricity	550,747,264	496,708,255	1,519,372,107	1,366,426,998
Electricity transport revenues	3,151,585	2,829,309	8,369,107	9,617,086
Total incomes	553,898,849	499,537,564	1,527,741,214	1,376,044,084
Other income	13,707,296	9,178,805	46,552,390	25,644,905
Operating expenses				
Depreciation and amortization	(144,029,912)	(132,903,834)	(416,128,755)	(404,902,807)
Personnel expenses	(109,366,533)	(79,578,226)	(314,386,314)	(228,715,437)
Cost of traded electricity	(20,530,467)	(26,340,603)	(52,478,667)	(47,046,859)
Repairs and maintenance	(15,016,605)	(14,974,407)	(65,112,322)	(53,317,547)
Electricity transmission expenses	(3,151,585)	(2,829,310)	(8,369,107)	(9,617,086)
Cost with spare parts	(1,330,498)	(2,558,042)	(13,199,634)	(15,870,274)
Cost of nuclear fuel	(26,923,348)	(34,132,463)	(78,432,238)	(91,597,936)
Other operating expenses	(80,639,694)	(83,955,355)	(244,314,408)	(250,027,815)
Total operating expenses	(400,988,642)	(377,272,240)	(1,192,421,445)	(1,101,095,761)
Operating profit	166,617,503	131,444,129	381,872,159	300,593,228
Financial costs	(15,430,736)	(27,565,607)	(47,146,701)	(64,958,489)
Financial income	18,490,860	12,222,766	65,142,411	61,097,122
Net financial revenues/(expenses)	3,060,124	(15,342,841)	17,995,710	(3,861,367)
Profit before profit tax	169,677,627	116,101,288	399,867,869	296,731,861
Profit tax expenses, net	(30,995,833)	(23,173,228)	(78,871,669)	(46,541,742)
Period profit	138,681,794	92,928,060	320,996,200	250,190,119

Annex 3 - Execution of the Revenue and Expense Budget on September 30th, 2018thousand
RON

		Indicators	Row no.	Budget Quarter III 2018 - approved by AGOA Resolution no. 3/02.03.2018	Performed Quarter III 2018	% Achieved vs. Approved [Col. 5/Col. 4]	Variation (abs.) [Col. 5 - Col. 4]	Variation (%) [Col. 7/Col. 4]
1	2		3	4	5	6	7	8
I.		TOTAL REVENUES (Row 2 + Row 5 + Row 6)	1	1,577,633	1,633,575	103.5%	55,942	3.5%
	1.	Total operating income, of which:	2	1,524,138	1,568,433	102.9%	44,295	2.9%
		c ₁ Discounts, in compliance with the legal provisions	3	-	-	-	-	-
		c ₂ Transfers, in compliance with the legal provisions	4	-	-	-	-	-
	2.	Financial income	5	53,495	65,142	121.8%	11,647	21.8%
	3.	Extraordinary revenues	6	-	-	-	-	-
II.		TOTAL EXPENSES (Row 8 + Row 20 + Row 21)	7	1,308,736	1,233,707	94.3%	(75,029)	(5.7%)
	1.	Operating expenses (Row 9 + Row 10 + Row 11 + Row 19)	8	1,257,683	1,186,561	94.3%	(71,122)	(5.7%)
	A.	Expenses with goods and services	9	441,814	351,743	79.6%	(90,071)	(20.4%)
	B.	Expenses with taxes, duties and similar payments	10	81,869	80,517	98.3%	(1,352)	(1.7%)
	C.	Personnel expenses (Row 12 + Row 15 + Row 17 + Row 18)	11	342,708	316,666	92.4%	(26,042)	(7.6%)
	C₀	Salaries expenses (Row 13 + Row 14)	12	313,610	293,220	93.5%	(20,390)	(6.5%)
	C₁	Salary expenses	13	285,849	270,753	94.7%	(15,096)	(5.3%)
	C₂	Bonuses	14	27,761	22,467	80.9%	(5,294)	(19.1%)
	C₃	Other personnel expenses, out of which:	15	1,204	1,200	99.6%	(4)	(0.4%)
		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	1,902	2,163	113.7%	261	13.7%
	C₅	Expenses related to social protection, special funds and other legal obligations	18	25,991	20,083	77.3%	(5,908)	(22.7%)
	D.	Other operational expenses	19	391,291	437,635	111.8%	46,344	11.8%
	2.	Financial costs	20	51,053	47,147	92.3%	(3,907)	(7.7%)
	3.	Extraordinary expenses	21	-	-	-	-	-
III.		GROSS RESULT (profit/loss) (Row 1 – Row 7)	22	268,897	399,868	148.7%	130,971	48.7%
IV.		INCOME TAX	23	52,039	78,872	151.6%	26,832	51.6%
V.		PROFIT AFTER INCOME TAX	24	216,858	320,996	148.0%	104,138	48.0%

Annex 4 – Major litigations in progress on September 30th, 2018 (over 500 thousand RON), including the non-monetary evaluated ones

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
SNN Executive								
1.	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	Procedure in progress. It orders the communication of the statement of defense and the counterclaim of UAT Resita, with the note of filing a response to the statement of defense, if they understand to do so.	November 15 th , 2018
2.	9089/101/2013	Civil Court of Law Mehedinti	Creditor	Autonomous Administration for Nuclear Activities (RAAN)	Insolvency. Receivable in the reorganization plan Lei 5,450,135.91 Winding-up bankruptcy. Claim 7,828,405.48 lei	Merits	Procedure in progress. Grants a hearing for the continuation of the procedure, namely for the delivery of the heavy water quantity, consolidation of the list of creditors after the settlement of all the appeals, continuation of all the debt recovery procedures, representation of the debtor company in court for the recovery of debts, completion of the assessment of the assets, preparation of the sale regulations and continuation of the activities of capitalization of the company's goods as of October 11, 2018.	February 14 th , 2019
3.	7238/120/2012	Civil Court of Law Dambovita	Creditor	S.C. Eco Energy S.R.L.	Bankruptcy Claim 2.464.059,64 lei	Merits	Procedure in progress. Receivable registered with the consolidated list of creditors. Enforcement of the receivable to recover from Edland S.R.L.	19.11.2018
4.	873/1259/2008	Civil Court of Law Arges	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Claim 2.713.986,71 lei	Merits	It intimates to the judicial liquidator, within 30 days as of today, to convene the meeting of the creditors with the agenda proposed by creditor Axpo Energy Romania S.R.L. It sets to January 22 nd , 2019 the hearing date for the continuation of the procedure. With right of second appeal with the merits of the case. Passed in the open session of September 18 th , 2018 by Arges Specialized Court.	January 22 nd , 2019
5.	18770/3/2007	Civil Court of Law Bucharest	Creditor	S.C. Con - Dem S.A.	Insolvency Bankruptcy. Claim 2,446,227.08 lei. The receivable approved in the payment program is Lei 2.079,293.02 (85% of the receivable accepted in the table).	Merits	Procedure in progress.	February 6 th , 2019
6.	3793/2/2013	Administrative Court of Appeal High Court of Cassation and Justice	Respondent	Greenpeace CEE Romania	Cancellation of the decision issuing the environmental agreement and of the	Second appeal	Merits Admits the exception of lack of object of the second head of the initial petition (cancellation of the environment agreement regarding the project "Continuation of the construction works and completion of Units 3 and 4"). Rejects head II of the initial petition	The hearing follows.

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S.N. Nuclearelectrica S.A.

 Quarterly report of the Board of Directors for the period January 1st - September 30th, 2018

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

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
					environment agreement related to the Project Units 3 and 4.		<p>filed in relation to the cancellation of the environment agreement for the project "Continuation of construction and completion works of Units 3 and 4 CNE Cernavodă", as devoid of object. Overrules the rest of the petition, as it was completed by the additional petition, as ungrounded.</p> <p>Second appeal Decision no. 2100 from 23.06.2016. Accepts the second appeal filed by the Greenpeace CEE Romania Foundation and the Bankwatch Romania Association against the decision no. 1436 from May 9th, 2014 of the Bucharest Court of Appeal – Section 8th administrative and fiscal department. Reverses the appealed sentence and sends the cause back to the retrial towards the same Court. Final, today, June 23rd, 2016.</p> <p>Retrial merits (CAB) Rejects the summons as ungrounded. With right of second appeal within 15 days from communication. Decision no. 2208/2017.</p> <p>Retrial recourse (ICJ)</p>	
7.	11661/3/2014	Bucharest Court of Appeal 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>On the merits (TB) Rejected the request of Fondului Proprietatea accepting the exception of the lack of interest reported to the object of the request.</p> <p>Appeal CAB Admits the appeal of Fondul Proprietatea, cancels the sentence appealed and sends the case for retrial at the same Court. Final.</p> <p>Merits retrial (TB) 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 AGEA SNN no.1/11.03.2014.</p> <p>Takes note of the waiver of judgment. With second appeal within 30 days from communication. The request of appeal is submitted to the Bucharest Court of Law - 6th Civil Department.</p>	Waiver of judgment.
8.	40046/3/2014	Bucharest Law Court	Respondent	S.C. Fondul Proprietatea S.A.	Finding the absolute nullity of the EGMS	Merits	<p>Merits Rejects the summons as ungrounded. With appeal within 30 days from the intimation. Decision no. 4082/07.11.2017.</p>	Judgment not drafted yet.

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S.N. Nuclearelectrica S.A.Quarterly report of the Board of Directors for the period January 1st - September 30th, 2018*(All amounts are expressed in RON, unless otherwise specified.)*

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
					Resolution 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 Resolution.		Second appeal	
9.	1794/118/2016	Criminal Court of Law Constanta	Claimant party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. civilly liable party by legal administrator.	Prejudice Euro 3,471,463.	Merits	Merits In order to continue the investigation by hearing the defendants. Discussing the evidence.	December 12 th , 2018
10.	38724/3/2014	Bucharest Law Court Section II - administrative division	In hock third party	The Romanian State by the Ministry of Public Finance.	Appeal against enforcement and cancellation of all foreclosure acts from the execution file No. 22/2014; creditors Multipack SRL, European Food SA, Starmil SRL, Micula Ioan.	Merits	Merits In accordance with article 413 paragraph 1 point 1, NCPC suspends the trial until the final resolution of the case file no. 15755/3/2014. With appeal throughout the suspension.	Suspended.
11.	3490/121/2015	Civil Court of Law Galati Court of Appeal Galati ICCG	Claimer	S.C. ArcelorMittal Galati S.A.	Claims RON 8,575,245,78 difference amount energy sale made redundant and other associated expenses.	Merits	Merits Rejects the action to oblige the claimant to pay damage deriving from contract no. 207/22.02.2013 as ungrounded. Appeal Approves the appeal filed by the claimant S.N. Nuclearelectrica S.A. against the civil judgment no. 278/20.12.2016 issued by Galati Court - Civil Section II in the Case File no. 3490/121/2015. Fully changes the appealed judgment and, in retrial. Partially admits the action. Orders the defendant ArcelorMittal Galati S.A. to pay to the	November 16 th , 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	Lawsuit stage Term
							claimant S.N. Nuclearelectrica S.A. the amount of Lei 8,645,467.52, as damage compensations. Rejects as ungrounded the appeal filed against the resolution of May 26,2016 of the same court. Orders the defendant to pay Lei 142,132.97, trial expenses - merits and appeal to the claimant. Resolution no.227/27.09.2017. Second appeal	
12.	4971/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Suspension of enforcement of the contract execution measure GENERAL CONCRETE	Merits	The merits court rejected the request for suspending the Decision no. 16/11.05.2015 and the Resolution no. 59/17.07.2015.	The court will establish a hearing.
13.	4959/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS TRIPS	Merits	Admits 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. I3. 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.	The court will establish a hearing.
14.	4902/2/2015 joined with 4907/2/2015 bonuses	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS CONTRIBUTIONS and BONUSSES	Merits	Admits the main petition and the connected petition, regarding points 1 and 2. Partially annuls the Resolution no. 59/17.07.2015 and the Decision no.16/11.05.2015, regarding point 9 and point 8 of the Resolution, and the measures from point II.11 and II.10 of the Decision. Dismisses as inadmissible point 3 of both requests regarding the partial cancellation of the Control Report No. 4371/10.04.2015. With a right of appeal within 15 days since the communication. The second appeal will be submitted to the Bucharest Court of Appeal - Section VIII. Final. Decision no.3419/17.12.2015. Appeal to the Judgment of the High Court of Cassation and Justice: Rejection of the appeal - Unsubstantiated. Details of the solution: Decision no. 3353/October 16 th , 2018. Rejects the appeal filed by the appellant defendant the Court of Auditors of Romania against judgment no. 3419 as of December 17 th , 2015 of Bucharest Court of Appeal - 8 th Administrative and Fiscal Division, as unsubstantiated. Final. Passed in public session this day of October 16 th , 2018.	Settled.
15.	4906/2/2015	Administrative	Claimer	Court of Auditors	Measure annulment	Merits	Merits	May 24 th ,

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
		Bucharest Court of Appeal ICCJ			TRIPS PURCHASES		According to art. 413 para.1 point 1 of the Civil Procedure Code suspends the judgment of the present case until the final settlement of the file no.62136/299/2015 of Bucharest Court of Law District 1. With appeal throughout the duration of the suspension. Resolution - Suspension 18.01.2016. Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Pronounced today, 10.10.2016. Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Pronounced in public session today, 10.10.2016. Decision no.2961/2016. Second appeal	2019
16.	4912/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS POLICIES D&O	Merits	Merits Admits 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 pt.10, Decision no. 16/11.05.2015 issued by the defendant regarding the measure disposed at pt.II.12 from the resolution, as well as pt. 3.1.10 from Control Report no.4371/10.04.2015 issued by the defendant. With a right of appeal within 15 days since the communication. Decision no.173/26.01.2016. Second appeal	February 6 th , 2019
17.	4946/2/2015	Administrative Bucharest Court of Appeal	Claimer	Court of Auditors intervener General Concrete	Measure annulment GENERAL CONCRETE	Merits	Merits Regarding the postponement request filed in the case by the appointed expert, considering the statements of the parties in this hearing, will approve it, reason for which will postpone the case and will grant a new hearing on 12.10.2018 for when the letter to the expert will be submitted. Pronounced in public session today, 29.06.2018.	January 17 th , 2019
18.	4958/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment NON-RESIDENTS	Merits	Merits Admits the action. Partially annuls the Resolution no. 59/17.07.2015, respectively regarding the rejection of point VI of the Appeal no.6420/28.05.2015, and, therefore, annuls the measures taken in point II.8 of the Decision no.16/11.05.2015 for the removal of the deviation presented in point 3 of the same decision, as well as point 3.1.3 of the Control Report no.4371/10.04.2005. With second appeal within 15 days from communication, the request for exercise of the means of appeal will be submitted to Bucharest Court of Appeal - Section VIII Administrative Legal and Fiscal. Pronounced March 10th, 2016. Second appeal	April 17 th , 2019
19.	4964/2/2015	Administrative Bucharest Court	Claimer	Court of Auditors	Measure annulment JUDGMENTS	Merits	Merits Admits the exception of inadmissibility of the application end	May 14 th , 2019

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S.N. Nuclearelectrica S.A.

Quarterly report of the Board of Directors for the period January 1st - September 30th, 2018

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

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
		of Appeal ICCJ					relating to cancellation of point 3.1.7 from Control Report No. 4371/ 10.04.2015 invoked by the respondent. Dismisses as inadmissible the request for annulment of section 3.1.7 from Control Report No. 4371/ 10.04.2015. Dismisses as groundless the redundant actions. With right of second appeal within 15 days from communication. The appeal shall be lodged with the Bucharest Court of Appeal. Decision no.373/09.02.2016. Second appeal	
20.	4965/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment MICROSOFT	Merits	Merits Approves the application regarding sections 1 and 2. Partially annuls the Resolution no. 59/17.07.2015 and the Decision no.16/11.05.2015, regarding point 11 of the Resolution, and the measure from point II.13 of the Decision. Dismisses as inadmissible point 3 regarding the partial cancellation of the Control Report No. 4371/10.04.2015. With a right of appeal within 15 days since the communication. The recourse will be submitted at CAB - Section VIII. Decision no.236/28.01.2016.	November 13 th , 2018 – Postponement of the ruling.
21.	45494/3/2015*	Bucharest Law Court Section VI party Court of Appeal	Claimer 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	Merits Rejects the exception of the invoked procedure quality by the claimants Grama Mioara, Popescu Lucia -Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Admits the prescription exception. Dismisses the request, stating as prescribed the right to action. Dismisses the application of calling in warranty as left without object. Compels the claimer to pay the following trial expenses: 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 appeal within 30 days from the intimation. Resolution no.7583/29.11.2016. Appeal Orders the retrial during the first instance proceedings or by the competent court of law. Solution in brief: admits the appeal. Partially cancels the appealed judgment regarding the approval of the exception of prescription of the amount of 6,465 EUR paid on 01.03.2011, of the amount of 3,397 EUR paid on 02.05.2011, of the amount of 39,250 EUR paid on 07.06.2011 and the accessories of these amounts and regarding the granting of trial expenses. Sends the case for retrial to the same court in these limits. Maintains the appealed judgement undecided. With second appeal within 30 days from communication. The appeal shall be lodged with the Bucharest Court of Appeal. Pronounced in public session today, 15.12.2017. Document: Decision no.2250/15.12.2017.	The court will establish a hearing.

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S.N. Nuclearelectrica S.A.

 Quarterly report of the Board of Directors for the period January 1st - September 30th, 2018

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

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							Retrial merits	
22.	1367/2/2016	Administrative Bucharest Court of Appeal ICCJ	Claimer	ANAF	Cancellation administrative act Decision no.25/29.01.2016.	Merits	Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Decision no.2656/ 21.09.2016. Second appeal	March 1 st , 2019
23.	409/2/2016	Bucharest Court of Appeal	Civil Party	Tudor Ion Criminal group House of insolvency liquidator Banat CET Energoterm Reșița.	Tax evasion offenses, bribery, corrupt practices 580,974.21 lei.	Merits	Litigation in progress. On the merits of the case, it grants a hearing on November 13 th , 2018, room P-134 for which all the parties are summoned.	November 13 th , 2018
24.	6874/3/2016	Court of Law Bucharest	Respondent	Nuclear and Radioactive Waste Agency (ANDR)	Claims 131,080.08 Euros contributions according to HG [Government Decision] 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	Merits 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 from the communication. Appeal Dismisses the appeal as reasonless. With right of second appeal within 30 days from communication. Decision no.2006/21.11.2017. Second appeal	The hearing follows.
25.	41419/3/2016	Civil Court of Law Bucharest S II	Plaintiff-Defendant	Energoc Securent S.R.L.	SNN claims: 330,074.32 lei Claims Energoc Securent: 2,206,539.80 lei	Merits	Merits Management of the evidence with accounting expertise.	December 11 th , 2018
26.	5802/118/2017	Labor Constanța Court	Respondent	CNE Union for 757 employees	Monetary rights hazardous conditions bonus.	Merits	Merits	January 17 th , 2019
27.	7036/118/2017	Labor Constanța Court	Respondent	SLEN union for 132 employees 159 plaintiffs on their own behalf	Monetary rights hazardous conditions bonus.	Merits	Merits	November 22 nd , 2018
28.	6487/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Measure annulment section 2 of the Court	Merits	Merits	The hearing is next.

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S.N. Nuclearelectrica S.A.Quarterly report of the Board of Directors for the period January 1st - September 30th, 2018*(All amounts are expressed in RON, unless otherwise specified.)*

Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
					Decision - non-increase of the share capital.			
29.	6471/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Measure annulment section 1 of the Court Decision - Energonuclear loan.	Merits	Merits	The hearing is next.
30.	6472/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Measure annulment section 4 of the Decision – uranium.	Merits	Merits	The hearing is next.
31.	6479/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Measure annulment section 5 in the Decision - ROEL Xerox.	Merits	Merits	The hearing is next.
32.	6481/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Measure annulment section 3 of the Decision - BVC substantiation.	Merits	Merits	The hearing is next.
33.	19724/299/2018	County Court of the 1 st District of Bucharest	Claimer	NARE	Annulment of Protocol no. 50303/July 5 th , 2018. Contravention sanction annulment RON 300,000.	Merits	Merits	The hearing is next.
34.	6753/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Suspension of ROEL measure.	Merits	Merits Overrules as inadmissible the petition of suspension of the performance of section 5 of Decision no. 29/July 31 st , 2018 passed by the Challenge Settlement Board within the Court of Auditors of Romania. Overrules as unsubstantiated the petition of suspension of the enforcement of section II.13 in Decision no. 5/June 8 th , 2018 issued by the Court of Auditors of Romania - Department IV. With right to appeal within 5 days of communication. Petition of exercise of the remedy is filed to C.A.B. Passed in public session this day of October 17 th , 2018.	Settled on the merits.
35.	6676/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Suspension of measure section 4 of the Court Decision – Uranium.	Merits	Merits Admits the exception of non-admissibility. Rejects the petition for the suspension of the enforcement of section 4 of Decision no.	Settled on the merits.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							29/July 31 st , 2018 of the Court of Auditors, as inadmissible. Admits the petition of suspension of the enforcement of the measures ordered in section 1.8 of Decision no. 5/June 8 th , 2018. In virtue of art. 15 in Law no. 554/2004 orders the suspension of the enforcement of the measures ordered in section 1.8 of Decision no. 5/2018, until the final settlement of the action in annulment contemplated by file no. 6472/2/2018 registered pending with Bucharest Court of Appeal. it compels the defendant to the payment, in favour of the plaintiff, of the legal charges representing the judicial stamp duty, amounting to RON 20. Subject to appeal within 5 days of communication, the appeal petition being filed at Bucharest Court of Appeal. Passed in public session this day of October 8 th , 2018. Document: Resolution no. 3975/October 8 th , 2018.	
36.	6969/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Suspension of measure section 1 - Energonuclear loan.	Merits	Merits	November 23 rd , 2018
37.	7061/2/2018	Bucharest Court of Appeal	Claimer	Court of Auditors	Suspension of the BVC measure.	Merits	Merits	November 16 th , 2018
Cernavoda NPP Branch								
1.	14951/118/2011 (Suspended based on art. 36 of Law 85/2006)	Civil/ Medgidia Court	Claimer	S.C. Car Construct S.R.L.	Land release SNN 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	According to art.36 of Law no. 85/2006 (Insolvency law): the trial of the case was suspended.	Suspended.
2.	1662/118/2018	Labor Constanța Court	Respondent	94 pensioners.	Request a free allocation of electricity.	Appeal	Merits	19.11.2018

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