



QUARTERLY REPORT

of the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 30 to CNVM Regulation no. 1/2006 regarding issuers and operations with securities for the 3-month period that ended on March 31, 2018 (First quarter of financial year 2018)

Basis of the report:	Art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 30 to CNVM Regulation no. 1/2006 for the 3-month period that ended on March 31, 2018 (1st quarter of financial year 2018)
Report date:	May 9, 2018
Issuer's name:	S.N. Nuclearelectrica S.A. ("SNN")
Registered office:	Bucharest, 65, Polona Street, District 1
Telephone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Trade Register Office sole registration number:	10874881
Registration number in the Trade Register:	J40/7403/1998
Subscribed and paid share capital:	3,015,138,510 lei
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro) Premium Category 301,513,851 shares, nominal value of 10 lei/share, dematerialized, nominative, ordinary, indivisible, with equal voting rights, freely tradable on Bucharest Stock Exchange under the SNN symbol starting with 04.11.2013.
Main features of the issued securities:	Unaudited simplified individual interim financial statements on the date and for the period of 3 months that ended on March 31, 2018 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards ("IFRS"), based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union.
Applicable accounting standards:	Romanian Leu (RON) - all the presented amounts are in RON, unless indicated otherwise.
Reporting currency:	First quarter of financial year 2018
Reported period:	

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1. ECONOMIC AND FINANCIAL SITUATION**a) Financial position statement as of March 31, 2018**

Indicator [thousand RON]	March 31, 2018 (unaudited)	December 31, 2017 (audited)
Non-current assets	6,827,216	6,948,684
Current assets	2,495,260	2,239,865
Total assets	9,322,476	9,188,549
Equity	7,618,143	7,428,145
Total liability, out of which:	1,704,333	1,760,404
Long-term liabilities	1,251,491	1,308,219
Short-term liability	452,842	452,185
Total Equity and Liability	9,322,476	9,188,549

b) Profit and loss account and global result for the 3-month period that ended on March 31, 2018

Indicator [thousand RON]	3-month period ended on March 31, 2018 (unaudited)	3-month period ended on March 31, 2017 (unaudited, restated)
Operating revenues	571,008	494,997
Operating expenses	(357,777)	(347,368)
Operating profit	213,231	147,629
Financial revenues	25,268	17,295
Financial expenses	(5,329)	(19,133)
Net financial revenues/(expenses)	19,939	(1,838)
Profit before profit tax	233,170	145,791
Profit tax expenses, net	(43,173)	(20,519)
Period profit	189,997	125,272
Other elements of the global result	-	-
Global result	189,997	125,272
Basic earnings per share (RON/share)	0.63	0.42
Diluted earnings per share (RON/share)	0.63	0.42

2. SIGNIFICANTS EVENTS

2.1 Significants events in the first quarter of financial year 2018

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 02, 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 par. (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 03, 2015; clarifying and supplementing the organization and attributions of the General Assembly of Shareholders.

The Project for the Units 3 and 4 Cernavoda NPP

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.

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.

2.2 Significant events after the date of March 31, 2018

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).

Approving the strategy of diversifying the supply sources

By Resolution no. 5/25.04.2018 of the Ordinary General Assembly of Shareholders of SNN strategy of diversifying the sources of supply with the raw materials necessary for generating nuclear fuel was approved.

Changes in the management of the Company

By Resolution no. 63/25.04.2018, the Board of Directors of SNN appointed Mr. Cosmin Ghita as the General Manager of SNN, for 4 months, starting with May 4, 2018, namely a temporary mandate.

By Resolution no. 63/25.04.2018, the Board of Directors of SNN appointed Mr. Dan Laurentiu Tudor and Mr. Toni Viorel Lary as Deputy General Managers of SNN, for 4 months, starting with May 4, 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. 63/25.04.2018, the Board of Directors of SNN appointed Mr. Adrian Gabriel Dumitriu as the Financial Manager of SNN, for 4 months, starting with May 4, 2018, namely a temporary mandate.

Resolution no. 5/25.04.2018 of the Ordinary General Assembly of Shareholders of SNN approved:

- the extension of the mandate term of the interim members of the Board of Directors of SNN, which ends on April 28, 2018, for 2 months, as of April 29, 2018;
- the cessation of the applicability of Resolution no. 7/28.09.2017 of the Ordinary General Assembly of Shareholders of SNN, resolution no. 3, namely: "Approving the initiation of the procedure for selecting the members of the Board of Directors of S.N. Nuclearelectrica S.A. according to the provisions of Emergency Government Ordinance no. 109/2011, as further amended and supplemented. The procedure of selecting 6 members of the Board of Directors to be appointed by the Romanian State in order to be elected in the general assembly of shareholders will be implemented by the Ministry of Energy as a public custody authority, according to the provisions of art. 29 par. (3) and par. (4) of GEO no. 109/2011, as further amended and supplemented";
- the initiation of the procedure of selecting the directors of S.N. Nuclearelectrica S.A., according to the provisions of GEO no. 109/2011, approved as amended and supplemented by Law no. 11/2016; the procedure will be implemented by the Board of Directors of SNN.

On March 31, 2018 the members of the Board of Directors of SNN are as follows:

No.	Name and surname	Date of mandate expiration
1.	Iulian – Robert Tudorache ^{*)}	29.06.2018
2.	Cristian Gentea	29.06.2018
3.	Dragos Ionut Banescu	29.06.2018
4.	Mirel – Alexandru Marcu	29.06.2018
5.	Elena Popescu	29.06.2018
6.	Cristian Dima	29.06.2018
7.	Mihai Daniel Anitei	29.06.2018

^{*)} Chairman of the SNN Board of Directors.

Planned outage of Unit 1 CNE Cernavoda

As of May 02, 2018 11:00, Unit 1 CNE Cernavoda entered the planned stoppage program, for approximately 30 days, according to the planning of the preventive and corrective maintenance works that need to be performed in this period. The works will be performed under safety conditions for the personnel of the power plant, the public and the environment, according to the procedures used at CNE Cernavoda.

3. ECONOMIC AND FINANCIAL INDICATORS

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

Indicator name	Calculation method	M.U.	Value 31.03.2018 ^{*)}
1. The current liquidity ratio	Current assets/ Current liabilities	x	5.51
2. Indebtedness degree ratio			
2.1. Indebtedness degree indicator (1)	Borrowed equity/ Equity x 100	%	13.8%
2.1. Indebtedness degree indicator (2)	Borrowed capital/ Engaged capital x 100	%	12.1%
3. Speed ratio of debits - Customers	Average customer balance/ Turnover x 90	days	22
4. Asset turnover ratio^{**)}	Turnover/ Non-current assets	x	0.32

^{*)} Based on the Unaudited Simplified Individual Interim Financial Statements on the date and for the 3 month period ended on March 31, 2018.

^{**)} The asset turnover rate is calculated by updating the quarterly turnover (360 days/90 days).

4. STATEMENTS AND SIGNATURES

Based on the best available information, we confirm that the Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2018 drafted according to the Order of the Minister of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standard (“IFRS”), based on the Accounting International Stand 34 – “Interim financial reporting” passed by the European Union, provides an accurate and real image regarding the financial position, the financial performance and the cash flows for the 3-month period that ended on March 31, 2018 and that this report, drafted according to the provisions of art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 30 to CNVM Regulation no. 1/2006 regarding issuers and operations with securities for the 3-month period that ended on March 31, 2018, comprises accurate and real information according to the development and performance of the company.

Iulian Robert TUDORACHE
Chairman of the Board of Directors

Cosmin GHITA
Chief Executive Officer

Adrian Gabriel DUMITRIU
Chief Financial Officer

5. APPENDIXES

5.1 UNAUDITED SIMPLIFIED INDIVIDUAL INTERIM FINANCIAL STATEMENTS on the date and for the 3-month period that ended on March 31, 2018

Unaudited simplified individual interim financial statements on the date and for the period of 3 months that ended on March 31, 2018 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on Accounting Standard 34 - “Interim financial reporting” passed by the European Union, are published on the internet page of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Relations with investments section.

5.2 QUARTERLY REPORT of the Board of Directors on the administration activity for January 1 - March 31, 2018

The quarterly report of the Board of Directors on the administration activity for January 1 - March 31, 2018 drafted according to the provisions of GEO no. 109/2011 regarding the corporate governance of public companies, as further amended and supplemented and art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations, is published on the webpage of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Relations with investors section.