



Current report according to art. 82 of Law 24/2017 regarding the conclusion of a legal act with persons involved with the shareholders that own the control of the company

Report date: 08.07.2019

Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.

Registered office: 65 Polona St., district 1, Bucharest

Telephone/Fax Number: 021-203.82.00 / 021 – 316.94.00

Sole Registration Code with the Trade Register Office: 10874881

Running number with the Trade Register: J40/7403/1998

Subscribed and paid-up share capital: 3,015,138,510

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

**To: Bucharest Stock Exchange
Financial Supervisory Authority (ASF)**

Significant event to report:

Transaction of the type listed in art. 82 of Law no. 24/2017 regarding the issuers of financial instruments and market operations

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the conclusion on 03.07.2019 of a legal act, with a cumulative value of more than EUR 50,000, with Compania Nationala a Uraniului, person involved with the Romanian State, majority shareholder of SNN.

For informing the shareholders and investors of SNN, we mention that the legal act is a purchase order for uranium dioxide powder (« UO₂ »), made according to the Framework Agreement concluded on 19.07.2018; the framework agreement is part of the strategy to diversify sources of raw materials supply for nuclear fuel production, approved by the General Assembly of Shareholders.

We would like to recall that in the Extraordinary General Assembly of Shareholders that was held on 25.04.2018, SNN submitted to its shareholders the optimal scenario resulted from the study conducted by ISPE, namely the diversification of the raw material suppliers, avoiding the dependency on a single supplier and the related risks associated with this aspect, by procuring uranium octoxide (U₃O₈) instead of UO₂, processing it from U₃O₈ to UO₂ at CNU and using the resulted UO₂ in manufacturing nuclear fuel bundles as before. The passing from UO₂ to U₃O₈ by the purchase of U₃O₈, is to be accomplished gradually by SNN until the year 2020.

Thus, according to the strategy to diversify the raw material supply sources for nuclear fuel production, in order for SNN to ensure the need for raw material up to the moment of transition, SNN concluded on 19.07.2018 two long-term Framework Agreements (36 months) with the two qualified suppliers, CNU and Cameco, for a maximum quantity of 720 tons of natural uranium as sinterable UO₂ powder. The

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purchase of UO₂ powder is made according to the Framework Agreement based on orders, only depending on the needs of SNN.

Following the approval by General Assembly of Shareholders of the above-mentioned Strategy, Law 193/2018 was approved, that entered into force on 23.07.2018, according to which CNU has an exclusive right to provide nuclear fuel consisting in UO₂ powder on the territory of Romania, and only if CNU is not able to ensure the entire quantity of fuel necessary for the operation of the Cernavoda Nuclear Power Plant, SNN has the right to purchase the difference from a different provider.

We mention that until now, the regulated price for the purchase of UO₂, as provided by Law 193/2018 has not been set, but in order to ensure continuity for the production of bundles and implicitly the operation of the Cernavoda Nuclear Power Plant, SNN launches this order to CNU, in accordance with the provisions of Law 193/2018.

According to Art. 2, par. 4 of GR 126/2019, the price of uranium dioxide cannot exceed the value resulting from the addition to the average of the last six months of prices of uranium octoxide on the international markets for long-term transactions, of the costs related to the processing by CNU and a profit margin of 4%.

The unit price mentioned in the order represents the provisional price agreed by the parties for facilitating the sale/purchase of raw material until the price regulating legal acts become effective, provided in Law no. 193/2018. After the regulated price is set, the parties will settle the difference between the price from the order and the final purchase price, regulated, either by SNN paying the difference to CNU, or by the reimbursement of the difference by CNU to SNN, as the case may be.

Details regarding the order of SNN, as beneficiary, containing information regarding the order scope, total value, reciprocal claims, collateral, set up securities, payment terms and methods, are presented in Annex 1.

Cosmin Ghita

Chief Executive Officer



Annex 1 to the Current report according to Art. 82 of Law no. 24/2017

Item no.	Parties to the legal deed	Date of execution and no. of the deed	Legal document nature	Description of subject-matter	Estimated value	Mutual receivables	Set up securities	Payment terms and methods	Stipulated penalties
1.	SNN SA – COMPANIA NATIONALA A URANIULUI SA	636/04.07.2019	Order to framework agreement no. 914/19.07.2018	70,000 kg +/- 5% kg Natural uranium as Sinterable UO2 powder	35,000,000 The price will be regularized after the approval of the regulated price in compliance with the provisions of the Law no. 193/2018 and HG 126/2019	SNN debt to CNU at 04.07.2019: 42.181,87 lei	n/a	Maximum 10 days after signing the Service Acceptance Protocol	0,05% per day of delay