



## **S.N. Nuclearelectrica S.A.**

**Unaudited Simplified Individual Interim Financial Statements  
on the date and for the period of 3 months  
that ended on March 31, 2019**

Prepared in compliance with  
the Public Finances Minister's Order no. 2844/2016 on the approval  
of the accounting regulations compliant with the  
International Financial Reporting Standards adopted by the  
European Union (SIRF - EU), in virtue of the International Accounting Standard  
34 - "Interim Financial Reporting" adopted by the European Union

**S.N. Nuclearelectrica S.A.**  
Simplified Individual Financial Position at March 31, 2019  
(All amounts are presented in RON, unless otherwise indicated)

	Note	March 31, 2019 (unaudited)	December 31, 2018 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	4	6,255,285,359	6,364,461,135
Intangible assets		50,389,335	54,834,052
Financial assets	8	64,291,386	110,451,459
Financial investments	5	141,689,201	141,689,201
<b>Total non-current assets</b>		<b>6,511,655,281</b>	<b>6,671,435,847</b>
<b>Current assets</b>			
Inventories	6	372,925,431	368,742,400
Trade receivables and other receivables	7	205,064,315	183,694,590
Prepayments		58,478,276	10,201,321
Bank deposits	8	41,363,543	20,954,979
Cash and cash equivalents	8	1,828,045,663	1,611,175,766
<b>Total current assets</b>		<b>2,505,877,228</b>	<b>2,194,769,056</b>
<b>Total assets</b>		<b>9,017,532,509</b>	<b>8.866.204.903</b>
<b>Equity and liabilities</b>			
<b>Equity capital</b>			
Share capital, out of which:		3,210,641,253	3,210,641,253
<i>Subscribed and paid in share capital</i>		<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Share premiums		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		250,042,251	257,407,532
Retained earnings		3,884,704,843	3,658,054,141
<b>Total own equity</b>		<b>7,398,416,033</b>	<b>7,179,130,612</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long term loans	9	672,326,297	683,967,469
Provisions for risks and expenses	12	166,138,651	182,883,283
Deferred revenues		111,171,127	114,757,293
Deferred tax liability		101,251,438	102,644,715
Obligations on employee benefits	10	38,617,348	38,617,348
<b>Total long term liabilities</b>		<b>1,089,504,861</b>	<b>1,122,870,108</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	11	176,813,689	197,107,880
The current share of provisions for risks and expenses	12	60,228,254	33,831,052
Current tax liability		49,388,771	98,958,158
Deferred revenues		31,330,201	30,913,233
Current portion of long-term loans	9	211,850,700	203,393,860
<b>Total current liabilities</b>		<b>529,611,615</b>	<b>564,204,183</b>
<b>Total liabilities</b>		<b>1,619,116,476</b>	<b>1,687,074,291</b>
<b>Total equities and liabilities</b>		<b>9,017,532,509</b>	<b>8.866.204.903</b>

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**S.N. Nuclearelectrica S.A.**

Simplified Individual Profit and Loss Account for the 3-month period that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

	Note	3 months period that ended on March 31, 2019 (unaudited)	3 months period that ended on March 31, 2018 (unaudited, restated)
<b>Incomes</b>			
Sales of electricity	13	665,435,989	541,245,489
Proceeds from electric power transmission		3,234,846	2,849,577
<b>Total revenues</b>		<b>668,670,835</b>	<b>544,095,066</b>
Other income		9,336,485	26,912,946
<b>Operating expenses</b>			
Impairment and depreciation		(136,392,196)	(135,503,155)
Personnel expenses	14	(115,432,049)	(86,226,752)
Cost of traded electricity		(5,561,481)	(21,114,699)
Repairs and maintenance		(9,773,378)	(13,375,677)
Electricity transmission expenses		(3,234,846)	(2,849,577)
Cost of spare parts		(3,695,675)	(2,711,458)
Cost of nuclear fuel		(28,222,948)	(27,471,664)
Other operating expenses	15	(89,473,520)	(81,522,960)
<b>Total operating expenses</b>		<b>(391,786,093)</b>	<b>(370,775,942)</b>
<b>Operating profit</b>		<b>286,221,227</b>	<b>200,232,070</b>
Financial expenses		(31,784,625)	(5,328,604)
Financial income		14,305,947	25,267,969
<b>Net financial income/(expense)</b>	16	<b>(17,478,678)</b>	<b>19,939,365</b>
<b>Profit before income tax</b>		<b>268,742,549</b>	<b>220,171,435</b>
Net corporate tax expense	17	(49,457,128)	(43,173,158)
<b>Net profit</b>		<b>219,285,421</b>	<b>176,998,277</b>

The Simplified Individual Interim Financial Statements presented on page 1 to 21 were signed on May 13, 2019 by:

**Cosmin Ghita**  
Chief Executive Officer

**Adrian Gabriel Dumitriu**  
Chief Financial Officer

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**S.N. Nuclearelectrica S.A.**

Simplified Individual Situation of the global result for the period of 3 months on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

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	Note	3 months period that ended on March 31, 2019 (unaudited)	3 months period that ended on March 31, 2018 (unaudited, restated)
<b>Net profit</b>		<b>219,285,421</b>	<b>176,998,277</b>
Comprehensive income		-	-
<b>Total global result for the period</b>		<b>219,285,421</b>	<b>176,998,277</b>
<b>Earnings per share</b>			
Basic earnings per share (RON/share)	<b>18</b>	<b>0,73</b>	<b>0,59</b>
Diluted earnings per share (RON/share)	<b>18</b>	<b>0,73</b>	<b>0,59</b>

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**S.N. Nuclearelectrica S.A.**

The Simplified individual situation of the Equity modifications for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

	<b>Share capital</b>	<b>Share premiums</b>	<b>Reserve paid in advance</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total own equity</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>257,407,532</b>	<b>3,658,058,141</b>	<b>7,179,130,612</b>
<b>Comprehensive income for the period</b>						
<i>Period profit</i>	-	-	-	-	219,285,421	<b>219,285,421</b>
<i>Other elements of the global result</i>	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>219,285,421</b>	<b>219,285,421</b>
Transfer of the revaluation reserve to the retained earnings	-	-	-	(7,365,281)	7,365,281	-
<b>Balance as of March 31, 2019 (unaudited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>250,042,251</b>	<b>3,884,704,843</b>	<b>7,398,416,033</b>

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**S.N. Nuclearelectrica S.A.**

Simplified Individual Situation of the Equity modifications for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

	<b>Share capital</b>	<b>Share premiums</b>	<b>Reserve paid in advance</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total own equity</b>
<b>Balance as at January 1, 2018 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>236,534,798</b>	<b>3,927,941,491</b>	<b>7,428,145,228</b>
Correction of accounting errors	-	-	-	-	<b>55,971,531</b>	<b>55,971,531</b>
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>236,534,798</b>	<b>3,983,913,022</b>	<b>7,484,116,759</b>
<b>Comprehensive income for the period</b>						
<i>Retreated period profit</i>	-	-	-	-	176,998,277	<b>176,998,277</b>
<i>Other elements of the comprehensive income</i>	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>176,998,227</b>	<b>176,998,227</b>
Transfer of the revaluation reserve to the retained earnings	-	-	-	(6,636,259)	6,636,259	-
<b>Balance as of March 31, 2018 (unaudited, restated)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>229,898,539</b>	<b>4,167,547,559</b>	<b>7,661,115,037</b>

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**S.N. Nuclearelectrica S.A.**

Simplified Individual Situation of the Cash Flow for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited, restated)</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>268,742,549</b>	<b>220,171,435</b>
<b>Adjustments for:</b>		
Impairment and depreciation	136,392,196	135,503,155
Impairment on trade and other receivables	(610,084)	(74,441)
Impairment on inventories	(115,910)	(441,269)
Provisions corresponding to operating liabilities, risks and expenses	(2,786,857)	(2,155,046)
Earnings/(Losses) from asset assignment	(13,310)	(254,111)
Net financial (revenues)/expenses	17,005,664	(19,891,248)
<b>Changes in:</b>		
Increase in trade receivables and other receivables	(24,178,337)	(17,875,062)
Inventory decrease / (increase)	(4,097,893)	4,463,168
Variation of deferred income	(3,169,198)	2,814,346
Variation of deferred expense	(48,276,955)	(23,877,813)
Decrease of trade liabilities and other liabilities	(7,744,300)	(36,573,472)
<b>Cash flows generated from operating activities</b>	<b>331,147,564</b>	<b>272,574,124</b>
Income tax paid	(100,419,792)	(21,727,360)
Interest received	17,009,958	4,873,658
Interest paid	(571,493)	(579,831)
<b>Net cash flow from operating activities</b>	<b>247,166,237</b>	<b>255,140,591</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(1,224,769)	(3,096,375)
Purchase of tangible assets	(21,573,809)	(11,249,939)
Proceeds from sale of tangible assets	13,310	254,111
Decrease in bank deposits and financial assets	25,751,509	20,553,031
<b>Cash flow used in investing activities</b>	<b>2,966,241</b>	<b>6,460,828</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(33,262,581)	(33,080,720)
Dividends	-	(9,536)
<b>Net cash flow from financing activities</b>	<b>(33,262,581)</b>	<b>(33,090,256)</b>
<b>Net increase in cash and cash equivalents</b>	<b>216,869,897</b>	<b>228,511,163</b>
<b>Cash and cash equivalents as of January 1st (see Note 8)</b>	<b>1,611,175,766</b>	<b>1,713,349,815</b>
<b>Cash and cash equivalents as of March 31 (see Note 8)</b>	<b>1,828,045,663</b>	<b>663,476,462</b>

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## **S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements prepared on the date and for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

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### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica S.A. (the "Company" or "SNN") is a national joint-stock company, one-tier management system, having a head office and two branches without legal personality, Cernavoda NPP (Nuclear Power Plant) – with registered office in Constanta County, Cernavoda City, 2 Medgidiei Street, registered with the Trade Register under number J13/3442/2007, and Pitesti NFF (Nuclear Fuel Factory) - with registered office in Arges County, Mioveni City, 1 Campului Street, registered with the Trade Register under number J03/457/1998, respectively. The address of the registered office is Bucharest Municipality, District 1, 65 Polona Street.

The company's main activity is the "Electricity production" - NACE code 3511 and it is recorded in the Trade Register under number J40/7403/1998, fiscal code 10874881, fiscal attribute RO.

The Company's main activity consists in electricity and thermal energy production by nuclear processes. The main place of business is within the Branch Cernavoda NPP, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two nuclear operational reactors are based on CANDU technology (Canada Deuterium Uranium type PHWR). Besides, at Cernavoda the Company owns two nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The construction of Units 3 and 4 was planned to be finalized by the branch Energonuclear S.A.; currently, there is the revised form of the Strategy for the continuation of the Project for Units 3 and 4, endorsed by the SNN Board of Directors and approved by the Extraordinary General Meeting of Shareholders by Resolution no. 11/14.09.2018, as well as the preliminary form of the Investors Agreement, approved by the Extraordinary General Meeting of Shareholders by Resolution no. 4/10.04.2019.09.2018 and signed on May 8, 2019 by SNN, China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment (for more information, please see Note 5).

The Company owns a reactor (Unit 5) for which the Company shareholders approved changing the initial destination in March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. The project intended to change the initial destination of unit 5 is currently being implemented and it is expected to be finalized during 2019. The unit 5 is fully depreciated, since there was no plan to continue its construction as a nuclear unit.

Manufacturing of nuclear fuel bundles CANDU type required for operating the two nuclear operational reactors located in the branch Cernavoda NPP is performed by the Company in the branch Pitesti NFF.

The electricity sector is regulated by the National Energy Regulatory Authority ("ANRE"), an autonomous public institution. The Romanian electricity market was in a process of gradual liberalization by the end of 2017, so in 2018 the Company participated in the electricity market only on the competitive segment. Starting with March 2019, according to Order no. 10/01.02.2019 issued by ANRE based on the provisions of Government Emergency Ordinance 114/2018, the Company participates in the electricity market on both the competitive and regulated markets. Thus, ANRE set by this decision the quantities of electricity to be sold by the Company on the regulated market and the regulated price to be charged in 2019; the regulated price is set based on economically justified costs, i.e. cost plus profit margin, using a methodology approved by ANRE.

On March 31, 2019 the Company's shareholders are: The Romanian State via the Ministry of Energy which holds 248,736,619 shares, representing 82.4959% of the share capital, Fondul Proprietatea S.A. holding 21,268,355 shares, representing 7.0539% of the share capital and other individuals and legal entities shareholders holding together 31,508,877 shares, representing 10.4502% of the share capital.

Since 4 November 2013, the shares of the Company have been traded on Bucharest Stock Exchange, under the issuing symbol SNN.

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*Notes from 1 - 20 are an integral part of these individual financial statements.*



## **S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements prepared on the date and for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

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## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

The simplified individual financial statements have been prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards ("IFRS"), as further amended ("OMPF 2844/2016"). As per the OMFP 2844/2016, the International Financial Reporting Standards represent the standards adopted in accordance with the procedure provided by the European Commission Regulation no. 1.606/2002 of the European Parliament and of the Council dated on 19 July 2002 regarding the application of the international accounting standards.

These simplified individual interim financial statements were drafted according to IAS 34 *Interim financial reporting*, as passed by the European Union. These do not include the necessary information for a complete set of financial statements according to the International Financial Reporting Standards ("IFRS") and must be read with the annual financial statements of the Company, drafted on December 31, 2018. Nevertheless, certain selected explanatory notes are included in order to explain the events and transactions that are significant for understanding the modifications occurred in the financial position and performance of the Company from the latest individual financial statements on the date and for the financial year that ended on December 31, 2018.

The Simplified individual interim Financial Statements on the date and for the three-month period that ended on March 31, 2019 are not audited and were not revised by an independent auditor.

These Simplified individual interim Financial Statements were authorized for issuance and signed on May 13, 2019 by the Company's management.

### **b) Use of estimates and professional judgments**

Preparing these simplified individual interim financial statements means that the managers use reasoning, estimates and hypotheses that affect the application of accounting policies, and the acknowledged value of the assets, debts, revenues and expenses. Actual results may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are acknowledged in the period in which the estimates are revised and in any future periods affected.

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years is included in Note 5 (key assumptions relating to the continuance of the Project for Units 3 and 4).

The significant reasoning used by the managers for applying the accounting policies of the Company and the main uncertainty sources regarding the estimates was the same as the one applied for the Individual Financial Statements on and for the financial year that ended on December 31, 2018.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these simplified individual interim financial statements are the same as those applied in the individual financial statements of the company on the date and for the financial year that ended on December 31<sup>st</sup>, 2018.

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**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements prepared on the date and for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)***4. TANGIBLE ASSETS**

	<b>Land</b>	<b>Nuclear power plants</b>	<b>Machinery, equipment and other assets</b>	<b>Non-current assets in progress</b>	<b>TOTAL</b>
<b>Cost</b>					
<b>Balance as at January 1, 2018 (audited)</b>	<b>31,534,439</b>	<b>5,594,239,417</b>	<b>1,611,461,143</b>	<b>851,807,266</b>	<b>8,089,042,265</b>
Effect of correction	-	103,990,927	-	-	103,990,927
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>31,534,439</b>	<b>5,698,230,344</b>	<b>1,611,461,143</b>	<b>851,807,266</b>	<b>8,193,033,192</b>
Additions	-	-	13,818,163	115,752,495	129,570,658
Revaluation of buildings and land	767,960	20,172,017	35,259,740	-	56,199,716
Offset of accumulated depreciation upon revaluation	-	(1,059,894,917)	(60,605,906)	-	(1,120,500,824)
Transfers	-	71,734,118	24,051,133	(95,785,251)	-
Transfer to inventories	-	-	-	(1,800,278)	(1,800,278)
Transfer to intangible assets	-	-	-	(7,852,267)	(7,852,267)
Derecognition of U1 inspections	-	(52,473,435)	-	-	(52,473,435)
Disposals	-	-	(2,241,701)	(1,257,641)	(3,499,343)
<b>Balance as at December 31, 2018 (audited)</b>	<b>32,302,399</b>	<b>4,677,768,128</b>	<b>1,621,742,571</b>	<b>860,864,324</b>	<b>7,192,677,421</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>32,302,399</b>	<b>4,677,768,128</b>	<b>1,621,742,571</b>	<b>860,864,324</b>	<b>7,192,677,421</b>
Additions	-	-	496,137	21,081,569	21,577,706
Transfers	-	-	6,581,363	(6,581,363)	-
Transfer to inventories	-	-	-	(30,772)	(30,772)
Transfer to intangible assets	-	-	-	(21,000)	(21,000)
Disposals	-	-	(358,681)	-	(358,681)
<b>Balance as of March 31, 2019 (unaudited)</b>	<b>32,302,399</b>	<b>4,677,768,128</b>	<b>1,628,461,390</b>	<b>875,312,758</b>	<b>7,213,844,675</b>
<b>Depreciation and impairment losses</b>					
<b>Balance as at January 1, 2018 (audited)</b>	<b>550,782</b>	<b>733,245,253</b>	<b>546,513,811</b>	<b>140,629,875</b>	<b>1,420,939,720</b>
Effect of correction	-	48,019,397	-	-	48,019,397
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>550,782</b>	<b>781,264,650</b>	<b>546,513,811</b>	<b>140,629,875</b>	<b>1,468,959,117</b>
Depreciation charges	-	414,761,137	110,140,683	-	524,901,820
Offset of accumulated depreciation upon revaluation	-	(1,059,894,917)	(60,605,906)	-	(1,120,500,824)
Cumulative depreciation of U1 inspections derecognized	-	(52,473,435)	-	-	(52,473,435)
Offset of accumulated disposals	-	-	(1,841,771)	-	(1,841,771)
Impairment adjustments	-	-	10,077,433	(906,054)	9,171,379
<b>Balance as at December 31, 2018 (audited)</b>	<b>550,782</b>	<b>83,657,435</b>	<b>604,284,249</b>	<b>139,723,821</b>	<b>828,216,287</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>550,782</b>	<b>83,657,435</b>	<b>604,284,249</b>	<b>139,723,821</b>	<b>828,216,287</b>
Depreciation charges	-	104,840,761	25,881,415	-	130,722,176
Offset of accumulated disposals	-	-	(358,681)	-	(358,681)
Impairment adjustments	-	-	-	(20,465)	(20,465)
<b>Balance as of March 31, 2019 (unaudited)</b>	<b>550,782</b>	<b>188,498,196</b>	<b>629,806,983</b>	<b>139,703,356</b>	<b>958,559,316</b>
<b>Carrying amount</b>					
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>30,983,658</b>	<b>4,916,965,695</b>	<b>1,064,947,332</b>	<b>711,177,390</b>	<b>6,724,074,075</b>
<b>Balance as at December 31, 2018 (audited)</b>	<b>31,751,617</b>	<b>4,594,110,693</b>	<b>1,017,458,322</b>	<b>721,140,502</b>	<b>6,364,461,135</b>
<b>Balance as of March 31, 2019 (unaudited)</b>	<b>31,751,617</b>	<b>4,489,269,933</b>	<b>998,654,407</b>	<b>735,609,402</b>	<b>6,255,285,359</b>

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**S.N. Nuclearelectrica S.A.**

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The position "Machinery, equipment and other assets" mainly include the heavy water used for the operation of Units 1 and 2, with a net carrying amount on March 31, 2019 amounting to RON 425,352,765 (December 31, 2018: RON 432,488,488) and administrative buildings with a net carrying amount on March 31, 2019 amounting to RON 273,710,120 (December 31, 2018: RON 277,883,541).

In accordance with the accounting policies in force applied by the Company, the land, buildings and constructions are stated at fair value. The assets were revaluated on December 31, 2018 by an independent assessor, S.C. Primoval S.R.L, member of the National Association of Certified Assessors in Romania ("ANEVAR").

Revaluation results were accounted by using the net method and reflect an increase in net carrying amount of assets (land, buildings and constructions) amounting to RON 56,199,716 as at December 31, 2018.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined by using the fair value at the end of the reporting period.

On March 31, 2019, the carrying value of Units 3 and 4 recognized in the group "Non-current assets in progress" amounts to RON 273,960,000 (December 31, 2018: RON 273,960,000). Before 1991 the nuclear Units 1, 2, 3, 4 and 5 were considered as a single project and therefore the construction costs incurred had not been allocated per unit. Subsequently, the Company allocated the costs for the construction of Units 3 and 4 of the nuclear power plant and for Unit 5.

The group "Non-current assets in progress" also presents the heavy water purchased especially for Units 3 and 4, representing approximately 75 tons, whose book value on March 31, 2019 is RON 159,238,387 (December 31, 2018: RON 159,238,387).

On March 31, 2019, the net carrying amount of the assets under construction related to Units 3 and 4 amounts to RON 506,006,197 (December 31, 2018: RON 506,035,734). On March 31, 2019, the remaining difference up to RON 735,609,402 represents non-current assets in progress, related to Units 1 and 2, such as: D2O detritiation installation amounting to RON 63,238,182, construction of facilities for storage and loading of the nuclear fuel used (DICA) amounting to RON 26,324,568, improvement of nuclear security systems after Fukushima amounting to RON 20,888,223.

The main investments made by the Company during the first 3 months of 2019 for projects in progress related to Units 1 and 2 include:

- Replacing the control section of the excitation system amounting to RON 8,680,452 (December 31, 2018: RON 0)
- Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 3,053,124 (December 31, 2018: RON 8,772,512);
- Improving the Nuclear security systems following the Fukushima event amounting to RON 1,397,354 (December 31, 2018: RON 8,831,576)

The main investment put into operation by the Company in the period of three months that ended on March 31, 2019 from the projects in progress related to Units 1 and 2 is represented by installing spare parts on the equipment in operation amounting to RON 3,877,879.

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On March 31, 2019, the Company has fixed assets purchased based on credit from suppliers (commercial credit) amounting to RON 14,664,803 (December 31, 2018: RON 14,722,450).

### *Decommissioning of nuclear units*

The nuclear power Unit 1 is scheduled to operate until 2026, and Unit 2 until 2037. The Company has not recorded a provision for the decommissioning of the two units because it is not responsible for the decommissioning works. According to Government Decision no. 1080/ 2007, the Nuclear Agency and Radioactive Waste (“ANDR”) is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of the useful life of the two units, as well as for the permanent storage of the resulting waste (see Note 15). The Company's contribution to ANDR during the period of three months that ended on March 31, 2019 amounts to RON 24,382,496 (March 31, 2018: RON 24,272,603).

### *Assets pledged as security*

As at March 31, 2019, and December 31, 2018 respectively, the Company has no pledged or mortgaged assets.

## **5. FINANCIAL INVESTMENTS**

### *Financial investments - Business continuity for Energonuclear S.A. and the Project of Units 3 and 4*

Financial investments are mainly represented by the investment in Energonuclear S.A. ("Energonuclear"). company with headquarters in Bucharest, District 2, 5-7 Vasile Lascar Street, 3<sup>rd</sup> floor and registered with the Trade Registry under the number J40/3999/25.03.2009, having sole registration number 25344972, tax attribute RO. The main business of Energonuclear consists in “Engineering activities and technical consultancy related to it” – NACE Code 7112.

On March 31, 2019 and December 31, 2018, the Company owns 100% of the share capital of EnergoNuclear SA. The value of the interest as at March 31, 2019 and December 31, 2018 amounts to RON 141,666,101.

By the Decision of the Prime Minister no. 318 of December 18, 2018, the Working Group was established for the negotiation of the Intergovernmental Agreement between Romania and the People's Republic of China on the cooperation for the implementation of the Units 3 and 4 Cernavoda NPP Project (“IGA”).

In the period January 21 - 23, 2019, a meeting of the mixed work group Romania - China took place regarding IGA, and the following actions were identified: (1) the JVCO establishment as soon as possible to support the implementation of CfD in Romania, ongoing process; (2) the Romanian party to finalize the preparatory technical measures in view of submitting to the Romanian Parliament and to the European Commission the legislative amendments and updates associated with the adoption of the CfD mechanism; (3) SNN and CGN to resume negotiations on the Investors Agreement (“IA”) in preliminary form.

In meeting of February 4, 2019, the SNN Board of Directors approved the revised mandate of the SNN Negotiating Committee to negotiate the IA and the Articles of Incorporation (“AI”) in a preliminary form to allow the establishment of JVCo by initial minimal cash contribution, calibrated to the development needs of the Project.

On March 15, 2019, the discussions regarding the IA in preliminary form, and the AI of JVCo were finalized.

By Resolution no. 4/10.04.2019 of the Extraordinary General Assembly of Shareholders, the following activities regarding Units 3 and 4 Cernavoda NPP were approved:

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1. Approval of the Preliminary Form of the Investors Agreement regarding Units 3 and 4 Cernavoda NPP concluded between China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment (RO) CO.S.A. and S.N. Nuclearelectrica S.A. (item 2 of EGMS agenda from April 10, 2019);
2. Approval of the authorization of the Chairman of the Board of Directors of S.N. Nuclearelectrica S.A. to sign the Preliminary Form of the Investors Agreement (item 1 above), in the name and on behalf of the Company (item 3 of EGMS agenda from April 10, 2019);
3. Approval of the authorization of the Board of Directors of S.N. Nuclearelectrica S.A. to initiate and carry out the necessary steps to finalize the Articles of Incorporation of the project company, in accordance with the provisions set in the Preliminary Form of the Investors Agreement (item 1 above); the mandate thus granted to the Board of Directors of SNN may be assigned to the executive management, and the final form of the Articles of Incorporation of the project company will be submitted for the approval of the Extraordinary General Meeting of Shareholders of SNN (item 5 of EGMS agenda from April 10, 2019).

On May 8, 2019, SN Nuclearelectrica SA and China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment signed the Preliminary Form of the Investors Agreement regarding the continuation of the Units 3 and 4 Cernavoda NPP Project. CGN has also finalized its internal approval process for the agreement. The Preliminary Form of the Investors Agreement stipulates the establishment of the project company (JVCO) with the sole purpose of being the only technical and operational platform for the further development of the Project. The deadline for the establishment of the JVCO is of 60 business days as of the signing of the Preliminary Form of the Investors Agreement.

Regarding the activity of Energonuclear S.A.:

- With the EGMS Resolution of SNN no. 4/11.07.2017, the shareholders of SNN approved the granting by SNN of a loan convertible in shares amounting to maximum RON 4,000,000 to the Energonuclear S.A. ("EN") branch, in order to finance the maintenance and conservation activities for the site of Units 3 and 4 of Cernavoda NPP; on 31.03.2019, Energonuclear requested an installment of RON 2,500,000 to be granted from the maximum amount, for which SNN registered an interest of RON 54,431, capitalized;

Considering the aforementioned aspects, as well as the stage of the negotiations with the Selected Investor for the development of the Project of Units 3 and 4 of Cernavoda NPP, the Company's management is confident that the project developed by Energonuclear and which will be continued by the new project company, will continue in the future and there will be a demand in the future for the electricity to be produced by Units 3 and 4. Thus, the Company's management considers that the investment in Energonuclear S.A. will be recovered, in line with the Strategy.

## 6. INVENTORIES

On March 31, 2019 and December 31, 2018, the inventories are as follows:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Spare parts	141,397,418	141,293,048
Consumables and other materials	36,522,441	40,636,148
Nuclear fuel	144,891,422	134,039,382
Uranium	34,791,814	38,490,987
Other inventories	15,322,336	14,282,835
<b>Total</b>	<b>372,925,431</b>	<b>368,742,400</b>

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**7. TRADE RECEIVABLES AND OTHER RECEIVABLES**

On March 31, 2019 and December 31, 2018, the trade receivables and other receivables are as follows:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Trade receivables	193,464,512	168,524,274
Adjustments for impairment of trade receivables	(10,360,273)	(10,858,933)
Other receivables	18,656,631	23,029,979
Adjustments for impairment of other receivables	(3,078,604)	(3,190,028)
Taxes and duties	6,382,049	6,189,298
<b>Total</b>	<b>205,064,315</b>	<b>183,694,590</b>

As at 31 March 2019, the significant trade receivables in balance are from: Electrica Furnizare S.A. – RON 43,774,208 (December 31, 2018 – RON 21,322,519), E.ON Energie Romania S.A. – RON 17,302,351 (December 31, 2018 – RON 11,176,963), GEN-I d.o.o. – RON 13,990,336 (December 31, 2018 – RON 18,411,098), Enel Energie S.A. – RON 13,946,790 (December 31, 2018 – RON 7,368,390), Alro S.A. – RON 11,760,499 (December 31, 2018 – RON 12,650,998).

**8. CASH AND CASH EQUIVALENTS**

On March 31, 2019 and December 31, 2018, the cash and cash equivalents are as follows:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Cash and cash equivalents in RON	1,822,883,026	1,606,936,087
Cash and cash equivalents in foreign currencies	5,162,637	4,239,679
<b>Total cash and cash equivalents</b>	<b>1,828,045,663</b>	<b>1,611,175,766</b>

The "Cash and cash equivalents" position also includes bank deposits with an initial maturity of less than one year, amounting to RON 1,616,398,500 (December 31, 2018: RON 1,438,730,983), as well as the amount of RON 4,536,598 representing letters of credit issued in favor of providers of equipment, spare parts, services and technical support (December 31, 2018: RON 2,945,617).

On March 31, 2019 and December 31, 2018, all bank deposits presented under the "Bank deposits" position are in RON.

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Bank deposits	<b>41,363,543</b>	<b>20,954,979</b>

On June 31, 2019, the Company is in possession of letters of guarantee issued by different banks at the request of the Company in favor of third parties, for a total value of RON 117,614,472 (December 31, 2018: RON 126,373,507), for which a cash collateral in the form of collateral deposits was established, divided as follows: RON 16,992,474 in the "Cash and cash equivalents" position (December 31, 2018: RON 0) related to letters of bank guarantee with maturity of less than 3 months, RON 41,363,543 under the "Bank deposits" position (December 31, 2018: RON 20,954,979) related to letters of bank guarantee with a maturity of up to one year and RON 59,258,455 under the

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"Financial assets" position for letters of bank guarantee with a maturity of over one year (December 31, 2018: RON 105,418,528). These letters of bank guarantee are related to the Company's participation on the electricity market, mostly representing the Company's sales of electricity.

As at March 31, 2019 and December 31, 2018 the "Financial assets" position included the previously mentioned collateral deposits, as well as the amount of RON 5,032,931 representing the Company's contribution as new member of the European Liability Insurance for the Nuclear Industry ("ELINI").

**9. LOANS**

The loan reimbursements in the period of 3 months that ended on March 31, 2019 were as follows:

	<u>Curren cy</u>	<u>Interest rate</u>	<u>Value</u>	<u>Year of final maturity</u>
<b>Balance as at January 1, 2019 (audited)</b>			<b>909,860,972</b>	
New issues				
<b>Reimbursements, out of which</b>			<b>(33,262,580)</b>	
Societe Generale - ANSALDO BC	EUR	EURIBOR 6M + 0.45%	-	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0.375%	-	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(33,262,580)	2024
<b>Exchange rate differences</b>			<b>(26,690,844)</b>	
<b>Balance as of March 31, 2019 (unaudited)</b>			<b>903,289,236</b>	

**(i) Long term loans**

As at March 31, 2019 and December 31, 2018, the long-term loans from credit institutions are as follows:

	<u>March 31, 2019 (unaudited)</u>	<u>December 31, 2018 (audited)</u>
Societe Generale - ANSALDO BC	128,167,965	125,506,545
Societe Generale - AECL BC	241,687,671	228,883,938
EURATOM	533,433,600	555,470,490
<b>Total long-term loans from credit institutions</b>	<b>903,289,236</b>	<b>909,860,973</b>
<b>Less: Current portion of long-term loans</b>	<b>(216,170,000)</b>	<b>(209,456,905)</b>
<b>Less: Balance of commitment and insurance fees (long term)</b>	<b>(14,792,939)</b>	<b>(16,436,599)</b>
<b>Total long-term loans net of the short-term portion</b>	<b>672,326,297</b>	<b>683,967,469</b>

**(ii) Short-term loans**

As at March 31, 2019 and December 31, 2018, the short-term borrowings are as follows:

	<u>March 31, 2019 (unaudited)</u>	<u>December 31, 2018 (audited)</u>
Current portion of long-term loans	216,170,000	209,456,905
Interests related to the long-term borrowings	2,255,340	511,595
Short-term transaction costs	(6,574,640)	(6,574,640)
<b>Total short-term loans</b>	<b>211,850,700</b>	<b>203,393,860</b>

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**10. EMPLOYEE BENEFIT OBLIGATIONS**

As of March 31, 2019 and December 31, 2018, the employee benefit obligations are as follows:

Retirement benefits	24,806,444
Anniversary bonuses	5,047,533
Benefits in case of death	977,098
Retirement benefits in the energy field	7,786,273
<b>Total</b>	<b>38,617,348</b>

On March 31, 2019 and December 31, 2018, the Company has the following obligations:

- to pay the employees who are retiring retirement premiums ranging between 2 and 3 basic salaries according to the number of years of seniority in the field of electric, thermal and nuclear energy;
- to pay the employees jubilee premiums according to the number of years of uninterrupted seniority in the field of electric, thermal and nuclear energy;
- to pay the aid to the family of the employee, in the event of his/her death;
- to pay employees who are retiring an energy benefit, representing the equivalent value of 1,200 KWh/year electricity share. The awarding criterion for this benefit is the 15 year old seniority in the field of energy, of which at least the last 10 years within SNN. This benefit is granted as of April 1, 2017.

The following assumptions were taken into account for the application of IAS 19 "Employee Benefits" on December 31, 2018:

Assessment date	December 31, 2018
Number of employees	2,059
Rate of wage increase	SNN's management estimated an increase in the annual rate of increase in consumer prices communicated by the National Prognosis Commission. The evolution of the price increase estimated by the Winter Forecast 2018 is: 2.8% in 2019 2.5% in 2020 2.3% in 2021 2.2% in 2022 For 2023 and the following years: average salary increase with the annual inflation rate.
Rate of kWh price increase	kWh price updated on 31.12.2018: RON 0.6629. For 2019-2030: estimates provided by SNN and development on the same trend for the years to come.
Real average productivity	2.05%
Mortality tables	Mortality rates in Romania in 2013
Gross average wage	8,318

The above assumptions have been considered taking into account:

- The actual average efficiency is calculated based on the estimation of the inflation rate and government bonds efficiency on the active market as at December 31, 2018 and for the residual term to maturity of 1 - 10 years and 13 years.
- Mortality rate used is the one communicated by the National Institute of Statistics.
- A discount rate of 4.02%.

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**11. TRADING AND OTHER LIABILITIES**

On March 31, 2019 and December 31, 2018, trading and other liabilities are as follows:

	<b>March 31, 2019</b> <b>(unaudited)</b>	<b>December 31, 2018</b> <b>(audited)</b>
Non-current assets suppliers	14,664,803	14,722,450
Trade payables	101,919,731	60,462,083
Obligations on employee benefits	34,251,078	24,440,168
Payables to the State	21,774,397	89,292,102
Dividends payables	588,220	4,278,146
Other payables	3,615,460	3,912,931
<b>Total</b>	<b>176,813,689</b>	<b>197,107,880</b>

As at 31 March 2019, the main suppliers in balance are: ANRE – The National Energy Regulatory Authority – RON 42,499,390 (December 31, 2018 – RON 0), Apele Romane Bucuresti (*Romanian Waters Administration*) – RON 11,554,935 (December 31, 2018 – RON 11,951,605), BWXT Nuclear Energy Canada – RON 8,209,843 (December 31, 2018 – RON 0), General Concrete SRL – RON 5,275,387 (December 31, 2018: RON 5,160,292).

**12. PROVISIONS FOR RISKS AND EXPENSES**

On March 31, 2019, the Company recognized the following provisions, included under the position "Provisions for risks and expense" and the position "Current share of provisions for risks and expenses":

	<b>March 31, 2019</b> <b>(unaudited)</b>	<b>December 31, 2018</b> <b>(audited)</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	63,436,195	60,633,302
Obligations regarding the low and medium radioactive and non-radioactive waste	95,147,916	97,648,239
Salary increase litigation provision	34,937,153	34,937,153
Employees' participation to the profit	25,350,000	16,000,000
Provisions for litigations	7,495,641	7,495,641
<b>Total</b>	<b>226,366,905</b>	<b>216,714,335</b>

On March 31, 2019, the provisions in the total amount of RON 226,366,905 represent long-term and short-term liabilities, as follows:

	<b>Long-term share</b> <b>(&gt; 1 year)</b>	<b>Current share</b> <b>(&lt; 1 year)</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	39,167,214	24,268,981
Obligations regarding the low and medium radioactive and non-radioactive waste	84,538,643	10,609,273
Salary increase litigation provision	34,937,153	-
Employees' participation to the profit	-	25,350,000
Provisions for litigations	7,495,641	-
<b>Total</b>	<b>166,138,651</b>	<b>60,228,254</b>

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**13. REVENUES FROM ELECTRICITY SALES***(i) Revenues from electricity sales*

	<b>The period of 3 months that ended on March 31, 2019 (unaudited)</b>	<b>The period of 3 months that ended on March 31, 2018 (unaudited)</b>
Sales of electricity on regulated market	583,823	-
Sales of electricity on free market	661,849,247	539,132,644
Sales of thermal energy	2,995,276	2,109,806
Revenues from green certificates	7,643	3,039
<b>Total</b>	<b>665,435,989</b>	<b>541,245,489</b>

*(ii) The amount of energy sold*

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited)</b>
Quantity of electricity sold on regulated market (MWh)	3,100	-
Quantity of electricity sold on free market (MWh)	2,740,092	2,757,492
<b>Total</b>	<b>2,743,192</b>	<b>2,757,492</b>

The Company is a participant in the balancing market, but also a Responsible Party in the balancing, according to the conventions concluded with the transport and system operator Transelectrica SA. The quantity of energy sold presented does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting to 5,728 MWh for the 3-month period that ended on March 31, 2019 (7,587 MWh for the 3-month period that ended on March 31, 2018).

The Company is developing the activity of producing thermal energy by exploiting the energetic capacities corresponding to the units for producing electrical and thermal energy consisting in two heat switches with a full thermal power of 40 Gcal/h and 46.51 MW. The Company delivers thermal energy to the local thermal energy distribution company SC Utilitati Publice SA Cernavoda, as well as to other final consumers in the locality Cernavoda – business entities, social - cultural institutions. The sales of thermal energy in Q1 2019 amount to RON 2,995,276 (31 March 2018: RON 2,109,806).

The electricity sector is regulated by the National Energy Regulatory Authority (“ANRE”), an autonomous public institution. In 2018 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. Following the Government Emergency Ordinance no. 114 / 28.12.2018, amending and supplementing Electricity and natural gas law no. 123/2012, by establishing the supply of electricity under conditions regulated by ANRE for household clients, between March 1<sup>st</sup>, 2019 and February 28<sup>th</sup>, 2022 and introducing as an additional obligation of manufacturers to deliver last-instance suppliers, between March 1<sup>st</sup>, 2019 and February 28<sup>th</sup>, 2022, the electricity that is necessary for ensuring the consumption of household consumers for which regulated fees are applied, ANRE issued Order no. 10 / February 01, 2019 for approving the Methodology for setting the prices for the electricity sold by the manufacturers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by the manufacturers with last-instance suppliers. ANRE sets for the manufacturers in the indicated period

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obligations to sell firm quantities of electricity based on regulated contracts. For the year 2019, the quantity attributed to SNN for regulated contracts is 1,377 GWh (out of which 3.1 GWh for the period January 1 - March 31, 2019), and for the following years, the sale obligations based on the regulated contracts attributed to SNN shall be set to a maximum level of 65% of the delivered electricity quantity. Also, ANRE set by annual decision the regulated price that must be charged during the current year; the regulated price is set based on economically justified costs, i.e. cost plus profit margin, using a methodology approved by ANRE.

In the 3-months period that ended on March 31, 2019, the Company sold approximately 0.1% of the energy on the regulated market (the Company did not sell energy on the regulated market in the 3-months period that ended on March 31, 2018). The total quantity of electricity sold in the 3-month period ended on March 31, 2019 is 2,748,920 MWh, compared to 2,765,079 MWh, sold in the 3-month period ended on 31 March 2018. The sale price of the electricity on the regulated market in the 3-months period that ended on March 31, 2019 is 188.33 RON/MWh, value which does not include the tariff for electric energy transmission service paid to Transelectrica S.A. for the introduction of electricity in the electricity transmission network.

**14. EMPLOYEES COSTS**

As of March 31, 2019 and March 31, 2018, the personnel expenses comprise:

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited)</b>
Wages and salaries	108,573,484	80,553,185
Expenditure on social security and assimilated costs	6,858,565	5,673,567
<b>Total</b>	<b>115,432,049</b>	<b>86,226,752</b>

**15. OTHER OPERATIONAL COSTS**

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited)</b>
Expenses with third parties services	13,788,717	18,325,642
Expenses with ANDR	24,382,496	24,272,603
Energy and water expenses	19,813,481	19,661,543
Fuel and other consumables expenses	11,126,886	7,698,307
Expenses with ANRE contribution	10,624,847	475,345
Costs of insurance premiums	3,540,855	3,583,630
Transport and telecommunication expenses	1,719,108	1,428,993
Expenses related to provisions and impairments, net	-	1,821,758
Other operating expenses	4,477,130	4,255,139
<b>Total</b>	<b>89,473,520</b>	<b>81,522,960</b>

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**S.N. Nuclearelectrica S.A.**

Notes to the Simplified Individual Financial Statements prepared on the date and for the period of 3 months that ended on March 31, 2019

*(All amounts are presented in RON, unless otherwise indicated)*

**Expenses with ANDR**

Starting with 2007, following the Government Decision no. 1080/September 5, 2007 regarding the safe management of the radioactive waste and the decommissioning of the nuclear installations, the Company is required to make two types of contributions to the ANDR:

- Contribution for the decommissioning of each nuclear unit amounting to 0,6 EUR/MWh of electricity generated and delivered in the system;
- Contribution for the permanent storage of radioactive waste of 1,4 EUR/MWh of electricity produced and generated and delivered in the system.

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful life of both nuclear units, and the direct annual contribution for permanent storage is paid over the operational period of the nuclear units and consequently, ANDR takes responsibility for managing the entire decommissioning process at the end of the useful life of the nuclear plants and the storage of resulting waste.

**Expenses with ANRE contribution**

The contribution paid to ANRE based on the Government Emergency Ordinance no. 114/2018 according to which the Company pays 2% of the turnover achieved from the activities carried out under the licenses held, amounting to RON 10,624,847 (March 31, 2018: RON 475,345). For the year 2018, the contribution was paid based on ANRE Order no. 126/2017, which set a percentage of 0.1% of the turnover achieved from the activities carried out under the licenses held.

**Other operating expenses**

The position "Other operating expenses" includes the expenses related to the operating authorizations paid to CNCAN Bucharest amounting to RON 2,475,000 (March 31, 2018: 2,475,000 RON).

**16. FINANCIAL INCOMES AND EXPENSES**

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited)</b>
Income from interests	13,591,167	6,554,649
Foreign exchange gains	714,780	18,713,320
<b>Total financial revenues</b>	<b>14,305,947</b>	<b>25,267,969</b>
Foreign exchange losses	(27,825,726)	(1,909,731)
Interest related expenses	(3,958,899)	(3,418,873)
<b>Total financial expenses</b>	<b>(31,784,625)</b>	<b>(5,328,604)</b>
<b>Net financial income/(expense)</b>	<b>(17,478,678)</b>	<b>19,939,365</b>

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**17. INCOME TAX**

The income tax recognized in the profit and loss account is as follows:

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited)</b>
Current income tax expense	50,850,405	43,893,967
Deferred tax release	(1,393,277)	(720,809)
<b>Total</b>	<b>49,457,128</b>	<b>43,173,158</b>

**18. EARNINGS PER SHARE**

As of March 31, 2019 and March 31, 2018, the result per share is:

(i) *Basic earnings per share*

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited, retreated)</b>
<b>Net profit in period</b>	<b>219,285,421</b>	<b>176,998,277</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Weighted-average number of ordinary shares at the end of the period	301,513,851	301,513,851
<b>Basic earnings per share (RON/share)</b>	<b>0,73</b>	<b>0,59</b>

(ii) *Diluted earnings per share*

	<b>3 months period that ended on March 31, 2019 (unaudited)</b>	<b>3 months period that ended on March 31, 2018 (unaudited, retreated)</b>
<b>Net profit in the said period</b>	<b>219,285,421</b>	<b>176,998,277</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Number of ordinary shares at the end of the period (a)	301,513,851	301,513,851
Number of shares corresponding to the prepaid share reserve (b)	-	-
<b>Weighted-average number of ordinary shares (diluted) on March 31 (a) + (b)</b>	<b>301,513,851</b>	<b>301,513,851</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0,73</b>	<b>0,59</b>

**19. CONTINGENCIES AND COMMITMENTS**

(i) **Ongoing litigations**

During the three-month period that ended on March 31, 2019, the Company was involved in a number of legal proceedings arising during its normal course of business. The management of the Company regularly analyses the ongoing litigation sand, after consulting with its legal advisers and external lawyers, decides whether to create a provision for the amounts involved or to present them in the financial statements.

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In the opinion of the Company's management, there are no current legal actions or claims, which might have significant effects on the financial earnings and the financial position of the Company that has not been included in these simplified individual interim financial statements.

**(ii) Commitments**

As of March 31, 2019, the Company commits to cover operational and investment expenses according to the ongoing contracts for investments and current and normal operations during the basic activity.

As of March 31, 2019, the total value of commitments is fully reflected under the position "Trading and other liabilities".

**(iii) Guarantees**

As of March 31, 2019, the total value of the letters of bank guarantee issued on the name of the Company is of 118 million RON.

As of March 31, 2019, the total value of the letters of bank guarantee issued by the customers in favor of the Company for the contracts concluded on PCCB-NC, PCCB-LE, PCSU and the regulated market is of 305 million RON. These guarantees cover the risk of unfulfilling the contractual obligations assumed by the clients through the energy sale contracts.

**20. SUBSEQUENT EVENTS*****Approving the distribution of the net profit of financial year 2018***

By Resolution no. 5/23.04.2019 of the Ordinary General Assembly of Shareholders of SNN the distribution of the net profit for the financial year 2018 by destinations was approved, the total value of gross dividends in value of RON 378,914,310, the value of the gross dividend per share in value of RON 1.25670615, the dividend payment date, namely the date of June 28, 2019 and the payment methods, according to the report submitted to the shareholders for this item of the agenda (item 5 of EGMS agenda from April 23, 2019).

***Planned stoppage of Unit 2 Cernavoda NPP***

As of May 3, 2019, 11:00 a.m., Unit 2 Cernavoda NPP entered the planned stoppage program, for a period of approximately 32 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 Cernavoda NPP.

***Signing of the Investors Agreement in preliminary form for the Units 3 and 4 Project***

SN Nuclearelectrica SA and China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment signed on May 8, 2019, the Investors Agreement in preliminary form regarding the continuation of the Units 3 and 4 Cernavoda NPP Project.

**Cosmin Ghita**  
**Chief Executive Officer**

**Adrian Gabriel Dumitriu**  
**Chief Financial Officer**

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