



## QUARTERLY REPORT

**regarding 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. 13 to ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 3-month period that ended on March 31, 2019  
(First quarter of financial year 2019)**

Basis of the report:	Art. 67 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 13 to ASF Regulation no. 5/2018 for the 3-month period that ended on March 31, 2019 (1st quarter of financial year 2019)
Date of the report:	May 13, 2019
Issuer's name:	<b>S.N. Nuclearelectrica S.A. ("SNN")</b>
Registered office:	Bucharest, No. 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 with the Trade Register:	J40/7403/1998
Subscribed and paid share capital:	RON 3,015,138,510
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro) Premium Category 301.513.851 shares, nominal value of RON 10/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, 2019 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 the International 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:	<b>First quarter of financial year 2019</b>
Reported period:	

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## 1. ECONOMIC AND FINANCIAL SITUATION

The information and the unaudited simplified individual interim financial statements on the date and for the period of 3 months that ended on March 31, 2019 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” passed by the European Union.

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

### a) Financial position statement as of March 31, 2019

Indicator [thousand RON]	March 31, 2019 (unaudited)	December 31, 2018 (audited)
Non-current assets	6,511,655	6,671,436
Current assets	2,505,877	2,194,769
<b>Total Assets</b>	<b>9,017,532</b>	<b>8,866,205</b>
Equity capital	7,398,416	7,179,131
Total liability, out of which:	1,619,116	1,687,074
Long-term debts	1,089,505	1,112,870
Short-term debts	529,611	564,204
<b>Total Equity and Liability</b>	<b>9,017,532</b>	<b>8,866,205</b>

### b) Profit and loss account and global result for the 3-month period that ended on March 31, 2019

Indicator [thousand RON]	3-month period ended on March 31, 2019 (unaudited)	3-month period ended on March 31, 2018 (unaudited, re- treated)
Operating revenues	678,007	571,008
Operational expenses	(391,786)	(370,776)
<b>Operating profit</b>	<b>286,221</b>	<b>200,232</b>
Financial revenues	14,306	25,268
Financial expenses	(31,785)	(5,329)
<b>Net financial (expenses)/revenues</b>	<b>(17,479)</b>	<b>19,939</b>
<b>Profit before corporate tax</b>	<b>268,742</b>	<b>220,171</b>
Net corporate tax expense	(49,457)	(43,173)
<b>Period profit</b>	<b>219,285</b>	<b>176,998</b>
<b>Other elements of the global result</b>	<b>-</b>	<b>-</b>
<b>Global result</b>	<b>219,285</b>	<b>176,998</b>
<b>Basic earnings per share (RON/share)</b>	<b>0,73</b>	<b>0,59</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0,73</b>	<b>0,59</b>

## **2. IMPORTANT EVENTS**

### **2.1 Important events in the first quarter of financial year 2019**

#### ***Amendment of the Articles of Incorporation of the Company***

By Resolution no. 2/04.01.2019 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 item of the agenda (item 2 of the EGMS agenda of January 4, 2019), was approved. The amendment is as follows: adding par. (7) to art. 8 which is specifying that the Board of Directors is authorized, for a period of three years, to increase the share capital by issuing new shares in exchange for the contributions of the shareholders up to an authorized capital value of RON 3,015,427,983.

#### ***Activities approved for the increase of the share capital***

Resolution no. 2/04.01.2019 of the Extraordinary General Assembly of Shareholders approved the following activities for the increase of share capital:

1. The appointment by the Trade Registry Office attached to Bucharest Court of Law of an authorized assessor to appraise the land located on 23 Energiei Street, Cernavoda, Constanta County, in order to increase the share capital of S.N. Nuclearelectrica S.A., as per the note forwarded to the shareholders with regard to this point of the agenda (item 3 of EGMS agenda from January 4, 2019);
2. Conferral of power to the Board of Directors for S.N. Nuclearelectrica S.A. share capital increase up to a maximum value of authorized registered capital of RON 3,015,427,983 lei, according to the note forwarded to the shareholders in relation to this item of the agenda (item 4 of EGMS agenda from January 4, 2019).

#### ***Appraisal mission lead by the World Association of Nuclear Operators “WANO”***

By the Current Report published on January 30, 2019, S.N. Nuclearelectrica S.A. is notifying the shareholders and investors on the appraisal mission lead by the World Association of Nuclear Operators “WANO” between November 5 – 12, 2018. This appraisal, carried out at the request of S.N. Nuclearelectrica S.A., by a team of 25 international experts from nuclear power plants from all over the world, concluded that the level of nuclear security at Cernavoda NPP is high.

#### ***Changes in the management of the Company***

By Resolutions no. 2/04.02.2019 and no. 3/04.02.2019, the SNN Board of Directors has approved the appointment of the Chief Executive Officer, Deputy Executive Officer and Chief Financial Officer for a period of 4 years, starting with February 11, 2019, as follows: Mr. Cosmin Ghita – as Chief Executive Officer; Mr. Dan Laurentiu Tudor – as Deputy Executive Officer and Mr. Adrian Gabriel Dumitriu – as Chief Financial Officer.

#### ***Approval of regulated prices and quantities for the period March 1, 2019 - December 31, 2019***

By the Current Report published on February 27, 2019, S.N. Nuclearelectrica S.A. informs the shareholders and the investors about the Decision of the National Energy Regulatory Authority no. 326/25.02.2019, according to which S.N. Nuclearelectrica S.A. has the obligation to sell 1,377,328.968 MWh on the regulated market between March 1, 2019 - December 31, 2019 (March - April 2019, and July - December 2019, respectively), representing 13.4% of the

total production schedules for 2019 at the regulated price of RON 188.33/MWh. This regulated price does not include the electricity transmission fee, in the amount of RON 1.18/MWh (according to the Order of the National Regulatory Authority for Energy No. 108/20.06.2018).

### ***Signing the Memorandum of SNN – NuScale Power***

On March 19, 2019 a Memorandum of Agreement was signed with NuScale Power for an exchange of technical and economic information on the innovative nuclear technology developed by NuScale Power: nuclear power plant based on light water modular reactors to provide electricity, heat, desalination. This technology is the first and only technology subject to a certification assessment by the Nuclear Regulatory Commission of the United States, globally. The purpose of this Memorandum is to evaluate the development, authorization and construction of small modular reactors as a potential long-term solution for Romania.

## **2.2 Important events after the date of March 31, 2019**

### ***The Project for the Units 3 and 4 Cernavoda NPP***

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:

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.

### ***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 OGMS agenda from April 23, 2019).

### ***Planned outage 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.

### **3. ECONOMIC AND FINANCIAL INDICATORS**

SNN performances are reflected in the accomplishment of the main economic financial indicators, as follows:

<b>Indicator name</b>	<b>Calculation method</b>	<b>M.U.</b>	<b>Value 31.03.2019<sup>*)</sup></b>
<b>1. The current liquidity indicator</b>	Current assets/ Short-term debts	x	4.73
<b>2. Indebtedness degree indicator</b>			
2.1. Indebtedness degree indicator (1)	Borrowed capital/ Equity x 100	%	9.1%
2.1. Indebtedness degree indicator (2)	Borrowed capital/ Engaged capital x 100	%	8.3%
<b>3. Turnover speed, for client debit items</b>	Average customer balance/ Turnover x 90	days	23
<b>4. Asset turnover speed<sup>**)</sup></b>	Turnover/ Non-current assets	x	0.41

<sup>\*)</sup> Based on the Unaudited Simplified Individual Interim Financial Statements on the date and for the 3 month period ended on March 31, 2019.

<sup>\*\*)</sup> The asset turnover speed 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, 2019 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 Standards (“IFRS”), based on the International Accounting Standard 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, 2019 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. 13 to ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations for the 3-month period ended on March 31, 2019, comprises accurate and real information according to the development and performance of the Company.

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

**Approved,**  
**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, 2019**

The Unaudited Simplified Individual Interim Financial Statements on the date and for the period of 3 months that ended on March 31, 2019 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 the Accounting Standard 34 - “Interim financial reporting” passed by the European Union, are published on the webpage of S.N. Nuclearelectrica S.A. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), Relations with investors section.

### **5.2 QUARTERLY REPORT of the Board of Directors on the administration activity for the period January 1 - March 31, 2019**

The Quarterly report of the Board of Directors on the administration activity for the period January 1 - March 31, 2019 drafted according to the provisions of art. 67 paragraph (b) 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](http://www.nuclearelectrica.ro)), Relations with investors section.