



HALF - YEARLY REPORT OF THE BOARD OF DIRECTORS

S.N. NUCLEARELECTRICA S.A.

(“SNN”)

First half - year of 2020

Report date: August 2020

CONTENTS

1. BASIS OF REPORT	3
2. FINANCIAL STATEMENT ANALYSIS	3
2.1. Financial position statement as of June 30, 2020.....	3
2.2. Profit and loss account for the 6-month period that ended on June 30, 2020.....	4
2.3. Execution of the Revenue and Expense Budget as of June 30, 2020.....	5
3. OPERATIONAL ACTIVITIES	6
3.1. Electricity production	6
3.2. Electricity sales.....	7
3.3. Expenses in the energy market	10
3.4. The investment program on June 30, 2020.....	11
3.5. Activity of the Cernavoda NPP Branch.....	13
3.6. Activity of the Pitesti NFF Branch	17
4. OTHER SIGNIFICANT ASPECTS.....	17
4.1. Main aspects of continuing the Project for Increasing the Production Capacity.....	17
4.2. The litigation initiated by the Union of Cernavoda NPP and employees of the Cernavoda NPP Branch.....	17
4.3. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the Cernavoda NPP Branch ...	18
4.4. Litigations initiated by S.N. Nuclearelectrica S.A. against the Energy Regulation National Authority "ANRE"	18
4.5. Changes in the management of the Company - Managers.....	19
4.6. Changes in the management of the Company - Board of Directors	19
4.7. Pre - SALTO assessment mission regarding the implementation of the project for retrofitting Unit 1 of NPP Cernavoda.....	20
4.8. Concluding a contract for market making services.....	21
4.9. Implementing Standard ISO 37001 – Anti - bribery management system	21
4.10. Activities approved regarding the procurement by SNN of the uranium octoxide processing line from Compania Nationala a Uraniuului S.A. – Feldioara branch.....	21
4.11. Participation of S.N. Nuclearelectrica S.A. in the incorporation of the Association of Electricity Producers - HENRO 21	
4.12. Approving the distribution of the net profit of financial year 2019.....	22
4.13. Planned outage of Unit 1 CNE Cernavoda.....	22
4.14. Approval of the Investment Strategy for the period 01.07.2020 – 01.07.2025.....	22
4.15. The contribution of nuclear energy to the generation of clean hydrogen	22
4.16. Approval of regulated prices and quantities for the period July 1, 2020 - December 31, 2020.....	22
4.17. Major litigations.....	23
4.18. Other information.....	23
5. MAIN ECONOMIC AND FINANCIAL INDICATORS AS OF 30.06.2020	24
6. ACHIEVEMENT DEGREE OF THE KEY PERFORMANCE INDICATORS	25
Annex 1 - Financial position statement as of June 30, 2020.....	28
Annex 2 - Profit and loss account for the 6-month period ended on June 30, 2020.....	29
Annex 3 - Execution of the Revenues and Expenses Budget as of June 30, 2020.....	30
Annex 4 – Major litigations in progress on June 30, 2020 (over 500 thousand RON), including the non-monetary evaluated ones	31
Annex 5 – The accomplishment degree of the key performance indicators as of 30.06.2020 – Board of Directors.....	42

1. BASIS OF REPORT

The half - year report of the Board of Directors for the period January 1 - June 30, 2020 is drafted in virtue of the provisions of art. 55 of the Government Emergency Ordinance no. 109/2011 regarding corporate governance of the public enterprises, as further amended and supplemented (“GEO no.109/2011”) and of the mandate contracts concluded by the Board of Directors with SNN.

2. FINANCIAL STATEMENT ANALYSIS

The information and the Individual Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2020 presented in this report are reviewed by the financial auditor of S.N. Nuclearelectrica S.A. – S.C. Mazars Romania S.R.L., and were 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”.

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

2.1. Financial position statement as of June 30, 2020

The financial position on June 30, 2020 is presented in **Annex 1**.

Indicator [thousand RON]	June 30, 2020 (reviewed)	December 31, 2019 (audited)	Variation
Non - current assets	6,049,060	6,301,960	(4.0%)
Current assets	2,459,151	2,508,894	(2.0%)
Total assets	8,508,211	8,810,854	(3.4%)
Long - term debts	832,410	936,157	(11.1%)
Current liabilities	501,182	539,763	(7.1%)
Total liabilities	1,333,592	1,475,920	(9.6%)
Equity	7,174,619	7,334,934	(2.2%)
Total equities and liabilities	8,508,211	8,810,854	(3.4%)

Non - current assets registered a decrease of 4% compared to the level registered on December 31, 2019, especially due to the decrease of the net value of tangible assets by acknowledging the amortization for the first half - year of 2020. The impact of the period’s depreciation was partially compensated by the investments performed for Units 1 and 2 Cernavoda NPP. At the same time, the financial assets of the Company, representing collateral deposits related to letters of bank guarantee with maturities longer than 12 months, issued by the Company, recorded a decrease as of June 30, 2020 compared to December 31, 2019, contributing to the decrease of fixed assets.

Current assets recorded a decrease of 2% compared to December 31, 2019, due to the decrease of cash liquidities (cash and cash equivalents), commercial receivables, other receivables and inventory. This decrease is partially offset by the increase in bank deposits and advance payments.

Long - term debts decreased by 11.1%, as compared to the values recorded on December 31, 2019. The decrease is mainly caused by the decrease of the long term portion of the external credits contracted from EURATOM for building and starting up Unit 2 Cernavoda NPP, following the reclassification of the outstanding installments in the short - term portion, gradually with the maturity of the credits.

Current debts decreased by 7.1% compared to the values recorded on December 31, 2019. The decrease was mainly caused by the decrease of commercial debts, other debts and the current section of the provisions of risks and expenses. This decrease is partially offset by the increase in the profit tax debt and short - term advance revenues.

2.2. Profit and loss account for the 6-month period that ended on June 30, 2020

During the period of 6 months that ended on June 30, 2020, SNN recorded a net profit of 343,222 thousand RON.

Indicator [thousand RON]	6-month period ended on June 30, 2020 (reviewed)	6-month period ended on June 30, 2019 (reviewed)	Variation
Production (GWh)*	5,499	4,919	11.8%
Operating income, out of which:	1,182,985	1,208,559	(2.1%)
<i>Income from electricity sales**</i>	<i>1,157,519</i>	<i>1,181,738</i>	<i>(2.0%)</i>
Operating expenses, minus depreciation and amortization	(516,121)	(569,502)	(9.4%)
EBITDA	666,864	639,057	4.4%
Depreciation and amortization	(278,255)	(274,872)	1.2%
EBIT	388,609	364,185	6.7%
Net financial result	24,609	(4,063)	n/a
Net income tax expense	(69,996)	(69,461)	0.8%
Net profit	343,222	290,661	18.1%

*Electricity produced and delivered by Cernavoda NPP in the National Energy System.

**Including revenues from the sale of thermal energy, insignificant in the total revenues.

Operating profit (EBITDA) increased by 4.4% compared to the same period of the previous year. The increase was caused by a decrease in operating expenses, less depreciation and amortization by 9.4%, partially offset by a decrease in operating income of 2.1%, influenced by a 2% decrease in electricity sales revenues.

The operating income decreased by 2.1%, determined by the 9.6% decrease in the weighted average price of the electricity sold in the first half - year of 2020, as compared to the weighted average price from the same period of 2019, considering the sale of a total quantity of electricity that was higher by 8.6%.

Following Government Emergency Ordinance no. 114/28.12.2018, which amends and supplements Electricity and natural gas law no. 123/2012, ANRE issued Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last - instance suppliers. According to ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for the first half - year of 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020

and 385.6 GWh for Q2 2020. For the first half - year of 2020, ANRE set for SNN a regulated price of 188.47 RON/MWh (without Tg), and for the first half - year of 2019 a regulated price of 188.33 RON/MWh (without Tg). During the first half - year of 2020, the Company sold 19.6% of its energy on the regulated market (first half - year of 2019: 0.1%), at a regulated price.

Compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts decreased by 47%, and benefitted from an increase in the average sale price on this market by 15% (price without Tg).

According to the provisions of art. 5 paragraph (4) of the Methodology annexed to the Order issued by ANRE no. 216/11.12.2019, SNN had the obligation to sell on the basis of regulated contracts a quantity up to a maximum of 65% of the amount of electricity estimated to be delivered in the first half - year of 2020. Subsequently, according to ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for the first half - year of 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 of 2020 and 385.6 GWh for Q2 of 2020. In view of the above and the decrease of the spot market price (PZU) as of February 2020 (compared to the same period of 2019), the amount of electricity sold by SNN on the spot market (PZU) in the first half - year of 2020 increased by 208%, given that an average sale price on this market lower by 29% (price without Tg) was recorded.

Operating expenses, minus depreciation and amortization decreased by 9.4% in the first half - year of 2020, compared to the same period of 2019. This evolution is determined by the decrease of expenses with the purchased electricity, personnel expenses, other operating expenses, expenses with repairs and maintenance and expenses with spare parts, partially compensated by the increase of expenses with nuclear fuel and expenses with electricity transportation.

Net currency exchange differences positively influenced the net result, so in period January 1 - June 30, 2020, 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 and CAD.

Net profit tax expenses increased by 0.8% as a result of the increase in taxable profit calculated for the first half - year of 2020 compared to the ones calculated for the same period of the previous year.

The profit and loss account for the period of 6 months ended on June 30, 2020 is presented in **Annex 2**.

2.3. Execution of the Revenue and Expense Budget as of June 30, 2020

The Revenue and Expenses Budget (“BVC”) of SNN for the year 2020 was approved by the Resolution of the General Meeting of Shareholders no. 3/05.03.2020.

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

The execution of the Revenue and Expenses Budget on June 30, 2020 is presented in **Annex 3** to this report.

As per the analysis of the Budget of Revenues and Expenses execution as of June 30, 2020 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 99.3% and a

decrease of the operating expenses compared to the budgeted level of 16.5% results. The performance level of the total income is 100.7%, higher than the performance level of the total expenses of 83.5%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

The gross production of electricity of the two operational units of CNE Cernavoda was 5,964,074 MWh in the first half - year of 2020 (out of which 2,876,550 MWh in Q2 2020); from this gross production, the own technological consumption of the Units during the operation, and during the outages ensured from own production was 465 thousand MWh in the first half - year of 2020 (out of which 225 thousand MWh in Q2 2020).

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 5,498,634 MWh in the first half - year of 2020, compared to the same period of 2019 (4,918,714 MWh), representing a 12% increase; in the second quarter of 2020 the quantity of electricity that was produced and delivered in SEN was 2,651,440 MWh, a 22% increase compared to the level recorded in the second quarter of 2019, of 2,177,190 MWh. The increase is mainly due to the delay in the planned outage of Unit 1 of CNE Cernavoda, started on June 20, 2020, compared to May 3, 2020, according to the initial planning, which led to a cumulated number of operation hours that was 645.5 hours higher than in the same period of last year, as well as the operation of modifying the thresholds for triggering local superpower protection systems ROPT (reactor protection system at high zonal power) implemented at the end of last year at Unit 1 CNE Cernavoda, which led to an increase in the reactor power after cleaning the steam generators in 2016.

The net electricity production program approved by the Board of Directors for 2020 (June 2020 revision) considered a quantity of 10,391,265 MWh; out of this quantity, for the first half - year of 2020, the production program considered a quantity of 5,460,884 MWh, being implemented in a percentage of 100.7% and for the second quarter of 2020 it considered a quantity of 2,613,692 MWh, being implemented in a percentage of 101.4%.

The installed power usage factor, recorded by each operational unit within CNE Cernavoda during the second quarter of 2020, and cumulated since the start of the commercial usage (Unit 1 on December 2, 1996, Unit 2 on November 1, 2007) until June 30, 2020 was the following:

Cernavoda NPP unit	Cumulated first quarter 2020	April 2020	May 2020	June 2020	Cumulated first half - year 2020	Cumulated from the commercial exploitation
Unit 1	101.51%	100.38%	100.10%	63.75%	94.86%	90.77%
Unit 2	99.94%	99.77%	98.57%	98.13%	98.38%	94.33%

The smaller value of the installed capacity factor of Unit 1 of Cernavoda NPP reflects the influence of the scheduled outage, started on June 20, 2020, at 11:00.

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; the agreement concluded with OPCOM S.A. for electricity trading on PZU (Next Day Market) and PI (Intra - Daily Market); regulated contracts, concluded with last resort providers, based on ANRE Decision no. 2213/2019; contracts concluded on the PCCB – NC platform (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 participating in the PE (balancing market) concluded with C.N. Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for providing the representation service as the part in charge with balancing (PRE).

For the purpose of this activity, between January 1 and June 30, 2020:

- 13 letters of bank guarantee were issued, in value of RON 53,769,503;
 - 37 letters of bank guarantee were liquidated, amounting to RON 121,479,813 (issued in 2018, 2019 and 2020), out of which for 28 letters of bank guarantee, there were collateral deposits of RON 95,209,494.
 - the value of 9 letters of bank guarantee was increased, from 21,543,199 RON to 21,552,053 RON.
- On June 30, 2020, there were in the balance 28 letters of bank guarantee amounting to RON 97,250,641, out of which, for one letter of bank guarantee, there was a collateral deposit set up amounting to RON 1,450,000.

The quantities of electricity sold in the first half - year of 2020 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the first half - year of 2020

Sales by types	Quantities in MWh	% of total sales	Average price [RON/MWh with Tg included]	Revenues from sales [RON]
Sales on the regulated market	1,086,736	19.6%	189.77	206,229,931
Sales on the free market (bilateral contracts and PZU sales), out of which:	4,444,507	80.1%	214.36	952,723,656
- Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts	2,314,623	41.7%	269.27	623,247,147
- PZU sales	2,129,884	38.4%	154.69	329,476,509
PE positive imbalances ^{*)}	18,228	0.3%	106.75	1,945,784
Total sales in the first half - year of 2020	5,549,471	100%	209.19	1,160,899,371

^{*) NB: RON 56,602 of the presented value represents revenues redistributed in January - May 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018. The value of positive imbalances for June 2020 is estimated.}

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU) and on PE is 5,549,471 MWh, 1.2% more than the sales program, of 5,486,195 MWh (sized on the production estimate, without estimating unplanned outages) and 8.6% more than the electricity quantity sold in the same period of 2019.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (50,8 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 62% from the spot market, 21% from PE, and the rest from Centralized Markets.

The revenues obtained from the electricity market related to electricity deliveries in the first half - year of 2020 are 1,160,899,371 RON (out of which 56,602 RON represents redistributed revenues resulted from balancing the system), 0.7% higher than the budget revenues for the first half - year of 2020, and 1.9% higher than the same period of the previous year.

According to the sales strategy, 5 purchase contracts were concluded on the Centralized Markets in June 2020, for a constant power of 50 MWh, with delivery in week June 22 - 28, at an average price of 163.3 RON/MWh which partially covered the sale obligations assumed by the contracts whose average weighted price in June 2020 was 249.16 RON/MWh.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in the first half - year of 2020, is of RON 214.36/MWh (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated in the first half - year of 2020 (PCCB - LE, PCCB - NC, PC - OTC and PZU), calculated based on the values published by OPCOM in the monthly market reports, is 226.49 RON/MWh. In the first half - year of 2019, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 231.62 RON/MWh (including T_g).

Following Government Emergency Ordinance no. 114/28.12.2018, which amends and supplements electricity and natural gas law no. 123/2012, ANRE issued Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last - instance suppliers. According to ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for the first half - year of 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020 and 385.6 GWh for Q2 2020. For the first half - year of 2020, ANRE established a regulated price for SNN of 188.47 RON/MWh (without T_g).

The electricity quantities sold on the competitive market of bilateral contracts represented in the first half - year of 2020 a percentage rate of 41.7% out of the total volume of the sold electricity. The average sale price on bilateral contracts in this period was 269.27 RON/MWh (with T_g included), recording an increase of 15.2% as compared to the average price recorded in the same period of 2019, of 233.66 RON/MWh (with T_g included); given the fact that the values of the electric power input transport fee in the T_g network were the following: 1.18 RON/MWh for the period July 1, 2018 - December 31, 2019, according to ANRE Order no. 108/20.06.2018 and 1.30 RON/MWh for the period January 1, 2020 - June 30, 2020, according to ANRE Order no. 218/11.12.2019.

On the spot market (PZU), during the first half - year of 2020, a quantity of electricity representing 38.4% of the total sale volumes was sold, compared to the percentage share of 13.5% recorded in the same period of 2019. The average energy selling price on the spot market (PZU) achieved by SNN in the first half - year of 2020 was 154.69 RON/MWh (with T_g included), compared to 218.64 RON/MWh (with T_g included) recorded during the same period of 2019.

In the first half - year of 2020, SNN implemented 138 energy sale contracts, as follows:

- 10 regulated contracts, out of which 5 with delivery on the first hour of January;
- 83 contracts concluded on PCCB - LE;
- 39 contracts concluded on PCCB - NC;
- 4 transactions concluded on PC - OTC;
- 2 supply contracts for 2 end users.

No contracts were terminated and no significant delays were notified compared to the due payment terms provided in the contracts during the first half - year of 2020. 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 electricity sold in the second quarter of 2020 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the second quarter of 2020

Sales by types	Quantities in MWh	% of total sales	Average price [RON/MWh with Tg included]	Revenues from sales [RON]
Sales on the regulated market	385,136	14.3%	189.77	73,087,230
Sales on the free market (bilateral contracts and PZU sales), out of which:	2,301,582	85.3%	200.11	460,577,127
- Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts	1,181,196	43.8%	268.36	316,989,328
- PZU sales	1,120,386	41.5%	128.16	143,587,799
PE positive imbalances ^{*)}	10,828	0.4%	72.90	789.344
Total sales in the 2nd quarter of 2020	2,697,546	100%	198.13	534,453,702

^{*) NB: RON 2,679 of the presented value represents revenues redistributed in April - May 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018. The value of positive imbalances for June 2020 is estimated.}

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU) and on PE is 2,697,546 MWh, 2.2% more than the sales program, of 2,639,003 MWh (sized on the production estimate, without estimating unplanned outages) and 14.1% more than the electricity quantity sold in the same period of 2019, following the delay of the scheduled shutdown of Unit 1 of CNE Cernavoda.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (46.1 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 69% from the spot market, 18% from the Centralized Markets, and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in the second quarter of 2020 are 534,453,702 RON (out of which 2,679 RON represents redistributed revenues resulted from balancing the system), 5.8% higher than the budget revenues for the second quarter of 2020, and 3.3% higher than the same period of the previous year.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in Q2 2020, is of 200.11 RON/MWh (including Tg). In the second quarter of 2019 the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 219.17 RON/MWh (including Tg).

The sold electricity quantities on the competitive market (bilateral contracts) represented in Q2 2020 a percentage rate of 43.8% out of the total volume of the sold energy. The average sale price on bilateral contracts to be delivered in Q2 2020 was 268.36 RON/MWh (with Tg included), registering a drop of 20% compared to the average price registered in Q2 2019, of 224.08 RON/MWh (Tg included), given that Tg in Q2 2019 was lower by 0.12 RON/MWh.

On the spot market (PZU), over the second quarter of 2020, a quantity of electricity representing 41.5% of the total sale volumes was sold, as compared to the percentage share of 17.9% recorded over the second quarter of 2019. The average energy selling price on the spot market (PZU) achieved by SNN in Q2 2020 was 128.16 RON/MWh (with Tg included), compared to 196.8 RON/MWh (with Tg included) recorded during the same period of 2019 (PZU).

In Q2 2020, SNN implemented 68 energy sale contracts, as follows:

- 5 regulated contracts;
- 47 contracts concluded on PCCB - LE;
- 10 contracts concluded on PCCB - NC;
- 4 transactions concluded on PC - OTC;
- 2 supply contracts for 2 end users.

3.3. Expenses in the energy market

In the first half - year of 2020, the total value of the expenses on the electric power market, incurred by SNN, is of RON 18,363,566, out of which RON 4,493,659 represent expenses on the balancing market (PE) - the value related to June 2020 is estimated, RON 7,147,942 represent Tg (the regulated tariff paid to C.N. Transelectrica S.A. for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 12,835 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 698,827 represent the tariffs paid to OPCOM S.A. for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

In the first half - year of 2020 the expenses with the purchase of electricity from the Centralized Markets were 1,371,720 RON – for 8,400 MWh, and those from the spot market (PZU) were 4,498,801 RON – for 31,650 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to 5,870,521 RON (first half - year of 2019: 35,187,162 RON), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage of the Unit 1 of CNE Cernavoda; the purchased electricity quantity was 40,050 MWh (the first half - year of 2019: 176,635 MWh), at an average price of 146.58 RON/MWh (first half - year of 2019: 199.21 RON/MWh).

The PE expenses in the first half - year of 2020 were 4,493,659 RON, and the purchased electricity quantity was 10,787 MWh (the first half - year of 2019: RON 7,014,594, with the purchased quantity of electric power amounting to 16,975 MWh). This amount represents the equivalent value of the energy received from PE for compensating the negative unbalance, which occurred because of the differences

between the energy quantities that were actually delivered and the quantities notified on the market according to the daily estimates for each hourly interval, and the value of the unbalance from notification, the penalties for the partial delivery of the balancing energy and redistributed costs resulted from the system balancing, based on ANRE Order no. 76/2017 and ANRE Order no. 31/2018.

In the second quarter of 2020, the total value of the expenses on the electric power market, incurred by SNN, is of RON 12,235,283, out of which RON 2,478,628 represent expenses on the balancing market (PE) - the value for June 2020 is estimated, 3,446,749 represent Tg (the regulated tariff paid to C.N. Transelectrica S.A. for the injection of the electric power produced by Cernavoda NPP in the electric power transport network), RON 5,580 represent the expenses consisting in the equivalent value of the green certificates required to be purchased for the supplied electric power, RON 363,593 represent the tariffs paid to OPCOM S.A. for the sale and purchase transactions carried out on the platforms managed by OPCOM S.A.

In the second quarter of 2020 the expenses with the purchase of electricity from the Centralized Markets were 1,371,720 RON – for 8,400 MWh, and those from the spot market (PZU) were 4,498,801 RON – for 31,650 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to 5,870,521 RON (second quarter of 2019: 35,187,162 RON), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned outage of the Unit 1 of CNE Cernavoda; the purchased electricity quantity was 40,050 MWh (second quarter of 2019: 176,635 MWh), at an average price of 146.58 RON/MWh (Q2 2019: 199.21 RON/MWh).

The PE expenses in Q2 2020 were 2,478,628 RON, and the purchased electricity quantity was 6,055 MWh (Q2 2019: RON 3,665,036, with the purchased quantity of electric power amounting to 9,580 MWh).

The expenses with purchases of electricity and negative imbalances were lower in the second quarter of 2020, compared to the second quarter of 2019, following the delay of the scheduled outage of Unit 1 of CNE Cernavoda.

3.4. The investment program on June 30, 2020

The total value of the investment program of SNN for 2020 is 309,544 thousand RON (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/05.03.2020 of the Ordinary General Assembly of Shareholders of SNN, as part of the Revenues and Expenses Budget ("BVC") of SNN for 2020.

The comparative situation of the investment accomplishments (value and percentage) for 2020 compared to the same period of 2019 is presented in the table below:

Year	Value of the investment program [thousand RON]	Achieved (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2020	309,544	58,946	19.0%
2019	256,548	136,948	53.4%

As in the previous years, Nuclearelectrica S.A. structured its investment development program on objectives defined in relation to the needs of the production branches (Cernavoda NPP and Pitesti NFF), so as to achieve a high level of utilization of the production capacity (EAF Energy Availability Factor) in compliance with the nuclear safety norms and the long-term maintenance of the level of excellence in the operation of the plant. At the same time, the goal of the development program is to cover the necessity to upgrade/refurbish certain systems, for economic reasons (specific consumption reductions, improvement of certain parameters related to served processes, with a positive impact on efficiency), and legal ones – the need to implement upgrades associated with nuclear security, environment protection and labor security, representing imperative requirements from the regulatory authorities in the field.

Analysis of the completion degree of the investment program on June 30, 2020

The investment program of SNN for 2020 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 largest investment projects that are planned to be completed in 2020 are: Module 11 DICA; modernization and expansion of the Physical Protection System – priority 2, stage 1; refurbishing the power outlet transformer and delivering it to CNE Cernavoda and fitting the Seiru Warehouse. In addition, the investment program includes inspections and capital repairs carried out at Unit 1 of CNE Cernavoda during the scheduled outage, other necessary investment projects within the CNE Cernavoda branch, the FCN Pitesti branch and the headquarter, as well as investment objectives with completion in the next years.

Out of the investment projects provided in the investment program we mention:

- **“Scheduled outage of Unit 1 of CNE Cernavoda (regular general inspections and capital repairs)”**: budgeted 111,297 thousand RON – the implementation value degree as of June 30, 2020 is 14.3%. The scheduled outage of Unit 1 of CNE Cernavoda began on June 20, 2020 (compared to May 3, 2020, according to the initial plan).
- **“Extending the life cycle of Unit 1 by retubing the reactor and refurbishing the main systems”**: budgeted 49,710 thousand RON – the implementation value degree as of June 30, 2020 is 36.4%.
- **“Burnt fuel intermediary warehouse”**: budgeted 10,035 thousand RON – the implementation value degree as of June 30, 2020, is 25.4%. The reception of Module 11 took place on June 5, 2020. The process of contracting the construction works of Modules 12 – 17 has been completed, and the contract was signed on June 12, 2020.
- **“Modernization and expansion of the physical protection system”**: budgeted 8,511 thousand RON – the implementation value degree as of June 30, 2020 is 18.4%.

- **“Fitting the Seiru Warehouse”**: budgeted 2,871 thousand RON – the implementation value degree as of June 30, 2020, is 115%. The budgeting of this investment was carried out with caution, since on the date on which BVC 2020 was drafted there were uncertainties related to its continuation.

- **“Increasing the safety in the operation of the power evacuation system of CNE Cernavoda, by refurbishing the power evacuation transformers and providing a backup transformer for two units”**: budgeted 2,194 thousand RON – the implementation value degree as of June 30, 2020 is 77.7%.

- **“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”**: budgeted 1,486 thousand RON – the implementation value degree as of June 30, 2020 is 4.4%.

- **“Modernization of the bundle manufacture line”**: budgeted 551 thousand RON – the implementation value degree as of June 30, 2020 is 92.7%.

- **“Fittings”**, representing procurements of goods and other investment expenses: budgeted 71,478 thousand RON – the implementation value degree as of June 30, 2020 is 8.6%.

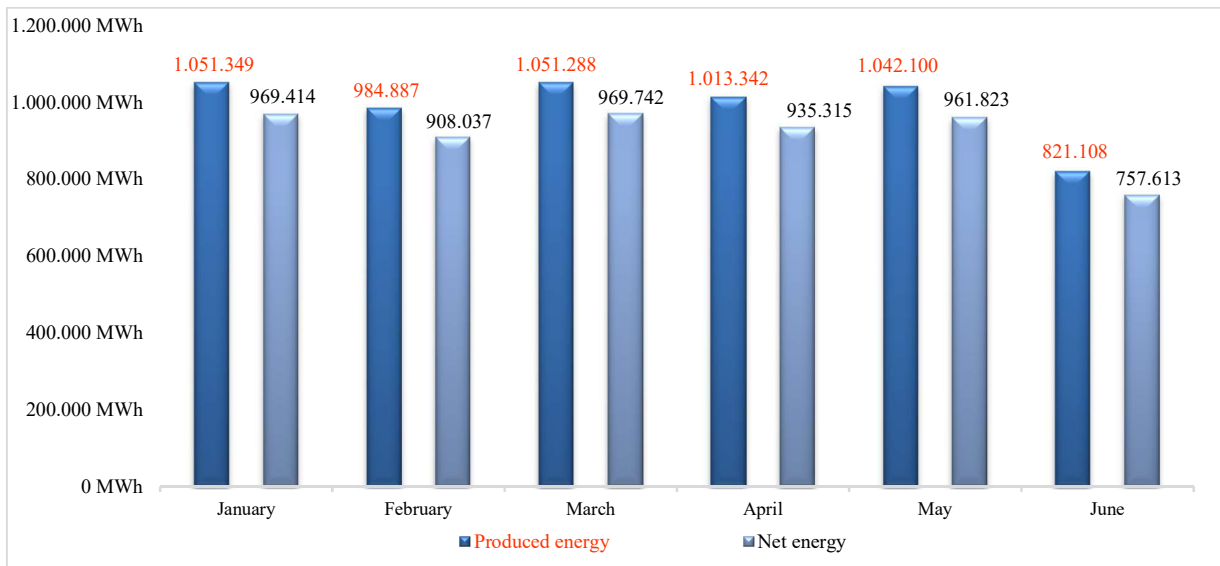
3.5. Activity of the Cernavoda NPP Branch

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.

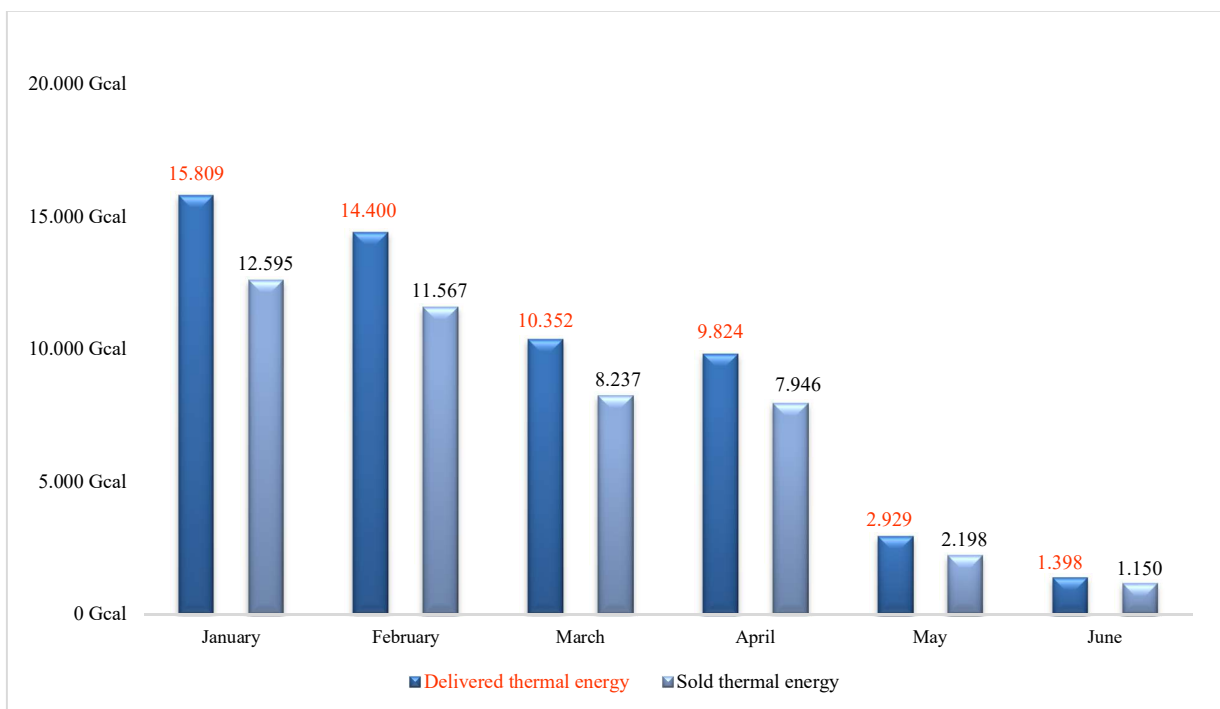
Over the 6-month period that ended on June 30, 2020, no operation event exceeding level 1 on the international scale of nuclear events was registered, regarding the degrading of the in-depth defense barriers, the impact on the site or outside (INDICATOR 1).

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

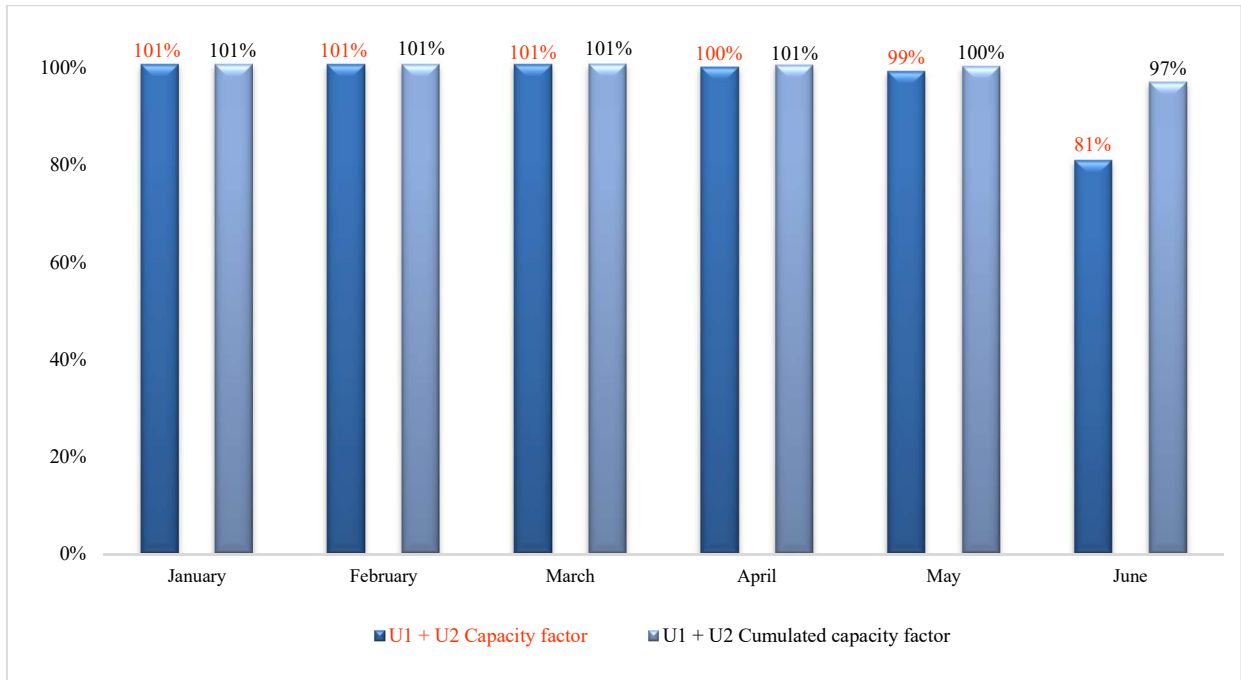
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 5,964,074/Net electricity delivered: 5,501,944)
(Own technological consumption cumulated for 2020: 7.75%)



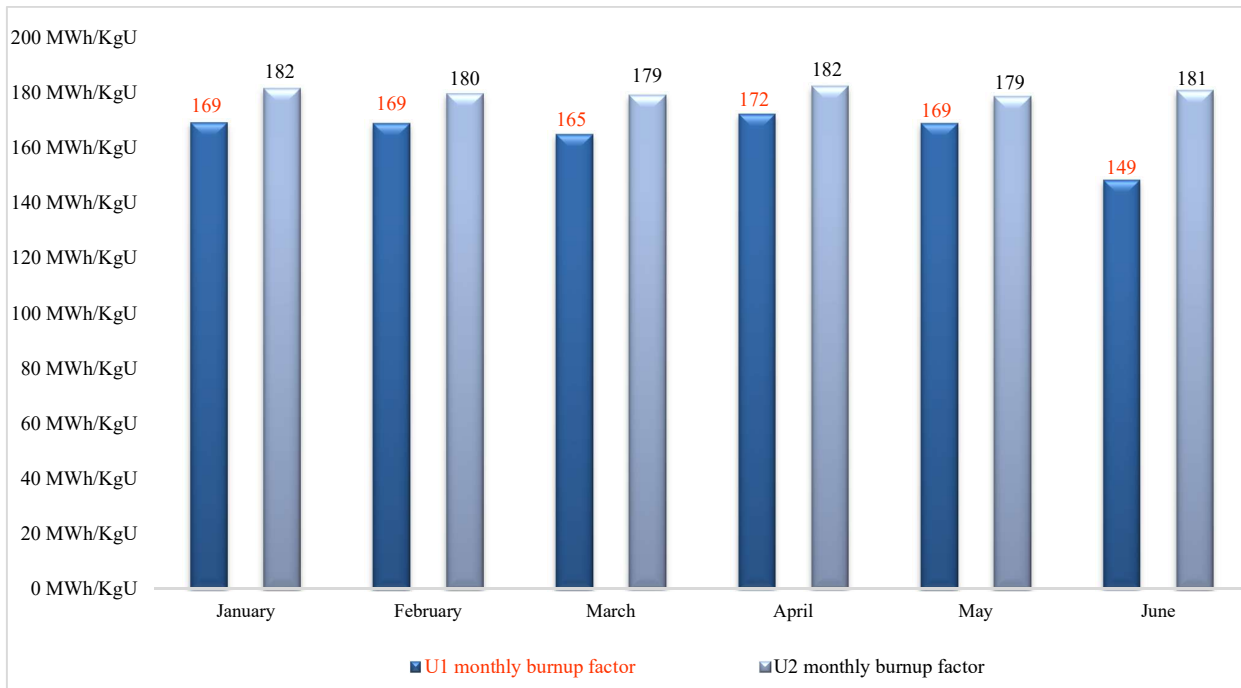
Thermal energy delivered to the district heating/sold (Gcal)
(Delivered thermal energy: 54,712/Sold thermal energy: 43,693)



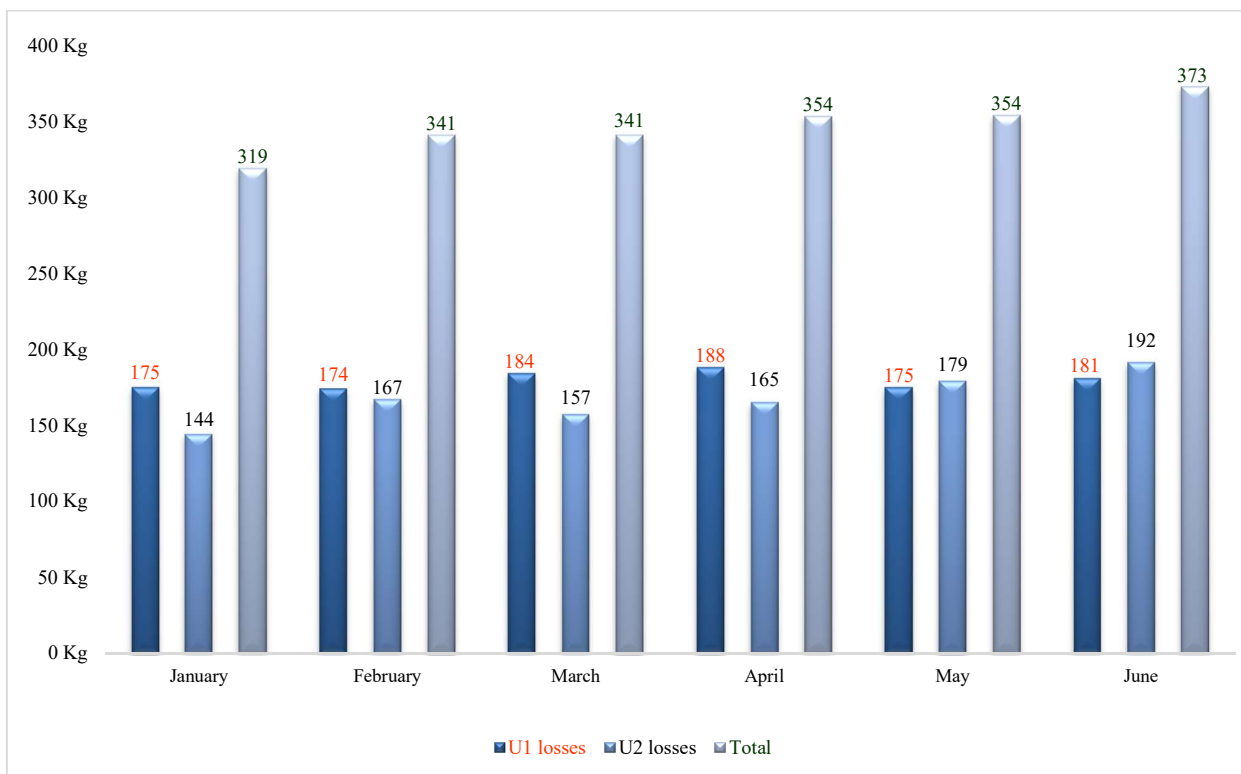
Installed capacity factor U1 + U2 (%)
(Cumulated 2020: 97.12%)



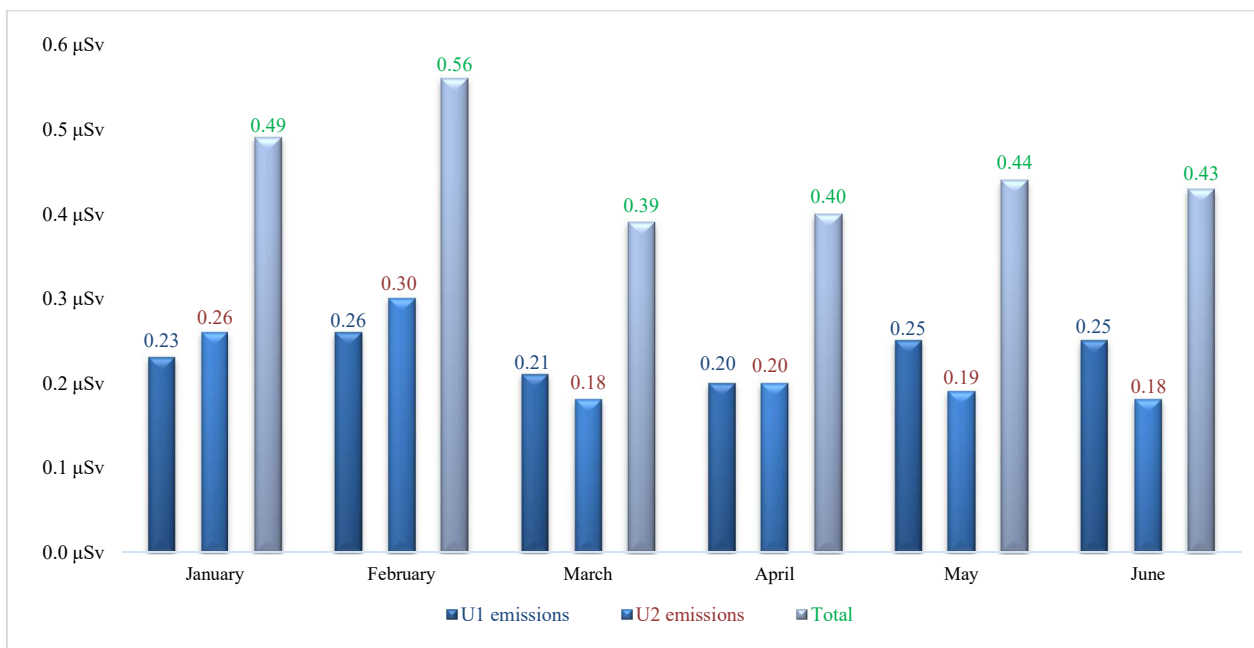
Nuclear fuel burn up degree (MWh/KgU)
(Cumulated 2020: 173/Provided in the project: min. 156)



Heavy water loss U1+U2 (Kg)
(Cumulated 2020: 2,081/Provided: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (μ Sv)
(Total cumulated 2020: 2.71/Annual limit: 250)



3.6. Activity of the Pitesti NFF Branch

In the first half - year of 2020, the FCN Pitesti Branch manufactured, controlled and accepted 3,996 nuclear fuel bundles, all of them within the specifications, and the production of nuclear fuel bundles decreased by 32% compared to the same period of 2019, when 5,909 bundles were manufactured, inspected and accepted. In the context of the establishment of the state of emergency on the territory of Romania, between 01.04.2020 and 18.05.2020 the activity of the FCN Pitesti Branch was interrupted.

In the period January 1 - June 30, 2020, the FCN Pitesti branch delivered to CNE Cernavoda a quantity of 2,880 nuclear fuel bundles (first half - year of 2019: 5,760 bundles).

In the first half - year of 2020, for the production of nuclear fuel, sintered uranium dioxide powder was consumed, at an average price of 513.07 RON/kg, from the existing stock on January 1, 2020, and from the purchases from supplier CNU - Feldioara Branch and Cameco Canada.

4. OTHER SIGNIFICANT ASPECTS

4.1. Main aspects of continuing the Project for Increasing the Production Capacity

The last actions performed by SNN in order to continue the Project for Increasing the Production Capacity are as follows:

- By Resolution of the Extraordinary General Meeting of Shareholders (“EGMS”) no. 8/12.06.2020, the following measures were approved:

1. Repealing of the “Strategy for the continuation of the Units 3 and 4 Project from Cernavoda NPP by organizing an investor selection procedure” (2014) and of the “Revised strategy for the continuation of the Units 3 and 4 Project from Cernavoda NPP by organizing an investor selection procedure” (2018) (item 2 on the EGMS agenda of June 12, 2020).

2. Authorizing the SNN Board of Directors to initiate the procedures/steps/actions regarding the termination of negotiations with CGN, as well as the termination of the legal effects (by agreement of the parties, denunciation, etc.) of the following documents: "Memorandum of Understanding on the development, construction, operation and decommissioning of Units 3 and 4 of CNE Cernavoda (MoU)" and "Investor Agreement in preliminary form", respectively (item 3 of the EGMS agenda of June 12, 2020).

3. Mandating the Board of Directors of the SNN to initiate the steps for the analysis and crystallization of strategic options for the construction of new nuclear power generation capacities (item 4 of the EGMS agenda of June 12, 2020).

- By Resolution of the Prime Minister of Romania No. 281/14.07.2020, published in the Official Gazette of Romania, Part I, No. 618/14.VII.2020, the Strategic Coordination Committee for the Implementation of the Project for CNE Cernavoda Units 3 and 4 was created.

4.2. The litigation initiated by the Union of Cernavoda NPP and employees of the Cernavoda NPP 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 Cernavoda NPP on behalf of 757 employees of the Cernavoda NPP 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. An accounting inspection is in progress. The next hearing is on August 14, 2020.

4.3. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the Cernavoda NPP 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 Cernavoda NPP 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. In order to conduct the technical expertise study, the court ordered the classification into risk categories to be performed by Mr. Toronto Laszlo, with the Autonomous Administration of Technologies for Nuclear Energy – CITON. Mr. Toronto Laszlo passed away, and the Autonomous Administration of Technologies for Nuclear Energy – CITON assumed the technical expertise. SNN will ask the court to appoint a new expert. The following hearing is on August 14, 2020.

4.4. Litigations initiated by S.N. Nuclearelectrica S.A. against the Energy Regulation National Authority “ANRE”

S.N. Nuclearelectrica S.A. initiated the action of suspending ANRE Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts - File no. 7222/2/2019. The court approved the SNN application and ordered the suspension of the execution of ANRE Order no. 216/11.12.2019 until the merits court issues its judgment. Judgment no. 132/02.03.2020 is legally enforceable. Against this judgment, ANRE declared an appeal currently pending before the High Court of Cassation and Justice, with the first trial date set for November 4, 2020.

S.N. Nuclearelectrica S.A. initiated the action of cancelling ANRE Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts (“ANRE order no. 216/11.12.2019”) - File no. 97/2/2020. In the Current Report published on August 3, 2020, SNN informed its shareholders and investors of the notification on the court portal, of the rejection of the application for annulment of ANRE Order No. 216/11.12.2019. The judgment of the Bucharest Court of Appeal can be appealed within 15 days of the communication.

We would like to remind that on March 3, 2020, the Bucharest Court of Appeal approved the request to suspend the execution of ANRE Order No. 216/11.12.2019 as a result of the action formulated by SNN. The suspension judgment was appealed by ANRE on March 16, 2020, and the case was subsequently registered on the docket of the High Court of Cassation and Justice, with the first hearing set on November 4, 2020.

S.N. Nuclearelectrica S.A. has initiated the action to cancel ANRE Order no. 12/30.03.2016 on the approval of the Performance Standard for the electricity transmission service and for the system service (published in the Official Gazette no. 279/13.04.2016) – File No. 2659/2/2020, registered on the docket of the Bucharest Court of Appeal, Section IX – administrative and fiscal litigation, for which no hearing has been set.

4.5. Changes in the management of the Company - Managers

By the Current Report published on March 27, 2020, SNN informed its shareholders and investors regarding the resolution of the Board of Directors of SNN to temporarily suspend the selection procedure, during the state of emergency declared on the territory of Romania. Upon the recommendation of the Nomination and Remuneration Committee, considering the current context, in order to ensure the continuity of SNN activities under optimal conditions, the Board of Directors of SNN approved the appointment of Mr. Paul Ichim as Chief Financial Officer with a provisional mandate of 4 months from April 1, 2020 to July 31, 2020, with the possibility of its extension for 2 more months, until September 30, 2020.

By the Current Report published on July 23, 2020, SNN informed its shareholders and investors of the Resolution of the Board of Directors no. 158/23.07.2020 approving the appointment of Mr. Paul Ichim as Chief Financial Officer of SNN with a mandate for a period of 4 years as of August 1, 2020, following the completion of the selection procedure, organized in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented.

4.6. Changes in the management of the Company - Board of Directors

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN (“OGMS”) approved the following activities for selecting a member in the Board of Directors:

1. Approving the initiation of the procedure of selecting a member in the Board of Directors, according to the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public entities, as further amended and supplemented (item 2 of the OGMS of January 30, 2020).
2. Approving the mandating of the Board of Directors for the implementation of the procedure for selecting a member in the Board of Directors (item 3 of the OGMS agenda of January 30, 2020).
3. Appointing Mr. Teodor Minodor Chirica as a provisional member of the Board of Directors, with a mandate duration of 4 months from January 30, 2020 to May 30, 2020 (item 4 of the OGMS agenda of January 30, 2020).

By Resolution no. 6/28.05.2020 of the Ordinary General Meeting of Shareholders (“OGMS”) of SNN, the following were approved:

1. Extension of the mandate of Mr. Teodor Minodor Chirica which was completed on 30.05.2020, for a period of 2 months, as of May 30, 2020, in accordance with the provisions of Emergency Ordinance

no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, or until the mandate acceptance date by a director appointed in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, if the selection is completed before the indicated deadline (item 2 of the OGMS agenda of May 28, 2020).

2. Maintaining the monthly gross fixed payment and the variable component as approved by Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN (item 3 of the OGMS agenda of May 28, 2020).

3. Form of the addendum to the mandate contract (item 4 of the OGMS agenda of May 28, 2020).

By the Current Report published on July 10, 2020, SNN informed its shareholders and investors that the members of the Board of Directors of SNN have taken note, by Resolution no. 130/10.07.2020, of the resignation request of Mr. Iulian Robert Tudorache pertaining to his position of member of the Board of Directors of SNN, as of August 24, 2020.

By the Current Report published on July 23, 2020, SNN informed its shareholders and investors that at the meeting of the Board of Directors of July 23, 2020, the appointment of Mr. Teodor Minodor Chirica as Chairman of the Board of Directors of SNN was approved as of July 23, 2020 until the expiry of his mandate (Resolution of the Board of Directors no. 131/23.07.2020).

By Resolution no. 9/27.07.2020 of the Ordinary General Meeting of Shareholders of SNN, the following were approved:

1. The election of Mr. Teodor Minodor Chirica as a member of the Board of Directors of the SNN, with a term of office until September 28, 2022, the date on which the term of office of the directors in office ends (items 3.2 and 4 of the OGMS agenda of July 27, 2020).

2. The monthly gross fixed payment, equal to two times the average of the last 12 months of the monthly gross average wage for the activity performed according to the main scope of business registered by SNN, at class level, according to the national classification of economic activities, communicated by the National Institute of Statistics prior to appointment (item 5 of the OGMS agenda of July 27, 2020).

3. The annual variable component amounting to 12 fixed monthly allowances, determined based on the financial and non - financial performance indicators - as such have been negotiated with the current directors in office of SNN, and approved by the General Meeting of Shareholders, by Resolution no. 3/10.04.2019 (item 6 of the OGMS agenda of July 27, 2020).

4. The form of the mandate contract to be concluded with Mr. Teodor Minodor Chirica (item 7 of the OGMS agenda of July 27, 2020).

4.7. Pre - SALTO assessment mission regarding the implementation of the project for retrofitting Unit 1 of NPP Cernavoda

By the press release published on February 21, 2020, SNN announced that in February 2020 there was at CNE Cernavoda an international Pre - SALTO (Safety Aspects of Long Term Operation) assessment mission of the International Atomic Energy Agency on the implementation of the project for retrofitting Unit 1 of CNE Cernavoda.

The international assessment team ascertained an efficient use of the programs related to the implementation of the first stage of the project, by complying with the time schedule and an efficient use of international experience in retrofitting projects implemented within other CANDU units, and

recommended the continuous improvement of the long-term operational strategy and the permanent revision of the process correlated with the implementation of a comprehensive methodology regarding the structures and components of the long-term operation process.

4.8. Concluding a contract for market making services

By the Current Report published on March 10, 2020, SNN informed its shareholders and investors on concluding a contract for market making services on March 9, 2020 with SSIF BRK Financial Group, for 12 months. The contract is concluded according to the legislative provisions set by the Bucharest Stock Exchange and considers increasing the liquidity of the SNN shares and decreasing their volatility on the market. Following the results of 2019, when SNN shares recorded the highest performance in the BET index, and recorded the highest increase, SNN aims for the registration in the FTSE index of the London Stock Exchange.

4.9. Implementing Standard ISO 37001 – Anti - bribery management system

By the Current Report published on March 24, 2020, SNN informed the shareholders and investors on the completion of the process of implementing Standard ISO 37001 – Anti - bribery management system, and SNN obtained the certification for implementing this standard. The main goal of this standard is to create a management system that would continuously enhance a culture of integrity, transparency, openness and compliance and promote trust within the relations between business partners.

4.10. Activities approved regarding the procurement by SNN of the uranium octoxide processing line from Compania Nationala a Uraniului S.A. – Feldioara branch

Resolution no. 4/30.03.2020 as of the Extraordinary General Meeting of Shareholders (“EGMS”) approved the following activities for purchasing the uranium octoxide processing line from Compania Nationala a Uraniului S.A. – Feldioara branch:

1. Approving the initiation of procedures for purchasing the assets related to the Feldioara branch belonging to Compania Nationala a Uraniului S.A. (item 3 on the EGMS agenda of March 30, 2020).
2. Mandating the SNN managers for implementing the necessary procedures for purchasing the assets related to the Feldioara branch belonging to Compania Nationala a Uraniului S.A., including for discussions and negotiations in order to prepare the necessary documentation and the acquisition offer (item 4 on the EGMS agenda of March 30, 2020).
3. Approving the initiation of endeavors for transferring the license for the concession of the operation activity in the Tulghes – Grinties perimeter (Neamt county), concluded between the National Agency of Mineral Resources and Compania Nationala a Uraniului S.A. (item 5 on the EGMS agenda of March 30, 2020).

4.11. Participation of S.N. Nuclearelectrica S.A. in the incorporation of the Association of Electricity Producers - HENRO

Resolution no. 4/30.03.2020 of the Extraordinary General Meeting of Shareholders (“EGMS”) approved the following activities in order for SNN to participate in the Association of Electricity Producers - HENRO:

1. Approving the participation of SNN in the incorporation of the Association of Electricity Producers - HENRO and the contribution to its patrimony, according to the note presented to the shareholders for this topic on the agenda (item 6 on the EGMS agenda of March 30, 2020).

2. Mandating the Chief Executive Officer to implement all the necessary formalities for incorporating the association and to sign all the necessary incorporation documents, on behalf of SNN (item 7 on the EGMS agenda of March 30, 2020).

4.12. Approving the distribution of the net profit of financial year 2019

By Resolution no. 5/27.04.2020 of the Ordinary General Meeting of Shareholders (“OGMS”) the distribution of the net profit for the financial year 2019 by destinations was approved, the total value of gross dividends in value of RON 498,421,396, the value of the gross dividend per share in value of RON 1.65306302, the dividend payment date, namely the date of June 25, 2020 and the payment methods, according to the report submitted to the shareholders for this item of the agenda (item 6 of OGMS agenda from April 27, 2020).

4.13. Planned outage of Unit 1 CNE Cernavoda

As of June 20, 2020 at 11:00 am, Unit 1 CNE Cernavoda has entered the planned stoppage program.

During the period of planned outage made once every two years, activities of the following programs shall be 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.

The works shall be performed 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 and by complying with all the protection measures against COVID 19.

4.14. Approval of the Investment Strategy for the period 01.07.2020 – 01.07.2025

By Resolution no. 7/12.06.2020 of the Ordinary General Meeting of Shareholders (“OGMS”), the Investment strategy of SNN for period 01.07.2020 - 01.07.2025, according to the report submitted to the shareholders for this item on the agenda (item 2 of the OGMS agenda of June 12, 2020), was approved.

4.15. The contribution of nuclear energy to the generation of clean hydrogen

By the press release published on June 16, 2020, SNN announced that is signed, on June 15, 2020, along with other energy companies, research institutes and associations, a joint letter to the attention of the European Commission on the contribution of low carbon sources to hydrogen production, thus leading to the achievement of decarbonisation targets set for 2050.

4.16. Approval of regulated prices and quantities for the period July 1, 2020 - December 31, 2020

By the Current Report published on June 29, 2020, SNN informed the shareholders and the investors about the Decision of the National Energy Regulatory Authority no. 1077/29.06.2020, according to which SNN is bound to sell on the regulated market, in period July 1, 2020 - December 31, 2020, a

quantity of 1,095,005.088 MWh, representing 10.54% of the total production quantity scheduled for 2020 at the regulated price of 182.63 RON/MWh. This regulated price does not include the electricity transmission fee, in the amount of RON 1.30/MWh (according to the Order of the National Regulatory Authority for Energy no. 218/11.12.2019).

4.17. Major litigations

The situation of the major litigations (in amount of over 500 thousand RON) and of the monetary unevaluated ones in progress on June 30, 2020 is presented in **Annex 4**.

4.18. Other information

The half - yearly report of the Board of Directors for the first semester of 2020 is accompanied by the Individual Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2020, these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Relations with Investors.

5. MAIN ECONOMIC AND FINANCIAL INDICATORS AS OF 30.06.2020

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

Indicator name	Calculation method	M.U.	Value 30.06.2020 ^{*)}
1. The current liquidity indicator	Current assets/ Current debts	x	4.91
2. Debt ratio indicator			
2.1. Debt ratio indicator (1)	Borrowed capital/ Equity x 100	%	5.5%
2.1. Debt ratio indicator (2)	Borrowed capital/ Engaged capital x 100	%	5.2%
3. Turnover speed, for client debit items	Average customer balance/ Turnover x 180	days	23
4. Asset turnover speed^{**)}	Turnover/ Non-current assets	x	0.39

^{*)} Based on the Individual Interim Financial Statements on the date and for the 6 month period ended on June 30, 2020.

^{**)} The asset turnover speed is calculated by updating the quarterly turnover (360 days/180 days).

6. ACHIEVEMENT DEGREE OF THE KEY PERFORMANCE INDICATORS

By Resolution no. 12/28.09.2018 of the Ordinary General Meeting of the Shareholders of SNN, the structure of the Board of Directors of SNN was approved, for a 4-year term, starting with September 28, 2018, as follows: Mr. Iulian – Robert Tudorache, Mr. Cosmin Ghita, Mr. Dumitru Remus Vulpescu, Mr. Cristian Gentea, Mrs. Elena Popescu, Mr. Cristian Dima and Mr. Mihai Daniel Anitei.

By the Resolution of the Board of Directors no. 187/29.10.2018, the administration component of the Administration Plan was approved. By the Resolution of the Board of Directors no. 33/07.03.2019, the management component of the Administration Plan and the overall Administration Plan were approved.

By Resolution no. 3/10.04.2019 of the Ordinary General Meeting of Shareholders of SNN, the following were approved:

- the financial and non-financial performance indicators that will form the annex to the contract of mandate of non-executive directors;
- the equivalent value corresponding to the annual variable component of the remuneration of non-executive directors of the company, amounting to 12 monthly fixed allowances;
- the form of the addendum to be concluded to the contract of mandate of the company's non-executive directors.

The mandate contracts and the addendums to the mandate contracts signed by SNN with the members of the Board of Directors provide their key performance indicators, and the quarterly and annual targets for 2019 - 2022. According to the provisions of the mandate contracts (item 5 of Annex 3 to the mandate contracts), the total achievement percentage of the key performance indicators is calculated for each quarter.

As of October 9, 2019, the mandate contract concluded with Mr. Cristian Dima was terminated, because he did not get the approval of CNCAN.

Board of Directors Resolution no. 216/19.12.2019 approved the recommendation of the Nomination and Remuneration Committee regarding the appointment by the Board of Directors of Mr. Teodor Minodor Chirica as a temporary member of the Board of Directors of SNN until the General Meeting of Shareholders, GMS, summoned for January 30, 2020.

Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN approved the appointment of Mr. Teodor Minodor Chirica as a temporary member of the Board of Directors of SNN, with a 4-month duration, for 30.01.2020 – 30.05.2020, according to the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public companies, as further amended and supplemented. The remuneration of Mr. Teodor Minodor Chirica is composed of a fixed monthly gross compensation and a variable component set based on short - term financial and non - financial performance indicators for 2020, as approved for the current members of the Board of Directors of SNN with mandate contracts in force.

By Resolution no. 6/28.05.2020 of the Ordinary General Meeting of Shareholders of SNN approved the extension of the mandate of Mr. Teodor Minodor Chirica which was completed on 30.05.2020, for a period of 2 months, as of 31.05.2020, in accordance with the provisions of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, or until the mandate acceptance date by a director appointed in accordance with the provisions of

Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as further amended and supplemented, if the selection is completed before the indicated deadline. It also approved maintaining the monthly gross fixed payment and the variable component as approved by Resolution no. 1/30.01.2020 of the Ordinary General Meeting of Shareholders of SNN.

By Resolution no. 130/10.07.2020, the Board of Directors of SNN took note of the resignation request of Mr. Iulian Robert Tudorache pertaining to his position of member of the Board of Directors of SNN, as of August 24, 2020.

Resolution of the Board of Directors no. 131/23.07.2020 approved the appointment of Mr. Teodor Minodor Chirica as Chairman of the Board of Directors of SNN as of July 23, 2020 until the expiry of his term of office.

By Resolution no. 9/27.07.2020 of the Ordinary General Meeting of Shareholders of SNN, the following were approved:

- the election of Mr. Teodor Minodor Chirica as a member of the Board of Directors of the SNN, with a term of office until September 28, 2022, the date on which the term of office of the directors in office ends;
- the remuneration of Mr. Teodor Minodor Chirica consisting of a fixed monthly gross payment, equal to twice the average over the last 12 months of the average gross monthly earnings for the activity carried out according to the main scope of activity of SNN, at the class level according to the classification of activities in the national economy, communicated by the National Statistics Institute prior to the appointment, and an annual variable component amounting to 12 monthly fixed allowances determined on the basis of financial and non-financial performance indicators, as they were negotiated with the current directors in office of SNN and approved by the Ordinary General Meeting of Shareholders by Resolution no. 3/10.04.2019;
- the form of the mandate contract to be concluded with Mr. Teodor Minodor Chirica.

As of June 30, 2020, the members of the Board of Directors were as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Iulian – Robert Tudorache ^{*)}	24.08.2020 ^{**)}
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.	Mihai Daniel Anitei	28.09.2022
7.	Teodor Minodor Chirica ^{****)}	28.09.2022

**) Chairman of the Board of Directors of SNN, in virtue of the Resolution of the Board of Directors no. 165/02.10.2018, until July 22, 2020.*

****) By Resolution no. 130/10.07.2020, the Board of Directors of SNN took note of the resignation request of Mr. Iulian Robert Tudorache pertaining to his position of member of the Board of Directors of SNN, as of August 24, 2020.*

*****) Also occupies the position of Chief Executive Officer of SNN.*

******) Chairman of the Board of Directors of the SNN based on BoD Resolution no. 131/23.07.2020, as of July 23, 2020 until the expiry of the mandate, i.e. September 28, 2022.*

The cumulative calculation of the total achievement percentage of the key performance indicators for the second quarter of 2020 is annexed to this report.

The achievement degree of the key performance indicators is determined by the total achievement percentage of the key performance indicators, in relation to the achievements to the weights of each short, medium and long term indicator. The achievement degree of the key performance indicators is limited to the 100% threshold, if the achievements exceed the targets proposed by the mandate contract.

Thus, the indicators of the key performance indicators were achieved 98% for the second quarter of 2020 cumulative (so over the 75% threshold) for each member of the Board of Directors:

Mandate contract	Achievement level Q2 2020 (cumulative)
Board of Directors	98%

Teodor Minodor Chirica,
Chairman of the Board of Directors

Advised,
Paul Ichim,
Chief Financial Officer

Annex 1 - Financial position statement as of June 30, 2020

	June 30, 2020 (reviewed)	December 31, 2019 (audited)
Assets		
Non-current assets		
Tangible assets	5,843,295,862	6,056,697,319
Intangible assets	57,592,452	60,760,656
Financial assets	6,506,031	42,836,031
Financial investments	141,666,101	141,666,101
Total non - current assets	6,049,060,446	6,301,960,107
Current assets		
Inventories	382,649,919	405,167,792
Trade receivables and other receivables	163,450,660	220,284,169
Payments made in advance	55,561,951	31,416,822
Bank deposits	769,769,000	58,879,494
Cash and cash equivalents	1,087,718,980	1,793,145,389
Total current assets	2,459,150,510	2,508,893,666
Total assets	8,508,210,956	8,810,853,773
Equity and liabilities		
Equity		
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	213,535,889	227,996,066
Retained earnings	3,697,414,658	3,843,269,056
Total equity	7,174,619,486	7,334,934,061
Liabilities		
Long - term debts		
Long term loans	396,048,119	499,908,597
Provisions for risks and expenses	220,698,799	213,470,997
Deferred revenues	93,240,300	100,412,631
Deferred tax liability	80,800,751	80,743,008
Obligations regarding employees benefits	41,621,644	41,621,644
Total long term liabilities	832,409,613	936,156,877
Current liabilities		
Accounts payable and other liabilities	177,003,311	220,236,112
The current share of provisions for risks and expenses	58,601,747	65,442,649
Current tax liability	21,331,511	13,329,182
Deferred revenues	31,825,262	27,863,600
Current share of the long-term borrowings	212,420,026	212,891,292
Total current liabilities	501,181,857	539,762,835
Total liabilities	1,333,591,470	1,475,919,712
Total equities and liabilities	8,508,210,956	8,810,853,773

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

Annex 2 - Profit and loss account for the 6-month period ended on June 30, 2020

	3-month period ended on June 30, 2020 (unreviewed)	3-month period ended on June 30, 2019 (unreviewed)	6-month period ended on June 30, 2020 (reviewed)	6-month period ended on June 30, 2019 (reviewed)
Incomes				
Sales of electricity	531,983,362	516,302,109	1,157,519,471	1,181,738,098
Proceeds from electric power transmission	3,446,749	2,568,964	7,147,942	5,803,810
Total revenues	535,430,111	518,871,073	1,164,667,413	1,187,541,908
Other revenues	10,761,832	11,681,477	18,317,334	21,017,962
Operational expenses				
Depreciation and amortization	(140,642,675)	(138,480,117)	(278,255,370)	(274,872,313)
Personnel expenses	(105,260,062)	(118,348,313)	(218,531,117)	(233,780,362)
Cost of traded electricity	(8,349,149)	(36,640,275)	(10,364,181)	(42,201,756)
Repairs and maintenance	(9,762,546)	(21,830,278)	(22,126,234)	(31,603,656)
Electricity transmission expenses	(3,446,749)	(2,568,964)	(7,147,942)	(5,803,810)
Cost of spare parts	(5,748,783)	(6,078,907)	(8,302,222)	(9,774,582)
Cost of nuclear fuel	(33,239,248)	(22,683,004)	(64,589,721)	(50,905,952)
Other operating expenses	(93,699,488)	(105,958,539)	(185,058,639)	(195,432,059)
Total operating expenses	(400,148,700)	(452,588,397)	(794,375,426)	(844,374,490)
Operating profit	146,043,243	77,964,153	388,609,321	364,185,380
Financial expenses	(12,995,664)	(7,012,346)	(22,579,743)	(38,796,971)
Financial revenues	20,736,178	20,428,268	47,188,667	34,734,215
Net financial income/(expense)	7,740,514	13,415,922	24,608,924	(4,062,756)
Profit before profit tax	153,783,757	91,380,075	413,218,245	360,122,624
Net income tax expense	(25,613,252)	(20,004,197)	(69,995,798)	(69,461,325)
Profit for the period	128,170,505	71,375,878	343,222,447	290,661,299

Annex 3 - Execution of the Revenues and Expenses Budget as of June 30, 2020

							thousand RON
Indicators		Row no.	BVC 2020 Q2 2020 (approved by OGMS Resolution no. 3/05.03.2020)	Achieved Q2 2020	% 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)	1	1,218,312	1,226,678	100.7%	8,366	0.7%
	Total operating income, out of which:	2	1,188,182	1,179,489	99.3%	(8,693)	(0.7%)
	c1 Subsidies, in compliance with the legal provisions in force	3	-	-	-	-	-
	c2 Transfers, in compliance with the legal provisions in force	4	-	-	-	-	-
	Financial revenues	5	30,130	47,189	156.6%	17,059	56.6%
II.	TOTAL EXPENSES (Row 7 + Row 21)	6	974,453	813,459	83.5%	(160,993)	(16.5%)
	Operating expenses (Row 8 + Row 9 + Row 10 + Row 20)	7	947,135	790,880	83.5%	(156,256)	(16.5%)
	A. Expenses with goods and services	8	340,353	227,039	66.7%	(113,315)	(33.3%)
	B. Expenses with taxes, duties and similar payments	9	54,087	57,727	106.7%	3,640	6.7%
	C. Personnel expenses (Row 11 + Row 14 + Row 18 + Row 19)	10	253,148	221,540	87.5%	(31,609)	(12.5%)
	C0 Salary expenses (Row 12 + Row 13)	11	230,713	203,644	88.3%	(27,069)	(11.7%)
	C1 Salary expenses	12	200,980	181,503	90.3%	(19,477)	(9.7%)
	C2 Bonuses	13	29,733	22,141	74.5%	(7,592)	(25.5%)
	C3 Other personnel expenses, out of which:	14	0	0	-	0	-
	a) Expenses with compensations for early release of personnel	15	-	-	-	-	-
	b) Expenses with salary rights ordered by judgments	16	-	-	-	-	-
	c) Salary expenses related to restructuring, privatization, receiver, other commissions and committees	17	-	-	-	-	-
	C4 Expenses related to the mandate contract and other control authorities, commissions and committees	18	1,801	1,061	58.9%	(740)	(41.1%)
	C5 Expenses related to social protection, special funds and other legal obligations	19	20,634	16,835	81.6%	(3,799)	(18.4%)
	D. Other operational expenses	20	299,547	284,574	95.0%	(14,973)	(5.0%)
	Financial expenses	21	27,317	22,580	82.7%	(4,738)	(17.3%)
III.	GROSS RESULT (profit/loss) (Row 1 – Row 6)	22	243,859	413,218	169.4%	169,359	69.4%
IV.	CORPORATE TAX	23	37,356	69,996	187.4%	32,640	87.4%
V.	PROFIT AFTER CORPORATE TAX (Row 22 – Row 23)	24	206,503	343,222	166.2%	136,719	66.2%

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

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

Annex 4 – Major litigations in progress on June 30, 2020 (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.	9089/101/2013	Civil Court of Law Mehedinti	Creditor	Autonomous Administration for Nuclear Activities (RAAN)	Insolvency. Winding-up bankruptcy. Claim RON 7,828,405.48	Merits	Procedure in progress. In virtue of art. 107 par. 1 let. c of Law no. 85/2006. Orders the start of the procedure for the bankruptcy of the debtor. In virtue of art. 107 par. 2 of Law no. 85/2006. Appoints as a temporary legal liquidator Euro Insol SPRL.	08.10.2020
2.	873/1259/2008	Civil Court of Law Arges	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Claim RON 2.713.986,71	Merits	Procedure in progress.	15.09.2020
3.	1794/118/2016	Criminal Court of Law Constanta	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. as a civil liability party by a legal administrator.	Prejudice 3,471,463 EUR.	Merits	Merits In order to continue the judicial investigation.	29.07.2020
4.	3490/121/2015*	Civil Court of Law Galati Court of Appeal Galati IC CJ	Plaintiff	S.C. ArcelorMittal Galati S.A.	Claims RON 8,575,245,78 difference amount energy sale made redundant and other associated expenses.	Retrial recourse	Merits Rejects the action to oblige the defendant to pay damages deriving from contract no. 207/22.02.2013 as ungrounded. Appeal Approves the appeal filed by plaintiff S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by Galati Court of Law - Civil Section II in 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 plaintiff S.N. Nuclearelectrica S.A. the amount of RON 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	The hearing is next.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
							<p>defendant to pay to the plaintiff the amount of RON 142,132.97, trial expenses - merits and appeal. Judgment no. 227/27.09.2017.</p> <p>Second appeal Admits the appeal of the appellant-defendant S.C. ArcelorMittal Galati S.A. against civil judgment no. 227/A of September 27, 2017 issued by Galati Court of Law - Civil Section I, which it annuls remanding the case for retrial to the same court. Final.</p> <p>Retrial appeal Civil judgment no. 102/A approves the appeal filed by plaintiff S.N. Nuclearelectrica S.A. against civil judgment no. 278/20.12.2016 issued by Galati Court of Law - Civil Section II in Case File no. 3490/121/2015. Fully changes the appealed judgment and, in retrial, partially approves the case. Orders the defendant ArcelorMittal Galati S.A. to pay to the plaintiff S.N. Nuclearelectrica S.A. the amount of RON 8,575,245.78, as damage compensations. Rejected as groundless the appeal filed against the judgment of 26.05.2016 issued by the Court of Law of Galati in file no. 3490/121/2015. Orders the defendant to pay to the plaintiff the amount of RON 142,132.97, trial expenses - merits and appeal. With the right to appeal, which is to be submitted to the Galati Court of Appeal, within 30 days after the issuance. Pronounced today, 26.06.2019, by making the solution available to the parties by the registry of the Court. Judgment no. 102/26.06.2019.</p> <p>Retrial recourse</p>	
5.	4946/2/2015	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts Intervener General Concrete	Measure annulment General Concrete	Merits	<p>Merits Admits the request. Partially cancels resolution no. 59/17.07.2015 issued by the defendant, regarding point 5, resolution no. 16/11.05.2015 issued by the defendant, regarding the measure ordered under section II.7 of the resolution, and section 3.3.1 of the Inspection Report No. 4371/ 10.04.2015 issued by the respondent. Admits the request of accessory intervention. With appeal within 15 days from intimation. Judgment no. 68/28.02.2020.</p>	Settled on the merits.
6.	45494/3/2015**	Bucharest Law Court Civil party Court of Appeal	Plaintiff asked to pay a security	Managers S.N. Nuclearelectric a S.A. and GMS members.	Prejudice 708,407 RON. Execution of measure disposed by CC through the 2012 report regarding D&O policies.	Retrial recourse	<p>Merits Rejects the exception of the invoked procedure quality by the defendants 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 plaintiff to pay the following trial expenses: RON 8,226.53 towards the defendant Grama Mioara, RON 7,873.53</p>	The hearing is next.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
							<p>towards the defendant Popescu Lucia - Ioana and RON 7,925.79 towards the defendant Chiriac Cristiana. With appeal within 30 days from the intimation. Judgment no.7583/29.11.2016.</p> <p>Appeal Approves 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. Pronounced in public session today, 15.12.2017.</p> <p>Second appeal Approves the appeals formulated by defendants Budulan Pompiliu and Teodor Minodor Chirica, Chiriac Cristiana, Grama Mioara, Popescu Lucia Ioana, Serbanescu Cristian - Ovidiu against civil judgment no. 2250 of December 15, 2017 issued by the Bucharest Court of Appeal - Civil Section V, which it cancels and sends the case for retrial to the same court. Final.</p> <p>Retrial merits Dismisses the appeal as reasonless. Obligates the appellant to pay trial expenses to the appellees as follows: for Chirica Minodor Teodor the amount of 22,519 RON, for Budulan Pompiliu the amount of 7,469 RON, for Chiriac Cristina the amount of 21,634 RON, for Grama Mioara the amount of 21,634 RON, for Serbanescu Cristian the amount of 6,354 RON and for Popescu Lucia the amount of 6,805 RON. With the right to appeal. Judgment no. 2215/20.12.2019.</p> <p>Second appeal</p>	
7.	409/2/2016	Bucharest Court of Appeal	Civil Party	Tudor Ion Criminal group House of insolvency Banat liquidator CET Energoterm Resita.	Tax evasion offenses, bribery, corrupt practices RON 580,974.21.	Merits	Procedure in progress.	25.09.2020

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
8.	41419/3/2016	Civil Court of Law Bucharest S II	Plaintiff-Defendant	Energo Securent S.R.L.	SNN claims: RON 330,074.32 Claims Energo Securent: RON 2,206,539.80	Merits	Merits Management of the evidence with accounting expertise.	28.07.2020
9.	5802/118/2017	Labor Constanta Court	Defendant	CNE Union for 757 employees.	Monetary rights hazardous conditions bonus.	Merits	Merits Accounting expertise administration.	14.08.2020
10.	7036/118/2017	Labor Constanta Court	Defendant	SLEN union for 132 employees 159 plaintiffs on their own behalf.	Monetary rights hazardous conditions bonus.	Merits	Merits Technical expertise administration.	14.08.2020
11.	26294/3/2018	Civil Bucharest Court of Law Bucharest Court of Appeal	Plaintiff	Davi Comfire	Estimated damage RON 1,915,490 + Legal interest and trial expenses.	Appeal	Merits Dismisses the application as groundless. Dismisses the application requiring the defendant to pay the trial expenses, as groundless. Compels the plaintiff to pay to the defendant the amount of RON 7,000, as trial expenses, representing the lawyer's fee. With appeal within 30 days from the intimation. Judgment no. 1060/22.04.2019. Appeal Unfounded. Brief solution: Dismisses the appeal as reasonable. Dismisses the application of the appellant requiring the defendant to pay the trial expenses, as groundless. Compels the appellant to pay the amount of RON 4.500 to the appellee as trial expenses. With second appeal within 30 days from communication. The application for appeal will be submitted to the CAB. Pronounced in public session today, 11.06.2020. Judgment no. 542/11.06.2020.	Resolved in appeal.
12.	6471/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 1 of the Authentication - Energonuclear loan.	Merits	Merits Admits the action. Partially cancels Resolution no.29/31.07.2018, respectively point.1, and Decision no.5/08.06.2018, respectively the measure ordered at point.I.4 to remove the deviation described in point 4. Compels the defendant to pay the trial expenses. With appeal within 15 days from the intimation. Judgment no. 1229/29.03.2019.	Settled on the merits.
13.	6472/2/2018	Administrative	Plaintiff	Court of Accounts	Measure annulment point 4 of the Authentication – Uranium.	Merits	Merits Admits the action. Partially cancels Resolution no.29/31.07.2018, respectively point.4, and Decision no.5/08.06.2018, respectively the measure ordered at point.I.8 to remove the deviation described in point	Settled on the merits.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
		Bucharest Court of Appeal					10. Compels the payment of trial expenses. With appeal within 15 days from the intimation. Judgment no. 1230/29.03.2019.	
14.	6479/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 5 in the Decision - ROEL Xerox.	Merits	Merits Partially admits the action. Partially cancels Authentication no. 29/31.07.2018 and judgment no. 5/08.06.2018, both issued by defendant C.C.R. only regarding the establishment of the damage related to the use of the respective equipment at the Ministry of Economy / Energy, only starting with the start date of the activities of the Negotiation commission for the Project of units 3 and 4 of Cernavoda (an order issued under section II.3 of judgment no. 5/08.06.2018, regarding which the administrative appeal was rejected by section 5 of Authentication no. 29/31.07.2018). Rejects the rest of the case. With appeal within 15 days from intimation. Judgment no. 1730/14.05.2019.	Settled on the merits.
15.	6481/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 3 of the Authentication - BVC substantiation.	Merits	Merits Dismisses the action as groundless. With appeal within 15 days from intimation. Judgment no. 1939/ 05.06.2019.	Settled on the merits.
16.	6487/2/2018	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts	Measure annulment point 2 of the Authentication - Non-increase of the share capital.	Merits	Merits Dismisses the action as groundless. With appeal within 15 days from intimation. Judgment no. 1940/05.06.2019.	Settled on the merits.
17.	34088/3/2018*	Civil Bucharest Court of Law Bucharest Court of Appeal, 5th Civil Division	Defendant	Termogaz Company S.A.	Claims RON 575,391.88 - equivalent value of performed and unsettled works. Youth Center Social Program.	Second appeal	Merits Admits the exception of the material law prescription to the action invoked by the respondent. Dismisses the writ of summons formulated by the claimant S.C. Termogaz Company S.A. through the judicial administrator, Heral Consult Ipurl, against the defendant S.N. Nuclearelectrica S.A., as prescribed. With appeal within 30 de days from the intimation. Judgment no. 2454/11.09.2019. Appeal – negative conflict of jurisdiction.	The hearing is next.
18.	35162/299/2018*	Civil – Bucharest District 1 Court Section II Civil	Third party under seizure – SNN	Ionita Stefan – enforcement file 959/2010 BEJ Draganescu,	Appeal against enforcement RON 2,089,042.69.	Merits retrial	Merits Rejects the exception of the lack of passive procedural quality of the third party under seizure as groundless. Rejects the appeal against the enforcement as groundless. With appeal within 15 days from intimation. Judgment no. 1611/21.03.2019. Second appeal	The hearing is next.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
			Debtor Claimant AAAS Appellee Ionita Stefan.	Ionescu, Crafcenco			Approves the appeal. Approves the exception of the absence of the mandatory passive lawsuit framework, invoked ex officio. Cancels the judgment and sends the case for retrial to the same court. Final. Pronounced in public session today, 14.01.2020. Judgment no. 7/14.01.2020. Retrial merits	
19.	7413/299/2019	Civil – Bucharest District 1 Court Section II Civil	Third party under seizure SNN Claimant AAAS Appellee Repair Plant Targu Jiu.	Repair Plant Targu Jiu – enforcement file 233M/2010 of Bej Ad Rem.	Appeal against enforcement RON 3,895,186.86	Merits	Merits Rejects the appeal against the enforcement as groundless. Rejects the application for the cancellation of the foreclosure, as groundless. With appeal within 15 days from the intimation. Judgment no. 6723/17.10.2019.	Settled on the merits.
20.	6632/3/2019	Labor Bucharest Court of Law CMAS Section VIII Bucharest Court of Appeal	Defendant	Botea Ceciliu Lucian	Labor disputes - appeal against dismissal decision.	Appeal	Merits Cancels dismissal resolution no. 41/08.02.2019 issued by the defendant. Cancels dismissal resolution no. 46/13.02.2019 issued by the defendant. Resumes the parties in the previous situation by reintegrating the plaintiff in the position held before the dismissal. Obligates the defendant to pay to the plaintiff a compensation equal to the indexed salary rights, increased and updated with the other rights the plaintiff would have benefitted from in the absence of the dismissal measure, from the dismissal date to the actual reintegration. Orders the defendant to pay to the plaintiff the amount of RON 4,744.80 as trial expenses. Provisionally enforceable. With appeal within 10 days from the intimation. Pronounced by making the solution available to the parties by the record office of the Court today, 15.11.2019. Appeal	The hearing is next.
21.	5308/2/2019	Administrative Bucharest Court of Appeal High Court of Cassation and Justice	Plaintiff	Court of Accounts.	Cancellation of the findings from the follow-up report no .7787/01.07.2019 regarding measures II.7 and II.9 of Resolution no. 16/11.05.2015.	Second appeal	Merits Admits the exception of non-admissibility. Dismisses the action as groundless. With appeal within 15 days from intimation. The recourse shall be lodged with the Bucharest Court of Appeal, under the sanction of nullity. Pronounced by making the solution available to the parties by the registry of the Court today, 16.03.2020. Judgment no. 191/16.03.2020. Second appeal	11.05.2022

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
22.	7086/2/2019	Administrative Bucharest Court of Appeal	Plaintiff	Court of Accounts.	Cancellation of the findings from the follow-up report no. 10697/13.09.2019 regarding measures I.5 and II.11 of Resolution no. 5/08.06.2018.	Merits	Merits	The hearing is next.
23.	31481/3/2019	Civil Bucharest Law Court	Plaintiff	Lulache Daniela, Darie Mihai, Bucur Ionel, Alexe Alexandru, Dragan Ioana, Popescu Dan, Radu Carmen, Sandulescu Alexandru, Stanescu Nicolae, Teaciacu Sebastian	Finding of the absolute nullity of the addendums to the mandate and administration contracts return of the collected amounts plus the legal interest and the inflation rate.	Merits	Merits In virtue of art. 242 par. 1 of the New Code of Civil Procedure suspends the judgment of the case. With appeal throughout the duration of the suspension. The appeal application shall be submitted with the Bucharest Court of Law - Civil Section VI. Pronounced today, 03.07.2020, by making the solution available to the parties by the record office of the Court. Resolution - Suspension 03.07.2020.	The hearing is next.
24.	36200/3/2019	Civil Bucharest Law Court	Plaintiff	Ministry of Economy, Energy and Business Environment.	2,217,600 RON plus interest and inflation index - damage representing the difference between the variable indemnification collected by the BoD members and the managers for 2015-2017.	Merits	Merits Based on Art.413 par.1 section 1 from the Civil procedure code, it orders the suspension of the case until the final resolution of the file no.6481/3/2018 pending before the Bucharest Court of Appeal Section IX, administrative and fiscal litigation. With the right of appeal during the suspension, the appeal application will be submitted to the Bucharest Tribunal – Civil Section VI. Pronounced in public session today, 26.05.2020. Resolution - Suspension 26.05.2020.	The hearing is next.
25.	6026/109/2019	Labor Arges Tribunal	Defendant	Gheba Florin Ovidiu.	Appeal against Resolution No. 344/17.10.2019 on the termination of CIM and Resolution No 300/12.09.2019 - disciplinary investigation commission.	Merits	Merits	09.09.2020
26.	5462/2/2019	Administrative	Plaintiff	General Regional Directorate of	Cancellation of fiscal documents	Merits	Merits	18.09.2020

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
		Bucharest Court of Appeal		Public Finance Bucharest General Directorate for the Administration of Large Taxpayers.				
27.	28932/302/2019	Civil Bucharest Law Court	Claimant.	Multipack, Starmill, Micula, Romanian State by the Ministry of Finance.		Merits	Merits	06.10.2020
28.	7222/2/2019	Administrative Bucharest Court of Appeal. High Court of Cassation and Justice	Plaintiff.	NARE (National Energy Regulatory Authority)	Suspension of administrative order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers and for setting maximum electricity quantities that may be imposed as sale obligations based on regulated contracts.	Second appeal	Merits The court approved the SNN application and ordered the suspension of the execution of ANRE Order no. 216/11.12.2019 until the merits court issues its judgment. Judgment no. 132/02.03.2020 is legally enforceable and appealable. Second appeal	04.11.2020
29.	97/2/2020	Civil Bucharest Court of Law.	Plaintiff.	NARE (National Energy Regulatory Authority).	Cancellation of administrative order no.216/11.12.2019.	Merits	Merits	04.11.2020

This is a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
30.	3083/3/2020	Civil Bucharest Court of Law.	Plaintiff.	National Electricity Transportation Company Transelectrica.	1,472,785 RON	Merits	Merits	16.10.2020
31.	2929/3/2020*	Administrative Bucharest Court of Law, Civil Section VI	Respondent.	General Concrete Cernavoda.	Cancellation of the public procurement ascertaining document no. 2865/15.10.2019.	Merits	Merits Approves the exception of the functional non-competence of the Administrative and Fiscal section II of the Bucharest Court of Law. Transfers the case for resolution to the Bucharest Court of Law - Civil Section. Without appeal. Pronounced by making the solution available to the parties through the mediation of the registry of the Court today, 28.02.2020. Final order (disinvestment) 28.02.2020	01.09.2020
32.	1506/118/2020	Civil/ Constanta Court	Plaintiff.	U.A.T. Seimeni Commune, Romanian State by the Ministry of Public Finance, Ministry of Economy, Energy and Business Environment, Government of Romania.	Action for ascertaining the use right, servitude, free use of publicly-owned land.	Merits	Merits	23.10.2020
33.	1663/118/2020	Civil Constanta Court	Plaintiff	Romanian State by MFP National Administration of Romanian Waters Administratia Bazinala de Apa Dobrogea Litoral	Action for finding the right of land management related to the river basin Cismeiei Valley, use, servitude, free use of public property land 31,050 sqm and 73,428 sqm.	Merits	Merits	30.09.2020

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
34.	2659/2/2020	Administrative litigations Bucharest Court of Appeal	Plaintiff	NARE	Cancellation of Order No. 12/2016.	Merits	Merits	The hearing is next.
Cernavoda NPP Branch								
1.	3338/118/2016	Civil/ Court of Appeal of Constanta	Appellee defendant.	Employee group Sarman Costel, Dinu Sorin s.a.	Monetary rights radiological risk bonus.	Appeal	Merits Rejects the civil case formulated by Sarman Constantin, Dinu Sorin Stefan, Mitea Ionut Antonel, Cornateanu George, Manole Constantin, Matei Nicusor, Deciu Georgian, Tompe Augustin, Zanfir Bogdan, Mirsu Adrian, Anghel Ene Paul, and others against defendant S.N. Nuclearelectrica S.A., as groundless. With the right to appeal within 10 days after the notification of this Judgment. Judgment no. 2776/13.12.2017. Appeal	15.09.2020
2.	6144/118/2019	Civil/ Constanta Court	Plaintiff.	Public Utilities.	Recovery of the equivalent value of the damage following the non-acceptance of the new fee - 810,257.60 RON.	Merits	Merits	10.09.2020
3.	7023/118/2019	Labor/ Constanta Court	Respondent.	17 MID employees.	Granting a bonus of 30%.	Merits		15.10.2020
4.	4133/118/2017	Labor / Constanta Court of Law Constanța Court of Appeal	Respondent.	Employee group Catrangiu Rica, Bejenaru Alexandru and others	Monetary rights radiological risk bonus.	Appeal	Merits Rejects the civil action as groundless. With the right to appeal within 30 days after the notification of this Judgment. Judgment no. 3233/18.12.2019. Appeal	The hearing is next.
5.	3/118/2019	Civil/ Court of Law. Medgidia Constanta Court	Plaintiff.	Cernavoda City Hall.	Claim of land in area of 1,393.62 sq m, in extension of Campus 1.	Appeal	Merits Approves the summons formulated by the plaintiff. Ascertaines the ownership right of the plaintiff on the land with an area of 1,392 sq m located at this location as identified in the expertise report submitted to the case file. Forces the defendant to pay to the plaintiff trial expenses of 3,679 RON, out of which 1,879 RON represents the stamp tax and 1,800 RON represents the fee for the expertise report. With appeal within 30 days after the notification, to be submitted to the Medgidia Court of Law. Pronounced in public session today, 04.03.2020. Appeal	The hearing is next.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Half - year report of the Board of Directors for the first half - year of 2020

(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
6.	3990/118/2018	Civil / Constanta Court of Law Constanța Court of Appeal	Plaintiff.	CNE S.A.	The obligation to demolish the building erected on the land owned by SNN in area of 579 sq m.	Appeal	Merits Approves the action formulated by plaintiff S.N. Nuclearelectrica S.A. against NPP S.A. Cernavoda. Obligates the defendant CNE S.A. Cernavoda to demolish the building Administrative Premises for offices and archive located on the land that belongs to the plaintiff, at No. 2, Medgidiei Street, registered in the land book under no. 100480 - C226. Obligates the defendant CNE S.A. Cernavoda to pay to the plaintiff the amount of 1,020 RON representing trial expenses (20 RON judiciary stamp tax and 1,000 RON expert fee). With the right to appeal within 30 days after the communication, and the appeal is to be submitted to the Court of Law of Constanta. Judgment no. 1993/19.12.2019. Appeal	The hearing is next.
7.	2221/118/2019	Civil / Constanta Court of Law	Plaintiff.	Sorex S.A.	Action on the claim/return of cranes or their equivalent value - Euro 114,000.	Merits	Merits	10.09.2020

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

Annex 5 – The accomplishment degree of the key performance indicators as of 30.06.2020 – Board of Directors

Nr. Crt.	Objective/Performance indicators			Verification tool	Target Quarter II 2020	Realised Quarter II 2020	Accomplishment degree capped to 100%	Limity capped (%)	
	Indicator	Weighting in the variable component of the short - term indicators	Weighting in the variable component of the medium - term indicators						Weighting in the variable component of the long - term indicators
0	1	2	3	4	5	6	7	8	9
Governance indicators									
1	Monitoring the performance of the executive management	12,00%	-	-	Quarterly report of SNN directors	Accomplished	Accomplished	100%	12%
2	Monitoring of risk management	10,00%	-	-	Quarterly risk management report	Accomplished	Accomplished	100%	10%
3	Monitoring transparency in communication	8,00%	-	-	Regular publication of corporate governance information	Accomplished	Accomplished	100%	8%
4	Implementation of the company's strategy	-	5,00%	5,00%	Progress report	Accomplished	Accomplished	100%	10%
Operational indicators									
1	No operating events that exceeded Level 1 on the International Nuclear Event Scale	2,00%	-	-	INE Scale according to IEAE.org website	Accomplished	Accomplished	100%	2%
2	Degree of achievement of investment budget	10,00%	2,00%	2,00%	Annex no. 4 BVC	20,00%	19,04%	95%	13%
3	Obtaining an utilization coefficient of installed power capacity of minimum	7,00%	1,00%	1,00%	Realised production (MWh)/Maximum theoretical production (MWh)	80%	97%	100%	9%
4	EHS - Annual collective dose	2,00%	-	-	Total dose, average per unit, man Sv (ALARA quarterly report)	Annual indicator level. (0,42 om/Sv)	0,05	100%	2%
5	EHS - Effluents in the environment	2,00%	-	-	MSv/CNE (ALARA quarterly report)	250	2,71	100%	2%
6	EHS - Maximum allowable dose	-	0,50%	0,50%	Msv/man (ALARA annual report)	20	3,97	100%	1%
Financial indicators									
1	Gross profit	7,00%	1,00%	1,00%	Form "Profit and Loss Account"	40.000.000 lei	413.218.245 lei	100%	9%
2	Average price/MWh on the competitive market	8,00%	1,00%	1,00%	Price published by OPCOM	90% * ROPEX_FM 31.12.2019 (90% * 270,47 lei/MWh = 243,42 lei/MWh)	214,36 lei/MWh	88%	9%
3	Fitting in the total budgeted operating expenses	9,00%	1,00%	1,00%	Annex no. 1 BVC	Accomplished	Accomplished	100%	11%
The weighted average degree of accomplishment of the key indicators									98%

Note 1: Values "Target Quarter I 2020": according to Annex no. 3.2. to Mandate Contracts no. 55, 56, 57, 58, 59/28.09.2018 and 68/30.01.2020 (including additional act no. 1/28.05.2020).

Note 2: - N = Current year.
- M = Micro.

Note 3: The short - term variable component granted based on quarterly indicators shall be adjusted depending on the cumulative achievements at the end of each financial year.
For calendar quarters not fully covered by the contract of mandate, the variable component shall be granted proportionally, in relation to the period covered by the contract of mandate.

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.