



HALF-YEARLY REPORT

**regarding the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 65 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 14 to ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 6-month period that ended on June 30, 2021
(First half-year of financial year 2021)**

Half-year report according to:

Report date:

Issuer's name:

Registered office:

Telephone/Fax Number:

Web/Email:

Trade Register sole registration number:

Registration number in the Trade Register:

Regulated market on which the issued securities are traded:

Subscribed and paid-up share capital:

Main features of the securities issued by the issuer:

Applicable accounting standards:

Reporting currency:

Reported period:

Art. 65 of Law no. 24/2017 on issuers of financial instruments and market operations and Annex no. 14 to ASF Regulation no. 5/2018 for the 6-month period that ended on June 30, 2021 (First half-year of financial year 2021)

August 10, 2021

S.N. Nuclearelectrica S.A. ("SNN")

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10874881

J40/7403/1998

Bucharest Stock Exchange (www.bvb.ro) Premium Category

RON 3,016,438,940

301,643,894 shares, nominal value of 10 RON/share, dematerialized, nominative, ordinary, indivisible, with equal voting rights, freely tradable on Bucharest Stock Exchange under the SNN symbol starting with 04.11.2013.

Individual Interim Financial Statements and Consolidated Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2021, 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".

Romanian Leu (RON) – all the presented amounts are in RON, unless indicated otherwise.

First half-year of financial year 2021

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1. ECONOMIC AND FINANCIAL SITUATION

The information and the Individual Interim Financial Statements and Consolidated Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2021 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.

1.1. ECONOMIC AND FINANCIAL INDIVIDUAL SITUATION

a) Financial position statement as of June 30, 2021

Indicator [thousand RON]	June 30, 2021 (reviewed)	December 31, 2020 (audited)
Non – current assets	5,886,029	5,995,542
Current assets	2,710,976	2,848,928
Total Assets	8,597,005	8,844,470
Equity	7,432,980	7,519,685
Total liability, out of which:	1,164,025	1,324,785
Non – current debts	614,532	722,101
Current debts	549,493	602,684
Total Equity and Liability	8,597,005	8,844,470

b) Statement on the profit or loss and other items of comprehensive income for the 6-month period that ended on June 30, 2021

Indicator [thousand RON]	6-month period ended on June 30, 2021 (reviewed)	6-month period ended on June 30, 2020 (reviewed)
Operating revenues	1,382,537	1,182,984
Operating expenses	(927,388)	(794,375)
Operating profit	455,149	388,609
Financial revenues	31,811	47,189
Financial expenses	(22,484)	(22,580)
Net financial revenues	9,327	24,609
Profit before income tax	464,476	413,218
Net income tax expense	(79,083)	(69,996)
Profit for the period	385,393	343,222
Other items of the comprehensive income	14,262	9,345
Global result	399,655	352,567
Basic earnings per share (RON/share)	1.28	1.14
Diluted earnings per share (RON/share)	1.28	1.14

c) Statement of cash flow for the 6-month period ended on June 30, 2021

Indicator [thousand RON]	6-month period ended on June 30, 2021 (reviewed)	6-month period ended on June 30, 2020 (reviewed)
Profit before income tax	464,476	413,218
Non-monetary value adjustments and modifications	118,659	255,041
Net cash flow from operating activities	517,097	634,201
Cash flow used in investing activities	221,959	(736,245)
Net cash flow from financing activities	(582,344)	(603,382)
Net increase / (decrease) in cash and cash equivalents	156,712	(705,426)
Cash and cash equivalents at the beginning of the period	546,566	1,793,145
Cash and cash equivalents at the end of the period	703,278	1,087,719

1.2. ECONOMIC AND FINANCIAL CONSOLIDATED SITUATION

a) Financial position statement as of June 30, 2021

Indicator [thousand RON]	June 30, 2021 (reviewed)	December 31, 2020 (audited)
Non – current assets	5,866,251	5,999,643
Current assets	2,730,393	2,844,602
Total Assets	8,596,644	8,844,245
Equity	7,432,584	7,519,330
Total liability, out of which:	1,164,060	1,324,915
Non – current debts	614,532	722,100
Current debts	549,528	602,815
Total Equity and Liability	8,596,644	8,844,245

b) Statement on the profit or loss and other items of the comprehensive income for the 6-month period that ended on June 30, 2021

Indicator [thousand RON]	6-month period ended on June 30, 2021 (reviewed)	6-month period ended on June 30, 2020 (reviewed)
Operating revenues	1,382,534	1,182,979
Operating expenses	(927,389)	(794,375)
Operating profit	455,145	388,604
Financial revenues	31,773	47,134
Financial expenses	(22,484)	(22,580)
Net financial revenues	9,289	24,554
Profit before income tax	464,434	413,158
Net income tax expense	(79,083)	(69,996)
Profit for the period	385,351	343,162
Other items of the comprehensive income	14,262	9,345
Global result	399,613	352,507
Basic earnings per share (RON/share)	1.28	1.14
Diluted earnings per share (RON/share)	1.28	1.14

c) Statement of cash flow for the 6-month period ended on June 30, 2021

Indicator [thousand RON]	6-month period ended on June 30, 2021 (reviewed)	6-month period ended on June 30, 2020 (reviewed)
Profit before income tax	464,435	413,158
Non-monetary value adjustments and modifications	120,009	255,579
Net cash flow from operating activities	518,367	634,623
Cash flow used in investing activities	245,595	(736,661)
Net cash flow from financing activities	(582,344)	(603,382)
Net increase / (decrease) in cash and cash equivalents	181,618	(705,420)
Cash and cash equivalents at the beginning of the period	546,867	1,793,502
Cash and cash equivalents at the end of the period	728,485	1,088,082

2. ANALYSIS OF THE ISSUER'S ACTIVITY

2.1. Factors that can influence the liquidity of the issuer

Among the factors that may affect the company's liquidity in the future, we mention:

- Energy prices on the competitive market sale;
- Price of the main raw materials and the fees related to the services used by the company in the current activity;
- Fluctuations in interest rates and exchange rates;
- Maintenance investment volume;
- The level of taxation, including the introduction of new taxes.

There are many internal and external factors that may influence the company's liquidity, but on short and even medium term, the company has a very good liquidity.

2.2. Capital, current or anticipated expenses

The investment program in the last two years is as follows:

Investments [thousand RON]	2021	2020
Value of the investment program	433,860	309,544
Implemented from the investment program as of June 30	179,887	58,946

The achievement degree of the investment program as of June 30, 2021 is 41.5%, compared to June 30, 2020, when the achievements from the investment program were 19%.

2.3. Events, transactions and economic changes that significantly affect the revenues from the basic activity

The income from the main activity is affected by:

- Production of electricity by CNE Cernavoda, closely related to the operational performance of the two nuclear units;
- Evolution of prices on the competitive market and the company's ability to successfully compete in these conditions;
- Evolution of the internal and regional demand and supply of electricity, integration degree of the markets from the region.

2.4. Other significant events from the first half-year of 2021

Other significant events from the first half-year of 2021 that were not already presented in the quarterly report related to the first quarter of 2021 are as follows:

a) Planned outage of Unit 2 CNE Cernavoda

Starting from May 9, 2021 at 11:00, Unit 2 CNE Cernavoda entered the planned outage program and the synchronization with the National Energy System was made on June 14, 2021.

During the period of planned outage made once every two years, more than 12,000 activities of the following programs were carried out:

- Preventive and corrective maintenance program;
- Inspection program;
- The mandatory testing program over 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 of implementation of the project amendments per certain systems/equipment/components.

All the works over the scheduled outage period were performed under safety conditions for the staff of the plant, for the public and the environment, according to the procedures approved used by Cernavoda NPP Branch and in full observance of all the protection measures against COVID 19.

3. CHANGES WITH IMPACT ON THE CAPITAL AND MANAGEMENT OF THE ISSUER

3.1. Situations where the issuer could not comply with its financial obligations in the first half-year of 2021

Not applicable.

3.2. Modifications regarding the rights of the holders of securities issued by the issuer

Not applicable.

3.3. Other amendments

Not applicable.

4. SIGNIFICANT TRANSACTIONS

Information regarding the significant transactions concluded with the related parties during the first half-year of 2021 are presented in Annex 8.2. The financial auditor issued a report on these legal acts, published on July 22, 2021 both on the website of the Bucharest Stock Exchange (www.bvb.ro), and on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), “Relations with investors” section.

5. EVENTS AFTER JUNE 30, 2021

a) Mission, Vision and Values of S.N. Nuclearelectrica S.A.

By the Current Report published on July 8, 2021, SNN informed its shareholders and investors regarding the launch of new:

- Mission - “We generate clean energy at standards of excellence”;
- Vision - “We are building a sustainable future for the next generation”; and
- Values - “Professional excellence”, “Care for employees”, “Safety and stability”, “Empathy and responsibility” and “Durable development”.

The Mission, Vision and Values of SNN represents the commitment of the SNN team for durable development, innovation and energy security.

6. MAIN RISKS AND UNCERTAINTIES FOR THE FOLLOWING 6 MONTHS OF THE FINANCIAL YEAR 2021

There are no risks and uncertainties for the following 6 months of financial year 2021, other than those related to the basic activity, identified and presented in this report. The Company estimates that it will obtain at least the profit budgeted for the current year, without exceeding the total operating expenses planned by the Revenue and Expense Budget approved by the OGMS Resolution no. 7 / 06.05.2021.

7. STATEMENTS AND SIGNATURES

Based on the best available information, we confirm that the Individual Interim Financial Statements and Consolidated Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2021 drafted according to the Order of the Minister of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on the International Accounting Standard 34 – “Interim financial reporting” provides an accurate and real image regarding the financial position, the financial performance and the cash flows for the 6-month period that ended on June 30, 2021 and that this report, drafted according to the provisions of art. 65 of Law no. 24/2017 on the issuers of financial instruments and market operations and Annex no. 14 to ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 6-month period that ended on June 30, 2021, comprises accurate and real information according to the development and performance of the company and the group.

Teodor Minodor Chirica,
Chairman of the Board of Directors

Endorsed,
Paul Ichim,
Chief Financial Officer

8. ANNEXES

8.1 Economic and financial INDICATORS

Indicator name	Calculation method	M.U.	Value 30.06.2021 ^{*)}
1. The current liquidity indicator	Current assets/ Current debts	x	4.93
2. Debt ratio indicator			
2.1. Debt ratio indicator (1)	Borrowed capital/ Equity x 100	%	2.5%
2.1. Debt ratio indicator (2)	Borrowed capital/ Engaged capital x 100	%	2.5%
3. Accounts receivables turnover rate	Average customer balance/ Turnover x 180	days	22
4. Fixed assets turnover rate^{**)}	Turnover/ Non-current assets	x	0.46

^{*)} Based on the Individual Interim Financial Statements on the date and for the 6 month period ended on June 30, 2021.

^{**)} The turnover speed of fixed assets is calculated by updating the half-yearly turnover (360 days/180 days).

8.2 LEGAL ACTS reported in the first half-year of 2021 according to art. 92³ of Law no. 24/2017 on issuers of financial instruments and market operations, as further amended and supplemented, of Law no. 158/2020

Significant transactions with related parties related for the first half-year of 2021 were reported in the Current Reports of February 3, 2021 (the annex to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), February 12, 2021 (the annex to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), February 16, 2021 (term deposit – without extension), February 18, 2021 (term deposit – without extension), March 16, 2021 (term deposit – without extension), March 18, 2021 (annexes to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), March 23, 2021 (term deposit – without extension), March 26, 2021 (term deposit – without extension), April 1, 2021 (the annex to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), April 13, 2021 (energy wholesale contracts), April 14, 2021 (annexes to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), June 11, 2021 (term deposit – without extension), June 15, 2021 (the annex to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), June 17, 2021 (annexes to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract), June 25, 2021 (term deposit – without extension), July 1, 2021 (the annex to the “European Federation of Energy Traders” (EFET) energy wholesale framework contract, and electricity purchase contract for supplying eligible non-household clients).

8.3 Major litigations in progress on June 30, 2021 (over 500 thousand RON), including the non-monetary evaluated ones

The list of major litigations in progress as of June 30, 2021 is found in Annex 4 – “Major litigations in progress as of June 30, 2021 (over 500 thousand RON), including the non – monetary evaluated ones” included in the Half - year report of the Board of Directors of S.N. Nuclearelectrica S.A. on the management activity for period January 1 – June 30 2021, published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), “Relations with investors” section.

8.4 INDIVIDUAL INTERIM FINANCIAL STATEMENTS on the date and for the 6-month period ended on June 30, 2021

Individual Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2021 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on Accounting Standard 34 - “Interim financial reporting”, are published on the internet page of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Relations with investments section.

8.5 CONSOLIDATED INTERIM FINANCIAL STATEMENTS on the date and for the 6-month period ended on June 30, 2021

Consolidated Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2021 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on Accounting Standard 34 - “Interim financial reporting”, are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investor relations section.

8.6 HALF-YEAR REPORT of the Board of Directors on the administration activity for period January 1 – June 30, 2021

Half-year report of the Board of Directors on the administration activity for January 1 - June 30, 2021 drafted according to the provisions of art. 55 of Emergency Ordinance no. 109/2011 on the corporate governance of public companies, as further amended and supplemented (“GEO no. 109/2011”), and the mandate contracts concluded by the Board of Directors with SNN, is published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Investor Relations section.