



HALF-YEARLY REPORT

**OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”) for
January 1 - June 30, 2018**

First Half-Year of 2018

Report date: August 2018

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1. BASIS OF THE REPORT

The half-yearly report of the Board of Directors for the first half-year of 2018 is prepared in accordance with 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.1 09/2011”) and with the provisions of art. 65 of Law no. 24/2017 regarding the issuers of financial instruments and market operations.

2. ANALYSIS OF THE FINANCIAL STATEMENT

The information and the revised simplified individual interim financial statements on the date and for the period of 6 months that ended on June 30, 2018 presented in this report are not revised by the financial auditor of S.N. Nuclearelectrica S.A. and were drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards (“IFRS”), based on the International Accounting Standard 34 - “Interim financial reporting” passed by the European Union.

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

2.1. Financial position statement as of June 30, 2018

The financial position on June 30, 2018 is presented in **Annex 1**.

Indicator [thousand RON]	30 June 2018 (revised)	December 31, 2017 (audited, retreated)	Variation
Non-current assets	6,802,044	7,004,655	-2,9%
Current assets	2,263,432	2,239,865	1.1%
Total assets	9,065,476	9,244,520	-1.9%
Long-term liabilities	1,188,341	1,308,219	-9,2%
Current liabilities	482,066	452,184	6.6%
Total liabilities	1,670,407	1,760,403	-5,1%
Equities	7,395,069	7,484,117	-1.2%
Total equities and liabilities	9,065,476	9,244,520	-1.9%

Non-current assets registered a slight drop of 2.9% compared to the level registered on December 31, 2017, especially due to the drop of the net value of the tangible assets by acknowledging the amortization for the 1st half-year of 2018. The impact of the period’s amortization was partially compensated by the investments performed for Units 1 and 2 Cernavoda CNE.

Circulating assets registered a slight increase compared to December 31, 2017, mainly based on the increase of cash liquidity (cash, cash equivalents and bank deposits with maturities longer than 3 months) and of the advance payments for the payments related to the subsequent periods.

Long-term debts decreased by 9.2%, compared to the values recorded on 31.12.2017. The decrease is mainly caused by the decrease of the long-term portion of the external credits contracted from Societe

Generale and EURATOM for building and starting up unit 2 CNE Cernavoda, following the reclassification of the outstanding installments in the short-term portion, gradually with the maturity of the credits.

The **current debts** increased by 6.6% compared to the values registered on December 31, 2017, based on the increase of the commercial debts and other debts and of the accruals, partially compensated by the decrease of the profit tax due and of the current portion of long-term loans.

2.2. Profit and loss account for the 6-month period ended on June 30, 2018

During the period of 6 months ended on June 30, 2018, SNN recorded a net profit of 182,314 thousand lei.

Indicator [thousand RON]	6-month period ended on June 30, 2018 (revised)	6-month period ended on June 30, 2017 (revised, retreated)	Variation
Production (GWh)*	4,969	5,066	-1.90%
Operating income, of which:	1,006.687	892,973	12.73%
<i>Income from electricity sales**</i>	968,625	869,719	11.37%
Operating expenses, minus depreciation and amortization	(519,334)	(451.824)	14,94%
EBITDA	487,353	441.149	10,47%
Depreciation and amortization	(272,099)	(271,999)	0.04%
EBIT	215,254	169.150	27,26%
Net financial result	14,936	11,481	30.09%
Profit tax expenses, net	(47,876)	(23,369)	104,87%
Net profit	182,314	157.262	15,93%

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

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

Operational profit (EBITDA) increased by 10,47% compared to the same period of the previous year, mainly following the increase of operational revenues by 13%, influenced by the increase by 11% of the revenues from the sale of electricity.

Following the completion of the process of liberalizing the electricity market in Romania, starting with 2018 the Energy Regulation National Authority ("ANRE") no longer set for producers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the producers based on regulated contracts and electricity quantities from the regulated contracts concluded by the producers with last-instance suppliers, after completing the schedule for gradually removing regulated fees.

Operational revenues increased by 13% influenced by the following:

- **Increase with 11,5% of the average weighted price for the sold electricity** in the first half-year of 2018, compared to the average weighted prices in the first semester of 2017, under the conditions of selling a similar quantity of energy in the first half of 2018 as in the first half of 2017 (a decrease of only 0,3%).

In the 6-month period that ended on June 30, 2018, the Company did not sell energy on the regulated market (8% in the 6-month period ended on June 30, 2017), all the electricity quantity being sold on the competitive market of bilateral contracts and on the spot market. Compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts increased by 16%, and benefited from an increase of the average sale price on this market by 23% (price without Tg), while the electricity quantity sold on the spot market (PZU and PI) decreased by 14%, whereas an average sale price on this market lower by 20% (price without Tg) was registered.

The **operating expenses** increased by 14,94% in the first half-year of 2018, compared to the same period of 2017. This evolution is determined by the increase of the expenses with the personnel with 37% in the first half of 2018 compared to the first half of 2017, following the salary increases granted as per the revenues and expenditures budget approved by GMS resolution no. 3/02.03.2018, as well by the increase of the expenses with the electricity purchased for the compensation of the negative imbalances registered in the period and by the purchase of electricity in the second quarter of 2018 for deliveries in the same period related to the portfolio of ongoing contracts in the planned outage period.

The **net currency exchange differences** (net financial revenues) increased by 30%, and positively influenced the net result. The main currencies to which there are exposures are EUR, CAD and USD.

The expenses with the **income tax** offset the positive influences of the other elements, following the increase of the taxable profit calculated for the first half of 2018 compared to the first half of 2017.

The profit and loss account for the period of 6 months ended on June 30, 2018 is presented in **Annex 2**.

2.3. The execution of the Revenues and Expenses Budget as of June 30, 2018

The revenues and expenses budget ("BVC") of SNN for the year 2018 was approved by Resolution no. 3/02.03.2018 of the General Meeting of Shareholders.

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 Revenues and Expenses Budget on June 30, 2018 is presented in **Annex 3** to this report.

As per the analysis of the Budget of Revenues and Expenses execution as of June 30, 2018 (presented in **Annex 3**), a degree of accomplishment of the programmed operating revenues of 99.8% and a decrease of the operating expenses compared to the budgeted level of 7.7% results. The performance level of the total income is 100.9%, superior to the performance level of total expenses of 92.3%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

The gross production of electricity of the two operational units of CNE Cernavoda was 5,413,112 MWh in the first half-year of 2018 (of which 2,462,486 MWh in the second quarter of 2018); from this gross production, the own technological consumption of the Units during operation, and during the

outages ensured from own production was 444 thousand MWh in the first half-year of 2018 (of which 207 thousand MWh in the second quarter of 2018).

Thus, the electricity produced and delivered in the National Energy System (“SEN”) was 4,969,271 MWh in the first half-year of 2018, compared to the first half-year of 2017 (5,065,688 MWh), representing a 1.9% decrease; in the second quarter of 2018 the quantity of electricity that was produced and delivered in SEN was 2,255,289 MWh, a 1.92% decrease compared to the level recorded in the second quarter of 2017, of 2,299,377 MWh.

The net electricity production program approved by the Board of Directors for 2018 considered a quantity of 10,405,516 MWh: for the first half-year of 2018 it considered a quantity of 4,948,576 MWh, being implemented in a percentage of 100.42% and for the second quarter of 2018 it considered a quantity of 2,227,430 MWh, being implemented in a percentage of 101.25%.

The installed power usage factor, recorded by each operational unit within CNE Cernavoda during the second quarter of 2018, and cumulated since the start of the commercial usage (Unit 1 on December 2nd, 1996, Unit 2 on November 1st, 2007) until June 30, 2018 was the following:

CNE Cernavoda unit	Cumulated 1st quarter 2018	April 2018	May 2018	June 2018	Cumulated First half-year of 2018	Cumulated from the commercial exploitation
Unit 1	96.21%	97.91%	4.4%	84.23%	78.78%	90.42%
Unit 2	98.58%	99.81%	98.89%	97.27%	98.62%	94.49%

The lower value of the installed power usage factor at Unit 1 CNE Cernavoda reflects the influence of the planned outage with an actual duration of 786 hours, registered since May 2, 2018 at 10:53 and ended on June 4, 2018 at 05:02.

Also, unplanned outages with an actual duration of 63.4 hours were registered during the first half-year of 2018, as follows:

- At unit 1 CNE Cernavoda there was an unplanned outage with a total duration of 46.3 hours: starting with March 25, 2018, at 09:20. The Unit 1 CNE Cernavoda was disconnected for investigating and remedying the triggering caused by the inverter and voltage regulator;
- At unit 2 CNE Cernavoda there was an unplanned outage with a total duration of 17.1 hours: starting with March 29, 2018. The Unit 2 CNE Cernavoda was disconnected following the automatic triggering of the main switch. Also, in March 25-26, the turbogenerator operated at a low charge with 55% for replacing the bearing at the engine of a condensation pump, caused by high vibration.

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 Transelectrica S.A. for electricity transportation (a letter of bank guarantee is not necessary given the status of good payer; the contract provides the situations where the security is mandatory); the agreement concluded with OPCOM S.A.

for electricity trading on PZU (Next Day Market) and PI (Intra-daily Market); contracts concluded on the PCCB – NC market (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 PE (balancing market) concluded with Transelectrica S.A. and the contract concluded with Ciga Energy S.A. for PE representation.

For the purpose of this activity, in the first half-year of 2018, 29 letters of bank guarantee were issued. Their cumulated value amounts to 46,693,288 lei, for which collateral deposits were set up in equivalent value. During the first half-year of 2018, 22 collateral deposits were liquidated related to letters of bank guarantee in value of 52,602,985 lei, issued both in 2018 and in 2016 - 2017. On June 30, 2018, there are in balance 43 collateral deposits set up for letters of bank guarantee in force on that date, in amount of 87,426,460 lei.

The quantities of electricity sold in the 1st half-year of 2018 and the corresponding incomes, separated by types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) in the 1st half-year of 2018

Sales by types	Quantities in MWh	% % of total sales	Average price [lei/MWh with Tg included]	Revenues from sales [lei]
Sales on the free market (bilateral contracts and PZU and PI contracts), out of which:	5,106.310	99.6%	189.63	968,305.428
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	4,050,943	79.0%	197.68	800,783,243
- PZU and PI sales	1,055.367	20.6%	158,73	167,522.185
PE positive imbalances ^{*)}	19,090	0.4%	135.13	2,579,695
Total sales First half-year of 2018	5,125.400	100%	189.43	970,885,123

^{*)} NB: 78,144 lei of the value presented represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE order no. 51/2016 and ANRE order no. 76/2017.

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 5,125,400 MWh, 1.85% more than the sales program, of 5,032,136 MWh (sized on the production estimate, without estimating unplanned outages) and by 0.27% lower than the electricity quantity sold in the first half-year of 2017. The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 41% from the Centralized Markets, 30% from the spot market and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in the first half-year of 2018 are 970,885,123 lei (out of which 78,144 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 51/2016 and ANRE Order no. 76/2017), 1.33% higher than the budget revenues for the first half-year of 2018, and 10.95% higher than the revenues in the same period of the previous year.

According to the sales strategy, 8 contracts for purchase on the Centralized Markets were concluded between October 2017 – April 2018, for a constant power of 85 MWh, with delivery in May 2018, at

an average price of 167.12 lei/MWh which partially covered the sale obligations assumed by the contracts whose average weighted price in May 2018 was 187.95 lei/MWh.

The average weighted sale price, for the electricity quantities sold (without PE), resulted in the first half-year of 2018, is 189.63 lei/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 2018 (PCCB - LE, PCCB - NC, PCSU and PZU), calculated based on the values published by OPCOM in the monthly market reports, is 186.89 lei/MWh. In the first half-year of 2017 the average weighted sale price, for the energy quantities sold (without PE) was 170.21 lei/MWh (including T_g).

Starting with 2018 the Energy Regulation National Authority ("ANRE") no longer set for manufacturers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the manufacturers based on regulated contracts and electricity quantities from the regulated contracts concluded by the manufacturers with last-instance suppliers, after completing the schedule for gradually removing regulated fees.

The sold electricity quantities on the competitive market of bilateral contracts represented in the first half-year of 2018 a percentage rate of 79% out of the total volume of the sold energy. The average sale price on bilateral contracts in the first half-year of 2018 was 197.68 lei/MWh (with T_g included), registering an increase of 22% compared to the average price registered in the first half-year of 2017, of 161.8 lei/MWh (T_g included), given that T_g in the first half-year of 2017 was higher by 0.29 lei/MWh.

On the spot market (PZU), during the 1st half-year of 2018, a quantity of electricity representing 20.6% of the total sales volume was sold, compared to the percentage share of 23.7% recorded in the first half-year of 2017. The energy average selling price on the spot market (PZU and PI) achieved by SNN in the first half-year of 2018 was 158.73 lei/MWh (with T_g included), compared to 197.37 lei/MWh (with T_g included) recorded during the same period of 2017.

In the first half-year of 2018, SNN implemented 169 energy sale contracts, as follows:

- 121 contracts concluded on PCCB-LE;
- 40 contracts concluded on PCCB-NC;
- 6 contracts concluded on PCSU;
- 2 supply contracts.

The quantities of energy sold in Q2 2018 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the 2nd quarter of 2018

Sales by types	Quantities in MWh	% of total sales	Average price [lei/MWh with T_g included]	Revenues from sales [lei]
Sales on the free market (bilateral contracts and PZU and PI contracts), out of which:	2.348.818	99.5%	181,84	427.109.460
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	1.772.259	75,1%	189,77	336.313.361

- PZU and PI sales	576.559	24,4%	157,48	90.796.099
PE positive imbalances ^{*)}	11.497	0.5%	155,99	1.793.442
Total sales on 2nd quarter of 2018	2,360,315	100%	181.71	428,902,902

^{*)} NB: 61,271 lei of the presented value represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE order no. 51/2016 and ANRE order no. 76/2017.

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 2,360,315 MWh, 4.21% more than the sales program, of 2,265,042 MWh (sized on the production estimate, without estimating unplanned outages) and by 0.44% higher than the electricity quantity sold in the second quarter of 2017. The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 60% from the Centralized Markets, 32% from the spot market and the rest from PE.

The revenues obtained from the electricity market related to electricity deliveries in the second quarter of 2018 are 428,902,902 lei (out of which 61,271 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 51/2016 and ANRE Order no. 76/2017), 0.05% lower than the budget revenues for the second quarter of 2018, and 10.38% higher than the same period of the previous year.

The average weighted sale price, for the electricity quantities sold (without PE), resulted in the second quarter of 2018, is 181.84 lei/MWh (including T_g). In the second quarter of 2017 the average weighted sale price, for the energy quantities sold (without PE) was 165.41 lei/MWh (including T_g).

The sold electricity quantities on the competitive market of bilateral contracts represented in the second quarter of 2018 a percentage rate of 75.1% out of the total volume of the sold energy. The average sale price on bilateral contracts in the second quarter of 2018 was 189.77 lei/MWh (with T_g included), registering an increase of 20% compared to the average price registered in the second quarter of 2017, of 158.16 lei/MWh (T_g included), given that T_g in the second quarter of 2017 was higher by 0.29 lei/MWh.

On the spot market (PZU and PI), during the second quarter of 2018, a quantity of electricity representing 24.4% of the total sales volume was sold, compared to the percentage share of 34.6% recorded in the second quarter of 2017. The energy average selling price on the spot market (PZU and PI) achieved by SNN in the second quarter of 2018 was 157.48 lei/MWh (with T_g included), compared to 178.75 lei/MWh (with T_g included) recorded during the same period of 2017.

In the second quarter of 2018, SNN implemented 100 energy sale contracts, as follows:

- 65 contracts concluded on PCCB-LE;
- 31 contracts concluded on PCCB-NC;
- 2 contracts concluded on PCSU;
- 2 supply contracts.

During the first half-year of 2018 two contracts were refused to be signed by the buyers designated through tenders (1 tender on PCCB – NC and 1 tender on PCCB – LE) for which indemnities were received according to the regulations of the Centralized Markets.

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 2018. In all the cases in which there have

been delays, the Company sent notifications and charged penalties according to the contractual provisions.

3.3. Expenses in the energy market

In the first half-year of 2018 the total value of expenses on the electricity market made by SNN is 37,643,916 lei, out of which 5,217,522 lei represents Tg, namely the regulated fee paid by Transelectrica S.A. for injecting the electricity generated by CNE Cernavoda in the electricity transportation network. The expenses representing the equivalent value of the green certificates that needed to be purchased for the delivered electricity are 20,145 lei, and the fees paid to OPCOM SA for the sale-purchase transactions performed on the platforms managed by OPCOM SA are 324,651 lei.

In the first half-year of 2018 the expenses with the purchase of electricity from the Centralized Markets were 10,568,520 lei – for 63,240 MWh, and those from the spot market (PZU and PI) were 10,309,844 lei – for 47,175 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to 20,878,364 2017 lei (first half-year of 2017: 5,487,746 lei), for the purpose of ensuring the full compliance with the electricity delivery contractual obligations during the planned and unplanned outages of the Units of CNE Cernavoda; the purchased electricity quantity was 110,415 MWh (first half-year of 2017: 24,360 MWh), at an average price of 189.09 lei/MWh (first half-year of 2017: 225.28 lei/MWh).

The PE expenses in the first half-year of 2018 were 11,069,836 lei, and the purchased electricity quantity was 45,666 MWh (first half-year of 2017: 15,218,510 lei, and the purchased quantity of electricity was 49,094 MWh). This amount represents the counter value of the energy received from the Balancing Market for the compensation of the negative imbalances that occurred because of the differences between the quantities of actual delivered energy and quantities notified on the market as per the daily prognosis for each hour frame and the value of the imbalance upon notification.

In Q2 2018 the total value of expenses on the electricity market made by SNN is 21,470,331 lei, out of which 2,367,945 lei represents Tg, namely the regulated fee paid by Transelectrica S.A. for injecting the electricity generated by CNE Cernavoda in the electricity transportation network. The expenses representing the equivalent value of the green certificates that needed to be purchased for the delivered electricity are 13,430 lei, and the fees paid to OPCOM SA for the sale-purchase transactions performed on the platforms managed by OPCOM SA are 159,689 lei.

In the second quarter of 2018 the expenses with the purchase of electricity from the Centralized Markets were 10,568,520 lei – for 63,240 MWh, and those from the spot market (PZU and PI) were 7,298,233 lei – for 33,979 MWh. The expenses with electricity purchase (Centralized Markets and spot market) amounted to 17,866,753 2017 lei (second quarter of 2017: 4,302,951 lei), 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 97,219 MWh (second quarter of 2017: 20,158 MWh), at an average price of 183.78 lei/MWh (second quarter of 2017: 213.46 lei/MWh).

The PE expenses in the second quarter of 2018 were 966,749 lei, and the purchased electricity quantity was 7,766 MWh (second quarter of 2017: 7,929,014 lei, and the purchased quantity of electricity was 30,387 MWh).

The expenses with purchases of electricity and negative imbalances were significantly higher in the second quarter of 2018 than in the second quarter of 2017. The additional contracting during the

planned outage, having the role of optimizing the portfolio of contracts, led to the increase of the purchased electricity quantity, at a purchase price lower than the previous period.

3.4. The investment program on June 30, 2018

The total value of the investment program of SNN for 2018 is 244,867 thousand lei (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/02.03.2018 of the Ordinary General Assembly of Shareholders of SNN.

The comparative situation of the investment accomplishments (value and percentage) for the first half-year of 2018 compared to the same period of 2017 is presented in the table below:

Year	Value of the investment program [thousand RON]	Performed (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2018	244,867	74,582	30.5%
2017	231,593	48,583	21.0%

As in the previous years, the highest share in the investment program is for long-term investments (ongoing). This is due to the need of upgrade/replacement of certain systems, out of economic reasons (specific consumption deductions, improvement of certain parameters related to served processes, with a positive impact on efficiency), out of legal reasons – the need to implement new upgrades associated with nuclear security, environment protection and labor security representing imperative requirements from the regulatory authorities in the field (e.g.: CNCAN and the Ministry of Environment).

Analysis of the completion degree of the investment program on June 30, 2018

The investment program of SNN for 2018 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 value degree analysis must consider the fact that this can differ from the physical achievement degree; thus, if an investment project was successfully completed, the physical achievement degree is 100% but the value “achievement” degree can be sub-unitary, namely less than 100%, if the project was implemented at a cost lower than the budget amounts; these savings represent benefits for the company, because the same results are obtained with lower resources.

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

- **“Spent fuel intermediary storage (including SICA Unit 2)”**: budgeted 14,177 thousand lei – the value achievement degree as of June 30, 2018 is 14.3%. In January - June 2018, the construction and assembly works were completed, and the acceptance upon completion of works was made for Module 9 DICA., as well as the physical protection works related to Module 8. For Macstor 200 Modules 10 and 11 the contracting of the construction and assembly works was completed, the building permit was

obtained and the works commencement order was issued. The constructions and assembly works are ongoing. At the same time, the company contracted services of re-updating the DICA plans necessary for obtaining the environment permit for DICA with Macstor 400 modules starting with Module 12 and the building permit for Modules 10 and 11. There are delays in contracting the physical protection works for Module 9, caused by the modification of the contracting strategy and the decision to redo the procurement documentation, so the contracting will be made cumulatively for Modules 9, 10 and 11 by two procedures: one with a sole source and one with a competitive source. There are delays in contracting the assessment services and drafting environment studies in order to obtain the Environment Agreement for the Macstor 400 modules starting with Module 12 DCA, caused by the successive redoing of the procurement documentation and the necessity of defining as clearly as possible the requirements of the Tender Book. The procurement documentation was published in SEAP, the bids submission deadline being August 1, 2018.

- **“Modernization and expansion of the physical security system”**: budget 16,600 thousand lei – the achievement value degree on June 30, 2018 is 8.7%. The delayed contracting of some works and the necessity of obtaining the industrial security certificate (ORNIS) caused delays in the performance of the activities in the contractual schedule. The revised economic estimates were redone several times following the observations of CNE Cernavoda. At the end of May 2018, the contractor sent the final form of the estimates in order to be included in the addendum to the contract. The addendum to the contract sent to SNN for approval on 22 May 2018 is in the final endorsement phase.

- **“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”**: budget 26,241 thousands lei - achievement value degree as of June 30, 2018 is 0.6%. Within the objective of changing the destination of the existing buildings at the location of Unit 5 CNE Cernavoda, the activities of approving the performance details are in progress, and these activities are delayed compared to the contractual schedule (approximately 60% of the packages delivered by the contractor were approved, and the rest are analyzed by CNE Cernavoda and returned with the comments of the contractor). The accumulated delay was caused by the fact that the design documentation sent by the contractor does not fully comply with the requirements of CNE, and reiterations are necessary in the approval process, by consequently extending the approval and the implementation. Preparatory activities were carried out and the implementation in OP 2018 of MPA EC 3188 was completed – Qualification to severe accident and earthquake of the loop 1-63432-L11 and provision of indications in SCA.

- **“Extending the life cycle of unit 1 by re-tubing the reactor and refurbishing the main systems (studies)”**: budget 10,373 thousand lei - on June 30, 2018 there were no value accomplishments for this investment objective.

- **“Increasing the safety in the operation of the power evacuation system of CNE Cernavoda, by retooling the power evacuation transformers and providing a spare trafo for two units”**: budget 4,644 thousand lei – on June 30, 2018 there were no value accomplishments for this investment objective.

- **“Modernization of the communication infrastructure, fitting the data center according to the TIA 942-1 standard and implementing measures for mitigating the information security risk”**: budget 2,170 thousand lei – until June 30, 2018 the purchase for the first stage was initiated - fitting the data center, structured cabling and communication infrastructure.

- **“Capital repairs on the R53 rotating press”**: budgeted 1,840 thousand lei – the procurement initiation documentation was completed, but until June 30, 2018 there were no value accomplishments for this investment objective.

- “SNN contribution to the establishment of the IPP company type for the completion of Units 3-4” estimated to 9,100 thousand lei (equivalent of 2,000 thousand euros), according to the resolution of the EGMS no. 7/22.08.2014 for approving the strategy for the Project of Units 3 and 4 from CNE Cernavoda. The essential prior condition is represented by the approval by EGMS of the Investment Documents with the Selected Investor - a process implemented by the Negotiation Board and coordinated by the Inter-ministry Commission for Project U3 - U4, and this contribution will be implemented after creating the project company.

- **European Liability Insurance for Nuclear Industry** - estimated at 5,915 thousand lei (equivalent value 1,300 thousand Euros), representing the contribution of the company as a new member in the European Mutual Association for Civil Liability Insurance (“ELINI”), for benefitting from the advantages of the association. On June 30, 2018 this investment was made at a value of 5,033 thousand lei.

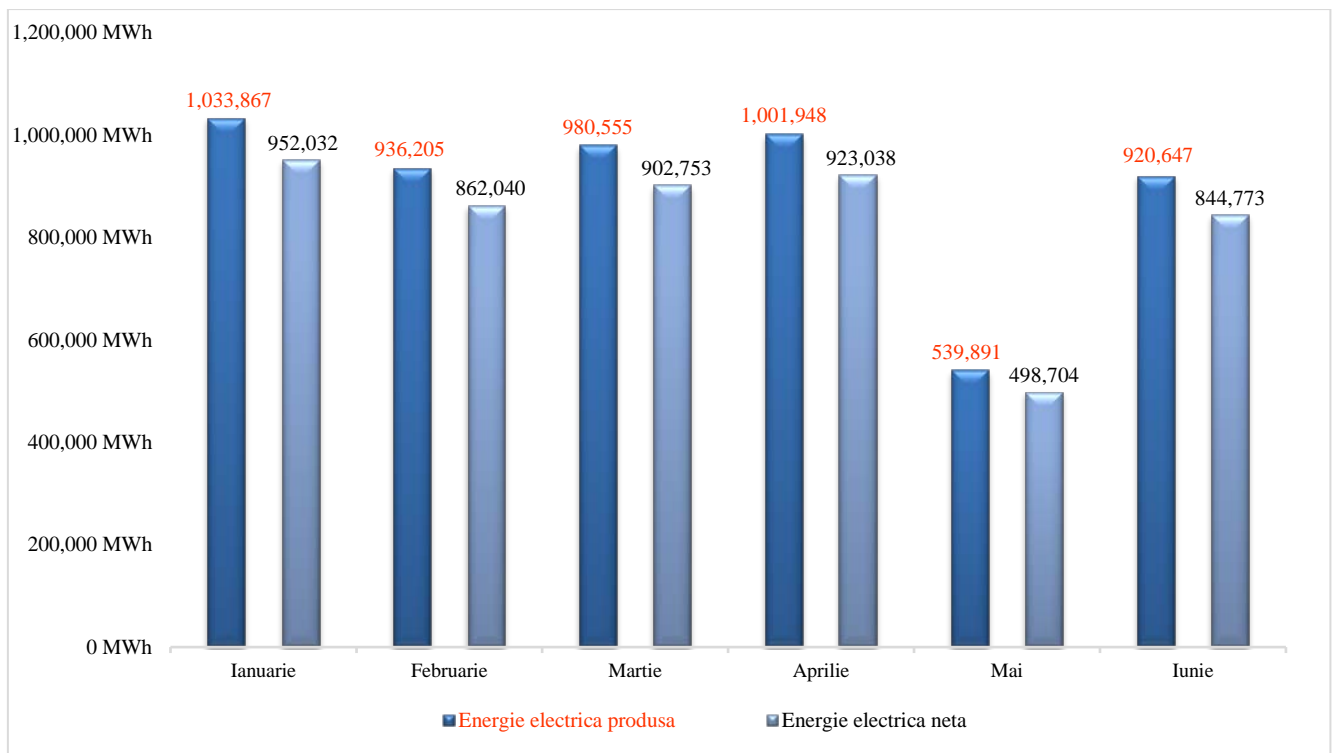
3.5. Activity of the Cernavoda CNE Branch

The operation activity was conducted without events that might have 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.

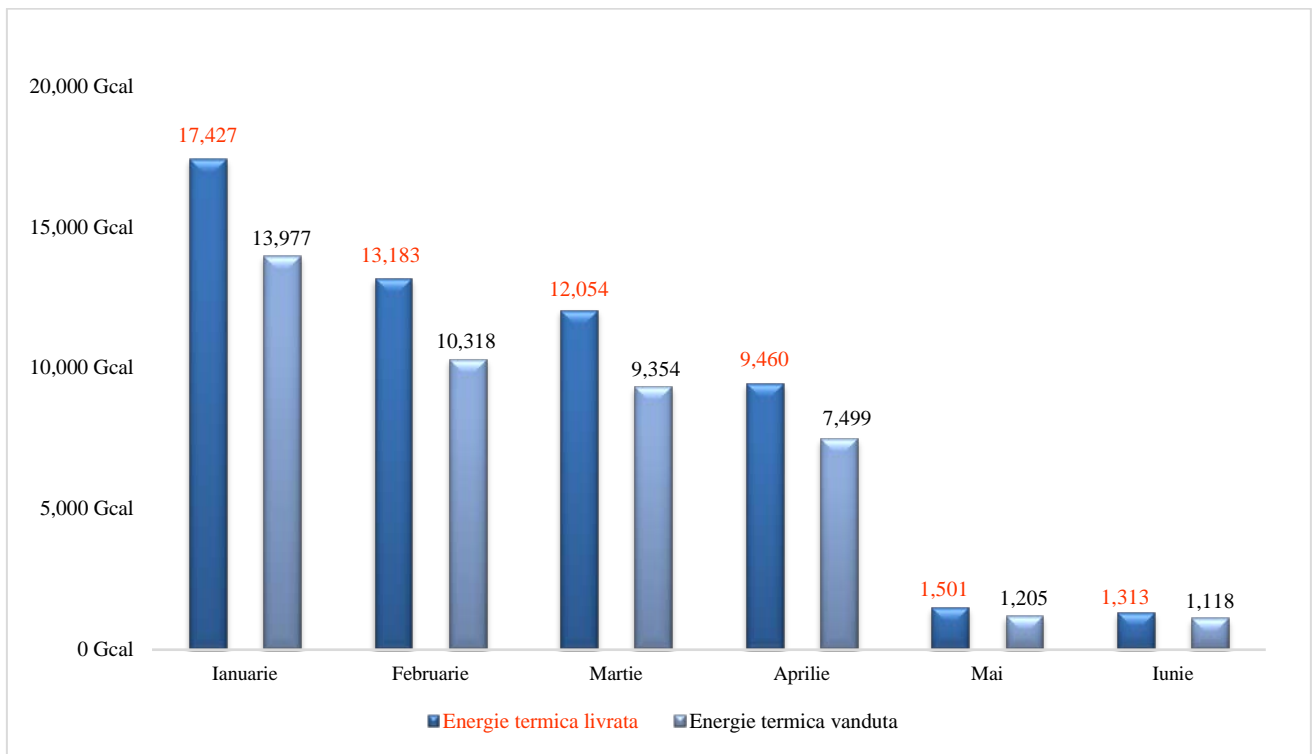
In the first half-year of 2018 no operation event to exceed the level 1 on the international scale of the nuclear events was registered, regarding the degrading of the in depth defense barriers, impact on the site or outside (INDICATOR 1).

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

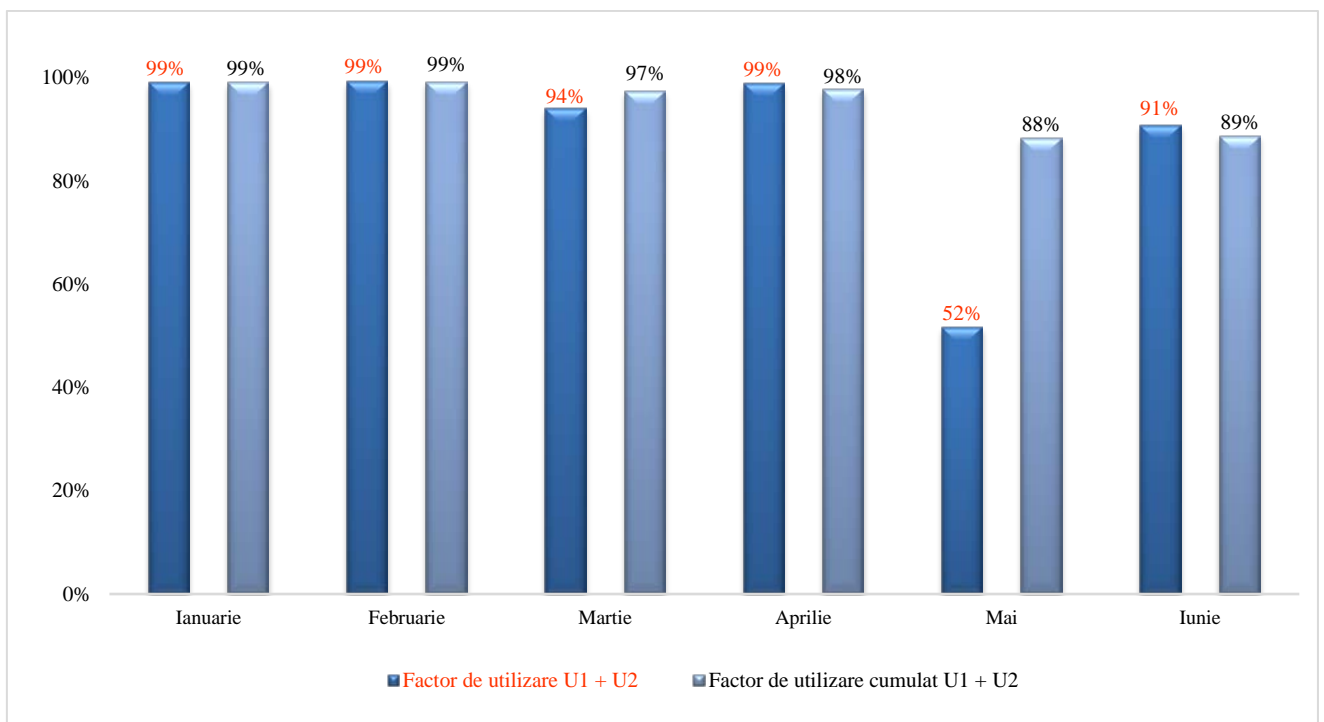
Produced/net electrical energy U1 + U2 (MWh)
(Produced electrical energy: 5,413,112/Net electricity delivered: 4.983.340)
(Own technological consumption cumulated for 2018: 8.02%)



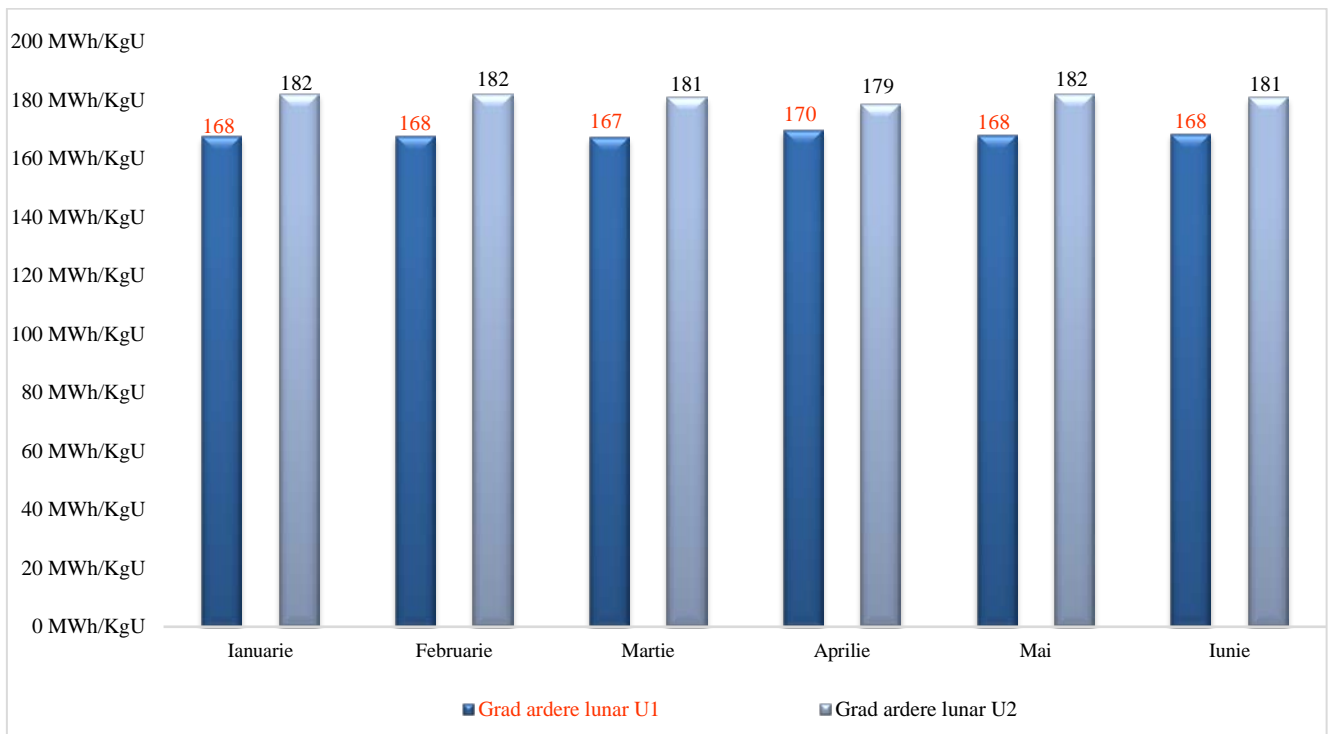
Thermal energy delivered to the district heating/ sold (Gcal)
(Delivered thermal energy: 54,937/Sold thermal energy: 43.473)



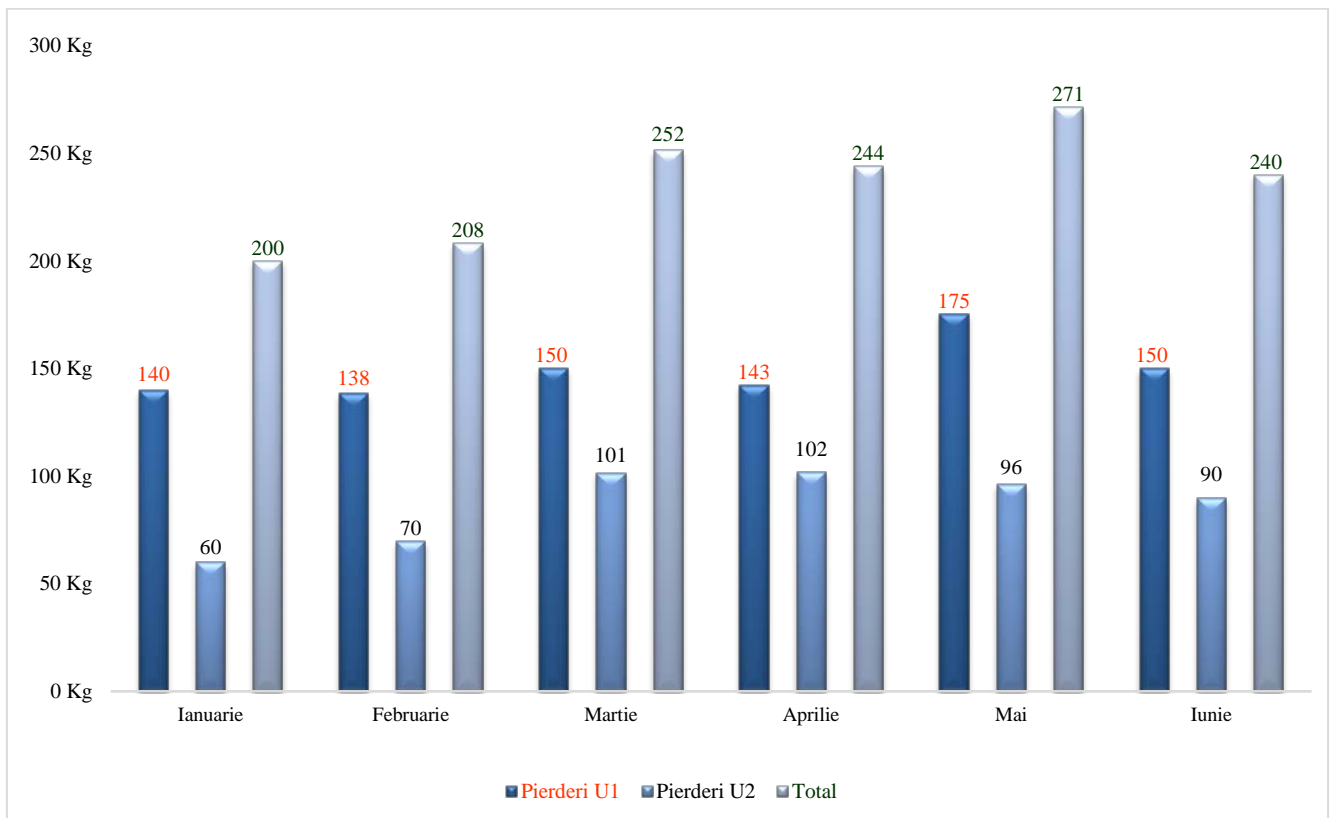
Installed capacity factor U1 + U2 (%)
(Cumulated 2018: 88.7%)



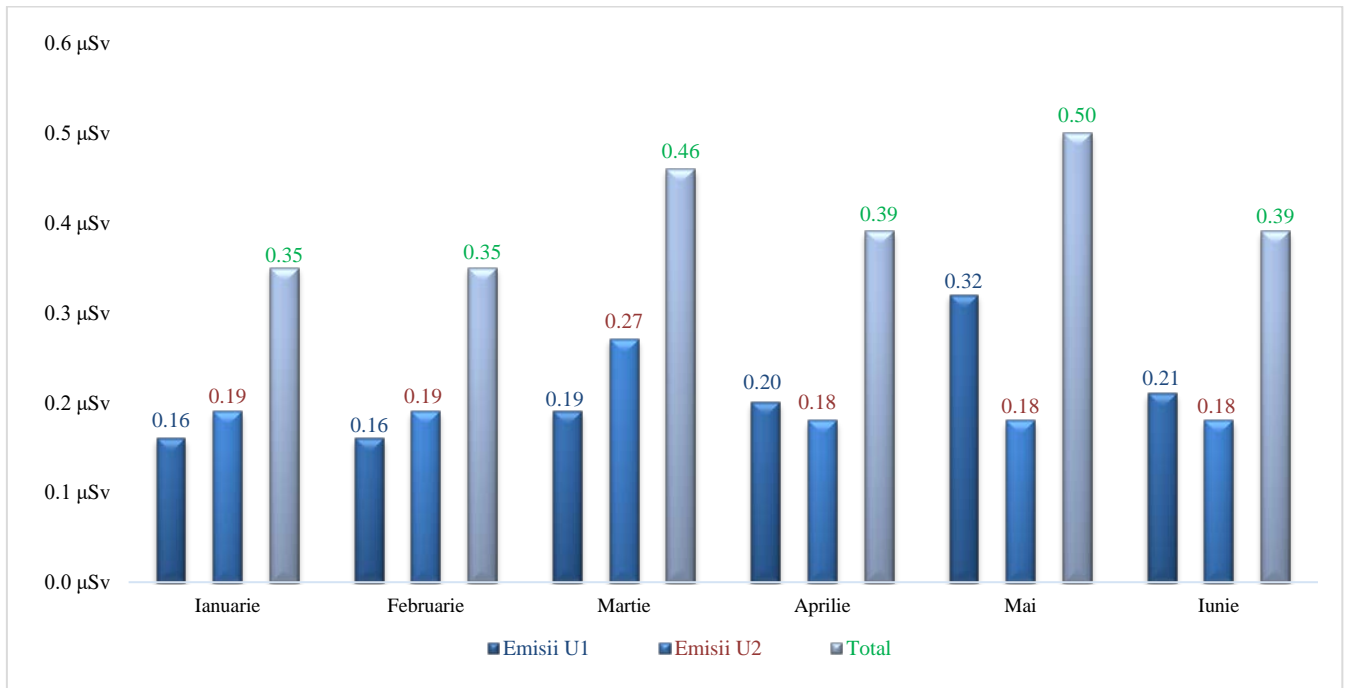
Nuclear fuel burn up factor (MWh/KgU)
(Cumulated 2018: 175/Provided in the project: min. 156)



Heavy water loss U1+U2 (Kg)
(Cumulated 2018: 1,416/Provided: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (μSv)
(Total cumulated 2018: 2.45/Annual limit: 8.5)



3.6. Activity of the FCN Pitesti Branch

During the first half-year of 2018, the FCN Pitesti Branch manufactured, controlled and accepted 5,841 nuclear fuel bundles, according to the manufacture plan, all of them within the specifications, and the production of nuclear fuel bundles decreased by 3,6% compared to the same period of 2017, when 6,060 bundles were manufactured, inspected and accepted.

During the first half-year of 2018 the FCN Pitesti branch delivered to CNE Cernavoda a quantity of 5,040 nuclear fuel bundles (first half-year of 2017: 5,040 bundles), and complied with the agreed delivery schedule.

During the first half-year of 2018, for the production of nuclear fuel, sintering powder of uranium dioxide was consumed, at an average price of 343.72 lei/kg, derived from the existing storage on January 1, 2018, from the purchases from supplier Cameco Inc., and from the powder resulted from the processing of the non-compliant nuclear material (at Compania Nationala a Uraniului – Feldioara Branch).

4. OTHER SIGNIFICANT ASPECTS

4.1. The Project for the Units 3 and 4 Cernavoda NPP

The main benchmarks for continuing the Project Units 3 and 4 CNE Cernavoda in the first half-year of 2018 are the following:

- By the Resolution of the Extraordinary General Assembly of Shareholders of SNN no. 4/02.03.2018 the company approved continuing the negotiations on the Investment Documents under the same conditions from the Memorandum of Understanding, for 6 months after the date of institution and corporate approval, by applying all the other provisions of the Memorandum of Understanding, including the possibility for any party to terminate the Memorandum of Understanding without any compensations by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by the respective Party.
- In February - March 2018 there were negotiations regarding the undisputed aspects concerning the Investors' Agreement.
- By letter of the General Department for Privatization and State Energy Interest Management (DGPAPSE) no. 261387/June 25, 2018, SNN was informed about the approval, during the Government meeting as of June 21, 2018, in the confidential section, of the Memorandum on the "Approval of the necessary measures to provide the continuity of Units 3 and 4 in CNE Cernavoda Project and the finalization of the negotiations with the selected investor". At the same time, DGPAPSE requested to SNN to initiate the necessary steps in order to implement the provisions of the Government Memorandum.
- On July 17, 2018, the Board of Directors of SNN endorsed the revised form of the Strategy for the Continuation of the Project, with the recognition of the milestones performed to date, including those performed pursuant to the provisions of the Government Memorandum no. 20/12683/MB of July 13, 2017 and the subsequent mandate granted to the SNN Board of Directors through the GMS Resolution no. 6/24.08.2017. The GMS will approve in the future the revised form of the Strategy for the Continuation of the Project, in compliance with the requirements of the Government Memorandum.

4.2. Litigation with the shareholder Fondul Proprietatea S.A.

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the annulment request of the Resolution of the General Extraordinary Meeting of the Shareholders ("EGMS") no. 8/06.10.2014 through which was approved the increase of the share capital of SNN through cash contribution in a maximum total amount of 239.172.630 lei, by issuing a maximum number of 23.917.263 new shares representing input in kind of the Romanian State, following obtaining the certificate for the ownership right on the land undivided share of 239,05 sq m from Bd. Gheorghe Magheru no. 33 Bucharest and input in cash representing the amount of budgetary allowances for the period 2006-2009 for Unit 2 from Cernavoda.

On February 20, 2018 Fondul Proprietatea S.A. filed an appeal against the sentence issued on the merits and on the appeal judgment date of May 18, 2018, the Bucharest Court of Appeal rejected the appeal filed by Fondul Proprietatea S.A. as ungrounded, the court decision being final.

By final decision, Bucharest Court of Appeal rejected the appeal filed by Fondul Proprietatea S.A., thus maintaining as grounded and lawful the sentence of Bucharest Court by which the lawfulness of the Resolution of the Extraordinary General Meeting of Shareholders no.8/06.10.2014 was stated. Thus, SNN won the litigation initiated by the shareholder Fondul Proprietatea S.A.

4.3. The litigation initiated by the Union of CNE Cernavoda and employees of the CNE Cernavoda 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 CNE Cernavoda on behalf of 757 employees of the CNE Cernavoda 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. The next hearing is on April 17, 2018.

4.4. The litigation initiated by the Free Union Energetica Nucleara '90 and employees of the CNE Cernavoda 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 CNE Cernavoda 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. The following hearing is on September 27, 2018.

4.5. The litigation initiated by S.N. Nuclearelectrica S.A. against ArcelorMittal Galati S.A.

The court of Galati rejected the claim of SNN to order ArcelorMittal Galati S.A. to pay 8,645,467.52 lei as damage compensations following the termination of the electricity sale-purchase contract on the centralized market of electricity bilateral contracts (PCCB) no. 207 of February 22, 2013 before the expiry date, namely on September 30, 2014 (file no. 3490/121/2015).

SNN formulated an appeal against this judgment, and after the appeal, the Court of Appeal of Galati ordered ArcelorMittal Galati S.A. to pay the entire amount as damage compensations, plus trial expenses. ArcelorMittal Galati S.A. appealed the appeal judgment. A hearing is to be established.

The parties concluded a payment agreement whereby ArcelorMittal Galati S.A. undertook to pay the amount it was ordered by the court in 12 monthly instalments plus the related remuneration legal interest. Until now the first 3 instalments have been paid.

4.6. Changes in the management of the Company

By Resolution no. 63/25.04.2018, the Board of Directors of SNN appointed Mr. Cosmin Ghita as the General Manager of SNN, for 4 months, starting with May 4, 2018, namely a temporary mandate.

By Resolution no. 63/25.04.2018, the Board of Directors of SNN appointed Dan Laurentiu Tudor and Toni Viorel Lary as Deputy General Managers of SNN, for 4 months, starting with January 4, 2018, namely temporary mandates. Mr. Dan Laurentiu Tudor is responsible for coordinating public procurements, legal activities, corporate business and human resource strategies and policies on SNN level, and Mr. Toni Viorel Lary is responsible for coordinating the activities related to the

development of investment projects and activities for obtaining revenues related to energy transactions.

By Resolution no. 63/25.04.2018, the Board of Directors of SNN appointed Mr. Adrian Gabriel Dumitriu as the Financial Manager of SNN, for 4 months, starting with January 4, 2018, namely a temporary mandate.

By Resolution no. 6/28.06.2018 of the Ordinary General Meeting of Shareholders of SNN the following were approved:

- extension of the mandate term of the interim members of the Board of Directors of SNN, which ends on June 29, 2018, for 4 months, starting from June 30, 2018;
- the profile of the Board of Directors and the profile of the candidates for the positions of directors of SNN.

On June 30, 2018 the members of the Board of Directors of SNN are as follows:

Item no.	Name and surname	Date of mandate expiry
1.	Iulian – Robert Tudorache ^{*)}	30.10.2018
2.	Cristian Gentea	30.10.2018
3.	Dragos Ionut Banescu	30.10.2018
4.	Mirel – Alexandru Marcu	30.10.2018
5.	Elena Popescu	30.10.2018
6.	Cristian Dima	30.10.2018
7.	Mihai Daniel Anitei	30.10.2018

^{*)} *Chairman of the Board of Directors SNN.*

4.7. Amendment of the Articles of Incorporation of the Company

By Resolution no. 4/02.03.2018 of the Extraordinary General Assembly of Shareholders, the amendment of the Articles of Incorporation of SNN, according to the report submitted to the shareholders for this topic on the agenda (topic 2 of the AGEA agenda of March 2, 2018), was approved. The modifications mainly target: the elimination of the secondary scope of activity - NACE code 3512 “Transmission of electricity”; reformulating certain articles or removing some provisions that are unclear, redundant or no longer up-to-date following the amendment of the legal framework; removal of the provisions of art. 7 para. (8) regarding the delegation to the Board of Directors of the increase of the share capital by issuing new shares in exchange of shareholder contributions, provisions that are no longer up-to-date; the share capital increase was completed on December 3, 2015; clarifying and supplementing the organization and attributions of the General Assembly of Shareholders.

4.8. Signing the Memorandum of SNN - CESINA

On March 14, 2018 a Memorandum of Understanding with the Partnership for Research and Education for Advanced Nuclear Systems (“CESINA”), represented by the Institute for Nuclear Research within the Autonomous Administration for Nuclear Energy (“RATEN – ICN”) was signed.

The goal of the signing of this memorandum is to involve both signing parties in the acceleration of development and the use of advanced technologies with low emissions of carbon dioxide, improving new technologies and reducing costs by coordinating the national research efforts, and involving SNN in the development of the nuclear technologies of the future, as means for the durable use of nuclear energy in Romania, complementary to the current nuclear program.

The Memorandum of Understanding has a validity period of 3 years after the signing date, and can be extended with the agreement of the parties.

4.9. Approving the distribution of the net profit of financial year 2017

By Resolution no. 5/25.04.2018 of the Ordinary General Assembly of Shareholders of SNN the distribution of the net profit of financial year 2017 by destinations was approved, the total value of gross dividends in value of 271,362,466 lei, the value of the gross dividend per share in value of 0.9 lei, the dividend payment date, namely the date of June 28, 2018 and the payment methods, according to the report submitted to the shareholders for this topic on the agenda (section 5 of the AGOA agenda of April 25, 2018).

4.10. Approving the strategy of diversifying the supply sources

By Resolution no. 5/25.04.2018 of the Ordinary General Assembly of Shareholders of SNN strategy of diversifying the sources of supply with the raw materials necessary for generating nuclear fuel was approved.

4.11. Planned outage of Unit 1 CNE Cernavoda

Starting from May 2, 2018 at 11:00 o'clock, Unit 1 CNE Cernavoda entered the planned outage program and the synchronization with the National Energy System was made on June 4, 2018 at 05:02 o'clock.

During the period of planned outage made once every two years, more than 10,500 activities of the following programs were 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.

All the objectives of the planned outage were achieved 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.

4.12. Signature of the Agreement between SNN - Polytechnic University of Bucharest

On May 31, 2018 an agreement was signed with the Polytechnic University of Bucharest for granting 25 scholarships; each scholarship amounts to 2,000 RON/months for the university years 2018 – 2019 and 2019 – 2020.

The selection of the faculties within the Polytechnic University of Bucharest was made based on the needs of CNE Cernavoda Branch for recruitment retention and training of specialists both for the current operation and production activities and for the major investment projects (Project for Refurbishing Unit 1 CNE Cernavoda; the Project Units 3 and 4 CNE Cernavoda).

Details about the way of granting these scholarships are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro).

4.13. Launch of the mobile phone application “SNN Access”

By the Current Report published on June 7, 2018, S.N. Nuclearelectrica S.A. announces the launch of the mobile phone application, “SNN Access”, destined to the relation with the investors. S.N. Nuclearelectrica S.A. is the first company listed on the Bucharest Stock Exchange (apart from it), which launched such application. The “SNN Access” application may be downloaded from the Android and Apple stores or from the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro).

4.14. Major litigations

The situation of the major litigations (in amount of over 500 thousand lei) and of the monetary unevaluated ones in progress on June 30, 2018 is presented in **Annex 4**.

4.15. Other information

The half-yearly report of the Board of Directors for the first half-year of 2018 is accompanied by the Revised Simplified Individual Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2018; these financial statements are published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Relations with Investors.

5. MAIN ECONOMIC FINANCIAL INDICATORS ON 30.06.2018

SNN performance is reflected in the accomplishment of the main economic financial indicators, as follows:

Indicator name	Calculation method	M.U.	Value 30.06.2018 ^{*)}
1. The current liquidity ration	Current assets/ Current debts	x	4.70
2. Indebtedness degree ratio			
2.1. Indebtedness degree indicator (1)	Borrowed capital/ Equity x 100	%	13,4%
2.1. Indebtedness degree indicator (2)	Borrowed capital/ Engaged capital x 100	%	11.8%
3. Speed ratio of debts - Customers	Average customer balance/ Turnover x 180	days	21
4. Turnover speed of fixed assets^{**)}	Turnover/ Non-current assets	x	0.29

^{*)} Based on the Revised Simplified Individual Interim Financial Statements on the date and for the 6 month period ended on June 30, 2018.

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

6. THE ACHIEVEMENT DEGREE OF THE PERFORMANCE INDICATORS

The changes occurred in 2017 in the management of SNN, namely changes in the composition and structure of the Board of Directors, caused changes on the reporting obligations included in the management contracts concluded by SNN with the members of the Board of Directors.

The management contracts concluded by SNN with the members of the Board of Directors starting with December 28, 2017 (temporary mandates) provide neither the granting of variable compensations and monitoring and reporting the performance indicators of the members of the Board of Directors, nor the obligation to submit and have a half-yearly report approved.

Iulian Robert Tudorache,
Chairman of the Board of Directors

Approved,
Adrian Gabriel Dumitriu,
Financial Manager

Annex 1 - Financial position statement as of June 30, 2018

	30 June 2018 (revised)	December 31, 2017 (audited, retreated)	January 1, 2017 (audited, retreated)
Assets			
Non-current assets			
Tangible assets	6.531.442.863	6.724.074.076	7.102.223.970
Intangible assets	55.424.206	62,535,958	80,636,405
Financial investments	141,689,201	141,689,201	141,689,201
Financial assets	73.488.207	76,355,852	22.414.346
Total non-current assets	6.802.044.477	7.004.655.087	7.346.963.922
Current assets			
Inventories	346.913.715	332,348,618	331,057,122
Trade and other receivables	139.282.597	150,443,354	162,063,302
Payments made in advance	23.591.146	10,895,537	12,699,411
Bank deposits	956.508.004	1,172,273,956	1,222,658,922
Cash and cash equivalents	797.136.615	573,903,315	263,714,387
Total current assets	2.263.432.077	2,239,864,780	1.992.193.144
Total assets	9.065.476.554	9.244.519.867	9.339.157.066
Equity and liabilities			
Equities			
Share capital, out of which:	3,210,641,253	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>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>	<i>195,502,743</i>	<i>195,502,743</i>	<i>195,502,743</i>
Share premiums	31,474,149	31,474,149	31,474,149
Reserve paid in advance	21,553,537	21,553,537	21,553,537
Revaluation reserve	223.535.389	236,534,798	263,354,767
Retained earnings	3.907.864.371	3.983.913.022	3.862.326.708
Total own equity	7.395.068.699	7.484.116.759	7,389,350,414
Liabilities			
Long-term liabilities			
Long-term borrowings	787.272.031	894,848,799	1,087,961,815
Provisions for risks and expenses	132.327.749	137,036,268	118,032,110
Deferred revenues	121.929.624	129,101,954	143,446,616
Deferred tax liability	113.483.093	113,903,761	131,608,365
Employee benefits	33,328,029	33,328,029	31,907,053
Total long-term liabilities	1.188.340.526	1,308,218,811	1,512,955,959
Current liabilities			
Accounts payable and other liabilities	212.509.047	180,632,919	178,645,222
The current share of provisions for risks and expenses	36.944.171	31,838,166	24,662,564
Current tax liability	4.405.561	21,726,375	6,431,972
Deferred revenues	24.171.129	12,331,535	6,181,408
Current portion of the long-term borrowings	204.037.421	205,655,302	220,929,527
Total current liabilities	482.067.329	452,184,297	436,850,693
Total liabilities	1.670.407.855	1,760,403,108	1,949,806,652
Total equities and liabilities	9.065.476.554	9.244.519.867	9.339.157.066

Annex 2 - Profit and loss account for the 6-month period ended on June 30, 2018

	3-month period ended on June 30, 2018 (not revised)	3-month period ended on June 30, 2017 (not revised, retreated)	6-month period ended on June 30, 2018 (revised)	6-month period ended on June 30, 2017 (revised, retreated)
Income				
Sales of electricity	427.379.354	385.808.625	968.624.843	869.718.743
Electricity transport revenues	2.367.945	3.081.050	5.217.522	6.787.777
Total incomes	429.747.299	388.889.675	973.842.365	876.506.520
Other income	7.753.906	9.085.939	32.845.094	16.466.100
Operating expenses				
Depreciation and amortization	(136.595.688)	(138.964.249)	(272.098.843)	(271.998.973)
Personnel expenses	(118.793.029)	(72.193.337)	(205.019.781)	(149.137.211)
Cost of traded electricity	(10.833.501)	(12.231.966)	(31.948.200)	(20.706.256)
Repairs and maintenance	(36.720.040)	<u>(26.129.457)</u>	(50.095.717)	<u>(38.343.140)</u>
Electricity transmission expenses	(2.367.945)	(3.081.050)	(5.217.522)	(6.787.777)
Cost with spare parts	(9.157.678)	(9.555.889)	(11.869.136)	(13.312.232)
Cost of nuclear fuel	(24.037.226)	(19.913.489)	(51.508.890)	(57.465.473)
Other operating expenses	(83.973.512)	(82.009.642)	(163.674.714)	(166.072.459)
Total operating expenses	(422.478.619)	(364.079.079)	(791.432.803)	(723.823.521)
Operating profit	15.022.586	<u>33.896.535</u>	215.254.656	<u>169.149.099</u>
Financial expenses	(26.387.361)	(18.259.773)	(31.715.965)	(37.392.882)
Financial revenues	21.383.582	31.579.422	46.651.551	48.874.356
Net finance (costs)/revenues	(5.003.779)	13.319.649	14.935.586	11.481.474
Profit before profit tax	10.018.807	<u>47.216.184</u>	230.190.242	<u>180.630.573</u>
Profit tax expenses, net	(4.702.678)	(2.849.110)	(47.875.836)	(23.368.514)
Period profit	5.316.129	<u>44.367.074</u>	182.314.406	<u>157.262.059</u>

Annex 3 - The execution of the Revenues and Expenses Budget as of June 30, 2018

				thousand RON				
		Indicators	Row no.	Budget Quarter II 2018 - approved by AGOA Resolution no. 3/02.03.2018	Performed Quarter II 2018	% 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 + Row 6)	1	1.042.461	1.051.959	100,9%	9.498	0,9%
	1.	Total operating income, of which:	2	1.006.821	1.005.308	99,8%	(1.513)	(0,2%)
		c ₁ Discounts, in compliance with the legal provisions	3	-	-	-	-	-
		c ₂ Transfers, in compliance with the legal provisions	4	-	-	-	-	-
	2.	Financial revenues	5	35.640	46.652	130,9%	11.012	30,9%
	3.	Extraordinary revenues	6	-	-	-	-	-
II.		TOTAL EXPENSES (Row 8 + Row 20 + Row 21)	7	890.112	821.769	92,3%	(68.343)	(7,7%)
	1.	Operating expenses (Row 9 + Row 10 + Row 11 + Row 19)	8	856.059	790.053	92,3%	(66.006)	(7,7%)
	A.	Expenses with goods and services	9	313.834	243.753	77,7%	(70.082)	(22,3%)
	B.	Expenses with taxes, duties and similar payments	10	54.595	53.738	98,4%	(857)	(1,6%)
	C.	Personnel expenses (Row 12 + Row 15 + Row 17 + Row 18)	11	231.928	212.451	91,6%	(19.477)	(8,4%)
	C₀	Salaries expenses (Row 13 + Row 14)	12	211.972	197.039	93,0%	(14.933)	(7,0%)
	C₁	Salary expenses	13	188.443	178.379	94,7%	(10.064)	(5,3%)
	C₂	Bonuses	14	23.529	18.661	79,3%	(4.869)	(20,7%)
	C₃	Other personnel expenses, out of which:	15	803	799	99,5%	(-4)	(0,5%)
		a) Expenses with compensations for early release of personnel	16	-	-	-	-	-
	C₄	Expenses related to the mandate contract and other control authorities, commissions and committees	17	1.254	1.550	123,6%	296	23,6%
	C₅	Expenses related to social protection, special funds and other legal obligations	18	17.899	13.063	73,0%	(4.836)	(27,0%)
	D.	Other operational expenses	19	255.701	280.112	109,5%	24.411	9,5%
	2.	Financial expenses	20	34.053	31.716	93,1%	(2.337)	(6,9%)
	3.	Extraordinary expenses	21	-	-	-	-	-
III.		GROSS RESULT (profit/loss) (Row 1 – Row 7)	22	152.349	230.190	151,1%	77.841	51,1%
IV.		INCOME TAX	23	30.386	47.876	157,6%	17.489	57,6%
V.		PROFIT AFTER INCOME TAX	24	121.963	182.314	149,5%	60.351	49,5%

Annex 4 – Major litigations in progress on June 30, 2018 (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.	3868/118/2012	Civil Constanta Court	Creditor	S.C. Proconex Universal S.R.L.	Insolvency Bankruptcy Claim 3,369,886.85 lei	Merits	Merits File no. 3868/118/2012: Decision under art. 129 of Law no. 85/2006. Approves the final report prepared by Individual Insolvency Practice Nicolae Anca, as judicial liquidator of the debtor S.C. Proconex Universal S.R.L. According to art. 132 para. 2 of Law no. 85/2006 orders the closure of the bankruptcy proceedings of the debtor S.C. Proconex Universal S.R.L. and its de-registration from the Trade Register.	Completed.
2.	2183/115/2010	Civil Court of Law Caras - Severin	Creditor	S.C. CET Energoterm Resita S.A.	Insolvency Bankruptcy Receivable 580,974.21 lei	Merits	Procedure in progress.	04.10.2018
3.	48031/299/2010	Criminal District 1 Court of Law Bucharest Court of Appeal	Civil Party	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS civil liability party.	Corruption offences - abuse of office. SNN is a civil party in the lawsuit with damages estimated to Lei 13,493,080.3.	Appeal	Merits Sentences the defendants to jail and damage payment. Appeal Partially approves the evidence requested by the defendants. Approves the hearing of the witnesses, and hearing new witnesses. Approves for the parties the evidence of documents submitted to the file. Postpones the decision regarding specialized expertise studies for the next hearing. Rejects, as groundless, the other evidence requested by the parties and the requests for issuing memorandums to S.N. Nuclearelectrica S.A., Tess Conex S.A. and the Government of Romania in order to obtain documents/normative acts. Postpones the decision regarding the request to notify the Constitutional Court to resolve the non-constitutionality exception of the provision of art. 297 para. 1 letter c) of the Criminal Code and art. 13 item 2 of Law no. 78/2000 for the following hearing term.	Completed.
4.	9089/101/2013	Civil Court of Law Mehedinti	Creditor	Autonomous Administration for Nuclear Activities (RAAN)	Insolvency. Receivable in the reorganization plan Lei 5,450,135.91 Winding-up bankruptcy. Claim 7,828,405.48 lei	Merits	Procedure in progress. Grants a hearing for the continuation of the procedure, namely for the delivery of the heavy water quantity, consolidation of the list of creditors after the settlement of all the appeals, continuation of all the debt recovery procedures, representation of the debtor company in court for the recovery of debts, completion of the assessment of the assets, preparation of the sale regulations and continuation of the activities of capitalization of the company's goods as of October 11, 2018.	11.10.2018

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
5.	7238/120/2012	Civil Court of Law Dambovita	Creditor	S.C. Eco Energy S.R.L.	Bankruptcy Claim 2.464.059,64 lei	Merits	Procedure in progress. Receivable registered with the consolidated list of creditors. Enforcement of the receivable to recover from Edland S.R.L.	19.11.2018
6.	873/1259/2008	Civil Court of Law Arges	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Claim 2.713.986,71 lei	Merits	Stating that written notes were submitted by the creditor Axpo Energi Romania S.R.L., advises the latter to file a request by which the closure of the procedure is requested under the legal grounds deemed necessary. Establishes the hearing for the continuation of the procedure on September 18, 2018. With right of second appeal with the merits of the case. Pronounced in the open session of May 15, 2018 by Arges Specialized Court.	18.09.2018
7.	18770/3/2007	Civil Court of Law Bucharest	Creditor	S.C. Con - Dem S.A.	Insolvency Bankruptcy. Claim 2,446,227.08 lei. The receivable approved in the payment program is Lei 2.079,293.02 (85% of the receivable accepted in the table).	Merits	Procedure in progress.	10.10.2018
8.	3793/2/2013	Administrative Court of Appeal High Court of Cassation and Justice	Respondent	Greenpeace CEE Romania	Cancellation of the decision issuing the environmental agreement and of the environment agreement related to the Project Units 3 and 4.	Second appeal	<p>Merits</p> <p>Admits the exception of lack of object of the second head of the initial petition (cancellation of the environment agreement regarding the project "Continuation of the construction works and completion of Units 3 and 4"). Rejects head II of the initial petition filed in relation to the cancellation of the environment agreement for the project "Continuation of construction and completion works of Units 3 and 4 CNE Cernavodă", as devoid of object. Overrules the rest of the petition, as it was completed by the additional petition, as ungrounded.</p> <p>Second appeal</p> <p>Decision no. 2100 from 23.06.2016. Accepts the second appeal filed by the Greenpeace CEE Romania Foundation and the Bankwatch Romania Association against the decision no. 1436 from May 9th, 2014 of the Bucharest Court of Appeal – Section 8th administrative and fiscal department. Reverses the appealed sentence and sends the cause back to the retrial towards the same Court. Final, today, June 23rd, 2016.</p> <p>Retrial merits (CAB)</p> <p>Rejects the summons as ungrounded. With right of second appeal within 15 days from communication. Decision no. 2208/2017.</p>	Hearing to follow.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							Retrial recourse (ICCJ)	
9.	11661/3/2014	Bucharest Court of Appeal Bucharest Court of Law – Retrial	Respondent	S.C. Fondul Proprietatea S.A.	States the absolute nullity of the SNN EGMS Decision no. 1/11.03.2014.	Appeal Retrial merits	<p>On the merits (TB) Rejected the request of Fondului Proprietatea accepting the exception of the lack of interest reported to the object of the request.</p> <p>Appeal CAB Admits the appeal of Fondul Proprietatea, cancels the sentence appealed and sends the case for retrial at the same Court. Final.</p> <p>Merits retrial (TB) The court has ruled the suspension of the cause against the fact that the Bucharest Court of first instance and Craiova Court of appeal have requested the Court of Justice of the European Union for some clarification regarding the possibility of the existence of State aid in connection with projects which are the object of the Resolution AGEA SNN no.1/11.03.2014.</p>	Suspended.
10.	40046/3/2014	Bucharest Court	Respondent	S.C. Fondul Proprietatea S.A.	<p>Finding the absolute nullity of the EGMS Resolution no. 8/6.10.2014 increase of share capital with cash input by issuing shares.</p> <p>Mentioning the decision of the court at the Trade Register and lifting the mentions from the Trade Register based on the annulled EGMS Resolution.</p>	Merits	<p>Merits Rejects the summons as ungrounded. With appeal within 30 days from the intimation. Decision no. 4082/07.11.2017.</p> <p>Second appeal</p>	Judgment not drafted yet.
11.	416/2/2014	Administrative Bucharest Court of Appeal ICCJ	Claimant Claimer	National Energy Regulatory Authority	Change in regulated tariff through Decision no. 3609/2013.	Merits	<p>Merits On 14.10. 2014 the petition was rejected as ungrounded. Resolution no. 2723/14.10.2014.</p> <p>Second appeal - Rejection of the second appeal - Ungrounded Details of the solution: Decision no. 2101. Rejects the second appeal formulated by the claimant S.N. Nuclearelectrica S.A.</p>	Settled.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							against the civil judgment no. 2723 of October 14, 2014 of the Bucharest Court of Appeal - Administrative and Fiscal Section VIII, as ungrounded. Final. Pronounced in open session today, May 22, 2018.	
12.	1794/118/2016	Criminal Court of Law Constanta	Claimant party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security S.R.L. civilly liable party by legal administrator.	Prejudice Euro 3,471,463.	Merits	Merits In order to continue the investigation by hearing the defendants. Discussing the evidence.	19.09.2018
13.	38724/3/2014	Bucharest Court Section II - administrative division	In hock third party	The Romanian State by the Ministry of Public Finance.	Appeal against enforcement and cancellation of all foreclosure acts from the execution file No. 22/2014; creditors Multipack SRL, European Food SA, Starmil SRL, Micula Ioan.	Merits	Merits In accordance with article 413 paragraph 1 point 1, NCPC suspends the trial until the final resolution of the case file no. 15755/3/2014. With appeal throughout the suspension.	Suspended.
14.	13275/3/2015	Bucharest Court Bucharest Court of Appeal	Respondent	S.P.E.E.H. Hidroelectrica S.A.	Claims 40,812,717 Lei difference of the equivalent value for purchasing energy insurance contract and selling energy and legal interest.	Merits	Merits Admits the exception of the material law prescription to the action. Rejects the lawsuit application as prescribed. With appeal within 30 days of the intimation. Resolution no. 6860/07.12.2015. Appeal Dismisses the appeal as reasonless. With appeal within 30 days of the intimation, that is submitted to Bucharest Court of Appeal. Second appeal Rejects as ungrounded the second appeal declared by the appellant-plaintiff Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A. against the civil judgment no. 2078/A of December 9, 2016 issued by the Bucharest Court of Appeal – Civil Section VI. Final.	Completed.
15.	3490/121/2015	Civil	Claimer	S.C. ArcelorMittal	Claims	Merits	Merits	

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
		Court of Law Galati Court of Appeal Galati ICCJ		Galati S.A.	Lei 8,575,245,78 difference amount energy sale made redundant and other associated expenses.		Rejects the action to oblige the claimant to pay damage deriving from contract no. 207/22.02.2013 as ungrounded. Appeal Approves the appeal filed by the claimant S.N. Nuclearelectrica S.A. against the civil judgment no. 278/20.12.2016 issued by Galati Court - Civil Section II in the 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 claimant S.N. Nuclearelectrica S.A. the amount of Lei 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 defendant to pay Lei 142,132.97, trial expenses - merits and appeal to the claimant. Resolution no. 227/27.09.2017. Second appeal	Hearing to follow.
16.	4968/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Execution suspension measure contributions LEGAL COUNSELORS	Merits	Partially admits the action. Orders the suspension of the partial enforcement of Decision no. 16/2015, namely of the measure ordered in point II.11 and of the Resolution no. 59/2015 - point 9 until the final settlement of the action in annulment of point II.11 from the Decision no. 16/2015 and of point 9 from the Resolution no. 59/2015. Overrules the suspension petition of the Control report no. 4371/2015- point 3.1.9- as inadmissible. Second appeal Decision no. 1689 of April 26, 2018. Rejects the second appeal formulated by the defendant the Court of Auditors of Romania against the judgment no. 2684 of October 20, 2015 of the Bucharest Court of Appeal - Administrative and Fiscal Section VIII, as ungrounded. Final. Pronounced in open session today, April 26, 2018.	Completed.
17.	4969/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Suspension and execution measure MICROSOFT	Merits	Overrules the suspension petition of pt. 3.1.11 of the Control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors, as inadmissible. Partially admits the suspension petition. Suspends the execution of point 11 of the Resolution no. 59/17.07.2015 and of pct. II.13 of the Decision no. 16/11.05.2015 issued by the Romanian Court of Auditors until the final settlement of the action on the merits. Enforceable. Second appeal CC Decision no. 2303/04.06.2018. Rejects the second appeal formulated by the defendant Court of Auditors of Romania against	Completed.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							the judgment no. 2956 of November 11, 2015 of the Bucharest Court of Appeal - Administrative and Fiscal Section VIII, as ungrounded. Final. Pronounced in public session today, June 4, 2018.	
18.	4971/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Suspension of enforcement of the contract execution measure GENERAL CONCRETE	Merits	Merits The merits court rejected the request for suspending the Decision no. 16/11.05.2015 and the Resolution no. 59/17.07.2015.	The court will establish a hearing.
19.	4959/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS TRIPS	Merits	Merits Admits the request. Partially cancels resolution no. 59/17.07.2015 issued by the claimant, regarding point 3. Partially cancels the Decision no. 16/11.05.2015 issued by the claimant regarding the measures ordered in point 5 and the Measure no. 13. Partially cancels the Control Report no. 4371/10.04.2015 issued by the claimant regarding point 3.1.5. Forces the claimant to pay lei 4,550 trial expenses to the claimant.	The court will establish a hearing.
20.	4902/2/2015 joined with 4907/2/2015 bonuses	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS CONTRIBUTIONS and BONUSSES	Merits	Merits Admits the main petition and the connected petition, regarding points 1 and 2. Partially annuls the Resolution no. 59/17.07.2015 and the Decision no. 16/11.05.2015, regarding point 9 and point 8 of the Resolution, and the measures from point II.11 and II.10 of the Decision. Dismisses as inadmissible point 3 of both requests regarding the partial cancellation of the Control Report No. 4371/10.04.2015. With a right of appeal within 15 days since the communication. The second appeal will be submitted to the Bucharest Court of Appeal - Section VIII. Final. Decision no. 3419/17.12.2015.	16.10.2018
21.	4906/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS PURCHASES	Merits	Merits According to art. 413 para. 1 point 1 of the Civil Procedure Code suspends the judgment of the present case until the final settlement of the file no. 62136/299/2015 of Bucharest Court of Law District 1. With appeal throughout the duration of the suspension. Resolution - Suspension 18.01.2016. Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Pronounced today, 10.10.2016. Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Pronounced in public session today, 10.10.2016. Decision no. 2961/2016.	The court will establish a hearing.

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
							Second appeal	
22.	4912/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS POLICIES D&O	Merits	Merits Admits the request. Overrules the inadmissibility solution of the partial annulment petition of the control report no. 4371/10.07.2015. Admits the action. Partially annuls Resolution no. 59/17.07.2015, issued by the defendant regarding pt. 10, Decision no. 16/11.05.2015 issued by the defendant regarding the measure disposed at pt. II.12 from the resolution, as well as pt. 3.1.10 from Control Report no. 4371/10.04.2015 issued by the defendant. With a right of appeal within 15 days since the communication. Decision no. 173/26.01.2016. Second appeal	The court will establish a hearing.
23.	4946/2/2015	Administrative Bucharest Court of Appeal	Claimer	Court of Auditors intervener General Concrete	Measure annulment TRIPS GENERAL CONCRETE	Merits	Merits Regarding the postponement request filed in the case by the appointed expert, considering the statements of the parties in this hearing, will approve it, reason for which will postpone the case and will grant a new hearing on 12.10.2018 for when the letter to the expert will be submitted. Pronounced in public session today, 29.06.2018.	12.10.2018
24.	4958/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS NON-RESIDENTS	Merits	Merits Admits the action. Partially annuls the Resolution no. 59/17.07.2015, respectively regarding the rejection of point VI of the Appeal no. 6420/28.05.2015, and, therefore, annuls the measures taken in point II.8 of the Decision no. 16/11.05.2015 for the removal of the deviation presented in point 3 of the same decision, as well as point 3.1.3 of the Control Report no. 4371/10.04.2005. With second appeal within 15 days from communication, the request for exercise of the means of appeal will be submitted to Bucharest Court of Appeal - Section VIII Administrative Legal and Fiscal. Pronounced March 10th, 2016. Second appeal	The court will establish a hearing.
25.	4964/2/2015	Administrative Bucharest Court of Appeal ICCJ	Claimer	Court of Auditors	Measure annulment TRIPS JUDGMENTS	Merits	Merits Admits the exception of inadmissibility of the application end relating to cancellation of point 3.1.7 from Control Report No. 4371/ 10.04.2015 invoked by the respondent. Dismisses as inadmissible the request for annulment of section 3.1.7 from Control Report No. 4371/ 10.04.2015. Dismisses as groundless the redundant actions. With right of second appeal within 15 days from communication. The appeal shall be lodged with the Bucharest Court of Appeal. Decision no. 373/09.02.2016. Second appeal	06.11.2018
26.	4965/2/2015	Administrative Bucharest Court	Claimer	Court of Auditors	Measure annulment TRIPS	Merits	Merits Approves the application regarding sections 1 and 2. Partially	30.10.2018

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
		of Appeal ICCJ			MICROSOFT		annuls the Resolution no. 59/17.07.2015 and the Decision no. 16/11.05.2015, regarding point 11 of the Resolution, and the measure from point II.13 of the Decision. Dismisses as inadmissible point 3 regarding the partial cancellation of the Control Report No. 4371/10.04.2015. With a right of appeal within 15 days since the communication. The recourse will be submitted at CAB - Section VIII. Decision no. 236/28.01.2016.	
27.	45494/3/2015	Bucharest Court Section VI party Court of Appeal	Claimer asked to pay a security	Managers S.N. Nuclearelectrica S.A. and AGA members.	Prejudice 708,407 lei. Execution of measure disposed by CC through the 2012 report regarding D&O policies.	Merits	<p>Merits</p> <p>Rejects the exception of the invoked procedure quality by the claimants 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 claimer to pay the following trial expenses: 8,226.53 lei towards the respondent Grama Mioara, 7,873.53 lei towards the respondent Popescu Lucia - Ioana and 7,925.79 lei towards the respondent Chiriac Cristiana. With appeal within 30 de days from the intimation. Resolution no. 7583/29.11.2016.</p> <p>Appeal</p> <p>Orders the retrial during the first instance proceedings or by the competent court of law.</p> <p>Solution in brief: admits 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 judgment undecided. With second appeal within 30 days from communication. The appeal shall be lodged with the Bucharest Court of Appeal. Pronounced in public session today, 15.12.2017. Document: Decision no. 2250/15.12.2017.</p> <p>Retrial merits</p>	The court will establish a hearing.
28.	1367/2/2016	Administrative Bucharest Court of Appeal ICCJ	Claimer	ANAF	Cancellation administrative act Decision no. 25/29.01.2016.	Merits	<p>Merits</p> <p>Dismisses the action as groundless. With a right of appeal within 15 days since the communication. Decision no. 2656/ 21.09.2016.</p> <p>Second appeal</p>	The court will establish a hearing.
29.	409/2/2016	Bucharest Court of Appeal	Civil Party	Tudor Ion Crime group House of insolvency	Tax evasion offenses, bribery, corrupt practices	Merits	<p>Litigation in progress.</p> <p>On the merits of the case, grants a hearing on 18.09.2018, at 10:00 o'clock, room P-134 for when all the parties are summoned.</p>	18.09.2018

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
				liquidator Banat CET Energoterm Reșița.	580,974.21 lei.			
30.	6874/3/2016	Court of Law Bucharest	Respondent	Nuclear and Radioactive Waste Agency (ANDR)	Claims 131,080.08 Euros contributions according to HG [Government Decision] no. 1080/2007 for 2010-2012. Contributions for the 2013-2015 for the energy difference produced and the delivered one in SEN. Penalties 2010 - 2015 until the actual payment.	Merits	Merits Rejects the exception of the prescription of the material right to action as ungrounded. Rejects the summons as ungrounded. With a right of appeal within 30 days from the communication. Appeal Dismisses the appeal as reasonless. With right of second appeal within 30 days from communication. Decision no. 2006/21.11.2017. Second appeal	Hearing to follow.
31.	1704/3/2017	Civil Bucharest Court S II	Claimer	Civitas P.S.G. S.R.L.	Public procurement litigation.	Merits	Merits Rejects the exception of the inadmissibility of the request, invoked by the defendant-plaintiff. Approves the exception of the absence of interest of the request, invoked by the defendant - plaintiff. Rejects the request of the defendant - plaintiff as unsubstantiated. Rejects the counterclaim. Rejects the request of the defendant - plaintiff for sanctioning the plaintiff - defendant. Approves the return request formulated by the defendant - plaintiff CIVITAS P.S.G. S.R.L. Orders the return to the defendant - plaintiff CIVITAS P.S.G. S.R.L. of the amount of 4,797.6 lei paid as judicial stamp tax. With right of second appeal within 10 days from communication. Decision no. 3878/20.06.2017. Second appeal Approves the application for remedying the material error. Orders the correction of the material error from the session authentication of 20.02.2018 and from Civil Judgment no. 1013/21.02.2018 and from the session authentication of 21.02.2018, namely the authentication will include "postponed the judgment to 21.02.2018" and will remove the reference to file no. 16644/3/2016. Final. Pronounced in open session today, 24.04.2018.	Completed.
32.	41419/3/2016	Civil Court of Law Bucharest S II	Plaintiff-Defendant	Energosec S.R.L.	SNN claims: 330,074.32 lei Claims Energosec: 2,206,539.80 lei	Merits	Merits Management of the evidence with accounting expertise.	04.09.2018

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Item no.	File number	Litigation nature/ Court	SNN title	Opposing party	Value	Stage	Description	Lawsuit stage Term
33.	5802/118/2017	Labor Constanța Court	Respondent	CNE Union for 757 employees	Monetary rights hazardous conditions bonus.	Merits	Merits	17.08.2018
34.	7036/118/2017	Labor Constanța Court	Respondent	SLEN union for 132 employees 159 plaintiffs on their own behalf	Monetary rights hazardous conditions bonus.	Merits	Merits	27.09.2018
Cernavoda NPP Branch								
1.	10673/118/2010	Civil/ Court of Appeal of Constanta	Appellee Defendant	Sava Marian	Compensations	Appeal	<p>Merits</p> <p>Dismisses as groundless the exceptions of action inadmissibility of active procedural quality lack and of passive procedural quality lack, invoked by the respondent SNN. Nuclearelectrica S.A. Approves the exception of lateness for the modification of the passive lawsuit framework. Dismisses as tardy formulated the claimant's request on procedural passive circumstance. Finds without object the lack of procedural capacity exception of the Local Council of Cernavodă. Rejects as unsubstantiated the request for filing a lawsuit by plaintiff Sava Marian against defendant S.N. Nuclearelectrica S.A. Rejects as devoid of object the guarantee application formulated by defendant S.N. Nuclearelectrica S.A. against defendants the City of Cernavoda by the Mayor and the Mayor of Cernavoda. Orders the claimant Sava Marian to pay the amount of 27,003.33 lei to the respondent S.N. Nuclearelectrica S.A. representing trial expenses (legal fee stamp, stamp fee, expert fee). With appeal within 15 days from communication. Civil Sentence No. 603/14.03.2016. Appeal was formulated.</p> <p>Appeal</p> <p>Partially approved, by civil judgment no. 196/22.03.2017, cancels in part the appealed judgment regarding the lateness exception for the request regarding the modification of the passive lawsuit framework. Rejects as groundless the lateness exception request for modifying the passive lawsuit framework and retrials the writ of summons formulated against the defendants the Local Council of Cernavoda and the City of Cernavoda orders: rejects the exception of the absence of lawsuit capacity of the Local Council of Cernavoda as groundless. Rejects the writ of summons formulated against the defendants the Local Council of Cernavoda and the City of Cernavoda as groundless. Maintains the other provisions of the appealed judgment of Civil Judgment no. 196/22.03.2017. Final. With right of second appeal within 15 days from communication. Decision no. 196/22.03.2017.</p> <p>Second appeal</p> <p>Resolution no. 341: rejects the second appeal formulated by the</p>	Completed.

S.N. Nuclearelectrica S.A.

Half-yearly report of the Board of Directors for January 1 - June 30, 2018

(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
							appeal plaintiff Sava Marian against civil judgment no. 196 of March 22, 2017, issued by the Court of Appeal of Constanta - Civil Section II, administrative and fiscal division, as unsubstantiated. Final.	
2.	14951/118/2011 (Suspended based on art. 36 of Law 85/2006)	Civil/ Medgidia Court	Claimer	S.C. Car Construct S.R.L.	Land release SNN property - concrete platform occupied by S.C. Car Construct S.R.L., based on sale-purchase agreement signed with S.C. CNE S.A.	Merits	According to art. 36 of Law no. 85/2006 (Insolvency law): the trial of the case was suspended.	Suspended.
3.	1662/118/2018	Labor Constanța Court	Respondent	94 pensioners.	Request a free allocation of electricity.	Appeal	Merits	22.10.2018