



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

### **Simplified Individual Interim Financial Statements as of and for the six-month period ended on June 30, 2019**

Prepared in accordance with  
the International Financial Reporting Standards adopted by the European Union  
(IFRS-UE)  
Pursuant to  
International Accounting Standard 34 - "Interim Financial Reporting"

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

Simplified Individual financial position as of June 30, 2019

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

	Note	June 30, 2019 (revised)	December 31, 2018 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	4	6,227,703,592	6,364,461,135
Intangible assets	5	56,301,624	54,834,052
Financial assets	9	64,291,386	110,451,459
Financial investments	6	141,689,201	141,689,201
<b>Total non-current assets</b>		<b>6,489,985,803</b>	<b>6,671,435,847</b>
<b>Current assets</b>			
Inventories	7	380,856,096	368,742,400
Trade receivables and other receivables	8	161,279,378	183,694,590
Prepayments		69,090,605	10,201,321
Bank deposits	9	41,363,543	20,954,979
Cash and cash equivalents	9	1,508,037,353	1,611,175,766
<b>Total current assets</b>		<b>2,160,626,975</b>	<b>2,194,769,056</b>
<b>Total assets</b>		<b>8,650,612,778</b>	<b>8.866.204.903</b>
<b>Equity and liabilities</b>			
<b>Equity capital</b>			
Share capital, out of which:	10	3,210,641,253	3,210,641,253
<i>Subscribed and paid in share capital</i>		<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustments to the share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Share premiums	10	31,474,149	31,474,149
Prepaid reserve	10	21,553,537	21,553,537
Revaluation reserve	10	242,686,801	257,407,532
Retained earnings	10	3,584,521,861	3,658,054,141
<b>Total own equity</b>		<b>7,090,877,601</b>	<b>7,179,130,612</b>
<b>Liabilities</b>			
<b>Long-term debts</b>			
Long term borrowings	11	597,621,593	683,967,469
Provisions for risks and expenses	12	182,537,293	182,883,283
Deferred revenues		107,584,962	114,757,293
Deferred tax liability		100,820,536	102,644,715
Obligations regarding employees benefits		38,617,348	38,617,348
<b>Total long term liabilities</b>		<b>1,027,181,732</b>	<b>1,122,870,108</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	13	218,521,266	197,107,880
The current share of provisions for risks and expenses	12	44,465,419	33,831,052
Current tax liability		18,973,465	98,958,158
Deferred revenues		41,101,719	30,913,233
Current portion of long-term loans	11	209,491,576	203,393,860
<b>Total current liabilities</b>		<b>532,553,445</b>	<b>564,204,183</b>
<b>Total liabilities</b>		<b>1,559,735,177</b>	<b>1,687,074,291</b>
<b>Total equities and liabilities</b>		<b>8,650,612,778</b>	<b>8.866.204.903</b>

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

Simplified Individual Profit and Loss Statement for the six-month period ended on June 30, 2019

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

	Note	3-month period that ended on June 30, 2019 (not revised)	3-month period ended on June 30, 2018 (not revised)	The period of 6 months that ended on June 30, 2019 (revised)	The period of 6 months that ended on June 30, 2018 (revised)
<b>Incomes</b>					
Sales of electricity	14	516,302,109	427,379,354	1,181,738,098	968,624,843
Proceeds from electric power transmission		2,568,964	2,367,945	5,803,810	5,217,522
<b>Total revenues</b>		<b>518,871,073</b>	<b>429,747,299</b>	<b>1,187,541,908</b>	<b>973,842,365</b>
Other income	15	11,681,477	7,753,906	21,017,962	32,845,094
<b>Operational expenses</b>					
Impairment and depreciation		(138,480,117)	(136,595,688)	(274,872,313)	(272,098,843)
Personnel expenses	16	(118,348,313)	(118,793,029)	(233,780,362)	(205,019,781)
Cost of traded electricity		(36,640,275)	(10,833,501)	(42,201,756)	(31,948,200)
Repairs and maintenance		(21,830,278)	(36,720,040)	(31,603,656)	(50,095,717)
Electricity transmission expenses		(2,568,964)	(2,367,945)	(5,803,810)	(5,217,522)
Cost with spare parts		(6,078,907)	(9,157,678)	(9,774,582)	(11,869,136)
Cost of nuclear fuel		(22,683,004)	(24,037,226)	(50,905,952)	(51,508,890)
Other operating expenses	17	(105,958,539)	(83,973,512)	(195,432,059)	(163,674,714)
<b>Total operating expenses</b>		<b>(452,588,397)</b>	<b>(422,478,619)</b>	<b>(844,374,490)</b>	<b>(791,432,803)</b>
<b>Operating result</b>		<b>77,964,153</b>	<b>15,022,586</b>	<b>364,185,380</b>	<b>215,254,656</b>
Financial expenses		(7,012,346)	(26,387,361)	(38,796,971)	(31,715,965)
Financial revenues		20,428,268	21,383,582	34,734,215	46,651,551
<b>Net financial result</b>	18	<b>13,415,922</b>	<b>(5,003,779)</b>	<b>(4,062,756)</b>	<b>14,935,586</b>
<b>Profit before income tax</b>		<b>91,380,075</b>	<b>10,018,807</b>	<b>360,122,624</b>	<b>230,190,242</b>
Profit tax expenses, net	19	(20,004,197)	(4,702,678)	(69,461,325)	(47,875,836)
<b>Profit for the period</b>		<b>71,375,878</b>	<b>5,316,129</b>	<b>290,661,299</b>	<b>182,314,406</b>

The simplified individual interim financial statements presented on page 1 to 36 were signed on August 12, 2019 by:

**Cosmin Ghita**  
General Manager

**Adrian Gabriel Dumitriu**  
Financial Manager

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

The Simplified Individual Statement of Comprehensive Income for the six-month period ended on June 30, 2019

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

		<b>3-month period that ended on June 30, 2019 (not revised)</b>	<b>3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
<b>Profit for the period</b>		<b>71,375,878</b>	<b>5,316,129</b>	<b>290,661,299</b>	<b>182,314,406</b>
<b>Other elements of the global result</b>					
Actuarial (loss) on defined benefits plan					-
<b>Other elements of the global result</b>					-
<b>Total global result for the period</b>		<b>71,375,878</b>	<b>5,316,129</b>	<b>290,661,299</b>	<b>182,314,406</b>
<b>Earnings per share</b>					
Basic earnings per share (RON/share)	<b>21</b>	<b>0.24</b>	<b>0.02</b>	<b>0.96</b>	<b>0.60</b>
Diluted earnings per share (RON/share)	<b>21</b>	<b>0.24</b>	<b>0.02</b>	<b>0.96</b>	<b>0.60</b>

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

Simplified Individual Statement of Changes in Equity for the six-month period ended on June 30, 2019

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

	<b>Share capital</b>	<b>Capital-related premiums</b>	<b>Reserve paid in advance</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total own equity</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>257,407,532</b>	<b>3,658,058,141</b>	<b>7,179,130,612</b>
<b>Comprehensive income for the period</b>						
<i>Period profit</i>	-	-	-	-	290,661,299	290,661,299
<i>Other elements of the global result</i>	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>290,661,299</b>	<b>290,661,299</b>
Transfer of the revaluation reserve to the result carried forward	-	-	-	(14,720,731)	14,720,731	-
Dividends distributed	-	-	-	-	(378,914,310)	(378,914,310)
<b>Balance as of June 30, 2019 (revised)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>242,686,801</b>	<b>3,584,521,861</b>	<b>7,090,877,601</b>



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

Simplified Individual Statement of Changes in Equity for the six-month period ended on June 30, 2018

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

	Note	Share capital	Capital-related premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total own equity
<b>Balance as at January 1, 2018 (audited)</b>		<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>236,534,798</b>	<b>3,930,608,135</b>	<b>7,430,811,872</b>
Effect of corrections						53,304,887	<b>53,304,887</b>
<b>Balance as at January 1, 2018 (audited, restated)</b>		<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>236,534,798</b>	<b>3,983,913,022</b>	<b>7,484,116,759</b>
<b>Comprehensive income for the period</b>							
<i>Period profit</i>		-	-	-	-	<b>182,314,406</b>	<b>182,314,406</b>
<i>Other elements of the global result</i>		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>182,314,406</b>	<b>182,314,406</b>
Transfer of the revaluation reserve to the retained earnings	<b>10</b>	-	-	-	(12,999,409)	12,999,409	-
Dividends distributed	<b>10</b>	-	-	-	-	(271,362,466)	<b>(271,362,466)</b>
<b>Balance as of June 30, 2018 (revised)</b>		<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>223,535,389</b>	<b>3,907,864,371</b>	<b>7,395,068,699</b>

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

Simplified Individual Cash Flow Statement for the six-month period ended on June 30, 2019

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

	<b>6-month period ended on June 30, 2019 (revised)</b>	<b>6-month period ended on June 30, 2018 (revised)</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>360,122,624</b>	<b>230,190,242</b>
<b>Adjustments for:</b>		
Impairment and depreciation	274,872,313	272,098,843
Impairment on trade and other receivables	(1,287,664)	(2,567,154)
Impairment on inventories	(622,878)	(2,294,426)
Provisions corresponding to operating liabilities and expenses	6,471,408	(2,117,903)
Value increase on tangible assets	-	(1,435,103)
Earnings/(Losses) from asset assignment	(49,206)	761,930
Net financial revenues	3,417,564	(16,606,903)
<b>Changes in:</b>		
Decrease in trade receivables and other receivables	21,150,840	17,361,485
Increase in inventories	(9,331,744)	(12,270,671)
Variation of deferred income	3,016,155	4,667,264
Variation of deferred expense	(58,889,284)	(12,695,609)
Increase/(Decrease) of trade liabilities and other liabilities	(3,429,523)	30,387,379
<b>Cash flows generated from operating activities</b>	<b>595,440,605</b>	<b>505,479,375</b>
Income tax paid	(151,270,197)	(65,617,318)
Interest received	30,560,746	13,084,873
Interest paid	(4,619,794)	(4,418,601)
<b>Net cash flow from operating activities</b>	<b>470,111,360</b>	<b>448,528,329</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(10,892,449)	(2,045,221)
Purchases of tangible assets	(105,508,159)	(63,361,668)
Proceeds from sale of tangible assets	49,206	259,295
Decrease/ (Increase) in bank deposits and financial assets representing collateral bank deposits related to letters of bank guarantee	25,751,509	23,840,528
Purchases of financial assets	-	(5,032,931)
<b>Net cash flow used in investing activities</b>	<b>(90,599,893)</b>	<b>(46,339,997)</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(107,281,971)	<b>(105,702,064)</b>
Dividends	(375,367,909)	<b>(273,078,968)</b>
<b>Net cash flow from financing activities</b>	<b>(482,649,880)</b>	<b>(378,781,032)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(103,138,413)</b>	<b>23,407,300</b>
<b>Cash and cash equivalents as at 1 January (see Note 9)</b>	<b>1,611,175,766</b>	<b>1,713,349,815</b>
<b>Cash and cash equivalents as at June 30 (see Note 9)</b>	<b>1,508,037,353</b>	<b>1,736,757,115</b>



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

Notes to the Simplified Individual Financial Statements drafted on the date and for the period of six months ended as at June 30, 2019

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

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### **1. REPORTING ENTITY**

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

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

The Company's main activity consists in electricity and thermal energy production by nuclear processes. The main place of business is within the Branch Cernavoda NPP, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two nuclear operational reactors are based on CANDU technology (Canada Deuterium Uranium type PHWR). Besides, at Cernavoda the Company owns two nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The construction of Units 3 and 4 was planned to be completed by the Energonuclear S.A. subsidiary; at present, there is the revised form of the Strategy to continue Units 3 and 4 Project, endorsed by the Board of Directors of SNN and approved by the Extraordinary General Meeting of Shareholders by Decision no. 11 / 14.09.2018 (for more information, see Note 6).

The Company owns a reactor (Unit 5) for which the Company shareholders approved changing the initial destination in March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. The project intended to change the initial destination of Unit 5 is currently being implemented and it is expected to be finalized during 2020. The unit 5 is fully depreciated, since there was no plan to continue its construction as a nuclear unit.

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

The electricity sector is regulated by the National Energy Regulatory Authority (“ANRE”), an autonomous public institution. The electricity market in Romania was undergoing a process of gradual liberalization up to the end of 2017. In 2017, the Company participated in the electricity market, both on the competitive segment, and on the regulated market segment, in which ANRE has set, by means of annual decisions, the quantities of electricity that need to be sold by the Company on the regulated market and the regulated prices to be charged, respectively; since 2018, the Company has participated in the electricity market, only on the competitive segment.

On June 30, 2019 the Company's shareholders are: The Romanian State via the Ministry of Energy which holds 248,736,619 shares, representing 82.4959% of the share capital, Fondul Proprietatea S.A. holding 21,268,355 shares, representing 7.0539% of the share capital and other individuals and legal entities shareholders holding together 31,508,877 shares, representing 10.4502% of the share capital.

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

*The notes on pages 1-24 are an integral part of these simplified individual interim financial statements*

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

Notes to the Simplified Individual Financial Statements drafted on the date and for the period of six months ended as at June 30, 2019

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

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### **2. BASIS OF PREPARATION**

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

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

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

The Simplified Individual Interim Financial Statements on the date and for the six-month period that ended on June 30, 2019 have been revised by an independent auditor.

These Simplified Individual Interim Financial Statements were authorized for issue and signed on August 13, 2019 by the Company's management.

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

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

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

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years is included in Note 6 (key assumptions relating to the continuance of the Project for Units 3 and 4).

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

#### **c) Presentation items**

On December 31, 2018, the Company reconsidered the presentation of cash, cash equivalents and bank deposits items in the statement of financial position as follows:

- the "Bank deposits" position represents the collateral deposits related to bank guarantee letters issued by banks on behalf of the Company in favor of clients, with a maturity of between 3 and 12 months;
- "Cash and cash equivalents" includes, besides cash and other cash equivalents, collateral bank deposits related to maturity letters of guarantee up to 3 months, as well as common bank deposits without commitments, which can be accessed by the Company without restrictions and without significant losses as a result of their liquidation, irrespective of their maturity.

*The notes on pages 1-24 are an integral part of these simplified individual interim financial statements*

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Notes to the Simplified Individual Financial Statements drafted on the date and for the period of six months ended as at June 30, 2019

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

Consequently, for the consistent reflection of the comparative values, the items in the statement of financial position as of June 30, 2018 were reallocated according to the rations presented, with an impact on the comparative values presented in the statement of cash flows as of June 30, 2019, as follows:

<b>Cash flow elements</b>	<b>30 June 2018 (revised)</b>	<b>Reallocations</b>	<b>30 June 2018 (revised, reallocated)</b>
Decreasing of bank deposits and financial assets representing collateral bank deposits related to bank guarantee letters	223.666.528	(199.826.000)	23.840.528
<b>Net increase in cash and cash equivalents</b>	<b>223.233.300</b>	<b>(199.826.000)</b>	<b>23.407.300</b>

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

The individual financial statements are prepared on the assumption that the Company will continue its operations in the foreseeable future. To assess the applicability of this assumption, the senior management analyzes projections of future cash inflows.

*The notes on pages 1-24 are an integral part of these simplified individual interim financial statements*

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

Notes to the Simplified Individual Financial Statements drafted on the date and for the period of six months ended as at June 30, 2019

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

	<b>Land</b>	<b>Nuclear power plants</b>	<b>Machinery, equipment and other assets</b>	<b>Non-current assets in progress</b>	<b>TOTAL</b>
<b>Cost</b>					
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>31,534,439</b>	<b>5,698,230,344</b>	<b>1,611,461,143</b>	<b>851,807,266</b>	<b>8,193,033,192</b>
Additions	-	-	13,818,163	115,752,495	129,570,658
Revaluation of buildings and land	767,960	20,172,017	35,259,740	-	56,199,716
Offset of accumulated depreciation upon revaluation	-	(1,059,894,917)	(60,605,906)	-	(1,120,500,824)
Transfers	-	71,734,118	24,051,133	(95,785,251)	-
Transfer to inventories	-	-	-	(1,800,278)	(1,800,278)
Transfer to intangible assets	-	-	-	(7,852,267)	(7,852,267)
Derecognition of U1 inspections	-	(52,473,435)	-	-	(52,473,435)
Disposals	-	-	(2,241,701)	(1,257,641)	(3,499,343)
<b>Balance as at December 31, 2018 (audited)</b>	<b>32,302,399</b>	<b>4,677,768,128</b>	<b>1,621,742,571</b>	<b>860,864,324</b>	<b>7,192,677,421</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>32,302,399</b>	<b>4,677,768,128</b>	<b>1,621,742,571</b>	<b>860,864,324</b>	<b>7,192,677,421</b>
Additions	-	-	21,778,469	109,141,154	130,919,623
Transfers	-	-	18,423,748	(18,423,748)	-
Inventories transfers	(120,740)	-	(2,159,074)	358,229	(1,921,585)
Transfer to intangible assets	-	-	-	(1,935,590)	(1,935,590)
Disposals	-	-	(2,321,449)	-	(2,321,449)
<b>Balance as of June 30, 2019 (revised)</b>	<b>32,181,659</b>	<b>4,677,768,128</b>	<b>1,657,464,265</b>	<b>950,004,370</b>	<b>7,317,418,421</b>
<b>Depreciation and impairment losses</b>					
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>550,782</b>	<b>781,264,650</b>	<b>546,513,811</b>	<b>140,629,875</b>	<b>1,468,959,117</b>
Depreciation charges	-	414,761,137	110,140,683	-	524,901,820
Offset of accumulated depreciation upon revaluation	-	(1,059,894,917)	(60,605,906)	-	(1,120,500,824)
Cumulative depreciation of U1 inspections derecognized	-	(52,473,435)	-	-	(52,473,435)
Offset of accumulated disposals	-	-	(1,841,771)	-	(1,841,771)
Impairment adjustments	-	-	10,077,433	(906,054)	9,171,379
<b>Balance as at December 31, 2018 (audited)</b>	<b>550,782</b>	<b>83,657,435</b>	<b>604,284,249</b>	<b>139,723,821</b>	<b>828,216,287</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>550,782</b>	<b>83,657,435</b>	<b>604,284,249</b>	<b>139,723,821</b>	<b>828,216,287</b>
Depreciation charges	-	209,661,506	52,860,978	-	262,522,484
Offset of accumulated disposals	-	-	(1,986,123)	-	(1,986,123)
Derecognition of the accumulated amortization of transfers into inventory	-	-	(48,181)	-	(48,181)
Impairment adjustments	-	-	-	1,010,363	1,010,363
<b>Balance as of June 30, 2019 (revised)</b>	<b>550,782</b>	<b>293,318,940</b>	<b>655,110,923</b>	<b>140,734,184</b>	<b>1,089,714,830</b>
<b>Carrying amount</b>					
<b>Balance as at January 1, 2018 (audited, restated)</b>	<b>30,983,658</b>	<b>4,916,965,695</b>	<b>1,064,947,332</b>	<b>711,177,390</b>	<b>6,724,074,075</b>
<b>Balance as at December 31, 2018 (audited)</b>	<b>31,751,617</b>	<b>4,594,110,693</b>	<b>1,017,458,322</b>	<b>721,140,502</b>	<b>6,364,461,135</b>
<b>Balance as of June 30, 2019 (revised)</b>	<b>31,630,877</b>	<b>4,384,449,188</b>	<b>1,002,353,341</b>	<b>809,270,186</b>	<b>6,227,703,592</b>

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

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The position "Machinery, equipment and other assets" mainly include the heavy water used for the operation of Units 1 and 2, with a net accounting value on June 30, 2019 amounting to RON 432,495,060 (December 31, 2018: RON 432,488,488) and administrative buildings with a net carrying amount on June 30, 2019 amounting to RON 267,458,434 (December 31, 2018: RON 277,883,541).

In 2019, the Company purchased 7.8 tons of heavy water from the National Administration of State Reserves and Special Issues ("ANRSPS") required for Units 1 and 2, amounting to RON 15,649,064 (in 2018, 5.3 tons were purchased, amounting to RON 10,339,066).

On June 30, 2019, the net carrying amount of the assets under construction related to Units 3 and 4 amounts to RON 505,978,256 (December 31, 2018: 506,035,734 RON), out of which the accounting value of Units 3 and 4 is 273,960,000 RON (December 31, 2018: 273,960,000 RON), the rest representing heavy water purchased for Units 3 and 4, namely approx. 75 tons, whose accounting value on June 30, 2019 is RON 159,238,387 (December 31, 2018: 159,238,387 RON), and equipment and other assets for Units 3 and 4. Before 1991 the nuclear Units 1, 2, 3, 4 and 5 were considered as a single project and therefore the construction costs incurred had not been allocated per unit. Subsequently, the Company allocated the costs for the construction of Units 3 and 4 of the nuclear power plant and for Unit 5.

On December 31, 2013 the Group recognized a depreciation adjustment of 100% of the Unit 5 since there were no plans to resume its construction. On December 31, 2018 the gross accounting value for Unit 5 is RON 137 million (December 31, 2018: 137 million RON). In March 2014, the Company shareholders approved the change of destination and use of Unit 5 for other activities of the Company, project under implementation the result of which will be an asset with a different use than the initial use of Unit 5.

On June 30, 2019, the difference remaining to 809,270,186 RON of net "Assets in progress" (December 31, 2018: RON 721,140,502) represents non-current assets in progress, related to Units 1 and 2, such as: D2O detritiation installation amounting to RON 63,238,682, construction of facilities for storage and loading of the nuclear fuel used (DICA) amounting to RON 28,011,166, improvement of nuclear security systems after Fukushima amounting to RON 31,668,393.

The main investments made by the Company in the six-month period ended on June 30, 2019 for projects in progress related to Units 1 and 2 include:

- Annual inspections conducted during the planned outage of Unit 2, amounting to RON 56,102,036 (December 31, 2018: 66,015,629 RON at Unit 1) - the "Assets in progress" includes the equivalent value of the regular general inspections and the capital repairs performed on Unit 2 CNE Cernavoda during the planned outage, which took place in period May 3 – June 7, 2019, capitalized according to IAS 16, in amount of 56,102,036 RON. This major inspection on Unit 2 is to be commissioned after the completion and acceptance of the inspection report;
- Improving the Nuclear security systems following the Fukushima event amounting to RON 12,177,525 (December 31, 2018: RON 8,732,940);
- Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 5,281,747 (December 31, 2018: RON 8,772,512);
- Modernization of the physical protection system in value of 2,123,491 RON (December 31, 2018: 4,724,696 RON).

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The main investments performed by the Company in the six-month period that ended on June 30, 2019 from the projects in progress related to Units 1 and 2 are represented by: assembling spare parts on the operated equipment in value of RON 10,482,861, assembling a spectrometer in order to determine the metallic impurities in uranium in value of RON 862,088 and capital repairs on U1 compressors in value of RON 1,329,255.

In the first half-year of 2019, GAS Resolution 5/23.04.2019 approved the sale of asset "Singles' accommodation unit". Thus, from the "Machinery, equipment and other assets" position and from the "Lands" position, the amounts related to this asset were transferred to assets, namely RON 2,159,074 and RON 120,740, which are reflected in the "Inventory transfer" line. The amounts comprise the building, the related land, the central heating network connection installation, parking fittings, sports land, green areas, located at address: No. 14, Salciei Street, Cernavoda, Constanta county.

On June 30, 2019, the Company has fixed assets purchased based on credit from suppliers (commercial credit) amounting to RON 38,148,669 (December 31, 2018: RON 14,722,450).

*Decommissioning of nuclear units*

The nuclear power Unit 1 is scheduled to operate until 2026, and Unit 2 until 2037. The Company has not recorded a provision for the decommissioning of the two units because it is not responsible for the decommissioning works. According to Government Decision no. 1080/ 2007, the Nuclear Agency and Radioactive Waste ("ANDR") is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of the useful life of the two units, as well as for the permanent storage of the resulting waste (refer to Note 12). The Company's expenditure related to the contributions to ANDR for the six-month period ended on June 30, 2019 amounts to RON 48,709,675 (the 6-month period ended on June 30, 2018: 48,525,230 RON).

*Assets pledged as security*

As at June 30, 2019, and December 31, 2018, respectively, the Company has no pledged or mortgaged assets.

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**5. INTANGIBLE ASSETS**

	<b>Licenses and software</b>	<b>Power plant software and other intangible assets</b>	<b>TOTAL</b>
<b>Cost</b>			
<b>Balance as at January 1, 2018 (audited)</b>	<b>63,908,923</b>	<b>185,630,128</b>	<b>249,539,051</b>
Reallocations	122,135,570	(120,135,570)	-
Additions	546,221	3,996,061	4,542,282
Transfers	26,084,953	(26,084,953)	-
Transfer form tangible assets	25,934	7,826,332	7,852,267
Disposals	(384,987)	(34,274)	(419,261)
<b>Balance as at December 31, 2018 (audited)</b>	<b>212,316,615</b>	<b>49,197,724</b>	<b>261,514,339</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>212,316,615</b>	<b>49,197,724</b>	<b>261,514,339</b>
Additions	10,859,088	12,361	10,871,449
Transfers	-	-	-
Transfer form tangible assets	1,935,590	-	1,935,590
Disposals	-	-	-
<b>Balance as of June 30, 2019 (revised)</b>	<b>225,111,292</b>	<b>49,210,085</b>	<b>274,321,378</b>
<b>Accumulated amortization</b>			
<b>Balance as at January 1, 2018 (audited)</b>	<b>62,187,283</b>	<b>124,815,811</b>	<b>187,003,093</b>
Depreciation charges	15,325,502	4,770,954	20,096,456
Amortization related to disposals	(384,988)	(34,274)	(419,262)
Transfers and reallocations	100,638,341	(100,638,341)	-
<b>Balance as at December 31, 2018 (audited)</b>	<b>177,766,138</b>	<b>28,914,150</b>	<b>206,680,287</b>
<b>Balance as at January 1, 2019 (audited)</b>	<b>177,766,138</b>	<b>28,914,150</b>	<b>206,680,287</b>
Depreciation charges	8,519,698	2,819,769	11,339,467
Amortization related to disposals	-	-	-
<b>Balance as of June 30, 2019 (revised)</b>	<b>186,285,836</b>	<b>31,733,919</b>	<b>218,019,754</b>
<b>Carrying amount</b>			
<b>Balance as at January 1, 2018 (audited)</b>	<b>1,721,640</b>	<b>60,814,318</b>	<b>62,535,957</b>
<b>Balance as at December 31, 2018 (audited)</b>	<b>34,550,477</b>	<b>20,283,573</b>	<b>54,834,052</b>
<b>Balance as of June 30, 2019 (revised)</b>	<b>38,825,457</b>	<b>17,476,167</b>	<b>56,301,624</b>

As at June 30, 2019, the position "Software for the nuclear power plant and other tangible assets" includes other intangible assets representing ongoing licenses and software amounting to RON 4,457,176 (December 31, 2018: 3,466,815 RON). In the first half-year of 2019, licenses and software in value of 10,859,088 RON.

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

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### **6. FINANCIAL INVESTMENTS**

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

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

On June 30, 2019 and December 31, 2018, the Company owns 100% of the share capital of EnergoNuclear S.A. The value of the interest as at June 30, 2019 and December 31, 2018 amounts to RON 141,666,101.

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

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

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

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

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

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

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

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Resolution no. 9 / July 29, 2019 of the Extraordinary General Assembly of Shareholders approved the endorsement of the SNN Board of Directors to approve the modification of the deadlines / due dates provided in the preliminary form of the Investors' Agreement related to the Project for Units 3 and 4 of CNE Cernavoda

Regarding the activity of Energonuclear S.A.:

- With the EGMS Resolution of SNN no. 4/11.07.2017, the shareholders of SNN approved the granting by SNN of a loan convertible in shares amounting to maximum RON 4,000,000 to the Energonuclear S.A. ("EN") branch, in order to finance the maintenance and conservation activities for the site of Units 3 and 4 of Cernavoda NPP; until 30.06.2019, Energonuclear requested an installment of RON 2,500,000 to be granted from the maximum amount, for which SNN registered an interest of RON 75,056, capitalized.

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

## 7. INVENTORIES

On June 30, 2019 and December 31, 2018, the inventories are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(revised)</b>	<b>(audited)</b>
Spare parts	144,252,070	141,293,048
Consumables and other materials	38,967,044	40,636,148
Nuclear fuel	157,855,443	134,039,382
Uranium	35,536,331	38,490,987
Other inventories	4,245,208	14,282,835
<b>TOTAL</b>	<b>380,856,096</b>	<b>368,742,400</b>

## 8. TRADE RECEIVABLES AND OTHER RECEIVABLES

On June 30, 2019 and December 31, 2018, the trade receivables and other receivables are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(revised)</b>	<b>(audited)</b>
Trade receivables	124,831,659	168,524,274
Adjustments for impairment of trade receivables	(9,686,694)	(10,858,933)
Other receivables	20,438,456	23,029,979
Adjustments for impairment of other receivables	(3,074,604)	(3,190,028)
Taxes and duties	28,770,561	6,189,298
<b>Total</b>	<b>161,279,378</b>	<b>183,694,590</b>

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As at June 30, 2019, the significant trade receivables in balance are from: The company of the Electricity and Gas Market Operator "OPCOM" S.A. - 2,469,206 RON (December 31, 2018: 1,164,061 RON), CEZ Vanzare S.A. – 1,854,000 RON (December 31, 2018: 3,260,654 RON), CIGA Energy S.A. – 410,412 RON (December 31, 2018: 578,328 RON), Utilitati Publice Cernavoda – 1,379,576 RON (December 31, 2018: 413,021 RON).

The sales performed in the period of 6 months that ended on June 30, 2019 to the company of the Electricity and Natural Gas Market Operator "OPCOM" S.A. represented approximately 8.38% (December 31, 2018 approximately 13%), to ALRO 7.71% (December 31, 2018 approximately 6.47%), to Electrica Furnizare 16.68% (December 31, 2018: 9%), to E.ON Energie Romania S.A. 7.07% (December 31, 2018 - 7.45%) and to GEN-I, trgovanje in prodaja elektricne energije, d.o.o. 8.04% (December 31, 2018 - 6.87) from the total electricity sales of the Company.

The Company's exposure to credit risk and the adjustments for impairment of trade receivables and other receivables are presented in Note 22.

On June 30, 2019, the "Trade receivables" and "Adjustments for impairment of trade receivables" positions include a net amount of RON 17,391,594 related to receivables from affiliated parties (December 31, 2018: 2,680,295 RON). On June 30, 2019, the "Other receivables" and "Adjustments for impairment of other receivables" positions include a net amount of RON 2,575,056 related to receivables from affiliated parties (December 31, 2018: RON 2,535,503), of which RON 2,575,056 represent the loan granted to the Energonuclear S.A. branch, including capitalized interest.

On June 30, 2019 the "Duties and Taxes" position mainly represents the VAT to be recovered amounting to RON 28,770,561 (December 31, 2018: 6,189,298 RON).

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**9. CASH AND CASH EQUIVALENTS, BANK DEPOSITS AND FINANCIAL ASSETS**

On June 30, 2019 and December 31, 2018, the cash and cash equivalents are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(revised)</b>	<b>(audited)</b>
Cash and cash equivalents in RON	1,479,538,419	1,606,936,087
Cash and cash equivalents in foreign currencies	28,498,934	4,239,679
<b>Total cash and cash equivalents</b>	<b>1,508,037,353</b>	<b>1,611,175,766</b>

The "Cash and cash equivalents" position also includes bank deposits with an initial maturity of less than one year, amounting to RON 1,346,937,474 (December 31, 2018: RON 1,438,730,983), as well as the amount of RON 4,086,987 representing letters of credit issued in favor of providers of equipment, spare parts, services and technical support (December 31, 2018: RON 2,945,617).

On June 30, 2019 and December 31, 2018, all bank deposits presented under the "Bank deposits" positions are in RON.

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(revised)</b>	<b>(audited)</b>
Bank deposits	<b>41,363,543</b>	<b>20,954,979</b>

On June 30, 2019, the Company is in possession of letters of guarantee issued by different banks at the request of the Company in favor of third parties, for a total value of RON 100,621,998 (December 31, 2018: RON 126,373,507), for which a cash collateral in the form of collateral deposits was established, divided as follows: RON 1,346,937,474 in the "Cash and cash equivalents" position (December 31, 2018: RON 0) related to letters of bank guarantee with maturity of less than 3 months, RON 41,363,543 under the "Bank deposits" position (December 31, 2018: RON 20,954,979) related to letters of bank guarantee with a maturity of up to one year and RON 59,258,455 under the "Financial assets" position for letters of bank guarantee with a maturity of over one year (December 31, 2018: RON 105,418,528). These letters of bank guarantee are related to the Company's participation on the electricity market, mostly representing the Company's sales of electricity.

As at June 30, 2019 and December 31, 2018 the "Financial assets" position included the previously mentioned collateral deposits, as well as the amount of RON 5,032,931 representing the Company's contribution as new member of the European Liability Insurance for the Nuclear Industry ("ELINT").

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### 10. EQUITY

#### Share capital

The Company was established through separation from the former RENEL. The share capital represents the State's contribution to the Company's constitution on 30 June 1998 (restated for inflation up to 31 December 2003) plus subsequent contributions.

According to the articles of incorporation, the authorized capital of the Company is 3.016.200.000 RON. The subscribed share capital paid on June 30, 2019 is RON 3,015,138,510.

As at June 30, 2019 and December 31, 2018, the share capital includes the effect of reassessments registered in the previous years required by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies". The reconciliation of the share capital is as follows:

	<b>June 30, 2019</b> <b>(revised)</b>	<b>December 31, 2018</b> <b>(audited)</b>
Subscribed and paid statutory share capital	3,015,138,510	3,015,138,510
Differences related to the restatement according to IAS 29	195,502,743	195,502,743
<b>Share capital (restated value)</b>	<b>3,210,641,253</b>	<b>3,210,641,253</b>

As at June 30, 2019 and December 31, 2018, the value of the statutory subscribed and paid-off share capital amounts to RON 3,015,138,510, consisting of 301,513,851 ordinary shares having the nominal value of 10 RON each.

The holders of ordinary shares have the right to receive dividends, as such are declared at certain times, and the right to one vote for each share held within the Company's General Meeting of Shareholders.

The shareholding structure on June 30, 2019 and December 31, 2018 is as follows:

Shareholders	Number of shares June 30, 2019	% of the share capital	Number of shares December 31, 2018	% of the share capital
The Romanian State by the Ministry of Energy	248,736,619	82.4959%	248,736,619	82.4959%
Fondul Proprietatea S.A.	21,268,355	7.0539%	27,408,381	9.0903%
Other investors	31,508,877	10.4502%	25,368,851	8.4138%
<b>Total</b>	<b>301,513,851</b>	<b>100%</b>	<b>301,513,851</b>	<b>100%</b>

#### Share premiums

In November 2013, the Company issued 28,100,395 ordinary shares on the Bucharest Stock Exchange through an initial public offering and the exercise of preemptive right by the shareholder Fondul Proprietatea S.A. The amount collected – amounting to RON 312,478,099 - was made up of the share capital increase of RON 281,003,950 and an issue/share premium of RON 31,474,149.

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**Prepaid reserve**

The prepaid reserves amount to RON 21,553,537 as of June 30, 2019 (December 31, 2018: RON 21,553,537) and represent public utility objectives at CNE Cernavoda, amounting to RON 5,439,321 as of June 30, 2019 (December 31, 2018: RON 5,439,321) and received budgetary allocations related to the period 2007-2011 -16.114.216 for the construction of the Training and Recreation Center for Youth and Children in Cernavoda, unfinished investment, amounting to RON 30 as of June 2019, 31 (December 31, 2018: RON 16,114,216).

**Revaluation reserves**

As at June 30, 2019 the revaluation reserve amounts to RON 242,686,801 (December 31, 2018: RON 257,407,532), net of deferred tax related to the revaluation reserve. The last revaluation of lands, buildings and constructions took place on December 31, 2018 by an independent valuer, Primoval SRL, member of the National Association of Certified Assessors in Romania ("ANEVAR").

During the 6-month period ended on June 30, 2019, the Company recognized a decrease of the revaluation reserve amounting to RON 14,720,731 following its transfer into the reported result (6 months ended on June 30, 2018: 12,999,409 RON).

**Retained earnings**

The retained earnings are the cumulated earnings of the Company. The retained earnings are distributed based on the annual financial statements prepared in accordance with the Public Finance Minister's Order no. 2844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards.

In the six-month period ended on June 30, 2019, the Company declared dividends amounting to RON 378,914,310 (June 30, 2018: 271,362,466 RON). Unpaid gross dividends as at June 30, 2019 amounted to RON 1,088,570 (June 30, 2018: 2,414,090 RON).

**Legal reserves**

On June 30, 2019, the amount of the legal reserve is RON 122,593,972 (December 31, 2018: RON 122,593,972) and it is presented cumulatively under the "Retained earnings" position.

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**11. BORROWINGS**

The loan reimbursements in the six-month period ended on June 30, 2019 were as follows:

	Curren y	Interest rate	Value	Year of final maturity
<b>Balance as at January 1, 2019 (audited)</b>			<b>909,860,972</b>	
New issues				
<b>Reimbursements, out of which</b>			<b>(107,281,971)</b>	
Societe Generale – ANSALDO BC	EUR	EURIBOR 6M + 0.45%	(18,255,505)	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0.375%	(34,351,986)	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(54,674,480)	2024
<b>Exchange rate differences</b>			<b>23,847,164</b>	
<b>Balance as of June 30, 2019 (revised)</b>			<b>826,426,166</b>	

*(i) Long term loans*

As at June 30, 2019 and December 31, 2018, the long-term loans from credit institutions are as follows:

	June 30, 2019 (revised)	December 31, 2018 (audited)
Societe Generale - ANSALDO BC	109,219,330	125,506,545
Societe Generale - AECL BC	208,183,586	228,883,938
EURATOM	509,023,249	555,470,490
<b>Total long-term loans</b>	<b>826,426,165</b>	<b>909,860,973</b>
Less: Current portion of long-term loans	(215,655,293)	(209,456,905)
Less: Balance of commitment and insurance fees (long term)	(13,149,279)	(16,436,599)
<b>Total long-term loans net of the short-term portion</b>	<b>597,621,593</b>	<b>683,967,469</b>

On June 30, 2019, the financial indicators related to the loan granted by EURATOM were met.

*(ii) Short-term borrowings*

As at June 30, 2019 and December 31, 2018, the short-term borrowings are as follows:

	June 30, 2019 (revised)	December 31, 2018 (audited)
Current portion of long-term loans	215,655,293	209,456,905
Interests related to the long-term borrowings	410,922	511,595
Short-term transaction costs	(6,574,639)	(6,574,460)
<b>Total short-term loans</b>	<b>209,491,576</b>	<b>203,393,860</b>

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**12. PROVISIONS FOR RISKS AND EXPENSES**

On June 30, 2019 and December 31, 2018, respectively, the Company recognized the following provisions, included under the position "Provisions for risks and expense" and the position "Current share of provisions for risks and expenses":

	<u>June 30, 2019</u> <u>(revised)</u>	<u>December 31,</u> <u>2018</u> <u>(audited)</u>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	65,831,098	60,633,302
Obligations regarding the low and medium radioactive and non-radioactive waste	101,538,567	97,648,239
Provision for litigations with nuclear risk increment	39,047,406	34,937,153
Employees' participation to the profit	13,090,000	16,000,000
Provisions for litigations	7,495,641	7,495,641
<b>Total</b>	<b><u>227,002,712</u></b>	<b><u>216,714,335</u></b>

On June 30, 2019, the provisions in the total amount of RON 227,002,712 represent long-term and short-term liabilities, as follows:

	<u>Long-term</u> <u>share</u> <u>(&gt; 1 year)</u>	<u>Current</u> <u>share</u> <u>(&lt; 1 year)</u>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	41,481,648	24,349,450
Obligations regarding the low and medium radioactive and non-radioactive waste	94,512,598	7,025,969
Provision for litigations with nuclear risk increment	39,047,406	-
Employees' participation to the profit	-	13,090,000
Provisions for litigations	7,495,641	-
Total	<b><u>182,537,293</u></b>	<b><u>44,465,419</u></b>

The "Employees' participation to the profit" position represents the commitment of the Company towards its employees in relation to providing the amounts related to the participation of the employees to the profit of the Company for the year of 2019, as a result of achieving the result set forth by the budget on June 30, 2019, based on the income and expenditure budget approved by GAS Resolution no. 6 /May 20, 2019.

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**13. TRADING AND OTHER LIABILITIES**

On June 30, 2019 and December 31, 2018, trading and other liabilities are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(revised)</b>	<b>(audited)</b>
Non-current assets suppliers	38,148,669	14,722,450
Trade payables	82,988,594	60,462,083
Liabilities towards the employees	61,097,128	24,440,168
Payables to the State	28,463,623	89,292,102
Dividends payables	4,042,918	4,278,146
Other payables	3,780,334	3,912,931
<b>Total</b>	<b>218,521,266</b>	<b>197,107,880</b>

As at June 30, 2019, the main suppliers in balance are: General Electric Global Services GMBH – 18,301,437 RON (December 31, 2018: RON 4,959,751), Nuclear Risk Insurers Limited - RON 10,940,770 (December 31, 2018: 0 RON), Apele Romane Bucuresti – RON 10,252,153 (December 31, 2018: RON 11,951,605), General Concrete S.R.L. – RON 8,071,292 (December 31, 2018: RON 5,160,292).

On June 30, 2019, the "Accounts payable and other liabilities" position includes the amount of RON 24,953,253 (December 31, 2018: RON 29,081,865) related to liabilities to affiliated parties, of which, under the "Suppliers" and "Non-current assets suppliers" positions, the amount of RON 16,858,520 (December 31, 2018: RON 20,779,125) and under the position "Payables to the State" the amount of RON 8,094,733 (December 31, 2018: RON 8,302,740), representing the contribution to ANDR, for the decommissioning of nuclear facilities and the permanent storage of radioactive waste.

The "Liabilities towards the employee" position includes the amount of RON 49,476,654, representing the commitment related to granting the amounts to be distributed according to the revenue and expenditure budget approved by GAS Resolution no. 6/ May 20, 2019, related to salaries, bonuses, contributions and other allowances and prize-awarding fund, which will be granted by the end of 2019, under the form of bonuses, but which are related to the 6-month period ended on June 30, 2019.

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

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Sales of electricity on regulated market	564,990	-	1,148,813	-
Sales of electricity on free market	514,073,844	426,534,956	1,175,923,091	965,667,600
Sales of thermal energy	1,657,313	844,033	4,652,589	2,953,839
Revenues from green certificates	5,962	365	13,605	3,404
<b>Total</b>	<b>516,302,109</b>	<b>427,379,354</b>	<b>1,181,738,098</b>	<b>968,624,843</b>

*(ii) The amount of energy sold*

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Quantity of electricity sold on regulated market (MWh)	3,000	-	6,100	-
Quantity of electricity sold on free market (MWh)	2,351,305	2,348,818	5,091,397	5,106,310
<b>Total</b>	<b>2,354,305</b>	<b>2,348,818</b>	<b>5,097,497</b>	<b>5,106,310</b>

The Company is a participant in the balancing market, but also a Responsible Party in the balancing, according to the conventions concluded with the transport and system operator Transelectrica SA. The quantity of energy sold presented does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting to 14,827 MWh for the 6-month period that ended on June 30, 2019 (19,090 MWh for the 6-month period that ended on June 30, 2018).

The Company is developing the activity of producing thermal energy by exploiting the energetic capacities corresponding to the units for producing electrical and thermal energy consisting in two heat switches with a full thermal power of 40 Gcal/h and 46.51 MW. The Company delivers thermal energy to the local thermal energy distribution company SC Utilitati Publice SA Cernavoda, as well as to other final consumers in the locality Cernavoda – business entities, social - cultural institutions. The sales of thermal energy in the first half-year of 2019 are RON 4,652,589 (June 30, 2018: 2,953,839 RON).

The electricity sector is regulated by the National Energy Regulatory Authority (“ANRE”), an autonomous public institution. In 2018 ANRE no longer set for manufacturers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the manufacturers based on regulated contracts and electricity quantities from the regulated contracts concluded by the manufacturers with last-instance suppliers, after completing the schedule for gradually removing regulated fees. Following the Government Emergency Ordinance no. 114 / 28.12.2018, amending and supplementing Electricity and natural gas law no. 123/2012, by establishing the supply of electricity under conditions regulated by ANRE for household clients, between March 1<sup>st</sup>, 2019 and February 28<sup>th</sup>, 2022 and introducing as an additional obligation of manufacturers to deliver last-instance suppliers, between March 1<sup>st</sup>, 2019 and February 28<sup>th</sup>, 2022, the electricity that is necessary for ensuring the consumption of household consumers for which regulated fees are applied, ANRE issued Order no. 10 / February 01,

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2019 for approving the Methodology for setting the prices for the electricity sold by the manufacturers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by the manufacturers with last-instance suppliers. ANRE sets for the manufacturers in the indicated period obligations to sell firm quantities of electricity based on regulated contracts. For 2019, the quantity to be attributed to SNN for regulated contracts is 1,377 GWh (out of which 6.1 GWh for the period January 1 - June 30, 2019), and for the following years, the sale obligations based on the regulated contracts attributed to SNN shall be set to a maximum level of 65% of the delivered electricity quantity. Also, ANRE set by annual decision the regulated price that must be charged during the current year; the regulated price is set based on economically justified costs, i.e. cost plus profit margin, using a methodology approved by ANRE.

In the six-months period that ended on June 30, 2019, the Company sold approximately 0.1% of the energy on the regulated market (the Company did not sell energy on the regulated market in the six-months period that ended on June 30, 2018). The total quantity of electricity sold in the six-month period ended on June 30, 2019 is 5,112,324 MWh, compared to 5,125,400 MWh, sold in the six-month period ended on June 30, 2018. The sale price of the electricity on the regulated market in the six-month period ended on June 30, 2019 is 188.33 RON/MWh, value which does not include the tariff for electric energy transmission service paid to Transelectrica S.A. for the introduction of electricity in the electricity transmission network.

### 15. OTHER INCOMES

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Income from investment subsidies	3,590,013	3,593,811	7,182,591	7.188.568
Revenues from penalties and compensation	247,189	(167,267)	400,934	15.987.495
Revenues from the reverse of provisions, net	(869,520)	3,460,636	-	1.638.878
Other income	8,713,795	866,726	13,434,437	8,030,153
<b>Total</b>	<b>11,681,477</b>	<b>7,753,906</b>	<b>21,017,962</b>	<b>32,845,094</b>

### 16. EMPLOYEES COSTS

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Wages and salaries	109,958,389	111,403,846	218,531,873	191.957.031
Expenditure on social security and assimilated costs	8,389,924	7,389,183	15,248,489	13.062.750
<b>Total costs borne for employees</b>	<b>118,348,313</b>	<b>118,793,029</b>	<b>233,780,362</b>	<b>205.019.781</b>

On June 30, 2019, personnel expenses include the Company's commitments towards its employees amounting to RON 48,737,446 (June 30, 2018: RON 56.072.898), representing the commitment of the Company related to granting the amounts related to the employees' participation in the company's profit, amounting to RON 13 million, based on the achievement of the result set forth by the budget on 30.06.2019, and the commitment related to granting the amounts to be distributed according to the revenue and expenditure budget approved by GAS Resolution no. 6/20.05.2019, related to salaries, bonuses, contributions and other allowances, which will be granted until the end of 2019 as bonuses, but which are related to the 6-month period ended on June 30, 2019.

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**17. OTHER OPERATIONAL COSTS**

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Other expenses with services provided by third parties	19,271,880	21,998,305	33,060,597	40,323,947
Expenses with ANDR	24,327,179	24,252,627	48,709,675	48,525,230
Energy and water expenses	17,524,050	17,489,178	37,337,531	37,150,721
Fuel and other consumables expenses	12,532,120	8,343,924	23,659,006	16,042,231
Expenses with ANRE contribution	10,624,848	474,979	21,249,695	949,958
Costs of insurance premiums	1,743,984	1,818,767	5,284,839	5,402,397
Transport and telecommunication expenses	2,121,985	1,825,623	3,841,093	3,254,616
Expenses related to provisions and impairments	10,465,246	-	10,465,246	-
Other operating expenses	7,347,247	7,770,109	11,824,377	12,025,614
<b>Total</b>	<b>105,958,539</b>	<b>83,973,512</b>	<b>195,432,059</b>	<b>163,674,714</b>

**Expenses with ANDR**

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

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

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

**Expenses with ANRE contribution**

The contribution to ANRE based on the Government Emergency Ordinance no. 114/2018 according to which the Company pays 2% of the turnover achieved from the activities carried out under the licenses held, amounting to RON 21,249,695 (June 30, 2018: 949,958 RON). For the year 2018, the contribution was paid based on ANRE Order no. 126/2017, which set a percentage of 0.1% of the turnover achieved from the activities carried out under the licenses held.

**Other operating expenses**

The position "Other operating expenses" includes the expenses related to the operating authorizations paid to CNCAN Bucharest amounting to RON 4,959,723 (June 30, 2018: 4,975,085 RON).

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**18. FINANCIAL INCOMES AND EXPENSES**

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Income from interests	14,417,549	10,163,629	28,008,716	16,718,278
Foreign exchange gains	6,010,719	11,219,953	6,725,499	29,933,273
Dividends income	-	-	-	-
<b>Total financial revenues</b>	<b>20,428,268</b>	<b>21,383,582</b>	<b>34,734,215</b>	<b>46,651,551</b>
Foreign exchange losses	3,164,803	(22,043,787)	(30,990,529)	(23,953,518)
Interest related expenses	(3,847,543)	(4,343,574)	(7,806,442)	(7,762,447)
<b>Total financial expenses</b>	<b>(7,012,346)</b>	<b>(26,387,361)</b>	<b>(38,796,971)</b>	<b>(31,715,965)</b>
<b>Net financial income/(expense)</b>	<b>13,415,922</b>	<b>(5,003,779)</b>	<b>(4,062,756)</b>	<b>14,935,586</b>

**19. INCOME TAX**

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

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
Current income tax expense	20,435,099	4,402,537	71,285,504	48,296,504
(Income)/Expense from deferred tax, net	(430,902)	300,141	(1,824,179)	(420,668)
<b>Total</b>	<b>20,004,197</b>	<b>4,702,678</b>	<b>69,461,325</b>	<b>47,875,836</b>

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**20. TRANSACTIONS WITH RELATED-PARTIES***i) Transactions with state-owned companies*

The company operates in an economic environment dominated by companies owned or controlled by the Romanian state through its governmental authorities and agencies, collectively referred to as state-owned companies.

The company has carried out significant transactions with other state owned or controlled companies including: sales of electricity (OPCOM S.A.); purchases of electricity transmission and balancing services (C.N. Transelectrica S.A.); purchasing heavy water necessary for supplementing the reserve for Units 1 and 2 at CNE Cernavoda (National Administration for State Reserves and Special Matters - Territorial Unit 515 Bucharest); purchases of radioactive wastewater treatment services, for the water originated from the production activities (Autonomous Administration of Technologies for Nuclear Energy - Institute for Nuclear Research Pitesti) and the payment of the contribution for the management of the decommissioning process of the two units and for the final storage of nuclear waste at the end of the useful life of the two units, as well as for the permanent storage of the resulting residues (Nuclear and Radioactive Waste Agency).

During its activity, the Company identified the following transactions and balances with the main related parties:

	Sales in the period of 6 months that ended on		Receivables as at	
	June 30, 2019 (revised)	June 30, 2018 (revised)	June 30, 2019 (revised)	December 31, 2018 (audited)
Romanian Electricity and Gas Market Operator (OPCOM S.A.)	151,004,515	167,516,362	2,853,681	1,811,364
Societatea de Distributie a Energiei Electrice Transilvania Sud S.A.	30,732,242	-	-	-
C.N. Transelectrica S.A.	20,492,757	8,137,628	11,028	14,107
Utilitati Publice S.A. Cernavoda	4,707,853	3,001,989	1,505,336	1,484,528
Energonuclear S.A.	46,228	8,279	2,575,534	2,537,812
Autonomous Administration of Technologies for Nuclear Energy - ICN	3,319	1,849	-	-
Compania Nationala Administratia Canalelor Navigabile S.A.	2,774	3,230	413	2,162
Autonomous Administration of Technologies for Nuclear Energy - CITON	168	504	-	-
The National Energy Regulatory Authority <sup>*)</sup>	-	-	21,249,695	-
Compania Nationala a Uraniului S.A.	-	35,718	24,613,381	53,577
Societatea de Distributie a Energiei Electrice Muntenia Nord S.A.	-	20,546,564	-	-
<b>Total</b>	<b>206,989,856</b>	<b>199,252,122</b>	<b>52,809,068</b>	<b>5,903,550</b>

<sup>\*)</sup> The receivable in the balance on June 30, 2019, related to the Energy Regulation National Authority represents the contribution paid in advance for period July 01, 2019 - December 31, 2019, in virtue of Government Emergency Ordinance no. 114/2018, according to which the Company pays 2% of its turnover obtained from the activities performed based on the licenses it owns.

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	Purchases in the period of 6 months that ended on		Payables as at	
	June 30, 2019 (revised)	June 30, 2018 (revised)	June 30, 2019 (revised)	December 31, 2018 (audited)
Nuclear and Radioactive Waste Agency	48,709,674	48,525,229	8,094,733	8,302,740
Romanian Waters Bucharest	28,343,376	28,300,927	10,252,153	11,951,605
The National Energy Regulatory Authority <sup>*)</sup>	21,253,695	949,958	-	-
Administratia Nationala a Rezervelor de Stat si Probleme Speciale	15,564,733	-	-	-
Romanian Electricity and Gas Market Operator (OPCOM S.A.)	12,849,540	10,634,495	116,237	34,683
National Commission for Nuclear Activities Control	9,015,126	9,251,651	-	-
Compania Nationala a Uraniului S.A.	7,667,566	3,457,040	42,182	-
C.N. Transelectrica S.A.	5,886,803	5,234,749	3,824,083	6,895,972
Administratia Bazinala de Apa Dobrogea Litoral	4,889,699	4,990,041	1,444,582	2,526,881
Autonomous Administration of Technologies for Nuclear Energy - ICN	3,198,958	1,668,248	1,442,918	975,441
Compania Nationala Administratia Canalelor Navigabile S.A.	2,891,916	242,500	1,318,067	512,887
Raja S.A.	1,306,387	1,465,076	276,687	563,274
Utilitati Publice S.A. Cernavoda	323,632	263,791	4,750	100,139
State Inspection for the Control of Boilers, Pressure Vessels and Lifting Installations	68,043	108,446	17,810	35,775
Dobrogea Meteorological Center	54,642	48,395	17,054	24,947
The National Institute of Hydrology and Water Management	27,500	27,500	10,908	26,273
Autonomous Administration of Technologies for Nuclear Energy - CITON	12,200	585,226	-	734,774
<b>Total</b>	<b>162,063,489</b>	<b>115,753,271</b>	<b>26,862,165</b>	<b>32,685,391</b>

<sup>\*)</sup> The purchases from period 01.01.2019 – 30.06.2019 related to the Energy Regulation National Authority represent the contribution paid in advance for this period, in virtue of Government Emergency Ordinance no. 114/2018, according to which the Company pays 2% of its turnover obtained from the activities performed based on the licenses it owns.

The balance of debts to affiliated parties as at June 30, 2019 presented above included the advance payments received from customers, affiliated parties, amounting to RON 2,044,727 presented in the Individual Statement of the Financial Position as at June 30, 2019 within the group "Current Liabilities" under the position "Short-term Deferred Income" (December 31, 2018: 9,511,296 RON).

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

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*ii) Compensation to senior management of the Company*

The Company's Management is composed of:

- the members of the Board of Directors who have concluded mandate contracts with the Company;
- the managers of the Company with mandate contracts within the Company;
- other managers within the Company who have concluded individual labor agreements, under the conditions provided in the collective labor agreements, as applicable.

The members of the Board of Directors have concluded administration contracts with the Company, their remuneration being approved by the General Meeting of Shareholders. The managers with mandate contracts are remunerated based on the contractual provisions within the general limits approved by General Meeting of Shareholders.

	<b>6-month period ended on June 30, 2019 (revised)</b>	<b>6-month period ended on June 30, 2018 (revised)</b>
Remuneration of the management of the Company (gross amounts)	3,906,471	4,445,166
	<b>3,906,471</b>	<b>4,445,166</b>

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**21. EARNINGS PER SHARE**

As of June 30, 2019 and June 30, 2018, the result per share is:

*(i) Basic earnings per share*

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>The 6-month period ended on June 30, 2019 (revised)</b>	<b>The 6-month period ended on June 30, 2018 (revised)</b>
<b>Net profit in the period</b>	<b>71,375,878</b>	<b>5,316,129</b>	<b>290,661,299</b>	<b>182,314,406</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-	-	-
<b>Weighted-average number of ordinary shares at the end of the period</b>	<b>301,513,851</b>	<b>301,513,851</b>	<b>301,513,851</b>	<b>301,513,851</b>
<b>Basic earnings per share (RON/share)</b>	<b>0.24</b>	<b>0.02</b>	<b>0.96</b>	<b>0.60</b>

*(ii) Diluted earnings per share*

	<b>The 3-month period ended on June 30, 2019 (not revised)</b>	<b>The 3-month period ended on June 30, 2018 (not revised)</b>	<b>6-month period that ended on June 30 2019 (revised)</b>	<b>6-month period that ended on June 30 2018 (revised)</b>
<b>Net profit in the period</b>	<b>71,375,878</b>	<b>5,316,129</b>	<b>290,661,299</b>	<b>182,314,406</b>
Number of ordinary shares at the beginning of the period (a)	301,513,851	301,513,851	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-	-	-
Number of ordinary shares at the end of the period (a)	301,513,851	301,513,851	301,513,851	301,513,851
Number of shares corresponding to the prepaid share reserve (b) (see Note 10)	-	-	-	-
<b>Weighted-average number of ordinary shares (diluted) on June 30 (a) + (b)</b>	<b>301,513,851</b>	<b>301,513,851</b>	<b>301,513,851</b>	<b>301,513,851</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0.24</b>	<b>0.02</b>	<b>0.96</b>	<b>0.60</b>

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**22. FINANCIAL RISK MANAGEMENT****a. Financial risk factors*****Credit risk***

Credit risk is the risk of financial loss that the Company may incur if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises mainly from Company's trade receivables and financial investments.

Financial assets, which may subject the Company to credit risk are mainly trade receivables, cash and cash equivalents and bank deposits. Sale of electricity to customers is done on the competitive market, based on the framework established by ANRE and in compliance with the OPCOM market rules. The carrying amount of accounts receivables, net of impairment adjustment represents the maximum amount exposed to credit risk.

On June 30, 2019, the Company is exposed to a concentrated crediting risk, considering that approximately 60% (June 30, 2018: 35%) of the net trade receivables are related to Company Romanian Electricity and Gas Market Operator (OPCOM), CEZ Vanzare (refer to Note 8). The counterparty risk is limited considering the guarantees obtained from clients as bank guarantee letters.

Cash and bank deposits are placed in different financial institutions (banks), in order to reduce the counterparty risk by limiting the exposure (which would be higher if cash and deposits were placed in a single financial institution).

The maximum exposure to the credit risk on the reporting date was:

	<b>Net value</b>	
	<b>June 30, 2019 (revised)</b>	<b>December 31, 2018 (audited)</b>
<b>Financial assets</b>		
Financial assets	64,291,386	110,451,459
Net trade receivables	115,144,965	157,655,341
Cash and cash equivalents	1,508,037,353	1,611,175,766
Bank deposits	41,363,543	20,954,979
Other receivables, net	46,134,413	26,029,249
	<b>1,774,971,660</b>	<b>1,926,276,794</b>

The ageing of trade receivables on the reporting date is:

	<b>Gross value June 30, 2019 (revised)</b>	<b>Adjustments for depreciation June 30, 2019 (revised)</b>	<b>Gross value December 31, 2018 (audited)</b>	<b>Adjustments for depreciation December 31, 2018 (audited)</b>
Not past due	114,545,432	-	157,227,064	-
Past due 1 - 30 days	248,426	-	417,512	-
Past due 31 - 90 days	350,151	-	10,270	-
Past due 91 - 180 days	1,654	(698)	10,494	-
Past due 181 - 270 days	-	-	-	-
Past due 271 - 365 days	-	-	27,007	(27,007)
Past due more than one year	9,685,996	(9,685,996)	10,831,927	(10,831,927)
<b>Total</b>	<b>124,831,659</b>	<b>(9,686,694)</b>	<b>168,524,274</b>	<b>(10,858,933)</b>

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The evolution of adjustments for trade receivables impairment is as follows:

	<b>June 30, 2019</b> <b>(revised)</b>	<b>December 31, 2018</b> <b>(audited)</b>
<b>Balance as at January 1</b>	(10,858,933)	(13,427,586)
Depreciation adjustments reversed, net	1,172,239	2,568,653
<b>Balance at the end of the period</b>	<b>(9,686,694)</b>	<b>(10,858,933)</b>

The ageing of other receivables, including recoverable VAT on the reporting date is:

	<b>Gross value</b> <b>June 30, 2019</b> <b>(revised)</b>	<b>Adjustments for</b> <b>depreciation</b> <b>June 30, 2019</b> <b>(revised)</b>	<b>Gross value</b> <b>December 31,</b> <b>2018</b> <b>(audited)</b>	<b>Impairment</b> <b>adjustments</b> <b>December 31,</b> <b>2018</b> <b>(audited)</b>
Not past due	44,564,502	-	24,554,140	-
Past due 1-30 days	1,521,204	-	1,467,610	-
Past due 31-90 days	-	-	3,592	-
Past due 91-180 days	-	-	1,946	-
Past due 181-270 days	-	-	1,961	-
Past due 271-365 days	48,707	-	-	-
Past due more than one year	3,074,604	(3,074,604)	3,190,028	(3,190,028)
<b>Total</b>	<b>49,209,017</b>	<b>(3,074,604)</b>	<b>29,219,277</b>	<b>(3,190,028)</b>

**b. Capital management*****Fair value of financial instruments***

Fair value is the amount for which the financial instrument may be exchanged in usual transactions conducted under objective conditions between willing parties knowingly, other than those determined by the liquidation or forced sale. Fair values are obtained from quoted market prices or discounted cash flow models as appropriate. As at June 30, 2019 and December 31, 2018, respectively, the management considers that the fair values of cash and cash equivalents, trade receivables and other receivables, trade payables as well as other short-term liabilities approximates their carrying amounts.

Given the business field in which the Company operates, corroborated with the specific nature of the financed investments and of the structure of the guarantees which include a government guarantee, as well as the variable interest rates, the Company's management estimates that the fair value of the loans is approximately equal to their carrying amount. The carrying amount of loans is the amortized cost. Based on these considerations, loans have been classified Level 2.

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>June 30, 2019 (revised)</b>			
<b>Financial assets</b>			
Financial assets	64,291,386	64,291,386	2
Net trade receivables	115,144,965	115,144,965	2
Cash and cash equivalents	1,508,037,353	1,508,037,353	2
Bank deposits	41,363,543	41,363,543	2
Net other receivables	46,134,413	46,134,413	2
	<b>1,774,971,660</b>	<b>1,774,971,660</b>	

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	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>December 31, 2018 (audited)</b>			
<b>Financial assets</b>			
Financial assets	110,451,459	110,451,459	2
Net trade receivables	157,665,341	157,665,341	2
Cash and cash equivalents	1,611,175,766	1,611,175,766	2
Bank deposits	20,954,979	20,954,979	2
Net other receivables	26,029,249	26,029,249	2
	<b>1,926,276,794</b>	<b>1,926,276,794</b>	
<b>June 30, 2019 (revised)</b>			
<b>Long-term financial liabilities</b>			
Long-term financial borrowings	597,621,593	597,621,593	2
Provisions for risks and expenses	182,537,293	182,537,293	2
	<b>780,158,886</b>	<b>780,158,886</b>	
<b>Short-term financial liabilities</b>			
Suppliers, including suppliers of non-current assets	121,137,263	121,137,263	2
The current share of provisions for risks and expenses	44,465,419	44,465,419	2
Current portion of long-term loans	209,491,576	209,491,576	2
Employee benefits and other payables	97,384,003	97,384,003	2
	<b>472,478,261</b>	<b>472,478,261</b>	
<b>December 31, 2018 (audited, restated)</b>			
<b>Long-term financial liabilities</b>			
Long-term financial borrowings	683,967,469	683,967,469	2
Provisions for risks and expenses	182,883,283	182,883,283	2
	<b>866,850,752</b>	<b>866,850,752</b>	
<b>Short-term financial liabilities</b>			
Suppliers, including suppliers of non-current assets	75,184,533	75,184,533	2
The current share of provisions for risks and expenses	33,831,052	33,831,052	2
Current share of long-term loans	203,393,860	203,393,860	2
Employee benefits and other payables	121,923,347	121,923,347	2
	<b>434,332,792</b>	<b>434,332,792</b>	

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### **23. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS**

#### ***(i) Taxation***

The Romanian taxation system is in a process of consolidation and harmonization with the European Union legislation. However, there are still different interpretations of tax legislation. In some cases, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities together with late payment interest and penalties. In Romania tax periods remain open for tax for 5 years. The Company's management considers that the tax liabilities included in these financial statements are fairly stated, and they are not aware of any circumstances which may give rise to a potential material liability in this respect.

On February 29, 2016, the National Agency for Fiscal Administration - the General Directorate against Fiscal Fraud completed the control initiated on September 9, 2015, which had the purpose of checking the commercial transactions carried out by the Company in the period 2011 - 2015 with companies Eco Petroleum S.A. and Oil Prod S.R.L. The control authority proceeded to calculate the Company's tax liabilities jointly due to the state budget in relation to the payment of the excise duties on diesel (by attracting the joint liability) and ruled the imposition of precautionary measures for the amount of RON 1,436,176, representing a percentage of 100% of the equivalent amount of the calculated tax liabilities, amount that is seized at the Treasury.

Upon the request of the General Directorate against fiscal fraud the Company was subjected to a partial tax audit by the National Agency for Fiscal Administration (ANAF) aiming the VAT and excises (diesel, biodiesel and electricity) for the period 2011-2012; the tax audit was initiated on 17 March 2016 and completed on 16 March 2017. According to the preliminary tax audit report no. 292/15.03.2017 ANAF established additional payment obligations representing the VAT in amount of 273.425 RON, to which accessories are added. The company lodged partial objections to the preliminary inspection report,

On 17.11.2017 the Company received from ANAF - DGAMC Decision no. 112/15.11.2017 in response to the appeal filed by the Company, whereby the former ruled the annulment, in part, of the Taxation Decision regarding the main tax liabilities related to the differences of the bases of taxation established during the tax inspection for the amount of Lei 194,051, representing additional VAT, with the competent tax inspection authorities subsequently proceeding to a new check of the same period and the same type of tax taking into account the legal provisions applicable in the case in question.

Based on the Tax Audit Notice no. F-MC 16/11.01.2018 a control team visited the Company's registered office in order to re-check the VAT for the period 01.01.2011-31.12.2012. The re-verification action ended with the fiscal inspection process F-MC 60 / 04.04.2018 and the decision regarding the modification of the tax base no. F-MC 117/04.04.2018, through which no value added tax obligations have been established.

On 18.06.2019, Romanian Court of Accounts, in virtue of Mandate no. IV/40.420/June 18, 2016, initiated the "verification of the implementation of the measures ordered by Resolutions no. 14/June 15, 2012 and 16/May 11, 2015 ».

This action was completed by the «Follow-up report on the implementation of the measures ordered by Resolution no. 14/15.06.2012 (taken over by Resolution no. 14/15.04.2013) », registered with SNN under no. 7506/24.06.2019. The summary of this Report states that out of the 10 measures ordered by the aforementioned Resolution, 8 measures were implemented, and the 2 remaining ones, which were partially performed, are pending resolution in various courts.

Regarding Resolution no. 16 / May 11, 2015, the «Follow-up report on the implementation of the measures ordered by Resolution no. 16 / May 11, 2015» was drafted, registered with SNN under no. 7787/July 01, 2019. The summary of the Report shows that SNN implemented 11 measures out of the 13 ordered by the aforementioned Resolution. For the two measures that were partially ordered, SNN submitted objections with CCR under no. SNN 8302/July 12, 2019. This endeavor is ongoing.

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### ***(ii) Other check-ups***

In the period 10.01.2018-04.05.2018 the Romanian Court of Accounts carried out a control on the topic "Control regarding the situation, evolution and manner of administration of the public and private patrimony of the state, as well as the legality of the income earned and the expenses incurred", finalized by the Control Report no. 5.445 / 04.05.2018 and issued the Decision no.5 / 08.06.2018. The Company filed a complaint against this decision as a result of which the Commission for the settlement of the appeals issued the Decision no. 29 / 31.07.2018. Currently, the Company is in litigation with the Court of Accounts on the measures ordered by the aforementioned decision.

Between 27.03.2018-24.08.2018 the Prime Minister's Control Body carried out a control with the following objectives: verification of compliance with the legal provisions regarding the organization and functioning of the entity, of the managerial activity regarding the operation of Cernavoda Nuclear Power Plant units 1 and 2, verification of compliance with corporate governance rules, verification of compliance with legal provisions regarding the award, execution and performance of contracts, verification of compliance with legal provisions regarding the income set and earned, and regarding the engagement and incurring of expenses, the status of the litigations pending before the courts of law. This control was finalized with the Inspection report no.127 / 04.01.2019 to which the Company formulated a point of view with Letter no. 1465 / 02.05.2019.

On the basis of the FMC Tax Inspection Notice 163 / 23.07.2018, on 23.08.2018, a control team came to the Company's headquarters to audit the income tax for the period 2012-2017, the tax on the income earned by non-resident persons in Romania, the income from dividends received in Romania by non-residents and the income from royalties obtained in Romania by non-residents for the period 2015-2017, VAT for the period 2013-2017, tax on interest income obtained in Romania by non-resident persons for the period 2015-2017. We mention that at the date of this tax inspection, it is ongoing.

### ***(iii) Insurance policies***

As at June 30, 2019, the following operational insurance policies are in force:

- Property insurance policy for material damages, all risks, including mechanical and electrical destruction (for CNE Cernavoda Units 1 and 2 and FCN Pitesti). The compensation limit is subject to a maximum of USD 1.560 million per year for all losses.
- Third party liability insurance for nuclear damages. The compensation limit is DST 300 million (for CNE Cernavoda Units 1 and 2)
- Civil / professional liability insurance policy for SNN directors and officers ("D&O") for a liability limit (insured amount of EUR 33).

### ***(iv) Environmental issues***

The Company recorded no liability as at June 30, 2019 and December 31, 2018 for any anticipated costs relating to environmental issues, including legal and consulting fees, site studies, the design and implementation of remediation plans. The responsibility for decommissioning of nuclear installations was taken over by ANDR (see Note 19). The management considers that the nuclear plant fully complies with the Romanian and international environmental standards and estimates that additional costs associated with environmental compliance on June 30, 2019 are not significant.

However, enforcement of environmental regulations in Romania is evolving and their application by the government authorities is continuously being reconsidered. The Group periodically assesses its obligations under environmental regulations. The established obligations are acknowledged immediately. Potential liabilities, which might arise because of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be significant. In the current enforcement climate under existing legislation, the Group's management believes that there are no significant liabilities for environmental damage.

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### **(v) Ongoing litigations**

During 2019, the Group was involved in a number of legal proceedings arising during its normal course of business. The management of the Group regularly analyses the ongoing litigation sand, after consulting with its legal advisers and lawyers, decides whether to create a provision for the amounts involved or to present them in the financial statements.

In the opinion of the Group's management, there are no current legal actions or claims, which might have significant effects on the financial earnings and the financial position of the Group that has not been presented in these Financial Statements.

### **(vi) Commitments**

On June 30, 2019, the total amount of commitments is fully reflected under the position "*Trading and other liabilities*", representing capital and operating expenses.

### **(vii) Guarantees**

Trading of electricity produced on platforms operated by OPCOM, assume that for some transactions the Company must provide letters of guarantee for participation in certain markets such as DAM (Day After Market) and IM (Intra-day Market), auctions (PCSU–Centralized Market for Universal Service) or in favor of clients (PCCB-NC - Centralized Market for Bilateral Contracts with Continuous Negotiation, PCCB-LE - Centralized Market for Bilateral Contracts through Extended Auctions and PCSU - Centralized Market for Universal Service).

As at June 30, 2019, the total value of letters of bank guarantee issued in favor of customers for contracts concluded on PCCB-NC, PCCB-LE and PCSU amounts to RON 42.83 million, and in favor of clients for contracts concluded on the regulated markets in value of 20.01 RON, and in favor of OPCOM for the participation to DAM and IM amounted to RON 36.28 million.

Moreover, on June 30, 2019 the Company has established letters of guarantee issued in favor of Transelectrica S.A. and Ciga Energy S.A. amounting to RON 1.5 million, with the role of ensuring the liquidity on the Balancing Market, through the establishment by each of Party Responsible for Balancing of a financial guarantee in favor of Transelectrica S.A. and Ciga Energy S.A., respectively, on the account of the Convention of the Party Responsible for the Balancing concluded between the Company as license holder and Transelectrica S.A. and Ciga Energy S.A., respectively.

For all these letters of guarantee, the Company established collateral deposits at banks issuing the letters of guarantee.

On June 30, 2019 the Company has established a Treasury deposit in the amount of RON 1,436,176, standing for the liens according to the decision made by ANAF - General Directorate against tax fraud.

As at June 30, 2019, the value of the bank guarantee letters issued by clients in favor of the Company for the contracts concluded on PCCB-NC, PCCB-LE and PCSU is in amount of RON 236,2 million. These guarantees cover the risk of unfulfilling the contractual obligations assumed by the clients through the energy sale contracts.

## **24. SUBSEQUENT EVENTS**

No elements such as subsequent events were identified.

**Cosmin Ghita**  
**General Manager**

**Adrian Gabriel Dumitriu**  
**Financial Manager**

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