



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

### **Preliminary and Unaudited Individual Financial Statements as at and for the year ended on December 31, 2020**

Prepared in accordance with  
the Public Finance Minister's Order no. 2844/2016 on the approval  
of the accounting regulations compliant with the  
International Financial Reporting Standards adopted by the  
European Union

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

Preliminary individual statement of financial position on December 31, 2020

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

Note	December 31, 2020 (unaudited)	December 31, 2019 (audited, restated)	January 1, 2019 (audited, restated)	
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	5,794,727,840	6,056,697,319	6,364,461,135
Assets representing rights of use underlying assets under a leasing contract		621,233	-	-
Intangible assets		53,470,674	60,760,656	54,834,052
Financial assets at amortised cost	2c/5	5,056,031	42,836,031	110,474,559
Financial investments in subsidiaries	2c/6	141,666,101	141,666,101	141,666,101
<b>Total non-current assets</b>		<b>5,995,541,879</b>	<b>6,301,960,107</b>	<b>6,671,435,847</b>
<b>Current assets</b>				
Inventories	2c/7	435,434,531	402,936,159	368,742,400
Assets classified as held for sale	2c/8	2,231,633	2,231,633	-
Trade receivables	2c	157,943,751	169,994,236	157,665,341
Other financial assets at amortised cost	2c	85,367,796	81,706,755	36,230,570
Bank deposits	9	1,621,384,000	58,879,494	20,954,979
Cash and cash equivalents	9	546,565,840	1,793,145,389	1,611,175,766
<b>Total current assets</b>		<b>2,848,927,551</b>	<b>2,508,893,666</b>	<b>2,194,769,056</b>
<b>Total assets</b>		<b>8,844,469,430</b>	<b>8,810,853,773</b>	<b>8,866,204,903</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital, out of which:		3,211,941,683	3,210,641,253	3,210,641,253
<i>Subscribed and paid in share capital</i>		<i>3,016,438,940</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 premium		31,474,149	31,474,149	31,474,149
Prepaid share reserve		21,553,537	21,553,537	21,553,537
Revaluation reserve		198,799,898	227,996,066	257,407,532
Retained earnings		4,047,171,291	3,843,269,056	3,658,054,141
<b>Total shareholder's equity</b>	10	<b>7,510,940,558</b>	<b>7,334,934,061</b>	<b>7,179,130,612</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long term borrowings		290,478,567	499,908,597	683,967,469
Long term lease liabilities		515,074	-	-
Provisions for risks and expenses	11	235,409,546	213,470,997	182,883,283
Deferred revenues		86,067,969	100,412,631	114,757,293
Deferred tax liability		66,526,912	80,743,008	102,644,715
Employee benefit obligations		43,102,434	41,621,644	38,617,348
<b>Total non-current liabilities</b>		<b>722,100,502</b>	<b>936,156,877</b>	<b>1,122,870,108</b>
<b>Current liabilities</b>				
Trade and other payables		285,020,150	220,236,112	197,107,880
Short term lease liabilities		117,721	-	-
Current portion of provisions for risks and expenses	11	57,272,874	65,442,649	33,831,052
Current tax liability		40,794,089	13,329,182	98,958,158
Deferred revenues		16,228,454	27,863,600	30,913,233
Current portion of long term borrowings		211,995,082	212,891,292	203,393,860
<b>Total current liabilities</b>		<b>611,428,370</b>	<b>539,762,835</b>	<b>564,204,183</b>
<b>Total liabilities</b>		<b>1,333,528,872</b>	<b>1,475,919,712</b>	<b>1,687,074,291</b>
<b>Total equity and liabilities</b>		<b>8,844,469,430</b>	<b>8,810,853,773</b>	<b>8,866,204,903</b>

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

Preliminary individual financial statement of profit and loss and other comprehensive income for the year ended on December 31, 2020

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

	Note	2020 (unaudited)	2019 (audited)
<b>Revenues</b>			
Sales of electricity	12	2,432,279,475	2,365,563,574
Electricity transmission revenues		13,724,548	12,208,626
<b>Total revenues</b>		<b>2,446,004,023</b>	<b>2,377,772,200</b>
Other income		54,167,930	39,660,952
<b>Operational expenses</b>			
Depreciation and amortisation		(544,752,111)	(555,552,520)
Personnel expenses		(440,280,607)	(425,597,378)
Cost of traded electricity		(56,596,319)	(84,160,189)
Repairs and maintenance		(66,177,703)	(63,139,508)
Electricity transmission expenses		(13,724,548)	(12,208,626)
Cost of spare parts		(15,356,809)	(16,311,993)
Cost of nuclear fuel		(132,766,256)	(106,122,681)
Other operating expenses	13	(464,093,160)	(524,914,494)
<b>Total operating expenses</b>		<b>(1,733,747,513)</b>	<b>(1,788,007,389)</b>
<b>Operating profit</b>		<b>766,424,440</b>	<b>629,425,763</b>
Finance costs		(40,513,514)	(65,486,790)
Finance income		84,530,211	67,336,735
<b>Financial result</b>	14	<b>44,016,697</b>	<b>1,849,945</b>
<b>Profit before profit tax</b>		<b>810,441,137</b>	<b>631,275,708</b>
Net income tax expense		(125,731,788)	(95,608,444)
<b>Net profit</b>		<b>684,709,349</b>	<b>535,667,264</b>

The Preliminary and Unaudited Individual Financial Statements presented on page 1 to 13 were signed on February 24, 2021 by:

**Cosmin Ghita**  
Chief Executive Officer

**Paul Ichim**  
Chief Financial Officer

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

Preliminary individual financial statement of profit and loss and other comprehensive income for the year ended on December 31, 2020

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

	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Profit for the period</b>	<b>684,709,349</b>	<b>535,667,264</b>
<b>Comprehensive income</b>		
<b>Items that will not be reclassified in the profit and loss account</b>		
Revenue from revaluation of buildings and land	34,757,342	35,013,650
Deferred tax related to the revaluation reserve	(5,561,174)	(5,602,184)
Result carried forward from other adjustments	(6,042,733)	(324,104)
Actuarial (loss) on defined benefits plan	(5,539,153)	(625,400)
<b>Total comprehensive income</b>	<b>17,614,282</b>	<b>28,461,962</b>
<b>Total comprehensive income for the period</b>	<b>702,323,631</b>	<b>564,129,226</b>
<b>Earnings per share</b>		
Basic earnings per share (RON/share)	<b>2.27</b>	<b>1.78</b>
Diluted earnings per share (RON/share)	<b>2.27</b>	<b>1.78</b>

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

---

### **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 (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 (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 Romania, Bucharest Municipality, District 1, 65 Polona Street.

The company has as main scope of business 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). CANDU nuclear bundles are produced by the Company at FCN Pitesti branch.

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

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

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

The Preliminary and Unaudited Individual Financial Statements have been prepared based on the Public Finance Minister's Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards ("IFRS"), as further amended and supplemented ("OMFP no. 2844/2016"). As per the OMFP no. 2844/2016, the International Financial Reporting Standards represent the standards adopted in accordance with the procedure provided by the European Commission Regulation no. 1606/2002 of the European Parliament and of the Council dated on July 19, 2002 regarding the application of the international accounting standards.

**These Preliminary and Unaudited Individual Financial Statements have been drawn-up prior to the completion of all internal review and analysis procedures, as well as prior to the completion of the independent financial audit and, as such, may be subjected to changes; at the same time, these statements do not include the information required for a complete set of financial statements, as defined by IFRS.**

**These Financial Statements include only: Preliminary individual statement of financial position, Preliminary individual statement of profit or loss and other comprehensive income and Notes to the Preliminary and Unaudited Individual Financial Statements drawn up for the financial year ended on December 31, 2020.**

Preliminary and Unaudited Individual Financial Statements as of and for the financial year ended on December 31, 2020 have not been audited nor reviewed by the independent financial auditor of the Company - S.C. Mazars Romania S.R.L.

Preliminary and Unaudited Individual Financial Statements have been authorized for issue and signed on February 24, 2021 by the management of the Company.

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**2. BASIS OF PREPARATION (CONTINUED)****b) Use of estimates and professional judgments**

Preparing these Preliminary and Unaudited Individual 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.

**c) Presentation items**

As of December 31, 2020, the Company considered the reclassification (renaming or breaking-down) of certain indicators from the Statement of financial position, in order to comply with the submittal requirements requested by IFRS. This reclassification is not a result of modifications of accounting policies or corrections of errors according to IAS 8 - "Accounting policies, accounting estimate changes and errors".

This, the considered reclassifications are as follows:

1. The "Financial assets" indicator was renamed into "Financial assets at amortised cost".

	<b>December 31, 2019</b>	<b>Reclassification</b>	<b>December 31, 2019</b>
	<b>(audited)</b>		<b>(audited, restated)</b>
Financial assets	42,836,031	(42,836,031)	-
Financial assets at amortised cost	-	42,836,031	42,836,031
	<b>December 31, 2018</b>	<b>Reclassification</b>	<b>January 1, 2019</b>
	<b>(audited)</b>		<b>(audited, restated)</b>
Financial assets	110,474,559	(110,474,559)	-
Financial assets at amortised cost	-	110,474,559	110,474,559

2. The "Financial investments" indicator has been renamed into "Financial investments in subsidiaries".

	<b>December 31, 2019</b>	<b>Reclassification</b>	<b>December 31, 2019</b>
	<b>(audited)</b>		<b>(audited, restated)</b>
Financial investments	141,666,101	(141,666,101)	-
Financial investments in subsidiaries	-	141,666,101	141,666,101
	<b>December 31, 2018</b>	<b>Reclassification</b>	<b>January 1, 2019</b>
	<b>(audited)</b>		<b>(audited, restated)</b>
Financial investments	141,666,101	(141,666,101)	-
Financial investments in subsidiaries	-	141,666,101	141,666,101

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**2. BASIS OF PREPARATION (CONTINUED)**

3. The “Inventories” indicator has been broken down as follows:

	<b>December 31, 2019</b> <b>(audited)</b>	<b>Reclassification</b>	<b>December 31, 2019</b> <b>(audited, restated)</b>
Assets classified as held for sale	-	2,231,633	2,231,633
Inventories	405,167,792	(2,231,633)	402,936,159

4. The “Trade receivables and other receivables” and “Payments made in advance” indicators have been renamed and broken down as follows:

	<b>December 31, 2019</b> <b>(audited)</b>	<b>Reclassification</b>	<b>December 31, 2019</b> <b>(audited, restated)</b>
Trade receivables	-	169,994,236	169,994,236
Other financial assets at amortised cost	-	81,706,755	81,706,755
Trade receivables and other receivables	220,284,169	(220,284,169)	-
Payments made in advance	31,416,822	(31,416,822)	-

  

	<b>December 31, 2018</b> <b>(audited)</b>	<b>Reclassification</b>	<b>January 1, 2019</b> <b>(audited, restated)</b>
Trade receivables	-	157,665,341	157,665,341
Other financial assets at amortised cost	-	36,230,570	36,230,570
Trade receivables and other receivables	183,694,590	(183,694,590)	-
Payments made in advance	10,201,321	(10,201,321)	-

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these Preliminary and Unaudited Individual Financial Statements are the same as those applied in the Individual Financial Statements on the date and for the financial year that ended on December 31, 2019.

**4. PROPERTY, PLANT AND EQUIPMENT**

In accordance with the accounting policies in force applied by the Company, the land, buildings and constructions are stated at fair value.

Revaluations are made with sufficient regularity, in order to ensure that the book value does not significantly differ from what would have been determined using the fair value at the end of the reporting period; thus, the tangible assets highlighted at fair value were revalued on December 31, 2018 by an independent appraiser (Primoval S.R.L., member of the National Association of Romanian Authorized Valuers - ANEVAR). Prior to this revaluation, the lands and constructions were revalued on December 31, 2015, the special constructions were revalued on December 31, 2013, the administrative buildings on December 31, 2002, and the lands on December 31, 2009.

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

## S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

### 5. FINANCIAL ASSETS AT AMORTISED COST

On December 31, 2020, the Company records in the "Financial assets at amortised cost" its contribution as a member of the European Mutual Association of Civil Insurance and Reinsurance for Nuclear Damages ("ELINI"), the Romanian Stock Exchange ("BRM") and the Romanian Atomic Forum - Romatom ("ROMATOM").

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited, restated)</b>
Bank deposits due over 12 months*)	-	37,780,000
ELINI contribution	5,032,931	5,032,931
BRM contribution	23,000	23,000
ROMATOM contribution	100	100
<b>Total</b>	<b>5,056,031</b>	<b>42,836,031</b>

\*) On December 31, 2019, the letters of bank guarantee for which collateral bank deposits have been set up, whose maturity is longer than 12 months, are set up in favor of OPCOM, Transelectrica and CIGA Energy.

### 6. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As of December 31, 2020, the Company records in the "Financial investments in subsidiaries" position its investment in subsidiary - Energonuclear S.A. ("Energonuclear"), a company with the main office in Bucharest, District 2, no. 5-7, Vasile Lascar Street, 3 Floor, and is recorded in the Trade Register under number J40/3999/25.03.2009, sole registration number 25344972 and fiscal attribute RO. The main business of Energonuclear consists in "Engineering activities and technical consultancy related to it" – NACE Code 7112. As at December 31, 2020 and December 31, 2019, the Company owns 100% of the share capital of Energonuclear. The value of the interest on December 31, 2020 and December 31, 2019 amounts to RON 141,666,101.

### 7. INVENTORIES

As at December 31, 2020 and December 31, 2019, the inventories are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited, restated)</b>
Spare parts	142,358,860	135,934,178
Consumables and other materials	48,231,895	48,185,789
Nuclear fuel	193,639,358	158,829,051
Uranium	39,292,794	55,554,976
Other inventories	11,911,624	4,432,165
<b>Total</b>	<b>435,434,531</b>	<b>402,936,159</b>

Raw materials, spare parts and other inventory are recognized on expenses when consumed. The value of inventory recognized as the expenditure in 2020 can be found under the headings "Expenses with spare parts" and "Cost of nuclear fuel" in the profit and loss account and other elements of the comprehensive income.

The Company periodically analyzes the evolution of inventories, and sets up in due time impairment adjustments for the inventories considered as impaired. Consequently, for decommissioned inventories, the Company has set up impairment adjustments, which it restated as revenues when it decommissioned them. The value of the inventory impairment adjustments as of December 31, 2020 is RON 51,834,621 (December 31, 2019: RON 52,788,117). In 2020, the Company recorded inventory impairment adjustment expenses in value of RON 815,027 (2019: RON 555,693) and restated as revenues inventory impairment adjustments of RON 2,057,761 (2019: RON 1,812,090). In 2020, the Company did not record decommissioned inventory restatements. As of December 31, 2020, the Company does not record pledged or mortgaged inventories.

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.



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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**8. ASSETS CLASSIFIED AS HELD FOR SALE**

	<b>December 31, 2020</b> <b>(unaudited)</b>	<b>December 31, 2019</b> <b>(audited, restated)</b>
Land	120,740	120,740
Constructions	1,823,567	1,823,567
Fittings and plants	287,326	287,326
<b>Total</b>	<b>2,231,633</b>	<b>2,231,633</b>

In 2019, by Resolution of the Ordinary General Assembly of Shareholders no. 5/23.04.2019, the Company approved the sale of the asset “Hostel for single people”, owned by the Company, located in Constanta County, Cernavoda City, no. 14, Salciei Street, composed of: building, related land, installations for connecting to the district heating network, parking lot fittings, sports field and green areas.

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

On December 31, 2020 and December 31, 2019, the cash and cash equivalents are as follows:

	<b>December 31, 2020</b> <b>(unaudited)</b>	<b>December 31, 2019</b> <b>(audited)</b>
Bank deposits shorter than 3 months	425,556,000	1,604,778,300
Cash at bank in RON	119,176,581	162,296,965
Cash at bank in foreign currency	1,741,506	25,937,012
Cash on hand	91,753	133,112
<b>Total cash and cash equivalents</b>	<b>546,565,840</b>	<b>1,793,145,389</b>

On December 31, 2020 and December 31, 2019, the bank deposits with original maturities longer than 3 months and shorter than one year are as follows:

	<b>December 31, 2020</b> <b>(unaudited)</b>	<b>December 31, 2019</b> <b>(audited)</b>
Bank deposits	1,621,384,000	58,879,494
<b>Total bank deposits</b>	<b>1,621,384,000</b>	<b>58,879,494</b>

Bank deposits are permanently at the disposal of the Company and are not restricted or encumbered by charges.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**10. EQUITY****Share capital**

The Company was established through separation from the former Autonomous Electricity Administration (“RENEL”). The share capital represents the State’s contribution to the establishment of the Company on June 30, 1998 (restated with inflation up to December 31, 2003) plus subsequent increases.

As at December 31, 2020 and December 31, 2019, 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 structure of the share capital is as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Subscribed and paid in share capital (nominal value)	3,016,438,940	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>3,211,941,683</b>	<b>3,210,641,253</b>

As at December 31, 2020 the value of the statutory subscribed and paid-off share capital amounts to RON 3,016,438,940, consisting of 301,643,894 ordinary shares, each with a nominal value of RON 10.

The last share capital increase took place in 2020 by subscribing 130,043 new shares, in value of RON 1,300,430, representing the in-kind contribution of the Romanian State, represented by the Ministry of Economy, Energy and Business Environment, and the cash contribution of the Company shareholders. The share capital increase was performed according to the Proportional Offer Prospectus related to share capital increases, approved by Resolution of the Financial Supervision Authority no. 976/13.08.2020 and Resolutions no. 2/04.01.2019 and no. 12/19.12.2019 of the Extraordinary General Assembly of Shareholders, registered with the Trade Register National Office according to Mention Certificate no. 484154/30.09.2020.

The holders of ordinary shares are entitled to receive dividends, as they are reported from time to time, and one vote per share at the General Meetings of Shareholders.

The shareholding structure as of December 31, 2020 and December 31, 2019 is as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of the share capital</b>	<b>Number of shares</b>	<b>% of the share capital</b>
	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
Romanian State - Ministry of Energy*)	248,850,476	82.4981%	248,736,619	82.4959%
Fondul Proprietatea S.A.	-	-	21,268,355	7.0539%
Other shareholders	52,793,418	17.5019%	31,508,877	10.4502%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>	<b>301,513,851</b>	<b>100%</b>

\*) Starting with February 11, 2020, the shares held by the Romanian State via the Ministry of Energy are transferred to the Romanian State via the Ministry of Economy, Energy and Business Environment, as a result of the implementation of the provisions of the Government Emergency Ordinance no. 68/ November 06, 2019.

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**10. EQUITY (CONTINUED)****Share premium**

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.

**Reserve paid in advance**

The prepaid reserve amounts to RON 21,553,537 as at December 31, 2020 and December 31, 2019 and represent objectives of public utility at Cernavodă NPP branch (RON 5,439,321 as at December 31, 2020 and December 31, 2019), budgetary allocations for the period 2007-2011 for the construction of the Training and Recreation Center for Youth and Children in Cernavodă (RON 16,114,216 as at December 31, 2020 and December 31, 2019).

**Revaluation reserve**

As at December 31, 2020, the revaluation reserve amounts to RON 198,799,898 (December 31, 2019: RON 227,996,066), net of deferred tax related to the revaluation reserve.

The Company admitted to a decrease of the revaluation reserve, net of deferred tax, amounting to RON 29,196,168 due to the carry forward of this amount to the retained earnings (2019: RON 29,411,466).

**Retained earnings**

During the financial year that ended on December 31, 2020, the Company distributed dividends in amount of RON 498,421,396 from the net profit of financial year 2019, according to the Resolution of the Ordinary General Assembly of Shareholders no. 5/27.04.2020 (2019: RON 378,914,310, distributed from the net profit of financial year 2018, according to the Resolution of the Ordinary General Assembly of Shareholders no. 5 /23.04.2019). Unpaid net dividends as at December 31, 2020 amounted to RON 800,583 (December 31, 2019: RON 655,353).

**11. PROVISIONS FOR RISKS AND EXPENSES**

On December 31, 2020 and December 31, 2019, respectively, the Company confirmed the following provisions, included under the position "Provisions for risks and expense" and the position "Current share of provisions for risks and expenses":

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	70,262,388	69,361,429
Obligations regarding the low and medium radioactive and non-radioactive waste	103,884,325	97,050,892
Salary increase litigation provision	97,209,259	87,801,325
Employees' participation to the profit	21,326,448	18,700,000
Provisions for litigations	-	6,000,000
<b>Total</b>	<b>292,682,420</b>	<b>278,913,646</b>

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**11. PROVISIONS FOR RISKS AND EXPENSES (CONTINUED)**

On December 31, 2020, the provisions in total amount of RON 292,682,420 represent short – term and long - term liabilities, as follows:

	<b>Short - term portion ( &lt; 1 year )</b>	<b>Long term portion ( &gt; 1 year )</b>
Obligations regarding the Intermediary Used Fuel Storage (DICA)	26,596,716	43,665,672
Obligations regarding the low and medium radioactive and non-radioactive waste	9,349,710	94,534,615
Salary increase litigation provision	-	97,209,259
Employees' participation to the profit	21,326,448	-
<b>Total</b>	<b>57,272,874</b>	<b>235,409,546</b>

“Salary increase litigation provision” position represents the forecast of the effects of litigations initiated by Unions against the Company, CNE Cernavoda Union and Sindicatul Liber Energetica Nucleara '90 Union, with regard to the allowance for nuclear risk, as a salary increase.

**12. SALES OF ELECTRICITY**

	<b>2020 (unaudited)</b>	<b>2019 (audited)</b>
<b>Revenues from electricity sales</b>		
Sales of electricity on regulated market	404,796,955	259,323,436
Sales of electricity on free market	2,021,681,916	2,099,883,595
Sales of thermal energy	5,773,558	6,329,627
Revenues from green certificates	27,046	26,916
<b>Total</b>	<b>2,432,279,475</b>	<b>2,365,563,574</b>
<b>The amount of energy sold</b>		
Quantity of electricity sold on regulated market (MWh)	2,181,607	1,376,963
Quantity of electricity sold on free market (MWh)	8,589,781	9,245,123
<b>Total</b>	<b>10,771,388</b>	<b>10,622,086</b>

The Company is a participant in the balancing market, according to the agreement of participation in the balancing market concluded with C.N. Transelectrica S.A. and set up a security in the amount of RON 50,000, valid until June 22, 2021 and is a member of PRE Ciga Energy SA, in virtue of the contract concluded with Ciga Energy S.A. for providing the representation service as a party in charge of balancing (PRE), in reference to which it set up securities amounting to RON 1,450,000, valid until December 20, 2021.

The presented quantity of energy does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting to 33,757 MWh for the fiscal year that ended on December 31, 2020 (30,137 MWh for the year that ended on December 31, 2019).

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

**13. OTHER OPERATING EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Expenses with third parties services	87,501,426	89,758,160
Expenses with ANDR	102,246,544	98,249,692
Energy and water expenses	80,009,660	79,490,421
Fuel and other consumables expenses	50,103,743	42,147,140
Expenses with ANRE contribution	9,195,138	42,501,390
Costs of insurance premiums	12,530,425	12,701,686
Transport and telecommunication expenses	7,271,177	8,727,006
Tax on buildings expenses	63,230,788	55,838,095
Expenses related to provisions and impairments, net	5,236,830	55,123,571
Other operating expenses	46,767,429	40,377,333
<b>Total</b>	<b>464,093,160</b>	<b>524,914,494</b>

**Expenses with ANDR**

Starting with 2007, following the Government Decision no. 1080/05.09.2007 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 net electricity generated and delivered in the system;
- contribution for the permanent storage of radioactive waste of 1.4 EUR/MWh of net 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.

**14. FINANCE COSTS AND INCOME**

	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Interest income	58,507,005	54,618,436
Foreign exchange gains	26,019,088	12,717,011
Income from dividends	3,764	1,288
Other financial revenues	354	-
<b>Total financial revenues</b>	<b>84,530,211</b>	<b>67,336,735</b>
Foreign exchange losses	(27,270,721)	(49,088,767)
Interest related expenses	(13,242,793)	(16,398,023)
<b>Total financial expenses</b>	<b>(40,513,514)</b>	<b>(65,486,790)</b>
<b>Net financial revenues</b>	<b>44,016,697</b>	<b>1,849,945</b>

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.

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

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2020

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

---

**15. SUBSEQUENT EVENTS****Changes in the management of the Company - Board of Directors**

By Resolution no. 1/27.01.2021 of the Ordinary General Assembly of Shareholders ("OGAS"), the following were approved:

1. Dismissing Mr. Iulian Robert Tudorache from the position of member of the Board of Directors, as he waived his mandate (section 4 of the agenda of the Ordinary General Assembly of Shareholders of January 27, 2021).
2. Dismissing Mr. Cristian Gentea from the from the position of member of the Board of Directors, as a result of the termination of his legal rights to hold this position, because of a case of incompatibility, namely being appointed in a position within the public administration (section 5 of the agenda of the Ordinary General Assembly of Shareholders of January 27, 2021).
3. Approving the initiation of the procedure of selecting two members in the Board of Directors of SNN, according to the provisions of Government Emergency Ordinance no. 109/2011 on the corporate governance of public entities, as further amended and supplemented (section 6 of the agenda of the Ordinary General Assembly of Shareholders of January 27, 2021)
4. Approving the mandating of the Board of Directors of SNN for the implementation of the procedure for selecting a member of the Board of Directors (section 7 of the agenda of the Ordinary General Assembly of Shareholders of January 27, 2021).

**Partnership between S.N. Nuclearelectrica S.A. and US - TDA**

By the current report published on January 13, 2021, SNN informed its shareholders and investors on the granting by US - TDA of a non-reimbursable grant of USD 1,277,115, in order to finance the costs for providing technical support for identifying and performing a preliminary assessment of potential nuclear locations compatible with small modular reactor ("SMR") technologies in Romania, and drafting a roadmap for licensing them.

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

By Resolution no. 2/27.01.2021 of the Extraordinary General Assembly of Shareholders, the amendment of the Articles of Incorporation of SNN, according to the report submitted to the shareholders for this item on the agenda (item 2 of the agenda of the Extraordinary General Assembly of Shareholders of January 27, 2021), was approved.

**Subsidiary incorporation**

Resolution no. 2/27.01.2021 of the Extraordinary General Assembly of Shareholders ("EGAS") approved the following activities for incorporating a new subsidiary:

1. Approving the incorporation of a subsidiary, fully owned by the Company, as a sole shareholder, according to the report submitted to the shareholders for this item of the agenda (item 3 of the agenda of the Extraordinary General Assembly of Shareholders of January 27, 2021). The scope of activity of the branch shall include "treating and removing hazardous waste, collecting hazardous waste and decontamination activities".
2. Approving the mandating of the Board of Directors of SNN to fulfill all the formalities for incorporating the new subsidiary (item 4 of the agenda of the Extraordinary General Assembly of Shareholders of January 27, 2021).

**Cosmin Ghita**  
Chief Executive Officer

**Paul Ichim**  
Chief Financial Officer

Notes 1 – 15 are an integral part of these Preliminary and Unaudited Individual Financial Statements.