



S.N. Nuclearelectrica S.A.

**Individual Interim Financial Statements
as of and for the three-month period ended on
March 31, 2021**

Prepared in compliance with
Order of the Ministry of Public Finance No. 2.844/2016 on the approval
of Accounting Regulations compliant with the
the International Financial Reporting Standards adopted by the
European Union (IFRS - EU), in virtue of International Accounting Standard
34 - "Interim Financial Reporting" adopted by the European Union

S.N. Nuclearelectrica S.A.
Individual Interim Financial Position as of March 31, 2021
(All amounts are denominated in RON, unless otherwise indicated.)

	Note	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Assets			
Non-current assets			
Tangible assets	4	5,706,506,477	5,794,727,840
Assets representing rights to use underlying assets under a leasing contract	5	576,290	621,233
Intangible assets		51,026,828	53,470,674
Financial assets valued at amortized cost	6	5,306,031	5,056,031
Financial investments in subsidiaries	7	141,666,101	141,666,101
Total non-current assets		5,905,081,727	5,995,541,879
Current assets			
Inventories	8	460,185,385	435,434,531
Non-current assets held for sale	9	2,231,633	2,231,633
Trade receivables	10	190,556,330	157,943,751
Other assets valued at amortized cost	11	105,680,938	85,367,796
Bank deposits	12	1,620,860,000	1,621,384,000
Cash and cash equivalents	12	692,057,404	546,565,840
Total current assets		3,071,571,690	2,848,927,551
Total assets		8,976,653,417	8,844,469,430
Equity and liabilities			
Equity			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Subscribed and paid in share capital</i>		3,016,438,940	3,016,438,940
<i>Inflation adjustments to the share capital</i>		195,502,743	195,502,743
Share premiums		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		191,670,602	198,799,898
Retained earnings		4,297,529,802	4,055,915,983
Total equity		7,754,169,773	7,519,685,250
Liabilities			
Long-term liabilities			
Long-term loans	13	262,498,543	290,478,567
Debts from long-term leasing contracts	5	479,530	515,074
Provisions for risks and expenses	16	234,449,165	235,409,546
Deferred revenues		82,481,804	86,067,969
Deferred tax liability		64,398,892	66,526,912
Obligations concerning employee benefits	14	43,102,434	43,102,434
Total long-term liabilities		687,410,368	722,100,502
Current liabilities			
Trade payables and other liabilities	15	174,694,649	285,020,150
Debts from short-term leasing contracts	5	105,565	117,721
The current share of provisions for risks and expenses	16	76,131,943	57,272,874
Corporate tax due		47,921,199	32,049,397
Deferred revenues		17,474,771	16,228,454
Current share of long-term loans	13	218,745,149	211,995,082
Total current liabilities		535,073,276	602,683,678
Total liabilities		1,222,483,644	1,324,784,180
Total equity and liabilities		8,976,653,417	8,844,469,430

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S.N. Nuclearelectrica S.A.

Interim Individual Profit and Loss Account for the three-month period ended on March 31, 2021

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

	Note	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Income			
Income from electricity sales	17	683,543,999	625,536,109
Electricity transmission income		3,456,655	3,701,193
Total income		687,000,654	629,237,302
Other income		17,468,277	7,555,502
Operating expenses			
Depreciation and amortization		(137,092,810)	(137,612,695)
Personnel expenses	18	(95,010,488)	(113,271,055)
Cost of purchased electricity		(23,836,037)	(2,015,032)
Repairs and maintenance		(15,099,993)	(12,363,688)
Electricity transmission expenses		(3,456,655)	(3,701,193)
Cost with spare parts		(2,653,995)	(2,553,439)
Cost of nuclear fuel		(39,168,267)	(31,350,473)
Other operating expenses	19	(105,449,530)	(91,359,151)
Total operating expenses		(421,767,775)	(394,226,726)
Operating profit		282,701,156	242,566,078
Financial expenses		(15,709,439)	(9,584,079)
Financial revenues		15,267,399	26,452,489
Net financial income/(expense)	20	(442,040)	16,868,410
Profit before income tax		282,259,116	259,434,488
Net income tax expense	21	(47,794,374)	(44,382,546)
Profit for the period		234,464,742	215,051,942

The Individual Interim Financial Statements presented on page 1 to 29 were signed on May 11, 2021 by:

Chief Executive Officer**Cosmin Ghita****Chief Financial Officer****Paul Ichim**

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Interim Individual Profit and Loss Account for the three-month period ended on March 31, 2021

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

	Note	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Profit for the period		234,464,742	215,051,942
Other items of the comprehensive income			
Items that cannot be reclassified in profit or loss			
Revenue from revaluation of buildings and land, net		8,487,257	8,665,427
Deferred tax related to the revaluation reserve		(1,357,961)	(1,386,468)
Result carried forward from other adjustments		19,781	-
Total other items of the comprehensive income		7,149,077	7,278,959
Total aggregate comprehensive earnings for the period		241,613,819	222,330,901
Earnings per share			
Basic earnings per share (RON/share)	22	0.78	0.71
Diluted earnings per share (RON/share)	22	0.78	0.71

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S.N. Nuclearelectrica S.A.

Interim Individual Statement of Changes in Equity for the three-month period ended on March 31, 2021

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

	Share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as of January 1, 2021 (audited)	3,211,941,683	31,474,149	21,553,537	198,799,898	4,055,915,983	7,519,685,250
Comprehensive income						
<i>Profit for the period</i>	-	-	-	-	234,464,742	234,464,742
<i>Other items of the comprehensive income</i>	-	-	-	-	-	-
Transfer of the revaluation reserve to the result carried forward	-	-	-	(7,129,296)	7,129,296	-
Result carried forward from other adjustments					19,781	19,781
Total aggregate comprehensive earnings for the period	-	-	-	(7,129,296)	241,613,819	234,484,523
Transactions with the shareholders, recognized only in equity						
Distributed dividends	-	-	-	-	-	-
Total transactions with the shareholders, recognized only in equity	-	-	-	-	-	-
Balance as of March 31, 2021 (unaudited)	3,211,941,683	31,474,149	21,553,537	191,670,602	4,297,529,802	7,754,169,773

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S.N. Nuclearelectrica S.A.

Interim Individual Statement of Changes in Equity for the three-month period ended on March 31, 2020

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

	Share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as of January 1, 2020 (audited)	3,210,641,253	31,474,149	21,553,537	227,996,066	3,843,269,056	7,334,934,061
Comprehensive income						
<i>Profit for the period</i>	-	-	-	-	<i>215,051,942</i>	<i>215,051,942</i>
<i>Other items of the comprehensive income</i>	-	-	-	-	-	-
Transfer of the revaluation reserve to the result carried forward	-	-	-	(7,278,959)	7,278,959	-
Total aggregate comprehensive earnings for the period	-	-	-	(7,278,959)	222,330,901	215,051,942
Transactions with the shareholders, recognized only in equity						
Distributed dividends	-	-	-	-	-	-
Total transactions with the shareholders, recognized only in equity	-	-	-	-	-	-
Balance as of March 31, 2020 (unaudited)	3,210,641,253	31,474,149	21,553,537	220,717,107	4,065,599,957	7,549,986,003

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S.N. Nuclearelectrica S.A.

Interim Individual Cash Flow Statement for the three-month period ended on March 31, 2021

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

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Cash flows from operating activities		
Profit before income tax	282,259,116	259,434,488
Adjustments for:		
Impairment and depreciation	137,092,810	137,612,695
Impairment on trade receivables	(955)	(555)
Value adjustments on inventory	(134,226)	(237,330)
Provisions corresponding to operating liabilities, risks and expenses	14,577,460	9,909,094
Earnings/(Losses) from asset assignment	2,133,539	(3,837)
Net financial (expenses)/revenues	244,807	(17,102,575)
Changes in:		
(Increase) / Decrease in trade receivables	(32,598,980)	57,806,503
(Increase) / Decrease in other financial assets valued at amortized cost	(12,200,979)	(14,220,199)
(Increase) / Decrease in inventory	(24,616,628)	4,679,631
(Decrease) in deferred income	(2,339,848)	(4,244,713)
(Decrease) in trade payables and other liabilities	(83,493,133)	(73,133,266)
Cash flows generated from operating activities	280,922,983	360,499,936
Corporate tax paid	(34,050,592)	(15,893,652)
Interest collected	5,386,337	13,898,632
Interest paid	(72,965)	(576,290)
Net cash flow from operating activities	252,185,763	357,928,626
Cash flows from investing activities		
Purchase of intangible assets	(2,728)	(1,990,327)
Purchases of tangible assets	(72,290,599)	(21,209,607)
Proceeds from sale of tangible assets	4,160	3,837
(Increase)/Decrease in bank deposits and financial assets valued at amortized cost	524,000	94,159,494
Purchases of other financial assets	(250,000)	-
Net cash flow corresponding to investment activities	(72,015,167)	70,963,397
Cash flow corresponding to financing activities		
Loan repayments	(34,583,030)	(33,930,090)
Dividend payments	(24,934)	-
Payments related to leasing contract debt, including interest	(71,068)	-
Net cash flow corresponding to financing activities	(34,679,032)	(33,930,090)
Net increase in cash and cash equivalents	145,491,564	394,961,933
Cash and cash equivalents as of January 1 (see Note 12)	546,565,840	1,793,145,389
Cash and cash equivalents as of March 31 (see Note 12)	692,057,404	2,188,107,322

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

1. REPORTING ENTITY

National Company Nuclearelectrica S.A. (the "Company" or "SNN") is a national joint-stock company, with a one-tier management system, having a Head Office and two branches without legal status, Cernavoda NPP (Nuclear Power Plant) – with the registered office in Constanta County, Cernavoda Town, 2 Medgidiei Street, registered with the Trade Register under number J13/3442/2007, and Pitesti NFP (Nuclear Fuel Plant) - with the registered office in Arges County, Mioveni Town, 1 Campului Street, registered with the Trade Register under number J03/457/1998, respectively. The address of the registered office is Municipality of Bucharest, District 1, 65 Polona Street.

The Company has as main scope of business "Electricity production" - NACE code 3511 and it is registered with the Trade Register under number J40/7403/1998, sole registration code 10874881, fiscal attribute RO.

The main activity of the Company consists in electricity and thermal energy production by nuclear processes. The main place of business is within the Cernavoda NPP Branch, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two operational nuclear reactors are based on the CANDU technology (Canada Deuterium Uranium type PHWR).

In Cernavoda, the Company owns two other nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The project for the Increase of the Production Capacity is planned to be completed by the subsidiary Energonuclear SA (for further details, see Note 9). Resolution No. 8/June 12, 2020 of the Extraordinary General Meeting of Shareholders ("EGMS") approved the following: (i) Repealing of the "Strategy for the continuation of the project for Units 3 and 4 of Cernavoda NPP by the organization of an investor selection procedure" (2014) as well as the "Revised Strategy for the continuation of the project for Units 3 and 4 of Cernavoda NPP by the organization of an investor selection procedure" (2018) (section 2 of the EGMS agenda of June 12, 2020), (ii) Empowering the Board of Directors of SNN to initiate procedures/steps/actions concerning the termination of negotiations with CGN, as well as the cessation of legal effects (by the agreement of the parties, termination etc.) of the following documents: "Memorandum of Understanding on the development, construction, operation and decommissioning of Units 3 and 4 of Cernavoda NPP (MoU)" and "Investor Agreement in preliminary form", respectively (point 3 of the EGMS agenda of June 12, 2020) and (iii) Empowering the SNN Board of Directors to initiate the steps for the analysis and crystallization of the strategic options for the construction of new nuclear power generation capacities (point 4 of the EGMS agenda of June 12, 2020). By Resolution of the Prime Minister of Romania No. 281/July 14, 2020, published in the Official Gazette of Romania, Part I, No. 618/July 14, 2020, the Strategic Coordination Committee for the Implementation of the Project for Cernavoda NPP Units 3 and 4 was set up. On October 9, 2020 the Agreement between the Government of Romania and the Government of the United States of America was signed on the cooperation related to the nuclear-energy projects in Cernavoda and in the civil nuclear energy sector in Romania. The signing stage mainly aims, among others, for the extension of the capacity of Cernavoda NPP nuclear power plant.

The Company also owns a reactor (Unit 5) for which the Company shareholders approved the change of the initial destination already in March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. At the beginning of 2020, the Atomic Energy International Agency ("AIEA") conducted a benchmark assessment of the design requirements for the investment objective Location Emergency Control Center (CCUA) - Unit 5 and an assessment of the technical requirements for the qualification of equipment to hazards (especially seismic qualification). The presentations held by international AIEA experts within the benchmarking highlighted a new qualification method/strategy, i.e., proving the seismic margin by using seismic experience as an alternative method for the qualification of critical systems in the Emergency Situations Facilities Building (CFSU). In June 2020, CNCAN expressed its agreement for using the seismic experience as an alternative method for demonstrating the seismic qualification of critical equipment, and in July 2020 the seismic qualification guide and the list of seismically qualified systems/equipment for the CFSU were updated. In the context of the foregoing, a revised timetable for the relaunch strategy was drawn up, indicating the accomplishment of this goal in June 2022.

Notes from 1 - 24 are an integral part of these individual financial statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

1. REPORTING ENTITY (CONTINUED)

The manufacturing of CANDU-type nuclear fuel bundles required for operating the two operational nuclear reactors located in the Cernavoda NPP Branch is done by the Company within the Pitesti NFF Branch.

The Romanian energy sector is regulated by the National Energy Regulatory Authority (“ANRE”), an autonomous public institution. Starting with 2021 the Romanian electricity market has been liberalized, with the Company participating during the first three months of 2021 only in the competitive segment. In 2020, the Company participated both in the competitive segment, and in the regulated market segment, where ANRE has set, by means of yearly/half-yearly decision, the quantities of electricity that need to be sold by the Company on the regulated market and the regulated price to be charged, respectively (for further information, see Note 17).

As of March 31, 2021 the shareholders of the Company are: The Romanian State by the Ministry of Economy, Energy and Business Environment, holding 248,850,476 shares, representing 82.4981% of the share capital, and other shareholders, individuals and legal entities, holding together 52,793,418 shares, representing 17.5019% of the share capital.

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

2. BASIS OF PREPARATION

a) Declaration of Conformity

The Individual Interim Financial Statements as of and for the three-month period ended on March 31, 2021 have been prepared in compliance with Order of the Ministry of Public Finance No. 2.844/2016 on the approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”), as further amended (“OMFP 2.844/2016”). Within the meaning of OMPF 2.844/2016, the International Financial Reporting Standards are those adopted pursuant to the procedure stipulated by European Commission Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (“IFRS adopted by the European Union”).

The Individual Interim Financial Statements as of and for the three-month period ended on March 31, 2021 are not audited and have not been reviewed by an independent auditor.

These Individual Interim Financial Statements were authorized for issue and signed on May 11, 2021 by the Company's management.

b) Business Continuity

These Individual Interim Financial Statements were drafted based on the going concern principle, which assumes that the Company will continue doing business, without a significant reduction thereof, in the foreseeable future as well.

c) Presentation of Financial Statements

These Individual Interim Financial Statements were drafted according to IAS 34 *Interim Financial Reporting*, as adopted by the European Union. These do not include all necessary information for a complete set of financial statements according to the International Financial Reporting Standards (“IFRS”) and should be read together with the individual annual financial statements of the Company, drafted on December 31, 2020. Nevertheless, certain selected explanatory notes are included in order to explain the events and transactions that are significant for understanding the changes occurred in the financial position and performance of the Company from the latest Individual Financial Statements prepared as of and for the financial year ended on December 31, 2020.

Notes from 1 - 24 are an integral part of these individual financial statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

2. BASIS OF PREPARATION (CONTINUED)

d) Basis of Assessment

The Individual Interim Financial Statements have been prepared at historical cost, except for some categories of property, plant and equipment which are measured at fair value, as shown in the accounting policies applied to the Individual Financial Statements as of and for the financial year ended on December 31, 2020. Other financial assets and liabilities, as well as non-financial assets and liabilities, are presented at amortized cost, revalued value or historical cost.

e) Functional and Presentation Currency

The Individual Interim Financial Statements are presented in Romanian LEI ("RON" or "LEU"), which is also the functional currency of the Company. All financial information is presented in RON, unless otherwise indicated.

f) Use of Estimates and Professional Judgments

The preparation of the Individual Interim Financial Statements according to the IFRS adopted by the European Union entails the use by the management of estimates, judgments and assumptions with impact on the application of accounting policies, as well as on the reported value of assets, liabilities, revenues and expenses. The judgments and assumptions associated with these estimates are based on historical experience, as well as other factors deemed reasonable in the context of these estimates. The results of these estimates form the basis of the judgments on the book values of assets and liabilities that cannot be obtained from other sources of information. The results obtained may be different from the value of the estimates. The judgments and underlying assumptions are reviewed on a regular basis. The reviews of accounting estimates are recognized in the period in which the estimates have been reviewed and in future periods, if the review affects both the current period and future periods.

The significant judgements used by the management for applying the accounting policies of the Company and the main sources of uncertainty regarding the estimates have been the same as applied to the Individual Financial Statements as of and for the financial year ended on December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these Individual Interim Financial Statements are the same as those applied in the individual financial statements of the Company as of and for the financial year ended on December 31, 2020.

Impact of Accounting Standards Required to be Applied in Future Periods

There are a number of standards and interpretations that have been issued by the International Accounting Standards Committee, which are valid for the periods starting after December 31, 2021 which the Company has decided not to adopt in advance. The Company does not consider that these standards and interpretations will have a significant impact on the financial statements adopted.

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

	<u>Land</u>	<u>Nuclear power plants</u>	<u>Machinery, equipment and other assets</u>	<u>Non-current assets in progress</u>	<u>TOTAL</u>
Cost					
Balance as of January 1, 2020 (audited, restated)	32,181,659	5,338,285,801	1,072,326,466	945,459,145	7,388,253,071
Entries	-	13,446,230	14,476,884	243,823,194	271,746,308
Transfers	-	98,783,914	13,877,261	(112,661,174)	-
Transfer to intangible assets	-	-	-	(59,130)	(59,130)
Transfer from inventories	-	-	-	(1,397,605)	(1,397,605)
Transfer from spare parts reclassified	-	-	10,720,889	(10,720,889)	-
Derecognition of U1 inspections	-	(60,300,259)	-	-	(60,300,259)
Heavy water derecognition	-	(1,766,443)	-	-	(1,766,443)
Disposals	(56,678)	-	(1,335,463)	(6,245)	(1,398,386)
Balance as of December 31, 2020 (audited)	32,124,981	5,388,449,243	1,110,066,036	1,064,437,295	7,595,077,555
Balance as of January 1, 2021 (audited)	32,124,981	5,388,449,243	1,110,066,036	1,064,437,295	7,595,077,555
Entries	-	-	3,969,699	44,680,412	48,650,110
Transfers	-	32,161,236	2,251,671	(34,412,908)	-
Inventory transfer	-	-	-	(142,046)	(142,046)
Transfer from spare parts reclassified	-	-	1,781,038	(1,781,038)	-
Derecognition of U1 inspections	-	(16,789,310)	-	-	(16,789,310)
Heavy water derecognition	-	(358,974)	-	-	(358,974)
Disposals	-	-	(769,498)	-	(769,498)
Balance as of March 31, 2021 (unaudited)	32,124,981	5,403,462,195	1,117,298,946	1,072,781,714	7,625,667,836
Depreciation and impairment adjustments					
Balance as of January 1, 2020 (audited, restated)	550,782	671,877,780	499,431,025	159,969,165	1,331,555,752
Depreciation charges	-	447,437,604	75,293,407	-	522,731,011
Accumulated amortization for U1 inspections	-	(60,300,259)	-	-	(60,300,259)
Offset of accumulated disposals	-	(1,766,443)	(1,741,499)	-	(3,507,941)
Impairment adjustments	-	-	22,980,374	(13,109,222)	9,871,152
Balance as of December 31, 2020 (audited)	550,782	1,057,248,682	595,963,307	146,586,943	1,800,349,715
Balance as of January 1, 2021 (audited)	550,782	1,057,248,682	595,963,307	146,586,943	1,800,349,715
Depreciation charges	-	117,409,571	17,298,701	-	134,708,272
Accumulated amortization for U1 inspections	-	(14,942,625)	-	-	(14,942,625)
Offset of accumulated disposals	-	(358,974)	(497,857)	-	(856,831)
Impairment adjustments	-	-	(97,171)	-	(97,171)
Balance as of March 31, 2021 (unaudited)	550,782	1,159,356,654	612,666,980	146,586,943	1,919,161,359
Book value					
Balance as of January 01, 2020 (audited, restated)	31,630,877	4,666,408,021	572,895,440	785,762,980	6,056,697,319
Balance as of December 31, 2020 (audited)	31,574,199	4,331,200,560	514,102,729	917,850,351	5,794,727,840
Balance as of March 31, 2021 (unaudited)	31,574,199	4,244,105,540	504,631,966	926,194,771	5,706,506,477

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

4. TANGIBLE ASSETS (CONTINUED)

(i) Nuclear Plants, Machinery, Equipment and Other Assets

During 2020, the Company purchased 6.5 tons of heavy water from the National Administration of State Reserves and Special Issues ("ANRSPS"), required for Units 1 and 2 amounting to RON 13,446,230. In the first three months of 2021, the Company did not purchase heavy water.

(ii) Non-current assets in progress

As of March 31, 2021, the net book value of assets in progress, amounting to RON 926,194,771, includes the following items:

- Investment for increasing the production capacity with a net book value of RON 506,592,712 (December 31, 2020: RON 506,632,392);
- Investments related to Units 1 and 2, amounting to a total of RON 419,602,059, with the most representative being:
 - ✓ Refurbishment of U1 amounting to 62,803,416 RON (December 31, 2020: RON 48,306,873);
 - ✓ D2O tritium removal facility amounting to RON 64,040,276 (December 31, 2020: RON 63,445,743);
 - ✓ Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 26,723,549 (December 31, 2020: RON 24,453,897);
 - ✓ Improvement of nuclear security systems following the Fukushima event, amounting to RON 35,388,960 (December 31, 2020: RON 34,959,367);
 - ✓ Equipment and materials for investments amounting to RON 53,061,230 (December 31, 2020: RON 45,205,001);
 - ✓ Modernization of physical protection system amounting to RON 22,665,023 (December 31, 2020: RON 20,894,894).

The value of the investment for the increase of the production capacity amounts to RON 508,291,279, of which the book value of Units 3 and 4 is RON 273,960,000 (December 31, 2020: RON 273,960,000), while the rest represents heavy water especially purchased for Units 3 and 4, i.e., approx. 75 tons, with the value book, as of December 31, 2020 of RON 159,238,387 (December 31, 2020: RON 159,238,387), as well as equipment and other assets for Units 3 and 4, amounting to RON 75,092,892 (December 31, 2020: RON 75,132,572). Before 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, therefore, the construction costs incurred were not allocated at the level of each individual unit. Subsequently, the Company allocated the costs for the construction of Units 3 and 4 of the nuclear power plant, as well as for Unit 5.

As of March 31, 2021 the gross book value for **Unit 5** is RON 137 million (December 31, 2020: RON 137 million). As of December 31, 2013, the Company recognized a depreciation adjustment of 100% of the value of Unit 5, as there were no plans to resume the construction thereof as a nuclear unit. In March 2014, the shareholders of the Company approved the change of destination and use of Unit 5 for other activities of the Company, project under implementation, following which an asset with a different use than the initial projected use of Unit 5 will result.

The main **investments commissioned** by the Company in the first 3 months of 2021, from the projects in progress, related to Units 1 and 2 are represented by: carrying out the annual inspections performed during the planned outage of Unit 1 amounting to RON 32,161,236, and the installation of spare parts on the equipment in operation, amounting to RON 3,327,428.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

4. TANGIBLE ASSETS (CONTINUED)

(iii) Revaluation, Depreciation Method and Life Span

Buildings and lands are recognized at fair value, based on periodic valuations made by independent external valuers. The revaluation surplus included in the revaluation reserve is capitalized by transfer to retained earnings, when the asset is written off, or as it is used. All other tangible assets are recognized at the historical cost less the depreciation.

The last revaluation of lands and buildings was done, as of December 31, 2018 by the independent valuer (Primoval SRL, member of the National Association of Romanian Authorized Valuers - ANEVAR). Prior to this revaluation, the lands and buildings were revalued as of December 31, 2015, special constructions were revalued as of December 31, 2013, administrative buildings as of December 31, 2002, and lands as of December 31, 2009.

Depreciation is calculated using the straight-line method for allocation of the revalued cost or value of the assets, net of their residual values, over their estimated useful lifetime, as follows:

Asset	Number of years
Nuclear Power Plant – Units 1 and 2	30
Heavy water (Loads for Units 1 and 2)	30
Buildings	45 – 50
Inspections and overhauls	2
Other facilities, equipment and machinery	3 - 20

See Note 3 (c) of the Significant Accounting Policies related to the Company's Individual Financial Statements prepared as of and for the financial year ended December 31, 2020 for other accounting policies relevant to tangible assets.

(iv) Significant Estimates - Valuation of Lands and Buildings

Information on the valuation of lands and buildings is presented in Note 4 (v) of the Significant Accounting Policies related to the Company's Individual Financial Statements prepared as of and for the financial year ended December 31, 2020.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

4. TANGIBLE ASSETS (CONTINUED)

(v) Book Value that Would Have Been Recognized if the Lands and Buildings Had Been Valued at Cost, According to the Provisions of IAS 16.77 (e)

If lands and buildings had been valued at the historical cost, the values would have been:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Land		
Cost	23,091,101	23,091,101
Accumulated depreciation	-	-
Net book value	23,091,101	23,091,101
	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Buildings		
Cost	6,358,517,429	6,336,222,933
Accumulated depreciation	(3,546,964,563)	(3,477,254,730)
Net book value	2,811,552,867	2,858,968,203

(vi) Decommissioning of Nuclear Units

Unit 1 is designed to operate until 2026, and Unit 2 until 2037. The Company has not recorded a provision for the decommissioning of the two units, as it is not responsible for the decommissioning works. According to HG [Government Decision] No. 1080/ 2007, the Nuclear and Radioactive Waste Agency ("ANDR") is responsible for collecting the contributions paid by the Company for the remaining useful lifetime of these units, and undertakes the responsibility for the management of the decommissioning process at the end of the useful lifetime of the two units, as well as for the permanent storage of the nuclear waste at the end of the useful lifetime of the two units and for the permanent storage of resulting residues (see Note 19). The expense with the Company's contributions to ANDR over the period, in the first 3 months of 2021 amounts to RON 25,392,266 (December 31, 2020: RON 102,246,544).

(vii) Assets Pledged

As of March 31, 2021, and December 31, 2020 respectively, the Company has no pledged or mortgaged assets.

(viii) Supplier Credit

As of March 31, 2021, the Company has fixed assets purchased on credit from suppliers (commercial credit) amounting to RON 24,093,853 (December 31, 2020: RON 47,821,880).

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

5. ASSETS REPRESENTING RIGHTS TO USE UNDERLYING ASSETS UNDER A LEASING CONTRACT

The Company has adopted IFRS 16, which is why it recognized in the statement of financial position, assets and liabilities related to the restatement of the leases concluded acting as the lessee.

The Company has concluded asset lease and land concession contracts, for which the initial value of the asset related to the right of use has been estimated at an amount equal to the debt updated at the time of the transaction deriving from these contracts, of RON 801,003.

(i) Amounts Recognized in the Statement of Financial Position

Assets representing rights to use underlying assets under a leasing contract	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Land	801,003	801,003
	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Debts from leasing contracts		
Short-term	105,565	117,721
Long-term	479,530	515,074
	585,095	632,795

(ii) Amounts Recognized in the Profit or Loss Statement

	Note	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Depreciation of assets representing rights of use		44,943	179,770
Interest expenses	20	12,962	21,737

The **total cash outflows** related to the contracts over the period ended on December 31, 2021 amounted to RON 71,068 (December 31, 2020: RON 202,762).

(iii) Recognition of Leasing Contracts

Information on the recognition of leasing contracts according to IFRS 16 is presented in Note 3 (e) of the Significant Accounting Policies related to the Company's Individual Financial Statements prepared as of and for the financial year ended December 31, 2020.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

6. FINANCIAL ASSETS VALUED AT AMORTIZED COST

As of December 31, 2021, the Company records under the position "Financial assets valued at amortized cost" its contributions as a member of the European Mutual Association of European Liability Insurance for Nuclear Industry ("ELINI"), the Romanian Commodities Exchange ("BRM") and the Romanian Atomic Forum - Romatom ("ROMATOM").

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange Contribution	23,000	23,000
Romatom Contribution	100	100
HENRO Contribution	250,000	-
Total	5,306,031	5,056,031

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As of December 31, 2021, the Company records under the position "Financial investments in subsidiaries" the investment held in the subsidiary Energonuclear S.A. ("Energonuclear"), company with headquarters in Bucharest, District 2, 5-7 Vasile Lascar Street, 3rd floor and registered with the Trade Register under number J40/3999/March 25, 2009, having sole registration code 25344972, fiscal attribute RO. The main business of Energonuclear consists in "Engineering activities and related technical consultancy" – NACE Code 7112.

As of March 31, 2021 and December 31, 2020, the Company held 100% of the share capital of Energonuclear. The shareholding value as of March 31, 2021 and December 31, 2020 amounts to **RON 141,666,101**.

By the EGMS Resolution of SNN no. 4/July 11, 2017, the shareholders of SNN approved the granting by SNN of a loan convertible into shares amounting to maximum RON 5,500,000 to the subsidiary Energonuclear S.A. ("EN"), in order to finance the maintenance and conservation activities for the site of Units 3 and 4 of Cernavoda NPP. Until March 31, 2021, Energonuclear requested the granting of instalments amounting to a total of RON 5,400,000 of the maximum amount, for which the Company recorded a capitalized interest of RON 260,364. As of March 31, 2021 the shareholder loan was not converted into shares.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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8. INVENTORIES

As of March 31, 2021 and December 31, 2020, the inventories are as follows:

	March 31, 2021	December 31, 2020
	(unaudited)	(audited)
Spare parts	189,771,121	185,856,408
Consumables and other materials	80,756,843	56,565,105
Nuclear fuel	207,581,468	193,639,358
Uranium	27,012,291	39,292,794
Other inventories	6,764,057	11,915,487
Adjustments for impairment of inventories	(51,700,395)	(51,834,621)
Total	460,185,385	435,434,531

(i) Inventory Valuation

Costs are valued at the weighted average cost (WAC) according to IAS 2. See Note 3 (k) of the Significant Accounting Policies related to the Company's Individual Financial Statements prepared as of and for the financial year ended December 31, 2020 for other accounting policies relevant to inventories.

(ii) Amounts Recognized in the Profit and Loss Statement

The value of inventory recognized as expenses in the first months of 2021 can be found in the positions "Expenses with spare parts" and "Cost of nuclear fuel" in the Profit and Loss Statement and other items of the comprehensive income, and amounts to RON 41,822,262 (December 31, 2020: RON 148,123,065).

The value of inventories recognized as expenses in the first three months of 2021 according to the provisions of IAS 2.34, representing scrapped, damaged, derecognized inventories, amounts to RON 0 (December 31, 2020: RON 984,963). The Company periodically analyzes the evolution of inventories, and sets up in due time impairment adjustments for the inventories considered as impaired. Consequently, for scrapped inventories, the Company has set up impairment adjustments, which it restated as revenues when it decommissioned them. The effect on the profit or loss statement being insignificant.

The value of impairment adjustments for inventories as of March 31, 2021 amounts to RON 51,700,395 (December 31, 2020: RON 51,834,621). In the first three months of 2021, impairment adjustments have been set up amounting to RON 0 (December 31, 2020: RON 815,027) and have been restated as impairment adjustments amounting to RON 134,226 (December 31, 2020: RON 2,057,762).

In the first three months of 2021, no restatements of written off inventories have been recorded.

(iii) Pledged Inventories

As of March 31, 2021, the Company does not record pledged or mortgaged inventories.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

9. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Land	120,740	120,740
Buildings	1,823,567	1,823,567
Fittings and plants	287,326	287,326
Total	2,231,633	2,231,633

In 2019, GMS Resolution No. 5/April 23, 2019 approved the sale of the asset "Single's accommodation unit" owned by the Company, located in 14 Salciei Street, Cernavoda Town, Constanta County, consisting of: construction, related land, connection installation to the district heating network, parking arrangements, sports field, green areas. There are currently bidders, and the sale is expected to be completed during 2021.

10. TRADE RECEIVABLES

As of March 31, 2021 and December 31, 2020, trade receivables are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Trade receivables	200,657,250	168,045,626
Adjustments for impairment of trade receivables	(10,100,920)	(10,101,875)
Total	190,556,330	157,943,751

As of March 31, 2021, the main trade receivables in the balance are in relation to: Electrica Furnizare S.A. – RON 43,020,796 (December 31, 2020: RON 52,907,721), GEN-I Trgovanje in Prodaja Elektricne Energije – RON 22,105,438 (December 31, 2020: RON 8,373,622), E.ON Energie Romania S.A. – RON 20,561,318 (December 31, 2020: RON 14,460,257), Engie Romania S.A. – RON 20,414,098 (December 31, 2020: RON 8,927,058), and CEZ Vanzare S.A. – RON 12,977,506 (December 31, 2020: RON 14,293,834).

As of March 31, 2021, the position "Duties and Taxes" represents VAT to be recovered amounting to RON 33,347,606 (December 31, 2020: RON 33,562,819).

11. OTHER FINANCIAL ASSETS VALUED AT AMORTIZED COST

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Other receivables	47,991,497	37,875,290
Impairment adjustments for other receivables	(596,559)	(596,559)
Taxes and duties	36,303,825	37,765,898
Payments made in advance	21,982,175	10,323,167
Total	105,680,938	85,367,796

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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12. CASH AND CASH EQUIVALENTS, BANK DEPOSITS

As of March 31, 2021 and December 31, 2020, **cash and cash equivalents** are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Cash on hand	72,536	91,753
Current accounts in banks, in RON	83,191,332	118,692,137
Current accounts in banks, in foreign currency	2,333,453	1,741,506
Bank deposits shorter than 3 months	605,422,000	425,556,000
Other cash equivalents	1,038,083	484,444
Total cash and cash equivalents	692,057,404	546,565,840

As of December 31, 2021 and December 31, 2020, the **bank deposits** with initial maturities longer than 3 months and shorter than a year are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Bank deposits	1,620,860,000	1,621,384,000

(i) Reconciliation with the Cash Flow Statement

The above items are reconciled with the value of cash presented in the Cash Flow Statement at the end of the financial year, as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Cash on hand	72,536	91,753
Current accounts in banks	85,524,785	120,433,643
Bank deposits with initial maturity shorter than 3 months	605,422,000	425,556,000
Other cash equivalents	231,313	484,444
	691,250,634	546,565,840

(ii) Classification as Cash Equivalents

Term deposits are presented as cash equivalents if they have a maturity of 3 months or less from the date when they were set up.

(iii) Restricted Cash

Current accounts opened with banks are permanently available to the Company and are not restricted or encumbered.

Bank deposits are permanently available to the Company and are not restricted or encumbered.

As of March 31, 2021, the Company holds letters of bank guarantee based on credit facilities, without collateral deposits, amounting to RON 69,140,369 (December 31, 2020: RON 117,028,702).

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

13. LOANS

The situation of the loans held by the Company as of March 31, 2020, and December 31, 2021, respectively, is as follows:

	March 31, 2021 (unaudited)	< 1 year	> 1 year	December 31, 2020 (audited)	< 1 year	> 1 year
Bank loans	480,822,156	218,323,613	262,498,543	502,335,190	211,856,623	290,478,567
Interest	421,536	421,536		138,459	138,459	-
Total	481,243,692	218,745,149	262,498,543	502,473,649	211,995,082	290,478,567

Bank loans

Loan repayments during the financial year ended on March 31, 2021 were:

	Currency	Interest rate	Value	Year of final maturity
Balance as of January 1, 2021 (audited)			502,335,190	
New draws				
Repayments, of which			(34,583,030)	
Societe Generale – ANSALDO BC	EUR	EURIBOR 6M + 0.7%	-	2022
Societe Generale – AECL BC	CAD	CDOR 6M + 0.375%	-	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(34,583,030)	2024
Exchange rate differences			11,426,336	
Commitment fees			1,643,660	
Balance as of March 31, 2021 (unaudited)			480,822,156	

(i) Long-term loans

As of March 31, 2021 and December 31, 2020, **long-term loans** from credit institutions are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Societe Generale - ANSALDO BC	56,800,924	56,158,539
Societe Generale - AECL BC	109,152,970	102,033,230
EURATOM	323,086,560	354,005,380
Total loans	489,040,455	512,197,149
Less: current part of long-term loans	(224,898,252)	(218,431,261)
Less: balance of commitment and insurance fees (long-term)	(1,643,659)	(3,287,320)
Total long-term loans, net of the short-term part	262,498,543	290,478,567

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

13. LOANS (CONTINUED)**(ii) Short-term loans**

As of March 31, 2021 and December 31, 2020, **short-term** loans are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Current share of long-term loans	224,898,252	218,431,262
Interests related to the long-term loans	421,536	138,459
Short-term commitment and insurance fees	(6,574,639)	(6,574,639)
Total short-term loans	218,745,149	211,995,082

14. OBLIGATIONS REGARDING EMPLOYEE BENEFITS

As of March 31, 2021 and December 31, 2020, the obligations regarding employee benefits are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Retirement benefits	25,716,845	25,716,845
Anniversary bonuses	5,780,360	5,780,360
Benefits in case of death	862,058	862,058
Retirement benefits in the energy field	10,743,171	10,743,171
Total	43,102,434	43,102,434

As of March 31, 2021 and December 31, 2020, the Company has the following obligations:

- to pay to retiring employees retirement bonuses, varying between 2 and 3 basic salaries, depending on the number of years of seniority in the field of electricity, thermal energy and nuclear power;
- to pay to employees anniversary bonuses, depending on the number of years of uninterrupted seniority in the field of electricity, thermal energy and nuclear power;
- to pay an allowance to the employee's family, in case of their death;
- to pay to retiring employees an energy benefit, representing the equivalent value of the electricity quota of 1,200 KWh/year. The criterion for granting this benefit is 15 years of seniority in the energy field, of which at least the last 10 years within the Company. This benefit is granted starting with April 1, 2017.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

14. OBLIGATIONS REGARDING EMPLOYEE BENEFITS (CONTINUED)

The following assumptions were taken into account for the application of IAS 19 "Employee Benefits" as of December 31, 2020.

Assessment date	December 31, 2020
Number of employees	2,011
Wage increase rate	The management of the Company estimated an increase of 0% in 2021 and with the annual rate of increase of consumer prices communicated by the National Commission for Prognosis for 2022 and the following years. The inflation rate was estimated based on the 2021 Winter Forecast, issued by the National Commission for Strategy and Prognosis, as follows: 2.5% in 2021, 2.4% in 2022, 2.3% in 2023 and 2.2% per year in the period 2024-2036 and following a decreasing trend in the following years.
Rate of increase in the price of kWh	The kWh price updated as of December 31, 2020 was RON 0.7179. For the period 2021-2030, the estimates provided by the Company and an evolution in the same trend for the following years were used.
Weighted average discount rate	3.00%
Mortality tables	Romanian Population Mortality Table for 2018 issued by the National Institute of Statistics.
Gross average wage	8,336

The assumptions herein above have been considered taking into account:

- bond yields on the active market at the end of December 2020. The available residual terms up to maturity were 1-11 years and 14 years. For the other terms, the discount rate was estimated using the Smith-Wilson extrapolation method;
- the estimated long-term inflation rate 2.0% p.a. (December 31, 2019: 2.0%);
- the actual estimate long-term yield on government bonds 1.6% p.a. (December 31, 2019: 2.05%);
- liquidity premium for Romania 0% (December 31, 2019: 0%);
- weighted average discount rate of 3.00% (December 31, 2019: 4.25%).

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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15. TRADE PAYABLES AND OTHER LIABILITIES

As of March 31, 2021 and December 31, 2020, trade payables and other liabilities are as follows:

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Providers of non-current assets	24,093,853	47,821,880
Suppliers	101,402,147	81,911,514
Obligations concerning employee benefits	14,838,587	23,467,273
Payables to the State	22,603,816	106,932,895
Payable dividends	945,774	826,280
Other liabilities	10,810,472	24,060,308
Total	174,694,649	285,020,150

As of March 31, 2021, the main balance suppliers, under the positions "Providers of non-current assets" and "Suppliers" are: Cameco Marketing Inc. – RON 13,056,794 RON (December 31, 2020: RON 0), Apele Române Bucharest – RON 12,309,964 (December 31, 2020: RON 12,404,839), Candu Energy Inc. – RON 12,166,999 (December 31, 2020: RON 11,062,778), BWXT Nuclear Energy – RON 8,141,276 (December 31, 2020: RON 0) and Candu Owners Group Inc. – RON 7,034,817 (December 31, 2020: RON 4,485,080).

16. PROVISIONS FOR RISKS AND EXPENSES

As of March 31, 2021 and December 31, 2020, 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":

	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	72,521,461	70,262,388
Obligations regarding the low and medium radioactive and non-radioactive waste	106,735,194	103,884,325
Provision for disputes related to salary bonuses	101,403,726	97,209,259
Employees' participation in the profit	29,920,727	21,326,448
Total	310,581,108	292,682,420

As of March 31, 2021, the provisions in the total amount of RON 310,581,108 represent long-term and short-term liabilities, as follows:

	Current portion (< 1 year)	Long-term portion (> 1 year)
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	31,818,164	40,703,297
Obligations regarding the low and medium radioactive and non-radioactive waste	14,393,052	92,342,142
Provision for disputes related to salary bonuses	-	101,403,726
Employees' participation in the profit	29,920,727	-
Total	76,131,943	234,449,165

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

17. INCOME FROM ELECTRICITY SALES**(i) Income from electricity sales**

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Sales of electricity on the regulated market	65,878	132,230,621
Sales of electricity on the free market	680,223,920	490,513,855
Sales of thermal energy	3,245,544	2,783,971
Revenues from the sale of green certificates	8,657	7,662
Total	683,543,999	625,536,109

(ii) Quantity of energy sold^{*)}

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Quantity of energy sold on the regulated market (MWh)	361	701,601
Quantity of energy sold on the free market (MWh)	2,735,788	2,142,925
Total	2,736,149	2,844,526

^{*)} 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 7,464 MWh for the 3-month period ended on March 31, 2021 (7,400 MWh for the 3-month period concluded on March 31, 2020).

Starting with 2021, ANRE no longer established delivery obligations for manufacturers on the regulated market. The contracts concluded on the regulated market for the second half of 2020 have delivery in CET hours; the last delivery time in 2020 being the first in January 2021 (361 MWh, regulated price amounting to RON 183.93/MWh (including T_g)).

On the free market, in Q1 of 2021, the Company delivered 99.7% of the sold energy (Q1 of 2020: 75.1%). The average sale price of the electricity sold by the Company on this market in Q1 of 2021 was RON 248.64/MWh (Q1 of 2020: RON 228.90/MWh), value net of T_g.

The Company is a participant in the balancing market, according to the convention 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 the provision of the representation service as 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 Company performs the activity of producing thermal energy by exploiting the energy capacities corresponding to the units for producing electrical and thermal energy consisting in two heat exchangers 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 – economic operators, social - cultural institutions. The sales of thermal energy in Q1 of 2021 amount to RON 3,245,544 (March 31, 2020: RON 2,783,971).

Notes from 1 - 24 are an integral part of these individual financial statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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

18. PERSONNEL EXPENSES

As of March 31, 2021 and March 31, 2020, the personnel expenses comprise:

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Wages and salaries	87,668,732	105,559,142
Expenses with social security and assimilated costs	7,341,756	7,711,913
Total	95,010,488	113,271,055

19. OTHER OPERATING EXPENSES

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Expenses with services rendered by third parties	21,466,945	18,015,134
Expenses with ANDR	25,392,266	24,227,039
Energy and water expenses	21,692,401	20,644,551
Expenses with fuel and other consumables	12,135,454	8,972,904
Expenses with the ANRE contribution	612,957	1,026,804
Expenses with insurance premiums	3,561,076	3,714,997
Transport and telecommunication expenses	1,956,664	1,973,869
Expenses related to provisions and value adjustments, net	8,786,270	4,132,037
Other operating expenses	9,845,497	8,651,816
Total	105,449,530	91,359,151

Expenses with ANDR

Starting with 2007, following Government Decision No. 1.080/2007 regarding the safe management of radioactive waste and the decommissioning of 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 EUR 0.6/MWh of net electricity generated and delivered in the system;
- Contribution for the permanent storage of radioactive waste of EUR 1.4/MWh of net electricity produced and delivered in the system.

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful lifetime 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 undertakes responsibility for managing the entire decommissioning process at the end of the useful lifetime of the nuclear plants and the storage of resulting waste.

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19. OTHER OPERATING EXPENSES (CONTINUED)*Expenses with the ANRE contribution*

The contribution paid to ANRE based on ANRE Order No. 223/December 9, 2020, of 0.1% of the turnover achieved from the activities carried out under the licenses held, as of March 31, 2021 amounts to RON 612,957 (March 31, 2020: RON 1,026,804). For the year 2020, the contribution was paid based on ANRE Order No. 1/2020, 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 permits paid to CNCAN Bucharest amounting to RON 2,475,000 (March 31, 2020: RON 2,475,000), as well as other taxes and levies paid to governmental and non-governmental organizations amounting to RON 971,423 (March 31, 2020: RON 956,117).

20. FINANCIAL REVENUES AND EXPENSES

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Income from interests	13,498,500	15,217,336
Income from exchange rate differences	1,768,898	11,235,153
Total financial revenues	15,267,398	26,452,489
Expenses from exchange rate differences	(13,313,816)	(6,247,105)
Interest-related expenses	(2,395,622)	(3,336,974)
Total financial expenses	(15,709,438)	(9,584,079)
Net financial (expenses)/revenues	(442,040)	16,868,410

21. INCOME TAX

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

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Current income tax expense	49,922,394	46,437,593
Deferred tax release	(2,128,020)	(2,055,047)
Total	47,794,374	44,382,546

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22. EARNINGS PER SHARE

As of March 31, 2021 and March 31, 2020, the earnings per share are:

(i) Basic earnings per share

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Net profit in the period	234,464,742	215,051,942
Number of ordinary shares at the beginning of the period	301,643,894	301,513,851
Number of ordinary shares issued during the period	-	-
Weighted-average number of ordinary shares at the end of the period	301,643,894	301,513,851
Basic earnings per share (RON/share)	0.78	0,71

(ii) Diluted earnings per share

	3-month period ended on March 31, 2021 (unaudited)	3-month period ended on March 31, 2020 (unaudited)
Net profit for the period	234,464,742	215,051,942
Number of ordinary shares at the beginning of the period	301,643,894	301,513,851
Number of ordinary shares issued during the period	-	-
Number of ordinary shares at the end of the period (a)	301,643,894	301,513,851
Number of shares corresponding to the reserve paid in advance (b)	-	-
Weighted-average number of ordinary shares (diluted) as of March 31 (a) + (b)	301,643,894	301,513,851
Diluted earnings per share (RON/share)	0.78	0,71

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23. CONTINGENCIES AND COMMITMENTS

(i) On-Going Disputes

During the three-month period ended on March 31, 2021, the Company was involved in a series of legal actions arising during its normal course of business. The management of the Company regularly analyses the situation of ongoing disputes, after consulting with its legal advisers or external lawyers, decides whether there is a need to create a provision for the amounts involved or to present them in the financial statements.

In the opinion of the Company's management, there are no current legal actions or claims, which might have a significant impact on the financial earnings and the financial position of the Company that have not been included in these Simplified Individual Interim Financial Statements.

(ii) Commitments

As of March 31, 2021, the Company undertakes to bear operating and investment expenses according to the ongoing contracts for investments and current and normal operations in the course of its core business. As of March 31, 2021, the total value of commitments is fully reflected under the position "Trade payables and other liabilities".

(iii) Guarantees

The trading of electricity produced on the platforms operated by OPCOM, assumes that for some transactions, the Company provides letters of bank 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 of March 31, 2021, the total value of letters of bank guarantee issued in favor of clients for contracts concluded on PCCB-NC, PCCB-LE and PCSU amounts to RON 25.3 million, and in favor of OPCOM for the participation to DAM and IM amounts to RON 39.9 million.

Moreover, as of March 31, 2021 the Company has established letters of bank guarantee issued in favor of Transelectrica S.A. and Ciga Energy S.A. amounting to RON 3.96 million, with the role of ensuring the liquidity on the Balancing Market, through the establishment by each 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 Balancing concluded between the Company as license holder and Transelectrica S.A. and Ciga Energy S.A., respectively.

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

As of March 31, 2021 the Company has established with the Treasury a deposit amounting to RON 1,436,176, standing for the imposition of precautionary measures according to the Decision of ANAF [*National Agency for Fiscal Administration*] - Fiscal Anti-fraud General Directorate.

As of March 31, 2021, the total value of the letters of bank guarantee issued by clients in favor of the Company for the contracts concluded on PCCB-NC, PCCB-LE and PCSU amounts to RON 498.53 million. These guarantees cover the risk of unfulfilling the contractual obligations undertaken by the clients in virtue of the electricity sale contracts.

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2021

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24. SUBSEQUENT EVENTS

Main Aspects of Continuing the Project for Increasing the Production Capacity

1. With Resolution No. 3/April 5, 2021 of the General Ordinary Meeting of Shareholders ("AGOA"), the "Strategy of for Continuing the Project of Units 3 and 4 of Cernavoda NPP" (point 2 of the AGOA agenda of April 5, 2021).
2. With Resolution No. 4/April 5, 2021 of the Extraordinary General Meeting of Shareholders ("EGMS") it was approved that SNN, through Energonuclear, wholly owned subsidiary of SNN, shall bear the expenses generated by Stage 1 of the Project for Units 3 and 4 of Cernavoda NPP, according to the provisions of the approved Strategy, under the conditions of meeting the income and expense budget approved in compliance with the legal provisions (point 7 of the EGMS agenda of April 5, 2021).

Subsidiary Incorporation

Resolution No. 4/April 5, 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, in compliance with the note submitted to the shareholders for this point of the agenda (point 2 of the EGMS agenda of April 5, 2021). The scope of business of the subsidiary shall include the "processing of nuclear fuel".
2. Approving the empowerment of the Board of Directors of SNN to fulfill all the formalities for the incorporation of the new subsidiary (point 3 of the EGMS agenda of April 5, 2021).

Subsidiary Energonuclear S.A.

With Resolution No. 4/April 5, 2021 of the Extraordinary General Assembly of Shareholders ("EGAS") the following have been approved:

1. The increase of the share capital of Energonuclear S.A. by the amount of RON 25 mil. and, at the same time, the approval of SNN's participation in the increase of the share capital of Energonuclear S.A., the wholly owned subsidiary of SNN, with the amount of RON 25 mil. (point 4 of the EGMS agenda of April, 5 2021).
2. The mandate of SNN representatives in the EGMS of Energonuclear to vote in favor of changing the share capital of Energonuclear, in the sense of increasing it by the amount of RON 25 mil., and, at the same time, the approval of the mandate of the SNN representatives in the EGMS of Energonuclear to vote in favor of the full subscription, by the sole shareholder of Energonuclear, i.e. SNN, of the additional (increased) share capital, of RON 25 mil., in the form of a cash contribution from SNN to the share capital of Energonuclear, amounting to RON 25 mil. (point 5 of the EGMS agenda of April 5, 2021).
3. The empowering of the SNN Board of Directors to initiate, conduct and approve the procedures, operations and corporate decisions necessary to increase the share capital of Energonuclear, operationalize Energonuclear and provide the necessary resources, according to the Strategy approved by the OGMS of SNN (point 6 of the EGMS agenda of April 5, 2021).

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24. SUBSEQUENT EVENTS (CONTINUED)

Approving the Distribution of the Net Profit of the Financial Year 2020

With Resolution No. 5/April 26, 2021 of the Ordinary General Meeting of Shareholders ("OGMS"), the distribution of the net profit for the financial year 2020 per destinations, the total value of gross dividends amounting to RON 472,117,575, the value of the gross dividend per share amounting to RON 1.56514879, the dividend payment date, i.e. June 25, 2021 and the payment methods, have been approved, according to the note submitted to the shareholders for this point of the agenda (point 5 of the OGMS agenda of April 26, 2021).

Chief Executive Officer
Cosmin Ghita

Chief Financial Officer
Paul Ichim

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