



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

### **Individual Interim Financial Statements as of and for the nine-month period ended on September 30, 2021**

Prepared in accordance 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 adopted by the  
European Union, in virtue of the International Accounting Standard  
34 – "Interim Financial Reporting"

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

Individual financial position as of September 30, 2021

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

	Note	September 30, 2021 (unaudited)	December 31, 2020 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	4	5,591,087,025	5,794,727,840
Assets representing rights to use underlying assets under a leasing contract	5	1,225,667	621,233
Intangible assets		50,004,170	53,470,674
Financial assets valued at amortized cost	6	35,232,054	5,056,031
Financial investments in subsidiaries	7	172,438,308	141,666,101
<b>Total non-current assets</b>		<b>5,849,987,224</b>	<b>5,995,541,879</b>
<b>Current assets</b>			
Inventories	8	452,229,671	435,434,531
Non-current assets held for sale	9	-	2,231,633
Trade receivables	10	208,466,140	157,943,751
Other assets valued at amortized cost	11	74,449,849	85,367,796
Bank deposits	12	1,496,971,000	1,621,384,000
Cash and cash equivalents	12	714,343,096	546,565,840
<b>Total current assets</b>		<b>2,946,459,756</b>	<b>2,848,927,551</b>
<b>Total assets</b>		<b>8,796,446,980</b>	<b>8,844,469,430</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Subscribed and paid in share capital</i>		<i>3,016,438,940</i>	<i>3,016,438,940</i>
<i>Inflation adjustments to the share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Share premiums		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		177,253,795	198,799,898
Retained earnings		4,245,984,608	4,055,915,983
<b>Total equity</b>	13	<b>7,688,207,772</b>	<b>7,519,685,250</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term loans	15	152,370,680	290,478,567
Debts from long-term leasing contracts	5	961,082	515,074
Provisions for risks and expenses	17	243,280,469	235,409,546
Deferred revenues		76,622,541	86,067,969
Deferred tax liability		62,982,451	66,526,912
Obligations concerning employee benefits		43,102,434	43,102,434
<b>Total long-term liabilities</b>		<b>579,319,657</b>	<b>722,100,502</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	16	171,968,809	285,020,150
The current share of provisions for risks and expenses	17	69,584,185	57,272,874
Corporate tax due		52,337,131	32,049,397
Deferred revenues		13,324,793	16,228,454
Current share of long-term loans	15	221,430,224	211,995,082
Debts from short-term leasing contracts	5	274,409	117,721
<b>Total current liabilities</b>		<b>528,919,551</b>	<b>602,683,678</b>
<b>Total liabilities</b>		<b>1,108,239,208</b>	<b>1,324,784,180</b>
<b>Total equities and liabilities</b>		<b>8,796,446,980</b>	<b>8,844,469,430</b>

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

Individual statement on the profit or loss and other items of the comprehensive income for the 9-month period that ended on September 30, 2021

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

Note	3-month period ended on September 30, 2021 (unaudited)	3-month period ended on September 30 2020 (unaudited)	9-month period ended on September 30, 2021 (unaudited)	9-month period ended on September 30, 2020 (unaudited)
<b>Incomes</b>				
	775,237,956	574,153,486	2,114,818,186	1.731.672.957
<b>18</b>	3,486,641	2.840.711	9,842,974	9.988.653
	<b>778,724,597</b>	<b>576.994.197</b>	<b>2,124,661,160</b>	<b>1.741.661.610</b>
<b>Total income</b>				
Other income	25,170,207	17,203,540	61,770,543	35.520.874
<b>19</b>				
<b>Operating expenses</b>				
Depreciation and amortization	(139,785,853)	(130,508,099)	(417,428,284)	(408.763.469)
Personnel expenses	(122,762,981)	(107.640.056)	(316,551,910)	(326.171.173)
Cost of purchased electricity	(60,630,991)	(41.188.984)	(183,751,266)	(51.553.165)
Repairs and maintenance	(24,378,272)	(24.722.887)	(70,440,767)	(46.849.121)
Electricity transmission expenses	(3,486,641)	(2.840.711)	(9,842,974)	(9.988.653)
Cost with spare parts	(4,613,613)	(5,135,073)	(15,377,567)	(13.437.295)
Cost of nuclear fuel	(44,184,839)	(31.494.662)	(115,118,874)	(96.084.383)
Other operating expenses	(104,572,751)	(101,547,062)	(303,293,081)	(286.605.701)
<b>20</b>	<b>(504,415,941)</b>	<b>(445.077.534)</b>	<b>(1,431,804,723)</b>	<b>(1.239.452.960)</b>
	<b>299,478,863</b>	<b>149,120,557</b>	<b>754,626,980</b>	<b>537.729.524</b>
<b>Operating result</b>				
Financial expenses	(5,821,274)	(11.150.313)	(28,305,260)	(33.730.056)
Financial revenues	13,788,527	21.445.468	45,599,989	68.634.135
<b>21</b>	<b>7,967,253</b>	<b>10,295,155</b>	<b>17,294,729</b>	<b>34.904.079</b>
	<b>307,446,116</b>	<b>159.415.358</b>	<b>771,921,709</b>	<b>572.633.603</b>
<b>Profit before income tax</b>				
Net income tax expense	(52,231,094)	(24,948,550)	(131,314,158)	(94.944.348)
<b>22</b>				
	<b>255,215,022</b>	<b>134.466.808</b>	<b>640,607,551</b>	<b>477.689.255</b>
<b>Profit for the period</b>				

The individual interim financial statements presented on page 1 to 33 were signed on November 09, 2021 by:

**Cosmin Ghita**  
Chief Executive Officer

**Paul Ichim**  
Chief Financial Officer

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

Individual statement on the profit or loss and other items of the comprehensive income for the 9-month period that ended on September 30, 2021

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

Note	3-month period ended on September 30, 2021 (unaudited)	3-month period ended on September 30, 2020 (unaudited)	9-month period ended on September 30, 2021 (unaudited)	9-month period ended on September 30, 2020 (unaudited)
<b>Profit for the period</b>	<b>255,215,022</b>	<b>134.466.808</b>	<b>640,607,551</b>	<b>477.689.255</b>
<b>Other items of the comprehensive income</b>				
Transfer of the revaluation reserve to the result carried forward, without deferred tax	7,303,390	7.171.760	21,546,103	21.631.937
Result carried forward from other adjustments	12,765	-	32,546	(5,115,626)
<b>Total other items of the comprehensive income</b>	<b>7,316,155</b>	<b>7.171.760</b>	<b>21,578,649</b>	<b>16.516.311</b>
<b>Total aggregate comprehensive earnings for the period</b>	<b>262,531,177</b>	<b>141.638.568</b>	<b>662,186,200</b>	<b>494.205.566</b>
<b>Earnings per share</b>				
Earnings per basic share (Ron/actiune)	<b>14</b> 0,85	0,45	2,12	1,58
Diluted earnings per share (Ron/actiune)	<b>14</b> 0,85	0,45	2,12	1,58

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

Individual Statement of Changes in Equity for the 9-month period ended on September 30, 2021

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

Note	Share capital	Capital-related premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as of January 1, 2021 (audited)</b>	<b>3,211,941,683</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>198,799,898</b>	<b>4,055,915,983</b>	<b>7,519,685,250</b>
<b>Comprehensive income</b>	-	-	-	-	-	-
<b>Profit for the period</b>	-	-	-	-	<b>640,607,551</b>	<b>640,607,551</b>
<i>Other items of the comprehensive income</i>						
Transfer of the revaluation reserve to the result carried forward, without deferred tax	-	-	-	(21,546,103)	21,546,103	-
Result carried forward from other adjustments	-	-	-	-	32,546	32,546
<b>Total aggregate comprehensive earnings for the period</b>	-	-	-	<b>(21,546,103)</b>	<b>662,186,200</b>	<b>640,640,097</b>
<b>Transactions with the shareholders, recognized only in equity</b>						
Distributed dividends	-	-	-	-	(472,117,575)	(472,117,575)
<b>Total transactions with the shareholders, recognized only in equity</b>	-	-	-	-	<b>(472,117,575)</b>	<b>(472,117,575)</b>
<b>Balance as of September 30, 2021 (unaudited)</b>	<b>3,211,941,683</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>177,253,795</b>	<b>4,245,984,608</b>	<b>7,688,207,772</b>

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

Individual Statement of Changes in Equity for the 9-month period ended on September 30, 2020

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

	Note	Share capital	Capital-related premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as of January 1, 2020 (audited)</b>		<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>227,996,066</b>	<b>3,843,269,056</b>	<b>7,334,934,061</b>
<b>Comprehensive income</b>		-	-	-	-		
<b>Profit for the period</b>		-	-	-	-	<b>477.689.255</b>	<b>477.689.255</b>
<i>Other items of the comprehensive income</i>							
Transfer of the revaluation reserve to the result carried forward, without deferred tax		-	-	-	(21,631,937)	21.631.937	-
Result carried forward from other adjustments		-	-	-	-	(5,115,626)	(5,115,626)
<b>Total aggregate comprehensive earnings for the period</b>		-	-	-	<b>(21,631,937)</b>	<b>494.205.566</b>	<b>472,573,629</b>
<b>Transactions with the shareholders, recognized only in equity</b>							
Distributed dividends		-	-	-	-	(498,421,395)	(498,421,395)
<b>Total transactions with the shareholders, recognized only in equity</b>		-	-	-	-	<b>(498,421,395)</b>	<b>(498,421,395)</b>
<b>Balance on September 30, 2020 (unaudited)</b>	<b>13</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>206,364,129</b>	<b>3,839,053,227</b>	<b>7,039,086,295</b>

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

Individual Cash Flow Statement for the nine-month period ended on September 30, 2021

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

	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>771,921,709</b>	<b>572,633,603</b>
<b>Adjustments for:</b>		
Impairment and depreciation	417,428,284	408,763,469
Impairment on trade and other receivables	2,721,837	(6,486)
Value adjustments on inventory	(947,210)	(1,508,338)
Provisions corresponding to operating liabilities and expenses	14,693,984	7,591,857
Losses/(Earnings) from the assignment of non-current assets	2,292,453	(1,111,180)
(Earnings) from the assignment of assets held for sale	(1,970,976)	-
Net financial (revenues)	(17,800,131)	(35,303,838)
<b>Changes in:</b>		
(Increase) / decrease in trade receivables and other receivables	(53,230,877)	629,988
Decrease in other financial assets valued at amortized cost	13,109,361	14,673,515
(Increase) in inventories	(15,847,930)	(23,060,422)
Variation of deferred income	(12,349,089)	(2,830,651)
Increase of trade liabilities and other liabilities	(89,826,953)	(11,469,805)
<b>Cash flows generated from operating activities</b>	<b>1,030,194,462</b>	<b>929,001,712</b>
Corporate tax paid	(114,558,120)	(85,268,432)
Interest collected	35,850,970	40,214,040
Interest paid	(812,997)	(3,864,405)
Collected dividends	1,840	-
<b>Net cash flow from operating activities</b>	<b>950,676,155</b>	<b>880,082,915</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(4,935,822)	(4,380,904)
Purchases of tangible assets	(226,423,042)	(140,795,673)
Investments in branches (see Note 7)	(30,772,207)	-
Other investments in financial assets (see Note 6)	(30,176,023)	-
Proceeds from the sale of tangible assets	32,617	1,111,180
Earnings from the sale of assets held for sale	4,202,609	-
Decrease / (increase) in bank deposits and financial assets valued at amortized cost	124,413,000	(1,255,149,506)
<b>Net cash flow corresponding to investment activities</b>	<b>(163,658,868)</b>	<b>(1,399,214,903)</b>
<b>Cash flow corresponding to financing activities</b>		
Loan repayments	(147,178,398)	(142,588,358)
Dividend payments	(471,896,114)	(498,156,417)
Payments related to leasing contract debts, including interest IFRS 16	(165,519)	(150,531)
<b>Net cash flow corresponding to financing activities</b>	<b>(619,240,031)</b>	<b>(640,895,306)</b>
<b>Net increase in cash and cash equivalents</b>	<b>167,777,256</b>	<b>(1,160,027,294)</b>
<b>Cash and cash equivalents as of January 1st (see Note 12)</b>	<b>546,565,840</b>	<b>1,793,145,389</b>
<b>Cash and cash equivalents as of September 30 (see Note 12)</b>	<b>714,343,096</b>	<b>633,118,095</b>

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica S.A. (the "Company" or "SNN") is a national joint-stock company, one-tier management system, having a head office and two branches without legal personality, CNE Cernavoda (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 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 Cernavoda NPP Branch, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two nuclear operational reactors are based on CANDU technology (Canada Deuterium Uranium type PHWR).

Besides, at Cernavoda the Company owns two nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The project for the increase of the Production Capacity is planned to be completed by the Energonuclear SA branch (for further details see Note 6). 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 CNE Cernavoda by organizing an investor selection procedure" (2014) as well as the "Revised Strategy for the continuation of the project for Units 3 and 4 of CNE Cernavoda by organizing an investor selection procedure" (2018) (section 2 of the EGMS agenda of June 12, 2020), (ii) Mandating the Board of Directors of SNN to initiate procedures/emdeavors/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<sup>th</sup>, 2020, published in the Official Gazette of Romania, Part I, No. 618/July 14<sup>th</sup>, 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 1-24 are an integral part of these individual interim financial statements*



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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**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 electricity 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 9 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 18).

As of September 30, 2021, the Company's shareholders are: The Romanian State, by the Ministry of Energy, 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 for the 9-month period that ended on September 30, 2021 have been prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards ("IFRS"), as further amended and supplemented ("OMPF 2844/2016"). According to OMPF 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 July 19, 2002 regarding the application of the international accounting standards ("IFRS adopted by the European Union").

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.

From the analyses made on the implications of the Covid-19 pandemic on the activity of the Company, in the first 9 months of 2021, the management considers that the ongoing business thereof will not be affected (see Note 2 (f)).

The Individual Interim Financial Statements on the date and for the nine-month period that ended on September 30, 2021 were not audited and were not revised by an independent auditor. These Individual Interim Financial Statements were authorized for issue and signed on November 09, 2021 by the Company's management.

**b) Presentation of the financial statements**

Individual Interim Financial Statements are presented in accordance with the requirements of IAS 1 – "Presentation of Financial Statements" and IAS 34 – "Interim Financial Reporting". The Company adopted a presentation based on liquidity within the consolidated statement of financial position and a presentation of the expenses according to the nature thereof within the consolidated statement of profit or loss and other items of the comprehensive income, considering the fact that these presentation methods provide information that is more relevant than the one that would have been presented based on other methods allowed by IAS 1.

These do not include the necessary information for a complete set of financial statements according to the IFRS and must be read with the Individual Financial Statements drafted on the date and for the financial year ended 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 modifications occurred in the financial position and performance of the Company from the latest Individual Financial Statements prepared on the date and for the financial year that ended on December 31, 2020.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**2. BASIS OF PREPARATION (CONTINUED)****c) Basis of assessment**

The Individual Interim Financial Statements are drafted based on the fair value agreement for financial assets and liabilities at fair value by the profit and loss account. Other financial assets and liabilities, as well as non-financial assets and liabilities, are presented at amortized cost, revalued value or historical cost.

**d) Functional and presentation currency**

The management of the Company considers that the functional currency, as defined by IAS 21 – "Effects of the variation of foreign exchange rates", is the Romanian leu (RON). The Individual Interim Financial Statements are prepared and presented in RON, rounded to the nearest RON, the currency that the Company's management has chosen as the currency of reference.

**e) Use of estimates and judgments**

The preparation of the individual interim financial statements according to IFRS adopted by the European Union involves the use by the managers of estimates, judgments and hypotheses that affect the application of accounting policies, and the reported value of assets, debts, revenues and expenses. The judgments and hypotheses associated with these estimates are based on historical experience and other factors deemed as 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 obtained results may be different from the value of the estimates.

Judgments and their underlying assumptions are periodically reviewed. Revisions to accounting estimates are acknowledged in the period in which the estimate is revised, if the revision only affects that period or in the period in which the estimate is revised and in future periods if the estimates affect both the current period and future periods.

The significant reasoning used by the managers for applying the accounting policies of the Company and the main uncertainty sources regarding the estimates was the same as the one applied for the Individual Financial Statements drafted on and for the financial year that ended on December 31, 2020.

**f) Implications of the Covid-19 pandemic**

In 2020, the Covid-19 pandemic and economic recession seriously affected the overall energy system. The global demand for energy was affected by major business interruptions and the anti-covid restrictions implemented by the authorities. This ultimately caused a decrease in the price of electricity on global level, which affected the revenues of the energy producers. Despite this fact, the renewable energy sector (nuclear energy is acknowledged as a "green", non-polluting, stable and safe source) was mostly unaffected, revenue-wise.

Currently, after the restrictions were removed, the energy sector plays a key role in the recovery of the economy and, moreover, a long-term role of the same importance, for providing the energy which all industries need in order to continue their activities. As the electricity market recovered, the demand of electricity increased, which could be noticed in the significant increase of the prices, also effects of the pandemic.

The economic disturbance caused by the Covid-19 pandemic had moderate repercussions on the Company, both in the previous year and in the first 9 months of 2021. Detailed analyses were performed on the activity of the Company, in order to identify and implement reliable estimates of the impact of the pandemic on the interim financial statements prepared on the date and for the period of 9 months of 2021, by using the assessment principles that were presented and explained in the financial statements of 2020.

Although the Covid-19 pandemic continues to have effects on macroeconomic level also in the 9 months of 2021, the impact on the operational profit of the Company as of September 30, 2021 is moderate, as the Company obtained very good financial results, and complied with its investment programs, the program for manufacturing and delivering nuclear bundles, the electricity and thermal energy production program and obtained an operational profit (EBITDA) 23.8% higher than in the same period of last year.

The Company monitors the macroeconomic situation and continuously assesses the uncertainty factors and the potential financial impact of the Covid-19 pandemic, in order to identify the measures that need to be taken, and for the investors to be informed.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**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.

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

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

	<b>Land</b>	<b>Nuclear power plants</b>	<b>Machinery, equipment and other assets</b>	<b>Assets in progress</b>	<b>Total</b>
<b>Cost</b>					
<b>Balance as of January 1, 2020 (audited, restated)</b>	<b>32,181,659</b>	<b>5,338,285,801</b>	<b>1,072,326,466</b>	<b>945,459,145</b>	<b>7,388,253,071</b>
Additions	-	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)
<b>Balance as of December 31, 2020 (audited)</b>	<b>32,124,981</b>	<b>5,388,449,243</b>	<b>1,110,066,036</b>	<b>1,064,437,295</b>	<b>7,595,077,555</b>
<b>Balance as of January 1, 2021 (audited)</b>	<b>32,124,981</b>	<b>5,388,449,243</b>	<b>1,110,066,036</b>	<b>1,064,437,295</b>	<b>7,595,077,555</b>
Additions	-	-	5,207,271	192,206,225	197,413,495
Transfers	-	80,390,901	37,133,513	(117,524,414)	-
Transfer to intangible assets	-	-	-	(3,142,607)	(3,142,607)
Transfer from intangible assets	-	-	4,769,053	-	4,769,053
Inventory transfer	-	-	-	(5,996,499)	(5,996,499)
Transfer from spare parts reclassified	-	-	21,714,925	(16,576,988)	5,137,938
Derecognition of U1&U2 inspections	-	(65,338,182)	-	-	(65,338,182)
Heavy water derecognition	-	(894,946)	-	-	(894,946)
Disposals	-	-	(1,220,585)	-	(1,220,585)
<b>Balance as of September 30, 2021 (unaudited)</b>	<b>32,124,981</b>	<b>5,402,607,016</b>	<b>1,177,670,212</b>	<b>1,124,318,704</b>	<b>7,736,720,913</b>
<b>Depreciation and impairment adjustments</b>					
<b>Balance as of January 1, 2020 (audited, restated)</b>	<b>550,782</b>	<b>671,877,780</b>	<b>499,431,025</b>	<b>159,969,165</b>	<b>1,331,555,752</b>
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
<b>Balance as of December 31, 2020 (audited)</b>	<b>550,782</b>	<b>1,057,248,682</b>	<b>595,963,307</b>	<b>146,586,943</b>	<b>1,800,349,715</b>
<b>Balance as of January 1, 2021 (audited)</b>	<b>550,782</b>	<b>1,057,248,682</b>	<b>595,963,307</b>	<b>146,586,943</b>	<b>1,800,349,715</b>
Depreciation charges	-	350,434,275	53,172,162	-	403,606,437
Accumulated amortization for U1&U2 inspections	-	(63,491,497)	-	-	(63,491,497)
Accumulated amortization for outputs	-	(894,946)	(761,575)	-	(1,656,520)
Adjustments for impairment of intangible assets	-	-	7,271,049	(445,295)	6,825,753
<b>Balance as of September 30, 2021 (unaudited)</b>	<b>550,782</b>	<b>1,343,296,515</b>	<b>655,644,944</b>	<b>146,141,648</b>	<b>2,145,633,888</b>
<b>Net accounting value</b>					
<b>Balance as of January 1, 2020 (audited, restated)</b>	<b>31,630,877</b>	<b>4,666,408,021</b>	<b>572,895,440</b>	<b>785,762,980</b>	<b>6,056,697,319</b>
<b>Balance as of December 31, 2020 (audited)</b>	<b>31,574,199</b>	<b>4,331,200,560</b>	<b>514,102,729</b>	<b>917,850,351</b>	<b>5,794,727,840</b>
<b>Balance as of September 30, 2021 (unaudited)</b>	<b>31,574,199</b>	<b>4,059,310,501</b>	<b>522,025,268</b>	<b>978,177,056</b>	<b>5,591,087,025</b>

*Notes 1-24 are an integral part of these individual interim financial statements*

## S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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### 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 9 months of 2021, the Company did not purchase heavy water.

#### (ii) Non-current assets in progress

On September 30, 2021, the net book value of the assets in progress, amounting to RON 978,177,056, includes the following items:

- Investment for increasing the production capacity with a net book value of RON 506,526,333 (December 31, 2020: RON 506,632,392);
- Investments related to Units 1 and 2, amounting to a total of RON 471,650,723, the most representative being:
  - ✓ Refurbishment of U1 amounting to 109,433,478 RON (December 31, 2020: RON 48,306,873);
  - ✓ D2O tritium removal facility amounting to RON 67,944,275 (December 31, 2020: 63,445,743RON);
  - ✓ Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 27,883,109 (December 31, 2020: RON 24,453,897);
  - ✓ Improvement of nuclear security systems following the Fukushima event, amounting to RON 37,351,596 (December 31, 2020: RON 34,959,367);
  - ✓ Equipment and materials for investments amounting to RON 47,548,305 (December 31, 2020: RON 45,205,001).

The gross value of the investment for the increase of the production capacity amounts to RON 508,224,900, 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, whose accounting value as of September 30, 2021 is 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 75,026,513 (December 31, 2020: 75,132,572 RON). 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 December 30, 2021, the gross accounting 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 9 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 80,390,901, and the installation of spare parts on the equipment in operation, amounting to RON 29,936,202, increasing the accounting value of DICA 11 and 12 by RON 10,960,130.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**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 derecognised or as it is used (see Note 12). 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:

<b>Asset</b>	<b>Number of years</b>
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.

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 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:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
<b>Land</b>		
Cost	23,091,101	23,091,101
Accumulated depreciation	-	-
<b>Net book value</b>	<b>23,091,101</b>	<b>23,091,101</b>
	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
<b>Buildings</b>		
Cost	6,360,873,505	6,336,222,933
Accumulated depreciation	(3,686,624,436)	(3,477,254,730)
<b>Net book value</b>	<b>2,674,249,069</b>	<b>2,858,968,203</b>

**(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 in the first 9 months of 2021 amounts to RON 76,558,318 (December 31, 2020: RON 102,246,544).

**(vii) Assets pledged as security**

As of September 30, 2021, and as of December 31, 2020, respectively, the Company has no pledged or mortgaged assets.

**(viii) Supplier Credit**

As of September 30, 2021, the Company has fixed assets purchased based on credit from suppliers (commercial credit) amounting to RON 28,971,064 (December 31, 2020: RON 47,821,880).

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 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.

**(i) Amounts recognized in the financial position Statement**

Assets representing rights to use underlying assets under a leasing contract	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Land	1,406,574	801,003
Accumulated depreciation	(180,907)	(179,771)
<b>Net book value</b>	<b>1,225,667</b>	<b>621,233</b>
	<b>September 30, 2021 (unaudited)</b>	<b>December 31, 2020 (audited)</b>
<b>Debts from leasing contracts</b>		
Short-term	274,409	117,721
Long-Term	961,082	515,074
	<b>1,235,491</b>	<b>632,795</b>

**(ii) Amounts Recognized in the Profit or Loss Statement**

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Depreciation of assets representing rights of use	118,206	179,770
Interest expenses	19,403	21,737

The **total cash outputs** related to the contracts from the period that ended on September 30, 2021 were in value of 165,519 RON (September 30, 2020: RON 150,531).

**(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.



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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**6. FINANCIAL ASSETS VALUED AT AMORTIZED COST**

As of September 30, 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”), and state bonds.

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange Contribution	23,000	23,000
Romatom Contribution	100	100
HENRO Contribution	250,000	-
State bonds (i)	29,926,023	-
<b>Total</b>	<b>35,232,054</b>	<b>5,056,031</b>

**(i) State bonds**

As of September 30, 2021, the Company has state bonds issued by the Ministry of Finance, with 4-year maturity, a fixed annual interest of 3.25% per annum and a maximum adjudication yield of 4.48% per annum.

Transfer of financial assets representing state bonds:

	<b>September 30, 2021</b> <b>(unaudited)</b>
<b>Balance as at January 1</b>	-
Purchases	29,656,680
Maturities	-
Amortized cost adjustment	4,899
Accumulated interest	264,444
<b>Balance at the end of the reporting period</b>	<b>29,926,023</b>

*Notes 1-24 are an integral part of these individual interim financial statements*

## S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

### 7. FINANCIAL INVESTMENTS IN BRANCHES

As of September 30, 2021, the situation of the investments in branches is as follows:

	<u>September 30, 2021</u> <u>(unaudited)</u>	<u>December 31, 2020</u> <u>(audited)</u>
Energonuclear S.A.	172,438,108	141,666,101
F.P.C.U Feldioara	200	-
<b>Total</b>	<b><u>172,438,308</u></b>	<b><u>141,666,101</u></b>

#### Energonuclear S.A.

The registered office of the Energonuclear S.A. ("Energonuclear") branch is in Bucharest, District 2, Bd. Lacul Tei, no. 1 - 3, Lacul Tei Offices building, floor 8, and is registered with the Trade Register under no. J40/3999/25.03.2009, sole registration number 25344972, fiscal attribute RO. The main business of Energonuclear consists in "Engineering activities and related technical consultancy" – NACE Code 7112.

As of September 30, 2021 and December 31, 2020, the Company owns 100% of the share capital of Energonuclear. The value of the interest as of September 30, 2021 is **172,438,108 RON**, and **141,666,101 RON** as of December 31, 2020.

By EGMS Resolution no. 4/11.07.2017, the shareholders of the Company approved the granting by the Company of a **loan convertible into shares** amounting to maximum RON 5,500,000 to the subsidiary Energonuclear S.A., in order to finance the maintenance and conservation activities for the site of Units 3 and 4 of Cernavoda NPP. Until September 30, 2021, Energonuclear accessed the entire approved value, of RON 5,500,000, for which a capitalized interest of RON 272,005. The loan was converted into shares according to EGMS Resolution no. 5/30.06.2021, registered with the Trade Register by mention application no. 485731/10.09.2021.

In the first 9 months of 2021, the share capital of the Energonuclear S.A. branch was increased twice, as follows: in virtue of EGMS Resolution no. 3/21.04.2021 by issuing new shares with the amount of RON 25,000,001.36, and in virtue of EGMS Resolution no. 5/30.06.2021 with the amount of RON 5,772,005.22 RON, representing the conversion of the shareholder loan into shares.

#### F.P.C.U Feldioara

The registered office of F.P.C.U Feldioara in Brasov County, Feldioara, No. 1, Dumbravii Street, administrative building, ground floor, and is registered with the Trade Register under no. J8/2729/23.09.2021, sole registration number 44958790, fiscal attribute RO. The main activity of Energonuclear is "Processing of nuclear fuel" - NACE code 2446.

As of September 30, 2021, the Company owns 100% of the share capital of F.P.C.U Feldioara. The value of participation as of September 30, 2021 amounts to **RON 200**.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**8. INVENTORIES**

As of September 30, 2021 and December 31, 2020, the inventories are as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Spare parts	197,609,177	185,856,408
Consumables and other materials	55,195,460	56,565,105
Nuclear fuel	208,309,740	193,639,358
Uranium	35,030,164	39,292,794
Other inventories	6,972,540	11,915,487
Adjustments for impairment of inventories	(50,887,410)	(51,834,621)
<b>Total</b>	<b>452,229,671</b>	<b>435,434,531</b>

**(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 9 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 130,496,441 (December 31, 2020: RON 148,123,065).

The value of inventories recognized as expenses in the first 9 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 September 30, 2021 amounts to RON 50,887,410 (December 31, 2020: RON 51,834,621). In the first 9 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 947,210 (December 31, 2020: RON 2,057,762).

In the first 9 months of 2021, no restatements of written off inventories have been recorded.

**(iii) Pledged Inventories**

As of September 30, 2021, the Company does not record pledged or mortgaged inventories.

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**9. NON-CURRENT ASSETS HELD FOR SALE**

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Land	-	120,740
Buildings	-	1,823,567
Fittings and plants	-	287,326
<b>Total</b>	<b>-</b>	<b>2,231,633</b>

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.

As of September 30, 2021, the Company registered the derecognition of the asset following its sale. The net revenues from the sale of the assets held for sale amount to RON 1,970,976 (Note 18), and the cash inputs related to the assets held for sale in the period that ended on September 30, 2021, amounted to RON 4,202,609.

**10. TRADE RECEIVABLES AND OTHER RECEIVABLES**

As of September 30, 2021 and December 31, 2020, trade receivables are as follows:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Trade receivables	221,289,187	168,045,626
Adjustments for impairment of trade receivables	(12,823,047)	(10,101,875)
<b>Total</b>	<b>208,466,140</b>	<b>157,943,751</b>

As of September 30, 2021, the main trade receivables in the balance are from: Electrica Furnizare S.A. – 39,602,010 RON (December 31, 2020 – 52,907,721 RON), Engie Romania S.A. – 36,927,483 RON (December 31, 2020 – 8,927,058 RON), GEN-I d.o.o. – 21,420,996 RON (December 31, 2020 – 8,373,622 RON).

Sales made during the 9-month period ended on September 30, 2021 to the Company of the Electricity and Natural Gas Market Operator "OPCOM" S.A. accounted for approximately 18.03% (September 30, 2020: approximately 21.78%), to Electrica Furnizare S.A. represented approximately 17.43% (September 30, 2020: approximately 16.77%), to Engie Romania S.A. represented approximately 11.10% (September 30, 2020: approximately 3.01%), to GEN-I d.o.o. represented approximately 9.34% (September 30, 2020: approximately 4.40%), and to E.ON Energie Romania S.A. represented approximately 7.70% (September 30, 2020: approximately 7.10%) of all the electricity sales of the Company.

**11. OTHER FINANCIAL ASSETS VALUED AT AMORTIZED COST**

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Other receivables	32,928,267	37,875,290
Impairment adjustments for other receivables	(596,559)	(596,559)
Taxes and duties	17,226,584	37,765,898
Payments made in advance	24,891,557	10,323,167
<b>Total</b>	<b>74,449,849</b>	<b>85,367,796</b>

On September 30, 2021 the position "Duties and Taxes" mainly represents VAT to be recovered amounting to RON 15,003,948 (December 31, 2020: RON 33,562,819).

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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

As of September 30, 2021 and December 31, 2020, the **cash and cash equivalents** are as follows:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Cash on hand	58,876	91,753
Current accounts in banks, in RON	108,570,797	118,692,137
Current accounts in banks, in foreign currency	8,297,115	1,741,506
Bank deposits shorter than 3 months	595,540,000	425,556,000
Other cash equivalents	1,876,308	484,444
<b>Total cash and cash equivalents</b>	<b>714,343,096</b>	<b>546,565,840</b>

On September 30, 2021 and December 31, 2020, the **bank deposits** with original maturities longer than 3 months and shorter than a year are as follows:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Bank deposits	<b>1,496,971,000</b>	<b>1,621,384,000</b>

**(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:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Cash on hand	58,876	91,753
Current accounts in banks	116,867,912	120,433,643
Bank deposits with initial maturity shorter than 3 months	595,540,000	425,556,000
Other cash equivalents	1,876,308	484,444
	<b>714,343,096</b>	<b>546,565,840</b>

**(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 of incorporation.

**(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 September 30, 2021, the Company holds letters of bank guarantee based on credit facilities, without collateral deposits, amounting to RON 68,020,369 (December 31, 2020: RON 117,028,702).

*Notes 1-24 are an integral part of these individual interim financial statements*

## S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

### 13. EQUITY

#### Share capital

The Company was established through separation from the former Autonomous Electricity Administration ("RENEL"). The share capital represents the contribution of the State to the incorporation of Company on June 30<sup>th</sup>, 1998 (restated with inflation up to December 31<sup>st</sup>, 2003) plus subsequent increases.

According to the Articles of Incorporation, the authorized capital of the Company is of RON 3,016,518,660. The subscribed and paid-up share capital as at September 30, 2021 and December 31, 2020 is of RON 3,016,438,940, under the authorized capital.

As of September 30, 2021 and December 31, 2020, 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 appears as follows:

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Subscribed and paid-in share capital (nominal value)	3,016,438,940	3,016,438,940
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>3,211,941,683</b>

As at September 30, 2021 and 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 having the nominal value of 10 RON each.

The last share capital increase took place in 2020 by subscribing a number of 130,043 new shares, in the amount of RON 1,300,430, representing the in-kind contribution of the Romanian State, represented by the Ministry of Energy and in cash of the shareholders of the Company. The share capital increase was made based on the Proportional Offer Prospectus related to the share capital increase, approved by the ASF Decision no. 976/August 13<sup>th</sup>, 2020 and of the Resolutions of the Extraordinary General Meeting no. 2/January 4<sup>th</sup>, 2019 and no. 12/December 19<sup>th</sup>, 2019, registered with the National Trade Register Office according to the amended Certificate no. 484154/ September 30<sup>th</sup>, 2020.

Holder of ordinary shares are entitled to receive dividends, as such are declared at certain periods of time, and are entitled to vote on one share during the General Meetings of the Shareholders of the Company.

The shareholding structure as of September 30, 2021 and December 31, 2020 is as follows:

Shareholders	Number of shares September 30, 2021	% of the share capital	Number of shares December 31, 2020	% of the share capital
The Romanian State - Ministry of Energy	248,850,476	82.4981%	248,850,476	82.4981%
Other shareholders	52,793,418	17.5019%	52,793,418	17.5019%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>	<b>301,643,894</b>	<b>100%</b>

#### Share premiums

In November 2013, the Company issued 28,100,395 ordinary shares at Bucharest Stock Exchange through an initial public offer 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 a share premium of **RON 31,474,149**.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**13. EQUITY (CONTINUED)****Prepaid reserve**

The prepaid reserves amount to **RON 21,553,537** as at September 30, 2021 and December 31, 2020 and represent objectives of public utility at CNE Cernavoda (RON 5,439,321), and budgetary allocations for the period 2007-2011 for the construction of the Training and Recreation Center for Youth and Children in Cernavoda (RON 16,114,216).

**Legal reserves**

According to the legal requirements, the Company sets up legal reserves in the amount of 5% of the gross registered profit up to the level of 20% of the share capital. The amount of the legal reserve as of September 30, 2021 is RON 194,928,188 (December 31, 2020: 194,928,188 RON),

Legal reserves cannot be distributed to the shareholders. The value of the legal reserves was included in the statement of financial status, among the "Retained earnings".

**Deferred tax net revaluation reserves**

As of September 30, 2021, the deferred net tax revaluation reserve is RON 177,253,795 (December 31, 2020: RON 198,799,898). The last revaluation of lands, buildings and constructions took place on December 31<sup>st</sup>, 2018 by an independent valuer, Primal SRL, member of the National Association of Certified Assessors in Romania ("ANEVAR").

In the first 9 months of 2021, the Company recognized a decrease of the revaluation reserve amounting to RON 25,650,117 following the transfer thereof into retained earnings (2020: 34,757,342 RON),

**Carried forward result**

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

*Movements of the retained earnings*

	<u>September 30, 2021</u> <u>(unaudited)</u>	<u>December 31, 2020</u> <u>(audited)</u>
<b>Balance as at January 1, 2021</b>	<b>4,055,915,983</b>	<b>3,843,269,056</b>
<i>Net profit of the period</i>	<i>640,607,551</i>	<i>699,322,229</i>
Actuarial (loss) on defined benefits plan	-	(5,539,153)
Result carried forward from other adjustments	32,546	(11,910,921)
Transfer of the revaluation reserve to the result carried forward, without deferred tax	21,546,103	29,196,168
Dividends	(472,117,575)	(498,421,396)
<b>Balance at the end of the reporting period</b>	<b>4,245,984,608</b>	<b>4,055,915,983</b>

The Company recorded in 2020 in the position "Retained earnings from other adjustments" amounts representing costs of the previous periods, derived from: regularization of the ANRE fee for the year of 2019 in the amount of RON 4.96 million, CMP corrections for uranium inventory for 2019 in the amount of RON 5.09 million, taxes additionally established according to ANAF Decision no. F-MC\_111/February 18<sup>th</sup>, 2020, for the period 2012 - 2017, in the amount of RON 0.90 million and other transactions related to the previous years in the amount of RON 0.95 million. As of September 30, 2021, the value of RON 32,546 represents other transactions related to the previous years.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**13. EQUITY (CONTINUED)****Dividends**

Over the nine-month period ended on September 30, 2021, the Company declared dividends amounting to RON 472,117,575 (December 31, 2020: RON 498,424,223). Unpaid net dividends as of December 30, 2021 amounted to RON 877,322 (December 31, 2020: RON 800,583).

**14. EARNINGS PER SHARE**

As of September 30, 2021 and September 30, 2020, the earning per share is:

**(i) Basic earnings per share**

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
<b>Net profit in the period</b>	<b>255,215,022</b>	<b>134.466.808</b>	<b>640,607,551</b>	<b>477.689.255</b>
Number of ordinary shares at the beginning of the period	301,643,894	301,513,851	301,643,894	301,513,851
Number of ordinary shares issued during the period	-	-	-	-
<b>Weighted-average number of ordinary shares at the end of the period</b>	<b>301,643,894</b>	<b>301,513,851</b>	<b>301,643,894</b>	<b>301,513,851</b>
<b>Basic earnings per share (RON/share)</b>	<b>0,85</b>	<b>0,45</b>	<b>2,12</b>	<b>1,58</b>

**(ii) Diluted earnings per share**

	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>3-month period ended on September 30, 2019 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
<b>Net profit in the period</b>	<b>255,215,022</b>	<b>134.466.808</b>	<b>640,607,551</b>	<b>477.689.255</b>
Number of ordinary shares at the beginning of the period (a)	301,643,894	301,513,851	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	301,643,894	301,513,851
Number of shares corresponding to the prepaid share reserve (b) (see Note 9)	-	-	-	-
<b>Weighted-average number of ordinary shares (diluted) as of September 30 (a) + (b)</b>	<b>301,643,894</b>	<b>301,513,851</b>	<b>301,643,894</b>	<b>301,513,851</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0,85</b>	<b>0,45</b>	<b>2,12</b>	<b>1,58</b>

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



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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**15. BORROWINGS**

The situation of the loans held by the Group on September 30, 2020, respectively December 31, 2021, is as follows:

	<b>September 30 2021 (unaudited)</b>	<b>&lt; 1 year</b>	<b>&gt; 1 year</b>	<b>December 31, 2020 (audited)</b>	<b>&lt; 1 year</b>	<b>&gt; 1 year</b>
Bank loans	<b>373,491,712</b>	221,121,032	152,370,680	<b>502,335,190</b>	211,856,623	290,478,567
Interest	<b>309,192</b>	309,192	-	<b>138,459</b>	138,459	-
<b>Total</b>	<b>373,800,904</b>	<b>221,430,224</b>	<b>152,370,680</b>	<b>502,473,649</b>	211,995,082	290,478,567

**Bank loans**

Reimbursements of borrowings during the financial year ended on September 30, 2021 were:

	<b>Currency</b>	<b>Interest rate</b>	<b>Value</b>	<b>Year of final maturity</b>
<b>Balance as of January 1, 2021 (audited)</b>			<b>502,335,190</b>	
New draws				
<b>Repayments, of which</b>			<b>(147,178,398)</b>	
Societe Generale – ANSALDO BC	EUR	EURIBOR 6M + 0.7%	(18,913,267)	2022
Societe Generale – AECL BC	CAD	CDOR 6M + 0.375%	(36,555,871)	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(91,709,260)	2024
<b>Exchange rate differences</b>			<b>13,403,940</b>	
<b>Commitment fees</b>			<b>4,930,980</b>	
<b>Balance as of September 30, 2021 (unaudited)</b>			<b>373,491,712</b>	

**(i) Long-term loans**

As of September 30, 2021 and December 31, 2020, the **long-term** loans from credit institutions are as follows:

	<b>September 30, 2021 (unaudited)</b>	<b>December 31, 2020 (audited)</b>
Societe Generale - ANSALDO BC	38,036,432	56,158,539
Societe Generale - AECL BC	73,242,859	102,033,230
EURATOM	267,143,400	354,005,380
<b>Total loans</b>	<b>378,422,691</b>	<b>512,197,149</b>
Less: current part of long-term loans	(226,052,011)	(218,431,261)
Less: balance of commitment and insurance fees (long-term)	-	(3,287,320)
<b>Total long-term loans, net of the short-term part</b>	<b>152,370,680</b>	<b>290,478,567</b>

On September 30, 2021, the financial indicators related to the loan granted by EURATOM were met.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

**15. LOANS (CONTINUED)****Bank loans (continued)****(ii) Short-term loans**

As of September 30, 2021 and December 31, 2020, the **short-term** borrowings are as follows:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Current share of long-term loans	226,052,011	218,431,262
Interests related to the long-term loans	309,192	138,459
Short-term commitment and insurance fees	(4,930,979)	(6,574,639)
<b>Total short-term loans</b>	<b>221,430,224</b>	<b>211,995,082</b>

**16. TRADE PAYABLES AND OTHER LIABILITIES**

As of September 30, 2021 and December 31, 2020, trading and other liabilities are as follows:

	<b>September 30, 2021</b> <b>(unaudited)</b>	<b>December 31, 2020</b> <b>(audited)</b>
Providers of non-current assets	28,971,064	47,821,880
Suppliers	79,470,994	81,911,514
Obligations concerning employee benefits	24,059,285	23,467,273
Payables to the State	23,325,709	106,932,895
Payable dividends	877,400	826,280
Other liabilities	15,264,357	24,060,308
<b>Total</b>	<b>171,968,809</b>	<b>285,020,150</b>

On September 30, 2021, the main providers in the balance, from the "Non-current assets suppliers" and "Suppliers" positions, are: Romanian Waters Bucharest – RON 13,233,511 (December 31, 2020: 12,404,839 RON), Candu Energy INC. – 10,303,550 RON (December 31, 2020: 11,062,778 RON), Phoenix IT S.R.L. – 7,722,862 RON (December 31, 2020: 0 RON), Concelex S.R.L. – 6,271,270 RON (December 31, 2020: 5,346,922 RON), CANDU Owners Group Inc. (COG) – 5,176,026 RON (December 31, 2020: RON 4,485,080).

The "Employee Benefit Obligations" position includes the amount of 10.3 mil. RON, representing a preliminary commitment related to granting the amounts to be distributed according to the revenue and expenditure budget approved by OGMS Resolution no. 7/ 06.05.2021, related to salaries, bonuses, contributions and other allowances and prize-awarding fund, which will be granted by the end of 2021, under the form of bonuses.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**17. PROVISIONS FOR RISKS AND EXPENSES**

As of September 30, 2021 and December 31, 2021, 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":

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	70,024,148	70,262,388
Obligations regarding the low and medium radioactive and non-radioactive waste	110,519,054	103,884,325
Provision for disputes related to salary bonuses	106,298,783	97,209,259
Employees' participation in the profit	26,022,669	21,326,448
<b>Total</b>	<b>312,864,654</b>	<b>292,682,420</b>

As of September 30, 2021, the provisions in the total amount of RON 312,864,654 represent long-term and short-term liabilities, as follows:

	<b>Current portion (<b>&lt; 1 year</b>)</b>	<b>Long-term portion (<b>&gt; 1 year</b>)</b>
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	23,808,503	46,215,645
Obligations regarding the low and medium radioactive and non-radioactive waste	19,753,013	90,766,041
Provision for disputes related to salary bonuses	-	106,298,783
Employees' participation in the profit	26,022,669	-
<b>Total</b>	<b>69,584,185</b>	<b>243,280,469</b>

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

See Note 3 (s) 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 the accounting policies relevant to provisions.

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**18. INCOME FROM ELECTRICITY SALES***(i) Revenues from electricity sales*

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Sales of electricity on the regulated market	-	72,107,523	65,878	276,924,697
Sales of electricity on the free market	775,023,172	501,812,657	2,110,032,714	1,450,746,912
Sales of thermal energy	208,330	226,700	4,698,084	3,981,125
Revenues from the sale of green certificates	6,454	6,606	21,510	20,223
<b>Total</b>	<b>775,237,956</b>	<b>574,153,486</b>	<b>2,114,818,186</b>	<b>1.731.672.957</b>

*(ii) Quantity of energy sold<sup>\*)</sup>*

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Quantity of energy sold on the regulated market (MWh)	-	394,822	361	1,481,558
Quantity of energy sold on the free market (MWh)	2,758,706	1,963,594	8,036,733	6,408,101
<b>Total</b>	<b>2,758,706</b>	<b>2,358,416</b>	<b>8,037,094</b>	<b>7,889,659</b>

<sup>\*)</sup>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 25,818 MWh for the 9-month period ended on September 30, 2021 (25,625 MWh for the 9-month period that ended on September 30, 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 182.63/MWh (without T<sub>g</sub>)).

On the free market, between January 1 and September 30, 2021, the Company delivered 99.7% of its sold energy (January 1 - September 30, 2020: 81%). The average sale price of electricity sold by the Company on this market in period January 1 - September 30, 2021 was of 262.55 RON/MWh (period January 1 - September 30, 2020: RON 226.39/MWh), without T<sub>g</sub>.

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 11.06.2022 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 power over the period January 1 - September 30, 2021 amount to RON 4,698,084 (January 1 - September 30, 2020: RON 3,981,125).

*Notes 1-24 are an integral part of these individual interim financial statements*

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

**18. REVENUES FROM ELECTRICITY SALES (CONTINUED)**

Following the Government Emergency Ordinance no. 114/December 28<sup>th</sup>, 2018, amending and supplementing the Electricity and Natural Gas Law no. 123/2012, ANRE issued Order no. 216/December 11<sup>th</sup>, 2019 approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance providers.

According to ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for Q1 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020 and 385.6 GWh for Q2 2020. For the first half-year of 2020, ANRE established a regulated price for SNN of RON 188.47 /MWh (without Tg).

For the 2nd half-year of 2020, ANRE issued Order 88/12.06.2020 for approving the Methodology for setting regulated fees and prices applied by last-instance providers to end clients for period July 1 - December 31, 2020 [...]. According to ANRE Resolution no. 1077/June 29<sup>th</sup>, 2020, the quantity assigned to SNN for the second half-year of 2020 for regulated contracts was 1,095 GWh, out of which 394.9 GWh for Q3 2020 and 700.1 GWh for Q4 2020. For the first half-year of 2020, ANRE established a regulated price for SNN of RON 182.63 /MWh (without Tg). According to ANRE decision 326/2019, the quantity of electricity assigned to SNN for 2019 under regulated contracts is 1,377 GWh (out of which 558.54 GWh for January 1 – September 30, 2019), at a regulated price of 188.33 RON/MWh (without Tg).

Over the nine-month period ended on September 30<sup>th</sup>, 2020, the Company sold 18.7% of its energy on the regulated market (over the 9-month period ended on September 30<sup>th</sup>, 2019: 7.1%), at a regulated price.

On the competition market, between January 1 and September 30, 2020, the Company delivered 81% of its sold energy (January 1 - September 30, 2019: 92.6%). The average sale price of electricity sold by the Company on this market in period January 1 - September 30, 2020 was of 226.39 RON/MWh (period January 1 - September 30, 2019: 229.32 RON/MWh) value, which does not include Tg.

**19. OTHER REVENUES**

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Income from investment subsidies	3,588,371	3,590,020	10,765,114	10,769,606
Revenues from penalties and compensation	5,113,368	86,800	5,863,359	332,615
Revenues from the sale of assets held for sale, net	1,970,976	-	1,970,976	-
Income from reversal of provisions and value adjustments, net	-	(3,499,742)	-	-
Other income	14,497,492	17,026,462	43,171,094	24,418,653
<b>Total</b>	<b>25,170,207</b>	<b>17,203,540</b>	<b>61,770,543</b>	<b>35,520,874</b>

*Notes 1-24 are an integral part of these individual interim financial statements*

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

**20. OTHER OPERATIONAL COSTS**

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Other expenses with services provided by third parties	26,447,747	21,431,990	66,446,913,00	59,992,349
Expenses with ANDR	25,611,216	24,496,369	76,558,318,00	73,105,623
Energy and water expenses	21,814,517	19,034,799	61,345,356,00	58,061,456
Expenses with the ANRE contribution	612,957	5,994,282	1,838,872	8,047,889
Expenses with fuel and other consumables	13,447,357	15,369,872	40,840,318	37,798,406
Expenses with insurance premiums	3,207,111	3,553,117	9,024,608	8,977,493
Transport and telecommunication expenses	2,463,882	1,908,872	5,866,966	5,209,525
Expenses related to provisions and impairments	1,894,736	2,135,711	16,048,394	2,135,711
Other operating expenses	9,073,228	7,622,050	25,323,336	33,277,249
<b>Total</b>	<b>104,572,751</b>	<b>101,547,062</b>	<b>303,293,081</b>	<b>286,605,701</b>

**Expenses with ANDR**

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

- contribution for the decommissioning of each nuclear unit amounting to 0,6 EUR/MWh of 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.

**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 June 30, 2021 amounts to RON 1,838,872 (September 30, 2020: RON 8,047,889). For 2020, the contribution was paid in virtue of ANRE Order no.1/2020, which set 0.1% of the turnover obtained from the activities carried out based on the held licenses (period 15.01.2020 – 31.12.2020) and ANRE Order no. 251/2019 on extending the application of ANRE Order no. 224/2018, namely 2% from the turnover of the previous year, for interval 1 -14.01.2020.

**Other operating expenses**

The position "Other operating expenses" includes the expenses related to the operating authorizations paid to CNCAN Bucharest amounting to RON 7,448,086 (September 30, 2020: RON 7,451,794).

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

**21. FINANCIAL INCOMES AND EXPENSES**

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Interest income	11,401,391	13,535,816	38,042,384	45,102,287
Income from exchange rate differences	2,380,397	7,907,303	7,550,866	23,527,730
Dividends income	1,840	1,995	1,840	3,764
Financial revenues from the amortization of differences related to state bonds	4,899	-	4,899	-
Other financial revenues	-	354	-	354
<b>Total financial revenues</b>	<b>13,788,527</b>	<b>21,445,468</b>	<b>45,599,989</b>	<b>68,634,135</b>
Expenses from exchange rate differences	(3,486,648)	(8,080,086)	(21,159,567)	(24,122,670)
Interest-related expenses	(2,334,626)	(3,070,227)	(7,145,693)	(9,607,386)
<b>Total financial expenses</b>	<b>(5,821,274)</b>	<b>(11,150,313)</b>	<b>(28,305,260)</b>	<b>(33,730,056)</b>
<b>Net financial (expenses)/revenues</b>	<b>7,967,253</b>	<b>10,295,155</b>	<b>17,294,729</b>	<b>34,904,079</b>

**22. INCOME TAX**

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

	<b>3-month period ended on September 30, 2021 (unaudited)</b>	<b>3-month period ended on September 30, 2020 (unaudited)</b>	<b>9-month period ended on September 30, 2021 (unaudited)</b>	<b>9-month period ended on September 30, 2020 (unaudited)</b>
Current income tax expense	54,338,326	27,037,954	134,845,854	96,976,009
Revenue from deferred tax, net	(2,107,232)	(2,089,404)	(3,531,696)	(2,031,661)
<b>Total</b>	<b>52,231,094</b>	<b>24,948,550</b>	<b>131,314,158</b>	<b>94,944,348</b>

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

This a free translation from the Romanian version.

In case of any differences between the Romanian and English version, the Romanian version prevails.

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**23. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS****(i) Taxation**

The Romanian taxation system is in a process of consolidation and harmonization with the European Union legislation. However, there are still different interpretations of tax law. In certain situations, the tax authorities may treat certain aspects differently, proceeding to the calculation of additional taxes and duties and of the related interests and default penalties. In Romania, the fiscal year remains open for fiscal verification for 5 years. The Company's management considers that the tax liabilities included in these financial statements are fairly stated, and they are not aware of any circumstances which may give rise to a potential material liability in this respect.

**(ii) Other check-ups**

On the basis of the FMC Tax Inspection Notice 163 / July 23rd, 2018, on August 23rd, 2018, a control team came to the Company's headquarters to audit the corporate tax for the period 2012-2017, the tax on the income earned by non-resident persons in Romania, the income from dividends received in Romania by non-residents and the income from royalties obtained in Romania by non-residents for the period 2015-2017, VAT for the period 2013-2017, tax on interest income obtained in Romania by non-resident persons for the period 2015-2017. The tax inspection ended by RIF no. FMC 27/ February 18<sup>th</sup>, 2020, registered with SNN under no. 2621/February 21<sup>st</sup>, 2020, and by the Notice of Assessment on the main fiscal liabilities related to the tax base differences established within the tax inspection no. FMC 111/February 18<sup>th</sup>, 2020, debts amounting to RON 2,453,799 were established. For the accessories related to these debits, SNN submitted to ANAF a Request for the cancellation of the accessories, registered with SNN under no. 3164/March 3<sup>rd</sup>, 2020 and with ANAF under no. 11264/March 3<sup>rd</sup>, 2020, whereby it requested the cancellation thereof according to art. 27 in the Government Ordinance no. 6/2019 on the establishment of tax facilities. Consequently, ANAF issued a decision for the annulment of the accessory payment liabilities no. 559/March 6<sup>th</sup>, 2020.

By letter no. IV/40.786/October 6<sup>th</sup>, 2020, registered with SNN under no. 11.644/October 6<sup>th</sup>, 2020, the Court of Auditors of Romania communicated that, starting with October 26<sup>th</sup>, 2020, it will carry out the documentation action on the manner of implementation of the measures ordered by Decisions no. 5/2018, no. 16/2015 and no. 14/2012. As a result of this action, the Follow-up Report no. 13552/ November 25<sup>th</sup>, 2020 was prepared on the manner of implementation of the measures ordered by Decision no. 5/2018.

By memorandum no. 10136/30.08.2021, the Court of Accounts announced that in period 06.09.2021- 17.12.2021 it will inspect the statement, evolution and manner of managing the public and private patrimony of the state, and the legality of the revenues and expenses. We would like to mention that on the date of this report, the inspection action was in progress.

**(iii) Insurance policies**

As of September 30, 2021, the following operational insurance policies are in force:

- Property insurance policy for material damages, all risks, including mechanical and electrical destruction (for Units 1 and 2 at Cernavoda NPP and FCN Pitesti). The indemnity limit is USD 1,560 million per total year for all damages.
- Third party liability insurance for nuclear damages. The compensation limit is DST 300 million (for CNE Cernavoda Units 1 and 2).

**(iv) Environmental issues**

The Company recorded no liability as of September 30, 2021 and December 31, 2020 for any anticipated costs relating to environmental issues, including legal and consulting fees, site studies, the design and implementation of remediation plans. The responsibility for decommissioning of nuclear installations was taken over by ANDR (see Note 19). The management considers that the nuclear plant fully complies with the Romanian and international environmental standards and estimates that additional costs associated with environmental compliance as of September 30, 2021 are not significant.

*Notes 1-24 are an integral part of these individual interim financial statements*



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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**23. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS (CONTINUED)****(iv) Environment aspects (continued)**

Nevertheless, the enforcement of environmental regulations in Romania is evolving and the application thereof by the government authorities is continuously being reconsidered. The Company periodically evaluates its obligations under environmental regulations. The established obligations are immediately acknowledged. Potential liabilities, which might arise as a result of the amendment in the existing regulations, civil litigations or the law, cannot be estimated, but could be significant. In the current enforcement climate under existing legislation, the Group's management believes that there are no significant liabilities for environmental damage.

**(v) Ongoing litigations**

Over the first 9 months of 2021, the Company was involved in a number of legal proceedings arising during its normal course of business. The management periodically analyzes the ongoing litigations and, after consulting with the legal advisers or lawyers thereof, decides on the necessity to create provisions 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 significant effects on the financial earnings and the financial position of the Company that has not been presented in these financial statements.

**(vi) Commitments**

As of September 30, 2021, the Company undertakes to bear operating and investment expenses according to the on-going contracts for investments and current and normal operations in the course of its core business. As of September 30, 2021, the total value of commitments is fully reflected under the position "Trade payables and other liabilities".

**(vii) 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 at September 30, 2021, the total value of letters of bank guarantee issued in favor of customers for contracts concluded on PCCB-NC, PCCB-LE and PCSU amounts to RON 25.3 million, and in favor of OPCOM for the participation to DAM and IM amounted to RON 39.9 million.

Moreover, as of September 30, 2021 the Company has established letters of guarantee issued in favor of Transelectrica S.A. and Ciga Energy S.A. amounting to RON 2.84 million, with the role of ensuring the liquidity on the Balancing Market, through the establishment by each of Party Responsible for Balancing of a financial guarantee in favor of Transelectrica S.A. and Ciga Energy S.A., respectively, on the account of the Convention of the Party Responsible for the Balancing concluded between the Company as license holder and Transelectrica S.A. and Ciga Energy S.A., respectively.

The letters of bank guarantee are obtained based on credit facilities, without collateral deposits.

As of September 30, 2021 the Company has established a Treasury deposit in the amount of RON 1,436,176, standing for the liens according to the decision made by ANAF - General Directorate against tax fraud.

As of September 30, 2021, the value of the bank guarantee letters issued by clients in favor of the Company for the contracts concluded on PCCB-NC, PCCB-LE and PCSU is in amount of RON 431.61 million. These guarantees cover the risk of unfulfilling the contractual obligations assumed by the clients through the energy sale contracts.

*Notes 1-24 are an integral part of these individual interim financial statements*

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

Notes to the Individual Interim Financial Statements prepared on the date and for the 9-month period ended on September 30, 2021

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

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**24. SUBSEQUENT EVENTS**

**Changes in the management of the Company - Managers**

By the Current Report published on October 06, 2021, the Company informed its shareholders and investors on the resignation of Mr. Paul Ichim from his position of Chief Financial Officer of SNN. According to the terminated mandate contract, the mandate of Mr. Paul Ichim will end following his resignation within 90 days of the resignation, namely as of 11.02.2022.

**Approving the rectification of the Revenue and Expense Budget for 2021**

Resolution no. 11/28.10.2021 of the Ordinary General Meeting of Shareholders approved the rectification of the Revenue and Expense Budget for 2021.

**Cosmin Ghita**  
**Chief Executive Officer**

**Paul Ichim**  
**Chief Financial Officer**

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