



S.N. Nuclearelectrica S.A.

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

S.N. Nuclearelectrica S.A.

Preliminary Individual Statement for financial position on December 31, 2021

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

	Note	December 31 2021 (unaudited)	December 31 2020 (audited)
Assets			
Non-current assets			
Tangible assets	4	5,513,330,287	5,794,727,840
Assets representing rights to use underlying assets under a leasing contract		1,180,392	621,233
Intangible assets		48,391,975	53,470,674
Financial assets valued at amortized cost	5	35,496,297	5,056,031
Financial investments in subsidiaries	6	172,438,508	141,666,101
Total non-current assets		5,770,837,459	5,995,541,879
Current assets			
Inventories	7	560,149,463	435,434,531
Non-current assets held for sale	8	-	2,231,633
Trade receivables		220,487,144	157,943,751
Other assets valued at amortized cost		87,009,354	85,367,796
Bank deposits	9	1,328,973,000	1,621,384,000
Cash and cash equivalents	9	1,317,399,999	546,565,840
Total current assets		3,514,018,960	2,848,927,551
Total assets		9,284,856,419	8,844,469,430
Equity and liabilities			
Equity			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Subscribed and paid in share capital</i>		<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		170,143,935	198,799,898
Retained earnings		4,629,642,821	4,055,915,983
Total equity	10	8,064,756,125	7,519,685,250
Liabilities			
Long-term liabilities			
Long-term loans		130,135,030	290,478,567
Debts from long-term leasing contracts		910,586	515,074
Provisions for risks and expenses	11	245,823,013	235,409,546
Deferred revenues		72,037,242	86,067,969
Deferred tax liability		49,704,071	66,526,912
Obligations concerning employee benefits		46,102,434	43,102,434
Total long-term liabilities		544,712,376	722,100,502
Current liabilities			
Trade payables and other liabilities		283,535,646	285,020,150
Debts from short-term leasing contracts		264,025	117,721
The current share of provisions for risks and expenses	11	69,541,135	57,272,874
Corporate tax due		64,273,078	32,049,397
Deferred revenues		89,647,495	16,228,454
Current share of long-term loans		168,126,539	211,995,082
Total current liabilities		675,387,918	602,683,678
Total liabilities		1,220,100,294	1,324,784,180
Total equities and liabilities		9,284,856,419	8,844,469,430

S.N. Nuclearelectrica S.A.

Preliminary individual financial statement of profit and loss and other elements of the comprehensive income for the year ended on December 31, 2021

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

	Note	2021 (unaudited)	2020 (audited)
Revenues			
Income from electricity sales	12	3,103,149,573	2,432,279,475
Electricity transmission income		13,489,781	13,724,548
Total income		3,116,639,354	2,446,004,023
Other income		87,239,921	54,167,930
Operating expenses			
Depreciation and amortization		(567,105,361)	(544,752,111)
Personnel expenses		(444,475,509)	(440,280,607)
Cost of purchased electricity		(249,251,484)	(56,596,319)
Repairs and maintenance		(87,421,268)	(66,177,703)
Electricity transmission expenses		(13,489,781)	(13,724,548)
Cost of spare parts		(17,483,880)	(15,356,809)
Cost of nuclear fuel		(154,444,876)	(132,766,256)
Other operating expenses	13	(493,744,850)	(459,125,682)
Total operating expenses		(2,027,417,009)	(1,728,780,035)
Operating profit		1,176,462,266	771,391,918
Financial expenses		(35,273,000)	(40,513,514)
Financial revenues		61,024,015	84,530,211
Net financial result	14	25,751,015	44,016,697
Profit before income tax		1,202,213,281	815,408,615
Net income tax expense		(184,386,570)	(116,086,386)
Net profit		1,017,826,711	699,322,229

The Unaudited Preliminary Individual Financial Statements presented on page 1 to 14 were signed on February 22, 2022 by:

Cosmin Ghita
Chief Executive Officer

Dan Niculaie-Faranga
Chief Financial Officer

S.N. Nuclearelectrica S.A.

Preliminary individual financial statement of profit and loss and other elements of the comprehensive income for the year ended on December 31, 2021

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

	2021	2020
	(unaudited)	(audited)
Profit for the period	1,017,826,711	699,322,229
Other items of the comprehensive income		
Items that will not be reclassified in the profit and loss account		
Result carried forward from other adjustments	(638,261)	(11,910,921)
Actuarial (loss) on defined benefits plan	-	(5,539,153)
Total other items of the comprehensive income	(638,261)	(17,450,074)
Total aggregate comprehensive earnings for the period	1,017,188,450	681,872,155
Earnings per share		
Basic earnings per share (RON/share)	3.37	2.32
Diluted earnings per share (RON/share).	3.37	2.32

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

1. REPORTING ENTITY

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

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

The Company's main activity consists in electricity and thermal energy production by nuclear processes. The main place of business is within the 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). CANDU nuclear bundles are produced by the Company at FCN Pitesti branch.

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

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

These Financial Statements include only the Preliminary individual Statement of Financial Position, the Preliminary Individual Statement of profit or loss and other elements of the comprehensive income and the notes to the Preliminary and unaudited Individual Financial Statements drawn up for the financial year ended on December 31, 2021.

The Unaudited Preliminary Individual Financial Statements as of and for the financial year ended on December 31, 2021 have not been audited nor reviewed by the independent financial auditor of the Company - S.C. Mazars Romania S.R.L.

These Unaudited Preliminary Individual Financial Statements have been authorized for issue and signed on February 22, 2022 by the management of the Company.

b) Use of estimates and professional judgments

Preparing these Unaudited Preliminary Individual Financial Statements means that the managers use reasoning, estimates and hypotheses that affect the application of accounting policies, and the acknowledged value of the assets, debts, revenues and expenses. Actual results may differ from the estimated values.

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

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

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Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these Unaudited Preliminary Individual Financial Statements are the same as those applied in the Individual Financial Statements on the date and for the financial year that ended on December 31, 2020.

4. TANGIBLE ASSETS

In accordance with the accounting policies in force applied by the Company, the land, buildings and constructions are stated at fair value. On the publication date of these Financial Statements drawn up on December 31, 2021, the reevaluation process of buildings and structures is underway and, as such, the reevaluation impact is not underlined. The last reevaluation was carried out on December 31, 2018 by an independent assessor (Primoval S.R.L., a member of the National Association of Certified Assessors in Romania ANEVAR).

5. FINANCIAL ASSETS VALUED AT AMORTIZED COST

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

	December 31, 2021 (unaudited)	December 31, 2020 (audited)
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange Contribution	23,000	23,000
Romatom Contribution	100	100
HENRO Contribution	250,000	-
State bonds (i)	30,190,266	-
Total	35,496,297	5,056,031

(i) State bonds

As of December 31, 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:

	December 31, 2021 (unaudited)
Balance as at January 1	-
Purchases	29,656,680
Maturities	-
Discount amortization	23,523
Accumulated interest	510,063
Balance at the end of the reporting period	30,190,266

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

6. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As of December 31, 2021, the situation of the investments in branches is as follows:

	<u>December 31, 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	-
Nuclearelectrica Serv	200	-
Total	<u>172,438,508</u>	<u>141,666,101</u>

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 at December 31, 2021 and December 31, 2020, the Company owns 100% of the share capital of Energonuclear. The value of the interest as of December 31, 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 December 31, 2021, Energonuclear accessed the entire approved value, of RON 5,500,000, for which it recorded an accrued 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 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, representing the conversion of the shareholder loan into shares.

Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L.

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 FPCU Feldioara is "Processing of nuclear fuel" - NACE code 2446.

As of December 31, 2021, the Company owns 100% of the share capital of F.P.C.U Feldioara. The value of participation as of December 31, 2021 amounts to **RON 200**.

In 2021, the shareholders of the Company approved granting a loan of RON 2,300,000, in order to finance the activities and expenses of the branch upon incorporation, according to the provisions of the activity schedules and of the revenue and expense budgets for 2021 and 2022. As of December 31, 2021, the Company granted the entire amount of RON 2,300,000 and recorded an accrued interest of RON 3,938.

Nuclearelectrica Serv S.R.L.

The registered office of the Nuclearelectrica Serv branch is in Constanta County, Cernavoda, No. 21, Energiei Street, Hotel no. 2, Unit B, 1st floor, and is registered with the Trade Register under no. J13/4108/17.12.2021, Sole Registration Number 45374854, fiscal attribute RO. The main activity of Nuclearelectrica Serv is "Other human resources provision" – NACE code 7830.

As of December 31, 2021, the Company owns 100% of the share capital of Nuclearelectrica Serv. The value of participation as of December 31, 2021 amounts to **RON 200**.

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

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Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

7. INVENTORIES

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

	December 31, 2021	December 31, 2020
	(unaudited)	(audited)
Spare parts	201,210,391	185,856,408
Consumables and other materials	66,917,843	56,565,105
Nuclear fuel	212,411,698	193,639,358
Uranium	43,805,580	39,292,794
Other inventories	87,620,625	11,915,487
Adjustments for impairment of inventories	(51,816,674)	(51,834,621)
Total	560,149,463	435,434,531

(i) Inventory Valuation

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

(ii) Amounts Recognized in the Profit and Loss Statement

The value of inventory recognized as expenses in 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 171,928,756 (December 31, 2020: RON 148,123,065).

The value of inventories recognized as expenses in 2021 according to the provisions of IAS 2.34, representing scrapped, damaged, derecognized inventories, amounts to RON 334,530 (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 December 31, 2021 amounts to RON 51,816,674 (December 31, 2020: RON 51,834,621). In 2021, depreciation adjustments were established in the amount of RON 1,248,616 (December 31, 2020: RON 815,027) and have been restated as impairment adjustments amounting to RON 1,266,562 (December 31, 2020: RON 2,057,762).

In 2021, no write-offs of decommissioned inventories were recorded.

(iii) Pledged Inventories

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

8. NON-CURRENT ASSETS HELD FOR SALE

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

In 2019, GMS Resolution No. 5/23.04.2019 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 December 31, 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, and the cash inputs related to the assets held for sale in the period that ended on December 31, 2021, amounted to RON 4,202,609.

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

9. BANK DEPOSITS, CASH AND CASH EQUIVALENTS

On December 31, 2021 and December 31, 2020, **the cash and cash equivalents** appear as follows:

	December 31, 2021 (unaudited)	December 31, 2020 (audited)
Cash on hand	74,078	91,753
Current accounts in banks, in RON	218,255,673	118,692,137
Current accounts in banks, in foreign currency	2,507,785	1,741,506
Bank deposits shorter than 3 months	1,096,283,000	425,556,000
Other cash equivalents	279,463	484,444
Total cash and cash equivalents	1,317,399,999	546,565,840

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

	December 31, 2021 (unaudited)	December 31, 2020 (audited)
Bank deposits	1,328,973,000	1,621,384,000

(i) Reconciliation with the Cash Flow Statement

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

	December 31, 2021 (unaudited)	December 31, 2020 (audited)
Cash on hand	74,078	91,753
Current accounts in banks	220,763,458	120,433,643
Bank deposits with initial maturity shorter than 3 months	1,096,283,000	425,556,000
Other cash equivalents	279,463	484,444
	1,317,399,999	546,565,840

(ii) Classification as Cash Equivalents

Term deposits are presented as cash equivalents if they have a maturity of 3 months or less from the date 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 December 31, 2021, the Company holds letters of bank guarantee based on credit facilities, without collateral deposits, amounting to RON 91,453,350 (December 31, 2020: RON 117,028,702).

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

10. EQUITY**Share capital**

The Company was established through separation from the former Autonomous Electricity Administration (“RENEL”). The share capital represents the contribution of the State to the incorporation of Company on June 30, 1998 (restated with inflation up to December 31, 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 December 31, 2021 and December 31, 2020 is of RON 3,016,438,940, under the authorized capital.

As at December 31, 2021 and December 31, 2020, the share capital includes the effect of restatements registered over the previous years, according to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies".

The structure of the share capital appears as follows:

	December 31, 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
Share capital (restated value)	3,211,941,683	3,211,941,683

As at December 31, 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. 976/13.08.2020 and of the Resolutions of the Extraordinary General Meeting no. 2/04.01.2019 and no. 12/19.12.2019, registered with the National Trade Register Office according to the amended Certificate no. 484154/ 30.09.2020

Holders 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 at December 31, 2021 and December 31, 2020 is as follows:

Shareholders	Number of shares December 31, 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%
Total	301,643,894	100%	301,643,894	100%

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 1-15 are an integral part of these unaudited preliminary individual financial statements.

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Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

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

The prepaid reserves amount to **RON 21,553,537** as at December 31, 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 value of the legal reserve as of December 31, 2021 is of RON 255,038,852 (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 December 31, 2021, the deferred net tax revaluation reserve is RON 170,143,935 (December 31, 2020: RON 198,799,898). The last revaluation of lands, buildings and constructions took place on December 31, 2018 by an independent valuer, Primoval SRL, member of the National Association of Certified Assessors in Romania ("ANEVAR"). On the publication date of these Financial Statements drawn up on December 31, 2021, the reevaluation process of buildings and structures is underway and, as such, the reevaluation impact is not underlined.

In 2021, the Company admitted to a decrease of the revaluation reserve amounting to RON 34,114,242 due to the carry forward of this sum to the 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 Public Finance Minister's Order no. 2.844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards.

Movements of the retained earnings

	December 31 2021 (unaudited)	December 31, 2020 (audited)
Balance as at January 1, 2021	4,055,915,983	3,843,269,056
Net profit of the period	1,017,826,711	699,322,229
Actuarial (loss) on defined benefits plan	-	(5,539,153)
Result carried forward from other adjustments	(638,261)	(11,910,921)
Transfer of the revaluation reserve to the result carried forward, without deferred tax	28,655,963	29,196,168
Dividends	(472,117,575)	(498,421,396)
Balance at the end of the reporting period	4,629,642,821	4,055,915,983

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, 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 December 31, 2021, the value of RON 638,261 represents other transactions related to the previous years.

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

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Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

10. EQUITY (CONTINUED)**Dividends**

In 2021, the Company declared dividends amounting to RON 472,117,575 (December 31, 2020: RON 498,424,223). Unpaid net dividends as at December 31, 2021 amounted to RON 848,118 (December 31, 2020: RON 800,583).

11. PROVISIONS FOR RISKS AND EXPENSES

As at December 31, 2021 and December 31, 2020, respectively, the Company has recognized the following provisions, included under the "Provisions for risks and expense" position and the "Current share of provisions for risks and expenses" position:

	December 31, 2021	December 31, 2020
	(unaudited)	(audited)
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	70,278,140	70,262,388
Obligations regarding the low and medium radioactive and non-radioactive waste	115,383,486	103,884,325
Provision for disputes related to salary bonuses	109,608,912	97,209,259
Employees' participation in the profit	20,000,000	21,326,448
Other provisions for risks and expenses	93,610	-
Total	315,364,148	292,682,420

As at December 31, 2021, the provisions in total amount of RON 315,364,148 represent long-term and short-term liabilities, as follows:

	Current portion	Long-term portion
	(< 1 year)	(> 1 year)
Obligations regarding the Intermediary Spent Fuel Storage Facility (DICA)	33,929,550	36,348,590
Obligations regarding the low and medium radioactive and non-radioactive waste	15,517,975	99,865,511
Provision for disputes related to salary bonuses	-	109,608,912
Employees' participation in the profit	20,000,000	-
Other provisions for risks and expenses	93,610	-
Total	69,541,135	245,823,013

"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.

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

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

	2021	2020
	(unaudited)	(audited)
Sales of electricity on the regulated market	65,878	404,796,955
Sales of electricity on the free market	3,096,113,550	2,021,681,916
Sales of thermal energy	6,940,688	5,773,558
Revenues from the sale of green certificates	29,457	27,046
Total	3,103,149,573	2,432,279,475

(ii) Quantity of energy sold*

	2021	2020
	(unaudited)	(audited)
Quantity of energy sold on the regulated market (MWh)	361	2,181,607
Quantity of energy sold on the free market (MWh)	10,890,657	8,589,781
Total	10,891,017	10,771,388

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 1,340,000, valid until 28.04.2022 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 3,400.00, valid until 26.10.2022.

The presented quantity of sold energy does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting to 33,702 MWh for the financial year ended on December 31, 2021 (33,757 MWh for the financial year ended on December 31, 2020).

13. OTHER OPERATIONAL COSTS

	2021	2020
	(unaudited)	(audited)
Expenses on services provided by third parties	90,848,526	87,501,426
Expenses with ANDR	102,229,602	102,246,544
Energy and water expenses	83,919,600	80,009,660
Expenses with fuel and other consumables	55,021,008	50,103,743
Expenses with the ANRE contribution	2,451,830	4,227,661
Expenses with insurance premiums	12,263,163	12,530,425
Transport and telecommunication expenses	7,831,854	7,271,177
Building tax expenses	66,953,158	63,230,788
Expenses related to provisions and value adjustments, net	25,051,292	5,236,830
Other operating expenses	47,174,817	46,767,428
Total	493,744,850	459,125,682

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

13. OTHER OPERATING EXPENSES (CONTINUED)**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.

14. FINANCIAL REVENUES AND EXPENSES

	2021	2020
	(unaudited)	(audited)
Income from interests	52,250,009	58,507,005
Income from exchange rate differences	8,748,643	26,019,088
Dividends income	1,840	3,764
Financial revenues from the amortization of differences related to state bonds	23,523	-
Other financial revenues	-	354
Total financial revenues	61,024,015	84,530,211
Expenses from exchange rate differences	(25,821,026)	(27,270,721)
Interest-related expenses	(9,451,974)	(13,242,793)
Total financial expenses	(35,273,000)	(40,513,514)
Net financial revenues	25,751,015	44,016,697

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year that ended on December 31, 2021

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

15. SUBSEQUENT EVENTS***Changes in the management of the Company - Deputy Chief Executive Officer***

By the Current Report published on 01.02.2022, the Company informed the shareholders and investors that as of 01.02.2022, the mandate contract of Mr. Dan Laurentiu Tudor, as Deputy Chief Executive Officer, is terminated with the agreement of the parties.

According to the organizational structure of the Company, approved by a Resolution of the Board of Directors, the position of Deputy Chief Executive Officer with a Mandate Contract shall be reorganized in the position of Corporate Service Deputy Chief Executive Officer, with an individual employment contract, and shall be transferred from the direct coordination of the Board of Directors to the direct coordination of the Chief Executive Officer of the Company. The position of Commercial and Development Deputy Chief Executive Officer and the position of Operations Deputy Chief Executive Officer were also created, both with individual employment contract, in the direct coordination of the Chief Executive Officer of the Company.

As of 01.02.2022, the three positions are occupied according to the legal provisions and the provisions of the Collective Employment Contract within the Company, by SNN personnel. The position of Corporate Service Deputy Chief Executive Officer shall be occupied by Mrs. Laura Constantin, previously the Manager of the SNN Legal Division, and involves the coordination of the procurement, legal, human resources, communication and compliance processes. The position of Commercial and Development Deputy Chief Executive Officer shall be occupied by Mrs. Melania Amuza, previously the Manager of the SNN Investment Division, and shall involve the coordination of the investment processes, electricity transactions and mining licenses, and the position of Operations Deputy Chief Executive Officer shall be occupied by Mr. Romeo Urjan, previously the manager of the Operations Division, and shall involve the coordination of the activities of operation, production, nuclear safety independent evaluation, fuel, security, management systems and process analysis.

Changes in the management of the Company - Chief Financial Officer

By the Current Report published on 11.02.2022, the Company informed the shareholders and investors about the resolution of the Board of Directors of 10.02.2022 on appointing Mr. Dan Niculaie-Faranga as interim Chief Financial Officer, with a term of office of 4 months, from 11.02.2022 to 10.06.2022, with the possibility of extending it, for solid reasons, up to maximum 6 months, in virtue of art. 64² of GEO 109/2011, as further amended and supplemented.

Cosmin Ghita
Chief Executive Officer

Dan Niculaie-Faranga
Chief Financial Officer

Notes 1-15 are an integral part of these unaudited preliminary individual financial statements.