



S.N. Nuclearelectrica S.A.

**Individual Interim Financial Statements
as of and for the three-month period
ended on March 31, 2022**

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

S.N. Nuclearelectrica S.A.

Individual Interim Financial Position as of March 31, 2022

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

	Note	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Assets			
Non-current assets			
Tangible assets	4	5,761,491,065	5,853,337,904
Assets representing rights to use underlying assets under a leasing contract	5	1,112,480	1,180,392
Intangible assets		51,981,654	48,391,975
Financial assets valued at amortized cost	6	35,753,617	35,496,297
Financial investments in subsidiaries	7	172,438,508	172,438,508
Total non-current assets		6,022,777,324	6,110,845,076
Current assets			
Inventories	8	565,157,648	560,149,518
Trade receivables	9	425,916,464	220,487,430
Other assets valued at amortized cost	10	78,679,406	87,270,340
Bank deposits	11	1,336,870,000	1,328,973,000
Cash and cash equivalents	11	2,242,647,121	1,317,399,999
Total current assets		4,649,270,639	3,514,280,287
Total assets		10,672,047,963	9,625,125,363
Equity and liabilities			
Equity			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Subscribed and paid in share capital</i>		3,016,438,940	3,016,438,940
<i>Inflation adjustments to the share capital</i>		195,502,743	195,502,743
Share premiums		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		437,399,286	451,742,500
Retained earnings		5,481,794,061	4,648,549,459
Total equity		9,184,162,716	8,365,261,328
Liabilities			
Long-term liabilities			
Long term borrowings	12	94,974,720	130,135,030
Debts from long-term leasing contracts	5	844,356	910,586
Provisions for risks and expenses	15	250,562,128	245,823,013
Deferred revenues		68,451,077	72,037,242
Deferred tax liability		97,142,007	102,278,835
Obligations concerning employee benefits	13	46,378,990	46,378,990
Total long-term liabilities		558,353,278	597,563,696
Current liabilities			
Accounts payable and other liabilities	14	418,135,947	285,939,903
Debts from short-term leasing contracts	5	261,500	264,025
The current share of provisions for risks and expenses	15	83,789,976	69,541,135
Corporate tax due		209,839,986	48,781,242
Deferred revenues		46,352,714	89,647,495
Current portion of long-term loans	12	171,151,846	168,126,539
Total current liabilities		929,531,969	662,300,339
Total liabilities		1,487,885,247	1,259,864,035
Total equities and liabilities		10,672,047,963	9,625,125,363

S.N. Nuclearelectrica S.A.

Interim Individual Profit and Loss Account for the three-month period ended on March 31, 2022

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

	Note	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Income			
Sales of electricity	16	1,844,367,692	683,543,999
Electricity transmission income		4,155,903	3,456,655
Total income		1,848,523,595	687,000,654
Other revenues		18,844,745	17,468,277
Operating expenses			
Depreciation and amortization		(150,903,929)	(137,092,810)
Personnel expenses	17	(119,554,402)	(95,010,488)
Cost of purchased electricity		(8,113,761)	(23,836,037)
Repairs and maintenance		(14,625,515)	(15,099,993)
Electricity transmission expenses		(4,155,903)	(3,456,655)
Cost with spare parts		(3,533,092)	(2,653,995)
Cost of nuclear fuel		(43,956,669)	(39,168,267)
Windfall tax expenses for electricity producers	18	(459,176,701)	-
Other operating expenses	19	(107,221,612)	(105,449,530)
Total operating expenses		(911,241,584)	(421,767,775)
Operating profit		956,126,756	282,701,156
Financial expenses		(6,411,672)	(15,709,439)
Financial revenues		25,108,221	15,267,399
Net financial income/(expense)	20	18,696,549	(442,040)
Profit before income tax		974,823,305	282,259,116
Net income tax expense	21	(155,921,917)	(47,794,374)
Profit for the period		818,901,388	234,464,742

The Individual Interim Financial Statements presented on page 1 to 31 were signed on May 12, 2022 by:

Chief Executive Officer
Cosmin Ghita

Chief Financial Officer
Dan Niculaie - Faranga

S.N. Nuclearelectrica S.A.

Interim Individual Profit and Loss Account for the three-month period ended on March 31, 2022

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

	Note	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Profit for the period		818,901,388	234,464,742
Other items of the comprehensive income Items that cannot be reclassified in profit or loss			
Result carried forward from other adjustments		-	19,781
Total other items of the comprehensive income		-	19,781
Total aggregate comprehensive earnings for the period		818,901,388	234,484,523
Earnings per share			
Basic earnings per share (RON/share)	22	2.71	0.78
Diluted earnings per share (RON/share)	22	2.71	0.78

S.N. Nuclearelectrica S.A.

Interim Individual Statement of Changes in Equity for the three-month period ended on March 31, 2022

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

	Share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as of January 1, 2022 (audited)	3,211,941,683	31,474,149	21,553,537	451,742,500	4,648,549,459	8,365,261,328
Comprehensive income						
<i>Profit for the period</i>					<i>818,901,388</i>	<i>818,901,388</i>
<i>Other items of the comprehensive income</i>						
Result carried forward from other adjustments						
Total other items of the comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-		818,901,388	818,901,388
Transactions with the shareholders, recognized only in equity						
Distributed dividends	-	-	-	-	-	-
Total transactions with the shareholders, recognized only in equity	-	-	-	-	-	-
Other equity modifications						
Transfer of the revaluation reserve to the result carried forward				(14,343,214)	14,343,214	-
Total other equity modifications				(14,343,214)	14,343,214	-
Balance as of March 31, 2022 (unaudited)	3,211,941,683	31,474,149	21,553,537	437,399,286	5,481,794,061	9,184,162,716

S.N. Nuclearelectrica S.A.

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

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

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

S.N. Nuclearelectrica S.A.

Interim Individual Cash Flow Statement for the three-month period ended on March 31, 2022

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

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Cash flows from operating activities		
Profit before income tax	974,823,305	282,259,116
Adjustments for:		
Impairment and depreciation	150,903,929	137,092,810
Impairment on trade receivables	(555)	(955)
Value adjustments on inventory	(146,912)	(134,226)
Provisions corresponding to operating liabilities, risks and expenses	23,300,781	14,577,460
Earnings/(Losses) from asset assignment	(290)	2,133,539
Net financial (expenses)/revenues	(18,568,559)	244,807
Changes in:		
(Increase) / Decrease in trade receivables	(205,430,942)	(32,598,980)
(Increase) / Decrease in other financial assets valued at amortized cost	16,843,701	(12,200,979)
(Increase) / Decrease in inventory	(4,861,218)	(24,616,628)
(Decrease) in deferred income	(46,880,946)	(2,339,848)
(Decrease) in trade payables and other liabilities	92,858,309	(83,493,133)
Cash flows generated from operating activities	982,840,604	280,922,983
Corporate tax paid	-	(34,050,592)
Interest collected	13,925,990	5,386,337
Interest paid	(45,491)	(72,965)
Net cash flow from operating activities	996,721,103	252,185,763
Cash flows from investing activities		
Purchase of intangible assets	(4,950,047)	(2,728)
Purchases of tangible assets	(23,356,945)	(72,290,599)
Proceeds from sale of tangible assets	2,554	4,160
(Increase)/Decrease in bank deposits and financial assets valued at amortized cost	(7,897,000)	524,000
Purchases of other financial assets	-	(250,000)
Net cash flow corresponding to investment activities	(36,171,682)	(72,015,167)
Cash flow corresponding to financing activities		
Loan repayments	(35,128,780)	(34,583,030)
Dividend payments	(48,750)	(24,934)
Payments related to leasing contract debt, including interest	(124,769)	(71,068)
Net cash flow corresponding to financing activities	(35,302,299)	(34,679,032)
Net increase in cash and cash equivalents	925,247,122	145,491,564
Cash and cash equivalents as of January 1 (see Note 11)	1,317,399,999	546,565,840
Cash and cash equivalents as of March 31 (see Note 11)	2,242,647,121	692,057,404

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

1. REPORTING ENTITY

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

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

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

In Cernavoda, the Company owns two other nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The project for the Increase of the Production Capacity is planned to be completed by the subsidiary Energonuclear SA (for further details, see Note 9). Resolution No. 8/June 12, 2020 of the Extraordinary General Meeting of Shareholders ("EGMS") approved the following: (i) Repealing of the "Strategy for the continuation of the project for Units 3 and 4 of Cernavoda NPP by the organization of an investor selection procedure" (2014) as well as the "Revised Strategy for the continuation of the project for Units 3 and 4 of Cernavoda NPP by the organization of an investor selection procedure" (2018) (section 2 of the EGMS agenda of June 12, 2020), (ii) Empowering the Board of Directors of SNN to initiate procedures/steps/actions concerning the termination of negotiations with CGN, as well as the cessation of legal effects (by the agreement of the parties, termination etc.) of the following documents: "Memorandum of Understanding on the development, construction, operation and decommissioning of Units 3 and 4 of Cernavoda NPP (MoU)" and "Investor Agreement in preliminary form", respectively (point 3 of the EGMS agenda of June 12, 2020) and (iii) Empowering the SNN Board of Directors to initiate the steps for the analysis and crystallization of the strategic options for the construction of new nuclear power generation capacities (point 4 of the EGMS agenda of June 12, 2020).

By Resolution of the Prime Minister of Romania No. 281/July 14, 2020, published in the Official Gazette of Romania, Part I, No. 618/July 14, 2020, the Strategic Coordination Committee for the Implementation of the Project for Cernavoda NPP Units 3 and 4 was set up. On October 9, 2020 the Agreement between the Government of Romania and the Government of the United States of America was signed on the cooperation related to the nuclear-energy projects in Cernavoda and in the civil nuclear energy sector in Romania. The agreement was recently ratified by the Parliament of Romania, by Law no. 200/2021. Also, in October 2020, US Exim Bank expressed, by a Memorandum of Understanding concluded with the Ministry of Energy, its interest in financing large investment projects in Romania, including nuclear ones, in total value of USD 7 billion.

By the Current Report issued on November 25, 2021, the shareholders are informed in relation to the advancement of the Project of Units 3 and 4, a project which is in its preparatory stage, and the Energonuclear S.A. branch signed the first contract with Candu Energy, a member of the SNC-Lavalin group and the Design Authority for Units 3 and 4 and OEM Candu (the original manufacturer of the CANDU technology).

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).

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

1. REPORTING ENTITY (CONTINUED)

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 aforementioned considerations, a revised timetable for the relaunch strategy was drawn up, indicating the accomplishment of this goal in June 2022.

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 in the first 3 months of 2022 and also 2021 only in the competitive segment (for further information, see Note 19).

As of March 31, 2022 the shareholders of the Company 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 as of and for the three-month period ended on March 31, 2022 have been prepared in compliance with Order of the Ministry of Public Finance No. 2.844/2016 on the approval of Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS"), as further amended ("OMFP 2.844/2016"). Within the meaning of OMPF 2.844/2016, the International Financial Reporting Standards are those adopted in accordance with the procedure stipulated by the European Commission Regulation No. 1.606/2002 of the European Parliament and of the Council dated July 19, 2002 on the application of the international accounting standards. ("IFRS adopted by the European Union").

The Individual Interim Financial Statements as of and for the three-month period ended on March 31, 2022 are not audited and have not been reviewed by an independent auditor.

These Individual Interim Financial Statements were authorized for issue and signed on May 12, 2022 by the Company's management.

b) Business Continuity

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

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

2. BASIS OF PREPARATION (CONTINUED)

c) Presentation of the financial statements

These Individual Interim Financial Statements were drafted according to IAS 34 *Interim Financial Reporting*, as adopted by the European Union. These do not include all necessary information for a complete set of financial statements according to the International Financial Reporting Standards (“IFRS”) and should be read together with the individual annual financial statements of the Company, drafted on December 31, 2021. Nevertheless, certain selected explanatory notes are included in order to explain the events and transactions that are significant for understanding the changes occurred in the financial position and performance of the Company from the latest Individual Financial Statements prepared as of and for the financial year ended on December 31, 2021.

d) Basis of Assessment

The Individual Interim Financial Statements have been prepared at historical cost, except for some categories of property, plant and equipment which are measured at fair value, as shown in the accounting policies applied to the Individual Financial Statements as of and for the financial year ended on December 31, 2021. Other financial assets and liabilities, as well as non-financial assets and liabilities, are presented at amortized cost, revalued value or historical cost.

e) Functional and Presentation Currency

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

f) Use of Estimates and Professional Judgments

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

The significant judgements used by the management for applying the accounting policies of the Company and the main sources of uncertainty regarding the estimates have been the same as applied to the Individual Financial Statements as of and for the financial year ended on December 31, 2021.

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, 2021.

Impact of Accounting Standards Required to be Applied in Future Periods

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

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

4. TANGIBLE ASSETS

	Land	Nuclear power plants	Machinery, equipment and other assets	Non-current assets in progress	TOTAL
Cost					
Balance as of January 1, 2021 (audited)	32,124,981	5,388,449,243	1,110,066,036	1,064,437,295	7,595,077,555
Additions	-	-	14,233,394	260,426,011	274,659,405
Heavy water inputs	-	10,924,629	-	-	10,924,629
Transfers	-	119,682,584	56,015,488	(175,698,072)	-
Transfers in inventories	-	-	(471,772)	-	(471,772)
Inventory transfer	-	-	-	(6,064,409)	(6,064,409)
Transfer from spare parts reclassified	-	-	16,804,893	(16,804,893)	-
Transfer to intangible assets	-	-	-	(3,142,607)	(3,142,607)
Transfer from intangible assets	-	-	4,769,053	-	4,769,053
Reassessment increases by reserves	4,320,651	278,682,405	52,233,330	-	335,236,386
Reassessment increases by profit and loss	529,415	-	3,652,921	-	4,182,336
Reconstituiri	-	-	458,288	-	458,288
Derecognition of inspections	-	(72,856,959)	-	-	(72,856,959)
Heavy water derecognition	-	(1,181,401)	-	-	(1,181,401)
Accumulated depreciation cancellation	-	(1,078,392,507)	(55,538,572)	-	(1,133,931,079)
Disposals	-	-	(6,169,702)	(199)	(6,169,901)
Balance as of December 31, 2021 (audited)	36,975,047	4,645,307,994	1,196,053,357	1,123,153,126	7,001,489,524
Balance as of January 1, 2022 (audited)	36,975,047	4,645,307,994	1,196,053,357	1,123,153,126	7,001,489,524
Additions	-	-	4,236,384	71,804,458	76,040,842
Transfers	-	-	12,553,778	(12,553,778)	-
Inventory transfer	-	-	-	(19,504,556)	(19,504,556)
Transfer from spare parts reclassified	-	-	46,877	-	46,877
Derecognition of inspections	-	-	-	-	-
Heavy water derecognition	-	(273,489)	-	-	(273,489)
Disposals	-	-	(11,231,303)	-	(11,231,303)
Balance as of March 31, 2022 (unaudited)	36,975,047	4,645,034,505	1,201,659,093	1,162,899,250	7,046,567,895
Balance as of January 1, 2021 (audited)	550,782	1,057,248,682	595,963,307	146,586,943	1,800,349,715
Depreciation charges	-	474,198,668	71,567,252	-	545,765,920
Accumulated amortization for inspections	-	(71,010,274)	-	-	(71,010,274)
Offset of accumulated disposals	-	(1,181,401)	(5,023,907)	-	(6,205,308)
Accumulated depreciation cancellation	-	(1,078,392,507)	(55,538,572)	-	(1,133,931,079)
Impairment adjustments	-	-	9,782,221	3,400,425	13,182,646
Balance as of December 31, 2021 (audited)	550,782	380,863,168	616,750,302	149,987,368	1,148,151,620
Balance as of January 1, 2022 (audited)	550,782	380,863,168	616,750,302	149,987,368	1,148,151,620
Depreciation charges	-	129,998,547	18,840,300	-	148,838,847
Offset of accumulated disposals	-	(273,489)	(11,229,038)	-	(11,502,527)
Impairment adjustments	-	-	(411,110)	-	(411,110)
Balance as of March 31, 2022 (unaudited)	550,782	510,588,226	623,950,454	149,987,368	1,285,076,830
Carrying amount					
Balance as of January 1, 2021 (audited)	31,574,199	4,331,200,560	514,102,729	917,850,351	5,794,727,840
Balance as of December 31, 2021 (audited)	36,424,265	4,264,444,826	579,303,055	973,165,758	5,853,337,904
Balance as of March 31, 2022 (unaudited)	36,424,265	4,134,446,279	577,708,639	1,012,911,882	5,761,491,065

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

4. TANGIBLE ASSETS (CONTINUED)

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

In 2021, the Company purchased 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 10,924,629. In the first three months of 2022 no heavy water was purchased.

(ii) *Non-current assets in progress*

As of March 31, 2022, the net carrying amount of the assets in progress, amounting to RON 907,708,628, includes the following items:

- Investment for increasing the production capacity with a net book value of RON 487,657,386 (December 31, 2021: RON 506,394,981);
- Investments related to Units 1 and 2, amounting to a total of RON 420,051,242 (December 31, 2021: RON 389,188,837), the most representative being:
 - ✓ Refurbishment of U1 amounting to 160,384,907 RON (December 31, 2021: RON 135,689,797);
 - ✓ D2O tritium removal facility amounting to RON 79,133,294 (December 31, 2021: 75,821,481 RON);
 - ✓ Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to RON 34,484,572 (December 31, 2021: RON 31,210,232);
 - ✓ Improvement of nuclear security systems following the Fukushima event, amounting to RON 37,823,404 (December 31, 2021: RON 37,456,941);
 - ✓ Equipment and materials for investments amounting to RON 50,517,841 (December 31, 2021: RON 48,092,603).

The gross value of the investment for the increase of the production capacity amounts to RON 489,355,953, of which the book value of Units 3 and 4 is RON 273,960,000 (December 31, 2021: RON 273,960,000), while the rest represents heavy water especially purchased for Units 3 and 4, i.e., approx. 75 tons, with the value book, as of March 31, 2022 of RON 159,238,387 (December 31, 2021: RON 159,238,387), as well as equipment and other assets for Units 3 and 4, amounting to RON 56,157,566 (December 31, 2021: 74,895,161 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 March 31, 2021, the gross carrying amount for **Unit 5** is RON 137 million (December 31, 2021: 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 three months of 2022, from the projects in progress, related to Units 1 and 2 are represented by: data storage system replacement in value of RON 11,211,100 and the installation of spare parts on the equipment in operation, amounting to RON 9,154,861.

(iii) *Impairment adjustments*

On March 31, 2022 the Company records no movements of adjustments for depreciation of assets (December 31, 2021: 13,182,646 RON).

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

4. TANGIBLE ASSETS (CONTINUED)**(iv) Revaluation, depreciation method and life span**

Buildings and lands are recognized at fair value, based on periodic valuations made by independent external valuers. The revaluation surplus included in the revaluation reserve is capitalized by transfer to retained earnings, when the asset is written off, or as it is used. All the 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, 2021 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 revaluated on December 31, 2018.

The valuation report for 2021 for tangible assets, classes **lands** and **buildings** drafted by independent valuator Primoval S.R.L. is based on the asset valuation standards, edition 2022, valid as of 31.12.2021, drafted by the National Association of Authorized Valuers of Romania (ANEVAR):

- General standards: SEV 100 – General framework (IVS General framework) ; SEV 101 – Valuation reference terms (IVS 101); SEV 102 – Implementation (IVS 102); SEV 103 – Reporting (IVS 103); SEV 104 – Value types;
- Asset standards: SEV 300 – Machinery, equipment and installations (IVS 300) ; GEV 630 – Valuation of movable assets;
- Standards for specific uses: SEV 430 – Valuations for financial reporting.

The fair value was estimated by complying with the provisions of IFRS and of the aforementioned valuation standards. In order to value administrative buildings, the revenue method was used, with a capitalization rate between 7% and 9%, depending on the specificity of the building. In order to value units 1 and 2, the impaired replacement cost method was used. In order to value lands, we used the market approach, direct comparison method.

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

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

See Note 3 (c) of the Significant Accounting Policies related to the Company's Individual Financial Statements prepared as of and for the financial year ended December 31, 2021 for other accounting policies relevant to tangible assets.

(v) 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, 2021.

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

4. TANGIBLE ASSETS (CONTINUED)

(vi) *The carrying amount that would have been recognized if land and buildings had been valued at cost in accordance with IAS 16.77 (e)*

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

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Land		
Cost	22,350,779	22,350,779
Accumulated depreciation	-	-
Net book value	<u>22,350,779</u>	<u>22,350,779</u>
	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Buildings		
Cost	7,069,704,467	7,069,432,468
Accumulated depreciation	(4,147,425,946)	(4,036,137,494)
Net book value	<u>2,922,278,522</u>	<u>3,033,294,975</u>

(vii) *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 26). The expense with the Company's contributions to ANDR in the first three months of 2022 amounts to RON 25,307,231 (March 31, 2021: RON 25,392,266).

(viii) *Assets pledged as security*

As of March 31, 2022, and December 31, 2021 respectively, the Company has no pledged or mortgaged assets.

(ix) *Supplier Credit*

As of March 31, 2022, the Company has fixed assets purchased on credit from suppliers (commercial credit) amounting to RON 65,326,326 (December 31, 2021: RON 31,022,440).

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

(All amounts are presented 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 has been estimated related to the right of use at an amount equal to the debt updated at the time of the transaction derived from these contracts, of RON 1,406,574 (December 31, 2021: RON 1,406,574).

(i) Amounts recognized in the financial position Statement

Assets representing rights to use underlying assets under a leasing contract	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Land	1,406,574	1,406,574
Depreciation of assets representing rights of use	(294,181)	(226,181)
Total net assets representing rights of use	1,112,480	1,180,392
	March 31, 2022	December 31, 2021
	(unaudited)	(audited)
Debts from leasing contracts		
Short-term	261,500	264,025
Long-Term	884,356	910,586
	1,105,856	1,174,611

(ii) Amounts Recognized in the Profit or Loss Statement

	Note	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Depreciation of assets representing rights of use		67,912	163,480
Interest expenses	26	16,900	25,848

(iii) Amounts acknowledged in the Cash Flow Statement

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Total cash outputs related to leasing contracts	124,769	224,795

(iv) 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, 2021.

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

6. FINANCIAL ASSETS VALUATED AT THE AMORTIZED COST

As of March 31, 2022, 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.

	March 31, 2022	December 31, 2021
	(unaudited)	(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	250,000
State bonds (i)	30,447,586	30,190,266
Total	35,753,617	35,496,297

(i) State bonds

As of March 31, 2022, and December 31, 2021, respectively, the Company has state bonds issued by the Ministry of Finance, due on June 24, 2026, a fixed annual interest of 3.25 % per annum and an adjudication yield of 3,51 % per annum.

Transfer of financial assets representing state bonds:

	March 31, 2022	December 31, 2021
	(unaudited)	(audited)
Balance as at January 1	29,680,203	-
Purchases	-	29,656,680
Maturities	-	-
Discount amortization	17,041	23,523
Balance at the end of the reporting period	29,697,244	29,680,203
Accumulated interest	750,342	510,063
Total state bonds	30,447,586	30,190,266

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As of March 31, 2022, the situation of the investments in branches is as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Energonuclear S.A.	172,438,108	172,438,108
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	200	200
Total	172,438,508	172,438,508

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 March 31, 2022 and December 31, 2021, the Company owns 100% of the share capital of Energonuclear. The value of the interest as of March 31, 2022 and December 31, 2021 is **172,438,108 RON**.

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 branch Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L. ("F.P.C.U Feldioara") is 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 March 31, 2022, and December 31, 2021, the Company owns 100% of the share capital of F.P.C.U Feldioara. The value of participation as of March 31, 2022 and 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. As of March 31, 2022, the Company granted the entire amount of RON 2,300,000 and recorded an accrued interest of RON 22,298.

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 March 31, 2022, and December 31, 2021, the Company owns 100% of the share capital of Nuclearelectrica Serv. The value of participation as of March 31, 2022 and December 31, 2021 amounts to **RON 200**.

In the first three months of 2022, 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 March 31, 2022, the Company granted the only amount of RON 600,000 and recorded an accrued interest of RON 978.

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

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

8. INVENTORIES

As of March 31, 2022 and December 31, 2021, the inventories are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Spare parts	219,689,532	201,210,391
Consumables and other materials	76,079,919	66,917,843
Nuclear fuel	212,592,514	212,411,753
Uranium	51,941,306	43,805,580
Other inventories	56,524,139	87,620,625
Adjustments for impairment of inventories	(51,669,762)	(51,816,674)
Total	565,157,648	560,149,518

(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, 2021 for other accounting policies relevant to inventories.

(ii) Amounts recognized in the profit or loss account Statement

The value of inventory recognized as expenses in the first three months of 2022 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 47,489,761 (December 31, 2021: RON 171,929,082).

The value of inventories recognized as expenses in the first three months of 2022 according to the provisions of IAS 2.34, representing scrapped, damaged, derecognized inventories, amounts to RON 0 (December 31, 2021: RON 334,530). The Company periodically analyzes the evolution of inventories, and sets up in due time impairment adjustments for the inventories considered as impaired. Consequently, for scrapped inventories, the Company has set up impairment adjustments, which it restated as revenues when it decommissioned them. The effect on the profit or loss statement being insignificant.

The value of impairment adjustments for inventories as of March 31, 2022 amounts to RON 51,669,762 (December 31, 2021: RON 51,816,674). In the first three months of 2022, impairment adjustments have been set up amounting to RON 0 (December 31, 2021: RON 1,248,616) and have been restated as impairment adjustments amounting to RON 146,912 (December 31, 2021: RON 1,266,562).

In the first three months of 2022, no restatements of written off inventories have been recorded.

(iii) Pledged Inventories

As of March 31, 2022, the Company does not record pledged or mortgaged inventories.

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

9. TRADE RECEIVABLES

As of March 31, 2022 and December 31, 2021, trade receivables are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Trade receivables	438,737,934	233,309,455
Adjustments for impairment of trade receivables	(12,821,470)	(12,822,025)
Total	425,916,464	220,487,430

As of March 31, 2022, the main trade receivables in the balance are in relation to: Enel Energie S.A. – RON 85,934,397 (December 31, 2021: RON 19,137,596), Enel Energie Muntenia S.A. – RON 82,799,497 (December 31, 2021: RON 14,846,219), Electrica Furnizare S.A. – RON 52,157,061 (December 31, 2021: RON 40,923,394), OMV Petrom S.A. – RON 46,968,968 (December 31, 2021: RON 5,192,288), and Engie Romania S.A. – RON 12,706,910 (December 31, 2021: RON 38,158,733).

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

10. OTHER FINANCIAL ASSETS VALUED AT AMORTIZED COST

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Other receivables	43,846,540	35,900,218
Impairment adjustments for other receivables	(596,559)	(596,559)
Taxes and duties	4,769,914	31,441,048
Payments made in advance	30,659,511	20,525,633
Total	78,679,406	87,270,340

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

11. CASH AND CASH EQUIVALENTS, BANK DEPOSITS

As of March 31, 2022 and December 31, 2021, **cash and cash equivalents** are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Cash on hand	84,198	74,078
Current accounts in banks, in RON	206,914,768	218,255,673
Current accounts in banks, in foreign currency	151,596,637	2,507,785
Bank deposits shorter than 3 months	1,884,033,000	1,096,283,000
Other cash equivalents	18,518	279,463
Total cash and cash equivalents	2,242,647,121	1,317,399,999

As of March 31, 2022 and December 31, 2021, the **bank deposits** with initial maturities longer than 3 months and shorter than a year are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Bank deposits	1,336,870,000	1,328,973,000

(i) Reconciliation with the Cash Flow Statement

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

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Cash on hand	84,198	74,078
Current accounts in banks	358,511,405	220,763,458
Bank deposits with initial maturity shorter than 3 months	1,884,033,000	1,096,283,000
Other cash equivalents	18,518	279,463
	2,242,647,121	1,317,399,999

(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 March 31, 2022, the Company holds letters of bank guarantee based on credit facilities, without collateral deposits, amounting to RON 66,153,979 (December 31, 2021: RON 91,453,350).

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

12. LOANS

The situation of the loans held by the Company as of March 31, 2022, and December 31, 2021, respectively, is as follows:

	March 31, 2022 (unaudited)	< 1 year	> 1 year	December 31, 2021 (audited)	< 1 year	> 1 year
Bank loans	265,913,028	170,938,308	94,974,720	298,191,838	168,056,808	130,135,030
Interest	213,538	213,538		69,731	69,731	
Total	266,126,567	171,151,847	94,974,720	298,261,569	168,126,539	130,135,030

Bank loans

Loan repayments during the financial year ended on March 31, 2022 were:

	Currency	Interest rate	Value	Year of final maturity
Balance as of January 1, 2022 (audited)			298,191,838	
New draws				
Repayments, of which			(35,128,780)	
Societe Generale – ANSALDO BC	EUR	EURIBOR 6M + 0.7%	-	2022
Societe Generale – AECL BC	CAD	CDOR 6M + 0.375%	-	2022
EURATOM	EUR	EURIBOR 6M + 0.08%	(35,128,780)	2024
Exchange rate differences			1,206,311	
Commitment fees			1,643,659	
Balance as of March 31, 2022 (unaudited)			265,913,028	

(i) Long term borrowings

As of March 31, 2022 and December 31, 2021, **long-term loans** from credit institutions are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Societe Generale - ANSALDO BC	19,016,293	19,022,060
Societe Generale - AECL BC	38,804,553	37,526,147
EURATOM	209,735,840	244,930,950
Total loans	267,556,686	301,479,156
Less: current part of long-term loans	(172,581,966)	(171,344,126)
Less: balance of commitment and insurance fees (long-term)	-	-
Total long-term loans, net of the short-term part	94,974,720	130,135,030

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

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

As of March 31, 2022 and December 31, 2021, **short-term** loans are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Current portion of long-term loans	172,581,966	171,344,126
Interests related to the long-term loans	213,538	69,731
Short-term commitment and insurance fees	(1,643,659)	(3,287,319)
Total short-term loans	171,151,846	168,126,539

13. OBLIGATIONS REGARDING EMPLOYEE BENEFITS

As of March 31, 2022 and December 31, 2021, the obligations regarding employee benefits are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Retirement benefits	21,173,561	21,173,561
Anniversary bonuses	12,491,451	12,491,451
Benefits in case of death	885,922	885,922
Retirement benefits in the energy field	11,828,056	11,828,056
Total	46,378,990	46,378,990

As of March 31, 2022 and December 31, 2021, the Company has the following obligations:

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

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

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

13. OBLIGATIONS REGARDING EMPLOYEE BENEFITS (CONTINUED)

The following assumptions were taken into account for the application of IAS 19 "Employee Benefits" as of December 31, 2021.

Assessment date	December 31, 2021
Number of employees	2,205
Wage increase rate	The management of the Company estimated an increase with the annual rate of increase of consumer prices communicated by the National Commission for Prognosis for 2022 and the following years. The weighted average rate of salary increases is 2.8% p.a. The inflation rate was estimated based on the 2021-2025 Autumn Forecast, issued by the National Commission for Strategy and Prognosis, as follows: 4.7% in 2022, 3.4% in 2023, 2.7% in 2024 and 2.5% per year in the period 2025-2031 and following a decreasing trend in the following years.
Rate of increase in the price of kWh	The kWh price updated as of December 31, 2021 was RON 0.7567. For the period 2022-2030, the estimates provided by the Company and an evolution in the same trend for the following years were used.
Weighted average discount rate	4.90%
Mortality tables	Romanian Population Mortality Table for 2018 issued by the National Institute of Statistics.
Gross average wage	9,337

The assumptions herein above have been considered taking into account:

- bond yields on the active market at the end of December 2021. The available residual terms up to maturity were 1-10 years and 13-14 years. For the other terms, the discount rate was estimated using the Smith-Wilson extrapolation method;
- the estimated long-term inflation rate 2.0% p.a. (December 31, 2020: 2.0%);
- the actual estimate long-term yield on government bonds 1.6% p.a. (December 31, 2020: 1.6%);
- liquidity premium for Romania 0% (December 31, 2020: 0%);
- weighted average discount rate of 4.90% (December 31, 2020: 3.00 %).

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

14. TRADE PAYABLES AND OTHER LIABILITIES

As of March 31, 2022 and December 31, 2021, trade payables and other liabilities are as follows:

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Providers of non-current assets	65,326,326	31,022,440
Suppliers	86,440,319	92,429,200
Obligations concerning employee benefits	25,362,362	27,659,866
Payables to the State	220,288,189	106,820,417
Payable dividends	815,092	863,842
Other liabilities	19,903,659	27,144,138
Total	418,135,947	285,939,903

As of March 31, 2022, the main balance suppliers, under the positions "Providers of non-current assets" and "Suppliers" are: GE Global Parts&Products GMBH (GEGPP) – RON 35,130,794 (December 31, 2021: RON 2,255,783), Candu Energy INC. – RON 14,902,645 (December 31, 2021: RON 11,842,682), Apele Romane Bucharest – RON 12,937,375 (December 31, 2021: RON 12,744,720), CANDU Owners Group Inc (COG) – RON 10,274,436 (December 31, 2021: RON 6,100,953), and Ciga Energy S.A. – RON 2,870,240 (December 31, 2021: RON 11,602,154).

15. PROVISIONS FOR RISKS AND EXPENSES

As of March 31, 2022 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":

	March 31, 2022 (unaudited)	December 31, 2021 (audited)
Obligations regarding the Interim Spent Fuel Storage Facility (DICA)	73,061,107	70,278,140
Obligations regarding the low and medium radioactive and non-radioactive waste	117,245,241	115,383,486
Provision for disputes related to salary bonuses	113,422,573	109,608,912
Employees' participation in the profit	30,376,573	20,000,000
Other provisions for risks and expenses	246,610	93,610
Total	334,352,104	315,364,148

As of March 31, 2022, the provisions in the total amount of RON 334,352,104 represent long-term and short-term liabilities, as follows:

	Current portion (< 1 year)	Long-term portion (> 1 year)
Obligations regarding the Interim Spent Fuel Storage Facility (DICA)	34,025,540	39,035,567
Obligations regarding the low and medium radioactive and non-radioactive waste	19,141,253	98,103,988
Provision for disputes related to salary bonuses	-	113,422,573
Employees' participation in the profit	30,376,573	-
Other provisions for risks and expenses	246,610	-
Total	83,789,976	250,562,128

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

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

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Sales of electricity on the regulated market	-	65,878
Sales of electricity on the free market	1,841,023,962	680,223,920
Sales of thermal energy	3,333,975	3,245,544
Revenues from the sale of green certificates	9,755	8,657
Total	1,844,367,692	683,543,999

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

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Quantity of energy sold on the regulated market (MWh)	-	361
Quantity of energy sold on the free market (MWh)	2,789,825	2,735,788
Total	2,789,825	2,736,149

^{*)} The quantity of energy sold presented does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting to 6,950 MWh for the 3-month period ended on March 31, 2022 (7,464 MWh for the 3-month period ended on March 31, 2021).

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

On the free market, in Q1 2022, the Company delivered 99.75 % of the sold energy (Q1 2021: 99.71 %). The average sale price of the electricity sold by the Company on this market in Q1 2022 was 659.91 RON/MWh (Q1 2021: 248.64 RON/MWh), value net of T_g.

The Company is a participant in the balancing market, according to the convention of participation in the balancing market concluded with C.N. Transelectrica S.A. and set up a Security in the amount of RON 50,000, valid until June 11, 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 3,400,000, valid until December 20, 2022.

The Company performs the activity of producing thermal energy by exploiting the energy capacities corresponding to the units for producing electrical and thermal energy consisting in two heat exchangers with a full thermal power of 40 Gcal/h and 46.51 MW. The Company delivers thermal energy to the local thermal energy distribution company SC Utilitati Publice SA Cernavoda, as well as to other final consumers in the locality Cernavoda – economic operators, social - cultural institutions. The sales of thermal energy in Q1 2022 amount to RON 3,333,975 (March 31, 2021: RON 3,245,544).

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

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

17. PERSONNEL EXPENSES

As of March 31, 2022 and March 31, 2021, the personnel expenses comprise:

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Wages and salaries	110,161,367	87,668,732
Expenses with social security and assimilated costs	9,393,035	7,341,756
Total	119,554,402	95,010,488

18. WINDFALL TAX EXPENSES FOR ELECTRICITY PRODUCERS

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Windfall tax expenses for electricity producers	459,176,701	-
Total	459,176,701	-

Expenses with tax on additional income

As of March 31, 2022, the Company owes a tax on additional income generated in the period of 459,176,701 RON (March 31, 2021: 0 RON). The additional income resulting from the difference between the average monthly sale price of electricity and the price of 450 RON/MWh, in accordance with on Art. II par. (1) of Law No. 259/2021 for the approval of OUG No. 118/2021, as further amended and supplemented. The tax rate applied to the additional income is 80%. The calculation method is established by GEO no. 27/2022 (Annex 6) and applies, according to art. 4 of GEO no.27/2022 for the period November 1, 2021 – March 31,2022, respectively for the 3-mont reporting period ended on March 31, 2022.

19. OTHER OPERATING EXPENSES

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Expenses on services provided by third parties	23,925,424	21,466,945
Expenses with ANDR	25,307,231	25,392,266
Energy and water expenses	23,720,207	21,692,401
Expenses with fuel and other consumables	13,466,272	12,135,454
Expenses with the ANRE contribution	769,685	612,957
Expenses with insurance premiums	3,317,225	3,561,076
Transport and telecommunication expenses	1,850,921	1,956,664
Expenses related to provisions and value adjustments, net	8,092,474	8,786,270
Other operating expenses	6,772,173	9,845,497
Total	107,221,612	105,449,530

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

19. OTHER OPERATING EXPENSES (CONTINUED)**Expenses with ANDR**

Starting with 2007, following Government Decision No. 1.080/2007 regarding the safe management of radioactive waste and the decommissioning of nuclear installations, the Company is required to make two types of contributions to the ANDR:

- Contribution for the decommissioning of each nuclear unit amounting to EUR 0.6/MWh of net electricity generated and delivered in the system;
- Contribution for the permanent storage of radioactive waste of EUR 1.4/MWh of net electricity produced and delivered in the system.

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful 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 ANRE contribution for 2022 is calculated based on ANRE Order No. 143/2021, representing 0.1 % of the turnover achieved for 2021, from the activities carried out under the licenses held. As of March 31, 2022, it amounts to RON 769,685 (March 31, 2021: RON 612,957). For 2021, the contribution was calculated based on ANRE Order No. 223/December 9, 2020, representing 0.1 % of the turnover achieved for 2020, from the activities carried out under the licenses held.

20. FINANCIAL REVENUES AND EXPENSES

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Income from interests	22,419,036	13,498,500
Income from exchange rate differences	2,672,144	1,768,898
Financial revenues from the amortization of differences related to state bonds	17,041	-
Total financial revenues	25,108,221	15,267,398
Expenses from exchange rate differences	(4,189,538)	(13,313,816)
Interest-related expenses	(2,222,134)	(2,395,622)
Total financial expenses	(6,411,672)	(15,709,438)
Net financial (expenses)/revenues	18,696,549	(442,040)

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

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

21. INCOME TAX

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

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Current corporate tax expense	161,058,744	49,922,394
Deferred tax release	(5,136,827)	(2,128,020)
Total	155,921,917	47,794,374

22. EARNINGS PER SHARE

As of March 31, 2022 and March 31, 2021, the earnings per share are:

(i) Basic earnings per share

	3-month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Net profit in the period	818,901,388	234,464,742
Number of ordinary shares at the beginning of the period	301,643,894	301,643,894
Number of ordinary shares issued during the period	-	-
Weighted-average number of ordinary shares at the end of the period	301,643,894	301,643,894
Basic earnings per share (RON/share)	2.71	0.78

(ii) Diluted earnings per share

	month period ended on March 31, 2022 (unaudited)	3-month period ended on March 31, 2021 (unaudited)
Net profit for the period	818,901,388	234,464,742
Number of ordinary shares at the beginning of the period	301,643,894	301,643,894
Number of ordinary shares issued during the period	-	-
Number of ordinary shares at the end of the period (a)	301,643,894	301,643,894
Number of shares corresponding to the prepaid share reserve (b)	-	-
Weighted-average number of ordinary shares (diluted) as of March 31 (a) + (b)	301,643,894	301,643,894
Diluted earnings per share (RON/share)	2.71	0.78

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

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Notes to the Individual Interim Financial Statements drafted as of and for the three-month period ended on March 31, 2022

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

23. CONTINGENCIES AND COMMITMENTS**(i) Other check-ups**

Based on the Tax Inspection Notice FMC 163/July 23, 2018, starting with August 23, 2018 at the headquarters of the Company, a control team appeared for the verification of the corporate tax for the period 2012 - 2017, income tax for the revenues obtained in Romania by non-residents, dividend revenues obtained from Romania by non-residents and revenues from royalties obtained from Romania by non-residents for the period 2015 - 2017, VAT for the period 2013 - 2017, tax on interest revenues obtained from Romania by non-residents for the period 2015 - 2017. The tax inspection ended by RIF no. FMC 27/February 18, 2020, registered with SNN under no. 2621/February 21, 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, 2020, debts amounting to RON 2,453,799 were established. For the accessories related to these debts, SNN submitted to ANAF a Request for the cancellation of the accessories, registered with SNN under no. 3164/March 3, 2020 and with ANAF under no. 11264/March 3, 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, 2020.

By letter no. IV/40,786/October 6, 2020, registered with SNN under no. 11,644/October 6, 2020, the Romanian Court of Accounts communicated that, starting with October 26, 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, 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 Romanian Court of Accounts announced that in the 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.

On 17.12.2021, the inspection report "Inspection of the statement, evolution and management of the public and private patrimony of the state, and the legality of the revenues and expenses" was concluded, registered by the company under no. 14343/17.12.2021. Based on the inspection report, CCR issued Resolution no. 1/20.01.2022 whereby it established 5 measures with implementation deadline August 31, 2022. Against this Resolution and measure no. 1, the company submitted Appeal no. 1683/10.02.2022. By the Appeal, the company requests the cancellation of the breach and measure no. 1 regarding the "Non-compliance with the legal provisions regarding the recovery of the compensations established by the court of law for which payments were made of RON 142,699". The appeal is being analyzed by CCR. Regarding the other measures, an internal analysis was ordered, which is in progress.

(i) On-Going Disputes

During the three-month period ended on March 31, 2022, the Company was involved in a series of legal actions arising during its normal course of business. The management of the Company regularly analyses the situation of ongoing disputes, after consulting with its legal advisers or external lawyers, decides whether there is a need to create a provision for the amounts involved or to present them in the financial statements.

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

(ii) Commitments

As of March 31, 2022, 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 March 31, 2022, the total value of commitments is fully reflected under the position "Trade payables and other liabilities".

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

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

23. CONTINGENCIES AND COMMITMENTS (CONTINUED)**(iii) Guarantees**

The trading of electricity produced on the platforms operated by OPCOM, assumes that for some transactions, the Company provides letters of bank guarantee for participation in certain markets such as DAM (Day After Market) and IDM (Intra-Day Market), auctions (CMUS – Centralized Market for Universal Service) or in favor of clients (CMBC-CN - Centralized Market for Bilateral Contracts with Continuous Negotiation, CMBC-EA - Centralized Market for Bilateral Contracts through Extended Auctions, and CMUS - Centralized Market for Universal Service).

As of March 31, 2022, the total value of letters of bank guarantee issued in favor of clients for contracts concluded on CMBC-CN, CMBC-EA and CMUS amounts to RON 1.5 million, and in favor of OPCOM for the participation in DAM and IDM amounts to RON 59.9 million.

Moreover, as of March 31, 2022 the Company has established letters of bank guarantee issued in favor of Transelectrica S.A. and Ciga Energy S.A. amounting to RON 4.79 million, with the role of ensuring the liquidity on the Balancing Market, through the establishment by each Party Responsible for Balancing of a financial guarantee in favor of Transelectrica S.A. and Ciga Energy S.A., respectively, on the account of the Convention of the Party Responsible for Balancing concluded between the Company as license holder and Transelectrica S.A. and Ciga Energy S.A., respectively. For all these letters of bank guarantee, the Company established collateral deposits with the banks issuing the letters of guarantee.

As of March 31, 2022 the Company has established with the Treasury a deposit amounting to RON 1,436,176, standing for the imposition of precautionary measures according to the Decision of ANAF [*National Agency for Fiscal Administration*] - Fiscal Anti-fraud General Directorate.

As of March 31, 2022, the total value of the letters of bank guarantee issued by clients in favor of the Company for the contracts concluded on CMBC-CN, CMBC-EA and CMUS amounts to RON 831.9 million. These guarantees cover the risk of unfulfilling the contractual obligations assumed by the clients through the energy sale contracts.

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

24. SUBSEQUENT EVENTS

Changes in the management of the Company - Board of Directors

With the Current Report dated March 9, 2022, the Company informs the shareholders and investors about the decision of the Board of Directors dated March 9, 2022, following the recommendation of the Nomination and Remuneration Committee, to appoint, on a temporary basis, as of March 9, 2022 and until the date of the General Meeting of Shareholders of SNN, two non-executive directors, on the vacancies within the Board of Directors of SNN.

According to the provisions of Art. 1372 of Law No. 31/1990, in the event of a vacancy in one or several director positions, unless the Articles of Incorporation stipulate otherwise, the Board of Directors proceeds to the appointment of provisional directors, until the Ordinary General Meeting of Shareholders is held. Thus, the Board of Directors appointed Mr. Serban Constantin Valeca and Mr. George Sergiu Niculescu as provisional directors.

By Resolution No. 5/April 28, 2022 of the Ordinary General Meeting of Shareholders of SNN, the following have been approved:

- the election of two provisional members of the Board of Directors, Mr. Serban Constantin Valeca and Mr. George Sergiu Niculescu, as of April 28, 2022, for a 4-month mandate, in accordance with Art. 641, par. (3) and par. (5) of OUG No. 109/2011, as further amended and supplemented, as member of the Board of Directors of SNN;
- the gross monthly fixed allowance for the provisional members of the Board of Directors at the level of RON 15.057, equal to that of the most recent director in office selected according to OUG No. 109/2011, as well as of a variable component determined identically to that of the directors in office, at the level of the short-term component, granted on a pro rata basis in relation to the period of the provisional mandate;
- the form of the contract of mandate to be concluded with the provisional members of the Board of Directors.

Launch of the Social Responsibility Platform "Nucleu de bine"

With the Current Report dated April 21, 2022, the Company informs the launch of the social responsibility platform "Nucleu de bine", which follows the company's strategic directions and vision to build a sustainable future for the next generation, both through the production of clean energy at standards of excellence, as well as through the social and economic impact it has in Romania. The "Nucleu de Bine" platform will incorporate both the social responsibility initiatives carried out by the company, and the projects that the company will select to sponsor, within the selection of "Nucleu de bine" projects.

Approving the Distribution of the Net Profit of the Financial Year 2021

With Resolution No. 5/April 28, 2022 of the Ordinary General Meeting of Shareholders ("OGMS"), the distribution of the net profit for the financial year 2021 per destinations, the total value of gross dividends amounting to RON 595,925,367, the value of the gross dividend per share amounting to RON 1.97559234, the dividend payment date, i.e. June 24, 2022 and the payment methods, have been approved, according to the note submitted to the shareholders for this point of the agenda (point 5 of the OGMS agenda of April 28, 2022).

General Manager
Cosmin Ghita

Financial Manager
Dan Niculaie - Faranga

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