



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

**Preliminary and Unaudited Individual Financial Statements  
as at and for the financial year ended at  
31 December 2022**

Issued in accordance with  
Order of the Minister of Public Finance no 2.844/2016 on the approval of the  
Accounting Regulations compliant with the  
International Financial Reporting Standards adopted by the  
European Union

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

Preliminary individual statement of financial position as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)*

		<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>. Note</b>	<b>(not audited)</b>	<b>(audited)</b>
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	<b>4</b>	5,736,439,610	5,853,337,904
Assets representing rights to use underlying assets within a leasing contract		15,565,831	1,180,392
Intangible assets		50,773,837	48,391,975
Financial assets valued at amortized cost	<b>5</b>	41,272,522	35,496,297
Financial investments in subsidiaries	<b>6</b>	199,438,505	172,438,508
Financial investments in affiliated entities	<b>7</b>	4,943,000	-
<b>Total fixed assets</b>		<b>6,048,433,305</b>	<b>6,110,845,076</b>
<b>Current assets</b>			
Inventories	<b>8</b>	653,186,628	560,149,518
Trade receivables		438,542,883	220,487,430
Other financial assets valued at amortized cost		140,984,727	87,270,340
Bank deposits	<b>9</b>	1,829,796,500	1,328,973,000
Cash and cash equivalents	<b>9</b>	2,681,002,427	1,317,399,999
<b>Total current assets</b>		<b>5,743,513,165</b>	<b>3,514,280,287</b>
<b>Total assets</b>		<b>11,791,946,470</b>	<b>9,625,125,363</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Share capital subscribed and paid up</i>		3,016,438,940	3,016,438,940
<i>Inflation adjustments of the share capital</i>		195,502,743	195,502,743
Share premium		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		394,369,643	451,742,500
Retained earnings		6,839,013,089	4,648,549,459
<b>Total equity</b>	<b>10</b>	<b>10,498,352,101</b>	<b>8,365,261,328</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term loans		64,810,940	130,135,030
Long-term lease liabilities		11,598,237	910,586
Provisions for risks and charges	<b>11</b>	209,492,530	245,823,013
Deferred income		57,692,580	72,037,242
Deferred tax liability		88,108,755	102,278,835
Liabilities on employee benefits		56,378,990	46,378,990
<b>Total long-term liabilities</b>		<b>488,082,032</b>	<b>597,563,696</b>
<b>Current liabilities</b>			
Trade and other payables		448,659,623	285,939,903
Short-term lease liabilities		3,971,595	264,025
Current part of provisions for risks and charges	<b>11</b>	77,040,585	69,541,135
Corporate income tax due		53,227,575	48,781,242
Deferred income		157,087,526	89,647,495
Current part of the long-term loans		65,525,433	168,126,539
<b>Total current liabilities</b>		<b>805,512,337</b>	<b>662,300,339</b>
<b>Total liabilities</b>		<b>1,293,594,369</b>	<b>1,259,864,035</b>
<b>Total equity and liabilities</b>		<b>11,791,946,470</b>	<b>9,625,125,363</b>

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

Preliminary individual income statement for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)*

	Note	2022 (not audited)	2021 (audited)
<b>Income</b>			
Income from the sale of electricity	12	6,343,642,609	3,103,149,573
Income from the transport of electricity		22,902,955	13,489,781
<b>Total income</b>		<b>6,366,545,564</b>	<b>3,116,639,354</b>
Other income		132,457,995	87,240,542
<b>Operating expenses</b>			
Depreciation and impairment		(605,455,037)	(562,856,167)
Personnel expenses		(564,780,968)	(444,087,233)
Cost of electricity purchased		(513,736,938)	(249,251,484)
Repairs and maintenance		(86,380,224)	(87,343,797)
Expenses with the transmission of electricity		(22,902,955)	(13,489,781)
Expenses with spare parts		(25,907,604)	(17,483,880)
Costs of nuclear fuel		(151,211,177)	(154,445,202)
Expenditure on additional tax / Contribution to the Energy Transition Fund	13	(1,085,014,712)	-
Other operating expenses	14	(501,805,891)	(495,442,284)
<b>Operating expenses - Total</b>		<b>(3,557,195,506)</b>	<b>(2,024,399,828)</b>
<b>Operating profit</b>		<b>2,941,808,053</b>	<b>1,179,480,068</b>
Financial expenses		(29,627,595)	(36,411,486)
Financial income		237,997,447	61,024,720
<b>Net financial result</b>	15	<b>208,369,852</b>	<b>24,613,234</b>
<b>Profit before income tax</b>		<b>3,150,177,905</b>	<b>1,204,093,302</b>
Net corporate income tax expenses		(421,161,766)	(167,831,676)
<b>Net profit</b>		<b>2,729,016,139</b>	<b>1,036,261,626</b>

The Preliminary and Unaudited Individual Financial Statements presented on pages 1 through 14 were signed on February 20, 2023 by:

**Cosmin Ghita**  
Chief Executive Officer

**Dan Niculaie Faranga**  
Chief Financial Officer

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

Preliminary individual income statement for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)*

Note	<u>2022</u> <u>(not audited)</u>	<u>2021</u> <u>(audited)</u>
<b>Profit for the period</b>	<b>2,729,016,139</b>	<b>1,036,261,626</b>
<b>Other elements of the overall result</b>		
<b>Items that cannot be reclassified to profit or loss</b>		
Net gain on revaluation of buildings and land	-	335,236,386
Deferred tax liability relating to the revaluation reserve	-	(53,637,821)
Actuarial gains (losses) related to the benefit plans determined	-	471,723
Retained earnings from other adjustments	-	(638,261)
<b>Other elements of the overall result</b>	<b>-</b>	<b>281,432,027</b>
<b>Total overall result related to the period</b>	<b>2,729,016,139</b>	<b>1,317,693,653</b>
<b>Earnings per share</b>		
Earnings based on share (RON/share)	<b>9.05</b>	<b>3.44</b>
Diluted earnings per share (RON/share)	<b>9.05</b>	<b>3.44</b>

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)*

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### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica S.A. (the “Company” or “SNN”) is a national joint-stock company, managed in a one-tier system, having a head office and two branches without legal personality, Cernavoda NPP (Nuclear Power Plant) - headquartered in Constanta County, Cernavodă, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively NFP Pitești (Nuclear Fuel Plant) - headquartered in Arges County, Mioveni, str. Campului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, sector 1, str. Polona nr. 65.

The main object of activity of the company is “Electricity production” – NACE Code 3511 and is registered with the Trade Register under number J40/7403/1998, Unique Registration Code 10874881, tax attribute RO.

The main activity of the Company consists in the electricity and heat generation by means of nuclear methods. The main place of business is within Cernavoda NPP Branch, where the Company owns and operates two functional nuclear reactors (Unit 1 and Unit 2). Those two operational nuclear reactors are based on CANDU technology (Canada Deuterium Uranium, of PHWR type). The manufacturing of CANDU nuclear fuel bundles is carried out by the Company at the NFP Pitesti Branch.

Company’s shares were traded on Bucharest Exchange Stock of 4 November 2013, under the issuer symbol SNN.

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

#### **a) Declaration of conformity**

The Preliminary and Unaudited Individual Financial Statements have been prepared on the basis of the Order of the Minister of Public Finance no. 2844/2016 on the approval of the Accounting Regulations compliant with the International Financial Reporting Standards (the “IFRS”), as subsequently amended and supplemented (the “OMPF no. 2844/2016”). Within the meaning of OMPF no. 2844/2016, the International Financial Reporting Standards are standards adopted in accordance with the procedure laid down in European Commission Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

**These Preliminary and Unaudited Individual Financial Statements have been prepared prior to the completion of all internal review procedures and independent financial audit, and are therefore subject to change and do not include all the information required for a complete set of IFRS financial statements.**

**These Financial Statements include only the Preliminary Individual Statement of Financial Position, the Preliminary Individual Income Statement and Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year ended as at 31 December 2022.**

The Preliminary and Unaudited Individual Financial Statements as at and for the financial year ended 31 December 2022 have not been audited or reviewed by the Company’s independent financial auditor - S.C. Mazars Romania S.R.L.

These Preliminary and Unaudited Individual Financial Statements were authorized for issue and signed on 20 February 2023 by the management of the Company.

#### **b) Use of professional estimates and reasoning**

The preparation of these Preliminary and Unaudited Individual Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Reported results may differ from estimated values.

Estimates and assumptions underpinning them are revised on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate was revised and in future periods affected.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these Preliminary and Unaudited Individual Financial Statements are the same as those applied in the Individual Financial Statements as at and for the financial year ended at December 31, 2021.

**4. TANGIBLE ASSETS**

In accordance with the accounting policies of the Company, the land, buildings and constructions are stated at fair value. The last **revaluation** of lands and buildings was made on 31 December 2021 by the independent valuer (Primoval S.R.L., a member of the National Association of Authorized Romanian Valuers - ANEVAR). Prior to such revaluation, lands and buildings were revalued as at 31 December 2018.

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

As of 31 December 2022 the Company recorded under the position "Financial assets valued at amortized cost" its contributions as member of the European Mutual Association for Nuclear Insurance ("ELINI"), of the Romanian Commodities Exchange ("BRM"), of the Romanian Atomic Forum - Romatom ("ROMATOM") and of HENRO Association, and state securities.

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange contribution	23.000	23.000
Romatom contribution	100	100
HENRO contribution	250.000	250.000
State securities (i)	30,260,661	30,190,266
Loans granted to group entities	5,704,830	-
<b>Total</b>	<b>41,272,522</b>	<b>35,496,297</b>

**(i) State securities**

As of 31 December 2022, respectively 31 December 2021 the Company held state securities issued by the Ministry of Public Finance, with their due date on 24 June 2026, a fixed annual interest rate of 3.25% p.a. and a tendering return of 3.51% p.a.

Movement of financial assets representing state securities:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
<b>Balance as at 1 January</b>	<b>29,680,203</b>	<b>-</b>
Purchases	-	29,656,680
Maturity dates	-	-
Discount depreciation	70,929	23,523
<b>Balance at the end of the reporting period</b>	<b>29,751,132</b>	<b>29,680,203</b>
<b>Accumulated interest</b>	<b>509,529</b>	<b>510,063</b>
<b>State securities - total</b>	<b>30,260,661</b>	<b>30,190,266</b>

According to the issue prospectus, on 24 June 2022 the Company received the annual coupon in the amount of RON 975,000.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***6. FINANCIAL INVESTMENTS IN SUBSIDIARIES**

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

	<b>31 December 2022</b> <b>(not audited)</b>	<b>31 December 2021</b> <b>(audited)</b>
Energonuclear S.A.	199,438,105	172,438,108
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	200	200
<b>Total</b>	<b>199,438,505</b>	<b>172,438,508</b>

**Energonuclear S.A.**

Energonuclear S.A. branch (“Energonuclear”) has its registered office located in Bucharest, sector 2, Bd. Lacul Tei, nr. 1 - 3, Lacul Tei Offices Building, 8th floor and is registered with the Trade register under number J40/3999/25.03.2009, with Unique Registration Code 25344972, tax attribute RO. The main activity of Energonuclear consists in “Engineering activities and related technical consultancy” - NACE Code 7112.

As of 31 December 2022 and 31 December 2021, the Company holds 100% of the share capital of Energonuclear. The value of the shareholding as at 31 December 2022 is RON 199,438,105 (31 December 2021: RON 172,438,108).

By Resolution of the Extraordinary General Meeting of Shareholders no. 4/11.07.2017, the Company’s shareholders approved to grant a **loan convertible into shares** in amount of maximum RON 5,500,000 to Energonuclear S.A. branch for the purpose of financing the activities of maintenance and preservation of the site of Units 3 and 4 of Cernavoda NPP. Until 31 December 2021, Energonuclear had accessed the entire approved amount, namely RON 5,500,000, for which it had an accumulated interest rate of RON 272,005. The loan was converted into shares according to the Resolution of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021, registered with the Trade Register under application for amendments no. 485731/10.09.2021. As of 31 December ?? 2022 the Company did not register any loans granted to Energonuclear S.A. branch.

In the year 2021, the share capital of Energonuclear S.A. branch was increased two times, as follows: according to the Resolution of the Extraordinary General Meeting of Shareholders no. 3/21.04.2021 by issue of new shares amounting to RON 25,000,001.36, and according to the Resolution of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021 in amount of RON 5,772,005.22, representing the conversion of the shareholding loan into shares.

In the year 2022, the share capital of Energonuclear S.A. branch was increased by the amount of RON 26,999,997.52, under Resolution of the Extraordinary General Meeting of Shareholders no. 7/05.05.2022 by issue of new shares.

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

Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L. Branch (“F.P.C.U Feldioara”) has its registered office located in Brasov County, Feldioara, No. 1, Dumbravii Street, the administrative building, ground floor and is registered with the Trade Register under number J8/2729/23.09.2021, with Unique Registration Code 44958790, tax attribute RO. The main activity of FPCU Feldioara consists in “Processing of nuclear fuel” – NACE Code 2446.

As of 31 December 2022, respectively 31 December 2021, the Company held 100% of the share capital of F.P.C.U Feldioara. The value of the shareholding as of 31 December 2022 is RON 200 (31 December 2021: RON 200).

In the year 2021, the Company’s shareholders approved the granting of a loan in amount of RON 2,300,000, for the purpose of financing the activities and expenses of the branch upon its establishment, in compliance with the provisions of the activity programs and of the revenue and expenditure budget for the years 2021 and 2022. As of 31 December 2021, the Company granted the entire amount of RON 2,300,000 and had an accumulated interest rate of RON 3,938. As of 31 December 2022, the Company had a principal in amount of RON 3,600,000 and an accumulated interest rate of RON 138,213.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)*

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### **6. FINANCIAL INVESTMENTS IN SUBSIDIARIES (CONTINUATION)**

#### **Nuclearelectrica Serv S.R.L.**

Nuclearelectrica Serv S.A. branch has its registered office located in Constanta County, Cernavoda, No. 21, Energiei Street, Hotel no. 2, Unit B, 1st floor and is registered with the Trade Register under number J13/4108/17.12.2021, with Unique Registration Code 45374854, tax attribute RO. The main activity of Nuclearelectrica Serv consists in "Other human resources provision" - NACE Code 7830.

As of 31 December 2022, respectively 31 December 2021, the Company held 100% of the share capital of Nuclearelectrica Serv. The value of the shareholding on 31 December 2022 and 31 December 2021 is RON 200.

In the year 2022, the Company's shareholders approved the granting of a loan in amount of RON 2,300,000, for the purpose of financing the activities and expenses of the branch upon its establishment, in compliance with the provisions of the activity programs and of the revenue and expenditure budget for the years 2021 and 2022. Until 31 December 2022, the branch had accessed the amount of RON 1,920,000, for which it had an accumulated interest rate of RON 46,617.

### **7. FINANCIAL INVESTMENTS IN AFFILIATED ENTITIES**

#### **Ropower Nuclear S.A.**

In September 2022 the project company Ropower Nuclear S.A. was established, owned in equal parts by the shareholders S.N. Nuclearelectrica S.A. and Nova Power&Gas S.R.L. Its registered office is located in Romania, Dambovita County, Doicesti, Aleea Sinaia Street, no. 18, the Administrative Building, 1st floor, being registered with the Trade Register under number J15/1604/26.09.2022, Unique Registration Code 46901014, tax attribute RO. The main activity of the Company consists in the "Production of electricity" - NACE Code 3511.

As of 31 December 2022, the Company held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting to **RON 4,943,000**.

Ropower Nuclear S.A. Company is established to develop, raise financing, design, build and operate a facility for production of electricity from nuclear energy based on the small modular reactors in Doicesti, Dambovita County, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totaling 462MWwe, as well as to operate a facility for production of electricity from solar energy, with a capacity of at least 80-100MWe, in the commune of Sotanga, County of Dambovita.

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



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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***8. INVENTORIES**

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

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Spare parts	240,550,636	201,210,391
Other raw materials and materials	412,635,992	358,939,127
<b>Total</b>	<b>653,186,628</b>	<b>560,149,518</b>

**(i) Valuation of inventories**

Costs are valued at weighted average cost (WAC) according to IAS 2. See Note 3 (k) of the significant Accounting policies related to these Individual Financial Statements of the Company prepared as of and for the financial year ended on 31 December 2021 for the other relevant accounting policies for inventories.

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

The amount of inventories recognized as an expense during the financial year ended as at 31 December 2022 is shown under Spare parts expenses and Cost of nuclear fuel in the Income Statement and amounts to RON 177,118,781 (31 December 2021: RON 171,929,082).

The value of Inventories recognized as an expense during the financial year ending as of 31 December 2022 in accordance with IAS 2.34, representing inventories scrapped, impaired, written off, is of RON 1,042,623 (31 December 2021: RON 334,530). The Company examines the evolution of inventories on a periodical basis, providing in time impairment adjustments for inventories deemed to be 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 statement of profit or loss is insignificant.

The value of impairment adjustments for inventories as of 31 December 2022 amounted to RON 50,081,781 RON (31 December 2021: RON 51,816,674). In the year 2022, depreciation adjustments were set-up in the amount of RON 218,305 (31 December 2021: RON 1,248,616) and impairment adjustments were written back on revenue, in amount of RON 1,953,198 (31 December 2021: RON 1,266,562).

In 2022, no write-offs of decommissioned inventories were recorded

**(iii) Pledged inventories**

As of 31 December 2022 the Company has no pledged or mortgaged inventories.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***9. BANK DEPOSITS AND CASH & CASH EQUIVALENTS**As of 31 December 2022 and 31 December 2021 **cash and cash equivalents** were presented as follows:

	<b>31 December 2022</b> <b>(not audited)</b>	<b>31 December 2021</b> <b>(audited)</b>
Cash in hand	81.936	74.078
Cash at bank in RON	259,300,485	218,255,673
Cash at bank in foreign currencies	25,057,497	2,507,785
Bank deposits less than 3 months	2,396,122,000	1,096,283,000
Other cash equivalents	440.509	279.463
<b>Cash and cash equivalents - Total</b>	<b>2,681,002,427</b>	<b>1,317,399,999</b>

As of 31 December 2022 and 31 December 2021 **bank deposits** having their original due date more than 3 months and less than one year were presented as follows:

	<b>31 December 2022</b> <b>(not audited)</b>	<b>31 December 2021</b> <b>(audited)</b>
Bank deposits	<b>1,829,796,500</b>	<b>1,328,973,000</b>

**(i) Reconciliation with the Statement of cash flows**

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

	<b>31 December 2022</b> <b>(not audited)</b>	<b>31 December 2021</b> <b>(audited)</b>
Cash in hand	81.936	74.078
Cash at bank	284,357,982	220,763,458
Bank deposits having their original due date less than 3 months	2,396,122,000	1,096,283,000
Other cash equivalents	440.509	279.463
	<b>2,681,002,427</b>	<b>1,317,399,999</b>

**(ii) Classification as cash equivalents**

Term deposits are presented as cash equivalents if their due date is of 3 months or less from their set up.

**(iii) Restricted cash**

Current accounts opened with banks are permanently at the disposal of the Company and are not restricted or encumbered.

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

As of 31 December 2022 the Company held bank guarantee letters under certain credit facilities, without any collateral deposits, in amount of RON 124,714,365 RON (31 December 2021: RON 91,453,350).

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***10. EQUITY****Share capital**

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

According to the articles of association, the authorized share capital of the Company amounts to RON 3,016,518,660. Subscribed and paid up share capital as of 31 December 2022 and respectively, 31 December 2021 amounted to RON 3,016,438,940 RON, under the authorized capital.

As of 31 December 2022 and 31 December 2021, share capital included the effects of restatements registered also in the previous years according to the application of IAS 29 “Financial reporting in hyperinflationary economies”.

The structure of share capital is presented as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Share capital subscribed and paid up (nominal value)	3,016,438,940	3,016,438,940
Restatement differences according to IAS 29	195,502,743	195,502,743
<b>Share capital (restated value)</b>	<b>3,211,941,683</b>	<b>3,211,941,683</b>

As of 31 December 2022 and, respectively, 31 December 2021, the statutory share capital value subscribed and paid up in full amounted to RON 3,016,438,940 RON, made up of 301,643,894 ordinary shares, each with a nominal value of RON 10.

The last increase in the share capital was made in the year 2020 by subscription of a number of 130,043 new shares, in amount of RON 1,300,430, representing the contribution in kind of the Romanian State, represented by the Ministry of Energy and in cash representing the contribution of the Company’s shareholders. The increase in the share capital was made based on the Proportioned offer Prospectus related to the increase of the share capital, approved by Decision of AFS no. 976/13.08.2020 and by Resolutions of the Extraordinary General Meeting of Shareholders no. 2/04.01.2019 and no. 12/19.12.2019, registered with the National Trade Register Office according to the Certificate of Amendments no. 484154/30.09.2020.

Holders of ordinary shares are entitled to receive dividends, as they are declared at certain timeframes, and the right to vote for one share within the General Meetings of Shareholders of the Company.

As at 31 December 2022 and 31 December 2021 shareholding structure was presented as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of the</b>	<b>Number of shares</b>	<b>% of the</b>
	<b>31 December 2022</b>	<b>share</b>	<b>31 December 2021</b>	<b>share</b>
		<b>capital</b>		<b>capital</b>
Romanian State - Ministry of Energy	248,850,476	82.4981%	248,850,476	82.4981%
Other shareholders	52,793,418	17.5019%	52,793,418	17.5019%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>	<b>301,643,894</b>	<b>100%</b>

**Share premium**

In November 2013, the Company issued 28,100,395 ordinary shares to Bucharest Stock Exchange, by an initial public offer and the exercise of preemptive right by the shareholder Fondul Proprietatea S.A.. The amount received of RON 312,478,099 was made up of the increase of the share capital in amount of RON 281,003,950 and an issue premium in amount of **RON 31,474,149**.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***10. EQUITY (CONTINUATION)****Reserves paid in advance**

Reserve paid in advance amounted to RON **21,553,537** as of 31 December 2022 and 31 December 2021 and represented sites of public utility from Cernavoda NPP (RON 5,439,321) and budget allowances related to the period 2007 - 2011 for building the Training and Recreation Center for Young People and Children in Cernavodă (RON 16,114,216).

**Legal reserves**

According to legal requirements, the Company sets up legal reserves in amount of 5% of the gross profit statutorily registered up to the level of 20% of the share capital. The value of legal reserve as at 31 December 2022 amounted to RON 412,641,748 (31 December 2021: RON 255,038,852).

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

**Revaluation reserves, net of deferred tax**

As of 31 December 2022, the revaluation reserve net of deferred tax amounted to RON 394,369,643 RON (31 December 2021: RON 451,742,500). The last revaluation of lands, buildings and constructions was made on 31 December 2021 by the independent valuer Primoval S.R.L., a member of the National Association of Authorized Romanian Valuers ("ANEVAR"). Prior to this revaluation, the land and buildings were revalued on December 31, 2018.

In 2022, the Company recognized a decrease in the revaluation reserve, net of deferred tax, of RON 57,372,857 following its transfer to retained earnings (2021: RON 28,655,963).

**Retained earnings**

Retained earnings represent the accumulated result of the Company. Retained earnings are distributed based on the annual financial statements prepared in compliance with the Order of the Minister of Public Finance no. 2.844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards.

*Movements in result carried forward*

	<b>31 December 2021</b>	<b>31 December 2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
<b>Balance as at 1 January 2022</b>	<b>4,648,549,459</b>	<b>4,055,915,983</b>
<b>Net profit of period</b>	<b>2,729,016,139</b>	<b>1,036,261,626</b>
Actuarial (losses) related to the benefit plans determined	-	471.723
Retained earnings from other adjustments	-	(638,261)
Transfer of revaluation reserves into retained earnings due to amortization, net of deferred tax	57,372,857	28,655,963
Dividends	(595,925,366)	(472,117,575)
<b>Balance at the end of the reporting period</b>	<b>6,839,013,089</b>	<b>4,648,549,459</b>

**Dividends**

In 2022, the Company declared dividends amounting to RON 595,925,366 (31 December 2021: RON 472,117,575). Net dividends unpaid as at 31 December 2022 amounted to RON 748,270 (31 December 2021: RON 848.118).

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***11. PROVISIONS FOR RISKS AND CHARGES**

As of 31 December 2022, respectively 31 December 2021 the Company recognized the following provisions, included under position of “Provisions for risks and expenses” and under position of “Current part of provisions for risks and expenses”:

	<b>31 December 2022</b> <b>(not audited)</b>	<b>31 December 2021</b> <b>(audited)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	70,294,834	70,278,140
Liabilities relating to other low and medium level radioactive and non-radioactive waste	64,737,442	115,383,486
Provision for litigations related to salary bonus	124,276,532	109,608,912
Employee participation in profit	27,000,000	20,000,000
Other provisions for risks and expenses	224,307	93,610
<b>Total</b>	<b>286,533,115</b>	<b>315,364,148</b>

As of 31 December 2022, provisions in a total amount of RON 286,533,115 represented long and short-terms liabilities, as follows:

	<b>Current part</b> <b>(&lt; 1 year)</b>	<b>Long-term part</b> <b>(&gt; 1 year)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	36,687,192	33,607,642
Liabilities relating to other low and medium level radioactive and non-radioactive waste	13,129,086	51,608,356
Provision for litigations related to salary bonus	-	124,276,532
Employee participation in profit	27,000,000	-
Other provisions for risks and expenses	224,307	-
<b>Total</b>	<b>77,040,585</b>	<b>209,492,530</b>

Position of “Provision for litigations related to salary bonus” represents the preliminary issue of the effect of litigations initiated by trade unions against the Company, Cernavoda NPP Trade Union and Energetica Nucleara '90 Free Trade Union, regarding the allowance related to nuclear risk, representing a salary bonus.

See Note 3 (s) of the significant Accounting policies related to these Individual Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2021 for the relevant accounting policies for provisions.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***12. INCOME FROM THE SALE OF ELECTRICITY****(i) Income from the sale of electricity**

	<b>2022</b>	<b>2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Sales of energy on the regulated market	-	65.878
Sales of energy on the free market	6,337,880,311	3,096,113,550
Sales of thermal energy	5,729,022	6,940,688
Income from the sale of green certificates	33.276	29.457
<b>Total</b>	<b>6,343,642,609</b>	<b>3,103,149,573</b>

**(ii) Quantity of sold electricity\*)**

	<b>2022</b>	<b>2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Quantity of sold electricity on the regulated market (MWh)	-	361
Quantity of sold electricity on the free market (MWh)	10,513,116	10,890,657
<b>Total</b>	<b>10,513,116</b>	<b>10,891,017</b>

\*) The quantity of energy sold does not include the quantity of energy related to revenues from positive imbalances recovered on the Balancing Market, in the amount of 40,798 MWh for the year 2022 (31 December 2021: 33,702 MWh).

Starting from the year 2021, ANRE has not established any delivery obligations for producers on the regulated market. Agreements concluded on the regulated market for the 2nd semester of 2020 have delivery term expressed in CET hours; the last delivery hour in the year 2020 was the first hour of January 2021 (361 MWh, regulated price amounting to RON 182.63/MWh (amount net of T<sub>g</sub>)).

On the free market, during the period 1 January – 31 December 2022, the Company delivered 99.61% of the energy sold (period from 1 January to 31 December 2021: 99.70%). The average sale price of electricity sold by the Company on this market during the period 1 January – 31 December 2022 was RON 600,15/MWh (period from 1 January to 31 December 2021: 284.29 RON/MWh), amount net of T<sub>g</sub>.

The Company is a participant in the Balancing Market according to the balancing market participation agreement concluded with C.N. Transelectrica S.A. and has set-up a Guarantee in the amount of RON 50,000, valid until 11 June 2023.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***13. ADDITIONAL INCOME TAX EXPENSES / CONTRIBUTION TO THE ENERGY TRANSITION FUND**

	<b>2022</b>	<b>2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Additional income tax expenses / Contribution to the Energy Transition Fund	1,085,014,712	-
<b>Total</b>	<b>1,085,014,712</b>	<b>-</b>

As of 31 December 2022, the Company owes additional income tax, i.e. contribution to the Energy Transition Fund, in the amount of RON 1,085,014,712 (31 December 2021: RON 0).

The additional income was established and calculated on the basis of art. II (1) of Law no. 259/2021 for the approval of GEO no. 118/2021, as subsequently amended and supplemented, and results from the difference between the average monthly selling price of electricity and the price of 450 RON/MWh. The tax rate applied to additional income realized is 80%. The calculation method is established by GEO no. 27/2022 (Annex 6) and applies, according to art. 4 of the GEO no. 27/2022 for the period 1 November 2021 - 31 August 2022.

According to GEO no. 119/01.09.2022 for amendment and supplement of GEO no. 27/2022, starting with 1 September 2022, for the period 1 September 2022 - 31 August 2023, electricity producers must pay a contribution to the Energy Transition Fund. The calculation method is provided for in Annex 6 of this ordinance and is determined as a difference between the monthly sale price and the reference price (RON 450/MWh) multiplied by the monthly quantity physically delivered.

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

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

Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***14. OTHER OPERATING EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Other expenses with services executed by third parties	97,145,646	90,869,487
ANDR expenses	100,535,482	102,229,602
Expenses with energy and water	91,234,449	83,919,600
Expenses with fuel and other consumables	62,382,451	55,021,008
Expenditure related to ANRE contribution	3,121,500	3,120,333
Expenses with insurance premiums	13,555,971	12,263,163
Expenses with the transport and telecommunications	10,748,596	7,831,854
Expenses with building tax	71,957,976	67,980,477
Net expenses related to provisions and value adjustments	-	25,051,292
Other operating expenses	51,123,820	47,155,468
<b>Total</b>	<b>501,805,891</b>	<b>495,442,284</b>

**ANDR expenses**

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

- contribution for decommissioning each nuclear unit in amount of EUR 0.6/MWh net electricity produced 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 during the designed lifetime of nuclear units, and the direct annual contribution for the final storage is paid during the operating period of nuclear units, and, therefore, ANDR is held responsible for the management of the entire decommissioning process, at the end of the useful lifetime of nuclear plants and storage of the resulting waste.

**Expenditure related to ANRE contribution**

ANRE contribution for the year 2022 is calculated according to the Order ANRE no. 143/2021, representing 0.1% of the turnover realized in 2021, from activities carried out under the licenses held. As at 31 December 2022 the contribution amounts to RON 3,121,500 (31 December 2021: RON 3,120,333). For the year 2021, the contribution was calculated according to the Order of ANRE no. 223/09.12.2020, representing 0.1% of the turnover realized in 2020, from activities carried out under the licenses held.

**Other operating expenses**

Position of "Other operating expenses" includes expenses related to operating license paid to CNCAN Bucharest, in amount of RON 9,900,000 (31 December 2021: RON 9,900,000).

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



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Notes to the Preliminary and Unaudited Individual Financial Statements for the year ended as at 31 December 2022  
(All amounts are expressed in RON, unless otherwise expressly provided for.)

**15. FINANCIAL INCOME AND EXPENDITURE**

	<b>2022</b>	<b>2021</b>
	<b>(not audited)</b>	<b>(audited)</b>
Interest income	217,880,002	52,247,112
Income from exchange rate differences	19,972,561	8,749,348
Dividend income	64.331	1.840
Financial revenues regarding the amortization of state securities differences	70,929	23,523
Other financial income	9.623	2.896
<b>Financial income - Total</b>	<b>237,997,446</b>	<b>61,024,719</b>
Expenses from exchange rate differences	(24,181,408)	(25,821,026)
Interest expense	(5,446,186)	(10,590,459)
<b>Financial expenses - Total</b>	<b>(29,627,594)</b>	<b>(36,411,485)</b>
<b>Net financial income</b>	<b>208,369,852</b>	<b>24,613,234</b>

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

## **16. SUBSEQUENT EVENTS**

### **Acquisition of bonds**

By the current report published on 02.07.2023, the Company informs its shareholders about the purchase of bonds issued by CEC Bank in the amount of EUR 45 million with a maturity of 5 years and a fixed yield of 7.50% p.a.

### **Changes in the management of the Company - Board of Directors**

By Decision of the Ordinary General Meeting of Shareholders of SNN no. 1/15.02.2023, the following were approved:

- The extension of the term of the mandate contract concluded by Mr. George Sergiu Niculescu, Mr. Dumitru Remus Vulpescu and Mrs. Vasilica Grajdan as provisional director, for a period of 2 months, starting with 20 February 2023 until 20 April 2023 inclusively, but no later than the date of completion of the Director selection procedure in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, respectively the date when the selected director starts his/her activity, if the selection procedure is completed before the expiry of the duration of the provisional mandate. The term of the mandate contract may only be renewed provided that the office of the director is renewed under the decision of the General Meeting of Shareholders under the terms of the law;
- Maintenance of the remuneration for the provisional members of the Board of Directors, as it was approved under Decision of the Ordinary General Meeting of Shareholders no. 10/19.10.2022.

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

**Dan Niculaie Faranga**  
**Chief Financial Officer**