



S.N. Nuclearelectrica S.A.

**Individual Interim Financial Statements
as at, and for the three-month period ended on,
31 March 2023**

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 (IFRS - EU), based on the International Accounting
Standard 34 - "Interim Financial Reporting" adopted by the European Union

S.N. Nuclearelectrica S.A.

Individual Interim Statement of Financial Position as at 31 March 2023

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

	Note	31 March 2023 (unaudited)	31 December 2022 (audited)
Assets			
Fixed assets			
Tangible non-current assets	4	5,700,488,370	5,737,295,053
Assets representing rights to use underlying assets within a leasing contract	5	15,780,705	15,565,831
Intangible non-current assets		47,293,429	50,773,837
Financial assets measured at amortized cost	6	267,709,020	41,262,942
Financial investments in subsidiaries	7	199,438,505	199,438,505
Investments in related entities	8	4,943,000	4,943,000
Total fixed assets		6,235,653,029	6,049,279,168
Current assets			
Inventories	9	764,740,338	653,199,691
Trade receivables	10	602,399,747	438,539,974
Other financial assets measured at amortized cost	11	156,608,407	140,954,592
Bank deposits	12	2,320,437,843	1,829,796,500
Cash and cash equivalents	12	2,782,230,255	2,681,002,427
Total current assets		6,626,416,590	5,743,493,184
Total assets		12,862,069,619	11,792,772,352
Equity and liabilities			
Equity			
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		380,026,429	394,369,643
Retained earnings		7,657,027,075	6,876,165,858
Total equity		11,302,022,873	10,535,504,870
Liabilities			
Long-term liabilities			
Long-term loans	13	54,440,100	64,810,940
Liabilities under long-term leasing agreements	5	13,115,935	12,831,121
Provisions for risks and charges	16	180,749,507	174,504,703
Deferred income		59,910,956	63,611,498
Deferred tax liability		92,043,677	95,446,226
Liabilities for employee benefits	14	45,557,591	45,557,591
Total long-term liabilities		445,817,766	456,762,079
Current liabilities			
Trade and other payables	15	676,389,631	445,315,659
Liabilities under short-term leasing agreements	5	2,805,245	2,734,403
Current part of provisions for risks and charges	16	90,809,021	77,040,585
Corporate income tax due		197,391,235	52,801,797
Deferred income		80,650,376	157,087,526
Current part of the long-term loans	13	66,183,472	65,525,433
Total current liabilities		1,114,228,980	800,505,403
Total liabilities		1,560,046,746	1,257,267,482
Total equity and liabilities		12,862,069,619	11,792,772,352

This a free translation from the Romanian version.

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S.N. Nuclearelectrica S.A.

Individual Interim Statement of Profit and Loss for the three-month period ended on 31 March 2023

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

	Note	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Income			
Income from the sale of electricity	17	2,093,433,460	1,844,367,692
Income from the transport of electricity		7,006,854	4,155,903
Total income		2,100,440,314	1,848,523,595
Other income		19,252,979	18,844,745
Operating expenses			
Depreciation and impairment		(156,159,585)	(150,903,929)
Personnel costs	18	(139,769,691)	(119,554,402)
Cost of electricity purchased		(2,243,515)	(8,113,761)
Repairs and maintenance		(14,755,039)	(14,625,515)
Expenses with the transmission of electricity		(7,006,854)	(4,155,903)
Expenses with spare parts		(2,625,679)	(3,533,092)
Costs of nuclear fuel		(44,796,349)	(43,956,669)
Additional income tax expenses	19	(840,842,238)	(459,176,701)
Other operating expenditure	20	(111,520,344)	(107,221,612)
Operating expenditure - Total		(1,319,719,294)	(911,241,584)
Operating profit		799,973,999	956,126,756
Financial expenses		(5,649,984)	(6,411,672)
Financial income		113,380,877	25,108,221
Net financial income/(expense)	21	107,730,893	18,696,549
Profit before corporate tax		907,704,892	974,823,305
Net corporate income tax expenses	22	(141,186,889)	(155,921,917)
Profit of the period		766,518,003	818,901,388

The Individual Interim Financial Statements presented from page 1 to 32 were signed on 9 May 2023 by:

Chief Executive Officer
Cosmin Ghita

Chief Financial Officer
Dan Niculaie - Faranga

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S.N. Nuclearelectrica S.A.

Individual Interim Statement of Profit and Loss for the three-month period ended on 31 March 2023

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

	Note	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Profit of the period		766,518,003	818,901,388
Other elements of the overall result			
Items that cannot be reclassified to profit or loss			
Retained earnings from other adjustments			
Total other elements of the overall result		-	-
Total overall result related to the period		766,518,003	818,901,388
Earnings per share			
Basic earnings per share (RON/share)	22	2.54	2.71
Diluted earnings per share (RON/share)	22	2.54	2.71

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S.N. Nuclearelectrica S.A.

The Individual Interim Statement of Changes in Equity for the three-month period ended on 31 March 2023

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

	Share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2023 (audited)	3,211,941,683	31,474,149	21,553,537	394,369,643	6,876,165,858	10,535,504,870
Overall result						
<i>Profit of the period</i>					<i>766,518,003</i>	<i>766,518,003</i>
<i>Other elements of the overall result</i>						
Retained earnings from other adjustments						
Total other elements of the overall result	-	-	-	-	-	-
Total overall result related to the financial year	-	-	-		766,518,003	766,518,003
Transactions with shareholders, only recognized in equity						
Distributed dividends	-	-	-	-	-	-
Total transactions with shareholders, only recognized in equity	-	-	-	-	-	-
Other changes in equity						
Transfer of revaluation reserves into retained earnings due to amortization				(14,343,214)	14,343,214	-
Other changes in equity - total				(14,343,214)	14,343,214	-
Balance as at 31 March 2023 (unaudited)	3,211,941,683	31,474,149	21,553,537	380,026,429	7,657,027,075	11,302,022,873

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S.N. Nuclearelectrica S.A.

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

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

	Share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2022 (audited)	3,211,941,683	31,474,149	21,553,537	451,742,500	4,648,549,459	8,365,261,328
Overall result						
<i>Profit of the period</i>					<i>818,901,388</i>	<i>818,901,388</i>
<i>Other elements of the overall result</i>						
Retained earnings from other adjustments						
Total other elements of the overall result	-	-	-	-	-	-
Total overall result related to the financial year	-	-	-		818,901,388	818,901,388
Transactions with shareholders, only recognized in equity						
Distributed dividends	-	-	-	-	-	-
Total transactions with shareholders, only recognized in equity	-	-	-	-	-	-
Other changes in equity						
Transfer of revaluation reserves into retained earnings due to amortization				(14,343,214)	14,343,214	-
Other changes in equity - total				(14,343,214)	14,343,214	-
Balance as at 31 March 2022 (unaudited)	3,211,941,683	31,474,149	21,553,537	437,399,286	5,481,794,061	9,184,162,716

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S.N. Nuclearelectrica S.A.

The Individual Interim Statement of Cash-Flows for the three-month period ended on 31 March 2023

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

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Cash flows from operating activities		
Profit before corporate tax	907,704,892	974,823,305
Adjustments for:		
Depreciation and impairment	156,159,585	150,903,929
Value adjustments of trade receivables	(555)	(555)
Value adjustments of inventories	(72,551)	(146,912)
Provisions related to liabilities, risks and operating expenditure	13,842,053	23,300,781
(Gains)/Losses from disposal of assets	(16,857)	(290)
Net financial expenditure/(income)	(107,819,249)	(18,568,559)
Changes in:		
(Increase) / Decrease of trade receivables	(163,864,820)	(205,430,942)
(Increase) in other financial assets measured at amortized cost	(36,583,479)	16,843,701
(Increase)/decrease in inventories	(111,468,097)	(4,861,218)
(Decrease) in deferred income	(80,137,692)	(46,880,946)
(Decrease) in trade and other payables	185,314,270	92,858,309
Cash flows from operating activity	763,057,501	982,840,604
Interest received	123,400,190	13,925,990
Interest paid	(196,595)	(45,491)
Net cash related to the operating activity	886,261,096	996,721,103
Cash flows from investment activity		
Purchases of intangible non-current assets	(487,471)	(4,920,291)
Purchases of tangible non-current assets	(61,684,099)	(23,356,945)
Proceeds from sale of tangible non-current assets	211,779	2,554
(Increase)/Decrease in bank deposits and financial assets measured at amortized cost	(490,641,343)	(7,897,000)
Purchases of other financial assets (see Note 6)	(221,635,001)	-
Net cash related to the investment activity	(774,236,135)	(36,171,682)
Cash flow related to financing activity		
Loans payments	(10,336,410)	(35,128,780)
Dividend payments	(36,095)	(48,750)
Payments related to liabilities from leasing agreements, including interest	(424,627)	(124,769)
Net cash related to the financing activity	(10,797,132)	(35,302,299)
Net increase of cash and cash equivalents	101,227,828	925,247,122
Cash and cash equivalents as at 1 January (see Note 12)	2,681,002,427	1,317,399,999
Cash and cash equivalents as at 31 March (see Note 12)	2,782,230,255	2,242,647,121

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

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

1. REPORTING ENTITY

National Company Nuclearelectrica S.A. (“Company” or “SNN”) is national joint-stock company, managed under single-tier system, having a head office and two branches without legal personality, Cernavodă NPP (Nuclear Power Plant) – headquartered in Constanta County, Cernavodă City, 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 City, str. Campului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is in Bucharest Municipality, Sector 1, Bld. Iancu de Hunedoara, nr. 48, Crystal Tower Buildingx.

The main object of activity of the company is “Electricity generation” – CAEN 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 Company owns another two nuclear reactors at Cernavodă , which are in the early stage of construction (Unit 3 and Unit 4). The project on the Production Capacity Increase is planned to be completed by Energonuclear S.A. subsidiary (for more information see Note 7).

During 2020-2021, there were completed stages in order to carry out this Project, with the sustained effort of the Company and the Romanian State. Under Decision of the Romania’s Prime Minister no. 281/14.07.2020 published in the Official Gazette of Romania, Part I, no. 618/14.VII.2020, the Strategic Coordination Committee for the Implementation of the Project of Units 3 and 4 within Cernavoda NPP was established. Also, in October 2020, US Exim Bank expressed, through a Memorandum of Understanding concluded with the Ministry of Energy, its interest in financing large investment projects in Romania, including nuclear ones, with a total value of USD 7 billion.

In November 2021, Energonuclear S.A. subsidiary signed the first agreement with Candu Energy, Member of SNC-Lavalin Group and the Design Authority of Units 3&4 and OEM Candu (the original manufacturer of CANDU Technology).

By Decision of the Ordinary General Meeting of Shareholders of SNN no. 6/10.08.2022 a series of measures related to the continuation of the Project were adopted and approved:

- it was approved the Preliminary Investment Decision and entering Phase 2 – Preliminary Works
- it was approved the initiation of the steps for awarding and concluding the agreements necessary for the completion of the Project, within the limits of powers provided for in the articles of incorporation of SNN and Energonuclear, and without exceeding the amount of EUR 185 million.
- it was approved the financing by SNN of Energonuclear, by increasing the share capital of EN and/or granting related loans, with a total amount of EUR 185 million, adjusted to the Project development requirements and necessary for the implementation of Phase 2 of the Project of Units 3 and 4 within Cernavodă NPP.

In 31 March 2023, it was approved Law no. 74 for the approval of the signing of the Support Agreement between the Romanian State and the Company regarding the Project of Units 3 and 4 CNE Cernavoda. The Company continues to carry out the activities necessary to complete the stages of the project.

Notes 1 to 25 are an integral part of these individual interim financial statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY (CONTINUATION)

Moreover, the Company owns a reactor (Unit 5), for which the Company's shareholders had approved the change in the original destination since 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 International Atomic Energy Agency ("IAEA") performed a benchmark assessment of the design requirements for the investment objective On-Site Emergency Control Center ("OSECC") – Unit 5 and an assessment of the technical requirements relating to the rating of equipment for hazards/ external events (especially the seismic rating). Presentations submitted by the international experts of IAEA within the benchmarking brought to the forefront a new method/strategy of rating, namely the demonstration of the seismic margin by using the seismic experience as an alternative method for rating the critical systems in the Building of Facilities for Emergency Cases ("BFEC"). In June 2020, NCNAC expressed its consent to use the seismic experience as an alternative method for demonstrating the seismic rating of the critical equipment, in which sense, in July 2020 the seismic rating guide was updated, as well as the list of systems/equipment rated from the seismic point of view for BFEC. In the context of the above-mentioned data, a revised chart of the relaunching strategy was prepared. The revised chart for the implementation of the project comprises the completion of the construction and assembly works (purchase of seismically rated equipment and construction and assembly works) and the operationalization of the objective during 2024.

The manufacture of CANDU nuclear fuel bundles needed for the operation of the two functional nuclear reactors within Cernavodă NPP Branch, is carried out by the Company, within NFP Pitești Branch.

The Romanian energy sector is regulated by the Romanian Energy Regulatory Authority ("ANRE"), an independent public institution. Starting with 1 January 2023, the Company is a seller within the Centralized Electricity Purchase Mechanism ("MACEE"), established by GEO no. 153/2022 for the period January 1, 2023 - March 31, 2025. In the first three months of 2023, the Company participated both in the competitive segment and in the MACEE mechanism, and in 2022 it participated only in the competitive segment (for more information see Note 17).

As at 31 March 2023, the Company owns 100% of the subsidiaries Energonuclear, Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara and Nuclearelectrica Serv. It also owns 50% of the company RoPower S.A.

As at 31 March 2023, the Company's shareholders are: The Romanian State by the Ministry of Energy, which held 248,850,476 shares, representing 82.4981% of the share capital and other natural persons shareholders and other natural persons and legal entities shareholders holding together 52,793,418 shares representing 17.5019% of the share capital.

Company's shares were traded on Bucharest Stock Exchange of 4 November 2013, having the issuing symbol SNN.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

2. BASIS OF PREPARATION**a) Declaration of conformity**

The Individual Interim Financial Statements as at and for the three-month period ended on 31 March 2023 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”), as subsequently amended (“OMPF 2844/2016”). For the purposes of the Order of the Minister of Public Finance no. 2.844/2016, the International Financial Reporting Standards are adopted according to the procedure provided under the Regulation (EC) no. 1.606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (“IFRS adopted by the European Union”).

Individual Interim Financial Statements as at, and for the three-month period ended on, 31 September 2023 were neither audited, nor revised by an independent auditor.

These Individual Interim Financial Statements were authorized for issue and were signed on 9 May 2023 by the Company’s management.

b) Going concern

These Individual Interim Financial Statements were drafted according to the going concern principle supposing that the Company will continue its activity, without any significant reduction, as well as in the foreseeable future.

c) Presentation of the financial statements

These Individual Interim Financial Statements were prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union. These do not include all information needed for a complete set of financial statements in accordance with the International Financial Reporting Standard (“IFRS”) and should be read in conjunction with Individual Financial Statements of the Company, drafted as at, and for the financial year ended on 31 December 2022. Nevertheless, certain selected explanatory notes are included to explain the events and transactions which are significant for understanding the changes occurred in the financial position and performance of the Company since the last Individual Financial Statements prepared as at, and for the financial year ended on 31 December 2022.

d) Basis of assessment

The Individual Interim Financial Statements were prepared at historical cost, save for some categories of tangible non-current assets that are measured at fair value, as presented in the accounting policies applied to the Individual Financial Statements as at, and for the financial year ended on 31 December 2022. Other financial assets and liabilities, such 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”), as this is also the functional currency of the Company. All financial information is presented in RON, unless otherwise indicated.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

2. BASIS OF PREPARATION (CONTINUATION)**f) Use of professional estimates and judgments**

The preparation of the Individual Interim Financial Statements in accordance with IFRS adopted by the European Union involves the management use of some estimates, judgments and assumptions which affect the application of accounting policies, as well as the reported value of assets, liabilities, revenues and expenses. Judgments and assumptions related to such estimates are based on the historical experience as well as other factors considered to be reasonable in the context of such estimates. Results of such estimates form the basis of judgments relating to the carrying amounts of assets and liabilities which cannot be obtained from other information sources. Results obtained could be different from the estimates values. Judgements and assumptions underpinning them are revised on a regular basis. Revisions of the accounting estimates are recognized during the period in which the estimate was revised and in the future period if revision affects both the current period, and the future periods.

Significant judgments used by the management for applying the Company's accounting policies and the main sources of uncertainty relating to estimates were similar to those applied to the Individual Financial Statements as at and for the financial year ended on 31 December 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied in these Individual Interim Financial Statements are similar to those policies applied in the Individual Financial Statements of the Company as at and for the financial year ended on 31 December 2022.

Impact of accounting standards due to be applied in future periods

There is number of standards and interpretations that have been issued by the International Accounting Standards Committee, which are valid for periods starting after 31 December 2022, and which the Company has decided not to adopt in advance. The Company does not consider that these standards and interpretations will have a material impact on the adopted financial statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***4. TANGIBLE NON-CURRENT ASSETS**

	Lands	Nuclear plants	Plant, machinery and other assets	Non-current assets in progress	TOTAL
Cost					
Balance as at 1 January 2022 (audited)	36,975,047	4,645,307,994	1,196,053,357	1,123,153,126	7,001,489,524
Inflows	-	-	23,542,835	471,336,664	494,879,499
Transfers	-	71,116,529	80,209,850	(151,326,379)	-
Heavy water-related inflows	-	27,816,605	-	-	27,816,605
Transfer of inventories	-	-	-	(40,632,444)	(40,632,444)
Transfer from reclassified spare parts	-	-	27,324,482	(15,598,170)	11,726,312
Derecognition of inspections	-	(132,769,584)	-	-	(132,769,584)
Derecognition of heavy water	-	(1,217,175)	-	-	(1,217,175)
Outflows	-	(487,267)	(18,111,407)	-	(18,598,674)
Balance as at 31 December 2022 (audited)	36,975,047	4,609,767,102	1,309,019,117	1,386,932,797	7,342,694,063
Balance as at 1 January 2023 (audited)	36,975,047	4,609,767,102	1,309,019,117	1,386,932,797	7,342,694,063
Inflows	-	-	32,224,301	83,541,770	115,751,852
Transfers	-	11,945,633	1,317,616	(13,263,249)	-
Transfer of inventories	-	-	-	259,205	259,205
Transfer from reclassified spare parts	-	-	(104,594)	-	(104,594)
Derecognition of inspections	-	(1,559,375)	-	-	(1,559,375)
Derecognition of heavy water	-	(262,778)	-	-	(262,778)
Outflows	-	-	(722,094)	-	(722,094)
Balance as at 31 March 2023 (unaudited)	36,975,047	4,619,890,582	1,341,734,346	1,457,470,523	7,456,070,498
Balance as at 1 January 2022 (audited)	550,782	380,863,168	616,750,302	149,987,368	1,148,151,620
Depreciation expense	-	507,383,343	80,275,699	-	587,659,042
Accumulated depreciation of inspections	-	(119,247,275)	-	-	(119,247,275)
Accumulated depreciation of outflows	-	(1,454,046)	(14,770,722)	-	(16,224,768)
Impairment adjustments	-	-	8,912,944	(3,852,553)	5,060,391
Balance as at 31 December 2022 (audited)	550,782	767,545,190	691,168,223	146,134,815	1,605,399,010
Balance as at 1 January 2023 (audited)	550,782	767,545,190	691,168,223	146,134,815	1,605,399,010
Depreciation expense	-	128,128,006	22,853,795	-	150,981,801
Accumulated depreciation of outflows	-	(1,627,231)	(66,432)	-	(1,693,663)
Impairment adjustments	-	-	894,980	-	894,980
Balance as at 31 March 2023 (unaudited)	550,782	894,045,965	714,850,566	146,134,815	1,755,582,128
Net book value					
Balance as at 01 January 2022 (audited)	36,424,265	4,264,444,826	579,303,055	973,165,758	5,853,337,904
Balance as at 31 December 2022 (audited)	36,424,265	3,842,221,912	617,850,894	1,240,797,982	5,737,295,053
Balance as at 31 March 2023 (unaudited)	36,424,265	3,725,844,617	626,883,780	1,311,335,708	5,700,488,370

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

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

4. TANGIBLE NON-CURRENT ASSETS (CONTINUATION)

(i) Nuclear plants, machinery and other assets

In the first 3 months of 2023 the Company did not purchase any heavy water. In 2022, the Company purchased 11.9 tons of heavy water from the National Administration of the State Reserves and Special Problems (“ANRSPS”), needed for Units 1 and 2 in amount of RON 27,816,605.

(ii) Non-current assets in progress

As at 31 March 2023, the net carrying amount of assets in progress, of RON 1,311,335,708, included the following items:

- Investment relating to the increase in the production capacity with a net carrying amount of RON 469,386,964 (31 December 2022: RON 469,495,874);
- Investments related to units 1 and 2, in total amount of RON 841,704,147 (31 December 2022: RON 771,302,109), the most outstanding being:
 - ✓ Refurbishment of U1 in amount of RON 302,616,654 (31 December 2022: RON 270,871,781);
 - ✓ Detrition Facility for D2O in amount of RON 88,886,132 (31 December 2022: RON 86,878,248);
 - ✓ Improving the reliability of the electric generator in amount of RON 98,614,087 (31 December 2022: RON 98,614,087).
 - ✓ Building storage and loading premises for the nuclear fuel used (DICA) in amount of RON 35,661,201 (31 December 2022: RON 31,853,382);
 - ✓ Improving the nuclear security systems after Fukushima in amount of RON 38,944,185 (31 December 2022: RON 38,924,333);
 - ✓ Equipment and materials for investments in amount of RON 24,376,777 (31 December 2022: RON 27,361,693).

The gross investment value relating to the increase in the production capacity amounts to RON 471,085,531, of which the book value of Units 3 and 4, amounts to RON 273,960,000 (31 December 2022: RON 273,960,000), the remaining amount representing the heavy water especially purchased for Units 3 and 4, respectively approximately 75 tons, with a carrying amount as at 31 March 2023 of RON 159,253,825 (31 December 2022: 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 37,871,706 (31 December 2022: RON 37,980,616). Prior to the year 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, consequently, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Company performed the allocation of the construction costs for Units 3 and 4 of the nuclear plant, as well as for Unit 5.

As at 31 March 2023, the gross carrying amount of **Unit 5** amounted to RON 137 million (31 December 2022: RON 137 million). As at 31 December 2013 the Company recognized an impairment adjustment of 100% of the amount of Unit 5 since there were no plans to resume its construction as a nuclear unit. In March 2014, the Company’s shareholders approved the change in the destination and use of Unit 5 for other activities of the Company, which was a project in progress following which an asset would result with a different use compared to the initial use of Unit 5.

The main **investments commissioned** by the Company in the first 3 months of the year 2023 from the projects in progress related to Units 1 and 2 were represented by: fitting of spare parts to the equipment in operation, of RON 11,114,793, and management of fuel canal extension, of RON 9,548,417.

(iii) Impairment adjustments

As at 31 March 2023, the Company entered into accounts movements in the adjustments for impairment of assets of RON 894, 980 (31 December 2022: RON 5,060,391).

Notes 1 to 25 are an integral part of these individual interim financial statements.

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4. TANGIBLE NON-CURRENT ASSETS (CONTINUATION)**(iv) Revaluation, depreciation method and lifetime**

Buildings and lands are recognized at their fair value, based on periodical assessments carried out by external independent valuers. The revaluation surplus included in the revaluation reserve is capitalized by the transfer into the result carried forward, upon deregistration of the asset or to the extent of its use. All other tangible assets are recognized at historical cost less amortization.

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.

The valuation report, related to the year 2021 for tangible non-current assets of **lands** and **buildings** classes, prepared by the independent valuer Primoval S.R.L. is based on the Asset Valuation Standards, edition of 2022, valid as at 31 December 2021, drafted by the National Association of Authorized Romanian Valuers (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 – Types of value;
- Asset standards: SEV 300 – Machinery, equipment and plants (IVS 300) ; GEV 630 – Valuation of immovable assets;
- Specific use standards: SEV 430 – Valuations for financial reporting.

The estimate of fair value was made in compliance with the IFRS provisions and of the above-mentioned valuation standards. For the valuation of the administrative buildings the income method was used, with a capitalization rate between 7% - 9%, depending on the specific nature of the building. For the valuation of units 1 and 2 the depreciated replacement cost method was applied. For the valuation of lands, they opted for using the market approach, the direct comparison method.

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

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

See Note 3 (c) 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 2022 for the other relevant accounting policies for tangible assets.

(v) Significance of estimates – valuation of lands and buildings

Information relating to the valuation of lands and buildings is presented in Note 4 (v) of the significant Accounting policies related to the Individual Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2022.

Notes 1 to 25 are an integral part of these individual interim financial statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***4. TANGIBLE NON-CURRENT ASSETS (CONTINUATION)***(vi) The carrying amount that would have been recognized had land and buildings been measured at cost, according to the provisions of IAS 16.77 (e)*

If land and buildings had been valued at historical cost, the amounts would have been:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Lands		
Cost	22,350,799	22,350,779
Accumulated depreciation		
Net book value	22,350,779	22,350,779
	31 March 2023 (unaudited)	31 December 2022 (audited)
Buildings		
Cost	6,971,808,938	7,056,923,302
Accumulated depreciation	(4,332,677,299)	(4,523,041,183)
Net book value	2,639,131,639	2,533,882,118

(vii) Decommissioning of nuclear units

Unit 1 is designed to operate until 2026, and Unit 2 until 2037. Company did not account for any provision for decommissioning of those two units since it was not responsible for the decommissioning works. According to the Government Decision no. 1080/ 2007, Nuclear and Radioactive Waste Agency („NRWA”) is responsible for collecting the contributions paid by the Company during the remaining useful lifetime of units and accept any liability for the management of the decommissioning process at the end of the lifetime of those two units, as well as for the final storage of the nuclear waste at the end of the useful lifetime of those two units and for the permanent storage of the resulting residue (see Note 26). The cost of the Company’s contributions to ANDR in the first three months of 2023 amounts to RON 24,984,087 (31 September 2022: RON 25,307,231).

(viii) Pledged assets

As at 31 March 2023, respectively 31 December 2022, the Company had no pledged or mortgaged assets.

(ix) Supplier credit

As at 31 March 2023, the Company owned fixed assets purchased with credit from suppliers (trade credit) of RON 100,344,397 (31 December 2022: RON 46,767,931).

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

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

The Company adopted IFRS 16, and for this reason it recognized in the statement of financial position also assets and liabilities related to the restatement of lease agreements concluded in its capacity as lessee.

The Company concluded lease agreements for assets and liabilities and concession contracts for lands, for which it was estimated the initial value of the asset related to the right to use at a value equal to the debt discounted upon transaction, arising from such agreements, amounting to RON 16,565,495 (31 December 2022: RON 16,031,241).

(i) Amounts recognized in the Statement of financial position

Assets representing rights to use underlying assets within a leasing contract	31 March 2023 (unaudited)	31 December 2022 (audited)
Lands	1,422,211	1,422,211
Office spaces	15,143,283	14,609,030
Depreciation of assets representing rights to use	(784,789)	(465,410)
Total net assets representing rights to use	15,780,705	15,565,831
	31 March 2023	31 December 2022
	(unaudited)	(audited)
Liabilities under leasing agreements		
Short-term	2,805,245	2,734,403
Long-term	13,115,935	12,831,121
	15,921,180	15,565,524

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

	Note	31 March 2023 (unaudited)	31 December 2022 (audited)
Depreciation of assets representing rights to use		319,379	271,886
Interest expense	26	121,333	32,097

(iii) Amounts recognized in the Statement of cash flows

	31 March 2023 (unaudited)	31 December 2022 (audited)
Total cash outflows related to leasing agreements	424,627	337,356

(iv) Recognition of leasing agreements

Information relating to the recognition of leasing contracts according to IFRS 16 are presented in Note 3 (e) of the significant Accounting policies related to the Individual Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2022.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***6. FINANCIAL ASSETS MEASURED AT AMORTIZED COST**

As at 31 March 2023, the Company accounted for in position “Financial assets measured 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, governmental bonds, bonds and long-term loans granted to subsidiaries.

	31 March 2023	31 December 2022
	(unaudited)	(audited)
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange contribution	24,000	24,000
Romatom contribution	100	100
HENRO contribution	250,000	250,000
Government bonds (i)	30,464,577	30,260,661
Bonds (ii)	225,128,978	-
Loans granted to subsidiaries	6,808,434	5,695,250
Total	267,709,020	41,262,942

(i) Government bonds

As at 31 March 2023, and respectively 31 December 2022, the Company held governmental bonds 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 governmental bonds:

	31 March 2023	31 December 2022
	(unaudited)	(audited)
Balance as at 1 January	29,751,132	29,680,203
Purchases	-	-
Maturity dates	-	-
Discount depreciation	17,637	70,929
Balance at the end of the reporting period	29,768,769	29,751,132
Accumulated interest	749,808	509,529
Government bonds - total	30,464,577	30,260,661

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

(ii) Bonds

La 31 Martie 2023, the Company holds 450 non-preferential non-guaranteed senior bonds issued by CEC Bank, with 5 years maturity (in February 2028), and with a fixed annual interest rate of 7.5% p.a.

Movement of financial assets representing bonds:

	31 March 2023	31 December 2022
	(unaudited)	(audited)
Balance as at 1 January	-	-
Purchases	222,709,500	-
Maturity dates	-	-
Balance at the end of the reporting period	222,709,500	-
Accumulated interest	2,419,478	-
Total bonds	225,128,978	-

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As at 31 March 2023, and respectively 31 December 2022, the investments in subsidiaries are as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Energonuclear S.A.	199,438,105	199,438,105
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	200	200
Total	199,438,505	199,438,505

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” - CAEN Code 7112.

As at 31 March 2023 and 31 December 2022, the Company holds 100% of the share capital of Energonuclear. The value of the shareholding, as at 31 December 2023, is RON 199,438,105 (31 December 2022: RON 199,438,105).

By Decision 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 Decision 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 at 31 March 2023, the Company did not register any loans granted to the subsidiary Energonuclear S.A.

During 2021, the share capital of Energonuclear S.A. branch was increased two times, as follows: according to the Decision 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.

During 2022, the share capital of Energonuclear S.A. branch was increased by the amount of RON 26,999,997.52, under Decision of the Extraordinary General Meeting of Shareholders no. 7/05.05.2022 by issue of new shares. No changes were recorded in the first 3 months of 2023.

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 Locality, Str. Dumbravii nr. 1, 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” – CAEN Code 2446.

As at 31 March 2023, and respectively 31 December 2022, the Company held 100% of the share capital of F.P.C.U Feldioara. The value of the shareholding, as at 31 December 2023, is RON 200 (31 December 2022: RON 200).

In 2021, the Company’s shareholders approved the granting of a loan of RON 2,300,000, increase in 2022 up to RON 3,600,000, 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 income and expenditure budget for the years 2021 and 2022. In 2023, a loan of RON 11,000,000 was approved by the Company’s shareholders, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023. As at 31 March 2023, the Company had a principal of RON 4,600,000 (31 December 2022: RON 3,600,000) and an accrued interest of RON 205,066 (31 December 2022: RON 130,772).

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES (CONTINUATION)

Nuclearelectrica Serv S.R.L.

Nuclearelectrica Serv S.A. branch has its registered office located in Constanta County, Cernavodă Locality, Str. Energiei nr. 21, Hotel nr. 2, Building 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” - CAEN Code 7830.

As at 31 March 2023, and respectively 31 December 2022, the Company held 100% of the share capital of Nuclearelectrica Serv. The value of the shareholding, as at 31 December 2023, and respectively 31 December 2022, is RON 200.

In 2022, the Company’s shareholders approved the granting of a loan in amount of RON 3,500,000, 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 income and expenditure budget for 2022. In 2023, the amount of the loan was increased up to RON 18,600,000, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023. As at 31 March 2023, the subsidiary accessed the amount of RON 1,920,000 (31 December 2022: RON 1,920,000), for which it booked an accrued interest of RON 83,368 (31 December 2022: RON 44,478).

8. FINANCIAL INVESTMENTS IN RELATED ENTITIES

Ropower Nuclear S.A.

In September 2022, the special purpose vehicle Ropower Nuclear S.A. was established, owned in equal shares 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 Locality, Strada Aleea Sinaia nr. 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” - CAEN Code 3511.

As at 31 March 2023, 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, County of Dambovita, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totaling 462MWe, 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 25 are an integral part of these individual interim financial statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

9. INVENTORIES

As at 31 March 2023 and 31 December 2022, inventories are as follows:

	31 March 2023	31 December 2022
	(unaudited)	(audited)
Spare parts	255,360,025	240,796,144
Other raw materials and materials	509,380,313	412,403,547
Total	764,740,338	653,199,691

(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 at and for the financial year ended on 31 December 2022 for the other relevant accounting policies for inventories.

(ii) Amounts recognized in the Income Statement

The value of inventories expensed in the first three months of 2023 is found under the items Cost of spare parts and Cost of nuclear fuel from the Statement of profit or loss and other comprehensive income, amounting to RON 47,422,028 (31 December 2022: RON 47,489,761).

The value of inventories expensed during the first three months of 2023, in accordance with the provisions of IAS 2.34, representing inventories scrapped, damaged and written off, amounts to RON 0 (31 December 2022: RON 1,042,623). The Company examines the evolution of inventories on a periodical basis, providing in time impairment adjustments for inventories deemed to be impaired. Therefore, for inventories scrapped the Company provided impairment adjustments, which it wrote back on revenue upon their writing off. The effect on the statement of profit or loss is insignificant.

The value of adjustments for impairment of inventories, as at 31 March 2023, amounted to RON 50,009,230 RON (31 December 2022: RON 50,081,781). In the first three months of 2023, impairment adjustments of RON 0 were set up (31 December 2022: RON 218,305) and impairment adjustments were written back on revenue, in amount of RON 72,550 (31 December 2022: RON 1,953,198).

During the first three months of 2023, no resettlements of inventories written off were accounted for.

(iii) Pledged inventories

As at 31 March 2023, the Company did not recorded any pledged or mortgaged inventories.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

10. TRADE RECEIVABLES

As at 31 March 2023 and 31 December 2022 trade receivables were presented as follows:

	31 March 2023	31 December 2022
	(unaudited)	(audited)
Trade receivables	614,295,983	450,541,410
Impairment adjustments for trade receivables	(11,896,236)	(12,001,436)
Total	602,399,747	438,539,974

As at 31 March 2023, the main trade receivables in balance were towards: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A. – RON 191,772,784 (31 December 2022: RON 1,049,663), Electrica Furnizare S.A. – RON 95,275,499 (31 December 2022: RON 40,721,750) Enel Energie Muntenia S.A. – RON 69,364,961 (31 December 2022: RON 43,660,872), OMV Petrom S.A.– RON 61,595,258 (31 December 2022: RON 14,558,699), and Alro S.A. – RON 49,226,512 (31 December 2022: RON 10,645,053).

11. OTHER FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	31 March 2023	31 December 2022
	(unaudited)	(audited)
Other receivables	100,450,862	120,242,180
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	20,579,970	300,947
Advance payments	36,160,755	20,994,645
Total	156,608,407	140,954,592

As at 31 March 2023, the position of “Taxes and Duties” represented recoverable VAT of RON 20.579.970 RON (31 December 2022: RON 300.947).

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

12. CASH AND CASH EQUIVALENTS, BANK DEPOSITS

As at 31 March 2023 and 31 December 2022, the **cash and cash equivalents** were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Cash in hand	120,310	81,936
Cash at bank in RON	320,131,871	259,300,485
Cash at bank in foreign currencies	48,747,947	25,057,497
Bank deposits less than 3 months	2,413,073,500	2,396,122,000
Other cash equivalents	156,627	440,509
Cash and cash equivalents - Total	2,782,230,255	2,681,002,427

As at 31 March 2023 and 31 December 2022, **bank deposits** having their original maturity of more than 3 months and less than one year were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Bank deposits	2,320,437,843	1,829,796,500

(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:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Cash in hand	120,310	81,936
Cash at bank	368,879,818	284,357,982
Bank deposits having their original due date less than 3 months	2,413,073,500	2,396,122,000
Other cash equivalents	156,627	440,509
	2,782,230,255	2,681,002,427

(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 at 31 March 2023, the Company held letters of bank guarantee under certain credit facilities, without any collateral deposits, of RON 134,257,843 RON (31 December 2022: RON 124,714,365).

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
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13. LOANS

The loans taken by the Company as at 31 March 2023, and respectively 31 December 2022, were as follows:

	31 March 2023 (unaudited)	< 1 year	> 1 year	31 December 2022 (audited)	< 1 year	> 1 year
Bank loans	119,768,220	65,328,120	54,440,100	130,116,620	65,305,680	64,810,940
Interest	855,352	855,352		219,753	219,753	
Total	120,623,572	66,183,472	54,440,100	130,336,373	65,525,433	64,810,940

Bank loans

The loans repayments during the financial period ended as at 31 March 2023 were:

	Currency	Interest rate	Amount	Final maturity year
Balance as at 1 January 2023 (audited)			130,116,620	
New drawdowns				
Repayments, of which			(10,336,410)	
EURATOM	EUR	EURIBOR 6M + 0.08%	(10,336,410)	2024
Foreign exchange differences			(11,990)	
Commitment fees			-	
Balance as at 31 March 2023 (unaudited)			119,768,220	

(i) Long-term loans

As at 31 March 2023 and 31 December 2022, the **long-term** loans from the credit institutions were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
EURATOM	119,768,220	130,116,620
Total loans	119,768,220	130,116,620
Less: current part of the long-term loans	(65,328,120)	(65,305,680)
Total long-term loans net of the short-term portion	54,440,100	64,810,940

(ii) Short-term loans

As at 31 March 2023 and 31 December 2022, the **short-term** loans were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Current part of the long-term loans	65,328,120	65,305,680
Long-term loans interest	855,352	219,753
Short-term loans - Total	66,183,472	65,525,433

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
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14. LIABILITIES FOR EMPLOYEE BENEFITS

As at 31 March 2023 and 31 December 2022, the liabilities for employee benefits were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Retirement benefits	25,011,151	25,011,151
Anniversary bonuses	11,878,616	11,878,616
Decease benefits	894,429	894,429
Retirement benefits in electricity	7,773,395	7,773,395
Total	45,557,591	45,557,591

As at 31 March 2023 and 31 December 2022, the Company has the following obligations:

- to pay the retiring employees the retirement pension which varies between 2 and 3 base pays, depending on the number of years of service in the field of electricity, heat and nuclear energy;
- to pay the employees anniversary bonuses depending on the number of years of service in the field of electricity, heat and nuclear energy;
- to pay an aid to the employee's family, in case of their decease;
- to pay the retiring employees an energy benefit, representing the equivalent of the electricity quota of 1,200 KWh/year. The criterion for granting this benefit is 15 years of service in the energy field, of which at least the last 10 years with the Company. This benefit is granted starting from 1 April 2017.

The following **macroeconomic and Company-specific assumptions** were considered for application of IAS 19 "Employee Benefits" as at 31 December 2022 and 31 December 2021.

Measurement date	31 December 2022	31 December 2021
Number of employees	2,344	2,205
Salary increase rate	The management of the Company estimated an increase in line with the annual increase rate of consumer prices communicated by the National Prognosis Committee for 2022-2026. The weighted average rate of salary increases is 5.7% p.a. The inflation rate was estimated based on the statistics issued by INSSE and the BRD forecast of August 2022, as follows: 13.9% in 2022, 7.5% in 2023, 4.9% in 2024, 3.0% in 2015 and 2.5% p.a. in years 2026-2031, and will follow a downward trend in the following years. The average weighted inflation rate is 3.7% p.a.	The management of the Company estimated an increase in line with the annual increase rate of consumer prices communicated by the National Prognosis Committee for 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 Strategy and Prognosis Committee, as follows: 4.7% in 2022, 3.4% in 2023, 2.7% in 2024 and 2.5% p.a. in years 2025-2031, and will follow a downward trend in the following years.
Raise rate in kWh price	The kWh price as updated on 31 December 2022 was RON 1.2961. For years 2023-2030, the estimates provided by the Company and a similar trend for the following years were used. The weighted average rate of the kW price rise is 0.8% p.a.	The kWh price as updated on 31 December 2021 was RON 0.7567. For years 2022-2030, the estimates provided by the Company and a similar trend for the following years were used.
Weighted average discounting rate	7.8%	4.9%
Mortality tables	2018 Mortality Table of the Romanian population issued by the National Institute of Statistics.	2018 Mortality Table of the Romanian population issued by the National Institute of Statistics.
Gross average salary	10,895	9,337

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14. LIABILITIES FOR EMPLOYEE BENEFITS (CONTINUATION)

The above assumptions were taken into considering:

- bond yields on the active market at the end of December 2022. The residual times to maturity available were 1-10 years and 13-14 years. For the other time periods, the discount rate was estimated using the Smith-Wilson extrapolation method;
- estimated long-term inflation rate of 2.0% p.a.;
- estimated long-term real yield on governmental bonds of 1.45% p.a.;
- liquidity premium for Romania of 0%;
- weighted average discounting rate of 7.8%.

Sensitivity analysis

The significant actuarial assumptions considered for calculation of the employee benefit liability are: discounting rate, salary increase and retirement age.

Assumptions	Retirement benefits	Aids for employee decease	Anniversary bonuses	Retirement benefits in electricity	Total liabilities with defined benefits
PVDBO as at 31 December 2022 (RON)	25,011,151	894,429	11,878,616	7,773,395	45,557,591
Discounting rate +1%	23,771,840	840,859	11,204,837	6,825,570	42,643,105
Discounting rate -1%	26,379,315	954,298	12,627,262	8,926,409	48,887,284
Salary increase rate/kW price +1%	26,501,421	963,695	12,739,570	9,016,634	49,221,320
Salary increase rate/kW price -1%	23,648,485	832,279	11,100,479	6,747,378	42,328,622
Increase in longevity by 1 year	25,117,367	812,688	11,917,866	7,960,759	45,808,679

In the sensitivity analysis above, the updated amount of the benefit liability was calculated using the projected unit credit method, according to the provisions of IAS 19, at the end of the reporting period, which is the same as that applied for calculation of the benefit liabilities recognized in the statement of the financial position.

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for.)***15. TRADE AND OTHER PAYABLES**

As at 31 March 2023 and 31 December 2022, trade and other payables were as follows:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Suppliers of non-current assets	100,344,397	46,767,931
Suppliers	224,978,502	110,396,300
Liabilities for employee benefits	20,560,851	37,461,202
Liabilities to the state	314,096,289	239,212,576
Payable dividends	727,710	763,805
Other liabilities	15,681,882	10,713,845
Total	676,389,631	445,315,659

As at 31 March 2022, the main suppliers in the balance, under “Suppliers of non-current assets” and “Suppliers”, were: NAC Kazatomprom JSC – RON 125,198,377 (31 December 2022: RON 0), Candu Energy INC. – RON 57,709,274 (31 December 2022: RON 26,956,168), General Electric Global Services GMBH Baden, Romania Branch – RON 21,629,425 (31 December 2022: RON 23,264,335), Apele Romane Bucuresti – RON 13,130,526 (31 December 2022: RON 12,302,495).

16. PROVISIONS FOR RISKS AND CHARGES

As at 31 March 2023, and respectively 31 December 2022, the Company recognized the following provisions, included under position of “Provisions for risks and charges” and under position of “Current part of provisions for risks and charges”:

	31 March 2023 (unaudited)	31 December 2022 (audited)
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	71,843,800	70,294,835
Liabilities relating to other low and medium level radioactive and non-radioactive waste	65,343,758	64,737,442
Provision for litigations related to salary bonus	92,280,859	89,288,704
Employee participation in profit	41,923,641	27,000,000
Other provisions for risks and charges	166,470	224,307
Total	271,558,528	251,545,288

As at 31 March 2023, provisions in a total amount of RON 271,558,528 represented long and short-terms liabilities, as follows:

	Current part (< 1 year)	Long-term part (> 1 year)
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	35,477,092	36,366,708
Liabilities relating to other low and medium level radioactive and non-radioactive waste	13,241,818	52,101,940
Provision for litigations related to salary bonus	-	92,280,859
Employee participation in profit	41,923,641	-
Other provisions for risks and charges	166,470	-
Total	90,809,021	80,749,507

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*(All amounts are expressed in RON, unless otherwise expressly provided for.)***17. INCOME FROM THE SALE OF ELECTRICITY**

(i) Income from the sale of electricity	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Sales of energy via MACEE	552,337,893	-
Sales of energy on the free market	1,538,141,854	1,841,023,962
Sales of thermal energy	2,944,258	3,333,975
Income from the sale of green certificates	9,455	9,755
Total	2,093,433,460	1,844,367,692

(ii) Quantity of sold electricity*)	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Quantity of electricity sold via MACEE (MWh)	1,234,350	-
Quantity of sold electricity on the free market (MWh)	1,538,222	2,789,825
Total	2,772,572	2,789,825

*) The disclosed quantity of electricity sold does not include the quantity of electricity related to the revenues from positive imbalances capitalized on the Balancing Market, of 6,588 MWh for the 3-month period ended on 31 March 2023 (6,950 MWh during the 3-month period ended on 31 March 2022).

Starting 1st January 2023, the Company is a seller under the Centralized Electricity Acquisition Mechanism ("MACEE"), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3 (2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers at the price of RON 450/MWh and sells it to buyers with the same price. In the first quarter of 2023, the Company sold via MACEE a quantity of 1,234,350 MWh at the price of RON 450/MWh (with Tg included, respectively RON 447.47/MWh without Tg), which accounts for 44.4% of the total electricity sold during the period.

On the competitive market, in the first quarter of 2023, the Company delivered 55.35% of the energy sold (first quarter of 2022: 99.75%). The average sale price of electricity sold by the Company on this market in Q1 2023 was RON 998.36/MWh (Q1 2022: 657.88 RON/MWh), amount net of Tg.

The Company is a participant in the balancing market according to the balancing market participation agreement concluded with C.N. Transelectrica S.A. and set up a guarantee in amount of RON 50,000, valid until 11 June 2023 and is a member of PRE Ciga Energy SA, according to the agreement concluded with Ciga Energy S.A. for the provision of the representation service as a party responsible for balancing.

The Company carries out the activity of generation of heat energy by operation of the energy facilities related to the electricity and heat energy production units in two heat exchangers with a total heat power of 40 Gcal/h and 46.51 MW. The Company delivers heat energy to the heat energy local distribution company S.C. Utilitati Publice S.A. Cernavodă, as well as to certain end consumers in Cernavodă Locality– economic operators, social and cultural institutions. The sales of heat in Q1 2023 amount to RON 2,944,258 (Q1 2022: RON 3,333,975).

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Notes to the Individual Interim Financial Statements prepared as at and for the three-month period ended on 31 March 2023
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18. PERSONNEL COSTS

As at 31 March 2023 and 31 March 2022, the payroll costs included:

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Salaries and wages	126,892,420	110,161,367
Costs of social insurance and similar	12,877,271	9,393,035
Total	139,769,691	119,554,402

19. WINDFALL TAX EXPENSES FOR ELECTRICITY PRODUCERS / CONTRIBUTION TO THE ENERGY TRANSITION FUND

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Windfall tax expenses for electricity producers / Contribution to the Energy Transition Fund	840,842,238	459,176,701
Total	840,842,238	459,176,701

In the first three months of 2023, the Company recorded Contribution to the Energy Transition Fund in amount of RON 840,842,238 (31 March 2022: RON 459,176,701, *i.e.* windfall tax expense). As at 31 March 2023, the payable balance to the Energy Transition Fund amounts to RON 279,712,627 (31 December 2022: RON 73,261,115).

In the first 3 months of 2022, the Company recorded windfall tax expense. The windfall tax expense was established and computed 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, to which a percentage of 80% was applied for the quantity of electricity physically delivered on a monthly basis from own production. The computation 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 which replaced the windfall tax. The computation 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, therefore a percentage of 100%.

Starting 16 December 2022, entered into force the Law no. 357/2022, regarding the approval the GEO no. 119/01.09.2022, which set forth a number of amendments to the provisions of the Government Emergency Ordinance no. 119/2022 on the contribution to the Energy Transition Fund. The application period has been extended until 31 March 2025, and the calculation methodology was amended so that the amount of the contribution would be further determined as the product between the difference between the monthly sale price and the amount of RON 450/MWh and the monthly quantity physically delivered from own production. During the time period when Law no. 357/2022 applies, only expenses with imbalances are deducted from the computation base for determining the monthly sales price (until the entry into force of Law no. 357/2022, respectively in the first quarter of 2022, other types of expenses were also deducted from the calculation base expenses, for example expenses with purchased electricity).

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20. OTHER OPERATING EXPENDITURE

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Other expenses with services executed by third parties	26,064,059	23,925,424
NRWA costs	24,984,087	25,307,231
Expenses with energy and water	26,207,967	23,720,207
Expenses with fuel and other consumables	15,273,711	13,466,272
Expenditure related to ANRE contribution	1,570,326	769,685
Expenses with insurance premiums	4,019,467	3,317,225
Expenses with the transport and telecommunications	2,953,013	1,850,921
Net expenses related to provisions and value adjustments	4,560,586	8,092,474
Other operating expenditure	5,887,128	6,772,173
Total	111,520,344	107,221,612

ANDR costs

As of 2007, following the Government Decision no. 1080/2007 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 plant and storage of the resulting waste.

Expenditure related to ANRE contribution

ANRE contribution for the year 2023 is calculated according to the ANRE Order no. 140/2022, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held. As at 31 March 2023, it amounts to RON 1,570,326 (31 March 2022: RON 769,685). For 2022, the contribution was calculated according to the ANRE Order no. 143/2021, representing 0.1% of the turnover realized in 2021, from activities carried out under the licenses held.

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*(All amounts are expressed in RON, unless otherwise expressly provided for.)***21. FINANCIAL INCOME AND EXPENSES**

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Interest income	102,710,805	22,419,036
Income from exchange rate differences	8,232,958	2,672,144
Financial income regarding the amortization of governmental bonds differences	17,636	17,041
Other financial income	2,419,479	-
Financial income - Total	113,380,878	25,108,221
Expenses from exchange rate differences	(4,339,046)	(4,189,538)
Interest expense	(1,310,939)	(2,222,134)
Financial expenses - Total	(5,649,985)	(6,411,672)
Net financial (expenditure)/income	107,730,893	18,696,549

22. CORPORATE INCOME TAX

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

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Expense with current corporate tax	144,589,438	161,058,744
Net income from deferred tax	(3,402,549)	(5,136,827)
Total	141,186,889	155,921,917

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23. EARNINGS PER SHARE

As at 31 March 2023 and 31 March 2022, the earnings per share were:

(i) Earnings based on share

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Net profit of the period	766,518,003	818,901,388
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of ordinary shares issued during the financial year	-	-
Weighted average number of ordinary shares at the end of the financial year	301,643,894	301,643,894
Earnings based on share (RON/share)	2.54	2.71

(ii) Diluted earnings per share

	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Net profit of the period	766,518,003	818,901,388
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of ordinary shares issued during the financial year	-	-
Number of ordinary shares at the end of the financial year (a)	301,643,894	301,643,894
Number of shares corresponding to the reserve paid in advance (b)	-	-
Weighted average number of ordinary shares (diluted) as at 31 March (a) + (b)	301,643,894	301,643,894
Diluted earnings per share (RON/share)	2.54	2.71

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24. CONTINGENCIES AND COMMITMENTS

(i) Other controls

Based on the FMC Tax Inspection Notice no. 163/23.07.2018, starting on 23 August 2018, a inspection team was presented at the Company's headquarters to check the corporate tax for years 2012 - 2017, tax on the income obtained in Romania by non-residents, the tax on income from dividends obtained in Romania by non-residents, and the tax on income from royalties obtained in Romania by non-residents in years 2015 - 2017, the VAT for years 2013 - 2017, the tax on interest income obtained in Romania by non-residents in years 2015 - 2017. The tax inspection was concluded by the Tax Inspection Report (TIR) no. FMC 27/18.02.2020, registered with SNN under no. 2621/21.02.2020, and under the Assessment Decision on main tax liabilities related to the taxable amount differences determined by the fiscal inspection no. FMC 111/18.02.2020, debits of RON 2,453,799 were assessed. For the ancillary liabilities related to these debits, SNN filed a Request for writing off the ancillary liabilities with ANAF, registered with SNN under no. 3164/03.03.2020 and with ANAF under no. 11264/03.03.2020, whereby it asked for their writing off according to Article 27 of the Government Ordinance no. 6/2019 on institution of tax facilities. Consequently, ANAF issued the Decision writing off ancillary payment liabilities no. 559/06.03.2020.

Through the letter no. IV/40.786/06.10.2020, registered by SNN under no. 11.644/06/10/2020, the Romanian Court of Accounts announced that, as of 26 October 2020, it will carry out a documentation action concerning implementation of the measures ordered under the Decisions no. 5/2018, no. 16/2015 and no. 14/2012. This action concluded with the Follow-up Report no. 13552/25.11.2020 on implementation of out the measures ordered under the Decision no. 5/2018.

With the letter no. 10136/30.08.2021, the Romanian Court of Accounts informed that during the period 6 September 2021 - 17 December 2021 it would perform the Verification of the statement, evolution and manner of administration of the State public and private assets, as well as the lawfulness of obtaining revenues and making expenses.

As at 17 December 2021, it was issued the Verification Report regarding the "Verification of the statement, evolution and manner of administration of the State public and private assets, as well as the lawfulness of obtaining revenues and making expenses", registered by the company under no. 14343/17.12.2021. Based on the Verification Report, CCR issued Decision no. 1/20.01.2022 through which 5 actions were established, having as achievement deadline 31 August 2022. Company filed Appeal no. 1683/10.02.2022 against this Decision, respectively against action no. 1. By this Appeal, the Company requests the cancelation of the infringement and of the action no. 1 regarding "Non-compliance with the legal provisions regarding the recovery of damages established by the courts of law, for which payments had been made in amount of RON 142,699". The Appeal is under examination by CCR. Regarding the other actions, an internal analysis has been ordered, which is in progress.

(i) Litigations in progress

In the 3-month period ended on 31 March 2023, the Company is involved in a number of legal proceedings pertaining to its normal course of business. The Company's management examine the situation of litigations in progress on a regular basis, and following consultation with its legal advisors or external lawyers, decide on the need to set up provisions for the amounts involved or to disclose them in the financial statements.

In the Company's management opinion, at present there are no legal proceedings or claims likely to have any significant impact on the financial result and financial position of the Company, which was not presented in these Individual Interim Financial Statements.

(ii) COMMITMENTS

As at 31 March 2023, the Company committed itself to bear operational and investment expenses in compliance with the agreements in progress for current investments and operations, normal during the performance of the basic activity. As at 31 March 2023, the total value of commitments was fully reflected in position of "Trade and other payables".

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24. CONTINGENCIES AND COMMITMENTS (CONTINUATION)**(iii) Guarantees**

Trade of electricity produced on the platforms managed by OPCOM, supposes that for certain transactions, the Company should provide bank guarantee letters for participation in certain markets such as DAM (Day-Ahead Market) and IDM (Intra-Day Market), bids (PCSU – Centralized Market for Universal Service, CM-OTC – Centralized Market with double continuous negotiation of bilateral electricity agreements) or in favor of the clients CMBC-CN– Centralized Market of Bilateral Agreements with Continuous Negotiation, CMBC-EA – Centralized Market of Bilateral Agreements by Extended Auction, PCCB-Le-flex LE – Centralized Market of Bilateral Agreements by Extended Auction and the use of products ensuring flexibility of trading and CMUS – Centralized Market for Universal Service).

As at 31 March 2023, the total amount of the letters of bank guarantee issued in favor of OPCOM, for participation in DAM and IDM, is RON 130.1 million.

Moreover, as at 31 March 2023, the Company issued up letters of bank guarantee in favor of Transelectrica S.A. (of RON 50,000), for the purpose of ensuring the liquidity on the Balancing Market, by each Party Responsible for Balancing setting up a financial guarantee in favor of Transelectrica S.A., on account of the Agreement of Party Responsible for Balancing concluded between the Company as a license holder, and Transelectrica S.A. For all such bank guarantee letters, the Company set up collateral deposits with banks issuing guarantee letters. The Company also holds a letter of bank guarantee of RON 2.8 million in favor of Transelectrica, for provision of the transmission service.

As at 31 March 2023, the Company had set up with the Treasury, a deposit in amount of RON 1,436,176, representing the establishment of precautionary measures according to NAFA (National Agency for Fiscal Administration) Decision – General Directorate for Fiscal Antifraud.

As at 31 March 2023, 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 CM-OTC amounted to RON 739.0 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

25. SUBSEQUENT EVENTS**Fabrica de Prelucrare a Concentratelor de Uraniu (“FPCU”) – SNN subsidiary**

By Resolution no. 4/26.04.2023 of the Extraordinary General Meeting of Shareholders itw as approved the transfer of the concession license for the exploitation activity Tulghes - Grinties (Operation license no. 479/1999) from SNN-S.A. to Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara S.R.L.

Changes in the management of the company - Directors

Under the Current Report dated 3 May 2023, the Company informs the shareholders and investors about the appointment, under a Decision of the Board of Directors, of Mr. Dan Niculaie-Faranga to the position of Chief Financial Officer, with a 4-month term of office, starting on 3 May 2023.

Chief Executive Officer
Cosmin Ghita

Chief Financial Officer
Dan Niculaie - Faranga

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