



S.N. Nuclearelectrica S.A.

Consolidated Interim Financial Statements as at and for the 6-month period ended 30 June 2023

Prepared in accordance with Public Finances Minister's Order no. 2844/2016
for 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"

S.N. Nuclearelectrica S.A.

Consolidated Statement of Financial Position as at 30 June 2023

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

	Note	30 June 2023 (reviewed)	31 December 2022 (audited)
Assets			
Non-current assets			
Tangible assets	4	5,976,264,849	5,914,458,703
Assets representing rights to use underlying assets within a leasing contract	5	21,737,848	15,565,831
Intangible assets	6	51,239,699	50,851,123
Financial assets measured at amortized cost	7	265,054,245	35,567,692
Financial investments in associated companies	8	14,833,212	4,745,610
Total fixed assets		6,329,129,853	6,021,188,959
Current assets			
Inventories	9	767,966,474	653,273,110
Trade receivables	10	426,212,734	438,540,316
Other financial assets measured at amortized cost	11	135,701,661	142,158,865
Bank deposits	12	1,410,544,688	1,829,796,500
Cash and cash equivalents	12	2,734,668,169	2,707,724,133
Total current assets		5,475,093,726	5,771,492,924
Total assets		11,804,223,579	11,792,681,883
Equity and liabilities			
Equity			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Share capital subscribed and paid</i>		<i>3,016,438,940</i>	<i>3,016,438,940</i>
<i>Inflation adjustments of the share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Shares premium		31,474,149	31,474,149
Reserves paid in advance		21,553,548	21,553,548
Revaluation reserve		2,101,938,467	2,101,938,467
Retained earnings		5,166,211,878	5,165,634,673
Total capital	13	10,533,119,725	10,532,542,520
Liabilities			
Long-term liabilities			
Long-term loans	15	32,262,100	64,810,940
Liabilities under long-term leasing agreements	5	19,312,780	12,831,121
Provisions for risks and charges	18	186,710,587	174,504,703
Deferred income		58,968,947	63,611,498
Deferred tax liability		92,178,462	95,446,226
Liabilities for employee benefits		45,557,591	45,557,591
Total long-term liabilities		434,990,467	456,762,079
Current liabilities			
Trade and other payables	17	518,326,507	448,160,020
Liabilities under short-term leasing agreements		2,889,119	2,734,403
Current part of provisions for risks and charges	18	77,243,539	77,040,585
Corporate income tax due		89,687,242	65,525,433
Deferred income		81,867,204	157,087,526
Current part of the long-term loans	15	66,099,776	52,829,317
Total current liabilities		836,113,387	803,377,284
Total liabilities		1,271,103,854	1,260,139,363
Total equity and liabilities		11,804,223,579	11,792,681,883

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 6-month period ended 30 June 2023

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

	Note	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Income			
Income from electricity sales	20	3,699,187,526	3,089,076,285
Electricity transmission income		15,694,446	9,190,035
Total income		3,714,881,972	3,098,266,320
Other income	21	77,949,815	42,059,521
Operating expenses			
Depreciation and impairment		(316,129,028)	(302,618,931)
Personnel costs	22	(302,133,707)	(245,026,488)
Electricity purchased cost		(14,079,120)	(252,870,464)
Repairs and maintenance		(33,211,332)	(42,680,899)
Electricity transmission cost		(15,694,446)	(9,190,035)
Expenses with spare parts		(13,158,318)	(15,527,628)
Costs of nuclear fuel		(79,399,107)	(72,021,838)
Expenses with additional tax	23	(1,461,690,999)	(585,810,573)
Other operating expenses	24	(250,184,677)	(210,701,723)
Operating expenses - Total		(2,485,680,734)	(1,736,448,579)
Operating result		1,307,151,053	1,403,877,262
Financial expenses		(13,650,141)	(14,953,074)
Financial income		223,334,777	65,486,926
Financial result	25	209,684,636	50,533,852
Profit before corporate tax		1,516,835,689	1,454,411,114
Share of profit (or loss) of related entities and joint ventures, accounted by the equity method		87,603	-
Net income tax expense	19	(233,130,431)	(234,837,802)
Profit of the period		1,283,792,861	1,219,573,312

The Consolidated Interim Financial Statements presented from pages 1 to 45 were approved on 9 August 2023.

Cosmin Ghita
Chief Executive Officer

Dan Niculae-Faranga
Chief Financial Officer

S.N. Nuclearelectrica S.A.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 6-month period ended 30 June 2023

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

	Note	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Profit of the period		1,283,792,861	1,219,573,312
Other items of the comprehensive income			
Items that cannot be reclassified in the Profit and Loss			
Retained earnings from other adjustments		-	-
Total other items of the comprehensive income		-	-
Total comprehensive income related to the period		1,283,792,861	1,219,573,312
Earnings per share			
Basic earnings per share (RON/share)	14	4.26	4.04
Diluted earnings per share (RON/share)	14	4.26	4.04

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Consolidated Statement of Changes in Equity for the 6-month period ended 30 June 2023

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

	Note	Share capital	Inflation adjustments of the share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2023 (audited)		3,016,438,940	195,502,743	31,474,149	21,553,548	2,101,938,467	5,165,634,673	10,532,542,520
Comprehensive income								
<i>Profit of the financial year</i>							<i>1,283,792,861</i>	<i>1,283,792,861</i>
Other items of the comprehensive income								
Actuarial gains related to the benefit plans								
Other items of the comprehensive income								
Retained earnings from other adjustments								
Total other items of the comprehensive income		-	-	-	-	-	-	-
Total comprehensive income related to the financial year	13	-	-	-	-		1,283,792,861	1,283,792,861
Transactions with shareholders, recognized only in equity								
Distributed dividends							(1,283,215,656)	(1,283,215,656)
Total transactions with shareholders, recognized only in equity	13	-	-	-	-	-	(1,283,215,656)	(1,283,215,656)
Balance as at 30 June 2023 (reviewed)		3,016,438,940	195,502,743	31,474,149	21,553,548	2,101,938,467	5,166,211,878	10,533,119,725

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Consolidated Statement of Changes in Equity for the 6-month period ended 30 June 2022

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

	Note	Share capital	Inflation adjustments of the share capital	Share premiums	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2022 (audited)		3,016,438,940	195,502,743	31,474,149	21,553,548	2,101,938,467	2,997,775,072	8,364,682,919
Comprehensive income								
<i>Profit of the financial year</i>							<i>1,219,573,312</i>	<i>1,219,573,312</i>
<i>Other items of the comprehensive income</i>								
Actuarial gains related to the benefit plans								
Other items of the comprehensive income								
Retained earnings from other adjustments								
Total other items of the comprehensive income		-	-	-	-	-	-	-
Total comprehensive income related to the financial year	13	-	-	-	-		1,219,573,312	1,219,573,312
Transactions with shareholders, recognized only in equity								
Distributed dividends							(595,925,367)	(595,925,367)
Total transactions with shareholders, recognized only in equity	13	-	-	-	-	-	(595,925,367)	(595,925,367)
Balance as at 30 June 2022 (reviewed)		3,016,438,940	195,502,743	31,474,149	21,553,548	2,101,938,467	3,621,423,017	8,988,330,864

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Consolidated Statement of Cash Flows for the 6-month period ended 30 June 2023

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

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Cash flows from operating activities		
Profit before corporate tax	1,516,835,689	1,454,411,114
Adjustments for:		
Depreciation and impairment	316,129,028	302,618,931
Value adjustments of trade receivables	(745,483)	(6,067)
Value adjustments of inventories	(310,825)	(709,818)
Provisions related to liabilities, risks and operating expenses	12,408,838	22,927,938
Loss / (Gains) from the assignment of assets	2,704,522	319,971
Net Loss (Gain) from financial assets measured at amortised cost	(87,603)	
Net financial (income)	(206,482,704)	(53,050,868)
Changes in:		
(Increase) / Decrease of trade receivables	13,071,635	(16,983,412)
(Increase) in other financial assets measured at amortized cost	(18,694,442)	(6,999,367)
(Increase)/decrease in inventories	(114,382,539)	(28,918,383)
Change in deferred income	(79,786,757)	(19,735,465)
(Decrease) in trade and other payables	(58,791,006)	(22,608,127)
Cash flows from operating activity	1,381,868,354	1,631,266,447
Corporate income tax paid	(199,540,270)	(211,939,854)
Interest received	225,607,393	43,872,670
Interest paid	(1,625,378)	(299,660)
Net cash related to the operating activity	1,406,310,099	1,462,899,603
Cash flows from investment activity		
Purchases of intangible assets	(8,566,449)	(7,911,505)
Purchases of tangible assets	(344,883,349)	(222,136,397)
Other investments in financial assets (see Note 7)	(219,969,381)	975,000
Proceeds from sale of tangible assets	644,650	16,244
Investments in affiliated entities (see Note 8)	10,000,000	-
(Increase) / Decrease in bank deposits and financial assets representing collateral bank deposits related to bank letters of guarantee	419,251,812	(65,847,500)
Net cash related to the investment activity	(163,522,717)	(294,904,158)
Cash flow related to financing activity		
Loans payments	(32,545,260)	(116,080,281)
Dividends payments	(1,180,927,155)	(593,393,407)
Payments related to liabilities from leasing agreements, including interest	(2,370,931)	(207,112)
Net cash related to the financing activity	(1,215,843,345)	(709,680,800)
Net increase of cash and cash equivalents	26,944,037	458,314,645
Cash and cash equivalents as at 1 January (see Note 12)	2,707,724,133	1,343,172,157
Cash and cash equivalents as at 30 June (see Note 12)	2,734,668,170	1,801,486,802

S.N. Nuclearelectrica S.A.

Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY**a) General information about the Group**

These Consolidated Interim Financial Statements prepared as at and for the 6-month period ended on 30 June 2023 include the Financial Statements of Societatea Națională Nuclearelectrica SA ("Company" or "SNN") and its subsidiaries, together hereinafter referred to as the "Group".

Societatea Națională Nuclearelectrica S.A. is a 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 Constanța County, Cernavodă, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively NFP Pitești (Nuclear Fuel Plant) - headquartered in Argeș County, Mioveni, str. Câmpului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, Crystal Tower building.

As at 30 June 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.

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.

As at 30 June 2023 and respectively 31 December 2022, the Company's subsidiaries are:

Subsidiary	Activity	Sole registration number	Registered Office	participating interest % as at 30 June 2023	participating interest % as at 31 December 2022
Energonuclear S.A.	"Engineering activities and related technical consultancy" - CAEN code 7112	25344972	Bucharest, sector 2, Bd. Lacul Tei, nr. 1 - 3, Lacul Tei Offices Building, 8th floor	100%	100%
Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L.	"Processing of nuclear fuel" - CAEN code 2446.	44958790	County of Brasov, Feldioara, Str. Dumbrăvii nr. 1, Administrative building, ground floor	100%	100%
Nuclearelectrica Serv S.R.L.	"Repair of machinery" - CAEN code 3312	45374854	County of Constanța, Cernavodă, Str. Energiei nr. 21, Hotel nr. 2, Building B, 1st floor	100%	100%

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY (CONTINUED)

a) General information about the Group (continued)

As at 30 June 2023, the Company holds only one related entity that is subject to consolidation:

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, Dâmbovița County, Doicești 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 30 June 2023, the Company held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting to **RON 14,943,000**.

Changes in Group's structure in 2021

In 2021, the subsidiaries Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L and Nuclearelectrica Serv S.R.L. were established, both held 100% by the Group.

Changes in Group's structure in 2022

In 2022, the company Ropower Nuclear SA was established as an entity held 50% by the Group.

Changes in Group's structure in the first 6 months of 2023

In the first 6 months of 2023, no changes were recorded in the structure of the group.

Core businesses of the Group

The main activity of the Group consists in the electricity and heat generation by means of nuclear methods. The main place of business is within Cernavodă 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 4).

In the period 2020 - 2021, stages were completed 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 Cernavodă 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 and 4 and OEM Candu (the original manufacturer of CANDU technology).

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY (CONTINUED)

a) General information about the Group (continued)

Core businesses of the Group (continued)

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

- the Preliminary Investment Decision and the transition to Stage II - Preliminary Works were adopted,
- 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 was approved,
- the financing of Energonuclear by SNN through a share capital increase and/or through the granting of associated loans, with a total value of 185 million Euros, calibrated to the Project's development requirements and necessary for the implementation of Stage II of the Units 3 and 4 Project Cernavodă NPP was approved.

On 31 March 2023, it was approved Law no. 74 referring to the signing of the Support Agreement between the Romanian State and the Company regarding the Project of Units 3 and 4 CNE Cernavoda and on 9 June 2023 the Support Agreement was signed. The Company continues to carry out the activities necessary to complete the stages of the project.

Moreover, 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 Group, within NFP Pitești Branch.

By establishing the **subsidiary Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L.**, the Company aims to ensure production stability, productivity and continuity, by controlling and managing the risks along the entire fuel chain, by acquiring uranium oxide and processing it locally. Thus, the main objective of the subsidiary is the processing of uranium concentrates to obtain the synthesizable uranium dioxide powder required for the manufacture of CANDU 6-type nuclear fuels. The obtained synthesized uranium dioxide powder is intended exclusively for the manufacturing flow of the nuclear fuels existing at NFP Pitești branch.

The subsidiary Nuclearelectrica Serv S.R.L. will mainly take over collection, segregation and characterization of the radioactive waste, that use to be performed by external providers. Other services provided by this subsidiary are: fire prevention, handling services in the warehouses of Cernavodă NPP branch.

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY (CONTINUED)

a) General information about the Group (continued)

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 Doicești, County of Dâmbovița, based on the NuScale technology, consisting of 6 NuScale modules of 77 MWe each, totalling 462 MWe, as well as to operate a facility for production of electricity from solar energy, with a capacity of at least 80-100 MWe, in the commune of Șotânga, County of Dâmbovița.

The Romanian energy sector is regulated by the Romanian Energy Regulatory Authority (“ANRE”), an independent public institution. Effective 1 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. In the first 6 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 20).

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

2. BASIS FOR PREPARATION

a) Declaration of conformity

The Consolidated Interim Financial Statements as at and for the 6-month period ended on 30 June 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. 1606/2002 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”).

The accounting records of the subsidiary are kept in RON, in accordance with the Romanian Accounting Regulations (“RAR”). These accounts have been restated to reflect the differences between the RAR accounts and the IFRS accounts. Correspondingly, the RAR accounts were adjusted when necessary to harmonize these financial statements, in all material respects, with the IFRS adopted by the European Union.

The Interim Consolidated Financial Statements as of and for the 6 months period ended on 30 June 2023 were reviewed by the financial auditor of SNN - S.C. Mazars Romania S.R.L. These Consolidated Interim Financial Statements were authorized for issue and were approved on 9 August 2023 by the Company’s management.

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

b) Going concern

These Consolidated 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

The Consolidated Interim Financial Statements are presented in compliance with the requirements of IAS 1 – “Presentation of the financial statements” and IAS 34 – „Interim financial reporting”. The Group adopted a presentation based on liquidity within the statement of the financial position and a presentation of the revenues and expenses depending on their nature within the statement of profit or loss account and of other items of the comprehensive income, considering that such presentation models provide credible information being more relevant than those presented according to different methods permitted by IAS 1.

They do not include all information needed for a complete set of financial statements in accordance with IFRS and should be read in conjunction with Consolidated Financial Statements drafted as at and for the financial year ended on 31 December 2022. Nevertheless, certain explanatory notes selected are included to explain the events and transactions which are significant for understanding the amendments arisen in the financial position and performance of the Group from the last Consolidated Financial Statements prepared as at and for the financial year ended on 31 December 2022.

d) Basis of assessment

The Consolidated Interim Financial Statements are prepared based on the fair value convention for financial assets and liabilities at fair value by the profit and loss account. 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 Group’s management considers that the functional currency, as defined in IAS 21 – “Effects of the foreign exchange rate variation”, is the Romanian leu (RON). The Consolidated Interim Financial Statements are prepared and presented in RON, rounded to the nearest leu, the currency which the Group’s management chose as the presentation currency.

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

2. BASIS FOR PREPARATION (CONTINUED)

f) Use of professional estimates and judgments

The preparation of the Consolidated 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 Consolidated Financial Statements as at and for the financial year ended on 31 December 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Consolidated Interim Financial Statements were prepared based on the assumption that the Group will continue its activity in a foreseeable future. For assessing the applicability of such assumption, the Group's management examines the forecast regarding the future cash inflows.

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023

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

4. TANGIBLE 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	1,531,687,244	1,280,634,569	7,494,604,854
Additions	-	-	23,988,136	499,337,616	523,325,752
Heavy water additions	-	27,816,605	-	-	27,816,605
Transfers	-	71,116,529	80,209,850	(151,326,379)	-
Transfers into 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)
Disposals	-	(487,267)	(18,191,613)	(77,363)	(18,756,243)
Balance as at 31 December 2022 (audited)	36,975,047	4,609,767,102	1,645,018,099	1,572,337,829	7,864,098,077
Balance as at 1 January 2023 (audited)	36,975,047	4,609,767,102	1,645,018,099	1,572,337,829	7,864,098,077
Additions	-	-	91,274,919	308,751,176	400,026,095
Heavy water additions	-	17,148,487	-	-	17,148,487
Transfers	-	115,162,403	12,764,832	(127,927,235)	-
Transfer of inventories	-	-	-	516,684	516,684
Transfer from reclassified spare parts	-	-	14,990,858	(14,990,858)	-
Derecognition of inspections	-	(431,567)	-	-	(431,567)
Derecognition of heavy water	-	(463,338)	-	-	(463,338)
Disposals	-	(118,369,267)	(940,071)	-	(119,309,338)
Balance as at 30 June 2023 (reviewed)	36,975,047	4,622,813,821	1,763,108,637	1,738,687,596	8,161,585,100
Depreciation and impairment adjustments					
Balance as at 1 January 2022 (audited)	550,782	380,863,168	952,356,851	158,643,862	1,492,414,663
Depreciation expense	-	507,383,343	80,333,226	-	587,716,569
Accumulated depreciation of derecognized inspections	-	(119,247,275)	-	-	(119,247,275)
Accumulated depreciation of disposals	-	(1,454,046)	-	-	(1,454,046)
Impairment adjustments	-	-	(14,850,928)	-	(16,304,974)
	-	-	8,912,944	(3,852,553)	5,060,391
Balance as at 31 December 2022 (audited)	550,782	767,545,190	1,026,752,093	154,791,309	1,949,639,374
Balance as at 1 January 2023 (audited)	550,782	767,545,190	1,026,752,093	154,791,309	1,949,639,374
Depreciation expense	-	257,043,424	45,515,533	-	302,558,957
Accumulated depreciation of disposals	-	(70,179,225)	(848,282)	-	(71,027,507)
Adjustments for fixed asset depreciation	-	-	4,149,427	-	4,149,427
Balance as at 30 June 2023 (reviewed)	550,782	954,409,389	1,075,568,771	157,791,309	2,185,320,251
Net book value					
Balance as at 1 January 2022 (audited)	36,424,265	4,264,444,826	579,330,393	1,121,990,707	6,002,190,191
Balance as at 31 December 2022 (audited)	36,424,265	3,842,221,912	618,266,006	1,417,546,520	5,914,458,703
Balance as at 30 June 2023 (reviewed)	36,424,265	3,668,404,431	687,539,866	1,583,896,287	5,976,264,849

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

4. TANGIBLE ASSETS (CONTINUED)

(i) Nuclear plants, machinery and other assets

In the first 6 months of 2023, the Group purchased 6.5 tons of heavy water from the National Administration of the State Reserves and Special Problems (“ANRSPS”), needed for Units 1 and 2 amounting to RON 17,148,487, and in 2022 it purchased 11.9 tons of heavy water amounting to RON 27,816,605.

(ii) Non-current assets in progress

As at 30 June 2023, the net carrying amount of assets in progress, of RON 1,583,896,287, included the following items:

- Investment relating to the increase in the production capacity with a net carrying amount of RON 657,016,586 (31 December 2022: RON 644,585,615);
- Investments related to units 1 and 2, in total amount of RON 926,635,104 (31 December 2022: RON 772,960,905), the most outstanding referring to:
 - ✓ Refurbishment of U1 in amount of RON 369,282,905 (31 December 2022: RON 270,871,718);
 - ✓ Tritium removal facility for D2O in amount of RON 91,776,474 (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 27,382,216 (31 December 2022: RON 32,853,382).
 - ✓ Improving the nuclear security systems after Fukushima in amount of RON 38,779,092 (31 December 2022: RON 38,924,333);
 - ✓ Equipment and materials for investments in amount of RON 27,470,816 (31 December 2022: RON 27,361,693);
 - ✓ Management of the extension of Fuel Channels in the amount of RON 7,470,756 (December 31, 2022: RON 8,777,822).

The gross investment value relating to the increase in the production capacity amounts to RON 658,708,842, 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 30 June 2023 of RON 159,238,387 (31 December 2022: 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 225,495,017 (31 December 2022: RON 213,064,046). 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 parent 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 30 June 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 Group 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 parent Company’s shareholders approved the change in the destination and use of Unit 5 for other activities of the Group, 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 6 months of the year 2023 from the projects in progress related to Units 1 and 2 were represented by: the fitting of spare parts to the equipment that was in operation, in the amount of RON 142,529,445, the replacement of Unit 2 rotor in the amount of RON 95,764,321 and the increase of DICA value in the amount of RON 11,842,827.

(iii) Impairment adjustments

As at 30 June 2023 the Company accounted for movements in the impairment adjustments for assets in amount of RON 4,149,427, representing income write-back (31 December 2022: RON 5,060,391).

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
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4. TANGIBLE ASSETS (CONTINUED)**(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 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 Consolidated Financial Statements of the Group prepared as at and for the financial year ended on 31 December 2022 for the other accounting policies relevant for tangible assets.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

4. TANGIBLE ASSETS (CONTINUED)

(v) The book value which would have been recognized if lands and buildings had been valued at cost, according to the provisions of IAS 16.77 (e)

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

	<u>30 June 2023</u> <u>(reviewed)</u>	<u>31 December 2022</u> <u>(audited)</u>
Lands		
Cost	22,350,779	22,350,779
Accumulated depreciation		-
Net carrying amount	<u>22,350,779</u>	<u>22,350,779</u>
	<u>30 June 2023</u> <u>(reviewed)</u>	<u>31 December 2022</u> <u>(audited)</u>
Buildings		
Cost	7,107,481,277	7,056,923,302
Accumulated depreciation	(4,709,231,575)	(4,523,041,183)
Net carrying amount	<u>2,398,249,702</u>	<u>2,533,882,118</u>

(vi) 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 („ANDR”) 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 24). The cost of the parent Company’s contributions to ANDR in the first 6 months of 2023 amounts to RON 50,114,257 (30 June 2022: RON 50,614,291).

(vii) Pledged assets

As at 30 June 2023, respectively 31 December 2022, the Group had no pledged or mortgaged assets.

(viii) Supplier credit

As at 30 June 2023, the Group owned fixed assets purchased with credit from suppliers (trade credit) of RON 75,117,087 (31 December 2022: RON 46,893,963).

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 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 Group 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 parent 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 23,490,026 (31 December 2022: RON 16,031,241).

(i) Amounts recognized in the Statement of financial position

Assets representing rights of use underlying assets within a leasing contract	30 June 2023 (reviewed)	31 December 2022 (audited)
Lands	1,422,211	1,422,211
Office spaces	15,143,283	14,609,030
Concession of assets	6,924,531	-
Depreciation of assets representing rights to use	(1,752,178)	(465,410)
Net carrying amount	21,737,848	15,565,831
	30 June 2023 (reviewed)	31 December 2022 (audited)
Liabilities under leasing agreements		
Short-term	2,889,119	2,734,403
Long-term	19,312,780	12,831,121
	22,201,899	15,565,524

(ii) Amounts recognized in the Statement of Profit or Loss

	Note	30 June 2023 (reviewed)	31 December 2022 (audited)
Depreciation of assets representing rights to use		1,286,767	271,886
Interest expenses	25	898,232	32,097

(iii) Amounts recognized in the Statement of Cash Flows

	30 June 2023 (reviewed)	31 December 2022 (audited)
Total cash outflows related to leasing agreements	2,370,931	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 Consolidated 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 Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
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6. INTANGIBLE ASSETS

	Set up costs	Licenses and software	Software for the nuclear power plant and other intangible assets	Total
Cost				
Balance as at 1 January 2022 (audited)	257	242,445,153	54,256,420	296,701,830
Inflows		11,439,871	3,626,905	15,066,776
Outflows		(89,663)	(380,168)	(469,725)
Balance as at 31 December 2022 (audited)	257	253,795,468	57,503,157	311,298,882
Balance as at 1 January 2023 (audited)				
	257	253,795,468	57,503,157	311,298,882
Inflows		8,566,449	-	8,566,449
Outflows		-	(189,130)	(189,130)
Balance as at 30 June 2023 (reviewed)	257	262,361,917	57,314,027	319,676,201
Accumulated depreciation				
Balance as at 1 January 2022 (audited)	10	205,400,019	42,895,093	248,295,121
Depreciation expense	41	6,843,236	5,816,192	12,659,469
Outflow depreciation		(126,663)	(380,168)	(506,831)
Balance as at 31 December 2022 (audited)	51	212,116,591	48,331,117	260,447,759
Balance as at 1 January 2023 (audited)				
	51	212,116,591	48,331,117	260,447,759
Depreciation expense	20	4,293,055	3,844,797	8,177,873
Outflow depreciation	-	-	(189,130)	(189,130)
Balance as at 30 June 2023 (reviewed)	71	216,409,647	52,026,784	268,436,502
Carrying amount				
Balance as at 1 January 2022 (audited)	247	37,045,135	11,361,327	48,406,709
Balance as at 31 December 2022 (audited)	206	41,678,877	9,172,040	50,851,123
Balance as at 30 June 2023 (reviewed)	186	45,952,270	5,287,243	51,239,699

On June 30, 2023, the intangible assets owned by the Group represent licenses and purchased software products, as well as internally capitalized intangible assets. The Group does not book contractual commitments for development costs.

Accounting policies regarding intangible assets are presented in Note 3 (f) of the significant Accounting policies related to the Consolidated Financial Statements of the parent Company prepared as at and for the financial year ended on 31 December 2022.

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7. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

As at 30 June 2023, the parent 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 (“RCE”), of the Romanian Atomic Forum - Romatom (“ROMATOM”) and of HENRO Association, governmental bonds and bonds.

	30 June 2023	31 December 2022
	(reviewed)	(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)	29,804,358	30,260,661
Bonds (ii)	229,942,856	-
Total	265,054,245	35,567,692

(i) Government bonds

As at 30 June 2023, and respectively 31 December 2022, the Group 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:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Balance as at 1 January	29,751,132	29,680,203
Purchases	-	-
Maturity dates	-	-
Discount depreciation	35,469	70,929
Balance at the end of the reporting period	29,786,601	29,751,132
Accumulated interest	17,758	509,529
Government bonds - total	29,804,358	30,260,661

According to the issue prospectus, on 24 June 2023 the parent Company received the annual coupon in the amount of RON 975,000.

(ii) Bonds

On June 30, 2023, the Group holds 450 non-preferential unguaranteed senior bonds, issued by CEC Bank, with a maturity of five years (February 2028) and a fixed annual interest of 7.5% p.a.

Movement of financial assets representing bonds:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Balance at the beginning of the reporting period	-	-
Purchases	220,662,000	-
Maturity dates	-	-
Revaluation impact	2,691,000	-
Balance at the end of the reporting period	223,353,000	-
Accumulated interest	6,589,856	-
Total bonds	229,942,856	-

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8. FINANCIAL INVESTMENTS IN RELATED ENTITIES

The list of investments in related entities as at 30 June 2023, as consolidated according to the equity method, is presented below. This entity has social capital formed exclusively of ordinary shares, which are held directly by the Group, and the participating interest is the same as the number of the voting rights held. Its country of registration and operation is Romania.

Investments in related entities	Place of business	30 June 2023		
		Participating interest %	Share of net assets	Share of profit/(loss) of the year Profit/ (Loss)
Ropower Nuclear S.A.	Romania	50	14,833,212	(87,603)
Total investments booked by the equity method			14,833,212	(87,603)

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, Dâmbovița County, Doicești 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 30 June 2023, the Group held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting to **RON 14,943,000**.

In 2023, the share capital of the affiliated entity Ropower Nuclear S.A. was increased based on EGMS Decision no. 7/27.06.2023 with the amount of RON 20,000,000 through the issue of 20,000 new shares, of which 10,000 new shares represent the cash contribution of SNN, and 10,000 shares the cash contribution of Nova Power & Gas SRL.

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 Doicești, County of Dâmbovița, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totalling 462 MWe, as well as to operate a facility for production of electricity from solar energy, with a capacity of at least 80-100 MWe, in the commune of Șotânga, County of Dâmbovița.

Material Judgments

According to the Investors' Agreement on the establishment of a special purpose vehicle for development of electricity generation facilities, the Group has representatives sitting in the Board of Directors of Ropower Nuclear SA, and one of the appointed persons acts as Chairman of the Board of Directors. Thus, the Group takes part in all significant financial and operational decisions of the entity. The Group determined that these aspects, combined with the 50% participating interest, exert a significant influence on the entity.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
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9. INVENTORIES

As at 30 June 2023 and 31 December 2022, inventories are as follows:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Spare parts	257,804,812	240,887,349
Other raw materials and materials	510,161,662	412,385,761
Total	767,966,474	653,273,110

(i) Valuation of inventories

Costs are valued at weighted average cost (WAC) according to IAS 2. See Note 3 (j) of the significant Accounting policies related to these Consolidate Financial Statements of the Group 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 recognized as expenses in the first 6 months of the year 2023 is accounted for under the positions of Spare parts expenses and Cost of nuclear fuel from the Statement of profit or loss and of other elements of the comprehensive income, amounting to RON 92,557,425 (31 December 2022: RON 177,139,863).

The value of inventories recognized as expenses in the first 6 months of the year 2023 in accordance with the provisions of IAS 2.34, representing inventories scrapped, deteriorated, written off, amounts to RON 829,318 (31 December 2022: RON 1,042,623). The Group 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 Group 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 30 June 2023, amounted to RON 49,770,956 (31 December 2022: RON 50,081,781). In the first 6 months of the year 2023 no impairment adjustments were recorded (31 December 2022: RON 218,305) and impairment adjustments were written back on revenue, in amount of RON 310,825 (31 December 2022: RON 1,953,198).

In the first 6 months of the year 2023, no resettlements of inventories written off were accounted for.

(iii) Pledged inventories

As at 30 June 2023, the Group has no pledged or mortgaged inventories.

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10. TRADE RECEIVABLES

As at 30 June 2023 and 31 December 2022 trade receivables and other receivables were presented as follows:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Trade receivables	437,468,688	450,541,752
Impairment adjustments for trade receivables	(11,255,954)	(12,001,436)
Total	426,212,734	438,540,316

As at 30 June 2023, the main trade receivables in balance were towards: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A.: RON 104,787,133 (31 December 2022: RON 1,049,663), Electrica Furnizare S.A.: RON 93,171,226 (31 December 2022: RON 40,721,750), Enel Energie Muntenia S.A.: RON 67,275,521 (31 December 2022: RON 43,660,872), Enel Energie S.A.: RON 37,449,302 RON (31 December 2022: RON 47,068,010) and Alro S.A.: RON 25,029,516 (31 December 2022: RON 10,645,053).

Sales made during the 6-month period ended on 30 June 2023 to the Company Operatorul Pietei de Energie Electrica si de Gaze Naturale „OPCOM” S.A. represented approximately 35.32% (30 June 2022: approximately 27.30%), to Electrica Furnizare S.A. represented approximately 13.04% (30 June 2022: approximately 9.34%), to Enel Energie Muntenia S.A. represented approximately 10.92% (30 June 2022: approximately 12.89%), to OMV PETROM S.A. represented approximately 6.18% (30 June 2022: approximately 3.36%), to ALRO S.A. represented approximately 6.11% (30 June 2022: approximately 0.62%), to Enel Energie S.A. represented approximately 6.08% (30 June 2022: approximately 13.84%) of the total sales of electricity of the Company.

The Group's exposure to credit risk and the adjustments for the impairment of trade receivables are presented in Note 27.

As at 30 June 2023, the headings "Trade Receivables" and "Adjustments for Impairment of Trade Receivables" include a net amount of RON 209,704,306 related to receivables from related parties (31 December 2022: RON 165,070,788).

11. OTHER FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Other receivables	95,927,956	120,489,154
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	5,282,662	1,257,980
Advance payments	35,074,223	20,994,911
Total	135,701,661	142,158,865

As at 30 June 2023, the heading "Other Receivables" and "Impairment Adjustments for Other Receivables" includes an amount of RON 6,564,572 pertaining to related parties (31 December 2022: RON 0).

As at 30 June 2023, the heading "Pre-Payments" includes the amount of RON 5354444 related to payments made in advance to related parties (31 December 2022: RON 429,334).

As at 30 June 2023 the position of "Taxes and duties" represented mainly recoverable VAT in amount of RON 5,047,908 (31 December 2022: RON 1,257,980).

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
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12. CASH AND CASH EQUIVALENTS, BANK DEPOSITS AND FINANCIAL ASSETS

As at 30 June 2023 and 31 December 2022, the **cash and cash equivalents** were as follows:

	30 June 2023 (reviewed)	31 December 2022 (audited)
Cash on hand	91,440	86,040
Cash at bank in RON	231,085,784	286,009,526
Cash at bank in foreign currencies	19,922,395	25,109,873
Bank deposits less than 3 months	2,480,835,206	2,396,122,000
Other cash equivalents	2,733,344	396,694
Cash and cash equivalents - Total	2,734,668,169	2,707,724,133

As at 30 June 2023 and 31 December 2022, **bank deposits** having their original maturity of more than 3 months and less than one year were as follows:

	30 June 2023 (reviewed)	31 December 2022 (audited)
Bank deposits	1,410,544,688	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:

	30 June 2023 (reviewed)	31 December 2022 (audited)
Cash on hand	91,440	86,040
Cash at bank	251,008,179	311,119,399
Bank deposits having their original due date less than 3 months	2,480,835,206	2,396,122,000
Other cash equivalents	2,733,344	396,694
	2,734,668,169	2,707,724,133

(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. See Note 3 (l) of the significant Accounting policies related to these Consolidate Financial Statements of the Group prepared as at and for the financial year ended on 31 December 2022 for the other relevant accounting policies regarding the cash and cash equivalents.

(iii) Restricted cash

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

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

As at 30 June 2023, the Group held bank guarantee letters under certain credit facilities, without any collateral deposits, in amount of RON 135,152,688 (31 December 2022: RON 124,714,365).

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13. EQUITY**Share capital**

The mother Company was established further to a spin-off from the former self-governed administration Regie Autonoma de Electricitate (“RENEL”). The share capital is the contribution of the Romanian State to the establishment of the mother Company on 30 June 1998 (restated with inflation until 31 December 2003), plus any subsequent increases thereof.

According to the Articles of Incorporation, the authorized share capital of the mother Company is RON 3,016,518,660. Subscribed and paid-up share capital as at 30 June 2023 amounted to RON 3,016,438,940 RON, under the authorized capital.

As at 30 June 2023 and 31 December 2022, 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 share capital reconciliation is as follows:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Share capital subscribed and paid (nominal value)	3,016,438,940	3,016,438,940
Restatement differences according to IAS 29	195,502,743	195,502,743
Share capital (restated value)	3,211,941,683	3,211,941,683

As at 30 June 2023 and, respectively, 31 December 2022, the statutory share capital value subscribed and paid in full by the parent Company amounted to RON 3,016,438,940, 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 parent 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 Decisions 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 parent Company.

As at 30 June 2023 and 31 December 2022, shareholding structure was presented as follows:

Shareholders	Number of shares	% of the	Number of shares	% of the
	30 June 2023	share	31 December 2022	share
		capital		capital
Romanian State - Ministry of Energy	248,850,476	82.4981%	248,850,476	82.4981%
Other shareholders	52,793,418	17.5019%	52,793,418	17.5019%
Total	301,643,894	100%	301,643,894	100%

Share premiums

In November 2013, the Group issued 28,100,395 ordinary shares to Bucharest Stock Exchange, by an initial public offer and by the shareholder Fondul Proprietatea S.A. exercising the right of preference. 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.

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13. EQUITY (CONTINUED)***Reserves paid in advance***

Reserve paid in advance amounted to RON 21,553,548 as at 30 June 2023 and 31 December 2022 and represented sites of public utility from Cernavodă 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).

Statutory Reserves

According to legal requirements, the Group 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 statutory reserve as at 30 June 2023 amounted to RON 414,757,698 (31 December 2022: RON 414,757,698).

Statutory reserves cannot be distributed to shareholders. The value of statutory reserves was included in the financial position statement, under line "Result carried forward".

Revaluation reserves, net of deferred tax

As at 30 June 2023, the revaluation reserve amounts to RON 2,101,938,467 (31 December 2022: RON 2,101,938,467), net of deferred tax related to the revaluation reserve. 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 such revaluation, lands and buildings were revalued as at 31 December 2018.

Retained earnings

Retained earnings represent the accumulated result of the Group. Retained earnings are distributed based on the annual financial statements prepared in compliance with the Order of the Minister of Public Finance no. 2844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards.

Movements in result carried forward

	30 June 2023 (reviewed)	31 December 2022 (audited)
Balance at the beginning of the reporting period	5,165,634,673	2,997,775,072
<i>Net profit of period</i>	1,283,792,861	2,762,039,511
Actuarial (losses) related to the defined benefit plans	-	1,745,457
Retained earnings from other adjustments	-	-
Dividends	(1,283,215,656)	(595,925,367)
Balance at the end of the reporting period	5,166,211,878	5,165,634,673

Dividends

During the 6-month period ended on 30 June 2023, the parent Company declared dividends in amount of RON 1,283,215,656 (31 December 2022: RON 595,925,367), and the subsidiary Energonuclear S.A. declared dividends of RON 0 (31 December 2022: RON 60,935). Net dividends unpaid by the parent Company as at 30 June 2023 amounted to RON 1,407,232 (31 December 2022: RON 748,270).

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14. EARNINGS PER SHARE

As at 30 June 2023 and 30 June 2022, the earnings per share were:

(i) Earnings based on share

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Net profit of the financial year	1,283,792,861	1,219,573,312
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)	4.26	4.04

(ii) Diluted earnings per share

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Net profit of the financial year	1,283,792,861	1,219,573,312
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 (diluted) as at 30 June	301,643,894	301,643,894
Diluted earnings per share (RON/share)	4.26	4.04

The diluted earnings per share is equal to the basic result per share, since the Group did not register potential ordinary shares.

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15. LOANS

The loans situation recorded by the Group as at 30 June 2023, respectively 31 December 2022 was the following:

	30 June 2023 (reviewed)	< 1 year	> 1 year	31 December 2022 (audited)	< 1 year	> 1 year
Bank loans	97,778,980	65,516,880	32,262,100	130,116,620	65,305,680	64,810,940
Interest	582,896	582,896	-	219,753	219,753	-
Total	98,361,876	66,099,776	32,262,100	130,336,373	65,525,433	64,810,940

Bank loans

The loans repayments during the financial period ended as at 30 June 2023 were:

	Currency	Interest rate	Value	Final maturity year
Balance as at 1 January 2023 (audited)			130,116,620	
New drawdowns			-	
EURATOM reimbursement	EUR	EURIBOR 6M + 0.08%	(32,545,260)	2024
Foreign exchange differences			207,620	
Balance as at 30 June 2023 (reviewed)			97,778,980	

(i) Long-term loans

As at 30 June 2023 and 31 December 2022, the **long-term** loans from the credit institutions were as follows:

	30 June 2023 (reviewed)	31 December 2022 (audited)
EURATOM	97,778,980	130,116,620
Total loans	97,778,980	130,116,620
Less: current part of the long-term loans	(65,516,880)	(65,305,680)
Total long-term loans net of the short-term portion	32,262,100	64,810,940

(ii) Short-term loans

As at 30 June 2023 and 31 December 2022, the **short-term** loans were as follows:

	30 June 2023 (reviewed)	31 December 2022 (audited)
Current portion of the long-term loans	65,516,880	65,305,680
Long-term loans interest	582,896	219,753
Commitment fees and short-term insurance	-	-
Short-term loans - Total	66,099,776	65,525,433

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16. LIABILITIES FOR EMPLOYEE BENEFITS

As at 30 June 2023 and 31 December 2022, the liabilities for employee benefits were as follows:

	30 June 2023 (reviewed)	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 30 June 2023 and 31 December 2022, the parent 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 2025 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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16. LIABILITIES FOR EMPLOYEE BENEFITS (CONTINUED)

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.

17. TRADE AND OTHER PAYABLES

As at 30 June 2023 and 31 December 2022, trade and other payables were as follows:

	30 June 2023	31 December 2022
	(reviewed)	(audited)
Suppliers of non-current assets	75,117,087	46,893,963
Suppliers	185,465,487	110,823,353
Liabilities for employee benefits	22,641,624	38,361,843
Liabilities to the state	208,564,452	240,143,523
Payable dividends	18,343,300	763,805
Other liabilities	8,194,557	11,173,533
Total	518,326,507	448,160,020

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17. TRADE AND OTHER PAYABLES (CONTINUED)

As at 30 June 2023, the main suppliers in the balance, under “Suppliers of non-current assets” and “Suppliers”, were: Candu Energy INC. – RON 52,534,886 (31 December 2022: RON 26,956,168), General Electric Global Services GMBH Baden, Romania Branch – RON 33,936,867 (31 December 2022: RON 23,264,335), GE Global Parts & Products GMBH – RON 29,314,161 (31 December 2022: RON 4,204,809), BWXT CANADA LTD RON 12,426,464 (31 December 2022: RON 1,000,427), Apele Romane Bucuresti – RON 11,657,397 (31 December 2022: RON 12,302,495).

As at 30 June 2023, position “Trade Payables and other liabilities” include the amount of RON 27,597,823 (31 December 2022: RON 38,176,357) related to liabilities to related parties, of which, under the positions "Suppliers" and "Suppliers of non-current assets", RON 23,049,216 (31 December 2022: RON 30,113,114), and under the heading "Liabilities to the state" the amount of RON 176,395,012 representing the Energy Transition Fund contribution estimate for June 2023 and the amount of RON 8,395,647 (December 31, 2022: RON 8,063,243), representing the contribution to ANDR for decommissioning of the nuclear units and permanent storage of radioactive waste.

18. PROVISIONS FOR RISKS AND CHARGES

As at 30 June 2023, respectively 31 December 2022, the Group 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”:

	<u>30 June 2023</u> <u>(reviewed)</u>	<u>31 December 2022</u> <u>(audited)</u>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	70,589,676	70,294,835
Liabilities relating to other low and medium level radioactive and non-radioactive waste	66,255,320	64,737,442
Provision for litigations related to salary bonus	95,207,234	89,288,704
Employee participation in profit	31,735,426	27,000,000
Other provisions for risks and charges	166,470	224,307
Total	<u>263,954,126</u>	<u>251,545,288</u>

As at 30 June 2023, provisions in a total amount of **RON 263,954,126** represented long and short-terms liabilities, as follows:

	<u>Short-term part</u> <u>(< 1 year)</u>	<u>Long-term part</u> <u>(> 1 year)</u>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	31,969,458	38,620,218
Liabilities relating to other low and medium level radioactive and non-radioactive waste	13,372,185	52,883,135
Provision for litigations related to salary bonus	-	95,207,234
Employee participation in profit	31,735,426	-
Other provisions for risks and charges	166,470	-
Total	<u>77,243,539</u>	<u>186,710,587</u>

See Note 3 (r) of the significant Accounting policies related to these Consolidated Financial Statements of the parent Company prepared as at and for the financial year ended on 31 December 2022 for the relevant accounting policies for provisions.

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19. CORPORATE INCOME TAX

Corporate income tax recognized in the Statement of Profit or Loss and Other Comprehensive Income is presented as follows:

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Expense with current corporate tax	236,398,195	240,555,171
Net deferred tax restatement	(3,267,764)	(5,717,369)
Total	233,130,431	234,837,802

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

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Sales of energy via MACEE	948,593,160	-
Sales of energy on the free market	2,746,368,830	3,084,721,805
Sales of thermal energy	4,208,475	4,338,468
Income from the sale of green certificates	17,061	16,012
Total	3,699,187,526	3,089,076,285

(ii) Quantity of electricity sold*)

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Quantity of electricity sold via MACEE (MWh)	2,107,985	-
Quantity of sold electricity on the free market (MWh)	2,832,703	5,008,483
Total	4,940,688	5,008,483

*) 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 17,084 MWh for the 6-month period ended on 30 June 2023 (15,475 MWh during the 6-month period ended on 30 June 2022).

Effective 1 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 450 RON/MWh and sells it to buyers at the same price. In the first 6 months of 2023, the Company sold via MACEE a quantity of 2,107,985 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 42.52% of the total quantity of electricity sold during the period.

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20. INCOME FROM ELECTRICITY SALES (CONTINUED)

On the free market, in first half of 2023, the Company delivered 57.14% of the quantity of energy sold (first half of 2022: 99.69%). The average sale price of electricity sold by the Company on this market in first half of 2023 was 969.91 RO/MWh (first half of 2022: 613.57 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 2024 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 first half of 2023 amount to RON 4,208,475 (first half of 2022: RON 4,338,468).

21. OTHER INCOME

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Income from investments subsidies	7,175,407	7,177,641
Income from penalties and damages	2,289,286	989,518
Other income	68,485,122	33,892,362
Total	77,949,815	42,059,521

22. PERSONNEL COSTS

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Salaries and wages	273,172,100	224,640,282
Costs of social and other contribution	28,961,607	20,386,206
Total	302,133,707	245,026,488

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23. ADDITIONAL INCOME TAX EXPENSES / CONTRIBUTION TO THE ENERGY TRANSITION**FUND**

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Additional income tax expenses / Contribution to the Energy Transition Fund	1,461,690,999	585,810,573
Total	1,461,690,999	585,810,573

In the first 6 months of 2023, the Company booked contribution to the Energy Transition Fund, of RON 1,461,690,999 (30 June 2022: RON 585,810,573, under the heading additional income tax). As at 30 June 2023, the payable balance of the to the Energy Transition Fund amounts to RON 176,395,012 (31 December 2022: RON 73,261,115).

In the first half of 2022, the Company registered additional income tax. The additional income was established and calculated based on art. II paragraph (1) of Law no. 259/2021 for the approval of Government Emergency Ordinance no. 118/2021, as it was in force on June 30, 2022, and resulted from the difference between the average monthly selling price of electricity and the price of 450 RON/MWh, to which a tax rate of 80% was applied, for the quantity of monthly energy physically delivered from own production. The calculation method was established by Government Emergency Ordinance no. 27/2022 (Appendix 6) and applied, according to art. 4 of the Government Emergency Ordinance no. 27/2022, for the period 1 November 2021 - 31 August 2022.

According to Government Emergency Ordinance no. 119/01.09.2022 for the amendment and supplementation of Government Emergency Ordinance 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 additional income tax. The calculation method is provided for in Appendix 6 and is determined as a difference between the monthly sale price and the reference price (450 RON/MWh) multiplied by the monthly quantity physically delivered, therefore in a 100% share.

Effective 16 December 2022, Law no. 357/2022 approving the Government Emergency Ordinance 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, came into effect. 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 450 RON/MWh and the monthly quantity physically delivered from own production. During the application of Law no. 357/2022, only expenses with imbalances are deducted from the calculation base for determining the monthly sales price (until the entry into force of Law no. 357/2022, respectively in the first half of 2022, other types of expenses were also deducted from the calculation base expenses, for example expenses with purchased electricity).

24. OTHER OPERATING EXPENSES

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Third parties services costs	51,157,101	46,680,372
ANDR costs	50,114,257	50,614,291
Expenses with energy and water	52,642,625	41,991,664
Expenses with fuel and other consumables	35,882,163	31,743,380
Expenses related to ANRE contribution	3,190,885	1,552,673
Expenses with insurance premiums	6,684,185	5,531,205
Expenses with the transport and telecommunications	7,856,199	4,366,303
Net expenses related to provisions and value adjustments	5,894,086	12,271,298
Other operating expenses	36,763,176	15,950,537
Total	250,184,677	210,701,723

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24. OTHER OPERATING EXPENSES (CONTINUED)**ANDR costs**

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.

Expenses related to ANRE contribution

ANRE contribution for the year 2023 is calculated according to the Order ANRE no. 140/2020, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held. As at 30 June 2023, it amounts to RON 3,190,885 (30 June 2022: RON 1,552,673). For 2022, the contribution was calculated according to the Order of ANRE no. 143/2021, representing 0.1% of the turnover realized in 2021, from activities carried out under the licenses held.

Other operating expenses

Position of "Other operating expenses" includes expenses related to operating license paid to NCNAC Bucharest, in amount of RON 4,950,000 (30 June 2022: RON 4,950,000).

25. FINANCIAL INCOME AND EXPENSES

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Interest income	200,938,975	58,108,635
Income from exchange rate differences	15,770,478	7,343,418
Financial income regarding the amortization of governmental bonds differences	35,469	34,873
Financial income - Total	223,334,777	65,486,926
Expenses from exchange rate differences	(10,034,220)	(10,617,410)
Interest expense	(3,615,921)	(4,335,664)
Financial expenses - Total	(13,650,141)	(14,953,074)
Net financial income	209,684,636	50,533,852

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26. RELATED PARTY TRANSACTIONS**i) Transactions with State-owned companies**

The Group operates in an economic environment dominated by companies owned or controlled by the Romanian State through its governmental authorities and agencies, collectively known as State-owned companies.

The Group has made significant transactions with other State-owned or controlled companies, including: sales of electricity (OPCOM S.A.); purchase of electricity transmission and balancing services (C.N. Transelectrica S.A.); payment of contribution for the management of the decommissioning process of the two units and for the final storage of nuclear waste at the end of the useful life of the two units, as well as for the permanent storage of the resulting residues (Nuclear and Radioactive Waste Agency).

In the pursuit of its business, the Group identified the following transactions and balances with its main related parties:

	Sales - 6-month period ended		Receivables as at	
	30 June 2023	30 June 2022	30 June 2023	31 December 2022
Operatorul Pietei de Energie Electrica si de Gaze Naturale din Romania (OPCOM S.A.)	1,313,436,918	843,693,619	105,106,136	1,478,997
Electrica Furnizare S.A.	485,760,048	288,651,886	93,171,226	40,721,750
Distributie Energie Electrica Romania	59,000	42,844,052	-	52,166,030
C.N. Transelectrica S.A.	118,820	21,535,400	225	26,367,201
Utilitati Publice S.A. NPP Branch	5,241,155	4,311,865	5,420,659	5,724,145
Compania Nationala a Uraniului S.A.	-	-	6,564,572	6,564,582
Romanian Energy Regulatory Authority	-	-	3,179,534	-
Hidroelectrica S.A.	177,377,306	-	-	39,042,000
Autonomous Authority for Nuclear Activities	-	-	7,825,814	-
Total	1,981,993,247	1,201,036,823	221,268,166	172,064,704

The balance of receivables as at 30 June 2023 and 31 December 2022, as presented above, does not include advance paid to suppliers or accrued expenses with related parties.

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26. RELATED PARTY TRANSACTIONS (CONTINUED)**i) Transactions with State-owned companies (continued)**

	Purchases 6-month period ended		Liabilities as at	
	30 June 2023 (reviewed)	30 June 2022 (reviewed)	30 June 2023 (reviewed)	31 December 2022 (audited)
Operatorul Pietei de Energie Electrica si de Gaze Naturale din Romania (OPCOM S.A.)	8,496,479	230,736,064	576,827	1,068,264
Compania Nationala a Uraniului S.A.	874,567	40,976,073	-	1,417,293
Apele Romane Bucharest	35,590,452	29,943,591	11,657,397	12,302,495
Nuclear and Radioactive Waste Agency	50,114,257	50,614,291	8,395,647	8,063,243
C.N. Transelectrica S.A	15,699,861	9,226,152	5,882,519	5,610,805
National Commission for Nuclear Activities Control	14,063,650	9,163,398	-	-
Regia Autonoma Tehnologii pentru Energia Nucleara - ICN	7,576,206	6,465,949	1,842,401	2,771,157
Dobrogea Seaside Water Basin Administration	5,934,932	5,391,892	994,089	3,215,249
Romanian Energy Regulatory Authority	3,191,510	1,552,673	735,522	735,522
Raja S.A	2,166,546	1,381,578	442,383	754,733
Regia Autonoma Tehnologii pentru Energia Nucleara - CITON	1,175,906	1,806,241	219,163	1,153,794
Hidroelectrica S.A.	(41,513)	65,752	48,417,273	78,762
Total	144,842,853	387,323,653	79,163,222	37,171,318

The balances of intercompany payables as at 30 June 2023, respectively 31 December 2022, as presented above, do not include advance payments received from related customers.

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26. RELATED PARTY TRANSACTIONS (CONTINUED)**ii) Group's management remuneration**

The Group's management consists of:

- the members of the Board of Directors, who have mandate contracts concluded with the Group;
- executives with mandate contract in the Group;
- other executives of the Group who signed individual employment agreements, under the terms laid down in the collective bargaining agreements, as applicable.

Members of the Board of Directors, who have mandate contracts concluded with the Group, and the remuneration of whom is approved by the General Meeting of Shareholders. Executives with mandate contracts are remunerated based on the contractual provisions, within the general limits approved by the General Meeting of Shareholders.

	6-month period ended 30 June 2023 (reviewed)	6-month period ended 30 June 2022 (reviewed)
Group's management remuneration (gross amounts)	9,654,563	11,028,283
Total	9,654,563	11.28.283

27. FINANCIAL RISK MANAGEMENT**a. Financial risk factors****Credit Risk**

Credit risk is the risk of incurring losses or not realizing the estimated profits due to the counterparty not fulfilling their financial obligations. The Group is exposed to credit risk as a result of investments made in other companies, current accounts and bank deposits and receivables.

The sale of electricity was made to customers on the competitive market, based on the framework established by ANRE and OPCOM market rules. The amount of receivables, net of adjustments for impairment, represents the maximum amount exposed to credit risk.

As at 30 June 2023, the Company is exposed to a concentrated credit risk, considering that approximately 45.93% of its trade receivables are against Enel Energie SA, Enel Energie Muntenia SA and Electrica Furnizare S.A (see Note 10). Counterparty risk is limited considering the guarantees obtained from clients in the form of letters of bank guarantee.

Cash and bank deposits are placed with different financial institutions (banks), with the aim of reducing the counterparty risk, by limiting the exposure to a single financial institution.

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (continued)****Credit risk (continued)**

The maximum credit risk exposure on the reporting date was:

	Net amount	
	30 June 2023 (reviewed)	31 December 2022 (audited)
Financial assets		
Trade receivables	426,212,734	438,540,316
Bank deposits	1,410,544,688	1,829,796,500
Cash and cash equivalents	2,734,668,169	2,707,724,133
Other financial assets measured at amortized cost	135,701,661	142,158,865
Government bonds	29,804,358	30,260,661
Bonds	229,942,856	-
	4,966,874,466	5,148,480,475

Trade receivables ageing analysis at the reporting date was as follows:

	Gross value 30 June 2023 (reviewed)	Impairment as at 30 June 2023 (reviewed)	Gross value 31 December 2022 (audited)	Impairment as at 31 December 2022 (audited)
Not yet due	385,149,445	-	435,105,477	-
Overdue between 1-30 days	37,307,443	-	34,571	-
Overdue between 31-90 days	2,238,370	-	161,834	-
Overdue between 91-180 days	1,517,476	-	203,537	-
Overdue between 181-270 days	-	-	2,273,571	-
Overdue between 271-365 days	-	-	761,327	-
More than one year	11,255,954	(11,255,954)	12,001,436	(12,001,436)
Total	437,468,687	(11,255,954)	450,541,753	(12,001,436)

Other receivables ageing analysis, including the recoverable VAT, at the reporting date was as follows:

	Gross value 30 June 2023 (reviewed)	Impairment as at 30 June 2023 (reviewed)	Gross value 31 December 2022 (audited)	Impairment as at 31 December 2022 (audited)
Not yet due	134,549,393	-	139,295,947	-
Overdue between 1-30 days	182,509	-	1,714	-
Overdue between 31-90 days	907,513	-	937,575	-
Overdue between 91-180 days	12,768	-	26,113	-
Overdue between 181-270 days	13,005	-	-	-
Overdue between 271-365 days	36,473	-	13,773	-
More than one year	583,180	(583,180)	3,050,103	(3,050,103)
Total	136,284,841	(583,180)	143,325,224	(3,050,103)

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (continued)****Credit risk (continued)**

The developments in **adjustment for impairment of trade receivables** are as follows:

	<u>30 June 2023</u> <u>(reviewed)</u>	<u>31 December</u> <u>2022</u> <u>(audited)</u>
Balance as at 1 January	(12,001,436)	(12,822,025)
Impairment recorded/reversed during the period	745,483	820,589
Balance at the end of the period	(11,255,954)	(12,001,436)

b. Capital management**Fair value of financial instruments**

Fair value is the amount for which the financial instrument could be exchanged in regular arm's length transactions between interested and knowledgeable, other than those determined by liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models, as applicable. As at 30 June 2023, respectively 31 December 2022, the management consider that the fair values of cash and cash equivalents, trade and other receivables, trade payables, as well as other short-term liabilities approximate their carrying amount.

Considering the company's sector, added to the specific nature of the investments that are subject to financing and the structure of the collaterals, that include a government guarantee, as well as due to the floating nature of the interest rate, the Group's management estimate that the fair value of loans is approximately equal to their carrying amount. The carrying amount of loans is the amortized cost. Based on these considerations, the loans were classified at Level 2.

	<u>Carrying amount</u>	<u>Fair value</u>	<u>Level</u>
30 June 2023 (reviewed)			
Financial assets			
Financial assets measured at amortized cost	265,054,245	265,054,245	2
Trade receivables	426,212,734	426,212,734	2
Other financial assets measured at amortized cost	135,701,661	135,701,661	2
Cash and cash equivalents	2,734,668,169	2,734,668,169	2
Bank deposits	1,410,544,688	1,410,544,688	2
	<u>4,972,181,497</u>	<u>4,972,181,497</u>	

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)**b. Capital management (continued)****Fair value of financial instruments (continued)**

	<u>Carrying amount</u>	<u>Fair value</u>	<u>Level</u>
31 December 2022 (audited)			
Financial assets			
Financial assets measured at amortized cost	35,567,692	35,567,692	2
Trade receivables	438,540,316	438,540,316	2
Other financial assets measured at amortized cost	142,158,865	142,158,865	2
Cash and cash equivalents	2,707,724,133	2,707,724,133	2
Bank deposits	1,829,796,500	1,829,796,500	2
	<u>5,153,787,506</u>	<u>5,153,787,506</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Level</u>
30 June 2023 (reviewed)			
Long-term financial liabilities			
Long-term loans	32,262,100	32,262,100	2
Liabilities under long-term financial leasing agreements	13,312,780	13,312,780	2
Deferred income	58,968,947	58,968,947	2
	<u>110,543,827</u>	<u>110,543,827</u>	
Short-term financial liabilities			
Trade and other payables	518,326,507	518,326,507	2
Liabilities under short-term financial leasing agreements	2,889,119	2,889,119	2
Current part of the long-term loans	66,099,776	66,099,776	2
Deferred income	81,867,204	81,867,204	2
	<u>669,182,606</u>	<u>669,182,606</u>	

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)**b. Capital management (continued)****Fair value of financial instruments (continued)**

	<u>Carrying amount</u>	<u>Fair value</u>	<u>Level</u>
31 December 2022 (audited)			
Long-term financial liabilities			
Long-term loans	64,810,940	64,810,940	2
Liabilities under long-term financial leasing agreements	12,831,121	12,831,121	2
Deferred income	63,611,498	63,611,498	2
	<u>141,253,559</u>	<u>141,253,559</u>	
Short-term financial liabilities			
Trade and other payables	448,160,020	448,160,020	2
Liabilities under short-term financial leasing agreements	2,734,403	2,734,403	2
Current part of the long-term loans	65,525,433	65,525,433	2
Deferred income	157,087,526	157,087,526	2
	<u>673,507,382</u>	<u>673,507,382</u>	

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

The taxation system in Romania is undergoing a stage of consolidation and harmonization with the European laws. Nevertheless, there are no different interpretations of the tax laws. In certain cases, tax authorities may deal with certain issues differently, proceeding to the calculation of some taxes and additional duties and of the related default interest and delay penalties. In Romania, the financial year remains open for tax verification for a 5-year period. The Group's management considers that the tax liabilities include in such financial statements are adequate and it is not aware of certain circumstances likely to determine possible significant liabilities in this respect.

(ii) Other controls

In accordance with the Half-Yearly Activity Plan for the period January – June 2022, Antifraud, Integrity and Inspection Directorate within the Ministry of Energy, performed an inspection within SNN in the first week of June, for the purpose of checking the manner of employment / promotion of staff, conclusion and performance of consultancy agreements, the manner in which the purchase activity was carried on; the comparative analysis of the economic and financial results, any other relevant issues for such inspection. The official result of the inspection has not been communicated yet to the Company's representatives. Nevertheless, there were no doubts about breach of laws or important findings of the inspection team.

As at 21 November 2022, an ANAF - DGAF team appeared to "Check calculation of the contribution to the Energy Transition Fund". The inspection concluded with the Report dated 21 November 2023 which documented that:
*"Along with the amendments and supplements to the Government Emergency Ordinance no. 119/2022, it is noted that changes were also made to the expenses considered in calculation of the net monthly revenue, as follows:
The monthly expenses include cost of: - acquiring electricity for transactions with physical delivery, including on the balancing market, and the cost of the CO2 allowances. The actual production costs for obtaining one MWh of electricity are not included.*

Taking into account the above, the company should proceed to rectifying the Declaration 100 for September 2022, by declaring and paying to the State budget the difference of RON 2,392,280."

We point out that the Company implemented this recommendation.

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28. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS (CONTINUED)

Then, ANAF - DGAF, in the period 09.05.2023 - 15.06.2023, carried out an anti-fraud control regarding the application of the provisions in the field of energy of the aforementioned normative acts in the period 01.04.2022 - 31.03.2023. Following the control, by comparing the amounts calculated and declared by SNN and those calculated by the control team, a payment difference to the Contribution to the Energy Transition Fund of RON 18,041,598 was recorded in protocol no. 1186/15.06.2023, a protocol which does not represent a tax debt title. This difference was generated by the interpretation of the moment of application of the calculation methodology established by Law 357/2022.

SNN did not pay this amount and expressed its point of view to the Ministry of Finance, ANAF - DGAF by letter no. 7204/22.06.2023, which explains the fact that Law no. 357/2022 takes effect starting with the date of publication, i.e. 16.12.2022. In legislative matters, without other special provisions in the contents of Law no. 357/2022, this produces effects in the future and not before the publication date, as it was interpreted by the control bodies. Until the date of preparation and presentation of the Financial Statements, SNN has not received an answer regarding those reported.

(iii) Insurance policies

As at 30 June 2023, the following operational insurance policies were valid:

- The property insurance policy for material damages, all risks, including mechanical and electrical destruction (for Units 1 and 2 Cernavodă NPP and NFP Pitești). The compensation limit is in amount of USD 1,560 million for the entire year for all damages.
- Civil liability policy to third parties for nuclear damages. The compensation limit amounts to DST 300 million (for Units 1 and 2 of Cernavodă NPP).
- The third-party/professional liability insurance policy for SNN's directors and executives. The compensation limit is EUR 27 million.

(iv) Environmental issues

The Group did not register any liabilities as at 30 June 2023 and 31 December 2022 for any anticipated costs regarding the environmental issues, including legal and consultancy fees, land surveys, design and application of the rehabilitation plans. The liability for decommission of nuclear plants was taken over by ANDR (see Note 24). Management considers that the plant fully complies with the Romanian and international environmental standards and it is estimated that any additional costs related to the observance of environmental laws as at 30 June 2023 are not significant.

Nevertheless, the enforcement of the environmental regulations in Romania is progressing and their application by governmental authorities is continuously changing. The Group assesses the obligations incumbent on it pursuant to the environmental regulations on a periodical basis. Obligations determined are immediately recognized. Potential liabilities, likely to arise as a result of the amendments of the existing regulations, civil or legislation litigations, cannot be estimated, however, they could be significant. In the context of the applicable laws, the management considers that there are no significant liabilities for damages caused to environment.

(v) Litigations in progress

In the first half of 2023, the Group was involved in a number of legal proceedings pertaining to its normal course of business. The management examines the situation of litigations in progress on a regular basis, and following consultation with its legal advisors or lawyers, decides the need for setting up certain provisions for the amounts involved or their presentation in the financial statements.

In the Group's management opinion, there are no current court proceedings or claims likely to have any significant impact on the financial result and financial position of the Group, which have not been disclosed in these financial statements.

Notes from 1 to 30 are an integral part of such Consolidated Interim Financial Statements.

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S.N. Nuclearelectrica S.A.

Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

28. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS (CONTINUED)

(vi) Commitments

As at 30 June 2023, the total amount of commitments was fully reflected under “*Trade and other payables*”, representing capital and operating expenses.

(vii) Other contingent liabilities

The Group continuously evaluates the possibility of occurrence and the impact of possible contingent liabilities. On the date of the present consolidated interim financial statements, the representatives of the Romanian State publicly announced the intention to identify and implement fiscal-budgetary measures, but without announcing the transposition of the intention into normative acts at a certain date. At this moment, the Group cannot reasonably estimate the possibility of implementing such measures applicable to the Group in normative acts.

(viii) Guarantees

Trade of electricity produced on the platforms managed by OPCOM, supposes that for certain transactions, the parent 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, CMBC-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 30 June 2023, the total amount of the letters of bank guarantee issued in favor of OPCOM, for participation in DAM and IDM, amounts to RON 130.1 million.

Moreover, as at 30 June 2023, the parent 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 parent Company as a license holder, and Transelectrica S.A. For all such bank guarantee letters, the parent Company set up collateral deposits with banks issuing guarantee letters. The parent Company also holds a letter of bank guarantee of RON 3.668 million in Favor of Transelectrica, for provision of the transmission service.

As at 30 June 2023, the parent Company had in balance a Treasury deposit in amount of RON 1,436,176, representing the guarantee related to the precautionary measures according to NAFA (National Agency for Fiscal Administration) Decision – General Directorate for Fiscal Antifraud.

As at 30 June 2023, the total value of the bank guarantee letters issued by clients in Favor of the parent Company for the agreements concluded on CMBC-CN, CMBC-LE and CM-OTC amounted to RON 528.27 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
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29. OTHER INFORMATION**(i) Group details**

The Group is part of a group of companies controlled by the Romanian State represented by the Ministry of Energy.

(ii) Participation interests

The group has participation interests in Bursa Romana de Marfuri S.A.: with registered offices in Bucharest, Strada Buzesti nr. 50-52; number of shares held as at June 30, 2023: 24 shares, nominal value of share capital held: RON 24,000, representing 0.29% of the number of shares issued.

The Group is an insured member of the European Liability Insurance for Nuclear Industry ("ELINI"), with headquarters in Belgium, 1140 Brussels, 166 Jules Bordet St. The initial contribution to the guarantee fund paid by the Group is EUR 1,082,700, respectively RON 5,032,931.

The Group is a founding member of the Romanian Atomic Forum - ROMATOM, a Romanian legal entity under the private law, an independent representative union at national level, without assets or profit-making purpose, non-governmental, non-for-profit, apolitical, and formed the associate members or supporters, with registered offices in Bucharest, Strada Vasile Lascar nr. 5 - 7, etaj 1. In the General Meeting of Shareholders, each founding member and each associate member has the right to a number of deliberative votes, calculated according to the turnover related to the activities in the nuclear field from the previous year, by value tranches, as follows: between 0 and EUR 500,000 turnover – 1 vote; between EUR 500,000 and EUR 3 million turnover – 2 votes; between EUR 3 million and EUR 10 million turnover – 3 votes; over EUR 10 million turnover – 4 votes. The group meets the criterion for the right to 4 votes. The counter value of the cash contribution submitted by the Group as a founding member is RON 100.

The group is a founding member of the Association of Electric Energy Producers - HENRO, a Romanian legal entity under private law, without patrimonial or profit-making purpose, independent and non-governmental, non-profit, made up of associate members or supporters, with headquarters in Bucharest, Str. Constantin Nacu nr. 3, camera 4, sector 2. The group contributed the sum of RON 250,000 for the establishment of the initial patrimony.

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Notes to the Consolidated Interim Financial Statements prepared as at and for the 6-month period ended 30 June 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

30. SUBSEQUENT EVENTS

The company has not identified events subsequent to 30 June 2023 that could have a significant impact and are of a nature of being presented in the consolidated financial statements.

Cosmin Ghita
Chief Executive Officer

Dan Niculaie - Faranga
Chief Financial Officer

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