



S.N. Nuclearelectrica S.A.

Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023

Prepared in accordance with Public Finances Minister's Order no. 2844/2016
for approval of the Accounting Regulations compliant with the International Financial Reporting
Standards adopted by the European Union, based on the
International Accounting Standard 34 – "Interim Financial Reporting"

S.N. Nuclearelectrica S.A.

Individual Interim Statement of Financial Position as at 30 September 2023

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

	Note	30 September 2023 (unaudited)	31 December 2022 (audited)
Assets			
Non-current assets			
Tangible assets	4	5,685,032,384	5,737,295,053
Assets representing rights to use underlying assets within a leasing contract	5	26,083,378	15,565,831
Intangible assets		48,880,130	50,773,837
Financial assets measured at amortized cost	6	308,794,920	41,262,942
Financial investments in subsidiaries	7	222,438,503	199,438,505
Investments in associated companies	8	19,943,000	4,943,000
Total non-current assets		6,311,172,315	6,049,279,168
Current assets			
Inventories	9	799,455,567	653,199,691
Trade receivables	10	566,068,418	438,539,974
Other financial assets measured at amortized cost	11	121,338,395	140,954,592
Bank deposits	12	3,185,122,892	1,829,796,500
Cash and cash equivalents	12	1,511,195,016	2,681,002,427
Total current assets		6,183,180,288	5,743,493,184
Total assets		12,494,352,603	11,792,772,352
Equity and liabilities			
Equity			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Share capital subscribed and paid</i>		3,016,438,940	3,016,438,940
<i>Inflation adjustments of the share capital</i>		195,502,743	195,502,743
Shares premium		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		351,340,000	394,369,643
Retained earnings		7,612,593,536	6,876,165,858
Total equity	13	11,228,902,905	10,535,504,870
Liabilities			
Long-term liabilities			
Long-term loans	15	22,385,700	64,810,940
Liabilities under leasing agreements long term portion	5	23,509,313	12,831,121
Provisions for risks and charges	18	193,712,158	174,504,703
Deferred income		55,525,052	63,611,498
Deferred tax liability		90,421,609	95,446,226
Liabilities for employee benefits	16	45,557,591	45,557,591
Total long-term liabilities		431,111,423	456,762,079
Current liabilities			
Trade and other payables	17	484,966,462	445,315,659
Liabilities under leasing agreements short-term portion	5	3,692,394	2,734,403
Current part of provisions for risks and charges	18	73,661,337	77,040,585
Corporate income tax debt		129,964,443	52,801,797
Deferred income		75,884,457	157,087,526
Current part of the long-term loans	15	66,169,182	65,525,433
Total current liabilities		834,338,275	800,505,403
Total liabilities		1,265,449,698	1,257,267,482
Total equity and liabilities		12,494,352,603	11,792,772,352

This is a free translation from the Romanian version. In case of any differences between the Romanian and English version, the Romanian version prevails.

S.N. Nuclearelectrica S.A.

Individual Interim Statement of Profit or Loss and Other Comprehensive Income for the 9-month period ended 30 September 2023

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

	Note	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Income					
Income from electricity sales	19	1,847,814,079	1,740,807,899	5,547,007,766	4,829,890,085
Electricity transmission income		10,916,773	6,656,856	26,611,219	15,846,891
Total income		1,858,730,852	1,747,464,755	5,573,618,985	4,845,736,976
Other income	20	21,093,326	22,734,486	85,851,927	64,797,197
Operating expenses					
Depreciation and impairment		(153,856,440)	(148,660,072)	(469,859,626)	(451,278,958)
Personnel costs		(166,956,348)	(136,543,741)	(449,551,904)	(379,605,059)
Electricity purchased cost		(24,614,580)	(222,362,895)	(38,693,700)	(475,233,359)
Repairs and maintenance		(20,734,761)	(20,341,990)	(61,291,487)	(63,022,889)
Electricity transmission cost		(10,916,773)	(6,656,856)	(26,611,219)	(15,846,891)
Expenses with spare parts		(3,700,491)	(3,657,665)	(16,760,376)	(19,185,293)
Costs of nuclear fuel		(46,572,610)	(43,854,396)	(125,938,285)	(115,876,234)
Tax on additional income	21	(597,565,000)	(287,120,312)	(2,059,255,999)	(872,930,885)
Other operating expenses	22	(117,952,565)	(108,499,630)	(363,409,576)	(319,772,309)
Operating expenses – Total		(1,142,869,568)	(977,697,557)	(3,611,372,172)	(2,712,751,877)
Operating result		736,954,610	792,501,684	2,048,098,740	2,197,782,296
Financial expenses		(8,256,699)	(8,440,501)	(21,510,002)	(23,379,809)
Financial income		89,412,451	72,481,628	312,213,773	137,713,811
Net financial result	23	81,155,752	64,041,127	290,703,771	114,334,002
Profit before tax		818,110,362	856,542,811	2,338,802,511	2,312,116,298
Net income tax	24	(130,277,717)	(138,244,507)	(362,188,820)	(373,025,785)
Profit of the period		687,832,645	718,298,304	1,976,613,691	1,939,090,513

The Individual Interim Financial Statements presented from page 1 to 35 were signed on 9 November 2023.

Cosmin Ghita
Chief Executive Officer

Dan Niculae-Faranga
Chief Financial Officer

S.N. Nuclearelectrica S.A.

Individual Interim Statement of Profit or Loss and Other Comprehensive Income for the 9-month period ended 30 September 2023

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

	Note	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Profit of the period		687,832,645	718,298,304	1,976,613,691	1,939,090,513
Other items of the comprehensive income					
Items that cannot be reclassified to profit or loss					
Retained earnings from other adjustments					
Total other items of the comprehensive income		-	-	-	-
Total comprehensive income related to the period		687,832,645	718,298,304	1,976,613,691	1,939,090,513
Earnings per share					
Basic earnings per share (RON/share)	14	2.28	2.38	6.55	6.43
Diluted earnings per share (RON/share)	14	2.28	2.38	6.55	6.43

S.N. Nuclearelectrica S.A.

Individual Interim Statement of Changes in Equity for the 9-month period ended 30 September 2023

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

	Note	Share capital	Inflation adjustments of the share capital	Shares premium	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	21,553,537	394,369,643	6,876,165,858	10,535,504,870
comprehensive income								
<i>Profit of the period</i>							1,976,613,691	1,976,613,691
<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 period	13	-	-	-	-	-	1,976,613,691	1,976,613,691
Transactions with shareholders, recorded only in equity								
Distributed dividends							(1,283,215,656)	(1,283,215,656)
Total transactions with shareholders, recorded only in equity	13	-	-	-	-	-	(1,283,215,656)	(1,283,215,656)
Other changes in equity								
Transfer of revaluation reserves into retained earnings due to amortization						(43,029,643)	43,029,643	-
Other changes in equity - total						(43,029,643)	43,029,643	-
Balance as at 30 September 2023 (unaudited)		3,016,438,940	195,502,743	31,474,149	21,553,537	351,340,000	7,612,593,536	11,228,902,905

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S.N. Nuclearelectrica S.A.

Individual Interim Statement of Changes in Equity for the 9-month period ended 30 September 2022

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

	Note	Share capital	Inflation adjustments of the share capital	Shares premium	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	21,553,537	451,742,500	4,648,549,459	8,365,261,328
Overall result								
<i>Profit of the period</i>							<i>1,939,090,513</i>	<i>1,939,090,513</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 period	13	-	-	-	-	-	1,939,090,513	1,939,090,513
Transactions with shareholders, recorded only in equity								
Distributed dividends							(595,925,367)	(595,925,367)
Total transactions with shareholders, recorded only in equity	13	-	-	-	-	-	(595,925,367)	(595,925,367)
Other changes in equity								
Transfer of revaluation reserves into retained earnings due to amortization						(43,029,642)	43,029,642	-
Other changes in equity - total						(43,029,642)	43,029,642	-
Balance as at 30 September 2022 (unaudited)		3,016,438,940	195,502,743	31,474,149	21,553,537	408,712,858	6,034,744,247	9,708,426,474

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S.N. Nuclearelectrica S.A.

Individual Interim Statement of Cash Flows for the 9-month period ended 30 September 2023

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

	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Cash flows from operating activities		
Profit before tax	2,338,802,511	2,312,116,298
Adjustments for:		
Depreciation and impairment	469,859,626	451,278,958
Value adjustments of trade receivables	(745,853)	(6,807)
Value adjustments of inventories	(620,220)	(1,808,489)
Provisions related to liabilities, risks and operating expenses	15,828,207	20,316,628
Loss / (Gains) from the assignment of assets	2,374,439	390,686
Net financial (income)	(286,478,863)	(116,763,843)
Changes in:		
(Increase) / Decrease of trade receivables	(126,776,998)	(175,493,973)
(Increase) in other financial assets measured at amortized cost	(26,455,278)	9,597,732
(Increase)/decrease in inventories	(145,635,656)	(27,593,585)
Change in deferred income	(89,355,670)	(14,820,403)
(Decrease) in trade and other payables	(81,460,273)	105,120,878
Cash flows from operating activity	2,069,335,973	2,562,334,080
Corporate income tax paid	(290,050,792)	(291,357,603)
Interest received	322,445,706	80,847,507
Interest paid	(1,656,327)	(330,011)
Dividends received	968,351	60,935
Net cash used in operating activity	2,101,042,911	2,351,554,908
Cash flows from investing activities		
Purchases of intangible assets	(9,172,550)	(12,797,657)
Purchases of tangible assets	(388,344,362)	(318,210,179)
Investments in subsidiaries (see Note 7)	(22,999,998)	(26,999,997)
Investments in affiliated entities (see Note 8)	(15,000,000)	(4,943,000)
Other investments in financial assets (see Note 6)	(253,472,108)	975,000
Proceeds from sale of tangible assets	980,913	52,356
(Increase) / Decrease in bank deposits and financial assets representing collateral bank deposits related to bank letters of guarantee	(1,355,326,392)	(1,067,424,500)
Net cash (used in)/ from investing activities	(2,043,334,498)	(1,429,348,977)
Cash flow from financing activities		
Loans payments	(42,907,920)	(151,170,991)
Dividends payments	(1,181,034,891)	(595,682,655)
Payments related to liabilities from leasing agreements, including interest	(3,573,013)	(290,333)
Net cash (used in)/from financing activity	(1,227,515,825)	(747,143,979)
Net (decrease)/ increase of cash and cash equivalents	(1,169,807,411)	175,061,952
Cash and cash equivalents as at 1 January (see Note 12)	2,681,002,427	1,317,399,999
Cash and cash equivalents as at 30 September (see Note 12)	1,511,195,016	1,492,461,951

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY

Societatea Nationala Nuclearelectrica S.A. (“Company” or “SNN”) 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 Constanta County, Cernavodă City, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively NFP Pitești (Nuclear Fuel Plant) – headquartered in Argeș County, Mioveni City, str. Campului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, Crystal Tower building.

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

The main activity of the Company consists in the electricity and heat generation by means of nuclear methods. The main place of business is within 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 7).

During 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).

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 Phase 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 Phase II of the Units 3 and 4 Project Cernavodă NPP was approved.

On 31 March 2023, Law no. 74, approving the signing of the Support Agreement between the Romanian State and the Company for Cernavodă NPP’s Units 3 and 4 Project, was passed and on 9 June 2023 the Support Agreement was signed. The Company continues to carry out the activities necessary to complete the phases 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 (“CFSU”).

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

1. REPORTING ENTITY (CONTINUED)

In June 2020, CNCAN 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 CFSU. In the context of the above-mentioned data, a revised chart of the relaunching strategy was prepared. The revised chart for the implementation of the project comprises the completion of the construction and assembly works (purchase of seismically rated equipment and construction and assembly works) and the operationalization of the objective during 2024.

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

The Romanian energy sector is regulated by the Romanian Energy Regulatory Authority (“ANRE”), an independent public institution. 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 9 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 19).

On 30 September 2023, the Company owns 100% of the subsidiaries Energonuclear, Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara and Nuclearelectrica Serv. It also owns 50% of the company RoPower Nuclear S.A.

As at 30 September 2023, the Company’s shareholders were: 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 are traded on Bucharest Stock Exchange starting 4 November 2013, having the issuing symbol SNN.

S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

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

The Individual Interim Financial Statements as at and for the 9-month period ended 30 September 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”). Within the meaning of OMPF no. 2844/2016, the International Financial Reporting Standards are those standards adopted according to the procedure provided for by the Regulation of the European Commission no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of the international accounting standards (“IFRS adopted by the European Union”).

These Individual Interim Financial Statements were prepared 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.

Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023 were neither audited, nor reviewed by an independent auditor. These Individual Interim Financial Statements were authorized for issue and were approved on 09 November 2023 by the Company’s management.

b) Going concern

These Individual Interim Financial Statements were prepared 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) Financial statements presentation

Individual 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 Company adopted a presentation based on liquidity within Statement of Financial Position and a presentation of the revenues and expenses depending on their nature within the Statement of Profit or Loss and Other 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 Individual Financial Statements prepared 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 Company from the last Individual Financial Statements prepared as at and for the financial year ended on 31 December 2022.

d) Basis for evaluation

Individual 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 Company’s management considers that the functional currency, as defined in IAS 21 – “Effects of the foreign exchange rate variation”, is the Romanian leu (RON). Individual Interim Financial Statements are prepared and presented in RON, rounded to the nearest leu, the currency which the Company’s management chose as the presentation currency.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 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 Individual Interim Financial Statements in accordance with IFRS adopted by the European Union involves the management use of some estimates, judgments and assumptions which affect the application of accounting policies, as well as the reported value of assets, liabilities, revenues and expenses. Judgments and assumptions related to such estimates are based on the historical experience as well as other factors considered to be reasonable in the context of such estimates. Results of such estimates form the basis of judgments relating to the carrying amounts of assets and liabilities which cannot be obtained from other information sources. Results obtained could be different from the estimates values. Judgements and assumptions underpinning them are revised on a regular basis. Revisions of the accounting estimates are recorded during the period in which the estimate was revised and in the future period if revision affects both the current period, and the future periods.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 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	1,196,053,357	1,123,153,126	7,001,489,524
Additions	-	-	23,542,835	471,336,664	494,879,499
Transfers	-	71,116,529	80,209,850	(151,326,379)	-
Heavy water additions	-	27,816,605	-	-	27,816,605
Transfer of inventories	-	-	-	(40,632,444)	(40,632,444)
Transfer 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)	(18,111,407)	-	(18,598,674)
Balance as at 31 December 2022 (audited)	36,975,047	4,609,767,102	1,309,019,117	1,386,932,797	7,342,694,063
Balance as at 1 January 2023 (audited)	36,975,047	4,609,767,102	1,309,019,117	1,386,932,797	7,342,694,063
Additions	-	-	93,935,411	338,939,392	432,874,803
Transfers	-	121,837,880	21,204,030	(143,041,909)	-
Heavy water additions	-	17,150,312	-	-	17,150,312
Transfer of inventories	-	-	2,043,294	1,140,037	3,183,331
Transfer reclassified spare parts	-	-	15,282,570	(15,282,570)	-
Derecognition of inspections	-	(120,684,470)	-	-	(120,684,470)
Derecognition of heavy water	-	(705,178)	-	-	(705,018)
Disposals	-	-	(1,897,437)	-	(1,897,437)
Balance as at 30 September 2023 (unaudited)	36,975,047	4,627,365,646	1,439,586,984	1,568,687,747	7,672,615,425
Depreciation and impairment adjustments					
Balance as at 1 January 2022 (audited)	550,782	380,863,168	616,750,302	149,987,368	1,148,151,620
Depreciation expense	-	507,383,343	80,275,699	-	587,659,042
Accumulated depreciation of inspections	-	(119,247,275)	-	-	(119,247,275)
Accumulated depreciation of disposals	-	(1,454,046)	(14,770,722)	-	(16,224,768)
Impairment adjustments	-	-	8,912,944	(3,852,553)	5,060,391
Balance as at 31 December 2022 (audited)	550,782	767,545,190	691,168,223	146,134,815	1,605,399,010
Balance as at 1 January 2023 (audited)	550,782	767,545,190	691,168,223	146,134,815	1,605,399,010
Depreciation expense	-	378,208,223	69,759,069	-	447,967,292
Accumulated depreciation of inspections	-	(2,315,203)	-	-	(2,315,203)
Accumulated depreciation disposals	-	(69,284,321)	(1,915,367)	-	(71,199,687)
Accumulated depreciation heavy water	-	(705,178)	-	-	(705,178)
Impairment adjustments	-	-	8,436,807	-	8,436,807
Balance as at 30 September 2023 (unaudited)	550,782	1,073,448,711	767,448,732	146,134,815	1,987,583,040
Carrying amount					
Balance as at 01 January 2022 (audited)	36,424,265	4,264,444,826	579,303,055	973,165,758	5,853,337,904
Balance as at 31 December 2022 (audited)	36,424,265	3,842,221,912	617,850,894	1,240,797,982	5,737,295,053
Balance as at 30 September 2023 (unaudited)	36,424,265	3,553,916,935	672,138,252	1,422,552,932	5,685,032,384

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(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 9 months of 2023, the Company 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 RON 17,150,312, and in 2022 it purchased 11.9 tons of heavy water amounting RON 27,816,605.

(ii) Non-current assets in progress

As at 30 September 2023, the net carrying value of assets in progress, in amount of RON 1,422,552,932 (31 December 2022: RON 1,240,797,982), included the following items:

- Investment related to the increase in the production capacity with a net carrying amount of RON 469,191,005 (31 December 2022: RON 469,495,874);
- Investments related to Units 1 and 2, in total amount of RON 953,361,927 (31 December 2022: RON 771,302,109), from which the most outstanding are:
 - ✓ Refurbishment of U1 in amount of RON 405,185,988 (31 December 2022: RON 270,871,781);
 - ✓ Tritium removal facility for D2O in amount of RON 95,721,887 (31 December 2022: RON 86,878,248);
 - ✓ Improving the reliability of the electric generator in amount of RON 98,622,868 (31 December 2022: RON 98,614,087);
 - ✓ Improving the nuclear security systems after Fukushima in amount of RON 42,581,889 (31 December 2022: RON 38,924,333);
 - ✓ Building storage and loading premises for the nuclear fuel used (DICA) in amount of RON 34,054,725 (31 December 2022: RON 32,853,382).
 - ✓ Equipment and materials for investments in amount of RON 26,679,516 (31 December 2022: RON 27,361,693);

The gross investment value related to the increase in the production capacity amounts to RON 470,889,572 (31 December 2022: RON 471,194,441), 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 book value as at 30 September 2023 in amount of RON 159,253,825 (31 December 2022: 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 37,675,747 (31 December 2022: RON 37,980,616). Prior to the year 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, consequently, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Company performed the allocation of the construction costs for Units 3 and 4 of the nuclear plant, as well as for Unit 5.

As at 30 September 2023, the gross book value of **Unit 5** amounted RON 137 million (31 December 2022: RON 137 million). As at 31 December 2013 the Company recorded an impairment adjustment of 100% of the amount of Unit 5 since there were no plans to resume its construction as a nuclear unit. In March 2014, the Company’s shareholders approved the change in the destination and use of Unit 5 for other activities of the Company, which was a project in progress following which an asset would result with a different use compared to the initial use of Unit 5.

The main **investments commissioned** by the Company in the first 9 months of 2023 from the projects in progress related to Units 1 and 2 were represented by: the replacement of Unit 2 rotor in the amount of RON 95,764,321, the fitting of spare parts to the equipment that was in operation, in the amount of RON 16,771,864, and the increase of DICA value in the amount of RON 14,093,211.

(iii) Impairment adjustments

As at 30 September 2023, the Company accounted for net movements in the impairment adjustments for non current assets in the amount of RON 8,436,807, representing the recognition of net expenses with the impairment adjustment of fixed assets (31 December 2022: RON 5,060,391).

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

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

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 as at 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, issued 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 Individual Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2022.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

4. TANGIBLE ASSETS (CONTINUED)

(v) *The 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 had been measured at historical cost, the amounts would have been:

	<u>30 September 2023</u> <u>(unaudited)</u>	<u>31 December 2022</u> <u>(audited)</u>
Lands		
Cost	22,350,779	22,350,779
Accumulated depreciation		-
Net carrying value	<u><u>22,350,779</u></u>	<u><u>22,350,779</u></u>
	<u>30 September 2023</u> <u>(unaudited)</u>	<u>31 December 2022</u> <u>(audited)</u>
Buildings		
Cost	7,118,487,755	7,056,923,302
Accumulated depreciation	(4,397,667,113)	(4,523,041,183)
Net carrying value	<u><u>2,720,820,642</u></u>	<u><u>2,533,882,118</u></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. 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 22). The cost of the Company’s contributions to ANDR in the first 9 months of 2023 amounts to RON 75,330,180 (9 months of 2022: RON 75,715,483).

(vii) Pledged assets

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

(viii) Supplier credit

As at 30 September 2023 the Company owned fixed assets purchased with credit from suppliers (commercial credit) in amount of RON 65,866,287 (31 December 2022: RON 46,767,931).

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

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

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

The Company concluded lease agreements for assets and liabilities and concession contracts for lands, for which it was estimated the initial value of the asset related to the right to use at a value equal to the debt discounted upon transaction, arising from such agreements, amounting RON 28,992,122 (31 December 2022: RON 16,031,241).

(i) Amounts recognized in the Statement of Financial Position

Assets representing rights to use underlying assets within a leasing contract	30 September 2023 (unaudited)	31 December 2022 (audited)
Lands	1,422,211	1,422,211
Office spaces	20,645,379	14,609,030
Concession of assets	6,924,531	-
Depreciation of assets representing rights to use	(2,908,744)	(465,410)
Net carrying amount	26,083,378	15,565,831
Liabilities under leasing agreements	30 September 2023 (unaudited)	31 December 2022 (audited)
Short-term	3,692,394	2,734,403
Long-term	23,509,313	12,831,121
	27,201,707	15,565,524

(ii) Amounts recognized in the Statement of Profit or Loss and Other Comprehensive Income

	Note	30 September 2023 (unaudited)	31 December 2022 (audited)
Depreciation of assets representing rights to use		2,443,334	271,886
Interest expense	23	1,337,861	32,097

(iii) Amounts recognized in the Statement of Cash Flows

	30 September 2023 (unaudited)	31 December 2022 (audited)
Total cash outflows related to leasing agreements	3,573,013	337,356

(iv) Recognition of leasing agreements

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

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

6. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

As at 30 September 2023 the Company recorded under position “Financial assets valued at amortized cost” its contributions as member of the European Liability Insurance for the Nuclear Industry (“ELINI”), of the Romanian Commodities Exchange (“RCE”), of the Romanian Atomic Forum - Romatom (“ROMATOM”), of HENRO Association, government bonds, bonds and loans granted to its subsidiaries and affiliated entities.

	30 September 2023	31 December 2022
	(unaudited)	(audited)
ELINI contribution	5,032,931	5,032,931
Romanian Commodities Exchange contribution	24,000	24,000
Romatom contribution	100	100
HENRO contribution	250,000	250,000
Government bonds (i)	30,069,069	30,260,661
Bonds (ii)	234,712,531	-
Loans granted to subsidiaries	17,395,931	5,695,250
Loans granted to affiliated entities	21,310,358	-
Total	308,794,920	41,262,942

(i) Government bonds

As at 30 September 2023, respectively 31 December 2022 the Company held government 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 September 2023	31 December 2022
	(unaudited)	(audited)
Balance as at 1 January	29,751,132	29,680,203
Purchases	-	-
Maturity dates	-	-
Discount depreciation	53,930	70,929
Balance at the end of the reporting period	29,805,062	29,751,132
Accumulated interest	264,007	509,529
Government bonds - total	30,069,069	30,260,661

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

(ii) Bonds

On 30 September 2023, the Company 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 September 2023	31 December 2022
	(unaudited)	(audited)
Balance at the beginning of the reporting period	-	-
Purchases	220,662,000	-
Maturity dates	-	-
Revaluation net impact	3,195,000	-
Balance at the end of the reporting period	223,857,000	-
Accumulated interest	10,855,531	-
Total bonds	234,712,531	-

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES

As at 30 September 2023 investments in subsidiaries refers to:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Energonuclear S.A.	222,438,103	199,438,105
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	200	200
Total	222,438,503	199,438,505

Energonuclear S.A.

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

As at 30 September 2023 and 31 December 2022, the Company held 100% of the share capital of Energonuclear. The shareholding value as at 30 September 2023 amounted RON 226,924,999.825478 (31 December 2022: RON 199,438,105).

By Decision of the Extraordinary General Meeting of Shareholders no. 4/11.07.2017, the Company’s shareholders approved to grant a loan convertible into shares in amount of maximum RON 5,500,000 to Energonuclear S.A. for the purpose of financing the activities of maintenance and preservation of the site of Units 3 and 4 of Cernavodă NPP. Until 31 December 2021, Energonuclear had accessed the entire approved amount, namely RON 5,500,000, for which it had an accumulated interest rate of RON 272,005. The loan was converted into shares according to the Decision of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021, registered with the Trade Register under application for amendments no. 485731/10.09.2021. As at 30 September 2023 the Company did not register any loans granted to Energonuclear S.A..

In the year 2021, the share capital of Energonuclear S.A. was increased two times, as follows:

- according to the Resolution of the Extraordinary General Meeting of Shareholders no. 3/21.04.2021 by issue of new shares amounting RON 25,000,001.36, and
- according to the Resolution of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021 in amount of RON 5,772,005.22, representing the conversion of the shareholding loan into shares.

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

In 2023, the share capital of Energonuclear S.A. was increased by the amount of RON 22,999,997.30, under Resolution of the Extraordinary General Meeting of Shareholders no. 5/29.08.2023 by issue of new shares.

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

Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L. (“F.P.C.U Feldioara”) has its registered office located in Brasov County, Feldioara Locality, Str. Dumbravii nr. 1, the administrative building, ground floor and is registered with the Trade Register under number J8/2729/23.09.2021, with Unique Registration Code 44958790, tax attribute RO. The main activity of FPCU Feldioara consists in “Processing of nuclear fuel” – CAEN Code 2446.

As at 30 September 2023, respectively 31 December 2022, the Company held 100% of the share capital of F.P.C.U Feldioara. The shareholding value as at 30 September 2023, respectively 31 December 2022 amounted **RON 200**.

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

7. FINANCIAL INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In 2021, the Company's shareholders approved the granting of a loan of RON 2,300,000, increase in 2022 up to RON 3,600,000, for the purpose of financing the activities and expenses of the subsidiary upon its establishment, in compliance with the provisions of the activity programs and of the income and expenditure budget for the years 2021 and 2022.

In 2023, a loan of RON 11,000,000 was approved by the shareholders of the Company for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023. As at 30 September 2023, the Company had a principal of RON 8,600,000 (31 December 2022: RON 3,600,000) and an accrued interest of RON 454,922 (31 December 2022: RON 130,772).

Nuclearelectrica Serv S.R.L.

Nuclearelectrica Serv S.A. has its registered office located in Constanta County, Cernavodă Locality, Str. Energiei nr. 21, Hotel nr. 2, Building B, 1st floor and is registered with the Trade Register under number J13/4108/17.12.2021, with Unique Registration Code 45374854, tax attribute RO. The main activity of Nuclearelectrica Serv consists in "Repair of machinery" - CAEN Code 3312.

As at 30 September 2023, respectively 31 December 2022, the Company held 100% of the share capital of Nuclearelectrica Serv. The shareholding value as at 30 September 2023, respectively 31 December 2022 amounted **RON 200**.

In 2022, the Company's shareholders approved the granting of a loan in amount of RON 3,500,000, for the purpose of financing the activities and expenses of the subsidiary upon its establishment, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2022.

In 2023, the amount of the loan was increased up to RON 18,600,000, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023. As at 30 September 2023, the subsidiary accessed the amount of RON 8,006,800 (31 December 2022: RON 1,920,000), for which it booked an accrued interest of RON 334,209 (31 December 2022: RON 46,617).

8. FINANCIAL INVESTMENTS IN RELATED ENTITIES

Ropower Nuclear S.A.

In September 2022, the special purpose vehicle Ropower Nuclear S.A. was established, owned in equal shares by the shareholders S.N. Nuclearelectrica S.A. and Nova Power&Gas S.R.L. Its registered office is located in Romania, 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 September 2023, the Company held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting **RON 19,943,000** (31 December 2022, RON 4,943,000).

In 2023, the share capital of the affiliated entity Ropower Nuclear S.A. was increased as follows:

- 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 and
- based on EGMS Decision no. 10/29.08.2023 with the amount of RON 10,000,000 through the issue of 10,000 new shares, of which 5,000 new shares represent the cash contribution of SNN, and 5,000 shares the cash contribution of Nova Power & Gas SRL.

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

8. FINANCIAL INVESTMENTS IN RELATED ENTITIES (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 77MWe each, totalling 462MWe, as well as to operate a facility for production of electricity from solar energy, with a capacity of at least 80-100MWe, in the commune of Sotanga, County of Dâmbovița.

In 2023, RoPower Nuclear SA concluded a loan agreement with SNN for the equivalent in EUR of the amount of USD 8,966,023, of which the amount of USD 4,556,949 was drawn until 30 September 2023. The loan was granted for the purpose of financing the technical assistance activities related to SMR Front End Engineering and Design (FEED) Phase 1. As at 30 September 2023, the outstanding loan principal amounts to EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted RON 132,290.

9. INVENTORIES

As at 30 September 2023 and 31 December 2022 inventories were presented as follows:

	<u>30 September 2023</u> <u>(unaudited)</u>	<u>31 December 2022</u> <u>(audited)</u>
Spare parts	217,863,586	240,796,144
Other raw materials and materials	581,591,981	412,403,547
Total	<u>799,455,567</u>	<u>653,199,691</u>

(i) Valuation of inventories

Inventories are valued at weighted average cost (WAC) according to IAS 2. See Note 3 (k) of the significant Accounting policies related to these Separate Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2022 for the other relevant accounting policies for inventories.

(ii) Amounts recognized in the Statement of Profit or Loss and Other Comprehensive Income

The value of inventories recognized as expenses in the first 9 months of 2023 is accounted for under the positions of *Spare parts expenses* and *Cost of nuclear fuel* from the Statement of Profit or Loss and Other Comprehensive Income, amounting RON 142,698,661 (31 December 2022: RON 177,118,781).

The value of inventories recognized as expenses in the first 9 months of 2023 in accordance with the provisions of IAS 2.34, representing inventories scrapped, deteriorated, written off, amounts to RON 997.381 (31 December 2022: RON 1,042,623). The Company examines the evolution of inventories on a periodical basis, providing in time impairment adjustments for inventories deemed to be impaired. Therefore, for inventories scrapped the Company provided impairment adjustments, which it wrote back on revenue upon their writing off, the effect on profit or loss being insignificant.

The value of impairment adjustments for inventories as at 30 September 2023 amounted RON 50,009,230 (31 December 2022: RON 50,081,781). In the first 9 months of 2023 no impairment adjustments were established for inventories (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 9 months of 2023, no resettlements of inventories written off were accounted for.

(iii) Pledged inventories

As at 30 September 2023 the Company did not recorded any pledged or mortgaged inventories.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

10. TRADE RECEIVABLES

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

	30 September 2023	31 December 2022
	(unaudited)	(audited)
Trade receivables	577,324,002	450,541,410
Impairment adjustments for trade receivables	(11,255,584)	(12,001,436)
Total	566,068,418	438,539,974

As at 30 September 2023, trade receivables balance is represented mainly by the following partners: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A. RON 220,787,939 (31 December 2022: RON 1,049,663), Electrica Furnizare S.A. – RON 95,592,215 (31 December 2022: RON 40,721,750) Enel Energie Muntenia S.A. – RON 67,244,799 (31 December 2022: RON 43,660,872), Enel Energie S.A. – RON 37,438,294 (31 December 2022: RON 47,068,010), and ALRO S.A. – RON 48,069,791 (31 December 2022: RON 10,645,053).

The sales made during the first 9 months in 2023 to the Company Operatorul Pietei de Energie Electrica si de Gaze Naturale „OPCOM” S.A. represented approximately 37.08% (30 September 2022: approximately 26.31%), to Electrica Furnizare S.A. represented approximately 11.82% (30 September 2022: approximately 8.48%), to ALRO S.A. represented approximately 6.68% (30 September 2022: approximately 0.95%), and to Enel Energie S.A. represented approximately 6.11% (30 September 2022: approximately 12.20%) of the total sales of electricity made by the Company.

As at 30 September 2023, the position “Trade Receivables” includes a net amount of RON 329,915,374 related to receivables from related parties (31 December 2022: RON 165,075,227).

11. OTHER FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	30 September 2023	31 December 2022
	(unaudited)	(audited)
Other receivables	74,991,264	120,242,180
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	21,526,924	300,947
Advance payments	25,403,387	20,994,645
Total	121,338,395	140,954,592

As at 30 September 2023 the position of “Taxes and duties” represented mainly recoverable VAT in amount of RON 21,526,924 RON (31 December 2022: RON 300,947).

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

12. CASH AND CASH EQUIVALENTS, BANK DEPOSITS

As at 30 September 2023 and 31 December 2022 **cash and cash equivalents** were presented as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Cash on hand	76,431	81,936
Cash at bank in RON	443,219,612	259,300,485
Cash at bank in foreign currencies	10,691,523	25,057,497
Bank deposits less than 3 months	1,056,031,000	2,396,122,000
Other cash equivalents	1,176,450	440,509
Cash and cash equivalents - Total	1,511,195,016	2,681,002,427

As at 30 September 2023 and 31 December 2022 **bank deposits** having their original due date more than 3 months and less than one year were presented as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Bank deposits	3,185,122,892	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 reporting period, as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Cash in hand	76,431	81,936
Cash at bank	453,911,135	284,357,982
Bank deposits having their original due date less than 3 months	1,056,031,000	2,396,122,000
Other cash equivalents	1,176,450	440,509
	1,511,195,016	2,681,002,427

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if their due date is of 3 months or less from their set up. See Note 3 (m) of the significant Accounting policies related to these Separate Financial Statements of the Company 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 at banks are permanently at the disposal of the Company and are not restricted or encumbered.

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

As at 30 September 2023 the Company held bank guarantee letters under certain credit facilities, without any collateral deposits, in amount of RON 135,576,892 RON (31 December 2022: RON 124,714,365).

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13. EQUITY

Share capital

The Company was established by spin-off from the former Autonomous Electricity Administration (“RENEL”). Share capital represents the State contribution to the Company’s establishment as at 30 June 1998 (restated with inflation until 31 December 2003), plus subsequent increases.

According to the articles of association, the authorized share capital of the Company amounts to RON 3,016,518,660. Subscribed and paid-up share capital as at 30 September 2023 and respectively, 31 December 2022 amounted RON 3,016,438,940 RON, under the authorized capital.

As at 30 September 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 structure is presented as follows:

	30 September 2023	31 December 2022
	(unaudited)	(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 September 2023 and, respectively, 31 December 2022, the statutory share capital value subscribed and paid in full amounted RON 3,016,438,940 RON, made up of 301,643,894 ordinary shares, each with a nominal value of RON 10.

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

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

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

Shareholders	Number of shares	% of the	Number of shares	% of the
	30 September 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 premium

In November 2013, the Company 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 RON 21,553,537 as at 30 September 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 Company sets up statutory reserves of 5% of the gross profit statutorily registered, up to 20% of the share capital. The value of legal reserve as at 30 September 2023 amounted 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 September 2023, the revaluation reserve amounts to RON 351,340,000 (31 December 2022: RON 394,369,643), 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.

In the first 9 months of 2023, the Company recorded a decrease in the revaluation reserve in amount of RON 43,029,643 as a result of its transfer into retained earnings (2022: RON 57,372,857).

Retained earnings

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

Movements in result carried forward

	30 September 2023	31 December 2022
	(unaudited)	(audited)
Balance at the beginning of the reporting period	6,876,165,858	4,648,549,459
<i>Net profit of period</i>	<i>1,976,613,691</i>	<i>2,764,423,452</i>
Actuarial (losses) related to the defined benefit plans	-	1,745,457
Retained earnings from other adjustments	-	-
Transfer of revaluation reserves into retained earnings due to amortization	43,029,643	57,372,857
Dividends	(1,283,215,656)	(595,925,367)
Balance at the end of the reporting period	7,612,593,536	6,876,165,858

Dividends

During the 9-month period ended on 30 September 2023, the Company declared dividends in amount of RON 1,283,215,656 for the financial year ended on 31 December 2022 (2022: RON 595,925,367 for the financial year ended on 31 December 2021). Net dividends unpaid as at 30 September 2023 amounted RON 1,104,472 (31 December 2022: RON 748,270).

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

14. EARNINGS PER SHARE

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

(i) Earnings based on share

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Net profit of the reporting period	687,832,645	718,298,304	1,976,613,691	1,939,090,513
Number of ordinary shares at the beginning of the reporting period	301,643,894	301,643,894	301,643,894	301,643,894
Number of ordinary shares issued during the reporting period	-	-	-	-
Weighted average number of ordinary shares at the end of the reporting period	301,643,894	301,643,894	301,643,894	301,643,894
Earnings based on share (RON/share)	2.28	2.38	6.55	6.43

(ii) Diluted earnings per share

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Net profit of the reporting period	687,832,645	718,298,304	1,976,613,691	1,939,090,513
Number of ordinary shares at the beginning of the reporting period	301,643,894	301,643,894	301,643,894	301,643,894
Number of ordinary shares issued during the reporting period	-	-	-	-
Weighted average number of ordinary shares (diluted) as at 30 September	301,643,894	301,643,894	301,643,894	301,643,894
Diluted earnings per share (RON/share)	2.28	2.38	6.55	6.43

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

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

15. LOANS

The loans recorded by the Company as at 30 September 2023, respectively 31 December 2022 were the following:

	30 September 2023 (unaudited)	< 1 year	> 1 year	31 December 2022 (audited)	< 1 year	> 1 year
Bank loans	87,552,960	65,167,260	22,385,700	130,116,620	65,305,680	64,810,940
Interest	1,001,922	1,001,922	-	219,753	219,753	-
Total	88,554,882	66,169,182	22,385,700	130,336,373	65,525,433	64,810,940

Bank loans

The loans repayments during the financial period ended as at 30 September 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%	(42,907,920)	2024
Foreign exchange differences			344,260	
Balance as at 30 September 2023 (unaudited)			87,552,960	

(i) Long-term loans

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

	30 September 2023 (unaudited)	31 December 2022 (audited)
EURATOM	87,552,960	130,116,620
Less: current part of the long-term loans	(65,167,260)	(65,305,680)
Total long-term loans net of the short-term portion	22,385,700	64,810,940

(ii) Short-term loans

As at 30 September 2023 and 31 December 2022 **short-term** loans were presented as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Current part of the long-term loans	65,167,260	65,305,680
Long-term loans interest	1,001,922	219,753
Commitment fees and short-term insurance	-	-
Short-term loans - Total	66,169,182	65,525,433

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

16. OBLIGATIONS REGARDING EMPLOYEE BENEFITS

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

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

As at 30 September 2023 and 31 December 2022, the Company has the following obligations:

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

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

Measurement date	31 December 2022	31 December 2021
Number of employees	2,344	2,205
Salary increase rate	The management of the Company estimated an increase in line with the annual increase rate of consumer prices communicated by the National Prognosis Committee for 2022-2026. The weighted average rate of salary increases is 5.7% p.a. The inflation rate was estimated based on the statistics issued by INSSE and the BRD forecast of August 2022, as follows: 13.9% in 2022, 7.5% in 2023, 4.9% in 2024, 3.0% in 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

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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16. OBLIGATIONS REGARDING 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 Statement of the Financial Position.

17. TRADE AND OTHER PAYABLES

As at 30 September 2023 and 31 December 2022 trade and other payables were presented as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Suppliers of non-current assets	65,866,287	46,767,931
Suppliers	135,557,061	110,396,300
Liabilities for employee benefits	23,211,043	37,461,202
Liabilities to the state	246,169,287	239,212,576
Payable dividends	1,104,913	763,805
Other liabilities	13,057,871	10,713,845
Total	484,966,462	445,315,659

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
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17. TRADE AND OTHER PAYABLES (CONTINUED)

As at 30 September 2023, the main partners from positions “Suppliers of non-current assets” and “Trade payables”, are: Cameco Corporation: RON 37,859,985 (31 December 2022: RON 0), Candu Energy INC. – RON 29,558,759 (31 December 2022: RON 26,956,168), General Electric Global Services GMBH Baden, Romania Branch – RON 21,966,226 (31 December 2022: RON 23,264,335), Apele Romane Bucuresti – RON 19,249,374 (31 December 2022: RON 12,302,495), Administratia Nationala Apele Romane Dobrogea Litoral – RON 8,225,963 (31 December 2022: RON 3,215,249).

As at 30 September 2023, position “Trade Payables and other liabilities” include the amount of RON 45,457,363 (31 December 2022: RON 38,176,357) corresponding to liabilities to affiliated parties representing “Trade payables” and “Suppliers of non-current assets”, and under the heading "Liabilities to the state" the amount of RON 200,685,772 representing the Energy Transition Fund contribution estimate for September 2023 and the amount of RON 8,419,713 (31 December 2022: RON 8,063,243), representing the contribution to ANDR for decommissioning of the nuclear units and permanent storage of radioactive waste, fully paid in October.

18. PROVISIONS FOR RISKS AND CHARGES

As at 30 September 2023, respectively 31 December 2022 the Company recorded the following provisions, included under position of “Provisions for risks and charges” and under position of “Current part of provisions for risks and charges”:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	68,886,618	70,294,835
Liabilities relating to other low and medium level radioactive and non-radioactive waste	68,107,832	64,737,442
Provision for litigations related to salary bonus	98,382,657	89,288,704
Employee participation in profit	31,829,918	27,000,000
Other provisions for risks and charges	166,470	224,307
Total	267,373,495	251,545,288

As at 30 September 2023, provisions in a total amount of RON 267,373,495 represented short and long-terms liabilities, as follows:

	Current part (≤ 1 year)	Long-term part (> 1 year)
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	27,501,825	41,384,793
Liabilities relating to other low and medium level radioactive and non-radioactive waste	14,163,124	53,944,708
Provision for litigations related to salary bonus	-	98,382,657
Employee participation in profit	31,829,918	-
Other provisions for risks and charges	166,470	-
Total	73,661,337	193,713,158

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

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

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Sales of energy via MACEE	574,391,025	-	1,522,984,185	-
Sales of energy on the competitive market	1,273,204,405	1,740,593,162	4,019,579,396	4,825,320,075
Sales of thermal energy	211,925	207,386	4,420,427	4,545,854
Income from the sale of green certificates	6,697	7,351	23,758	24,156
Total	1,847,814,079	1,740,807,899	5,547,007,766	4,829,890,085

(ii) Quantity of electricity sold*)

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Quantity of electricity sold via MACEE (MWh)	1,276,425	-	3,384,409	-
Quantity of sold electricity on the competitive market (MWh)	1,452,509	2,692,430	4,285,213	7,770,924
Total	2,728,934	2,692,430	7,669,622	7,700,924

^{*)} The quantity of energy sold presented does not include the quantity of electricity related to the revenues from positive imbalances capitalized on the Balancing Market, in a quantity of 29,458 MWh for the 9-month period ended on 30 September 2023 (28,848 MWh during the 9-month period ended on 30 September 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 9 months of 2023, the Company sold via MACEE a quantity of 3,384,409 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 43.96% of the total electricity sold during the period.

In the period 1 January 1 – 30 September 2023, the Company sold on the competitive market 55.66% of the electricity sold (1 January – 30 September 2022: 99.63%), respectively 4,285,213 MWh (1 January – 30 September 2022: 7,770,924 MWh). The average selling price of electricity sold by the Company on this market during the period 1 January – 30 September 2023 was 938.90 RON/MWh (1 January - 30 September 2022: RON 623.85 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. Sales of heat energy during the period 1 January – 30 September 2023 amounted RON 4,420,427 (1 January – 30 September 2022: RON 4,545,854).

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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20. OTHER INCOME

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Income from investments subsidiaries	3,587,074	3,588,517	10,762,481	10,766,158
Income from operating subsidiaries	-	320,326	-	320,326
Income from penalties and damages	1,169,480	1,022,086	3,364,030	2,011,604
Other income	16,336,772	17,803,557	71,725,416	51,699,109
Total	21,093,326	22,734,486	85,851,927	64,797,197

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

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended on 30 September 2022 (unaudited)
Additional income tax expenses/ Contribution to the Energy Transition Fund	597,565,000	287,120,312	2,059,255,999	872,930,885
Total	597,565,000	287,120,312	2,059,255,999	872,930,885

In the first 9 months of 2023, the Company booked Contribution to the Energy Transition Fund, of RON 2,059,255,999 (01 January - 30 September 2022: RON 872,930,885, under the heading additional income tax). As at 30 September 2023, the payable balance of the to the Energy Transition Fund amounts to RON 299,685,772 (31 December 2022: 73,261,115 RON), fully paid in October.

In the first 9 months of 2022, the Company recorded 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 30 September 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 to Government Emergency Ordinance no. 27/2022 and is determined as a difference between the monthly selling 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 selling 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 selling price (until the entry into force of Law no. 357/2022, respectively in the previous reporting period, other types of expenses were also deducted from the calculation base expenses, for example expenses with purchased electricity).

Notes from 1 to 26 are an integral part of these Individual Interim Financial Statements.

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Notes to the Individual Interim Financial Statements prepared as at and for the 9-month period ended on 30 September 2023
(All amounts are expressed in RON, unless otherwise expressly provided for.)

22. OTHER OPERATING EXPENSES

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Other expenses with on services executed by third parties	24,354,690	24,020,084	78,034,317	71,309,413
ANDR costs	25,215,923	25,101,192	75,330,180	75,715,483
Expenses with energy and water	37,610,454	23,515,248	86,657,108	65,506,912
Expenses with fuel and other consumables	15,346,260	794,499	48,581,717	46,474,605
Expenses related to ANRE contribution	1,345,748	14,762,831	4,536,633	2,347,172
Expenses with insurance premiums	4,108,601	4,014,855	10,792,786	9,546,060
Expenses with the transport and telecommunications	3,950,854	3,453,263	11,212,003	7,818,087
Net expenses related to provisions and value adjustments	2,625,367	1,397,693	8,519,453	13,668,991
Other operating expenses	3,394,668	11,439,965	39,745,379	27,385,586
Total	117,952,565	108,499,630	363,409,576	319,772,309

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 0.6 EUR/MWh net electricity produced and delivered in the system;
- contribution for the permanent storage of radioactive waste of 1.4 EUR/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. 140/2022, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held. As at 30 September 2023, the contribution amounted RON 4,536,633 (30 September 2022: RON 2,347,172). 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 CNCAN Bucharest, in amount of RON 7,646,447 (30 September 2022: RON 7,443,406).

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23. FINANCIAL INCOME AND EXPENSES

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Interest income	76,668,647	65,317,246	277,103,709	123,111,865
Income from exchange rate differences	7,482,594	7,146,354	23,223,529	14,488,110
Dividend income	968,351	-	968,351	60,935
Financial income regarding the amortization of governmental bonds differences	18,461	18,028	53,930	52,901
Other financial income	4,274,398	-	10,864,254	-
Financial income - Total	89,412,451	72,481,628	312,213,773	137,713,811
Expenses from exchange rate differences	(6,490,627)	(7,956,868)	(16,469,551)	(18,560,512)
Interest expense	(1,766,072)	(483,633)	(5,040,451)	(4,819,297)
Financial expenses - Total	(8,256,699)	(8,440,501)	(21,510,002)	(23,379,809)
Net financial income	81,155,752	64,041,127	290,703,771	114,334,002

24. CORPORATE INCOME TAX

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

	3-month period ended 30 September 2023 (unaudited)	3-month period ended 30 September 2022 (unaudited)	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)
Expense with current corporate tax	132,042,157	139,527,909	367,213,438	380,026,556
Net (Income)/Expenditure from deferred tax	(1,764,440)	(1,283,402)	(5,024,618)	(7,000,771)
Total	130,277,717	138,244,507	362,188,820	373,025,785

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25. 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 Company'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

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 expenditure 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.

Next, ANAF - DGAF, in the period 09 May 2023 – 15 June 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 April 2022 – 31 March 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 December 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 as at 30 September 2023, SNN has not received an answer regarding those reported. Later, on 02 October 2023, by letter no. 16855/02.10.2023, ANAF - DGAF presented the draft Assessment Decision regarding the payment of the amount of RON 18,041,597 and, at the same time, the invitation to a hearing during which SNN had an opportunity to express their opinion on the draft Assessment Decision. Regarding this project, SNN expressed its point of view in writing. The action is in progress.

(iii) Insurance policies

As at 30 September 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.

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25. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS (CONTINUED)**(iv) Environmental issues**

The Company does not register any liabilities as at 30 September 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 22). 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 September 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 Company 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

As at 30 September 2023, the Company is 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 Company's management opinion, at present there are no legal proceedings or claims likely to have any significant impact on the financial result and financial position of the Company, which was not presented in such financial statements.

(vi) Commitments

As at 30 September 2023, the Company committed itself to bear operational and investment expenses in compliance with the agreements in progress for current investments and operations, normal during the performance of the basic activity. As at 30 September 2023, the total value of commitments was fully reflected in position of "Trade and other payables".

(vii) Warranties

Trade of electricity produced on the platforms managed by OPCOM, supposes that for certain transactions, the Company should provide bank guarantee letters for participation in certain markets such as DAM (Day-Ahead Market) and IDM (Intra-Day Market), bids (PCSU – Centralized Market for Universal Service, PC-OTC – Centralized Market with double continuous negotiation of bilateral electricity agreements) or in favour of the clients (CMBC-CN – Centralized Market of Bilateral Agreements with Continuous Negotiation, CMBC-LE – Centralized Market of Bilateral Agreements by Wide Bid, CMBC-Le-flex LE – Centralized Market of Bilateral Agreements by Wide Bid).

As at 30 September 2023, the total amount of the letters of bank guarantee issued in favour of OPCOM, for participation in DAM and IDM, amounts to RON 130.1 million.

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

25. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS (CONTINUED)**(vii) Warranties (continued)**

Moreover, as at 30 September 2023, the Company issued up letters of bank guarantee in favour 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 favour of Transelectrica S.A., on account of the Agreement of Party Responsible for Balancing concluded between the Company as a license holder, and Transelectrica S.A. For all such bank guarantee letters, the Company set up collateral deposits with banks issuing guarantee letters. The Company also holds a letter of bank guarantee of RON 3.668 million in favour of Transelectrica, for provision of the transmission service.

As at 30 September 2023 the Company had set up with the Treasury, a deposit in amount of RON 1,436,176, representing the establishment of precautionary measures according to ANAF (National Agency for Fiscal Administration) Decision – General Tax Antifraud Directorate.

As at 30 September 2023, the total value of the bank guarantee letters issued by clients in favour of the Company for the agreements concluded on CMBC-CN, CMBC-LE and CM-OTC amounted RON 539.58 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

26. SUBSEQUENT EVENTS

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

Chief Executive Officer
Cosmin Ghita

Chief Financial Officer
Dan Niculaie Faranga