



NUCLEARELECTRICA

Current report according to the provisions of Law no. 24/2017 on issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations

Reporting date: 13.11.2023

Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.

Registered office: 48 Iancu de Hunedoara Av, District 1, Bucharest

Phone/fax number: 021-203.82.00 / 021 – 316.94.00

Sole Registration Code with the Trade Register Office: 10874881

Order number: J40/7403/1998

Subscribed and paid share capital: 3,016,438,940 Lei

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

**To: Bucharest Stock Exchange
Financial Supervisory Authority**

Significant event to report: Availability of the Quarterly Report on the economic and financial activity for the 9-month period ended on September 30, 2023

Societatea Nationala Nuclearelectrica S.A., stock exchange symbol "SNN", informs shareholders and investors about the availability, as of **13 November 2023, 08:00**, of the Quarterly Report on the economic and financial activity for the 9-month period ended 30 September 2023, prepared in accordance with the provisions of Article 69 of Law no. 24/2017 on issuers of financial instruments and market operations, republished and of Annex no. 13 to ASF Regulation no. 5/2018.

The quarterly report on the economic and financial activity for the 9-month period ending 30 September 2023 can be consulted free of charge either at the company's registered office in Bucharest, Av. Iancu de Hunedoara, no. 48, district 1, or by accessing the electronic format on the company's website at www.nuclearelectrica.ro, Investor Relations section.

The quarterly report on the economic and financial activity for the 9-month period ending 30 September 2023 includes:

- The main events in the Company's business during the reporting period;
- Individual interim financial statements as at and for the nine-month period ended 30 September 2023, prepared according to the OMFP [Order of the Ministry of Public Finance] no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, passed by the European Union, based on Accounting Standard 34 - "Interim financial reporting";
- Quarterly report of the Board of Directors for the period from 1 January to 30 September 2023.

Further information can be obtained from the Company's External Communications, Sustainability and Investor Relations Department, email: investor.relations@nuclearelectrica.ro.

Societatea Nationala NUCLEARELECTRICA S.A.

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Main results:

1. Financial results for the period

In the 9-month period ended 30 September 2023, SNN achieved a net profit of RON 1,976,614 thousand, up 1.9% compared to the same period last year.

Ratio [Thousand RON]	9-month period ended 30 September 2023 (not audited)	9-month period ended 30 September 2022 (not audited)	Variation
<i>Production (GWh)*</i>	7,622	7,410	2.9%
Operating revenues, out of which:	5,659,471	4,910,534	15.3%
<i>Revenues from the sale of electricity**</i>	5,547,008	4,829,890	14.8%
Operating expenses, less depreciation and impairment	(1,082,256)	(1,388,541)	(22.1%)
Cost of contribution to the Energy Transition Fund/tax on additional income	(2,059,256)	(872,931)	135.9%
EBITDA	2,517,959	2,649,062	(4.9%)
Depreciation and impairment	(469,860)	(451,279)	4.1%
EBIT	2,048,099	2,197,783	(6.8%)
Financial income	312,214	137,713	126.7%
Financial expenses	(21,510)	(23,380)	(8.0%)
Net financial result	290,704	114,334	154.3%
Net corporate income tax expenses	(362,189)	(373,026)	(2.9%)
Net profit	1,976,614	1,939,091	1.9%

*Electricity produced and delivered by Cernavodă NPP in the National Energy System.

**Including income from the sale of thermal energy, insignificant in total income.

Operating profit (EBITDA) decreased by 4.9% compared to the same previous period, significantly impacted by the increase in the energy transition fund contribution expense due for the period 1 January to 30 September 2023 which was 135.9% higher than the additional income tax due for the similar previous period. The main reasons for the increase in this tax being the changes in the calculation methodology detailed below, as well as the increase in the calculation base represented by revenues from the sale of electricity, which for the period 1 January - 30 September 2023 were higher than in the similar previous period.

Operating income increased by 15.3%, supported by a 14.8% increase in electricity sales revenues, driven by a 15.5% increase in the weighted average price, including Tg, of electricity sold in the period 01 January - 30 September 2023 compared to the weighted average price in the same period of 2022, given that a similar quantity of electricity was sold, an increase of 2.9%.

Compared to the same period of the previous year, the key change in the sales mix is represented by the introduction of the Centralized Electricity Purchase Mechanism ("MACEE"), set up by GEO no. 153/2022 for the period 1 January 2023 - 31 March 2025, in which SNN participates as a producer. OPCOM S.A., as sole purchaser, according to Art. 2 and Art. 3 para. (2) of GEO no. 153/2022, buys electricity from producers at the price of 450 RON/MWh and sells it to buyers at

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the same price. During 01 January - 30 September 2023, SNN sold via MACEE the quantity of 3,384,409 MWh at the price of 450 RON/MWh, which accounts for 43.96% of the total electricity sold during the period.

The quantity of electricity sold on the competitive market of bilateral contracts decreased by 51.4%, accounting for 42.01% of the total quantity sold, and the average selling price on this market was 103% higher (price without Tg).

The quantity of electricity sold by SNN on the spot market (PZU and PI) in the first 9 months of 2023 increased by 0.5%, accounting 13.65% of the total sold quantity, and the average selling price on this market was 57% lower (price without Tg).

The cost of the Contribution to the Energy Transition Fund/tax on additional income, of 2,059,256 thousand RON, due for the period 1 January - 30 September 2023, increased by 135.9% (1 January - 30 September 2022: 872,931 thousand RON), due to the changes in the calculation methodology and the increase in the calculation base, represented by higher revenues from the sale of electricity in the first 9 months of 2023 compared to the same period of the previous year.

As at 30 September 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average selling price of electricity, calculated according to the calculation methodology, and the price of 450 RON/MWh, pursuant to Article II(1) of Law no. 259/2021 for approving the Government Emergency Ordinance no. 118/2021, as subsequently amended and supplemented. The calculation method is set out under the Government Emergency Ordinance no. 27/2022 (Appendix 6).

In the period from January 1st to September 30th 2023, the contribution to the energy transition fund was determined as 100% applied to the difference between the average monthly selling price calculated according to the modified methodology and 450 RON/MWh, according to the provisions of Law no. 357/2022 approving GEO no. 119/2022. The calculation methodology applicable for the current reporting period did not allow the deduction from the calculation base of the electricity purchase expenses, the expenses related to the access to the energy markets (Tg and market administration expenses), as allowed by the methodology applicable in the previous similar period. For the period 01 January 2023 - 30 September 2023, the monthly expense included only the cost of imbalance.

Operating expenses, less depreciation and amortization and Energy Transition Fund Contribution/tax on additional income, decreased by 22.1% during the period 01 January - 30 September 2023, compared to the same previous period. This decrease is determined by lower expenditure on purchased electricity, with the amount of electricity purchased in the first 9 months of 2023 decreasing by 76% compared to the similar previous period.

The financial result positively influenced the net result, so that in the period 01 January - 30 September 2023 net financial income increased by 126.7% compared to the same period of the previous year, fed by the interest income obtained during the period. The main currencies with exposures are EUR and CAD.

Net income tax expense decreased by 2.9% as a result of a decrease in taxable profit calculated for the period January 1 to September 30, 2023 compared to that calculated for the previous similar period, also influenced by the impact of the income tax expense and income recognized in the period.

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2. Electricity production and sales (quantities, prices and values) in the period 1 January - 30 September 2023

The gross electricity production of the two operating units of the Cernavoda NPP was 8,287,615 MWh in the first 9 months of 2023 (of which 2,942,733 MWh in the third quarter of 2023); of this gross production, the Units' own technological consumption during operation, as well as during shutdowns ensured from own production, was 665 thousand MWh in the first 9 months of 2023 (of which 240 thousand MWh in the third quarter of 2023).

Thus, the electricity produced and delivered to the National Energy System ("NES") was 7,622,416 MWh in the first 9 months of 2023, compared to the same period of 2022 (7,410,474 MWh), representing an increase of 2.9%. In the third quarter of 2023 the amount of electricity produced and delivered to the NES was 2,702,277 MWh, an increase of 2.7% compared to the level recorded in the third quarter of 2022 of 2,631,270 MWh.

The net electricity production program approved by the Board of Directors for 2023 (March 2023 revision) envisaged a quantity of 10,218,912 MWh, and for the first 9 months of 2023, it envisaged a quantity of 7,477,070 MWh, being 101.9% achieved; for the third quarter of 2023, it envisaged a quantity of 2,647,123 MWh, being 102% achieved.

The utilization factor of the installed power, recorded by each operating unit of the Cernavoda NPP in the third quarter of 2023, as well as cumulated from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 30 September 2023, was as follows:

Cernavodă NPP unit	Cumulative first half 2023	July 2023	August 2023	September 2023	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	97.67%	93.97%	87.34%	94.56%	95.74%	90.56%
Unit 2	77.50%	96.81%	96.80%	97.63%	84.07%	93.75%

Electricity sales (quantities, prices and values) during 01 January - 30 September 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	3,384,409	43.96%	450.00	1,522,984,185
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	4,285,213	55.66%	942.37	4,038,260,789
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC contracts, directly negotiated contract and supply contracts	3,234,459	42.01%	1,079.72	3,492,324,142
- Sales on DAM and IDM	1,050,754	13.65%	519.57	545,936,647
Positive imbalances on PE*	29,459	0.38%	269.19	7,929,827
Total sales during Q3 2023, aggregate	7,699,080	100%	723.36	5,569,174,801

^{*)} Note: the values also include RON 1,947,791 of additional system balancing income, according to ANRE Order 213/2020. The value of the positive imbalances related to September 2023 is estimated.

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The amount of electricity sold through the Centralized Electricity Purchase Mechanism, on a contract basis, on the spot market (PZU and PI) as well as on the PE is 7,699,080 MWh, 1.4% above the sales program of 7,593,947 MWh (scaled to the production forecast, without estimating unplanned outages) and 0.4% below the amount of electricity sold in the similar period in 2022.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (76.6 thousand MWh) is represented by the electricity purchased for the full coverage of contractual obligations, which was purchased 47% from the spot market and 53% from PE.

Realized revenues on the electricity market related to electricity deliveries in the first 9 months of 2023 are 5,569,174,801 RON, higher by 0.05% compared to the budgeted revenues adjusted for 2023 at 9 months and respectively higher by 15% compared to the realizations in the first 9 months of 2022.

The weighted average selling price for the quantities of electricity sold (without MACEE and PE), resulting in the period 01 January - 30 September 2023, is 942.37 RON/MWh (including Tg). For comparison, the weighted average price of all transactions concluded on the markets where SNN has been active in the first 9 months of 2023 (PCCB - LE flex, PCCB - NC, PC - OTC, PZU and PI), calculated on the basis of the values published by OPCOM in the monthly market reports, is 723.36 RON/MWh. **In the period 01 January - 30 September 2022, the weighted average selling price for the quantities of energy sold (without PE) was 625.90 RON/MWh (including Tg).**

SNN is a seller under the Centralized Electricity Purchase Mechanism (MACEE), established by GEO no. 153/2022 for the period 1 January 2023 - 31 March 2025. OPCOM S.A., as sole buyer, according to art. 2 and art. 3 para. (2) of GEO no. 153/2022, buys electricity from producers and sells it to buyers at a price of 450 RON/MWh through the Centralized Electricity Purchase Mechanism. In the first 9 months of 2023, SNN sold through MACEE to OPCOM the amount of 3,384,409 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in the first 9 months of 2023 a percentage share of 42.01% of the total volume of electricity sold, compared to a percentage share of 86.10% recorded in the same period of 2022.

The average selling price on bilateral contracts in the first 9 months of 2023 was 1,079.72 RON/MWh (including Tg), registering an increase of 103% compared to the average price registered in the previous similar period of 532.50 RON/MWh (including Tg); given that the value of the transmission tariff for introducing electricity into the grid Tg was 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

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On the spot market (PZU and PI), in the first 9 months of 2023 a quantity of electricity was sold representing 13.65% of the total sales volume, compared to a percentage share of 13.53% recorded in the same period of 2022. The average energy selling price on the spot market (PZU and PI) achieved by SNN in the first 9 months of 2023 was 519.57 RON/MWh (including Tg), compared to 1,220.54 RON/MWh (including Tg) recorded in the previous similar period.

3. Investment program as at 30 September 2023

The total rectified amount of SNN's 2023 investment program is RON 710.318 thousand (without the component allocated to payment of debt service for long-term loans), which is higher than the rectified amount of the 2022 investment program (RON 609,220 according to the 2022 rectified IEB approved by the OGMS Resolution no. 10/19.10.2022). The rectified investment program for the year 2023 was approved by Resolution of the Board of Directors no. 232/27.10.2023.

SNN's investment program for 2023 includes investment projects required at the Cernavoda NPP Branch, the Pitesti NPP Branch and the Head Office, estimated to be completed by the end of 2023, as well as investment objectives to be completed in the coming years.

When sizing the investment development program, S.N. Nuclearelectrica S.A. took into account the need of the branches (Cernavodă NPP and NFP Pitești) regarding production continuity, respectively reaching the highest possible level of production capacity utilization (EAF – Energy Availability Factor) in compliance with the nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant.

At the same time, the development program also responds to the need to modernize/refurbish some of the plant's systems, which, for economic reasons (reduction of specific consumption, improvement of some parameters characteristic of the processes served, with a positive impact on efficiency) and for legal reasons, require the implementation of improvements associated with nuclear safety, environmental protection and occupational safety, which represent imperative requirements from the regulatory authorities in the field.

SNN's investment program for the year 2023 has been sized in terms of value taking into account ongoing contractual commitments, estimates of investment objectives to be achieved by the end of 2023, including amounts allocated to investment projects for which it is anticipated that certain requirements beyond SNN's control will be met (e.g. prior approvals from regulatory authorities, legal deadlines for the completion of public procurement procedures including appeals, obtaining the necessary approvals from SNN's corporate bodies, etc.), in order to allow the implementation of these projects within the approved budget amounts.

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The comparative situation of investment achievements (in value and percentage) for the period 1 January - 30 September 2023 compared to the same period of 2022 is presented in the table below. In the period 1 January - 30 September 2023, investments amounting to RON 455,742 thousand (64,2% of the total rectified investment program for 2023) were made, according to internal planning.

Year	Investment program value [thousand RON]	Actual (01 January – 30 September) [thousand RON]	Degree of completion (01 January - 30 September) [%]
2023	710,318	455,472	64.2%
2022	609,220	422,383	69.3%

Note. The value of the investment program, and the calculated progress attained in 1 January – 30 September are in accordance with the figures approved in the rectified IEB 2022 and rectified IEB 2023

Further information is available and will be provided by the External Communication, Sustainability and Investor Relations Department, e-mail: investor.relations@nuclearelectrica.ro.

Cosmin Ghita
Chief Executive Officer

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QUARTERLY REPORT

regarding the economic and financial activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, as republished on 10 August 2021 and Appendix no. 13 to FSA Regulation no. 5/2018 regarding the issuers of financial instruments and market operations for the 9-month period ended 30 September 2023 (Q3 of the financial year 2023)

Basis of the report:	Art. 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations and Appendix no. 13 to FSA Regulation no. 5/2018 for the 9-month period ended 30 September 2023 (Q3 of the financial year 2023)
Date of report:	9 November 2023
Name of the issuer:	S.N. Nuclearelectrica S.A. ("SNN")
Headquarters:	Bucharest, Bulevardul Iancu de Hunedoara, nr. 48, Sector 1
Phone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Single Code of Registration with the Office of the Trade Register:	10874881
Number of registration with the Trade Register:	J40/7403/1998
Subscribed and paid-up share capital:	RON 3,016,438,940
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange (www.bvb.ro), Premium category
The main characteristics of securities issued:	301,643,894 shares, each with the nominal value of RON 10/share, in dematerialized form, registered, ordinary, indivisible, with equal rights to vote, freely tradable with Bucharest Stock Exchange under SNN symbol of 4 November 2013.
Applicable accounting standards:	Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS-EU") adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting", adopted by the European Union.
Reporting currency:	(Romanian Leu (RON)) - all amounts are expressed in RON, unless otherwise expressly provided for.
Reporting period:	Q3 of the financial year 2023

This is a free translation from the Romanian version. In case of any differences between the Romanian and English version, the Romanian version prevails. 1/8

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1. ECONOMIC AND FINANCIAL SITUATION

The Information and the Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023 disclosed in this report are not audited and nor reviewed by the company's auditor and have prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS-EU") adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting", adopted by the European Union.

The ratios presented are in thousands lei (RON), unless otherwise specified.

a) Individual Statement of Financial Position as at 30 September 2023

Ratio [thousand RON]	30 September 2023 (unaudited)	31 December 2022 (audited)
Fixed assets	6,311,172	6,049,279
Current assets	6,183,180	5,743,493
Total assets	12,494,352	11,792,772
Equity	11,228,903	10,535,505
Total liabilities, out of which:	1,265,449	1,257,267
Long-term liabilities	431,111	456,762
Current liabilities	834,338	800,505
Total equity and liabilities	12,494,352	11,792,772

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

Ratio [Thousand RON]	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)
Operating income	1,879,824	1,770,200	5,659,471	4,910,535
Operating expenses	(1,142,870)	(977,698)	(3,611,372)	(2,712,752)
Operating profit	736,954	792,502	2,048,099	2,197,783
Financial income	89,412	72,482	312,214	137,714
Financial expenses	(8,257)	(8,441)	(21,510)	(23,380)
Net financial income/(expense)	81,155	64,041	290,704	114,334
Profit before corporate tax	818,109	856,543	2,338,803	2,312,117
Net corporate income tax expenses	(130,276)	(138,245)	(362,189)	(373,026)
Profit of the period	687,833	718,298	1,976,614	1,939,091
Other items of comprehensive income	0	0	0	0
Comprehensive income	687,833	718,298	1,976,614	1,939,091
Earnings per share (RON/share)	2.28	2.38	6.55	6.43
Diluted earnings per share (RON/share)	2.28	2.38	6.55	6.43

2. IMPORTANT EVENTS

2.1 Important events in Q3 of the financial year 2023

Other significant events during the period 01 January - 30 September 2023, which have not already been presented within the half-yearly report related to the 1st semester of the year 2023 are as follows:

Key matters related to continuation of the Project to Increase the Production Capacity – Units 3 and 4 Project

On June 9, 2023, the Support Agreement was signed between the Romanian State - the Government of Romania, the General Secretariat of the Government, the Ministry of Energy, the Ministry of Finance, the Ministry of Transport - and Societatea Nationala Nuclearelectrica, in order to develop the National Strategic Project Cernavodă NPP Units 3 and 4.

The signing of the Support Agreement between the Romanian State and Nuclearelectrica for the development of the Cernavodă NPP Units 3 and 4 Project allows the start of activities related to Phase II of the Project, namely: conclusion of the agreements for the preparation of the critical engineering necessary for updating the project; updating the Project budget, structuring and contracting financing and agreeing on an appropriate contractual architecture for implementation of the Project; obtaining the favourable Opinion of the European Commission further to the Project Notice according to Article 41 of the EURATOM Treaty and a positive decision in accordance with the relevant European provisions on State Aid; obtain the Nuclear Security Authorization for the Construction Phase and have the Final Investment Decision taken for advancement to Phase III (Construction).

On 19 September 2023, the Canadian Minister of Energy and Natural Resources, in collaboration with the Romanian Minister of Energy, jointly declared Canada's commitment to provide 3 billion Canadian dollars in support for the expansion of Units 3 and 4 at the Cernavodă NPP project.

Development of the first small modular reactor (SMR) – RoPower Nuclear S.A.

On June 13, 2023 SN Nuclearelectrica SA, NuScale Power, E-INFRA, Nova Power & Gas, Fluor Enterprises and Samsung C&T Corporation signed a Memorandum of Understanding to collaborate in the implementation of NuScale VOYGR™ power plants in Central and Eastern Europe and in Romania.

Through the current report dated 29 September 2023, SNN and NuScale Power announced the approval by the National Commission for Nuclear Activities Control (CNCAN) of the Licensing Basis Document (LBD) for the NuScale nuclear power plant, equipped with small modular reactors (SMR).

Following a complex evaluation, CNCAN issued the official letter of approval in August 2023, attesting to the compliance of the Licensing Basis Document with national regulatory requirements.

The Licensing Basis Document allows the transition to the next stages of the project, because it establishes the basis for the initiation of the second phase of the design and engineering study (FEED). The approval of the Licensing Basis Document by CNCAN provides a licensing plan for the fulfilment of the critical phases of the project - location, construction, commissioning and operation.

Project for the tritium removal facility - CTRF

The Detritation Facility Project ("CTRF") is part of SNN's portfolio of initiatives aimed at the consistent implementation of the Company's general policy, namely the concern for maintaining nuclear security at the highest standards and improving environmental performance. The CTRF installation captures the tritium from the heavy water used in the nuclear-electric power plant from Cernavodă NPP, which will lead to an improvement in operational performance, economic-financial efficiency and increased protection of the population, staff and the environment, in full accordance with the ESG objectives of Nuclearelectrica and of Europe.

The CTRF technology is developed by the National Research-Development Institute for Cryogenic and Isotopic Technologies - ICSI Rm. Vâlcea; this will be the third detritation facility in the world and the first in Europe and will give Romania the opportunity to become a European center for the production and export of tritium - the candidate fuel for future fusion reactors. The project is based on an implementation strategy, updated by SNN in 2018, based on the Feasibility Study, approved under Resolution no. 9/22.08.2018 of the Extraordinary General Meeting of Shareholders.

Through the current report published on 28 June 2023, the Company informs about the signing of the engineering, procurement and construction (EPC) contract for the completion of the first detritation facility in Europe at Cernavodă NPP, between Korea Hydro & Nuclear Power (KHNP) and the Company.

By Decision no. 5/05.07.2023 of the Ordinary General Meeting of SNN Shareholders, the modification of the Implementation Strategy of the "Cernavodă NPP Detritation Facility" Investment Project was approved as a result of the update of the investment value.

The signed EPC contract has a completion timeline of 50 months with the following milestones:

- Authorisation obtaining and start of the construction/assembly work – 2024
- Acceptance of the execution details - 2025
- Commissioning the installation – 2026
- Trial run and transfer to operation - 2027

Changes in the management of the company - Directors

Under the Current Report published on 3 May 2023, the Company informed on the appointment, under a Resolution of the Board of Directors, of Mr. Dan Niculaie-Faranga to the position of Chief Financial Officer, with a 4-month term of office, starting on 3 May 2023.

On 29 September 2023, the Company informed that starting from 01 October 2023 the Individual Employment Agreement of Mrs. Melania Amuza, as Deputy CEO Business and Development Affairs of SN Nuclearelectrica SA, ceases as a result of the appointment of Mrs. Melania Amuza as General Director of RoPower Nuclear SA, the project company for the development of the Small Modular Reactors (SMR) Project, owned by Nuclearelectrica and Nova Power & Gas (part of the E-Infra Group).

Automatic disconnection of Cernavodă NPP Unit 1 from SEN

On 8 August 2023, Unit 1 of Cernavodă NPP was automatically disconnected from the National Energy System due to a malfunction in the classical part of the unit, without impact on the nuclear part.

On 10 August 2023, the Company announces that Unit 1 of Cernavodă NPP has been resynchronized to the National Energy System.

The automatic disconnection of Unit 1 as well as the remedial works have no impact on the nuclear safety of the reactor, the unit's personnel, the population or the environment.

Signing of the Letter of Intent with the Three Seas Initiative Investment Fund to explore the possibility of collaboration in the renewable energy generation sector in Romania

In its current report dated 7 September 2023, the company announces that it has signed a Letter of Intent with the Three Seas Initiative Investment Fund to explore the possibility of collaboration in the renewable energy generation sector in Romania, in order to achieve common strategic objectives.

The company, which currently generates 33% of Romania's clean energy and has strategic investment projects that will increase its contribution to the generation of clean energy to approximately 66% in 2030, is looking for opportunities to further develop complementary projects, which ensure an even greater increase in its contribution to the production of clean energy in Romania.

The investment fund of the Three Seas Initiative (3SIIF or the Fund) is interested in further identifying and partnering in opportunities that support the energy transition and energy security in the 3 Seas Region.

International collaboration between SNN and Laurentis Energy Partners to advance the production of medical isotopes in Romania

On 28 September 2023, a Memorandum of Understanding was signed between the Company and Laurentis Energy Partners, which allows collaboration on opportunities in several areas, including the production of medicinal isotopes.

The memorandum was concluded in the context of the over 55-year partnership between Romania and Canada in the field of nuclear energy and the announcement made by Jonathan Wilkinson, Canada's Minister of Energy and Natural Resources, to support the development of Units 3 and 4 of Cernavodă NPP by 3 billion Canadian dollars, aiming at achieving energy security with clean energy.

2.2. Important events subsequent to 30 September 2023

Positive revision of the rating granted by Fitch

On November 8, Societatea Nationala Nuclearelectrica S.A. ("SNN") informs shareholders and investors that the Fitch rating agency has confirmed the BBB- rating, with a stable outlook, granted to SN Nuclearelectrica SA.

3. ECONOMIC AND FINANCIAL RATIOS

SNN performances are found as well, in the fulfilment of the main economic and financial ratios, as follows:

Name of ratio	Calculation method	M.U.	Amount 30.09.2023 ^{*)}
1. Ratio of current liquidity	Current assets/ Current liabilities	x	7.41
2. Indebtedness ratio			
2.1. Indebtedness ratio (1)	Borrowed capital/ Equity x 100	%	0.2%
2.1. Indebtedness ratio (2)	Borrowed capital/ Capital employed x 100	%	0.2%
3. Debt turnover ratio - customers	Average customer balance/ Turnover x 180	days	24
4. Assets turnover ratio^{**)}	Turnover/ Fixed assets	x	1.18

**) According to the Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023.*

****) Fixed assets turnover ratio is calculated by review of the quarterly turnover (360 days/270 days).*

4. STATEMENTS AND SIGNATURES

Based on the best available information, we confirm that Individual Interim Financial Statements for the 9-month period ended 30 September 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union (“IFRS-EU”), based on International Accounting Standard 34 - “Interim Financial Reporting” adopted by the European Union, provide a fair and true image regarding financial position, financial performance and cash flows for the 9-month period ended 30 September 2023 and that such report, prepared in accordance with the provisions of art. 69 of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished on 10 August 2021, and Appendix no. 13 to FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 9-month period ended 30 September 2023, included fair and true information in relation to the company development and performance.

Teodor Minodor Chirica,
Chairman of the Board of Directors

Endorsed,
Dan Niculaie-Faranga,
Chief Financial Officer

5. APPENDICES

5.1. INDIVIDUAL INTERIM FINANCIAL STATEMENTS as at and for the 9-month period ended 30 September 2023

The Individual Interim Financial Statements as at, and for the 9-month period ended 30 September 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS-EU”) adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting”, adopted by the European Union, as published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Investor Relations.

5.2. QUARTERLY REPORT OF THE BOARD OF DIRECTORS regarding the management activity for the period 1 January - 30 September 2023

The quarterly report of the Board of Directors regarding the management activity for the period 1 January - 30 September 2023 drawn up based on the provisions of Article 55 of Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented (“Government Emergency Ordinance no. 109/2011”), and the Mandate Agreements concluded by the Board of Directors with SNN is published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Investor Relations.



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

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 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

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 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

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.

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.

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 (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.

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.)

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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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.)

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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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.)

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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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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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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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>	1,976,613,691	2,764,423,452
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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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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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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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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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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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.)

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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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.)

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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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.)

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).

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.)

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

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

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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.

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.)

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.

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.)

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.

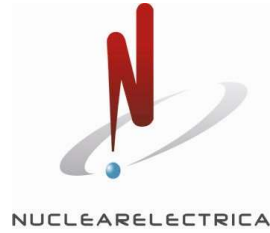
As at 30 September 2023, the total value of the bank guarantee letters issued by clients in favour of the Company for the agreements concluded on CMBC-CN, CMBC-LE and CM-OTC amounted RON 539.58 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients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



QUARTERLY REPORT
OF THE BOARD OF DIRECTORS
S.N. NUCLEARELECTRICA S.A.
(“SNN”)
Q3 2023

Date of report: November 2023

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1. BASIS OF THE REPORT

The quarterly report of the Board of Directors for the period 1 January - 30 September 2023 is drawn up based on the provisions of art. 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished, and the Mandate Contracts concluded by the Board of Directors with SNN.

2. ANALYSIS OF THE FINANCIAL SITUATION

The Information and the Individual Interim Financial Statements as at and for the 9-month period ended 30 September 2023 disclosed in this report were not audited and not revised by the company's financial auditor and have prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS-EU") adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting", adopted by the European Union.

The ratios presented are in thousands of lei (RON), unless otherwise specified.

2.1. Statement of Financial Position as at 30 September 2023

The financial position as at 30 September 2023 is stated in **Appendix 1**.

Ratio [Thousand RON]	30 September 2023 (unaudited)	31 December 2022 (audited)	Variation
Fixed assets	6,311,172	6,049,279	4.3%
Current assets	6,183,180	5,743,493	7.7%
Total assets	12,494,352	11,792,772	5.9%
Long-term liabilities	431,111	456,762	(5.6%)
Current liabilities	834,338	800,505	4.2%
Total liabilities	1,265,449	1,257,267	0.7%
Equity	11,228,903	10,535,505	6.6%
Total equity and liabilities	12,494,352	11,792,772	5.9%

Long-term assets increased by 4.3% compared to the values recorded as at 31 December 2022. The increase is mainly determined by the increase in financial assets valued at amortized cost, respectively the purchase of long-term bonds (RON 234.7 million, the equivalent of EUR 47 million on 30 September 2023), the granting of the loan to the associated entity RoPower SA in the amount of RON 21 million, as well as the increase in financial investments in associated entities and subsidiaries, represented by the increase in the contribution in the share capital of RoPower SA by RON 15 million and the increase in the contribution in the share capital of EnergoNuclear SA by RON 23 million.

Current assets registered a 7.7% increase as compared to 31 December 2022, mainly as a result of the 4% increase in cash availability (bank deposits with a maturity of less than 12 months, cash and cash equivalents), the 29% increase of the value of outstanding trade receivables, also as a result of the 22% increase in existing stocks on 30 September 2023.

Long-term liabilities decreased by 5.6% compared to the values recorded as at 31 December 2022. The decrease is mainly determined by the reduction of the long-term portion of the foreign loans contracted from EURATOM for the construction and commissioning of Unit 2 of Cernavodă NPP, as a result of the reclassification of the instalments due from the long-term portion to the short-term portion, as the loans mature.

Current liabilities registered an increase of 4.2% compared to the values recorded as at 31 December 2022, due to the increase in trade and other payables, mainly as a result of the recognition of the liability to the Energy Transition Fund as at 30 September 2023, as well as the increase in the corporate tax payable as at 30 September 2023, all amounts having been paid in full in October. The increase was partially offset by the decrease in short-term deferred income due to the decrease in prepayments invoiced to customers.

2.2. Statement of Profit or Loss for the 9-month period ended 30 September 2023

In the 9-month period ended 30 September 2023, SNN obtained a net profit amounting to RON 1,976,614 thousand.

Ratio [Thousand RON]	9-month period ended 30 September 2023 (unaudited)	9-month period ended 30 September 2022 (unaudited)	Variation
Production (GWh)*	7,622	7,410	2.9%
Operating revenues, of which:	5,659,471	4,910,534	15.3%
Revenues from the sale of electricity**	5,547,008	4,829,890	14.8%
Operating expenses, less depreciation and impairment	(1,082,256)	(1,388,541)	(22.1%)
Cost of contribution to the Energy Transition Fund/tax on additional income	(2,059,256)	(872,931)	135.9%
EBITDA	2,517,959	2,649,062	(4.9%)
Depreciation and impairment	(469,860)	(451,279)	4.1%
EBIT	2,048,099	2,197,783	(6.8%)
Financial income	312,214	137,714	126.7%
Financial expenses	(21,510)	(23,380)	(8.0%)
Net financial result	290,704	114,334	154.3%
Net corporate income tax expenses	(362,189)	(373,026)	(2.9%)
Net profit	1,976,614	1,939,091	1.9%

*Electricity produced and delivered by Cernavodă NPP in the National Energy System.

**Including income from the sale of thermal energy, insignificant in total income.

The **operating profit** (EBITDA) decreased by 4.9% compared to the same period of the previous year, under the significant influence of the increase in the cost of the contribution to the Energy Transition Fund payable for the period 1 January - 30 September 2023, which was 135.9% higher than the tax on additional income due for the similar period of the previous year. The main causes of the increase in this tax are the changes made to the calculation methodology detailed below, as well as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the period 01 January - 30 September 2023, are higher than in the similar period of the previous year.

Operating income increased by 15.3%, an evolution supported by the 14.8% increase in income from the sale of electricity, determined by the 15.5% increase in the weighted average price, including Tg, of the electricity sold during 1 January - 30 September 2023 compared to the weighted average price from

the same period of 2022, under the conditions of the sale of a similar total amount of electricity, an increase of 2.9%.

Compared to the same period of last year, the key change occurred in the sale mix is represented by the introduction of 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 which SNN participates as producer. 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 a price of 450 RON/MWh, and sells it to buyers at the same price. In the period 01 January - 30 September 2023, the Company sold via MACEE a quantity of 3,384,409 MWh at the price of 450 RON/MWh, which accounts for 43.96% of the total electricity sold during the period.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 51.4%, accounting for 42.01% of the total sold quantity, and the average selling price on this market increased by 103% (price without Tg).

The amount of electricity sold by SNN on the spot market (DAM and IDM) in the first 9 months of 2023 increased by 0.5%, accounting for 13.65% of the total sold quantity, and the average selling price on this market decreased by 57% (price without Tg).

The cost of the contribution to the Energy Transition Fund/tax on additional income, of RON 2,059,256 thousand, due for the period 1 January - 30 September 2023, increased by 135.9% (1 January - 30 September 2022: RON 872,931 thousand), due to the changes made to the calculation methodology and as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the first 9 months of 2023, are higher than in the similar period of the previous year.

As at 30 September 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average selling price of electricity, calculated according to the calculation methodology, and the price of 450 RON/MWh, pursuant to Article II(1) of Law no. 259/2021 for approving the Government Emergency Ordinance no. 118/2021, as subsequently amended and supplemented. The calculation method is set out under the Government Emergency Ordinance no. 27/2022 (Appendix 6).

In the period 01 January - 30 September 2023, the contribution to the Energy Transition Fund was determined as 100%, applied to the difference between the monthly average selling price of electricity, calculated according to the calculation methodology, and the price of 450 RON/MWh, pursuant to Law no. 357/2022 approving the Government Emergency Ordinance no. 119/2022. The calculation methodology applicable for the current reporting period did not allow deduction, from the reference amount, of the cost of the purchase of electricity and the cost related to accessing the energy markets (Tg and market management costs), as the methodology applicable in the similar period of the previous year used to allow. During the period 01 January 2023 - 30 September 2023, the monthly expenses only included the cost of unbalances.

Operating expenses, less depreciation and amortization and expenses with the contribution to the Energy Transition Fund / additional income tax, decreased by 22.1% during the period 01 January - 30 September 2023, compared to the same period of 2022. This decrease is determined by the decrease in expenses regarding the purchased electricity, the amount of electricity purchased in the first 9 months of 2023 decreased by 76% compared to the similar period of the previous year.

The financial result positively influenced the net result, so that in the period 01 January – 30 September 2023, net financial income was recorded, increasing by 126.7% compared to the similar period of the previous year, as a result of the interest income obtained. The main currencies with exposures are EUR and CAD.

The net income tax expense decreased by 2.9% as a result of the decrease in the taxable profit calculated for the period 01 January - 30 September 2023 compared to that calculated for the similar period of the previous year, also influenced by the impact of deferred income tax expenses and revenues recognized during the reporting period.

The profit and loss account for the 9-month period ended 30 September 2023 is presented in **Appendix 2**.

2.3. Execution of the Income and Expenditure Budget as at 30 September 2023

The 2023 Income and Expenditure Budget ("IEB") of SNN was approved by Resolution of the General Meeting of Shareholders no. 1/15.02.2023. By its Resolution no. 232/27.10.2023, the Board of Directors approved the rectification of the Revenue and Expenditure Budget for the year 2023.

The company is monitored in terms of meeting the ratios, objectives and performance criteria, i.e., in terms of compliance with the salary fund, the level of revenues and expenses, the program for reducing arrears and debts that are past due.

The execution of the IEB as at 30 September 2023 is presented in **Appendix 3** to this report.

Reviewing the performance of the Rectified Income and Expenditure Budget as at 30 September 2023 (presented in **Appendix 3**), it results that total income has been achieved in a proportion of 100.6%, and total expenses have been achieved in a proportion of 96.9%, therefore gross profit has been achieved in a proportion of 107.1%.

3. OPERATING ACTIVITIES

3.1. Electricity generation

The gross electricity production of the two operational units of Cernavodă NPP was 8,287,615 MWh for the first 9 months of 2023 (of which 2,942,733 MWh in the third quarter of 2023); from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 665 thousand MWh in the first 9 months of 2023 (of which 240 thousand MWh in the third quarter of 2023).

Thus, the electricity generated and delivered in the National Energy System ("SEN") was 7,622,416 MWh in the first 9 months of 2023, compared to the same period of 2022 (7,410,474 MWh), representing an increase by 2.9%. In the third quarter of 2023, the amount of electricity produced and delivered in the SEN was 2,702,277 MWh, increasing by 2.7% compared to the level recorded in the third quarter of 2022 of 2,631,270 MWh.

The net electricity production program approved by the Board of Directors for the year 2023 (March 2023 revision) considered a quantity of 10,218,912 MWh, and for the first 9 months of 2023, considered a quantity of 7,477,070 MWh, being achieved in proportion of 101.9% and for the third quarter of 2023, it considered a quantity of 2,647,123 MWh, being achieved in proportion of 102%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in the third quarter of 2023, as well as in aggregate from the start of commercial operation (Unit 1 on December 2, 1996, Unit 2 on 1 November 2007) until 30 September 2023, was as follows:

Cernavodă NPP unit	Cumulative first half 2023	July 2023	August 2023	September 2023	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	97.67%	93.97%	87.34%	94.56%	95.74%	90.56%
Unit 2	77.50%	96.81%	96.80%	97.63%	84.07%	93.75%

The lower value of the installed power utilization factor at Cernavodă NPP Unit 2 reflects the influence of the planned shutdown with an effective duration of 934 hours, recorded starting on 7 May 2023 at 11:00 a.m. The unplanned extension of the planned shutdown of Cernavodă NPP Unit 2 was 6.7 hours, and lasted until 15 June 2023 at 15:41.

At Unit 1, starting from August 8, an unplanned shutdown of 44.4 hours was recorded.

3.2. Sales of electricity

As part of the electricity trading activity, the Company has the obligation to submit bank guarantee letters to certain contractual partners, in accordance with the provisions stipulated in the electricity sale - purchase contracts. These mainly refer to: the contract concluded with C.N. Transelectrica SA for transmission of electricity; the agreement concluded with OPCOM S.A. for electricity trading on DAM (Day-Ahead Market) and IDM (Intra-Day Market); contracts concluded on the CMBC-CN (Centralized Market of Bilateral Electric Energy Contracts - the transaction modality according to which contracts

are awarded through Continuous Negotiation) platform; the BM (Balancing Market) participation agreement concluded with C.N. Transelectrica S.A.

For the purpose of this activity, during 1 January - 30 September 2023:

- 8 bank letters of guarantee (issued in 2021 and 2022) amounting to RON 123,383,979 were liquidated; and
- 4 bank letters of guarantee amounting to RON 132,927,000 were issued
- the value of four one letters of guarantee was increased, from RON 2,777,000 to RON 3,668,000.

As at 30 September 2023, there were 4 bank letters of guarantee on balance, amounting to RON 133,818,000.

The electricity sold during 01 January - 30 September 2023 and the corresponding revenues, distributed per types of sales contracts are presented in the table below:

Electricity sales (quantities, prices and values) during 01 January - 30 September 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	3,384,409	43.96%	450.00	1,522,984,185
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	4,285,213	55.66%	942.37	4,038,260,789
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC contracts, directly negotiated contract and supply contracts	3,234,459	42.01%	1,079.72	3,492,324,142
- Sales on DAM and IDM	1,050,754	13.65%	519.57	545,936,647
Positive imbalances on PE*	29,459	0.38%	269.19	7,929,827
Total sales during Q3 2023, aggregate	7,699,080	100%	723.36	5,569,174,801

* Note: the values also include RON 1,947,791 of additional system balancing income, according to ANRE Order 213/2020. The value of the positive imbalances related to September 2023 is estimated.

The amount of electricity sold through the Centralized electricity purchasing mechanism under contracts on the spot market (DAM and IDM) as well as on the PE market is 7,699,080 MWh, 1.4% above the sales schedule, of 7,593,947 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 0.4% lower than the amount of electricity sold in the similar period of 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (76.6 thousand MWh) is represented by the electricity purchased in order to fully cover contractual obligations, 47% of which was purchased on the spot market and 53% on the PE market.

The revenues gained on the electricity market related to electricity deliveries in the first 9 months of 2023 amount to RON 5,569,174,801, 0.05% higher than the rectified revenues budgeted for 2023, at 9 months, and 15% higher compared to the amounts gained in the first 9 months of 2022.

The weighted average selling price, for the quantities of electricity sold (without MACEE and PE), resulting from 01 January - 30 September 2023, is 942.37 RON/MWh (including T_g). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was active in the first 9 months of 2023 (CMBC-EA-flex, CMBC-CN, CM-OTC, DAM and IDM), calculated based on the values published by OPCOM in the monthly market reports, is 723.36 RON/MWh. During 01 January - 30 September 2022, the weighted average selling price, for the quantities of electricity sold (without PE), was 625.90 RON/MWh (including T_g).

SNN is the 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 and sells it to buyers at the price of 450 RON/MWh, via the Electricity Centralized Acquisition Mechanism. In the first 9 months of 2023, the Company sold via MACEE, to OPCOM, 3,384,409 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in the first 9 months of 2023 a percentage share of 42.01% of the total volume of electricity sold, compared to a percentage share of 86.10% recorded in the similar period of 2022.

The average selling price on bilateral contracts during the first 9 months of 2023 was 1,079.72 RON/MWh (T_g included), registering an increase of 103% compared to the average price recorded in the previous similar period, of 532.50 RON/MWh (T_g included); provided that the value of the transmission tariff for the introduction of electricity into the network T_g amounted to 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

During the first 9 months of 2023, electricity amounting to 13.65% of the total sales value was sold on the spot market (DAM and IDM), as compared to 13.53% in the same period of 2022. The average selling price of energy on the spot market (DAM and IDM) achieved by SNN in the first 9 months of 2023 was 519.57 RON/MWh (T_g included), as compared to 1,220.54 RON/MWh (T_g included) during the previous similar period.

In the first 9 months of 2023, SNN performed 214 energy sales contracts, as follows:

- 64 contracts concluded on CMBC-EA-Flex;
- 2 contracts concluded on CMBC-CN;
- 113 transactions concluded on CM-OTC;
- 4 transactions concluded on LCM-RCE;
- 29 transactions negotiated directly based on the provisions of law no. 123/2012 of electricity and natural gas, as amended and supplemented, the provisions of article 23 paragraph (2) letter a) and the provisions of the Government Emergency Ordinance no. 27/2022, article 14 para. (6);
- 2 supply agreements for 2 end consumers.

No contracts were terminated and no significant delays occurred in terms of payment deadlines provided in the contracts in the first 9 months of 2023. In all cases where there were delays, the Company sent notifications and charged penalties according to the provisions of the contract.

The electricity sold in Q3 2023 and the corresponding revenues, distributed per types of sales contracts are presented in the following table:

Electricity sales (quantities, prices and values) in Q3 2023

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including T _g]	Sale revenues [RON]
Sales via MACEE	1,276,425	46.56%	450.00	574,391,025
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	1,452,509	52.99%	882.42	1,281,724,123
- Sales under CMBC- LE Flex, CMBC- NC, PC -OTC agreements, directly negotiated agreements and supply contracts	1,086,441	39.64%	1,012.92	1,100,481,787
- Sales on DAM and IDM	366,068	13.35%	495.11	181,242,336
Positive imbalances on PE*	12,374	0.45%	193.72	2,397,055
Total sales during Q3 2023	2,741,308	100%	677.97	1,858,512,203

* Note: the values also include RON 1,193,738 of additional system balancing income, according to ANRE Order 213/2020. The value of the positive imbalances related to September 2023 is estimated.

The amount of electricity sold through the centralized electricity purchasing mechanism under contracts on the spot market (DAM and IDM) as well as on the PE market is 2,741,308 MWh, 1.5% above the sales schedule, of 2,700,744 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 1.3% higher than the amount of electricity sold in Q3 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (39 thousand MWh) is represented by the electricity purchased in order to fully cover contractual obligations, 44% of which was purchased on the spot market and 56% on the PE market.

The revenues gained on the electricity market related to electricity deliveries in the third quarter of 2023 amount to RON 1,858,644,915, 0.6% higher than the rectified revenues budgeted for the second quarter of 2023, and 6% higher compared to the amounts gained in the third quarter of 2022.

The weighted average selling price for the electricity sold (without MACEE and PE) achieved in the third quarter of 2023 is 882.42 RON/MWh (including T_g). In Q3 2022, the weighted average selling price for the energy sold (without PE) was 645.25 RON/MWh (including T_g).

The quantities of electricity sold on the competitive market of bilateral contracts represented in Q3 2023 a percentage share of 39.64% of the total volume of electricity sold, compared to a percentage share of 91.13% recorded in Q3 2022. The average selling price on bilateral contracts during the current reporting period was 1,012.92 RON/MWh (T_g included), registering an increase of 91% compared to the average price recorded in the third quarter of 2022, of 528.97 RON/MWh (T_g included); provided that the value of the transmission tariff for the introduction of electricity into the network T_g amounted to 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

In Q3 2023, electricity amounting to 13.35% of the total sales value was sold on the spot market (DAM and IDM), as compared to 8.38% in Q3 2022. The average selling price of energy on the spot market (DAM) achieved by SNN during Q3 2023 was 495.11 RON/MWh (T_g included), as compared to 1,909.99 RON/MWh (T_g included) during Q2 2022.

In Q3 2023, SNN performed 57 energy sales contracts, as follows:

- 21 contracts concluded on CMBC-EA-Flex;
- 25 transactions concluded on CM-OTC;
- 4 transactions concluded on LCM-RCE;
- 5 transactions negotiated directly based on the provisions of law no. 123/2012 of electricity and natural gas, as amended and supplemented, the provisions of article 23 paragraph (2) letter a) and the provisions of the Government Emergency Ordinance no. 27/2022, article 14 para. (6);
- 2 supply agreements for 2 end consumers.

3.3. Expenses made on the electricity market

During the period 01 January 2023 - 30 September 2023, the total expenses made on the electricity market SNN amount to RON 66,817,458, of which RON 23,260,231 are expenses on the balancing market (BM), RON 26,611,219 represent Tg (regulated tariff paid to C.N. Transelectrica SA for the injection of electricity produced by Cernavodă NPP into the electricity transmission network), RON 26,242 represents expenses with green certificates required to be purchased for the electricity supplied, and RON 1486296 represents the tariffs paid to OPCOM SA and RCE for sale and purchase transactions carried out on the platforms managed by them.

Expenditure made for the purchase of electric energy in the first 9 months of 2023 on the spot market (DAM and IDM) amounted to RON 15,433,468 (9 months of 2022: RON 345,877,777), with the aim of ensuring the full fulfilment of contractual energy delivery obligations. The amount of electricity purchased in the first 9 months of 2023 was 35,846 MWh (9 months of 2022: 257,258 MWh), at an average price of 430.57 RON/MWh (9 months of 2022: 1,344.48 RON/MWh).

Expenses on the PE in the first 9 months of 2023 amounted to RON 23,260,231, the quantity of electricity purchased being 19,102 MWh (9 months of 2022: RON 123,268,088, the quantity of electricity purchased being 51,000 MWh). This amount represents the value of the energy received from the BM to compensate for negative imbalances, which arose due to differences between the quantities of energy actually delivered and the quantities notified to the market according to the daily forecast for each settlement interval.

In the first 9 months of 2023, no electricity was purchased through forward contracts, compared to the same period of 2022, when the expenses generated by the purchase of energy through forward contracts were RON 6,080,179 for a quantity of 11,040 MWh.

The expenses for the purchase of electricity and negative imbalances were lower in the first 9 months of 2023, compared to the same period of 2022, due to the 76% lower electricity demand in the first half of 2023 compared to the similar period of 2022, combined with a significant decrease in the average price for the purchased quantities, from 1,488.2 RON/MWh in the first half of 2022 to 504.97 RON/MWh in the first half of 2023.

By applying Article II of Law no. 259/29.10.2021 and the Government Emergency Ordinance 27/18.03.2022, as updated under Law no. 357/2022, Nuclearelectrica booked a cost with the contribution to the Energy Transition Fund of RON 2,059,255,999 during 1 January - 30 September 2023.

In the third quarter of 2023, the total expenses made on the electricity market SNN amount to RON 36,009,771, of which RON 16,696,259 are expenses on the balancing market (BM), RON 10,916,773 represent Tg (regulated tariff paid to C.N. Transelectrica SA for the injection of electricity produced by Cernavodă NPP into the electricity transmission network), RON 7,684 represents expenses with green certificates required to be purchased for the electricity supplied, and RON 470,733 represents the tariffs paid to OPCOM SA and RCE for sale and purchase transactions carried out on the platforms managed by them.

In the third quarter of 2023, the expenses for the purchase of electricity were made mainly on the spot market (DAM and IDM) and amounted to RON 7,918,321 (in the third quarter of 2022: RON 115,825,367). The purpose of the purchase is to ensure the full fulfilment of the contractual obligations to supply electricity during the unplanned shutdown of Cernavodă NPP Unit 1; the amount of electricity purchased in the third quarter of 2023 was 17,317 MWh (in the third quarter of 2022: 38,280 MWh), at an average price of 457.22 RON/MWh (the third quarter of 2022: 3,025.74 RON/MWh).

Expenses on the PE in Q3 2023 amounted to RON 16,696,259, the quantity of electricity purchased being 21,714 MWh (Q3 2022: RON 106,877,648, the quantity of electricity purchased being 36,248 MWh).

In the third quarter of 2023, no electricity was purchased through forward contracts, compared to the third quarter of 2022, when the expenses generated by the purchase of energy through forward contracts were RON 2.981 for a quantity of 5 MWh.

The expenses for the purchase of electricity and negative imbalances were lower in the third quarter of 2023, compared to the third quarter of 2022, with the increase in the number of cumulative operating hours, by 67 hours compared to the third quarter of 2022, which led to an 48% decrease in the need to purchase electricity compared to the third quarter of 2022. The effect of the decrease in demand was amplified by a significant decrease in the price for the purchased quantities, from 2,988.01 RON/MWh in the third quarter of 2022 to 610.27 RON/MWh in the third quarter of 2023.

3.4. Investment program as at 30 September 2023

The total rectified amount of SNN's 2023 investment program is RON 710.318 thousand (without the component allocated to payment of debt service for long-term loans), which is higher than the rectified amount of the 2022 investment program (RON 609,220 according to the 2022 rectified IEB approved by the OGMS Resolution no. 10/19.10.2022). The rectified investment program for the year 2023 was approved by Resolution of the Board of Directors no. 232/27.10.2023.

The 2023 investment program of SNN includes the necessary investments within the Cernavodă NPP Branch, the NFP Pitești Branch and the Central Headquarters estimated to be completed by the end of 2023, as well as investment objectives to be completed in the following years.

When sizing the investment development program, S.N. Nuclearelectrica S.A. took into account the need of the branches (Cernavodă NPP and NFP Pitești) regarding production continuity, respectively reaching the highest possible level of production capacity utilization (EAF – Energy Availability Factor) in compliance with the nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant.

At the same time, the development program also responds to the need to modernize/upgrade some of the plant's systems, which for economic reasons (reductions in specific consumption, improvement of

certain characteristic parameters of the processes served, with a positive impact on efficiency), and for legal reasons, require the implementation of certain improvements associated with nuclear safety, environmental protection and work safety, these representing imperative requirements, coming from the regulatory authorities in the field.

The investment program of SNN for 2023 was dimensioned in terms of value, taking into account ongoing contractual commitments, estimates regarding the investment objectives to be achieved by the end of 2023, including amounts allocated to certain investment projects for which the fulfilment of certain requirements beyond SNN's control was anticipated (for example: prior approvals of certain regulatory authorities, legal deadlines regarding the completion of public procurement procedures including appeals, obtaining the necessary approvals from the SNN corporate bodies, etc.), to allow the implementation of these projects within the approved budget values.

The comparative statement of investments made (as values and as percentages) for the period 1 January - 30 September 2023 compared to the same period of 2022 is presented in the table below. During 1 January – 30 September 2023, investments of RON 455,742 thousand were made (64.2% of the total 2023 rectified investment program), according to the internal planning.

Year	Investment program value [thousand RON]	Actual (01.01 - 30.09) [thousand RON]	Degree of completion (01.01 - 30.09) [%]
2023	710.318*	455,472	64.2%
2022	609.220*	422,383	69.3%

Note. The value of the investment program, and the calculated progress attained in 1 January – 30 September are in accordance with the figures approved in the rectified IEB 2022 and rectified IEB 2023

Analysis of the degree of completion of the investment program as at 30 September 2023

Some of the major projects or the projects that had an important share in the investment program (approved by the IEB 2023 rectification) and the way they will be carried out during the year 2023 are briefly presented here:

- **“Extension of the service lifetime of Unit 1 by retubing the reactor and retrofitting the main systems”**: budgeted RON 258,628 thousand - 51.9% completed in terms of value as at 30 September 2023;
-
- **“Detrition facility Cernavodă NPP”**: budgeted RON 36,615 thousand - 23.9% completed in terms of value as at 30 September 2023;
- **“Replacing the rotor related to the main generator of 2-4121-G02 from U2 with a new rotor”**: budgeted RON 96,412 thousand - 100% completed in terms of value as at 30 September 2023;
- **“Planned shutdown of Unit 2 within Cernavodă NPP (regular general inspection and major repair works)”**: budgeted RON 87,719 thousand - 78.7% completed in terms of value as at 30 September 2023;

- **“Improving the response of Cernavodă NPP, namely the nuclear safety functions in case of events outside the design basis due to the nuclear accident occurred at the Fukushima 1 nuclear power plant, Japan (U5 fitting out) + SPSI 029 (Procurement engineering activities)”**: budgeted RON 27,166 thousand - 14.1% completed in terms of value as at 30 September 2023;
- **“Intermediate Dry Storage Spent Fuel Facility”**: budgeted RON 23,463 thousand - 73.7% completed in terms of value as at 30 September 2023, slightly ahead of the initial planning;
- **“EDMS replacement and integration with AS 9.X”**: budgeted RON 5,214 thousand - 80.9% completed in terms of value as at 30 September 2023;
- **“Software programs for the integrated management of the plant - upgrade Asset suite 6.0.4 to version 9.X”**: budgeted RON 3,711 thousand - 100% completed in terms of value as at 30 September 2023;
- **“Facilities”**, representing purchases of goods and other investment expenses: budgeted RON 83,798 thousand - 75.3% completed in terms of value as at 30 September 2023.

Between 1 January and 30 September 2023, a large number of projects were completed, of which we mention the following relevant projects:

- Increasing the reliability of SDS#1 by replacing the ROPT SDS#1 Unit 1 amplifiers and the Tusonix EMI filters on the NIM-BIN drawers with new, more reliable amplifiers and EMI filters similar to the ROP SDS#1 design;
- Installation of "on-line" measurement systems of the concentration of gases dissolved in the insulating oil of transformers 0-5134-T05 (TSPS) from U2;
- Modernization of the distribution system of class II, 220V a.c. at Unit 2;
- Fitting of a watertight door in the C/R part of the embedded part from the personnel flood gate, with a view to preventing flooding of the personnel flood gate in case of a severe accident U1;
- The intermediate storage of Spent Fuel - Module 15 and the completion, in proportion of 98%, of Module 16;
- Replacing the rotor related to the main generator of 2-4121-G02 from U2 with a new rotor;
- Improving the performance of the video system and Contact Scanner DCC U2;
- Qualification for severe accident and earthquake conditions of loops 2-63312-PT13 to PT16 and assurance of indications in SCA U2, MPA#EC 2892;
- Supply of lifting gear for replacement of the electric hoists from R/B, R601 U1/U2 and for servicing the valves of the 41190 system from T/B U2;
- Refurbishment works of the ventilation and air conditioning system related to Pavilion 6 - NOB Cernavodă NPP
- Replacement of the ventilation and air conditioning system related to Pavilion 2 and 6 of Cernavodă NPP;
- Ensuring supply of important users in U0 from own sources to increase operational safety in case of loss of power from SEN;
- Replacing the rotor related to the main generator of 2-4121-G02 from U2 with a new rotor;
- Retrofitting the part for fire detection and control and monitoring of Deluge valves related to the transformers 0-5135-TC01/TC02, 0-5134-T1/T2;
- Software programs for the integrated management of the plant (WMS) - upgrade AS/replacement EDMS.

3.5. Financial investments in subsidiaries and related entities

Energonuclear S.A.

As at 30 September 2023 and 31 December 2022, the Company held 100% of the share capital of S.C. Energonuclear S.A. The shareholding value as at 30 September 2023 amounted to RON 222,438,103 RON (31 December 2022: RON 199,438,105).

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

As at 30 September 2023, respectively 31 December 2022, the Company held 100% of the share capital of F.P.C.U Feldioara S.R.L. The shareholding value as at 30 September 2023 amounted to RON 200 RON (31 December 2022: RON 200).

The Company's shareholders approved the granting of loans to finance the activities and expenses of the subsidiary. As at 30 September 2023, the total amount of the loan principal granted to the subsidiary is RON 8,600,000, with an accrued interest of 454,922 RON (as at 31 December 2022, the total amount of the loan principal was RON 3,600,000, with an accrued interest of RON 130,772).

Nuclearelectrica Serv S.R.L.

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

The Company's shareholders approved the granting of loans to finance the activities and expenses of the subsidiary. As at 30 September 2023, the total amount of the loan principal granted to the subsidiary is RON 8,006,800, with an accrued interest of 334,209 RON (as at 31 December 2022, the total amount of the loan principal was RON 1,920,000, with an accrued interest of RON 44,478).

RoPower Nuclear S.A.

As at 30 September 2023, respectively, 31 December 2022, the Company held 50% of the share capital of RoPower Nuclear S.A., the shareholding value amounting to RON 19,943,000 (31 December 2023: RON 4,493,000).

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 September 30, 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 September 30, 2023, the outstanding loan principal amounts to EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted to RON 132,290.

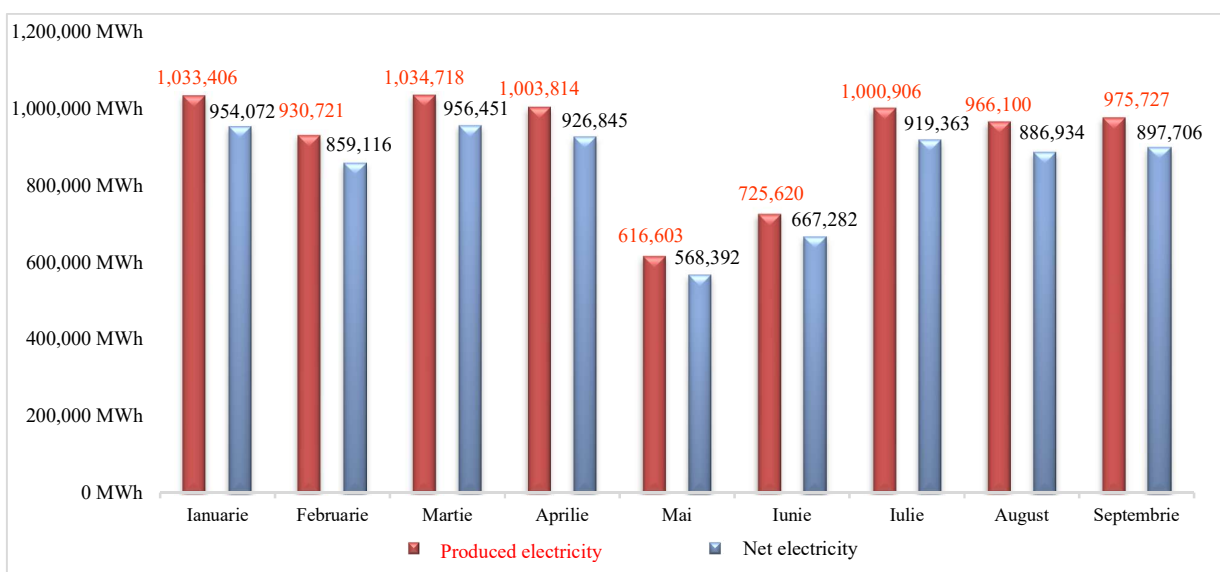
3.6. Activity of Cernavodă NPP Branch

The operating activity took place without events that could have an impact on nuclear security, on the own personnel, the population or the environment. The relationship with the regulatory authorities was carried out in compliance with the requirements and conditions of the operating authorizations.

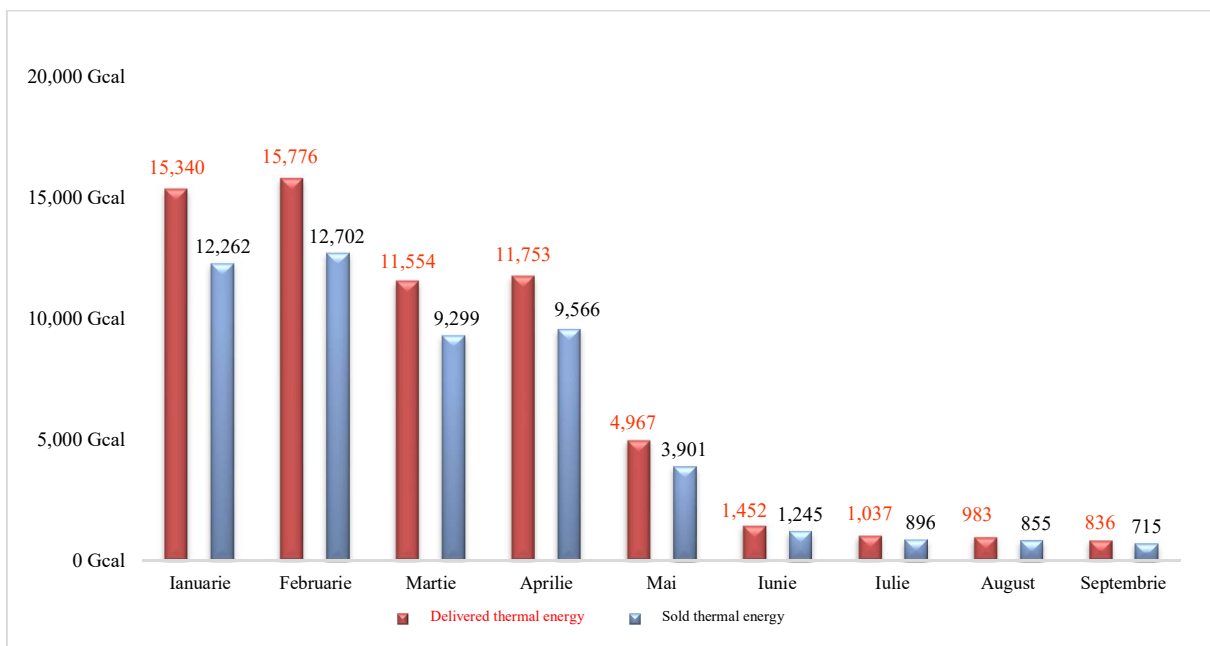
In the 9-month period ending on 30 September 2023, there was no operational event that exceeded level 1 on the international scale of nuclear events, regarding the degradation of defence barriers in depth, impact on the site or outside and no human error leading to an event with consequences.

The main ratios of the production activity are shown in the following diagrams.

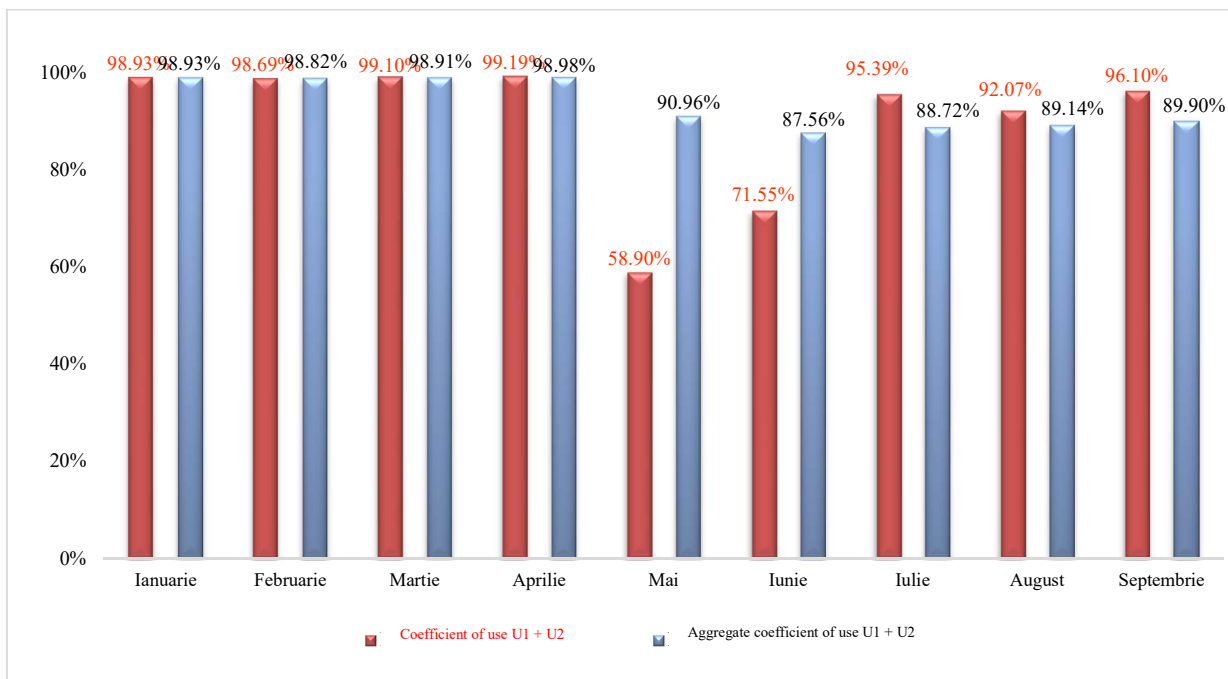
Produced/net electricity U1+U2 (MWh)
(Electricity produced: 8,287,615/Net electricity delivered: 7,636,164)
(Aggregate own technological consumption 2023: 7.86%)



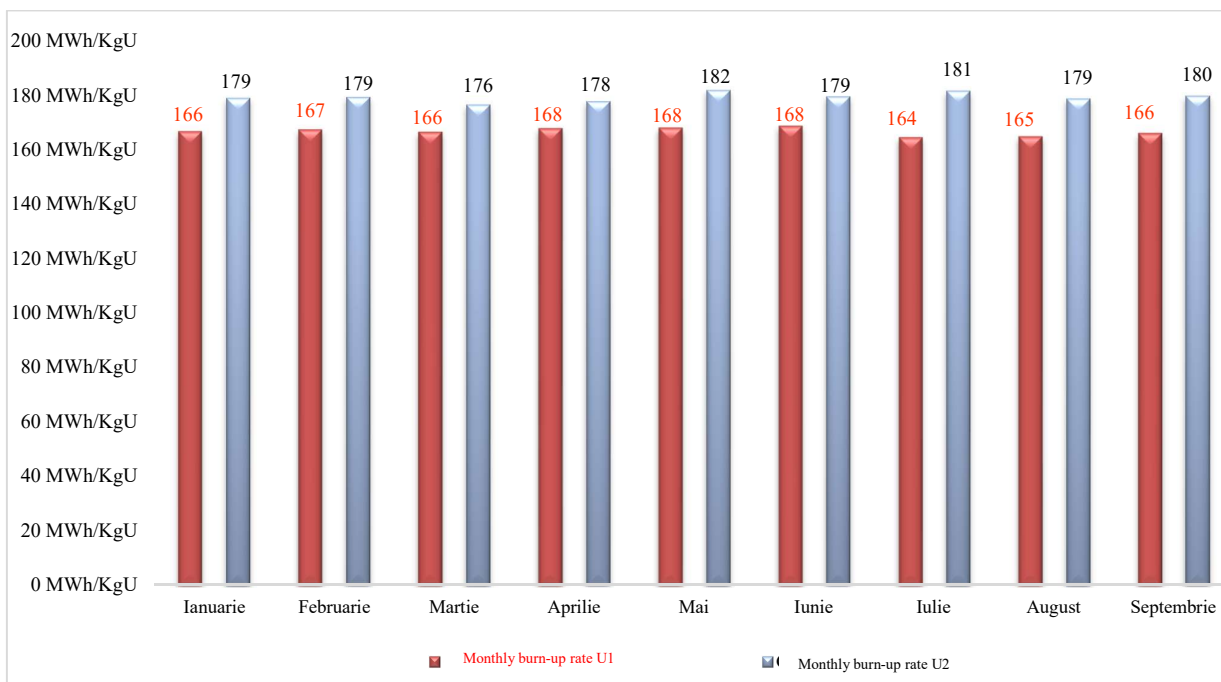
Thermal energy delivered for heating/sold (Gcal)
(Thermal energy delivered: 63,699/Thermal energy sold: 51,442)



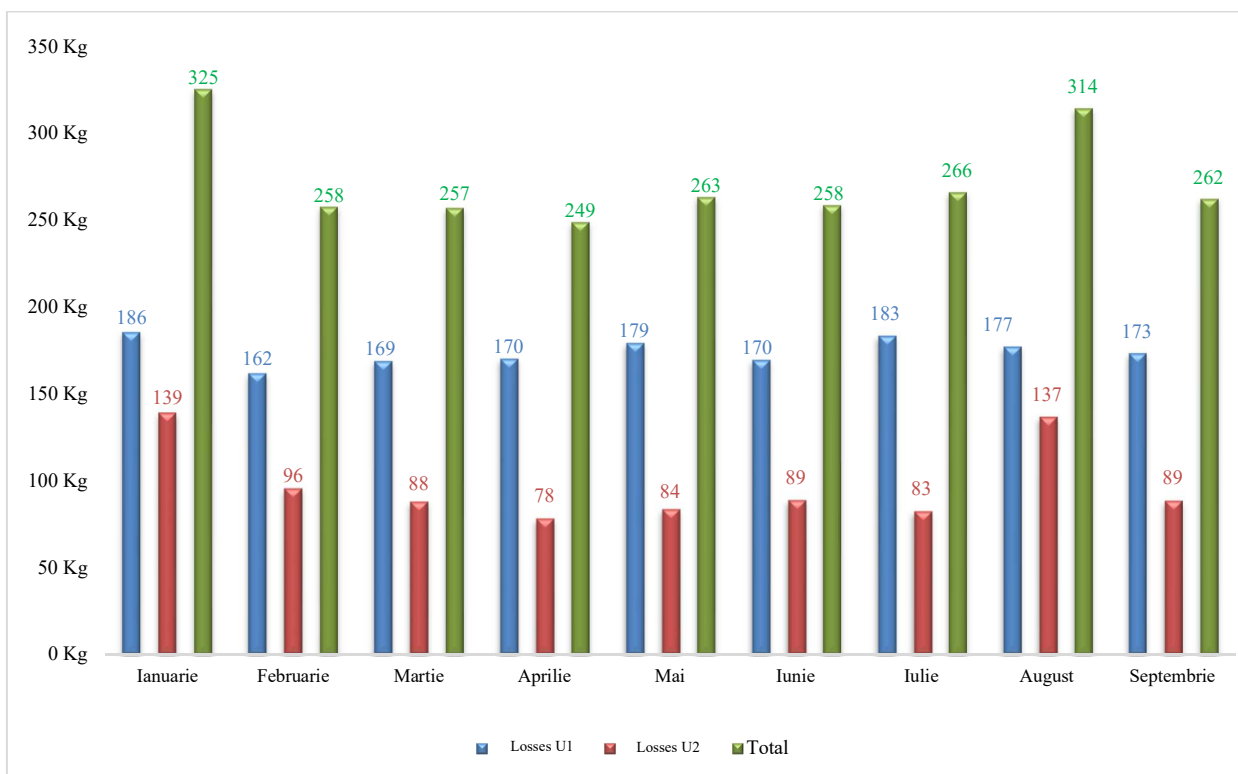
Coefficient of use of the installed power U1+U2 (%)
(Aggregate 2023: 89.99%)



Nuclear fuel burn-up rate (MWh/KgU)
(Aggregate 2023: 172.7/Planned in the project: min. 156)

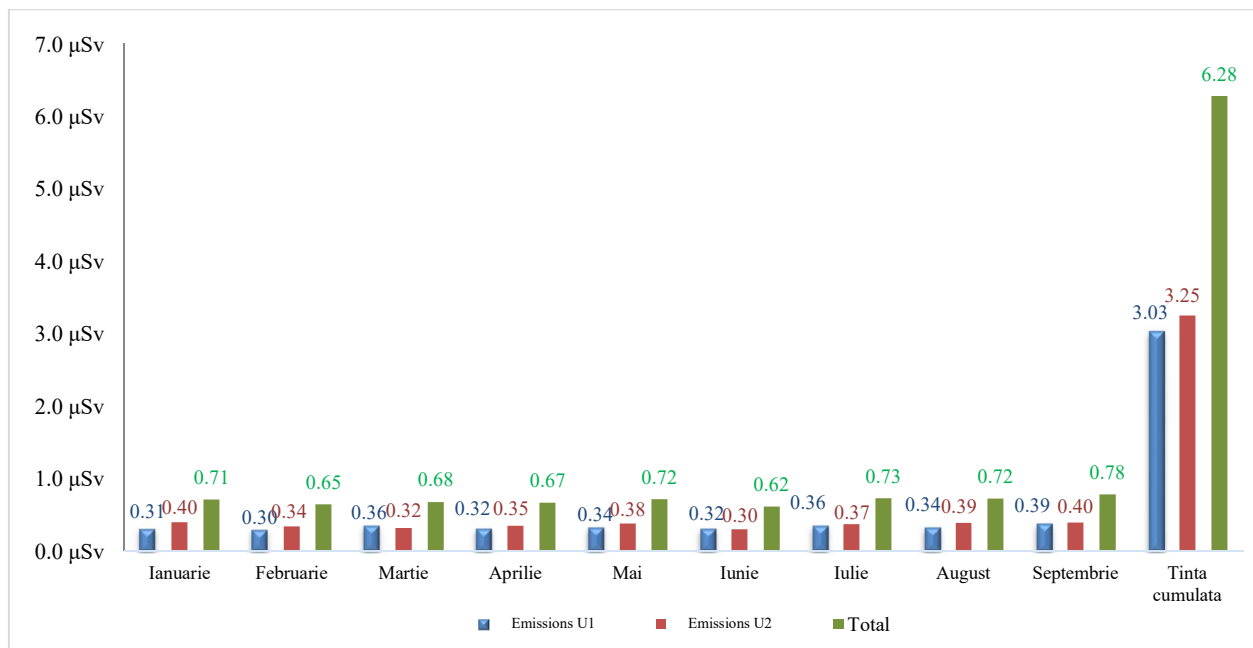


Heavy water losses U1+U2 (Kg)
(Aggregate 2023: 2,452/ Planned: max. 10,280)



Volume of radioactive emissions in the environment U1+U2 (μSv)

(Total aggregate 2023: 6.28/Annual target: 9)



3.7. Activity of NFP Pitești Branch

Between 1 January - 30 September 2023, NFP Pitești Branch manufactured, controlled and accepted a number of 8,145 nuclear fuel bundles, 85 nuclear fuel bundles in excess to the manufacturing plan edition.0, all falling within the specifications, with the production of nuclear fuel bundles increasing by 3.80% compared to the same period of the year 2022, when 7,847 bundles were manufactured, controlled and accepted.

During 1 January - 30 September 2023, NFP Pitești Branch delivered to Cernavodă NPP a number of 7,920 nuclear fuel bundles (1 January - 30 September 2022: 8,640 bundles), in compliance with the agreed delivery schedule.

Between 1 January and 30 September 2023, for the production of nuclear fuel, sinterable uranium dioxide powder was consumed coming from the existing stock on 1 January 2023 and from deliveries of sinterable uranium dioxide powder from the processing of technical uranium concentrate purchased from NAC KazatomProm JSC – Kazakhstan.

4. OTHER SIGNIFICANT ASPECTS

4.1. Key matters related to continuation of the Project to Increase the Production Capacity – Units 3 and 4 Project

As at 31 March 2023, Law no. 74, approving the signing of the Support Agreement between the Romanian State and Societatea Națională Nuclearelectrica S.A. for Cernavodă NPP's Units 3 and 4 Project, was passed.

On 9 June 2023, the Support Agreement was signed between the Romanian State - the Government of Romania, the General Secretariat of the Government, the Ministry of Energy, the Ministry of Finance, the Ministry of Transport - and Societatea Nationala Nuclearelectrica, in order to develop the National Strategic Project Cernavodă NPP Units 3 and 4.

The signing of the Support Agreement between the Romanian State and Nuclearelectrica for the development of the Cernavodă NPP Units 3 and 4 Project allows the start of activities related to Phase II of the Project, namely: The conclusion of the agreements for the preparation of the critical engineering necessary for updating the project; updating the Project budget, Structuring and contracting financing and agreeing on an appropriate contractual architecture for implementation of the Project; Obtaining the favourable Opinion of the European Commission further to the Project Notice according to Article 41 of the EURATOM Treaty and a positive decision in accordance with the relevant European provisions on State Aid; Obtain the Nuclear Security Authorization for the Construction Phase and have the Final Investment Decision taken for advancement to Phase III (Construction).

By signing the Support Agreement, the Romanian state undertook to take the necessary steps to finance the Cernavodă NPP Units 3 and 4 Project, including through: granting State Guarantees to the Project's financiers under the terms of any intergovernmental support agreements or memoranda, or outside such agreements; implementing the "Contracts for Difference"-type scheme and adopting the administrative and/or legislative measures required to ensure the fulfilment of the technical criteria provided for in the Complementary Delegated Act of the European Commission; the contribution being represented by the quantity of heavy water and uranium octoxide related to the first load of nuclear fuel, cooling water for the operation of those 2 nuclear units and the completion of the electricity transmission lines necessary for the connection to the National Energetic System and the evacuation of the electricity produced by those two nuclear units.

On 20 September 2023, the Canadian Minister of Energy and Natural Resources, in collaboration with the Romanian Minister of Energy, jointly declared Canada's commitment to provide 3 billion Canadian dollars in support for the expansion of Units 3 and 4 at the Cernavodă NPP project.

4.2. Refurbishment Project of Unit 1 Cernavodă NPP

As at 7 March 2023, Nuclearelectrica announced selection of Candu Energy Inc., a member of the SNC-Lavalin Group (TSX: SNC), to carry out engineering services for the refurbishment and design activities needed for the acquisition of tools and components that require a long cycle of manufacturing on a complex and lengthy design for the CANDU reactor of Unit 1 of Cernavodă. Under the two-year agreement, with an amount of approximately CAD 65 million, SNC-Lavalin will perform long-term engineering and front-end engineering services, to prepare the future refurbishment project of Cernavodă NPP's Unit 1.

In October 2023 the acquisition procedure between the company and Candu Energy Inc. and Canadian Commercial Corporation (CCC), was finalised, referring to:

- a) Supply of the reactor's components needed for the retubing process;
- b) Supply of the tooling needed in the retubing process, so that the technical requirements of Unit 1 are achieved;
- c) Engineering/technical aid and support services.

The contract between the above mentioned parties will be signed when all corporate approvals will be met.

At the moment, there is an ongoing acquisition procedure for the project management, technical aid and support services, as well as personnel training services for the refurbishment of Unit 1.

4.3. Development of the first small modular reactor (SMR) – RoPower Nuclear S.A.

As at 12 May 2023, SN Nuclearelectrica SA (SNN) and the Politehnica University of Bucharest announced launching the first NuScale Energy Exploration Center (E2 Center), which hosts the control room simulator for the plant equipped with VOYGR™ NuScale small modular reactors. The launch of the E2 Center in the Faculty of Energy of Politehnica University of Bucharest is a first of its kind across Europe, and reconfirms the leadership position of Romanian in nuclear energy industry and workforce development.

On 20 May 2023, the United States of America and public and private multinational partners (from the USA, Japan, the Republic of Korea and the United Arab Emirates) announced their intention to finance the Small Modular Reactor (SMR) Project in Romania with up to USD 275 millions.

Furthermore, the US Export-Import Bank (EXIM) and the US International Development Finance Corporation (DFC) issued Letters of Interest for tentative provision of a financial support of up to USD 3 billion and, respectively, USD 1 billion for development of SMR project.

Through the current report dated 29 September 2023, SNN and NuScale Power announced the approval by the National Commission for Nuclear Activities Control (CNCAN) of the Licensing Basis Document (LBD) for the NuScale nuclear power plant, equipped with small modular reactors (SMR). Following a complex evaluation, CNCAN issued the official letter of approval in August 2023, attesting to the compliance of the Licensing Basis Document with national regulatory requirements.

The Licensing Basis Document allows the transition to the next stages of the project, because it establishes the basis for the initiation of the second phase of the design and engineering study (FEED). The approval of the Licensing Basis Document by CNCAN provides a licensing plan for the fulfilment of the critical phases of the project - location, construction, commissioning and operation.

4.4 Project for the tritium removal facility - CTRF

The Detrition Facility Project ("CTRF") is part of SNN's portfolio of initiatives aimed at the consistent implementation of the Company's general policy, namely the concern for maintaining nuclear security at the highest standards and improving environmental performance. The CTRF installation captures the tritium from the heavy water used in the nuclear-electric power plant from Cernavodă NPP, which will lead to an improvement in operational performance, economic-financial efficiency and increased protection of the population, staff and the environment, in full accordance with the ESG objectives of Nuclearelectrica and of Europe.

The CTRF technology is developed by the National Research-Development Institute for Cryogenic and Isotopic Technologies - ICSI Rm. Vâlcea; this will be the third detrition facility in the world and the first in Europe and will give Romania the opportunity to become a European center for the production and export of tritium - the candidate fuel for future fusion reactors. The project is based on an implementation strategy, updated by SNN in 2018, based on the Feasibility Study, approved under Resolution no. 9/22.08.2018 of the Extraordinary General Meeting of Shareholders.

Through the current report published on 28 June 2023, the Company informs about the signing of the engineering, procurement and construction (EPC) contract for the completion of the first detrition facility in Europe at Cernavodă NPP, between Korea Hydro & Nuclear Power (KHNP) and the Company.

By Decision no. 5/05.07.2023 of the Ordinary General Meeting of SNN Shareholders, the modification of the Implementation Strategy of the "Cernavodă NPP Detrition Facility" Investment Project was approved as a result of the update of the investment value.

The signed EPC contract has a completion timeline of 50 months with the following milestones:

- Authorisation obtaining and start of the construction/assembly work – 2024
- Acceptance of the execution details - 2025
- Commissioning the installation – 2026
- Trial run and transfer to operation - 2027

4.5. Fabrica de Prelucrare a Concentratelor de Uraniu ("FPCU") Feldioara - SNN Subsidiary

Between January and March 2023, Feldioara Subsidiary became fully operational with a view to developing the integrated nuclear fuel cycle; in this regard, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing. As the same time with Feldioara Subsidiary becoming fully operational, a subsequent contract was signed with the qualified supplier Kazatomprom in order to ensure the necessary technological resources for production of uranium dioxide (UO₂). During the same period, all the necessary steps were taken to transport the uranium technical concentrate and to deliver of the contracted quantities.

The Resolution no. 4/26.04.2023 of the Extraordinary General Meeting of Shareholders ("EGMS") approved the transfer of the license for concession of the Tulgheș – Grintieș exploitation activity (Exploitation License no. 479/1999) from SNN to Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara S.R.L.

Through the current report published on 28 June 2023 SNN and Korea Hydro & Nuclear Power (KHNP) announce the signing of a Memorandum of Understanding (MoU) for cooperation in the field of nuclear fuel, as part of the strategy of both parties to further develop fuel processing and ensure the resilience of nuclear fuel production capacities, in view of the long-term operation of the current nuclear power plants, but also of the future energy production capacities, developed through the current investment projects.

The memorandum of understanding records the intention of the parties to collaborate for the study, planning and development of the technical processing activities of uranium concentrates, in order to qualify SNN as a potential supplier of sinterable UO₂ powder by KHNP, as well as for exploring the possibilities of collaboration in the field of manufacturing nuclear fuel bundles.

4.6. Litigation started by Cernavodă NPP Union and employees of Cernavodă NPP Branch

File no. 5802/118/2017 was filed with Constanta Tribunal against CNN, claiming unpaid salary rights representing the equivalent value of the professional risk bonus (dangerous conditions), the claimant being Cernavodă NPP Union on behalf of 757 employees of Cernavodă NPP Branch.

The company finds the claims unfounded, all due salary rights having been paid to employees, including the amounts subject to this litigation. The court rejected the plea of *res judicata* invoked by SNN as unfounded and admitted the documentary and accounting expert report evidence, temporarily extending the technical expert report for the classification into radiological risk areas pending submission of documents by SNN. The production of evidence, i.e., performance of a new accounting expert review. In order to carry out the accounting expert review, the court set a hearing on 10 November 2023.

4.7. Litigation started by the S.N. Nuclearelectrica S.A. regarding certain measures to regulate the facilities granted to pensioners in the electricity sector

S.N. Nuclearelectrica S.A. started the action to suspend enforcement, cancellation of Government Decision no. 1041/2003 regarding certain measures to regulate the facilities granted to pensioners in the electricity sector, as amended and of Government Decision no. 1461/2003 for the amendment and completion of Government Decision no. 1041/2003 regarding certain measures to regulate the facilities granted to pensioners in the electricity sector and the obligation to pay material damages in the amount of RON 820,422.44, resulting from the application in the past three years of Government Decision no. 1041/2003 and Government Decision no. 1461/2003 – File no. 4419/2/2021 registered with the Bucharest Court of Appeal, 8th Administrative and Fiscal Disputes Section.

The court dismissed the request for stay, and SNN lodged a higher appeal against this solution. The Case no. 4419/2/2021 was settled on 7 December 2022 by dismissing the higher appeal as unfounded.

The court dismissed the action as unfounded, and SNN lodged a higher appeal on the substance of the case against the Sentence no. 887/2022. The higher appeal case was registered under no. 1720/1/2022. The court dismissed the head of claims concerning the setting aside of the Government Decision no. 1041/2003 as devoid of object, and upheld SNN's appeal and referred the case back for retrial as to the head of claims concerning the ordering of the respondent, the Government of Romania, to grant indemnities. The file was re-registered with the Bucharest Court of Appeal. The following hearing is due on 29 November 2023.

4.8. Dispute concerning the insolvency of Compania Nationala a Uraniului; application for registration of a claim of SNN

As at 3 February 2022, in the case no. 23089/3/2021, SNN filed for admission of its claim of RON 7,811,840.50, VAT included (RON 6,564,571.84 without the VAT), as a claim conditional upon the failure to perform, before 31 March 2022, the remaining deliveries under the contract no. 914/19.07.2018, and a claim secured with the obligation to refund a share of the advance paid by SNN for the delivery of Uranium in sinterable powder of UO₂.

As at 8 November 2022, under the report of the court appointed administrator dated 4 November 2022 and the updated preliminary list submitted on 8 November 2022, the claim of SNN was entered as a plain secured claim, and not as a conditional claim, as it had been initially entered. During the hearing 07 November 2023, the involved judge set a new hearing on 30 April 2024, for continuation of the proceedings, preparation of the final list and submission of a reorganization plan.

4.9. Dispute concerning the request for public information about the Doicești Site Survey

As at 15 September 2022, the case no. 2873/120/2022 was registered with Dâmbovița Tribunal, whereby the claimant Ion Dragos Popescu asked, pursuant to Law no. 544/2001 on the free access to information of public interest, that SNN would be ordered to serve him the site survey for the small modular reactors (SMR) of Doicești, County of Dâmbovița county, and to indicate the alternative sites surveys and the reasons for choosing the site of Doicești.

SNN filed a statement of defence explaining the final site decision would be made based on the underlying surveys to be prepared, that there was no pending procedure for assessment and issue of the environmental agreement, and that the survey contained no environmental information due to be disclosed under the Aarhus Convention, and further that the disclosure of the requested information could hinder the business and the business commercial interests of the Company, as this was technical information concerning the modular reactor technology received under a non-disclosure clause and the non-disclosure agreements concluded by SNN with the providers of this information.

The court which heard the substance of the case dismissed the statement of claims filed by the claimant Popescu Dragos Ion as unfounded. The sentence was appealed and the next hearing at the Ploiesti Court of Appeal is 21 November 2023.

4.10. Changes in the management of the company - Directors

Under the Current Report published on 3 May 2023, the Company informed on the appointment, under a Resolution of the Board of Directors, of Mr. Dan Niculaie-Faranga to the position of Chief Financial Officer, with a 4-month term of office, starting on 3 May 2023.

On 29 September 2023, the Company informed that starting from 01 October 2023 the Individual Employment Agreement of Mrs. Melania Amuza, as Deputy CEO Business and Development Affairs of SN Nuclearelectrica SA, ceases as a result of the appointment of Mrs. Melania Amuza as General Director of RoPower Nuclear SA, the project company for the development of the Small Modular Reactors (SMR) Project, owned by Nuclearelectrica and Nova Power & Gas (part of the E-Infra Group).

4.11. Changes in the management of the Company - Board of Directors

Under the OGMS Resolution no. 1/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, four non-executive members of the Board of Directors were appointed effective 15 February 2023, for

a 4-year term of office, in keeping with the provisions of Article 29(1) of the Government Emergency Ordinance no. 109/2011, namely Mr. Vulpescu Remus, Mr. Chirlesan Dumitru, Mr. Niculescu George Sergiu and Mrs. Grajdan Vasilica. The form of the mandate contract and the fixed allowance of the new non-executive directors were also approved.

Under the Current Report dated 29 March 2023, the Company informed the shareholders and investors about the notice given to Mr. George-Sergiu Niculescu as to the termination *de jure* of his mandate as a member of the Board of Directors, effective 29 March 2023. Termination *de jure* of his office stems from the provisions of Article 13.1(g) of his contract of mandate concluded with SNN, stipulating that the contract comes to an end *de jure* when a case of incompatibility occurs or a prohibition provided by law becomes applicable. Decision no. 5/05.07.2023 of the Ordinary General Meeting of SNN Shareholders approved the initiation of the selection procedure for a non-executive member in the Board of Directors of Societatea Nationala Nuclearelectrica S.A., which is a vacancy in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented.

By Resolution no. 5/05.07.2023 of the Ordinary General Meeting of Shareholders of SNN, the following were approved: the financial and non-financial performance indicators for the executive and non-executive directors, the form of the addendum to their mandate agreement, as well as the general limits of the remuneration of the Directors of the Company with a mandate agreement.

4.12. Relocation of SNN's registered office

Under the EGMS Resolution no. 2/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, the shareholders approved relocation of the company's registered office to the address of Bucharest, sector 1, Bd. Iancu de Hunedoara nr. 48, ground floor and 4th, 5th and 13th floor, as well as the updating the Articles of Incorporation of SNN with the new registered office.

4.13. Memorandum of Understanding with Emirates Nuclear Energy Corporation (ENEC)

Under the Current Report published on 20 March 2023, the Company announced the signing of a Memorandum of Understanding (MoU) for bilateral cooperation in the nuclear energy sector, to support the development of this critical energy source in addressing the energy security and climate change challenges.

The objective of the Memorandum of Understanding is to provide both parties with a favourable framework for a potential collaboration in development and expansion of nuclear energy program in the UAE and in Romania, as well as in Central and Eastern Europe.

4.14. Approval of distribution of the net profit of financial year 2022

The Resolution no. 3/26.04.2023 of the Ordinary General Meeting of Shareholders ("OGMS") approved distribution of the net profit of the financial year 2022 by applications, the total gross amount of the dividends of RON 1,283,215,656, the amount of the gross dividend per share of RON 4.25407469, the dividend payment date, *i.e.*, 23 June 2023, and the payment methods, in accordance with the note presented to the shareholders for this item on the agenda (item 5 of the OGMS agenda of 26 April 2023).

Through the current Report published on 22 May 2023, the Company informed its shareholders that based on Decision no. 3 of the Ordinary General Meeting of Shareholders dated 26.04.2023, SNN paid

the dividends related to the financial year 2022 through Depozitarul Central S.A. and CEC Bank, the selected payment agent.

4.15. Development of nuclear medicine in Europe under an innovative agreement with BWXT Medical Ltd, part of BWX Technologies

The agreement between Nuclearelectrica and BWXT Medical Ltd. will explore the possibility of further cooperation in nuclear medicine in Europe, for production of medical isotopes. The initial purpose of the agreement is to conduct a specific market analysis, which is to inform the next collaboration phases. BWXT Medical Ltd., part of BWX Technologies, Inc., has more than 40 years of experience in nuclear medicine, *i.e.*, in production of medical isotopes, pharmaceutical products and medical devices, strengthening cooperation to further develop new treatments in the field of nuclear medicine through the development, manufacture and supply of diagnostic imaging and radiotherapy treatment products.

4.16. Planned shutdown of Unit 2 within Cernavodă NPP

Starting on 7 May 2023, Cernavodă NPP Unit 2 entered the planned shutdown program, which takes place every two years at each unit, and synchronization with the National Energy System was completed on 15 June 2023.

During the planned shutdown, activities from the following programs were carried out:

- Preventive maintenance program;
- Corrective maintenance program;
- Inspection program;
- Mandatory testing program during the planned shutdowns;
- Program for implementing project changes.

The works were carried out in safe conditions for the plant staff, the public and the environment, according to the approved procedures used at Cernavodă NPP.

4.17. The inclusion of SNN in the MSCI Frontier Markets and MSCI Romania indices

Through the current Report published on 31 May 2023, the Company announces that it was included in the MSCI Frontier Markets and MSCI Romania indices starting on 1 June 2023.

Nuclearelectrica was previously included, on 19 August 2022, in the large cap category of FTSE Russell, being one of the two Romanian companies initially included in the emerging market indices of FTSE Russell in 2020.

4.18. Signing of the Memorandum of Understanding with Energocom for the development of long-term cooperation in the energy sector

On 18 July 2023, SNN and Energocom, the energy supplier of the Republic of Moldova, announced the signing of a Memorandum of Understanding (MoU) to develop long-term cooperation in the energy sector and to achieve common strategic objectives.

The objective of the Memorandum of Understanding is to explore the options for ensuring the delivery of energy from the future production of Nuclearelectrica from the new capacities that are about to enter commercial operation, mainly units 3 and 4 of the Cernavodă nuclear power plant, as well as to support the development of capacities and the human resources skills in the field of nuclear energy.

4.19. Automatic disconnection of Cernavodă NPP Unit 1 from SEN

On 8 August 2023, Unit 1 of Cernavodă NPP was automatically disconnected from the National Energy System due to a malfunction in the classical part of the unit, without impact on the nuclear part.

On 10 August 2023, the Company announces that Unit 1 of Cernavodă NPP has been resynchronized to the National Energy System.

The automatic disconnection of Unit 1 as well as the remedial works have no impact on the nuclear safety of the reactor, the unit's personnel, the population or the environment.

4.20. Signing of the Letter of Intent with the Three Seas Initiative Investment Fund to explore the possibility of collaboration in the renewable energy generation sector in Romania

In its current report dated 7 September 2023, the company announces that it has signed a Letter of Intent with the Three Seas Initiative Investment Fund to explore the possibility of collaboration in the renewable energy generation sector in Romania, in order to achieve common strategic objectives.

The company, which currently generates 33% of Romania's clean energy and has strategic investment projects that will increase its contribution to the generation of clean energy to approximately 66% in 2030, is looking for opportunities to further develop complementary projects, which ensure an even greater increase in its contribution to the production of clean energy in Romania.

The investment fund of the Three Seas Initiative (3SIIF or the Fund) is interested in further identifying and partnering in opportunities that support the energy transition and energy security in the 3 Seas Region.

4.21. International collaboration between SNN and Laurentis Energy Partners to advance the production of medical isotopes in Romania

On 28 September 2023, a Memorandum of Understanding was signed between the Company and Laurentis Energy Partners, which allows collaboration on opportunities in several areas, including the production of medicinal isotopes.

The memorandum was concluded in the context of the over 55-year partnership between Romania and Canada in the field of nuclear energy and the announcement made by Jonathan Wilkinson, Canada's Minister of Energy and Natural Resources, to support the development of Units 3 and 4 of Cernavodă NPP by 3 billion Canadian dollars, aiming at achieving energy security with clean energy.

4.22. Positive revision of the rating granted by Fitch

On November 8, Societatea Nationala Nuclearelectrica S.A. ("SNN") informs shareholders and investors that the Fitch rating agency has confirmed the BBB- rating, with a stable outlook, granted to SN Nuclearelectrica SA.

4.23. Major litigations

The status of major litigations (in excess of RON 500 thousand) and of litigations whose value was not assessed, pending as at 30 September 2023 is presented in **Appendix 4**.

4.24. Other information

The quarterly report of the Board of Directors for the period 1 January – 30 September 2023 is accompanied by the Interim Individual Financial Statements as at and for the 9-month period ended 30 September 2023, which are published on the internet page of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), Relations with investors section.

5. MAIN ECONOMIC AND FINANCIAL RATIOS as at 30 September 2023

SNN performances are found as well, in the fulfilment of the main economic and financial ratios, as follows:

Name of ratio	Calculation method	M.U.	Amount 30.09.2023 ^{*)}
1. Ratio of current liquidity	Current assets/ Current liabilities	x	7.41
2. Indebtedness ratio			
2.1. Indebtedness ratio (1)	Borrowed capital/ Equity x 100	%	0.2%
2.1. Indebtedness ratio (2)	Borrowed capital/ Capital employed x 100	%	0.2%
3. Debt turnover ratio - customers	Average customer balance/ Turnover x 180	days	24
4. Assets turnover ratio ^{**)}	Turnover/ Fixed assets	x	1.18

^{*)} According to the Individual Interim Financial Statements as of and for the 9-month period ended 30 September 2023.

^{**)} Assets turnover ratio is calculated by the annualization of the quarterly turnover (360 days/270 days).

6. ACTIVITY OF EXECUTIVES WITH MANDATE AGREEMENT

By Resolution of the Board of Directors no. 121/25.05.2023 the Administration Plan of SNN for the period 2023 - 2027 was approved in its entirety, including the management component.

In the period January - September 2023, the performance of the mandate agreements of the directors was in accordance with the management plan, the component included in the administration plan.

On 30 September 2023, the directors with whom SNN concluded mandate agreements are: Mr. Cosmin Ghita – CEO, and Mr. Dan Niculaie-Faranga – CFO. The degree of fulfilment of the global performance indicator of directors with a mandate agreement on 30 September 2023 is 100%.

7. DEGREE OF ACHIEVEMENT OF THE KEY PERFORMANCE RATIOS

By its Resolution no. 64/17.03.2023, the Board of Directors approved the administration component of the Management Plan of SNN for the period 2023 - 2027. By Resolution of the Board of Directors no. 121/25.05.2023 the Administration Plan of SNN for the period 2023 - 2027 was approved in its entirety, including the management component.

By Resolution no. 5/05.07.2023 of the Ordinary General Meeting of Shareholders of SNN, the following were approved: financial and non-financial performance indicators for the executive director and non-executive directors and the form of the addendum their mandate agreement.

The Mandate Agreements and addenda to mandate agreements signed by SNN with the members of the Board of Directors provide key performance ratios, as well as the annual targets for the period 2023-2026. According to the provisions of the mandate agreements (item 5 in Appendix 3 to the mandate agreements), the aggregate percentage of achievement of key performance ratios shall be determined for each quarter.

On 30 September 2023, the members of the Board of Directors of SNN are:

Item no.	First name and last name	Mandate expiry
1.	Teodor Minodor Chirica ¹⁾	29.09.2026
2.	Cosmin Ghita ²⁾	29.09.2026
3.	Elena Popescu	29.09.2026
4.	Dumitru Remus Vulpescu	15.02.2027
5.	Chirlesan Dumitru	15.02.2027
6.	Grajdán Vasilica	15.02.2027

1) Chairman of the Board of Directors of SNN based on Resolution no. 131/23.07.2020 of the Board of Directors;

2) Also acts as the Chief Executive Officer of SNN;

The computation of the aggregate degree of achievement of the key performance ratios for Q3 2023 is presented in **Appendix 5**. The degree of achievement of key performance ratios is determined by the aggregate degree of achievement of key performance ratios, by determining the percentage achieved for the weighted values of each ratio. The degree of achievement of key performance ratios is limited by the 100% threshold, provided that achievements exceed the targets proposed in the mandate agreement.

Thus, the key performance ratios were fulfilled in a proportion of 100% for the third quarter of 2023 in aggregate (therefore above the threshold of 75%), for each member of the Board of Directors:

Mandate agreement	Degree of completion Q3 2023 (aggregate)
Board of Directors	100%

Teodor Minodor Chirica,
Chairman of the Board of Directors

Endorsed,
Dan Niculaie-Faranga,
Chief Financial Officer

Appendix 1 - Statement of Financial Position as at 30 September 2023

	30 September 2023 (unaudited)	31 December 2022 (audited)
Assets		
Fixed assets		
Tangible assets	5,685,032,385	5,737,295,053
Assets representing rights to use underlying assets within a leasing contract	26,083,378	15,565,831
Intangible assets	48,880,130	50,773,837
Financial assets measured at amortized cost	308,794,920	41,262,942
Financial investments in subsidiaries	222,438,503	199,438,505
Investments in associated entities	19,943,000	4,943,000
Total fixed assets	6,311,172,315	6,049,279,168
Current assets		
Inventories	799,455,567	653,199,691
Trade receivables	566,068,418	438,539,974
Other financial assets measured at amortized cost	121,338,395	140,954,592
Bank deposits	3,185,122,892	1,829,796,500
Cash and cash equivalents	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 up</i>	3,016,438,940	3,016,438,940
<i>Inflation adjustments of the share capital</i>	195,502,743	195,502,743
Share premium	31,474,149	31,474,149
Reserve paid in advance	21,553,537	21,553,537
Revaluation reserve	351,340,000	394,369,643
Retained earnings	7,612,593,536	6,876,165,858
Total equity	11,228,902,905	10,535,504,870
Liabilities		
Long-term liabilities		
Long-term loans	22,385,700	64,810,940
Liabilities under leasing agreements long-term portion	23,509,313	12,831,121
Provisions for risks and charges	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	45,557,591	45,557,591
Total long-term liabilities	431,111,423	456,762,079
Current liabilities		
Trade and other payables	484,966,462	445,315,659
Liabilities under leasing agreements short-term portion	3,692,394	2,734,403
Current part of provisions for risks and charges	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	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

Appendix 2 – Statement of Profit or Loss for the 9-month period ended 30 September 2023

	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	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	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)
Cost of electricity purchased	(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)	(16,670,376)	(19,876,234)
Costs of nuclear fuel	(46,572,610)	(43,854,396)	(125,938,285)	(115,876,234)
Cost of contribution to the Energy Transition Fund/tax on additional income	(597,565,000)	(287,120,312)	(2,059,255,999)	(872,930,885)
Other operating expenses	(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	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 expenses	(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

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Appendix 3 - Execution of the Income and Expenditure Budget as at 30 September 2023

		Ratios	Line no.	Initial 2023 IEB Q3 2023 aggregate (approved by the OGMS Resolution no. 1/15.02.2023)	Rectified 2023 IEB Q3 2023 aggregate (approved by the BoD Resolution no. 232/27.10.2023)	Aggregate actual Q III 2023	% Actual v. Approved Rectified [Col.6/Col.5]	Variation (abs.) [Col.6-Col.5]	% Actual v. Initially approved [Col.6/Col.4]
0	1	2	3	4	5	6	7	8	9
I.		TOTAL INCOME (Line 2 + Line 5)	1	5,693,228	5,934,977	5,971,797	100.6%	36,821	104.9%
	1.	Total operating income, of which:	2	5,491,435	5,630,191	5,659,584	100.5%	29,392	103.1%
		c1 Subsidies, acc. to the legal provisions in force	0	0	0	-	0	-	-
		c2 Transfers, acc. to the legal provisions in force	0	0	0	-	0	-	-
	2.	Financial income	5	201,793	304,786	312,214	102.4%	7,428	154.7%
II.		TOTAL EXPENSES (Line 7 + Line 21)	6	4,230,097	3,750,812	3,632,995	96.9%	(117,817)	85.9%
	1.	Operating expenses (Line 8 + Line 9 + Line 10 + Line 20)	7	4,198,791	3,729,411	3,611,485	96.8%	(117,926)	86.0%
	A.	Expenses with goods and services	8	996,294	585,461	503,449	86.0%	(82,012)	50.5%
	B.	Expenses with taxes, duties and similar payments	9	2,012,580	2,148,536	2,146,802	99.9%	(1,735)	106.7%
	C.	Payroll costs (Line 11 + Line 14 + Line 18 + Line 19)	10	575,718	457,820	444,727	97.1%	(13,092)	77.2%
	C0	Payroll expenses (Line 12 + Line 13)	11	519,128	415,375	403,867	97.2%	(11,508)	77.8%
	C1	Expenses with salaries and wages	12	467,555	369,015	358,301	97.1%	(10,714)	76.6%
	C2	Bonuses	13	51,573	46,360	45,567	98.3%	(793)	88.4%
	C3	Other personnel cost, of which:	14	-	1,993	1,993	100.0%	-	-
		a) Expenses with severance payments for layoffs	15	-	-	-	-	-	-
		b) Expenses with salary entitlements due under court judgments	16	-	1,993	1,993	100.0%	-	-
		c) Payroll expenses related to restructuring, privatization, special administration, other commissions and committees	17	-	-	-	-	-	-
	C4	Expenses under the mandate contract and of other management and control bodies, commissions and committees	18	3,402	2,455	2,455	100.0%	-	72.2%
	C5	Expenses with social insurance and security, special funds and other statutory obligations	19	53,188	37,996	36,412	95.8%	(1,585)	68.5%
	D.	Other operating expenses	20	614,200	537,594	516,507	96.1%	(21,087)	84.1%
	2.	Financial expenses	21	31,306	21,401	21,510	100.5%	109	68.7%
III.		GROSS RESULT (profit/loss) (Line 1 - Line 6)	22	1,463,131	2,184,165	2,338,803	107.1%	154,638	159.8%
IV.		CORPORATE INCOME TAX	23	235,017	363,368	362,189	99.7%	(1,179)	154.1%
V.		PROFIT AFTER INCOME TAX (Line 22 - Line 23)	24	1,228,114	1,820,797	1,976,614	108.6%	155,816	160.9%

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Appendix 4 - Major litigations (in excess of RON 500 thousand), including litigations whose value was not assessed, pending as at 30 September 2023

Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
SNN Executive								
1.	9089/101/2013	Civil Mehedinți Tribunal	Creditor	Autonomous Authority for Nuclear Activities (RAAN)	Insolvency. Bankruptcy, liquidator appointed. Receivable RON 7,828,405.48	merits	Merits. Liquidation procedure in progress.	18.01.2024
2.	1794/118/2016	Criminal Constanța Tribunal / Constanța Court of Appeal	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor S.C. Davy Security S.R.L. party held liable for civil liability, by judicial administrator.	Damage EUR 3,471,463.	appeal	Solution on substance: the act is not provided by the criminal law (article 10 letter b of the Criminal Procedure Code). Based on Article 396(5) of the Code of Criminal Proceedings, in relation to Article 17(2) of the Code of Criminal Proceedings and Article 16(b) of the Code of Criminal Proceedings, finds defendant Bucur Ionel not guilty on the charge of abuse of office, if the public servant obtained for himself or for the benefit of others undue benefits provided by Article 132 of Law no. 78/2000 in relation to Article 297(1) of the Criminal Code, with the application of Articles 309 and 183 of the Criminal Code, with the application of Article 5 of the Criminal Code (fraudulent award of the physical security and monitoring service to S.C. Davi Security S.R.L.; S.C. Davi Protect & Security S.R.L., S.C. Davi Protect Comp S.R.L.) and for perpetration of the offence of conflict of interest provided at Article 301 of the Criminal Code, with application of Article 5 of the Criminal Code. (The conflict of interest related to the security of the FE5 block provided by S.C. Davi Security S.R.L./S.C. Davi Protect & Security S.R.L., S.C. Davi Protect Comp, S.C. Energosecurent S.R.L.). Based on Article 396(5) of the Code of Criminal Proceedings in relation to Article 17(2) of the Code of Criminal Proceedings and Article 16(b) of the Code of Criminal Proceedings, finds the defendant Negulici Elena Marinela not guilty on the charge of abuse of office and on the charge of conflict of interests provided by Article 301 of the Criminal Code with the application of Article 5 of the Criminal Code, finds the defendant Encica Ionel not guilty on the charge of abuse of office, finds the defendant Nicola Laurentiu Theodor not guilty on the charge of abuse of office, finds the defendant Daramus Victor not guilty on the charge of aiding and abetting abuse of office, finds defendant Olteanu Madalina not guilty on the charge of abuse of office, based on Article 397 of the Code of Criminal Proceedings and Article 25 of the Code of Criminal Proceedings, Dismissed the civil action brought up by the	Favourable final sentence - 20.10.2023

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							civil party S.N. Nuclearelectrica S.A., as unfounded. Removes the distraint established by Ordinance no. 279/P/2015 of 06.01.2016 of DNA - ST Constanta, as amended by conclusion no. 9/19.01.2016 of Constanta Tribunal and by Ordinance no. 279/P/2015 of 11.02.2016 of DNA - ST Constanta, on the property of defendants Bucur Ionel, Negulici Elena - Marinela and Daramus Victor. Based on Article 275 para. 3 of the Criminal Procedure Code, the legal expenses advanced by the state remain in its charge. With appeal within 10 days from communication. Rendered in public session this day of 19 February 2021, Judgment no. 125/19.02.2021. Appeal: the court postponed the rendering of a judgment to 20 October 2023.	
3.	409/2/2016	Criminal Bucharest Court of Appeal	Civil party	Tudor Ion Criminal group Banat Insolvency House liquidator of CET Energoterm Resita.	Charges of tax evasion, forgery, giving and accepting bribes RON 580,974.21.	merits	Merits. Evidence management	19.01.2024
4.	5802/118/2017	Labour Constanta Tribunal	Defendant	NPP Trade Union, on behalf of 757 employees.	Money rights dangerous conditions bonus.	merits	Merits. Pending trial Submission of accounting expert report.	10.11.2023
5.	35162/299/2018*/a1	Civil Bucharest Sector 1 Court, 2nd Civil Section	Garnishee - SNN Appellant Debtor AAAS Respondent Ionita Stefan.	Ionita Stefan – enforcement file 959/2010 BEJ Draganescu, Ionescu, Crafcenco	Opposition to enforcement RON 2,089,042.69.	merits retrial	Solution on substance: Rejects the plea of lack of capacity to be sued of the garnishee as unfounded. Rejects the opposition to enforcement as ungrounded. With appeal within 15 days from communication. Judgment no. 1611/21.03.2019. Solution on the higher appeal: Upholds the higher appeal. Admits the plea of lack of mandatory capacity to be sued, invoked <i>ex officio</i> . Quashes the sentence and submits the case for retrial to the same court. Irrevocable. Rendered in public session this day of 14 January 2020. Judgment no. 7/14.01.2020. Retrial of merits: stayed on grounds of article 412 of the New Civil Procedure Code until the submission of the proof of capacity of heirs. Appeal of retrial of stay: Rejects the higher appeal as unfounded. Irrevocable.	postponed
6.	5462/2/2019	Administrative disputes	Appellant-plaintiff	Bucharest Regional General	Cancellation of tax documents	higher appeal	Solution on substance: Admits the plea of lack of capacity to be sued of defendant Bucharest Regional General Directorate of Public Finance. Dismisses the application filed by the claimant S.N.	21.11.2023

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
		Bucharest Court of Appeal / HCCJ		Directorate of Public Finance General Directorate for the Administration of Large Taxpayers.			Nuclearelectrica S.A., against defendant Bucharest Regional General Directorate of Public Finance, as being filed against a person with no standing to stand trial. Admits the plea of limitation of the right to sue. Dismisses the statement of claims filed by the claimant S.N. Nuclearelectrica S.A. against defendant ANAF - General Directorate for the Settlement of Challenges, as being time barred. Admits the plea of inadmissibility. Rejects the introductory claim filed by claimant S.N. Nuclearelectrica S.A. against defendant General Directorate for the Administration of Large Taxpayers, as inadmissible. With right of appeal within 15 days of service. Judgment no. 985/22.06.2021 Higher appeal. Pending trial	
7.	6026/109/2019	Labour Argeş Tribunal / Piteşti Court of Appeal	Appellant-defendant	Gheba Florin Ovidiu.	Challenge Decision no. 344/17.10.2019 termination of individual employment agreement and Decision no. 300/12.09.2019 disciplinary investigation committee.	appeal	Solution on substance: Upholds in part the main claim. Sets aside the decision no. 300/12.09.2019 issued by the respondent. Dismisses the plea of lack of interest. Upholds in part the ancillary claim. Sets aside the decision no. 344/17.10.2019 on the termination de jure of the claimant's employment agreement contract, and orders his reemployment to the previously held job. Obliges the respondent to pay the claimant a compensation equal to the indexed, increased and updated salaries and the other rights that he would have benefited from as of the date of the termination de jure of the agreement and until his effective reemployment, plus the statutory penalty interest as of the due date and further on until effective payment of the debts. Dismisses the head of claim seeking to have the defendant ordered to pay the court expenses. Provisionally enforceable <i>de jure</i> . With right of appeal within 10 days from communication. Appeal: Pending trial	16.01.2024
8.	97/2/2020	Civil Bucharest Tribunal / Bucharest Court of Appeal / HCCJ	Appellant-plaintiff.	ANRE (Romanian Energy Regulatory Authority).	Cancellation of administrative act order no. 216/11.12.2019.	higher appeal	Solution on substance: Rejects the claim. Judgment in brief: admits the plea of time barring of additional claims, as invoked by the defendant. Rejects the action for cancellation of Decisions no. 2213/23.12.2019 and no. 2214/23.12.2019, i.e. notification no. 110703/23.12.2019, as being time barred. Rejects the remaining introductory claim, as ungrounded. With appeal within 15 days from communication, the request to be filed with Bucharest Court of Appeal - 8th Section Administrative and Fiscal Disputes. Rendered this day of 31 July 2020, the judgment being made available to the parties through the court's registry. Judgment no. 681/31.07.2020. Solution on the higher appeal: Rejects the higher appeal filed by the claimant Societatea Națională Nuclearelectrica SA against civil sentence no. 681 of July 31, 2020 and of the conclusion of July 10, 2020, of the Bucharest Court of Appeal - 8th Section Administrative and Fiscal Disputes, as unfounded. Final. Rendered this day of 30 June	No hearing set

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							2022, the judgment being made available to the parties through the court's registry. Related file 97/2/2020/a1 of the High Court of Cassation and Justice, the court upheld the request to refer the matter to the Constitutional Court and the referral no. 1658D/2022 was filed with the Constitutional Court on 30 June 2022. The file is in the report stage.	
9.	3083/3/2020	Civil Bucharest Tribunal / Bucharest Court of Appeal / HCCJ	Appellant- plaintiff.	Transelectrica - National Company for the Transmission of Electricity.	RON 1,472,785	higher appeal	<p>Solution on substance: Upholds the introductory claim. It obliges the defendant to pay to the claimant the amount of RON 1,290,533.156, as indemnification, to pay this amount adjusted for inflation from 27 September 2018 until the date of actual payment, to pay the amount of RON 182,251.94 representing the statutory penalty interest calculated from 27 September 2018 until 31 January 2020, as well as to further pay the statutory penalty interest, calculated from 1 February 2020 until the date of actual payment. Obliges the defendant to pay to the claimant the amount of RON 23,441.66, as court expenses, consisting in judicial stamp tax. Rejects the defendant's claim for court expenses as unfounded. With right of appeal within 30 days from communication. The appeal shall be filed with Bucharest Tribunal, 6th Civil Section. Rendered this day of 22 December 2020, the judgment being made available to the parties through the court's registry. Judgment no. 2698/22.12.2020</p> <p>Solution on appeal: Upholds the appeal. Partly changes the appealed civil sentence, namely: Rejects the introductory claim as ungrounded. Maintains the first court judgment to reject the defendant's request to be paid court expenses as unfounded. Obliges the respondent-claimant to pay the appellant-defendant the amount of RON 20,591.66, as appeal court expenses. With appeal within 30 days from communication, the request to be filed with Bucharest Court of Appeal - 6th Civil Section. Rendered this day of 25 November 2021, the judgment being made available to the parties through the court's registry. Document: Judgment 1927/2021 25 November 2021.</p> <p>Solution on the higher appeal: Pursuant to Article 413 para. (1) point 1 of the Civil Procedure Code, stays the higher appeal declared by the appellant-claimant SOCIETATEA NAȚIONALĂ NUCLEARELECTRICA SA against the civil decision no. 1927/A/25.11.2021, rendered by the Bucharest Court of Appeal - 6th Civil Section, until the final settlement of file no. 2659/2/2020, pending before the High Court of Cassation and Justice - Administrative and Fiscal Disputes Section. Final.</p>	Postponed

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
10.	1506/118/2020	Civil Constanta Tribunal	Claimant.	U.A.T. Seimeni commune, Romanian State through the Ministry of Public Finance, the Ministry of Economy, Energy and the Business Environment, Government of Romania.	Action to find the right of use, servitude, free use of publicly owned land.	merits	Solution on substance: Rejects the plea of inadmissibility of invoking the plea of unlawfulness of Local Council Decision no. 7/2009 of Seimeni UAT. Admits the plea of unlawfulness of Local Council Decision no. 7/2009 of Seimeni UAT. Orders the removal from the land book 101215 Seimeni of the right of private ownership of Seimeni UAT. Accepts the plea of inadmissibility of claims against the Romanian State through the Ministry of Public Finance. Rejects the claims against the Romanian State through the Ministry of Public Finance as inadmissible. It rejects the remaining portions of the claims against UAT Seimeni as unfounded. Orders the defendant UAT Seimeni to pay to the claimant RON 3,000 as court expenses. With right of appeal, to be submitted to Constanta Tribunal, within 30 days from communication. Judgment 1136/ 1 April 2022. Sentence on substance pending drafting	Solution on substance. Decision to be drafted decision
11.	5730/256/2023 (1663/118/2020*)	Civil Constanta Tribunal	Claimant	Romanian state through the Ministry of Public Finance. Romanian Waters National Administration. Dobrogea Seaside Water Basin Administration.	Action to find the right of management of the land corresponding to the Valea Cismelei hydrographic basin, right of usage, servitude, free use of publicly owned land of 31,050 sqm and 73,428 sqm.	substantive retrial	Solution on substance: Rejects the plea of lack of capacity to be sued of the Ministry of Environment, Waters and Forests, invoked by the latter in its statement of defence, as unfounded. Upholds the plea of inadmissibility of the statement of claims filed by the claimant S.N. Nuclearelectrica S.A. against defendants Romanian State, through the Ministry of Finance, Romanian Waters National Administration, Dobrogea Seaside Water Basin Administration and the Ministry of Environment, Waters and Forests, a plea raised <i>ex officio</i> . Dismisses the statement of claims filed by the claimant S.N. Nuclearelectrica S.A. against defendants Romanian State, through the Ministry of Finance, Romanian Waters National Administration, Dobrogea Seaside Water Basin Administration and the Ministry of Environment, Waters and Forests as inadmissible. With right of appeal within 30 days from communication. Judgment no. 891/17.06.2021. Solution on appeal: Upholds the appeal. Partly cancels both conclusion of 17 March 2021 on rejecting the topographic expert report evidence, and civil sentence no. 891/17.06.2021 on the judgment regarding the plea of inadmissibility and its relevance in the introductory claim. Maintains the other provisions of the conclusion and of the appealed sentence. With appeal within 30 days from communication; the appeal application shall be filed with Constanta Tribunal, under the penalty of nullity. Rendered this day of 11 March 2022, the judgment being made available to the parties through the court's registry. The minutes erroneously failed to mention "Resends the case for retrial to the court of first instance. Judgment 391/ 11 March 2022 Higher appeal: Rejects the higher appeal as unfounded. Final. Judgment 79/2023 26 April 2023	14.12.2023

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							Re-registered with the court of first instance for a substantive retrial under no. 5730/256/2023 Substantive retrial: pending trial.	
12.	2659/2/2020*	Administrative disputes High Court of Cassation and Justice	Claimant	ANRE	Cancellation of Order no. 12/2016.	merits	Solution on substance: Rejects as unfounded the request to reinstate the material right to action outside the limitation term. Accepts the plea of time barring of the right to action. Rejects the request as time barred. The court upholds in part the request for referral to the Constitutional Court and orders its referral with the resolution of the plea of unconstitutionality of the provisions of Article 5 para. 7 of Government Emergency Ordinance no. 33/2017 for the amendment and supplementation of the Electricity Law no. 13/2007 and Gas Law no. 351/2004, approved by Law no. 160 of October 2, 2012. Rejects the remaining portion of the referral to the Constitutional Court as inadmissible. With appeal within 48 hours, regarding the rejection as inadmissible of the referral to the Constitutional Court. With appeal within 15 days from communication. Judgment no. 139/09.02.2021. Solution on the higher appeal: Upholds the higher appeal lodged by the claimant Societatea Națională Nuclearelectrica S.A., against the civil sentence no. 139 of 9 February 2021 of Bucharest Court of Appeal - 9th Division for Administrative and Tax Disputes. Quashes the appealed sentence and refers the case back for retrial to the court which heard the substance of the case. Final. Case referred back for try to the first court Substance to be reheard after quashing: Dismisses the action as unfounded. With appeal within 15 days from communication. The appeal is submitted to the Bucharest Court of Appeal. Rendered this day of 6 June 2023, the judgment being made available to the parties through the court's registry. Judgment 1002/2023 6 June 2023	Judgments drafting to follow
13.	16597/3/2020	Civil Bucharest Tribunal	Claimant-Defendant	General Concrete Cernavodă S.R.L.	Execution of works contract delay penalties RON 2,760,296.49 counterclaim RON 2,196,525.35	merits	Merits. Pending trial Administration of technical construction expert report evidence.	04.12.2023
14.	13682/3/2020	Civil Bucharest Tribunal	Defendant	ISPE Proiectare si Consultanta SA	annulment of contract execution certificate	merits	Merits: based on art. 413, paragraph 1, point 1 of the Civil Procedure Code, the trial is suspended until the final resolution of file 16597/23/2020. With appeal.	postponed
15.	544/109/2015 (544/109/2016/a6)	Civil Argeș Tribunal / Pitești Court of Appeal / HCCJ	Appellant-defendant	Goga Gheorghe	Patents.	appeal	Solution on substance: Partly upholds the claim. Obliges the defendant to pay RON 4,015,582 representing patrimonial rights deriving from the exploitation of the technical procedures which are the object of inventions during 2014 - 2018. With appeal. Judgment no. 343/26.09.2018.	postponed

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p>Appeal: Pursuant to the provisions of article 75 paragraph 1 of Law no. 85 of 25 June 2014 on procedures for the prevention of insolvency and insolvency, stays the case. With right to appeal during the stay, to be filed with Pitești Court of Appeal. Rendered in public session this day of 4 May 2022. Document: Conclusion - Stay 04.05.2022:</p> <p>Solution on the higher appeal (544/109/2015/a6): Admits the appeal declared by the plaintiff Goga Gheorghe against the decision of May 4, 2022 of the Pitesti Court of Appeal – Civil Section I, pronounced in file no. 544/109/2015, in opposition to the respondents-defendants Compania Nationala a Uraniului SA Bucharest, Compania Nationala a Uraniului SA Bucharest through Administrator Judiciar Expert Insolventa S.P.R.L. Bucharest Branch and Societatea Nationala Nuclearelectrica SA Bucharest through FCN Pitesti Branch. It dismisses the appealed decision and sends the case for retrial to the same court of appeal. Final.</p>	
16.	4419/2/2021 And 1720/1/2022	Administrative disputes Bucharest Court of Appeal	Claimant	Romanian Government	Stay of enforcement and cancellation of Government Decision no. 1041/2003.	merits	<p>Solution on substance: stay of execution Rejects the request to stay the enforcement as unfounded. With appeal within 15 days from communication, filed with this court. Rendered this day of 13 April 2022, the judgment being made available to the parties through the court's registry.</p> <p>Solution on higher appeal - stay of execution - Case no. 4419/2/2021: Dismisses the higher appeal lodged the claimant Societatea Națională Nuclearelectrica S.A. against the Minutes of 13 April 2022 of Bucharest Court of Appeal - 8th Division for Administrative and Tax Disputes, as unfounded. Final</p> <p>Solution on substance - setting aside of the Government Decision no. 1041/2003 Rejects the claim as unfounded. With appeal within 15 days from communication, filed with this court. Document: Judgment 887/2022 11.05.2022.</p> <p>Solution on higher appeal - setting aside of the Government Decision no. 1041/2003 Upholds the higher appeal lodged by the claimant Societatea Națională Nuclearelectrica S.A., against the Civil Sentence no. 887 of 11 May 2022, rendered by Bucharest Court of Appeal - 8th Division for Administrative and Tax Disputes, in Case no. 4419/2/2021. Quashes the appealed sentence and, having reheard the case: Dismisses the head of claims concerning the setting aside of the Government Decision no. no. 1041 of 28 August 2003, as amended by the Government Decision no. 1461/2003, as devoid of object. Refers the case back for retrial to the same court as regards the head of claims</p>	29.11.2023

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Item no.	Case number	Nature of litigation/Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							concerning the ordering of the respondent, the Government of Romania, to grant indemnities. Final. Rendered this day of 8 March 2023, by making the solution available to the parties by care of the court's registry service. Substance to be reheard after quashing: pending trial	
17.	2873/120/2022	Administrative disputes Dâmbovița Tribunal / Ploiești Court of Appeal	Respondent-defendant	Ion Dragos Poescu	access to public information, Law no. 544/2001 on the S&L Study regarding the SMR Site of Doicești	higher appeal	Solution on substance: Dismisses the statement of claims filed by the claimant Popescu Dragos Ion against S.C. Nuclearelectrica S.A., as unfounded. With right of appeal within 15 days from communication. Judgment 97/2023 15 February 2023 Higher appeal. Pending trial.	21.11.2023
18.	23089/3/2022	Insolvency Bucharest Tribunal	Creditor	Compania Nationala a Uraniului	receivable 7,811,840.50	merits	Merits. Procedure pending	07.11.2023
19.	35670/3/2022	Administrative disputes Bucharest Tribunal	Claimant	Dat Constructive SRL	claims 1,021,148.48	merits	Merits. Procedure pending	04.12.2023
20.	25192/3/2022	Civil Bucharest Tribunal	Defendant	SSG Fire & Rescue SRL	715,747.50	merits	Merits. Judgment postponed – 24.10.2023	Judgment postponed – 15.11.2023
21.	15711/3/2023	Civil Bucharest Tribunal	Claimant	Blondie Association	claims 518,502.50	merits	Merits: pending trial	12.01.2024
Cernavodă NPP Branch								
	-							
NFP PITEȘTI Branch								
1.	2588/109/2020	Labour Argeș Tribunal	Defendant	FCN pensioners	obligation to do - Government Decision no. 1041/2003	Merits	Merits: Under the Ruling dated 31 May 2022, it was found the ground for stay under Article 413(1)(1) of the Code of Civil Proceedings was still applicable pending the final settlement of the case no. 3781/2/2020 by Bucharest Court of Appeal, 9th Division for Administrative and Tax Disputes.	Postponed
2.	8116/280/2021	Labour Argeș Tribunal	Defendant	RATEN-ICN Pitesti	declaratory action - issue of employment certificates to employees, before the date of 1 February 1992	Merits	Merits: Dismisses the plea of lack of interest raised by the defendant in the statement of defence. Dismisses the action as unfounded. With appeal within 10 days from communication. Judgment no. 1430/2023 9 March 2023 Appeal: pending trial	22.03.2024

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Appendix 5 – Degree of achievement of the key performance for the Board of Directors, aggregate for Q3 2023

#	Objective/Performance indicators		Verification tool	Target Quarter III 2023	Realised Quarter III 2023	Accomplishment degree capped to 100%	Limity capped (%)
	Name of indicator	weight in the variable component					
Governance indicators							
1	Financial reporting transparency	11%	Publication of financial information in accordance with the financial timetable	100%	100%	100%	11%
2	SMIC standards implementation****	11%	Annual report on the management internal control system	Annual indicator level. (100%)	100%	100%	11%
3	Risk management process monitoring	11%	Quarterly risk management report	Achieved	Achieved	100%	11%
4	Observance of the ethics and integrity standards	11%	Ethical Advisor quarterly report	100%	100%	100%	11%
5	Executive Management performance monitoring	11%	Quarterly report of SNN executives under contracts of mandate	Achieved	Achieved	100%	11%
Operational indicators							
1	No operational event that exceeded level 1 on the international scale of nuclear events	2%	INES scale acc. to IEAE.org website	Achieved	Achieved	100%	2%
2	Obtaining an installed power usage coefficient of at least % (since commencement of commercial operation)	10%	Obtained production MWh/Maximum theoretical production MWh	80%	89.90%	100%	10%
3	EHS - Annual collective dose	3%	Total dose, average per unit, man Sv (ALARA Quarterly Report)	Annual indicator level. (0,42 om/Sv)	0.17	100%	3%
4	EHS - Effluents in the environment	3%	MSv/NPP (ALARA Quarterly Report)	200	6.28	100%	3%
5	EHS - Maximum admissible dose	2%	mSv/person (ALARA Annual Report)	20	6.89	100%	2%
Financial indicators							
1	Gross profit	6%	Annex no. 1 IEB	80% of budgeted level	107.08%	100%	6%
2	Observance of the total budgeted operating expenditure, except for the contribution to the energy transition fund**	8%	Annex no. 1 IEB	100%	93.01%	100%	8%
3	Realization of the investment budget	6%	Annex no. 4 IEB	40%	64.16%	100%	6%
Indicators directed towards public services							
1	Company's involvement in the community	5%	Report on implementation of SNN's CSR programme SNN (contracting) against the figure set under the approved Income and Expenditure Budget	50%	55.61%	100%	5%
The weighted average degree of accomplishment of the key indicators							100%

* in exceptional cases generated by market operation conditions or significant legislative developments, this minimum gross profit target will be reduced by their

**contribution to the energy transition fund means the contribution due according to the Government Emergency Ordinance no. 119/2022, as subsequently amended and supplemented, or its equivalent after renaming

*** the financial indicators were evaluated in accordance with the values provided in the rectified BVC 2023, approved by the BoD no. 232/27.10.2023

**** the verification tool for this indicator is drawn up annually (according to the provisions of art. 4 paragraph (3) of Government Ordinance no. 119/1999, with subsequent additions and changes), so for the quarterly periods the indicator is considered fulfilled.