



S.N. Nuclearelectrica S.A.

**Preliminary and Unaudited Individual Financial Statements
as at and for the financial year ended
31 December 2023**

Prepared in accordance with
Public Finances Minister's Order no. 2.844/2016 on the approval of the
Accounting Regulations compliant with the
International Financial Reporting Standards adopted by the
European Union

S.N. Nuclearelectrica S.A.

Preliminary Individual Financial Statements as at and for the financial year ended 31 December 2023

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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.

Preliminary Individual Statement of Financial Position as at 31 December 2023

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

| | Information note | 31 December 2023 (unaudited) | 31 December 2022 (audited) |
|---|---------------------|---------------------------------|-------------------------------|
| Assets | | | |
| Fixed assets | | | |
| Tangible assets | 4 | 6,538,098,924 | 5,737,295,053 |
| Assets representing rights to use underlying assets within a leasing contract | | 25,284,298 | 15,565,831 |
| Intangible assets | | 50,276,680 | 50,773,837 |
| Financial assets measured at amortized cost | 5 | 634,918,901 | 41,262,942 |
| Financial investments in subsidiaries | 6 | 239,438,503 | 199,438,505 |
| Investments in associated companies | 7 | 19,943,000 | 4,943,000 |
| Total fixed assets | | 7,508,060,306 | 6,049,279,168 |
| Current assets | | | |
| Inventories | 8 | 1,068,235,361 | 653,199,691 |
| Trade receivables | | 623,607,413 | 438,539,974 |
| Other financial assets measured at amortized cost | | 328,508,476 | 140,954,592 |
| Bank deposits | 9 | 112,257,027 | 1,829,796,500 |
| Cash and cash equivalents | 9 | 3,529,330,389 | 2,681,002,427 |
| Total current assets | | 5,661,938,666 | 5,743,493,184 |
| Total assets | | 13,169,998,972 | 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 |
| Share premium | | 31,474,149 | 31,474,149 |
| Reserve paid in advance | | 21,553,537 | 21,553,537 |
| Revaluation reserve | | 336,996,786 | 394,369,643 |
| Retained earnings | | 8,132,809,745 | 6,876,165,858 |
| Total equity | 10 | 11,734,775,900 | 10,535,504,870 |
| Liabilities | | | |
| Long-term liabilities | | | |
| Loans long-term portion | 11 | - | 64,810,940 |
| Provisions for risks and charges | 12 | 204,807,400 | 174,504,703 |
| Deferred income | | 51,695,468 | 63,611,498 |
| Deferred tax liability | | 65,570,483 | 95,446,226 |
| Liabilities for employee benefits | | 51,557,591 | 45,557,591 |
| Liabilities under leasing agreements long-term portion | | 22,617,745 | 12,831,121 |
| Total long-term liabilities | | 396,248,687 | 456,762,079 |
| Current liabilities | | | |
| Trade and other payables | | 816,732,896 | 445,315,659 |
| Provisions for risks and charges short-term portion | 12 | 100,696,439 | 77,040,585 |
| Loans short-term portion | 11 | 65,640,599 | 65,525,433 |
| Corporate income tax liability | | 50,659,680 | 52,801,797 |
| Deferred income | | 1,186,167 | 157,087,526 |
| Liabilities under leasing agreements short-term portion | | 4,058,604 | 2,734,403 |
| Total current liabilities | | 1,038,974,385 | 800,505,403 |
| Total liabilities | | 1,435,223,072 | 1,257,267,482 |
| Total equity and liabilities | | 13,169,998,972 | 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.

Preliminary Individual Statement of Profit or Loss for the financial year ended on 31 December 2023

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

| | Note | <u>2023</u> <u>(unaudited)</u> | <u>2022</u> <u>(audited)</u> |
|---|-----------|------------------------------------|------------------------------------|
| Income | | | |
| Income from the electricity sales | | 7,423,897,612 | 6,343,639,700 |
| Electricity transmission income | | 37,404,747 | 22,902,955 |
| Total income | 13 | <u>7,461,302,359</u> | <u>6,366,542,655</u> |
| Other income | | 125,014,865 | 167,467,707 |
| Operating expenses | | | |
| Depreciation and impairment | | (631,516,409) | (605,405,084) |
| Personnel costs | | (749,598,520) | (555,235,871) |
| Electricity purchased cost | | (120,101,888) | (513,740,391) |
| Repairs and maintenance | | (92,652,661) | (86,468,972) |
| Electricity transmission cost | | (37,404,747) | (22,902,955) |
| Expenses with spare parts | | (22,541,706) | (25,907,604) |
| Costs of nuclear fuel | | (155,480,621) | (151,211,177) |
| Tax on additional income / Contribution to the Energy Transition Fund | 14 | (2,624,831,345) | (1,085,014,040) |
| Other operating expenses | 15 | (661,284,624) | (502,116,398) |
| Total operating expenses | | <u>(5,095,412,521)</u> | <u>(3,548,002,492)</u> |
| Operating profit | | <u>2,490,904,703</u> | <u>2,986,007,870</u> |
| Financial expenses | | (32,104,734) | (31,687,334) |
| Financial income | | 413,685,286 | 238,176,375 |
| Net financial result | 16 | <u>381,580,552</u> | <u>206,489,041</u> |
| Profit before tax | | <u>2,872,485,255</u> | <u>3,192,496,911</u> |
| Net income tax | | (389,998,570) | (428,073,459) |
| Profit of the period | | <u><u>2,482,486,685</u></u> | <u><u>2,764,423,452</u></u> |

The Preliminary Individual Financial Statements presented on pages 1 to 25 were signed on 26 February 2024 by:

Cosmin Ghita
Chief Executive Officer

Dan Niculaie-Faranga
Chief Financial Officer

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S.N. Nuclearelectrica S.A.

Preliminary Individual Statement of Comprehensive Income for the financial year ended 31 December 2023

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

| | Note | <u>2023</u> <u>(unaudited)</u> | <u>2022</u> <u>(audited)</u> |
|--|------|-----------------------------------|---------------------------------|
| Profit of the period | | <u>2,482,486,685</u> | <u>2,764,423,452</u> |
| Other items of the comprehensive income | | | |
| Items that cannot be reclassified to profit or loss | | | |
| Net gain on revaluation of buildings and land | | - | - |
| Deferred tax liability relating to the revaluation reserve | | - | - |
| Actuarial (losses) related to the defined benefit plans | | - | 1,745,457 |
| Retained earnings from other adjustments | | - | - |
| Other elements of the overall result | | <u>-</u> | <u>1,745,457</u> |
| Total comprehensive income related to the period | | <u>2,482,486,685</u> | <u>2,766,168,909</u> |
| Earnings per share | | | |
| Basic earnings per share (RON/share) | | 8.23 | 9.16 |
| Diluted earnings per share (RON/share) | | 8.23 | 9.16 |

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S.N. Nuclearelectrica S.A.

Preliminary Individual Statement of Changes in Equity for the financial year ended 31 December 2023

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

| Note | Share capital | Inflation adjustments of the share capital | Share premium | Reserve paid in advance | Revaluation reserve | Retained earnings | Total equity |
|---|----------------------|--|-------------------|-------------------------|---------------------|------------------------|------------------------|
| | 3,016,438,940 | 195,502,743 | 31,474,149 | 21,553,537 | 394,369,643 | 6,846,526,970 | 10,505,865,982 |
| Balance as at 1 January 2023 (audited) | | | | | | | |
| Comprehensive income | | | | | | | |
| <i>Profit of the period</i> | | | | | | 2,482,486,685 | 2,482,486,685 |
| <i>Other items of the comprehensive income</i> | | | | | | | |
| Actuarial gains related to the benefit plans | | | | | | | |
| Total other items of the comprehensive income | | | | | | | |
| Total comprehensive income related to the period | 10 | - | - | - | - | 2,482,486,685 | 2,482,486,685 |
| 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 | 10 | - | - | - | - | (1,283,215,656) | (1,283,215,656) |
| Other changes in equity | | | | | | | |
| Transfer of revaluation reserves to retained earnings due to amortization | | | | | (57,372,857) | (57,372,857) | - |
| Other changes in equity - total | | | | | (57,372,857) | (57,372,857) | - |
| Balance as at 31 December 2023 (unaudited) | 3,016,438,940 | 195,502,743 | 31,474,149 | 21,553,537 | 336,996,786 | 8,132,809,745 | 11,734,775,900 |

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S.N. Nuclearelectrica S.A.

Individual Statement of Changes in Equity for the financial year ended 31 December 2022

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

| Note | Share capital | Inflation adjustments of the share capital | Share 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 |
| Comprehensive income | | | | | | | |
| <i>Profit of the period</i> | | | | | | 2,764,423,452 | 2,764,423,452 |
| <i>Other items of the comprehensive income</i> | | | | | | | |
| Actuarial gains related to the benefit plans | | | | | | 1,745,457 | 1,745,457 |
| Total other items of the comprehensive | | | | | | 1,745,457 | 1,745,457 |
| Total comprehensive income related to the period | 10 | - | - | - | - | 2,766,168,909 | 2,766,168,909 |
| Transactions with shareholders, recorded only in equity | | | | | | | |
| Distributed dividends | | | | | | (595,925,367) | (595,925,367) |
| Total transactions with shareholders, recorded only in equity | 10 | - | - | - | - | (595,925,367) | (595,925,367) |
| Other changes in equity | | | | | | | |
| Transfer of revaluation reserves to retained earnings due to amortization | | | | | (57,372,857) | (57,372,857) | - |
| Other changes in equity - total | | | | | (57,372,857) | (57,372,857) | - |
| Balance as at 31 December 2022 (audited) | 3,016,438,940 | 195,502,743 | 31,474,149 | 21,553,537 | 394,369,643 | 6,846,526,970 | 10,505,865,982 |

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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 Constanța 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. Câmpului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, Crystal Tower building.

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

The main activity of the Company consists in the electricity and heat generation by means of nuclear methods. The main place of business is within 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 manufacturing of CANDU nuclear fuel bundles is carried out by the Company at the NFP Pitești Branch.

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

As at 31 December 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 were traded on Bucharest Stock Exchange of 4 November 2013, having the issuing symbol SNN.

S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

2. Basis for preparation

a) Declaration of conformity

The Preliminary and Unaudited Individual Financial Statements were prepared in accordance with the Minister of Public Finance's Order no. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS"), as amended ("OMPF 2.844/2016"). For the purposes of the Minister of Public Finance's Order no. 2844/2016, the International Financial Reporting Standards were adopted according to the procedure provided under the Regulation (EC) no. 1.606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ("IFRS adopted by the European Union").

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

These Preliminary and Unaudited Individual Financial Statements include only the Preliminary Individual Statement of Financial Position, the Preliminary Individual Statement of the Profit and Loss Account, the Preliminary Individual Statement and Other Comprehensive Income and Notes to the Preliminary and Unaudited Individual Financial Statements prepared for the financial year ended as at 31 December 2023.

The Preliminary and Unaudited Individual Financial Statements as at and for the financial year ended 31 December 2023 have not been audited or reviewed by the Company's independent financial auditor.

These Preliminary and Unaudited Individual Financial Statements were authorized for issue and signed on 26 February 2024 by the management of the Company.

b) Use of estimates and judgments

The preparation of the Preliminary and Unaudited Individual 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 recognised 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. Changes in estimates are accounted prospectively. Revisions of the accounting estimates are recognized during the period in which the estimate is revised, if such revision only affects that period, or during the period when the estimated is revised, and the future period, where revision affects both the current, and future periods.

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

3. Significant accounting policies

The accounting policies applied in these Preliminary and Unaudited Individual Financial Statements are the same as those applied in the Individual Financial Statements as at and for the financial year ended at 31 December 2022.

4. Tangible assets

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

5. Financial assets measured at amortized cost

As at 31 December 2023 the Company accounted for in position “Financial assets valued at amortized cost” state government bonds, bonds and loans to subsidiaries and associated companies and 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”) and of HENRO Association.

| | <u>31 December 2023</u> <u>(unaudited)</u> | <u>31 December 2022</u> <u>(audited)</u> |
|--|---|---|
| Bonds (i) | 552,203,754 | - |
| Government bonds (ii) | 30,333,530 | 30,260,661 |
| Loans granted to subsidiaries | 25,116,701 | 5,695,250 |
| Loans granted to associated companies | 21,957,885 | - |
| ELINI contribution | 5,032,931 | 5,032,931 |
| HENRO contribution | 250,000 | 250,000 |
| Romanian Commodities Exchange contribution | 24,000 | 24,000 |
| Romatom contribution | 100 | 100 |
| Total | <u>643,918,901</u> | <u>41,262,942</u> |

(i) Bonds

As at 31 December 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.
- 428 non-preferential unguaranteed senior bonds, issued by CEC Bank, with a maturity of five years (February 2028) and an annually return of 7.75% p.a.
- 17.500 non-preferential senior bonds, MREL eligible, issued by Banca Transilvania, with a maturity of five years (December 2028) and an annually return of 7.25% p.a.

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

Movement of financial assets representing bonds is as follows:

| | 31 December 2023 (unaudited) | 31 December 2022 (audited) |
|---|---|---|
| Balance at the beginning of the reporting period | - | - |
| Purchases | 518,828,650 | - |
| Maturity dates | - | - |
| Discount depreciation | 60,081 | - |
| Revaluation | 3,422,600 | - |
| Balance at the end of the reporting period | 522,311,331 | - |
| Accumulated interest | 29,892,423 | - |
| Total bonds | 552,203,754 | - |

(ii) Government bonds

As at 31 December 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 government bonds is as follows:

| | 31 December 2023 (unaudited) | 31 December 2022 (audited) |
|---|---|---|
| Balance as at 1 January | 29,751,132 | 29,680,203 |
| Purchases | - | - |
| Maturity dates | - | - |
| Discount depreciation | 73,309 | 70,929 |
| Balance at the end of the reporting period | 29,824,441 | 29,751,132 |
| Accumulated interest | 509,089 | 509,529 |
| Government bonds – total | 30,333,530 | 30,260,661 |

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

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

6. Financial investments in subsidiaries

As at 31 December 2023, investments in subsidiaries refers to:

| | 31 December 2023 | 31 December 2022 |
|------------------------------|-------------------------|-------------------------|
| | (unaudited) | (audited) |
| Energonuclear S.A. | 222,438,103 | 199,438,105 |
| F.P.C.U Feldioara S.R.L. | 200 | 200 |
| Nuclearelectrica Serv S.R.L. | 17,000,200 | 200 |
| Total | 239,438,503 | 199,438,505 |

Energonuclear S.A.

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

As at 31 December 2023 and 31 December 2022, the Company holds 100% of the share capital of Energonuclear. The value of the shareholding as at 31 December 2022 is RON 222,438,103 (31 December 2022: RON 199,438,105).

By Resolution of the Extraordinary General Meeting of Shareholders no. 4/11.07.2017, the Company’s shareholders approved to grant a loan convertible into shares in amount of maximum RON 5,500,000 to Energonuclear S.A. 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 31 December 2023 the Company did not register any loans granted to Energonuclear S.A..

During 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 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 Braşov County, Feldioara Locality, Str. Dumbrăvii 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.

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

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

In 2021, the Company's shareholder approved the granting of a loan in amount of RON 2,300,000, 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, the Company's shareholder approved the granting of loans in amount of RON 11,000,000 and RON 16,325,949.40 respectively, 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 and 2024.

As at 31 December 2023, the Company had a principal of RON 24,780,949 (31 December 2022: RON 3,600,000) and an accrued interest of RON 277,889 (31 December 2022: RON 130,772).

Nuclearelectrica Serv S.R.L.

Nuclearelectrica Serv S.A. has its registered office located in Constanta County, Cernavoda 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 31 December 2023, respectively 31 December 2022, the Company held 100% of the share capital of Nuclearelectrica Serv. The value of the shareholding as at 31 December 2023 is RON 17,000,200 (31 December 2022: RON 200).

In 2023, the share capital of Nuclearelectrica Serv was increased by the amount of RON 17,000,000, under Resolution of the Board of Directors no. 294/21.12.2023 by contribution in cash.

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. During 2023, the subsidiary accessed the amount of RON 11,006,800 and fully repaid that amount until 31 December 2023 (balance as at 31 December 2022: RON 1,920,000), for which it booked an accrued interest accumulated in the balance as at 31 December 2023 of RON 57,863 (31 December 2022: RON 46,637).

7. Financial investments in associated companies

Ropower Nuclear S.A.

In September 2022, the project company 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.

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

As at 31 December 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 associated company 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.

Ropower Nuclear S.A. was founded 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.

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 31 December 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 31 December 2023, the outstanding loan principal amounts EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted RON 779,817.

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

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

| | 31 December 2023 | 31 December 2022 |
|-----------------------------------|-------------------------|-------------------------|
| | (unaudited) | (audited) |
| Spare parts | 219,146,771 | 240,796,144 |
| Other raw materials and materials | 849,088,590 | 412,403,547 |
| Total | 1,068,235,361 | 653,199,691 |

(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 Individual Financial Statements of the Company prepared as at and for the financial year ended 31 December 2022 for the other relevant accounting policies for inventories.

(ii) Amounts recognized in Statement of Profit or Loss

The value of the inventories expensed in the financial year ended on 31 December 2023 is presented under Cost of spare parts and Cost of nuclear fuel lines in the Preliminary Individual Statement of Profit or Loss, and is amounting RON 178,022,327 (31 December 2022: RON 177,118,781).

The value of inventories recognized on expense during the financial year ending as at 31 December 2023 in accordance with IAS 2.34, representing inventories scrapped, impaired, written off, is of RON 1,165,364 (31 December 2022: RON 1,042,623). The Company examines the evolution of inventories on a periodical basis, providing in time impairment adjustments for inventories deemed to be impaired. Therefore, for inventories scrapped the Company provided impairment adjustments, which it wrote back on revenue upon their writing off. The effect on the statement of profit or loss is insignificant.

The value of impairment adjustments for inventories as at 31 December 2023 amounted RON 51,208,717 (31 December 2022: RON 50,081,781). During 2023, depreciation adjustments were set-up in the amount of RON 2,258,700 (31 December 2022: RON 218,305) and impairment adjustments were written back on revenue, in amount of RON 1,070,672 (31 December 2022: RON 1,953,198).

During 2023, there were no inventory outflows written back.

(iii) Pledged inventories

As at 31 December 2023 the Company has no pledged or mortgaged inventories.

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***9. Cash and cash equivalents, bank deposits**As at 31 December 2023 and 31 December 2022 **cash and cash equivalents** were presented as follows:

| | 31 December 2023 | 31 December 2022 |
|--|-------------------------|-------------------------|
| | (unaudited) | (audited) |
| Bank deposits less than 3 months | 3,145,883,700 | 2,396,122,000 |
| Bank accounts in RON | 232,700,548 | 259,300,485 |
| Bank accounts in foreign currencies | 150,247,917 | 25,057,497 |
| Other cash equivalents | 435,297 | 440,509 |
| Cash on hand | 62,927 | 81,936 |
| Cash and cash equivalents - Total | 3,529,330,389 | 2,681,002,427 |

As at 31 December 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:

| | 31 December 2023 | 31 December 2022 |
|---------------|-------------------------|-------------------------|
| | (unaudited) | (audited) |
| Bank deposits | 112,257,027 | 1,829,796,500 |

(i) Classification as cash equivalents

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

(ii) Restricted cash

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

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

As at 31 December 2023 the Company held bank guarantee letters under certain credit facilities, without any collateral deposits, in amount of RON 140,782,892 RON (31 December 2022: RON 124,714,365).

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

10. 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 RON 3,016,518,660. Subscribed and paid up share capital as at 31 December 2023 amounted RON 3,016,438,940 RON, under the authorized capital.

As at 31 December 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:

| | 31 December 2023 (unaudited) | 31 December 2022 (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 31 December 2023, 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 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 Economy, Energy and Business Environment, 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 Decisions of the Extraordinary General Meeting of Shareholders no. 2/04.01.2019 and no. 12/19.12.2019, registered with the National Trade Register Office according to the Certificate of Amendments no. 484154/30.09.2020.

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

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

| Shareholders | Number of shares 31 December 2023 | % of the share capital | Number of shares 31 December 2022 | % of the share 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% |

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

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

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.

Reserves paid in advance

Reserve paid in advance amounted RON 21,553,537 as at 31 December 2023 and 31 December 2022 and represented sites of public utility from Cernavodă NPP (RON 5,439,321 as at 31 December 2023 and 31 December 2022) and budget allowances related to the period 2007 - 2011 for building the Training and Recreation Center for Young People and Children in Cernavoda (RON 16,114,216) as at 31 December 2023 and 31 December 2022).

Legal Reserves

According to legal requirements, the Company sets up legal reserves of 5% of the gross statutory profit registered, up to 20% of the share capital. The value of legal reserve as at 31 December 2023 amounted RON 558,381,961 (31 December 2022: RON 414,757,698).

Legal reserves cannot be distributed to shareholders. The value of legal reserves was included in the Statement of Financial Position, under heading "Retained earnings".

Revaluation reserves, net of deferred tax

As at 31 December 2023, the revaluation reserve net of deferred tax amounted RON 336,996,786 (31 December 2022: RON 394,369,643). 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 2023, the Company recognized a decrease in the revaluation reserve, net of deferred tax, of RON 57,372,857 following its transfer to 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.

In the financial year ended on 31 December 2023, the Company distributed dividends of RON 1,283,215,656 from the net profit of financial year 2022, according to OGMS Decision no. 3/26.04.2023 (2022: RON 595,925,367, distributed from the net profit of financial year 2021, according to OGMS Decision no. 5/28.04.2022). Net dividends unpaid as at 31 December 2023 amounted RON 1,030,734 (31 December 2022: RON 748,270).

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)**Movements in retained earnings*

| | 31 December 2023 (unaudited) | 31 December 2022 (audited) |
|---|---|---|
| Balance as at 1 January | 6,876,165,858 | 4,648,549,459 |
| Net profit of period | 2,482,486,685 | 2,764,423,452 |
| Actuarial Gains/(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 | 57,372,857 | 57,372,857 |
| Dividends | (1,283,215,656) | (595,925,367) |
| Balance as at 31 December | 8,132,809,745 | 6,876,165,858 |

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S.N. Nuclearelectrica S.A.

Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***11. Loans**

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

| | 31 | < 1 year | > 1 year | 31 | < 1 year | > 1 year |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | December | | | December | | |
| | 2023 | | | 2022 | | |
| | (unaudited) | | | (audited) | | |
| Bank loans | 65,167,260 | 65,167,260 | - | 130,116,620 | 65,305,680 | 64,810,940 |
| Interest | 473,339 | 473,339 | - | 219,753 | 219,753 | - |
| Total | 65,640,599 | 65,640,599 | - | 130,336,373 | 65,525,433 | 64,810,940 |

Bank loans

Loans repayments during the financial year ended 31 December 2023 were:

| | Currency | Interest rate | Value | Maturity |
|---|-----------------|----------------------|--------------------|-----------------|
| Balance as at 1 January 2022 (audited) | | | 130,116,620 | |
| New drawdowns | | | | |
| EURATOM reimbursement | EUR | EURIBOR 6M + 0.08% | (65,258,970) | 2024 |
| Foreign exchange differences | | | 309,610 | |
| Balance as at 31 December 2023 (audited) | | | 65,167,260 | |

The loans refer to:

- *Loan granted by EURATOM*

The loan was granted by EURATOM to the Company in 2004. The initial amount of the loan obtained was EUR 223.5 million. The amount due as at 31 December 2023 is EUR 13.1 million (31 December 2022: EUR 26.3 million), related to the following instalments: (i) instalment I with a principal of EUR 0 (zero) million (31 December 2022: EUR 0 million); (ii) instalment II with a principal of EUR 9 million (31 December 2022: EUR 18 million) and (iii) instalment III with a principal of EUR 4.1 million (31 December 2022: EUR 8.3 million). Instalment I was repaid in 20 instalments payable in years 2013-2022; instalment II will be repaid in 20 instalments payable in years 2015-2024, and instalment III will be repaid in 16 instalments payable in years 2017-2024. The loan carries a floating interest rate of EURIBOR 6M + 0.080% for the first two instalments and EURIBOR 6M + 0.079% for the 3rd instalment. The loan is secured by the Romanian State through the Ministry of Finance.

Collaterals

The loans from foreign banks contracted with Societe Generale ("SG") and EURATOM are secured by the Romanian State through the Ministry of Public Finance. In addition, loans from SG are secured by external insurers (COFACE) and promissory notes are issued by the Company in favour of this creditor.

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***12. Provisions for risks and charges**

As at 31 December 2023, respectively 31 December 2022 the Company recorded the following provisions, included under the heading “Provisions for risks and charges” and “Provisions for risks and charges short-term portion”:

| | 31 December 2023 (unaudited) | 31 December 2022 (audited) |
|--|---|---|
| Liabilities relating to the Burned Fuel Intermediate Storage (DICA) | 101,136,780 | 70,294,835 |
| Liabilities relating to other low and medium level radioactive and non-radioactive waste | 69,517,636 | 64,737,442 |
| Provision for litigations related to salary bonus | 102,341,834 | 89,288,704 |
| Employee participation in profit | 30,764,865 | 27,000,000 |
| Provisions for disputes | 1,527,406 | - |
| Other provisions for risks and charges | 215,318 | 224,307 |
| Total | 305,503,839 | 251,545,288 |

As at 31 December 2023, provisions in a total amount of RON 305,503,839 represented long and short-terms liabilities, as follows:

| | Current part (< 1 year) | Long-term part (> 1 year) |
|--|---|---|
| Liabilities relating to the Burned Fuel Intermediate Storage (DICA) | 54,090,644 | 47,046,136 |
| Liabilities relating to other low and medium level radioactive and non-radioactive waste | 14,098,206 | 55,419,430 |
| Provision for litigations related to salary bonus (i) | - | 102,341,834 |
| Employee participation in profit | 30,764,865 | - |
| Provisions for litigations | 1,527,406 | - |
| Other provisions for risks and charges | 215,318 | - |
| Total | 100,696,439 | 204,807,400 |

- (i) Item “Provision for disputes related to salary bonuses” represents the preliminary effect of the disputes initiated by trade unions against the Company, Cernavodă NPP Trade Union and Energetica Nucleara '90 Free Trade Union, regarding the allowance for nuclear risk, representing a pay supplement.

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 31 December 2022 for the relevant accounting policies for provisions.

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***13. Income from electricity sales****(i) Income from electricity sales**

| | 2023 | 2022 |
|--|----------------------|----------------------|
| | (unaudited) | (audited) |
| Sales of energy via MACEE | 2,222,509,995 | - |
| Sales of energy on the competitive market | 5,195,257,706 | 6,337,877,402 |
| Sales of thermal energy | 6,097,431 | 5,729,022 |
| Income from the sale of green certificates | 32,480 | 33,276 |
| Total | 7,423,897,612 | 6,343,639,700 |

(ii) Quantity of sold electricity*)

| | 2023 | 2022 |
|--|--------------------|-------------------|
| | (unaudited) | (audited) |
| Quantity of electricity sold via MACEE (MWh) | 4,938,911 | - |
| Quantity of sold electricity on the competitive market (MWh) | 5,520,334 | 10,513,116 |
| | 10,459,245 | 10,513,116 |

^{*)} The amount of electricity sold does not include the amount of electricity related to the income from positive imbalances from the Balancing Market, of 43,892 MWh for the financial year ended on 31 December 2023 (40,798 MWh for the financial year ended on 31 December 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. The Romanian Electricity and Gas Market Operator 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. During 2023, the Company sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 47.02% of the total electricity sold during the period.

On the competitive market, in 2023, the Company sold 52.56% of the total energy sold (2022: 99.61%), respectively 5,520,334 MWh (2022: 10,513,116 MWh). The average selling price of electricity sold by the Company on this market during 2023 was 940.45 RON/MWh (2022: 600.15 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, for which it has set up a guarantee in the amount of RON 4,450,000 valid until 18 December 2024.

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. Cernavoda, as well as to certain end consumers in Cernavoda Locality– economic operators, social and cultural institutions. The sales of heat in 2023 amount RON 6,097,431 (2022: RON 5,729,022).

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***14. Tax on additional income / Contribution to the energy transition fund**

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | (unaudited) | (audited) |
| Tax on additional income / Contribution to the Energy Transition Fund | 2,624,831,345 | 1,085,014,040 |
| Total | 2,624,831,345 | 1,085,014,040 |

During 2023, the Company booked Contribution to the Energy Transition Fund in amount of RON 2,624,831,345 (2022: RON 1,085,014,040, under the heading Tax on additional income). As at 31 December 2023, the payable balance of the Energy Transition Fund amounts RON 195,267,667 (31 December 2022: 73,261,115 RON), fully paid in October.

In 2022, the Company registered Tax on additional income. 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 until 01 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 01 September 2022, for the **period 01 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 sales 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).

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***15. Other operating expenses**

| | 2023 | 2022 |
|--|--------------------|--------------------|
| | (unaudited) | (audited) |
| Other expenses with services executed by third parties | 108,821,037 | 97,498,218 |
| ANDR costs | 101,845,002 | 100,535,482 |
| Expenses with energy and water | 123,767,848 | 91,268,972 |
| Expenses with fuel and other consumables | 64,790,185 | 62,274,284 |
| Expenses related to ANRE contribution | 6,370,420 | 3,121,500 |
| Expenses with insurance premiums | 14,906,354 | 13,555,971 |
| Expenses with the transport and telecommunications | 16,762,529 | 10,749,690 |
| Expenses with building tax | 90,949,460 | 71,957,968 |
| Net expenses related to provisions and value adjustments | 49,111,586 | - |
| Other operating expenses | 83,960,203 | 51,154,313 |
| Total | 661,284,624 | 502,116,398 |

ANDR costs

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

- Contribution for decommissioning each nuclear unit in amount of 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 plant 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 based on the licenses held. As at 31 December 2023 the contribution amounts RON 6,370,420 (31 December 2022: RON 3,121,500). 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 based on the licenses held.

Other operating expenses

“Other operating expenses” heading includes expenses related to operating license paid to CNCAN Bucharest, in amount of RON 9,900,000 (31 December 2022: RON 9,900,000).

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Notes to the Preliminary Individual Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***16. Financial income and expenses**

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | (un audited) | (audited) |
| Interest income | 352,588,227 | 217,870,423 |
| Income from exchange rate differences | 42,494,685 | 20,164,465 |
| Dividend income | 971,747 | 60,935 |
| Financial income regarding the amortization of government bonds differences | 133,390 | 70,929 |
| Other financial income | 17,497,237 | 9,623 |
| Financial income - Total | 413,685,286 | 238,176,375 |
| Expenses from exchange rate differences | (25,470,229) | (24,235,623) |
| Interest expense | (6,634,505) | (7,451,711) |
| Financial expenses - Total | (32,104,734) | (31,687,334) |
| Net financial costs | 381,580,552 | 206,489,041 |

Other financial income

Under the heading “*Other financial income*” includes the bonds interest, estimated for the period until 31 December 2023, in the amount of RON 17,497,236 (31 December 2022: RON 0).

17. Subsequent events

The company has not identified events subsequent to 31 December 2023 that could have a significant impact and are of a nature of being presented in these Preliminary Individual Financial Statements.

Date: 26 February 2024**Cosmin Ghita**
Chief Executive Officer**Dan Niculaie-Faranga**
Chief Financial Officer

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