



S.N. Nuclearelectrica S.A.

**Individual Interim Financial Statements
as at, and for the 3-month period ended 31 March 2024**

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

S.N. Nuclearelectrica S.A.

Individual Interim Financial Statements as at, and for 3-month period ended 31 March 2024

TABLE OF CONTENTS

Individual Statement of Financial Position as at 31 March 2024	3
Individual Statement of Profit or Loss for the 3-month period ended 31 March 2024.....	4
Individual Statement of Comprehensive Income for the 3-month period ended 31 March 2024.....	5
Individual Statement of Changes in Equity for the 3-month period ended 31 March 2024	6
Individual Statement of Changes in Equity for the financial year ended 31 December 2023	7
Individual Statement of Cash-Flows for the 3-month period ended 31 March 2024.....	8
Notes to the Individual Interim Financial Statements prepared as at and for the 3-month period ended 31 March 2024	9
1. Reporting entity	9
2. Basis for preparation.....	11
3. Significant accounting policies.....	12
4. Tangible non-current assets	13
5. Assets representing rights of use underlying assets within a leasing contract	17
6. Financial assets measured at amortized cost.....	18
7. Financial investments in subsidiaries	19
8. Financial investments in related entities	21
9. Inventories	22
10. Trade receivables.....	23
11. Other financial assets measured at amortized cost	24
12. Cash and cash equivalents, bank deposits.....	25
13. Equity	26
14. Loans	28
15. Provisions for risks and charges	29
16. Obligations regarding employees benefits.....	30
17. Trade and other payables	32
18. Income from sale of electricity	33
19. Other income	34
20. Payroll expenses	34
21. Contribution to the Energy Transition Fund.....	35
22. Other operating expenses.....	36
23. Financial income and expenses	37
24. Corporate income tax.....	37
25. Earnings per share	38
26. Contingencies, commitments and operational risks.....	39
27. Events subsequent to the balance-sheet date	42

S.N. Nuclearelectrica S.A.
Individual Statement of Financial Position as at 31 March 2024
(All amounts are expressed in RON, unless otherwise stated)

	Note	31 March 2024 (unaudited)	31 December 2023 (audited)
Assets			
Non-current assets			
Tangible assets	4	6,445,538,310	6,538,385,782
Assets representing rights to use underlying assets within a leasing contract	5	39,803,889	18,601,084
Intangible assets		60,382,723	50,389,398
Financial assets measured at amortized cost	6	667,913,530	634,918,901
Financial investments in subsidiaries	7	239,438,503	239,438,503
Investments in associated entities	8	19,943,000	19,943,000
Total non-current assets		7,473,019,955	7,501,676,668
Current assets			
Inventories	9	1,038,474,993	1,067,736,531
Trade receivables	10	225,671,362	624,305,513
Other financial assets measured at amortized cost	11	126,249,449	327,446,936
Bank deposits	12	2,311,880,380	112,257,027
Cash and cash equivalents	12	2,155,545,301	3,529,334,516
Total current assets		5,857,821,485	5,661,080,523
Total assets		13,330,841,440	13,162,757,191
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		322,774,176	336,996,786
Retained earnings		8,730,617,276	8,153,125,015
Total equity	13	12,318,360,821	11,755,091,170
Liabilities			
Long-term liabilities			
Long-term loans	14	-	-
Provisions for risks and charges	15	195,308,840	204,807,400
Long-term deferred income		32,153,721	35,684,350
Deferred tax liability		59,834,205	63,058,097
Liabilities for employee benefits	16	48,088,311	48,088,311
Liabilities under long-term leasing agreements	5	36,462,639	15,605,108
Total long-term liabilities		371,847,716	367,243,266
Current liabilities			
Trade and other payables	17	274,997,097	818,115,509
Current part of provisions for risks and charges	15	158,384,049	119,867,937
Current part of the long-term loans	14	55,355,060	65,640,599
Corporate income tax due		129,296,090	16,787,246
Short-term deferred income		17,904,964	15,844,172
Liabilities under short-term leasing agreements	5	4,695,643	4,167,292
Total current liabilities		640,632,903	1,040,422,755
Total liabilities		1,012,480,619	1,407,666,021
Total equity and liabilities		13,330,841,440	13,162,757,191

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 Statement of Profit or Loss for the 3-month period ended 31 March 2024

(All amounts are expressed in RON, unless otherwise stated)

	Note	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Income			
Income from sales of electricity		1,162,492,777	2,093,433,460
Electricity transmission income		10,573,208	7,006,854
Total Income	18	1,173,065,985	2,100,440,314
Other income	19	32,273,097	19,252,979
Operating expenses			
Depreciation and amortization		(164,394,012)	(156,159,585)
Payroll expenses	20	(168,548,927)	(139,769,691)
Cost of electricity purchased		(33,545,034)	(2,243,515)
Repairs and maintenance		(20,109,792)	(14,755,039)
Electricity transmission cost		(10,573,208)	(7,006,854)
Expenses with spare parts		(4,277,553)	(2,625,679)
Costs of nuclear fuel		(52,217,461)	(44,796,349)
Contribution to the Energy Transition Fund	21	-	(840,842,238)
Other operating expenses	22	(148,766,093)	(111,520,344)
Operating expenses - Total		(602,432,080)	(1,319,719,294)
Operating profit		602,907,002	799,973,999
Financial expenses		(12,710,415)	(5,649,984)
Financial income		82,358,015	113,380,877
Net financial result	23	69,647,600	107,730,893
Profit before tax		672,554,602	907,704,892
Net income tax	24	(109,284,951)	(141,186,889)
Profit of the period		563,269,651	766,518,003

The Individual Interim Financial Statements presented from page 1 to 43 were signed on 10 May 2024 by:

Cosmin Ghita,
Chief Executive Officer

Vasile Dascalu,
Chief Financial Officer

S.N. Nuclearelectrica S.A.

Individual Statement of Comprehensive Income for the 3-month period ended 31 March 2024

(All amounts are expressed in RON, unless otherwise stated)

	Note	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Profit of the period		563,296,651	766,518,003
Other elements of 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		-	-
Retained earnings from other adjustments		-	-
Other elements of comprehensive income		-	-
Total comprehensive income related to the period		563,269,651	766,518,003
Earnings per share	25		
Earnings per share (RON/share)		1.87	2.54
Diluted earnings per share (RON/share)		1.87	2.54

S.N. Nuclearelectrica S.A.

Individual Statement of Changes in Equity for the 3-month period ended 31 March 2024

(All amounts are expressed in RON, unless otherwise stated)

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	336,996,786	8,153,125,015	11,755,091,170
Balance as at 1 January 2024 (audited)							
Comprehensive income							
<i>Profit of the financial year</i>	-	-	-	-	-	<i>563,269,651</i>	<i>563,269,651</i>
Other items of comprehensive income							
Actuarial gains related to the benefit plans	-	-	-	-	-	-	-
Total other items of comprehensive income	-	-	-	-	-	-	-
Total comprehensive income related to the reporting period	13	-	-	-	-	563,269,651	563,269,651
Transactions with shareholders, recorded only in equity							
Distributed dividends	-	-	-	-	-	-	-
Total transactions with shareholders, recorded only in equity	13	-	-	-	-	-	-
Other changes in equity							
Transfer of revaluation reserves into retained earnings due to amortization	-	-	-	-	(14,222,610)	14,222,610	-
Other changes in equity - total					(14,222,610)	14,222,610	-
Balance as at 31 March 2024 (unaudited)	3,016,438,940	195,502,743	31,474,149	21,553,537	322,774,176	8,730,617,276	12,318,360,821

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S.N. Nuclearelectrica S.A.

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

(All amounts are expressed in RON, unless otherwise stated)

	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 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 financial year</i>		-	-	-	-	-	2,506,518,832	2,506,518,832
<i>Other items of comprehensive income</i>								
Actuarial gains related to the benefit plans		-	-	-	-	-	(3,716,876)	(3,716,876)
Total other items of comprehensive income		-	-	-	-	-	(3,716,876)	(3,716,876)
Total comprehensive income related to the financial year	13	-	-	-	-	-	2,502,801,956	2,502,801,956
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		-	-	-	-	(57,372,857)	57,372,857	-
Other changes in equity - total		-	-	-	-	(57,372,857)	57,372,857	-
Balance as at 31 December 2023 (audited)		3,016,438,940	195,502,743	31,474,149	21,553,537	336,996,786	8,153,125,015	11,755,091,170

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S.N. Nuclearelectrica S.A.

Individual Statement of Cash-Flows for the 3-month period ended 31 March 2024

(All amounts are expressed in RON, unless otherwise stated)

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Cash flows from operating activities		
Profit before tax	672,554,602	907,704,892
Adjustments for:		
Depreciation and amortization	164,394,012	156,159,585
Value adjustments of trade receivables	(814)	(555)
Value adjustments of inventories	(154,140)	(72,551)
Provisions related to liabilities, risks and operating expenses	19,170,239	13,842,053
(Gains)/Losses from disposal of non-current assets	109,214	(16,857)
Net financial (income)	(69,729,335)	(107,819,249)
Changes in:		
Decrease/(Increase) in trade receivables	398,638,017	(163,864,820)
Decrease/(Increase) in other financial assets measured at amortized cost	147,492,199	(36,583,479)
(Increase) in inventories	29,432,032	(111,468,097)
Change in deferred income	(1,469,837)	(80,137,692)
Increase of trade and other payables	(530,978,591)	185,314,270
Cash flows related to operating activity	829,457,598	763,057,501
Corporate income tax paid	-	-
Interest received	115,650,239	123,400,190
Interest paid	(419,175)	(196,595)
Dividends received	-	-
Net cash related to operating activity	944,688,662	886,261,096
Cash flows related to investment activity		
Purchases of intangible non-current assets	(13,562,793)	(487,471)
Purchases of tangible non-current assets	(67,806,082)	(61,684,099)
(Increase)/Decrease in bank deposits	(2,202,962,780)	(490,641,343)
Financial assets measured at amortized cost	(21,175,162)	(221,635,001)
Investments in subsidiaries	-	-
Investments in affiliated entities	-	-
Proceeds from sale of tangible non-current assets	-	211,779
Net cash related to investment activity	(2,305,506,817)	(774,236,135)
Cash flow related to financing activity		
Loans payments	(10,467,874)	(10,336,410)
Dividends payments	(79,353)	(36,095)
Payments related to liabilities from leasing agreements, including interest	(2,423,833)	(424,627)
Net cash related to the financing activity	(12,971,060)	(10,797,132)
Net (Decrease)/Increase of cash and cash equivalents	(1,373,789,215)	101,227,828
Cash and cash equivalents as at 1 January	3,529,334,516	2,681,002,427
Cash and cash equivalents as at 31 March	2,155,545,301	2,782,230,255

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Notes to the Individual Interim Financial Statements prepared as at and for the 3-month period ended 31 March 2024

1. Reporting entity

Societatea Nationala Nuclearelectrica S.A. (“Company” or “SNN”) is national joint-stock company, managed under single-tier system, having a head office and two branches without legal personality, Cernavodă NPP (Nuclear Power Plant) – headquartered in Constanța County, Cernavodă City, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively Pitești NFP (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 production” – 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 production 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 Units 3 and 4 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 Resolution no. 6/10.08.2022 of the Ordinary General Meeting of SNN Shareholders, a series of measures related to the continuation of the Project were adopted and approved:

- the Preliminary Investment Decision and the transition to Stage II - Preliminary Works were adopted,
- the initiation of the steps for awarding and concluding the agreements necessary for the completion of the Project, within the limits of powers provided for in the articles of incorporation of SNN and Energonuclear, and without exceeding the amount of EUR 185 million was approved,
- the financing of Energonuclear by SNN through a share capital increase and/or through the granting of associated loans, with a total value of 185 million Euros, calibrated to the Project's development requirements and necessary for the implementation of Stage II of the Units 3 and 4 Project Cernavodă NPP was approved.

On 31 March 2023, 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 stages of the project.

Moreover, the Company owns a reactor (Unit 5), for which the Company’s shareholders had approved the change in the original destination since March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. At the beginning of 2020 the International Atomic Energy Agency (“IAEA”) performed a benchmark assessment of the design requirements for the investment objective On-Site Emergency Control Center (“OSECC”) – Unit

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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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 (“BF FEC”).

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 BF FEC. 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 Pitești NFP 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.

As at 7 November 2023, the International Rating Agency Fitch revised the rating of SNN to “BBB-”, with stable outlooks. The rating reflects, according to the report published by Fitch Rating Agency, the strong business profile of SN Nuclearelectrica SA underpinned by its strong market position as the sole producer of nuclear energy, covering approximately 20% of Romania's consumption needs and 35% of the clean, CO2 emission-free energy at national level; the solid level of profitability, with a similar perspective for the period 2023-2026; major investment plans with reference to the Refurbishment of Unit 1, the Tritium Removal Plant and Units 3 and 4 for the period 2023-2027; the level of indebtedness related to the implementation of the refurbishment of Unit 1 of the Cernavodă NPP; medium-term investment projects with reference to the Units 3 and 4 Project and the SMR Project; the solid relationship with the Romanian State, the shareholding ties and the strategic importance of this relationship in relation to the investment projects; the impact of the energy price cap through the MACEE market mechanism¹.

Starting with 1 June 2023, Nuclearelectrica was included in the MSCI Frontier Markets and MSCI Romania indices. Previously, on 19 August 2022, the Company was included 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.

Fitch Ratings has confirmed Romania's rating at "BBB -" with a stable outlook, which is the latest rating as stated in a release from the financial rating agency dated 1 March 2024. The 'BBB -' rating assigned to Romania is underpinned by its EU membership and associated capital inflows that support income convergence, external finances and macroeconomic stability. GDP per capita and human development indicators are above those of other 'BBB' countries. However, these are offset by higher budget and current account deficits than other countries in the same category, a modest track record of fiscal consolidation, increased fiscal rigidities and a high external debtor position².

On 31 December 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 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.

¹ <https://www.fitchratings.com/research/corporate-finance/fitch-affirms-nuclearelectrica-at-bbb-outlook-stable-07-11-2023>

² <https://www.fitchratings.com/research/sovereigns/fitch-affirms-romania-at-bbb-outlook-stable-01-03-2024>

2. Basis for preparation

2.1. Declaration of conformity

The Individual Interim Financial Statements as at and for the 3-month period ended 31 March 2024 (the “Financial Statements”) were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”), as subsequently amended (“OMPF 2844/2016”). For the purposes of the Order of the Minister of Public Finance no. 2.844/2016, the International Financial Reporting Standards are adopted according to the procedure provided under the Regulation (EC) no. 1.606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (“IFRS adopted by the European Union”).

The Individual Interim Financial Statements as at, and for the 3-month period ended 31 March 2024 have not been audited or reviewed by the Company's financial auditor - PKF Finconta S.R.L.

These Individual Interim Financial Statements were authorized for issue and were signed on 10 May 2024 by the Company's management.

The financial year corresponds to the calendar year.

2.2. Going concern

These Financial Statements were drafted according to the going concern principle supposing that the Company will continue its activity, without any significant reduction, as well as in the foreseeable future. In making this judgement, management considers current performance and access to financial resources.

2.3. Presentation of the financial statements

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 the statement of the financial position and a presentation of the income and expenses depending on their nature within the statement of profit or loss account and of 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 drafted as at and for the financial year ended on 31 December 2023. 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 2023.

2.4. Basis of evaluation

The Individual Interim Financial Statements were prepared at historical cost, save for some categories of tangible non-current assets that are measured at fair value. Other financial assets and liabilities, such as non-financial assets and liabilities are presented at amortized cost, revalued value or historical cost.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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2.5. Functional and presentation currency

The Individual Interim Financial Statements are presented in Romanian LEI ("RON" or "LEU"), as this is also the functional currency of the Company, determined according to IAS 21. All financial information is presented in RON, unless otherwise indicated.

2.6. Use of 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, income 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 book values of assets and liabilities which cannot be obtained from other information sources. Results obtained could be different from the estimates values. Judgements and assumptions underpinning them are revised on a regular basis. Revisions of the accounting estimates are recognized during the period in which the estimate was revised and in the future period if revision affects both the current period, and the future periods. Significant judgments used by the management for applying the Company's accounting policies and the main sources of uncertainty relating to estimates were similar to those applied to the Individual Financial Statements as at and for the financial year ended on 31 December 2023.

3. Significant accounting policies

Accounting policies applied in these Individual Interim Financial Statements are similar to those policies applied in the Individual Financial Statements of the Company as at and for the financial year ended on 31 December 2023.

The 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.

4. Tangible non-current assets

	Land	Nuclear power plants	Plant, machinery and other assets	Non-current assets in progress	TOTAL
Cost					
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	-	-	96,427,136	1,359,346,028	1,455,773,165
Transfers	-	281,283,159	42,673,451	(323,956,610)	-
Heavy water-additions	-	17,150,312	-	-	17,150,312
Transfer of inventories	-	-	2,043,294	1,881,461	3,924,754
Transfer from reclassified spare parts	-	-	16,219,611	(16,19,611)	-
Derecognition of inspections	-	(73,865,661)	-	-	(73,865,661)
Derecognition of heavy water	-	(939,008)	-	-	(939,008)
Disposals	-	(138,481,651)	(2,371,096)	-	(141,212,747)
Balance as at 31 December 2023 (audited)	36,975,047	4,694,554,252	1,464,011,513	2,407,984,065	8,603,524,877
Balance as at 1 January 2024 (audited)	36,975,047	4,694,554,252	1,464,011,513	2,407,984,065	8,603,524,877
Additions	-	-	3,154,345	76,557,202	79,731,547
Transfers	-	1,015,657	10,684,741	(11,700,398)	-
Heavy water-additions	-	-	-	-	-
Transfer of inventories	-	-	-	(56,494)	(56,494)
Transfer from reclassified spare parts	-	-	573,248	(573,248)	-
Derecognition of inspections	-	(163,564)	-	-	(163,564)
Derecognition of heavy water	-	(224,471)	-	-	(224,471)
Disposals	-	-	(419,617)	-	(419,617)
Balance as at 31 March 2024 (unaudited)	36,975,047	4,695,181,874	1,478,004,229	2,459,290,485	8,669,451,636
Depreciation and impairment adjustments					
Balance as at 1 January 2023 (audited)	550,782	767,545,190	691,168,223	146,134,815	1,605,399,010
Depreciation expense	-	510,865,489	93,678,640	-	604,544,129
Accumulated depreciation of inspections	-	(73,865,661)	-	-	(73,865,661)
Accumulated depreciation of disposals	-	(78,011,905)	(2,313,761)	-	(80,325,666)
Impairment adjustments	-	-	9,326,191	61,092	9,387,283
Balance as at 31 December 2023 (audited)	550,782	1,126,533,114	791,859,293	146,195,907	2,065,139,095
Balance as at 1 January 2023 (audited)	550,782	1,126,533,114	791,859,293	146,195,907	2,065,139,095
Depreciation expense	-	135,715,374	23,929,743	-	159,645,117
Accumulated depreciation of inspections	-	(73,604)	-	-	(73,604)
Accumulated depreciation of disposals	-	(224,471)	(400,364)	-	(624,835)
Impairment adjustments	-	-	(172,447)	-	(172,447)
Balance as at 31 March 2024 (unaudited)	550,782	1,261,950,413	815,216,224	146,195,907	2,223,913,326
Net book value					
Balance as at 01 January 2023 (audited)	36,424,265	3,842,221,912	617,850,894	1,240,797,982	5,737,295,053
Balance as at 31 December 2023 (audited)	36,424,265	3,568,021,139	672,152,220	2,261,788,158	6,538,385,782
Balance as at 31 March 2024 (unaudited)	36,424,265	3,433,231,461	662,788,005	2,313,094,578	6,445,538,310

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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

(i) Nuclear power plants, machinery and other assets

In the first 3 months of 2024, the Company did not purchase any heavy water. In 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 in amount of RON 17,150,312.

(ii) Non-current assets in progress

As at 31 March 2024 the net book value of non-current assets in progress, of RON 2,313,094,578 (31 December 2023: RON 2,261,788,158), included the following items:

- Investment related to Units 3 and 4 with a net book value of RON 469,092,156 (31 December 2023: RON 469,168,168);
- Investments related to Units 1 and 2, in total amount of RON 1,844,002,422, of which the most representative are:
 - ✓ Advance payments for tangible non-current assets: RON 944,450,723 (31 December 2023: RON 931,891,618)
 - ✓ Refurbishment of U1 in amount of RON 536,088,864 (31 December 2023: RON 516,909,182);
 - ✓ Tritium removal facility for D2O in amount of RON 108,199,437 (31 December 2023: RON 104,563,465);
 - ✓ Improving the nuclear safety systems after Fukushima in amount of RON 64,399,383 (31 December 2023: RON 55,638,950);
 - ✓ Building storage and loading premises for the nuclear fuel used (DICA) in amount of RON 31,691,995 (31 December 2023: RON 29,962,888);
 - ✓ Equipment and materials for investments in amount of RON 27,954,580 (31 December 2023: RON 26,845,309).

The gross investment value related to Units 3 and 4 amounts to RON 470,784,411, of which the book value of Units 3 and 4, amounts to RON 273,960,000 (31 December 2023: 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 31 March 2024 of RON 159,253,825 (31 December 2023: RON 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 37,570,586 (31 December 2023: RON 37,646,599). Prior to the year 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, consequently, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Company performed the allocation of the construction costs for Units 3 and 4 of the nuclear plant, as well as for Unit 5.

As at 31 March 2024, the gross book value of Unit 5 amounted to RON 137 million (31 December 2023: RON 137 million). As at 31 December 2013 the Company recognized an impairment adjustment of 100% of the amount of Unit 5 since there were no plans to resume its construction as a nuclear unit. In March 2014, the Company’s shareholders approved the change in the destination and use of Unit 5 for other activities of the Company, which was a project in progress following which an asset would result with a different use compared to the initial use of Unit 5.

The main investments commissioned by the Company in 2023 from the projects in progress related to Units 1 and 2 were represented by: hardware for upgrading IT systems, amounting to RON 9,212,552 and property development for the operation of Seiru Warehouses, amounting to RON 5,993,712.

(iii) Adjustments for depreciation and impairment

As at 31 March 2024 the Company accounted for movements in the adjustments for impairment of fixed assets in the amount of RON 172,447, representing expenses increases (31 December 2023: RON 9,387,283).

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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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 Power 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 3.3** 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 2023 for the other relevant accounting policies for tangible non-current assets.

(iv) Revaluation

Buildings and lands are recognized at their fair value, based on periodical assessments carried out by external independent valuers. The re-measurement 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 (see Note 13). All other tangible non-current assets are recognized at historical cost less amortization.

The last **revaluation** of lands and buildings was made on 31 December 2021 by the independent valuer (Primoval S.R.L., a member of the National Association of Authorized Romanian Valuers - ANEVAR). Prior to such revaluation, lands and buildings were revalued as at 31 December 2018.

The valuation report, related to the year 2021 for tangible non-current assets of **lands** and **buildings** classes, prepared by the independent valuer Primoval S.R.L. is based on the Asset Valuation Standards, edition of 2022, valid as at 31 December 2021, drafted by the National Association of Authorized Romanian Valuers (ANEVAR) :

- General standards: SEV 100 – General framework (IVS General framework) ; SEV 101 – Valuation reference terms (IVS 101); SEV 102 – Implementation (IVS 102); SEV 103 – Reporting (IVS 103); SEV 104 – Types of value;
- Asset standards: SEV 300 – Machinery, equipment and plants (IVS 300) ; GEV 630 – Valuation of immovable assets;
- Specific use standards: SEV 430 – Valuations for financial reporting.

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

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

Information relating to the valuation of lands and buildings is presented in **Note 4** of the Individual Financial Statements of the Company prepared as at and for the financial year ended on 31 December 2023.

(vi) The book value that would have been recognized if land and buildings had been measured 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:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Land		
Cost	22,350,779	22,350,779
Accumulated depreciation	-	
Net book value	22,350,779	22,350,779
	31 March 2024	31 December 2023
	(unaudited)	(audited)
Buildings		
Cost	7,212,962,425	7,204,751,539
Accumulated depreciation	(4,500,740,972)	(4,410,510,357)
Net book value	2,712,221,452	2,794,241,183

(vii) Decommissioning of nuclear units

Unit 1 is designed to operate until 2026, and Unit 2 until 2037. Company did not account for any provision for decommissioning of those two units since it was not responsible for the decommissioning works. According to the Government Decision no. 1080/ 2007, Nuclear and Radioactive Waste Agency („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 3 months of 2024 amounts to RON 25,347,776 (Q1 2023: RON 24,984,087).

(viii) Pledged assets

As at 31 March 2024, respectively 31 December 2023, the Company had no pledged or mortgaged assets.

(ix) Supplier credit

As at 31 March 2024, the Company owned fixed assets purchased with credit from suppliers (trade payable credit) of RON 49,671,678 (31 December 2023: RON 52,649,291).

5. Assets representing rights of use underlying assets within a leasing contract

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

The Company concluded lease agreements for assets and liabilities and concession contracts for lands, for which it was estimated the initial value of the asset related to the right of use at a value equal to the debt discounted upon transaction, arising from such agreements, amounting to RON 44,746,926 (31 December 2023: RON 22,171,298).

(i) Amounts recognized in the Individual Statement of Financial Position

Assets representing rights to use underlying assets within a leasing contract	31 March 2024 (unaudited)	31 December 2023 (audited)
Land	23,317,980	1,526,919
Office spaces and warehouses	21,428,946	20,645,379
Depreciation of assets representing rights to use	(4,943,037)	(3,571,215)
Total net assets representing rights to use	39,803,889	18,601,084
	31 March 2024 (unaudited)	31 December 2023 (audited)
Liabilities under leasing agreements		
Short-term	4,695,643	4,167,292
Long-term	36,462,639	15,605,108
	41,158,282	19,722,400

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

	Note	31 March 2024 (unaudited)	31 December 2023 (audited)
Depreciation of assets representing rights of use		1,371,822	3,379,695
Interest expenses	23	967,070	1,279,532

(iii) Amounts recognized in the Individual Statement of Cash-Flows

	31 March 2024 (unaudited)	31 December 2023 (audited)
Total cash outflows related to leasing agreements	2,423,833	3,617,527

(iv) Recognition of leasing agreements

Information relating to the recognition of leasing contracts according to IFRS 16 are presented in **Note 3.5** 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 2023.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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6. Financial assets measured at amortized cost

As at 31 March 2024 the Company accounted for in position “Financial assets valued at amortized cost” state government bonds, bonds and loans to subsidiaries and affiliated entities 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.

	31 March 2024 (unaudited)	31 December 2023 (audited)
Bonds (ii)	528,689,020	552,203,754
Government bonds (i)	30,594,429	30,333,530
Loans granted to subsidiaries	25,561,971	25,116,701
Loans granted to associated entities	77,761,079	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	667,913,530	634,918,901

(i) Government bonds

As at 31 March 2024, and respectively 31 December 2023, the Company held governmental bonds issued by the Ministry of Public Finance, with their due date on 24 June 2026, a fixed annual interest rate of 3.25% p.a. and a tendering return of 3.51% p.a.

Movement of financial assets representing governmental bonds:

	31 March 2024 (unaudited)	31 December 2023 (audited)
Balance as at 1 January	29,824,441	29,751,132
Purchases	-	-
Maturities	-	-
Discount depreciation	18,481	73,309
Balance at the end of the reporting period	29,842,922	29,824,441
Accumulated interest	751,507	509,089
Government bonds - total	30,594,429	30,333,530

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

(ii) Bonds

As at 31 March 2024, 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.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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Movement of financial assets representing bonds:

	31 March 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the reporting period	522,311,331	-
Purchases	-	518,828,650
Maturity dates	-	-
Discount depreciation	121,498	60,081
Revaluation	(537,030)	3,422,600
Balance at the end of the reporting period	521,895,799	522,311,331
Accumulated interest	6,793,221	29,892,423
Total bonds	528,689,020	552,203,754

According to the issue prospectus, in February 2024 the Company received the annual coupon in the amount of RON 32,766,960, the equivalent of EUR 6,585,000.

7. Financial investments in subsidiaries

As at 31 March 2024, and respectively 31 December 2023, the financial investments in subsidiaries are as follows:

	31 March 2024 (unaudited)	31 December 2023 (audited)
Energonuclear S.A.	222,438,103	222,438,103
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	17,000,200	17,000,200
Total	239,438,503	239,438,503

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 March 2024, and respectively 31 December 2023, the Company holds 100% of the share capital of Energonuclear. The value of the shareholding, as at 31 March 2024, is RON 222,438,103 (31 December 2023: RON 222,438,103).

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. subsidiary 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 Resolution of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021, registered with the Trade Register under application for amendments no. 485731/10.09.2021. As at 31 March 2024 and 31 December 2023, respectively, the Company does not record in its balance any loans granted to Energonuclear S.A. subsidiary.

Notes from 1 to 27 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 3-month period ended 31 March 2024

(All amounts are expressed in RON, unless otherwise stated)

During 2021, the share capital of Energonuclear S.A. subsidiary 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 to RON 25,000,001.36, and
- according to the Resolution of the Extraordinary General Meeting of Shareholders no. 5/30.06.2021 in amount of RON 5,772,005.22, representing the conversion of the shareholding loan into shares.

During 2022, the share capital of Energonuclear S.A. subsidiary 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.

During 2023, the share capital of Energonuclear S.A. subsidiary 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. subsidiary (“F.P.C.U Feldioara”) has its registered office located in Brasov County, Feldioara Locality, Str. Dumbravii nr. 1, the administrative building, ground floor and is registered with the Trade Register under number J8/2729/23.09.2021, with Unique Registration Code 44958790, tax attribute RO. The main activity of FPCU Feldioara consists in “Processing of nuclear fuel” – CAEN Code 2446.

As at 31 March 2024, and respectively 31 December 2023, the Company held 100% of the share capital of F.P.C.U Feldioara. The value of the shareholding, as at 31 March 2024, is RON 200 (31 December 2023: RON 200).

In 2023, the Company’s shareholder approved the granting of loans in amount of RON 11,000,000 and RON 16,325,949 respectively, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget.

As at 31 March 2024, the Company had a principal of RON 24,780,949 (31 December 2023: RON 24,780,949) and an accrued interest of RON 781,022 (31 December 2023: RON 277,889).

Nuclearelectrica Serv S.R.L.

Nuclearelectrica Serv S.A. subsidiary 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 31 March 2024, and respectively 31 December 2023, the Company held 100% of the share capital of Nuclearelectrica Serv. The value of the shareholding, as at 31 March 2024, is RON 17,000,200 (31 December 2023: RON 17,000,200).

In 2023, the share capital of Nuclearelectrica Serv subsidiary 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.

As at 31 March 2024 and 31 December 2023, respectively, the Company does not record in its balance any loans granted to the subsidiary Nuclearelectrica Serv SRL.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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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 31 March 2024, and respectively 31 December 2023, 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 19,943,000).

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

- based on EGMS Resolution 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 Resolution 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.

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.

In 2024, an addendum to the 2023 loan agreement was signed, approving an increase in the financing ceiling to USD 22,000,000. The balance of the loan as at 31 March 2024 is EUR 15,089,325 (RON 74,986,398) (31 December 2023): RON 21,178,068), for which it booked an accrued interest of RON 2774681 (31 December 2023: RON 779,817).

Ropower Nuclear S.A. Company (the “project 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.

9. Inventories

As at 31 March 2024 and 31 December 2023, inventories are as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Spare parts	221,525,404	219,146,771
Other raw materials and materials	816,949,589	848,589,760
Total	1,038,474,993	1,067,736,531

(i) Valuation of inventories

Inventories are valued at weighted average cost (WAC) according to IAS 2. See **Note 3.11** 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 2023 for the other relevant accounting policies for inventories.

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

The value of inventories recognized as expenses in the first 3 months of 2024 is accounted for under the positions of *Spare parts expenses* and *Cost of nuclear fuel* from the Individual Statement of Profit or Loss, amounting to RON 56,495,014 (Q1 2023: RON 92,425,560).

In the first 3 months of 2024, in accordance with the provisions of IAS 2.34, no inventories scrapped, deteriorated, written off were recognized as expenses (31 December 2023: RON 1,165,364). 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 income upon their writing off. The effect on the statement of profit or loss is insignificant.

The value of adjustments for impairment of inventories, as at 31 March 2024, amounted to RON 51,169,992 RON (31 December 2023: RON 51,253,363).

In the first 3 months of 2024, no resettlements of inventories written off were accounted for.

(iii) Pledged inventories

As at 31 March 2024, and respectively 31 December 2023, the Company has no pledged or mortgaged inventories.

10. Trade receivables

As at 31 March 2024 and 31 December 2023 trade receivables were presented as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Trade receivables	236,926,576	635,560,727
Impairment adjustments for trade receivables	(11,255,214)	(11,255,214)
Total	225,671,362	624,305,513

(i) Classification of trade receivables

Trade receivables are amounts owed by customers for goods sold or services provided in the normal pursuit of business. Generally, these are due for settlement within 30 days and, therefore, all classified as current. Trade receivables are initially recognized at the amount of the consideration, which is unconditional, save for when they have significant financing components, when they are recognized at fair value. The Company holds trade receivables with the aim of collecting the contractual cash flows and, therefore, subsequently measures them at amortized cost applying the effective interest method.

See **Note 3.12** 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 2023 for the other relevant accounting policies for trade receivables.

(ii) Fair value of trade receivables

Due to the short-term nature of current receivables, their book value is considered to be the same as their fair value.

(iii) Other information

As at 31 March 2024, the main trade receivables in balance were in connection to the following partners: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A.: RON 204,698,497 (31 December 2023: RON 240,490,900).

Sales made during the first 3 months of 2024 to Operatorul Pietei de Energie Electrica si de Gaze Naturale „OPCOM” S.A. represented approximately 97.66% (3 month of 2023: approximately 36.1%), to GIGA Energy represented approximately 0.78% (3 month of 2023: approximately 0%) of the total sales of electricity of the Company.

As at 31 March 2024, the headings "Trade Receivables" and "Adjustments for Impairment of Trade Receivables" include a net amount of RON 219,956,803 related to receivables from related parties (31 December 2023: RON 354,605,776).

11. Other financial assets measured at amortized cost

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Other receivables	45,059,393	99,618,683
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	56,262,928	212,799,398
Advance payments	25,510,308	15,612,035
Total	126,249,449	327,446,936

(i) Classification of financial assets measured at amortized cost

The Company classifies its financial assets at amortized cost only if both the criteria below are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual clauses give rise to cash flows that are only payments of principal and interest.

See **Note 3.8** 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 2023 for the other relevant accounting policies for financial assets.

(ii) Fair value of other assets measured at amortized cost

Due to the short-term nature of other receivables, their book value is considered to be the same as their fair value.

(iii) Other information

As at 31 March 2024, the heading "Pre-Payments" includes the amount of RON 160,161 related to payments made in advance to related parties (31 December 2023: RON 258,506).

As at 31 March 2024, the position of "Taxes and Duties" represented recoverable VAT of RON 29,768,541 RON (31 December 2023: 193,626,965 RON), as well as the amount related to the Contribution to the Energy Transition Fund to be recovered, in the amount of RON 19,171,499 (31 December 2023: RON 19,171,499).

12. Cash and cash equivalents, bank deposits

As at 31 March 2024 and 31 December 2023, the **cash and cash equivalents** were as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Bank deposits less than 3 month	1,673,714,164	3,145,883,700
Cash at bank in RON	449,069,066	232,704,676
Cash at bank in foreign currencies	32,162,359	150,247,917
Other cash equivalents	531,378	435,296
Cash in hand	68,334	62,927
Cash and cash equivalents - Total	2,155,545,301	3,529,334,516

As at 31 March 2024 and 31 December 2023, bank deposits having their original maturity of more than 3 month and less than one year were as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Bank deposits	2,311,880,380	112,257,027

(i) Reconciliation with the Statement of Cash Flows

The above items are reconciled with the amount of cash presented in the Individual Statement of Cash-Flows at the end of the reporting period, as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Bank deposits having their original due date less than 3 month	1,673,714,164	3,145,883,700
Cash at bank	481,231,425	382,952,593
Other cash equivalents	531,378	435,296
Cash in hand	68,334	62,927
	2,155,545,301	3,529,334,516

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if their due date is of 3 month or less from their set up. See **Note 3.13** 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 2023 for the other accounting policies of the Company regarding the cash and cash equivalents.

(iii) Restricted cash

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

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

As at 31 March 2024, the Company held letters of bank guarantee under certain credit facilities, without any collateral deposits, of RON 108,781,089 RON (31 December 2023: RON 140,782,892).

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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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 31 March 2024 amounted to RON 3,016,438,940 RON, under the authorized capital.

As at 31 March 2024 and 31 December 2023, 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 structure of share capital is presented as follows:

	31 March 2024	31 December 2023
	(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 31 March 2024, the statutory share capital value subscribed and fully paid amounted to 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 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 Resolution 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 March 2024 and 31 December 2023 shareholding structure was presented as follows:

Shareholders	Number of shares	% of the	Number of shares	% of the
	31 March 2024	share capital	31 December 2023	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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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 to RON 21,553,537 as at 31 March 2024 and 31 December 2023 and represented sites of public utility from Cernavodă NPP (RON 5,439,321 as at 31 March 2024 and 31 December 2023) 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 as at 31 March 2024 and 31 December 2023).

Legal Reserves

According to legal requirements, the Company sets up legal reserves of 5% of the gross profit statutorily registered, up to 20% of the share capital. The value of legal reserve as at 31 March 2024 amounted to RON 557,764,327 (31 December 2023: RON 557,764,327).

Legal reserves cannot be distributed to shareholders. The value of legal reserves was included in the Individual Statement of Financial Position, under line "Result carried forward".

Revaluation reserves, net of deferred tax

As at 31 March 2024, the revaluation reserve net of deferred tax amounted to RON 322,774,176 (31 December 2023: RON 336,996,786). 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 3 months of 2024, the Company recognized a decrease in the revaluation reserve, net of deferred tax, in amount of RON 14,222,610 as a result of its transfer into retained earnings (2023: 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 the 2022 financial year, according to OGMS Resolution no. 3/26.04.2023. Net dividends unpaid as at 31 March 2024 amounted to RON 1,001,011 (31 December 2023: RON 1,030,734).

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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14. Loans

The bank loans as at 31 March 2024, and respectively 31 December 2023, were as follows:

	31 March 2024	< 1 year	> 1	31 December 2023	< 1 year	> 1 year
	(unaudited)		year	(audited)		
Bank loans	54,664,500	54,664,500	-	65,167,260	65,167,260	-
Interest	690,560	690,560	-	473,339	473,339	-
Total	55,355,060	55,355,060	-	65,640,599	65,640,599	-

Bank loans

The loans repayments during the financial period ended as at 31 March 2024 were:

	Currency	Interest rate	Value	Final maturity year
Balance as at 1 January 2024 (audited)			65,167,260	
New drawdowns				
EURATOM reimbursement	EUR	EURIBOR 6M + 0.08%	(10,449,390)	2024
Foreign exchange differences			(53,370)	
Balance as at 31 March 2024 (unaudited)			54,664,500	

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 March 2024 is EUR 11 million (31 December 2023: EUR 13.1 million), related to the following instalments: (i) instalment I with a principal of EUR 0 (zero) million; (ii) instalment II with a principal of EUR 9 million (31 December 2023: EUR 9 million) and (iii) instalment III with a principal of EUR 2 million (31 December 2023: EUR 4.1 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.

15. Provisions for risks and charges

As at 31 March 2024, and respectively 31 December 2023, the Company recognized the following provisions, included under position of “Provisions for risks and charges” and under position of “Current part of provisions for risks and charges”:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Liabilities relating to the Spent Fuel Intermediate Storage (DICA)	105,253,439	101,136,780
Liabilities relating to other low and medium level radioactive and non-radioactive waste	70,133,085	69,517,636
Provision for litigations related to salary bonuses	106,489,725	102,341,834
Employee participation to profit	52,475,242	30,764,865
Provisions for litigations	19,171,498	20,698,904
Other provisions for risks and charges	169,900	215,318
Total	353,692,889	324,675,337

As at 31 March 2024, provisions in a total amount of RON 353,692,889 represented long and short-terms liabilities, as follows:

	Current part	Long-term part
	(< 1 year)	(> 1 year)
Liabilities relating to the Spent Fuel Intermediate Storage (SFIS)	72,509,352	32,744,087
Liabilities relating to other low and medium level radioactive and non-radioactive waste	14,058,057	56,075,028
Provision for litigations related to salary bonus (i)	-	106,489,725
Employee participation in profit	52,475,242	-
Provisions for disputes (ii)	19,171,498	-
Other provisions for risks and charges	169,900	-
Total	158,348,049	195,308,840

- (i) The item “Provision for disputes related to salary increases” 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.
- (ii) The item "Provision for litigation" includes the amount of RON 19,171,498 which is related to the appeal against tax decisions no. 17862/17.10.2023 and no. 4125/23.11.2023, respectively, issued as a result of the tax audit carried out by the General Directorate for Fiscal Antifraud, on the calculation of the Contribution to the Energy Transition Fund for the period 1 September-31 December 2022. For more details, see Note 26.

See **Note 3.22** 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 2023 for the relevant accounting policies for provisions.

16. Obligations regarding employees benefits

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Retirement benefits	28,252,776	28,252,776
Anniversary bonuses	11,046,547	11,046,547
Decease benefits	923,021	923,021
Retirement benefits in electricity	7,865,968	7,865,968
Total	48,088,311	48,088,311

As at 31 December 2023, 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 2023 and 31 December 2022.

Measurement date	31 December 2023	31 December 2022
Number of employees	2,352	2,344
Salary increase rate	<p>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 2023-2027. The weighted average rate of salary increases is 3.3% p.a.</p> <p>The inflation rate was estimated based on the statistics issued by INSSE and the BNR forecast of November 2023, as follows: 4.8% in 2024, 3.5% in 2025, 3.0% in 2026 and 2.5% p.a. in years 2027-2031, and will follow a downward trend in the following years. The average weighted inflation rate is 3.1% p.a.</p>	<p>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.</p> <p>The inflation rate was estimated based on the statistics issued by INSSE and the BNR 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.</p>

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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Measurement date	31 December 2023	31 December 2022
Raise rate in kWh price	The kWh price as updated on 31 December 2023 was RON 1.3. For years 2024-2030, the estimates provided by the Company and a similar trend for the following years were used.	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.
Weighted average discounting rate	4.8%	7.8%
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	13,831	10,895

The above assumptions were taken into considering:

- bond yields on the active market at the end of December 2023. The residual times to maturity available were 1-12 years and 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. (31 December 2022: 2.0%);
- estimated long-term real yield on governmental bonds of 1.45% p.a. (31 December 2022: 1.45%);
- liquidity premium for Romania of 0% (31 December 2022: 0%);
- weighted average discounting rate of 4.8% (31 December 2022: 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 decrease	Anniversary bonuses	Retirement benefits in electricity	Total liabilities with defined benefits
PVDBO as at 31 December 2023 (RON)	28,252,776	923,021	11,046,547	7,865,968	48,088,311
Discounting rate +1%	26,720,213	861,808	10,357,500	6,764,623	44,704,143
Discounting rate -1%	29,958,624	992,247	11,820,420	9,240,461	52,011,751
Salary increase rate/kW price +1%	30,020,444	996,779	11,869,511	9,236,198	52,122,932
Salary increase rate/kW price -1%	26,641,630	857,059	10,304,950	6,749,856	44,553,495
Increase in longevity by 1 year	28,388,900	838,541	11,085,308	8,093,726	48,406,475

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

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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17. Trade and other payables

As at 31 March 2024 and 31 December 2023 trade and other payables were as follows:

	31 March 2024	31 December 2023
	(unaudited)	(audited)
Suppliers	152,916,770	312,646,820
Suppliers of non-current assets	49,671,678	52,649,291
Liabilities for employee debts	25,506,039	77,585,072
Liabilities to the state	32,006,955	365,521,592
Gross dividends to be paid	1,000,310	1,080,364
Other liabilities	13,895,345	8,632,370
Total	274,997,097	818,115,509

As at 31 March 2024, the main suppliers in the balance, under “Suppliers of non-current assets” and “Suppliers”, were: CIGA Energy SA: RON 37,781,613 (31 December 2023: RON 7,703,337), POWERSTATIC SOLUTIONS SRL: RON 21,687,729 (31 December 2023: RON 962,470), Apele Romane Bucuresti: RON 20,052,687 (31 December 2023: RON 18,156,632), Candu Energy Inc.: RON 11,559,622 (31 December 2023: RON 54,020,936).

As at 31 March 2024, “Trade Payables and other Liabilities” include under the headings "Suppliers" and "Suppliers of non-current assets”, the amount of RON 58,225,327 (31 December 2023: 47,996,999 RON) related to liabilities to related parties.

18. Income from sale of electricity

<i>(i)</i>	<i>Income from sales of electricity</i>	3-month period ended	3-month period ended
		31 March 2024	31 March 2023
		(unaudited)	(unaudited)
	Sales of energy via MACEE	846,389,835	552,337,893
	Sales of energy on the competitive market	313,074,477	1,538,141,854
	Sales of thermal energy	3,018,826	2,944,258
	Sales of green certificates	9,639	9,455
	Total	1,162,492,777	2,093,433,460
<i>(ii)</i>	<i>Quantity of electricity sold *</i>	3-month period ended	3-month period ended
		31 March 2024	31 March 2023
		(unaudited)	(unaudited)
	Quantity of electricity sold via MACEE (MWh)	1,880,866	1,234,350
	Quantity of sold electricity on the competitive market (MWh)	886,654	1,538,222
		2,767,520	2,772,572

**) The disclosed quantity of electricity sold does not include the quantity of electricity related to the income from positive imbalances capitalized on the Balancing Market, of 13,695 MWh for 3-month period ended 31 March 2024 (6,588 MWh for 3-month period ended 31 March 2023).*

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.

In the first 3 months of 2024, the Company sold via MACEE a quantity of 1,880,866 MWh (Q1 2023: 1,234,350 MWh) at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 67.63% (Q1 2023: 44.4% of the total electricity sold during the period).

In the first quarter of 2024, the Company sold on the competitive market 31.88% of the energy sold (Q1 2023: 55.35%), respectively 886,654 MWh (Q1 2023: 1,538,222 MWh). The average sale price of electricity sold by the Company on this market in the first 3 months of 2024 was 354.72 RON/MWh (Q1 2023: 998.36 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 production of heat energy by operation of the energy facilities related to the electricity and heat energy production units in two heat exchangers with a total heat power of 40 Gcal/h and 46.51 MW. The Company delivers heat energy to the heat energy local distribution company S.C. Utilitati Publice S.A. Cernavodă, as well as to certain end consumers in Cernavodă Locality– economic operators, social and cultural institutions. The sales of heat in the first quarter of 2024 amount to RON 3,018,826 (Q1 2023: RON 2,944,258).

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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19. Other income

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Income from investments subsidies	3,664,799	3,589,941
Income from operating subsidies	-	126,349
Income from compensation, fines and penalties	2,335,350	1,041,588
Other income	26,272,948	14,4985.101
Total	32,273,097	19,252,979

The subsidies for investments (long-term deferred income) were granted in 2007 and consisted of writing off penalties and debts under loan agreements. The subsidies are recognized in the profit and loss statement as income for the period 2007 - 2026, over the period remaining to be depreciated for Unit 1.

The item "Other income" mainly represents income from changes in inventories in the amount of RON 16,416,849 and income from the production of fixed assets in the amount of RON 7,532,626.

20. Payroll expenses

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Salaries and wages	153,781,367	126,892,420
Social security and similar expenses	14,767,560	12,877,271
Total payroll expenses	168,548,927	139,769,691

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21. Contribution to the Energy Transition Fund

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Contribution to the Energy Transition Fund	-	840,842,238
Total	-	840,842,238

In the first 3 months of 2024, the Company did not owe a Contribution to the Transition Fund (Q1 2023: RON 840,842,238).

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 previously charged 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 sale price and the reference price (450 RON/MWh) multiplied by the monthly quantity physically delivered, therefore in a 100% share.

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

22. Other operating expenses

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Expenses related to services performed by third parties	26,291,754	26,064,059
ANDR expenses	25,347,776	24,984,087
Expenses with energy and water	40,665,858	26,207,967
Expenses with fuel and other consumables	16,454,630	15,273,711
Expenses with insurance premiums	4,138,156	4,019,467
Expenses with the transport and telecommunications	4,412,700	2,953,013
Net expenses related to provisions and value adjustments	6,740,459	4,560,586
Expenses related to ANRE contribution	1,224,477	1,570,326
Other operating expenses	23,490,283	5,887,128
Total	148,766,093	111,520,344

ANDR expenses

Starting with 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 2024 is calculated according to the Order ANRE no. 118/2023, representing 0.1% of the turnover realized in 2023, from activities carried out under the licenses held. In the first 3 months of 2024, the Company recorded a contribution of RON 1,224,477 (Q1 2023: RON 1,570,326). For 2023, the contribution was calculated according to the Order of ANRE no. 140/2022, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held.

23. Financial income and expenses

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Interest income	64,686,757	102,710,805
Income from exchange rate differences	7,828,951	8,232,958
Financial income regarding the amortization of government bonds and securities differences	139,978	17,636
Other financial income	9,702,329	2,419,479
Financial income - Total	82,358,015	113,380,878
Expenses from exchange rate differences	(10,608,109)	(4,339,046)
Interest expenses	(2,102,306)	(1,310,939)
Financial expenses - Total	(12,710,415)	(5,649,985)
Net financial expenses	69,647,600	107,730,893

Other financial income

“Other financial income” line includes accrued bonds interests, estimated for Q1 2024, in the amount to RON 9,702,329 (Q1 2023: RON 2,419,478).

24. Corporate income tax

Corporate income tax recognized in Individual Statement of Profit or Loss:

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Expense with current corporate income tax	111,331,641	144,589,438
Net income from deferred tax	(3,223,893)	(3,402,549)
Total	109,284,951	141,186,889

Deferred tax assets and liabilities are measured on 31 March 2024 and 31 December 2023 at the standard tax rate of 16%, representing the currently adopted tax rate.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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25. Earnings per share

As at 31 March 2024 and 31 March 2023, the earnings per share were:

Earnings per share

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Net profit of the period	563,269,651	766,518,003
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of ordinary shares issued during the financial year	-	-
Weighted average number of ordinary shares at the end of the financial year	301,643,894	301,643,894
Earnings per share (RON/share)	1.87	2.54

Diluted earnings per share

	3-month period ended 31 March 2024 (unaudited)	3-month period ended 31 March 2023 (unaudited)
Net profit of the period	563,269,651	766,518,003
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of ordinary shares issued during the financial year		
Number of ordinary shares at the end of the financial year (a)	301,643,894	301,643,894
Number of shares corresponding to the reserve paid in advance (b)		
Weighted average number of ordinary shares (diluted) as at 31 March (a) + (b)	301,643,894	301,643,894
Diluted earnings per share (RON/share)	1.87	2.54

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26. 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 included 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

During the period 9 May 2023 - 15 June 2023, ANAF - Directorate General Anti-Fiscal Fraud (hereinafter referred to as "ANAF- DGAF") carried out an inspection with the objective of verifying the calculation and the information on which the determination and declaration of the Contribution to the Energy Transition Fund for the period 1 September 2022 - 15 December 2022 were based. 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 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.

Later, on 2 October 2023, by letter no. 16855/02.10.2023, ANAF - DGAF presented the draft Assessment Decision regarding the payment of the amount of RON 18,041,598 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, by letter no. 11246/12.10.2023 in which it upheld the nonretroactivity of Law no. 357/2022.

ANAF's position was recorded in the ADAF tax assessment decision no. 17862/ 17.10.2023, with entry no. SNN 11449/ 18.10.2023, which established the main tax liabilities in the total amount of RON 18,041,598, with payment deadline until the 20th of the following month inclusive, i.e. 20 November 2023. By definition, the tax assessment decision is a tax administrative act, issued by the tax authority, which establishes and individualizes a tax debt, owed to the general consolidated budget. If the taxpayer fails to pay the main tax obligations by the due date, he will be charged interest and late payment penalties and will be subject to enforcement, which is why SNN has proceeded to the payment of the amount of RON 18,041,598, paid by payment order no. 2329/17.11.2023.

On 23 November 2023, by tax assessment decision no. 4125/23.11.2023, ANAF - Directorate General for the Administration of Large Taxpayers requested payment of the total amount of RON 1,164,503 representing interest and late payment penalties for two distinct situations, as follows:

- 1) interest and accessory late payment penalties calculated for the amount of RON 18,041,598, representing the difference of the contribution paid by SNN to the Energy Transition Fund, pursuant to the ADAF Tax Decision no. 17862/18.10.2023 and challenged at ANAF, by Appeal no. 12891/20.11.2023.
- 2) interest and accessory late payment penalties calculated on the amounts due in addition to the amounts initially declared in the Tax Return 100 and recorded in the D170 corrective declarations, drawn up and submitted to ANAF, General Directorate for the Administration of Large Taxpayers, according to art. 9 of Annex no. 6 of Government Emergency Ordinance 27/2022, respectively art. 36 of Law no. 357/13.12.2022. The amounts declared in the D710 corrective declarations represent differences from the settlement of imbalances, differences provided by OPCOM after the publication of the final prices.

Notes from 1 to 27 are an integral part of these Individual Interim Financial Statements.

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Considering that the amount of RON 1,164,503 represents a tax obligation imposed by Decision no. 4125/23.11.2023 and a claim under Article 152, paragraph (2), in order to avoid the enforcement of SNN, it decided to pay this amount on 19 December 2023, the deadline being 20 December 2023 under Article 156, paragraph. (1), point b. of the Fiscal Procedure Code. This was paid with two payment orders as follows: OP 2569/19.12.2023 - RON 1,129,901 and OP 2570/19.12.2023 - RON 34,602.

In the context of the tax decisions regarding the additional contribution to the Energy Transition Fund (Law 357/2022) and the appeals submitted by SNN to ANAF - DGAF, respectively:

1. Appeal no. 12891/20.11.2023 for the annulment of Tax Decision no. 17862/17.10.2023 and the refund of the additional contribution to the Energy Transition Fund for the period 1 September 2022-15 December 2022, in the amount of RON 18,041,598;
2. Appeal no. 14489/28.12.2023 for the partial annulment of the Tax Decision no. 4125/23.11.2023 and the refund of the amount representing accessory tax obligations in the amount of RON 1,129,900, which is currently being resolved;
3. Appeal no. 14490/28.12.2023 for the partial annulment of the Tax Decision no. 4125/23.11.2023 and the refund of the amount representing accessory tax obligations in the amount of RON 34,602, which is currently being resolved.

Following the submission of Challenge no. 12891/20.11.2023 for the annulment of Tax Decision no. A-DAF 17862/17.10.2023 and the refund of the additional contribution to the Energy Transition Fund for the period 1 September 2022-15 December 2022, in the amount of RON 18,041,598, the Company received on 15 February 2024 from the Ministry of Finance – General Directorate for the Settlement of Challenges, the settlement thereof, which provides for the complete rejection, as unfounded, of the challenge filed by SNN, with the consequence of the total confirmation of the Tax Decision regarding the main tax liabilities established as a result of the documentary verification no. A-DAF 17862/17.10.2023. In the event of this unfavourable response, SNN will appeal to the competent administrative court.

On 31 March 2024, an inspection is being carried out by the Ministry of Energy - Minister's Cabinet, to verify some aspects regarding the contribution of the Romanian state registered in the share capital of S.N. Nuclearelectrica S.A. and the dividends due to the State pro rata to the contribution.

(iii) Insurance policies

As at 31 March 2024, the following operational insurance policies were valid:

- a) The property insurance policy for material damages, all risks, including mechanical and electrical destruction (for Units 1 and 2 Cernavodă NPP and Pitești NFP). The compensation limit is in amount of USD 1,560 million for the entire year for all damages.
- b) 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).
- c) The third-party/professional liability insurance policy for SNN's directors and executive officers. The liability limit is EUR 27 million.

(iv) Environmental matters

The Company does not register any liabilities as at 31 March 2024 and 31 December 2023 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

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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 31 March 2024 are not significant. Moreover, the Company is insured against the risk of nuclear accidents, up to the amount of SDR 300 million, as described at paragraph b) above.

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

In the first quarter of 2024, the Company was involved in a number of legal proceedings pertaining to its normal course of business. The management examines the situation of litigations in progress on a regular basis, and following consultation with its legal advisors or lawyers, decides the need for setting up certain provisions for the amounts involved or their presentation in the financial statements.

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

(vi) Commitments

As at 31 March 2024, the total amount of trade commitments was fully reflected under "*Trade and other payables*", representing capital and operating expenses.

In addition, the Parent Company is party to some commitments included in the Investor Agreement of the entity Ropower Nuclear S.A. This agreement sets forth that Nova Power&Gas S.R.L. ("NPG") - the company that owns 50% of the shares of RoPower Nuclear S.A., is entitled to sell a part or all shares held in the related entity to SNN. When NPG exercises their right to sell the Shares by sending a written notification, SNN shall have the obligation to purchase those shares.

Also, according to the provisions of this Agreement, on the date of the shares purchase, NPG will have the right to assign to SNN the shareholder loans. If NPG exercises this right, SNN will be required to take over and NPG will be required to assign, by contract assignment, the shareholder loans granted by NPG to RoPower Nuclear SA.

The price of the assignment of the loans granted by NPG to RoPower Nuclear S.A. will be calculated according to a formula that considers the period elapsed from the date of granting these loans and the expected date for reaching the Ready to Build stage, as well as the budget agreed by the parties until the date of reaching the Ready to Build stage.

As of 31 March 2024, NPG had not granted any shareholder loans to RoPower Nuclear S.A.

As at the date of these Individual Interim Financial Statements, NPG has not notified SNN in writing to this effect.

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(vii) Collaterals

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 (CM-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-flex LE – Centralized Market of Bilateral Agreements by Extended Auction and the use of products ensuring flexibility of trading and CMUS). As at 31 March 2024, the total amount of the letters of bank guarantee issued in favour of OPCOM, for participation in DAM and IDM, is RON 98.1 million.

Moreover, as at 31 March 2024, 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 4.424 million in favour of Transelectrica, for provision of the transmission service.

As at 31 March 2024, 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 Directorate for Fiscal Antifraud.

As at 31 March 2024, the total value of the bank guarantee letters issued by clients in favour of the Company for the agreements concluded on CMBC-EA-flex and CM-OTC amounted to RON 16.262 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

27. Events subsequent to the balance-sheet date

Changes in the management of the Company - Directors

By Current Report dated 8 April 2024, the Company informs shareholders and investors that, on 8 April 2024, the Board of Directors of SNN, upon the recommendation of the Nomination and Remuneration Committee and with the approval of AMEPIP, appointed Mr. Vasile Dascalu as Chief Financial Officer, with a provisional office for a period of 5 months, starting from 9 April 2024, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented.

Establishment of a business unit

By Resolution no. 4/17.04.2024 of the Extraordinary General Meeting of Shareholders (“EGMS”), it was approved to establish a SNN business unit in Răscolești village, Izvorul Bârzii commune, Calea Târgul Jiului, km 7, Mehedinți county, Administrative pavilion building, 3rd floor, room no. 3.

The Support Agreement between the Romanian State and SNN

By the Resolution no. 4/17.04.2024 of the Extraordinary General Meeting of Shareholders (“EGMS”), the addendum to the Support Agreement between the Romanian State and SNN regarding the Cernavodă NPP Units 3 and 4 Project was approved. The main provisions of the draft Addendum to the Support Agreement aim at: updating the budget related to Stage II - Preliminary Works (LNTP); updating clause 4.1 on financing the budget related to Stage II; updating the data on Investment Decisions I and II in line with the current Project implementation schedule.

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Small Modular Reactors Project (SMR)

According to Resolution no. 3/17.04.2024 of the Ordinary General Meeting of Shareholders ("OGMS"), regarding the "Approval of the decision to continue with the Small Modular Reactors (SMR) project, based on the pre-feasibility study documentation (Rev. 1.1), prepared in keeping with the requirements of the Government Decision No. 907/2016 on the stages and the-framework content of the technical and economic documents related to the financial investment projects funded from public funds", the number of votes required to make a decision was not reached (250,493,145 votes, representing 88.83112% of the votes cast by the shareholders present or represented being "abstention").

The project and contracts will be taken back on the agenda in subsequent General Meetings of Shareholders in accordance with the development strategies of the project. The Ministry of Energy requested a calibrated and integrated vision of the project, which will enter, in the next period, in the second stage of development.

For this purpose, in order to ensure the long-term success of the project, the Ministry of Energy, as the majority shareholder, emphasized the need for the executive and non-executive management to complete some aspects that strictly relate to the structure of the stages that follow the development of the project.

According to Resolution No. 4/17.04.2024 of the Extraordinary General Meeting of Shareholders ("EGMS"), with regard to:

- "Approval of the conclusion of a direct partnership with DSPE BETA PRIVATE EQUITY FUND, as an investor in the project company RoPower Nuclear S.A. under the provisions of Article 5.3 of the SNN Procedure on the establishment of mixed capital companies issued under the provisions of the ME order no. 1180/04.11.2021.", the number of votes required in order to pass a resolution was not reached (250,493,145 votes, representing 88.83112% of the votes cast by shareholders present or represented were "abstention")
- "Approval of the tripartite Shareholders/Investors Agreement (SHA) to be concluded between SNN, NOVA POWER and GAS SRL and DSPE BETA PRIVATE EQUITY FUND for the development of the SMR Project, in Doicești Romania, in the form negotiated between SNN and the Project Partners. ", the number of votes required to pass a resolution was not reached (250,493,145 votes, representing 88.83112% of the votes cast by the shareholders present or represented being "abstention").

Date: 10 May 2024

**Cosmin Ghita,
Chief Executive Officer**

**Vasile Dascalu,
Chief Financial Officer**