

**Current Report according to the provisions of Law no. 24/2017 republished and FSA Regulation no. 5/2018 on issuers of financial instruments and market operations**

**Report date: April 26, 2024**

**Name of issuing entity: NUCLEARELECTRICA S.A. National Company**

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

**Telephone/Fax: 021.203.82.00 / 021.316.94.00**

**Fiscal code: 10874881**

**Trade Register Number: J40/7403/1998**

**Subscribed and paid-up share capital: RON 3,016,438,940**

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

**To: Bucharest Stock Exchange  
Financial Supervision Authority ("ASF")**

**Significant event to report:**

**Annual Report for the financial year ended December 31, 2023**

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the publication of the Annual Report for the financial year ended December 31, 2023, prepared in accordance with the provisions of Art. 65 of Law no. 24/2017, republished on August 10, 2021, and Annex no. 15 to ASF Regulation no. 5/2018

The annual report for the financial year ended December 31, 2023 comprises:

- (i) The main events of the company's activity during the reporting period;
- (ii) The individual annual financial statements audited as of and for the financial year ended December 31, 2023 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), accompanied by the independent auditor's report;
- (iii) The consolidated annual financial statements audited as of and for the financial year ended December 31, 2023 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), accompanied by the independent auditor's report.
- (iv) The Annual Report for the year ended on December 31, 2023, which includes the Consolidated Financial Statements in ESEF format (European Single Electronic Format), may be accessed on the SNN website, in the section Relations with Investors/Financial Results/Financial Statements for 2023.

**Societatea Nationala NUCLEARELECTRICA S.A.**

Iancu de Hunedoara Boulevard 48, Bucharest 011745, Romania; Tel +4021 203 82 00, Fax +4021 316 94 00;

Trade Registry number: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.016.438.940 lei.

[office@nuclearelectrica.ro](mailto:office@nuclearelectrica.ro), [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)

## Main results

In the 12-month period ended on 31 December 2023, SNN obtained a net profit amounting to RON 2,506,519 thousand. The main results are presented below and are extracted from the individual financial statements audited as of and for the period ended on December 31, 2023, as follows:

Ratio [Thousand RON]	The 12-month period ended on 31 December 2023 (audited)	The 12-month period ended on 31 December 2022 (audited)	Variation
<b>Production (GWh)*</b>	10,294	10,200	0.9%
Operating revenues, of which:	7,586,912	6,534,010	16.1%
Revenues from the sale of electricity**	7,424,044	6,343,640	17.0%
Operating expenses, less depreciation and impairment and CETF	(1,850,718)	(1,857,584)	(0.4%)
Cost of contribution to the Energy Transition Fund/tax on additional income CETF	(2,623,619)	(1,085,014)	141.8%
<b>EBITDA</b>	<b>3,112,575</b>	<b>3,591,412</b>	<b>(13.3%)</b>
Depreciation and impairment	(631,370)	(605,405)	4.3%
<b>EBIT</b>	<b>2,481,205</b>	<b>2,986,007</b>	<b>(16.9%)</b>
Financial income	431,702	238,176	73.7%
Financial expenses	(34,774)	(31,687)	9.7%
<b>Net financial result</b>	<b>378,928</b>	<b>206,489</b>	<b>83.5%</b>
Net corporate income tax expenses	(353,614)	(428,073)	(17.4%)
<b>Net profit</b>	<b>2,506,519</b>	<b>2,764,423</b>	<b>(9.3%)</b>

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

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

The **operating profit** (EBITDA) decreased by 13.3% compared to the same period of the previous year, under the significant influence of the increase in the cost of the contribution to the Energy Transition Fund payable for the period 1 January - 31 December 2023, which was 141.8% higher than the tax on additional income due for the similar period of the previous year. The main causes of the increase in this tax are the changes made to the calculation methodology detailed below, as well as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the period 01 January - 31 December 2023, are higher than in the similar period of the previous year.

**Operating income** increased by 16.1%, an evolution supported by the 17% increase in income from the sale of electricity, determined by the 17.6% increase in the weighted average price, including Tg, of the electricity sold during 1 January - 31 December 2023 compared to the

weighted average price from the same period of 2022, under the conditions of the sale of a similar total amount of electricity, an increase of 0.9%.

Compared to the same period of last year, the key change occurred in the sale mix is represented by the introduction of the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025, in which SNN participates as producer. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers at a price of 450 RON /MWh, and sells it to buyers at the same price. In the period 01 January - 31 December 2023, SNN sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON /MWh, which accounts for 47.02% of the total electricity sold during the period.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 53.8%, accounting for 41.41% of the total sold quantity, and the average sale price on this market increased by 99.3% (price without Tg).

The amount of electricity sold by SNN on the spot market (DAM and IDM) in the first 12 months of 2023 increased by 6%, accounting for 11.4% of the total sold quantity, and the average sale price on this market decreased by 57.2% (price without Tg).

**The cost of the contribution to the Energy Transition Fund/tax on additional income**, of RON 2,623,619 thousand, due for the period 1 January - 31 December 2023, increased by 141.8% (1 January - 31 December 2022: RON 1,085,014 thousand), due to the changes made to the calculation methodology and as the increase in the reference amount, represented by the revenues from the sale of electricity which, in 2023, are higher than the previous year.

As at 31 December 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of 450 RON /MWh, pursuant to Article II(1) of Law no. 259/2021 for approving the Government Emergency Ordinance no. 118/2021, as subsequently amended and supplemented. The calculation method is set out under the Government Emergency Ordinance no. 27/2022 (Annex 6).

In the period 01 January - 31 December 2023, the contribution to the Energy Transition Fund was determined as 100%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of 450 RON /MWh, pursuant to Law no. 357/2022 approving the Government Emergency Ordinance no. 119/2022. The calculation methodology applicable for the current reporting period did not allow deduction, from the reference amount, of the cost of the purchase of electricity and the cost related to accessing the energy markets (Tg and market management costs), as the methodology applicable in the similar period of the previous year used to allow. During the period 01 January 2023 - 31 December 2023, the monthly expenses only included the cost of unbalances.

**Operating expenses, less depreciation and amortization and expenses with the contribution to the Energy Transition Fund / additional income tax** , decreased by 0.4% during 2023, compared to 2022. This decrease is determined by the decrease in expenses regarding the purchased electricity, the amount of electricity purchased in the first 12 months of 2023 decreased by 41% compared to the similar period of the previous year.

**The financial result** positively influenced the net result, so that in the period 01 January - 31 December 2023, net financial income was recorded, increasing by 83.5% compared to the similar period of the previous year, as a result of the interest income obtained. The main currencies with exposures are EUR and CAD.

**The net income tax expense** decreased by 17.4% as a result of the decrease in the taxable profit calculated for the period 01 January - 31 December 2023 compared to that calculated for the similar period of the previous year, also influenced by the impact of deferred income tax expenses and revenues recognized during the reporting period.

### **Electricity output in 2023**

The gross electricity production of the two operational units of Cernavodă NPP was 11,191,089 MWh in 2023; from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 896 thousand MWh in 2023.

Thus, the electricity generated and delivered in the National Energy System ("SEN") was 10,294,203 MWh in 2023, compared to 2022 (10,199,558 MWh), representing an increase by 0.9%.

The net electricity production program approved by the Board of Directors for the year 2023 (March 2023 revision) considered a quantity of 10,218,912 MWh, being achieved in proportion of 100.7%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in 2023, as well as in aggregate from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 31 December 2023 was as follows:

Cernavodă NPP unit	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	95.49%	90.60%
Unit 2	86.11%	93.73%

## Electricity sales in 2023

### Electricity sales (quantities, prices and values) in 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	4,938,911	47.02%	450.00	2,222,509,995
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	5,520,334	52.56%	944.01	5,211,276,928
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC, LCM-RCE contracts, directly negotiated contract and supply contracts	4,350,214	41.42%	1,059.01	4,606,927,731
- Sales on DAM and IDM	1,170,120	11.14%	516.48	604,349,197
Positive imbalances on PE*	43,892	0.42%	490.57	21,531,894
<b>Total sales during 2023</b>	<b>10,503,137</b>	<b>100%</b>	<b>709.82</b>	<b>7,455,318,817</b>

\* Note: the values also include RON 3,317,384 of additional system balancing income, according to ANRE Order 213/2020.

The amount of electricity sold through the **Centralized electricity purchasing mechanism under contracts on the spot market (DAM and IDM) as well as on the PE market is 10,503,137 MWh**, 1.1% above the sales schedule, of 10,391,304 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 0.5% lower than the amount of electricity sold in 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (208.9 thousand MWh) is represented by the electricity purchased in order to fully cover contractual obligations, 64% of which was purchased on the spot market and 36% on the PE market.

**The revenues gained on the electricity market related to electricity deliveries in 2023 amount to RON 7,455,318,817, 0.26% higher than the rectified revenues budgeted for 2023, and 17.8% higher compared to the amounts gained in 2022.**

**The weighted average sales price for the electricity sold (without MACEE and PE) achieved in 2023 is 944.01 RON /MWh (including Tg).** For comparison, the weighted average price of all transactions concluded on the markets in which SNN was active in 2023 (CMBC-EA-flex, CMBC-CN, CM-OTC, DAM and IDM), calculated based on the values published by OPCOM in the monthly market reports, is 700.82 RON /MWh. In 2022, the weighted average sales price for the energy sold (without PE) was 602.33 RON /MWh (including Tg).

SNN is the seller under the Centralized Electricity Acquisition Mechanism (MACEE), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers and sells it to buyers at the price of 450 RON /MWh, via the Electricity Centralized Acquisition Mechanism. In 2023, SNN sold via MACEE, to OPCOM, 4,938,911 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in 2023 a percentage share of 41.41% of the total volume of electricity sold, compared to a percentage share of 89.15% recorded in 2022.

**The average sales price on bilateral contracts during 2023 was 1,059.01 RON /MWh (T<sub>g</sub> included), registering an increase of 99.3%** compared to the average price recorded in the previous year, of 531.36 RON/MWh (T<sub>g</sub> included), provided that the value of the transmission tariff for the introduction of electricity into the network T<sub>g</sub> amounted to 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

In 2023, electricity amounting to 11.14% of the total sales value was sold on the spot market (DAM and IDM), as compared to 10.46% in 2022. **The average sale price of energy on the spot market (DAM and IDM) achieved by SNN in 2023 was 516.48 RON/MWh (T<sub>g</sub> included)**, as compared to 1,207.36 RON/MWh (T<sub>g</sub> included) during the previous year.

### **Investment program**

The total rectified value of SNN's investment program for the year 2023 is RON 710,318 thousand (without the component allocated to the payment of debt service related to long-term loans), program approved by Resolution no. 232/27.10.2023 of the Board of Directors of SNN, as part of the Rectified Income and Expenditure Budget ("IEB") of SNN for the year 2023.

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

When sizing the investment development program, S.N. Nuclearelectrica S.A. took into account the need of the branches (Cernavodă NPP and NFP Pitești) regarding production continuity, respectively reaching the highest possible level of production capacity utilization (EAF – Energy Availability Factor) in compliance nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant, the acquisition of assets related to the Feldioara Branch belonging to Compania Nationala a Uraniului SA and their transfer to the assets of the branch Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L., as well as the contribution to the share capital of EnergoNuclear S.A.

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

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

The comparative statement of investments made (as values and as percentages) for the period 1 January - 31 December 2023 compared to the same period of 2022 is presented in the following table:

Year	Investment program value [thousand RON]	Actual (01.01 – 31.12) [thousand RON]	Degree of completion (01.01 – 31.12) (%)
2023	710,318	630,749	88.8%
2022	609,220	561,468	92.2%

*Note. The value of the investment programme, and the calculated progress attained in 1 January – 31 December are in accordance with the figures approved in the rectifications of IEB 2022 and IEB 2023*

Additional information may be obtained from: [investor.relations@nuclearelectrica.ro](mailto:investor.relations@nuclearelectrica.ro)

**Cosmin Ghita**  
**Chief Executive Officer**



# S.N. NUCLEARELECTRICA S.A.

## ANNUAL REPORT

### 2023

**COMPANY MANAGED UNDER SINGLE-TIER SYSTEM**



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## 1. BASIS OF THE REPORT

The Annual Report of the Board of Directors of S.N. Nuclearelectrica S.A. for the financial year ended on 31 December 2023 was prepared in observance of:

- ❖ Chapter III of the Order of the Minister of Public Finance no. 2844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards, as subsequently amended and supplemented.
- ❖ Article 65 of Law no. 24/2017, republished on 10 August 2021, regarding issuers of financial instruments and market operations.
- ❖ Annex no. 15 of the Regulation no. 5/2018 regarding issuers of financial instruments and market operations, as subsequently amended and supplemented, issued by the Financial Supervisory Authority.
- ❖ Article 56 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public undertakings, as subsequently amended and supplemented.
- ❖ Article 53(5.3.1)(i) of the Mandate Contracts valid on 31 December 2023, concluded between the Directors and S.N. Nuclearelectrica S.A.
- ❖ Article 20(1)(d) of the Articles of Association of S.N. Nuclearelectrica S.A.

## 2. IDENTIFICATION DATA

Date of report:	20 March 2024
Name of the issuer:	S.N. Nuclearelectrica S.A. (“SNN”)
Headquarters:	Bucharest, Bulevardul Iancu de Hunedoara, nr. 48, Sector 1
Phone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web:	<a href="http://www.nuclearelectrica.ro">www.nuclearelectrica.ro</a>
Email:	<a href="mailto:office@nuclearelectrica.ro">office@nuclearelectrica.ro</a>
Single Code of Registration	10874881
Number of registration with the Trade Register:	J40/7403/1998
Subscribed and paid-up share capital:	RON 3,016,438,940
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange ( <a href="http://www.bvb.ro">www.bvb.ro</a> )
The main characteristics of securities issued:	Premium category 301,643,894 shares, nominal value of RON 10/share, dematerialized form, registered, ordinary, indivisible, with equal rights to vote, freely tradable with Bucharest Stock Exchange under SNN symbol of 4 November 2013

### 3. STATEMENT OF THE BOARD OF DIRECTORS

For Romania, expansion of the nuclear capacity beyond 2031 translates, above all, into energy security and a significant contribution to achieving the decarbonization targets, plus: economic development along the entire value chain; economic and social benefits (development and jobs) for communities; development of the supply chain as part of the regional and European supply chain; complementarity with renewable resources; and training a new generation of specialists, as a matter of essence.

The global electricity demand is expected to grow at a faster pace over the next three years, with an average of 3.4% per year, until 2026. This growth will be driven by the better economic outlooks, which support a significant increase in the electricity and heat demand, in both advanced and emerging economies. Without investments in the nuclear industry, the cost of the transition to a sustainable economy increases by USD 1.6 trillion, according to the report of the OECD's International Energy Agency (IEA), published in May 2019.

The record electricity output from low greenhouse gas-emitting sources, including nuclear and renewable sources (solar, wind, hydro), will cover for the entire increase in the global demand over the next three years, and is expected to account for close to half of the global electricity output by 2026, v 39% in 2023.

Further to the COP28 Conference on Climate Change, called by pro-nuclear states the "Nuclear COP", which ended in December 2023, more than 20 states signed a joint declaration to triple the nuclear energy capacity by 2050.

Against this background, nuclear energy makes a strong comeback, and the major benefit goes to countries, such as Romania, that already have the infrastructure, operating experience and will to expand their nuclear capabilities.

Worldwide, development of the Small Modular Reactor (SMR) concepts is trending, with strong support in Europe; in this regard, it is worth mentioning the Communication of the European Commission Communication "Securing our future Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society", as well as the launch of the European Industrial Alliance on Small Modular Reactors (SMR) on 7 November 2023. Under the European Parliament Resolution of 12 December 2023, the vote was overwhelmingly to support SMRs in the European Union, and the European Commission was urged to develop, and providing financing for, an specific industrial strategy for their deployment.

In Romania, Societatea Nationala Nuclearelectrica S.A. (SNN).A, with two CANDU-type ("CANada Deuterium Uranium") nuclear reactors in operation, ensures approximately 18%-20% of domestic electricity generation, and 33% of the electricity generated without greenhouse gas emissions. Thus, the release of approximately 5 million tons of CO<sub>2</sub>/year/unit will be avoided, totalling approx. 215 million tons of CO<sub>2</sub> since the commissioning of the first nuclear reactor of Cernavodă NPP.

Currently, SNN has in progress the three major investment projects: Refurbishment of Unit 1 of Cernavodă NPP, the Project of Units 3 and 4 of Cernavodă NPP and the Small Modular

Reactor (SMR) Project. The first two provide base load clean energy and implicitly supply security and availability of the energy system, while the SMRs will provide economic and social protection to the areas accommodating coal-fired plants taken out of service, local development, jobs, as well as a flexibility compatible with the load variations caused by the renewable sources.

These projects, added to Unit 2 planned for refurbishment around 2036, the total installed capacity beyond 2031 is 3262 MW, thus avoiding the annual release of approx. 24 million tons of CO<sub>2</sub>, and providing energy security, thousands of jobs, a competitive supply chain and an advantageous position of Romania across the region.

Refurbishment of Unit 1 is a strategic project for Romanian and translates into another 30 years of CO<sub>2</sub>-free operation beyond 2029. Cost-wise and, implicitly, in terms of the subsequent market impact, the reviews of the OECD's Nuclear Energy Agency (NEA) confirms that extension of the service lifetimes of nuclear units comes at the lowest cost out of all sources, including the renewable sources.

According to the strategy approved by the shareholders of Nuclearelectrica in 2021, Unit 3 is expected to be connected to the grid in 2030, while Unit 4 in 2031.

The SMR plant with 6 small modular reactors, each with 77 MWe, will have a capacity of 462 MWe, will be erected in Doicești, County of Dâmbovița, will produce safe and CO<sub>2</sub>-free clean energy, thus avoiding that about 4 million tons of CO<sub>2</sub> are released into the atmosphere every year, and will create many local jobs.

Located on the site of decommissioned coal-fired power plants, SMRs can help solve the energy problems for the local communities, with multiple social and economic benefits (maintaining and creating new jobs, training a new generation of engineers, contributing projects to the local economy and industry). Thus, there is a double complementarity: of SMR with CANDU reactors and of SMR with renewable sources.

In today's Romania, nuclear industry can secure thousands of direct and indirect jobs. The continued investments in the nuclear sector, by kicking off new nuclear projects, would increase the jobs provided up to 19,000 with effects on reindustrialization and economic growth for the horizontal industry, retainment of highly skilled workforce, boosting research, education and engineering, and providing Romania with a competitive edge in Europe.

At the national level, it is important to be mindful of the available resources, the consumption forecasts, the regional and international context, the human resources and the available or raisable investment capital. We must also focus our energy programme on the 6 objectives of the Taxonomy for Sustainable Financing: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity with a view to maximizing the chances of raising capital on the market.

In this context, investments in clean capacities, the focus on innovation, and regional and international cooperation have become the major coordinates.

Apart from energy generation, nuclear industry provides also other major benefits related to other industries. Some of these are the use of heat and electricity to produce hydrogen, which so far has mainly come from the natural gas industry, or securing heat for the local communities and industries.

There is a clear need for new nuclear facilities around the world, both to replace the old plants on fossil fuels, particularly coal, which release significant amounts of carbon dioxide, and to cover for the ever-higher demand for electricity, particularly in emerging countries. Currently, approximately two-thirds of the world's electricity comes from burning fossil fuels. By 2050, should the climate change targets be met, 80% or more of electricity will have to be produced with low carbon emissions.

**Chairman of the Board of Directors,**

**Teodor Minodor Chirica, PhD**

## 4. STATEMENT OF THE CEO

In 2023, against the background of Romania attaining the energy security targets, the highlights were related to the developments in the investment projects, *i.e.* Refurbishment of Unit 1, the Project of Units 3 and 4, the Small Modular Reactors Project, and the Integrated Nuclear Cycle Tritium Removal Facility Project, plus other strategic and significant projects in terms of the potential for, and impact on economic and adjacent fields, such as healthcare: develop production of medical isotopes or exploring resumption of heavy water production in Romania.

We have reached essential milestones for development of SNN's strategic projects in 2023. With our strategies and projects, we strive to make a contribution not only to energy security, and attainment of the decarbonization and ESG targets, but also to areas where nuclear energy can prove its worth, such as healthcare. Implicitly, our strategic projects have a major impact also on the stock market for our shareholders and investors, so our approach is integrated.

Since our projects are developed to build a sustainable future for the next generations, we are also equally concerned about raising a new generation of Romanian specialists, and we are actively involved in partnerships with universities, colleges and schools aimed at attracting, training and retaining talents, through our platform Nucleus of Excellence.

At the same time, we take up a serious role in the society and the communities where we operate, and we support social projects in healthcare, education and environment through our social responsibility platform, *i.e.* Nucleus of Good.

For Romania, expansion of the nuclear capacity up to 3,262 installed MW beyond 2031 translates, above all, into energy security and a significant contribution to achieving the decarbonization targets, plus: economic development along the entire value chain; economic and social benefits (development and jobs) for communities; positioning Romania as a know-how center and a major link of the regional supply chain; ensuring complementarity with renewable resources, as an essential and connected matter; and training a new generation of specialists, since Romania has been recognized internationally for performance and human resources.

The **Unit 1 Refurbishment Project** is now in its second deployment stage. Phase 2 of the project started after approval of the feasibility study, and includes provision of financial resources for the U1 Refurbishment Project, the preparation of the execution of the activities identified and defined for the refurbishment of U1 in Phase I and obtaining all the approvals and clearances required for the development of this project. In the first phase, setting the ground for the second one, we entered into a contract with a recruitment company for selection of 100 specialists, who are now part of the project's organizational structure, given the complexity of this second phase of development. In Phase 2, the project advanced with conclusion of contracts for provision of engineering services. In November 2023, we signed a contract of CAD 781 million with Candu Enegy and Canadian Commercial Corporation (“CCC”) for supply of reactor tooling and components, as well as for engineering and technology services with a view to extending the service lifetime of Cernavodă NPP Unit 1; this is a key contract for the project. Given the complexity of the project, a procedure for procurement of project management, technical assistance, consultancy and staff training services was also commenced for preparation and deployment of the Cernavodă NPP Unit 1 Refurbishment Project.

The second phase will come to an end at the actual shutdown of Unit 1, in 2027; therefore, until that time, we will certainly have an update of the feasibility study, as any such study is subject to shareholder information. Refurbishment of Unit 1 is a strategic project for Romanian and



translates into another 30 years of CO<sub>2</sub>-free operation beyond 2029, at less than half of a new reactor's costs. Concretely, this means another 30 years without CO<sub>2</sub> emissions. Cost-wise and, implicitly, in terms of the subsequent market impact, an NEA-OECD study confirms that extension of the service lifetimes of nuclear units comes at the lowest cost out of all sources, including renewable.

As to the **Cernavodă NPP Units 3 and 4 Project**, according to the strategy approved by shareholders in 2021, Unit 3 is estimated to be connected to the grid in 2030, whereas Unit 4 in 2031. The project will be implemented by a consortium of experienced international companies, expertise under the Romania-US Intergovernmental Agreement (IGA). The project of Units 3 and 4 actual means a contribution of 66% clean energy to Romania's energy mix, with 4 units in operation, 20 million tons of CO<sub>2</sub> avoided annually with 4 CANDU units in service and net social and economic benefits at local, national and supply chain level.

Stage I, in which we are now, is the preparatory stage the main objectives of which are re-operationalization of Energonuclear S.A. (EN), hiring technical and legal assistance services, as well as engineering services to update the engineering and nuclear safety documentation required for the Project's restart. EN has been re-operationalized as of September 2021, with the technically critical positions staffed. In November 2021, the engineering services contract was concluded with Candu Energy for reassessment of the units, and incorporation of the design-related nuclear safety improvements. The list of design changes with impact on nuclear safety was updated (in addition to the design of the reference unit – Cernavodă NPP Unit 2), as needed to meet the requirements of the Nuclear Safety Directive, as well as Nuclear Safety Guidelines and the Licensing Basis Documents under which CNCAN issued the Letter of Comfort attesting to the licensable of the Project under the applicable legislation in December 2022.

On 31 May 2023, EN filed with DG ENER the complete Communication concerning the Investment Project of Units 3 and 4 of Cernavodă NPP under Article 41 of the EURATOM Treaty. The activities concerning reassessment of the civil structure were completed by Candu Energy with the conclusion that all existing buildings could be used for continuing of the U3-4 Project and are capable of supporting 60 years of operation since their commissioning, with only general rehabilitation works and consolidation of structural elements by improvement/consolidation/replacement being rehabilitation required; the detail planning and design of these works will be completed in Stage II - LNTP, and the works per se will be carried out as part of Stage III.

**Stage II - Preliminary Works**, period: 2024-2026, with an estimated duration of 24-30 months, and the main objectives of which are: Drafting the critical engineering for project scoping; structuring and raising the financing (through cost estimates and a highly certain implementation programme); obtaining the favourable Opinion of the European Commission further to the Project Notice under to Article 41 of the EURATOM Treaty and a positive decision in accordance with the relevant European provisions on State Aid; and obtaining the Nuclear Safety License for the Construction Stage and making the Final Investment Decision for advancement to Stage III (Construction). At the end of this stage, the project feasibility shall be re-examined based on the new technical and economic indicators and the Final Investment Decision shall be made, which shall allow the Project to pass to Stage 3.

**Stage III is the construction stage**, during: 2026-2031/2032.

For the time being, the Project is approaching the end of Stage II - Preparation, with the activities required to write the documents and plan the activities for advancement to Stage II - Preliminary Works having already been kicked-off. Romania needs new capabilities, as a solution to decarbonization and transition, but also a source of: safety, sustainability and availability for the National Energy System (SEN). Also, the Romanian nuclear industry has the expertise and capability to participate with significant works and services in the new project of Cernavodă, and this expertise has been acquired since the commissioning and provision of maintenance for the first two nuclear units. Basically, decades of cumulative expertise in the nuclear industry, reliability, robustness, and ownership.

The Support Agreement, of essence for development of nuclear project, was approved last year under a law and documents the commitment of the Romanian State to take the necessary steps to have the Project financed, including by: granting State Guarantees to the Project's financiers; implementing the "Contracts for Difference"-type scheme and adopting the administrative and/or legislative measures required to ensure the fulfilment of the technical criteria provided for in the Complementary Delegated Act of the European Commission; the contribution being represented by the quantity of heavy water and uranium octoxide related to the first load of nuclear fuel, cooling water for the operation of those 2 nuclear units and the completion of the electricity transmission lines necessary for the connection to the National Energetic System and the evacuation of the electricity produced by those two nuclear units. Development of Units 3 and 4 has also stirred some international interest. Relying on the performance and expertise of the Romanian nuclear industry, the Romanian nuclear projects are attractive to the industry. In September 2023, Canada announced its availability to support development of the Cernavodă NPP Units 3 and 4 Project with CAD 3 billion. This announcement reconfirms the strategic partnership between Canada and Romania in the field of nuclear energy with a view to attaining Romania's climate and energy security targets and objectives.

The interest voiced by the Canadian Government in financing the Units 3 and 4 Project with CAD 3 billion comes to complement the interest expressed by the United States, through the US Exim Bank, in financing the technical services provided by the US for Units 3 and 4 of Nuclearelectrica: providing financing of up to USD 50 million under the US export contract for pre-project technical services, as part of the Engineering Multiplying Program (EMP), and of up to USD 3 billion under the US export contract for engineering and project management services for the contract covering completion of Units 3 and 4 of the Cernavodă nuclear power plant.

The purpose is that, by 2031/2032, Romania adds approx. 1,400 MWe of installed capacity with operation of Units 3 and 4 of Cernavodă, in addition to extending the service lifetime of Unit 1 by other 30 years and maintaining the capacity of 700 MWe through Refurbishment of Unit 1 in 2029. These strategic initiatives will be undertaken in cooperation with longstanding Canadian allies, with the backing of the Export Bank of Canada (EDC), and they will play a vital role in bolstering Romania's energy security and helping meet its decarbonization goals. Moreover, these project will provide stable jobs for approximately 20,000 employees of the Romanian nuclear industry over the next 60-70 years, thus helping also the social and economic development. Additionally, Romania will be able to support also other countries of the region to attain their energy independence and decarbonization targets. With 27 years of safe and efficient operation experience, Nuclearelectrica, through Cernavodă NPP, will strengthen Romania's potential to become an regional energy hub in the region prove Romania's capacity and leadership in the nuclear field, once again.

The **SMR project of Doicești** is at an early stage. A number of initial engineering and design activities and studies, technical analyses on the site of the former power plant of Doicești, preparation of a tentative timetable, and estimation of the Romanian project's specific costs have already been commenced. This first phase of the studies was financed from a USD 14 million grant from the US Trade and Development Agency (USTDA).

We estimate that the first modular reactor of the Doicești SMR project will be commissioned and connected to SEN at the end of this decade; however, the timeline will be fine-tuned after completion of the studies (FEED) by the Special Purpose Vehicle, - RoPower Nuclear.

Approximately 70 concepts of SMR reactors are in various development stages, as well as in different licensing stages, which proves the industry interest and innovation, as well as the efforts employed by the regulators to have SMR licensed. Only one type of SMR has been certified so far.

The US, Canada, France, UK, Poland, Czechia, Estonia, Slovakia and Bulgaria are interested in developing SMR and have already taken the first steps to develop it. Of course, the countries compete to prevail in terms of development, as the first country of Europe to install the SMR will also gain many benefits: the local industry and workforce will be involved in development of regional projects – this means jobs and taxes paid to the State and local budget, as well as regional development. This is precisely what Romania is after, in addition to clean energy and repowering the areas which used to accommodate the former coal-fired power plants.

The European Commission has recently and formally announced establishment of an Industrial Alliance for the Small Modular Reactors (SMR) which will focus on speeding up deployment of this technology and building a strong EU supply chain, including skilled workforce. The European Commission recognizes the contribution that SMR can make a contribution to decarbonization of the energy sector, among other benefits, including job retention and creation.

With completion of the SMR project of Doicești, Romania has the possibility of becoming a regional leader in development of this technology, with major opportunities not only for Romania's energy security, but also for development of the chain of suppliers, a potential component production and assembling hub and a center for training the future operators, as well as an operator of choice for the other SMR plants in development across Europe.

The SMR technology is solid and test, and the SMR technology selected by Romania relies on a technology with a history of more than 60 years of safe operation in more than 300 plants worldwide.

Romania has the necessary experience to get involved in development of an SMR project of this magnitude: it has 27 years of safe operation; it has a rigorous regulator (CNCAN), which has already approved the Licensing Basis Document Licensing that will smoothen the licensing process for all development stages of the SMR nuclear power plant in Romania; a chain of nuclear industry suppliers that can help develop projects and an engineering education system at the highest standards.

The SMR plant with 6 NuScale small modular reactors, each with 77 Mwe, will have a capacity of 462 MWe, and will produce CO<sub>2</sub>-free clean and safe energy. Thus, compared to the former coal-fired polluting power plant of Doicești, the new one will avoid the release of approx. 4 million tons of CO<sub>2</sub> per year and will create many local jobs: almost 200 permanent jobs; 1,500

jobs during the construction period; and 2,300 jobs in production and assembly of components, as well as jobs in operation and maintenance of the facilities over the next 60 years.

The plant will also help develop mainstream education and training of the future engineers. That's why we also launched the E2 Centre in the Polytechnics University to offer students hands-on opportunities of applied study on SMR.

Being a source of clean and safe energy for various industries, the SMR power plant will help the development of a true industrial hub in the area, by attracting new companies and factories that will open production lines in the area and, implicitly, generate new jobs of local work, thanks to the SMR's particulars of supporting local consumers with needs that vary in time and scope.

The **tritium removal facility**, another strategic project of SNN, will enhance the radiological safety of the Cernavodă power plant, will further reduce the volume of radioactive waste by giving priority to the health of employees and allowing the reuse of the coolant and moderator (heavy water) after tritium removal, and implicitly the ESG component. Successful completion of the project will ease and render safer and more effective regular maintenance, refurbishment and potentially decommissioning; therefore, its impact is multiple and highly beneficial. The Cernavodă tritium removal facility relies on an innovative Romanian technology, developed by the National Research and Development Institute for Cryogenic and Isotopic Technologies - ICSI Rm. Vâlcea, will be the third tritium removal facility in the world and the first in Europe, and will provide Romania with the opportunity to become a European center for the production and export of tritium - the candidate fuel for future fusion reactors. The resulting tritium can be then used for future fusion reactors, such as ITER, and will be the first European source of fuel that uses Romanian technology.

Also, Romania has the opportunity to develop its supply chain and become a center for the development and export of Romanian tritium removal technology and know-how, using local factories and workforce. I would also like to recall the recent partnership with the EIB, *i.e.* the signing of an EUR 145 million loan agreement to support CTRF completion and I am particularly appreciative of the EIB's approach to sustainable multiple-benefit energy projects. It take pride in being able to implement an innovative Romanian technology, based on years of research and development, and an example of Romanian leadership in the nuclear industry. Especially under a partnership with KHNP, a leading expert in the field. We have committed to safe operation, and to environmental and population protection. With our investment projects, the technology advancement and the international cooperation, we strive to give Romania a leading role in the nuclear industry and to support its energy security.

On 28 December 2022, Nuclearelectrica completed acquisition of assets of CNU Feldioara Branch's technical uranium concentrate processing flow, as well as acquisition of the title on the land related to these assets, from the Ministry of Energy, under a concession to SNN. The assets that became property of SNN further to the completion of the abovementioned transaction were leased to FPCU Feldioara (a subsidiary of SNN) for operation and kicking-off the production process.

Between January and March 2023, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing; in fact, we made Feldioara fully operational. Currently, Feldioara is a subsidiary of SNN that operates at optimal capacity and we will continue to upgrade it. The strategic decision to acquire part of Feldioara's assets needed for raw material processing was aimed at preserving and developing the Romanian fuel integrated cycle and SNN's integrated production capabilities and, to an equal extent, ensuring

production of fuel bundles and optimal operation of NFP Pitești and Cernavodă NPP, in the context of expanding the nuclear power plant's capacity, at an advantageous transaction cost. With investment projects of EUR 12 billion over the next decade, our aim is to strengthen the nuclear capabilities and provide Romania with full investment capacity. Also, as we have already announced, there is interest in heavy water production in Romania, and project is currently being reviewed. Heavy water production in Romania can also provide a strong competitive edge. We tap into, and try to develop, all these benefits for Nuclearelectrica. They are a particularity of the Romanian nuclear performance and can make a significant difference. We can develop new and high-performance technologies, such as SMRs, and we can revive industries that had laid the foundations of the nuclear industry in Romania, for the fleet of high-capacity reactors. They are interdependent energy security and critical infrastructure elements.

For years now, we have also been actively working to attract manpower to the strategic projects we develop. In only 3 years ('21, '22 and '23), the NPP has already recruited more than 700 people, and our goal is to train the next generation of nuclear specialists: for CANDU and for SMR.

To this end, we have launched the "Nucleus of Excellence" platform, Nuclearelectrica's employer brand, both to prepare for a generational change, and to attract and train a new generation of nuclear specialists.

Last year, we reached out to more than 7,000 young people through the programmes we develop - career fairs, presentations, events, scholarships, dual school, vocational schools, internships and internships.

I will conclude by making reference to SNN's commitment to ESG development, in line with the new EU directive. Nuclearelectrica's impact in the decarbonization strategy is significant, and our goal is to provide 66% of Romania's clean energy beyond 2031; currently this is at 33%. By operating 4 CANDU units and 6 SMR modules, we will avoid release of 24 million tons of CO2 into the atmosphere, every year.

At a corporate level, we are committed to comply with the UN ESG principles, as member of the UN Global Compact, and to constantly and steadily develop ESG based on the new European standards.

**Cosmin Ghita**

**Chief Executive Officer**

## 5. BUSINESS REVIEW

### 5.1. PRESENTATION OF THE COMPANY

#### 5.1.1. CORE BUSINESS

Societatea Nationala Nuclearelectrica S.A. (“SNN” or “the Company”) is a national joint stock company, managed under single-tier system, with headquarters in Bucharest, Sector 1, Bulevardul Iancu de Hunedoara, nr. 48, having two Branches without a legal personality. The main object of activity of the company is “Electricity generation” – NACE Code 3511 and is registered with the Trade Register under number J40/7403/1998, Unique Registration Code 10874881, tax attribute RO.

Currently, SNN is the only electric power producer based on nuclear technology from Romania. SNN also produces CANDU-type nuclear fuel bundles that are used to keep its own nuclear reactors in use.

*The Branch of Cernavodă NPP (Nuclear Power Plant)*, with its registered office in Cernavodă, Strada Medgidiei, nr. 2 and registered with the Trade Register under no. J13/3442/11.10.2007, ensures operation of the two functional CANDU Nuclear Units, as well as the management of all SNN assets of Cernavodă (apart from Units 1 and 2 already in operation, Units 3 and 4 are in various stages of construction; for Unit 5, the Company's shareholders approved the change of initial application as early as March 2014, and this would be used to support the activities related to operation of Units 1 and 2, as well as the district heating system). Those two Units have an installed power of approximately 700 MW each (706.5 MWe Unit 1 and 704.8 MWe Unit 2).

*The NFP (Nuclear Fuel Factory) Pitești Branch*, with the registered office in Mioveni, Strada Campului, nr. 1, and registered with the Trade Register under no. J03/457/24.08.1998, produces CANDU fuel bundles for Units 1 and 2 of Cernavodă.

Unit 1 was commissioned in 1996, and Unit 2 in 2007. The two reactors provide about 18% - 20% of the power generated in Romania. The nuclear reactors at the two Units are of the CANDU 6 type, a model developed in Canada by Atomic Energy of Canada Ltd. This type of reactors is cooled and moderated with heavy water and use natural uranium as fuel. The initial site provided for the construction of 5 CANDU Nuclear Units.

According to the Government's initial strategy, construction of Units 3 and 4 was due to be completed by Energonuclear S.A., a subsidiary of SNN, established in 2009. Agreement of the Romanian Government and of the Government of the United States of America regarding cooperation in relation to the nuclear and energetic projects from Cernavodă and in the civil nuclear energy field from Romania was signed on 9 October 2020 in Washington DC. Considering the investment projects run by SNN, execution of this agreement mainly concerns extension of the capacity of Cernavodă NPP and the Refurbishment Project of Unit 1 of Cernavodă NPP.

Also, the US Government expressed their interest, through the US Import Export Bank, to support the global financing of projects in compliance with the policies, procedures and

decision-making independence of these institutions, and included this financial component in the Intergovernmental Agreement.

In November 2022, during the UN Climate Change Conference (COP27), US Exim Bank announced the issue of two expressions of interest for the financing the pre-project technical services provided by USA in relation to 3 and 4 Units from Cernavodă, developed by the subsidiary of Societatea Nationala Nuclearelectrica S.A.

Based on the preliminary information presented, EXIM can consider extending a financing of up to USD 50 million under US export contract for pre-project technical services, as part of the Engineering Multiplying Program (EMP), and of up to USD 3 billion under the US export contract for engineering and project management services for the contract for completion of Units 3 and 4 of the Cernavodă nuclear power plant.

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

In September 2023, the Canadian Minister of Energy and Natural Resources, Mr. Jonathan Wilkinson, together with the Romanian Minister of Energy, Mr. Sebastian Burduja, announced Canada's decision to support development of the Cernavodă NPP Units 3 and 4 Project with CAD 3 billion. This announcement reconfirms the strategic partnership between Canada and Romania in the field of nuclear energy with a view to attaining Romania's climate and energy security targets and objectives.

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

In the first half of September 2021, EnergoNuclear S.A. commenced acquisition of engineering services for the writing and updating the documents needed to kick off the CANDU Units Project. On 25 November 2021, Energonuclear S.A., the project company, signed the first agreement with Candu Energy, Member of SNC-Lavalin Group and the Design Authority of Units 3&4 and OEM Candu (the Original Manufacturer of Candu Technology). Within the agreement, CANDU Energy will provide engineering services for the preparation and update of certain documentation necessary for the initiation of the Project of Units CANDU 3&4 (among which, updating the basic licensing documents, updating of the nuclear security guidelines, updating of the list of the project amendments with nuclear security functions etc.).

Unit 5 is currently fully depreciated, because there is no plan to continue its construction; in March 2014, the Company's shareholders approved the use of Unit 5 for activities related to the operation of Units 1 and 2.

Units 1 and 2 use approximately 11,000 bundles of nuclear fuel every year, each containing around 19 kg of uranium. Between 1 January and 31 December 2023, NFP Pitești Branch manufactured, controlled and accepted a number of 11,000 nuclear fuel bundles, in line with the annual manufacturing plan, all falling within the specifications, with the production of nuclear fuel bundles increasing by 1.6% compared to the same period of the year 2022, when 10,826 bundles were manufactured, controlled and accepted.

During 1 January - 31 December 2023, NFP Pitești Branch delivered to Cernavodă NPP a number of 10,800 nuclear fuel bundles (1 January - 31 December 2023: 10,800 bundles), in compliance with the agreed delivery schedule.

In 2023, the nuclear fuel was produced from the sinterable uranium dioxide powder, stocked as at 1 January 2023, as well as from the sinterable uranium dioxide powder coming from the processing by CNU - Feldioara Branch and FPCU Feldioara of the process technical uranium concentrate purchased from the supplier NAC KazatomProm JSC of Kazakhstan and CAMECO International, Canada.

Under the GMS Resolution no. 5/25.04.2018, the “Strategy for diversification of the supply sources of raw materials required for production of nuclear fuel”, the measures also including the identification of a solution to ensure the processing/refining capacity of the uranium technical concentrate (U<sub>3</sub>O<sub>8</sub>), i.e., the raw material from which the uranium octoxide (UO<sub>2</sub>), necessary for the manufacture of fuel bundles, is obtained. Through specific studies and optimal conditions for the purchase of uranium octoxide, SNN considered processing it at the FPCU Feldioara with the uranium technical concentrate processing line being taken over by SNN from CNU.

Read in connection with the GMS Resolution no. 4/30.03.2020, the shareholders approved commencement of the procedures for the purchase of assets of Feldioara Branch belonging to Compania Nationala a Uraniului S.A., by direct negotiation, in accordance with the provisions of the Government Emergency Ordinance no. 88/1997 on the privatization of companies, and Law no. 44/1998, as subsequently amended and supplemented.

On 28 December 2022, acquisition of assets of CNU Feldioara Branch’s technical uranium concentrate processing flow, as well as acquisition of the title on the land related to these assets, from the Ministry of Energy, under a concession to SNN, were completed. The assets that became property of SNN further to the completion of the abovementioned transaction were leased to FPCU Feldioara (a subsidiary of SNN) for operation and kicking-off the production process. Between January and March 2023, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing.



SNN is a stability factor for the Romanian electricity market, both through base load delivery of electricity and predictable production cost.

### 5.1.2. MISSION, VISION, OBJECTIVES, VALUES

#### Mission

We generate clean energy at standards of nuclear excellence.

#### Vision

We are building a sustainable future for the tomorrow's generation.

#### Objectives

- ❖ Operation of the Nuclear Units under nuclear safe and security conditions for the staff, population, environment and production assets;
- ❖ Maintaining the electricity generation capacity above the current industry average;
- ❖ Meeting the major investment objectives;
- ❖ Improvement of the Company's financial performance ratios.

#### Values



### 5.1.3. ESTABLISHMENT DATE

SNN was established on 2 July 1998 by the Government Decision no. 365/1998, further to the restructuring of the Romanian energy system. Prior to this restructuring, the Nuclear Power Plant used to be part of RENEL, a vertically-integrated national company that was later spun-off into a number of State-owned companies. SNN pursues its business in accordance with the Romanian legislation and its Articles of Association.

### 5.1.4. SHAREHOLDING

As at 31 December 2023, the shareholding structure is as follows:

Type of shareholder	Number of shares held	% share capital holding
Romanian State - Ministry of Economy, Energy and Business Environment	248,850,476	82.4981%
Other shareholders	52,793,418	17.5019%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>

### 5.1.5. SIGNIFICANT MERGERS OR REORGANIZATIONS

In the 2023 financial year, no significant mergers or reorganizations took place in SNN or the companies its controls. The Company is not part of a group of companies, save for the generic group of companies under the common control of the Romanian State through various entities. As at 31 December 2023, SNN holds 100% participating interests in three subsidiaries: S.C. Energonuclear S.A, Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L Branch, and Nuclearelectrica Serv S.R.L. All subsidiaries fall under the consolidation scope. SNN also holds a 50% participating interest in the affiliated entity, RoPower Nuclear S.A.

### 5.1.6. PURCHASES AND DISPOSALS OF ASSETS

On 28 December 2022, the acquisition of some assets from the technical uranium concentrate processing stream of CNU Feldioara Branch, as well as the acquisition of the property right on the land related to these assets from the Ministry of Energy, by concession to SNN, was completed. The assets that became property of SNN further to the completion of the abovementioned transaction were leased to FPCU Feldioara (a subsidiary of SNN) for operation and kicking-off the production process. Between January and March 2023, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing.

Under the GMS Resolution no. 5/25.04.2018, the “Strategy for diversification of the supply sources of raw materials required for production of nuclear fuel”, the measures also including the identification of a solution to ensure the processing/refining capacity of the uranium

technical concentrate (U<sub>3</sub>O<sub>8</sub>), i.e., the raw material from which the uranium dioxide (UO<sub>2</sub>), necessary for the manufacture of fuel bundles, is obtained. Through specific studies and optimal conditions for the purchase of uranium dioxide, SNN considered processing it at the Feldioara Factory with the uranium technical concentrate processing line being taken over by SNN from CNU.

Read in connection with the GMS Resolution no. 4/30.03.2020, the shareholders approved commencement of the procedures for the purchase of assets of CNU Feldioara Branch, by direct negotiation, in accordance with the provisions of the Government Emergency Ordinance no. 88/1997 on the privatization of companies, and Law no. 44/1998, as subsequently amended and supplemented.

Further to the due diligence conducted, SNN identified the necessary assets due to be strategically integrated into its structure; thus, by completing this transaction, SNN integrated the entire manufacturing cycle of CANDU nuclear fuel.

The takeover of assets from CNU Feldioara Branch was a two-stage process: Contract signing date, which occurred, according to the current report of SNN, on 18 March 2021, and Completion Date on 28 December 2022. Between the two stages, a number of prerequisites were provided, agreed upon and met for transaction closure. Thus, on the signing date, the general terms and conditions of the transaction were agreed and the prerequisites were set, and on the closure date, the sale and purchase contract was signed in authentic form based on the heads of terms set on the signing date.

The strategic decision to acquire part of Feldioara's assets necessary for the processing of the raw material was aimed at ensuring integrated production capabilities in SNN and, to an equal extent, ensuring the production of fuel bundles and the optimal operation of NFP Pitești and Cernavodă NPP, in the context of expanding the capacity of the nuclear power plant, and maintaining the nuclear fuel cycle at national level, at an advantageous transaction cost. We point out that the valuation of the assets was performed in accordance with the International Valuation Standards and the land related to the processing line were granted to SNN under direct concession based on the Government Decision no. 1487 of 14 December 2022.

On 24 September 2021, the SNN subsidiary Fabrica de Prelucrare a Concentratelor de Uraniu-Feldioara SRL, was established, with the number in the Trade Register J8/2729/2021 and Single Code of Registration (CUI) 44958790.

Also, the Articles of Association of SNN Feldioara Branch were approved under the EGMS Resolution no. 10/11.08.2021.

The total investment expenses in 2023 amounted to approximately RON 630.7 million.

In 2023, there were no other disposals of assets, save for those retired under the terms of the law, for which a net expense of approximately RON 1.1 million was recognized.

## 5.2. GENERAL ASSESSMENT ITEMS

### Individual Statement of the Financial Position as at 31 December 2023

Ratio [Thousand RON]	31 December 2023 (audited)	31 December 2022 (audited)	Variation
Fixed assets	7,501,677	6,049,279	24.0%
Current assets	5,661,081	5,743,493	(1.4%)
<b>Total assets</b>	<b>13,162,758</b>	<b>11,792,772</b>	<b>11.8%</b>
Long-term liabilities	367,243	456,762	(19.6%)
Current liabilities	1,040,424	800,505	30.0%
<b>Total liabilities</b>	<b>1,407,677</b>	<b>1,257,267</b>	<b>12.0%</b>
<b>Equity</b>	<b>11,755,091</b>	<b>10,535,505</b>	<b>11.6%</b>
<b>Total equity and liabilities</b>	<b>13,162,758</b>	<b>11,792,772</b>	<b>11.6%</b>

The **long-term assets** increased by 24.0% compared to the values recorded as at 31 December 2022. The increase is mainly determined by the increase in financial assets measured at amortized cost, and the purchase of long-term bonds (RON 552.2 million, the equivalent of EUR 110 million as at 31 December 2023), as well as the increase of the contribution to the share capital of RoPower Nuclear SA by RON 15 million, the increase in the contribution to the share capital of EnergoNuclear SA by RON 23 million, and increase of the share capital of Nuclearelectrica Serv SRL by RON 17 million.

The **current assets** observed a 1.4% decrease compared to 31 December 2022, mainly due to a 19.3% drop in the liquid assets (bank deposits maturing in less than 12 months, cash and cash equivalents) mainly due to the disposal of funds for purchase of bonds in 2023.

The **long-term liabilities** decreased by 19.6% compared to the values recorded as at 31 December 2022. The decrease is mainly determined by the reduction of the long-term portion of the foreign loans contracted from EURATOM for the construction and commissioning of Unit 2 of Cernavodă NPP, as a result of the reclassification of the instalments due from the long-term portion to the short-term portion, as the loans mature.

The **current liabilities** increased by 30% compared to the figures recorded as at 31 December 2022, due to the increase in trade and other liabilities, mainly as a result of the recognition of the debt related to the contribution to the Energy Transition Fund as at 31 December 2023; this amount was paid in full in the month following the reporting period. The increase was partially offset by the decrease in short-term deferred income due to the decrease in prepayments invoiced to customers.

## Individual Statement of Profit and Loss for the financial year ended on 31 December 2023

In the 12-month period ended on 31 December 2023, SNN obtained a net profit amounting to RON 2,506,519 thousand.

Ratio [Thousand RON]	The 12-month period ended on 31 December 2023 (audited)	The 12-month period ended on 31 December 2022 (audited)	Variation
<b>Production (GWh)*</b>	10,294	10,200	0.9%
Operating revenues, of which:	7,586,912	6,534,010	16.1%
Revenues from the sale of electricity **	7,424,044	6,343,640	17.0%
Operating expenses, less depreciation and impairment and CETF	(1,850,718)	(1,857,584)	(0.4%)
Cost of contribution to the Energy Transition Fund/tax on additional income CETF	(2,623,619)	(1,085,014)	141.8%
<b>EBITDA</b>	<b>3,112,575</b>	<b>3,591,412</b>	<b>(13.3%)</b>
Depreciation and impairment	(631,370)	(605,405)	4.3%
<b>EBIT</b>	<b>2,481,205</b>	<b>2,986,007</b>	<b>(16.9%)</b>
Financial income	431,702	238,176	73.7%
Financial expenses	(34,774)	(31,687)	9.7%
<b>Net financial result</b>	<b>378,928</b>	<b>206,489</b>	<b>83.5%</b>
Net corporate income tax expenses	(353,614)	(428,073)	(17.4%)
<b>Net profit</b>	<b>2,506,519</b>	<b>2,764,423</b>	<b>(9.3%)</b>

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

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

The **operating profit** (EBITDA) decreased by 13.3% compared to the same period of the previous year, under the significant influence of the increase in the cost of the contribution to the Energy Transition Fund payable for the period 1 January - 31 December 2023, which was 141.8% higher than the tax on additional income due for the similar period of the previous year. The main causes of the increase in this tax are the changes made to the calculation methodology detailed below, as well as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the period 01 January - 31 December 2023, are higher than in the similar period of the previous year.

**Operating income** increased by 16.1%, an evolution supported by the 17% increase in income from the sale of electricity, determined by the 17.6% increase in the weighted average price, including Tg, of the electricity sold during 1 January - 31 December 2023 compared to the weighted average price from the same period of 2022, under the conditions of the sale of a similar total amount of electricity, an increase of 0.9%.

Compared to the same period of last year, the key change occurred in the sale mix is represented by the introduction of the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025, in which SNN participates as producer. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys

electricity from producers at a price of 450 RON /MWh, and sells it to buyers at the same price. In the period 01 January - 31 December 2023, SNN sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON /MWh, which accounts for 47.02% of the total electricity sold during the period.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 53.8%, accounting for 41.41% of the total sold quantity, and the average sale price on this market increased by 99.3% (price without Tg).

The amount of electricity sold by SNN on the spot market (DAM and IDM) in the first 12 months of 2023 increased by 6%, accounting for 11.4% of the total sold quantity, and the average sale price on this market decreased by 57.2% (price without Tg).

**The cost of the contribution to the Energy Transition Fund/tax on additional income**, of RON 2,623,619 thousand, due for the period 1 January - 31 December 2023, increased by 141.8% (1 January - 31 December 2022: RON 1,085,014 thousand), due to the changes made to the calculation methodology and as the increase in the reference amount, represented by the revenues from the sale of electricity which, in 2023, are higher than the previous year.

As at 31 December 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of 450 RON /MWh, pursuant to Article II(1) of Law no. 259/2021 for approving the Government Emergency Ordinance no. 118/2021, as subsequently amended and supplemented. The calculation method is set out under the Government Emergency Ordinance no. 27/2022 (Annex 6).

In the period 01 January - 31 December 2023, the contribution to the Energy Transition Fund was determined as 100%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of 450 RON /MWh, pursuant to Law no. 357/2022 approving the Government Emergency Ordinance no. 119/2022. The calculation methodology applicable for the current reporting period did not allow deduction, from the reference amount, of the cost of the purchase of electricity and the cost related to accessing the energy markets (Tg and market management costs), as the methodology applicable in the similar period of the previous year used to allow. During the period 01 January 2023 - 31 December 2023, the monthly expenses only included the cost of unbalances.

**Operating expenses, less depreciation and amortization and expenses with the contribution to the Energy Transition Fund / additional income tax**, decreased by 0.4% during 2023, compared to 2022. This decrease is determined by the decrease in expenses regarding the purchased electricity, the amount of electricity purchased in the first 12 months of 2023 decreased by 41% compared to the similar period of the previous year.

**The financial result** positively influenced the net result, so that in the period 01 January - 31 December 2023, net financial income was recorded, increasing by 83.5% compared to the similar period of the previous year, as a result of the interest income obtained. The main currencies with exposures are EUR and CAD.

**The net income tax expense** decreased by 17.4% as a result of the decrease in the taxable profit calculated for the period 01 January - 31 December 2023 compared to that calculated for the similar period of the previous year, also influenced by the impact of deferred income tax expenses and revenues recognized during the reporting period.

## Main financial and non-financial ratios

### General Assessment Items based on the Audited Individual Financial Statements

Ratio [thousand RON]	2023 (audited)	2022 (audited)	Δ % 2023 v. 2022
Net profit	2,506,519	2,764,423	-9.3%
Gross operating profit	2,481,205	2,986,007	-16.9%
Turnover	7,469,309	6,369,417	17.3%
Operating expenses	(5,105,707)	3,548,003	43.9%
EBITDA (Operating profit plus Depreciation and impairment)	3,112,575	3,591,413	-13.3%
Liquid assets (cash and cash equivalents, plus bank deposits)	3,641,592	4,510,799	-19.3%
% of the market held	21.4%	20.4%	4.9%

Ratio [RON]	Calculation formula	M.U .	2023 (audited)	2022 (audited)
<b>Profitability indicators</b>				
EBITDA in total sales	EBITDA/Turnover	%	41.7%	56.4%
EBITDA in equity	EBITDA/Equity	%	26.5%	34.1%
Gross profit rate	Gross profit/Turnover	%	38.3%	50.1%
Return on Capital	Net profit/Equity	%	21.3%	26.2%
Return on Assets	Net profit/Total assets	%	19.0%	23.4%
<b>Liquidity and solvency ratios</b>				
Current ratio	Current assets/Short-term liabilities	x	5.44	7.17
Quick ratio	Current assets - Inventory/Short-term liabilities	x	4.41	6.36
Asset solvency	Equity/Total liabilities	x	8.23	8.38
<b>Risk ratios</b>				
Indebtedness ratio	Borrowed capital/Equity	x	0.00	0.01
Interest coverage ratio	EBIT/Interest expenses	x	267.61	400.71
<b>Activity ratios</b>				
Accounts receivable turnover ratio	Average accounts receivable balance x 365/Turnover	days	27	20
Accounts payable turnover ratio	Average accounts payable balance adjusted by VAT x 365/Turnover	days	11	7

Ratio	2023	2022	% 2023 v. 2022
Gross electricity production [GWh]	11,191	11,089	0.92%
Net electricity production [GWh] - delivered in SEN	10,294	10,200	0.93%
Average capacity factor (%) – Unit 1	95.49%	81.42% <sup>*)</sup>	17.28%
Average capacity factor (%) – Unit 2	86.11%	98.60%	(12.66%)
Average headcount	2,272	2,221	2.23%

<sup>\*)</sup> Year with scheduled shutdown.

## Key results of the Company's business

Item no.	Ratio [thousand RON]	2023 actuals (audited)	IEB 2023 Initial <sup>*)</sup>	IEB 2023 Rectified <sup>**)</sup>	2022 actuals (audited)	% 2023 actuals v IEB 2023	% 2023 actuals v 2022 actuals
0	1	2	3	4	5	6=2/4	7=2/5
1	Operating income	7,586,912	7,382,230	7,522,402	6,534,010	100.9%	116.1%
2	Operating expenses	(5,105,707)	(5,739,385)	(5,396,107)	(3,548,003)	94.6%	143.9%
3	<b>Operating profit</b>	<b>2,481,205</b>	<b>1,642,844</b>	<b>2,126,295</b>	2,986,007	116.7%	83.1%
4	Financial expenses	413,702	(42,823)	(26,110)	238,176	(1584.4%)	173.7%
5	Financial income	(34,774)	242,395	384,454	(31,687)	(9.0%)	109.7%
6	<b>Net financial income</b>	<b>378,928</b>	<b>199,572</b>	<b>358,344</b>	206,489	105.7%	183.5%
7	<b>Profit before taxation</b>	<b>2,860,133</b>	<b>1,842,416</b>	<b>2,484,639</b>	3,192,496	115.1%	89.6%
8	Net corporate income tax expenses	(353,614)	(286,414)	(392,288)	(428,073)	90.1%	82.6%
9	<b>Profit of the financial year</b>	<b>2,506,519</b>	<b>1,556,002</b>	<b>2,092,350</b>	2,764,423	119.8%	90.7%

\*) IEB 2023 approved by GMS Resolution no. 1/15.02.2023;

\*\*\*) IEB 2023 rectified approved by Resolution of the BoD no. 232/27.10.2023.

## Execution of the Income and Expenditure Budget as at 31 December 2023

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

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

Reviewing the performance of the Rectified Income and Expenditure Budget as at 31 December 2023, it results that total income has been achieved in a proportion of 101.2%, and total expenses have been achieved in a proportion of 94.8%, therefore gross profit has been achieved in a proportion of 115.1%.



## Execution of the Income and Expenditure Budget as at 31 December 2023 (continued)

		Ratios	Li ne no.	IEB 2023 (approved by the OGMS Resolution no. 1/15.02.2023)	Rectified 2023 IEB (approved by the BoD Resolution no. 232/27.10.2023)	Q4 cumulative actuals 2023	% Actual vs. Approved rectified [Col.6/Col.5]	Variatio n (abs.) [Col.6- Col.5]	% Actual vs. Initially approved [Col.6/Col.4]
0	1	2	3	4	5	6	7	8	9
<b>I.</b>		<b>TOTAL INCOME (Line 2+Line 5)</b>	1	7,624,625	7,906,856	8,000,784	101.2%	93.928	104.9%
	<b>1.</b>	<b>Total operating income, of which:</b>	2	7,382,230	7,522,402	7,587,082	100.9%	64.680	102.8%
		c1 Subsidies, acc. to the legal provisions in force	3	-	-	-	-	-	-
		c2 Transfers, acc. to the legal provisions in force	4	-	-	-	-	-	-
	<b>2.</b>	<b>Financial income</b>	5	242.395	384.454	413.702	107.6%	29.248	170.7%
<b>II.</b>		<b>TOTAL EXPENSES (Line 7 + Line 21)</b>	6	5,782,209	5,422,218	5,140,652	94.8%	-281.566	88.9%
	<b>1.</b>	<b>Operating expenses (Line 8 + Line 9 + Line 10 + Line 20)</b>	7	5,739,385	5,396,107	5,105,878	94.6%	-290.229	89.0%
	<b>A.</b>	<b>Expenses with goods and services</b>	8	1,395,257	998.886	755.819	75.7%	-243.067	54.2%
	<b>B.</b>	<b>Expenses with taxes, duties and similar payments</b>	9	2,729,138	2,850,795	2,834,066	99.4%	-16.730	103.8%
	<b>C.</b>	<b>Payroll costs (Line 11 + Line 14 + Line 18 + Line 19)</b>	10	794.637	776.366	739.754	95.3%	-36.612	93.1%
	<b>C0</b>	<b>Payroll expenses (Line 12 + Line 13)</b>	11	717.836	699.231	675.816	96.7%	-23.415	94.1%
	<b>C1</b>	<b>Expenses with salaries and wages</b>	12	646.102	630.849	613.090	97.2%	-17.759	94.9%
	<b>C2</b>	<b>Bonuses</b>	13	71.734	68.382	62.726	91.7%	-5.656	87.4%
	<b>C3</b>	<b>Other personnel cost, of which:</b>	14	0	1.993	1.993	100.0%	0	-
	<b>C4</b>	<b>Expenses under the mandate contract and of other management and control bodies, commissions and committees</b>	15	4.562	4.562	5.792	127.0%	1.230	127.0%
	<b>C5</b>	<b>Expenses with social insurance and security, special funds and other statutory obligations</b>	16	72.240	70.579	56.152	79.6%	-14.427	77.7%
	<b>D.</b>	<b>Other operating expenses</b>	17	820.353	770.060	776.239	100.8%	6.180	94.6%
	<b>2.</b>	<b>Financial expenses</b>	18	42.823	26.110	34.774	133.2%	8.664	81.2%
<b>III.</b>		<b>GROSS RESULT (profit/loss) (Line 1 - Line 6)</b>	19	1,842,416	2,484,639	2,860,133	115.1%	375.494	155.2%
<b>IV.</b>		<b>CORPORATE INCOME TAX</b>	20	286.414	388.270	353.614	91.1%	-34.656	123.5%
<b>V.</b>		<b>BOOK PROFIT AFTER INCOME TAX (Line 22 - Line 23)</b>	21	1,556,002	2,096,369	2,506,519	119.6%	410.150	161.1%

### **5.3 TRANSACTIONS REPORTED IN ACCORDANCE WITH ARTICLE 52 OF GOVERNMENT EMERGENCY ORDINANCE NO 109/2011 AND IN ACCORDANCE WITH ANNEX NO. 15 OF FSA REGULATION NO. 5/2018**

#### **Legal framework Article 52 of the Government Emergency Ordinance no. 109/2011**

*Article 52(3)(a) and (b) of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented ("Government Emergency Ordinance no. 109/2011") specifies the following:*

- (1) The Board of Directors or, as the case may be, the supervisory board, calls the general meeting of shareholders to approve any transaction when this, alone or as part of a series of completed transactions, accounts for more than 10% of the amount of the public enterprise's net assets, or more than 10% of the turnover of the public enterprise according to the last audited financial statements, and is executed with the with the directors or executive officers or, as the case may be, with members of the supervisory board or of the management board of, the employees of, or the shareholders who control, the Company or with a company controlled by them.*
- (2) The obligation to convene rests with the board of directors or the supervisory board also in the case of transactions concluded with the spouse, relatives or next of kin up to and including the fourth degree of the persons provided in paragraph (1).*
- (3) The Board of Directors or, as the case may be, the supervisory board informs the shareholders, during the first general meeting of shareholders following the conclusion of the legal act, on any transaction concluded by the public enterprise with:
  - a) the persons provided for in paragraphs (1) and (2), if the value of the transaction is below the level established in para. (1);*
  - b) another public enterprise or with the public supervisory authority, if the transaction has a value, individually or in a series of transactions, of at least the RON equivalent of EUR 100,000.**
- (...)*
- (6) The half-yearly and annual reports of the board of directors or, as the case may be, of the board of management, shall include, in a separate chapter, the legal documents concluded under the conditions of para. (1) and (3), specifying the following elements: the parties that executed that legal act; the execution date and the nature of the act, its subject-matter, the total amount of the legal act, any mutual claims, any securities set up, the payment terms and means, as well as any other essential and significant items in relation to such legal acts. The reports will also mention any other information necessary to determine the effects of the respective legal acts on the company's financial situation. In the case of public enterprises whose shares are traded on a regulated market, specific legislation also applies.*

Through Resolutions no. 3/26.04.2023, no. 5/05.07.2023, no. 6/4.12.2023 and no. 1/28.02.2024 of the Ordinary General Meeting of Shareholders, shareholders were informed about the transactions concluded by directors or executive officers with the employees and shareholders who control the

company or a company controlled by them, according to Article 52(3)(a) of the Government Emergency Ordinance no. 109/2011, in the period 29 December 2022 inclusive – 9 January 2024 inclusive, respectively according to Article 52(3)(b) of the Government Emergency Ordinance no. 109/2011 for the same period.

Transactions subject to the obligation to inform the GMS reported by the Board of Directors based on Article 52(3)(a) of the Government Emergency Ordinance no. 109/2011 are presented in **Annex 10 A**, respectively the transactions reported based on Article 52(3)(b) of the Government Emergency Ordinance no. 109/2011 are presented in **Annex 10.B**, being divided into 3 categories: purchases, transactions with energy deliveries and deposits established.

### **Legal framework according to Annex no. 14 of the FSA Regulation no. 5/2018**

Annex no. 14 of FSA Regulation no. 5/2018 presents the content of the half-yearly report as follows:

*I. The report indicates, at least, the important events that took place in the first 6 months of the reporting period and their impact on the half-yearly accounting statements and includes a description of the main risks and uncertainties for the next 6 months of the reporting period. For share issuers, the report also includes the main transactions between affiliated parties. For the purposes of these provisions, an affiliated party shall have the same meaning as in the International Financial Reporting Standards (IFRS), adopted in accordance with the provisions of Regulation (EC) no. 1.606/2002 of the European Parliament and of the Council of July 19, 2002 regarding the application of international accounting standards.*

*Share issuers shall state as main transactions between affiliated parties at least the following:*

- a) transactions between affiliated parties that took place in the first 6 months of the current financial year and that substantially affected the issuer's financial position or results during that period;*
- b) any changes in transactions between affiliated parties, described in the last annual report that could have a substantial effect on the issuer's financial position or results in the first 6 months of the current financial year.*

*If the issuer of shares does not have to prepare consolidated accounts, it must specify the transactions between the affiliated parties, including the value of such transactions, the nature of the relationship with the affiliated parties, as well as other information related to the transactions, necessary for an understanding of the financial position of the issuer. The information related to individual transactions can be aggregated according to their nature, with the exception of the case where the separate information is necessary for an understanding of the effects of transactions with the affiliated party on the issuer's financial position.*

In order to meet the requirement of FSA Regulation no. 5/2018 all events occurred in the 12 month period ended were presented as additions in **Annex 10.A and Annex 10.B**, per different types of transactions identified, namely purchases, transactions with energy deliveries and deposits established, until the date of signing this report.

## 5.4. PRODUCTION AND SALES ACTIVITY

### 5.4.1. PRODUCTION OF ELECTRICITY AND THERMAL ENERGY

The gross electricity production of the two operational units of Cernavodă NPP was 11,191,089 MWh in 2023; from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 896 thousand MWh in 2023.

Thus, the electricity generated and delivered in the National Energy System ("SEN") was 10,294,203 MWh in 2023, compared to 2022 (10,199,558 MWh), representing an increase by 0.9%.

The net electricity production program approved by the Board of Directors for the year 2023 (March 2023 revision) considered a quantity of 10,218,912 MWh, being achieved in proportion of 100.7%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in 2023, as well as in aggregate from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 31 December 2023 was as follows:

Cernavodă NPP unit	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	95.49%	90.60%
Unit 2	86.11%	93.73%

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

The following events took place in 2023:

- during August 2023, an unscheduled shutdown of Cernavodă NPP Unit 1, for 44.4 hours, occurred between 8 August - 10 August;
- as of 18 November, Unit 1 was shut down for 20.6 hours due to the weather conditions which caused disturbances in the National Energy System (SEN);
- Unit 2 was shut down without prior planning for 124.7 hours as of 20 November, and for 8.3 hours as of 30 December.

SNN generates electricity and heat, and its core business is electricity generation. The revenue from the sale of heat accounts for an insignificant share of the total operating revenue. SNN also produces CANDU-type nuclear fuel bundles that are all used to keep Units 1 and 2 of Cernavodă NPP in operation.

The electric power Units 1 and 2 of Cernavodă NPP operated at in 2023 was influenced by the length of the scheduled shutdown of Unit 2, totalling 934 hours and the unscheduled shutdowns that totalled 204.7 hours (including the unscheduled extension of the scheduled annual shutdown by 6.7 hours) due to fuel refills and conjunctural causes.

The annual amount of energy that SNN can produce with the two Units of Cernavodă NPP is about 10.6 TWh (net), considering that the Units are operated at a high-capacity utilization rate. The energy generated by SNN during the period January - December 2023 accounted for about 18.92% in the total amount of electricity generated in Romania (net figures), and for 19.42% of the total electricity delivered by producers with dispatchable units.

Production of electricity during 2022 - 2023:

Production of electricity	2023			2022		
	Unit 1	Unit 2	Total	Unit 1	Unit 2	Total
Gross production (GWh)	5,885	5,306	<b>11,191</b>	5,013	6,074	<b>11,088</b>
Net production* (GWh)	5,411	4,901	<b>10,312</b>	4,606	5,615	<b>10,222</b>
Capacity factor (%)	95.49	86.11	<b>90.80</b>	81.42	98.60	<b>90.01</b>

\* here, the net output is the output produced for trading by each unit and the energy delivered by the unit in service to the shutdown one, which is non-tradeable energy

Scheduled and unscheduled shutdowns of each Unit:

Event	Number of shutdown days	
	2023	2022
Planned shutdowns U1	-	47.4
Planned shutdowns U2	38.9	-
<b>Subtotal planned shutdowns</b>	<b>38.9</b>	<b>47.4</b>
Unplanned shutdowns U1	2.7	9.5
Unplanned shutdowns U2	5.8	-
<b>Subtotal unscheduled shutdowns</b>	<b>8.5</b>	<b>9.5</b>
<b>Total</b>	<b>47.4</b>	<b>56.9</b>

The hours of unscheduled shutdowns did not exceed the number estimated under the 2023 production programme.

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

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

For the purpose of this activity, during 1 January - 31 December 2023:

- 8 bank letters of guarantee (issued in 2021 and 2022) amounting to RON 123,383,979 were liquidated;
- 5 bank letters of guarantee amounting to RON 137,377,000 were issued
- the value of four one letters of guarantee was increased, from RON 2,777,000 to RON 4,424,000.

As at 31 December 2023, there were 5 bank letters of guarantee on balance, amounting to RON 139,024,000.

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

#### Electricity sales (quantities, prices and values) in 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	4,938,911	47.02%	450.00	2,222,509,995
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	5,520,334	52.56%	944.01	5,211,276,928
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC, LCM-RCE contracts, directly negotiated contract and supply contracts	4,350,214	41.42%	1,059.01	4,606,927,731
- Sales on DAM and IDM	1,170,120	11.14%	516.48	604,349,197
Positive imbalances on PE*	43,892	0.42%	490.57	21,531,894
<b>Total sales during 2023</b>	<b>10,503,137</b>	<b>100%</b>	<b>709.82</b>	<b>7,455,318,817</b>

<sup>\*)</sup> Note: the values also include RON 3,317,384 of additional system balancing income, according to ANRE Order 213/2020.

The amount of electricity sold through the Centralized electricity purchasing mechanism under contracts on the spot market (DAM and IDM) as well as on the PE market is 10,503,137 MWh, 1.1% above the sales schedule, of 10,391,304 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 0.5% lower than the amount of electricity sold in 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (208.9 thousand MWh) is represented by the electricity purchased in

order to fully cover contractual obligations, 64% of which was purchased on the spot market and 36% on the PE market.

The revenues gained on the electricity market related to electricity deliveries in 2023 amount to RON 7,455,318,817, 0.26% higher than the rectified revenues budgeted for 2023, and 17.8% higher compared to the amounts gained in 2022.

The weighted average sales price for the electricity sold (without MACEE and PE) achieved in 2023 is 944.01 RON /MWh (including T<sub>g</sub>). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was active in 2023 (CMBC-EA-flex, CMBC-CN, CM-OTC, DAM and IDM), calculated based on the values published by OPCOM in the monthly market reports, is 700.82 RON /MWh. In 2022, the weighted average sales price for the energy sold (without PE) was 602.33 RON /MWh (including T<sub>g</sub>).

SNN is the seller under the Centralized Electricity Acquisition Mechanism (MACEE), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers and sells it to buyers at the price of 450 RON /MWh, via the Electricity Centralized Acquisition Mechanism. In 2023, SNN sold via MACEE, to OPCOM, 4,938,911 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in 2023 a percentage share of 41.41% of the total volume of electricity sold, compared to a percentage share of 89.15% recorded in 2022.

The average sales price on bilateral contracts during 2023 was 1,059.01 RON /MWh (T<sub>g</sub> included), registering an increase of 99.3% compared to the average price recorded in the previous year, of 531.36 RON/MWh (T<sub>g</sub> included), provided that the value of the transmission tariff for the introduction of electricity into the network T<sub>g</sub> amounted to 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

In 2023, electricity amounting to 11.14% of the total sales value was sold on the spot market (DAM and IDM), as compared to 10.46% in 2022. The average sale price of energy on the spot market (DAM and IDM) achieved by SNN in 2023 was 516.48 RON/MWh (T<sub>g</sub> included), as compared to 1,207.36 RON/MWh (T<sub>g</sub> included) during the previous year.

In 2023, SNN performed 218 energy sales contracts, as follows:

- 64 contracts concluded on CMBC-EA-Flex;
- 2 contracts concluded on CMBC-CN;
- 113 transactions concluded on CM-OTC;
- 4 transactions concluded on LCM-RCE;

- 33 transactions negotiated directly based on the provisions of law no. 123/2012 of electricity and natural gas, as amended and supplemented, the provisions of article 23 paragraph (2) letter a) and the provisions of the Government Emergency Ordinance no. 27/2022, article 14 para. (6);
- 2 supply agreements for 2 end consumers.

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

### **Expenses made on the electricity market**

In 2023, the total expenses made on the electricity market SNN amount to RON 161,241,974, of which RON 51,943,391 are expenses on the balancing market (BM), RON 37,404,747 represent Tg (regulated tariff paid to C.N. Transelectrica SA for the injection of electricity produced by Cernavodă NPP into the electricity transmission network), RON 33,782 represents expenses with green certificates required to be purchased for the electricity supplied, and RON 2,122,012 represents the tariffs paid to OPCOM SA and RCE for sale and purchase transactions carried out on the platforms managed by them.

Expenditure made for the purchase of electric energy in 2023 on the spot market (DAM and IDM) amounted to RON 69,508,568 (2022: RON 368,351,825), with the aim of ensuring the full fulfilment of contractual energy delivery obligations. The quantity of electricity purchased in 2023 was 134.344 MWh (2022: 278,989 MWh), at an average price of 517.39 RON/MWh (2022: 1,320.31 RON/MWh).

Expenses on the PE in 2023 amounted to RON 51,943,391, the quantity of electricity purchased being 70,249 MWh (in 2022: RON 139,249,502, the quantity of electricity purchased being 64,327 MWh). This amount represents the value of the energy received from the BM to compensate for negative imbalances, which arose due to differences between the quantities of energy actually delivered and the quantities notified to the market according to the daily forecast for each settlement interval.

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

The expenses for the purchase of electricity and negative imbalances were lower in 2023, compared to 2022, due to the 42% lower electricity demand in 2023 compared to 2022, combined with a significant decrease in the average price for the purchased quantities, from 1,449.6 RON/MWh in 2022 to 593.77 RON/MWh in 2023.

By applying Article II of Law no. 259/29.10.2021 and the Government Emergency Ordinance 27/18.03.2022, as updated under Law no. 357/2022, Nuclearelectrica booked a cost with the contribution to the Energy Transition Fund of RON 2,623,619,387 in 2023.



## 5.4.2. MAIN MARKETS FOR EACH PRODUCT AND DISTRIBUTION METHODS

SNN operates only on the Romanian market, as the only electricity generator from nuclear sources.

Electricity was sold under the electricity generation license, as follows:

In the Centralized Electricity Purchase Mechanism (MACEE), according to Government Emergency Ordinance no. 153/2022, established for the period 1 January 2023 - 31 March 2025, SNN is one of the producers that have the obligation to sell to OPCOM, as the sole buyer, at the price of 450 RON/MWh, the quantities set and communicated according to the provisions of Article 5(5) and (7) of Annex no. 11 to the Government Emergency Ordinance no. 27/2022.

Based on the electricity market monitoring reports, during the period January-November 2023, SNN sold via MACEE a quantity representing

- 30.6% of the energy sold through this mechanism by producers
- 37.4% of the household consumption.

❖ On the competitive market, under sale and purchase contracts on the markets managed by OPCOM S.A.: mainly on

- CM-OTC (centralized market with double continuous negotiation of bilateral electricity contracts), on
  - CMBC-EA flex and
  - CMBC-CN (centralized market of bilateral electricity contracts with contract trading method through extended auction and the trading method according to which contracts are awarded through continuous negotiation),
- on DAM (Day-Ahead Market) and IDM (Intraday Market), via RCE, on the Large Consumers Market (LCM) and under directly-negotiated bilateral contracts (mainly with network operators, in accordance with the provisions of Article 14 of the Government Emergency Ordinance 27/2022).

❖ On the balancing market managed by Transelectrica SA, in case of positive imbalances.

❖ Under energy supply contracts concluded with two consumers supplied directly from the facilities of Cernavodă NPP, based on the electricity production license.

The heat produced and sold in both 2023 and 2022, through Cernavodă NPP, was mostly delivered to the local heat supplier. In Cernavodă, SNN is the only producer that delivers thermal energy in a centralized system. As of 2020, small quantities (0.5% of the sold thermal energy) have also been sold to end customers/businesses.

### Contracts on the competitive market, on markets managed by OPCOM

Bilateral contracts are concluded after auctions transparently held on the OPCOM platforms. In 2023, the markets where auctions for bilateral contracts with participation of SNN were held are: CM-OTC (centralized market with double continuous negotiation of bilateral electricity contracts) and CMBC-EA-flex (centralized market of bilateral electricity contracts - contract trading by extended auction and use of products to ensure transaction flexibility).

After MACEE introduction in 2023, SNN has concluded contracts via OPCOM only on CMBC-EA Flex, for much smaller volumes, with delivery periods subsequent to MACEE becoming operational.

### **Contracts on the competitive market, on the Large Consumer Market (LCM) managed by RCE**

In 2022, transactions with delivery in 2023 were concluded for a quantity corresponding to a base load of 60MW.

### **Contracts negotiated directly on the competitive market**

In 2023, the directly negotiated transactions were concluded with deliveries accounting for 11.5% of the energy sold, at a price 11.9% higher than the weighted average price related to the quantities sold in 2023 under transactions on the spot markets (DAM and IDM).

The average price obtained by SNN on the market of bilateral contracts did not observe any material fluctuations in 2023: from a minimum price of 985.84 RON/MWh in December, up to a maximum price of 1,169.90 RON/MWh in May. The prices for each month of 2023 were influenced by the share of energy generated from renewable sources in the National Energy System, and the impact of the energy generated from hydro sources (but in a lower share than the weighted average prices calculated for all transactions performed on the wholesale market, due to the high share of contracts with average delivery periods in SNN's portfolio).

The average sales price under contracts concluded only on the OPCOM markets with delivery in 2023 was of 1,289.66 RON/MWh, 154.8% higher than in 2022 (506.14 RON/MWh) while the ROPEX\_FM index calculated for 2023 was 51.3% higher than in the previous year.

## **Electricity sale and purchase transactions on DAM (Day-Ahead Market) and IDM (Intra-Day Market)**

The Company can carry out transactions on the Centralized Day-Ahead Electricity Market under an agreement concluded with OPCOM. On the DAM, OPCOM acts as central counterparty, being the sole buyer for the electricity sold by the Company. The transactions carried out on the DAM are only settled with OPCOM and are quick (in 2 - 3 days of the electricity delivery).

DAM is not a primary market for SNN, as the quantities sold on this market are relatively small; the quantity sold thereon increased by 6% in 2023 v the previous year. On the DAM, quantities of electricity available for sale and which have not already been contracted under bilateral contracts.

The quantity sold on the spot market (DAM and IDM) by SNN accounted for approximately 11.1% of total 2023 sales v 10.5% in 2022 and 12.9% in 2021. This can be explained by the increased contracted volume of electricity (via MACEE and bilateral platforms, as well as through directly-negotiated bilateral transactions, further to amendment of the Energy Law).

The weighted average annual price set on the DAM was 536.27 RON/MWh, while the arithmetic average annual trading price in 2023 was 512.87 RON/MWh, going down v the 1,306.92 RON/MWh in 2022.

SNN participated in the DAM also as a buyer for the quantities needed to be purchased particularly during the unscheduled shutdowns, as well as during the scheduled annual shutdown, to cover for its contractual obligations. The quantities of electricity purchased are not significant and fall within the approved budget.

In general, the DAM prices are highly volatile and are massively influenced by the drop in consumption, the renewable energy produced (with increasingly more negative prices), the drop in gas quotes (TTF) and the higher reserves of stored gas. Another factor was the reopening of certain nuclear power plants.

## **Agreement for Participation in the Green Certificates Markets**

Under the Agreement for Participation in the Green Certificates Markets concluded on 16 March 2023, the Company is entitled to participate in the Green Certificates Market (GCM), which includes the Market in Green Certificates Bilateral Contracts (M-GCBC) made up of the Term Anonymous Centralized Market in Green Certificates (TCM-GC) and the Market in Directly-Negotiated Green Certificates Bilateral Contracts (M-DNGCBC) and the Spot Anonymous Centralized Market in Green Certificates (SCM-GC).

This Agreement was concluded by and between the Company, as participant, and OPCOM, as operator of the green certificate market.

The obligation to purchase green certificates depends on the volume of electricity supplied by the Company to end consumers. Given the reduced consumption, of approximately 500 MWh per year, the number of green certificates SNN is bound to purchase is low.

## Balancing market

The Company is a participant in the balancing market, but also a signatory of the Balancing Responsibility Agreement executed on 8 October 2018 with the transmission system operator, Transelectrica SA, which covers the sale and purchase of electricity between the parties further to the Company's generation/usage imbalances, which are set off by Transelectrica SA on the balancing market in accordance with the applicable legislation; this agreement was suspended further to delegation of the balancing responsibility.

Effective 24 June 2016, the Company has delegated its balancing responsibility to PRE Ciga Energy S.A. further to a competitive tenderer procedure, with a view to joining a more comprehensive PRE that would help it lower the costs related to the system imbalances caused by SNN, mutual setting off the individual imbalances and efficiently sharing the costs and benefits between the participants in PRE Ciga Energy S.A.

The positive imbalances observed in 2023 accounted for 0.4% of total sales, while the negative ones were 60% higher than the positive imbalances and 9.2% higher than those in 2022, mainly due to matters related to production planning, notification of quantities, technical variations or differences not contracted on the spot market.

Share of each product category in the income from the sale of electricity and in operating income in years 2022 – 2023:

Ratio [thousand RON]	2023		2022	
	[thousand RON]	%	[thousand RON]	%
<b>Income from sale of electricity, of which:</b>	<b>7,461,449</b>	<b>98.35%</b>	<b>6,366,543</b>	<b>97.44%</b>
Income from the sale of electricity	7,417,914	97.77%	6,337,878	99.55%
Income from the sale of green certificates	32	0.00%	33	0.00%
Income from sale of thermal energy	6,097	0.08%	5,729	0.09%
Income from the transport of electricity	37,405	0.49%	22,903	0.36%
<b>Other operating income</b>	<b>125,463</b>	<b>1.65%</b>	<b>167,467</b>	<b>2.56%</b>
<b>Total operating income</b>	<b>7,586,912</b>	<b>100%</b>	<b>6,534,010</b>	<b>100%</b>

### 5.3.3. DEVELOPMENTS IN DOMESTIC AND/OR EXTERNAL SALES, AND MEDIUM AND LONG-TERM OUTLOOKS

Developments in sales on the main markets over the last 2 years, quantity- and value-wise:

Ratio [RON]	2023		2022	
	GWh	Amount [thousand RON]	GWh	Amount [thousand RON]
<b>Sales of electricity<sup>*)</sup>, of which:</b>	<b>10,503</b>	<b>7,455,319</b>	<b>10,554</b>	<b>6,337,878</b>
MACEE sales	4,939	2,222,510	-	-
Contracts on the free market	5,520	5,211,277	10,513	6,309,457
- OPCOM contracts, RCE, negotiated	4,350	4,606,928	9,409	4,979,103
- DAM/IDM	1,170	604,349	1,104	1,330,354
Balancing market <sup>**)</sup>	44	21,533	41	28,421

<sup>\*)</sup> Values with TG

<sup>\*\*)</sup> Figures related to the positive imbalances capitalized on the Balancing Market under the agreements concluded with the transmission system operator Transelectrica SA and the results of internal settlements on PRE Ciga Energy.

The monthly quantities of electricity sold under contracts varied insignificantly at contracting, from one quarter to another, compared to the production forecast for the periods concerned. Thus, in the second quarter of 2023, smaller amounts of electricity were sold were recorded due to the scheduled shutdown at Unit 2 in 7 May - 15 June 2023.

Also, SNN delivers heat to the town of Cernavodă, but the related receipts are insignificant out of the total revenues (RON 6.09 million in 2023 and RON 5.73 million in 2022).

As of 2021, the energy market has been opened to competition under the amendments made to Law no. 123/2012; later, under the Government Emergency Ordinance no. 153/2022, the Centralized Electricity Purchase Mechanism (MACEE) was introduced for the period 1 January 2023 – 31 March 2025, with a fixed price of 450 RON/MWh.

### 5.3.4. COMPETITION, PRODUCT MARKET SHARE, AND KEY COMPETITORS

The participants in the Romanian electricity market accredited by ANRE are:

- ❖ Electricity producers;
- ❖ Company for the Transmission of Electricity, Transelectrica S.A.;
- ❖ Electricity distributors;
- ❖ Electricity suppliers;
- ❖ Electricity traders.

In 2023, the electricity was delivered on the competitive market and via the MACEE.

Before the date of this Report, there is no data published by ANRE about the 2023 electricity market, as at 31 December 2023. According to the ANRE market monitoring report for November, the market share of producers with dispatchable units, depending on the electricity delivered to the networks in January-November, was 19.42% for SNN, while the same share calculated Hidroelectrica was of 33.89%; for C.E. Oltenia, it was 11.45%.

According to the statistical data centralized by Transelectrica SA to date, in 2023, SNN's production accounted for 18.96% of the total amount of electricity produced in Romania (net figures).

The structure of national gross electricity production is presented below:

Breakdown of electricity production	2023		2022	
	GWh	%	GWh	%
Classic thermal power plants	18,005	31.5%	21,576	38.8%
Hydropower plants	18,621	32.6%	14,171	25.5%
Nuclear power plants	11,191	19.6%	11,088	19.9%
Wind power plants	7,625	13.4%	7,006	12.6%
Photovoltaic power plants	1,659	2.9%	1,772	3.2%
<b>Total</b>	<b>57,101</b>	<b>100%</b>	<b>55,613</b>	<b>100%</b>

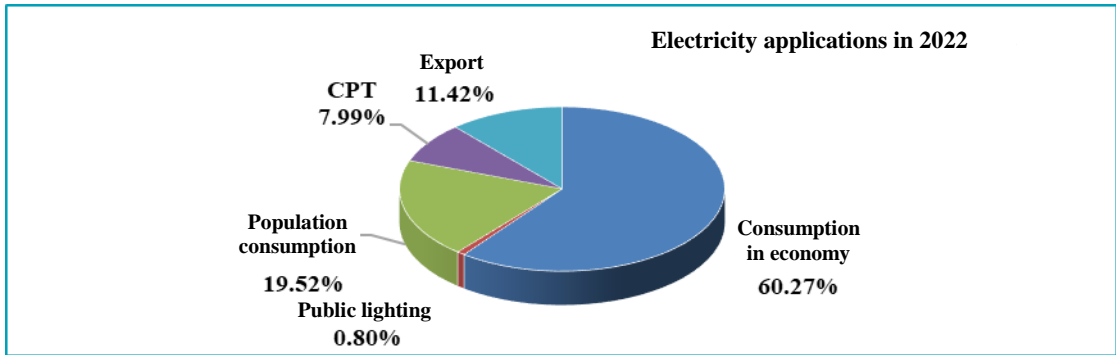
*Source: National Institute of Statistics - Press release no. 34/2024*

In 2023, Romania's estimated gross electricity production increased by close to 2.7% v 2022, while the estimated consumption decreased by 5.2%. In 2023, the national export increased by 58.8% compared to the figure of the previous year, reaching 11,634.4 GWh, a volume that represents 100.9% of the population's consumption, which is 11,532.2 GWh, out a total domestic consumption of 49,042.2 GWh (taking any process consumption in networks and stations).

In 2023, the amount of electricity sold by SNN was 10,503 GWh (including the amount sold on the balancing market), while in 2022 the amount sold was 10,554 GWh (including the amount sold on the balancing market).

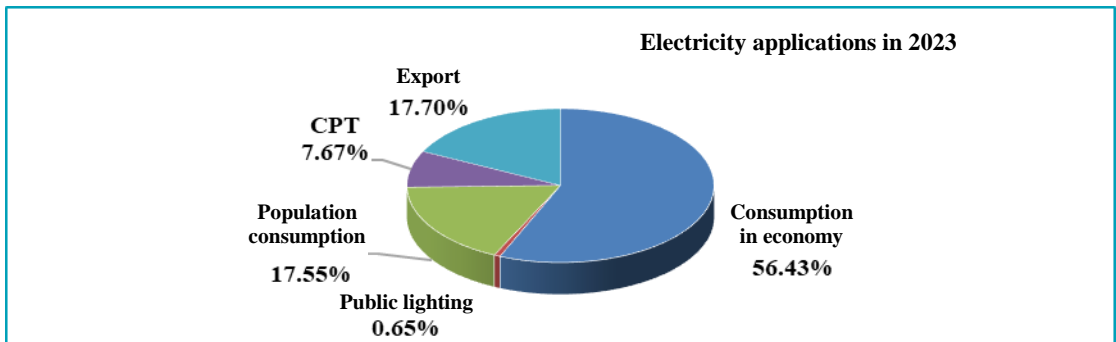
Thus, while the SNN sales accounted for approximately 20.4% of the final electricity consumption in the national economy in 2022, the sales on SNN accounted for approximately 21.4% of the final electricity consumption in the national economy in 2023, i.e. 49,042.2 GWh (going down by 5.2% v 2022).

Breakdown on the electricity sources by applications, 2022 - 2023:



**Source:**

National Institute of Statistics - Press release no. 36/2023 (OPC: own process consumption in networks and stations).



**Source:**

National Institute of Statistics - Press release no. 34/2024 (CPT: own process consumption in networks and stations).

### 5.3.5. DEPENDENCE ON ONE SINGLE CUSTOMER OR A GROUP OF CUSTOMERS

For its 2023 deliveries, in addition to MACEE, SNN concluded 216 electricity wholesales transactions, on the centralized markets managed by OPCOM, RCE and under directly-negotiated contracts, with 31 buyers (there being instances where the same buyer was awarded more held auctions), which received 41.41% of the electricity sold by the Company. Of the 31 buyers on the competitive market, only 20 bought quantities of energy that exceed, individually, 1% of the total volume of SNN's sales on the competitive market under forward contracts. The top 3 buyers, ranked by the volume of electricity purchased from SNN, purchased a total of 44.8% of the electricity sold; the first ranked buyer took over 21.0%, and the second 12.8%.

Due to how electricity market is organized and considering the exposure to customers on the competitive market, plus the financial securities required under contracts, Company does not find any dependence on a sole customer or group of customers.

Based on the DAM and IDM participation agreements, in 2023, SNN sold to OPCOM (which acts as central counterparty) a quantity that accounted for 11.1% of the total volume of electricity sold by SNN in 2023, while 47% of this volume was sold via the MACEE.

It cannot be concluded that there is a material dependence of the Company on a sole customer or group of customers the loss of which would have an adverse impact on revenues.

#### **5.4. TECHNICAL AND MATERIAL SUPPLY**

The technical and material supply of materials and products needed to carry out its activity comes from both domestic and imported sources.

SNN has secured sources of supply for the smooth pursuit of its core business, the stocks of raw materials and materials are appropriately sized for the continued operation of the 2 nuclear units of Cernavodă, as well as for the manufacture of nuclear fuel by NFP Pitești.

SNN, as Contracting Entity, as this term is defined under the provisions of Law no. 99/2016 on sectoral procurement, is under the obligation to acquire the products, services or works it needs to carry out its relevant activity by tenders, which are performed under the terms regulated by the aforementioned regulatory act; these are usually open tenders, negotiations without prior publication of a contract notice, simplified procedures or competitive negotiations.

In this context, in 2023, SNN initiated and performed as many as 166 tender procedures (excluding direct purchases and exceptions) for procurement of products, services and works, of an estimated cumulative amount of RON 2,036,444,340.83.

In total, in 2023, the headquarters and the branches entered into 1.091 sectoral procurement contracts (of which: 690 contracts, 100 subsequent contracts and 301 orders related to direct procurement procedures initiated on the Electronic Public Procurement System (“SEAP”). SNN also signed 410 addenda to contracts in progress.

Refurbishment of Cernavodă NPP Unit 1 is one of the key investment projects implemented by Societatea Nationala Nuclearelectrica S.A. (“SNN”) and was approved by the SNN Shareholders under the Resolution of the Extraordinary General Meeting of SNN Shareholders no. 27/23.12.2013.

Similarly, under the Resolution of the Ordinary General Meeting of SNN Shareholders no. 12/28.10.2021, the Investment Strategy of Societatea Nationala Nuclearelectrica S.A. for the period 1 July 2020 – 1 July 2025 was approved; under this, the Cernavodă NPP Unit 1 Refurbishment Project is listed as a priority and strategy project.

The Project is structured in 3 distinct phases as follows:

- ❖ Phase 1 of the project (2017 - 2022) started in December 2017 (on the basis of the EGMS Resolution no. 9 dated 28 September 2017) and had as main objective the definition of the Unit 1 refurbishment scope (refurbishment activities, design changes, implementation of recommendations from the systems and components condition assessment, etc.) and the preparation of the Feasibility Study. Phase 1 was finalized on 23 February 2022 by EGMS Resolution no. 4 dated 23 February 2022, whereby, on point 2, the Investment Decision on



the Cernavodă NPP Unit 1 Refurbishment Project was approved on the basis of the Feasibility Study;

- ❖ Phase 2 of the project (2022 - 2026) started after the approval of the Investment Decision on the Cernavodă NPP Unit 1 Refurbishment Project based on the Feasibility Study and includes the activities of preparing the works identified and defined in the first phase, securing the financial resources, conclusion of the Engineering, Procurement and Construction agreements, procuring the necessary equipment, planning the activities, as well as obtaining all necessary authorizations, approvals and endorsements;
  
- ❖ Phase 3 of the project (2027 - 2029) will start with the shutdown of Unit 1 and consists of the actual implementation of the Refurbishment Project works, followed by the commissioning of the unit and its trial operation.

Once refurbishment is completed, Unit 1 should operate for one more 30-year cycle, under of safety, nuclear safety and economic efficiency conditions.

In 2023, the Company signed 2 major contracts related to this Project: one comes to supplement the pre-project engineering services commenced in 2022; the second one ensures manufacture and supply of reactor components, as needed for the retubing works (Replacement of Fuel Channel Assemblies, Calandria Tubes and Feeders - RFCACTF), as well as delivery of the specialized set of retubing tools.

The most important contracts concluded in 2023, grouped into the 3 categories regulated by Law no. 99/2016, are presented below.

### **Contracts for products by SNN in 2023**

As to the Cernavodă NPP Branch, the demand for products (consisting, as applicable, of equipment, spare parts, materials, consumables, etc.) results from assessment of the preventive and corrective maintenance programmes or, as the case may be, the investment programme for Units 1 and 2 of Cernavodă NPP, including for the facilities shared by the 2 units (such as, for instance, the Spent Fuel Intermediate Storage - DICA). Particular importance is given to acquisition of critical spare parts. Critical spare parts are mainly intended for equipment the failure of which can lead impair the redundancy of the nuclear safety systems, or to incidents that endanger the environment or the health of the staff, can cause transients in operation or the need to reduce the power, or can cause major failures of the equipment important to the Power Plant.

As to NFP Pitești Branch, the Annual Manufacturing Demand (NAF) stems from attainment of the Annual Fuel Manufacturing Plan, including provision of safety stocks in accordance with the Company's Strategy. Particular importance is given to acquisition of raw material. Thus, on 31 January 2023, ESA (European Supply Agency) ratified the Subsequent Contract No. 1 for delivery of 200 t of U3O8 (Natural Uranium Concentrate), signed with NAC KAZATOMPROM JSC; on 11

July 2023, ESA ratified the Subsequent Contract No. 2 for delivery of 200 t of U3O8 (Natural Uranium Concentrate), signed with Cameco Corporation; and on 7 September 2023, ESA ratified the Subsequent Contract No. 3 for delivery of 200 t of U3O8 (Natural Uranium Concentrate), signed with NAC KAZATOMPROM JSC.

In 2023, SNN concluded a number of contracts for supply of raw materials, spare parts, components and equipment, the most important of which are as follows:

- ❖ Contract no. 186 of 14 February 2023, covering Chemicals for the Water Treatment Station, amounting to RON 13,606,863 and concluded with TYD ELAN SRL, further to performance of an open tender procedure;
- ❖ Contract no. 376 of 21 March 2023, covering Dresser spare parts, amounting to USD 1,599,426.86 and concluded with ROMANIAN CHEMICAL SERVICES SRL, further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 396 of 23 March 2023 for heavy water required to fill the reserve for Units 1 and 2 of Cernavodă NPP, for the amount of RON 16,805,945, concluded with the NATIONAL ADMINISTRATION OF STATE RESERVES AND SPECIAL PROBLEMS - TERRITORIAL UNIT 515, further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 1247 of 12 September 2023, covering Automation Components, amounting to EUR 1,207,826.51 and concluded with EMERSON PROCESS MANAGEMENT ROMANIA SRL, further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 1451 of 20 October 2023, covering "Grapple" equipment improved for the complete discharge of the fuel channels, amounting to CAD 1,979,000 and concluded with CANDU ENERGY INC., further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 1607 of 28 November 2023, covering Supply of reactor components and retubing tools required for the refurbishment of the reactor of Unit 1 of Cernavodă NPP", amounting to CAD 781,843,204 and concluded with the Consortium formed by CANDU ENERGY INC. (CEI) and CANADIAN COMMERCIAL CORPORATION (CCC);
- ❖ Framework-Agreement no. 1617 of 28 November 2023, covering Helium Gas with a purity of 99.995%, for a total amount of maximum EUR 1,310,000, concluded with 2 economic operators, *i.e.* LINDE GAZ ROMANIA SRL and SIAD ROMANIA, further to performance of an open tender procedure;

- ❖ Framework-Agreement no. 1671 of 13 December 2023, covering Breathing Apparatus, amounting to 3,186,269.94 and concluded with MATE FIN SRL, further to performance of an open tender procedure;

### **Services contracts concluded by SNN in 2023**

The most important services contracts concluded by SNN in 2023 are:

- ❖ Contract no. 86 of 26 January 2023, covering Processing services of natural technical uranium concentrate with a minimum uranium content of 65%, to obtain sinterable UO<sub>2</sub> powder, including storage services for the concentrate to be purchased by the Purchaser, amounting to RON 300,000,000 and concluded by FABRICA DE PRELUCRARE A CONCENTRATELOR DE URANIU – FELDIOARA SRL - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 248 of 24 February 2023, covering Services of works evaluation, development of simple engineering solutions, technical and support services for the DIR and DCL Departments in Cernavodă NPP, amounting to RON 61,045,880 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 277 of 2 March 2023 for Engineering services for preparation of: (i) the technical specifications and the design documentation for the refurbishment activities that require acquisition of equipment/components with a long manufacturing time, and for complex activities with a long design time; and (ii) the technical documentation required to commence the process for obtaining the building permit for the infrastructure needed to retube the reactor of Unit 1, amounting to CAD 65,470,000, concluded with CANDU ENERGY INC., further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 283 of 2 March 2023, covering Services for performance of nuclear safety analysis to prove that the Project of Unit 1 of Cernavodă NPP meets the general nuclear safety objective set out under the provisions of Article 4 of the Fundamental Nuclear Safety Rules, NSN 21, amounting to CAD 1,298,000 and concluded with CANDU ENERGY INC., further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 292 of 6 March 2023, covering Maintenance services and ancillary activities needed for State Inspection for the authorization of the Control of Boilers, Pressure Vessels and Hoisting Equipment for lifting equipment, lifting mechanisms, fasteners, jack-up rigs,

forklifts and elevators within Cernavodă NPP, amounting to RON 19,969,280 and concluded with ELCOMEX IEA - in judicial reorganization, further to performance of an Open Tender procedure;

- ❖ Contract no. 357 of 17 March 2023, covering Assessment and inspection services for assessment of the lifetime of Unit 2 of Cernavodă NPP – Feeder Set in the Scheduled Shutdown 2023, amounting to CAD 4,143,591 and concluded with CANDU ENERGY INC., further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;
- ❖ Contract no. 359 of 17 March 2023, covering Services for maintenance and repair of air-conditioning systems in the protected enclosure of U1/U2/DICA of Cernavodă NPP, amounting to RON 12,964,520 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 360 of 17 March 2023, covering Services for decontamination and cleaning of process spaces in the protected enclosure of U1/U2/DICA of Cernavodă NPP, amounting to RON 84,357,600 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Services Framework-Agreement no. 538 of 10 April 2023, covering Non-destructive examinations services for the operation and shutdown periods of Cernavodă NPP, amounting to RON 7,499,328.94 and concluded with TUV AUSTRIA ROMANIA SRL, further to performance of an Open Tender procedure;
- ❖ Contract no. 539 of 10 April 2023, covering Maintenance services for high voltage equipment in Cernavodă NPP, in order to operate the plant under nuclear safety and security conditions, amounting to RON 8,578,023.50 and concluded with the Consortium ELECTROMONTAJ SA and ELCOMEX IEA SA (in judicial reorganization), further to performance of an Open Tender procedure;
- ❖ Contract no. 579 of 19 April 2023, covering Maintenance services for the measurement and control systems and elements of the Cernavodă NPP, in order to operate the plant under nuclear safety and security conditions, amounting to RON 30,578,300 and concluded with ELCOMEX IEA SA - in judicial reorganization, further to performance of an Open Tender procedure;
- ❖ Contract no. 615 of 25 April 2023, covering Testing and troubleshooting services and specialty technical assistance services for the motor operated valves (MOV) and air operated valves (AOV) of Cernavodă NPP, amounting to USD 1,971,564 and concluded with CRANE NUCLEAR PFT CORP, further to performance of an Open Tender procedure;

- ❖ Contract no. 661 of 4 May 2023, covering Maintenance services for the mechanical equipment and ventilation systems of the Cernavodă NPP, in order to operate the plant under nuclear safety and security conditions, amounting to RON 24,933,032 and concluded with the Consortium NIMB CONSMETAL S.R.L and ELCOMEX IEA SA (in judicial reorganization), further to performance of an Open Tender procedure;
- ❖ Contract no. 778 of 25 May 2023, covering Training services for operating personnel with CNCAN licensing requirements at Cernavodă NPP, in order to operate the plant under nuclear safety and security conditions, amounting to CAD 8,151,840 and concluded with KINECTRICS NUCLEAR ROMANIA SRL, as exception from application of Law no. 99/2016 on sectoral procurement (Article 124(1));
- ❖ Contract (Policy) no. 830 of 6 June 2023 for Property insurance policy - Units 1 and 2 of Cernavodă NPP and NFP Pitești for material damages, all-risks, including mechanical and electrical damages, for the amount of USD 1,192,029, concluded with NUCLEAR RISK INSURERS LTD. further to performance of a Negotiation without any prior call for tendering in a competitive tender procedure;
- ❖ Contract no. 965 of 28 June 2023, covering Execution, assembly and maintenance activities of metallic confections in the protected site of Cernavodă NPP U0, U1, U2 and DICA, amounting to RON 10,606,160 and concluded with NIMB CONSMETAL S.R.L, further to performance of an Open Tender procedure;
- ❖ Contract no. 1024 of 12 July 2023, covering Services for preventive and corrective maintenance for spaces outside the protected area, amounting to RON 170,023,050 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 1025 of 12 July 2023, covering Hydrant verification and repair services on the Cernavodă NPP platform and in the outside objectives of the Cernavodă NPP, amounting to RON 28,800,911 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 1026 of 12 July 2023, covering Services for preservation for spare parts and equipment existing in the warehouses of Cernavodă NPP, amounting to RON 13,622,976 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 1176 of 25 August 2023, covering Services related to deployment of the heat transfer-vapor film cooling correlations in NUCIRC and CATHENA computer codes for pressure tube radial deformation up to 6.8%, and qualification of these codes for ROP analyses

and accident analyses, amounting to CAD 1,660,000 and concluded with CANDU ENERGY INC., further to performance of a Negotiation without any prior call to tender in a competitive tendering procedure;

- ❖ Contract no. 1662 of 12 December 2023, covering Services for repair and maintenance of the IT computing systems, amounting to RON 18,278,921 and concluded with NUCLEARELECTRICA SERV S.R.L. - SNN Branch, as exception from application of Law no. 99/2016 on sectoral procurement (Article 47);
- ❖ Contract no. 1701 of 18 December 2023, covering Complete operation, maintenance and repair services of Cernavodă NPP heating system, amounting to RON 41,884,807.80 and concluded with the Consortium formed of: ELCOMEX IEA SA, PEGAS IMPEX SRL and UTILITATI PUBLICE CERNAVODĂ SRL, further to performance of an Open Tender procedure.

SNN contracted one subscription with “Apele Romane” National Administration, as the sole operator of the water resources, as follows:

- ❖ Contract (subscription) no. 1762 of 29 December 2023 for Use/operation of surface and/or groundwater resources - Use of Danube water for Cernavodă NPP (Unit 1 and Unit 2) in 2024, amounting to RON 100,539,914 and concluded with “APELE ROMANE” NATIONAL ADMINISTRATION, by way of exception from application of Law no. 99/2016 on sectoral procurement (Article 38).

### **Important contracts for works concluded by SNN in 2023**

- ❖ Contract no. 961 of 28 June 2023 for Construction related to the tritium removal facility of Cernavodă NPP, amounting to EUR 195,324,868 and concluded with KOREA HYDRO AND NUCLEAR POWER CO, further to performance of a Competitive Negotiation procedure.

## **5.5. HUMAN RESOURCES ACTIVITY**

The HR activity of SNN in 2023 pursued the following objectives:

- ❖ Maintaining the staff stability and increasing their engagement through appropriate financial and non-financial incentive tools;
- ❖ Maintaining an open and effective dialogue between the management and the social dialogue partners - Trade Unions.

### 5.5.1. NUMBERS, TRAINING AND UNIONIZATION OF WORKFORCE

Average number of employees cu employment agreement for period 2021 – 2023:

Ratio*	2023	2022	2021
The average number of employees, of which:	2,272	2,221	2,002
- Indefinite term	2,211	2,170	1,958
- Definite term	61	51	44

Note (\*): Average number according to S1 report – Statistics.

Of the effective headcount of 2,352 (2022: 2,345), the staff structure according to their training/education, for staff with higher and secondary education, is as follows:

Training/education*	2023	2022	2021
Higher education	1,177	1,156	1,085
Secondary education	1,175	1,189	1,120
<b>Total</b>	<b>2,352</b>	<b>2,345</b>	<b>2,205</b>

Note (\*): Reporting was done according to the requirements of the position held by the employee.

As at 31 December 2023, 3 trade unions operate in SNN:

- ❖ "Cernavodă NPP" trade union, a representative union, according to Decision no. 825/08.08.2022 of the Medgidia District Court;
- ❖ “Energetica Nucleara ‘90” Cernavodă Free Trade Union (SLEN '90);
- ❖ “Fabricatie Combustibil Nuclear” trade union of Pitești;

As at 31 December 2023, about 71% of the total headcount are trade union members (1,687 employees are trade union members out of a total of 2,352 employees).

In accordance with the provisions of Law 319/2006 on occupational health and safety, at all workplaces of SNN have hazards identified and risks assessed for each component of the work system, i.e. who performs the job, work load, work tools/equipment and work environment. The work safety programme and the workers' health surveillance were aimed at controlling the risks of accidents at work and/or occupational illness. All performance indicators of the prevention and protection process were in line within the planned targets. No accidents at work with fatalities or occupational illnesses due to the professional activities performed in the Company’s workplace were recorded.

In the production units of SNN, i.e. Cernavodă NPP Branch and NFP Pitești Branch, an Occupational Health and Safety Management System has been documented, implemented and certified by SRAC-Cert (a recognized and accredited certification body), in accordance with the provisions of the standard SR ISO 45001:2018 “Occupational Health and Safety Management Systems” ; in 2023; before, this Management System was certified also for the workplace in SNN’s Headquarters and

concerned Management and Coordination of the activities carried in the Branches of Cernavodă NPP (electricity and head production from nuclear sources) and in NFP Pitești (manufacture of nuclear fuel); electricity trading; coordination of investment projects.

### **5.5.2. RELATIONS BETWEEN MANAGEMENT AND EMPLOYEES**

The rights and duties of employees are laid down in the Collective Bargaining Agreement (“CBA”) of SNN, the Individual Employment Agreements (“IEAs”) and the Company's Internal Regulation. The rights and duties of employees, as laid down in the CBA, are worded so as to respect the human rights and the right to work according to the applicable legislation, and employees enjoy at all times an equal and non-discriminatory treatment, as per the international nuclear industry standards, read in connection with the legislation and the incentive packages adapted to the macroeconomic and microeconomic context of Romania.

The employees' work is rendered according to the defined working hours, their job descriptions, and the Organization and Functioning Regulation (“ROF”), which was revised in 2023 to update the activities, competencies and responsibilities in the processes carried out by each entity organizational structure of the Company, the rules for the establishment of the organizational entities of the organizational structure of SNN and the subordination relations of the organizational structures in accordance with the organizational charts valid as of 1 July 2023 and 15 December 2023, including the subordination/functional and administrative coordination relations between organizational entities of the Company’s headquarters and branches. The updated ROF was approved by the SNN Board of Directors under the Resolution no. 224/27.10.2023. The key activities, duties and tasks, as well as the relations between the functional departments of the Company’s organizational structure are provided in the updated ROF. Application of the legal provisions and the internal regulatory provisions on work discipline is set out in the Internal Regulation revised in March 2022 and applicable as of 1 April 2022.

The regulatory act that governs the labour relations in the Company is the Labor Code - Law no. 53/2003, as subsequently amended and supplemented, based on which, in 2023, a new CBA was negotiated between the Company's Board of Directors and employees (represented by Cernavodă NPP Trade Union - a representative and duly incorporated unit-level trade union), registered with the Ministry of Labor on 27 September 2023 and taking effects between 1 October 2023 and 30 September 2025.

The Company currently applies a standard Individual Employment Agreement (IEA) for both limited-term employees, and those employed under open-ended contracts, which is the IEA implemented under the SNN CBA, the provisions of which are compliant with the relevant legislation and the clauses of the Order no. 2171/2022 approving the template Individual Employment Agreement.

The Company professionally appraises its employees based on an internal procedure, annually or regularly, ever 3 to 6 months (for the staff under observation). The staff performance appraisal



procedure was revised at the end of 2020, it applies since 2021 and contains a unique methodology and form applicable across the entire Company, with individual performance indicators (KPI) cascaded from the overall objectives of the Company.

The updated Internal Regulation, applicable in the Company, as revised in March 2022 and applicable as of 1 April 2022, contains all the categories of provisions provided by the Labor Code. The Internal Regulation was communicated to the employees on the Company's Intranet and, after such communication, is fully enforceable against employees.

Consultation and participation of SNN employees in discussions about all occupational health and safety matters takes place in the Occupational Safety and Health Committee (OHSC), organized across the entire Company, and the membership of which was updated in 2023 under the SNN CEO Decision no. 325/11.08.2023 and under the SNN CEO Decision no. 518/22.12.2023. Employees' representatives in the OHSC are nominated for a period of 2 years by the representative trade union of SNN; the OHSC is led by a chairman nominated by the Company's CEO, and it is organized and operates based on its own Regulation, enclosed to the Collective Bargaining Agreement of the Company.

The specifics of the nuclear safety culture fosters a questioning attitude, where all workers are alert to assumptions, anomalies, values, conditions or activities that could have an unwanted effect on workplace safety; thus, workers are encouraged to express their opinions about the work conditions, as well as any aspect of the professional activity that could affect occupational health and safety.

In 2023, the following issues were mainly debated in the OHSC:

- The annual work safety report on prepared for the entire Company;
- The report on health supervision at work, prepared by the medical unit that provides occupational medicine services in each SNN unit;
- The status of the 2023 OHS Programme;
- The review and updating of the Regulation on unified provision of protective food in the workplaces of SNN;
- The terms for hiring specialized psychosocial assessment and psychological counselling services for the Company's employees;
- A 2021 - 2022 benchmarking of the trends observed after monitoring of occupational safety and health status in the production units of Cernavodă NPP;
- Identification and development of a consistent approach to the judgment of the Court of Justice of the European Union (CJEU), which, on 22 December 2022 in Case C392/21, ruled that the eyeglasses

for people working with computer monitors must be provided to workers by their employer, or their employer should expense them.

- The legislative situation regulating employment under special work conditions of the Cernavodă NPP staff and NFP Pitești staff exposed to working conditions specific to production of electricity from nuclear sources.

- The analysis of health status and measures taken in the context of the SARS CoV2 pandemic, as well as of other mass spread diseases;

- Analysis of the specific OHS procedures and instructions;

In 2023, the certification according to the standard ISO 37001:2016 - Anti-Bribery Management System was maintained. The ISO Standard 37001:2016 provides the requirements and the corresponding guide for organizations so that they are able to establish, implement, maintain and improve an anti-bribery management system, in accordance with the best international practices in the field. The main purpose of this standard is to put in place a management system that fosters a culture of integrity, transparency, openness and compliance in the organization that would help the organization avoid or mitigate the risks and costs of bribery and build trust in the relationships between partners.

In 2023, no collective layoffs and no labour conflicts occurred in the Company. There are no current plans to restructure/reduce the staffing.

## **5.6. ENVIRONMENTAL PROTECTION ACTIVITY**

Currently, SNN holds a number of permits related to environmental protection, as follows:

### **Cernavodă NPP Branch**

(i) Environmental Permit for S.N. Nuclearelectrica S.A. - Cernavodă NPP Branch - Unit no. 1 and Unit no. 2 of Cernavodă Nuclear Power Plant issued under the Government Decision no. 84/15.02.2019, published in the Official Gazette no. 152/26.02.2019, is valid under the Decision no. 9/11.01.2024 for application of the annual visa on the environmental permit, issued by the Ministry of Environment, Water and Forests, for the period 26 February 2024 - 25 February 2025. This permit covers all assets and activities related to operation of Unit 1 and Unit 2 of Cernavodă NPP, including both the nuclear component and the conventional component of the Plant.

(ii) Greenhouse Gas Emission Permit no. 38/25.01.2021, issued by the National Environmental Protection Agency for the application period 2021 - 2030, according to which the start-up thermal plant, the diesel groups and the emergency diesel groups of each unit, the pump of the fire water

system, the mobile Diesel groups, the Diesel DICA, the Diesel CCUA, and the three gensets fall under the scope of the legislation aimed at reducing the greenhouse gas emissions.

(iii) Water Management Permit amending the permit no. 58/01.07.2021 and no. 72/06.09.2021 for "Water supply and waste water discharge for Units 1 and 2 of Cernavodă Nuclear Power Plant", valid until 30 June 2026.

(iv) Water Management Permit no. 94/28.06.2022, issued by "Apele Romane" National Administration for the "Cernavodă Spent Fuel Intermediate Storage (DICA)", valid until 30 June 2024. With this permit, "Apele Romane" National Administration granted the Company the right to use the hydraulic engineering structures and receptors for the discharge of rainwater from the surface of the Spent Fuel Intermediate Storage and to discharge the rainwater into Cismelei Valley, provided that the quality indicators related to the presence of radioactive elements observe the limits set out by CNCAN.

### **NFP Pitești Branch**

The Environmental Permit for SN Nuclearelectrica S.A. - NFP Pitești Branch, as issued with the Government Decision no. 24/2019 published in the Official Gazette of Romania no. 87bis/04.02.2019, was revised under the Government Decision no. 568/2023 published in the Official Gazette of Romania no. 633 of 11 July 2023 further to SNN-NFP submitting the documentation prepared in accordance with the provisions of Article 14(1) of the Order no. 1798/2007 approving the Environmental Permit Issue Procedure, as subsequently amended and supplemented.

The Company holds certificates for its environmental management system, as follows:

(a) Certificate no. 56 concerning the Environmental Management System of SNN - Cernavodă NPP Branch for the Electricity and Heat Generation activity using nuclear sources and support and related activities, according to the conditions of the standard SR EN ISO 14001:2015 (ISO 14001:2015), issued by IQNet and SRAC on 10 June 2022 and valid until 14 December 2025.

(b) Certificate no. 4309 for the Environmental Management System of SNN - NFP Pitești Branch for its nuclear fuel processing activity, according to the conditions of the standard SR EN ISO 14001:2015, issued by IQNet and SRAC on 31 October 2022 and valid until 5 November 2025 (subject to application of the annual visa). The certificate was cleared in 2023 after performance of the 1st surveillance audit for maintenance of the Environmental Management System (EMS) in Q3 2023, *i.e.* between 20 and 21 September 2023. As concluded in the Audit Report no. 11583/28.09.2023, no nonconformities were found.

Starting with 2020, NFP Pitești Branch is an EMAS registered organization, registration certificate no. RO-000018. The first surveillance audit to keep SNN-SA, NFP Pitești Branch, recorded with EMAS, took place in Q3 2023, respectively on 22 September 2023. As concluded in the Audit Report no. 11647/29.09.2023, no nonconformities were found.

The impact of the operation of the Power Plant and the Nuclear Fuel Plant is continuously monitored and reported on according to the requirements of the nuclear operation and environmental permits. For both branches, in 2023, the Company observed the pollutant limits set out in the environmental permits.

In the period 1 January 2023 - 31 December 2023, at level of SNN and subsidiaries, no events with an impact on the environment, the population and the own and contractor's staff took place.

All environmental reports were prepared up and submitted at the requested times, in accordance with the provisions of the permits, protocols and additional requests.

According to the provisions of the Investors' Agreement, the Company was due to obtain the environmental agreement for the investment project "Continuation and completion of the works at Units 3 and 4 of Cernavodă NPP". The procedure for obtaining the environmental agreement was commenced in 2006 and ended in September 2013 with the issue of the environmental agreement. According to the specific environmental legislation for nuclear facilities, the environmental agreement was issued under the Government Decision no. 737/2013.

The total volume of solid radioactive waste produced in 2023, for the both units of Cernavodă NPP, was 62.26 m<sup>3</sup>. In total, so far between 1996 and 2023, the total volume of radioactive solid waste, for both units, is 1,165.23 m<sup>3</sup>.

This is stored inside the physical protection fence of the Power Plant, in the Radioactive Solid Waste Intermediate Storage.

The Cernavodă NPP's spent fuel management policy covers:

- (a) Wet storage in the unit's Spent Fuel Pool, for a period of at least 6 years;
- (b) Dry storage in the Spent Fuel Intermediate Storage, for a period of at least 50 years.

The Spent Fuel Intermediate Storage ("DICA") is located on the site of Cernavodă NPP, and is carried on an in-premises road that allows maintenance of an integrated physical protection system.

Storage is staged-out in accordance with the DICA long-term development strategy. So far, as many as 14 MACSTOR 200 modules have been made, with a capacity of 12,000 bundles per module.

In 2023, 4,200 bundles from Unit 1 and 4,800 bundles from Unit 2 were transferred to the Spent Fuel Intermediate Storage.

NFP Pitești monitors the radioactive gaseous effluents released into the atmosphere through dispersion stacks, as well as the radioactive waste water/radioactive liquid effluents transferred to the Pitești Nuclear Research Institute's Treatment Plant, in accordance with the permitted conditions. According to these conditions, NFP Pitești may not release into the atmosphere more than  $1 \times 10^9 \text{ m}^3$  of gaseous effluents containing airborne natural uranium powders, with a maximum concentration of the natural uranium in the gaseous effluents released into the atmosphere of  $5 \mu\text{g. U/m}^3$ , i.e. maximum 5 kg U/year. The amount of natural uranium released into the atmosphere was 9.32% of the maximum permitted amount of natural uranium. The volume of radioactive gaseous effluents released into the atmosphere in 2023 was 83.9% of the authorized volume.

In 2023, NFP Pitești transferred 850 m<sup>3</sup> of radioactive liquid effluents to the Treatment Plant of the Nuclear Research Institute (SE-ICN), which represented 42.5% of the maximum authorized volume.

330 m<sup>3</sup> of radioactive liquid waste were transferred for treatment to the Radioactive Waste Treatment Plant of the Nuclear Research Institute (STDR-ICN).

In 2023, NFP Pitești generated 12,007.8 kg of non-incinerable radioactive solid waste. The total amount of non-incinerable radioactive solid waste (NIRSW) transferred in 2023 to the *Low-Activity Radioactive Solid Waste Final Landfill* of CNU Feldioara Branch was 16,064.4 kg.

In 2023, NFP Pitești generated 2,787.4 kg of incinerable radioactive solid waste. The total amount of incinerable radioactive solid waste (IRSW) transferred in 2023 to RWTS of Pitești ICN Pitești for incineration was 6,248.2 kg.

## **5.7. RADIATION PROTECTION PROGRAMME**

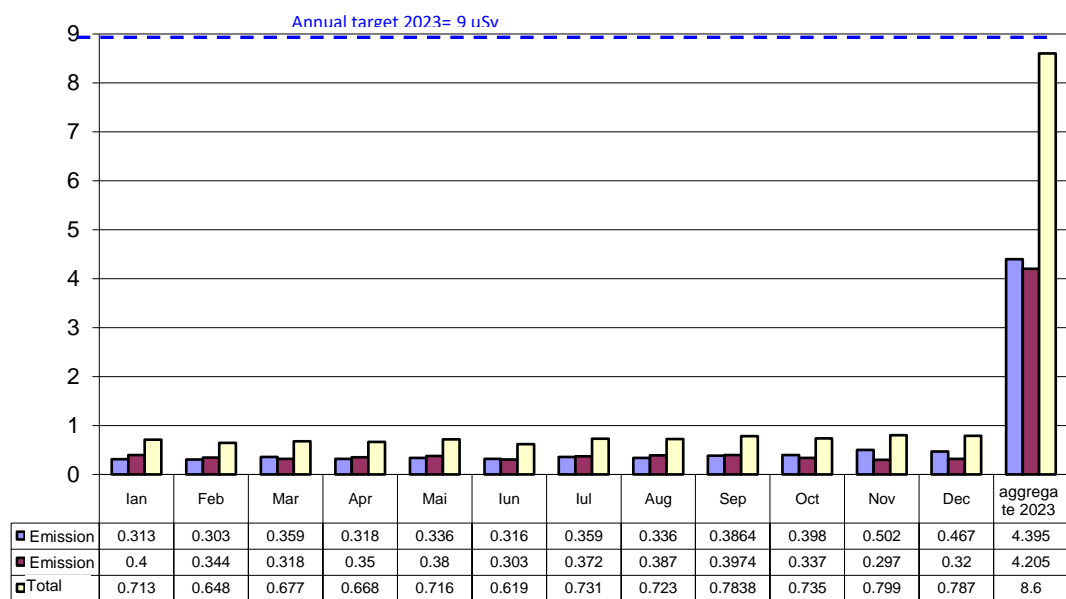
The main objective of the SNN staff radiation exposure control process is to keep occupational exposures as low as reasonably achievable (the ALARA principle).

The effectiveness of the ALARA policy in Cernavodă NPP is monitored by performance indicators and their regular reporting and analysis.

Radioprotection performance indicators give a measure of the effectiveness of the radiation protection programmes in optimizing radiation exposure for the Power Plant's staff.

Radioactive emissions in the air and water were far below the limits permitted for the Power Plant. The annual effective dose for a person of the critical group, due to radioactive emissions into the environment (Unit 1 and Unit 2) was 0.0086 mSv in 2023, while the average annual dose received by a member of the public from background radiation is 2.4 mSv. More detailed information on the radiological impact is provided by the SNN "Environmental Report".

Radioactive emissions into the environment, U1 + U2 in 2023 (microSv)



In 2023, the collective dose achieved was 404.53 om mSv, the average annual dose for workers with recordable doses was 0.55 mSv, and the maximum individual dose was 7.233 mSv. The legal limit for the effective dose, for occupationally exposed workers, is 20 mSv/year, and the administrative limit at the NPP is 14 mSv/year. None of these limits has been exceeded.

At the end of 2023, the collective internal dose reached 198.39 om mSv, i.e. 24.32% of the total dose across the Power Plant.

The Radiation Protection Department prepares and submits regular reports on the developments observed in collective doses and ALARA performance indicators, thus increasing the engagement of the Power Plant's staff in the control and optimization of the occupational exposure to ionizing radiation. How these objectives are attained is tracked via ALARA process, and the ALARA committees operate with excellent results. With an average dose per unit of 202.25 om mSv, Cernavodă NPP remains, according to the latest information, one of the best performing power plants in the CANDU group.

The radioprotection programme of the NFP Pitești Branch aims to maintain exposure to ionizing radiation at the lowest levels possible, provide individual radiological monitoring and work environment monitoring in accordance with the legislation in force and the requirements of the operating permits issued by CNCAN.

Because they are externally exposed to ionizing radiation, all NFP Pitești staff are monitored using a system with Thermoluminescent Dosimeters (TLDs) measured in the NFP Staff Radioprotection and

Dosimetry Laboratory (RPDL-NFP), designated by CNCAN as a Dosimetric Body with the Qualification certificate NFP ODD 12/2020, valid for the period 27 October 2020 – 26 October 2025.

In 2023, the effective collective dose was 469.078 om mSv, of which the external dose was 424.893 om mSv (approximately 90.6% of the total collective dose), whereas the internal dose was 44.185 om mSv (approximately 9.4% of the total collective dose). The annual average individual dose determined per employee was 1.234 mSv, accounting for 8.23% of the documentary control limit for the effective annual individual dose of the occupationally exposed staff that NFP Pitești imposed (LCA-15 mSv).

In 2023, NFP Pitești manufactured 11,000 bundles using natural uranium dioxide. Of these, 10,800 bundles were delivered to Cernavodă NPP, for the 2 Units in operation, as follows: 5,760 nuclear fuel bundles to Unit 1, and 5,040 nuclear fuel bundles to Unit 2.

The nuclear fuel failure rate in 2023 was 0% for Unit 1 and 0.02% for Unit 2. For 2023, the average discharge burnup rate was 166.6906 MWh/kg U for Unit 1, and 179.0323 MWh/kg U for Unit 2. Thus, the high quality and performance of the nuclear fuel produced were validated in operation of the 2 reactors.

NFP Pitești continued to monitor both the involved staff and the means of transport, with a view to running correlated analyses of the doses, and reporting annually to CNCAN on their status, and after each shipment, it prepared a report on its performance.

## **5.8. RESEARCH - DEVELOPMENT ACTIVITY**

The Company is not directly involved in research and development activities, but as a member of various industry organizations and professional associations, benefits of the results of the studies and the researches conducted by them.

## **5.9. OPERATING PERMITS AND LICENSES**

The Company pursues its business via its two Branches based on the following main categories of specific permits, special licenses and specific rights:

- a) Site Permit no. I/605/30.09.1978, issued by the State Committee for Nuclear Energy;
- b) Nuclear permits issued by the National Commission for Nuclear Activities Control (CNCAN);
- c) Licenses issued by the Romanian Energy Regulatory Authority (ANRE);
- d) Other authorizations.

### **(a) Site Permit no. I/605/30.09.1978, issued by the State Committee for Nuclear Energy**

The Site Permit was issued for erection of a CANDU-PHWR 4x660MWe nuclear power plant, consisting of four nuclear reactors, on the site of Cernavodă. The permit was issued pursuant to Law no. 61/1974 and of the Nuclear Safety Rules "Nuclear Reactors and Nuclear Power Plants" of 1975, and provides for the main technical characteristics of the nuclear power plant.

### **(b) Nuclear permits issued by CNCAN**

According to Article 8(1) of Law no. 111/1996, operators are required to obtain specific permits issued by CNCAN, in observance of the permitting procedure specific to each kind of activity or source, in order to carry out their activities and/or use the sources falling under the scope of this regulatory act. At the end of 2023, SNN holds the following valid permits in the nuclear field:

#### **(i) Nuclear permits issued by CNCAN for the Cernavodă NPP Branch:**

- Operating Permit for the Cernavodă Nuclear Power Plant, Unit 1, Permit no. SNN Cernavodă NPP U1 – 01/2023. The permit was issued for a period of 38 years, from 1 May 2023 and until 30 April 2061;



- Operating Permit for the Cernavodă Nuclear Power Plant, Unit 2, Permit no. SNN Cernavodă NPP U2 – 01/2020. The permit was for a period of 10 years, from 8 December 2020 until 7 December 2030;
  - Building Permit for Modules 12, 13, 14, 15, 16 and 17 of the Spent Fuel Intermediate Storage, permit no. SNN DICA Construction 02/2020. The permit is valid until 19 June 2025;
- Permit for operation and maintenance of Modules 1, 2, 3, 4, 5, 6, 7, 8, 9.10, 11, 12, 13 and 14, of the Spent Fuel Intermediate Storage, i.e. permit no. SNN DICA Construction 09/2023. The permit was issued on 9 January 2023 and is valid until 15 July 2053;
- Quality management system permit for nuclear operation, design, supply, repair and maintenance activities, and operation of nuclear software products. Permit no. SNN Cernavodă NPP - 01/2023 is issued for a period of 2 years, from 1 May 2023 until 30 April 2025.

**(ii) Nuclear permits issued by CNCAN for the NFP Pitești Branch:**

(a) Permit for the Quality Management System in the nuclear field no. 22-038 issued under Article 24 of Law no. 111/1996, for the nuclear fuel manufacturing activities, valid for 2 years, from 18 September 2022 and until 17 September 2024;

(b) 8 permits to perform activities in the nuclear field:

- i. Permit LD/100/2023 for performance of activities in the nuclear field, issued by CNCAN for NFP Pitești to HOLD closed sources of ionizing radiation, radiological plants with sources of ionizing radiation, devices generating ionizing radiation, nuclear fuel production facilities, nuclear fuel, nuclear materials, nuclear fuel bundles, radioactive waste, materials of nuclear interest and dual-use materials provided in the Government Decision no. 916/2002, valid from 28 April 2023 and until 30 January 2024;
- ii. Permit LD/268/2022 for performance of activities in the nuclear field, issued by CNCAN for NFP Pitești to USE closed sources of ionizing radiation, radiological plants with closed sources of ionizing radiation, radiological plants with closed sources of ionizing radiation, and devices generating ionizing radiation, valid from 15 November 2022 and until 30 January 2024;
- iii. Permit DN/021/2022 for performance of nuclear activities, issued by CNCAN for NFP Pitești to HANDLE closed sources of ionizing radiation, nuclear materials, nuclear fuel, radiological plants with closed sources of ionizing radiation, devices generating ionizing radiation and waste radioactive, valid from 31 January 2022 and until 30 January 2024;
- iv. Permit LD/267/2022 for performance of activities in the nuclear field, issued by CNCAN for NFP Pitești to PRODUCE nuclear fuel, valid from 15 November 2022 and until 30 January 2024;
- v. Permit LD/023/2022 for performance of activities in the nuclear field, issued by CNCAN for NFP Pitești to TEMPORARILY STORE nuclear materials, nuclear fuel type CANDU-6 and radioactive waste valid from 31 January 2022 and until 30 January 2024;
- vi. Permit LD/024/2022 for performance of activities in the nuclear field, issued by CNCAN for NFP Pitești to SUPPLY nuclear materials, and nuclear fuel type CANDU-6 valid from 31 January 2022 and until 30 January 2024;

- vii.NFP Transport Permit 20/2018 for transport of radioactive materials valid from 10 January 2019 and until 9 January 2024;
- viii.Permit PM/219/2021 for possession of unpublished information valid from 29 November 2021 and until 28 November 2026.

(c) Under the Qualification Certificate no. NFP-ODD 12/2020, CNCAN updated the qualification of the staff radiation protection and dosimetry laboratory of NFP Pitești as a Dosimetry Body, valid from 27 October 2020 until 26 October 2025.

**(iii) Nuclear permits for the Headquarters:**

- (a) Quality management system permit for operating nuclear MANAGEMENT activities. Permit no. SNN EX - 01/2023 is issued for a period of 2 years, from 1 May 2023 until 30 April 2025;
- (b) Permit no. PD/259/2023 for possession of nuclear-grade material (heavy water), valid from 14 December 2023 and until 13 December 2028.

**(iv) CNCAN authorized staff**

In the SNN Headquarters, there are 6 operation permits issued according to the CNCAN rules, 4 for management positions, one permit for independent assessment of nuclear safety and a Level 3 operation permit for nuclear raw materials, mining and ore processing specialty.

For Cernavodă NPP Branch, the Company holds 18 CNCAN operation permits for the management staff, 6 CNCAN operation permits for the training staff, and 58 CNCAN operation permits for the operational staff of the control rooms of the two Units, as well as 3 permits for independent assessment of nuclear safety.

For NFP Pitești Branch, the Company holds 3 CNCAN operation permits for the management staff and 36 operation permits in the nuclear field, Level 2, as well as 2 permits for independent assessment of nuclear safety.

**(c) Licenses issued by ANRE**

According to the Regulation for the granting of licenses and permits in the electricity sector, as approved under the Government Decision no. 540/2004, the activities of electricity supply, electricity general and heat generation in cogeneration facilities are carried out under licenses issued by ANRE for this purpose.

The Company holds, at the date of the Report, the following licenses issued by ANRE:

- a) License no. 5/03.12.1999 (revision 1 November 2007) for generation of electricity, issued under the ANRE Decision no. 80/03.12.1999, valid from 3 December 1999 until 2 December 2024.

b) License no. 2218/27.05.2020 for commercial exploitation of heat generation facilities, issued under the ANRE Decision no. 848/27.05.2020, valid from 27 May 2020 until 26 May 2045.

The Company complied with the provisions of the conditions attached with the licenses listed above.

License no. 5/03.12.1999 concerns authorization of the Company to carry out the electricity generation activity through commercial operation of the energy facilities related to the electricity generation units. The license came into force on 3 December 1999 and is valid for a period of 25 years. Under the ANRE Decision no. 1683/01.11.2007, the license was amended in the sense that the installed power of the energy facilities of the Company increases from 706.5 MW up to 1,413 MW and other conditions related to the license were approved after the commissioning of Unit 2 of Cernavodă.

License no. 2218/27.05.2020 concerns authorization of the Company to carry out commercial operation of the heat production facilities related to the electricity and heat generation units, consisting of two heat exchangers with a total heat power of 44 Gcal/h and 40 MW. The license came into force on 27 May 2020 and is valid for a period of 25 years.

License no. 2236/30.09.2020 for the supply of electricity was valid as of 21 October 2020 until 12 July 2022, and concerned the authorization of the Company to carry out the supply electricity on the retail electricity market. The license was withdrawn at request under the ANRE Decision 1181/13.07.2022.

#### **(d) Other permits and authorizations**

- ISCIR regulatory documents;
- Declaration to the National Anti-Drug Agency;
- Licenses issued by the Romanian Communications Regulatory Authority (ANCOM). Cernavodă NPP obtained from ANCOM 5 licenses for the use of radio frequencies, while NFP Pitești obtained 11 such licenses;
- Fire safety permits;
- Sanitary permits.

In the field of environmental protection, permits and certificates were presented separately in the report.

## 5.10. NUCLEAR SAFETY

The permanent maintenance of a high level of nuclear safety in all phases of performance and operation of nuclear objectives and facilities is of vital importance and constitutes the first priority for SNN.

SNN has developed and respects a nuclear safety policy that was approved by CNCAN , in order to maintain a high and constant level of nuclear safety in all phases of the commissioning and exploitation process of nuclear installations. The nuclear safety policy provides guarantees of good execution for all important activities regarding nuclear safety, in all phases of implementation and exploitation of nuclear installations. This document confirms that nuclear safety has the highest priority.

Nuclear safety as a field is a set of technical and organizational measures intended to:

- ensure the safe operation of nuclear facilities;
- to prevent and limit their deterioration;
- to ensure the protection of the staff, the population and the environment against radiation or radioactive contamination.

The high level of nuclear safety is ensured by the way in which nuclear facilities are designed, built and operated. The risk generated by the nuclear fuel from the reactors on the population and the external environment is minimal, due to the fact that:

- (i) The power of the reactor is under control;
- (ii) The fuel is cooled down;
- (iii) The radioactivity is retained, and all are performed continuously.

The nuclear safety philosophy of CANDU-type power plants is based on the concept of "Defence in Depth", which ensures gradual protection in the event of equipment failures, human errors, transient regimes anticipated in operation or accidents, including severe accidents. For the implementation of this concept, the project foresees a number of successive protection barriers against the uncontrolled release of radioactive materials into the environment. In addition to the five major barriers against the release of fission products to the population from a CANDU-type power plant: fuel matrix, fuel sheath, primary circuit enclosure, envelope enclosure and exclusion zone; passive or active characteristics have been included in the system design, intended to prevent or limit the consequences of a process failure or accident sequences, which could otherwise lead to releases of radioactive materials into the environment.

So far, no CANDU-type nuclear power plant has reported events or accidents that threaten the health or safety of the population. To supplement the measures intended for the power plant's operation under full safety conditions, planning and preparation for emergency situations is a mandatory condition for authorizing a nuclear power plant to operate. At Cernavodă nuclear power plant,

emergency preparedness is checked and improved in quarterly, annual or general drills (once every 3-4 years).

In the aftermath of the Fukushima accident, the European Commission and the Group of European Regulators of the Nuclear Society have decided that the nuclear safety of nuclear power plants in Europe should be reviewed based on transparent and extensive risk assessments, called "Stress Tests". The technical purpose of these stress tests was defined considering the risks that were highlighted by the events at Fukushima. Emphasis was placed on the following issues: the triggering events, such as earthquakes or floods, the consequences of the loss of the safety functions during these events, as well as the difficulties of managing severe accidents.

Cernavodă NPP, together with AECL Canada and Ansaldo Italy, issued the "Report on Reassessment of the Nuclear Safety Margins". The assessment conducted proves that Units 1 and 2 of Cernavodă NPP meet the nuclear safety requirements set out under the design and can face severe earthquakes and floods, as well as the total loss of electricity supply and cooling water. In addition, methods and procedures were identified for the management of potential severe accidents. Also, methods were identified to prevent and limit the consequences of accidents that can cause melting of the active area.

In order to ensure good coordination with the competent Local Public Authorities on the response to emergency situations, Cernavodă NPP has set up two important facilities for the town of Cernavodă, namely: The Local Centre for Emergencies of the Cernavodă Municipality and the Personal Decontamination Area, in the Cernavodă Town Hospital.

## **Decommissioning**

In accordance with the Government Decision no. 1080/2007, the Nuclear and Radioactive Waste Agency ("ANDR") is responsible for collection and management of the contributions paid by SNN for the decommissioning of the two units and for the final disposal of the radioactive waste generated from operation and decommissioning of the units.

In years 2008 - 2023, SNN paid the following annual contributions to ANDR:

- (a) Contributions for decommissioning each unit in amount of 0.6 EUR/MWh electricity produced and delivered in SEN;
- (b) Contributions for final disposal of radioactive waste and spent fuel, amounting of 1.4 EUR /MWh of electricity produced and delivered in SEN.

## 5.11. INTEGRATED MANAGEMENT SYSTEM

SNN has devised and keeps in place a General Management System, which complies with the provisions of Law no. 111/1996, and the Quality Management Rules applicable in the nuclear field ("NMC"), issued by CNCAN, and voluntarily integrates the requirements of the standards ISO 9001, 37001 and 45001. The SNN Management System is authorized by CNCAN according to Law no. 111/1996 under the Permit of the quality management system in the nuclear field for management activities; currently, the permit is held has no. SNN EX - 01/2023 and is valid until 30 April 2025.

The Management System developed and implemented in SNN SA addresses, in a coherent, coordinated and unitary fashion, the components related to nuclear safety, protection against ionizing radiation, environmental protection, quality, occupational health and safety, physical protection, protection against cyber threats, nuclear safeguard control, protection of classified information, planning and response to emergencies, sale of the electricity generated, and aspects related to the economic performance, and ensures that their requirements are not addressed separately from nuclear safety, as this takes priority over any other requirements, considerations and interests.

The implementation of the management system ensures identification and integration of all legal and regulatory requirements, good practices and voluntarily adopted standards, in order to attain the general objectives of the Company and meet the expectations of all "stakeholders".

The requirements of the SNN Management System apply to all activities and processes carried out in SNN S.A.

The management of SNN SA has delegated to the Branches the responsibility for development and implementation of parts of the Management System of SNN, for the specific activities they carry out, without this leading to reduction of its responsibility for the effectiveness of the system as a whole. Consequently, the Branches have developed their own Management Systems aligned to the requirements of the SNN Management System, as well as to the legal requirements applicable to their specific field of business. The Management Systems of the Branches are reviewed and accepted by the SNN management.

The integrated management system applied by Cernavodă NPP focuses on meeting the nuclear safety requirements that stem from the CNCAN rules and requirements, which underlay the issue of the operating permit for Units 1 and 2 of Cernavodă and for the spent fuel storage (DICA ), and is developed in accordance with the requirements of the IAEA GSR Part 2 standard and the CNCAN Rules for Quality Management Systems, voluntarily integrating the requirements of the management standards ISO 9001, 14001, ISO 45001, ISO 17025, ISO 27001, ISO 37001, and the requirements of the EMAS Regulation - Eco Management and Audit Scheme. The management system of Cernavodă NPP is authorized according to the requirements of Law no. 111/1996 on "Operation, design, supply, repair and maintenance, use and maintenance of nuclear software products activities" (CNCAN permit no. SNN Cernavodă NPP - 01/2023, valid until 30 April 2025).

The integrated management system applied by NFP Pitești focuses on meeting the requirements that stem from the CNCAN rules and requirements that underpin the issue the operating permits issued for the nuclear fuel production activity, and is developed in accordance with the requirements of the Canadian standard CSA N299.2-16 and the CNCAN Rules for Quality Management Systems, voluntarily integrating the requirements of the management standards ISO 9001, 14001, ISO 45001, ISO 17025, ISO 37001 and the requirements of the EMAS Regulation - Eco Management and Audit Scheme. The management system of NFP Pitești is authorized according to the requirements of Law no. 111/1996 on "Manufacturing activities in the nuclear field, class 2 of gradual application, granted to the management system" (CNCAN permit no. 22-038, valid until 17 September 2024).

The branches Cernavodă NPP and NFP Pitești hold certificates for compliance of the Management System with the requirements of the standards ISO 14001 "Environmental Management Systems" and ISO 45001 "Occupational Health and Safety Management Systems". In 2023, certification of the Management System according to ISO 45001:2018 was obtained also for the SNN Headquarters.

Both branches are enrolled in the Eco-Management and Audit Scheme (EMAS), according to the Regulation (EC) no. 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS) and the Regulation (EU) 2017/1505 of the Commission of 28 August 2017 amending Appendices I, II and III.

In 2023, the SNN Headquarters and NFP Pitești Branch obtained certification for compliance of their Management System with the requirements of the Standard ISO 9001:2015, for their specific fields of business. Cernavodă NPP Branch went through the first stage of the certification process, and this process is due to be completed in the first quarter of 2024.

Furthermore, in SNN S.A., i.e. in the Headquarters and the Branches of Cernavodă NPP and NFP Pitești, an anti-bribery management system was implemented and certified according to the standard ISO 37001:2016. Integration of the anti-bribery system into the management system of SNN SA helps develop a culture of integrity and transparency, as well as a business environment that fosters ethics and compliance.

In accordance with the requirements of Law no. 111/1996, republished, as subsequently amended and supplemented, and with the CNCAN Rule for authorization of the quality management systems (NMC 01), Chapter VI, Article 12, the staff who design, develop and independently assess the management system in the nuclear field must hold certificates issued by CNCAN. In this regard, the Company holds 33 such Certificates, distributed as follows: 3 in the Headquarters, 21 in Cernavodă NPP and 9 in NFP Pitești.

## 5.12. CORPORATE SOCIAL RESPONSIBILITY

Social responsibility is the management process, an integral part of the Company's business strategy, whereby SNN strives to make a contribution to the development of a sustainable and performing Romanian society. The essential role that SNN plays in the Romanian energy field is naturally supplemented by the Company's desire to support the real needs of all those who permanently contribute to the smooth pursuit its business.

In order to permanently engage stakeholders and maintain an open communication with them, SNN engages in a number of forms of dialogue through online communication channels (website - Investor Relations section, social media platforms - Facebook, LinkedIn, SNN Access application for investors), Intranet, regular provision of information and newsletters for employees, sending out press releases to the relevant public authorities, participating in public consultations and various local, national and international events on topics relevant to the Company's business.

The open and continuous dialogue with stakeholders is an integral part of our organizational culture, helps us obtain balanced perspectives from outside the organization and offers us support in setting benchmarks and strategic priorities and in addressing the future challenges.

Since 1991, the social programmes run by SNN have focused on local development and improvement of the living conditions for the inhabitants of the town of Cernavodă. Later, SNN's corporate social responsibility activities diversified and expanded to all areas of the country and to different population groups.

It is obvious that there is an increase interest of companies in sustainable development, from both an operational and reputational point of view. For years already, the have been interested in addressing these concerns and in looking for ways to improve their strategy and coverage of the important matters. The emerging companies in this field have started to invest more, either to strengthen their CSR strategy, or to have more CSR projects. More transparency as to the social and environmental responsibility is important because it will increase the resilience of companies and improve both their financial and non-financial results. This approach will build trust among the stakeholders, including investors and consumers. A transparent business management is consistent also with longer-term investments. The identity model of corporate social responsibility brings about major immediate benefits to the organization and the society at large. Currently, proper CSR application not only at the regional level, but also at global level, is the "driving engine" of sustainable economic development.

The desire to identify viable solutions to build a highly reactive management of corporate effects and the ability to tap into a number of strategic partnerships are strengths that are particularly effective for the business environment and the civil society. It is about a new redirection for modern business, where CSR becomes a paradigm.



In the current business environment, the emphasis is on the need to treat corporate social responsibility not only as a simple concept, but rather as an alternative identity model in the global economy. Attainment of the quality, efficiency and performance objectives would not be possible without participation of companies in a number of activities characterized by responsibility and dynamism. CSR not only that strengthens communication between organizations and their audience, but also helps develop a responsible behaviour against the principles of sustainable development.

SNN carries out own corporate social responsibility projects, and gets involved also in supporting the initiatives of the not-for-profit organizations acting in fields of social impact, such as: educational and research, humanitarian and cultural.

The main guidelines of corporate social responsibility actions and sponsorship actions, in accordance with the specifics of SNN's business, are:

- ❖ Actions intended at students involved particularly in nuclear, energy and technical education, as well as young people in general, such as contests, knowledge Olympics, exhibitions of works and inventions, etc.;
- ❖ Actions intended at developing of local communities in the area of Cernavodă and Pitești, improving the living conditions, providing access to quality healthcare, helping the disadvantaged categories of the population, providing opportunities for education and acquisition of skills by young people, increasing the number and quality of green spaces, etc.;
- ❖ Participation in organizations that promote sustainable public policies in the economic, energetic, social, cultural fields, such as professional associations, institutes, resource centers, etc.;
- ❖ Cultural and educational actions aimed at facilitating public access to culture and personal development, supporting art works and performances, etc.;
- ❖ Humanitarian actions intended to help segments of the population affected by natural disasters or individual cases of people with disabilities through relevant associations, particularly actions for elderly and children.

The corporate social responsibility and sponsorship policy of SNN aims to set out its strategic guidance and priority directions for involvement in philanthropic, charitable and humanitarian actions to the community benefit, both in areas close to the nuclear facilities operated by SNN (Cernavodă, Pitești), and at the national level. SNN considers that the sustainable development of the company and the sustainability of its long-term development projects are closely related to the development, education, information, acceptance and public support for the nuclear energy in Romania.

SN Nuclearelectrica S.A. launched the social responsibility platform the “Nucleus of Care”, which follows the strategic directives and the vision of the company to build a sustainable future for the future generation, both by clean power production at excellence standards, and by the social and economic impact which it has in Romania.

With 215 million tons of CO2 avoided in 27 years, RON 42 million invested in CSR projects in the last 4 years, and more than 11 thousand people supported under the social responsibility campaigns, Nuclearelectrica extends its positive impact in the society, complying with the strategic directive - “empathy and responsibility”.

The “**Nucleus of Care**” platform aims at projects and beneficiaries whose needs for financing are classified into **health, educational and environmental areas, and the projects in the areas where the company carries on its activity have priority**. The projects listed according to the forms made available under the company regulation shall be selected and approved depending on the positive impact which they could bring in high risk areas or within certain risk groups, in order to solve certain major social issues.

The corporate social responsibility objectives are:

- ❖ Creating and supporting a sustainable business model, with responsible management and global policies adjusted to local issues;
- ❖ Responding to the genuine problems of the community;
- ❖ Developing relations with the local community, NGOs;
- ❖ Attracting young specialists;
- ❖ Aligning to the international standards and good corporate social responsibility practices of companies.

The SNN's CSR strategy aims:

- ❖ To focus on individuals and all interested partners; however, it will be assessed for its effects on individuals (employees, managers, citizens);
- ❖ To build a corporate conceptual heritage that integrates ethics into the professional training process and establishes processes that help ethics reflect in all the actions of the Company;
- ❖ To put employees first, valuing them as the most valuable resource and the best ambassadors of the Company;
- ❖ To get to know each community where it operates, including its culture;
- ❖ To put in place a system through where the debates about CSR remain transparent and continuous;
- ❖ To forge wise partnerships for attainment of the CSR objectives;
- ❖ To accurately measure the impact of CSR projects;
- ❖ To report on the results obtained also outside the Company so that information reaches all interested partners.

A Global Compact requires companies to adopt, support and act in the spirit of a set of fundamental values in:

Principle 1: Companies should support and respect protection of the universal human rights.

Principle 2: Companies should not be accomplices in abuses against human rights.

Principle 3: Companies should support the freedom of association and effectively recognize the right to collective bargaining.

Principle 4: Elimination of all forms of forced and compulsory labour.

Principle 5: Effective elimination of child labour.

Principle 6: Fighting against discrimination in employment and jobs.

Principle 7: Companies should adopt a preventive approach to environmental challenges.

Principle 8: Taking up initiatives to advance sound responsibility towards the environment.

Principle 9: Fostering development and promotion of environmentally-friendly technologies.

Principle 10: Companies should fight against all forms of corruption, including blackmail and bribery.

Compania Nationala Nuclearelectrica S.A. ("SNN") considers to be important the involvement in supporting the activities carried out by non-governmental, nonprofit associations or by eligible institutions under the applicable laws, having a beneficial impact on a significant number of people. In accordance with the declaration of social corporate responsibility of SNN, published on the company website, activities supported by SNN are, mainly, those related to the energy field, as well as those related to the active participation in certain organizations promoting nuclear energy, sustainable public policies in the economic, energy field such as professional or academic associations involved in promoting culture and education.

### 5.13. INTERNATIONAL RELATIONS

The nuclear industry's specific particularities come from the continuous flow of experience and information exchanges that takes place inside it. Each Nuclear Power Plant operator is part of an international network of approximately 440 Nuclear Units worldwide. At international level, the leader in the international cooperation in the nuclear field is the World Association of Nuclear Operators ("WANO"), and at the governmental level, this is International Atomic Energy Agency ("IAEA") based on Vienna.

The purpose of developing this international cooperation network is to analyse different categories of events disseminate the lessons learned in order to prevent recurrence, promote the experiences and best practices adopted and implemented at international level, benchmark and assess of implementation of standards at international level, control and monitor the performance indicators and update them in order to constantly maintain the high level of nuclear safety, organize peer review actions to ensure observance and adoption by each operator of Nuclear Power Plants of the best practices agreed at international level, that are assessed against their *de facto* performance.

Thus, across the nuclear industry, we see a so-called "inter-peer pressure", an element that supports maintenance of high standards of nuclear safety. In general, the international cooperation programmes, particularly those concerning technical and operating area, are divided into four distinct categories: international assessment engagements, operating experience, technical support and,

implicitly, exchange of information and experience, and continuous technical and professional development.

All categories of information and data resulting from these programmes are disseminated to all members of the international system. SNN pays a particular attention to safe operation of the nuclear facilities it operates, reliability of its equipment, increase in its operating performance, exchange of experience with direct results on the employee performance, involvement in policy-making and deployment of support programmes related to the integrated development of the Company.

Thus, in accordance with international practice, SNN is an active member of a number of international bodies, with concerns, from nuclear safety, radiation protection or radioactive waste management to procurement, financial benchmarking or international legislation.

Depending on their particularities, these organizations can have a regulatory and control purpose for its members, in order to improve performance (e.g. World Association of Nuclear Operators - WANO) or an advisory, participatory, benchmarking and knowledge-sharing purposes, by participation in joint projects as an effective mechanism of cutting down the costs of research and equipment procurement.

SNN is affiliated to a number of European and international organizations and aims to benefit from the operating experience available therein, participate in decision-making processes that could affect the European or global policies, align with the nuclear safety standards imposed by CNCAN, or have its results recognized; of these, we list:

❖ World Association of Nuclear Operators (WANO): it is the association of all the owners of Nuclear Power Plants in the world, and was founded back in 1989. SNN has been a member of the Atlanta Regional Center since 1991 and of the London Coordination Center since 2011. The WANO membership secures: participation in assessment engagements, exchange of operating experience, technical support, technical and professional development. Membership of WANO facilitates the exchange of information in the field of Nuclear Power Plant operating experience; thus, WANO members work together to reach the highest standards of operation of Nuclear Power Plants under high nuclear safety and reliability conditions. With the aid of WANO, all owners of Nuclear Power Plants can communicate and exchange information openly and cooperatively. This way of working allows each WANO member to benefit and learn from the experience of the other members and align with the best global practices, all with the ultimate goal of increasing the operating safety for the Nuclear Power Plants they own.

❖ Candu Owners Group (COG): is a private, international, not-for-profit organization that includes organizations from Canada (AECL, Ontario Power Generation, N.B. Power, Bruce Power Generation, Hydro Quebec), Argentina, China, India, Korea, Pakistan and Romania. In COG, SNN participates in the Basic Information Exchange Programme (IE), Research - Development Programme (R&D), Nuclear Safety & Environmental Affairs Programme (NSEA) and the Joint

Projects Programme (JP). The work of COG is generally organized under a programme of regulation, research, maintenance, development, technical assistance and exchange of information between members.

- ❖ International Atomic Energy Agency (IAEA): it serves as a worldwide intergovernmental forum for scientific and technical cooperation in the nuclear field. The IAEA fosters the use of atomic energy by the signatory states, providing them with the necessary technical assistance and with relevant experts and the necessary logistic facilities. Romania is a founding member of the IAEA.

- ❖ NEA OECD: Romania joined the Nuclear Energy Agency (NEA) of the Organization for Economic Cooperation and Development (OECD) back in June 2017. NEA is the intergovernmental agency that facilitates cooperation between countries that use nuclear technology and that pursue attainment of the highest standard of nuclear safety, combined with performance in environmental protection, and technological and economic development.

- ❖ European Nuclear Installations Standards (ENISS): it brings together decision-makers and specialists of from the nuclear industry, together with representatives of nuclear regulatory bodies to jointly set safety targets, regulations and measures, with the aim of ultimately reaching a common set of European safety standards for nuclear plants.

- ❖ European Atomic Forum (affiliation to the Romanian Atomic Forum): it is a European non-for-profit organization the aims of which are: to support the role of nuclear energy at the European level through active involvement in the energy policy of the European Union, adoption of support positions granted to the Member States that operate Nuclear Power Plants and involvement of specialists in European task forces in order to centralize different points of view and measures.

- ❖ United Nations Global Compact - an international organization under the auspices of the UN which aims to align the strategies and activities of companies with the UN's sustainable development standards, focusing on human rights, environmental protection and anti-corruption.

The results of our active participation in different international bodies are directly reflected in the performance indicators related to: operation, radioprotection and radioactive waste management.

## 5.14. LEGAL/DISPUTES

As at 31 December 2023, SNN is involved in 59 disputes, of which:

- 2 criminal cases where SNN is a civil party;

- 57 civil/administrative/insolvency/labour law/infringement cases. (32 SNN disputes - Executive Office + 23 NPP disputes + 2 NFP disputes).

Of the total of 59 disputes in progress, 23 disputes are major disputes of more than RON 500,000, including those not attached a monetary value, or the subject-matter of which cannot be attached a monetary value.

Before the end of 2023, SNN obtained final solutions in 45 disputes.

- The amount of the claims recoverable in awarded disputes is: RON 803,931.28;
- The amount of the losses avoided in awarded disputes is: RON 35,266,542;
- The amounts recovered are of RON 7,878,325.36;

The total amount of the losses claims by SNN, as a civil party, in criminal cases is RON 580,974.21.

A detailed report on the major disputes exceeding RON 500,000, including those not attached a monetary value, or the subject-matter of which cannot be attached a monetary value, is included in **Annex 7** to this Report.

## **5.15. OUTLOOKS**

### **5.15.1. FACTORS LIABLE TO INFLUENCE THE LIQUID ASSETS**

Among the factors that can influence the Company's liquid assets in the future, we list:

- ❖ The energy sales prices on the competitive market;
- ❖ The potential amendments to the Romanian and/or EU legislative framework.
- ❖ The price of the key raw materials and materials used by the Company in its current activity;
- ❖ The fluctuations in interest rates and exchange rates;
- ❖ The volume of maintenance and development investments;
- ❖ The taxation rates, including introduction of new taxes and levies.

There are many internal and external factors that can influence the Company's liquid assets, but the Company enjoys very good liquidity in the short- and even medium-run.

### **5.15.2. CURRENT AND EXPECTED CAPITAL EXPENDITURE**

The total rectified value of SNN's investment program for the year 2023 is RON 710,318 thousand (without the component allocated to the payment of debt service related to long-term loans), program

approved by Resolution no. 232/27.10.2023 of the Board of Directors of SNN, as part of the Rectified Income and Expenditure Budget ("IEB") of SNN for the year 2023.

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

When sizing the investment development program, S.N. Nuclearelectrica S.A. took into account the need of the branches (Cernavodă NPP and NFP Pitești) regarding production continuity, respectively reaching the highest possible level of production capacity utilization (EAF – Energy Availability Factor) in compliance nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant, the acquisition of assets related to the Feldioara Branch belonging to Compania Nationala a Uraniului SA and their transfer to the assets of the branch Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L., as well as the contribution to the share capital of EnergoNuclear S.A.

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

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

The comparative statement of investments made (as values and as percentages) for the period 1 January - 31 December 2023 compared to the same period of 2022 is presented in the following table:

Year	Investment program value [thousand RON]	Actual (01.01 – 31.12) [thousand RON]	Degree of completion (01.01 – 31.12) (%)
2023	710,318	630,749	88.8%
2022	609,220	561,468	92.2%

*Note. The value of the investment programme, and the calculated progress attained in 1 January – 31 December are in accordance with the figures approved in the rectifications of IEB 2022 and IEB 2023*

### **Analysis of the degree of completion of the investment program as at 31 December 2023**

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

- **“Extension of the service lifetime of Unit 1 by retubing the reactor and retrofitting the main systems”**: budgeted RON 258,628 thousand - 95.1% completed in terms of value as at 31 December 2023;
- **“Tritium Removal Facility of Cernavodă NPP”**: budgeted RON 36,615 thousand - 48% completed in terms of value as at 31 December 2023;
- **“Replacing the rotor related to the main generator of 2-4121-G02 from U2 with a new rotor”**: budgeted RON 96,412 thousand - 100% completed in terms of value as at 31 December 2023;
- **"Planned shutdown of Unit 2 within Cernavodă NPP (regular general inspection and major repair works)"**: budgeted RON 84,719 thousand - 82% completed in terms of value as at 31 December 2023;
- **“Improving the response of Cernavodă NPP, namely the nuclear safety functions in case of events outside the design basis due to the nuclear accident occurred at the Fukushima 1 nuclear power plant, Japan (U5 fitting out) + SPSI 029 (Procurement engineering activities)”**: budgeted RON 27,166 thousand - 64.5% completed in terms of value as at 31 December 2023;
- **“Intermediate Dry Storage Spent Fuel Facility”**: budgeted RON 23,463 thousand - 104% completed in terms of value as at 31 December 2023, slightly ahead of the initial planning;



- **"EDMS replacement and integration with AS 9.X"**: budgeted RON 5,214 thousand - 100% completed in terms of value as at 31 December 2023;
- **"Software programs for the integrated management of the plant - upgrade Asset suite 6.0.4 to version 9.X"**: budgeted RON 3,711 thousand - 100% completed in terms of value as at 31 December 2023;
- **"Facilities"**, representing purchases of goods and other investment expenses: budgeted RON 78,631 thousand - 89.6% completed in terms of value as at 31 December 2023.

Between 1 January and 31 December 2023, a large number of projects were completed, of which we mention the following relevant projects:

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

### **5.15.3. FINANCIAL INVESTMENTS IN SUBSIDIARIES AND RELATED ENTITIES**

#### **Energonuclear S.A.**

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

In 2023, the share capital of Energonuclear S.A. branch was increased by the amount of RON 22,999,997.31, 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.**

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

In 2023, the Company's shareholder approved the granting of loans in amount of RON 11,000,000 and RON 16,325,949.40 respectively, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023.

As at 31 December 2023, the total amount of the loans principal granted to the subsidiary are RON 24,780,949, with an accrued interest of 277,889 RON (as at 31 December 2022, the total amount of the loan principal was RON 3,600,000, with an accrued interest of RON 130,772).

#### **Nuclearelectrica Serv S.R.L.**

As at 31 December 2023, respectively 31 December 2022, the Company held 100% of the share capital of Nuclearelectrica Serv S.R.L. The value of the shareholding as at 31 December 2023 is RON 17,000,200 (31 December 2022: RON 200).

In 2023, the share capital of Nuclearelectrica Serv branch 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 2023, the amount of the loan was increased up to RON 18,600,000, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023. During 2023, the branch accessed the amount of RON 11,006,800 and fully repaid that amount until 31 December 2023 (balance as at 31 December 2022: RON 1,920,000), for which it booked an accrued interest accumulated in the balance as at 31 December 2023 of RON 57,863 (31 December 2022: RON 44,478).

## **RoPower Nuclear S.A.**

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

In 2023, RoPower Nuclear SA concluded a loan agreement with SNN for the equivalent in EUR of the amount of USD 8,966,023, of which the amount of USD 4,556,949 was drawn until 31 December 2023. The loan was granted for the purpose of financing the technical assistance activities related to SMR Front End Engineering and Design (FEED) Phase 1. As at 31 December 2023, the outstanding loan principal amounts to EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted to RON 779,817.

### **5.15.4. EVENTS, TRANSACTIONS AND ECONOMIC CHANGES WITH IMPACT ON REVENUE AND INCOME**

Income from the core business significantly influenced by:

- ❖ The electricity output of Cernavodă NPP, closely dependent on the operating performance of the two Nuclear Units;
- ❖ The developments of prices on the competitive market and the Company's ability to successfully compete under the said price conditions;
- ❖ The decarbonization policies supported under the European Green Deal;
- ❖ The investments made in new generation capacities;
- ❖ The evolution of the prices of raw materials (coal, oil, gas);
- ❖ The support policies adopted at national level to protect vulnerable consumers;
- ❖ The developments in the main macroeconomic indicators.

## **6. TANGIBLE ASSETS**

### **6.1. LOCATION AND CHARACTERISTICS OF THE MAIN GENERATION CAPACITIES**

The Cernavodă Nuclear Power Plant is located in County OF Constanta, about 2 km South-East from the town of Cernavodă, and about 1.5 km North-East from the first lock of the navigable Danube - Black Sea Canal. The platform set up for erection of the structures of Cernavodă NPP is bordered to the north by Cismelei Valley, and to the south-west by County Road 223. To the South and East, it is bordered by natural hilly formations. For the location of the Nuclear - Electric Power Plant with 5 CANDU 600 Units, an area of 72 hectares was developed by excavating and levelling the former Ilie Barza limestone quarry. The resulting platform is +16.00 meters above Baltic Sea (maBS).

The power plant is designed to operate at the base of the load curve, it has a turbogenerator that provides a gross electrical power of about 700 MWe (706.5 MWe in Unit 1 and 704.8 MWe in Unit 2), using the steam produced by the energy developed in a CANDU-PHWR-6 (Canadian Deuterium Uranium - Pressurized Heavy Water Reactor) nuclear reactor. This type of reactor uses heavy water as moderator and cooling agent, in two individual systems. The fuel is natural uranium in the form of sintered uranium dioxide pellets, sealed in zircaloy and assembled into fuel bundles that contain 37 fuel elements each.

Ceramic pellets, contained inside a combustible element, have the property of keeping the fission products inside. The fuel loading and unloading of the reactor is continuous, two-way and under load. The reactor is equipped with a heat transmission system, with two independent loops that carry the heat generated in the fuel further to a reaction controlled by the chain fission of the four steam generators, to produce steam from light water. Saturated steam from steam generators expands in the turbine, setting it in motion, and is then condensed using the cooling water taken from the Danube via an open delivery canal and reach no. 1 of the Danube - Black Sea canal (CDMN). The electricity produced is discharged into the National Energy System via the 400 kV Cernavodă station of Transelectrica.

The Branche Nuclear Fuel Plant (NFP) Pitești, located in County of Argeș, town of Mioveni, also operates in the Company. NFP owns a plot land with an area of about 23,273 square meters, of which 8,458 square meters is occupied by production section, warehouses and offices, and the rest is free land. NFP Pitești produces nuclear fuel bundles, using sinterable uranium dioxide (UO<sub>2</sub>) powder as the main raw material.

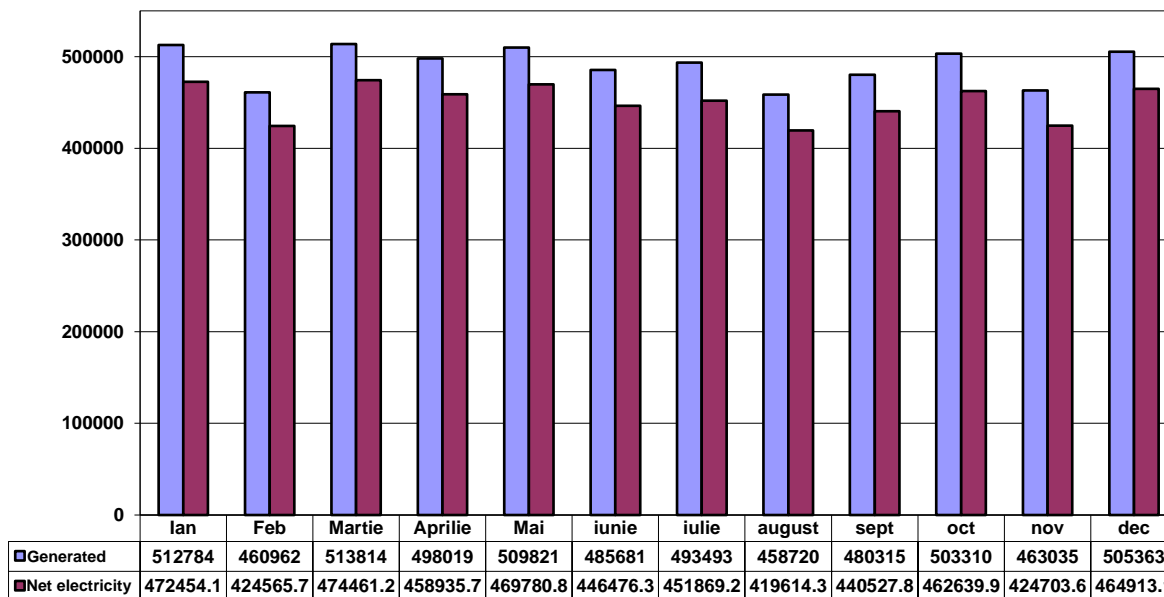
### **6.2. WEAR OF ASSETS**

The 2 Nuclear Power Units of Cernavodă NPP have an initial lifespan of 30 years, which can be extended by another 25 years further to a refurbishment process. Unit 1 was commissioned in 1996, and Unit 2 was commissioned in 2007. Every 2 years, the Nuclear Units are shut down alternately for

maintenance work, as part of the scheduled shutdown programme. The Nuclear Fuel Plant of Pitești was established in 1992, and the first batch of nuclear fuel bundles was produced in 1994.

### 6.3. OPERATING PERFORMANCE INDICATORS

**Produced/net electricity U1 (MWh)**



#### TOTAL 2023

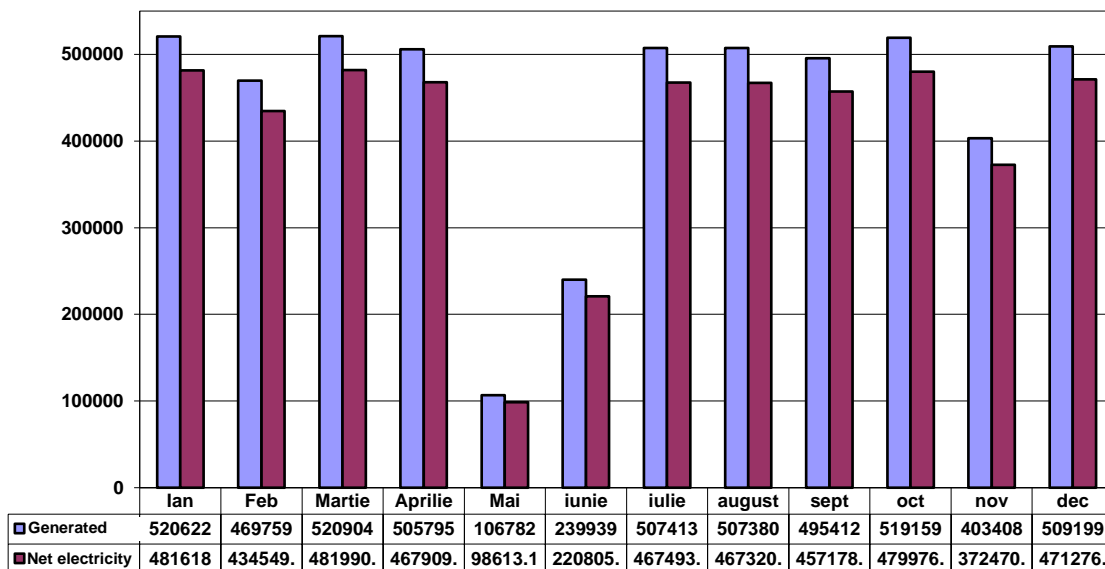
Generated electricity      Net electricity

**5,885,317**

**5,410,942**

Average own process consumption: **8.07%**

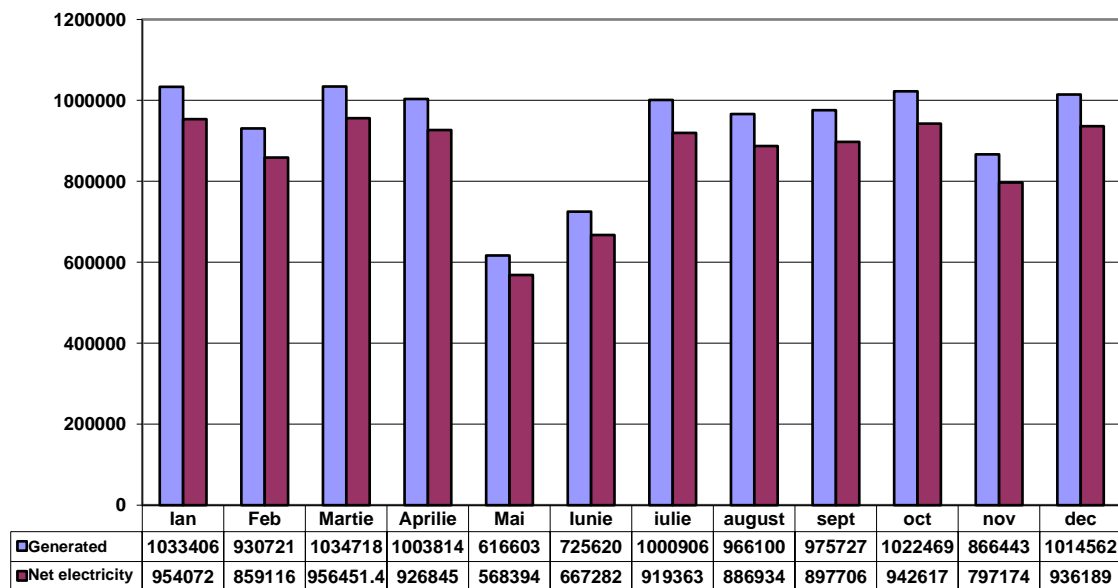
### Produced/net electricity U2 (MWh)



### TOTAL 2023

Generated electricity      Net electricity  
**5,305,772**                      **4,901,202**  
 Average own process consumption: **7.64%**

### Produced/net electricity U1 + U2 (MWh)

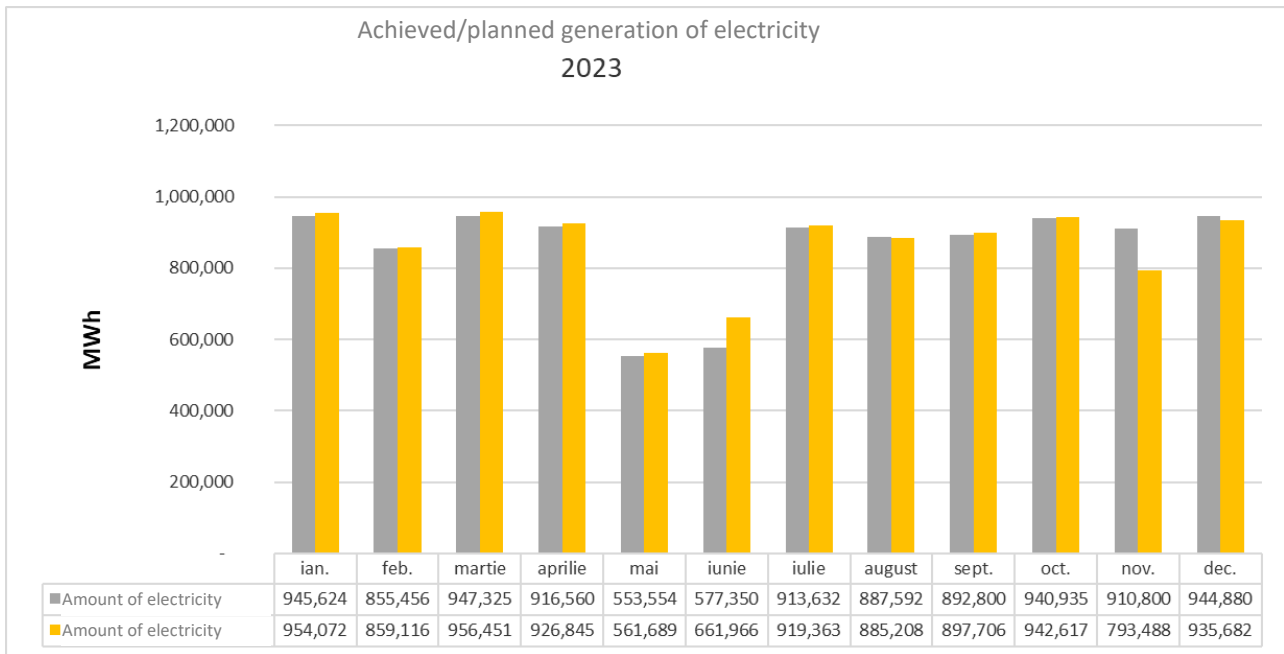


### TOTAL 2023

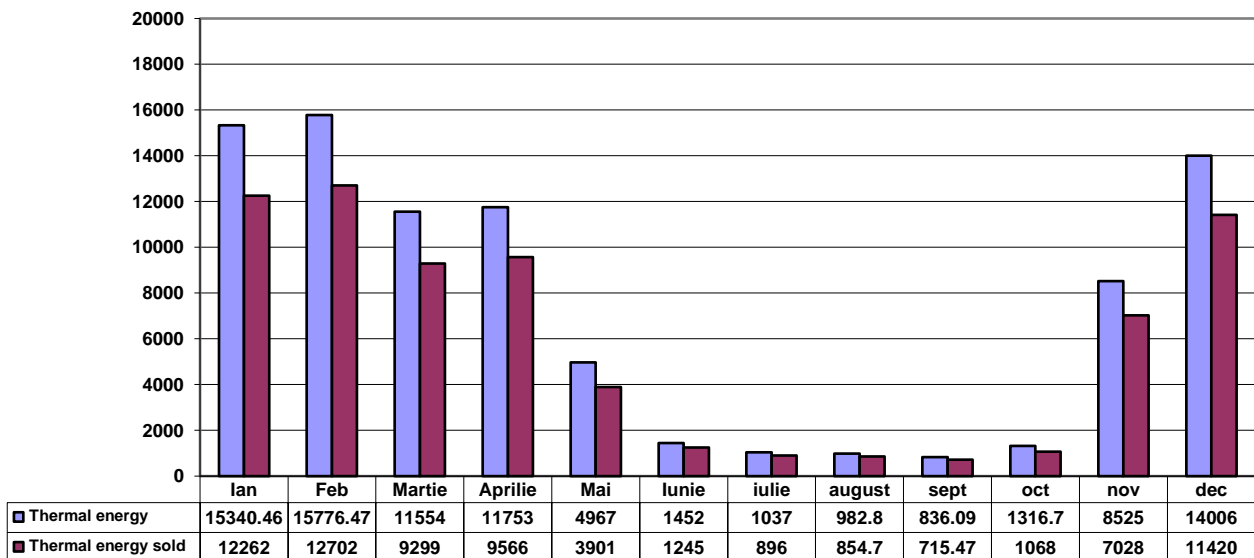
Generated electricity                      Net electricity  
**11 191 089**                                      **10 312 144**

## Own technological electricity consumption

Aggregate achieved 2023: **7.85%** Planned in the project: **max. 10.00%**



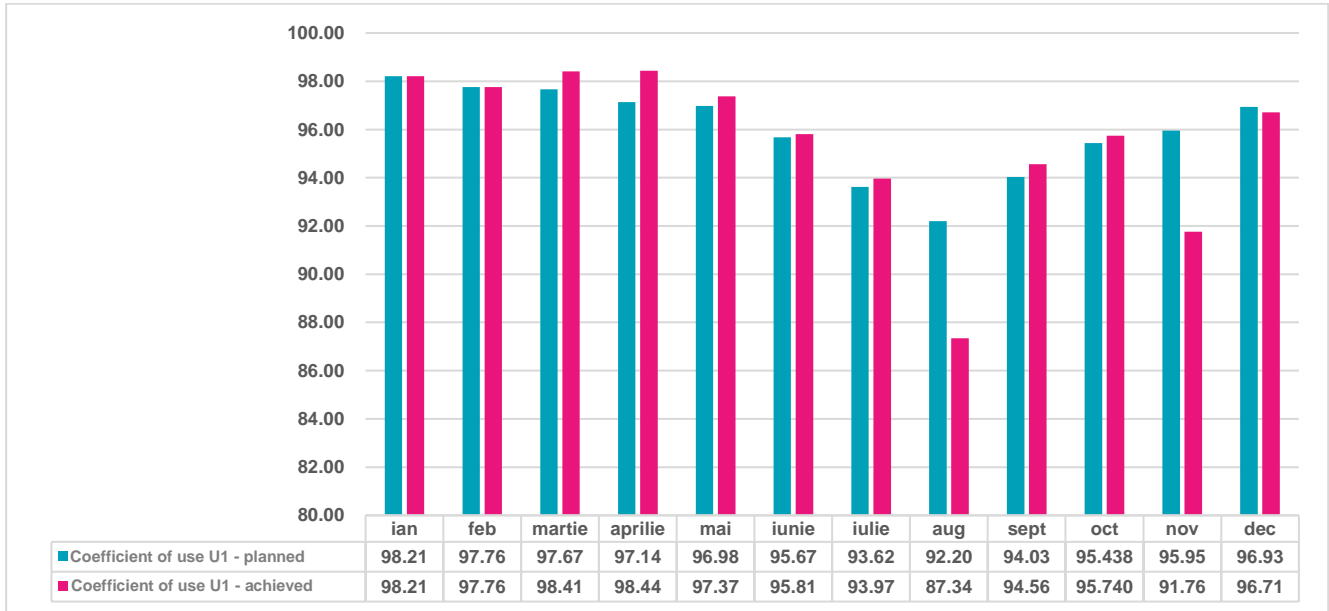
## Heat delivered for district heating /sold (Gcal)



### TOTAL 2023

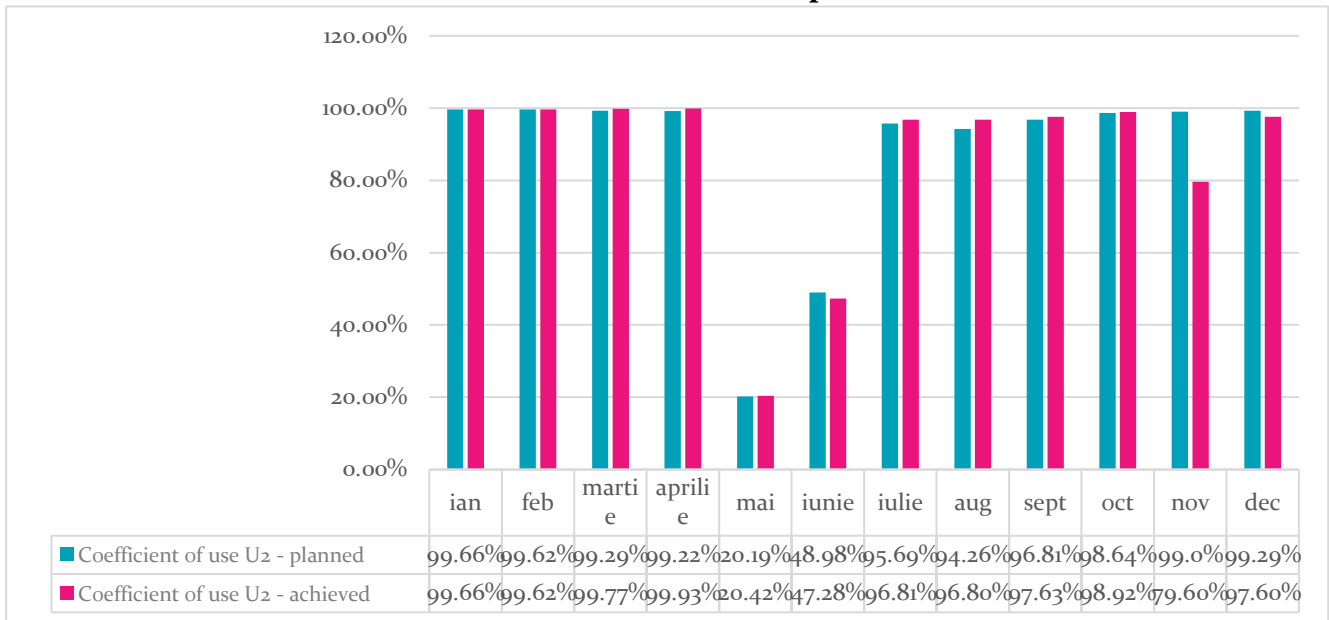
Thermal energy delivered    Thermal energy sold  
**87 547**                                      **70 958**

### Coefficient of use of the installed power U1



2023 cumulative actuals for U1  
**95.49%**

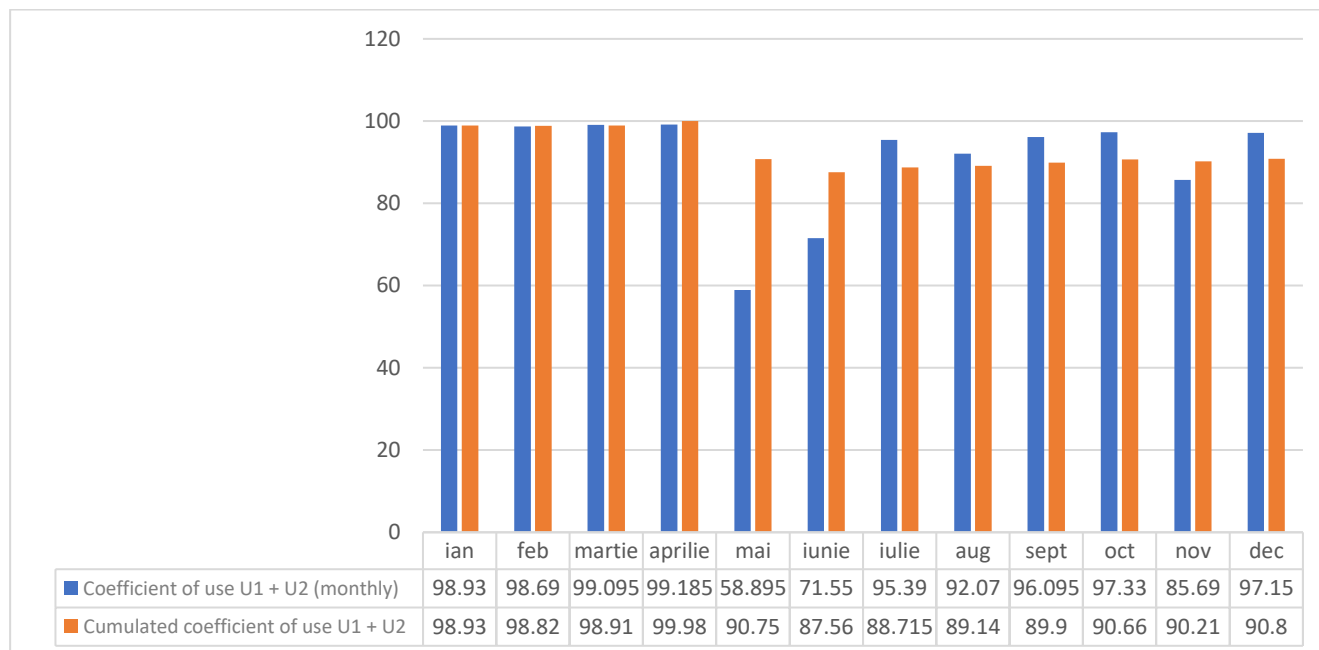
### Coefficient of use of the installed power U2



2023 cumulative actuals for U2  
**86.11%**

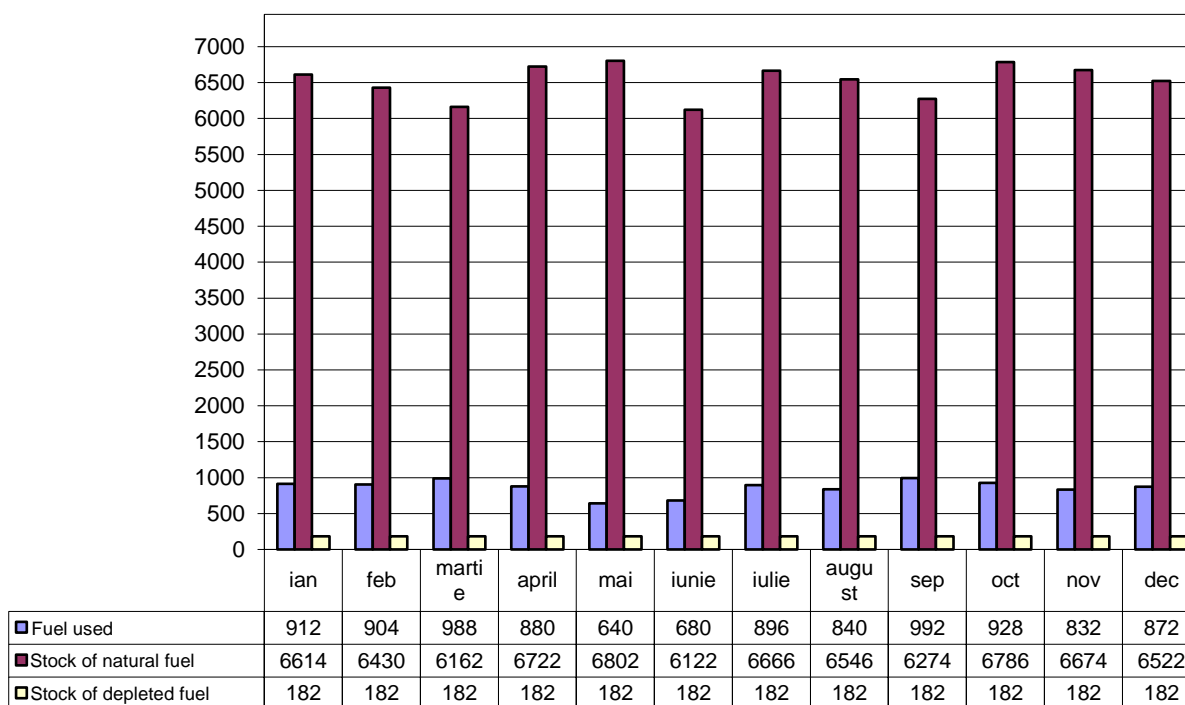


## Coefficient of use of the installed power U1+U2



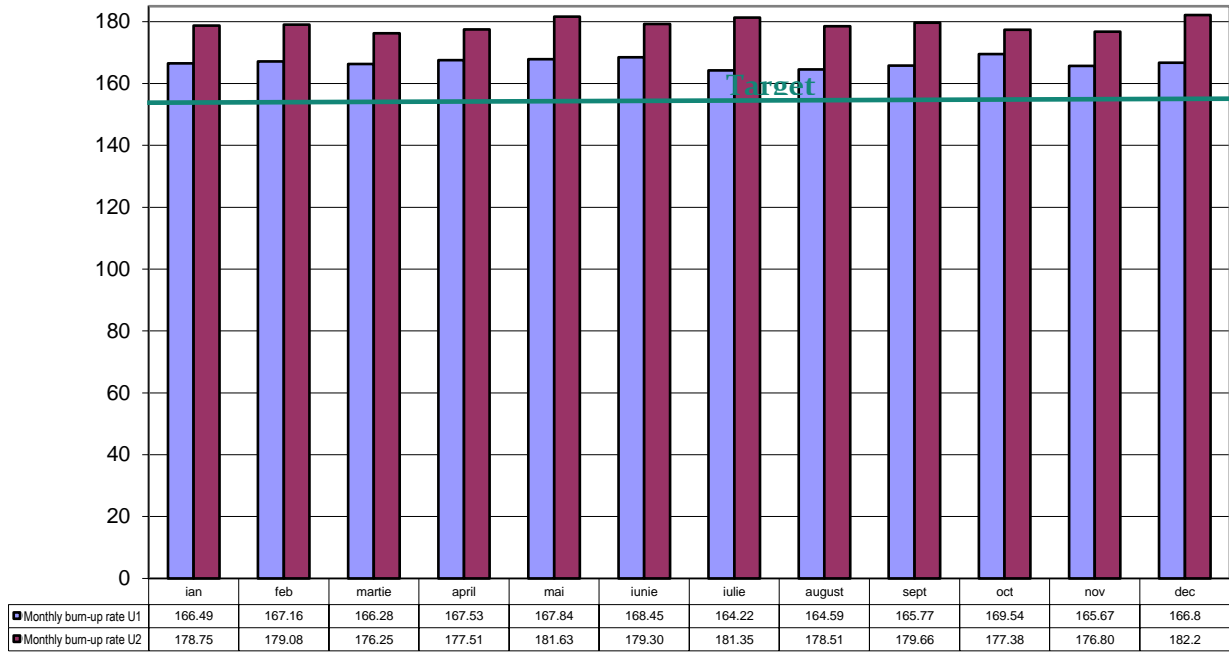
Aggregate 2023 U1+U2:  
**90.80%**

## Fuel consumption U1 + U2/ Fuel stock (bundles)



Cumulative consumption in 2023: 10 364

### Nuclear fuel burn-up rate (MWh/ KgU)



Aggregate 2023: 172.8

Planned in the project:

**min 156.00**

## 7. MARKET IN THE SECURITIES ISSUED BY THE COMPANY

### 7.1. MARKETS OF ROMANIA AND OTHER COUNTRIES WHERE THE COMPANY'S SECURITIES ARE TRADED

Further to the Initial Put Public Offer for a number of 25,368,236 shares, accounting for 10% of SNN's share capital, performed between 9 September 2013 and 20 September 2013, SNN shares are traded on the regulated market administered by the Bucharest Stock Exchange (BSE) since 4 November 2013, in Category I, with the issue symbol "SNN" and the ISIN code ROSNNEACNOR8. Effective 5 January 2015, SNN's shares are traded in the Premium category of the BSE.

Selection of issuers for a review to advance them to the Premium category takes place based on the following alternative criteria:

- Shares are among the 25 most liquid securities by their liquidity coefficient;
- The average free-float capitalization over the last 3 months exceeds EUR 40 million.

As at 31 December 2023, the total number of shares issued by SNN is 301,643,894. The records of shares are kept by the Central Depository, as independent registry company, authorized by the Financial Supervision Authority.

Share capital increases:

Shareholders	Shares [mil.]	Percentage	Shareholders	Shares [mil.]	Percentage	Shareholders	Shares [mil.]	Percentage	Shareholders	Shares [mil.]	Percentage	Shareholders	Shares [mil.]	Percentage
Ministry of Economy	229.00	90.27%	Ministry of Economy	229.00	81.27%	Ministry of Energy, SME and Business Environment	248.44	82.48%	Ministry of Energy	248.73	82.49%	Ministry of Energy	248.85	82.4981%
Fondul Proprietatea S.A.	24.70	9.73%	Fondul Proprietatea S.A.	27.40	9.73%	Fondul Proprietatea S.A.	27.40	9.10%	Fondul Proprietatea S.A.	27.40	9.09%	Fondul Proprietatea S.A.	21.11	6.9990%
			Free float	25.40	9.00%	Free float	25.36	8.42%	Free float	25.36	8.41%	Free float	31.68	10.5029%
<b>Total</b>	<b>253.70</b>	<b>100%</b>	<b>Total</b>	<b>281.80</b>	<b>100%</b>	<b>Total</b>	<b>301.22</b>	<b>100%</b>	<b>Total</b>	<b>301.51</b>	<b>100%</b>	<b>Total</b>	<b>301.64</b>	<b>100%</b>



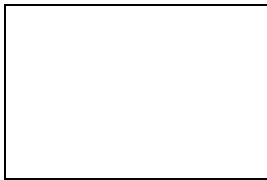
- IPO followed by allocation of trading rights, between 4 and 28 October 2013.
- The shares were listed on the main segment of the BSE (symbol: SNN) as of 4 November 2013.
- Inclusion in indexes: BET Index 1.99%, BET-XT Index 1.53%.

- IPO for 10% of shares (new issue).
- Subscription period: 9 - 20 September 2013.
- Tranche for institutional investors completely sold.
- Oversubscription by 5.6 and 3.7 times for the two retail subscription tranches (the tranche for small investors was fully subscribed at the end of the second listing day).
- IPO value (mil.): RON 281.9 (EUR 62.6).

- Share capital increase by 19,438,285 shares, out of the total of 23,917,263 shares offered for subscription.
- Subscription period: 05.01.2015 – 02.04.2015.
- The share capital increase represents recognition of the contributions from the State budget through budget allocations in years 2006-2009, and a number of 4,479,539 shares offered based on the right of first refusal.

- Share capital increase by 292,810 shares representing the contribution in kind of the Romanian State, of RON 2,928,100.
- Subscription period: 19.10.2015 – 18.11.2015.
- A maximum of 62,201 newly-issued shares were offered for subscription to shareholders registered on the registration date, based on the right of first refusal. These shares were not subscribed.

- Share capital increase by 113,857 shares representing the contribution in-kind of the Romanian State, of RON 1,138,570 RON.
- Subscription period: 17.08.2020 - 16.09.2020.
- A maximum number of 24,158 newly issued shares were offered for subscription to shareholders registered on the date of registration, based on the right of first refusal.



- Amount of total share capital increase (mil.): RON 312.5 (EUR 69.4).  
- Post-IPO capitalization (mil.): RON 3.150 (EUR 700).

- Allocation percentage: 81.2730%.  
- Increase amount: RON 194,382,850 (EUR 43,196,188).



As many as 16,186 new shares were subscribed, for the amount of RON 161,860.

Starting with 21 September 2020, SNN was included in the indices of the global index provider FTSE Russell in the context of the transition of the Romanian capital market from the status of Frontier Market to the status of Secondary Emerging Market. As a result of the inclusion of SNN in the emerging market indices of FTSE Russell, the company's shares are included in the following indices of the global provider: FTSE Global All-Cap, FTSE Global Total-Cap, FTSE Global Small Cap, FTSE Emerging Index and FTSE Emerging All Cap Index. SNN was later included in the mid cap category and then in the large cap category of FTSE Russell.

As of 1 June 2023, SN Nuclearelectrica SA has been included also in the MSCI Frontier Markets and MSCI Romania indices.

## **7.2. POLICY ON DIVIDENDS**

### **Applicable legal provisions**

SNN is a national company with majority State owned capital. Thus, the distribution of profit is made according to the provisions of Government Ordinance no. 64/2001 (“GO 64/2001”) on the profit distribution at national enterprises, national companies and companies with full or majority State capital, as well as at self-governed administrations, as subsequently amended and supplemented. Thus, in accordance with the provisions of the Government Ordinance no. 64/2001, the minimum dividend distribution rate is 50% of the net profit after the distributions listed at Article 1(1)a) - (e) of the Government Ordinance no. 64/2001.

For 2023, the Company distributes to all shareholders, as dividends, 50% of the accounting profit after corporate tax.

Thus, SNN books and pays dividends from the net profit, but this only after approval of the annual accounts and dividend distribution proposal by the General Meeting of Shareholders.

### **Profit distribution as dividends over the last 3 years**

For 2023, the net profit distribution proposal complies with the provisions of the Government Ordinance no. 64/2001 on the profit distribution at national enterprises, national companies and companies with full or majority State capital, as well as at self-governed administrations, as subsequently amended and supplemented.

The amounts proposed to be distributed as “employee participation in profit” are up to 10% of the net profit; however, not more than one average monthly base salary obtained in 2022, and considering the average headcount in 2023. The profit distribution proposal covers an amount of RON 30,764,865. The obligation to participate in the profit was established in the income and expenditure budget for 2023, so that the provisions of Article 1(1)(e) of the Government Ordinance no. 64/2001 are observed. The amounts representing the employee participation in profit do not represent a direct distribution from the net profit; these are provisioned at the end of the financial year and distributed in the following financial year, after approval of the net profit distribution. Thus, the net profit of the financial year 2023 includes a provision for employee participation in profit (deducted from the accounting profit), of RON 30,764,865.

The amounts allocated to the statutory reserve are determined based on the provisions of Article 183 of Law no. 31/1990 according to which "at least 5% will be set aside from the Company's profit every year for the formation of the reserve fund, until this reaches at least one fifth of the share capital". The amount allocated to the statutory reserve was set aside at the end of the financial year, and represented the mandatory distribution of RON 143,006,629.

Other reserves representing tax facilities provided by the law (RON 152,453,305) are allocated based on Article 22(1) of Law no. 227/2015 on the Tax Code, as subsequently amended and supplemented; these refer to the exempted corporate tax related to the profit invested in engineering equipment, electronic computers and peripheral equipment, cash registers, control and invoicing equipment, as well as software, either produced and/or purchased, as provided in subgroup 2.1, respectively in class 2.2.9 of the "Catalogue for classification and normal operating times of plant, property and equipment", used to carry out the business activity. The amount allocated to reserves is the amount of profit invested in this equipment, net of the statutory reserve (5%).

The proposed gross dividends (RON 1,120,911,882) represent a distribution of 50% of the profit remaining after deduction from the net profit of the financial year (RON 2,506,518,832) of the statutory reserve (RON 143,006,629) and of the reserves representing tax facilities (RON 152,453,305).

From the net profit of the financial year 2022, 50% was approved to be distributed as dividends, and from the net profit of the financial year 2021, 61% was approved to be distributed as dividends, in observance of the provisions of Article 1(1)(f) of the Government Ordinance no. 64/2001, as subsequently amended and supplemented.

### **Calculation and payment**

Dividends are allotted to shareholders pro rata with their participating interests held in the subscribed and paid-up share capital of the Company; each fully paid-up share entitles its respective holder to dividend. Details about the methods of dividend distribution and dividend tax withholding and payment are available on the Company's website, under the Investor Relations/GMS section.

### **Principles to be considered for dividend determination in the future**

When making proposals of dividend distribution rate to the General Meeting of Shareholders in the future, the Board of Directors will take into account the following criteria, in the sequence presented below:

- ❖ Compliance with the requirements of the Government Ordinance no. 64/2001 or of other applicable regulatory acts, including assimilated ones, as the case may be, including with the minimum distribution rate of the distributable profit set out in such regulatory acts;
- ❖ Maintaining a balance between the need to compensate shareholders with dividends and the needs to raise finance internally, including for investment projects;
- ❖ The link between the profit distributable as dividends and monetary correspondence of the distributable profit, i.e. that part of the distributable profit that has attached a monetary correspondence, after adjustments of the non-monetary elements; this aims to avoid decapitalization

of the Company in the event of a disconnection between the profit distributable as dividends and the monetary consideration of the profit;

❖ The possibility of ensuring a dividend return similar to that of other listed companies, as well as a correlation of the dividend per share, in absolute terms, with that of the previous period. There is no guarantee that these links can be ensured in the future.

More information about dividends can be found in the Annual Reports available on the Company's website under the Investor Relations/GMS section.

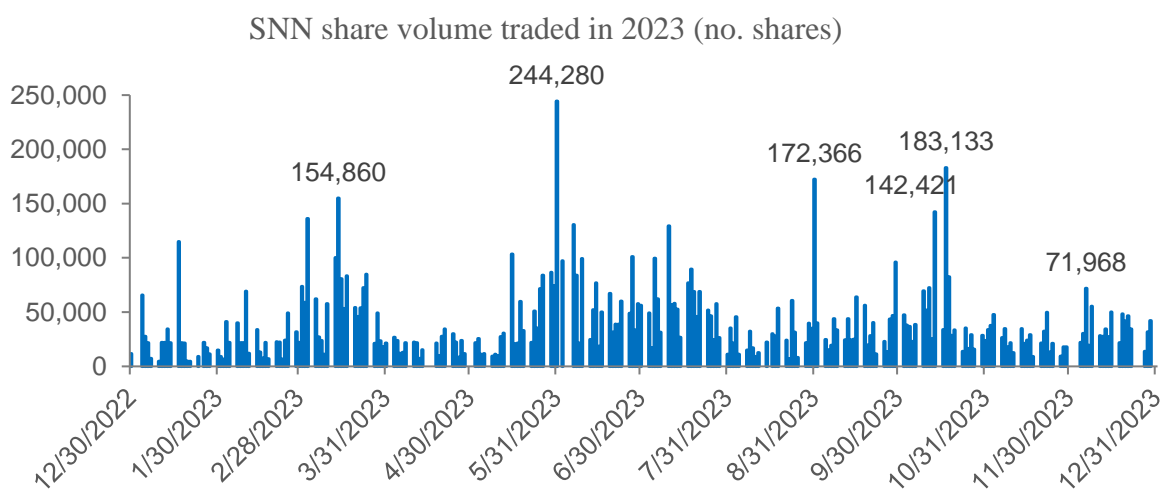
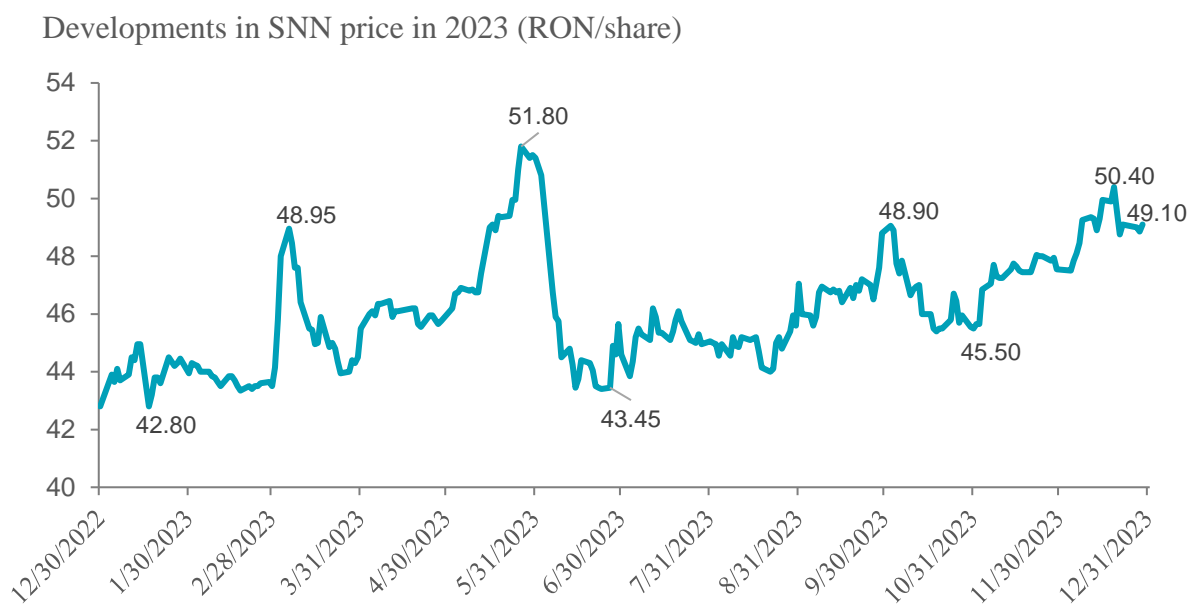
The dividends due and paid over the last 3 years were as follows:

Ratio [RON]	2023 <sup>*)</sup>	2022	2021
<b>Net profit (a)</b>	<b>2,506,518,832</b>	<b>2,764,423,452</b>	<b>1,036,261,626</b>
Distribution to the statutory reserve (b)	(143,006,629)	(159,624,845)	(60,204,665)
Other reserves representing fiscal facilities provided by the law (c)	(152,453,305)	(65,367,295)	(19,130,130)
<b>Net profit distributable as dividends (d) = (a) + (b) + (c)</b>	<b>2,211,058,898</b>	<b>2,539,431,312</b>	<b>956,926,831</b>
Employee participation in profit (e)	(30,764,865)	(27,000,000)	(20,000,000)
<b>Net profit, as basis for dividend distribution calculation (f) = (d) – (e)</b>	<b>2,241,823,763</b>	<b>2,566,431,312</b>	<b>976,926,831</b>
<b>Proposed dividends (g)</b>	<b>1,120,911,882</b>	<b>1,283,215,656</b>	<b>595,925,367</b>
Dividends allocated	1,120,911,882	1,283,215,656	595,925,367
Dividends paid until 31.12.2022	-	-	595,630,446
<b>Profit distribution rate (%) = (g)/(f)</b>	<b>50.00%</b>	<b>50.00%</b>	<b>61.00%</b>
<b>Profit distribution rate<sup>2</sup> (%) = (g)/(d)</b>	<b>50.70%</b>	<b>50.53%</b>	<b>62.27%</b>

*\*) For 2023, these ratios are taken from the profit distribution proposal made by the Board of Directors and submitted for approval by the Ordinary General Meeting of SNN's Shareholders. In this distribution proposal, the amount proposed to be allowed as "employee participation in profit" is RON 30,764,865.*

### 7.3. SNN ACTIVITY ON THE BSE

Developments in the SNN shares between 1 - 31 December 2023:



The activity of SNN in 2023, as issuer of securities on the Romanian capital market, is presented as follows:

- ❖ In 2023, a total of 96,372 transactions with SNN shares were performed, with an average daily number of 388.6 transactions;
- ❖ The total volume of SNN shares traded was 9,813,807;
- ❖ The amount of the 2023 transactions with SNN shares was RON 454,411,374.45;
- ❖ In 2023, 3 "Deals" were concluded, with a total of 99,140 shares;



- ❖ In 2023, the price of a share was between a minimum of RON 42.80 and a maximum of RON 51.80, going up v the amounts recorded in 2022, when the minimum amount was RON 32.80 and the maximum amount was RON 49.95;
- ❖ The stock market capitalization on the last trading day of 2023 amounted to RON 14,810,715,195, going up v the RON 12,910,358,663 at the end of 2022.

## 7.4. PRESENCE IN INDICES

The Bucharest Stock Exchange (BSE) calculates and distributes, in real time, 11 indices – BET, BET-TR, BET-TRN, BET-XT, BET-XT-TR, BET-XT-TRN, BET-BK, BET-FI, BET-NG, BET Plus, BET AeRO – as well as an index developed together with the Vienna Stock Exchange, i.e. the ROTX index.

The BSE indices reflect the developments in the prices of the most traded listed companies or the developments in a number of representative industries, such as financial or energy industry. As a calculation methodology, all BSE indices are weighted price indices with free float capitalization and maximum limits for the weights of the component companies. Except for BET-TR, BET-TRN, BET-XT-TR and BET-XT-TRN indices, which are adjusted for dividends, the other indices only reflect the developments in the market prices.

SNN shares were included in the BSE index structure with the following weights, on the adjustment date 8 December 2023 (the latest regular adjustment):

- ❖ 4.78% in the BET index (Bucharest Exchange Trading - the reference index of the capital market, a price index weighted with the free float capitalization of the top 20 most liquid companies listed on the BSE regulated market). Starting with 2015, criteria related to the transparency of the issuers and the quality of their reporting to, and communication with, investors are also applied to selection in this index;
- ❖ 4.78% in the BET-TR index (Bucharest Exchange Trading Total Return Index), the total gross return variant of BET, that reflects both the developments in the prices of the component companies and the gross dividends they offer.
- ❖ 4.78% in the BET-TRN index (Bucharest Exchange Trading Net Total Return Index), the total net return variant of BET, that reflects both the developments in the prices of the component companies and the net dividends they offer.
- ❖ 4.70% in the BET-BK index (Bucharest Exchange Trading Benchmark Index) calculated as a weighted price index with the free-float capitalization of top 30 most traded companies listed on the BSE regulated market;
- ❖ 4.83% in the BET-XT index (Bucharest Exchange Trading Extended Index), an index that reflects the price evolution of the top 30 most liquid companies traded in the regulated market segment, including SIFs; the maximum weight of a symbol in this index is 15%;
- ❖ 4.83% in the BET-XT-TR index (Bucharest Exchange Trading Extended Total Return Index), the total gross return variant of BET-XT, which includes the top 30 most traded Romanian companies

listed on the BSE. The BET-XT-TR index reflects both the developments in the prices of the component companies and the gross dividends offered by them).

❖ 4.83% in the BET-XT-TRB index (Bucharest Exchange Trading Extended Net Total Return Index), the total net return variant of BET-XT, which includes the top 30 most traded Romanian companies listed on the BSE. The BET-XT-TRN index reflects both the developments in the prices of the component companies and the net dividends offered by them).

❖ 8.81% in the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities), sectoral index that monitors the movement of share prices of companies the core business of which is related to the "energy and utilities" sector; the maximum weight of a symbol in the index is of 30%;

❖ 4.49% in the BET Plus index (Bucharest Exchange Trading Plus Index), an index that reflects the evolution of Romanian companies listed on the regulated market of the BSE, that meet the minimum selection criteria in terms of liquidity and free-float capitalization, except for financial investment companies (SIFs);

## **7.5. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS**

Communication and Investor Relations activity is carried out in accordance with the legal provisions in force, as contained in Law no. 31/1990 republished, as amended and supplemented, the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, Law no. 24/2017 on issuers of financial instruments and market operations, republished, and Regulation no. 5/2018 on issuers of financial instruments and market operations.

In SNN, the Investor Relations represent a set of strategic functions that includes communication, finance, and capital market and corporate governance legislation matters, the purpose of which is to steer and control the flow of information between the Company and its investors and shareholders. The major goal is forging relationships based on trust and respect between the Company and its investors and shareholders, that correctly reflects the Company's role, and provision of financial information and information about investments, projects and energy market to the community of investors in due time and totally transparent, so that the decision to invest or evaluate the company is informed by accurate and relevant data, connection maintenance, the interface between the Company's management and the community of investors and shareholders, creation and development of communication channels with them, that would meet their needs. The purpose of SNN and of its Investor Relations (IR\_ structure is to maintain and develop the trust in the company, increase the market's responsiveness to the company, and add value for shareholders and investors. The IR function ensures that the company's shares are traded correctly by sharing key information that allows investors to make equally correct investment decisions.

Linked with SNN's communication strategy, the relationship with investors is guided by a symmetrical two-way system that places emphasis on feedback and, implicitly, on the constant development of the relationship with investors and concerns: meetings with shareholders and investors; organization of conferences, private meetings with shareholders and teleconferences and videoconferences; management of the section intended to investor relationship the company's

website; facilitating access to relevant information about the company's activities and its reporting; communication the company's corporate governance policies; communication of information with an impact on both the company and its shareholders and investors.

The goal is to achieve effective communication, adjusted based on the feedback received from the market, which would allow shareholders to understand and assess, relying on objective and timely information, the changes occurred in the trading patterns and the company's development directions, all of which is information that impact the risk management strategies.

The shareholder and investor communication actions of 2023 consisted of:

- ❖ Meetings with investors to present the annual financial results;
- ❖ Teleconferences, in accordance with the financial calendar of the Company;
- ❖ Posted presentations and audio recordings of the teleconferences with investors on the SNN website;
- ❖ Promptly acting on the requests for information of shareholders, potential investors and the capital market participants;
- ❖ Participation in conferences organized by third parties concerning the Romanian capital market and presentation of the company's financial results and growth opportunities therein (BSE, Wood's, Fondul Proprietatea, etc.);
- ❖ Participation of the Company's representatives in informative workshops organized by relevant authorities with a view to improving corporate governance and increasing transparency towards shareholders;
- ❖ Organization of the General Meetings of Shareholders and of other actions aimed to guarantee the rights of shareholders: distribution of dividends for the 2022 financial year;
- ❖ Collection of information, production and review of the current reports and their submission to the competent authorities (the BSE and the FSA), and their publication on the Company's website in compliance with the time-limits set under the legislation in force;
- ❖ Participation in trainings and discussion sessions about the corporate governance standards, investor communication platforms and other tools provided by the capital market authorities;
- ❖ Constant updating of the information on the SNN website to improve access to relevant information for shareholders and investors and facilitate the understanding and returns regarding becoming an SNN shareholder;
- ❖ Development of the Investor Relations page to increase transparency and foster understanding of the field of business for shareholders and investors.

## 7.6. OTHER INFORMATION

During the financial year ended on 31 December 2023, there were no transactions to purchase own shares by SNN and bonds issued by SNN and/or other types of receivables. SNN pays its liabilities under credit facilities in due time, and meets the financial conditions laid down in the respective contracts.

### **Key matters related to continuation of the Cernavodă NPP Units 3 and 4 Project**

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

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

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

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

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

### **Cernavodă NPP Unit 1 Refurbishment Project**

The contract for “Engineering services to ensure definition of the technical requirements needed to contracting the long-life reactor components to be replaced in the refurbishment process, together with services to assess the condition of the tools and devices to be used in the refurbishment process of the Cernavodă NPP Unit 1 reactor” is in progress. The progress made under the entire contract is 57.25%.

The following support contracts, signed in 2023, are in place for the issue of the Environmental Agreement:

- The contract for “Preparation of a proposal regarding aspects relevant for environmental protection, that must be developed in the Environmental Impact Report, and preparation of the Environmental Impact Report for the Cernavodă NPP Unit 1 Refurbishment Project and expansion of the Spent Fuel Intermediate Storage with MACSTOR 400 type modules” was signed in February 2023.
- The contract for “Services for preparation of the ecotoxicological impact study for establishing the discharge limit and the analytical method for determining the concentration of the new product ODAFON F (corrosion inhibitor) to be used in the Cernavodă NPP installation” was signed in March 2023.
- “Preparation of the population health impact assessment for the Cernavodă NPP Unit 1 Refurbishment Project and expansion of the Interim Storage of Spent Fuel with a MACSTOR 400 module” was hired in August 2023.

A framework-agreement for “Professional training services - external training and mentorship for the staff selected for implementing the Cernavodă NPP Unit 1 Refurbishment Project” was signed with CNPSA in February 2023. Under two subsequent contracts, DRTM staff received 10 weeks of training as part of the Darlington Nuclear Power Plant Refurbishment project.

As at 7 March 2023, Nuclearelectrica announced selection of Candu Energy Inc., a member of the SNC-Lavalin Group (TSX: SNC), to provide services related to:

- Engineering to devise the technical specifications and the design documentation for the refurbishment activities that require acquisition of equipment/components with a long manufacturing time, and for complex activities with a long design time; and
- The technical documentation required to commence the process for obtaining the building permit for the infrastructure needed to retube the reactor of Unit 1”.

Under the two-year agreement, with an amount of approximately CAD 65 million, SNC-Lavalin will perform long-term engineering services, in order to prepare the future refurbishment project of Cernavodă NPP's Unit 1.

In October 2023, the procurement procedure with the Consortium Candu Energy Inc. and Canadian Commercial Corporation (CCC) was completed; its purpose was:

- a) Supply of the reactor components required for the retubing works;
- b) Supply of the necessary Retubing Tools, as upgraded/customized in advance to meet the specific technical requirements of Cernavodă NPP Unit 1.
- c) Engineering/technical assistance/technical support services.

SNN and the Consortium intend to sign the Agreement, which will enter into force after obtaining the corporate approvals of the parties.

The procurement procedure for "Management, technical assistance, consultancy and staff training services was also commenced for preparation and deployment of the Cernavodă NPP Unit 1 Refurbishment Project" is in progress.

Under the current report dated 28 November, SNN, together with Candu Energy Inc. and Canadian Commercial Corporation ("CCC"), announced the signing of the contract for supply of reactor tooling and components, as well as for engineering and technology services with a view to extending the service lifetime of Cernavodă NPP Unit 1, with the amount of CAD 781 million.

Execution of this contract was approved under the EGMS no. 8 on 7 December 2023, and CCC received the final approval from the Government of Canada.

As at 31 December 2023, the following procurement procedure is in progress:

- Management, technical assistance, consultancy and staff training services was also commenced for preparation and deployment of the Cernavodă NPP Unit 1 Refurbishment Project.

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

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

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

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

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

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

Under the OGMS Resolution no. 6 of 4 December 2023, the Company reported completion of FEED Phase 1 for the Small Modular Reactors Project and approval of the transition to FEED Phase 2 of the SMR Project.

### **Project for the tritium removal facility - CTRF**

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

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

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

Under the Resolution no. 5/05.07.2023 of the Ordinary General Meeting of SNN Shareholders, amendment of the Implementation Strategy for the “Cernavodă NPP Tritium Removal Facility” Investment Project was approved as an effect of the updating of the investment’s amount.

The signed EPC contract has a 50-month term and features the following implementation stages:

- Obtain the licenses/permits and commence the construction and assembly works – 2024;
- Acceptance of the Detailed Engineering – 2025;
- Commissioning of the plant – 2026;
- Trial operation and transfer into operation – 2027.

Under the Resolution no. 8/07.12.2023 of the General Meeting of SNN Shareholders, the current report dated 22 December 2023 was approved and execution of the loan agreement with the European Investment Bank (EIB), amounting to EUR 145 million, to support completion of the first tritium removal facility (CTRF) in Europe, was announced.

In addition to signing this agreement, as at 31 December 2023, the Initial Safety Report and the Preliminary Nuclear Safety Report, as required to obtain the Site and Building Permits, for the CTRF Project were completed; the applications for the permit issue, together with the supporting documents, were submitted on 16 November 2023 and are now under review by CNCAN.

### **Fabrica de Prelucrare a Concentratelor de Uraniu (“FPCU”) Feldioara - SNN Subsidiary**

Between January and March 2023, Feldioara Subsidiary became fully operational with a view to developing the integrated nuclear fuel cycle; in this regard, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing. As the same time with Feldioara Subsidiary becoming fully operational, a subsequent contract was signed with the qualified supplier Kazatomprom in order to ensure the necessary technological resources for production of uranium dioxide (UO<sub>2</sub>). During the same period, all the necessary steps were taken to transport the uranium technical concentrate and to deliver of the contracted quantities.

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

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

The memorandum of understanding records the intention of the parties to collaborate for the study, planning and development of the technical processing activities of uranium concentrates, in order to



qualify SNN as a potential supplier of sinterable UO<sub>2</sub> powder by KHNP, as well as for exploring the possibilities of collaboration in the field of manufacturing nuclear fuel bundles.

### **Litigation commenced by Cernavodă NPP Trade Union and the employees of Cernavodă NPP Branch**

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

The Company finds these claims to be unfounded, as all due salary rights were paid to employees, including the amounts in dispute. The court rejected the plea of *res judicata* raised by SNN as unfounded and admitted the documentary evidence and the accounting expert report, as well as temporarily postponed the technical expert report on classification into radiological risk areas, pending submission of documents by SNN. Production of evidence, *i.e.* performance of a new accounting expert review. For submission of the accounting expert report and the parties raising potential objections, the court set a hearing on 31 May 2024.

### **Litigations started by the S.N. Nuclearelectrica S.A. against the Romanian Energy Regulatory Authority “ANRE”**

1. Request for the setting aside of the ANRE Order no. 216/11.12.2019 approving the pricing methodology for the electricity sold by producers under regulated contracts and the quantities of electricity under regulated contracts concluded by producers with suppliers of last resort, and setting out the maximum quantities of electricity that can be imposed as sale obligations under regulated contracts, published in the Official Gazette no. 1001/12.12.2019 (Order no. 216/11.12.2019).

SNN filed with the Bucharest Court of Appeal a request to have the Order no. 216/11.12.2019 set aside (this led to forming of the casefile no. 97/2/2020), claiming discrimination between energy producers to the detriment of the Company and leading to distortion of the electricity market mechanisms, as well as to infringements of the relevant domestic and European legislation. In the Case no. 97/2/2020, the court dismissed the higher appeal lodged by SNN, but in the adjoined case 97/2/2020/a1, it upheld the referral to the Constitutional Court concerning Article 5(7) of the Government Emergency Ordinance no. 33/2007, as introduced by Article I(2) of Law no. 160/2012. The case registered under no. 1658 D/2022 is in the report drafting stage.

2. The requests for the stay and setting aside of the ANRE Order no. 88/2020 approving the methodology for setting the regulated tariffs and the prices applied by suppliers of last resort to end customers for the period 1 July - 31 December 2020, and amending and supplementing the Framework Electricity Sale and Purchase Agreement concluded between the electricity producers and the suppliers of last resort, published in the Official Gazette no. 501/12.06.2020.

SNN brought up a court action for the stay of execution and the setting aside of the ANRE Order no. 88/2020 and the documents subsequent thereto, whereby ANRE enforced the obligation to sell at the regulated price and the amount of electricity to be sold at the fixed regulated price during the period 1 July - 31 December 2020. The case was registered under no. 3570/2/2020 with the Bucharest Court of Appeal, which dismissed the action as unfounded; this judgment was appealed against. As at 6 April 2023, the High Court of Cassation and Justice (HCCJ) dismissed the higher appeal as unfounded.

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

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

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

The court dismissed the action as unfounded, and SNN lodged a higher appeal on the substance of the case against the Sentence no. 887/2022. The higher appeal case was registered under no. 1720/1/2022. The court dismissed the head of claims concerning the setting aside of the Government Decision no. 1041/2003 as devoid of object, upheld SNN's higher appeal and referred the case back for retrial as to the head of claims concerning the ordering of the respondent, the Government of Romania, to grant indemnities. The file was re-registered with Bucharest Court of Appeal. The next hearing is due on 27 March 2024 for submission of the accounting expert report.

### **Dispute concerning the insolvency of Compania Nationala a Uraniului; application for registration of a claim of SNN**

As at 3 February 2022, in the case no. 23089/3/2021, SNN filed for admission of its claim of RON 7,811,840.50, VAT included (RON 6,564,571.84 without the VAT), as a claim conditional upon the failure to perform, before 31 March 2022, the remaining deliveries under the contract no. 914/19.07.2018, and a claim secured with the obligation to refund a share of the advance of RON 10,000,000 paid by SNN for the delivery of U in sinterable powder of UO<sub>2</sub> at the price of RON 599.51/Kg, according to order no. 822/30.06.2020 issued under to framework agreement no. 914/19.07.2018.

As at 8 November 2022, under the report of the court appointed administrator dated 4 November 2022 and the updated preliminary list submitted on 8 November 2022, the claim of SNN was entered as a plain secured claim, and not as a conditional claim, as it had been initially entered. During the hearing 7 November 2023, the involved judge set a new hearing on 30 April 2024, for continuation of the proceedings, preparation of the final list and submission of a reorganization plan. As at 21 December 2023, SNN collected the secured claim, minus the bank commission of RON 27. As at 16 January 2024, SNN collected the difference of RON Applicable 26.98 from CNU. Next, SNN will no longer appear in the Final List of Claims to be prepared by the court-appointed insolvency administrator.

### **Dispute concerning the request for public information about the Doicești Site Survey**

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

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

### **Changes in the management of the company - Directors**

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

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

## **Changes in the management of the Company - Board of Directors**

Under the OGMS Resolution no. 1/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, four non-executive members of the Board of Directors of SNN were appointed effective 15 February 2023, for a 4-year term of office, in keeping with the provisions of Article 29(1) of the Government Emergency Ordinance no. 109/2011, namely Mr. Vulpescu Remus, Mr. Chirlesan Dumitru, Mr. Niculescu George Sergiu and Mrs. Grajdan Vasilica. The form of the mandate contract and the fixed allowance of the new non-executive directors were also approved.

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

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

## **Relocation of SNN's registered office**

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

## **Memorandum of Understanding with Emirates Nuclear Energy Corporation (ENEC)**

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

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

## **Approval of distribution of the net profit of financial year 2022**

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

Through the current Report published on 22.05.2023, the Company informed its shareholders that based on Resolution no. 3 of the Ordinary General Meeting of Shareholders dated 26.04.2023, SNN paid the dividends related to the financial year 2022 through Depozitarul Central S.A. and CEC Bank, the selected payment agent.

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

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

## **Planned shutdown of Unit 2 within Cernavodă NPP**

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

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

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

As at 20 November, Unit 2 of Cernavodă NPP was controlled shut down for performance of remedial works to a piece of equipment that was inaccessible with the reactor in operation.

Resynchronization of Unit 2 with the National Energy System safety occurred on the night of 25 November, in accordance with the specific procedures of Cernavodă NPP applicable in these instances.

As at 29 December, Unit 2 of Cernavodă NPP was controlled shut down for performance of remedial works to the Balance of Plant of Unit 2, and Unit 2 is due to be resynchronized with the National Energy System on 30 December.

### **The inclusion of SNN in the MSCI Frontier Markets and MSCI Romania indices**

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

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

### **Signing of the Memorandum of Understanding with Energoecom for the development of long-term cooperation in the energy sector**

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

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

### **Automatic disconnection of Cernavodă NPP Unit 1 from SEN**

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

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

As at 18 November 2023, Unit 1 of Cernavodă NPP automatically disconnected from the national electricity distribution grid due to the weather conditions that caused disruptions in the National Energy System.

As at 19 November 2023, the Company announces resynchronization of Unit 1 to the National Energy System.

As at 26 November, Units 1 and 2 of Cernavodă NPP were operated at reduced power, at DEN's request, due to the severe weather conditions in Dobrogea; these are expected to operate again at rated power on 27 November.

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

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

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

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

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

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

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

### **Positive rating review by Fitch**

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 Facility 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 MACCE market mechanism.

### **Signing of the Lutetium-177 radioisotope production agreement with Framatome**

As at 30 November 2023, the Company and Framatome announce the signing of a cooperation agreement to explore the possibility of producing the medical isotope Lutetium-177 by the nuclear power plant of Cernavodă. Lutetium-177 is used for a wide-range of cancer treatments.

The initial scope of the agreement includes a technical feasibility study, based on Framatome's isotope production technology which has been successfully implemented in Canada since 2022. Framatome and Nuclearelectrica will work together to explore how to maximize the existing infrastructure of Cernavodă to produce medical isotopes, in addition to the clean, safe, reliable and carbon-free energy currently generated.

### **SNN joins the Net Zero Nuclear Industry Pledge**

As at 6 December 2023, SNN announces that it joins the Net Zero Nuclear Industry Pledge, launched on 5 December at COP28 - the UN Climate Change Conference, in an event organized as part of the COP28 Presidency Thematic Programme in Dubai, the United Arab Emirates.

The initiative was joined by 120 companies of 25 countries and active in more than 140 nations around the world, which commit to the goal to at least triple the nuclear capacity by 2050. The companies backing this commitment join the ambition and pragmatism evidenced by the governments that signed up to the Ministerial Declaration to Triple Nuclear Capacity, on 2 December.

### **Amendment of the Articles of Association**

Under the EGMS no. 7 of 4 December 2023, amendment of the Articles of Association of SN Nuclearelectrica SA to the effect of correcting the clerical error found at Article 20(3) was approved, as follows: “Article 20 (3) The Board of Directors has also the following powers and duties”, becomes “Article 20(1) The Board of Directors has also the following powers and duties (...)”.

Also, under the GMS Resolution no. 8 of 7 December 2023, the proposal to update the Articles of Association of SN Nuclearelectrica SA with its new registered office of Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, floors 3, 4, 5, 13 and ground floor, and with the updated registered office of Cernavodă NPP of County of Constanta, locality of Cernavodă, str. Medgidiei nr. 2, was approved.



## 8. INDIVIDUAL FINANCIAL AND ACCOUNTING STATEMENT AS AT 31 DECEMBER 2023

The Audited Individual Financial Statements are enclosed hereto. Excerpts with the main elements are rendered below.

### Statement of financial position

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Fixed assets	7,501,677	6,049,279
Current assets	5,661,081	5,743,493
<b>Total assets</b>	<b>13,162,758</b>	<b>11,792,772</b>
Equity	11,755,091	10,535,505
Total liabilities, of which:	1,407,667	1,257,267
Long-term liabilities	367,243	456,762
Short-term liabilities	1,040,424	800,505
<b>Total equity and liabilities</b>	<b>13,162,758</b>	<b>11,792,772</b>

### Statement of profit and loss, and statement of comprehensive income

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Operating income	7,586,912	6,534,010
Operating expenses	(5,105,707)	(3,548,003)
<b>Operating profit</b>	<b>2,481,205</b>	<b>2,986,007</b>
Financial income	413,702	238,176
Financial expenses	(34,774)	(31,687)
<b>Net financial income</b>	<b>378,928</b>	<b>206,489</b>
<b>Profit before corporate tax</b>	<b>2,860,133</b>	<b>3,192,496</b>
Net corporate income tax expenses	(353,614)	(428,073)
<b>Profit of the financial year</b>	<b>2,506,519</b>	<b>2,764,423</b>
<b>Other elements of the overall result</b>	<b>(3,717)</b>	<b>1,745</b>
<b>Overall result</b>	<b>2,502,802</b>	<b>2,766,168</b>
<b>Earnings based on share (RON/share)</b>	<b>8.30</b>	<b>9.16</b>
<b>Diluted earnings per share (RON/share)</b>	<b>8.30</b>	<b>9.16</b>

### Statement of cash flows

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Profit before corporate tax	2,860,133	3,192,497
Value adjustments and changes	(358,911)	255,970
Cash flows from operating activity	2,501,221	3,448,467
Net cash related to the operating activity	2,444,978	3,148,552
Net cash related to the investment activity	(346,713)	(1,015,615)
Net cash related to the financing activity	(1,249,934)	(769,335)
Net increase of cash and cash equivalents	848,332	1,363,602
Cash and cash equivalents at the beginning of the period	2,681,002	1,317,400
Cash and cash equivalents at the end of the period	3,529,335	2,681,002

## 9. CONSOLIDATED FINANCIAL AND ACCOUNTING STATEMENT AT AS 31 DECEMBER 2023

The Audited Consolidated Financial Statements are enclosed hereto. Excerpts with the main elements are rendered below.

### Statement of financial position

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Fixed assets	7,469,296	6,021,189
Current assets	5,680,190	5,771,493
<b>Total assets</b>	<b>13,149,486</b>	<b>11,792,682</b>
Equity	11,732,093	10,532,543
Total liabilities, of which:	1,417,392	1,260,139
Long-term liabilities	381,805	456,762
Short-term liabilities	1,035,587	803,377
<b>Total equity and liabilities</b>	<b>13,149,486</b>	<b>11,792,682</b>

### Statement of profit and loss, and statement of comprehensive income

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Operating income	7,618,434	6,534,129
Operating expenses	(5,154,066)	(3,551,080)
<b>Operating profit</b>	<b>2,464,368</b>	<b>2,983,049</b>
Financial income	413,193	239,237
Financial expenses	(34,849)	(31,799)
<b>Net financial income</b>	<b>378,344</b>	<b>207,438</b>
<b>Profit before corporate tax</b>	<b>2,842,712</b>	<b>3,190,487</b>
Share of profit or loss of related entities and joint ventures, accounted by the equity method;	269	(197)
Net corporate income tax expenses	(356,498)	(428,250)
<b>Profit of the financial year</b>	<b>2,486,483</b>	<b>2,762,040</b>
<b>Other elements of the overall result</b>	<b>(3,717)</b>	<b>1,745</b>
<b>Overall result</b>	<b>2,482,766</b>	<b>2,763,785</b>
<b>Earnings based on share (RON/share)</b>	<b>8.23</b>	<b>9.16</b>
<b>Diluted earnings per share (RON/share)</b>	<b>8.23</b>	<b>9.16</b>

### Statement of cash flows

Ratio [thousand RON]	2023 (audited)	2022 (audited)
Profit before corporate tax	2,842,712	3,190,487
Value adjustments and changes	(314,986)	252,770
Cash flows from operating activity	2,527,726	3,443,257
Net cash related to the operating activity	2,467,661	3,144,027
Net cash related to the investment activity	(343,777)	(1,010,140)
Net cash related to the financing activity	(1,249,934)	(769,335)
Net increase of cash and cash equivalents	873,950	1,364,552
Cash and cash equivalents at the beginning of the period	2,707,724	1,343,172
Cash and cash equivalents at the end of the period	3,581,675	2,707,724

## 10. CORPORATE GOVERNANCE DECLARATION

### 10.1. IMPLEMENTATION OF THE CORPORATE GOVERNANCE PRINCIPLES

In 2023, SNN continued to implement good corporate governance practices so that its internal practices fully meet, quality-wise, the new requirements attached to the company's status of entity admitted for trading on the BSE. Implementation of the corporate governance rules ensures a transparent decision-making process, substantiated by clear and objective rules aimed at building the trust of shareholders in the Company. SNN places great importance on corporate governance, and review its compliance with the provisions of the new Corporate Governance Code issued by the Bucharest Stock Exchange, which came into force on 4 January 2016. Every year, SNN issues a report on the to-date progress in date implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, which can be found in **Annex 8**.

For its communication, investor relations, information transparency, accuracy and completeness and accessibility of Nuclearelectrica's website, in 2023, the Company scored 10/10 for the fifth consecutive year in the VEKTOR assessment (the index of corporate investor communication for companies on the Stock Exchange) performed by the Romanian SE Investor Relations Association (ARIR).

VEKTOR is the first index measuring investor communication for listed companies and is calculated based on a methodology that includes 10 criteria, in line with the best international practices. The Corporate Governance Regulation of SNN (available on the Company's website) ensures integrated management support in the smooth unfolding of the issuer-shareholder/investor/analyst relationship and full and non-discriminatory observance of their rights, striking a balance between administration, management and the assumed performance objectives, on the one hand, and control and efficiency and performance assessment, adequate management of actual and potential risks and careful supervision of compliance with the regulations in force, on the other hand.

As to implementation of the corporate governance principles, in 2023, SNN take a number of steps related to corporate governance, that mainly targeted the following matters:

- ❖ The dividends for the 2022 financial year were paid in compliance with the legislation in force applicable to issuers, with no incidents, through a transparent procedure, based on the documents published on the Company's website under a special section.
- ❖ In accordance with the provisions of FSA Regulation no. 5/2018, SNN submitted current reports to the BSE and the FSA, based on Article 108 of Law no. 24/2017, republished, and Article 234(i) of the FSA Regulation no. 5/2018, on the transactions that cumulatively exceed 5% of the net assets shown in the latest financial reporting and, respectively, the transactions that individually or cumulatively exceed 10% of the net turnover or total revenues, as applicable, related to the latest annual financial statements.

- ❖ The current reports submitted are posted bilingually (in Romanian and English) also on the website of SNN and contain the following information: the parties that executed that legal act; the execution date and the nature of the act, its subject-matter, the total amount of the legal act, any mutual claims, any securities set up, penalties, the payment terms and means.
- ❖ SNN submits current reports to the BSE and the FSA to inform shareholders about any event likely to alter the assets or financial standing of the Company, in compliance with the time-limits sets out under the legislation applicable to issuers the shares of which are admitted for trading on a regulated market.
- ❖ SNN has published and will publish on its own website, and simultaneously submit them in a note to the BSE, the quarterly, half-yearly and annual reports, both in Romanian and in English.
- ❖ In 2023, the SNN management representatives participated in 5 events dedicated to the investor relationships (business-to-business);
- ❖ SNN organized 5 teleconferences and one meeting with its investors to present the financial results, according to the financial timetable announced at the beginning of the year.

In SNN, there is a department dedicated to investor relations - the Communication, Sustainability and Investor Relations Department, the role of which is to implement and monitor the corporate governance standards across the Company, provide information to shareholders and investors in accordance with legal provisions, and ensure proactive communication focused on the target group, the information needs of investors and the analysis of market trends.

Take measures on compliance with the principle of transparency, respectively:

- ❖ Availability of a section dedicated to investors on the Company's website;
- ❖ On the SNN website, under the Investor Relations section, there is a link to the information about the General Meetings of Shareholders, where the convening notices and related materials for each GMS, draft GMS resolutions, special and general power of attorney templates, postal ballots for both legal entities and natural persons, and the GSM resolutions with the respective voting results are published. Information objective reliance can be placed on good shareholder information can also be found on the SNN's website;
- ❖ The SNN website further provides a number of tools for investment calculation, charts and trading summaries;
- ❖ Publication of the Resolutions of the General Meetings of Shareholders in not more than 24 hour of the meeting on the Company's website;
- ❖ The dedicated to Investor Relations section found on the Company's website contains also the key corporate regulations applied in the Company, in a bilingual format: the Articles of Association, the Corporate Governance Regulation which contains the terms of reference of the Board of Directors, the Regulations of the advisory committees, the Regulation for Organization and Conduct of GSM meetings, the Code of Ethics of the Board of Directors, the Code of Ethics and Business Conduct of SNN, the Ethics and Compliance Programme SNN, the Compliance and Risk Management Guidelines, Operational data, the Sustainability Report;

- ❖ Submission of the current reports and of the regular financial reports (quarterly, half-yearly and annual) to the BSE and the FSA and their publication on the Company's website, accompanied by the relevant Auditor's Reports;
- ❖ Presentation of updated information about the membership of the Board of Directors: the CVs of the members, other professional commitments of the Board members, including any executive and non-executive positions held in the Boards of Directors of other companies or non-for-profit institutions, the status of independent member, as the case may be;
- ❖ Presentations delivered by SNN to investors during the Company's main financial events and the audio file, in accordance with the financial timetable, are displayed on the Company's website, including the audio recordings;
- ❖ A chart with the real-time developments in the price of SNN shares on the stock exchange.

SNN has adopted an internal policy covering the legal regime applicable to inside information and the legal provisions and the sanctions that can be applied for the misuse/abusive use and inappropriate circulation/unauthorized disclosure of inside information, and has an updated the lists of persons who have access to inside information, either permanently and temporarily.

In the Company, an internal flow has been put in place for preparation, signing and transmission submission of current reports to the Bucharest Stock Exchange and the Financial Supervisory Authority, without exceeding the statutory reporting time-limits.

All the conditions required for shareholders to be able to exercise their right to postal vote before the date of the Meeting have been put in place, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011. Thus, the Regulation on the Organization and Conduct of the General Meetings of SNN Shareholders provides for the "Postal Vote" as a way of shareholders exercising their right to vote by, and provides for clear in this regard.

The person tasked with investor relations in SNN is Valentina Dinu.  
Head of Communication, Sustainability and Public Relations Department

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## 10.2. GENERAL MEETING OF SHAREHOLDERS

SNN's corporate bodies, a company managed under single-tier system, are structured as follows: The General Meeting of Shareholders is the ultimate decision-making forum of the Company, and the Board of Directors.

Under the Resolution of the SNN's Ordinary General Meeting of Shareholders no. 1 of 27 January 2021, shareholders took note of the Updated Regulation on the organization and performance of the General Meetings of Shareholders, accommodating the legislative amendments.

The updated Regulation on the Organization and Performance of SNN's GMSs documents all amendments and supplements to the legal provisions laid down in the FSA Regulation no. 5/20218, Law no. 24/2017, republished, on the issuers of financial instruments and market operations, as subsequently amended and supplemented, the BSE Governance Code, Law 31/1990 of the Companies, and Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises.

The updated Regulation on the Organization and Performance of SNN's GMSs is posted on the SNN website under the section dedicated to the General Meetings of Shareholders.

### General Meeting of Shareholders (GMS)

The General Meeting of Shareholders is the main corporate governance body of the Company, and decides on the activity and financial and business policy of the Company. SNN has devised and put in place sound internal procedures for organization and performance of the GMSs, as well as rules that govern its legal and statutory activity, in accordance with the Articles of Association and the applicable legislation. As to its structure, depending on the matters that require approval by shareholders, the General Meeting of Shareholders can be ordinary or extraordinary.

### Ordinary General Meeting of Shareholders (OGMS)

The powers and duties of the Ordinary General Meeting of Shareholders (OGMS) include:

- ❖ To discuss, approve or amend the annual financial statements, based on the reports submitted by the Board of Directors and the financial auditor;
- ❖ To decide on the distribution of the net profit and to fix the dividend;
- ❖ To elect and revoke the members of the Board of Directors;
- ❖ To appoints and dismisses the financial auditor and to set the minimum term of the financial audit agreement;
- ❖ To set the general limits of the remuneration paid to the CEO and Executive Officer;
- ❖ To set the remuneration of the members of the Board of Directors, as well as the terms and conditions of the mandate contract concluded with the members of the Board of Directors;

- ❖ To resolve on the discharge of office for the members of the Board of Directors;
- ❖ To approve the development strategies and policies of the Company;
- ❖ To set the annual income and expenditure budget for the next financial year;
- ❖ To decide on the pledging, renting or setting up security interests in movable property or mortgages on the assets owned by the Company;
- ❖ To approve the reports of the Board of Directors on the activity carried out;
- ❖ To decide on any other matters concerning the Company, according to their legal duties and powers; however, provided that these matters fall within the scope of powers of the General Meeting of Shareholders;
- ❖ To review and address other matters presented by the Board of Directors;
- ❖ To approve the remuneration policy for the heads of units, as well as in case of any material change and, in any case, at least once every 4 years;
- ❖ To submit to vote the remuneration report for the latest financial year; the shareholder opinion from the vote is advisory in nature.

### **Extraordinary General Meeting of Shareholders (EGMS)**

The main powers and duties of the Extraordinary General Meeting of Shareholders (EGMS) are:

- ❖ To change the legal status of the Company;
- ❖ To relocate the Company's offices;
- ❖ To amend the Company's scope of business;
- ❖ To set up or close secondary offices: branches, agencies, representation offices or other similar unincorporated units;
- ❖ To increase, reduce or reinstate the share capital by issuing new shares;
- ❖ To merger with other companies, or spin off, the Company;
- ❖ To early wind up the Company;
- ❖ To issue bonds;
- ❖ To convert shares from one category to another;
- ❖ To convert a category of bonds into another category or into shares;
- ❖ To stay the shareholders' right of preference to subscription of new shares issued by the Company;
- ❖ To authorize acquisition by the Company of its own shares and to set the term for this acquisition, in particular the maximum number of shares to be acquired, and, for acquisitions for a consideration, their minimum and maximum consideration and the period of the operation, in observance of the law; also, to set the means of disposing of the own shares acquired by the Company;
- ❖ To acquire, dispose of, exchange or pledge assets of the Company qualified as plant, property and equipment, the value of which exceeds, individually or cumulatively, during one financial year, 20% of the total fixed assets of the Company less the receivables;
- ❖ To lease out tangible assets, for a period of more than one year, whose individual or cumulative value related to the same co-contractor or persons involved or acting in a concerted manner exceeds 20% of the total value of the fixed assets, less receivables at the date of conclusion of the legal act, as well as joint ventures for a period of more than one year, exceeding the same value;

- ❖ To approve any other amendment to the Articles of Association or pass any other resolution which requires approval of the Extraordinary General Meeting of Shareholders;
- ❖ To approve the term of office of the representatives of SNN in the General Meeting of Shareholders of S.C. Energonuclear S.A. for:
  - winding up and liquidation of Energonuclear S.A;
  - making any investment by Energonuclear SA that exceeds EUR 50,000,000 (EUR fifty million) in one single transaction, and/or that exceeds EUR 50,000,000 (EUR fifty million) aggregately with other transactions in any financial year;
  - conclusion by Energonuclear SA of any contract involving expenses or taking up any important obligation by Energonuclear SA that exceeds EUR 50,000,000 (EUR fifty million), individually or cumulatively, during one single financial year;
  - any actual or proposed sale, any other disposal of any assets or rights of Energonuclear SA, any actual or proposed acquisition of any assets or rights by Energonuclear SA that exceeds the aggregate amount of EUR 50,000,000 (EUR fifty million);
  - contracting by S.C. Energonuclear S.A. of any type of loans or debts or liabilities of the loan type, with a value exceeding EUR 50,000,000 (EUR fifty million).

In addition to the powers and duties listed above or laid down under law, the Extraordinary General Meeting of Shareholders resolves also on the following matters:

- ❖ Conclusion by the Company of any contract, taking up of any obligation or commitment that could involve expenses, or taking up any other important obligation by the Company, according to the limits of power provided in Annex no. 1 to the Articles of Association;
- ❖ Taking up the Company of any type of loans or debts or obligations of the loan type according to the limits of powers provided in Annex no. 1 to the Articles of Association;
- ❖ Establishment or participation in establishment of companies regulated by the Law of Companies no. 31/1990, or of associations or foundations regulated by the Government Ordinance no. 26/2000 on associations and foundations;
- ❖ Delegation to the Board of Directors of the power to stay the right of preference, in compliance with the quorum and majority conditions;
- ❖ Approval of the consolidation of the nominal value of a share;
- ❖ Approval of the Board of Directors' proposal concerning the value of a consolidated share to be used for calculation of the compensation amount;
- ❖ Provision of information about the amounts payable to shareholders, approval of payment terms and conditions, as well as approval of calculation instructions to be made available to shareholders;
- ❖ Authorization of the Board of Directors to amend the Articles of Association further to consolidation of the nominal value of the shares, performance of all the necessary operations for registration and amendment of the Articles of Association in the Trade Register.



## **Quorum and majority requirements**

The quorum will be reviewed by the chairman of the meeting for each individual resolution, prior to casting the vote on that resolution.

### **(a) OGMS**

For the first convening of the Meeting, the quorum requirements are met when shareholders representing at least 1/4 of the total number of voting rights are present or represented in the Meeting. Resolution can be validly passed with the "for" vote of the shareholders representing the majority of the votes cast. For the second convening, the Meeting can decide on the matters included on the agenda of the adjourned Meeting, regardless of the number of shareholders present, by the vote of the shareholders representing the majority of the votes cast.

### **(b) EGMS**

For the first convening of the Meeting, the quorum requirements are met when shareholders representing at least 1/4 of the total number of voting rights are present in the Meeting. Resolutions can only be passed with the majority of the votes held by the present or represented shareholders. For the second convening, the Meeting can decide on the matters included on the agenda of the adjourned Meeting, when at least 1/5 of the total number of voting rights are presented or represented, and resolutions are passed with the majority of the votes held by the present or represented shareholders.

Any resolutions that amend the main scope of business of the Company, reduce or increase its share capital, change its legal status, or merge, spin-off or wind up the Company will be passed with a majority of at least 2/3 of the voting rights held by the present or duly represented shareholders.

## **GMS convening**

The General Meeting of Shareholders is convened to meet by the Board of Directors. The General Meeting of Shareholders, whether ordinary or extraordinary, will be convened whenever necessary, in accordance with the legal provisions and the provisions of the Articles of Association, by publishing the call notice in the Official Gazette of Romania Part IV, and in a national daily newspaper or in a widely circulated newspaper of the locality where the Company's registered office is located, at least 30 days before the set date, as well as on SNN's website. All information will be disseminated in both Romanian and in English.

The General Meeting of Shareholders can be convened in the following instances:

- (i) Whenever the case, further to a decision of SNN's Board of Directors, by the Chairman of the Board of Directors or a member thereof, based on the authorization issued by the Chairman;

(ii) At the request of the shareholders representing, individually or together, at least 5% of the share capital, and if this request concerns duties or powers of the Meeting.

The Ordinary General Meetings of Shareholders is held at least once a year, in not more than 4 (four) months of the end of the financial year, in order to review the financial statements of the previous year and determine the activity programme and the budget of the current year.

The meeting date cannot be set earlier than thirty days of publication of the convening notice in the Official Monitor of Romania, Part IV.

Pursuant to the applicable provisions (Law no. 31/1990, Government Emergency Ordinance no. 109/2011, Regulation no. 5/2018) and the provisions of the Articles of Association, the GMS Call Notice includes at least the following information:

- ❖ Name of issuer;
- ❖ Start date and time and venue of the first and adjourned GMS;
- ❖ Proposed agenda, explicitly listing all the matters to be debated in that Meeting;
- ❖ A clear and accurate description of the proceedings to be observed by shareholders in order to be able to participate and cast their vote in the General Meeting, plus information about:
  - The right of one or more shareholders, representing alone or together with other shareholders at least 5% of the Company's share capital, to introduce matters on the agenda (based on a reasoning), in not more than 15 days of publication of the call notice, and to submit draft resolutions for the matters included or proposed to be included on the agenda of the General Meeting. The agenda supplemented by the matters proposed by shareholders must be published at least 10 days before the date of the General Meeting of Shareholders set out in the initial call notice.
  - Express indication of the fact that the right to vote can be exercised directly, through a representative or by post, and the terms for such exercise. When the vote is cast by proxy (by representation), it will be considered that the power of attorney forms (special and general) must be used for this type of vote. Method of obtaining the special/general power of attorney form for representation in the GMS, the time-limit and the place where the powers of attorney will be submitted/received, as well as methods for the Company to accept notification of representative appointment by electronic means and procedures that allow postal vote.
- ❖ Reference date, as well as indication of the fact that only people who are then shareholders have the right to participate and cast votes in the General Meeting;
- ❖ A time-limit for making proposals of candidates for the director offices, when the election of directors is included in the agenda. The call notice will also indicate that the list with information

about the name, place of residence and professional qualification of the persons proposed for the office of member of the Board of Directors is available to the shareholders for examination and supplementation;

- ❖ The place where the full text of documents and draft resolutions, plus any other information about the matters out on the agenda of the General Meeting can be obtained from, and the date as of which these will be available, as well as the procedure to be followed in this regard;
- ❖ When the agenda includes proposals of amendment of the Articles of Association, the notice to attend shall also render the full text of such proposals;
- ❖ Company's website address;
- ❖ Proposal of registration date;
- ❖ Proposal of ex-dates and, if applicable, proposal of date of payment;
- ❖ Express indication of the fact that the right to vote can be exercised directly, through a representative based on a special or general power of attorney, or by post, and the terms for such exercise;
- ❖ Manner of distributing the postal ballot and the special power of attorney form for representation in the GMS, as well as the date as of which these are available;
- ❖ Time-limit for, and the where special powers of attorney and postal ballots must be sent/received;
- ❖ Indication of the exact address where special powers of attorney and postal votes are to be sent to;
- ❖ The fact that significant shareholders have the right to opt for the application of poll vote method for the election of the members of the Board of Directors, when this matter is put on the GMS agenda in accordance with the provisions of Article 85 of Law no. 24/2017, republished.

The call notice, any other matter added to the agenda at the request of shareholders, the annual financial statements, the annual report, as well as the proposal of dividend distribution are made available to the shareholders at the Company's registered office as of the date when the General Meeting is convened, and are published on the website, so as to ensure the free access to information for shareholders. At request, copies of these documents can be issued to shareholders.

Shareholders representing individually or together at least 5% of the Company's share capital can request, under an application filed with the Board of Directors, introduction of new matters on the agenda, and/or can submit draft resolutions for the matters thus included on the agenda; however, in

not more than 15 days of publication of the call notice. The agenda supplemented by the matters proposed by shareholders must be published at least 10 days before the date of the General Meeting set out in the initial call notice.

Each shareholder can ask the Board of Directors written questions about the matters put on the agenda of the General Meeting of Shareholders, before the date of the General Meeting, and these will be answered during the Meeting. The Company is the obligation to answer the questions asked by shareholders. The Company can word a general answer for questions with the same content. An answer is deemed to have been provided if the requested information is published on the Company's web page [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro) in a question-answer format.

In accordance with the capital market regulations, the draft resolutions subject to approval by the GMS, together with the other supporting materials, are published on the Company's website as of the call notice publication date.

### **GMS performance procedure**

SNN has devised and put in place internal regulations for organization and performance of GMSs, which place specific duties concerning GMS organization on the different structures and departments of the Company. These aim to regulate the entire internal flow of documents and information, procedures and logistics, as well as the external process that consists in provision of accurate information to the Company's shareholders about the matters due to be addressed in the convened Meetings.

Shareholders can participate and cast votes in the General Meeting by proxy, based on a special or general power of attorney issued for that General Meeting or for a period not exceeding 3 years. The proxy may not be replaced by another person. When the proxy is a corporate body, they can exercise this mandate through any person who is part of their governance or management body, or one of their employees.

Corporate bodies may be represented by their legal representatives who, in turn, can issue powers of attorneys for that General Meeting to other persons. As to the State, the relevant ministry can appoint its standing representatives in the General Meeting of Shareholders, in compliance with the aforementioned legal requirements and conditions.

In addition to the regulation for organization and performance of GMSs, SNN abides as such also by the legal provisions that regulate the GMS performance for listed companies.

In not more than 24 hours of the date of the General Meeting, the Company prepares a current report to briefly present how the General Meeting is going to be held, and how resolutions would be passed therein. This report will be disseminated to the capital market institutions, i.e. BSE, and will be published on the Company's website.

## Rights and duties of shareholders

The Company's shares are registered, of equal value and issued in dematerialized form, by registration in the account, and entitle their respective holders to equal rights.

Each share subscribed and paid up in full entitles to equal rights and grants them one vote in the General Meeting of Shareholders, the right to elect and be elected in the management bodies, the right to participate in profit distribution according to the provisions of the Articles of Association and the legal provisions, as well as other rights provided by the Articles of Association and the legal provisions.

The shares issued in dematerialized form are traded on a regulated market, in accordance with the stock market legislation. The rights and obligations attached to shares follow the shares, when these are transferred to other persons. Shareholders have the right to receive correct and complete information about the standing of the Company in the General Meeting of Shareholders. When new shares are issued, the existing shareholders have the right of preference to their subscription, under the terms of the law, pro-rata with the percentage of shares held in the Company.

SNN shareholders can exercise their right to vote as follows:

1. Direct vote - in person, in the GMS;
2. Vote by proxy holding a special or general power of attorney;
3. Postal vote.
4. Where a shareholder is represented by a credit institution providing custodian services, that credit institution may vote in General Meeting of Shareholders based on the voting instructions received by electronic means of communication, without no need for the shareholder to grant a special or general power of attorney. The Custodian votes at the General Meeting of Shareholders exclusively in accordance with, and within the limits of, the instructions received from its clients, who have the capacity of shareholders at the reference date.

All holders of financial instruments issued by SNN of the same type and class of securities benefit from equal treatment, and the Company constantly makes sustained efforts to produce an effective, active and transparent communication so as to allow the exercise of rights in a fair manner.

## **10.3. MANAGEMENT OF THE COMPANY**

### **10.3.1. BOARD OF DIRECTORS**

#### **Structure. Member appointment. Eligibility criteria**

The Board of Directors is the executive body of the Company, formed of 6 members, of each one executive and 5 non-executive members.

The Chairman of the Board of Directors was elected by the Board of Directors among its members, and is Mr. Teodor Minodor Chirica. The Chairman of the Board of Directors is appointed for a period that may not exceed the term of office of director and may be revoked at any time by the Board of Directors.

Directors may be revoked at any time by the Ordinary General Meeting of Shareholders. Each director expressly accepted the exercise of their respective office. The company must celebrate a D&O type insurance (liability insurance of managers). During their term of office, directors may not enter into an employment contract with the Company.

The members of the Board of Directors must exercise their mandate with prudence and diligence of a good director, with loyalty, in the interest of the Company and are not allowed to disclose confidential information and business secrets of the Company.

Also, the members of the Board of Directors are under the obligation to ensure avoidance of any direct or indirect conflict of interest with the Company, and should a conflict occur, they will abstain from the debates and casting their vote on the that matters, in accordance with the legal provisions in force.

The membership of the Company's Board of Directors in 2023 was as follows:

Name	Age (years)	Qualification	Professional experience (years)	Position	Date appointed	Office expiry date
Elena Popescu	64 years	Nuclear Plant Engineer	38 years	Non-executive member of the Board of Directors	28.09.2018 (4-year final office according to the OGMS Resolution no. 12/28.09.2018)	28.09.2022
					10 August 2022 (4-year final office effective 29 September 2022, according to the OGMS Resolution no. 6/10.08.2022)	29.09.2026
Cosmin Ghita	34 years	Economist	13 years	Executive member of the Board of Directors	28.09.2018 (4-year final office according to the OGMS Resolution no. 12/28.09.2018)	28.09.2022
					10.08.2022 (4-year final office effective 29 September 2022, according to the OGMS Resolution no. 6/10.08.2022)	29.09.2026
Remus Vulpescu	52 years	Legal Advisor	27 years	Independent non-executive member of the Board of Directors	28.09.2018 (4-year final office according to the OGMS Resolution no. 12/28.09.2018)	28.09.2022
					27.09.2022 (temporary office until the date when the GMS is held)	
					19.10.2022 (temporary office for a period of 4 months, according to the OGMS Resolution no. 10/19.10.2022)	19.02.2023

Name	Age (years)	Qualification	Professional experience (years)	Position	Date appointed	Office expiry date
					15.02.2023 (final office according to Resolution no. 1/15.02.2023)	15.02.2027
Teodor Minodor Chirica	78 years	Engineer	54 years	Non-executive member of the Board of Directors	27 July 2020 (final office according to the OGMS Resolution no. 9/27.07.2020) after completion of the selection procedure under the Government Emergency Ordinance no. 109/2011	28.09.2022
					10 August 2022 (4-year final office effective 29 September 2022, according to the OGMS Resolution no. 6/10.08.2022)	29.09.2026
Chirlesan Dumitru	61 years	Physical Engineer	37 years	Non-executive temporary member of the Board of Directors	10.08.2022 (temporary office for a period of 4 months, according to the OGMS Resolution no. 6/10.08.2023)	10.12.2022
					09.12.2022 (temporary office until the date when the GMS is held)	
					15.02.2023 (final office according to Resolution no. 1/15.02.2023)	15.02.2027
George Sergiu Niculescu	44 years	Economist Legal Advisor	23 years	Non-executive temporary member of the Board of Directors	09.03.2022 (temporary office until the date when the GMS is held)	
					28.04.2022 (temporary office for 4 months, according to the OGMS Resolution no. 5/28.04.2022)	28.09.2022
					10.08.2022	29.10.2022



Name	Age (years)	Qualification	Professional experience (years)	Position	Date appointed	Office expiry date
					(temporary office for a period of 2 months, according to the OGMS Resolution no. 6/10.08.2023)	
					19.10.2022 (temporary office for a period of 4 months, according to the OGMS Resolution no. 10/19.10.2022)	19.02.2023
					15.02.2023 (final office according to Resolution no. 1/15.02.2023)	15.02.2027
					29.03.2023 (a mandate terminated <i>de jure</i> under the provisions of Article 13.1(g) of his contract of mandate concluded, reading that the contract comes to an end <i>de jure</i> when a case of incompatibility occurs or a prohibition provided by law becomes applicable)	
Vasilica Grajdan	50 years	Economist	32 years	Non-executive temporary member of the Board of Directors	27.09.2022 (temporary office until the date when the GMS is held)	
					19.10.2022 (temporary office for a period of 4 months, according to the OGMS Resolution no. 10/19.10.2022)	19.02.2023
					15.02.2023 (final office according to Resolution no. 1/15.02.2023)	15.02.2027

The members of the Board of Directors are elected by shareholders in the Ordinary General Meeting of Shareholders. The Company is not aware of any agreement, understanding or family ties between director(s) and another person, because of which the said person was appointed director.

## Information about other commitments and relatively-permanent professional obligations of the members of the Board of Directors

Name	Company	Position held	Period	Current position (Yes/No)
Elena Popescu	Ministry of Energy	Director General of the General Directorate for Energy Policies	September 2013 - Present	Yes
	Ministry of Energy	Advisor on nuclear energy and European affairs	February 2013 – September 2013	No
	Energionuclear S.A.	Chairman of the Board of Directors	2013 - Present	Yes
	Permanent Representation of Romania by the European Union	Advisor on nuclear affairs and energy international relations	August 2007 – February 2012	No
	OPCOM S.A.	Chairman of the Board of Directors	2015 - Present	Yes
	CEO	Member of the Supervisory Board	2016 – 2017	No
	CEH	Member of the Board of Directors	2015 – 2016	No
	CNU	Member of the Board of Directors	2015 – 2016	No
Remus Vulpescu	Romaero S.A.	Chief Executive Officer and member of the Board of Directors	2016 – 2020	No
	Cupru Min S.A. Abrud	Member of the Board of Directors	2016 - present	No
	Fortus S.A. Iasi	Special Administrator (insolvency proceedings)	2015 - Present	Yes
	Turnaround Management Association (USA)	Member	2015 - Present	Yes
	INSOL Europe	Member	2015 - Present	Yes
Teodor Minodor Chirica	S.N. Nuclearelectrica S.A.	Expert	October 2017 – December 2019	No
	S.C. EnergoNuclear S.A.	CEO	November 2013 – October 2017	No

Name	Company	Position held	Period	Current position (Yes/No)
Vasilica Grajdan	SNTGN "TRANSGAZ" SA	Human Resources Organization and Planning Director	2017 - Present	Yes
	Enel Romania	Human Resources Manager	2015-2017	No
George Sergiu Niculescu	Ministry of Energy	Secretary of State	2021 - Present	Yes
	S.N.G.N ROMGAZ S.A	Member of the Board of Directors	2021-2022	No
	S.C. CDG S.R.L.	CEO	2020-2021	No
	Prefect's Institution - Constanta	Prefect	2019-2020	No
	1st Class Inspector, Senior Rank	Eforie Municipality	2019	No
	S.C. COVASNA ESTIVAL 2002 S.A.	Business Manager	2012-2019	No
	S.C. CDG S.R.L.	General Manager, Director	2016-2019	No
	Constanta County Council	County Councillor	2016-2019	No
	S.C. OMB GRUP INVEST S.A.	Manager	2015-2019	No
	S.C. WE POWER TEAM S.R.L.	Director	2014-2017	No
	S.C. GSN INTER UNITED S.R.L.	Director	2001-2019	No
Chirlesan Dumitru	University of Pitești	Rector	2016 - Present	Yes
	University of Pitești, Department for Environmental Engineering and Applied Engineering Sciences	Lecturer, Ph.D.	2003 - Present	Yes
	University of Pitești, Center for Design of Sustainable Development Projects	Manager	2013 - Present	Yes
	SC CENTRINO AG SRL	Manager	2014 - Present	Yes
	European Commission by IBF International Consulting	European Expert	2011 – 2013	No
	European Commission by Centre International D'Etudes Pedagogiques	European Expert	2010 – 2012	No
	University of Pitești	Pro-rector	2004 – 2012	No
	University of Pitești	Associate Professor	2003 - Present	Yes
	Group for European Integration (GEI)	Chairman	2002 - Present	Yes
	Publishing House of the University of Pitești	Manager	2000 – 2004	No
	University of Pitești	Assistant Professor	1997 – 2003	No
	"Muntenia" Training Center	Executive Director	1995 – 2001	No
	Pitești University Foundation	Scientific Secretary	1995 – 2001	No

In accordance with the criteria laid down at Paragraph A4 of the BSE Corporate Governance Code, the members of the Board of Directors who have contractual relations with a shareholder holding more than 10% of the voting rights, as at 1 January 2016, are Elena Popescu (Director General of the Directorate for Energy Policies of the Ministry of Energy) and George Sergiu Niculescu (Secretary of State with the Ministry of Energy) and Mrs. Vasilica Grajdan (Director for Human Resources Organization and Planning with SNTGN "TRANSGAZ" SA).

As at 31 December 2022, Mr. Sergiu George Niculescu, member of the Board of Directors, holds 4,500 SNN shares.

As at 29 March 2023, SNN issued a Current Report under Article 234(g) of the FSA Regulation no. 5/2018 on the termination *de jure* of the non-executive director office of Mr. George-Sergiu Niculescu, effective 29 March 2023.

The notice of Mr. George-Sergiu Niculescu as to the termination *de jure* of his contract of mandate stems from stems from the provisions of Article 13.1(g) of his contract of mandate concluded with SNN, reading that the contract comes to an end *de jure* when a case of incompatibility occurs or a prohibition provided by law becomes applicable, since Mr. George-Sergiu Niculescu was appointed to sit as member in the Board of Supervisors of SPEEH Hidroelectrica SA, an office which is incompatible with the membership of SNN's Board of Directors. Mr. George-Sergiu Niculescu was appointed as member of SNN Board of Directors under the OGMS Resolution no. 1/15.02.2023, after a selection procedure performed in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, for a 4-year term of office.

### **Main duties and powers of the Board of Directors**

According to the Letter of Expectations issued by the Ministry of Energy, the vision of the line ministry and of the shareholders is reflected in 12 general objectives aligned with the vision, mission and values of SNN:

## **Values /General Objectives**

### **Professional excellence**

1. Ensuring an energy production at the level of the industry related standards being the first 25 % (top quartile - in WANO/INPO terminology) reactors in the world from the point of view of the capacity factor mediated during the commercial operation (“since in service“).
2. Achieving the planned physical production of fuel bundles, in accordance with the approved income and expenditures budgets, respectively with the manufacture plans of Pitești Nuclear Fuel Plant Branch.

### **Care for employees**

3. Continuously optimizing and increasing the efficiency of the organizational structure of the Company, developing and implementing the human resources strategy at the company level by reference to the activity volume, as well as to complexity of the investments projects developed.

### **Safety and sustainability**

4. Operation of nuclear units in nuclear safe and security conditions for the staff, population, environment and production assets.

### **Empathy and responsibility**

5. Consolidating the external communication strategy as the basis for a sustainable development, closely related to the acceptance and public support for nuclear energy in Romania.

### **Sustainable development**

6. Putting in place the organizational framework for the development of the group structure which should integrate all SNN subunits, branches and subsidiaries.
7. Capitalizing the electricity production, in conditions of economic efficiency and predictability.
8. Ensuring the financial performance of the Company in conditions of economic efficiency and medium-term and long-term sustainability.
9. Developing investment projects in compliance with the approved investments goals.
10. Implementation of projects to modernize, integrate and secure the information flow and IT infrastructure (hardware, software and cybersecurity).
11. Developing the internal control system within S.N. Nuclearelectrica S.A.
12. Compliance with the principles of corporate governance and the code of ethics and integrity.

The EGMS Resolution no. 4/26.04.2023 approved the transfer of the license for concession of the Tulghes – Grinties exploitation activity (Exploitation License no. 479/1999) from SNN-SA to Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara SRL.

The OGMS Resolution no. 5/05.07.2023 approved the amendment of the Implementation Strategy for the “Cernavodă NPP Tritium Removal Facility” Investment Project as a result of the update of the investment’s amount, based on the price increase indices between 2018 and 2022, and by including additional cost which had not been initially considered.

The same Resolution also approved the 2023-2027 Management Plan, as well as the Performance Indicators for the non-executive directors and the executive directors.

Under the OGMS Resolution no. 6/4.12.2023, transition from FEED Phase 1 to FEED Phase 2 in the Small Modular Reactors (SMR) Project was **approved**.

Under the EGMS Resolution no. 8/7.12.2023, conclusion by SNN of the financing agreement with the European Investment Bank (the “Agreement”), for the financing of the “Cernavodă NPP Tritium Removal Facility” Project was approved, with the following essential features:

• Value:	EUR 145 million
• Currency:	EUR
• Duration:	15 years, of which 4 years representing the grace period for the payment of the principal instalments
• Period of use:	36 months from the Agreement signing date
• Interest:	Fixed or Variable (at the Company’s choice)
• Analysis fee:	EUR 145,000 payable within 30 days from the Agreement signing date
• Non-use fee:	0.12% per year, payable after a period of 12 months from the Agreement signing date, being applicable to the undrawn amount of the loan
• Principal and interest rate repayments:	Equal semi-annual instalments

Under the EGMS Resolution no. 4/23.02.2022, the Investment Decision concerning the Refurbishment Project for Cernavodă NPP Unit 1 was approved based on the feasibility study, with the implementation of Enhanced Safety Scenario 2, as the optimal option for the refurbishment of Cernavodă NPP Unit 1.

By OGMS Resolution no. 6/10.08.2022, the continuation of the Project of Units 3 and 4 within Cernavodă NPP approved, respectively, the adoption of the Preliminary Investment Decision and entering Stage II – Preliminary Works, depending on the approval and conclusion of the Support Agreement between the Romanian State and SNN in relation to the Project of Units 3 and 4 within Cernavodă NPP, as well as the Approval of 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 Association of SNN and EN, and without exceeding the amount of EUR 185 million.

By OGMS Resolution no. 8/22.09.2022, the Strategy for implementation of NuScale Small Modular Reactors (SMR) Project was approved on Doicești site.

The EGMS Resolution no. 9/22.09.2022 approved the Investor's Agreement related to establishment of a new legal entity, organized a joint-stock company and aiming to develop the NuScale Small Modular Reactors (SMR) Project on the Doicești site, as well as the participation of the National Company “Nuclearelectrica S.A.” in the establishment of a new and of the Investors' Agreement in connection with establishment of a new legal entity, organized a joint-stock company, in accordance with the provisions of the Investor's Agreement.

By Resolution no. 10/19.10.2022, it was approved the Electricity Production Sales Strategy for the following 4 years pursuant to the provisions of the Government Emergency Ordinance no. 27/2022, as subsequently amended and supplemented.

**The Board of Directors of has the following duties and powers, which may not be delegated to the CEO:**

- ❖ To set the main business and development directions of the Company;
- ❖ To devise the accounting policies and the financial control system, as well as to approve the financial planning;
- ❖ To appoint and revoke the executive officers and determine their remuneration;
- ❖ To oversee the work of the CEO and the Executive Officers;
- ❖ To prepare the annual report, organization of the General Meeting of shareholders and implementation of its resolutions;
- ❖ To file for opening the insolvency proceedings for the Company, according to the Law no. 85/2006 on the insolvency proceedings;
- ❖ To approve changes in the scope of business, but not also to the main field of business and the core business if the Company.

As at 15 March 2021, the Board of Directors approved the updating of the Regulation for Organization and Functioning of the SNN’s Board of Directors.

**The Board of Directors also has the following duties:**

- ❖ Exercises control over the manner in which the Managing Director and the other Managers manage the Company;
- ❖ Endorses the income and expenditure budget;
- ❖ Approves the management plan issued by the Managing Director and /or by the other Managers;
- ❖ Within 30 days of appointment, it prepares and submits for approval by to the General Meeting of Shareholders a proposal of financial component for the administration plan in order to secure attainment of the financial and non-financial performance indicators, supplemented by the management component devised by executive officers;

- ❖ Checks whether the activity carried out in the name and on behalf of the Company is in accordance with the law, the Articles of Association and any relevant resolutions of the General Meeting of Shareholders;
- ❖ Orders ad hoc checks regarding the understanding of the nuclear security culture in the Company, relying on the information received from the responsible departments;
- ❖ Submits an annual report regarding the administration activity to the General Meeting of Shareholders;
- ❖ Represents the Company in the relationships with the Managing Director and with the Managers appointed;
- ❖ Reviews and endorses the quarterly, half-yearly and annual financial statements of the Company;
- ❖ Reviews and approves the Report of the CEO and the Reports of the Executive Officers;
- ❖ Proposes to the General Meeting the appointment and dismissal of the financial auditor and the minimum duration of the audit contract;
- ❖ Approves the mandate contracts of the Managing Director and of the Managers appointed establishing this way the organization modality of the managers' activity;
- ❖ Approves the people empowered to negotiate the Collective Bargaining Agreement with the representative unions and/or representatives of employees as well as the negotiation mandate granted to them;
- ❖ Approves the Collective Bargaining Agreement at the Company level;
- ❖ Approves the Organization and Functioning Regulations of the Board of Directors;
- ❖ Approves the activity programs (production, research– development, technological engineering, investments, etc.);
- ❖ Approves the strategy regarding the energy sales transactions of the Company;
- ❖ Approves any transaction of the Company with any of the companies which it has close relations with, the amount of which is equal to or higher than 5% of the net assets of the Company (according to the last financial report), based on an opinion of the Board's Audit Committee, and which is correctly disclosed to shareholders and potential investors, insofar as such transactions fall under the category of events subjected to reporting requirements;
- ❖ Approves the conclusion of any contract/document that triggers legal obligations for the Company (deeds of acquisition, alienation, exchange or pledge of assets within the category of fixed assets of the Company), whose value does not exceed, individually or cumulatively, during a financial year, 20% of the total fixed assets of the Company less the receivables, according to the competence limits provided for in the Annex to this Articles of Association;
- ❖ Approves leases of tangible assets, for a period of more than one year, whose individual or cumulative value related to the same co-contractor or persons involved or acting in a concerted manner does not exceed 20% of the total value of the fixed assets, less receivables at the date of conclusion of the legal act, as well as joint ventures for a period of more than one year, which do not exceed the same value;
- ❖ Approves the term of office of the representatives of Nuclearelectrica in the General Meeting of Shareholders S.C. Energonuclear S.A. for all decisions which fall within the competence of the General Meeting of Shareholders S.C. Energonuclear S.A. except for those for which a resolution of



the General Meeting of Shareholders of the Company is needed, according to the provisions of the Articles of Association.

The Board of Directors has the power to endorse/approve contracts, loans and various operations at the level of the Company, according to the limits of competence provided for in the Annex to the Articles of Association .

In 2023, the SNN Board of Directors was called to meet 43 times in order to take the decisions needed for administration of the Company in accordance with its respective duties and powers laid down in the Articles of Association of SNN, the Corporate Governance Regulation and the Regulation for the Organization and Conduct of the Board of Director's Meetings; all meetings were held by teleconference.

The majority of the meetings of the Board of Directors held by teleconference is due to implementation of all the necessary measures to avoid the spread of COVID 19 in the context of the pandemic.

Presence of the Board of Directors' members in the meetings held face-to-face and by teleconference, depending on the term of their office, including for revoked offices.

<b>Members of the Board of Directors</b>	<b>Meetings of the Board of Directors (43)</b>
Teodor Chirica	41/43
Cosmin Ghita	32/43
Elena Popescu	34/43
Remus Vulpescu	41/43
Dumitru Chirlesan	39/43
Vasilica Grajdan	42/43
George Niculescu	6/9

In accordance with the provisions of the Articles of Association of SNN, the Corporate Governance Regulation and the Regulation on the Organization and Conduct of the Board of Directors' Meetings, the members of the Board of Directors granted representation mandates to other members of the Board of Directors for the meetings they could not attend in person or by phone, thus ensuring representativeness and the quorum requirements. The meetings of the SNN Board of Directors are statutorily valid provided that the majority of its members is present.

As of 31 October 2019, the Secretary of the Board of Directors has been Ms. Oana Andrusca, Public Relations Specialist with SNN.

## **Remuneration of the members of the Board of Directors**

According to Article 37 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, the remuneration for the members of the Board of Directors of SNN is established by the General Meeting of Shareholders in the structure and within the limits provided by this ordinance.

The remuneration of the members of the Board of Directors shall consist of a fixed monthly allowance and a variable component consisting of a share in the net profit of the company, a pension scheme or another form of remuneration based on performance indicators.

The fixed monthly remuneration of the non-executive members of the Board of Directors may not exceed the average gross monthly salary for the last 12 months in the industry in which the company carries on its activity, communicated by the National Institute of Statistics prior to the appointment.

The fixed monthly remuneration of the executive members of the Board of Directors may not exceed 6 times the average gross monthly salary for the last 12 months in the industry in which the company carries on its activity, communicated by the National Institute of Statistics prior to the appointment.

The level of the variable component is determined according to the well-grounded recommendations made according to a comparative study about the remuneration conditions for the similar positions within majority state-owned companies in the same field of activity from Romania and other European countries, by the nomination and remuneration committee or, as the case may be, by the human resources recruitment experts whose services were contracted for the development of the procedure of selection of the members of the Board of Directors.

The general meeting of shareholders shall ensure, upon determination of the monthly fixed allowance of each member of the Board of Directors, that it is justified in relation to the specific duties, the responsibilities within certain consultative committees, to the number of meetings, objectives and performance criteria established in the mandate contract.

The variable component of the remuneration is granted depending on the cumulative achievement of the targets related to the key performance indicators set out in the mandate contract, as follows:

- a. The annual variable component is granted in a percentage of 100%, if the key performance indicators have a cumulative achievement rate equal to or greater than 100%;
- b. The annual variable component is granted in proportion to the months of activity of the last year of the term of office;
- c. The annual variable component is granted in a reduced percentage, pro-rata with the degree of attainment of the key performance indicators, when these cumulatively report, for the entire financial year, an attainment rate lower than 100%, but not lower of 75%. If the key performance indicators

report a cumulative attainment rate, for the entire financial year, below 75%, the annual variable component shall not be granted. The calculation formula is:

- $\text{PrICP} = 100\%$  results into  $\text{PrCv} = 100\%$
- $75\% \leq \text{PrICP} < 100\%$  results into  $\text{PrCv} = \text{actual PrICP} (\%)$
- $\text{PrICP} < 75\%$  results in  $\text{PrCv} = 0\%$

where: PrICP – percentage of attaining the Key Performance Indicator

PrCv – percentage of granting the variable component

d. The amount of the short-, medium- and long-term variable component shall be determined by applying the percentage rates set out in the mandate contract, resulting in the payable amount of the variable component for each year of mandate, according to the following algorithm:

#### Variable component - Calculation algorithm

Year 1 of the term of office - 80% for attainment of the objectives for year 1 of the term of office (on short-term) + 10% for attainment of the objectives for year 2 of the term of office (on medium-term) + 10% for attainment of the objectives for year 4 of the term of office (in the long run, at the end of office)

Year 2 of the term of office - 80% for attainment of the objectives for year 2 of the term of office (on short-term) + 10% for attainment of the objectives for year 2 of the term of office (on medium-term) + 10% for attainment of the objectives for year 4 of the term of office (in the long run, at the end of office)

Year 3 of the term of office - 80% for attainment of the objectives for year 3 of the term of office (on short-term) + 10% for attainment of the objectives for year 4 of the term of office (on medium-term) + 10% for attainment of the objectives for year 4 of the term of office (in the long run, at the end of office)

Year 4 of the term of office - 80% for attainment of the objectives for year 4 of the term of office (on short-term) + 10% for attainment of the objectives for year 4 of the term of office (on medium-term) + 10% for attainment of the objectives for year 4 of the term of office (in the long run, at the end of office)

The short-term variable component shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the time elapsed of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and then, within 15 days of

approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the aggregate percentage of attainment of the key performance indicators shall be reconciled.

When the cumulative percentage of attaining the key performance indicators determined for a quarter is below 75%, the granting of the annual variable component shall be suspended until the end of the financial year, and the difference shall be reconciled within 15 calendar days of approval by the General Meeting of Shareholders of the audited annual financial statements.

The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to the respective year of the term of office, provided for in the contract of mandate, that closes the analysis period of the medium-term goals.

The long-term variable component shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

If the cumulative percentage of achievement of the key performance indicators determined for a financial year is below 75% the grant of the quota of the medium-term and long-term variable component is suspended until the end of the financial year of the medium and long period respectively of the term of office, the difference to be settled within 15 calendar days as of date of approval by the General Meeting of Shareholders of the audited annual financial statements, for the medium and long period respectively of the term of office.

When the office comes to an end before expiry of the term of office, for reasons beyond the control of the Director, the variable component shall be granted accordingly until the last full month of the term of office.

If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director, the Company is entitled to claim, and the Director undertook under the contract of mandate to return the entire amount granted in that year representing the payment of the variable component corresponding to the year in which the term of office ended.

The key performance indicators and degree of achievement of indicators may be modified, as appropriate, in the following situations:

- a) Force majeure, as defined by the law;
- b) Other causes not attributable to the directors and which do not affect the achievement of the goals and targets set for the entire term of office.

Targets may be changed if the Income and Expenditure Budget approved according to the law and to the Articles of Association is amended.

The description, checking tool and target values of the key performance indicators are indicated in the mandate contract.

Financial performance indicators are checked by reference to the achieved values of these indicators as recorded in the company's financial accounting records.

The check method of the non-financial indicators is carried out by analysing the status of achievement of these indicators included in the Reports / Calculation formulas indicated in the mandate contract.

The variable component of the director's remuneration is reviewed annually, depending on the level of achievement of the objectives included in the management plan and the degree of fulfilment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders. The objectives and performance indicators of directors shall be determined depending on the shareholders' expectations and on the SNN development policy and shall be approved by the General Meeting of Shareholders.

The general limits of the executive officers' remuneration (executive officer for the purposes of Article 143 of Law no. 31/1990) are approved by the General Meeting of Shareholders; based on these general limits, the Board of Directors sets the amount of the executives' remuneration. The fixed remuneration of the executives with a mandate contract may not exceed 6 times the average gross salary due for the work rendered, according to the main object of activity registered by the Company, at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

As regards Mr. Teodor Minodor Chirica, on his appointment date, i.e. in the Ordinary General Meeting of 27 July 2020 until 28 September 2022, the monthly gross fixed allowance of the elected director was approved as equal to twice the last 12-month average of monthly gross average salary due for the work rendered according to the main scope of business registered by the Company, at class level according to the classification of activities in the national economy communicated by the National Institute of Statistics prior to appointment, plus the variable component amounting to 12 monthly fixed allowances determined based on the financial and non-financial performance ratios, as these were negotiated with the directors currently in office of the Company and approved by the Ordinary General Meeting of Shareholders by Resolution no. 3/10.04.2019.

Under the OGMS Resolution no. 6/10.08.2022, appointment of the following persons was approved: Teodor Minodor Chirica, Cosmin Ghita and Elena Popescu, effective 29 September 2022, for a 4-year term of office, according to the provisions of Article 29(1) of the Government Emergency Ordinance

no. 109/2011, as well as the monthly gross fixed allowance of the non-executive members of the Board of Directors, amount to two times the monthly gross average salary earnings due over the last 12 months for the work rendered according to the main scope of business registered by the company, at class level according to the classification of activities in the national economy communicated by the National Institute of Statistics prior to the appointment, and approval of the variable component of non-executive directors amounting to 12 monthly fixed allowances, plus the monthly gross fixed allowances of the executive member of the Board of Directors, amounting to six times the last 12-month average of the monthly gross average salary earnings for the work rendered according to the main scope of business registered by the company, at class level according to the classification of activities in the national economy communicated by the National Institute of Statistics prior to the appointment, and approval of the variable component of the executive director.

As to the renewal of the term of office of Mr. George Sergiu Niculescu, which came to an end on 28 August 2022, by 2 months, effective 29 August 2022, in accordance with the provisions of article 64<sup>1</sup>(3) and (5) of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, or until the date of acceptance of office by a director appointed in accordance with the provisions of Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, if the selection is completed before the indicated term, maintenance of the monthly gross fixed allowance for the temporary member of the Board of Directors and of the variable component, as approved under the OGMS Resolution no. 5/28.04.2022, was approved.

As to Mr. Dumitru Chirlesan, the OGMS Resolution no. ... approved his election as temporary member of the Board of Directors, effective of 10 August 2022, for a 4-month term of office, in accordance with the provisions of article 64<sup>1</sup>(3) and (5) the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, or until completion of the selection procedure of the directors selected in accordance with the provisions of Government Emergency Ordinance no. 109/2011, if selection is completed before the indicated term, and the monthly gross fixed allowance for the temporary member of the Board of Directors, of RON 15,057, i.e. equal to that of the latest director in office selected pursuant to the Government Emergency Ordinance no. 109/2011, as well as of a variable component determined in the very same way as that of the directors in office, at the level of the short-term component, and paid pro-rata with the term of the temporary office.

Under the OGMS Resolution no. 10/19.10.2022, Vasilica Grajdan, Vulpescu Remus Dumitru and Niculescu George Sergiu were appointed as temporary members, for a term of office of 4 months, pursuant to the provisions of Article 64<sup>1</sup>(3) and (5) of the Government Emergency Ordinance no. 109/2011, and the monthly gross fixed allowances of the temporary members of the Board of Directors, of RON 17,926, i.e. equal to that of the directors the office of whom was renewed according to the OGMS Resolution no. 6/10.08.2022, plus a variable component determined in the very same way as for the directors in office, at the level of the short-term component, and paid pro-rata with the period of the temporary office, were approved.

Under the OGMS no. 1/15.02.2024, four non-executive members of the Board of Directors of S.N. Nuclearelectrica S.A. were approved effective 15 February 2023 for a 4-year term of office, pursuant to the provisions of Article 29(1) of the Government Emergency Ordinance no. 109/2011, namely: Mr. Vulpescu Remus, Mr. Chirlesan Dumitru, Mr. Niculescu Sergiu and Mrs. Grajdan Vasilica. Also, the same resolution also included approval of the form of the contract of mandate and the fixed allowance of the new non-executive directors in the Board of Directors, at the same level as the allowance approved by item 6 of OGMS Resolution no. 6/10.08.2022, for non-executive directors whose term of office was renewed, *i.e.* the monthly gross value of RON 17,926 and approval of the variable component of newly appointed non-executive directors amounting to 12 monthly gross fixed allowances.

Under the OGMS Resolution no. 5/05.07.2024, commencement of the procedure for selection of a non-executive member of the Board of Directors of Societatea Nationala Nuclearelectrica S.A., a vacant position, was approved in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, as well as authorization of SNN's Board of Directors to run selection of a non-executive member to the SNN's Board of Directors, a vacant position;

As at 29 March 2023, SNN issued a Current Report under Article 234(g) of the FSA Regulation no. 5/2018 on the termination *de jure* of the non-executive director office of Mr. George-Sergiu Niculescu, effective 29 March 2023.

The notice of Mr. George-Sergiu Niculescu as to the termination *de jure* of his contract of mandate stems from stems from the provisions of Article 13.1(g) of his contract of mandate concluded with SNN, reading that the contract comes to an end *de jure* when a case of incompatibility occurs or a prohibition provided by law becomes applicable, since Mr. George-Sergiu Niculescu was appointed to sit as member in the Board of Supervisors of SPEEH Hidroelectrica SA, an office which is incompatible with the membership of SNN's Board of Directors. Mr. George-Sergiu Niculescu was appointed as member of SNN Board of Directors under the OGMS Resolution no. 1/15.02.2023, after a selection procedure performed in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, for a 4-year term of office.

Detailed information about the remuneration of directors and executive officers in 2023 can be found in the Report of the Nomination and Remuneration Committee, enclosed to this Report.

### 10.3.2. EXECUTIVE MANAGEMENT

The Board of Directors delegates the management of the Company to one or more Executive Officers, naming one of them as CEO. The CEO represents the Company in relations with third parties and before the courts of law. The CEO is responsible for taking all measures related to the management of the Company, within the scope of the Company's business and observing the exclusive powers reserved under the law or the Articles of Association to the Board of Directors and to the General Meeting of Shareholders. The Board of Directors can delegate, under a duly passed resolution, one or more of the powers mentioned at the previous paragraph (and which can be delegated) to the CEO.

The CEO of SNN has, according to the Articles of Association, the following duties and powers:

- ❖ To steer and coordinate the entire business of the Company;
- ❖ To carry through the resolutions of the General Meeting of Shareholders and the resolutions of the Board of Directors passed and adopted in accordance with the powers reserved thereto;
- ❖ To apply the development strategies and policies of the Company;
- ❖ To select, hire, promote and fires the Company's employees;
- ❖ To appoint, suspend or revoke the persons sitting in the management of subunits, and to set their remuneration;
- ❖ To negotiate and conclude, in accordance with the law, individual employment agreements;
- ❖ To execute legal instruments, for and on behalf of the Company, whereby to acquire, dispose of, lease/rent, exchange or pledge as security assets of the Company, and the execution of which does not fall under the scope of the approval powers of the General Meeting of Shareholders or, as the case may be, of the Board of Directors;
- ❖ To execute any other instruments creating an obligation of the Company towards third parties, and the execution of which does not fall under the scope of the approval powers of the General Meeting of Shareholders or, as the case may be, of the Board of Directors, according to the limits of powers set out in an Annex to the Articles of Association;
- ❖ To approve investment projects according to the powers set out in an Annex to the Articles of Association;
- ❖ To devise and submit for approval by the Board of Directors the financial statements, as well as the distribution proposal concerning the profit resulting from the balance sheet of the financial year, which they intend to present to the General Meeting of Shareholders;
- ❖ To devise and submit for clearance by the Board of Directors the draft budget of the Company, which is to be submitted for approval by the General Meeting of Shareholders;
- ❖ To submit for clearance by the Board of Directors the materials due to be submitted for approval by the General Meeting of Shareholders;
- ❖ To approve, together with the other Executive Officers, and submit for clearance/approval by the Board of Directors the activity programmes (production, research and development, technological engineering, investments, etc.);
- ❖ To determine the duties and responsibilities of the Company's staff, on departments;



- ❖ To approve the collection and payment operations according to the legal powers and the provisions of the Articles of Association;
- ❖ To authorize the Executive Officers or any other person to exercise any power granted to them;
- ❖ To approve the delegations of powers for the Executive Officers and the persons sitting in the management of subunits, in order to carry out the Company's operations;
- ❖ To approve the powers and duties of the subunits of the Company;
- ❖ To approve the organizational structure of the Company and the number of positions, the rules for establishment of the functional and production departments, as well as the Company's Organization and Functioning Regulation and Internal Regulation;
- ❖ To set and approve the environmental protection and work safety policies, according to legal provisions;
- ❖ To approve the regulatory documents and regulations applicable to the Company's activities;
- ❖ To determine on the marketing tactics and strategy;
- ❖ To carry out any other duties provided in the regulatory acts, the Company's Articles of Association, the resolutions of the Board of Directors and the resolutions of the General Meeting of Shareholders;
- ❖ To address any other issue that the Board of Directors assigned to them.

The position of CEO of S.N. Nuclearelectrica S.A.: was occupied under a mandate contract further to the Resolution of the Board of Directors no. 2 of 4 February 2019 whereby Mr. Cosmin Ghita was appointed to this position for 4 years, effective 11 January 2019. This resolution was made based on the Recommendation of the Nomination and Remuneration Committee dated 22 January 2019.

Under the Resolution of the Board of Directors no. 154 of 10 August 2022, renewal of the SNN CEO office was approved for 4 years, effective 12 February 2023 (the expiry date of the current office was 11 February 2023), based on the Recommendation of the Nomination and Remuneration Committee registered under no. 9220/09.08.2022.

The Position of Cernavodă NPP Manager: After completion of the internal selection procedure, the position of Cernavodă NPP Branch Manager is taken over by Mr. Valentin Ovidiu Nae effective 19 October 2020. At the end of 2022, the position of Executive Officer of Cernavodă NPP Branch is held by Mr. Valentin Ovidiu Nae.

Position of NFP Pitești Branch Manager: Effective 17 October 2019, the position of NFP Pitești Branch Manager has been occupied by Mr. Sorin Popescu, under the CEO Decision no. 345 of 17 October 2019.

Under the SNN Decision no. 101/01.03.2022, Mr. Popescu Adrian Sorin is employed with a 12-month fixed-term individual employment agreement (1 March 2022 - 28 February 2023).

Under the SNN Decision no. 100 of 1 March 2023, the open-ended individual employment agreement of Mr. Popescu Adrian Sorin ceases further to being served the retirement decision.

Under the SNN Decision no. 103/27.02.2023, the individual employment agreement came to an end further to the expiry of the term this had been concluded for, *i.e.* until 1 March 2023.

Under the SNN Decision no. 105/27.02.2023, effective 2 March 2023, Mr. Gheba Florin Ovidiu is reemployed to the position of Branch Manager. Under the SNN decision no. 240/19.06.2023, effective 19 June 2023, the individual employment agreement of Gheba Florin Ovidiu ceases with the consent of the parties.

Effective 19 June 2023, the position of NFP Pitești Branch Manager was held by Mr. Andrei Musetoiu under the Decision no. 243/19.06.2022 until 18 December 2023, and following the Decision no. 507/14.12.2023, Mr. Andrei Musetoiu was appointed to the position of NFP Pitești Branch Manager, effective 19 December 2023.

Under the Resolution of the Board of Directors no. 22/10.02.2022 and based on the recommendation of the Nomination and Remuneration Committee, Mr. Dan Niculaie Faranga was appointed as temporary CFO, with a term of office of 4 months, effective 11 February 2022 and until including 10 June 2022, with the possibility of renewal for good reasons by not longer than 6 months, pursuant to Article 64<sup>2</sup> of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented.

Under the Resolution of the Board of Directors no. 115/10.06.2022, renewal of the current CFO office in Societatea Nationala Nuclearelectrica S.A. was approved for a 2-month period, effective 11 June 2022.

Under the Resolution of the Board of Directors no. 153/10.08.2022 and based on the recommendation of the Nomination and Remuneration Committee no. 9221/09.08.2022, Mr. Dan Niculaie - Faranga was appointed as temporary CFO, with a term of office of 4 months, effective 12 August 2022 and until including 12 December 2022, with the possibility of renewal for good reasons by not longer than 6 months, pursuant to Article 64<sup>2</sup> of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented.

Under the Resolution of the Board of Directors no. 238/29.11.2022, renewal of the mandate contract no. 86/10.08.2022 of the CFO in office of Compania Nationala Nuclearelectrica S.A. was approved for a 2-month period, effective 13 December 2022.

Under the Resolution of the Board of Directors no. 30/13.02.2023, based on the recommendation of the Nomination and Remuneration Committee, Mr. Dan Niculaie-Faranga was appointed to the position of provisional Chief Financial Officer for a 4-month term of office, effective 14 February 2023, however without exceeding the date when a Chief Financial Officer would be appointed for a 4-year term of office further to completion of the CFO selection procedure pursuant to the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, provided that this selection comes to an end before the set term.

Appointment of Mr. Dan Niculae-Faranga to the position of provisional Chief Financial Officer is made in compliance with the provisions of Article 642 of the Government Emergency Ordinance no. 109/2011, which read that, where the management duties of the public enterprise have been delegated to executive officers, and the executive officer position(s) remain(s) vacant, the Board of Directors may appoint a provisional executive officer pending completion of the selection procedure, according to the provisions of the Government Emergency Ordinance no. 109/2011. The term of office is of 4 months, with possibility of renewal, for good reasons, up to a maximum of 6 months.

Under the Resolution of the Board of Directors no. 103/03.05.2023, Mr. Dan Niculaie Faranga was appointed to the position of Chief Financial Officer, for a 4-month term of office, effective 3 May 2023. Mr. George-Sergiu Niculescu was appointed to the position of Chief Financial Officer for a 4-year term of office further to performance of the selection procedure in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, with independent expert assistance.

The Chief Financial Officer carries out his activity under the subordination of the Chief Executive Officer and the Board of Directors.

According to the chart flow of SNN, approved by Resolution of the Board of Directors, the position of Deputy CEO with Contract of Mandate was reorganized into the position of Deputy Chief Corporate Services Officer, based on individual employment agreement and passed from the direct coordination of the Board of Directors to the direct coordination of the CEO of SNN. Also, two positions were created, i.e., Deputy Chief Business and Development Officer and Deputy Chief Operations Office, both to be occupied based on an individual employment agreement, directly reporting to the SNN's Chief Executive Officer.

The three positions of Deputy CEO are intended at rendering the SNN activities and processes more efficient, given the complexity and length in time of the investment projects, diversification of the human resources strategy, the procurement processes and the effective performance the stages of the investment projects. Effective 1 February 2022, the three positions are occupied in accordance with the legal provisions and the Collective Bargaining Agreement applicable within the company, by SNN staff. The position of Chief Corporate Services Officer is held by Mrs. Laura Constantin, previously the Director of the Legal Department of SNN and involves the coordination of procurement, legal, human resources, communication and compliance processes. The position of Deputy Chief Business and Development Officer is held by Mrs. Melania Amuza, previously the Director of the Investment Directorate of SNN and involves the coordination of investment processes, electricity transactions and mining licenses, and the position of Deputy Chief Operations Officer is held by Mr. Romeo Urjan, previously the Director of the Operations Directorate and involves the coordination of operation activities, production, independent assessment of nuclear safety, fuel, security, management systems and process analysis.

Effective 1 October 2023 the Individual Employment Agreement of Mrs. Melania Amuza, as Deputy Chief Commercial and Development Officer of SN Nuclearelectrica SA, ceases as a result of the

appointment of Mrs. Melania Amuza as General Director of RoPower Nuclear SA, the project company for the development of the Small Modular Reactors (SMR) Project, owned by Nuclearelectrica and Nova Power & Gas, effective 1 October 2023.

Effective 1 September 2022, the position of Deputy Chief Operations Officer was held by Mr. Marian Serban, under an Individual Employment Agreement according to the organizational structure of SNN, as approved by Resolution of the Board of Directors, and under the direct coordination of the CEO of SNN. Mr. Romeo Urjan held this position until 1 September 2022.

Effective 1 May 2023, the Individual Employment Agreement of Mr. Marian Serban came to an end with the consent of the parties. The position of Deputy Chief Operating Officer is held under an Individual Employment Agreement according to the organizational structure of SNN, as approved by Resolution of the Board of Directors, and placed under the direct coordination of SNN CEO.

Since the position of Deputy Chief Operating Officer became vacant and given the need to provide coordination for the subordinated units, Mr. Alexandru Visan, Senior Expert with the Independent Evaluation Functional Department, was appointed by delegation as Deputy Chief Operating Officer, under the CEO Decision no. 168/25.04.2023, effective 1 May 2023 and until including 31 July 2023. Also, according to the Decision no. 296/27.07.2023, Mr. Alexandru Visan was appointed Deputy Chief Operating Officer for the period 1 August 2023 - 31 April 2024.

### Persons sitting in the Executive Management

First name and last name	Position	Start date	End date
Cosmin Ghita	CEO Mandate of 4 years.	Appointment for a 4-year office, effective 11 February 2019.	11.02.2023
		Appointment for a 4-year office, effective 12 February 2023.	12.02.2027
Dan Niculaie-Faranga	Chief Financial Officer	Temporary appointment to a 4-month office, effective 11 February 2022	11.06.2022
		Renewal of mandate contract by 2 months, effective 11 June 2022	11.08.2022

First name and last name	Position	Start date	End date
		Temporary appointment to a 4-month office, 12 August 2022	12.12.2022
		Renewal of temporary office by 2 months, 13 December 2022	13.02.2023
		Provisional mandate appointment for 4 months 14.02.2023	14.06.2024
		Number of simultaneous offices 03.05.2023	03.05.2027
Valentin Nae	Cernavodă NPP Branch Manager	19.10.2020 (appointment as Cernavodă NPP Branch Manager after competition)	N/A
Sorin Popescu	NFP Pitești Branch Manager (employment agreement)	17.10.2019 (appointment by delegation of a 6-month period)	17.04.2020
		17.04.2020 (renewal of delegation by 3 months)	17.07.2020
		18.07.2020 (appointment as NFP Pitești Branch Manager after competition)	01.03.2023
		01.03.2022	28.02.2023
Florin Gheba	NFP Pitești Branch Manager	02.03.2023	19.06.2023
Andrei Musetoiu		19.06.2023	

First name and last name	Position	Start date	End date
	Interim Manager of NFP Pitești Branch	(appointment by delegation of a 6-month period)	18.12.2023
		19.12.2023 (appointment as NFP Pitești Branch Manager after competition)	N/A
Laura Constantin	Deputy Chief Corporate Services Officer	01.02.2022	N/A
Melania Amuza	Deputy Chief Commercial and Development Officer	01.02.2022	1 October 2023, the Individual Employment Contract comes to an end further to appointment to the position of General Manager of RoPower Nuclear SA
Marian Serban	Deputy Chief Operating Officer	01.09.2022	1 May 2023, the Individual Employment Agreement of Mr. Marian Serban came to an end with the consent of the parties.
Alexandru Visan	Deputy Chief Operating Officer	1.05.2023	31.07.2023
		1.08.2023	31.04.2024

The Company is not aware of any agreement, understanding or family ties between a member of the executive management and another person, because of which the said person was appointed member of the executive management.

As at 31 December 2023, the members of the executive management do not hold any shares in SNN.

On the date of this Report, the Company is not aware of the existence of any disputes or administrative proceedings against the members of the Board of Directors and/or of the executive management in

connection with their activity in SNN or which concern the capacity of the person concerned to carry out their duties in the issuer's organization.

#### **10.4. ADVISORY COMMITTEES**

According to the Articles of Association of the Company and in accordance with Government Emergency Ordinance no. 109/2011, the Board of Directors of SNN established 4 advisory committees, formed by at least 2 members of the Board of Directors.

##### **Nomination and Remuneration Advisory Committee**

The Committee was established in accordance with Article 34 of the Government Emergency Ordinance no. 109/2011, under Resolution no. 7 of the Board of Directors of 26 April 2013.

##### **Audit Advisory Committee**

The Committee was established in accordance with Article 34 of the Government Emergency Ordinance no. 109/2011, under Resolution no. 8 of the Board of Directors of 30 April 2013.

##### **Nuclear Safety Advisory Committee**

This Committee was established in accordance with Article 34 of the Government Emergency Ordinance no. 109/2011, under Resolution no. 27 of the Board of Directors of 26 August 2013.

##### **Strategy, Development and Large Investment Projects Advisory Committee**

This Committee was established in accordance with Article 34 of the Government Emergency Ordinance no. 109/2011, under Resolution no. 27 of the Board of Directors of 26 August 2013.

The Advisory Committees are tasked with performance of analyses and making recommendations for the Board of Directors, in specific fields, and are under obligation to regularly submit activity reports to the members of the Board of Directors.

The key responsibilities of the Advisory Committees are provided in their respective Organization and Functioning Regulations approved by the Board of Directors, and are available on the SNN website.

Each Advisory Committee has been appointed a secretary and a chairman.

The chairmen of the Advisory Committees are the following directors:

Nomination and Remuneration Advisory Committee	Teodor Chirica
Audit Advisory Committee	Remus Vulpescu
Nuclear Safety Advisory Committee	Teodor Chirica
Strategy, Development and Large Investment Projects Advisory Committee	Elena Popescu

## Audit Advisory Committee

The role of the Audit Advisory Committee is to provide assistance to the Board of Directors in carrying out its internal audit duties, and performs an advisory function concerning the Company's strategy and policy on internal control system, internal audit and external audit, financial reporting, assessment of conflicts of interests, and risk management system control.

From a functional point of view, the Audit Advisory Committee reports directly to the Board of Directors. In SNN, there is an Internal Audit Department responsible for managing the internal audit activity at Company level, which functionally reports to the Board of Directors (through the Audit Advisory Committee), and administratively reports to the CEO (through the Audit and Risk Management Directorate it is a part of).

The main duties of the Audit Advisory Committee include analysis, monitoring, supervision and facilitation functions, as follows:

- ❖ Clearance of the multi-year internal audit plan and of the regulatory documents prepared by the Internal Audit Department;
- ❖ Monitoring application of the legal standards and internal audit standards, and maintaining the authority, independence and impartiality of internal auditors;
- ❖ Regular examination the effectiveness of the internal control and the risk management system;
- ❖ Monitoring the Company's compliance with the provisions of the legal framework, the Articles of Association and applicable internal regulatory documents;
- ❖ Review and approval of the activity reports of the Internal Audit Department, and the transactions with related parties;
- ❖ Monitoring the accuracy and reliability of the financial information supplied to the Company's management and external users;
- ❖ Supervision of the work of internal auditors and financial auditors;
- ❖ Approval or proposals for approval made to the supervisory bodies or shareholders regarding appointment, remuneration and revocation of the financial auditor;
- ❖ Making sure that the governing bodies take the necessary remedial measures to address the identified deficiencies;
- ❖ Preparation and submission of proposals, recommendations (concerning the Company's internal control, internal audit and financial audit strategy and policy), or reports, at the request to the Board of Directors.

In 2023, the Audit Advisory Committee met in 6 meetings, the agendas of which concerned topics falling under the scope of their duties and powers, including:

- ❖ Reports on the 2022 annual results of the Audit and Risk Management Directorate and of the Compliance Office;
- ❖ Reports on the work and results of internal audit assignments in the years 2022-2023, including assessment of the System of Internal Controls on Financial Reporting process;



- ❖ Regular briefings on the follow-up status of the internal audit measures;
- ❖ Briefings on the SNN Quarterly Risk Management Reports;
- ❖ Annual and Multi-Annual Internal Audit/Anti-Fraud/Risk Management Plan;

As to management of conflicts of interest, each member of the Board of Directors makes sure they avoid of any direct or indirect conflict of interest with the Company, and should such a conflict occur, they will abstain from the debates and casting their vote on the that matters, in accordance with the legal provisions in force.

In order to ensure the propriety of the transactions with the related parties, the members of the Board of Directors apply including the following criteria, but not only these:

- ❖ Maintaining the powers of the Board of Directors or GMS, as the case may be, to approve the most important transactions (according to the Annex to the Articles of Association concerning the limits of powers);
- ❖ Asking for a prior opinion on the most important transactions from the internal control structures;
- ❖ Entrusting the negotiations on these transactions to one or more independent directors, or to directors not related to the parties involved;
- ❖ Seeking the opinion of independent experts.

The transactions concluded in 2023 with the affiliated parties and reported to the Romanian stock market authorities and the SNN shareholders, based on the provisions of Law no. 24/2017, did not raise any issues related to conflicts of interest involving the directors and executive officers of SNN.

The internal audit planning is carried out further to an extensive risk assessment process (e.g.: talks with heads of departments, results of the activities of the other monitoring departments, reports of control bodies external to the Company, results of previous audit reports). The Audit Advisory Committee assessed the internal control system based on questionnaires and the management internal control standards implementation status assessment report, and confirmed that the internal management control complied with the standards laid down in the Order no. 600/2018.

More information about the internal audit activity can be found in Sub-Chapter *10.6.5. Audit and Risk Management Directorate*.

### **Nuclear Safety Advisory Committee**

The Nuclear Safety Committee provides the Board of Directors with assistance and/or independent assessment in the field of nuclear safety and environmental protection, and makes written recommendations in this regard.

The main duties of the Nuclear Safety Advisory Committee are provision of advice/assessment, in areas such as:

- ❖ The strategic nuclear safety options of the Company, taking into account the current situation and the regulatory framework applicable to the operating activities of Cernavodă NPP;
- ❖ The conclusions drawn from the review of design studies and their impact on systems, structures and components with critical nuclear safety functions;
- ❖ The fundamental nuclear safety and radiation protection decisions made in the Company and its two branches;
- ❖ The framework and main criteria to be adopted for nuclear safety and for the quality management and assurance system;
- ❖ The conclusions of the impact studies concerning all types of environmental emissions;
- ❖ The nuclear safety, public health and environmental protection criteria applied in relations with sub-contractors and suppliers;
- ❖ The development and implementation of nuclear safety culture training programmes for the Company's staff;
- ❖ The general policy and regulations concerning the staff and the competence requirements in the operation of the Company's assets;
- ❖ Inspection of structures and components with critical safety function;
- ❖ Independent control processes on nuclear safety and radiation protection issues, related to the specific activities of the Company;
- ❖ The permitting and licensing process;
- ❖ Reviews of reports on the operational events/incidents with a potential impact on nuclear safety or staff radiation protection;
- ❖ Review of any report on nuclear safety prepared in the Company;
- ❖ Any matter on which the Board of Directors deems necessary to consult the Nuclear Safety Advisory Committee.

The Nuclear Safety Advisory Committee met in 3 ordinary meetings and three extraordinary meetings times in 2023, in February, April May, August, November and December.

### **Strategy, Development and Large Investment Projects Advisory Committee**

Strategy, Development and Large Investment Projects Advisory Committee

The membership of the Strategy, Development and Large Investment Projects Advisory Committee (SDLIPAC) is as follows: Mrs. Elena Popescu, as Chairwoman, and Messrs. Teodor Chirica and Cosmin Ghita, as members.

According to its own regulations, the Committee for Strategy, Development and Large Investment Projects conducts analyses and issues recommendations for the Board of Directors of SNN on:

- ❖ The global development, retrofitting, upgrading, and economic and financial restructuring strategy of the Company, as well as the main development directions, the strategic objectives of the Company and the ways of attaining them.

❖ Approval and implementation by the Board of Directors of large investment projects (projects the estimated amount of which exceeds EUR 5 million), further to a review of the specific documentation.

In 2023, the Strategy, Development and Large Investment Projects Advisory Committee met in an extended meeting held in May to review the status of particularly important projects, namely:

❖ CTRF project - the status of the project on the date of the Advisory Committee's meeting was presented, as well as the outlooks against the project's implementation timeline, with a focus on the award of the EPC contract in the summer of 2023, *i.e.* issuance of the Environmental Agreement in January 2023 was confirmed, and for the building permit, reference was made to approval by CNCAN of the Strategic Nuclear Safety Analysis and Assessment Programme was, with the documentation due to be issued in Q4 2023.

Presentation of this investment project concluded with reiteration of the next steps for 2023: sign the EPC contract; commence the detailed design and initiate procurement of the long manufacturing time components by the Contractor; and obtain the building permit and commence the works in Q1 2024.

❖ Spent Fuel Intermediate Storage (DICA) Project – the current status of the project was presented in the meeting of the Advisory Committee, based on the agreed phasing. In this respect, the high completion rate of the works for the MACSTOR 200 modules 12-17, the evolution of the design and build services for extension of the technical physical protection system (M9-M17), and the progress made on the study intended to extension of the modules' service lifetime were highlighted.

The presentation of this project concluded by reiteration of the next steps:

- Complete Modules M15-17 ahead of schedule;
- Completion the documentation to initiate procurement of the physical protection system;
- Contract the study for extension of the service lifetime of the DICA modules;
- Implement of the transition strategy to the MACSTOR 400 modules.
- Have the environmental agreement issued by the end of 2024.

❖ Unit 1 Refurbishment Project – the materials introduced and the discussions in the Advisory Committee tackled two important dimensions, building on the current status of the project and by reference to its phasing, *i.e.* the relevant activities set for Phase 2 (Preparation for Refurbishment), which is in scheduled for the period April 2022 – December 2026, as follows:

- contract services for Project Management, technical assistance, consultancy and training of staff required for preparation and implementation of the project – highlight the scope of the procurement, given the scale of this investment project and its particular of technical complexity. In this regard, the need to hire specialized services to coordinate and supervise Phases 2 and 3 was highlighted. The qualification criteria for economic operators were presented, with a localized focus on performance of similar projects for CANDU units over the last 3 years; therefore, two potential organizations, with recent experience in provision of such services were identified, and the contracting strategy for procurement of services was presented.

- signing the contract for procurement of reactor components and refurbished retubing tools and project risks treatment – the activities and objectives specific to this investment project, the steps to be taken next, and the risks already occurred or expected in the future were presented, together with ways to address them, and the Advisory Committee provided guidance on the conduct of the negotiations and attainment of the set objectives.

Having reviewed the work of the Committee for Strategy, Development and Large Investment Projects, we believe that it allowed the outlining/crystallization of a consistent and structured approach to the strategic directions of development of SNN.

## **10.5. RIGHTS OF SHAREHOLDERS**

All holders of financial instruments issued by SNN of the same type and class of securities benefit from equal treatment, and the Company constantly makes sustained efforts to produce an effective, active and transparent communication so as to allow the exercise of rights in a fair manner.

All holders of SNN shares are treated fairly. All shares issued entitle their respective holders to equal rights; any change in the rights granted by them will be subject to approval of the holders directly affected, in special meetings of such holders.

SNN makes every effort to facilitate the participation of shareholders in the work of the General Meetings of Shareholders, the dialogue between shareholders and the members of the Board of Directors and/or the management, as well as the full exercise of their rights. Participation of shareholders in the work of the General Meetings of Shareholders is fully encouraged, and the shareholders who cannot take part the meetings are given the possibility of voting in absentia, based on a special power of attorney, by postal vote or by special or general power of attorney.

The Company has created a special section, called "Investor Relations", on its own website, where the relevant information about procedures on the access to, and participation in, the General Meeting of Shareholders, the convening of the GMS, the supplements to the GMS agenda, the answers of the Board of Directors to the questions asked by shareholders, the current reports, the financial statements of the Company, the exercise of voting rights in the GMS, the materials on the GMS agenda, the special power of attorney templates, the financial timetable, the corporate governance, etc. of the Company, are permanently updated and accessible, thus contributing to a transparent and fair information of all interested parties.

SNN has also set up a specialized organizational structure for the management of the capital market activity, i.e. the Department for Communication, Sustainability and Investor Relations, which will be address specifically the relationship with investors and shareholders. The staff of the department is permanently trained/occupationally educated on the matters that concern the Company's relationship with its shareholders, the principles of corporate governance and management, and the relationship with customers.

**The key rights of shareholders in respect to the General Meeting of Shareholders are:**

*(a) Right to a minimum notice period*

The Company's shareholders are informed about a future meeting of shareholders via the call/convening notice published in the Official Gazette of Romania and in a national newspaper at least 30 days before the meeting's date; also, the convening is published on the Company's website, under the "Investor Relations" section, and is sent also to the Financial Supervision Authority and the Bucharest Stock Exchange in the form of a current report.

*(b) Right of access to information*

SNN publishes the required documents and information on its website to ensure that all its shareholders make an informed exercise of their rights.

*(c) Right to supplement the meeting's agenda*

SNN shareholders who individually or together with other shareholders represent at least 5% of the share capital may ask that additional items are added to the agenda, subject to, and in accordance with, the provisions of the applicable legislation.

*(d) Right to participate in the meeting*

The shareholders who, on the reference date, are entered in the list of SNN shareholders received from the Central Depository have the right to participate, in person or through a proxy, in the General Meetings of the Company's Shareholders.

*(e) Voting rights*

The Company's share capital is represented by ordinary shares that entitle to one voting right for each share entered in the shareholder's name on the reference date.

*(f) Right to ask questions*

Any Company shareholder can ask written questions about the items on the agenda of the General Meeting of Shareholders and has the right to receive answers from SNN.

Shareholders have the right to effectively participate and vote in the GSM, as well as to be informed about the rules, including the voting procedures, that govern the GMS. Each share entitles to one voting right and one dividend. There are no preferential shares without voting rights or shares that entitle their respective holders to more than one vote.

## **10.6. TRANSPARENCY, FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT**

### **10.6.1. MANAGEMENT INTERNAL CONTROL**

#### Internal/management control organization

Due to the diversity of the activities carried out (production of nuclear fuel, generation of electricity and heat from operation of the nuclear units, sale of energy, public procurement, stock exchange activity, etc.), S.N. Nuclearelectrica S.A. has one of the most complex internal control environments, with an organizational culture focused on excellence, which aims to ensure supervision in the entity in all essential respects.

The management of S.N. Nuclearelectrica S.A. is directly involved in implementation and continuous improvement of the management internal control system (SCIM), ensuring the organizational framework and allocating resources for the SCIM development, and for assimilation of the good international practices of the industry, as a foundation for a systemic and transparent administration of the organization and the basis for attainment of the objectives under of regularity, effectiveness, economy and efficiency conditions.

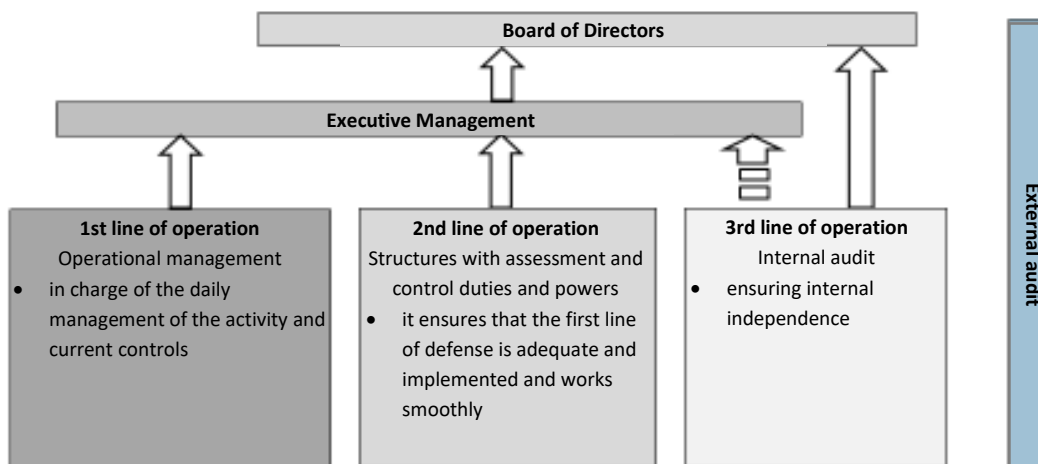
The organizational model of SNN aims to ensure compliance with legal requirements of segregation and independence of the defence levels, assimilation of the good practices and international internal control standards defined under the COSO model - Committee of Sponsoring Organizations of the Treadway Commission - Internal Controls Framework - focused on improving the quality of financial reporting by advancing business ethics, an effective internal control and corporate governance.

Thus, in SNN, implementation and application of the internal control standards aim to ensure the corporate governance principles, as well as genuine bases for improving economic efficiency and, implicitly, the value of the company and the investment climate and increasing the level of transparency and trust, for the benefit of all stakeholders: shareholders, business partners, employees.

In S.N. Nuclearelectrica S.A., the internal/management control system is organized and adjusted to the particulars and size of the Company, considering the specifics of the organization and functioning legal framework, as well as the management internal control system, linked with the management systems put in place in SNN (Headquarters and branches), so as to ensure observance of all applicable legal requirements, rules and standards (the Order of the Secretariat General of the Government (OSGG) no. 600/2018, Law no. 111/1996, CNCAN Rules etc.).

According to the best international practices and in line with the principles advanced by the Secretariat General of the Government under OSGG no. 600/2018, SNN has implemented and developed the "3 lines of defence" model:

#### Organization of the Internal Control System within SN Nuclearelectrica SA



Where:

- the first line is represented by the operational management, in charge of the daily management of the activity and current controls;
- the second line of defence is represented by the structures that have assessment and control duties and powers, to ensure that the first line of defence is adequate and implemented and works smoothly. These organizational units enjoy a certain degree of independence from the first line of defence, and can also intervene directly to make changes to, and develop the control, management and risk management systems;
- the third line of defence, i.e. assurance of internal independence and internal audit, must provide the Board of Directors/Audit Committee and the Executive Management with an independent and objective assurance as to the functioning of the internal control and risk management system of the Company.

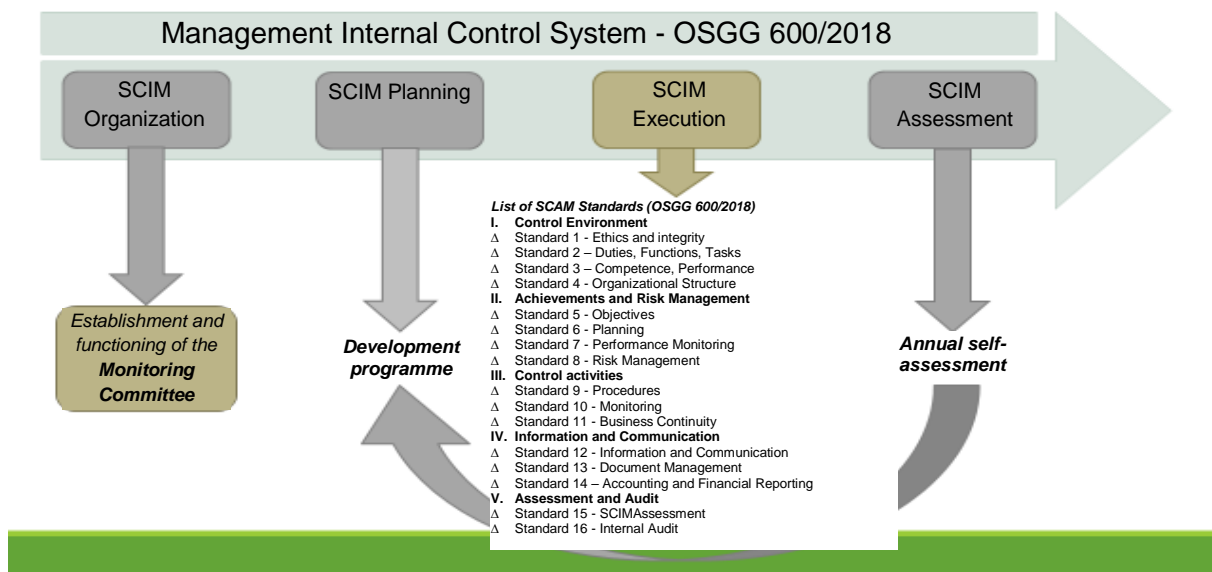
Therefore, S.N. Nuclearelectrica S.A. ensures compliance with the requirements of the standards advanced by the Secretariat General of the Government, i.e. with the Order no. 600/2018 which provides that establishment of the management internal control system is the responsibility of management, and that implementation and development of the management internal control system, its self-assessment, as well as preparation/presentation of the report on the management internal control system are performance indicators for the entity's manager.

In accordance with the Order of the Secretariat General of the Government no. 600/2018 approving the Management Internal Control Code for Public Entities, in S.N. Nuclearelectrica S.A., the management internal control system operates with a diversity of procedures, means, actions and orders which concern all the aspects related to the entity's business. This set of elements is determined and implemented by the Company's management in order to allow it to have a good control over the

functioning of the entity as a whole, and represents the management control instrument formed of the following elements: objectives, means, information system, organization, procedures, and control.

Relying on the information supplied by the internal management control, the Company’s management strengthens the management decisions as to the business plan, organization and coordination of the structures featured in the organizational chart of the Company, and exact determination of the responsibilities of the structures and people involved in the entity's activities.

The management internal control, through its objectives and procedures, aims to: ensure a good use of (financial and human) resources and their correlation with the entity's objectives; improve the information flow; increase understanding; manage risks; prevent fraud; and detect and document quality.



Establishment of the management internal control system is based on the internal control standards, which are grouped into five components of the management internal control:

- Control environment - groups problems related to organization, human resources management, ethics, deontology and integrity;
- Performance and risk management - refers to management matters related to objective setting, planning (multiannual planning), programming (management plan), performance (monitoring performance) and risk management;
- Control activities - refer to procedure development, continuity of the processes and activities, segregation of duties, and supervision;
- Information and communication - this section groups the matters related to creation of an adequate information system and a system of reports about execution of the management plan, the budget, the use of resources, as well as the management of documents;



- Assessment of the management internal control system and internal audit - the matters addressed by this group of standards cover development of the capacity to assess the management internal control with a view to ensuring its process improvement continuity.

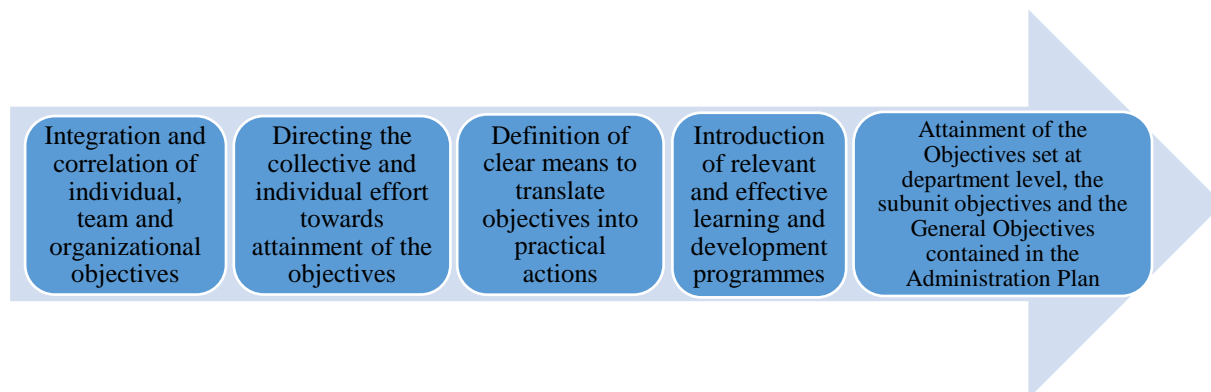
In order to monitor, coordinate and methodologically guide implementation and development of the management internal control system, the CEO of S.N. Nuclearelectrica S.A. orders by decision the updating, in accordance with the organizational changes, of the Monitoring Committee that coordinates the setting of general and specific objectives, the procedural activities, the risk management process, the performance monitoring system, the status of the procedures and of the monitoring and reporting system, and provision of information to the management of the Company.

Thus, the Management Internal Control System Monitoring Committee is functional, and works under the coordination of the CEO of S.N. Nuclearelectrica S.A., as its chairman, having the following duties and powers:

*i. Objectives*

- To coordinate the updating of the objectives, the performance monitoring and reporting system.
- To review the information provided, based on the annual reports of the heads of departments, about performance monitoring, with a view to its approval by the CEO of S.N. Nuclearelectrica S.A., as Chairman of the Monitoring Committee.

Implementation of the objective cascading system is based on the following principles:



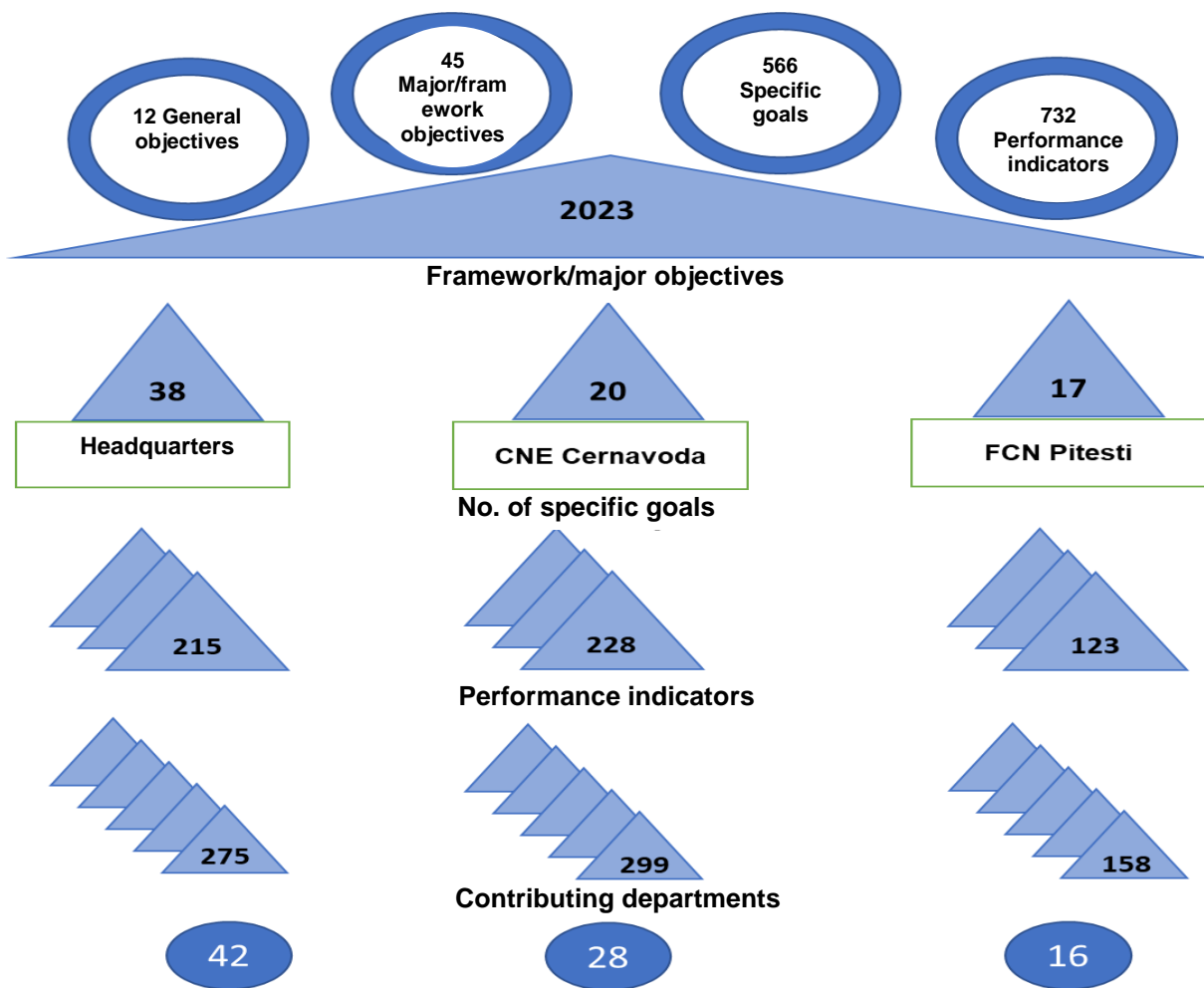
Attainment of the general objectives is only possible with convergent and synchronized participation of the entire organization. Organizational alignment of all the components of the organizational structure takes place by defining, for each of them, the same set of tools intended to support translation of the general objectives contained in the Administration Plan into the operational terms, namely through:

- Setting the major framework-objective/for the SNN subunits, building on the assumptions underlying the Administration Plan by transposition into the CM-SCIM, with involvement and support of subunits management, and of the general objectives in a more detailed fashion, for each subunit of the organizational structure (Headquarters, Cernavodă NPP Branch, and NFP Pitești Branch);
- breaking down these objectives into specific/departmental objectives, including means to attain the targets and performance ratios.

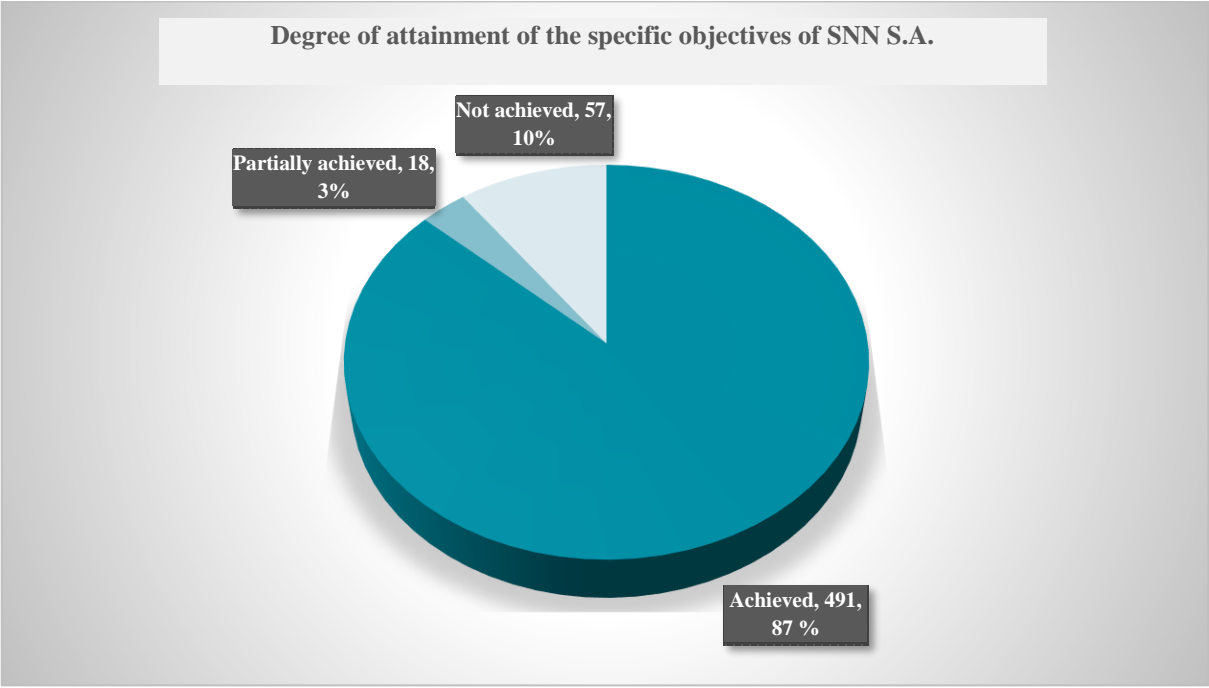
The Internal/Management Control System Monitoring Committee (CM-SCIM), by its duties and powers to steer objective setting and updating and the performance monitoring and reporting system, reviews the objective monitoring reports against the corporate performance indicators, relying on the communications received from the first-tier management head of departments, in accordance with internal regulations and the legal requirements laid down under Standard 5 - Objectives and Standard no. 7 - Performance Monitoring of OSGG no. 600/2018.

Thus, for the year 2023, the summary dashboard of the Company looks as follows:

### Objectives of S.N. Nuclearelectrica S.A. 2023 - overview

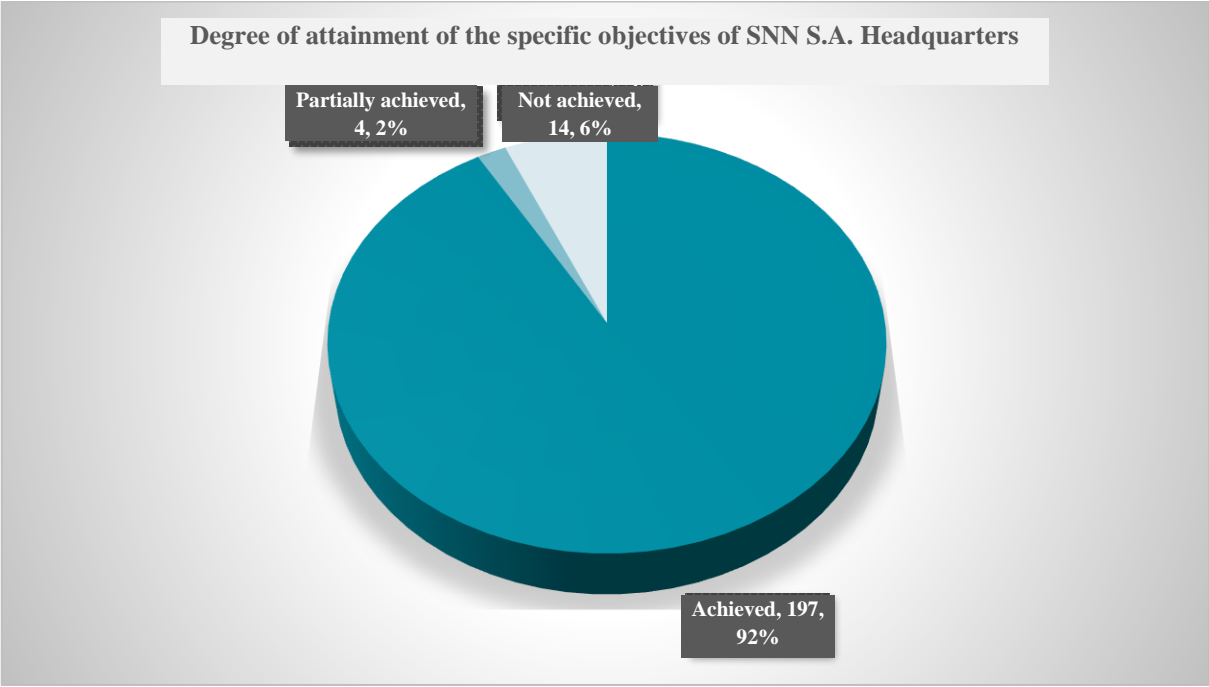


In 2023, the degree of attainment of the specific objectives in the Company is:

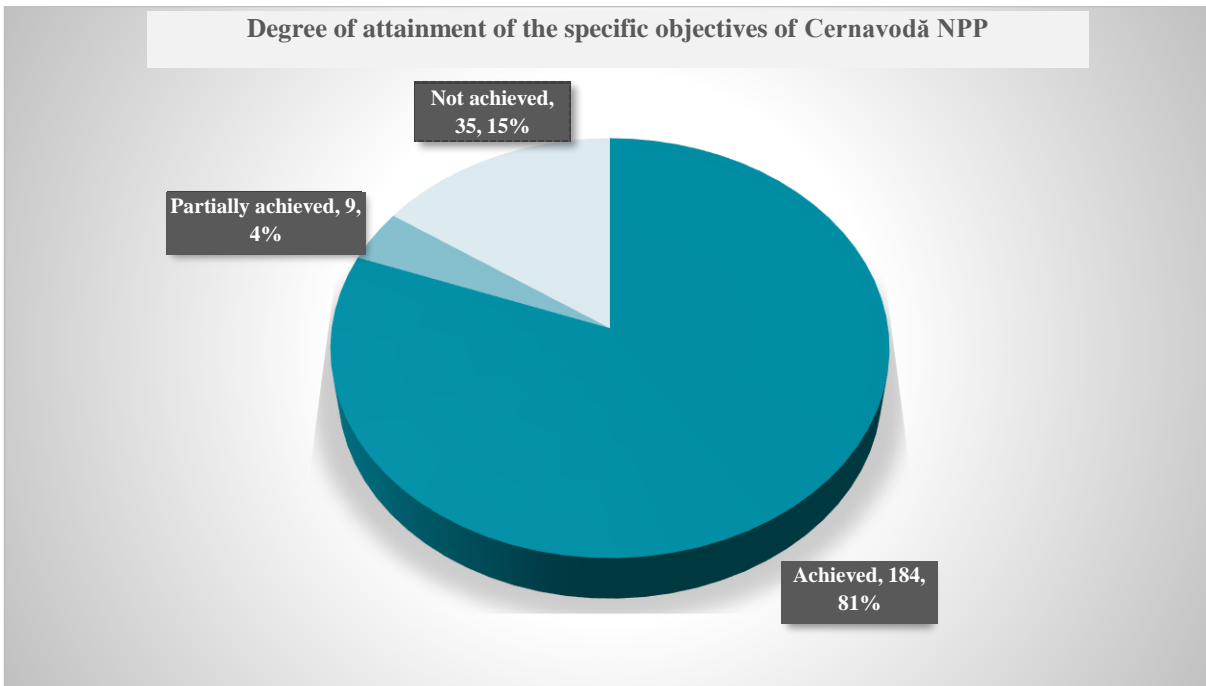


By subunits, attainment of the specific objectives is as follows:

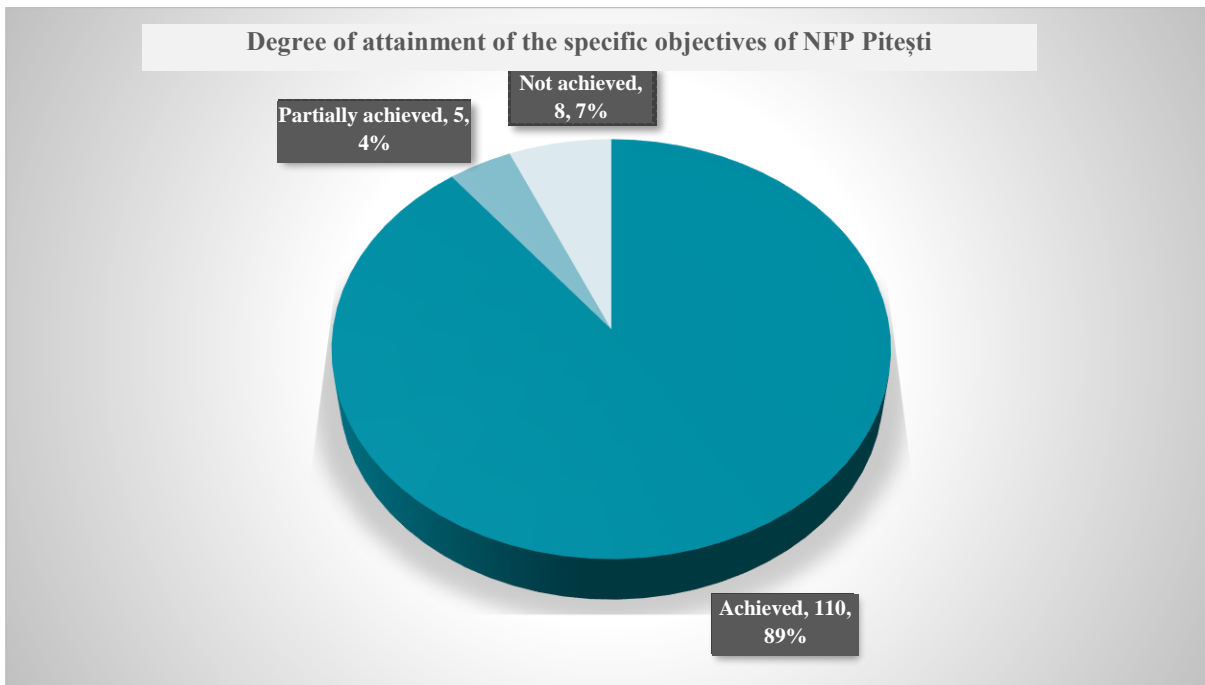
a) SNN Headquarters



b) Cernavodă NPP Branch



c) NFP Pitești Branch



### *Procedures*

- Coordinates the updating of the procedural activities and the status of the procedures.
- Coordinates the development of documented procedures in order to attain the Company's objectives under regularity, economy, efficiency and effectiveness conditions.

### *Management internal control system's implementation, development and assessment*

- Devises the Development programme of the management internal control system, called the Development Programme, which is updated annually.
- Makes findings about the progress achieved in implementation of the management internal control system in the Company.
- The status of implementation and development of management internal control systems in public entities, as found by the Monitoring Committee further to the annual self-assessment, is reported for information in the form of annual spreadsheets, according to the template Spreadsheet on implementation and development of the management internal control system and in observance of the statutory time-limits.

### ***Annual assessment of the management internal control system***

In order to determine the degree of implementation of the internal control standards as at 31 December 2023, an annual self-assessment was carried out, which included the following actions:

- A debate on the initiation of the self-assessment of the degree of implementation of the internal/management control standards in the work meeting. Following the discussions, a time-table of the action was defined, based on the information prepared and provided by the Technical Secretariat of the Financial and Management Control Department.
- Introduction of self-assessment and assessment of the degree of implementation of the internal/management control standards by decision of the CEO of S.N. Nuclearelectrica S.A.
- The Management Internal Control System Monitoring Committee cleared the documentation and the results of the annual self-assessment of the implementation of the internal/management control standards in the SNN.

The self-assessment concluded that S.N. Nuclearelectrica S.A. has in place an internal/management control system the design and application of which allow the management and, as the case may be, the Board of Directors to provide reasonable assurance that the resources allocated for attainment of the general and specific objectives were used lawfully, compliantly, effectively, efficiently and economically.

Thus, under the “*Report on the management internal control system as at 31 December 2023*”, prepared under Article 4(3) of the Government Ordinance no. 119/1999 on the internal/management control and preventive financial control (republished), as subsequently amended and supplemented, and in accordance with the Instructions enclosed to Order no. 600/2018, the CEO of SNN declares

that the self-assessment result *“is based on a realistic, accurate, complete and reliable assessment of the internal/management control system, and relied on the self-assessment underpinned by the principle of truth and management's accountability. The internal/management control system includes controls, and the application of measures aimed at increasing its effectiveness is based on risk assessment”* .

As to the characteristics of the internal/management control system specific to the organization, the annual report on the management internal control system as at 31 December 2023 contained the following findings:

- the Management Internal Control System Monitoring Committee is functional.

The Management Internal Control System Monitoring Committee (CM-SCIM) is up-to-date and functional, and operate in keeping with the Procedure CM-00-01 - “Regulation for Organization and Functioning of the Committee Monitoring Implementation and Development of the Management Internal Control System”.

- The management internal control system development programme is partially implemented and updated annually and whenever necessary.

In 2023, the management internal control system development programme was implemented 82%, as follows: out of the total of 62 actions, 51 were implemented, 7 actions are partially implemented, and 4 actions are not implemented, being carried over to the 2024 Management Internal Control System Development Programme.

- The risk management process is organized and monitored.

As at 31 December 2023, the number of risks identified in SNN S.A., using the analyses and assessments carried out based on the self-assessments of the risk register prepared by the risk owners, the decisions of the branches’ risk committees, the investigations performed and conclusions drawn in 2023, it is 490 compared to 425 risks identified on 31 December 2022.

The CM-SCIM also proceeds to annually determining risk profile and the risk appetite, as approved by the management of the Company.

In carrying out its duties, the Management Internal Control System Monitoring Committee reviews performance of the risk management process based on the Risk Management Reports issued by the Risk Management Service and ranks the significant risks that could affect attainment of the objectives.

The monitoring committee reviews and approves, every year, the risk profile profiles and the risk appetite limit, based on the SMR's proposals concerning them, after which these are approved by the

Company's management. The Committee also reviews the “Implementing Action Plan for treatment of high risks” in order to submit it for approval by the CEO.

- Documented **procedures** are prepared, and the inventorying of activities that can be subject to procedures and the updating of procedures are permanent and continuous processes in which every functional structure of SNN is involved.

In SNN, the activities carried out were inventoried, resulting in a number of 1158 activities subject to procedures. For the activities qualified as subject to procedures, 2466 formal procedures were devised.

- **The performance monitoring system** is put in place and assessed against the entity's objectives and activities, by means of performance indicators.

In 2023, in accordance with procedure CM-00-03 - “Setting and monitoring of objectives in SNN S.A.”, building on the general objectives of the Company, the objectives of the SNN’s subunits were updated and cascaded into specific (departmental) objectives, with related indicators and targets, in order to ensure a monitoring and reporting system for the status of attainment of the general and specific objectives by means of performance indicators (KPI).

Thus, based on the self-assessment results, on 31 December 2023, the internal/management control system of S.N. Nuclearelectrica S.A. complies with the standards included in the Internal/Management Control Code, and all 16 control standards are implemented.

## **10.6.2. TRANSPARENCY AND FINANCIAL REPORTING**

### **Transparency**

Being a company admitted to trading, SNN constantly acts in accordance with the disclosure requirements regulated under the capital market rules, by issuing regular and continuous reports on important events concerning the Company, including, but not limited to, its financial standing, performance, ownership and management. The Company will prepare and disseminate such relevant regular and continuous information, in accordance with the International Financial Reporting Standards (IFRS). Information is disseminated in both Romanian and in English. The Company organizes, at least five times a year, meetings or teleconferences with financial analysts, brokers, market specialists and investors, when it disseminates its annual and/or semi-annual financial statements, which are pieces of material relevant for the investment decision or the specific interest of the capital market participants (teleconferences and face-to-face meetings). The goal is to ensure total transparency through communication in accordance with the legislation in force and proactively, in order to provide the highly-accurate and timely information needed to maintain and develop a relationship based on mutual trust.

In order to render provision of information more efficient and accessible for investors, SNN has created a special section (Investor Relation) on its website ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), where any investor can easily access information about: (i) the Company's strategy, (ii) news, information and events, (iii) corporate governance, (iv) shareholders' rights, (v) reports (vi) payment of dividends, (vii) financial statements, etc. Moreover, SNN has defined strict internal rules and procedures and has a department that deals specifically with the investor relations. Thus, the Company devises and puts in place an efficient and transparent policy for its relationship with investors.

In 2023, SNN issued 112 current reports, of which some concern its compliance with legal requirements and the rest cover events liable to impact the price of the shares since SNN considers that a proactive and open approach towards shareholders and investors is the optimal.

## Financial reporting

As a company admitted to trading on the BSE, as well as a company with majority State capital, SNN complies with its reporting obligations under the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished on 10 August 2021, the provisions of the FSA Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.

The reporting of the financial statements is carried out in accordance with the financial calendar prepared and approved by SNN for each financial year and in observance of the time-limits below:

- in not more than 120 days of the end of the reporting period, the Annual Report prepared in accordance with the relevant regulations issued by the Financial Supervisory Authority (FSA), including all the documents listed in the FSA regulations;
- in not more than 45 days of the end of the reporting period, the Semi-Annual Report prepared in accordance with the relevant regulations issued by the FSA, and the semi-annual financial statements prepared in accordance with the legislation in force;
- in not more than 45 days of the end of the reporting period, the Quarterly Report for the first and the third quarter, prepared in accordance with the FSA regulations, including both the reporting documents listed in the FSA regulations and the financial balance-sheet and the statement of profit and loss prepared in accordance with the applicable regulations.

The financial statements are prepared in accordance with the Order of the Minister of Public Finance no. 2.844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union. During the period under review, SNN prepared its Consolidated Annual and Individual Financial Statements because it holds a 100% participating interest in the following companies: S.C. Energonuclear S.A, Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L Branch, Nuclearelectrica Serv S.R.L.



Starting with the financial year ended on 31 December 2020, SNN prepares and submits its annual reports in a ESEF format (European Single Electronic Format) according to the Delegated Regulation (EU) no. 815/2018. Thus, its annual reports are also available in XHTML format, and the consolidated financial statements included in the Annual Report are marked using the XBRL markup language. Starting with the financial year ended on 31 December 2021, SNN tags also the explanatory notes to the consolidated financial statements. Thus, ESEF increases transparency and the ability to use financial information in decision-making by investors and analysts, and implementation of ESEF further improves the transparency of the capital markets.

The current reports related to the Company's activity are prepared during the statutory terms laid down under the legislation and are published on the BSE website, the FSA platform and on SNN's own website.

### **10.6.3. CONFLICT OF INTEREST AND TRANSACTIONS WITH INVOLVED PERSONS**

The provisions concerning management of the conflict of interests are included in the Organization and Functioning Regulation of the Board of Directors, as well as in the Code of Ethics of the Board of Directors

The members of the Board of Directors will make decisions to the best interest of the Company and will not take part in debates or decisions that give rise to a conflict between their personal interests and those of the Company.

Each member of the Board of Directors makes sure they avoid of any direct or indirect conflict of interest with the Company, and should such a conflict occur, they will abstain from the debates and casting their vote on the that matters, in accordance with the legal provisions in force.

The members of the Board of Directors disclose to the SNN Board of Directors information about any relationship with a shareholder who directly or indirectly holds shares accounting for more than 5% of all voting rights. This obligation refers to any kind of relationship that could affect the member's position on the matters decided on by the Council.

In order to ensure the propriety of the transactions with the related parties, the members of the Board of Directors apply including the following criteria, but not only these:

- ❖ Maintaining the powers of the BoD or GMS, as the case may be, to approve the most important transactions. For intercompany transactions, SNN will observe the provisions of Article 52(5) of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented;
- ❖ Any transaction of an amount equal to or greater than 5% of the Company's net assets is approved by the Board of Directors based on a mandatory opinion of the Board's Audit Advisory Committee;

- ❖ Asking for a prior opinion on the most important transactions from the internal control structures (Audit Advisory Committee and Internal Audit Department);
- ❖ Entrusting the negotiations on these transactions to one or more independent directors, or to directors not related to the parties involved;
- ❖ Seeking the opinion of independent experts.

In addition to complying with general legal provisions, SNN has devised and implemented internal policies that further regulate the internal procedure for disclosure of intercompany transactions.

Thus, the Board of Directors will inform the shareholders, during the first general meeting of shareholders following the conclusion of the legal act, on any transaction concluded with administrator or directors, with employees, with controlling shareholders or a company controlled by them, by making available to shareholders documents that reflect the essential and significant data and information in relation to such transactions. Also, the Board of Directors will inform the shareholders, during the first GMS following conclusion of the legal act, of any transaction concluded by SNN, as a public enterprise, with another public enterprise or with the public supervisory authority, if the transaction has a value, individually or in a series of transactions, of at least the RON equivalent of EUR 100,000.

The Board of Directors approves, on a quarterly basis, an information report on the purchase of goods, services and works the amount of which is greater than EUR 500,000/purchase (for goods and works) and EUR 100,000/purchase (for services); the report is published on the company's website under the Investor Relations/Periodic Reporting section.

The Board of Directors also approves and publishes annually, on the SNN website, a report on the sponsorships granted during the previous year.

#### **10.6.4. MANAGEMENT FINANCIAL CONTROL**

Management Financial Control IN S.N. Nuclearelectrica S.A. is organized and exercised in accordance with the provisions of the Government Decision no. 94/2011 on the organization and functioning of the economic and financial inspection, as approved by Law no. 107/2012 and the Government Decision no. 1151/2012 approving of Implementing Rules for organization and exercise of the financial management control, covering all the structures featured in the Company's organization chart.

Organization of management financial control in S.N. Nuclearelectrica S.A. is based on the need for an efficient control system in the Company, which ensures the integrity of its assets; strengthens budgetary and economic and financial discipline; ensures compliance with the legal provisions applicable to its activity, the regulations and the internal decisions; and increases efficiency in the use of the allocated resources.

Management Financial Control is an economic tool that falls under the objectives assumed in the Administration Plan as to consolidation of the internal control system, and serves the interests of SNN by:

- actions to prevent and/or detect failures;
- actions to review, and apply the preventive control visa on, the draft income and expenditure budget of the Company and/or of its subunits/subsidiaries.

Development and fine-tuning of the management financial control increase the quality, performance and responsibility of financial management in the use of the entity's resources.

The objectives of the management financial control are:

- To ensure the integrity of the assets as a monetary expression of the economic means, with their financing sources, as well as the financial results of the business activity;
- To render the use of the allocated resources more efficient by reviewing the lawfulness, regularity and compliance of the operations, identifying the weaknesses of the internal control system which caused errors or allowed occurrence of fraud, defective or fraudulent management;
- To strengthen the budgetary and economic and financial discipline;
- To comply with the legal provisions, regulations and internal decisions.

The purpose of financial management control is to inform the Board of Directors of S.N. Nuclearelectrica S.A. of, and to provide the CEO with information about, performance and:

- execution of operations in an orderly, ethical, economic and efficient manner;
- fulfilment of the obligations with responsibility; compliance with the laws and internal regulations in force;
- protection of the resources against loss, abuse and damage;
- consolidation of the internal control system so as to effectively ensure prevention of irregularities and recovery of losses caused by irregularities or fraud.

In S.N. Nuclearelectrica S.A., organization of management financial control observes the principles of segregation, and the Financial and Management Control Department (DCFM) is responsible for performing the management financial control (CFG) in all subunits and branches of S.N. Nuclearelectrica S.A. and enjoys operational independence because it is subordinated directly to the CEO.

Also, in accordance with the legal provisions, the Board of Directors is informed on a quarterly basis or whenever needed about the exercise and results of the management financial control.

In SNN, financial management control is carried out on the basis of the annual activity programme and the half-yearly programmes approved by the CEO of the Company, based on its own specific procedures issued in accordance with the applicable legal provisions, i.e. Government Emergency Ordinance no. 94/2011 on the organization and functioning of the economic and financial inspection, as approved by Law no. 107/ 2012 and Government Decision no. 1151/2012 Implementing Rules for

organization and exercise of the financial management control, and incorporating the industry good practices.

In 2023, the specific objectives of the management financial control activity were attained, the approved activity programme was completed (19 control actions) and the checks covered all the 3 subunits, i.e. the Headquarters, the Cernavodă NPP Branch and the NFP Pitești Branch, as well as the subsidiaries FPCU - Feldioara SRL and Nuclearelectrica Serv SRL.

The general objectives of the control actions featured in the 2023 annual activity programme were:

1. Observance of the legal provisions in substantiation of the income and expenditure budget of S.N. Nuclearelectrica S.A.;
2. Observance of the legal provisions in substantiation of the income and expenditure budgets of FPCU Feldioara, Energonuclear SA and Nuclearelectrica Serv SRL branches;
3. Compliance with the legal provisions in the execution of the income and expenditure budget of SN Nuclearelectrica SA; the accuracy and reality of the reports made; monitoring the current execution of the IEB at subunit level and, analytically, at organizational structure level;
4. Observance of the legal provisions in execution of the income and expenditure budgets of the subsidiaries of FPCU Feldioara, Energonuclear SA and Nuclearelectrica Serv SRL; reporting accuracy and reality;
5. Compliance with legal provisions and internal regulations concerning performance, and utilization of the results of the annual inventory of assets, liabilities and equity in Energonuclear SA and Nuclearelectrica Serv SRL branches;
6. Granting and settlement of the cash advances (including cash transactions made by employees on the list of Sensitive Functions) in SN Nuclearelectrica SA and its subsidiaries;
7. Compliance with the contractual discipline in the procurement activity of SN Nuclearelectrica SA and its subsidiaries;
8. Implementation of the procedures concerning the actions taken to determine the losses caused by an appeal before the National Council for Solving Complaints (NCSC) or the court.
9. Monitoring implementation of the measures defined further to the management financial control actions, respectively the reality and accuracy of the communications related to implementation of the measures approved under the control reports issued by DCFM.

In 2023, a thematic action was carried out, as well, at the instructions of the CEO of SNN S.A., and it covered “Analysis of how the HR legal provisions and the internal regulations are observed in terms of the expert positions of SNN Headquarters”.

The control reports concluded with 52 corrective measures, time-limits and implementation responsibilities.

## 10.6.5. AUDIT AND RISK MANAGEMENT DIRECTORATE

Set up back in 2018, the Audit and Risk Management Directorate (ARMD) is led by a Director and is under the direct subordination of the CEO, having the following main responsibilities:

- ❖ It carries out internal audit activities through the Internal Audit Department (IAD) to assess whether the management and internal control systems of the Company comply with the lawfulness, efficiency, effectiveness, regularity and/or economy rules, on a case-by-case basis; this activity is carried out in compliance with the principle of independence of the internal audit function in the Company;
- ❖ It ensures organization and performance of specific anti-fraud engagements and/or activities through the Anti-Fraud Office (AFO), established in 2019, which also acts to provide support in the audit engagements carried out by the Internal Audit Department, when there are suspicions or risks of fraud;
- ❖ It ensures coordination and monitoring of the risk management process and organizes, coordinates and provides methodological guidance in the risk management process that could affect attainment of the organization's business objectives and monitors realization/implementation of actions that place and maintain the risks within acceptable limits, through the Risk Management Service.

In order to ensure the independence of the internal audit function, the Audit and Risk Management Directorate (ARMD) is administratively subordinated to the CEO, and operationally to the Board of Directors or the Audit Committee.

In 2019, according to the new organizational chart of SNN, the Compliance Office was transferred from under the subordination of ARMD into under the CEO's, being staffed (one employee) since November 2019.

The main duties of the Compliance Office, according to the ROF, are:

- Performance of compliance engagements based on the reports received via the communication channels available to employees, partners and other third parties to report any professional misconduct;
- Maintaining the ISO 37001 certification: 2016 - The anti-bribery management system the objectives of which are:
  - detection of pre-existing situations that could give rise to bribery and/or other acts of corruption and that could expose the Company;
  - enhancing the Company's reputation;
  - a better ability to discover infringements and react accordingly;
  - cost cut-down;
  - protection against court proceedings (for an investigation, the standard can also consider as piece of evidence that an organization has taken reasonable and proactive measures to prevent bribery);

- risks mitigation;
- building the trust of stakeholders.
- Delivery of an annual staff training programme on ethics and integrity.
- It helps mitigate the risks generated by the transactions SNN with business partners by supporting better knowledge of, and access to, the relevant information about the internal regulatory framework and the compliance programme put in place by the business partner.

## Internal audit

In 2023, the internal audit activity in SNN was carried out through its in-house internal audit unit, the Audit and Risk Management Directorate (ARMD) the Internal Audit Department (“IAD”) of DAMR, hierarchically/administratively subordinated to the Company’s CEO, but with its independence secured by the reporting and functional relations with the Board of Directors and the Audit Committee. The management of SNN ensured improvement of the professional quality of the IAD organizational structure by supporting implementation of the Quality Assurance and Improvement Programme. Most of the Company's internal auditors are professionals with internationally and nationally recognized certifications (CIA, CRMA, ACCA, CAFR, CECCAR, API, SMAM).

In 2023, there were no problems related to the failure to ensure the independence and competence of the internal auditors, and no instances of non-compliance with the rules and principles laid down in the Internal Auditor’s Code on Ethical Conduct were identified.

Since the establishment of the Audit and Risk Management Directorate (ARMD) in 2018, the Internal Audit Department has provided the internal audit function for the subsidiaries, Cernavodă NPP and NFP Pitești, which are units without a individual legal personality. As of 2020, the IAD of expanded its coverage to take over also the internal audit activity of the subordinated entity – EnergoNuclear S.A. Subsidiary (with individual legal personality). As to the newly-established SNN branches, as of 2022:

- Feldioara Subsidiary (Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara SRL) received the agreement of ARMD (hierarchically higher body) to establishment and organization of an in-house Internal Audit Department (reorganized in 2023 as an Internal Audit Service by hiring new internal auditors to meet the legally minimum staffing), in operational/functional coordination with the SNN internal audit structure;
- the scope of the IAD was extended to cover also the business of the subsidiary Nuclearelectrica Serv SRL, insofar as the subsidiary is operationalized (gain relevance/materiality) and does not opt to set up an in-house internal audit structure.

For an efficient management that aligns to the strategic and reporting lines of the SNN Group (subsidiaries and branches) Policy, the SNN Internal Audit Department has structured its work so as to operate via two services, as of 2023:

- Headquarters Audit Service (HQAS), which carries out internal audit assignments in the SNN area - headquarters/executive management and NPP branches and NFP, including audit planning, recommendation follow-up (action plans) and activity reporting (quarterly/annual) assignments;
- Subsidiary Audit Service (SAS), which conducts the same types of engagements and actions:
  - provide the internal audit function for the subsidiaries (with individual legal personality) of the SNN Group, which have not set up their own functional internal audit structure;
  - coordinate the work of the internal audit functions operating in the subsidiaries that have set up their own internal audit structures, covering (where appropriate) for the need for additional human resources.

The IAD carries out its activity based on its own procedures, which are updated whenever necessary. The main internal procedures on the basis of which IAD operates are the following:

- the Internal Audit Charter;
- the implementing rules for the organization and performance of the internal audit in SNN;
- the Procedure for Coordination and Monitoring the Internal Audit Activity in the SNN subsidiaries.

The rules were designed in accordance with the legislation in force (Decision no. 1086/2013 and Law no. 672/2002, republished), the Internal Audit Professional Practice Standards of the Institute of Internal Auditors (IIA-Inc) and the best industry practices. To ensure consistent methodologies and working practices, Feldioara Internal Audit Service has adhered to the same rules.

The internal audit activity was carried out based on the annual plan, as approved by the CEO of the Company. Also, at the end of the 2023, the CEO approved the 2024 - 2026 Multiannual Audit Plan, which aims to cover most of the processes and activities of the SNN Group of entities.

In 2023, as many as 13 internal audit engagements were completed conducted across the SNN Group (11 assurance engagements + 2 counselling engagements/6 planned engagements + 4 ad-hoc engagements), to which adds the assistance afforded to the control team of the Court of Accounts of Romania during the inspections or follow up engagements conducted on the implementation of the previously ordered/agreed measures.

DAI constantly monitors the status of implementation of the recommendations made in the internal audit engagements, with the internal auditors asking to be informed of their achievement status and to receive evidence of implementation, on their respective due dates. Once the implementation time-limit is reached, the auditors visit the auditee to check the accuracy of the information received and set new implementation time-lines, if necessary.

Activity and performance monitoring reports (KPIs) for the internal audit structure are prepared periodically (quarterly) and are submitted to the Audit Advisory Committee and the SNN management, as well as to the Boards of Directors of the subsidiaries. An annual activity report, in the format requested by UCAAPI, is prepared and submitted to the Internal Audit Department of the Ministry of Energy (the hierarchically superior body), and to the Department IV of the Romanian Court of Accounts every January, for the previous year.

IAD also continued the Quality Assurance and Improvement Programme which aims to:

- provide adequate assurance that the activity carried out by the internal auditors adds value and helps improve the processes and operations of the SNN Group;
- provide additional assurance that the activity is carried out in accordance with the applicable legislation and the Internal Auditor's Code of Ethical Conduct.

We point out that, in 2023, the provisions of Article 21(8) of Law no. 672/2002, republished, on the professional training of internal auditors through participation in training/in-depth training courses, as well as through self-learning, were observed.

## **Anti-Fraud**

In 2023, the Anti-Fraud Office continued implementation of the Anti-Fraud Programme approved in August 2020 by the Board of Directors of SNN and, in this regard, the main objectives targeted for the improvement of the fraud and compliance risk management activity were:

- promote and communicate the procedures and codes of conduct to employees and business partners, with a view to putting in place a culture of ethics and integrity;
- carry out preventive activities (through training/awareness sessions for the SNN staff) on anti-fraud and compliance matters;
- conduct anti-fraud tests, tailored to the Headquarters (and carried out on an annual rotation basis on the SNN branches);
- ensure functionality of the systems put in place for efficient and effective reporting of irregularities and investigation of reports/referrals;
- provide support to have the management system implemented by SNN in accordance with the provisions of the standard ISO 37001 Anti-Bribery reauthorized by the certification body;
- provide support for implementation of the 2021-2025 Integrity Plan prepared on the basis of the 2021-2025 National Anti-Corruption Strategy;
- SNN taking active part in the anti-fraud/anti-corruption debates/presentations.

In 2023, the Anti-Fraud Office was part of a joint team set up with the Internal Audit Department that undertook 5 audit engagements and provided support to the Compliance Office for settlement of one report received via the Whistleblowing mechanism; these led to joint performance of one compliance investigation.

## **Risk management**

The risk management process falls under the responsibility of the Chairman of the Monitoring Committee and given the size, complexity and specific environment of the nuclear activities, the responsibilities for corporate risk management are carried out/fulfilled by the Risk Management Service (SMR) of the Audit and Risk Management Directorate (DAMR), together with risk owners and the SNN staff.



In carrying out its duties, the Management Internal Control System Monitoring Committee reviews performance of the risk management process based on the quarterly Risk Management Reports issued by the SMR and ranks the significant risks that could affect attainment of the objectives.

The monitoring committee reviews and approves, every year, the risk profile profiles and the risk appetite limit, based on the SMR's proposals concerning them, after which these are approved by the Company's management. This Committee also looks into, and approves, the "Controls Implementation Plan" put in place to address significant risks (with a residual exposure that exceeds the risk tolerance limit set in the Company (14)) for its further submission to the CEO for approval.

**The risk profile** has currently the structure described below, for the years 2023 and 2024, and is the following:

Risk name	Weight 2023	Weight 2024	Risk level for 2023	Risk level for 2024	Trend 2023	Trend 2024
Operational Risk	35%	30%	Low	Low		
Market/price risk	8%	8%	High	High		
Credit risk/ counterparty	7%	10%	High	High		
Competitive risk	5%	5%	Average	Average		
Macro-economic risk	5%	5%	High	High		
Geopolitical risk	10%	12%	High	High		
Regulatory/ legislative risk	10%	10%	High	High		
Risk related to the lack of specialized workforce	5%	5%	Average	Average		
Risk related to the investment/ maintenance works	5%	2%	Average	Average		
Project risk (U3 & U4, SMR, Cobalt, refurbishment U1 & U2)	5%	8%	Average	Average		
Development and assimilation of subsidiaries CNU, EnergoNuclear, Nuclearelectrica Serv, Ropower	5%	5%	Average	Average		
Global risk profile	100%	100%	Average	Average		

The Risk Management Service has re-assessed and modified their estimates of the level of the risks in the risk profile and their trend, as follows:

- **Some of the risks** included in the risk profile, save for those affected by the military conflict in Ukraine and those attached to the advancement of the strategic investment projects, are expected to follow a stabilization trend after the increases of the previous years.

The risks affected directly by the military conflict in Ukraine (market risk, credit, and macroeconomic and legislative risk), could see some escalation, but their developments will be influenced by how the military conflict in Ukraine would continue.

- **Operational risk**, considered to refer mainly to the safe operation of the Cernavodă power plant, is estimated to be stable in 2024. We proposed changing its weight in SNN's risk profile due to the increasing importance of the strategic projects for SNN's business, and the geopolitical risk.
- **Market/price risk** is expected to remain high in 2024 due to the persistent of high price volatility and uncertainty, including due to the developments in the military conflict in Ukraine.
- We estimate that the **credit/counterparty risk** will be stable compared to 2023, and increase in weight due to its role in the implementation of strategic projects.
- The **macroeconomic risks** remain high against the background of the deficits and of the military conflict in Ukraine.
- The **regulatory risk** continues to be high, with an increasing role of the licenses required for the strategic projects.
- **The risks attached to the projects in progress** (Refurbishment of U1, SMR, Cobalt, U3&U4, CNU, EnergoNuclear and Nuclearelectrica Serv) were assessed to be “Medium” due to the simultaneous commencement and development of more large projects, but which are subjected to a strict management control.

**The Risk Management Service assesses the total risk level in the risk profile of SNN as “Medium” in 2024**, particularly as a cumulative effect of a good control of the operational activities, the price volatility, the financial situation of counterparties, the projects commenced, but with reduction outlooks, provided that favourable conditions appear.

A risk likely to see a significant increase in 2024 is the geopolitical one, in the context of the developments of the conflict in Ukraine, where any potential unfavourable developments could make the border area with the Republic of Moldova and Ukraine vulnerable.

### **Current activity and business strategy risk analysis**

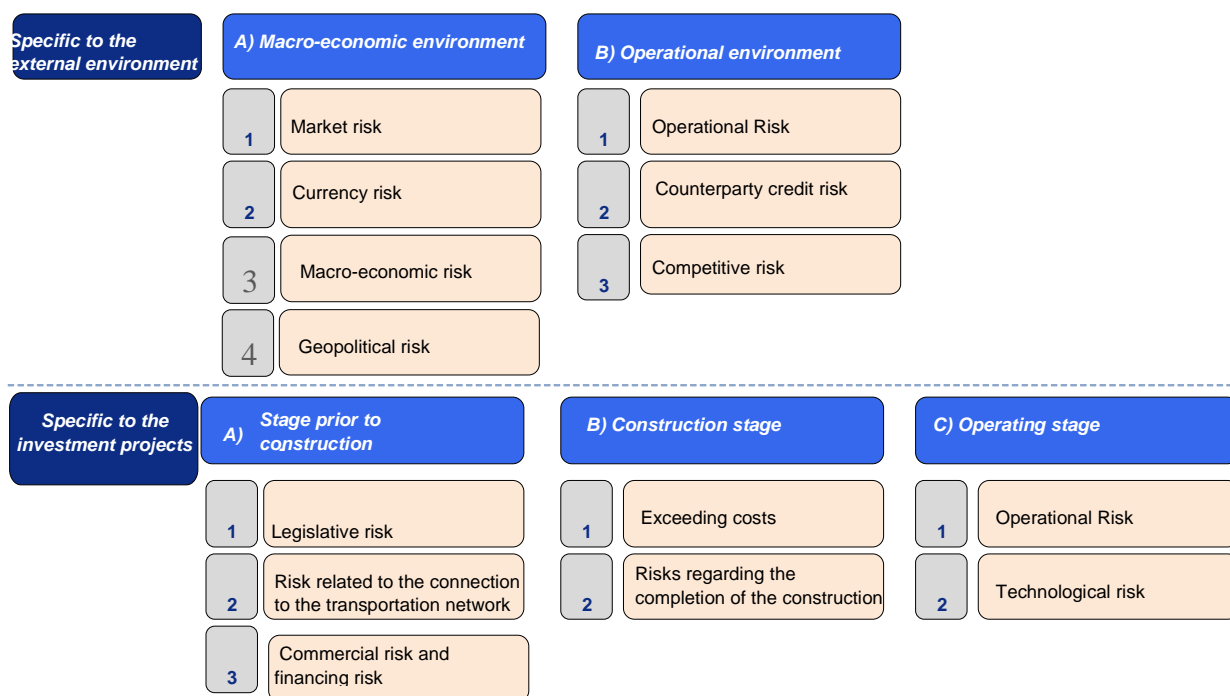
The 2020-2030 Romanian Energy Strategy towards 2050 proposes specific targets, sets out clear directions, and defines the milestones whereby Romania shall secure its position as regional energy producer and an active and important actor in managing stress situations at the regional level. The development of the energy sector is directly proportional to implementation of some strategic investment projects of national interest, among which completion of Cernavodă NPP’s Units 3 and 4 Project is a priority. Refurbishment of Unit 1 within Cernavodă NPP represents a component of the energy strategy project. Also, the draft energy strategy substantiates the positioning of Romania in relation to the proposals to reform the European energy market, and an important place is reserved to

the analysis of the European context and the policies for creation of the Energy Union we will be a part of; its regular updating following takes into account the changes taking place at the local, regional, European and global level, and implementation of the Energy Strategy is linked with the national and international context, both evolving in a dynamic interdependence.

In this context, SNN set up the main middle-term and long-term strategies mainly considering to maintain nuclear safety, to continuously rise and increase its shareholders' profit, and the activity risk analysis is more important in such context.

Consequently, the main risks attached to the SNN's business and objectives (risks related to the Product Market and Development) were analysed. The figure below makes an overview of the main objectives, the critical elements relating to the implementation of strategies and risks which the Company will experience.

### Overview of the general risks



Source: SNN analysis

The main risks specific to the Company, depending on the macroeconomic environment and the operational environment are briefly addressed below:

## Macro-economic environment

The world economy is gradually recovering from the overlapping multiple crises of 2022 and the war in Ukraine, but the outbreak of conflict in Israel triggered a realignment of the political, military and economic alliances, with a potential economic impact.

- The prices of many goods will continue to remain high, with the conflicts in Ukraine and Israel leading to high volatility;
- Inflation rates are expected to remain high in the near future, both in Romania and in the rest of the world, but declining and with a volatile outlook;
- Monetary policy interest rates of central banks (e.g. NBR, Fed, ECB, BoE) are expected to remain high (end of the "cheap money" period);
- Disturbance (to the point of disruption) of supply chains is likely to persist and increase as de-globalisation (regionalisation and protectionism) continues.

The future profitability of the Company's operations and the feasibility of its projects depend on the Romanian market conditions and the conditions experienced on the markets of the countries which it carries out the majority of its business operations with, particularly in the European Union, given the development of the investment projects concerning the Refurbishment of U1, construction of U3&U4 and SMRs, and with the US and Canadian partners. The main risk factors attached to the macroeconomic environment are grouped into the following three categories:

### Market risk

The market risk category includes general market risks and risks related to the Romanian electricity market. This risk combines the effects of macroeconomic performance, the evolution of the electricity market and the volatility of the electricity price, and it appears due to the fluctuations in the price of electricity and in the price of raw materials and materials, the small number of suppliers or business partners and the lack of long-term contracts. Materialization of the market risk has a direct impact on the overall performance of the Company.

### Currency risk

The currency risk is determined by the current activities of the Company, assuming that some of these involve transactions in foreign currency. These transactions include repayment of the loans taken to finance Unit 2 (in EUR, USD and CAD), the technical assistance and the contributions to the decommissioning of the two units.

Developments continue to be difficult to predict, with the effect of the economic (economic sanctions and counter-sanctions) and military actions likely to influence the exchange rates in the foreseeable future.

### Geopolitical risk

SNN considers and assesses, in the pursuit of its business, the business environment changes caused by the geopolitical developments in terms of prices, counterparty credit risk, compliance with

sanctions and bans, the risk that the military conflict in Ukraine extends in the vicinity of Romania, etc.

Political and military polarization has a bearing on the polarization of the economic relations; an evolving impact is:

- rising prices in the US-EU economic space due to the need to replace the Russian fuel and Chinese sources of goods by US and intra-EU sources that come at higher production costs (incl. wages) than in China and the Global South, and
- reorientation of (increasing) China's trade relations with the Global South (incl. Africa and South-East Asia), with a secondary impact seen in a predictable growth of these economies.

## **Operational environment**

The Company's current operations are influenced by various additional risk factors that have a major impact on the current profitability. The main categories of risks are the following:

### **Operational risk**

The *operational risk* is the risk of loss that results either from the use of inadequate internal processes, people or systems or processes, people or systems that did not perform their function properly, or from external events, and includes also the legal risk.

*Operational risks* are related to the Company's business and its ability to generate income and maintain a competitive operating margin, and are closely related to the market position, identification and assessment of the investments, the profits/losses generated, any potential fines, penalties or sanctions, a deficient establishment or administration of the contractual obligations. These risks depend on the Company's ability to procure the amounts of electricity it assumed under contracts on the regulated and competitive markets, taking into account both the scheduled and unscheduled shutdowns of Units 1 and 2.

The operational risks can materialize in equipment failures, human errors or malfunctioning of the operational processes, which can ultimately lead to unscheduled shutdowns.

Similarly, the prolonged and severe drought or other external events (e.g. strong storms, extreme cold, failure of Transelectrica's electricity transmission network) can have a major impact on the generation of electricity, further to unscheduled business shutdowns.

Among the measures that can mitigate these risks we list: negotiation of long-term contracts at preset prices and with specific commercial clauses concerning liquidation and damages, with the view to reducing the volatility of the collection period by ensuring the cash flow needed for operating and investment purposes. Other measures that can reduce the operational risk can be represented by the Company's ability to plan operation shutdowns during periods when the price of electricity decreases or the Company's ability to conclude contracts to offset the unrealized production, when the units do not produce enough electricity due to unscheduled shutdowns.

### **Counterparty credit risk**

*Counterparty credit risk* represents the risk of business partners not acting in accordance with the terms and conditions specified in the concluded contracts, as a result of failure, intentional (refusal to pay) or unintentional (inability to pay) to pay a debt to SNN, of judicial reorganization, bankruptcy or voluntary liquidation of a counterparty of SNN.

SNN has business partners both as a seller and buyer of electricity, as well as a buyer of goods, equipment and services needed for its current activity.

Given the opening of the market to competition, SNN will seek to conclude contracts for the sale of electricity mainly on a long-term basis, for a large part of its production capacity, this being a condition for ensuring the cash flow required by credit institutions, considering particularly the additional financing needed to make investments. In order to mitigate this risk, the Company has put in place a policy of selecting business partners based on their credit risk; consequently, such contracts will only be concluded with solvent business undertakings.

### **Competitive risk**

The competitive risk must be reviewed in the context of the alignment of the Romanian Day-Ahead Market, in observance of the price coupling mechanism, to the markets in the Czech Republic, Slovakia, Slovakia and Hungary; consequently, the Company will be exposed to a stronger regional competition generated by future improvements, refurbishments, extensions and new constructions expected to be carried out by the electricity generators on the respective markets. Also, the renewable energy projects are highly volatile in terms of production due to the lack of forecasts on the availability of fuel sources (e.g. wind and solar energy).

### **Legislative/regulatory risk**

The legislative risk it is represented by the changes that could occur in the Romanian and/or EU legislative framework. Such potential changes could refer to levying of new taxes or enforcement of nuclear safety standards and/or requirements by the community, local and central authorities and/or by the authorities that regulate the field of nuclear energy. In the context of the military conflict in Ukraine, the economic sanctions imposed by both the European Union and of the US becomes important, in light of the fact that SNN has business relations with US entities and some partners of SNN must abide by the applicable US legislation since they operate in jurisdictions subject to the US laws. The effect of the legislative risk can be unexpected raises in the production costs, which could further eat up profit the margins.

Apart from the individual risk that can be generated by a single piece of regulation (regulation, directive, law, ordinance, etc.), the Company is exposed to the legislative/regulatory risk also in terms of the large number of national and international regulatory and/or control entities and/or professional associations, which address the activities carried out by the Company; in this context, it can be that the regulations issued by different authorities may come into conflict due their contradictory regulatory provisions.

**Risk related to the investment/ maintenance/ refurbishment works**

This risk appears in close connection with the Company's funds, procurement and maintenance plan, performance of studies/surveys and analyses needed to substantiate the plans, structure and training of the staff, and the suppliers of equipment/plants.

**Risk related to the lack of specialized workforce**

This risk appears in connection with both the loss of specialty knowledge due to the retirement of the Company's specialists, and the departure of specialists to other better-paid jobs, but also in the absence of programmes to attract skilled young people, who would be then trained and specialized in both the field of operation and maintenance, as well as in other fields related to implementation of the proposed investment programme.

The Risk Management Service classifies and monitors risks in order to provide useful risk information to decision-makers in SNN. The staff who manage the risks have identified several ways to mitigate them, some of which are presented in the following table:

No.	Risk category	Mitigation method
<b>1. Macro-economic environment</b>		
1.1	Market risk	- long-term bilateral contracts, with fixed prices or well-defined price formulas;
1.2	Legislative/regulatory risk	- use of the best technologies that ensure the environment sustainability; - continuous communication with the authorities;
1.3	Currency risk	- negotiation of price conditions that include the currency risk
<b>2. Operational environment</b>		
2.1.	Commercial risk	- negotiation of contracts for a period of more than 1 year, with predefined prices; - policy of evaluation of commercial partners; - capitalization of export opportunities.
2.2	Regarding costs	- conclusion of contracts for the compensation of revenues from the electricity production when the reactors are stopped, thus anticipating the unscheduled shutdowns.
2.3	Counterparty risk	- well-designed and detailed long-term contracts; - application of a rating system in the case of parties with which bilateral contracts are concluded; - guarantees (cash in the Company's accounts, letters of guarantee, binding letters of commitment, of the PCG - Parent Company guarantee type).
2.4	Competitive risk	- continuous monitoring of the markets, - applying a cost control policy.

Against a background economic environment already weakened by the measures taken internationally to fight against the Covid-19 pandemic, deterioration of the macroeconomic environment has been deepened by the military conflict in Ukraine.

So far, even if SNN has not been directly affected by the military conflict in Ukraine, it still felt its propagated impact through the macroeconomic instability that accompanied it, translated into:

- high fluctuation of electricity prices (*market risk*) and a high volatility of fossil fuel prices, especially gas, due to reduction or complete interruption of gas supply from Russia to Europe, which triggered an energy crisis that would last until 2027,
  - with a propagated impact on the prices of electricity sold by SNN, but also, in the context of government measures taken to protect the population and businesses against this volatility, on the capacity of electricity suppliers, partners of SNN, to absorb these shocks, and the counterparty credit risk,
- high volatility of the legislative framework put in place to provide protection against the rise in the price of electricity (*regulatory risk*),
- high vulnerability of the counterparty credit risk affected by the aforementioned regulations (*counterparty credit risk*),
- strong volatility of food prices (*market risk*), due to the fact that (since both Russia and Ukraine used to be the main producers on the international market) large areas of Ukraine have been affected by the conflict and the exports from Russia have been significantly limited by sanctions,
  - with a widespread impact on the credit risk of the population, customers of SNN partners,
- the adverse impact (up to interruption) on the supply chains affected by sanctions (*external risk, hazards*),
- security risk (*external risk, hazards*) due to escalation of the conflict in:
  - the proximity of Romania's exclusive economic zone of the Black Sea,
  - the territorial proximity of the Republic of Moldova, and
  - the proximity of the airspace of NATO countries, Romania and the Republic of Moldova,
  - areas for launching air strikes from remote conflict zones, but which could pose additional risks (e.g. the Caspian Sea, the Mediterranean Sea, etc.).

Amendment of the regulatory framework of the energy market is part of the set of actions taken internationally for global decarbonization purposes.

In this context, Romania and SNN align with the actions taken by the European Union, which completed a comprehensive review of the energy policy framework by adopting a set of regulatory acts generically called Clean Energy for all Europeans Package (or Clean Energy Package - CEP), with the aim of facilitating the EU's transition from the use of fossil fuels to clean energy, and of helping reduce the greenhouse gas emissions by 40% by 2030, compared to the figures of 1990.



In this context, the clean energy produced by SNN is of strategic importance for Romania, and the development projects of reactors 3 and 4 of the SNN nuclear power plant and continuation of the initiatives to develop of small reactors are ranked very high in terms of priority.

### **Improvement of the internal risk management framework**

With a view to achieving the objective of reporting capabilities development and improvement, risk control and management, SMR implemented a series of continuous actions/measures intended for the improvement of the risk management framework, among which we remind:

- ❖ The introduction of new risk categories in the periodic analysis, depending on the dynamics of business needs.
- ❖ The periodical review of the counterparty risk for all counterparties with which commercial contracts have been concluded on CM-OTC market and beyond.
- ❖ Automation/ digitalization of the risk management processes by developing applications of the risk information circulation management (MPR). MPR application approaches all the risk management process: visualization, addition, amendment/ update, return, deletion and validation of risks, allowing a perspective of the risk evolution in time, monitoring of the actions related to thereto and generating reports of interest for the company management.
- ❖ Automation/ digitalization of the process of managing the guarantee instruments issued in favour of SNN through the development of the AGNI application. The application addresses the following business needs: verification of the guarantees issued in favour of SNN and the eligibility of issuers; management of information on guarantees and issuers; approval of exemptions/exclusion regarding the guarantees and issuers; reports for the guarantees registered in the application.
- ❖ Monitoring the international sanctions for the management of Nuclearelectrica to make risk-informed decisions (RIDM) about the business relationships and/or transactions with certain counterparties;
- ❖ Increase in the competencies level of the Company's staff as regards the risk management both by participation in the training courses and the carrying out of certain training sessions based on internal resources for the Executive staff of SNN, Cernavodă NPP and NFP Pitești.
- ❖ The review, improvement and/or recalibration/ periodical adjustment of the risk management instruments (for example, internal procedures, algorithms and models, rating scales, risk profile, risk tolerance limit, operational and informational flows).

### **Risk insurance**

As at 31 December 2023, the following operational insurance policies were valid:

- ❖ The property insurance policy for material damages, all risks, including mechanical and electrical destruction (for Units 1 and 2 Cernavodă NPP and NFP Pitești). The compensation limit is in amount of USD 1,560 million for the entire year for all damages.

- ❖ Civil liability policy to third parties for nuclear damages. The compensation limit amounts to DST 300 million (for Units 1 and 2 of Cernavodă NPP).
- ❖ The third-party/professional liability insurance policy for SNN's directors and executive officers. The compensation limit is EUR 27 million.

In addition to these insurance policy, the Company has concluded also policies of the types MTPL (motor third-party liability), motor-hull (CASCO - optional motor insurance) and against accidents at work and occupational illnesses for employees.

## **10.7. ETHICS AND COMPLIANCE FUNCTION**

The Ethics and Compliance Service (ECS) is subordinated to the Deputy Chief Corporate Services Officer. This Service carries out an independent and objective functional activity, the role of which is to manage the anti-bribery system and to secure effective implementation of all ethics and compliance policies and procedures, by creating an organizational environment where integrity, ethics and ethical behaviour are recognized and respected at all times.

ECS's work is designed to add value and improve the Company's activities with the following main processes:

1. Implement and develop an anti-bribery management system by identifying, assessing and controlling the compliance risks, and developing a culture of ethics, integrity, transparency and compliance.

- identify/assess the corruption, conflict of interest and compliance risks across the Company;
- advise the management on compliance matters in the application of procedures for granting and accepting benefits or granting sponsorships/donations and conducting CSR campaigns;
- ensure development of a culture based on ethics and integrity through dissemination of the compliance policies across SNN and in branches, and delivery of advice and training under the professional development programme;
- with the support of compliance officers in branches, assess the progress made in implementation of the National Anti-Corruption Strategy, and make proposals of measures to be taken to this end;
- review the results of the business partner self-assessment with the aim of taking specific measures.

2. Manage the irregularity reporting system, conduct investigations/compliance engagements, alone or with the support of other control/inspection structures of the Company.

- conduct investigations/compliance engagements according to the annual compliance plan and ad-hoc, acting upon the referrals received by the Company, on the basis of the irregularity reporting procedure;

- participate in joint teams, together with representatives of other structures of the Company (in particular the Anti-Fraud Office, IAD, Internal Control) in compliance engagements, where specialized expertise is needed;
- at the request of the Company's Board of Directors and/or the Chief Executive Officer, participate in ad-hoc compliance engagements where there are suspicions of corruption, conflicts of interest or other specific compliance issues;
- follow-up on implementation of measures agreed with management, as these are documented in the reports of the investigations/compliance engagements it takes part in;
- coordinate the work of the compliance officers of the branches and subsidiaries,
- define and manage the procedure for receiving whistleblower reports.

3. Management and development of the Company's ethical values, ensuring compliance with the ethical rules of business conduct, in all company structures and at all levels

- coordinate and supervise development, interpretation and implementation of the ethics policies and programmes;
- organize awareness sessions on the ethics rules, and the amendments made to the ethics and integrity regulatory framework;
- monitor application and compliance with the principles and rules of conduct, and prepare and review reports.

4. Ensure implementation of the legal provisions on the wealth and interests declarations.

- provide advice on the content and application of the legal provisions regulating the wealth declaration and valuation, conflicts of interest and incompatibilities, and prepare opinions on this topic at the request of the persons who are required to submit wealth and interests declarations;
- ensure the display and maintenance of the wealth and interests declarations of on the institution's website;
- send the documentation required under the relevant legislation to the National Integrity Agency.

In Q1 2023, SNN was subject to a recertification audit concerning fulfilment of the conditions for implementation of the Standard ISO 37001 - Anti-Bribery Management System, during which the progress made was positively assessed.

The work of the Compliance Office covered the following areas:

### **Communication**

The Ethics and Compliance Service promotes, among its employees, collaborators and business partners, the principles of ethics and compliance.

The Ethics and Compliance Service represented the Company in a number of compliance and anti-corruption events, such as:

- meetings with the Ministry of Energy and the Ministry of Justice on topics related to implementation of the National Anti-Corruption Strategy;
- workshops and meetings/interviews with OECD representatives under the programme for Romania's accession to this organization and for implementation of the European good practices in the local business environment;
- workshops/conferences under the World Economic Forum - Partnering Against Corruption Initiative (PACI).

### **Awareness raising and training**

The code of ethics and conduct, and the anti-corruption policies and procedures are promoted among employees through in-house and externally-supported trainings.

In 2023, the Ethics and Integrity Service delivered trainings on the following topics:

- Whistleblower and incompatibilities;
- Identification and prevention of the conflicts of interest;
- Fraud, the new view on the ESG risks and amendments to the whistleblower legislation;
- Ethics and anti-corruption;
- the National Anti-Corruption Strategy, corruption offences, and whistleblowing.

### **Consultancy**

The Ethics and Compliance Service perform preventive activities by advising on ethical behaviours and practices in relation to interpretation of internal and external rules against the requests of business partners. The Ethics and Compliance Service responded to requests of the SNN structures regarding anti-corruption clauses of contracts, evaluation the of sponsorship applicants, or evaluation of more particular situations, which need to be reviewed for their potential of conflicts of interest.

### **Reporting and investigating**

The Ethics and Compliance Service made sure that employees had multiple channels available to report compliance issues(*including the Whistleblower sections of the Company's intranet and website*), allowing them to report any potential violations of SNN's Code of Ethics and Business Conduct, and of any Company policies or laws, without fear of retaliation.

The reports/referrals received were review, and the matters of interest stemming from the preliminary assessment of the data, the investigations or the audit engagement carried out were reported to the SNN management.

### **Control**

In order to advance responsible and fair, as well as compliance with, the standards among business partners(*customers and suppliers*), the Ethics and Compliance Service conducts permanent checks

thereon, for all contracts concluded and amounting to more than RON 135,000, within two main segments:

- **in terms of potential conflicts of interest**, against the information entered by the SNN employees in CIMA - Conflict of Interest Management Application;

- **in terms of the overall corruption risk**, by assessing the partners' anti-bribery management system, based on a questionnaire containing a set of questions, depending on which a score is given and partners are rated in one of the risk categories (low, medium or high).

### **Assessment of the corruption risks**

Corruption and fraud risks are analysed and assessed on a quarterly basis, being treated as a separate segment in the Company's risk register; as part of this analysis and assessment, new risks are entered, changes are made to their impact/likelihood, or the implementation status and effectiveness of the controls are assessed.

Further to the activities carried out by the Ethics and Compliance Service and to the tests undertaken specifically on the key controls of the anti-corruption management system, with this report, we can provide the SNN management with reasonable assurance on the effectiveness of the control and monitoring of the anti-corruption compliance process, since there were no significant issues to report in 2023.

## 11. OVERVIEW OF THE GROUP

As at 31 December 2023, SNN holds 100% participating interests in three subsidiaries: S.C. Energonuclear S.A, Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L Branch, and Nuclearelectrica Serv S.R.L. All subsidiaries fall under the consolidation scope. As at 31 December 2023, the Company holds only one related entity subject to consolidation, namely Ropower Nuclear S.A., with a participating interest of 50% in its share capital.

### 11.1. EnergoNuclear S.A. Subsidiary

#### History and Presentation

The establishment of EnergoNuclear SA ("EN"), a company the mission of which is development of the Cernavodă NPP Units 3 and 4 construction project took place by SNN holding a participating interest of 51% in its share capital (under the Government Decision no. 643/2007, as amended by the Government Decision no. 691/2008). According to the Investment Agreement for establishment of EN, signed on 25 December 2008 and approved by the Government Decision no. 1565/2008, the initial shareholding was: SNN with 51%; RWE, GDF Suez, ENEL and CEZ each with 9.15%, and ArcelorMittal and Iberdrola each with 6.2%.

After withdrawal from the Project of the shareholders CEZ (on 30 December 2010), RWE, GDF Suez and Iberdrola (on 28 February 2011), Enel (on 16 January 2014) and ArcelorMittal (on 17 January 2014), SNN acquired, under the respective share assignment contracts, their former aggregate participating interest in EN and ended up holding 100% of the share capital of EN on 17 January 2014.

As at 31 December 2023, the share capital of EN is RON 226,924,999.82548, fully subscribed and paid up in cash. The share capital is divided into 57,611,262 ordinary registered shares with a nominal value of RON 3.9388999988488 per share.

The registered office of EN is in Bucharest, Bd. Lacul Tei, nr. 1 – 3, etaj 8, sector 2, rooms 829-830, 801, 802, 803, 804, 806, 807-808, 809 – 810, 811, 812 and 800. Its number in the Trade Register is J40/3999/2009, and its Single Code of Registration is 25344972.

#### Articles of Association

EN's Articles of Association has undergone successive amendments over time, as these were approved by Resolutions of the Extraordinary General Meeting of Shareholders. The latest amendment to the Articles of Association was approved under the Resolution no. 5 of 29 August 2023 of the Extraordinary General Meeting of the Shareholders of EnergoNuclear S.A.

The amendments made to the Articles of Association of EN in August 2023 were the result of the increase in the share capital of the Company by an issue of new shares amounting to RON 22,999,997.3009779 lei, from RON 203,925,002.5245 up to RON 226,924,999.825478.

### **Acts of appointment/revocation of Directors**

EN is managed under single-tier system. The executive body of the Company is the Board of Directors, consisting of 3 (three) members. The members of the Board of Directors are elected by the Ordinary General Meeting of Shareholders, according to the legal provisions. The Chairman of the Board of Directors is elected by the Board of Directors among its members.

During 1 January 2023 – 31 December 2023, the membership of EN's Board of Directors was:

- Anca-Ioana Dobrica: Chairperson (01.01.2023 – 31.12.2023);
- Melania-Simona Amuza: Member (01.01.2023 – 30.09.2023);
- George-Codrut Tudor: Member (01.01.2023 – 31.12.2023);
- Adrian-George Foghis: Member (01.10.2023 – 31.12.2023).

### **Management of Energonuclear**

During 1 January 2023 - 31 December 2023, the position of temporary CEO of EN was held by Mr. Alexandru Havris, appointed under resolutions of the Board of Directors, in accordance with the provisions of Law no. 31/1990 of the companies, and with the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises.

During 1 January 2023 - 31 December 2023, the position of provisional Deputy CEO of EN was held by Mr. Alexandru Marciulescu, appointed under resolutions of the Board of Directors, in accordance with the provisions of Law no. 31/1990 of the companies, and with the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises.

During 1 September 2023 - 31 December 2023, the position of temporary CFO of EN was held by Mr. Vasile Dascalu, appointed under resolutions of the Board of Directors, in accordance with the provisions of Law no. 31/1990 of the companies, and with the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises.

### **Disputes**

As at 31 December 2023, there were no pending disputes and no new disputes arose in the course of 2023.

## Description of the activity

In 2023, in line with the Strategy for continuation of the Cernavodă NPP Units 3 and 4 Project (the “Strategy”), as approved by Resolution no. 3/05.04.2021 of the Ordinary General Meeting of SNN Shareholders, the team of Energonuclear S.A. contributed to performance/development of the following activities:

- Renew the licenses for holding and exporting unpublished information (CNCAN).
- CNCAN inspections on the site of Units 3 and 4 of Cernavodă NPP and continued implementation of the requirements listed in the Inspection Reports.
- Definition of the Strategy to obtain the Building Permit (CNCAN).
- Obtain, by care of SNN, a new Water Management Clearances for the Cernavodă NPP Units 3 and 4 Projects.
- Develop, implement and certify the Anti-Bribery Management System according to ISO 37001:2017.
- Conclude and perform the contracts for the services and works needed for conservation of the civil engineering structures existing on the site of Units 3 and 4 of Cernavodă NPP:
  - maintain and operate of temporary low-voltage electrical installations;
  - dewatering services;
  - clear and sanitize the structures from the outside and the inside of the buildings within the protected area;
  - apply fire retardants on the access platform to the ring-shaped girder of Units 3 and 4 of Cernavodă NPP.
- Review and acceptance for payment 44 technical reports for 2023 (Candu Energy Inc.).
- Prepare and submit of the complementary notification for the Cernavodă NPP Units 3 and 4 Project under the provisions of Article 41 of the EURATOM Treaty.
- Update the “Study on the supply of cooling water for simultaneous operation of 4 Units on the site of Cernavodă NPP”.
- Approve, initiate and perform a procurement concerning “Legal, financial and technical assistance/consultancy services in connection with the project of Units 3 and 4 of Cernavodă NPP”.



## **11.2. Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L. Branch**

As at 24 September 2021, the SNN subsidiary Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L. Branch (“F.P.C.U Feldioara”) was established with the registered office located in County of Brasov, Locality of Feldioara, Str. Dumbravii nr. 1, Administrative Building, ground floor, and registered with the Trade Register under number J8/2729/23.09.2021, Unique Code of Registration 44958790, tax attribute RO. The main activity of FPCU Feldioara consists in “Processing of nuclear fuel” – CAEN Code 2446.

In the financial year 2022, Compania Nationala Nuclearelectrica S.A. (“SNN”) signed with CNU the contract for the sale and purchase of assets within the uranium concentrate processing line at the Feldioara Branch of the CNU, following the approval of the transaction and mandating the executive management of SNN to sign this transaction by the Resolutions of the Board of Directors of SNN and the approval in the General Meeting of Shareholders of CNU.

Further to the due diligence conducted, SNN identified the necessary assets due to be strategically integrated into its structure; thus, by completing this transaction, SNN will integrate the entire manufacturing cycle of CANDU nuclear fuel, save for the mining activity.

The transaction covers only a few assets (land, buildings, special structures, planta/installations, machinery and equipment).

Takeover of assets from Feldioara Branch of CNU was a two-stage process: Contract signing date, which occurred on 18 March 2021, and Completion Date on 28 December 2022.

Between January and March 2023, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing; in fact, we made Feldioara fully operational.

### **11.3. Nuclearelectrica Serv S.R.L. Branch**

Nuclearelectrica Serv S.A. branch 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.

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

### **11.4. 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 December 2023, the Company held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting to RON 4,943,000.

Ropower Nuclear S.A. Company is established to develop, raise financing, design, build and operate a facility for production of electricity from nuclear energy based on the small modular reactors in Doicești, County of Dâmbovița, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totalling 462MWe.

## 12. SUBSEQUENT EVENTS

### **Signing the Memorandum of Understanding with SACE and Ansaldo Nucleare for development and financing of the strategic projects: Refurbishment of Unit 1 of Cernavodă NPP, and Units 3 and 4 of Cernavodă NPP**

With publication of the current report dated 15 February 2024, SNN announces that it signed a Memorandum of Understanding with SACE and Ansaldo Nucleare to advance the development and financing of the refurbishment of Cernavodă NPP Unit 1 and of Cernavodă NPP Units 3 and 4, two of SNN's strategic projects with a significant impact on energy security, the decarbonization targets, and the local and national social and economic development.

In this context, Ansaldo Nucleare expressed their interest in submitting a tender for provision of engineering and project management services, procurement, installation and commissioning of the components and systems, mainly for the Balance of Plant, as required for completion and commissioning of both the Unit 1 Project and Units 3 and 4, and further confirmed their interest in submitting a tender for provision of the abovementioned services.

SACE expressed their interest in supporting the financing of the two SNN projects by up to EUR 2 billion, in accordance with the SACE procedures.

### **Information on the criminal case in which SN Nuclearelectrica SA acts as civilly liable party**

With the current report dated 27 February 2024, SNN informs its shareholders and investors that, as at 26 February 2024, it learned of the criminal case no. 1730/256/2024 concerning non-compliance the legal occupational health and safety measures; this is currently heard on substance by Medgidia District Court, and in which SNN is a civilly liable party.

The standing of SN Nuclearelectrica SA as a civilly liable party in the aforementioned case results from the accident at work concluded with the death of one person, an employee of a SNN contractor, in July 2020.

### **13. STATEMENTS AND SIGNATURES**

Based on the best available information, we confirm that the Individual Financial Statements and the Consolidated Financial Statements prepared in accordance with the applicable accounting standards (International Financial Reporting Standards approved by the European Union), provide an accurate and consistent picture of the Company's and Group's Financial Position, Financial Performance and Cash Flows for the financial year 2023. This report, produced in accordance with the provisions of Article 65 of Law no. 24/2017, as republished on 10 August 2021, on issuers of financial instruments and market operations, as subsequently amended and supplemented, and Annex no. 15 of Regulation no. 5/2018 issued by the Financial Supervisory Authority, for the financial year ended on 31 December 2023, includes accurate and factual information about the development and performance of the Company and of the Group, as well as a description of the main risks and uncertainties specific to the business pursued.

**Chairman of the Board of Directors,  
Teodor Minodor Chirica**

**Chief Executive Officer,  
Cosmin Ghita**

**Chief Financial Officer,  
Dan Niculaie-Faranga**

## 14. ANNEX 1 - ARTICLES OF ASSOCIATION AMENDED IN 2023

The amendment of the Articles of Association was made by the vote of the Extraordinary General Meeting of the Company's Shareholders and is the outcome of the agreement reached, by vote, in the general meeting. According to the principles of the Organization for Economic Cooperation and Development ("OECD") on corporate governance, an effective corporate governance regime needs to be put in place that leads to transparency and efficiency, clearly regulates distribution of responsibilities, protects and facilitates the exercise of shareholders' rights, and ensures a fair treatment of all shareholders, including the minority shareholders.

SNN places great importance on corporate governance, as this is critical for striking a balance between the Company's bodies for increased protection of the majority shareholders and, in particular, of the minority shareholders, in order to achieve economic growth, efficiency and return. In 2023, Compania Nationala Nuclearelectrica S.A. issued 3 amended Articles of Association, as follows:

1. Under the EGMS Resolution no. 2/15.02.2023, the updating of the SNN Articles of Association with the following was approved:

Annex 1 – Amendments to the Articles of Association of SN Nuclearelectrica SA

1. The registered office of the Company is hereby changed as follows:

*“Registered office of the Company*

*Article 3(1) Societatea Nationala "Nuclearelectrica" S.A. has its registered office is Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, ground floor and floors 4, 5 and 13.”*

2. Article 4 concerning the term of the Company is hereby amended from “without limitation” into “indefinite”, as follows:

*“Term of the Company*

*Article 4 The term of the Company is indefinite, starting from the Company’s incorporation date with the Trade Register Office”*

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Under the EGMS Resolution no. 7/4.12.2023, the updating of the SNN Articles of Association with the following was approved:

Annex 1 – Amendments to the Articles of Association of SN Nuclearelectrica SA

1. Article 20 concerning other duties and powers of the Board of Directors is hereby amended from:

*“Article 20(3) The Board of Directors also has the following duties and powers”, into “Article 20(1) The Board of Directors also has the following duties and powers (...)”.* Thus, Article 20(3) becomes Article 20(1).

Under the EGMS Resolution no. 8/7.12.2023, the updating of the SNN Articles of Association with the following was approved:

### **Annex 1 – Amendments to the Articles of Association of SN Nuclearelectrica SA**

1. The registered office of the Company is hereby changed as follows:

*“Registered office of the Company*

*Article 3(1) Societatea Nationala "Nuclearelectrica" S.A. has its registered office is Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, floors 3, 4, 5, 13 and ground floor.”*

2. The registered office of the Branch Cernavodă NPP is hereby amended as follows:

*“Article 3(2) Societatea Nationala "Nuclearelectrica" S.A. has two branches, as follows:*

*“Cernavodă NPP Branch”, with the registered office in County of Constanta, Town of Cernavodă, str. Medgidiei nr. 2, and “NFP Pitești Branch”, with the registered office in County of Argeș, Town of Mioveni township, str. Campului nr. 1.”*

### **15. ANNEX 2 - APPOINTMENT/REVOCATION ACTS IN 2023**

Societatea Nationala Nuclearelectrica S.A. issued the following appointment/revocation acts taking effect in 2023:

1	BoD Resolution no. 154/10.08.2022	- renewal of the CEO office for a 4-year term, effective 12 February 2022
2	BoD Resolution no. 103/03.05.2023	- appointment of Dan Niculaie - Faranga to the position of Chief Financial Officer, for a 4-month term of office, effective 3 May 2023;
3	OGMS Resolution no. 6/10.08.2022	- Appointment of Minodor Teodor Chirica as non-executive director effective 29 September 2022, for a 4-year term of office - Appointment of Cosmin Ghita as executive director effective 29 September 2022, for a 4-year term of office - Appointment of Elena Popescu as non-executive director effective 29 September 2022, for a 4-year term of office - The appointment of Chirlesan Dumitru as temporary member of the Board of Directors, starting with 10 August 2022, for a 4-month term of office - Revocation of Serban Constantin Valeca from the office of member of the Board of Directors further to termination <i>de jure</i> of his office by decease.
4	OGMS Resolution no. 10/19.12.2022	- the appointment of Grajdan Vasilica as temporary member of the Board of Directors, for a 4-month term of office - The appointment of Vulpescu Remus Dumitru as temporary member of the Board of Directors, for a 4-month term of office - The appointment of Niculescu George Sergiu as temporary member of the Board of Directors, for a 4-month term of office
5	OGMS Resolution no. 1/15.02.2023	- Appointment of Mr. Vulpescu Remus as non-executive director to the Board of Directors, effective 15 February 2023, for a 4-year term of office - Appointment of Mr. Chirlesan Dumitru as non-executive director to the Board of Directors, effective 15 February 2023, for a 4-year term of office - Appointment of Mr. Niculescu Sergiu as non-executive director to the Board of Directors, effective 15 February 2023, for a 4-year term of office

		- Appointment of Mrs. Grajdan Vasilica as non-executive director to the Board of Directors, effective 15 February 2023, for a 4-year term of office
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## **16. ANNEX 3 – LIST OF OFFICES**

S.N. Nuclearelectrica S.A. has its registered office is Bucharest, District 1, Bd. Iancu de Hunedoara nr. 48, floors 3, 4, 5, 13 and ground floor.

## **17. ANNEX 4 – LIST OF BRANCHES**

S.N. Nuclearelectrica S.A. has two branch offices, without legal personality, as follows:

- ❖ Cernavodă NPP Branch, with the registered office in County of Constanta, Town of Cernavodă, str. Medgidiei nr. 2, registered with the Trade Register under no. J13/3442/11.10.2007, which operates Units 1 and 2, as well as the ancillary services.
  
- ❖ NFP Pitești Branch, with the registered office in County of Argeș, Town of Mioveni, Strada Campului, nr. 1, registered with the Trade Register under no. J03/457/24.08.1998, which produces the nuclear fuel bundles needed for operation of Units 1 and 2 of Cernavodă NPP.

## 18. ANNEX 5 – LIST OF SUBSIDIARIES

As at 31 December 2023, SNN holds participating interests in three subsidiaries: S.C. Energonuclear S.A, Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L Branch, and Nuclearelectrica Serv S.R.L.

### **Energonuclear S.A.**

Energonuclear S.A. branch (“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” - NACE Code 7112. It was established for the purpose of developing and implementing the project for Units 3 and 4 of Cernavodă NPP.

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

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

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

### **Nuclearelectrica Serv S.R.L.**

Nuclearelectrica Serv S.A. branch 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 December 2023, SNN holds 100% of the share capital of Nuclearelectrica Serv, the value of the shareholding is RON 17,000,200 (31 December 2022: RON 200).



## 19. ANNEX 6 – LIST OF RELATED ENTITIES

As at 31 December 2023, SNN holds a 50% stake in the related entity RoPower Nuclear S.A.

### **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 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 2022, RON 4,943,000).

**20. ANNEX 7 - LIST OF MAJOR DISPUTES PENDING AS AT 31 DECEMBER 2023 (MORE THAN RON 500 THOUSAND), INCLUDING THOSE NOT ATTACHED A MONETARY VALUE**

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
1.	9089/101/2013	<b>Civil</b> Mehedinti Tribunal	Creditor	Autonomous Authority for Nuclear Activities (RAAN)	Insolvency. Bankruptcy, liquidator appointed. Receivable RON 7,828,405.48	substance	<b>Substance.</b> Liquidation procedure in progress.	06.06.2024
2.	409/2/2016	<b>Criminal</b> Bucharest Court of Appeal	Civil party	Tudor Ion Criminal group Banat Insolvency House liquidator of CET Energoterm Resita.	Charges of tax evasion, forgery, giving and accepting bribes RON 580,974.21.	substance	<b>Substance.</b> Evidence management	31.05.2024
3.	5802/118/2017	<b>Labour</b> Constanta Tribunal	Defendant	NPP Trade Union on behalf of 757 employees.	Money rights dangerous conditions bonus.	substance	<b>Substance.</b> Pending trial Submission of accounting expert report.	31.05.2024
4.	35162/299/2018*/a1	<b>Civil</b> Bucharest Sector 1 District Court, 2nd Civil Division	Garnishee - SNN Appellant Debtor AAAS Respondent Ionita Stefan.	Ionita Stefan – enforcement file 959/2010 BEJ Draganescu, Ionescu, Crafcenco	Opposition to enforcement RON 2,089,042.69.	substance retrial	<b>Solution on substance:</b> Rejects the plea of lack of capacity to be sued of the garnishee as unfounded. Rejects the opposition to enforcement as ungrounded. Subject to higher appeal within 15 days of service. Judgment no. 1611/21.03.2019. <b>Solution on the higher appeal:</b> Upholds the higher appeal. Admits the plea of lack of mandatory capacity to be sued, invoked <i>ex officio</i> . Quashes the sentence and submits the case for retrial to the same court. Irrevocable. Rendered in public session this day of 14 January 2020. Judgment no. 7/14.01.2020.	postponed

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p><b>Substance retrial:</b> stays, on the grounds of article 412 of the New Code of Civil Proceedings until the submission of the proof of capacity of heirs.</p> <p><b>Higher appeal against retrial stay:</b> Rejects the higher appeal as unfounded. Irrevocable.</p>	
5.	5462/2/2019	<p><b>Administrative disputes</b></p> <p>Bucharest Court of Appeal / HCCJ</p> <p>Bucharest Court of Appeal</p>	Appellant-plaintiff	<p>Bucharest Regional General Directorate of Public Finance</p> <p>General Directorate for the Administration of Large Taxpayers.</p>	Cancellation of tax documents	higher appeal	<p><b>Solution on substance:</b> Admits the plea of lack of capacity to be sued of defendant Bucharest Regional General Directorate of Public Finance. Dismisses the application filed by the claimant S.N. Nuclearelectrica S.A., against defendant Bucharest Regional General Directorate of Public Finance, as being filed against a person with no standing to stand trial. Admits the plea of limitation of the right to sue. Dismisses the statement of claims filed by the claimant S.N. Nuclearelectrica S.A. against defendant ANAF - General Directorate for the Settlement of Challenges, as being time barred. Admits the plea of inadmissibility. Rejects the introductory claim filed by claimant S.N. Nuclearelectrica S.A. against defendant General Directorate for the Administration of Large Taxpayers, as inadmissible. Subject to higher appeal within 15 days of service. Judgment no. 985/22.06.2021</p> <p><b>Higher appeal.</b> Upholds the higher appeal lodged by SNN, quashes the judgment and refer the case back to for retrial.</p> <p><b>Substance retrial: hearing expected to be set</b></p>	31.05.2024
6.	6026/109/2019	<p><b>Labour</b></p> <p>Argeş Tribunal / Piteşti Court of Appeal</p>	Appellant-defendant	Gheba Florin Ovidiu.	<p>Challenge Decision no. 344/17.10.2019 termination of individual employment agreement and Decision no. 300/12.09.2019 disciplinary investigation committee.</p>	appeal	<p><b>Solution on substance:</b> Upholds in part the main claim. Sets aside the decision no. 300/12.09.2019 issued by the respondent. Dismisses the plea of lack of interest. Upholds in part the ancillary claim. Sets aside the decision no. 344/17.10.2019 on the termination de jure of the claimant's employment agreement contract, and orders his reemployment to the previously held job. Obliges the respondent to pay the claimant a compensation equal to the indexed, increased and updated salaries and the other rights that he would have benefited from as of the date of the termination de jure of the agreement and until his effective reemployment, plus the statutory penalty interest as of the due date and further on until effective payment of the debts. Dismisses the head of claim seeking to have the defendant ordered to pay the</p>	<p><b>Solution on appeal.</b></p> <p><b>Decision to follow</b></p>

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p>court expenses. Provisionally enforceable <i>de jure</i>. Subject to appeal within 10 days of service.</p> <p><b>Appeal:</b> Dismisses the main appeal as unfounded. Upholds the collateral appeal. Amends in part the judgment, to the effect of upholding part of the claim for court expenses and, consequently, orders the respondent to pay the amount of RON 10,000 to the appellant, as expenses in the case substance hearing proceedings, after reduction of the attorney fee. Maintains the rest of the sentence. Orders the appellant to pay to the respondent the amount of RON 8,000, as court expenses in the appeal proceedings, after reduction of the attorney fee. Final. Rendered by making it available by care of the court's registry. Document: Judgment no. 225/2024 of 16 January 2024</p>	
7.	3083/3/2020	Civil Bucharest Tribunal / Bucharest Court of Appeal / HCCJ	Appellant- plaintiff.	Transelectrica - National Company for the Transmission of Electricity.	RON 1,472,785	higher appeal	<p><b>Solution on substance:</b> Upholds the introductory claim. It obliges the defendant to pay to the claimant the amount of RON 1,290,533.156, as indemnification, to pay this amount adjusted for inflation from 27 September 2018 until the date of actual payment, to pay the amount of RON 182,251.94 representing the statutory penalty interest calculated from 27 September 2018 until 31 January 2020, as well as to further pay the statutory penalty interest, calculated from 1 February 2020 until the date of actual payment. Obliges the defendant to pay to the claimant the amount of RON 23,441.66, as court expenses, consisting in judicial stamp tax. Rejects the defendant's claim for court expenses as unfounded. Subject to appeal within 30 days of service. The appeal shall be lodged with Bucharest Tribunal, 6th Civil Division. Rendered this day of 22 December 2020, by making the solution available to the parties by care of the court's registry. Judgment no. 2698/22.12.2020</p> <p><b>Solution on appeal:</b> Upholds the appeal. Partly changes the appealed civil sentence, namely: Rejects the introductory claim as ungrounded. Maintains the first court judgment to reject the defendant's request to be paid court expenses as unfounded. Obliges the respondent-claimant to pay the appellant-defendant the amount of RON 20,591.66, as appeal court expenses. Subject to higher appeal within 30 days of service; the higher appeal shall be lodged with Bucharest Court of</p>	Postponed

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p>Appeal - 6th Civil Division. Rendered this day of 25 November 2021, by making the solution available to the parties by care of the court's registry. Document: Judgment 1927/2021 25 November 2021.</p> <p><b>Solution on the higher appeal:</b> Pursuant to Article 413(1)(1) of the Code of Civil Proceedings, stays the higher appeal declared by the appellant-claimant SOCIETATEA NATIONALA NUCLEARELECTRICA SA against the civil decision no. 1927/A/25.11.2021, rendered by the Bucharest Court of Appeal - 6th Civil Division, until the final settlement of file no. 2659/2/2020, pending before the High Court of Cassation and Justice - Division for Administrative and Tax Litigation. Final.</p>	
8.	1506/118/2020	Civil Constanta Tribunal	Claimant.	U.A.T. Seimeni commune, Romanian State through the Ministry of Public Finance, the Ministry of Economy, Energy and the Business Environment, Government of Romania.	Action to find the right of use, servitude, free use of publicly owned land.	substance	<p><b>Solution on substance:</b> Rejects the plea of inadmissibility of invoking the plea of unlawfulness of Local Council Decision no. 7/2009 of Seimeni UAT. Admits the plea of unlawfulness of Local Council Decision no. 7/2009 of Seimeni UAT. Orders the removal from the land book 101215 Seimeni of the right of private ownership of Seimeni UAT. Accepts the plea of inadmissibility of claims against the Romanian State through the Ministry of Public Finance. Rejects the claims against the Romanian State through the Ministry of Public Finance as inadmissible. It rejects the remaining portions of the claims against UAT Seimeni as unfounded. Orders the defendant UAT Seimeni to pay to the claimant RON 3,000 as court expenses. Subject to appeal due to be lodged to Constanta Tribunal, within 30 days of service. Judgment 1136/ 1 April 2022. Sentence on substance pending drafting</p>	<b>Solution on substance. Decision to be drafted decision</b>
9.	5730/256/2023 (1663/118/2020*)	Civil Constanta Tribunal	Claimant	Romanian state through the Ministry of Public Finance. Apele Romane National Administration.	Action to find the right of management of the land corresponding to the Valea Cismelei hydrographic basin, right of usage, servitude, free use	substance retrial	<p><b>Solution on substance:</b> Rejects the plea of lack of capacity to be sued of the Ministry of Environment, Waters and Forests, invoked by the latter in its statement of defence, as unfounded. Upholds the plea of inadmissibility of the statement of claims filed by the claimant S.N. Nuclearelectrica S.A. against defendants Romanian State, through the Ministry of Finance, Apele Romane National Administration, Dobrogea Seaside Water Basin Administration and the Ministry of Environment, Waters and Forests, a plea raised <i>ex officio</i>. Dismisses the statement of claims filed by the claimant S.N. Nuclearelectrica</p>	

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
				Dobrogea Seaside Water Basin Administration.	of publicly owned land of 31,050 sqm and 73,428 sqm.		<p>S.A. against defendants Romanian State, through the Ministry of Finance, Apele Romane National Administration, Dobrogea Seaside Water Basin Administration and the Ministry of Environment, Waters and Forests as inadmissible. Subject to appeal within 30 days of service. Judgment no. 891/17.06.2021.</p> <p><b>Solution on appeal:</b> Upholds the appeal. Partly cancels both conclusion of 17 March 2021 on rejecting the topographic expert report evidence, and civil sentence no. 891/17.06.2021 on the judgment regarding the plea of inadmissibility and its relevance in the introductory claim. Maintains the other provisions of the conclusion and of the appealed sentence. Subject to higher appeal within 30 days of service; the higher appeal shall be lodged with Constanta Tribunal, under the penalty of nullity. Rendered this day of 11 March 2022, by making the solution available to the parties by care of the court's registry. The minutes erroneously failed to mention "Resends the case for retrial to the court of first instance. Judgment 391/ 11 March 2022</p> <p><b>Higher appeal:</b> Rejects the higher appeal as unfounded. Final. Judgment 79/2023 26 April 2023</p> <p>Re-registered with the court of first instance for a substantive retrial under no. <b>5730/256/2023</b></p> <p><b>Substance retrial:</b> pending trial. Submission of evidence: land surveying and cadastral expert report</p>	06.05.2024
10.	2659/2/2020*	<b>Administrative disputes</b> High Court of Cassation and Justice	Claimant	ANRE	Cancellation of Order no. 12/2016.	substance	<p><b>Solution on substance:</b> Rejects as unfounded the request to reinstate the material right to action outside the limitation term. Accepts the plea of time barring of the right to action. Rejects the request as time barred. The court upholds in part the request for referral to the Constitutional Court and orders its referral with the resolution of the plea of unconstitutionality of the provisions of Article 5 para. 7 of Government Emergency Ordinance no. 33/2017 for the amendment and supplementation of the Electricity Law no. 13/2007 and Gas Law no. 351/2004, approved by Law no. 160 of October 2, 2012. Rejects the remaining portion of the referral to the Constitutional Court as inadmissible. Subject to higher appeal within 48 of rendering, as to</p>	<b>Judgment's drafting to follow</b>

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							dismissal as inadmissible of the request for a referral to the Constitutional Court. Subject to higher appeal within 15 days of service. Judgment no. 139/09.02.2021.  <b>Solution on the higher appeal:</b> Upholds the higher appeal lodged by the claimant Societatea Nationala Nuclearelectrica S.A., against the civil sentence no. 139 of 9 February 2021 of Bucharest Court of Appeal - 9th Division for Administrative and Tax Disputes. Quashes the appealed sentence and refers the case back for retrial to the court which heard the substance of the case. Final.  <b>Case referred back for try to the first court</b>  <b>Substance to be reheard after quashing:</b> Dismisses the action as unfounded. Subject to higher appeal within 15 days of service. The higher appeal is submitted to the Bucharest Court of Appeal. Rendered this day of 6 June 2023, by making the solution available to the parties by care of the court's registry. Judgment 1002/2023 6 June 2023	
11.	16597/3/2020	Civil Bucharest Tribunal	Claimant-Defendant	General Concrete Cernavodă S.R.L.	Execution of works contract delay penalties RON 2,760,296.49 counterclaim RON 2,196,525.35	substance	<b>Substance.</b> Pending trial Administration of technical construction expert report evidence.	10.06.2024
12.	13682/3/2020	Civil Bucharest Tribunal	Defendant	ISPE Proiectare si Consultanta SA	annulment of contract execution certificate	substance	<b>Substance:</b> on the grounds on Article 413(1)(1) of the Code of Civil Proceedings, hearing of the case is stayed pending the final settlement of Case no. 16597/23/2020. Subject to higher appeal.	postponed
13.	544/109/2015 (544/109/2016/a6)	Civil Argeş Tribunal / Piteşti Court of Appeal / HCCJ	Appellant-defendant	Goga Gheorghe	Patents.	appeal	<b>Solution on substance:</b> Partly upholds the claim. Obliges the defendant to pay RON 4,015,582 representing patrimonial rights deriving from the exploitation of the technical procedures which are the object of inventions during 2014 - 2018. Subject to appeal. Judgment no. 343/26.09.2018.	postponed

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p><b>Appeal:</b> Pursuant to the provisions of article 75 paragraph 1 of Law no. 85 of 25 June 2014 on procedures for the prevention of insolvency and insolvency, stays the case. Subject to higher appeal during the stay period; the higher appeal shall be lodged with Pitești Court of Appeal. Rendered in public session this day of 4 May 2022. Document: Conclusion - Stay 04.05.2022:</p> <p><b>Solution on the higher appeal (544/109/2015/a6):</b></p> <p>Upholds the higher appeal lodged by the claimant Goga Gheorghe against the decision of 4 May 2022 of Pitești Court of Appeal – 1st Civil Division, rendered in Case no. 544/109/2015, against the respondents-defendants Compania Nationala a Uraniului SA Bucharest, Compania Nationala a Uraniului SA Bucharest through Insolvency Administrator Judiciar Expert Insolventa S.P.R.L. Bucharest Branch, and Societatea Nationala Nuclearelectrica S.A. Bucharest, through NFP Pitești Branch. It dismisses the appealed decision and sends the case for retrial to the same court of appeal. Final.</p>	
14.	4419/2/2021 And 1720/1/2022	Administrative disputes Bucharest Court of Appeal	Claimant	Romanian Government	Stay of enforcement and cancellation of Government Decision no. 1041/2003.	substance	<p><b>Solution on substance:</b> stay of execution</p> <p>Rejects the request to stay the enforcement as unfounded. Subject to higher appeal within 15 days of service. Rendered this day of 13 April 2022, by making the solution available to the parties by care of the court's registry.</p> <p><b>Solution on higher appeal - stay of execution - Case no. 4419/2/2021:</b></p> <p>Dismisses the higher appeal lodged the claimant Societatea Nationala Nuclearelectrica S.A. against the Minutes of 13 April 2022 of Bucharest Court of Appeal - 8th Division for Administrative and Tax Disputes, as unfounded. Final</p> <p><b>Solution on substance - setting aside of the Government Decision no. 1041/2003</b></p> <p>Rejects the claim as unfounded. Subject to higher appeal within 15 days of service. Document: Judgment 887/2022 11.05.2022.</p>	27.03.2024



Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
							<p><b>Solution on higher appeal - setting aside of the Government Decision no. 1041/2003</b></p> <p>Upholds the higher appeal lodged by the claimant Societatea Nationala Nuclearelectrica S.A., against the Civil Sentence no. 887 of 11 May 2022, rendered by Bucharest Court of Appeal - 8th Division for Administrative and Tax Disputes, in Case no. 4419/2/2021. Quashes the appealed sentence and, having reheard the case: Dismisses the head of claims concerning the setting aside of the Government Decision no. no. 1041 of 28 August 2003, as amended by the Government Decision no. 1461/2003, as devoid of object. Refers the case back for retrial to the same court as regards the head of claims concerning the ordering of the respondent, the Government of Romania, to grant indemnities. Final. Rendered this day of 8 March 2023, by making the solution available to the parties by care of the court's registry service.</p> <p><b>Substance to be reheard after quashing:</b> pending trial Submission of evidence: accounting expert report</p>	
15.	2873/120/2022	<b>Administrative disputes</b> Dâmbovița Tribunal / Ploiești Court of Appeal	Respondent-defendant	Ion Dragos Poescu	access to public information, Law no. 544/2001 on the S&L Study regarding the SMR Site of Doicești	higher appeal	<p><b>Solution on substance:</b> Dismisses the statement of claims filed by the claimant Popescu Dragos Ion against S.C. Nuclearelectrica S.A., as unfounded. Subject to higher appeal within 15 days of service. Judgment 97/2023 15 February 2023</p> <p><b>Solution on the higher appeal.</b> Rejects the higher appeal as unfounded. Final. Judgment no. 1055/2023 21.11.2023</p>	<b>Finally settled</b>
16.	23089/3/2022	<b>Insolvency</b> Bucharest Tribunal	Creditor	Compania Nationala a Uraniului	receivable 7,811,840.50	substance	<p><b>Substance.</b> Procedure pending</p>	<b>30.04.2024</b>
17.	35670/3/2022	<b>Administrative disputes</b> Bucharest Tribunal	Claimant	Dat Constructive SRL	claims 1,021,148.48	substance	<p><b>Substance.</b> Postpones the ruling on the case to 16 February 2024.</p>	<b>Ruling postponed to 16</b>

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
								<b>February 2024</b>
18.	<b>15711/3/2023</b>	<b>Civil</b> Bucharest Tribunal	Claimant	Blondie Association	claims 518,502.50	substance	<b>Substance:</b> pending trial	<b>05.04.2024</b>
<b>Cernavodă NPP Branch</b>								
1.	<b>7527/212/2022</b>	<b>Civil</b> Constanta Tribunal	Defendant	PETROVICI LIVIU	Civil dispute - Ordering SNN to sell the company housing unit located in Block BI 2, Constanta	appeal	<b>Substance:</b> Dismisses the statement of claims filed by the claimant against the defendant, as unfounded. Orders the claimant to pay the defendant the amount of RON 1,500 as court expenses, consisting of expert fee. Subject to appeal within 30 days of service. Document: Judgment 27.10.2023 <b>Appeal:</b>	<b>06.06.2024</b>
2	<b>3330/118/2023</b>	<b>Civil</b> Bucharest Tribunal	Claimant	General Concrete	Claims 493.226,49 lei	appeal	Constanța Court. It declines the jurisdiction to resolve this case in favor of Section II of Administrative and Fiscal Litigation of the Bucharest Court. No recourse. Pronounced today, 09.11.2023. The ruling will be made by making the solution available to the parties through the mediation of the court registry.  Document: Decision 1206/2023 09.11.2023 Accept the request. It obliges the defendant to pay the plaintiff the sum of 493,226.49 lei, representing penalties for delay. It obliges the defendant to pay to the plaintiff the sum of 8,537.26 lei in court costs. With appeal within 10 days of communication. The appeal request is submitted to the Bucharest Court - Section II for Administrative and Fiscal Litigation. Pronounced today, 11.12.2023, by making the solution available to the parties by the court registry.  Document: Decision 11.12.2023	<b>12.04.2024</b>
<b>NFP PITEȘTI Branch</b>								

Item no.	Case number	Nature of litigation/ Court	SNN capacity	Opposite party	Amount	Stage	Description	Procedural stage Hearing
1.	<b>2588/109/2020</b>	<b>Labour</b> Argeş Tribunal	Defendant	NFP pensioners	obligation to do - Government Decision no. 1041/2003	Substance	<b>Substance:</b> With the Minutes dated 12 December 2023, the case was re-docketed: since the case that led to the stay of these proceedings was finally settled, the court set the hearing on 11 June 2024, and will subpoena the parties.	<b>11.06.2024</b>
2.	<b>8116/280/2021</b>	<b>Labour</b> Argeş Tribunal	Defendant	RATEN-ICN Piteşti	declaratory action - issue of employment certificates to employees, before the date of 1 February 1992	Substance	<b>Substance:</b> Dismisses the plea of lack of interest raised by the defendant in the statement of defence. Dismisses the action as unfounded. Subject to appeal within 10 days of service. Judgment no. 1430/2023 9 March 2023 <b>Appeal:</b> pending trial	<b>22.03.2024</b>

## 21. ANNEX 8 – STATUS OF IMPLEMENTING THE CORPORATE GOVERNANCE CODE OF THE BUCHAREST STOCK EXCHANGE

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
A.1	<b>All companies must have an internal regulation of the Board which sets out the terms of reference/responsibilities of the Board and the key management functions of the company, and which applies, <i>inter alia</i>, the General Principles of Section A.</b>	SNN has an Internal Regulation for the organization and functioning of the Board of Directors and a Corporate Governance Regulation that contains the terms of reference, the responsibilities of the executive management, the Board of Directors and the GMS, as well as the key management functions and the responsibilities of the Advisory Committees of the Board of Directors, in accordance with the General Principles contained in Section A of the Corporate Governance Code. These terms of reference/responsibilities are made known to the public through the Organization and Functioning Regulations of the Board of Directors and through the Governance Regulations published on the Company's website, under the "Investor Relations/Corporate Governance" Section.			
A.2	<b>Provisions for the management of conflicts of interest must be included in the Board's Regulation. In any case, the Board members are required give notice to the Board of any conflicts of interest that have occurred or may occur and refrain from participating in any discussions (including by absenting, save for when such not absence would prevent reaching the quorum) and voting in favour of passing a resolution on the matter that gives rise to that conflict of interest.</b>	The provisions regulating the management of conflicts of interests are included in the Organization and Functioning Regulation of the Board of Directors, as well as in the Corporate Governance Regulation, published on the SNN website. As to management of conflicts of interest, each member of the Board of Directors makes sure they avoid of any direct or indirect conflict of interest with the Company, and should such a conflict occur, they will abstain from the debates and casting their vote on the that matters, in accordance with the legal provisions in force.			
A.3	<b>The Board of Directors or the Supervisory Board must consist of at least five members.</b>	The Board of Directors of SNN consists of 6 members. The information about the BoD membership is published in the Annual Report, in the Organization and Functioning Regulation of the Board of Directors and on the website, under the "Investor Relations/Board of Directors" section.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
A.4	<p><b>The majority of the members of the Board of Directors must not hold an executive position. At least one member of the Board of Directors or the Supervisory Board must be independent, for companies of the Standard Category. For companies of the Premium Category, not less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a declaration at the time of their nomination for election or re-election, as well as when at any change in their status, indicating the elements based on which they consider themselves independent in terms of character and judgement.</b></p>	<p>SNN falls into the Premium Category, is administered by a Board of Directors with 4-year term of office as at 31 December 2023 and formed of 6 non-executive members; 4 of the 6 members of the Board of Directors are independent according to the criteria laid down in Section A. In 2023, both the members of the Board of Directors appointed to temporary office, as well as those appointed to a 4-year office submitted their declarations of independence based on the criteria provided at Article 138<sup>2</sup>(2) of the Law of Companies no. 31/1990 and based on the criteria set out at paragraph A4 of the Bucharest Stock Exchange's Corporate Governance Code. The Annual Report presents information about the status of independent members of the Board of Directors under the chapter "Corporate Governance Declaration". This information also is published on the SNN website.</p>			
A.5	<p><b>Other commitments and relatively-permanent professional obligations of a member of the Board, including of the executive and non-executive positions in the Board of companies and non-for-profit institutions, must be disclosed to shareholders and potential investors before nomination and during their office.</b></p>	<p>Under its section "Corporate Governance Declaration", the Annual Report presents information about other commitments and professional obligations of the members of the Board of Directors, including of the executive and non-executive offices held in the Board of other companies. This information is available also on the SNN website, under the "Investor Relations/Corporate Governance/Board of Directors" section.</p>			
A.6	<p><b>Any member of the Board must disclose to the Board information about any relationship with a shareholder who directly or indirectly holds shares accounting for more than 5% of all voting rights. This obligation refers to any kind of relationship that could affect the member's position on the matters decided on by the Council.</b></p>	<p>This provision is included in the Regulation on the Organization and Functioning of the Board of Directors. The information about the relationships with shareholders who directly or indirectly own more than 5% of the SNN shares was reviewed against the declarations given according to the criteria laid down at Article 138<sup>2</sup>(2) of the Law of Companies no. 31/1990 and the criteria set out at paragraph A4 of the Bucharest Stock Exchange's Corporate Governance Code. In 2023, 1 member of the Board of Directors was employee of the Ministry of Energy, a shareholder that directly owns more than 5% of all voting rights: Elena Popescu, and one member, Vasilica Grajdan, is employed by Transgaz.</p>			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
A.7	<b>The Company is required to appoint a secretary of the Board in charge of supporting the Board's activity.</b>	The name of the secretary of the Board of Directors is published in the 2023 SNN Annual Report, under the "Corporate Governance Declaration" section.			
A.8	<b>The Corporate Governance Declaration will inform you whether there has been any appraisal of the Board under the steering of the Chairman or of the Nomination Committee and, if so, it will summarize the key measures and changes resulting therefrom. The Company is required to have in place a policy/guidelines for appraisal of the Board, including the purpose, criteria and frequency of the appraisal process.</b>	According to the legal provisions of the Government Emergency Ordinance no. 109/2011, in 2023, the activity of the members of the Board of Directors was appraised against performance indicators, and the report on the degree of their attainment was published in the quarterly reports of the Board of Directors.	The appraisal of the Board of Directors' members is carried out based on the performance indicators approved by the General Meeting of Shareholders and reported quarterly, semi-annually and annually in the reports of the Board of Directors.		
A.9	<b>The Corporate Governance Declaration must contain information about the number of meetings of the Board and its committees in the last year, the Directors' participation (in person and <i>in absentia</i>) therein, and a report of the Board and its committees on their activities.</b>	The 2023 Annual Report includes information about the number of meetings of the Board of Directors in 2023, as well as about Directors' participation therein, under the "Corporate Governance Declaration" section. The reports of the advisory committees set out under the Board of Directors are also presented in the 2023 Annual Report.			
A.10	<b>The Corporate Governance Declaration must include information about the exact number of independent members of the Board of Directors or the Supervisory Board.</b>	The 2023 Annual Report presents the exact number of independent members under the "Corporate Governance Declaration" section.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
A.11	<b>The Board of the companies falling in the Premium Category must set up a Nomination Committee formed of persons holding executive positions, which Committee will steer the procedure for nomination of new members to the Board and will make recommendations to the Board. The majority of the members of the Nomination Committee must be independent.</b>	SNN has a Nomination and Remuneration Committee established back in 2013. The membership of the Nomination Committee is presented on the website and in the Annual Report of the Company. The members of the Nomination and Remuneration Committee are non-executive members.	Two members of the Nomination and Remuneration Committee are independent non-executive directors.		
	<b>The terms of reference of the Nomination Committee will include a provision according to which the Nomination Committee is formed of persons without executive positions and will lead the nomination procedure for the new Board members and will make recommendations to the Board.</b>	Such a provision can be found in the Regulation of the Nomination and Remuneration Committee. The members of the Nomination Committee are non-executive members.			
B.1	<b>The Board is required establish an Audit Committee, of which at least one member must be an independent non-executive director. The majority of its members, including the chairman, must have proven adequate qualifications relevant to the function and responsibilities of the Committee. At least one member of the Audit Committee must be adequately experienced in auditing or accounting. For companies falling in the Premium Category, the Audit Committee must be formed of at least three members and the majority of the members of the Audit Committee must be independent.</b>	SNN has an Audit Committee established back in 2013. The Audit Committee has one member. The Audit Committee's membership is published on the website of SNN, under the Corporate Governance section. As at 31 December 2023, all members are independent.			
B.2	<b>The Chairman of the Audit Committee must be an independent non-executive member.</b>	The Chairman of the Audit Committee is an independent non-executive member, namely Mr. Remus Vulpescu. This information is disclosed in the 2023 Annual Report.			
B.3	<b>As part of its responsibilities, the Audit Committee carries out an annual assessment of the internal control system.</b>	This provision is found in the Regulation on the Organization and Functioning of the Audit Committee published on the SNN website under the Corporate Governance section. Information about the annual assessment of the internal			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
		control system is presented in the report of the Audit Committee, as part of the "Corporate Governance Declaration".			
	<b>Whether the Audit Committee assessed the internal control system relying on the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's Audit Committee and the promptness and effectiveness of the executive management in addressing the issues or deficiencies identified by internal control, and whether it submitted relevant reports to the Board.</b>	The Annual Report contains information about the control and assessment activity carried out by the Audit Committee.			
<b>B.4</b>	<b>Such assessment must consider the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's Audit Committee and the promptness and effectiveness of the executive management in addressing the deficiencies or weaknesses identified by the internal control, and submission of relevant reports to the Board.</b>	The Annual Report contains information about the control and assessment activity carried out by the Audit Committee in accordance with the provisions of the Regulation on the Organization and Functioning of the Audit Committee.			
<b>B.5</b>	<b>The Audit Committee should assess conflicts of interest in relation to the transactions of the Company and of its subsidiaries with related parties. Information about the number and value of intercompany transactions.</b>	This activity is driven by the obligation to monitor the Company's compliance with the provisions of the legal framework, the Articles of Association and the applicable regulatory acts concerning the transactions with related parties, according to the provisions of the Regulation on the Organization and Functioning of the Audit Committee. In 2023, the Audit Committee assessed the Company's transactions and found no instances of conflicts of interest, as documented in the 2023 Annual Report.			
<b>B.6</b>	<b>The Audit Committee should assess the efficiency of the internal control system and the risk management system.</b>	This provision is found in the Regulation on the Organization and Functioning of the Audit Committee. The results of the assessment of the internal control and risk management systems' efficiency are documented in the Annual Report.			



Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
B.7	<b>The Audit Committee is required to monitor application of the legal standards and the generally accepted internal audit standards. The Audit Committee should receive and review the reports of the internal audit team.</b>	Under the Organization and Functioning Regulation, the Audit Committee is under the obligation to apply the legal standards and the internal audit standards, as well as the review of the reports of the internal audit team.			
B.8	<b>Whenever the Code refers to reports or analyses initiated by the Audit Committee, these must be followed by regular (at least annual) or <i>ad hoc</i> reports that must be then submitted to the Board.</b>	The Annual Report contains the list of documents prepared or reviewed by the Audit Committee, that were submitted for approval to the Board of Directors, under the "Corporate Governance Declaration" section.			
B.9	<b>No shareholder can be applied a preferential treatment compared to other shareholders in connection with transactions and agreements concluded by the Company its shareholders and their affiliates.</b>	The policy on the intercompany transactions displayed on the SNN website requires equal treatment for all shareholders in relation to the transactions and agreements concluded by the Company with its shareholders or their affiliates.			
B.10	<b>The Board is required to adopt a policy whereby to ensure that any transaction of the Company with any of the companies which it has close relations with, the amount of which is equal to or higher than 5% of the net assets of the Company (according to the last financial report) is approved by the Board based on an opinion of the Board Audit Committee, and which is correctly disclosed to shareholders and potential investors, insofar as such transactions fall under the category of events subjected to reporting requirements.</b>	The Articles of Association and the Regulation on the Organization and Functioning of the Board of Directors both provide for approval by the Board of Directors of any transaction of any Company with any of the companies which it has close relations with, the amount of which is equal to or higher than 5% of the net assets of the Company (according to the last financial report), based on an opinion of the Board's Audit Committee, and which is correctly disclosed to shareholders and potential investors, insofar as such transactions fall under the category of events subjected to reporting requirements. For transactions with non-affiliated parties, the Board of Directors' approval power limit is for contracts worth more than EUR 5 million. According to the Articles of Association, contracts with an amount in excess of EUR 50 million are cleared by the Board of Directors and approved by the GMS. These provisions are included in the policy on the intercompany transactions displayed on the SNN website.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
B.11	<p><b>Internal audits must be carried out by a structurally separate division (Internal Audit Department) of the Company or by hiring an independent third party. Descriptive report of the Chairman of the Audit Committee (on assessment of the reports of the Internal Audit Department and the reporting of the Executive Officer in charge of the Internal Audit Department).</b></p>	<p>SNN has an in-house Audit Department. The Annual Report contains a section dedicated to the Audit Committee under the "Corporate Governance Declaration", where the audit activity in the Company is presented and assessed.</p>			
B.12	<p><b>In order to ensure the performance of the main functions of the Internal Audit Department, this must functionally report to the Board, through the Audit Committee. For administrative purposes and under the management's obligations to monitor and mitigate risks, it must report directly to the CEO.</b></p>	<p>The reporting lines are strictly followed. The Audit Department reports to the CEO and the Board of Directors.</p>			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
C.1	<p><b>The Company is required to publish on its website the remuneration policy and to include in its Annual Report a declaration on the implementation of the remuneration policy during the annual period covered by the analysis. The remuneration policy must be worded in such a way as to allow shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and of the CEO, as well as of the members of the Directorate under a dual-tier system. It must describe how the remuneration process is steered and how remuneration decisions are made, detail the components of the executive management's remuneration (such as salaries, annual bonuses, long-term incentives linked to the value of the shares, benefits in kind, pensions and others), and describe the purpose, principles and underlying assumptions each component (including the general performance criteria related to any form of variable remuneration). Moreover, the remuneration policy must specify the term of the Executive Officer's contract and the notice period set out in such contract, as well as any potential severance payment due in case of revocation without just cause. [...] Any essential change occurred in the remuneration policy must be published in due time on the Company's website.</b></p>	<p>The remuneration policy is published on the Company's website and is included in the Annual Report. The Nomination and Remuneration Committee prepares an annual report that is submitted for clearance approval by the Board of Directors and for approval by the GMS. The report of the Nomination and Remuneration Committee includes information about the principles and arguments underlying remuneration of the members of the Board of Directors and of the Executive Officers, describe how remuneration decisions are processed and made, and details the remuneration components. The report also contains information about the prior notice period and the severance payment due in case of revocation without just cause. For 2023, the Remuneration Report is prepared in compliance with the provisions of Law no. 24/2017 and subject to approval by the SNN shareholders.</p>			
D.1	<p><b>The Company is required to set up an Investor Relations Service, made known to the general public by care of the responsible person(s), or as an organizational unit. In addition to the information required under the legal provisions, the Company must arrange on its website also a section dedicated to Investor Relations, containing all relevant information of interest to investors, in both Romanian and English.</b></p>	<p>SNN has a structure specifically created to handle the investor relationships, namely the External Communication, Sustainability and Investor Relations Department. All materials published on the SNN website under the "Investor Relations" section are translated also into English.</p>			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
D.1.1	<b>Key corporate regulations: the Articles of Association and the procedures for the General Meetings of Shareholders.</b>	The Articles of Association and the procedure for the organization and conduct of the General Meetings of Shareholders are published bilingually on the SNN website, under the "Investor Relations/Corporate Governance" section.			
	<b>Terms of Reference of the Board and of the Board's committees.</b>	The terms of reference of the Board and the Board's Committees are published on the SNN website, under the "Investor Relations/Corporate Governance" section.			
	<b>GMS Rules and Procedures.</b>	The information is published on the Company's website, under the "Investor Relations - Information about GMSs" section.			
D.1.2	<b>Professional CVs of the members of the management bodies of the Company, other professional commitments of the members of the Board, including executive and non-executive positions in the Boards of Directors of companies or non-for-profit institutions.</b>	The CVs of the members of the Board of Directors are published on the Company's website. Presentation of the members of the Board of Directors on the SNN website and in this Annual Report includes the executive and non-executive positions held by them and their other professional commitments in other companies.			
D.1.3	<b>Current reports and regular reports (quarterly, half-yearly and annual), at least those required under paragraph D.8, including current reports with detailed information about infringements of this Code.</b>	The current reports, including the regular ones (quarterly, half-yearly and annual), are published on the SNN website and contain information falling under the scope of this provision. The current report on infringements, as well as the current subsequent reports on compliance will be published on the website.			
D.1.4	<b>Information about the General Meetings of Shareholders: agenda and information materials; procedure for election of the Board members; arguments in support of the proposals of candidates for election to the Board, together with their professional CVs; shareholders' questions about the items on the agenda and the Company's answers, including the passed resolutions.</b>	This information is published on the website, under the "Investor Relations/Information for Shareholders/GMS Info" section.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
D.1.5	<b>Information about corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to acquisition or limitation of a shareholder's rights, including time-limits and principles applied to these transactions. The respective information will be published during a time period that allows investors to make investment decisions.</b>	All this information is published on the company's website, under the "Investor Relations/Dividends" sections.			
D.1.6	<b>The name and contact details of a person who, at request, may supply relevant information.</b>	This information is available on the website, under the "Investor Relations" section. The information is available also in the Annual Report.			
D.1.7	<b>Company presentations (e.g. presentations to investors, presentations of the quarterly results, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.</b>	These presentations devised for publication of the quarterly and half-yearly financial results and/or the meetings held with investors/analysts are published on the website, under the "Investor Relations/Information for Shareholders/Presentations and Audio Files" section, accompanied by the audio recordings of the meetings and teleconferences, and by bilingual transcripts. The half-yearly and annual financial statements are accompanied by the Audit Report.			
D.2	<b>The Company shall have a policy on the annual distribution of dividends or other benefits to shareholders, as proposed by the CEO or the Board and adopted by the Board, in the form of a set of guidelines that the Company intends to follow as to distribution of its net profit. The principles of the policy on the annual distributions to shareholders will be published on the Company's website.</b>	SNN does not have in place a multiannual policy on the payment of dividends, but it submits every year, for approval by the shareholders, a profit distribution proposal. Information about payment of the dividends for the period 2013 - 2022 is published on the SNN website, under the "Investor Relations/Dividends" section. Distribution of the net profit for previous years is also published on the Company's website, under the "Investor Relations/Dividends" section.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
D.3	<p>The Company shall adopt a policy on forecasts, regardless of whether these are made public or not. Forecasts refer to quantified conclusions of surveys/studies aimed at determining the global impact of a number of factors concerning a future period (the so-called assumptions): by its nature, this projection has a high level of uncertainty, and the actual results can differ significantly from the initially-presented forecasts. The forecast policy will set out the frequency of, the period considered by, and the content of, the forecasts. When these are published, the forecasts can only be included in the annual, semi-annual or quarterly reports. The forecast policy shall be published on the Company's website.</p>		<p>SNN does not have in place a forecasting policy because the input data and estimates of the evolution of SNN's financial results largely depend on the developments in price on the energy market. SNN is a participant in the energy market, not a price maker; therefore, the forecasts concerning the developments on this market and, implicitly, the financial results and the price of SNN shares would have a high degree of uncertainty.</p>		
D.4	<p>The rules of the General Meetings of Shareholders must not limit participation of shareholders in the general meetings or the exercise of their rights. Any amendments to these rules shall not come into force before the next meeting of shareholders. Any amendments to these rules shall not come into force before the next General Meeting of Shareholders.</p>	<p>The Regulation on the Organization and Conduct of the General Meetings of the SNN's Shareholders guarantees the rights of shareholders under the relevant legislation and ensures their equal treatment. The regulation is published on the SNN website, under the section dedicated to GMSs. The amendments to the Regulation were posted under the News section so that they could be seen by as many visitors as possible, and quickly. These amendments took effect in the next General Meeting, having been first approved by the SNN's Board of Directors.</p>			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
D.5	<b>The external auditors shall attend the General Meeting of Shareholders when their reports are presented in these meetings.</b>	The representatives of SNN's auditor did not attend the General Meeting of SNN Shareholders held to approve the 2022 annual financial statement, and hear and approve the Company's Annual Activity Report.			
D.6	<b>The Board shall present to the annual General Meeting of Shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on matters that are subject to resolutions of the General Meeting.</b>	This information can be found in the chapters "Risk Management Activity" and "Financial Reporting, Internal Control and Risk management" of the Annual Report of the Board of Directors, which is submitted to approval by the GMS.			
D.7	<b>Any specialist, consultant, expert or financial analyst can participate in the meetings of shareholders based on prior invitation extended to them by the Board. Accredited journalists can also participate in the General Meetings of Shareholders, unless the Chairman of the Board decides otherwise.</b>	These provisions are included in the Regulation on the Organization and Conduct of the General Meetings of SNN's Shareholders			
D.8	<b>The quarterly and half-yearly financial reports shall include information about the key factors triggering changes in the sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another, in both Romanian and English.</b>	The quarterly and half-yearly financial reports include information about the key factors triggering changes in the sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another, in both Romanian and English.			
D.9	<b>A company shall hold at least two meetings/teleconferences with analysts and investors every year. The information introduced on these occasions shall be published under the Investor Relations section of the Company's website, on the date of the relevant meetings/teleconferences.</b>	In 2023, SNN held 5 teleconferences and one meeting with investors, financial analysts, brokers, etc. According to the 2024 financial timetable, SNN will organize 5 meetings with financial analysts.			

Item no.	Provisions of the Code	Observes	Does not observe or partially observes	Reason for non-observance	Remedy time-limit
D.10	<p><b>Where a company supports different forms of artistic and cultural performance, sports activities, educational or scientific activities and considers that their impact on the innovation and competitiveness of the Company are part of its mission and development strategy, it shall publish a policy on its activity in this field.</b></p>	<p>SNN has published on its website the corporate social responsibility declaration based on which the Company carries out activities to support development of the local community, cultural activities, talented young people, and research and scientific activities. The Annual Report also contains information about the policy applied by SNN in the field of corporate social responsibility. Every year, SNN publishes on its website the list of sponsorships granted in the previous year.</p>			



## **22. ANNEX 9 - REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE FOR 2023**

### ***Introduction***

The Nomination and Remuneration Advisory Committee (“CCNR”) of SNN Board of Directors of was established under the Board of Directors Resolution no. 7/26.04.2013, pursuant to the provisions of Article 140<sup>2</sup> of Law of Companies no. 31/1990 republished, as amended and supplemented, and on the grounds of the provisions of Article 34 of the Government's Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, read in connection with the provisions of Article 20(2) and (5) – (8) of the updated Articles of Association of SNN. The Resolution of the Board of Directors no. 243/09.12.2022 was issued to approve establishment of the Nomination and Remuneration Advisory Committee under the SNN’s BoD; this Committee will have two members, both non-executive directors, one of whom is to also chair the Committee. The Resolution of the Board of Directors no. 73/17.03.2023 was issued to approve establishment of the Nomination and Remuneration Advisory Committee under the SNN’s BoD; this Committee will have three members, both non-executive directors, one of whom is also chair of the Committee.

CCNR is a standing committee with an advisory function, directly subordinated to the SNN’s Board of Directors, and has duties and powers related to assessment, consultation and making proposal of nominations of members to the Board of Directors, the Executive Officers of the Company whom management powers are delegated to, as well as their remuneration in accordance with the legal regulations in force. CCNR carries out investigations and makes recommendations to the Board of Directors for remuneration of the directors, executive officers and the staff, or for nomination of candidates to different management positions.

According to the provisions of Article 55(2) and (3) of the Government's Emergency Ordinance no. 109/2011, CCNR is required to the present to the General Meeting of Shareholders an annual report on the remunerations and other benefits granted to Directors and Executive Officers during the financial year.

### ***Organization***

As of 9 December 2022, CCNR is formed of 2 members appointed among the members of the Board of Directors; the office of the members of this Committee is valid during the time period when they also hold also the office of directors in SNN’s Board of Directors. Thus, the CCNR had the following membership during the 9 December 2022 – 16 March 2023: Mr. Minodor Teodor Chirica – chairman and Mrs. Elena Popescu – member. Effective 17 March 2023, CCNR is formed of 3 members appointed from among the members of the Board of Directors, with the following composition: Mrs.

Vasilica Grajdan – chairperson; Mrs. Elena Popescu – member; Mr. Dumitru Remus Vulpesu – member

In order to properly carry out its duties and for a smooth organization, the Nomination and Remuneration Committee Advisory devised and approved, under the Resolution no. 1/26.04.2013, its own Organization and Functioning Regulation, as approved by the Resolution of the Board of Directors no. 7/26.04.2013.

Under its Resolution no. 30/13.03.2014, the SNN's Board of Directors approved a single Regulation for the Organization and Functioning of the Advisory Committees, and under the Resolution of the Board of Directors no. 31/22.02.2022, the updated form of the Regulation on the Organization and Functioning of the Advisory Committees of SNN's Board of Directors was approved.

CCNR's decisions are made with a simple majority of the members participating (or represented) in the meeting and have, for the Board of Directors, the nature of a recommendation, and are binding thereon. Each CCNR member cast one vote, i.e. "for", "against" or "abstention". For each CCNR meeting, a resolution is prepared documenting the following: the recommendation made to the Board of Directors, its underlying arguments and the votes cast;

CCNR meets whenever necessary. When a vacancy appears in the CCNR, a new member is appointed by resolution of the Board of Directors. Members of the Board of Directors who are revoked from office automatically lose also their membership of the Advisory Committees they sit in.

At the proposal of the chairmen or members of the Advisory Committees, the Board of Directors may approve the co-opting of permanent independent external experts, natural or legal persons, specialists in the fields of activity of the Committees and who assist their members in their activity, establishing at the same time the remuneration of these experts.

### *CCNR meetings in 2023*

In 2023, SNN Board of Directors' CCNR had 10 meetings to discuss recommendations to the Board of Directors of SNN on topics that fall under the scope of their duties, as follows:

- CCNR's recommendation to approve the convening of the General Meeting of SNN's Shareholders to approve: the extension of the term of the mandate contract concluded by: Mr. George Sergiu Niculescu, Mr. Dumitru Remus Vulpesu and Mrs. Vasilica Grajdan as provisional director, for a period of 2 months, starting with 20 February 2023 until 20 April 2023 inclusively, but no later than the date of completion of the Director selection procedure in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, respectively from the date when the selected director starts his/her activity, if the selection procedure is completed before the expiry of the duration of the provisional mandate; the template of the Addendum to be concluded to the mandate contract by the Company with the provisional directors; maintenance of the remuneration for the provisional members of the BoD, as it was approved under the OGMS Resolution no. 10/19.10.2022;

- Recommendation of the CCNR to endorse the Final Report of the recruitment and selection of candidates for the four vacant non-executive Board member positions, including the detailed results matrix for candidates; supplementation of the OGMS Convening Notice of 15 February 2023 with the following items: appointment of 4 non-executive members of the SNN Board for a 4-year term of office (Mr. Dumitru Remus Vulpescu; Mr. Dumitru Chirlesan; Mr. George Sergiu Niculescu; Mrs. Vasilica Grajdan); approval of the form of the contract of mandate to be signed by the Company with the newly-appointed non-executive directors; approval of the fixed allowance of the new non-executive directors of the BoD, in the same amount as the allowance approved under the OGMS Resolution no. 6/10.08.2022 for the non-executive directors whose term of office was renewed, *i.e.* at the monthly gross amount of RON 17,926; and approval of the variable component for the newly-appointed non-executive directors amounting to 12 monthly gross fixed allowances; mandating the state representative in the Ordinary General Meeting of Shareholders to sign the mandate contracts of newly appointed directors;
- CCNR's recommendation to approve: in order to commence the procedure for selection of the Chief Financial Officer, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, the CCNR conducted the selection procedure based on the provisions of the Government Emergency Ordinance no. 109/2011, assisted by the independent recruitment expert contracted by SNN, namely Pluri Consultans Romania SRL, which provided the services under the services agreement no. 1391/06.09.2022; empowerment of the executive management of SNN to give notice to the HR expert (Pluri Consultans Romania SRL) of the commencement of the staff recruitment services for selection of SNN's CFO; approval of the eligibility criteria for the position of SNN Chief Financial Officer; to appoint Mr. Dan Niculaie - Faranga as temporary Chief Financial Officer for a 4-month term of office, effective 14 February 2023, however without exceeding the date when a Chief Financial Officer would be appointed for a 4-year term of office further to completion of the CFO selection procedure pursuant to the provisions of the Government Emergency Ordinance no. 109/2011, *i.e.*, 14 June 2023; The remuneration of the temporary CFO shall be fixed in accordance with the provisions of Article 64<sup>2</sup>(2) of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, *i.e.* this shall be equal to the remuneration of the executive officers with a contract of mandate in progress. Approval of the form of the contract of mandate to be signed by the Company with the newly-appointed non-executive directors, enclosed to the recommendation. Designation of one member of the SNN's Board of Directors to sign the Temporary Mandate Contract of the Financial Director of SNN, valid from 14 February 2023, on behalf of and for the Company.
- CCNR's recommendation to issue clearance on the 2022 Annual Report of the Nomination and Remuneration Committee for its submission to the General Meeting of Shareholders;

- CCNR's recommendation to approve: content of the application dossier; profile of the applicants; full membership selection plan; long and short form of the recruitment notice for the position of SNN Chief Financial Officer; template profile matrix for the applicants for the position of Chief Financial Officer, as prepared by Pluri Consultans Romania SRL;
- CCNR's recommendation to issue clearance on the 2022 Remuneration Report, with a view to submitting it for approval in the first meeting of the General Meeting of SNN's Shareholders, which will be convened by the Board of Directors of the Company, together with the following draft agenda: Approval of the SNN Remuneration Report for the financial year 2022, in accordance with the provisions of Article 107(6) of Law no. 24/2017 on the issuers of financial instruments and market operations, republished.
- The recommendation of CCNR concerning appointment of Mr. Dan Niculaie-Faranga to the position of Chief Financial Officer, for a 4-month term of office, effective the date of his appointment under the Resolution of the Board of Directors (BoD Resolution no. 103/03.05.2023); The form of the contract of mandate to be concluded between the Company and Mr. Dan Niculaie Faranga, as Chief Financial Officer; The gross monthly fixed allowance of RON 51,000, for performance of the entrusted office. The gross monthly fixed allowance falls within the range of six times the last 12 months average of the monthly average gross salary for the activity carried out according to the registered main scope of business of the Company, at a class level according to the classification of activities in the national economy, as communicated by the National Institute of Statistics (NIS) before appointment, and consideration was given that the allowance does not exceed the fixed allowance of the executive director, as approved under the OGMS Resolution no. 6/10.08.2022. The variable component is to be determined under an Addendum to the contract of mandate concluded by the Company with Mr. Dan Niculaie Faranga, as CFO, in observance of the provisions of the Government Emergency Ordinance no. 109/2011 and of the methodology provided in the Government Decision no. 722/2016;
- CCNR's recommendation to: Clear, for further submission for approval by the General Meeting of SNN Shareholders, the following proposals: initiation of the selection procedure for a non-executive member in the Board of Directors of SNN, which is a vacancy in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented; Authorization of the BoD to run selection of a non-executive member of SNN's Board of Directors; Approval of the convocation of the General Meeting of Shareholders for approval: initiation of the selection procedure for a non-executive member in the Board of Directors of SNN, which is a vacancy in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented; authorization of the BoD to run selection of a non-executive member to sit in the SNN's Board of Directors; Clearance for further submission for approval by the Ordinary General Meeting of SNN's Shareholders of: the form of the addendum to the mandate contract of non-executive directors of

SNN; the form of the addendum to the mandate contract of executive director; the general limits of the remunerations of the SNN Executive Officers with contract of mandate, within the limit of the amounts approved for the executive director under item 7 of the OGMS Resolution no. 6/10.08.2022; The empowerment of the state representative in the General Meeting of Shareholders to sign the Addenda to the mandate contracts concluded by the members of the Board of Directors with the company;

- CCNR's recommendation to approve: the form of the addendum to the mandate contract of the General Director of the Company; the form of the addendum to the mandate contract of the Financial Director of the Company; The amount of the annual variable component of the Chief Financial Officer equal to 2.4 times the amount of the annual gross fixed allowance for the entire financial year, payable to the CFO; authorization of the Chairman of the Board of Directors to sign the Addendum to the contract of mandate concluded by the CEO and the CFO with the Company.
- CCNR's recommendation to approve: authorization of CCNR to run selection of a non-executive member to sit in the SNN's Board of Directors (vacant position); the initial component of the selection plan for the vacant position of member of the SNN Board of Directors of, prepared in the same way as that approved for the current directors, with a 4-year term of office; notification by the SNN's executive management to the independent HR recruitment expert, who handled selection and recruitment of the current directors, to perform the services covered by the RUEC Contract no. 1391/06.09.2022, under the contractual terms and conditions assumed therein, for the vacant position of non-executive member of SNN Board of Directors, pursuant to paragraph 12.2. of the contract;

### **Information according to the provisions of Article 55(2)(3) of the Government Emergency Ordinance no. 109/2011**

Pursuant to the provisions of Article 55(2) and (3) of the Government's Emergency Ordinance no. 109/2011, CCNR is required to the present to the General Meeting of Shareholders an annual report on the remunerations and other benefits granted to Directors and Executive Officers during the financial year.

The CCNR's annual report includes at least information on: (i) the remuneration structure, with an explanation of the weight of the variable component and of the fixed component; (ii) the performance criteria underpinning the variable component of the remuneration, the ratio between the performance achieved and the remuneration; (iii) considerations justifying any scheme of annual bonuses or non-cash benefits; (iv) any additional or early pension schemes; (v) information about the term of the

contract, the negotiated notice period, the amount of the damages payable in case of revocation without just cause.

*(i) Remuneration structure, with an explanation about the weight of the variable component and of the fixed component.*

The Directors and Executive Officers of SNN receive a fixed monthly allowance and a variable allowance for their work. The variable allowance is payable depending on fulfilment of the performance indicators and criteria set out in their respective mandate contracts. The fixed monthly allowance is set in accordance with the legal provisions, i.e. the Government Emergency Ordinance no. 109/2011. The fixed and variable compensation of the members of the Board of Directors is approved by the General Meeting of SNN Shareholders.

The general limits of the executive officers' remuneration (executive officer for the purposes of Article 143 of Law no. 31/1990) are approved by the General Meeting of Shareholders; based on these general limits, the Board of Directors sets the amount of the executives' remuneration.

*Remuneration of executive officers with a contract of mandate*

In 2023, the situation of the Executive Officers a contract of mandate, and the amount of the **monthly gross fixed allowance** set under the contract of mandate is as follows:

Item no.	Last name and first name	Capacity	Number/date of the contract of mandate	Term of office	Amount of the monthly gross fixed allowance
1.	Cosmin Ghita	CEO	64/11.02.2019	11.02.2019 – 11.02.2023	RON 37,077
2.	Cosmin Ghita	CEO	85/10.08.2022	12.02.2023 – 12.02.2027	RON 53,778
3.	Dan Niculaie Faranga	Chief Financial Officer	86/10.08.2022	12.08.2022 – 13.02.2023	RON 37,077
4.	Dan Niculaie Faranga	Chief Financial Officer	94/14.12.2022	14.02.2023 – 02.05.2023	RON 37,077
5.	Dan Niculaie Faranga	Chief Financial Officer	96/03.05.2023	03.05.2023 – 03.05.2027	RON 51,000

In 2023, the **variable component** of the remuneration of Executive Officers with a contract of mandate was granted from the start of their offices under the contract of mandate no. 85/10.08.2022 for the Chief Executive Officer, and under the contract of mandate no. 96/03.2023 for the Chief Financial Officer, after approval of the general limits of the remuneration of the Company's Executive Officers with contract of mandate under the Resolution of the General Meeting of the Company's Shareholders no. 5/05.07.2023, as well as after approval of the Company's 2023 - 2027 Management

Plan, as approved under the Resolution of the Company's Board of Directors no. 90/27.04.2023. The gross annual variable component of the Chief Executive Officer will shall be 2.5 times the amount of the annual gross fixed allowance for the entire financial year payable to the Chief Executive Officer, and the gross annual variable component of the Chief Financial Officer shall be 2.4 times the amount of the annual gross fixed allowance for the entire financial year payable to the Chief Executive Officer, and is broken down on three components: on short-term, on medium-term, and on long-term. The **short-term variable component** shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the cumulative achievement percentage of the key performance indicators shall be settled, according to item 4 of Annex 5 to the Addendum no. 1 to the Mandate Contract.

According to the provisions of item 3, letter c of Annex 5 to the Addendum no. 1 to the Mandate Contracts, the annual variable component is granted in a reduced percentage, proportional to the degree of achievement of key performance indicators if these ones have a cumulative achievement rate at the level of the financial year lower than 100%, but not lower than 75%.

**The medium-term variable component** shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to that year of the term of office, which ends the medium-term objective review period, and the amount due depending on the aggregate percentage of attainment of the medium-term key performance indicators shall be reconciled.

**The long-term variable component** shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

The variable component for the Executive Officers, as set out under the 2023 contract of mandate:

Item no.	Last name and first name	2023 gross variable component	Gross variable component for 2023, related to the mandate term, of which:	Short-term gross component - 80% of the 2023 variable component for the 2023 term of office	Medium-term gross component - 10% of the 2023 variable component for the 2023 term of office	Long-term gross component - 10% of the 2023 variable component for the 2023 term of office
		RON	RON	RON	RON	RON
1	Ghita Cosmin	1,613,340	1,427,807	1,142,245	142,781	142,781
2	Niculae Faranga Dan	1,468,800	978,221	782,577	97,822	97,822

### *Remuneration of non-executive directors*

Under the Resolution of the Ordinary General Meeting of Shareholders no. 6/10.08.2022, renewal of the offices, and appointment of three members to the Board of Directors, for a four-year term, was approved in keeping with the provisions of the Government Emergency Ordinance no. 109/2011, as follows:

- **Mr. Minodor Teodor Chirica - Non-Executive Director**, with conclusion of the contract of mandate no. 77/10.08.2022, for the term of office between 29 September 2022 - 29 September 2026, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Cosmin Ghita - Executive Director**, with conclusion of the contract of mandate no. 79/10.08.2022 for the term of office between 29 September 2022 - 29 September 2026, under the Resolution of the Board of Directors no. 154/12.10.2022, Mr. Cosmin Ghita was reappointed as SNN CEO, for a term of office of 4 (four) years, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011. According to the Company's remuneration policy approved with the OGMS Resolution no. 5/26.04.2021, during the time period when the CEO acts also as executive director, he is only entitled to payment of the remuneration according to the contract of mandate concluded for his capacity of CEO, without receiving also any remuneration for his capacity as member of the Board of Directors.

- **Mrs. Elena Popescu - Non-Executive Director**, with conclusion of the contract of mandate no. 77/10.08.2022, for the term of office between 29 September 2022 - 29 September 2026, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

Under the Resolution of the Ordinary General Meeting of Shareholders no. 2/15.02.2023, four non-executive members of the Board of Directors of Societatea Nationala Nuclearelectrica S.A. (SNN), vacant positions, were appointed for a term of office of 4 (four) years further to the selection procedure performed under the terms of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as approved with amendments and additions by Law no. 111/2016, as amended (Government Emergency Ordinance no. 109/2011); thus, the following were appointed:

- **Mr. Vulpescu Dumitru Remus - Non-Executive Director**, with conclusion of the contract of mandate no. 91/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926,



and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Dumitru Chirlesan - Non-Executive Director**, with conclusion of the contract of mandate no. 93/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mrs. Grajdan Vasilica - Non-Executive Director**, with conclusion of the contract of mandate no. 92/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Niculescu George Sergiu - Non-Executive Director**, with conclusion of the contract of mandate no. 92/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances; Effective 29 March 2023, the office of Mr. Niculescu George Sergiu ceased further to this notice registered with the Company under no. 4069/28.03.2023;

During the period 1 January 2023 - 15 February 2023, the provisional office of non-executive director in the Board of Directors of Societatea Nationala Nuclearelectrica S.A. was exercised by: **Mr. Vulpescu Dumitru Remus, Mr. Niculescu George Sergiu, Mr. Dumitru Chirlesan and Mrs. Grajdan Vasilica**; during this period, the provisional non-executive directors were remunerated with a fixed gross monthly allowance of RON 17,926.

Under the Resolution of the Board of Directors no. 90/27.04.2023, the SNN 2023 - 2027 Administration Plan was approved, containing the Performance Indicators for the Company's non-executive directors, executive director and executive officers with contract of mandate.

The variable component for the non-executive directors is determined according to the Company's Remuneration Policy, as approved under the OGMS Resolution no. 5/26.04.2021, and the contract of mandate concluded by the directors with the Company, broken down on three components: on short-term, on medium-term and long-term

The **short-term variable component** shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the cumulative achievement percentage of the key performance indicators shall be settled, according to item 4 of Annex 3 to the Addendum no. 1 to the Mandate Contracts.

According to the provisions of item 3, letter c of Annex 3 to the Addendum no. 1 to the Mandate Contracts, the annual variable component is granted in a reduced percentage, proportional to the degree of achievement of key performance indicators if these ones have a cumulative achievement rate at the level of the financial year lower than 100%, but not lower than 75%.

**The medium-term variable component** shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to that year of the term of office, which ends the medium-term objective review period, and the amount due depending on the aggregate percentage of attainment of the medium-term key performance indicators shall be reconciled.

**The long-term variable component** shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

The table below lists the non-executive members of the Board of Directors, as well as their remuneration under the 2023 contracts of mandate:

Item no.	Last name and first name	Fixed monthly gross allowance	2023 gross variable component	Gross variable component for 2023, related to the mandate term, of which:	Short-term gross component - 80% of the 2023 variable component for the 2023 term of office	Medium-term gross component - 10% of the 2023 variable component for the 2023 term of office	Long-term gross component - 10% of the 2023 variable component for the 2023 term of office
		RON	RON	RON	RON	RON	RON
1	Teodor Minodor Chirica	17,926	215,112	215,112	172,090	21,511	21,511
2	Popescu Elena	17,926	215,112	215,112	172,090	21,511	21,511
3	Vulpescu Dumitru Remus	17,926	215,112	193,601	154,881	19,360	19,360

Item no.	Last name and first name	Fixed monthly gross allowance	2023 gross variable component	Gross variable component for 2023, related to the mandate term, of which:	Short-term gross component - 80% of the 2023 variable component for the 2023 term of office	Medium-term gross component - 10% of the 2023 variable component for the 2023 term of office	Long-term gross component - 10% of the 2023 variable component for the 2023 term of office
		RON	RON	RON	RON	RON	RON
4	Chirlesan Dumitru	17,926	215,112	193,601	154,881	19,360	19,360
5	Grajdan Vasilica	17,926	215,112	193,601	154,881	19,360	19,360
6	Niculescu Sergiu George	17,926	0	0	0	0	0

*(ii) Performance criteria underpinning the variable component of the remuneration; ratio between actual performance and remuneration.*

#### **FINANCIAL AND NON-FINANCIAL INDICATORS, VARIABLE COMPONENT OF DIRECTORS' REMUNERATION**

1. The financial and non-financial indicators (operational and corporate governance), distributed in the short-, medium- and long-run with related weights and with indication of the tools applied to measure them are listed in the annex to the contract of mandate of directors, the CEO and the CFO.
2. The agent shall receive the variable component of the remuneration only conditional upon simultaneous attainment of the targets related to the key performance indicators set out in Annex to the Mandate Contract, as follows:
  - a. The annual variable component is granted in a percentage of 100%, if the key performance indicators have a cumulative achievement rate equal to or greater than 100%;
  - b. The annual variable component is granted in proportion to the months of activity of the last year of the term of office;

- c. The annual variable component is granted in a reduced percentage, pro-rata with the degree of attainment of the key performance indicators, when these cumulatively report, for the entire financial year, an attainment rate lower than 100%, but not lower of 75%. If the key performance indicators report a cumulative attainment rate, for the entire financial year, below 75%, the annual variable component shall not be granted. The calculation formula is:

- $\text{PrICP} = 100\%$  results into  $\text{PrCv} = 100\%$
- $75\% \leq \text{PrICP} < 100\%$  results into  $\text{PrCv} = \text{actual PrICP} (\%)$
- $\text{PrICP} < 75\%$  results in  $\text{PrCv} = 0\%$

where: PrICP – percentage of attaining the Key Performance Indicator

PrCv – percentage of granting the variable component

- d. The annual variable component, and the short-, medium- and long-term component shall be determined by applying the percentage rates set out in Annex 3.1 to the contract of mandate for directors, and in Annex 5.1 to the contract of mandate for executive officers, resulting into the payable amount of the variable component for each year of office, according to the following algorithm:

**- the 2023 variable component is calculated as follows:** 80% for attaining the objectives for 2023 (on short-term) + 10% for attaining the objectives for 2024 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)

**- the 2024 variable component is calculated as follows:** 80% for attaining the objectives for 2024 (on short-term) + 10% for attaining the objectives for 2024 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)

**- the 2025 variable component is calculated as follows:** 80% for attaining the objectives for 2025 (on short-term) + 10% for attaining the objectives for 2026 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)

**- the 2026 variable component is calculated as follows:** 80% for attaining the objectives for 2026 (on short-term) + 10% for attaining the objectives for 2026 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)

3. The short-term variable component shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the time elapsed of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and then, within 15 days of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the aggregate percentage of attainment of the key performance indicators shall be reconciled.

4. When the cumulative percentage of attaining the key performance indicators determined for a quarter is below 75%, the granting of the annual variable component shall be suspended until the end of the financial year, and the difference shall be reconciled within 15 calendar days of approval by the General Meeting of Shareholders of the audited annual financial statements.
5. The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out under Annex 3.1 to the contract of mandate of directors and Annex 5.1 to the contract of mandate of executive officers. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to the respective year of the term of office, as detailed in Annex 3.1 to the contract of mandate for directors and Annex 5.1 of the contract of mandate for executive officers, which conclude the period of medium-term targets review period.
6. The long-term variable component shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.
7. If the cumulative percentage of achievement of the key performance indicators determined for a financial year is below 75% the grant of the quota of the medium-term and long-term variable component is suspended until the end of the financial year of the medium and long period respectively of the term of office, the difference to be settled within 15 calendar days as of date of approval by the General Meeting of Shareholders of the audited annual financial statements, for the medium and long period respectively of the term of office.
8. If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director / Manager, the variable component shall be granted pro-rata, accordingly until the last full month of the term of office.
9. If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director / Manager, the company is entitled to claim and the Director / Manager is obliged to return the entire amount granted in that year representing the payment of the variable component corresponding to the year in which the term of office ended.

10. The key performance indicators and degree of achievement of indicators may be modified, as appropriate, in the following situations:
  - a) Force majeure, as defined by the law;
  - b) Other causes not attributable to the directors / managers and which do not affect the achievement of the goals and targets set for the entire term of office.

Targets may be changed if the Income and Expenditure Budget approved according to the law and to the Articles of Association is rectified.

11. The description, checking tool and target values of the key performance indicators are indicated in Annex 3.1 to the contract of mandate of directors, and in Annex 5.1 to the contract of mandate of executive officers.
12. Financial performance indicators are checked by reference to the achieved values of these indicators as recorded in the company's financial accounting records.
13. The non-financial indicators are checked by analysing the attainment status of these indicators included in the Reports/Calculation formulas indicated in the column "Checking tools" of Annex 3.1, to the contract of mandate of directors, and in Annex 5.1 to the contract of mandate of executive officers.

*(iii) Considerations substantiating any scheme of annual bonuses or non-monetary benefits.*

SNN does not grant any bonuses to Directors and Executive Officers with mandate contract. In accordance with the mandate contracts concluded by the Company with the Executive Officers, these benefit of a fixed gross monthly allowance and a variable component set out on the basis of financial and non-financial performance indicators negotiated and approved by the Board of Directors, determined in compliance with the methodology provided under the Government Decision GD no. 722/2016, for performance of the entrusted mandate, as well with the following non-cash benefits:

1. Professional liability insurance, with an insured amount of EUR 3 million;
2. Right to refund of the business travel expenditure;
3. Right to have the entire time when they served as Executive Officer in SNN recognized as length of service and/or service in the electricity, heat and nuclear industry’;
4. Right to a company car at all times (the costs of which will be fully borne by SNN), company phone, notebook, desktop computer, office supplies, fax machines, logistics, stationery, etc. as well as any other type of equipment/facilities that are specific to the level of their Executive Officer position;
5. Right to an office space, corresponding to their Executive Officer position, with all the appropriate equipment and facilities;

6. Right to insurance against accidents at work and occupational illnesses paid by the Company;
7. Right to secretariat services, with the salary costs of this position borne in full by the Company;
8. Right to seek mediation, advice and/or other protective measures from the Board of Directors, the General Meeting of Shareholders, the employers' confederation, federation or organization the Company is a part of, in solving conflicts with the trade unions and/or the employee representatives, as well as with other organization and, in such cases, the right also to the necessary legal assistance at the expense of SNN;
9. Right to a business entertainment fund from the Company's business entertainment fund approved by the Board of Directors;
10. Right to have a job that matches their training and professional experience in SNN (under an individual employment agreement for an indefinite time period, concluded under the terms of the law), as well as all the rights related to this job, according to the legal provisions and/or of the Collective Bargaining Agreement applicable to the Company, after the termination for whatever reason of their mandate contract, and after their revocation from this office for reasons that are not their fault.

*(iii) Any potential additional or early retirement schemes. - Not applicable*

*(iv) Information about the term of the contract, the negotiated prior notice period, and the amount of the damages for revocation without just cause.*

**Under the contracts of mandate concluded by the Company with the SNN Executive Officers:**

The Mandate Contracts concluded by the Executive Officers with SNN, for a 4-year term, provide for their right to withdraw from the Executive Officer position, subject to giving written notice to the Company least 90 (ninety) business days before such withdrawal; subject to the agreement of the Company under a resolution of the Board of Directors, this prior notice term may be shorter;

Should the Director be revoked ad-hoc or for no good reasons, they have the right to receive damages from the Company equal to the amount of their gross monthly fixed allowances, for the period not performed of the Mandate Contract, regardless of the effective revocation date.

Payment of damages shall be made within 30 business days from the date of termination of the Mandate Contract concluded with the company.

The damages due to the Managers according to the provisions above shall be their only compensation in case the unjustified revocation of Manager occurs.

Under the mandate contracts concluded by the Company with the SNN Directors:

The mandate contracts concluded by the members of the Board of Directors with SNN for a 4-year term provide for their right to withdraw from the office of Director, subject to giving written notice to the Company at least 60 (sixty) business days before such withdrawal; subject to the agreement of the Company expressed through the General Meeting of Shareholders, this term of notice may be shorter;

Should the Director be revoked ad-hoc or for no good reasons, they have the right to receive damages from the Company for the period not performed of the Mandate Contract.

If the revocation occurs in the first 3 (three) years of the mandate, the director shall have the right to receive damages representing the fixed monthly allowances for the remaining unperformed period of the mandate contract, but no more than 24 fixed monthly allowances.

If the revocation occurs in the **last year of the mandate, the director shall have the right to receive damages representing the fixed monthly allowances for the remaining unperformed period of the mandate contract, but no more than 6 fixed monthly allowances.**

Payment of damages shall be made within 30 business days from the date of termination of the Mandate Contract.

The damages due to the director according to the provisions above shall be their only compensation in case the unjustified revocation of directors occurs.

*Nomination and Remuneration Advisory Committee,*

*Chairperson: Vasilica Grajdan*

*Member: Elena Popescu*

*Member: Dumitru Remus Vulpescu*



**23. ANNEX 10.A - TRANSACTIONS SUBJECT TO THE OBLIGATION TO INFORM THE GMS ACCORDING TO ARTICLE 52(3)(A) OF THE GOVERNMENT EMERGENCY ORDINANCE NO. 109/2011, AS AMENDED**

**1. Purchase transactions:**

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
1	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH (RATEN ICN PITEȘTI)	05.01.2023/3	Addendum no. 1 to Agreement no. 1453/27.09.2022	Adjustment of tariffs - Utilities distribution services	22,010.87 RON	Liabilities RON 3,107,712.97 Receivables – RON 0	Securities established RON 129,264.34	Monthly, within 30 calendar days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without objections	
2	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH (RATEN ICN PITEȘTI)	10.01.2023/29	Addendum no. 1 to Framework agreement no. 816/23.05.2022	Change of tariff for the P1b component (industrial water) - Radioactive water treatment services	RON 36,460.53	Liabilities RON 1,492,544.97 Receivables – RON 0	Securities established RON 129,264.34	Monthly, within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without objections	
3	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	11.01.2023/ 34	Addendum no. 5 to Services Agreement no. 270/2019 (RUEC No. 437/16.05.2019)	Water transit services in Reach I of the Danube-Black Sea Canal (CDMN) through a water intake from the Danube	RON 568,294	Liabilities RON 116,069.74 Receivables	Securities established RON 0	Within 30 days from the date of receipt of the invoice	

THIS IS A FREE TRANSLATION FROM THE ROMANIAN VERSION. IN CASE OF ANY DIFFERENCES BETWEEN THE ROMANIAN AND ENGLISH VERSION, THE ROMANIAN VERSION PREVAILS

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				into the distribution basin of Cernavodă NPP		RON 1208.46			
4	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	12.01.2023/ 38	Addendum no. 5 to Services Agreement no. 271/2019 (RUEC No. 438/16.05.2019)	Transit and sea discharge services for the cooling water discharged by Cernavodă NPP in Reach II CDMN	RON 106,580	Liabilities RON 116,069.74 Receivables RON 1208.46	Securities established RON 0	Within 30 days from the date of receipt of the invoice	
5	SNN S.A. – RASIROM STATE-OWNED COMPANY	17.01.2023/ 56	Sectoral works agreement	Technical surveillance system installation works - video evaluation, access control and anti-burglary	RON 800,356.33	Liabilities RON 117,978.98 Receivables – RON 0	Securities established RON 0	Payment shall be made within 30 days from the receipt of the invoice, based on the Works Completion Acceptance Protocol, signed without comments	
6	SNN S.A., through its Cernavodă NPP Branch - COMPANIA NATIONALA POSTA ROMANA S.A.	17.01.2023/ 65	Services agreement	Postal charges and subscription to a nominal box for the year 2023	RON 24,000	Liabilities RON 2,737.11 Receivables – RON 0	Securities established RON 0	Payment for the services shall be made within 30 days from receipt of the invoice	
7	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its	19.01.2023/71	Subsequent agreement no. 45 to the Framework Services	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2)	EUR 46,081.20	Debts RON 0 Receivables = RON 550	Securities established RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)		Agreement no. 205/18.03.2019	- Cost-benefit benchmarking for issuing a conceptual solution regarding the cooling of the equipment in the Integrated Building – Electric Body quota 100.00 (inverters), 111.500 (MCC) and 121.500 (MCC) as a result of the unavailability of the primary cooling source generated by a HELB type event (pressure steam pipeline rupture or water supply) in the Machines Room U1/U2					
8	SNN SA, through its Cernavodă NPP Branch - “APELE ROMANE” NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	20.01.2023/77	Addendum no. 3 to the Subscription for the use of water resources 808/02.07.2021 (RUEC No. 843/08.07.2021)	Use of underground water for the industry for the year 2023	RON 29,312	Debts = RON 1,615,144.19  Receivables – RON 0	Securities established  RON 0	Within 30 days from the registration of the invoice at Cernavodă NPP. Invoicing is done according to the amount of resources used monthly	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
9	SNN S.A - FABRICA DE PRELUCRARE A CONCENTRATELOR DE URANIU - FELDIOARA S.R.L.	26.01.2023/86	Sectoral Services Agreement	Processing services of natural technical uranium concentrate with a minimum uranium content of 65%, to obtain sinterable UO2 powder, including storage services for the concentrate to be purchased by the Purchaser	RON 300,000,000	Debts = RON 0 Receivables – RON 0	Securities established RON 0	Within 5 days after receiving the original invoice and the acceptance documents	
10	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	31.01.2023/108	Order	Computer programs for the SI-CER Computer System	RON 21,311.86	Debts = RON 0 Receivables RON 5037.61	Securities established RON 0	Within 30 days from the receipt of the products, based on the invoice and the accompanying documents and the Note of Receipt and Defects, signed without non-conformities	
11	SNN SA, through its Cernavodă NPP Branch - “APELE ROMANE” NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	02.02.2023/131	Addendum no. 4 to the subscription for the use of water resources 809/02.07.2021 (RUEC No. 871/14.07.2021)	Receipt of resource waste water coming from the Nuclear Power Plant - Unit 1 and Unit 2 in 2023	RON 16,254,585.90	Debts = RON 1,615,144.19 Receivables – RON 0	Securities established RON 0	Within 30 days from invoice issue	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
12	SNN S.A., through its Cernavodă NPP Branch - RAJA SA	02.02.2023/139	Addendum no. 4 to Agreement no. RAJA 22V	Change of tariffs for the water supply service, as per the ANRSC decision no. 202 dated 22.11.2022	RON 4,200,000	Liabilities RON 697,155.23 Receivables RON 0	Securities established RON 0	15 days from the invoice issue date	
13	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	07.02.2023/151	Subsequent agreement no. 48 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2) - Engineering Services (SPSI) U1/U2-75100-SPSI-015 - Solution to redesign the route of the Instrumental Air System lines U1 and U2 against the pipe whip produced in case of a high energy line breakage event (HELB) in the Integrated Building, in the areas where these systems are close	EUR 63,431.47	Debts = RON 0 Receivables RON 600	Securities established RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
14	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	21.02.2023/211	Subsequent agreement no. 49 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2) - Engineering Services (SPSI) U1/U2-01347-SPSI-064 - Verification of system designs BSI 31700 (U1/U2) / 32510 (U1) / 35311 (U2) / 36110 (U1) / 79140 (U2) in terms of over-voltage protection	EUR 45,033.90	Debts = RON 0  Receivables RON 300	Securities established  RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections	
15	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	24.02.2023/248	Services agreement	Services of works evaluation, development of simple engineering solutions, technical and support services for the DIR and DCL Departments in Cernavodă NPP	RON 61,045,880	Liabilities  RON 239,522.35  Receivables RON 2705.05	Securities established  RON 0	Monthly, within 10 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without comments	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
16	SNN S.A. - JOINT VENTURE composed of:  CEPSTRA GRUP SRL  TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY (RATEN) - BRANCH INSTITUTE FOR NUCLEAR RESEARCH (ICN) PITEȘTI  UNITATEA DE SUPORT PENTRU INTEGRARE SRL	27.02.2023/255	Sectoral Services Agreement	Development of a proposal regarding the aspects relevant for environmental protection that must be developed in the Environmental Impact Report and preparation of the Environmental Impact Report for the Project Refurbishment of Unit 1 of Cernavodă NPP and expansion of the Spent Fuel Intermediate Storage with MACSTOR 400 type modules	RON 8,340,000,  of which  RATEN ICN (share 26%): RON 2,168,400	CEPSTRA GRUP SRL  Debts = RON 0  Receivables RON 0  RATEN ICN  Debts = RON 0  Receivables RON 2705.05  UNITATEA DE SUPORT PENTRU INTEGRARE SRL  Debts = RON 0  Receivables RON 0	CEPSTRA GRUP SRL  Securities established  RON 0  RATEN ICN  Securities established  RON 120,707.34  UNITATEA DE SUPORT PENTRU INTEGRARE SRL  Securities established  RON 0	The Purchaser, through the Cernavodă NPP Branch, shall pay for the services within 30 days from the receipt of the Supplier's invoice, as follows: -70% of the price of each deliverable shall be paid after its acceptance/taking-over by the beneficiary (DRT-U1), based on the invoice and the Services Acceptance Protocol (PVRS) signed without comments; -30% of the price of each deliverable shall be paid after its acceptance by the environmental authority, based on the invoice and the acceptance document	
17	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND	07.03.2023/300	Subsequent agreement no. 51 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - Engineering Services (SPSI)	EUR 58,648.80	Debts - RON 183,951.96  Receivables: RON 0	RON 475,405.02	Within 30 days from the acceptance of the services and the issuance of the Services Acceptance Protocol (PVRS), based on the supplier's invoice, the PVRS without comments	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)			no. 79/82-76110-SPSI-090 - Analysis for the seismic qualification by direct method and solutions for upgrading the design of bridge cranes in the reactor buildings in U1 and U2 of Cernavodă NPP 1/2-76110-CR2 and 1/2-76110-CR12				and the PVRS accompanying documents	
18	SNN S.A., through its Cernavodă NPP Branch -  JOINT VENTURE composed of:  MATE-FIN SRL and  SOCIETATEA DE CERCETARE A BIODIVERSITATII SI INGINERIA MEDIULUI – AON SRL and  NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR INDUSTRIAL ECOLOGY ECOIND	09.03.2023/311	Services agreement	Development services for "Ecotoxicological impact study for establishing the discharge limit and the analytical method for determining the concentration of the new product ODACON®F (corrosion inhibitor) to be used in the Cernavodă NPP installation"	RON 830,000,  of which cost of services provided by ECOIND  RON 415,000	MATE-FIN – Debts: RON 1,502,305.62  Receivables: RON 0  AON – Debts: RON 0  Receivables: RON 0  ECOIND – Debts: RON 1,361.59	MATE-FIN – RON 1,275,126.41  AON – RON 0  ECOIND – RON 5,705.58	Payment shall be made within 30 days from the receipt of the invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
						Receivables: RON 0			
19	SNN SA, through its Cernavodă NPP Branch - JOINT VENTURE:  TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN - CITON)  TOPOGEODESIS	14.03.2023/332	Addendum no. 1 to Sectoral Services Agreement no. 1499/06.10.2022	Agreement increase by RON 12,600 (from RON 128,000 to RON 140,600) and extension of agreement duration by 6 months (from 10.04.2023 to 10.10.2023) - Services for preparation of layout, site and area plans, land surveying measurements, and coordinate determination for Cernavodă NPP U1 Refurbishment Infrastructure and DICA with MACSTOR 400 Modules	RON 12,600	RATEN CITON -  Debts: RON 183,951.96  Receivables: RON 0  TOPOGEODESIS  Debts: RON 0  Receivables: RON 0	RATEN CITON – RON 475,405.02  TOPOGEODESIS – RON 53,775	Within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
20	SNN S.A., through NPP Branch - NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR	16.03.2023/353	Sectoral Services Agreement	Training and assessment services for 50 persons within Cernavodă NPP	RON 90,250	Debts: RON 2,618	RON 9,820.98	The purchaser shall pay the services provided within 30 days from the date of receipt of the Supplier's tax invoice, which shall be	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	MINING SECURITY AND ANTI-EXPLOSIVE PROTECTION - INSEMEX			in order to authorize personnel with responsibilities for explosion-protected equipment and installations		Receivables: RON 0		drawn up after each training and/or examination session, after the Services Acceptance Protocol (PVRS) has been signed by both parties, without comments. Supporting documents must be attached to the PVRS	
21	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/358	Services agreement	Maintenance and repair of sanitary installations in the protected premises of Cernavodă NPP U1, U2 and DICA	RON 8,215,880	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments	
22	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/359	Services agreement	Maintenance and repair of air conditioning installations in the protected premises of Cernavodă NPP U1/U2/DICA	RON 12,964,520	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments	
23	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/360	Services agreement	Decontamination and cleaning of technological areas in the protected premises	RON 84,357,600	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				U1/U2/DICA of Cernavodă NPP					
24	SNN S.A. - TRAVEL TIME D&R SRL and  ROMANIAN AIR TRANSPORT COMPANY TAROM SA  OLIMPIC INTERNATIONAL TURISM S.R.L.  WECO T.M.C. SRL  BBOOK BED&BREAKFAST SRL	17.03.2023/363	Framework Services Agreement	Air transport services for the managerial staff and employees of Societatea Nationala "Nuclearelectrica" S.A.	EUR 1,400,000	TRAVEL TIME  Debts: RON 113,022.62  Receivables: RON 0  ROMANIAN AIR TRANSPORT COMPANY TAROM SA  Debts: RON 0  Receivables: RON 0  OLIMPIC INTERNATIONAL TURISM S.R.L.  Debts: RON 0  Receivables: RON 0  WECO T.M.C. SRL	RON 0	Payment shall be made within 30 days from the receipt of the Supplier's invoice, based on the invoice and the supporting documents	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
						Debts: RON 0  Receivables: RON 0  BBOOK BED&BREAK FAST SRL  Debts: RON 26,238.27  Receivables: RON 0			
25	SNN S.A., through its Cernavodă NPP Branch - CONSTANTIA COUNTY PUBLIC HEALTH AUTHORITY	21.03.2023/377	Services agreement	Audit monitoring services for the objective "Centralized drinking water supply system Cernavodă NPP"	RON 9,116	Debts: RON 564  Receivables: RON 0	RON 0	Payment will be made by payment order within maximum 30 days of issuing the invoice	
26	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN branch	21.03.2023/381	Addendum no. 2 to Services Agreement no. 442/31.03.2022	Adjustment of tariffs - Fire Prevention Services on the site of the Cernavodă NPP and in the outside objectives of the Cernavodă NPP	RON 1,257,965.84	Debts = RON 515,553.91  Receivables: RON 3,087.73	RON 0	Monthly, within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without comments	
27	SNN S.A., through its Cernavodă NPP Branch - NATIONAL ADMINISTRATION OF	23.03.2023/396	Supply agreement	Heavy water required to fill the reserve for Units 1 and 2 from	RON 16,805,945	Debts: RON 0	RON 0	Payment shall be made 100% upon delivery	

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	STATE RESERVES AND SPECIAL PROBLEMS - TERRITORIAL UNIT 515 BUCHAREST			Cernavodă NPP – 6,500 kg		Receivables: RON 0			
28	SNN SA, through its Cernavodă NPP Branch - NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR INDUSTRIAL ECOLOGY (ECOIND)	24.03.2023/401	Addendum no. 2 to Sectoral Services Agreement no. 259/08.03.2021	Adjustment of unit rates - Analysis services of the physical and chemical parameters of cooling water (influent and effluent), household water and rainwater samples taken by Cernavodă NPP	RON 1,080.24	Debts: RON 80.92 Receivables: RON 0	RON 5,705.58	Payment shall be made within 30 days from receipt of the original invoice. The invoice shall be drafted after both parties have signed, without comments, the Services Acceptance Protocol (PVRS) corresponding to the month during which services were delivered. Settlement shall be on a monthly basis.	
29	SNN S.A., through its NFP Pitești branch - COMPANIA NATIONALA A URANIULUI SA INSOLVENTA	31.03.2023/453	Addendum no. 4 to Framework Agreement no. 773/06.08.2019	Tariff adjustment - Storage services through final disposal of Non-Incinerable Solid Radioactive Waste (DSR-N) contaminated with natural uranium, originating from the activities of the NFP Pitești Branch	RON 19,123.56	Debts: RON 958,521.76 Receivables: RON 6,564,571.84	RON 0	30 days from the issuance of the Services Acceptance Protocol corresponding to each transport, based on the original tax invoice and the Services Acceptance Protocol, signed, without comments, by both contracting parties	

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30	SNN S.A., through its NFP Pitești branch - COMPANIA NATIONALA A URANIULUI SA INSOLVENTA	31.03.2023/454	Subsequent agreement no. 5 to Framework Agreement no. 773/06.08.2019	Storage services through final disposal of Non-Incinerable Solid Radioactive Waste (DSR-N) contaminated with natural uranium, originating from the activities of the NFP Pitești Branch	RON 680,000	Debts: RON 958,521.76  Receivables: RON 6,564,571.84	RON 0	Within 30 days from the issuance of the Services Acceptance Protocol corresponding to each transport, based on the original tax invoice	
31	SNN S.A., through its Cernavodă NPP Branch - S.P.E.E.H. Hidroelectrica S.A.	31.03.2023/455	Framework agreement for the supply of electricity to end customers no. 2023.826/29.03.2023	Supply of electricity	Estimated value RON 3,276,500	Debts: RON 0  Receivables: RON 0	RON 0	a) an advance invoice for the quantity of energy forecast 100% to be consumed in the month of consumption, to be issued between the 20th and 25th of the month preceding the month of consumption, due on the last working day of the month in which it is issued; failure to pay this invoice by the due date will result in the interruption of electricity supply  b) the regularization invoice will be issued in the month following the month of consumption, which will include the consumption of the previous month, based on	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
								the reading of the energy metering equipment	
32	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	04.04.2023/484	Addendum no. 3 to Services Agreement no. 1847/ 23.12.2021	Indexation of hourly rates - Design services for the extension of the technical system of physical protection and reconfiguration of alarm processing equipment and firmware update, software control and configuration of the parameters of the alarm detection elements and commissioning of the physical protection system related to the DICA 9 -17 spent fuel storage modules	RON 41,120.71	Debts: RON 0 Receivables: RON 5,037.61	RON 87,400.76	Payment shall be made within 30 days of the acceptance, without comments, of each deliverable/service	
33	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its	12.04.2023/558	Addendum no. 4 to Services Agreement no. 828/30.08.2019	Decrease of agreement amount by RON 590.43 (increase in the number of tests for item 6 of	- RON 590.43	Debts: RON 1,385,752.66	RON 562,358.4	Payment for the services rendered during one quarter shall be made within 30 days of issuing the Services Acceptance Protocol accompanied by the	

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	branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI (RATEN ICN)			the annex to the agreement, and decrease in number of tests for item 4 in the annex to the agreement) - Environment monitoring services (water and sediments)		Receivables: RON 355,907.23		supporting documents listed at Article 14.3 of the Agreement	
34	SNN SA, through its Cernavodă NPP Branch - MILITARY UNIT 0495 CERNAVODĂ	13.04.2023/574	Addendum no. 4 to Agreement no. 1708/ 08.12.2020	Gendarme security services for transports of products of a special nature, consisting in heavy water (D2O), from the National Heavy Water Management Center (C.N.M.A.G.) Drobeta Turnu Severin to Cernavodă NPP	RON 1,500	Debts: RON 0 Receivables: RON 0	RON 0	Payment shall be made after the services have been provided, within 30 days from the receipt of invoices	
35	SNN S.A. – KINECTRICS NUCLEAR ROMANIA SRL and TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED	19.04.2023/578	Framework Services Agreement	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2)	Maximum estimated value EUR 7,789,140	Debts: RON 438,036.48 Receivables: RON 0	KINECTRICS NUCLEAR ROMANIA SRL – RON 1,479,631.15	Payment of the services provided in each subsequent agreement within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without	



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	COMPANY - RATEN, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN - CITON)						RATEN CITON – RON 504,291.31	comments by NPP representatives	
36	SNN S.A. – RASIROM STATE-OWNED COMPANY	21.04.2023/591	Sectoral Services Agreement	Maintenance of Physical protection System NFP Pitești	RON 975,776	Debts: RON 0  Receivables: RON 5,037.61	RON 87,400.76	The Purchaser, by NFP Pitești branch, shall make the payment of services and spare parts used in providing the services within 30 days as of the receipt of the invoice, based on the invoice and the Services Acceptance Protocol corresponding to the services rendered and completed without non-conformities	
37	SNN S.A., through its Cernavodă NPP Branch - NATIONAL ADMINISTRATION OF STATE RESERVES AND SPECIAL PROBLEMS - TERRITORIAL UNIT 515 BUCHAREST	24.04.2023/594	Addendum no. 1 to Agreement no. 396/23.03.2023	Price update of heavy water according to Resolution no. 669/2001 - Heavy water required to fill the reserve for Units 1 and 2 from Cernavodă NPP	RON 317,590	Debts: RON 0  Receivables: RON 0	RON 0	Payment shall be made within maximum 2 business days from signing the preliminary services acceptance protocol (PV)	
38	SNN S.A., through its Cernavodă NPP Branch -	25.04.2023/611	Order	Calibration services of measuring instruments/testin	RON 73,095	Debts: RON 5,194.35	RON 0	Payment of services provided shall be made within 30 days from the date of acceptance, based	

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	ROMANIAN BUREAU OF LEGAL METROLOGY			g equipment/standards from Cernavodă NPP		Receivables: RON 0		on a Delivery-Receipt Protocol	
39	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI (RATEN ICN)	27.04.2023/626	Addendum no. 1 to Sectoral Services Agreement no. 537/29.04.2021	Adjustment of hourly rates - Services for checking the tightness of reactivity control units by mass spectrometry (He) method	RON 19,280.88	Debts = RON 1,557,436.34  Receivables: RON 355,907.23	RON 562,358.4	Payment shall be made within 30 days from the receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
40	SNN S.A., through its Cernavodă NPP Branch - PUBLIC UTILITIES - COMMON MANAGEMENT SERVICES (UTILITATI PUBLICE - GOSPODARIA COMUNALA) SRL	02.05.2023/640	Agreement	Collection, transport, storage, neutralization of non-radioactive mixed municipal waste inside and outside the protected area U1/U2 Cernavodă NPP	RON 424,035	Debts:  RON 120  Receivables: RON 0	RON 0	Invoicing shall be made on a monthly basis, based on the Services Acceptance Protocol, signed by both parties. Payment shall be made within 30 days from the receipt of the invoice in electronic format, using the national Ro eFactura system	
41	SNN S.A., through its Cernavodă NPP Branch - PUBLIC UTILITIES - COMMON MANAGEMENT SERVICES (UTILITATI PUBLICE - GOSPODARIA COMUNALA) SRL	02.05.2023/641	Agreement	Collection, transport, storage, neutralization of non-radioactive recyclable waste inside and outside the protected area U1/U2 Cernavodă NPP	RON 0.10	Debts:  RON 120  Receivables: RON 0	RON 0	N/A	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
42	SNN SA, through its Cernavodă NPP Branch - NATIONAL METEOROLOGICAL ADMINISTRATION, through its REGIONAL METEOROLOGICAL CENTER DOBROGEA	04.05.2023/660	Addendum no. 1 to Services Agreement no. 166/ 03.02.2022	Price adjustment - Weather forecasting/diagnosis/warning services for the Cernavodă NPP/Dobrogea area and monitoring of fixed air sampling stations (CAS)	RON 50,384.09	Debts: RON 15,684.80  Receivables: RON 0	RON 0	Payment shall be made within 30 days of receiving the original fiscal invoice	
43	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	10.05.2023/697	Services agreement	Data entry, processing and validation	RON 44,136,720	Debts = RON 284,144.11  Receivables: RON 0	RON 0	Monthly, within 10 days from the receipt of the Supplier's invoice, based on the invoice and the PVRS corresponding to the services provided in the reference month, issued according to article 11.3 of the agreement.	
44	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	18.05.2023/731	Addendum no. 3 to subsequent agreement no. 11 to the framework agreement no. 205/18.03.2019	Value increase - Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - SPSI-027 Unit 5- Elaboration of execution details for the U5 change of destination project	EUR 23,905.80	DEBTS = RON 0  RECEIVABLES = RON 0	Guarantees  RON 415,910.01	Within 30 days from the acceptance of the services and the issuance of the Services Acceptance Protocol (PVRS), based on the supplier's invoice, the PVRS without comments and the PVRS accompanying documents	

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45	SNN S.A., through its NFP Pitești branch - SERVICII EDILITARE PENTRU COMUNITATE MIOVENI SRL	22.05.2023/747	Direct Procurement - SEAP	Tree maintenance services	RON 15,306	DEBTS = RON 0 RECEIVABLES = RON 0	SECURITIES = RON 0	Payment shall be made in RON, against PO, within maximum 30 days from the acceptance	
46	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	07.06.2023/836	Subsequent agreement no. 54 to the framework agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - Engineering services (SPSI) no. U1/U2-16100-SPSI074 "Complete (conceptual and detail) solution regarding Rehabilitation of roads and platforms, domestic sewage and pluvial sewage within the precincts U1 & U2, decommissioning of CF interiors, of the fuel oil and ABA boiler unloading ramp, land re-development and execution of CLU	EUR 231,383.48	DEBTS = RON 346,015.13 RECEIVABLES = RON 0	SECURITIES = RON 415,910.01	Payment shall be made within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol, without objections	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				discharge outlets from truck tanks"					
47	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	07.06.2023/837	Addendum no. 2 to framework agreement no. 816/23.05.2022	Framework agreement value increase (adjustment of tariffs) - Radioactive water treatment services	RON 316,191.97	DEBTS = RON 2,184,367.59 RECEIVABLE S = RON 355,907.23	SECURITIES = RON 535,882.97	Monthly, within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
48	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	07.06.2023/838	Subsequent agreement no. 2 to framework agreement no. 816/23.05.2022	Radioactive water treatment services	RON 1,155,445.50	DEBTS = RON 2,184,367.59 RECEIVABLE S = RON 355,907.23	SECURITIES = RON 535,882.97	Monthly, within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
49	SNN S.A., through Cernavodă NPP Branch - NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR CHEMISTRY AND PETROCHEMISTRY - ICECHIM	21.06.2023/904	Agreement	Physical and chemical analysis services for the determination of Praestol A3040L Flocculant product in the technological water discharged from the Cernavodă NPP	RON 95,200	DEBTS = RON 0 RECEIVABLE S = RON 0	SECURITIES = RON 0	The Purchaser undertakes to make the payment for the services performed within 30 days of serving the fiscal invoice in electronic format via the National Electronic Invoice System RO e-Factura. The invoice shall be drafted after both parties have signed, without comments, the Services Acceptance	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				Water Treatment Plant				Protocol (PVRS) corresponding to the performed activity	
50	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1024	Agreement	Services of preventive and corrective maintenance for spaces outside the protected area	RON 170,023,050	DEBTS = RON 4,552,628.88  RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, according to the services rendered without non-conformities	
51	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1025	Agreement	Hydrant verification and repair services on the Cernavodă NPP platform and in the outside objectives of the Cernavodă NPP	RON 28,800,911	DEBTS = RON 4,552,628.88  RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, according to the services rendered without non-conformities	
52	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1026	Agreement	Services of preservation for spare parts and equipment existing in the warehouses of Cernavodă NPP	RON 13,622,976	DEBTS = RON 4,552,628.88  RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without comments	

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53	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	14.07.2023/1036	Addendum no. 5 to Agreement no. 828/30.08.2019	Decrease in agreement value - Environment monitoring services (water and sediments)	- RON 2,495.10	DEBTS= RON 876,779.46 RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	On a quarterly basis, within 30 days of issuing the Services Acceptance Protocol	
54	SNN S.A., through Cernavodă NPP Branch - NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR MINING SECURITY AND ANTI-EXPLOSIVE PROTECTION - INSEMEX	18.07.2023/1057	Agreement	Recertification services and obtaining explosion protection reports for the plants of Cernavodă NPP	RON 109.500	DEBTS= RON 17,790.50 RECEIVABLES = RON 0	SECURITIES = RON 0	The Purchaser undertakes to make the payment for the services performed within 30 days of serving the fiscal invoice in electronic format via the National Electronic Invoice System RO e-Factura to the Supplier, in accordance with the applicable Romanian laws. The invoice shall be issued after both parties have signed, without comments, the Services Acceptance Protocol (PVRS) corresponding to the month during which services were delivered. PVRS shall be issued by the Purchaser and shall have an enclosed document	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
55	SNN SA - "APELE ROMANE" NATIONAL ADMINISTRATION	25.07.2023/1085	Addendum no. 1 to the Subscription no. 2 (RUEC 1936/23.12.2022)	Increase in the consumer prices and supplementation of Articles 81 and 82 - Use/operation of surface and/or underground water resources in 2023	RON 23,207,874	DEBTS = RON 7,325,657.57  RECEIVABLES = RON 0	SECURITIES = RON 0	Within 30 days of the issue of the invoice	
56	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	25.07.2023/1088	Addendum no. 1 to Agreement no. 1109/08.07.2022	Adjustment of prices and unit tariffs - Sample analysis services to determine the radiochemical level of C-14, Sr-90, global alpha/beta and transuranic elements	RON 71,384.96	DEBTS = RON 1,116,203.73  RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	30 days from the date of receipt of the original tax invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
57	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	04.08.2023/1132	Addendum no. 3 to Agreement no. 1133/08.10.2019	Indexation of tariffs - Post-irradiation examination services of the spent nuclear fuel	RON 38,243.31	DEBTS = RON 831,031.52  RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	Within 30 days from the delivery of the Examination Report and from signing, without comments, the Services Acceptance Protocol, based on the tax invoice	



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
58	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	04.08.2023/1134	Agreement	Services for preparation of an Analysis Report regarding the Small Modular Reactors Project (SMR) aligned with the requirements laid down in the Government Decision no. 907/2016, Annex 3, sections 3.1, 3.2 and 3.3	RON 140,000	DEBTS = RON 538,661.43 RECEIVABLES = RON 0	SECURITIES = RON 415,910.01	Within 30 days of acceptance of the documentation related to study, according to the invoice and to PVRS issued in accordance with the provisions of chapter 15 of CS	
59	SNN SA, through its Cernavodă NPP Branch - NATIONAL INSTITUTE FOR RESEARCH AND DEVELOPMENT FOR INDUSTRIAL ECOLOGY - ECOIND	08.08.2023/1139	Addendum no. 1 to Agreement no. 294/08.03.2022	Indexation of tariffs - Physical and chemical analysis services for the determination of total phosphorus in the water discharged from the Cernavodă NPP Water Treatment Plant	RON 304.98	DEBTS = RON 80.92 RECEIVABLES = RON 0	SECURITIES = RON 0	Within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
60	SNN S.A., through its NFP Pitești Branch - RASIROM STATE OWNED COMPANY	11.08.2023/1146	Direct Procurement - SEAP	Safety equipment	RON 57,618.56	DEBTS = RON 0 RECEIVABLES = RON 5,037.61	SECURITIES = RON 0	Payment in RON within maximum 30 days from the receipt of products, according to invoice	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
61	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	21.08.2023/1160	Addendum no. 2 to Framework agreement no. 835/07.07.2021	Adjustment of tariffs - Radioactive solid waste treatment services	RON 40,587.66	DEBTS= RON 549,297.93 RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	Payment shall be made within 30 days from the receipt of the invoice, accompanied by PVRS, signed without comments, corresponding to the services performed and completed during the respective period for each individual order/orders (as the case may be)	
62	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	21.08.2023/1161	Subsequent agreement no. 3 to Framework Agreement no. 835/07.07.2021	Radioactive solid waste treatment services	RON 190,843	DEBTS= RON 549,297.93 RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	Payment shall be made within 30 days from the receipt of the invoice, accompanied by PVRS, signed without comments, corresponding to the services performed and completed during the respective period for each individual order/orders (as the case may be)	
63	SNN S.A., through its NFP Pitești Branch - HORIA HULUBEI NATIONAL INSTITUTE FOR R&D IN PHYSICS AND NUCLEAR ENGINEERING	22.08.2023/1164	Agreement	Metrological controls, calibration and repairs services	RON 71,996	DEBTS = RON 0 RECEIVABLES = RON 0	SECURITIES = RON 0	Payment shall be made within 30 days of drafting the Services Acceptance Protocol, signed without comments	
64	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its	30.08.2023/1198	Agreement	Environment monitoring services - water and sediments	RON 908,436	DEBTS = RON 549,297.93	SECURITIES =	Payment shall be made within 30 days from the receipt of the Supplier's invoice, based on the invoice and the quarterly	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	BRANCH INSTITUTE FOR NUCLEAR RESEARCH					RECEIVABLE S = RON 355,907.23	RON 536,867.82	Services Acceptance Protocol, corresponding to the services performed and completed for a quarter (3 months) signed without comments	
65	SNN S.A., through its Cernavodă NPP Branch - "APELE ROMANE" NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	31.08.2023/1210	Addendum no. 4 to the Subscription for the use of water resources 808/02.07.2021 (RUEC No. 843/08.07.2021)	Tariffs increase - Use/exploitation of underground water resources for the industry	RON 9,895.22	DEBTS = RON 0  RECEIVABLE S = RON 0	SECURITIES = RON 0	Payment shall be made within 30 days from the registration of the invoice at NPP. Invoicing is done according to the amount of resources used monthly.	
66	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1221	Addendum no. 3 to Agreement no. 1273/11.08.2022	Supplementation of agreement value (adjustment of hourly rates) - Processing and characterization services of radioactive waste resulting from the activities of Cernavodă NPP Branch	RON 387,439.86	DEBTS = RON 475,095.19  RECEIVABLE S = RON 0	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without comments	
67	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1222	Addendum no. 2 to Agreement no. 1272/11.08.2022	Supplementation of agreement value (adjustment of hourly rates) - Services for the decontamination/washing,	RON 666,869.92	DEBTS = RON 475,095.19	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				sanitization and maintenance of reusable radioprotection equipment		RECEIVABLE S = RON 79,792.78		Protocol, signed without comments	
68	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1223	Agreement	Works for assembling/disassembling scaffolding and external and internal platforms for the building of U5 reactor (DIDR U5)	RON 592,500	DEBTS = RON 475,095.19  RECEIVABLE S = RON 79,792.78	SECURITIES S = RON 0	The Purchaser shall pay within 30 days from the receipt of the Documentation, based on the invoice and the Services Acceptance Protocol, signed without objections	
69	SNN S.A. – RASIROM STATE-OWNED COMPANY	05.09.2023/1228	Agreement	Subscriptions and extension of Fortinet security solutions	USD 333,203.82	DEBTS = RON 0  RECEIVABLES = RON 5,037.61	SECURITIES S = RON 0	Payment shall be made within 30 days of drafting the Final Quality Acceptance Protocol, signed without comments	
70	SNN S.A. - “APELE ROMANE” NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	13.09.2023/1252	Addendum no. 5 to the subscription for the use of water resources 809/02.07.2021 (RUEC No. 871/14.07.2021)	Indexation of tariffs according to the Government Emergency Ordinance no. 52/31.05.2023 and introduction of certain new contributions according to laws - Receipt of resource waste	RON 6,098,903.01	DEBTS = RON 12,863.18  RECEIVABLES = RON 0	SECURITIES S = RON 0	Within 30 days from invoice issue	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				water coming from the Nuclear Power Plant - Unit 1 and Unit 2 in 2023					
71	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	29.09.2023/1337	Agreement	Utilities distribution services	RON 4,237,194	DEBTS = RON 664,838.62 RECEIVABLE S = RON 355,907.23	SECURITIES = RON 536,867.82	The Purchaser is required to make the payment on a monthly basis, within 30 calendar days from the invoice issue	
72	SNN S.A., through its Cernavodă NPP Branch - INCD INSEMEX PETROSANI	05.10.2023/ 1375	Order	Training and assessment services for 19 persons within Cernavodă NPP in order to authorize personnel with responsibilities for explosion-protected equipment and installations	RON 39,920	DEBTS = RON 65,926.48 RECEIVABLE S = RON 0	SECURITIES S = RON 0	Payments shall be made within 30 days from the date of receipt of the tax invoice, which shall be drawn up after each training and/or examination session performed	
73	SNN S.A., through its NFP Pitești branch - SERVICII EDILITARE PENTRU COMUNITATE MIOVENI SRL	06.10.2023/ 1384	Direct Procurement - SEAP	Tree cutting services	RON 40,325.90	DEBTS = RON 0 RECEIVABLE S = RON 0	SECURITIES S = RON 0	Payment shall be made in RON, against PO, within maximum 30 days from the acceptance	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
74	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	10.10.2023/ 1394	Agreement	Fire Hazard Analysis Study (API)	RON 1,350,000	DEBTS = RON 0  RECEIVABLE S = RON 0	SECURITIES = RON 415,910.01	The Purchaser, through NFP Pitești Branch, shall make the payment within 30 days from the receipt of the invoice and signing of the Services Acceptance Protocol, signed without comments	
75	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	10.10.2023/ 1399	Addendum no. 3 to Framework agreement no. 816/23.05.2022	Decrease of the agreement value (tariff adjustment for industrial water) - Radioactive water treatment services	- RON 2,004.84	DEBTS = RON 496,947.82  RECEIVABLE S = RON 0	SECURITIES = RON 541,105.02	Monthly, within 30 days from PVRS	
76	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	10.10.2023/1400	Addendum no. 1 to subsequent agreement no. 2 (RUEC 838/07.06.2023 to the framework agreement no. 878/07.06.2023	Decrease in agreement value with RON 11,215.44 - Radioactive water treatment services	- RON 11,215.44	DEBTS = RON 496,947.82  RECEIVABLE S = RON 0	SECURITIES = RON 541,105.02	Monthly, within 30 days from PVRS	
77	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND	10.10.2023/1403	Agreement	Services regarding the special monitoring of behaviour in time of the building of the Special Unit 72 Gendarmerie	RON 41,175	DEBTS = RON 0  RECEIVABLE S = RON 0	SECURITIES = RON 0	Within 30 days of serving the tax invoice in electronic format via the National Electronic Invoice System RO e-Factura, in accordance with the applicable Romanian laws. The invoice shall be	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	ENGINEERING FOR NUCLEAR PROJECTS  (Shareholder TOPOGEODESIS BUCHAREST)			Institutional Protection Anghel Saligny-Cernavodă” (registered as asset of SNN under the name “Camin 150 places”)				drafted after both parties have signed, without comments, the Services Acceptance Protocol (PVRS) corresponding to the performed activity.	
78	SNN S.A., through Cernavodă NPP Branch - STATE INSPECTION FOR THE CONTROL OF BOILERS, PRESSURE VESSELS AND LIFTING GEAR (ISCIR)	12.10.2023/ 1413	Addendum no. 16 to Agreement no. 2419/11.03.2008	Extension of the period - Technical verification and other specific works performed by ISCIR	RON 220,000	DEBTS = RON 5,810.00  RECEIVABLE S = RON 0	SECURITIES = RON 0	Maximum 15 days from the registration of the invoice at NPP	
79	SNN S.A., through its Cernavodă NPP Branch - ROMANIAN BUREAU OF LEGAL METROLOGY	18.10.2023/ 1431	Revision for Order 611/25.04.2023	Decrease in value - Calibration services of measuring instruments/testing equipment/standards from Cernavodă NPP	- RON 2,405	DEBTS = RON 3,930.57  Receivables = RON 0	RON 0	Payment of services provided shall be made within 30 days from the date of acceptance, based on a Delivery-Receipt Protocol	
80	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY - RATEN, through its Branch Pitești Institute for Nuclear Research	18.10.2023/ 1435	Framework Services Agreement	Services for determination the concentration of uranium and beryllium in urine	RON 960,840	DEBTS = RON 490,449.17	RON 174,065.02	The Promissory Purchaser/Purchaser, through NFP Pitești Branch, shall make the payment for the services provided under the subsequent contracts, monthly, for the services	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
						Receivables = RON 0		provided in the previous month, within maximum 30 days from the completion of acceptance, based on the Services Acceptance Protocol (PVRS), signed without comments and the invoice issued by the Provider	
81	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	26.10.2023/ 1483	Subsequent agreement no. 1 to Framework Agreement no. 1435/18.10.2023	Services for determination the concentration of uranium and beryllium in urine	RON 240,210	DEBTS = RON 1,678,213.85 Receivables = RON 0	RON 174,065.02	Within maximum 30 days from the completion of acceptance, based on the Services Acceptance Protocol (PVRS), signed without comments and the invoice issued by the Provider	
82	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through Pitești Institute for Nuclear Research	03.11.2023/ 1522	Order	Breathing air stations	RON 94,890	DEBTS = RON 2,533,201.23 Receivables = RON 0	RON 174,065.02	Payment shall be made within 30 days from the date of the products acceptance at the headquarters of Cernavodă NPP, based on the invoice, the supporting documents and the Goods Received Note (NRCD)	
83	SNN S.A. – RASIROM STATE-OWNED COMPANY	09.11.2023/ 1532	Agreement	Technical surveillance/video evaluation system installation works, access	RON 256,243.45	DEBTS = RON 55,368.75	RON 0	Payment for the executed works shall be made within 30 days from the receipt of the invoice issued by the Contractor through the RO e-Factura system, based on	



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
				control and anti-burglary on the 3rd floor and access control expansion for general manager office door on the 13th floor building Crystal Tower		Receivables = RON 0		the invoice and the Works Completion Acceptance Protocol (PVRTL), signed without comments	
84	SNN S.A., through its Cernavodă NPP Branch - MILITARY UNIT 0495 CERNAVODĂ	14.11.2023/ 1544	Addendum no. 5 to Agreement no. 1708/08.12.2020	Gendarme security provision for a fee for transports of products of a special nature, consisting in heavy water (D2O), from the CNMAG Drobeta Turnu Severin to NPP	Estimated amount: RON 11,982	DEBTS = RON 0 Receivables = RON 0	RON 0	Within 30 calendar days from receipt of the invoice	
85	SNN S.A. - COMPANIA NATIONALA AEROPORTURI BUCURESTI SA	27.11.2023/ 1603	Agreement	Protocol and parking services for vehicles in the SNN's car fleet, in areas specially dedicated to official delegations at Henri Coanda International Airport	RON 80,000	DEBTS = RON 0 Receivables = RON 0	RON 0	The Beneficiary shall pay the value of the provided services, monthly, within 45 days from the date of issue of the invoice, in cash or by bank transfer, based on the invoices issued by the Provider for the previous month	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
86	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through its Branch Pitești Institute for Nuclear Research	28.11.2023/ 1612	Agreement	Laboratory chemical analysis services	RON 134,550	DEBTS = RON 1,122,150.63 Receivables = RON 0	RON 186,976.33	On a monthly basis, within 30 days of receiving the invoice based on the Services Acceptance Protocol	
87	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	28.11.2023/ 1621	Order	Analog monitors for physical protection evaluators	RON 75,756.98	DEBTS = RON 74,561.07 Receivables = RON 0	RON 0	Payment shall be made within 30 days from the acceptance date, based on the invoice and the Note of Receipt and Defects. Payment shall be made only for the products for which no inconsistencies are noted in their acceptance documents	
88	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN branch	05.12.2023/ 1644	Addendum no. 2 to Agreement no. 1647/04.11.2022	Contract value increase (adjustment of tariffs) - Scaffolding assembling/disassembling and provision of perimeter scaffolding in the protected premises U1/U2/DICA of Cernavodă NPP	RON 3,629,748.37	DEBTS = RON 1,196,014.64 Receivables = RON 92,222.96	RON 0	On a monthly basis, within 30 days of PVRS, based on the invoice	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
89	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. - SNN branch	12.12.2023/ 1662	Agreement	IT computing technique repair and maintenance services	RON 18,278,921	DEBTS = RON 1,763,141.99  Receivables =  RON 187,194.78	RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly for the services provided in the previous month within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without objections	
90	SNN S.A.  Joint Venture composed of: ELCOMEX I.E.A. SA  PEGAS IMPEX SRL UTILITATI PUBLICE CERNAVODĂ SRL	18.12.2023/ 1701	Agreement	Complete operation, maintenance and repair services of Cernavodă NPP heating system (for a period of 48 months)	RON 41,884,807.80  (of which UTILITATI PUBLICE CERNAVODĂ SRL: RON 6,282,721.17)	ELCOMEX DEBTS = RON 809,710.30  PEGAS = RON 0  UTILITATI PUBLICE = RON 0  Receivables  Elcomex = RON 0	Elcomex = RON 2411141.77  Pegas Impex = RON 0  Utilitati Publice Cernavodă = RON 0	The Purchaser, by Cernavodă NPP Branch, shall make the payment of the services within 30 days as of the receipt of the Provider's invoice, based on the invoice and the Services Acceptance Protocol (PVRS) corresponding to the services rendered, signed without comments by the representatives of Cernavodă NPP.	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
						Pegas Impex = RON 0  Utilitati Publice Cernavodă = RON 6,325,612.94			
91	SNN S.A. through its Cernavodă NPP Branch– THE MINISTRY OF DEFENCE through the 02145 CONSTANTA MILITARY UNIT	20.12.2023/ 1717	Agreement	Complete safety services for diving in a dry environment, specialized hyperbaric technical and medical assistance during the performance of the tightness test of the Unit 1 - U1OP24 reactor envelope	RON 103,404.49	DEBTS = RON 0  Receivables = RON 0	RON 0	The Purchaser shall make the payment within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol	
92	SNN S.A., through its Cernavodă NPP Branch - ROMANIAN BUREAU OF LEGAL METROLOGY	21.12.2023/ 1732	Revision for Order 611/ 25.04.2023	Contract value increase - Calibration services of measuring instruments/testing equipment/standards from Cernavodă NPP	RON 250	DEBTS= RON 3,132.08  Receivables = RON 0	RON 0	The services shall be provided only upon the request of SNN-NPP and shall be paid within 30 days of takeover from the BRML headquarters	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
93	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through Pitești Institute for Nuclear Research	22.12.2023/ 1735	Agreement	Services of preparation of the Soil Quality Evaluation Report	RON 178,000	DEBTS = RON 1,423,971.34 Receivables = RON 0	RON 186,976.33	Payment shall be made within 30 days from signing the Services Acceptance Protocol (PVRS), signed without comments	
94	SNN S.A., through its NFP Pitești Branch -  JOINT VENTURE composed of TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY - RATEN, through the Center of Technology and Engineering for Nuclear Projects	22.12.2023/ 1737	Agreement	Services to monitor structures in time	RON 86,988	DEBTS= RON 672,083.16  Receivables = RON 0	RON 214,585.85	Annually, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments	
95	SNN S.A. - "APELE ROMANE" NATIONAL ADMINISTRATION	29.12.2023/ 1762	Subscription	Use/exploitation of surface and/or underground water resources - Use of water from the Danube for Cernavodă NPP (Unit 1 and Unit 2) in 2024	RON 100,539,914	DEBTS = RON 9,551,030.55  Receivables = RON 0	RON 0	Within 30 days of the issue of the invoice	
96	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA	29.12.2023/ 1763	Addendum no. 6 to Services Agreement no. 270/2019 (RUEC	Services of water transit through Reach I CDMN (U1+U2)	RON 537,773	DEBTS = RON 74,131.13	RON 0	Within 30 days from the date of receipt of the invoice	

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	CANALELOR NAVIGABILE S.A.		No. 437/16.05.2019)			Receivables = RON 0			
97	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	29.12.2023/ 1764	Addendum no. 6 to Services Agreement no. 271/2019 (RUEC No. 438/16.05.2019)	Transit and sea discharge services for the water discharged in Reach II CDMN	RON 89,060	DEBTS= RON 74,131.13 Receivables = RON 0	RON 0	Within 30 days from the date of receipt of the invoice	
98	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L.	04.01.2024/6	Addendum no. 2 to Agreement no. 1649/ 04.11.2022	Contract value increase (adjustment of tariffs) - Ventilated tent assembling/disassembling, construction/assembling of wooden platforms in the protected premises of Cernavodă NPP U0, U1, U2 and DICA	RON 607,341.19	DEBTS= RON 407,691.04 Receivables = RON 70.85	RON 0	On a monthly basis, within 30 days of PVRS approval	

## 2. Energy delivery transactions:

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
1	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.01.2023 RUEC no. 83	Addendum no. 1 to the Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 1: RON 1,304,580,285.00  (supplementation of RON 86,483,385.00, related to the amount allocated in February)	Receivables as at 27 January 2023  RON 0.00  Debts as at as at 27 January 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 1 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 23 January 2023 the additional amount of electricity for the delivery month of February 2023 was allocated
2	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.02.2023 RUEC no. 228	Addendum no. 2 to the Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 1: RON 1,400,464,755.00	Receivables as at 27 February 2023  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by	Addendum no. 2 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
					(supplementation of RON 95,884,470.00, related to the amount allocated in March)	Debts as at 27 February 2023:  RON 0.00		payment orders on the first 15 days of the calendar month following the delivery month.	Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 22 February 2023 the additional amount of electricity for the delivery month of March 2023 was allocated
3	SNN S.A. with the National Company for the Transmission of Electricity "Transelectrica" S.A.	28.12.2022  RUEC  1957	Addendum no. 5 Agreement No. 189/12.09.2018	Supply of electricity 01.01.2023 – 31.03.2025	Current transaction value:  RON 491,175.06  Cumulated value  151,160,925.06			The invoice shall be issued within the first 10 days of the following delivery month. The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders within the first 15 business days from receipt of the invoice	Addendum no. 5 concluded based on the request from Transelectrica SNN IN number 14146/05.12.2022



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
4	SNN S.A. with the Romanian Electricity and Gas Market Operator.	30.03.2023 RUEC no. 414	Addendum no. 3 to Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 3: RON 1,493,775,990.00  (supplementation of RON 93,311,235.00, related to the amount allocated in April)	Receivables as at 30 March 2023  RON 0.00  Debts as at 30 March 2023:  RON 123,376.26	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 3 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 27 March 2023 the additional amount of electricity for the delivery month of April 2023 was allocated
5	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.04.2023 RUEC no. 600	Addendum no. 4 to Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 4: RON 1,544,819,580.00  (supplementation of RON 51,043,590.00, related to the	Receivables as at 27 April 2023  RON 0.00  Debts as at 27 April 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month	Addendum no. 4 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>C</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
					amount allocated in April)			following the delivery month.	amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 24 April 2023 the additional amount of electricity for the delivery month of May 2023 was allocated
6	SNN S.A. with the Romanian Electricity and Gas Market Operator.	30.05.2023 RUEC no. 780	Addendum no. 5 to Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 4: RON 1,595,257,830.00  (supplementation of RON 50,438,250.00, related to the amount allocated in May)	Receivables as at 30 May 2023 RON 0.00  Debts as at 30 May 2023: RON 67,500.37	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 5 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 May 2023 the additional amount of electricity for the delivery month of June 2023 was allocated.

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
7	SNN S.A. with the Romanian Electricity and Gas Market Operator.	28.06.2023 RUEC no. 938	Addendum no. 6 to Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 6: RON 1,671,671,115.00  (supplementation of RON 76,413,285.00, related to the amount allocated in June)	Receivables as at 28 June 2023  RON 0.00  Debts as at 28 June 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 6 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 26 June 2023 the additional amount of electricity for the delivery month of July 2023 was allocated
8	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.07.2023 RUEC no. 1099	Addendum no. 7 to the Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 7: RON 1,762,919,820.00  (supplementation of RON 91,248,705.00, related to the	Receivables as at 27 July 2023  RON 14,526.33  Debts as at 27 July 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month	Addendum no. 7 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>C</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
					amount allocated in July)			following the delivery month.	amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 July 2023 the additional amount of electricity for the delivery month of August 2023 was allocated
9	SNN S.A. with the Romanian Electricity and Gas Market Operator.	28.08.2023 RUEC no. 1178 30.08.2023 no. OPCOM 37414	Addendum no. 8 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 8: RON 1,872,740,880.00  (supplementation of RON 109,821,060.00, related to the amount allocated in August)	Receivables as at 30 August 2023  RON 0.00  Debts as at 30 August 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 8 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 August 2023 the additional amount of electricity for the delivery month of September 2023 was allocated

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
10	SNN S.A. with S.P.E.E.H. Hidroelectrica S.A..	31.08.2023 RUEC no. 1205	Transaction no. 1 to the Agreement 1204	Sale of electricity  Period: 01.09.2023-31.12.2023	Current transaction value  RON 159,585,979.20  Total aggregate value with previous transactions: 535,233,642.05  RON	Receivables as at 31 August 2023  RON 7,750.20  Debts as at 31 August 2023:  81,886.48  RON	0.00  RON	Collection fees for products that have a delivery period of one calendar month or more, payment will be made on the fifth (5th) Business Day from the date of receipt of the invoice ("Due Date")", as specified in the agreement. The invoice will be issued monthly, no later than 10 calendar days before the delivery period, but no later than 3 calendar days before the start of deliveries. If the Individual Transaction was completed less than 10 calendar days prior to the delivery period, the first invoice will be issued from the day of completion of the	Individual transaction, closed based on:  - the provisions of the Law no. 123/2012 on electricity and natural gas, as amended and supplemented, Article 23(2)(a), regarding directly negotiated bilateral transactions, and the provisions of the Government Emergency Ordinance no. 27/2022, as amended and supplemented.  - S.N. Nuclearelectrica S.A. offer for sale no. 9349/23.08.2023.

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
								Individual Transaction.	
11	SNN S.A. with the Romanian Electricity and Gas Market Operator	25.09.2023 RUEC no. 1309 27.09.2023 OPCOM no. 40376	Addendum no. 9 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 9: 1,989,431,685.00  RON  (supplementation of RON 116,690,805.00, related to the amount allocated in September)	Receivables as at 27 September 2023  RON 0.00  Debts as at 27 September 2023:  0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 9 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 September 2023 the additional amount of electricity for the delivery month of October 2023 was allocated
12	SNN S.A. with the Romanian Electricity and Gas Market Operator	25.10.2023 RUEC no. 1474	Addendum no. 10 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 10: 2,102,462,595.00  RON	Receivables as at 30.10.2023  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15	Addendum no. 10 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
		30.10.2023 OPCOM no. 46458			(supplementation of RON 113,030,910.00, related to the amount allocated in October)	Debts as at 30.10.2023:  0.00		days of the calendar month following the delivery month.	Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 October 2023 the additional amount of electricity for the delivery month of November 2023 was allocated
13	SNN S.A. with the Romanian Electricity and Gas Market Operator	24.11.2023 RUEC no. 1595  27.11.2023 OPCOM no. 49884	Addendum no. 11 to the Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 11: 2,222,509,995.00  RON  (supplementation of RON 120,047,400.00, related to the amount allocated in November)	Receivables as at 27.11.2023  RON 0.00  Debts as at 27.11.2023:  0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 11 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
									Mechanism, on 23 November 2023 the additional amount of electricity for the delivery month of December 2023 was allocated.
14	SNN S.A. with the Romanian Electricity and Gas Market Operator	22.12.2023 RUEC no. 1734  28.12.2023 OPCOM no. 54436	Agreement	Sale of electricity  Period: 01.01.2024-31.12.2024	Current agreement value: RON 2,008,545,300.00	Receivables as at 28.12.2023: RON 0.00  Debts as at 28.12.2023: RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), imposed by the Government Emergency Ordinance no. 153 of 11.11.2022 for amending and supplementing the Government Emergency Ordinance no. 27 of 18 March 2022 regarding the measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022-31 March 2023, as well as for amending and supplementing the Government Emergency Ordinance no. 119 for amending and supplementing the Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022 - 31 March 2023, as well as amending and supplementing regulatory acts in the field of electricity, approved by Law no. 206 of 7 July 2023, by which on 21 December 2023, the amount of electricity for the delivery year 2024 was allocated.
15	SNN S.A. with	25.01.2024 RUEC no.	Addendum no. 1 to the Electricity		Current agreement value updated	Receivables as at 29.01.2024	0.00  RON	The Seller's collection entitlements for	Addendum no. 1 to the Agreement concluded via the Centralized Electricity Purchase Mechanism



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	The Romanian Electricity and Gas Market Operator	74 29.01.2024 OPCOM no. 5981	Sale Contract	Period: 01.01.2024- 31.12.2024	based on Addendum no. 1:  2,165,012,055.00  RON (supplementation of RON 156,466,755.00, related to the amount allocated in January)	RON 0.00  Liabilities as at 29.01.2024  RON 0.00		the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month	(MACEE), imposed by the Government Emergency Ordinance no. 153 of 11.11.2022 for amending and supplementing the Government Emergency Ordinance no. 27 of 18 March 2022 regarding the measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022-31 March 2023, as well as for amending and supplementing the Government Emergency Ordinance no. 119 for amending and supplementing the Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022 - 31 March 2023, as well as amending and supplementing regulatory acts in the field of electricity, approved by Law no. 206 of 7 July 2023, on 25 January 2024, the amount of electricity for the delivery month February 2024 was allocated.

### 3. Deposits established and bonds purchased

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
1.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 25 January 2023	Deposit	Setting up a term deposit	RON 192,170,000	-	-	The deposit matures on 25.07.2023.	Interest applied: 7.90% per year
2.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 26 January 2023	Deposit	Setting up a term deposit	RON 105,065,000	-	-	The deposit matures on 25.07.2023.	Interest applied: 7.55% per year
3.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 6 February 2023	Deposit	Setting up a term deposit	RON 209,020,000	-	-	The deposit matures on 07.08.2023.	Interest applied: 7.50% per year
4.	SNN with CEC BANK S.A.	Purchase of bonds 07.02.2023	Purchase of bonds	Purchase of bonds issued by CEC	EUR 45,000,000	-	-	5 YEARS	Fixed yield: 7.50% per year
5.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 13 February 2023	Deposit	Setting up a term deposit	RON 183,720,000	-	-	The deposit matures on 16.08.2023.	Interest applied: 7.35% per year
6.	SNN with CEC BANK SA	Deposit dated 15 March 2023	Deposit	Setting up a term deposit	RON 104,500,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year
7.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014	Deposit	Setting up a term deposit	RON 104,760,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
		Deposit dated 15 March 2023							
8.	SNN with CEC BANK SA	Deposit dated 23 March 2023	Deposit	Setting up a term deposit	RON 64,000,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year
9.	SNN with CEC BANK SA	Deposit dated 31 March 2023	Deposit	Setting up a term deposit	RON 107,600,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.70% per year
10.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 24 April 2023	Deposit	Setting up a term deposit	RON 130,141,000	-	-	The deposit matures on 24 August 2023.	Interest applied: 6.60% per year
11.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 12 June 2023	Deposit	Setting up a term deposit	93,835,000	-	-	The deposit matures on 12 December 2023.	Interest applied: 6.65% per year
12.	SNN with CEC BANK SA	Deposit dated 21 June 2023	Deposit	Setting up a term deposit	287,500,000	-	-	The deposit matures on 21 December 2023	Interest applied: 6.70% per year
13.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 17 July 2023	Deposit	Setting up a term deposit	RON 205,700,000	-	-	The deposit matures on 15.01.2024.	Interest applied: 6.65% per year
14.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 25 July 2023	Deposit	Setting up a term deposit	RON 248,850,000	-	-	The deposit matures on 25.01.2024	Interest applied: 6.68% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
15.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 7 August 2023	Deposit	Setting up a term deposit	RON 216,960,000	-	-	The deposit matures on 7 February 2024.	Interest applied: 6.60% per year
16.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 16 August 2023	Deposit	Setting up a term deposit	RON 190,622,000	-	-	The deposit matures on 16.02.2024.	Interest applied: 6.60% per year
17.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 24 August 2023	Deposit	Setting up a term deposit	RON 133,050,000.	-	-	The deposit matures on 26 February 2024.	Interest applied: 6.60% per year
18.	SNN with Exim Banca Romaneasca	Framework Agreement no. 499S1/30.04.2014 Deposit dated 19 September 2023	Deposit	Setting up a term deposit	RON 200,000,000.00	-	-	The deposit matures on 19 March 2024.	Interest applied: 6.45% per year
19.	SNN with CEC BANK S.A.	Purchase of bonds 16.11.2023	Purchase of bonds	Purchase of bonds issued by CEC	EUR 44,963,334.79	-	-	5 YEARS	Fixed yield: 7.75% per year
20.	SNN with CEC BANK SA	Deposit dated 27.11.2023	Deposit	Setting up a term deposit	CAD 75,041,102	-	-	The deposit matures on 15 December 2023.	Interest applied: 4.4% per year
21.	SNN with CEC BANK SA	Deposit dated 5 December 2023	Deposit	Setting up a term deposit	CAD 50,000,000	-	-	The deposit matures on 15 December 2023.	Interest applied: 4.4% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
22.	SNN with CEC BANK SA	Deposit dated 15.12.2023	Deposit	Setting up a term deposit	CAD 165,616,774	-	-	The deposit matures on 21 December 2023	Interest applied: 4.42% per year

**24. ANNEX 10.B - TRANSACTIONS SUBJECT TO THE OBLIGATION TO INFORM THE GMS ACCORDING TO ARTICLE 52(3)(A) OF THE GOVERNMENT EMERGENCY ORDINANCE NO. 109/2011, AS AMENDED**

**1. Purchase transactions**

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
1	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, BRANCH INSTITUTE FOR NUCLEAR RESEARCH (RATEN ICN PITEȘTI)	05.01.2023/3	Addendum no. 1 to Agreement no. 1453/27.09.2022	Adjustment of tariffs - Utilities distribution services	RON 22,010.87/ EUR 4,472.94	Liabilities RON 3,107,712.97  Receivables – RON 0	Securities established  RON 129,264.34	Monthly, within 30 calendar days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without objections		<p><i>RON 14,997,350.71/ EUR 3,047,684.51</i></p> <p><i>(of which RATEN ICN Branch:</i></p> <p><i>RON 10,095,041.52/ EUR 2,051,462.44</i></p>

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
2	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, BRANCH INSTITUTE FOR NUCLEAR RESEARCH (RATEN ICN PITEȘTI)	10.01.2023/29	Addendum no. 1 to Framework agreement no. 816/23.05.2022	Change of tariff for the P1b component (industrial water) - Radioactive water treatment services	RON 36,460.53/ EUR 7,409.32	Liabilities RON 1,492,544.97  Receivables – RON 0	Securities established  RON 129,264.34	Monthly, within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without objections		RON 15,033,811.24/  EUR 3,055,093.83/  (of which RATEN ICN Branch:  RON 10,131,502.05/  EUR 2,265,740.41
3	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	11.01.2023/ 34	Addendum no. 5 to Services Agreement no. 270/2019 (RUEC No. 437/16.05.2019)	Water transit services in Reach I of the Danube-Black Sea Canal (CDMN) through a water intake from the Danube into the distribution basin of Cernavodă NPP	RON 568,294/ EUR 115,485.79	Liabilities RON 116,069.74  Receivables  RON 1208.46	Securities established  RON 0	Within 30 days from the date of receipt of the invoice		n/a

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
4	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	12.01.2023/ 38	Addendum no. 5 to Services Agreement no. 271/2019 (RUEC No. 438/16.05.2019)	Transit and sea discharge services for the cooling water discharged by Cernavodă NPP in Reach II CDMN	RON 106,580/ EUR 21,658.64	Liabilities RON 116,069.74  Receivables RON 1208.46	Securities established RON 0	Within 30 days from the date of receipt of the invoice		RON 674,874/  EUR 137,144.42
5	SNN S.A. – RASIROM STATE-OWNED COMPANY	17.01.2023/ 56	Sectoral works agreement	Technical surveillance system installation works - video evaluation, access control and anti-burglary	RON 800,356.33/ EUR 162,644.30	Liabilities RON 117,978.98  Receivables – RON 0	Securities established RON 0	Payment shall be made within 30 days from the receipt of the invoice, based on the Works Completion Acceptance Protocol, signed without comments		n/a



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
6	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, BRANCH CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	19.01.2023/71	Subsequent agreement no. 45 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2) - Cost-benefit benchmarking for issuing a conceptual solution regarding the cooling of the equipment in the Integrated Building – Electric Body quota 100.00 (inverters), 111.500 (MCC) and 121.500 (MCC) as a result of the unavailability of the primary cooling source generated by a HELB type event (pressure steam pipeline rupture or water	EUR 46,081.20	Debts RON 0 Receivables- RON 550	Securities established  RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections		<p><i>RON</i> <i>15,261,245/</i></p> <p><i>EUR</i> <i>3,101,311.75</i></p> <p><i>(of which</i> <i>RATEN CITON</i> <i>Branch:</i></p> <p><i>RON</i> <i>5,129,742.95/</i></p> <p><i>EUR</i> <i>1,042,439.99)</i></p>

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
				supply) in the Machines Room U1/U2						
7	SNN SA, through its Cernavodă NPP Branch - "APELE ROMANE" NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	20.01.2023/77	Addendum no. 3 to the Subscription for the use of water resources 808/02.07.2021 (RUEC No. 843/08.07.2021)	Use of underground water for the industry for the year 2023	RON 29,312/ EUR 5,956.63	Debts = RON 1,615,144.19 Receivables – RON 0	Securities established  RON 0	Within 30 days from the registration of the invoice at Cernavodă NPP. Invoicing is done according to the amount of resources used monthly		<p>RON 70,704,372.20/ EUR 14,368,179.03 (of which DOBROGEA SEASIDE WATER BASIN ADMINISTRATION: RON 714,712.20/ EUR 145,240.14</p>

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8	SNN S.A - FABRICA DE PRELUCRARE A CONCENTRATELOR DE URANIU - FELDIOARA S.R.L.	26.01.2023/86	Sectoral Services Agreement	Processing services of natural technical uranium concentrate with a minimum uranium content of 65%, to obtain sinterable UO2 powder, including storage services for the concentrate to be purchased by the Purchaser	RON 300,000,000/ EUR 60,964,457.72	Debts = RON 0 Receivables – RON 0	Securities established RON 0	Within 5 days after receiving the original invoice and the acceptance documents		<i>n/a</i>
9	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	31.01.2023/108	Order	Computer programs for the SI-CER Computer System	RON 21,311.86/ EUR 4,330.89	Debts = RON 0 Receivables RON 5037.61	Securities established RON 0	Within 30 days from the receipt of the products, based on the invoice and the accompanying documents and the Note of Receipt and Defects, signed without non-conformities		RON 1,249,997.75/ EUR 254,018.12

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10	SNN SA, through its Cernavodă NPP Branch - "APELE ROMANE" NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	02.02.2023/131	Addendum no. 4 to the subscription for the use of water resources 809/02.07.2021 (RUEC No. 871/14.07.2021)	Receipt of resource waste water coming from the Nuclear Power Plant - Unit 1 and Unit 2 in 2023	RON 16,254,585.90/ EUR 3,303,173.88	Debts = RON 1,615,144.19 Receivables – RON 0	Securities established RON 0	Within 30 days from invoice issue		n/a
11	SNN S.A., through its Cernavodă NPP Branch - RAJA SA	02.02.2023/139	Addendum no. 4 to Agreement no. RAJA 22V	Change of tariffs for the water supply service, as per the ANRSC decision no. 202 dated 22.11.2022	RON 4,200,000/ EUR 853,502.41	Liabilities RON 697,155.23 Receivables RON 0	Securities established RON 0	15 days from the invoice issue date		n/a

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12	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, BRANCH CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	07.02.2023/151	Subsequent agreement no. 48 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2) - Engineering Services (SPSI) U1/U2-75100-SPSI-015 - Solution to redesign the route of the Instrumental Air System lines U1 and U2 against the pipe whip produced in case of a high energy line breakage event (HELB) in the Integrated Building, in the areas where these systems are close	EUR 63,431.47	Debts = RON 0 Receivables RON 600	Securities established  RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections		<p>RON 14,838,061.06/ EUR 3,015,314.49</p> <p>(of which RATEN CITON: RON 4,706,559.01/ EUR 956,442.73)</p>

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13	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, BRANCH CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	21.02.2023/211	Subsequent agreement no. 49 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Units 0, 1 and 2) - Engineering Services (SPSI) U1/U2-01347-SPSI-064 - Verification of system designs BSI 31700 (U1/U2) / 32510 (U1) / 35311 (U2) / 36110 (U1) / 79140 (U2) in terms of over-voltage protection	EUR 45,033.90	Debts = RON 0 Receivables RON 300	Securities established  RON 338,142.12	Within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol (PVRS), without objections		<p>RON 14,794,074.78/ EUR 3,006,375.82</p> <p>(of which RATEN CITON: RON 4,662,572.73/ EUR 947,504.06</p>

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14	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	24.02.2023/248	Services agreement	Services of works evaluation, development of simple engineering solutions, technical and support services for the DIR and DCL Departments in Cernavodă NPP	RON 61,045,880/ EUR 12,405,429.90	Liabilities RON 239,522.35 Receivables RON 2705.05	Securities established RON 0	Monthly, within 10 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without comments		n/a
15	SNN S.A. JOINT VENTURE composed of:  CEPSTRA GRUP SRL  TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY (RATEN) - BRANCH INSTITUTE FOR NUCLEAR RESEARCH (ICN) PITEȘTI  UNITATEA DE SUPORT PENTRU INTEGRARE SRL	27.02.2023/255	Sectoral Services Agreement	Development of a proposal regarding the aspects relevant for environmental protection that must be developed in the Environmental Impact Report and preparation of the Environmental Impact Report for the Project Refurbishment	RON 8,340,000/ EUR 1,694,811.92, of which  RATEN ICN (share 26%): RON 2,168,400 (EUR 440,767)	CEPSTRA GRUP SRL  Debts = RON 0 Receivables RON 0  RATEN ICN  Debts = RON 0 Receivables RON 2705.05	CEPSTRA GRUP SRL  Securities established RON 0 RATEN ICN  Securities established RON 120,707.34	The Purchaser, through the Cernavodă NPP Branch, shall pay for the services within 30 days from the receipt of the Supplier's invoice, as follows: -70% of the price of each deliverable shall be paid after its acceptance/taking-over by the beneficiary (DRT-U1), based on the invoice and the Services Acceptance Protocol (PVRS)		n/a

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				of Unit 1 of Cernavodă NPP and expansion of the Spent Fuel Intermediate Storage with MACSTOR 400 type modules		UNITATEA DE SUPTOR PENTRU INTEGRARE SRL  Debts = RON 0  Receivables RON 0	UNITATEA DE SUPTOR PENTRU INTEGRARE SRL  Securities established  RON 0	signed without comments; -30% of the price of each deliverable shall be paid after its acceptance by the environmental authority, based on the invoice and the acceptance document		
16	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN – CITON)	07.03.2023/300	Subsequent agreement no. 51 to the Framework Services Agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - Engineering Services (SPSI) no. 79/82-76110-SPSI-090 - Analysis for the seismic qualification by direct method and solutions for upgrading the design of bridge cranes in the reactor buildings	EUR 58,648.80	Debts - RON 183,951.96  Receivables: RON 0	RON 475,405.02	Within 30 days from the acceptance of the services and the issuance of the Services Acceptance Protocol (PVRS), based on the supplier's invoice, the PVRS without comments and the PVRS accompanying documents		16,577,834.72  RON/  EUR 3,351,630.49  (of which RATEN CITON Branch:  RON 4,812,461.04/  EUR 972,961.27

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				in U1 and U2 of Cernavodă NPP 1/2-76110-CR2 and 1/2-76110-CR12						
17	SNN SA, through its Cernavodă NPP Branch - JOINT VENTURE:  TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN - CITON)  TOPOGEODESIS	14.03.2023/332	Addendum no. 1 to Sectoral Services Agreement no. 1499/06.10.2022	Agreement increase by RON 12,600 (from RON 128,000 to RON 140,600) and extension of agreement duration by 6 months (from 10.04.2023 to 10.10.2023) - Services for preparation of layout, site and area plans, land surveying measurements, and coordinate	RON 12,600/ EUR 2,547.41	RATEN CITON -  Debts: RON 183,951.96  Receivables: RON 0  TOPOGEODESIS  Debts: RON 0  Receivables: RON 0	RATEN CITON – RON 475,405.02      TOPOGEODESIS – RON 53,775	Within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol		<i>RON</i> 16,590,434.72/  <i>EUR</i> 3,354,177.90  (of which <i>RATEN CITON Branch:</i>  <i>RON</i> 4,825,061.04/  <i>EUR</i> 975,508.68)

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				determination for Cernavodă NPP U1 Refurbishment Infrastructure and DICA with MACSTOR 400 Modules						
18	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/358	Services agreement	Maintenance and repair of sanitary installations in the protected premises of Cernavodă NPP U1, U2 and DICA	RON 8,215,880/ EUR 1,661,048.89	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments		n/a

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19	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/359	Services agreement	Maintenance and repair of air conditioning installations in the protected premises of Cernavodă NPP U1/U2/DICA	RON 12,964,520/ EUR 2,621,107.11	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments		n/a
20	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	17.03.2023/360	Services agreement	Decontamination and cleaning of technological areas in the protected premises U1/U2/DICA of Cernavodă NPP	RON 84,357,600/ EUR 17,055,032.15	Debts: RON 812,152.77 Receivables: RON 3,087.73	RON 0	Payment shall be made monthly, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments		n/a

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21	SNN S.A. - TRAVEL TIME D&R SRL and  ROMANIAN AIR TRANSPORT COMPANY TAROM SA  OLIMPIC INTERNATIONAL TURISM S.R.L.  WECO T.M.C. SRL  BBOOK BED&BREAKFAST SRL	17.03.2023/363	Framework Services Agreement	Air transport services for the managerial staff and employees of Societatea Nationala "Nuclearelectrica" S.A.	EUR 1,400,000	TRAVEL TIME  Debts: RON 113,022.62  Receivables: RON 0  ROMANIAN AIR TRANSPORT COMPANY TAROM SA  Debts: RON 0  Receivables: RON 0  OLIMPIC INTERNATIONAL TURISM S.R.L.  Debts: RON 0  Receivables: RON 0  WECO T.M.C. SRL  Debts: RON 0	RON 0	Payment shall be made within 30 days from the receipt of the Supplier's invoice, based on the invoice and the supporting documents		n/a

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						Receivables: RON 0  BBOOK BED&BREAKFAST SRL  Debts: RON 26,238.27  Receivables: RON 0				
22	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN branch	21.03.2023/381	Addendum no. 2 to Services Agreement no. 442/31.03.2022	Adjustment of tariffs - Fire Prevention Services on the site of the Cernavodă NPP and in the outside objectives of the Cernavodă NPP	RON 1,257,965.84/  EUR 254,329.76	Debts = RON 515,553.91  Receivables: RON 3,087.73	RON 0	Monthly, within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without comments		<i>n/a</i>

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23	SNN S.A., through its Cernavodă NPP Branch - NATIONAL ADMINISTRATION OF STATE RESERVES AND SPECIAL PROBLEMS - TERRITORIAL UNIT 515 BUCHAREST	23.03.2023/396	Supply agreement	Heavy water required to fill the reserve for Units 1 and 2 from Cernavodă NPP – 6,500 kg	RON 16,805,945/ EUR 3,397,748.78	Debts: RON 0  Receivables: RON 0	RON 0	Payment shall be made 100% upon delivery		<i>n/a</i>
24	SNN S.A., through its NFP Pitești branch - COMPANIA NATIONALA A URANIULUI SA INSOLVENTA	31.03.2023/453	Addendum no. 4 to Framework Agreement no. 773/06.08.2019	Tariff adjustment - Storage services through final disposal of Non-Incinerable Solid Radioactive Waste (DSR-N) contaminated with natural uranium, originating from the activities of the NFP Pitești Branch	RON 19,123.56/ EUR 3,866.31	Debts: RON 958,521.76  Receivables: RON 6,564,571.84	RON 0	30 days from the issuance of the Services Acceptance Protocol corresponding to each transport, based on the original tax invoice and the Services Acceptance Protocol, signed, without comments, by both contracting parties		RON 74,219,012.60/ EUR 15,005,259.11

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25	SNN S.A., through its NFP Pitești branch - COMPANIA NATIONALA A URANIULUI SA INSOLVENTA	31.03.2023/454	Subsequent agreement no. 5 to Framework Agreement no. 773/06.08.2019	Storage services through final disposal of Non-Incinerable Solid Radioactive Waste (DSR-N) contaminated with natural uranium, originating from the activities of the NFP Pitești Branch	RON 680,000/ EUR 137,479.28	Debts: RON 958,521.76  Receivables: RON 6,564,571.84	RON 0	Within 30 days from the issuance of the Services Acceptance Protocol corresponding to each transport, based on the original tax invoice		RON 74,899,012.60/  EUR 15,142,738.39
26	SNN S.A., through its Cernavodă NPP Branch - S.P.E.E.H. Hidroelectrica S.A.	31.03.2023/455	Framework agreement for the supply of electricity to end customers no. 2023.826/29.03.2023	Supply of electricity	Estimated value RON 3,276,500/ EUR 662,427.72	Debts:  RON 0  Receivables: RON 0	RON 0	a) an advance invoice for the quantity of energy forecast 100% to be consumed in the month of consumption, to be issued between the 20th and 25th of the month preceding the month of consumption, due on the last working day of the month in which it is issued; failure to pay this invoice by the due date will result in the interruption of		n/a

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								electricity supply  b) the regularization invoice will be issued in the month following the month of consumption, which will include the consumption of the previous month, based on the reading of the energy metering equipment		
27	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	04.04.2023/484	Addendum no. 3 to Services Agreement no. 1847/23.12.2021	Indexation of hourly rates - Design services for the extension of the technical system of physical protection and reconfiguration of alarm processing equipment and firmware update, software control and configuration of the parameters	RON 41,120.71/ EUR 8,313.60	Debts: RON 0 Receivables: RON 5,037.61	RON 87,400.76	Payment shall be made within 30 days of the acceptance, without comments, of each deliverable/service		RON 1,291,118.46/ EUR 261,032.40

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				of the alarm detection elements and commissioning of the physical protection system related to the DICA 9 -17 spent fuel storage modules						
28	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI (RATEN ICN)	12.04.2023/558	Addendum no. 4 to Services Agreement no. 828/30.08.2019	Decrease of agreement amount by RON 590.43 (increase in the number of tests for item 6 of the annex to the agreement, and decrease in number of tests for item 4 in the annex to the agreement) - Environment monitoring services (water and sediments)	- RON 590.43/ - EUR 119.37	Debts: RON 1,385,752.66  Receivables: RON 355,907.23	RON 562,358.4	Payment for the services rendered during one quarter shall be made within 30 days of issuing the Services Acceptance Protocol accompanied by the supporting documents listed at Article 14.3 of the Agreement		RON 15,258,029.64/  EUR 3,084,798.36  (of which RATEN ICN Branch:  RON 10,922,785.92/  EUR 2,208,318.69)

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29	SNN S.A. – KINECTRICS NUCLEAR ROMANIA SRL and TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY - RATEN, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS (RATEN - CITON)	19.04.2023/578	Framework Services Agreement	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2)	Maximum estimated value EUR 7,789,140	Debts: RON 438,036.48 Receivables: RON 0	KINECTRICS NUCLEAR ROMANIA SRL – RON 1,479,631.15  RATEN CITON – RON 504,291.31	Payment of the services provided in each subsequent agreement within 30 days from the receipt of the invoice, based on the invoice and the Services Acceptance Protocol, signed without comments by NPP representatives		n/a
30	SNN S.A. – RASIROM STATE-OWNED COMPANY	21.04.2023/591	Sectoral Services Agreement	Maintenance of Physical protection System NFP Pitești	RON 975,776/ EUR 197,277.91	Debts: RON 0  Receivables: RON 5,037.61	RON 87,400.76	The Purchaser, by NFP Pitești branch, shall make the payment of services and spare parts used in providing the services within 30 days as of the receipt of the invoice, based on the invoice and the Services Acceptance Protocol corresponding to the services rendered and		n/a

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								completed without non-conformities		
31	SNN S.A., through its Cernavodă NPP Branch - NATIONAL ADMINISTRATION OF STATE RESERVES AND SPECIAL PROBLEMS - TERRITORIAL UNIT 515 BUCHAREST	24.04.2023/594	Addendum no. 1 to Agreement no. 396/23.03.2023	Price update of heavy water according to Resolution no. 669/2001 - Heavy water required to fill the reserve for Units 1 and 2 from Cernavodă NPP	RON 317,590/ EUR 64,208.89	Debts: RON 0  Receivables: RON 0	RON 0	Payment shall be made within maximum 2 business days from signing the preliminary services acceptance protocol (PV)		RON 17,123,535/  EUR 3,461,957.66

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32	SNN SA, through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI (RATEN ICN)	27.04.2023/626	Addendum no. 1 to Sectoral Services Agreement no. 537/29.04.2021	Adjustment of hourly rates - Services for checking the tightness of reactivity control units by mass spectrometry (He) method	RON 19,280.88/ EUR 3,898.12	Debts = RON 1,557,436.34  Receivables: RON 355,907.23	RON 562,358.4	Payment shall be made within 30 days from the receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol		RON 15,128,512.89/  EUR 3,058,613.26  (of which RATEN ICN Branch:  RON 10,942,066.80/  EUR 2,212,216.81
33	SNN S.A., through its Cernavodă NPP Branch - PUBLIC UTILITIES - COMMON MANAGEMENT SERVICES (UTILITATI PUBLICE - GOSPODARIA COMUNALA) SRL	02.05.2023/640	Agreement	Collection, transport, storage, neutralization of non-radioactive mixed municipal waste inside and outside the protected area U1/U2 Cernavodă NPP	RON 424,035/ EUR 85,729.45	Debts:  RON 120  Receivables: RON 0	RON 0	Invoicing shall be made on a monthly basis, based on the Services Acceptance Protocol, signed by both parties. Payment shall be made within 30 days from the receipt of the invoice in electronic format, using the national Ro eFactura system		RON 579,583.37/  EUR 117,177.50

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34	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN branch	10.05.2023/697	Services agreement	Data entry, processing and validation	RON 44,136,720/  EUR 8,923,359.34	Debts = RON 284,144.11  Receivables: RON 0	RON 0	Monthly, within 10 days from the receipt of the Supplier's invoice, based on the invoice and the PVRS corresponding to the services provided in the reference month, issued according to article 11.3 of the agreement.		n/a
35	SNN S.A. - KOREA HYDRO & NUCLEAR POWER Co., Ltd. (KHNP)	28.06.2023/961	Sectoral works contract, design and execution type.  The model used is FIDIC Yellow (Plant and Design-Build) ed. 1999	Execution works for the Tritium Removal Facility of Cernavodă NPP	EUR 195,324,868	Receivables = RON 52,690.24  Debts = EUR 9,110.80  Debts = USD 1,592.12  Receivables = EUR 9,110.80  Receivables = USD 1,592.12		The buyer will pay an advance of 15% of the contract price (without the provision amount and consumables), conditional on the submission of a guarantee for the payment of the advance.  During the execution of the Contract, payments will be made for services and works carried out by the Contractor and confirmed by the Engineer/Employer	According to the FIDIC contract "Conditions of Contract for Plant and Design-Build" First Edition 1999" GCC clauses 2.5, 8.7,	n/a

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								according to clause GCC 14.7 based on Intermediate Payment Certificates and Final Payment Certificates, within 56 days from the Engineer's receipt of the Works Progress Report and supporting documents.	11.4, 12.4, 4.2  For both parties, the aggregate amount of the penalties shall not exceed 100% of the contract price	
36	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	18.05.2023/731	Addendum no. 3 to subsequent agreement no. 11 to the framework agreement no. 205/18.03.2019	Value increase - Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - SPSI-027 Unit 5- Elaboration of execution details for the U5 change of	EUR 23,905.80	DEBTS = RON 0  RECEIVABLES = RON 0	Guarantees  RON 415,910.01	Within 30 days from the acceptance of the services and the issuance of the Services Acceptance Protocol (PVRS), based on the supplier's invoice, the PVRS without comments and the PVRS accompanying documents		<i>RATEN CITON:</i>  <i>RON</i> <i>3,949,708.52/</i>  <i>EUR</i> <i>793,991.06</i>

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				destination project						
	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	07.06.2023/836	Subsequent agreement no. 54 to the framework agreement no. 205/18.03.2019	Engineering services for complete design activities, at Cernavodă NPP (Unit 0, 1 and 2) - Engineering services (SPSI) no. U1/U2-16100-SPSI074 "Complete (conceptual and detail) solution regarding Rehabilitation of roads and platforms, domestic sewage and	EUR 231,383.48	DEBTS = RON 346,015.13 RECEIVABLES = RON 0	SECURITIES = RON 415,910.01	Payment shall be made within 30 days of taking-over in full the deliverables and signing the Services Acceptance Protocol, without objections		n/a

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				pluvial sewage within the precincts U1 & U2, decommissioning of CF interiors, of the fuel oil and ABA boiler unloading ramp, land re-development and execution of CLU discharge outlets from truck tanks"						
37	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	07.06.2023/837	Addendum no. 2 to framework agreement no. 816/23.05.2022	Framework agreement value increase (adjustment of tariffs) - Radioactive water treatment services	RON 316,191.97/ EUR 63,562.56	DEBTS = RON 2,184,367.59  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	Monthly, within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol		<i>RATEN ICN:</i>  <i>RON 6,038,079.15/</i>  <i>EUR 1,213,806.24</i>



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38	SNN SA, through its NFP Pitești Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	07.06.2023/838	Subsequent agreement no. 2 to framework agreement no. 816/23.05.2022	Radioactive water treatment services	RON 1,155,445.50/ EUR 232,273.70	DEBTS = RON 2,184,367.59 RECEIVABLES = RON 355,907.23	SECURITIES = RON 535,882.97	Monthly, within 30 days from the date of receipt of the original fiscal invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol		n/a
39	SNN S.A - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1024	Agreement	Services of preventive and corrective maintenance for spaces outside the protected area	RON 170,023,050/ EUR 34,178,922.50	DEBTS = RON 4,552,628.88 RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, according to the services rendered without non-conformities		n/a

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40	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1025	Agreement	Hydrant verification and repair services on the Cernavodă NPP platform and in the outside objectives of the Cernavodă NPP	RON 28,800,911/ EUR 5,789,709.72	DEBTS = RON 4,552,628.88  RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, according to the services rendered without non-conformities		n/a
41	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. – SNN SRL branch	12.07.2023/1026	Agreement	Services of preservation for spare parts and equipment existing in the warehouses of Cernavodă NPP	RON 13,622,976/ EUR 2,738,561.87	DEBTS = RON 4,552,628.88  RECEIVABLES = RON 1,905.54	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without comments		n/a

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42	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	14.07.2023/1036	Addendum no. 5 to Agreement no. 828/30.08.2019	Decrease in agreement value - Environment monitoring services (water and sediments)	- RON 2,495.10/ - EUR 501.58	DEBTS= RON 876,779.46  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	On a quarterly basis, within 30 days of issuing the Services Acceptance Protocol		<i>RATEN ICN:</i>  <i>RON</i> <i>5,905,046.22/</i>  <i>EUR</i> <i>1,187,063.27</i>
43	SNN SA - "APELE ROMANE" NATIONAL ADMINISTRATION	25.07.2023/1085	Addendum no. 1 to the Subscription no. 2 (RUEC 1936/23.12.2022)	Increase in the consumer prices and supplementation of Articles 81 and 82 - Use/operation of surface and/or underground water resources in 2023	RON 23,207,874/  EUR 4,665,368.18	DEBTS = RON 7,325,657.57  RECEIVABLES = RON 0	SECURITIES = RON 0	Within 30 days of the issue of the invoice		<i>n/a</i>

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44	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	25.07.2023/1088	Addendum no. 1 to Agreement no. 1109/08.07.2022	Adjustment of prices and unit tariffs - Sample analysis services to determine the radiochemical level of C-14, Sr-90, global alpha/beta and transuranic elements	RON 71,384.96/ EUR 14,350.18	DEBTS = RON 1,116,203.73  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	30 days from the date of receipt of the original tax invoice, which will be drawn up after both parties have signed, without comments, the Services Acceptance Protocol		<i>RATEN ICN:</i>  <i>RON</i> <i>5,976,431.18/</i>  <i>EUR</i> <i>1,201,413.44</i>
45	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	04.08.2023/1132	Addendum no. 3 to Agreement no. 1133/08.10.2019	Indexation of tariffs - Post-irradiation examination services of the spent nuclear fuel	RON 38,243.31/ EUR 7,687.87	DEBTS = RON 831,031.52  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	Within 30 days from the delivery of the Examination Report and from signing, without comments, the Services Acceptance Protocol, based on the tax invoice		<i>RATEN ICN:</i>  <i>RON</i> <i>6,013,149.33/</i>  <i>EUR</i> <i>1,208,794.72</i>

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46	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	04.08.2023/1134	Agreement	Services for preparation of an Analysis Report regarding the Small Modular Reactors Project (SMR) aligned with the requirements laid down in the Government Decision no. 907/2016, Annex 3, sections 3.1, 3.2 and 3.3	RON 140,000/ EUR 28,143.53	DEBTS = RON 538,661.43  RECEIVABLES = RON 0	SECURITIES =  RON 415,910.01	Within 30 days of acceptance of the documentation related to study, according to the invoice and to PVRS issued in accordance with the provisions of chapter 15 of CS		<i>RATEN CITON:</i>  <i>RON</i> <i>4,538,289.86/</i>  <i>EUR</i> <i>912,310.76</i>
47	SNN S.A., through its NFP Pitești Branch - RASIROM STATE OWNED COMPANY	11.08.2023/1146	Direct Procurement - SEAP	Safety equipment	RON 57,618.56/ EUR 11,582.78	DEBTS = RON 0  RECEIVABLES = RON 5,037.61	SECURITIES = RON 0	Payment in RON within maximum 30 days from the receipt of products, according to invoice		<i>RON</i> <i>2,324,513.02/</i>  <i>EUR</i> <i>467,285.76</i>

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48	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	21.08.2023/1160	Addendum no. 2 to Framework agreement no. 835/07.07.2021	Adjustment of tariffs - Radioactive solid waste treatment services	RON 40,587.66/ EUR 8,159.14	DEBTS= RON 549,297.93  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	Payment shall be made within 30 days from the receipt of the invoice, accompanied by PVRS, signed without comments, corresponding to the services performed and completed during the respective period for each individual order/orders (as the case may be)		<i>RATEN ICN:</i>  <i>RON</i> <i>5,849,205.61/</i>  <i>EUR</i> <i>1,175,837.90</i>
49	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	21.08.2023/1161	Subsequent agreement no. 3 to Framework Agreement no. 835/07.07.2021	Radioactive solid waste treatment services	RON 190,843/ EUR 38,364.29	DEBTS= RON 549,297.93  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 535,882.97	Payment shall be made within 30 days from the receipt of the invoice, accompanied by PVRS, signed without comments, corresponding to the services performed and completed during the respective period for each individual order/orders (as the case may be)		<i>RATEN ICN:</i>  <i>RON</i> <i>6,040,048.61/</i>  <i>EUR</i> <i>1,214,202.15</i>

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50	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its BRANCH INSTITUTE FOR NUCLEAR RESEARCH	30.08.2023/1198	Agreement	Environment monitoring services - water and sediments	RON 908,436/ EUR 182,618.55	DEBTS = RON 549,297.93  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 536,867.82	Payment shall be made within 30 days from the receipt of the Supplier's invoice, based on the invoice and the quarterly Services Acceptance Protocol, corresponding to the services performed and completed for a quarter (3 months) signed without comments		<i>n/a</i>
51	SNN S.A., through its Cernavodă NPP Branch - "APELE ROMANE" NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	31.08.2023/1210	Addendum no. 4 to the Subscription for the use of water resources 808/02.07.2021 (RUEC No. 843/08.07.2021)	Tariffs increase - Use/exploitation of underground water resources for the industry	RON 9,895.22/ EUR 1,989.19	DEBTS = RON 0  RECEIVABLES = RON 0	SECURITIES = RON 0	Payment shall be made within 30 days from the registration of the invoice at NPP. Invoicing is done according to the amount of resources used monthly		<i>RON</i> <i>16,293,793.12/</i>  <i>EUR</i> <i>3,275,463.49</i>

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52	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1221	Addendum no. 3 to Agreement no. 1273/11.08.2022	Supplementation of agreement value (adjustment of hourly rates) - Processing and characterization services of radioactive waste resulting from the activities of Cernavodă NPP Branch	RON 387,439.86/ EUR 77,885.19	DEBTS = RON 475,095.19  RECEIVABLES = RON 0	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without comments		RON 519,220,602.70/  EUR 104,376,440.39
53	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1222	Addendum no. 2 to Agreement no. 1272/11.08.2022	Supplementation of agreement value (adjustment of hourly rates) - Services for the decontamination /washing, sanitization and maintenance of reusable radioprotection equipment	RON 666,869.92/ EUR 134,057.68	DEBTS = RON 475,095.19  RECEIVABLES = RON 79,792.78	SECURITIES = RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without comments		n/a



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54	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. – SNN SRL BRANCH	04.09.2023/1223	Agreement	Works for assembling/disassembling scaffolding and external and internal platforms for the building of U5 reactor (DIDR U5)	RON 592,500/ EUR 119,107.45	DEBTS = RON 475,095.19  RECEIVABLES = RON 79,792.78	SECURITIES = RON 0	The Purchaser shall pay within 30 days from the receipt of the Documentation, based on the invoice and the Services Acceptance Protocol, signed without objections		n/a
55	SNN S.A. – RASIROM STATE-OWNED COMPANY	05.09.2023/1228	Agreement	Subscriptions and extension of Fortinet security solutions	USD 333,203.82	DEBTS = RON 0  RECEIVABLES = RON 5,037.61	SECURITIES = RON 0	Payment shall be made within 30 days of drafting the Final Quality Acceptance Protocol, signed without comments		n/a

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56	SNN S.A. - "APELE ROMANE" NATIONAL ADMINISTRATION - DOBROGEA SEASIDE WATER BASIN ADMINISTRATION	13.09.2023/1252	Addendum no. 5 to the subscription for the use of water resources 809/02.07.2021 (RUEC No. 871/14.07.2021)	Indexation of tariffs according to the Government Emergency Ordinance no. 52/31.05.2023 and introduction of certain new contributions according to laws - Receipt of resource waste water coming from the Nuclear Power Plant - Unit 1 and Unit 2 in 2023	RON 6,098,903.01/ EUR 1,226,033.37	DEBTS = RON 12,863.18  RECEIVABLES = RON 0	SECURITIES = RON 0	Within 30 days from invoice issue		n/a

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57	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	29.09.2023/1337	Agreement	Utilities distribution services	RON 4,237,194/ EUR 851,782.89	DEBTS = RON 664,838.62  RECEIVABLES = RON 355,907.23	SECURITIES =  RON 536,867.82	The Purchaser is required to make the payment on a monthly basis, within 30 calendar days from the invoice issue		<i>n/a</i>
58	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS	10.10.2023/ 1394	Agreement	Fire Hazard Analysis Study (API)	RON 1,350,000/ EUR 271,384.06	DEBTS = RON 0  RECEIVABLES = RON 0	SECURITIES =  RON 415,910.01	The Purchaser, through NFP Pitești Branch, shall make the payment within 30 days from the receipt of the invoice and signing of the Services Acceptance Protocol, signed without comments		<i>RATEN CITON:</i>  <i>RON</i> <i>5,888,289.86/</i>  <i>EUR</i> <i>1,183,694.82</i>

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59	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	10.10.2023/1399	Addendum no. 3 to Framework agreement no. 816/23.05.2022	Decrease of the agreement value (tariff adjustment for industrial water) - Radioactive water treatment services	- RON 2,004.84 - EUR 403	DEBTS = RON 496,947.82 RECEIVABLES = RON 0	SECURITIES = RON 541,105.02	Monthly, within 30 days from PVRS		RATEN ICN: RON 6,038,043.77/ EUR 1,213,799.12
60	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH	10.10.2023/1400	Addendum no. 1 to subsequent agreement no. 2 (RUEC 838/07.06.2023 to the framework agreement no. 878/07.06.2023	Decrease in agreement value with RON 11,215.44 - Radioactive water treatment services	- RON 11,215.44 - EUR 2,254.58	DEBTS = RON 496,947.82 RECEIVABLES = RON 0	SECURITIES = RON 541,105.02	Monthly, within 30 days from PVRS		RATEN ICN: RON 6,026,828.33/ EUR 1,211,544.54

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61	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its Branch CENTER OF TECHNOLOGY AND ENGINEERING FOR NUCLEAR PROJECTS  (Shareholder TOPOGEODESIS BUCHAREST)	10.10.2023/1403	Agreement	Services regarding the special monitoring of behaviour in time of the building of the Special Unit 72 Gendarmerie Institutional Protection Anghel Saligny-Cernavodă” (registered as asset of SNN under the name “Camin 150 places”)	RON 41,175/ EUR 8,277.21	DEBTS = RON 0  RECEIVABLES = RON 0	SECURITIES = RON 0	Within 30 days of serving the tax invoice in electronic format via the National Electronic Invoice System RO e-Factura, in accordance with the applicable Romanian laws. The invoice shall be drafted after both parties have signed, without comments, the Services Acceptance Protocol (PVRS) corresponding to the performed activity.		RATEN CITON:  RON 5,929,464.86/  EUR 1,191,972.03
62	SNN S.A. - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY - RATEN, through its Branch Pitești Institute for Nuclear Research	18.10.2023/1435	Framework Services Agreement	Services for determination the concentration of uranium and beryllium in urine	RON 960,840/ EUR 193,234.66	DEBTS =  RON 490,449.17  Receivables = RON 0	RON 174,065.02	The Promissory Purchaser/Purchaser, through NFP Pitești Branch, shall make the payment for the services provided under the subsequent contracts, monthly, for the services provided in the previous month, within maximum 30 days from the		n/a

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Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
								completion of acceptance, based on the Services Acceptance Protocol (PVRs), signed without comments and the invoice issued by the Provider		
63	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY, through its branch INSTITUTE FOR NUCLEAR RESEARCH PITEȘTI	26.10.2023/1483	Subsequent agreement no. 1 to Framework Agreement no. 1435/18.10.2023	Services for determination the concentration of uranium and beryllium in urine	RON 240,210/ EUR 48,308.66	DEBTS = RON 1,678,213.85 Receivables = RON 0	RON 174,065.02	Within maximum 30 days from the completion of acceptance, based on the Services Acceptance Protocol (PVRs), signed without comments and the invoice issued by the Provider		<i>RATEN ICN:</i>  <i>RON</i> <i>10,495,607.87/</i>  <i>(EUR</i> <i>2,110,773.04)</i>

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64	SNN S.A., through its Cernavodă NPP Branch - TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through Pitești Institute for Nuclear Research	03.11.2023/1522	Order	Breathing air stations	RON 94,890/ EUR 19,083.34	DEBTS = RON 2,533,201.23 Receivables = RON 0	RON 174,065.02	Payment shall be made within 30 days from the date of the products acceptance at the headquarters of Cernavodă NPP, based on the invoice, the supporting documents and the Goods Received Note (NRCD)		<i>RATEN ICN:</i>  <i>RON</i> <i>10,242,812.04/</i>  <i>(EUR</i> <i>2,059,933.24)</i>
65	SNN S.A. – RASIROM STATE-OWNED COMPANY	09.11.2023/1532	Agreement	Technical surveillance/video evaluation system installation works, access control and anti-burglary on the 3rd floor and access control expansion for general manager office door on the 13th floor building Crystal Tower	RON 256,243.45/ EUR 51,533.15	DEBTS = RON 55,368.75 Receivables = RON 0	RON 0	Payment for the executed works shall be made within 30 days from the receipt of the invoice issued by the Contractor through the RO e-Factura system, based on the invoice and the Works Completion Acceptance Protocol (PVRTL), signed without comments		<i>RON</i> <i>3,650,644.56/</i>  <i>EUR</i> <i>734,181.59</i>

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66	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through its Branch Pitești Institute for Nuclear Research	28.11.2023/1612	Agreement	Laboratory chemical analysis services	RON 134,550/ EUR 27,059.37	DEBTS = RON 1,122,150.63 Receivables = RON 0	RON 186,976.33	On a monthly basis, within 30 days of receiving the invoice based on the Services Acceptance Protocol		<i>RATEN ICN:</i>  <i>RON</i> <i>10,827,362.04/</i>  <i>EUR</i> <i>2,177,492.16</i>
67	SNN S.A., through its Cernavodă NPP Branch - RASIROM STATE OWNED COMPANY	28.11.2023/1621	Order	Analog monitors for physical protection evaluators	RON 75,756.98/ EUR 15,235.50	DEBTS = RON 74,561.07 Receivables = RON 0	RON 0	Payment shall be made within 30 days from the acceptance date, based on the invoice and the Note of Receipt and Defects. Payment shall be made only for the products for which no inconsistencies are noted in their acceptance documents		<i>RON</i> <i>3,726,401.54/</i>  <i>EUR</i> <i>749,417.09</i>



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
68	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L. – SNN branch	05.12.2023/1644	Addendum no. 2 to Agreement no. 1647/04.11.2022	Contract value increase (adjustment of tariffs) - Scaffolding assembling/disassembling and provision of perimeter scaffolding in the protected premises U1/U2/DICA of Cernavodă NPP	RON 3,629,748.37/ EUR 729,979.16	DEBTS = RON 1,196,014.64  Receivables = RON 92,222.96	RON 0	On a monthly basis, within 30 days of PVRS, based on the invoice		n/a
69	SNN S.A. - NUCLEARELECTRICA SERV S.R.L. - SNN branch	12.12.2023/1662	Agreement	IT computing technique repair and maintenance services	RON 18,278,921/ EUR 3,676,076.14	DEBTS = RON 1,763,141.99  Receivables = RON 187,194.78	RON 0	The Purchaser, through Cernavodă NPP, shall pay monthly for the services provided in the previous month within 30 days from the receipt of the Supplier's invoice, based on the invoice and the Services Acceptance Protocol, signed without objections		n/a

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
70	SNN S.A.  Joint Venture composed of: ELCOMEX I.E.A. SA  PEGAS IMPEX SRL UTILITATI PUBLICE CERNAVODĂ SRL	18.12.2023/ 1701	Agreement	Complete operation, maintenance and repair services of Cernavodă NPP heating system (for a period of 48 months)	RON 41,884,807.80/ EUR 8,439,753  (of which UTILITATI PUBLICE CERNAVODĂ SRL: RON 6,282,721.17/ EUR 1,265,963)	ELCOMEX DEBTS = RON 809,710.30  PEGAS = RON 0  UTILITATI PUBLICE = RON 0  Receivables  Elcomex = RON 0  Pegas Impex = RON 0  Utilitati Publice Cernavodă = RON 6,325,612.94	Elcomex = RON 2411141.77  Pegas Impex = RON 0  Utilitati Publice Cernavodă = RON 0	The Purchaser, by Cernavodă NPP Branch, shall make the payment of the services within 30 days as of the receipt of the Provider's invoice, based on the invoice and the Services Acceptance Protocol (PVRS) corresponding to the services rendered, signed without comments by the representatives of Cernavodă NPP.		n/a

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
71	SNN S.A. through its NFP Pitești Branch - THE TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY-RATEN, through Pitești Institute for Nuclear Research	22.12.2023/1735	Agreement	Services of preparation of the Soil Quality Evaluation Report	RON 178,000/ EUR 35,797.60	DEBTS = RON 1,423,971.34  Receivables = RON 0	RON 186,976.33	Payment shall be made within 30 days from signing the Services Acceptance Protocol (PVRS), signed without comments		<i>RATEN ICN:</i>  <i>RON</i> <i>10,550,013.40/</i>  <i>EUR</i> <i>2,121,714.54</i>
72	SNN S.A., through its NFP Pitești Branch - JOINT VENTURE composed of TECHNOLOGIES FOR NUCLEAR ENERGY STATE OWNED COMPANY - RATEN, through the Center of Technology and Engineering for Nuclear Projects	22.12.2023/1737	Agreement	Services to monitor structures in time	RON 86,988/ EUR 17,494.16,  of which RATEN CITON: RON 57,188/  EUR 11,501.09	DEBTS=  RON 672,083.16  Receivables = RON 0	RON 214,585.85	Annually, within 30 days from the receipt of the invoice, based on the Services Acceptance Protocol, signed without comments		<i>RATEN CITON:</i>  <i>RON</i> <i>42,643,082.89/</i>  <i>EUR</i> <i>8,575,955.85</i>

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON and EUR equivalent)	Mutual claims	Securities established	Payment terms and means	Other significant elements	Aggregate value of the last 12 months in a series of transactions (if the individual value < EUR 100,000)
73	SNN S.A. - "APELE ROMANE" NATIONAL ADMINISTRATION	29.12.2023/1762	Subscription	Use/exploitation of surface and/or underground water resources - Use of water from the Danube for Cernavodă NPP (Unit 1 and Unit 2) in 2024	RON 100,539,914/ EUR 20,219,594.96	DEBTS = RON 9,551,030.55 Receivables = RON 0	RON 0	Within 30 days of the issue of the invoice		n/a
74	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	29.12.2023/1763	Addendum no. 6 to Services Agreement no. 270/2019 (RUEC No. 437/16.05.2019)	Services of water transit through Reach I CDMN (U1+U2)	RON 537,773/ EUR 108,151.60	DEBTS= RON 74,131.13 Receivables = RON 0	RON 0	Within 30 days from the date of receipt of the invoice		RON 1,212,647/ EUR 243,875.59

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75	SNN S.A. - COMPANIA NATIONALA ADMINISTRATIA CANALELOR NAVIGABILE S.A.	29.12.2023/1764	Addendum no. 6 to Services Agreement no. 271/2019 (RUEC No. 438/16.05.2019)	Transit and sea discharge services for the water discharged in Reach II CDMN	RON 89,060/ EUR 17,910.87	DEBTS= RON 74,131.13  Receivables = RON 0	RON 0	Within 30 days from the date of receipt of the invoice		RON 1,301,707/  EUR 261,786.46
76	SNN S.A., through its Cernavodă NPP Branch - NUCLEARELECTRICA SERV S.R.L.	04.01.2024/6	Addendum no. 2 to Agreement no. 1649/04.11.2022	Contract value increase (adjustment of tariffs) - Ventilated tent assembling/disassembling, construction/asssembling of wooden platforms in the protected premises of Cernavodă NPP U0, U1, U2 and DICA	RON 607,341.19/ EUR 122,142.46	DEBTS= RON 407,691.04  Receivables = RON 70.85	RON 0	On a monthly basis, within 30 days of PVRS approval		n/a

## 2. Energy delivery transactions

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
1	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.01.2023 RUEC no. 83	Addendum no. 1 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 1: RON 1,304,580,285.00  (supplementation of RON 86,483,385.00, related to the amount allocated in February)	Receivables as at 27 January 2023 RON 0.00  Debts as at as at 27 January 2023: RON 0.00	0.00 RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 1 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 23 January 2023 the additional amount of electricity for the delivery month of February 2023 was allocated
2	SNN S.A. with the Romanian Electricity	27.02.2023 RUEC no.	Addendum no. 2 to the	Sale of electricity	Current agreement value updated based on	Receivables as at 27 February 2023	0.00 RON	The Seller's collection entitlements for	Addendum no. 2 to the Agreement concluded via the Centralized Electricity Purchase Mechanism

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	and Gas Market Operator.	228	Agreement	Period: 01.01.2023-31.12.2023	Addendum no. 1: RON 1,400,464,755.00  (supplementation of RON 95,884,470.00, related to the amount allocated in March)	RON 0.00  Debts as at 27 February 2023:  RON 0.00		the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	(MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 22 February 2023 the additional amount of electricity for the delivery month of March 2023 was allocated
3	SNN S.A. with the National Company for the Transmission of Electricity "Transelectrica" S.A.	28.12.2022  RUEC  1957	Addendum no. 5 Agreement No. 189/12.09.2018	Supply of electricity 01.01.2023 – 31.03.2025	Current transaction value:  RON 491,175.06  Cumulated value  151,160,925.06			The invoice shall be issued within the first 10 days of the following delivery month. The Seller's collection entitlements for the quantities of electricity sold	Addendum no. 5 concluded based on the request from Transelectrica SNN IN number 14146/05.12.2022

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
								shall be paid by the Purchaser by payment orders within the first 15 business days from receipt of the invoice	
4	SNN S.A. with the Romanian Electricity and Gas Market Operator.	30.03.2023 RUEC no. 414	Addendum no. 3 to Agreement	Sale of electricity Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 3: RON 1,493,775,990.00  (supplementation of RON 93,311,235.00, related to the amount allocated in April)	Receivables as at 30 March 2023 RON 0.00  Debts as at 30 March 2023: RON 123,376.26	0.00 RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 3 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 27 March 2023 the additional amount of electricity for the



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
									delivery month of April 2023 was allocated
5	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.04.2023 RUEC no. 600	Addendum no. 4 to Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 4: RON 1,544,819,580.00  (supplementation of RON 51,043,590.00, related to the amount allocated in April)	Receivables as at 27 April 2023  RON 0.00  Debts as at 27 April 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 4 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 24 April 2023 the additional amount of electricity for the delivery month of May 2023 was allocated
6	SNN S.A. with the Romanian Electricity	30.05.2023 RUEC no.	Addendum no. 5 to	Sale of electricity	Current agreement value updated based on Addendum no. 4:	Receivables as at 30 May 2023  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of	Addendum no. 5 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
	and Gas Market Operator.	780	Agreement	Period: 01.01.2023- 31.12.2023	RON 1,595,257,830.00  (supplementation of RON 50,438,250.00, related to the amount allocated in May)	Debts as at 30 May 2023:  RON 67,500.37		electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 May 2023 the additional amount of electricity for the delivery month of June 2023 was allocated.
7	SNN S.A. with the Romanian Electricity and Gas Market Operator.	28.06.2023  RUEC no.  938	Addendum no. 6 to Agreement	Sale of electricity  Period: 01.01.2023- 31.12.2023	Current agreement value updated based on Addendum no. 6: RON 1,671,671,115.00  (supplementation of RON 76,413,285.00, related to the	Receivables as at 28 June 2023  RON 0.00  Debts as at 28 June 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month	Addendum no. 6 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
					amount allocated in June)			following the delivery month.	amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 26 June 2023 the additional amount of electricity for the delivery month of July 2023 was allocated
8	SNN S.A. with the Romanian Electricity and Gas Market Operator.	27.07.2023 RUEC no. 1099	Addendum no. 7 to the Agreement	Sale of electricity Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 7: RON 1,762,919,820.00  (supplementation of RON 91,248,705.00, related to the amount allocated in July)	Receivables as at 27 July 2023 RON 14,526.33  Debts as at 27 July 2023: RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 7 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism,

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
									on 25 July 2023 the additional amount of electricity for the delivery month of August 2023 was allocated
9	SNN S.A. with the Romanian Electricity and Gas Market Operator.	28.08.2023 RUEC no. 1178 30.08.2023 no. OPCOM 37414	Addendum no. 8 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 8: RON 1,872,740,880.00  (supplementation of RON 109,821,060.00, related to the amount allocated in August)	Receivables as at 30 August 2023  RON 0.00  Debts as at 30 August 2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 8 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 August 2023 the additional amount of electricity for the delivery month of September 2023 was allocated

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
10	SNN S.A. with S.P.E.E.H. Hidroelectrica S.A..	31.08.2023 RUEC no. 1205	Transaction no. 1 to the Agreement 1204	Sale of electricity  Period: 01.09.2023-31.12.2023	Current transaction value  RON 159,585,979.20  Total aggregate value with previous transactions: 535,233,642.05  RON	Receivables as at 31 August 2023  RON 7,750.20  Debts as at 31 August 2023:  81,886.48  RON	0.00  RON	Collection fees for products that have a delivery period of one calendar month or more, payment will be made on the fifth (5th) Business Day from the date of receipt of the invoice ("Due Date)", as specified in the agreement. The invoice will be issued monthly, no later than 10 calendar days before the delivery period, but no later than 3 calendar days before the start of deliveries. If the Individual Transaction was completed less than 10 calendar days prior to the delivery period,	Individual transaction, closed based on:  - the provisions of the Law no. 123/2012 on electricity and natural gas, as amended and supplemented, Article 23(2)(a), regarding directly negotiated bilateral transactions, and the provisions of the Government Emergency Ordinance no. 27/2022, as amended and supplemented.  - S.N. Nuclearelectrica S.A. offer for sale no. 9349/23.08.2023.

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
								the first invoice will be issued from the day of completion of the Individual Transaction.	
11	SNN S.A. with the Romanian Electricity and Gas Market Operator	25.09.2023 RUEC no. 1309 27.09.2023 OPCOM no. 40376	Addendum no. 9 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 9: 1,989,431,685.00  RON (supplementation of RON 116,690,805.00, related to the amount allocated in September)	Receivables as at 27 September 2023  RON 0.00  Debts as at 27 September 2023:  0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 9 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 September 2023 the additional amount of electricity for the delivery month of October 2023 was allocated

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
12	SNN S.A. with the Romanian Electricity and Gas Market Operator	25.10.2023 RUEC no. 1474 30.10.2023 OPCOM no. 46458	Addendum no. 10 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 10: 2,102,462,595.00  RON (supplementation of RON 113,030,910.00, related to the amount allocated in October)	Receivables as at 30.10.2023  RON 0.00  Debts as at 30.10.2023:  0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Addendum no. 10 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 25 October 2023 the additional amount of electricity for the delivery month of November 2023 was allocated
13	SNN S.A. with the Romanian Electricity and Gas Market Operator	24.11.2023 RUEC no. 1595 27.11.2023	Addendum no. 11 to the Agreement	Sale of electricity  Period: 01.01.2023-31.12.2023	Current agreement value updated based on Addendum no. 11: 2,222,509,995.00	Receivables as at 27.11.2023  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by	Addendum no. 11 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), required by the Government Emergency Ordinance no. 153/2022 between S.N. Nuclearelectrica S.A. and the

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
		OPCOM no. 49884			RON (supplementation of RON 120,047,400.00, related to the amount allocated in November)	Debts as at 27.11.2023:  0.00		payment orders on the first 15 days of the calendar month following the delivery month.	Romanian Electricity and Gas Market Operator.  Under the Government Emergency Ordinance no. 192/28.12.2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022, as well as the calendar for organizing in 2023 the monthly procedures for the centralized purchase of electricity organized based on the Monthly Centralized Purchase Mechanism, on 23 November 2023 the additional amount of electricity for the delivery month of December 2023 was allocated.
14	SNN S.A. with the Romanian Electricity and Gas Market Operator	22.12.2023  RUEC no. 1734  28.12.2023  OPCOM no. 54436	Agreement	Sale of electricity  Period: 01.01.2024-31.12.2024	Current agreement value: RON 2,008,545,300.00	Receivables as at 28.12.2023: RON 0.00  Debts as at 28.12.2023:  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month.	Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), imposed by the Government Emergency Ordinance no. 153 of 11.11.2022 for amending and supplementing the Government Emergency Ordinance no. 27 of 18 March 2022 regarding the measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022-31 March 2023, as well as for amending and supplementing the Government Emergency Ordinance



Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
									no. 119 for amending and supplementing the Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022 - 31 March 2023, as well as amending and supplementing regulatory acts in the field of electricity, approved by Law no. 206 of 7 July 2023, by which on 21 December 2023, the amount of electricity for the delivery year 2024 was allocated.
15	SNN S.A. with The Romanian Electricity and Gas Market Operator	25.01.2024 RUEC no. 74 29.01.2024 OPCOM no. 5981	Addendum no. 1 to the Electricity Sale Contract	Period: 01.01.2024- 31.12.2024	Current agreement value updated based on Addendum no. 1:  2,165,012,055.00  RON  (supplementation of RON 156,466,755.00, related to the	Receivables as at 29.01.2024  RON 0.00  Liabilities as at 29.01.2024  RON 0.00	0.00  RON	The Seller's collection entitlements for the quantities of electricity sold shall be paid by the Purchaser by payment orders on the first 15 days of the calendar month following the delivery month	Addendum no. 1 to the Agreement concluded via the Centralized Electricity Purchase Mechanism (MACEE), imposed by the Government Emergency Ordinance no. 153 of 11.11.2022 for amending and supplementing the Government Emergency Ordinance no. 27 of 18 March 2022 regarding the measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022-31 March 2023, as well as for amending and supplementing the Government Emergency Ordinance no. 119 for amending and supplementing the

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies) (T <sub>G</sub> included)	Mutual claims	Securities established	Payment terms and means	Other significant elements
					amount allocated in January)				Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period 1 April 2022 - 31 March 2023, as well as amending and supplementing regulatory acts in the field of electricity, approved by Law no. 206 of 7 July 2023, on 25 January 2024, the amount of electricity for the delivery month February 2024 was allocated.

### 3. Deposits established and bonds purchased

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
1.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 25 January 2023	Deposit	Setting up a term deposit	RON 192,170,000	-	-	The deposit matures on 25.07.2023.	Interest applied: 7.90% per year
2.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 26 January 2023	Deposit	Setting up a term deposit	RON 105,065,000	-	-	The deposit matures on 25.07.2023.	Interest applied: 7.55% per year
3.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 6 February 2023	Deposit	Setting up a term deposit	RON 209,020,000	-	-	The deposit matures on 07.08.2023.	Interest applied: 7.50% per year
4.	SNN with CEC BANK S.A.	Purchase of bonds 07.02.2023	Purchase of bonds	Purchase of bonds issued by CEC	EUR 45,000,000	-	-	5 YEARS	Fixed yield: 7.50% per year
5.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 13 February 2023	Deposit	Setting up a term deposit	RON 183,720,000	-	-	The deposit matures on 16.08.2023.	Interest applied: 7.35% per year
6.	SNN with CEC BANK SA	Deposit dated 15 March 2023	Deposit	Setting up a term deposit	RON 104,500,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
7.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 15 March 2023	Deposit	Setting up a term deposit	RON 104,760,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year
8.	SNN with CEC BANK SA	Deposit dated 23 March 2023	Deposit	Setting up a term deposit	RON 64,000,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.75% per year
9.	SNN with CEC BANK SA	Deposit dated 31 March 2023	Deposit	Setting up a term deposit	RON 107,600,000	-	-	The deposit matures on 21 June 2023.	Interest applied: 6.70% per year
10.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 24 April 2023	Deposit	Setting up a term deposit	RON 130,141,000	-	-	The deposit matures on 24 August 2023.	Interest applied: 6.60% per year
11.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014  Deposit dated 12 June 2023	Deposit	Setting up a term deposit	93,835,000	-	-	The deposit matures on 12 December 2023.	Interest applied: 6.65% per year
12.	SNN with CEC BANK SA	Deposit dated 21 June 2023	Deposit	Setting up a term deposit	287,500,000	-	-	The deposit matures on 21 December 2023	Interest applied: 6.70% per year
13.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014	Deposit	Setting up a term deposit	248,850,000	-	-	The deposit matures on 25 January 2024.	Interest applied: 6.68% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
		Deposit dated 25 July 2023							
14.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 17 July 2023	Deposit	Setting up a term deposit	RON 205,700,000	-	-	The deposit matures on 15.01.2024.	Interest applied: 6.65% per year
15.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 25 July 2023	Deposit	Setting up a term deposit	RON 248,850,000	-	-	The deposit matures on 25.01.2024	Interest applied: 6.68% per year
16.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 7 August 2023	Deposit	Setting up a term deposit	RON 216,960,000	-	-	The deposit matures on 7 February 2024.	Interest applied: 6.60% per year
17.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 16 August 2023	Deposit	Setting up a term deposit	RON 190,622,000	-	-	The deposit matures on 16.02.2024.	Interest applied: 6.60% per year
18.	SNN with Eximbank SA Bucharest	Framework Agreement no. 499S1/30.04.2014 Deposit dated 24 August 2023	Deposit	Setting up a term deposit	RON 133,050,000.	-	-	The deposit matures on 26 February 2024.	Interest applied: 6.60% per year
19.	SNN with Exim Banca Romaneasca	Framework Agreement no. 499S1/30.04.2014 Deposit dated 19 September 2023	Deposit	Setting up a term deposit	RON 200,000,000.00	-	-	The deposit matures on 19 March 2024.	Interest applied: 6.45% per year

Item no.	Parties to the legal deed	Date of conclusion and deed number	Nature of the legal deed	Description of the subject-matter	Total value (RON or other currencies)	Mutual claims	Securities established	Payment terms and means	Other significant elements
20.	SNN with CEC BANK SA	Deposit dated 27.11.2023	Deposit	Setting up a term deposit	CAD 75,041,102	-	-	The deposit matures on 15 December 2023.	Interest applied: 4.4% per year
21.	SNN with CEC BANK SA	Deposit dated 5 December 2023	Deposit	Setting up a term deposit	CAD 50,000,000	-	-	The deposit matures on 15 December 2023.	Interest applied: 4.4% per year
22.	SNN with CEC BANK SA	Deposit dated 15.12.2023	Deposit	Setting up a term deposit	CAD 165,616,774	-	-	The deposit matures on 21 December 2023	Interest applied: 4.42% per year

**25. ANNEX 11 – AUDITED INDIVIDUAL FINANCIAL STATEMENTS AS AT, AND  
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2023**

**CERTIFIED MANAGEMENT SYSTEM  
ISO 37001**



**S.N. Nuclearelectrica S.A.**

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

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

## S.N. Nuclearelectrica S.A.

## Individual Statement of Financial Position as at 31 December 2023

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

	Note	31 December 2023 (audited)	31 December 2022 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	5	6,538,385,782	5,737,295,053
Assets representing rights to use underlying assets within a leasing contract	6	18,601,084	15,565,831
Intangible assets	7	50,389,398	50,773,837
Financial assets measured at amortized cost	8	634,918,901	41,262,942
Financial investments in subsidiaries	9	239,438,503	199,438,505
Investments in associated entities	10	19,943,000	4,943,000
<b>Total non-current assets</b>		<b>7,501,676,668</b>	<b>6,049,279,168</b>
<b>Current assets</b>			
Inventories	11	1,067,736,531	653,199,691
Trade receivables	12	624,305,513	438,539,974
Other financial assets measured at amortized cost	13	327,446,936	140,954,592
Bank deposits	14	112,257,027	1,829,796,500
Cash and cash equivalents	14	3,529,334,516	2,681,002,427
<b>Total current assets</b>		<b>5,661,080,523</b>	<b>5,743,493,184</b>
<b>Total assets</b>		<b>13,162,757,191</b>	<b>11,792,772,352</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Share capital subscribed and paid up</i>		3,016,438,940	3,016,438,940
<i>Inflation adjustments of the share capital</i>		195,502,743	195,502,743
Share premium		31,474,149	31,474,149
Reserve paid in advance		21,553,537	21,553,537
Revaluation reserve		336,996,786	394,369,643
Retained earnings		8,153,125,015	6,876,165,858
<b>Total equity</b>	15	<b>11,755,091,170</b>	<b>10,535,504,870</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term loans	17	-	64,810,940
Provisions for risks and charges	18	204,807,400	174,504,703
Long-term deferred income	19	35,684,350	63,611,498
Deferred tax liability	20	63,058,097	95,446,226
Liabilities for employee benefits	21	48,088,311	45,557,591
Liabilities within long-term leasing agreements	6	15,605,108	12,831,121
<b>Total long-term liabilities</b>		<b>367,243,266</b>	<b>456,762,079</b>
<b>Current liabilities</b>			
Trade and other payables	22	818,115,509	445,315,659
Current part of provisions for risks and charges	18	119,867,937	77,040,585
Current part of the long-term loans	17	65,640,599	65,525,433
Corporate income tax debt	20	16,787,246	52,801,797
Short-term deferred income	19	15,844,172	157,087,526
Liabilities within short-term leasing agreements	6	4,167,292	2,734,403
<b>Total current liabilities</b>		<b>1,040,422,755</b>	<b>800,505,403</b>
<b>Total liabilities</b>		<b>1,407,666,021</b>	<b>1,257,267,482</b>
<b>Total equity and liabilities</b>		<b>13,162,757,191</b>	<b>11,792,772,352</b>



S.N. Nuclearelectrica S.A.

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

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

	Note	2023 (audited)	2022 (audited)
<b>Income</b>			
Income from the sale of electricity		7,424,043,981	6,343,639,700
Income from the transport of electricity		37,404,747	22,902,955
	<b>23</b>	<b>7,461,448,728</b>	<b>6,366,542,655</b>
Other income	<b>24</b>	125,463,306	167,467,707
<b>Operating expenses</b>			
Depreciation and impairment		(631,370,031)	(605,405,084)
Payroll costs	<b>25</b>	(739,227,444)	(555,235,871)
Cost of electricity purchased		(121,451,959)	(513,740,391)
Repairs and maintenance		(92,776,164)	(86,468,972)
Expenses with the transmission of electricity		(37,404,747)	(22,902,955)
Expenses with spare parts		(22,541,706)	(25,907,604)
Costs of nuclear fuel		(155,524,489)	(151,211,177)
Contribution to the Energy Transition Fund/ Tax on additional income	<b>26</b>	(2,623,619,387)	(1,085,014,040)
Other operating expenses	<b>27</b>	(681,791,567)	(502,116,398)
<b>Operating expenses - Total</b>		<b>(5,105,707,494)</b>	<b>(3,548,002,492)</b>
<b>Operating profit</b>		<b>2,481,204,540</b>	<b>2,986,007,870</b>
Financial expenses		(34,774,186)	(31,687,334)
Financial income		413,702,228	238,176,375
<b>Net financial result</b>	<b>28</b>	<b>378,928,042</b>	<b>206,489,041</b>
<b>Profit before corporate tax</b>		<b>2,860,132,582</b>	<b>3,192,496,911</b>
Net corporate income tax expenses	<b>20</b>	(353,613,750)	(428,073,459)
<b>Profit of the period</b>		<b>2,506,518,832</b>	<b>2,764,423,452</b>

The Individual Financial Statements presented from page 1 to 86 were signed on 20 March 2024 by:

**Cosmin Ghita**  
Chief Executive Officer

**Dan Niculaie-Faranga**  
Chief Financial Officer

S.N. Nuclearelectrica S.A.

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

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

	Note	<u>2023</u> <u>(audited)</u>	<u>2022</u> <u>(audited)</u>
<b>Profit of the period</b>		<u>2,506,518,832</u>	<u>2,764,423,452</u>
<b>Other items of comprehensive result</b>			
<b>Items that cannot be reclassified to profit or loss</b>			
Net gain on revaluation of buildings and land		-	-
Deferred tax liability relating to the revaluation reserve		-	-
Actuarial (losses) related to the defined benefit plans		(3,716,876)	1,745,457
Retained earnings from other adjustments		-	-
<b>Other elements of comprehensive result</b>		<u>(3,716,876)</u>	<u>1,745,457</u>
<b>Total comprehensive result related to the period</b>		<u>2,502,801,956</u>	<u>2,766,168,909</u>
<b>Earnings per share</b>	<b>16</b>		
Earnings per share (RON/share)		<b>8.31</b>	<b>9.16</b>
Diluted earnings per share (RON/share)		<b>8.31</b>	<b>9.16</b>

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 expressly provided for.)

	Note	Share capital	Inflation adjustments of the share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2023 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>394,369,643</b>	<b>6,876,165,858</b>	<b>10,535,504,870</b>
<b>Comprehensive result</b>								
<i>Profit of the financial year</i>		-	-	-	-	-	2,506,518,832	2,506,518,832
<b>Other items of the comprehensive result</b>								
Actuarial gains related to the benefit plans		-	-	-	-	-	(3,716,876)	(3,716,876)
<b>Total other items of comprehensive result</b>		-	-	-	-	-	(3,716,876)	(3,716,876)
<b>Total comprehensive result related to the financial year</b>	15	-	-	-	-	-	2,502,801,956	2,502,801,956
<b>Transactions with shareholders, only recognized in equity</b>								
Distributed dividends							(1,283,215,656)	(1,283,215,656)
<b>Total transactions with shareholders, only recognized in equity</b>	15	-	-	-	-	-	(1,283,215,656)	(1,283,215,656)
<b>Other changes in equity</b>								
Transfer of revaluation reserves into retained earnings due to amortization		-	-	-	-	(57,372,857)	57,372,857	-
<b>Other changes in equity - total</b>		-	-	-	-	(57,372,857)	57,372,857	-
<b>Balance as at 31 December 2023 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>336,996,786</b>	<b>8,153,125,015</b>	<b>11,755,091,170</b>

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 Changes in Equity for the financial year ended 31 December 2022

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

	Note	Share capital	Inflation adjustments of the share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2022 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>451,742,500</b>	<b>4,648,549,459</b>	<b>8,365,261,328</b>
<b>Comprehensive result</b>								
<i>Profit of the financial year</i>		-	-	-	-	-	2,764,423,452	2,764,423,452
<b>Other items of the comprehensive result</b>								
Actuarial gains related to the benefit plans		-	-	-	-	-	1,745,457	1,745,457
<b>Total other items of comprehensive result</b>		-	-	-	-	-	1,745,457	1,745,457
<b>Total comprehensive result related to the financial year</b>	<b>15</b>	-	-	-	-	-	2,766,168,909	2,766,168,909
<b>Transactions with shareholders, only recognized in equity</b>								
Distributed dividends		-	-	-	-	-	(595,925,367)	(595,925,367)
<b>Total transactions with shareholders, only recognized in equity</b>	<b>15</b>	-	-	-	-	-	(595,925,367)	(595,925,367)
<b>Other changes in equity</b>								
Transfer of revaluation reserves into retained earnings due to amortization		-	-	-	-	(57,372,857)	57,372,857	-
<b>Other changes in equity - total</b>		-	-	-	-	(57,372,857)	57,372,857	-
<b>Balance as at 31 December 2022 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>394,369,643</b>	<b>6,846,165,858</b>	<b>10,535,504,870</b>

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S.N. Nuclearelectrica S.A.

Individual Statement of Cash Flows for the financial year ended 31 December 2023

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

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	<b>2,860,132,582</b>	<b>3,192,496,911</b>
<b>Adjustments for:</b>		
Depreciation and impairment	631,370,031	605,405,084
Value adjustments of trade receivables	632,241	(817,620)
Value adjustments of inventories	1,232,673	(1,734,893)
Provisions related to liabilities, risks and operating expenses	71,648,249	(62,870,601)
(Gains)/Losses from disposal of non-current assets	15,075,369	1,052,623
Net financial (income)	(372,005,245)	(207,334,379)
<b>Changes in:</b>		
Decrease/(Increase) in trade receivables	(186,400,897)	(217,236,230)
Decrease/(Increase) in other financial assets measured at amortized cost	(202,792,620)	31,924,942
(Increase) in inventories	(415,708,421)	(89,967,319)
Change in deferred income	(169,008,459)	59,014,287
Increase of trade and other payables	267,045,710	138,533,797
<b>Cash flows related to the operating activity</b>	<b>2,501,221,213</b>	<b>3,448,466,602</b>
Corporate income tax paid	(422,016,430)	(430,885,512)
Interest received	367,913,944	131,286,763
Interest paid	(3,111,542)	(375,868)
Dividends received	971,747	60,935
<b>Net cash related to operating activity</b>	<b>2,444,978,932</b>	<b>3,148,552,920</b>
<b>Cash flows related to investment activity</b>		
Purchases of intangible assets	(13,816,207)	(13,829,807)
Purchases of tangible assets	(1,425,175,220)	(464,405,047)
(Increase)/Decrease in bank deposits	1,717,539,473	(500,823,500)
Financial assets measured at amortized cost	(571,298,942)	(4,721,250)
Investments in subsidiaries	(39,999,998)	(26,999,997)
Investments in associated entities	(15,000,000)	(4,943,000)
Proceeds from sale of tangible assets	1,038,350	107,551
<b>Net cash related to investment activity</b>	<b>(346,712,544)</b>	<b>(1,015,615,050)</b>
<b>Cash flow related to financing activity</b>		
Loans payments	(65,258,970)	(173,284,441)
Dividends payments	(1,181,057,802)	(595,713,645)
Payments related to liabilities from leasing agreements, including interest	(3,617,527)	(337,356)
<b>Net cash related to the financing activity</b>	<b>(1,249,934,299)</b>	<b>(769,335,442)</b>
<b>Net (Decrease)/Increase of cash and cash equivalents</b>	<b>848,332,089</b>	<b>1,363,602,428</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>2,681,002,427</b>	<b>1,317,399,999</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>3,529,334,516</b>	<b>2,681,002,427</b>

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

### 1. Reporting entity

Societatea Nationala Nuclearelectrica S.A. (“Company” or “SNN”) is national joint-stock company, managed under single-tier system, having a head office and two branches without legal personality, Cernavodă NPP (Nuclear Power Plant) – headquartered in Constanța County, Cernavodă City, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively NFP Pitești (Nuclear Fuel Plant) – headquartered in Argeș County, Mioveni City, str. Câmpului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, Crystal Tower building.

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

The main activity of the Company consists in the electricity and heat generation by means of nuclear methods. The main place of business is within Cernavodă NPP Branch, where the Company owns and operates two functional nuclear reactors (Unit 1 and Unit 2). Those two operational nuclear reactors are based on CANDU technology (Canada Deuterium Uranium, of PHWR type).

The Company owns another two nuclear reactors at Cernavodă, which are in the early stage of construction (Unit 3 and Unit 4). The Units 3 and 4 Project is planned to be completed by Energonuclear S.A. subsidiary (for more information see Note 9).

In the period 2020 - 2021, stages were completed in order to carry out this Project, with the sustained effort of the Company and the Romanian State. Under Decision of the Romania’s Prime Minister no. 281/14.07.2020 published in the Official Gazette of Romania, Part I, no. 618/14.VII.2020, the Strategic Coordination Committee for the Units 3 and 4 Project 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 5 and an assessment of the technical requirements relating to the rating of equipment for hazards/ external events (especially the seismic rating). Presentations submitted by the international experts of IAEA within the benchmarking brought to the forefront a new method/strategy of rating, namely the demonstration of the seismic margin by using the seismic experience as an alternative method for rating the critical systems in the Building of Facilities for Emergency Cases (“BFEC”).

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

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

The Romanian energy sector is regulated by the Romanian Energy Regulatory Authority (“ANRE”), an independent public institution. Effective 1 January 2023, the Company is a seller under the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. In the first 6 months of 2023, the Company participated both in the competitive segment and in the MACEE mechanism, and in 2022 it participated only in the competitive segment (for more information, see Note 23).

Fitch International Rating Agency revised on 7 November 2023 the rating of SNN to "BBB-" with a stable outlook. 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 MACCE market mechanism<sup>1</sup>.

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 position<sup>2</sup>.

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.

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

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

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

## **2. Basis for preparation**

### **2.1. Declaration of conformity**

The Individual Financial Statements were prepared in accordance with the Order of the Minister of Public Finance no. 2.844/2016 approving of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”), as amended (“OMPF 2.844/2016”). 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 company also prepares consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”), as subsequently amended (“OMPF 2.844/2016”), which are available on the company website.

The Individual Financial Statements prepared for the financial year ended 31 December 2023 were audited by the financial auditor of the Company - PKF Finconta S.R.L.

These Individual Financial Statements were authorized for issue and were signed on 20 March 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.

Having examined the implications of the conflict in Ukraine and of the war in Israel on the Company’s business, the management consider that its business continuity will not be affected (see Note 4).

### **2.3. Presentation of the financial statements**

The Individual Financial Statements are presented in compliance with the requirements of IAS 1 – “Presentation of Financial Statements” and IAS 27 – „Separate Financial Statements”. 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 Individual Statement of Profit or Loss 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.

### **2.4. Basis of assessment**

The Individual Financial Statements were prepared at historical cost, save for some categories of tangible assets that are measured at fair value, as presented in the accounting policies (see Note 3.3). Other financial assets and liabilities, such as non-financial assets and liabilities are presented at amortized cost, revalued value or historical cost.



## **2.5. Functional and presentation currency**

The Individual 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**

Preparation of the Individual Financial Statements in accordance with the IFRS adopted by the European Union requires the management to make estimates, judgments and assumptions that affect application of the accounting policies, as well as the reported value of assets, liabilities, income and expenditure, the estimated lifetimes of non-current assets (see Note 3.3), the assumptions used to determine the fair value (see Note 4), the assumptions used to determine the fair value of tangible assets (see Note 5), the recognition of spare parts that meet the required conditions of IAS 16 as tangible assets (see Note 5), the recoverability of trade receivables (see Note 12), the assumptions applied for the net recoverable value of inventories (see Note 11), the assumptions applied to calculate the liabilities related to employee benefits (see Note 21), the assumptions applied for the time for restatement of governmental subsidies in the Individual Statement of Profit or Loss (see Note 3.20 and Note 24), and the estimates concerning the radioactive and non-radioactive waste management obligations (Note 27).

Judgments and assumptions related to such estimates are based on the historical experience as well as other factors considered to be reasonable in the context of such estimates. Results of such estimates form the basis of judgments relating to the carrying amounts of assets and liabilities which cannot be obtained from other information sources. Results obtained could be different from the estimates values.

Judgements and assumptions underpinning them are revised on a regular basis. Changes in estimates are accounted prospectively. Revisions of the accounting estimates are recognized during the period in which the estimate is revised, if such revision only affects that period, or during the period when the estimated is revised, and the future period, where revision affects both the current, and future periods.

The management's judgments in application of the IFRSs that have a significant impact on the financial statements, as well as the estimates that imply a significant risk of a material adjustment during the next year are shown in Note 4 and 30.

### 3. Significant accounting policies

#### 3.1. Transactions in foreign currency

Transactions in foreign currency are converted into RON at the exchange rates on the transaction date. Monetary assets and liabilities, expressed in foreign currency at the end of the year, are converted in RON at the exchange rate displayed by the National Bank of Romania as valid for the last banking day of the financial year. Gains and losses from exchange rate differences, either realized or unrealized, are included in the Individual Statement of Profit or Loss of that year. The exchange rates as at 31 December 2023 and 31 December 2022, for the key currencies used by the Company in transactions, are as follows:

	Average rate		Exchange rate as at	
	2023	2022	31 December 2023	31 December 2022
RON/EUR	4.9465	4.9315	4.9746	4.9474
RON/USD	4.5743	4.6885	4.4958	4.6346
RON/CAD	3.3897	3.6020	3.3913	3.4232
RON/GBP	5.6869	5.7867	5.7225	5.5878
RON/CHF	5.0917	4.9096	5.3666	5.0289

Non-monetary assets and liabilities expressed in a foreign currency, that are measured at fair value, are converted into the functional currency at the exchange rate valid on the fair value determination date. The non-monetary items measured at historical cost in a foreign currency are converted applying the exchange rate on the initial transaction date.

#### 3.2. Adjustment of hyperinflation's effects

In accordance with IAS 29, the financial statements of an entity the functional currency of which is the currency of a hyperinflationary economy must be presented in the current measurement unit on the end date of the reporting period (non-monetary items are restated applying a general price index on the date of the acquisition or contribution).

According to IAS 29, an economy is deemed to be hyperinflationary when, among other factors, the cumulative inflation rate over a 3-year period is higher than 100%. The continuous fall in the inflation rate and other factors related to the characteristics of the Romanian economic environment point out that the economy the functional currency of which was adopted by the Company has ceased to be hyperinflationary, with effects on the financial periods starting with 1 January 2004. Therefore, the provisions of IAS 29 were adopted in preparation of the financial statements before 31 December 2003.

#### 3.3. Tangible assets

##### (i) Recognition and measurement

Tangible assets recognized as assets are initially measured at their acquisition or construction cost (including costs incurred with major inspections and overhauls. The cost of an item of tangible assets is formed of the purchase price, including any non-recoverable charges, having first deducted any trade price discounts and other costs that can be directly charged to bringing that asset to site and conditions needed for its operation as envisaged by the management, such as: employee costs resulting directly from construction or acquisition of that asset, site arrangement costs, initial delivery and handling costs, installation and assembly costs, professional fees.

Tangible assets are classified by the Company in the following classes of assets, of the same nature and with similar uses:

- Lands;
- Buildings;
- Equipment, technical plant and machinery;
- Means of transport;
- Furniture and other tangible assets.

Tangible assets, except for land and buildings, are shown at cost, less the accumulated depreciation and write-down adjustment. Land and structures are valued separately at fair value. Thus:

- Land, special structures, administrative buildings and other buildings, including nuclear power plants, are shown at revalued amount. On the date of shifting to IFRS, these were measured using the deemed cost method. Thus, the revaluation surplus, booked by the Company according to the Order of the Minister of Public Finance no. 3055/2009 until 1 January 2012, was transferred to retained earnings, in a distinct analytical account. The revaluation reserves after the date of shifting to IFRS, further to remeasurements, are shown as such in the financial statements. The revaluation surplus, from before the shift to IFRS, and afterwards, is made as the tangible assets are depreciated or at disposal.
- Machinery, equipment and other assets (save for special structures, administrative buildings and other buildings, including nuclear power plants) are shown at historical cost, less any accumulated depreciation and any accumulated impairment losses.
- Non-current assets in progress are booked at historical acquisition or construction cost or at inflated cost (restated depending on the measurement unit existing on 31 December 2003 for the non-current assets purchased before 1 January 2004), less any accumulated impairment losses.

The structures and heavy water to be used in expansion of the production capacity are mainly included in the non-current assets in progress; since heavy water is not used and does not chemically depreciate, it is initially and subsequently measured at cost.

Units 1, 2, 3, 4 and 5 were considered one single project, and before 1990, the costs incurred were booked separately for each unit. In 1991, the Company operated a cost allocation for each Unit. This allocation is the cost base of the non-current assets included in tangible assets in progress.

Items, such as spare parts, spare equipment and maintenance equipment are recognized as tangible assets according to IAS 16, when they meet the definition of the tangible assets. All other spare parts are recognized as inventories.

The fair value was determined based on measurements made by independent external valuers, using the market value and net replacement cost methods, less the accumulated depreciation and the accumulated impairment losses, if any.

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading "Revaluation surplus"; however, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss; however, the decrease shall be debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of "Revaluation Surplus".

***(ii) Subsequent expenditure***

As a rule, subsequent expenditure expenses related to a tangible assets are expensed during the period in which these were incurred. Those subsequent expenditure or investments made on tangible assets to improve their initial technical parameters and leading to future economic benefits, additional above those initially estimated, are recognized and capitalized as an asset item. Benefits can be obtained either directly by increasing income, or indirectly by reducing the maintenance and operating expenditure.

In order to apply the provisions of the international accounting standard IAS 16 "Tangible Assets", the regular major inspections carried out at Cernavodă NPP are capitalized under tangible assets, and are subsequently straight-line depreciated over a period of 2 years. The regular major inspections concern mainly the same components of the Units, so the depreciation period

considered is the 2-year period between two regular general inspections conducted mainly on the same components, i.e. they substitute one another. The latest overhauls carried out were: for Unit 2 in 2023, and for Unit 1 in 2022.

**(iii) Repairs and maintenance expenditure**

Repairs and current maintenance costs are classified as expenses of the respective financial period as they occur.

**(iv) Depreciation of tangible assets**

Depreciation of tangible assets is calculated based on a depreciation plan, since their commissioning date and until full recovery of their input value, according to the useful lifetimes and their usage conditions.

The Company's management estimate that the lifetimes of the plant, property and equipment covered by the Government Decision no. 2139/2004 approving the Catalogue for classification and normal operation periods of plant, property and equipment match the useful operation periods and conditions of use applicable to the tangible assets owned by the Company.

Depreciation of buildings takes place on the basis of equal annual rates in order to depreciate their revalued amount over their remaining lifetime. Depreciation of other tangible assets is booked based on the straight-line method, over their estimated useful life, as follows:

<b>Asset</b>	<b>Number of years</b>
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

Land is not subject to depreciation because is considered to have an undefined lifetime.

Tangible assets in progress are not depreciated before they are put into use.

The estimated lifetimes of Units 1 and 2, i.e. 30 years, take into account a number of projected operation hours per Unit of 210,000 hours, equivalent to a capacity factor of 80% over a period of 30 years. Before 31 December 2023, the cumulative capacity factor attained since commissioning of Unit 1 is 90.6%, and 93.73% for Unit 2, which is higher than the designed capacity factor of 80%. Using these capacity factors extrapolated to the same value for the remaining lifetime, it would follow that the estimated effective lifetime of the units will be 26.4 years for Unit 1 and 25.4 years for Unit 2; however, this is a simplistic straight-line extrapolation, as it is expected that the average capacity factor achieved so far for both units gradually decreases until the end of the initial lifetime due to the fuel canal creeping, hence to the inherent wear of the units.

The operating experience of other CANDU-type nuclear power plants that have reached the number of designed operating hours indicates shows that it is possible to extend the number of initial operating hours beyond the number of designed hours of 210,000 hours. The Company contracted specialty technical assistance services in order to determine the possibility of extending the number of designed hours of operation for Unit 1. The survey carried out concluded with a work plan listing the analyses and assessment due to be performed to prove the functionality of Unit 1 of Cernavodă NPP up to 245,000 effective hours of operation. These analyses and assessment will substantiate the renewal of the operation permit for Unit 1.

The Company's management are confident that they can successfully extend the number of operation hours for Unit 1 above the designed 210,000 hours of operation, which could ensure operation of Unit 1 until 2026 and therefore maintain the remaining estimated lifetime span, given the estimated lifetime of the first operation cycle of 30 years.

By extrapolating this reasoning and taking into account the remaining lifetime of Unit 2, added to the capacity factor of Unit 2 in the upcoming period, related also to the lifecycle of Unit 2, the estimated life is maintained for Unit 2, too. The estimated residual values, for both units, are zero, considering the challenges attached to the refurbishment of the units after their initial lifetime, which allow extending it by another 25 years after refurbishment.

Depending on the actual results concerning the extension of the initial lifetime of Unit 1 beyond the number of design operation hours, the lifetime estimates for both units could be revised in the following financial years.

Buildings and other plants, machinery and equipment are presented in Note 5 under the heading "Machinery, Equipment and Other Assets". The general inspections and overhauls, capitalized in accordance with IAS 16, are presented in Note 5 and are reflected in the carrying amount of "Nuclear Power Plants". Heavy water (loading for Units 1 and 2) was reclassified starting with the financial year ended 31 December 2019 under the item "Nuclear Power Plants".

When the items of a tangible assets have different lifetimes, they are booked as stand-alone items (major components) of an asset. The asset depreciation methods, useful lifetimes and residual value are revised and adjusted, as necessary, at each reporting date.

The carrying amount of the asset is adjusted to the recoverable amount when the carrying amount is higher than the estimated recoverable amount.

The profit and loss from sales are determined by the difference between the income obtained from the sale of the asset and its carrying amount, and are recognized as operating income or operating expenditure through profit and loss.

The cost of loans contracted specifically for the construction of a tangible asset is capitalized under that asset's cost until the date when the activities needed for preparation of the asset for its envisaged use or for sale are carried out.

**(v) Sale/retirement of tangible assets**

The items of tangible assets that are retired or sold are removed from the statement of the financial position, together with their respective accumulated depreciation. Any profit or loss resulting from such an operation is included in the current profit or loss.

**(vi) Impairment of tangible and intangible assets**

In accordance with IAS 36, both intangible assets and tangible assets are reviewed at the reporting date for indications of impairment. If there is any indication, or when an annual impairment test is required for an asset, the Company estimates the recoverable amount of the asset to be the higher of fair value less costs of sale and value in use.

If the net book value of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised to reduce the value of the asset to its recoverable amount. Impairment losses are recognised as income in the Individual Statement of Profit or Loss. If the reasons for the impairment are no longer applicable in a subsequent period, a reversal of impairment is recognised as an expense in the Individual Statement of Profit or Loss. The book value increased by the reversal of an impairment adjustment must not exceed the book value (net of depreciation) that would have been determined if no impairment adjustment had been recognised in prior years.

**3.4. Non-current assets held for sale**

Non-current assets are classified as held for sale when their carrying amounts are to be recovered primarily through a sale transaction rather than through continued use. Thus, an asset can be classified as held for sale according to IFRS 5 only if the following criteria are met:

- The asset is readily available for sale in its current condition,
- The sale of this asset is very likely.

All criteria listed below must be met for the sale to be highly likely:

- A sale plan was assumed at the appropriate management level,
- An active programme was initiated to find a buyer and realize the plan,
- The asset is actively marketed at a reasonable price given its current fair value,
- No material changes or withdrawal of the plan are likely,
- It is expected that the sale will meet the derecognition criteria in order to be qualified as sale during one year.

**(i) Measurement before classification as held for sale**

As a first step, immediately prior to initial classification of an asset as held for sale, the carrying amount of that asset is measured according to the applicable IFRS standards (e.g. property, production units and equipment are measured according to IAS 16), including any cumulative impairment and any write-down in the balance-sheet, if any. This first step applies to a newly-acquired asset, as well as an existing asset that will be reclassified as held for sale under this policy.

**(ii) Measurement at initial classification as held for sale**

At initial classification as held for sale, the individual asset identified as held for sale is measured at the lower of:

- its carrying amount, and
- its fair value, less the costs to sell.

When the fair value less the costs to sell is higher than the asset's carrying amount, no adjustment is necessary. Otherwise, an impairment loss resulting from this initial measurement is booked directly in the Individual Statement of Profit or Loss, and value of the non-current asset is adjusted accordingly.

**(iii) Subsequent measurement**

At subsequent measurement, the non-current asset held for sale is measured at the lower of the value carried forward and the fair value less the costs to sell.

Non-current assets held for sale are not depreciated.

**(iv) Recognition of impairment losses and reversals**

Any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell is recognized as impairment loss.

The subsequent increase in fair value less costs to sell of an asset is recognized as gain, but not in excess of the cumulative impairment loss that has been recognized either in accordance with IFRS 5 or previously in accordance with IAS 36 "Impairment of Assets".

**(v) Derecognition**

If the classification criteria for an asset or disposal group held for sale are no longer met, that asset or disposal group will no longer be classified as held for sale.

A non-current asset which is no longer classified as held for sale is measured at the lower of:

- the amount carried forward before classification as held for sale, as adjusted for any impairment, depreciation/amortization or remeasurement needed if the asset or group intended for disposal would not have been classified as held for sale; and
- the recoverable amount on the date of the decision not to sell.

**3.5. Leasing**

**(i) Recognition**

As of 1 January 2019, under IFRS 16 "Leases", a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee under the lease agreement for the space used as headquarters, the Company recognized an asset related to the right of use the underlying asset and a lease liability arises under the same agreement.

As lessor, the financial statements are not unaffected by introduction of the new standard.

Exclusions from application of IFRS 16:

- leases with a lease period of 12 months or less, which do not provide for any purchase options, and
- leases, where the underlying asset is of a lower amount.

The Company found that the exclusion criteria were not met and, consequently, restated the leases as a lessee, according to IFRS 16. The Company concluded lease agreements for assets and liabilities and concession contracts for lands, for which it was estimated the initial value of the asset related to the right to use at a value equal to the debt discounted upon transaction, arising from such agreements.

**(ii) Measurement**

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The Company, as lessee, initially measures the ROU assets at cost. The cost of the ROU asset consists of the value of the amount of the initial measurement of the liability arising from the lease, the lease payments made from 1 January 2019 (the effective date of IFRS 16), or at the start date or before this date, the initial direct costs borne by the lessee, an estimate of the costs to be borne by the lessee, minus any lease incentives received.

The Company, as lessee, values also the liability arising from the lease at the present value of the lease payments that are not paid to that date. The discounting is done using the default interest under the lease agreement, provided that this rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used.

The carrying amount of the asset measured on the cost-based model represents the cost of the initial measurement, less any accumulated depreciation and any accumulated impairment losses, and adjusted for to any remeasurements of the liability arising from the leasing agreement.

**(iii) Depreciation**

The underlying asset is depreciated using the straight-line method. Where ownership is not transferred or there is no purchase option on the underlying asset until the end of its term, the asset is depreciated starting with the effective date of the lease, and until the first of the end of the useful life and the end of the term of the lease that also provides for renewal or termination options.

**(iv) Lease liability**

At initial recognition of the lease liability, the present value of the lease payments includes fixed payments less any lease incentives receivable, as well as variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. consumer price index).

The present value of the lease payments that are not paid on the recognition date is determined for the entire term of a leasing agreement, taking into account the periods covered by the agreement renewal options, if the Company has reasonable certainty that it will exercise that option, and the periods covered by agreement termination options, if the Company has reasonable certainty that it will not exercise that option.

The cost of utilities does not pose a liability component arising by the lease, and is recognized in profit or loss as invoices are issued.

The liability arising from the lease is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modification (such as, in the term of the contract, the lease payments, the asset purchase options, the interest rate, or the contract termination terms).

**(v) Derecognition**

The Right of Use (ROU) asset use is derecognized at expiry or termination of the contract and is reflected by reducing the carrying amount of the ROU asset and recognizing the gains/losses from lease modification in profit or loss.

### **3.6. Intangible assets**

Intangible assets are mainly represented by software and licenses. These are shown at historical cost less accumulated amortization and write-down adjustment.

**(i) Research and development**

The cost of research conducted to gain new scientific or technical knowledge or interpretations is recognized in profit or loss as it is incurred.

Development activities involve a plan or project aimed at new or substantially improved products or processes. Development costs are capitalized only if they can be reliably measures, the product or process is technically and commercially feasible, the future economic benefits are likely, and the Company intends, and has sufficient resources, to complete the development and use or sell the asset. Capitalized expenses include the cost of materials, direct payroll costs and administrative costs that are

directly attributable the preparation of the asset for its intended use, and the capitalized borrowing costs. Other development costs are recognized in profit or loss as they are incurred.

Development costs are capitalized if they meet the recognition criteria in accordance with IAS 38 and are measured at cost less the accumulated depreciation and accumulated impairment losses.

**(ii) Subsequent expenditure**

Subsequent expenditure with intangible assets is capitalized only when they increase the future economic benefits of the asset they refer to. All other costs are recognized in the Individual Statement of Profit or Loss as they are incurred.

**(iii) Depreciation**

Depreciation is entered in the Individual Statement of Profit or Loss based on the straight-line method, over their estimated useful life of the intangible assets. Intangible assets are amortized as of the date when the asset is ready for use, its useful life being then determined depending on the period during which the asset can be used.

The Company holds intangible assets from acquisitions, and not generated internally. The useful lives are determined according to the period during which the asset can be used, for a defined time between 2 and 8 years. Windows licenses, MS Office and software programs have a useful life set between 2 and 3 years, and computer programs specific to operation of the nuclear power plant have a useful life between 5 and 8 years. The Company does not hold any intangible assets purchased from governmental subsidies.

### **3.7. Financial assets and liabilities**

**(i) Classification**

The Company classifies the financial assets and liabilities in accordance with IFRS 9 “Financial Instruments” setting forth the classification and measurement of financial assets that reflects the business model under which assets are managed and the characteristics of the cash-flow. Thus, three main classification categories for financial assets are included: measured at amortized costs, measured at fair value through other comprehensive income, and measured at fair value through profit or loss. The Company classifies the financial instruments held in the following categories:

- ***Financial assets measured at amortized cost***

A financial asset shall be measured at amortized cost if it means both of the following conditions and is not designated at measured at fair value through profit or loss:

- is held within a business model whose objective is maintain assets for collection of contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The standard takes over the provisions of IAS 39 about recognition and derecognition of financial instruments.

As at 31 December 2023, respectively 31 December 2022, the Company holds financial assets measured at amortized cost.

- ***Financial assets at fair value through other comprehensive income***

A financial asset shall be measured at fair value through other comprehensive income only if both of the following conditions are met and is not designated at fair value through profit or loss:

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- is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Moreover, at initial recognition of an investment in equity instruments that is not held for trading, the Company can make an irrevocable election to present in other comprehensive income changes in the fair value. These options apply to each instrument, as the case may be.

As at 31 December 2023, respectively 2022, the Company does not hold any financial assets at fair value through other comprehensive income.

- ***Financial assets at fair value through profit or loss***

All financial assets which are not qualified as measured at amortized costs or at fair value by other comprehensive income will be measured at fair value through profit or loss. Moreover, at initial recognition, the Company may irrevocably designate a financial asset, which otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, to be measured at fair value through profit or loss, when this removes or significantly reduces an accounting inconsistency that would appear in any other approach.

As at 31 December 2023, respectively 31 December 2022, the Company does not hold any financial assets at fair value through profit or loss.

***(ii) Recognition***

Financial assets and financial liabilities are recognized on the date when the Company becomes a contractual party to the terms of that instrument. Financial assets and liabilities are measured when they are initially recognized at fair value.

***(iii) Offsets***

Financial assets and liabilities are offset, and the net result is presented in the statement of the financial position only when there is a legal right to offset and if there is an intention to settle them on a net basis or if the intention is to realize the asset and pay off the debt at the same time.

Income and expenditure are presented net only when this is permitted under the accounting standards, or for the profit and loss resulting from a group of similar transactions, such as those from the Company's trading activity.

***(iv) Measurement***

- ***Measurement at amortized cost***

The amortized cost of a financial asset or liability represents the measured amount of that financial asset or liability after initial recognition, less the principal payments, plus or minus the accumulated amortization up to that time, using the effective interest method, less any reductions related to impairment losses.

- ***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the main market participants at the measurement date, or in absence of such a main market, on the more advantageous market the Company has then access to.

The Company measures the fair value of a financial instrument using quoted prices on an active market for that instrument. A financial instrument has an active market if quoted prices are readily and regularly available for that instrument. The market price used to determine the fair value is the closing market price of the last trading day before the measurement date.

In the absence of a price quotation on an active market, the Company applies valuation techniques based on the discounted cash flow analysis and other valuation methods commonly used by market participants, making maximum use of the market information, and relying as little as possible on the company-specific information. The Company uses valuation techniques that maximize the use of observable data and minimize the use of unobservable data.

**(v) Identification and measurement of write-downs for financial assets**

*Financial assets measured at amortized cost*

The expected credit loss represents the difference between all the contractual cash flows that are owed to the Company and all the cash flows that the Company expects to receive, discounted at the initial effective interest rate.

A financial asset or a group of financial assets is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company assesses whether the credit risk for a financial asset has increased significantly since initial recognition based on the information available, without undue costs or efforts, which is an indicator of significant increases in credit risk since initial recognition.

The Company recognizes in profit or loss the amount of the changes in expected credit losses over the entire lifetime of the financial assets, as a gain or loss from impairment.

The gain or loss from impairment is determined as the difference between the carrying amount of the financial asset and the discounted amount of the future cash flows, using the effective interest rate of the financial asset at the initial time.

The Company recognizes the favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

**(vi) Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, or when the Company has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction where it transferred substantially all the risks and benefits of ownership.

The Company derecognizes a financial liability when the contractual obligations came to an end, or there are annulled or expired.

**(vii) Gains and losses from disposal**

The gain and loss from disposal of a financial asset or a financial liability measured at fair value through profit or loss is recognized in the current profit or loss.

When derecognizing the equity instruments designated in the category of financial assets measured at fair value through other comprehensive income, the gains or losses representing favourable or unfavourable measurement differences, as highlighted in the revaluation reserves, are recognized in other comprehensive income (retained earnings representing realized surplus - IFRS 9).

When financial assets are derecognized, the retained earnings from of the date of shifting to IFRS 9 is transferred into retain earnings representing the realized surplus.

The gain and loss from disposal of a financial asset that is measured at amortized cost is recognized in the current profit or loss when the asset is derecognized.

**3.8. Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortized cost using the effective interest method, minus any impairment losses.

### **3.9. Investments in subsidiaries**

Subsidiaries are entities under the control of the Company. Control exists when the Company has the power to direct, either directly or indirectly, the financial and operational policies of an entity in order to obtain benefits from its business. When assessing the control, consideration is given also to the potential or convertible voting rights that are then exercisable.

The Company measures its investments in subsidiaries at cost in accordance with the provisions of IAS 27 "Separate Financial Statements".

The subsidiaries controlled by the Company as owned 100% are presented in Note 9.

### **3.10. Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets, is revised at each reporting date for impairment indications. Where there are such indications, the recoverable amount of those assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash independently of other assets and groups of assets. Impairment losses are recognized in the Individual Statement of Profit or Loss.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value, less the costs of sale of that asset or unit. To determine the value in use, the future cash flows are discounted applying a discounting rate before taxes that reflects the current market conditions and the asset-specific risks.

Impairment losses recognized in previous periods are measured at each reporting date to determine whether they have decreased or no longer exist. The impairment loss is restated if there has been a change in the estimates used to determine the recovery value. The impairment loss is restated only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of amortization and impairment, had the impairment loss not been recognized.

### **3.11. Inventories**

Inventories consist of consumables, spare parts that do not meet the criteria to be recognized as tangible assets, safety inventories, uranium and other stock needed for the Company's activity. They are booked as inventories at the time of purchase and are expensed as they are used.

Inventories are measured at the lowest of cost and net realizable amount. The net realizable value is the sale price estimated to be obtained during the normal pursuit of business, less the costs estimated for completion and the costs required for sale.

The inventories booked by the Company include:

- nuclear fuel raw material, regardless of the form in which they are found in the production cycle of nuclear fuel bundles;
- other raw materials and materials.

The cost of raw materials for nuclear fuel and production in progress includes direct costs, such as raw materials, directly attributable salary costs and various production-specific services. The discharge of management for nuclear fuel takes place depending on the component that make up this stock item (uranium, zircaloy, production costs) as the nuclear fuel bundles are loaded into the reactor. The discharge of management is done at weighted average cost (WAC).

Under IAS 2 "Inventories", the cost of inventory outflows must be determined using the first-in, first-out (FIFO) method or the weighted average cost (WAC) method. Before and on 31 December 2015, the Company used to apply the FIFO method.

The Company management review on inventories found that application of the WAC method would produce more reliable results for the users of the annual accounts. In this context, effective 1 January 2016, the accounting policy applied to determine the cost for inventory outflows was changed from FIFO into WAC.

In accordance with the requirements for amendment of accounting policies under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company's management considers that the WAC method leads to financial statements that are more relevant and reliable for the business decision-making needs of their users, as it can be seen from the review of the two methods below:

- The FIFO method assumes that the outflows are measured at the acquisition or production cost of the first entry. For older inventories and when prices rise, this method does not produce the most reliable picture of the comprehensive income.
- The WAC method requires calculation of each item based on the weighted average of the costs of similar inventory items at the beginning of the period and of those purchased during the period.

The Company is unable to retroactively apply the amendment to this accounting policy, in accordance with the requirements of IAS 8, because the effects of such retroactive application cannot be determined as the cumulative impact on all previous periods cannot be calculated. Therefore, the Company prospectively applies the new policy effective 1 January 2016.

### **3.12. Trade receivables**

Trade receivables are initially book at their invoiced value and are later measured using the effective interest method, minus the amount of the impairment losses. An adjustment for impairment is operated when there is clear evidence that the Company will not be able to collect the receivables on the set due date. The debtor's significant financial difficulties, the likelihood that they enter bankruptcy or financial reorganization, the payment delays (by more than 360 days) are considered indications that these receivables might require value adjustments.

An impairment loss related to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the expected future cash flows, as discounted using the asset's initial effective interest rate. The carrying amount is reduced by using a depreciation adjustment account, and the loss is booked in the Individual Statement of Profit or Loss under "Other operating expenditure".

### **3.13. Cash and cash equivalents**

#### *(i) Determination of cash and cash equivalents*

- The heading "Cash and Cash Equivalents" includes cash at hand, current accounts and bank deposits without commitments, which are subject to an insignificant risk of changes in fair value. Bank deposits without commitments are understood by the Company as usual bank deposits, the Company has access to at any time, regardless of their initial maturity and whose liquidation before maturity, in case of occurrence making this necessary, does not cause losses.
- The heading "Bank Deposits" in the statement of financial position refers to those bank deposits that have an initial maturity between 3 and 12 months, but that have an attached commitment, i.e. they represent collateral deposits related to letters of bank guarantee issued by banks on behalf of the Company, in favour of customers.
- The heading "Financial Assets Measured at Amortized Cost" from the statement of financial position also includes collateral deposits related to the aforementioned letters of guarantee, but with a maturity greater than 12 months.

#### *(ii) Restricted cash*

According to IAS 1 par. 66 (d) an entity should classify an asset as current asset when the respective asset represents cash or cash equivalents (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least

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twelve months after the reporting period. Restricted cash thus refers to cash that is held for a specific purpose and is therefore not available for use by the company within the next twelve months.

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.

### **3.14. Cash flows**

The cash flow statement presents, in accordance with IAS 7, cash inflows and outflows from operating activities, investing activities and financing activities. Cash flow values are derived indirectly from gross profit.

Cash flows from operating activities are adjusted for non-monetary income and expenses (mainly depreciation and impairment of fixed assets) and take into account changes in working capital as well as actual financial expenses, financial income and taxes.

Investing activities mainly comprise acquisitions of fixed assets, including leased assets, acquisition/disposal of subsidiaries/related entities and changes in term deposits with a maturity of more than one year.

Financing activities comprise cash inflows and outflows from borrowings and repayment of financial debts, from repayment of lease liabilities and from dividends.

### **3.15. Share capital**

The share capital represents all the shares subscribed and paid by the shareholders of the Company. Share capital is entered distinctly in accounts, based on the incorporation documents and supporting documents concerning capital payments.

The capital increase is carried out by subscription and issue of new shares, incorporation of reserves and other operations, according to the law. The capital decrease is mainly operated by reducing the number of shares or decreasing their nominal value due to withdrawal of shareholders, the coverage of accounting losses from previous years or other operations, according to the law.

Writing off an asset that had been brought up as contribution to the share capital does not change the share capital. In all cases of share capital modification, this is done under a decision of the General Meeting of Shareholders. Gains or losses related to issue or cancellation of shares are not recognized in the Individual Statement of Profit or Loss. The consideration received or paid in such transactions is recognized directly in equity.

### **3.16. Legal reserve**

Legal reserves account for 5% of the gross profit at the end of the year, until the legal reserves reach 20% of the nominal share capital subscribed and paid-up, in accordance with the legal provisions. These reserves are deductible in calculation of the corporate tax in the amount provided by the Tax Code and are only distributable at the Company's liquidation. The legal reserve is distributed on the balance-sheet date. The legal reserve can be found under the heading "Retained Earnings".

### **3.17. Reserve paid in advance**

The reserve paid in advance represents the contributions brought up in cash by the Company's shareholders for a future issue of shares by the Company. The contributed amounts are entered in the credit of the reserve paid in advance, when there is no possibility that such advance payments are returned, and the Company's obligation is only to issue a fixed number of shares.

### **3.18. Loans**

Loans are initially recognised at fair value, net of transaction costs recorded. Subsequently, loans are carried at amortised cost; any difference between the amounts received (net of transaction costs) and the redemption value is recognised in profit or loss over the life of the loans using the effective interest method.

### **3.19. Government grants**

The Company recognizes the governmental subsidies in accordance with the provisions of IAS 20 - Accounting for government grants and disclosure of government assistance.

Government grants are "assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Subsidies exclude those forms of government

assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal business transactions of the entity”.

IAS 20 distinguishes between two types of grants/subsidies: those concerning assets, called investment subsidies, and those concerning income.

Grants related to assets are “government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held”.

### **3.20. The income subsidies are “governmental subsidies different from those related to assets”.**

Accounting of governmental subsidies can be done according to one of the following two approaches: the capital-based approach, where a subsidy is recognized outside profit or loss, and the income-based approach, where the subsidy is entered in the Individual Statement of Profit or Loss during one or more years.

### **3.21. Employee benefits**

#### **(i) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The Company's net liabilities under the defined benefit plans are calculated separately for each plan, estimating the amount of the future benefits that employees have obtained in exchange for the services rendered in the current and periods; these benefits are discounted to present value. Both any unrecognized costs of past service and the fair value of the benefit plan's assets are deducted.

This calculation is done annually by a qualified actuary, using the projected unit credit method. When the calculation returns a benefit for the Company, the recognized asset is limited to the total of the unrecognized costs of previous services and the present value of the economic benefits available in the form of future reimbursements under the plan or reductions in future contributions. To calculate the present value of the economic benefits, all the minimum funding requirements applicable to any plan within the Company are taken into account. An economic benefit is available to the Company when this is realizable during the lifetime of the plan or at the settlement of the plan's liabilities.

When the benefits of a plan are supplemented, the share of the additional benefit related to the services previously provided by the employees is recognized in the profit or loss statement using the straight-line method, over the average period of time until the benefits take effect. When benefits take effect immediately, the expenditure is recognized immediately in the Individual Statement of Profit or Loss.

The Company immediately recognizes all actuarial gains and losses from defined benefit plans as other comprehensive income and all expenditure related to the defined benefit plans in profit or loss.

The Company recognizes the gains or losses related to reduction or settlement of a defined benefit plan when the reduction or settlement concerned actually takes place.

The gains or losses arising from a reduction or settlement must include any resulting change in the present value of the defined benefit liability, any resulting change in the fair value of the plan's assets, any related actuarial gains or losses, and any related cost of past service that had not been previously recognized.

#### **(ii) Other long-term employee benefits**

The Company's net liability as to the long-term benefits granted to employees is the amount of the future benefits that the employees have earned in exchange for the services rendered in the current and previous periods. This benefit is discounted to determine its fair value, and the fair value of any related asset is deducted. These benefits are estimated using the projected unit credit method. Any actuarial gains or losses are recognized in the profit or loss during the period when they occur.

#### **(iii) Short-term employee benefits**

The liabilities for short-term benefits are measured without being discounted and are expensed as the services are rendered. A provision is recognized at the amount estimated to be paid for short-term benefits in the form of bonuses or employee profit sharing, only when the Company has a present, legal or implicit obligation to pay this amount for past services rendered by employees, and this can be reliably estimated.

### **3.22. Provisions for risks and charges**

Provisions are recognized only when, further to a past event, the Company has a current legal or implicit liability that can be reliably estimated, and an outflow of benefits is likely to be needed in order to pay off that liability. Provisions are determined by updating the projected future cash flows using a discounting rate before taxes, that would reflect the current market measurements of the value in time of money and the asset-specific risks. The discounting amortization is as financial cost.

The provision for intermediate storage of the used nuclear fuel is determined as the present value of the future cost of its storage. The provision for the management of low- and medium-level radioactive waste and the provision for the management of non-radioactive waste are determined as the present value of their future management cost. The management of the low- and medium-level radioactive waste and non-radioactive waste takes place in a period after that when it is generated by the operating activity.

### **3.23. Contingent liabilities and assets**

A contingent liability is:

- (a) a possible obligation, arising as a result of certain past events, and the existence of which shall be confirmed only due to the occurrence or reoccurrence of one or several future uncertain events, which cannot be entirely under the Company's control; or
- (b) a current obligation arising as a result of certain past events, however, which is not recognized as: i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or ii. the amount of the debt cannot be sufficiently reliable measured.

Contingent debts are not recognized in the financial statements. These are shown in notes, save for when the possibility of an outflow of economic benefits is reduced.

A contingent asset is a potential asset arising as a result of certain past events, and the existence of which shall be confirmed only due to the occurrence or reoccurrence of one or several future uncertain events, which cannot be entirely under the Company's control.

Contingent assets are not recognized in the financial statements, but are shown when an inflow of benefits is likely.

### **3.24. Income and expenditure recognition**

Income are recognized to the extent that the economic benefits are likely, and these benefits can be reliably measured. The following criteria must also be met in order to recognize income:

#### *(i) Income from the sale of electricity*

In order to recognize the income from the sale of electricity, the Company applies the provisions of IFRS 15 "Income from Contracts with Customers".

IFRS 15 clarifies how to identify the duty to perform under a contract, how to determine whether an entity acts in their own name or as an intermediary, and whether the income obtained must be recognized at a given time or over time.

IFRS 15 sets out a five-stage model that applies to income under a contract with a customer (except for contracts that are subject to other standards, such as IFRS 16, IFRS 9, IFRS 4, etc.), regardless of the transaction time or the industry. Also, the requirements of the standard will apply to recognition and measurement of gains and losses from the sale of certain non-financial assets, which are not the result of the Company's regular business (e.g.: sale of tangible and intangible assets). The Company assessed the impact of these changes on its financial position and performance, but did not identify any material element before the reporting date, 31 December 2022.

The Company looked into the main income streams, which are represented by the sales of electricity and heat and other income, by applying the "five steps" model set out under IFRS 15. Based on the results of the analysis of the contractual terms for the main types of contracts related to each significant income stream, the Company concluded that IFRS 15 does not have a material impact on the financial statements, compared to the income recognition according to IAS 18 and IAS 11.

The Company delivers goods (electricity and heat) for which it considers that income recognition should take place at a given time, when the control over the asset is transferred to the customer, i.e. at delivery of the goods.

#### *(ii) Financial income and expenditure*

Financial income mainly include income from interest on banking deposits and cash, income from dividends, and income from exchange rate differences. Financial income is recognized in the Individual Statement of Profit or Loss based on accrual accounting, using the effective interest method. The effective interest rate is the rate that accurately discounts the expected future cash payments and receipts over the expected lifetime of that financial asset or liability (or, where appropriate, over a shorter period) to the carrying amount of that financial asset or liability.

The amount of the interest on the liabilities arising from the leasing agreement contract is determined using a discount rate that can be the interest rate under the contract or the marginal lending rate of the lessee, and is recognized in profit or loss.

Income from dividends is recognized in profit or loss on the date when the right to receive this income is determined. The Company obtains income from dividends from its subsidiary Energonuclear S.A.

Financial costs include mainly the cost of loan interest and exchange rate losses. All borrowing costs that are not directly attributable to the purchase, construction or production of an asset are recognized in the Individual Statement of Profit or Loss using the effective interest method.

### **3.25. Expenditure recognition**

Expenses are decreases in economic benefits recorded during the financial year in the form of outflows or decreases in the value of assets or increases in liabilities, which result in reductions in equity, other than those resulting from their distribution to shareholders.

They are recognised in the Individual Statement of Profit or Loss when a decrease in the future economic benefits associated with a decrease in the value of an asset or an increase in the value of a liability can be measured reliably. Expense recognition occurs simultaneously with the recognition of an increase in the value of liabilities or a reduction in the value of assets.

### **3.26. Taxes - other than corporate tax**

IFRIC 21 "Levies" clarifies how levy costs should be recognized in accounts. For an entity, the event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is gradually recognized if the generating event takes place over a period of time.

The Company has implemented the provisions of IFRIC 21 Levies by amending its accounting policies starting with the 2014 annual financial statements. In scope, the Company identified the tax on special constructions and local taxes and duties. The Company recognized the liability for these taxes and duties when the activity giving rise to payment occurred, as this is defined under the relevant legislation. A liability for taxes and duties is gradually estimated only when the activity that gives rise to payment occurs during a period.

IFRIC 21 applies retroactively to all taxes introduced by the governmental authorities according to legislation, other than cash outflows subject to other standards (e.g.: IAS 12 "Income Taxes"), fines and other penalties for infringements of the legislation.

IFRIC 21 points out that this interpretation does not address the method of booking the counterpart of this liability (i.e. asset or cost), but explains that an asset is recognized when a liability has been paid in advance and there is no current payment liability.

The Company considered that liability recognition time is determined by its existence in the assets forming the taxable basis and consequently, the liability for the tax on special structures and the local taxes and duties was recognized in full on 1 January, at the same time with the related cost.

The Company reconsidered the date when the generating event occurs for the taxes and duties that fall under the scope of IFRIC 21 and concluded that this date is 31 December of each year.

### **3.27. Operating segments**

An operating segment is identified by IFRS 8 "Operating Segments" as a component of an entity:

- That engages in business activities from which it may earn income and incur expenses, including income and expenses relating to transactions with other components of the same entity;
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

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- For which discrete financial information is available.

The Company's management consider its operations as a whole as "one single segment".

Identification of a single reportable segment relies on the following elements:

- The Company generates and delivers only electricity and heat. The share of income delivery of heat is down at only 0.08%.
- The generation activity takes place only in the territory of Romania.
- The two functional nuclear units and the nuclear fuel plant are located in the territory of Romania.
- The electricity delivery is mainly done in the territory of Romania and to legal entities.

The regulatory framework is consistent for the entire Company. The Company applies accounting regulations compliant with the International Financial Reporting Standards ("IFRS") as approved under OMFP no. 2.844/2016, and Romanian energy sector is regulated by the Romanian Energy Regulatory Authority ("ANRE").

In order to meet the financial statements presentation requirements, we point out the following:

- IFRS 8.32. - Information about products and services. As stated in Note 1 Reporting Entity, the core business of the Company in the electricity and heat generation by means of nuclear methods.
- IFRS 8.33. - Information about geographic segmentation:
  - a) Amount of income obtained from sale of electricity in the territory of Romania and abroad.* 100% of the income from the sale of electricity were made to customers established in Romania.
  - b) Amount of non-current assets located in Romania and abroad.* All non-current assets of the Company are located in the territory of Romania.
- IFRS 8.34. - Information about main customers. The transactions with main customers are presented in both Note 12 Trade receivables and Note 30 Management of significant risks. Credit risk, where the Company's exposure to the concentrated credit risk was tackled.

### **3.28. Net corporate income tax expenses**

The net corporate tax expenses of the year includes the current tax and the deferred tax.

The corporate tax is recognized in profit or loss and in other comprehensive income where the tax relates to capital items.

- The current tax** is the tax payable related to the profit made in the current period, as determined based on the percentages applied at the date of the statement of the financial position and all adjustments related to previous periods. For the period ended 31 December 2023 and 31 December 2022, the corporate tax rate was 16%.
- Deferred tax** is determined for those temporary differences that occur between the taxable amount for assets and liabilities and their carrying amount used for reporting in the financial statements. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities from transactions that are not business combinations and that do not affect either the accounting or the tax profit and differences from investments in subsidiaries, provided that these are not restated in the near future. Deferred tax is calculated based on the tax rates that are expected to be applicable to temporary differences at their restatement, based on the legislation in force on the reporting date or issued on the reporting date and that come into force at a later date.  
Deferred tax assets and liabilities are only offset when there is a legal right to offset current tax assets and liabilities and these relate to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but they want to settle the current tax assets and liabilities using a net basis or the related assets and liabilities will be realized simultaneously.  
The deferred tax asset is recognized only to the extent that it is likely that future profits are made that can be used to cover for the loss for tax purposes. The asset is reviewed at the end of each financial year and is reduced to the extent that the related tax benefit is unlikely to be realized.

### **3.29. Dividends to be distributed**

Dividends are recognized as liabilities and treated as a profit distribution during the period when these were declared and approved by the General Meeting of Shareholders. Dividends are recognized as liability in the period during which their distribution is approved.

### **3.30. Earnings per share**

Earnings per share are calculated by dividing profit or loss attributable to the Company's ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. The objective of diluted earnings per share is consistent with that of basic earnings per share, i.e. to provide a measure of the interest of each ordinary share in the performance of an entity.

### **3.31. Subsequent events**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Subsequent events providing additional information on the Company's position at the end of the reporting period (events requiring adjustments) are reflected in the financial statements.

Events after the reporting period that do not require adjustments are highlighted in the notes, when they are considered material.

### **3.32. Related parties**

Parties are deemed to be related if one party has the ability to control the other party, to exercise significant influence over the other party in making financial or operating decisions, is under common control with another party, has a joint venture in which the entity is a partner or is a member of management as described in IAS 24 'Related Party Disclosures'. In assessing each possible relationship with related parties, the focus is on the substance of the relationship and not necessarily its legal form. Related parties may enter into transactions that unrelated parties may not enter into and the same terms, conditions and values will not apply to transactions between related parties as to unrelated parties. The related party transactions are a transfer of resources or obligations between related parties, regardless of whether a price is involved.

Considering the status of a company with majority State capital, the Company is subject to specific regulations, and has obligations to report on its transactions with related parties. The Company discloses its transactions with related parties in the financial statements in accordance with IAS 24 "Related Party Disclosures" (see Note 29).

### **3.33. Implications of the new International Financial Reporting Standards (IFRS)**

During the year, the Company considered all the new standards and amendments to the International Financial Reporting Standards (IFRS), which are relevant for its operations and are in force for the accounting periods starting on 1 January 2023, as approved by the European Union.

*(i) New standards and amendments to the existing standards in force for the current reporting period*

*The following standards and amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in effect for the current reporting period:*

- IFRS 17 "Insurance contracts" issued by the IASB on 18 May 2017. The new standard stipulates that insurance obligations must be valued at a current realizable value and provides a more uniform valuation and presentation approach for

all insurance contracts. These requirements are intended to achieve consistent, principles-based accounting of insurance contracts. IFRS 17 prevails over IFRS 4 "Insurance contracts" and related interpretations when applied. The amendments to IFRS 17 Insurance Contracts issued by the IASB on 25 June 2020 postpone the date of initial application of IFRS 17 by two years for annual periods beginning on or after 1 January 2023. In addition, the amendments issued on 25 June 2020 introduce simplifications and clarifications to certain requirements in the standard and provide additional facilities to the initial application of IFRS 17.

- Amendments to IFRS 17 "Insurance contracts" - Initial application of IFRS 17 and IFRS 9 - Comparative information issued by the IASB on 9 December 2021. It is a narrow-scope amendment to the transitional requirements of IFRS 17 for entities applying for the first time IFRS 17 and IFRS 9 simultaneously.

- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" - Definition of accounting estimates issued by the IASB on 12 February 2021. The amendments focus on accounting estimates and provide guidance on the distinction between accounting policies and accounting estimates.

- Amendments to IAS 12 "Income tax" - Deferred tax related to receivables and payables arising from a single transaction issued by the IASB on 6 May 2021. According to the amendments, the exemption from initial recognition does not apply to transactions in which temporary differences arise both deductible as well as taxable on initial recognition, resulting in the recognition of equal deferred tax assets and liabilities.

- Amendments to IAS 12 "Income Tax" – International Tax Reform – Model Rules on Pillar 2 issued by the IASB on 23 May 2023. The amendments introduce a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing global taxation rules and disclosure requirements regarding corporate income tax exposure arising from the reform, particularly prior to the entry into force of legislation implementing the rules.

- Amendments to IAS 1 Presentation of financial statements - Presentation of accounting policies issued by the IASB on 12 February 2021. The amendments require entities to present their significant accounting policies rather than significant accounting policies and provide guidance and examples to assist preparers of financial statements to decide which accounting policies to present in the financial statements.

Adoption of these standards and amendments to the existing standards did not lead to significant changes in the financial statements of the Company.

***(ii) Standards and amendments to the existing standards issued by IASB and adopted by the EU, but which have not yet taken effect***

On the approval date of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU, but have not yet taken effect:

- Amendments to IFRS 16 "Leases" - Lease liabilities in a sale and leaseback transaction, issued by the IASB on 22 September 2022. The amendments to IFRS 16 require the seller-lessee to subsequently measure lease liabilities arising from a leaseback transaction so that it does not recognize any gain or loss related to the retained right of use. The new requirements do not prevent the seller-lessee from recognizing gains or losses on the partial or total termination of a lease in the income statement.

- Amendments to IAS 1 "Presentation of financial statements" - Classification of liabilities into short-term liabilities and long-term liabilities, issued by the IASB on January 23, 2020, and Amendments to IAS 1 "Presentation of financial statements" - Long-term liabilities with financial indicators issued by the IASB on October 31, 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities provided by IAS 1 starting from the contractual agreements existing at the reporting date. The amendments issued in October 2022 clarify how conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

***(iii) New standards and amendments to the existing standards issued by IASB and not adopted by the EU***

New standards and amendments to the existing standards were issued by IASB upon approval of such financial statements, but they have not been adopted yet by the EU:

- Amendments to IAS 7 "Statements of cash flows" and IFRS 7 "Financial instruments: Disclosures" – Financing arrangements in the relationship with suppliers issued by the IASB on 25 May 2023. The amendments add requirements regarding the information to be provided, as well as " indicators" within the existing requirements regarding the information to

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be provided for the provision of qualitative and quantitative information regarding financing agreements in the relationship with suppliers.

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” – Lack of Convertibility issued by the IASB on 15 August 2023. The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not. .

- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" - Sale of or contribution of assets between an investor and its associates or joint ventures, issued by the IASB on September 11, 2014 The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when the assets sold or contributed represent an enterprise.

- IFRS 14 "Deferral accounts related to regulated activities" issued by the IASB on January 30, 2014. This standard aims to allow entities that adopt IFRS for the first time, and which currently recognize deferred accounts related to regulated activities according to generally accepted accounting policies previous, to continue to do so upon transition to IFRS.

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Company's financial statements in the future.

### 3.34. Climate-related matters

Mitigation of climate change and energy supply security are two of the most important global challenges in 2023, which require a reconsideration of the world's energy systems. Implementation of nuclear energy in the energy, industry, construction and transport sectors can help reduce dependence on fossil fuels and provide flexibility services to render the renewable energy systems even more reliable.

Nuclear power plants do not release any greenhouse gas emissions while operating and during their life cycle, they produce approximately the same amount of carbon CO<sub>2</sub> equivalent emissions per unit of electricity as wind turbines and a third of the emissions per unit of electricity of the solar energy facilities.

The Company's financial statements reflect matters related to climate change and sustainable development under the elements below: implementation of the investment strategy and of a sustainable financing strategy; the costs specifically incurred to respond to the environmental issues, based on the applicable laws and regulations; and the measurement methods applied for the Company's assets and liabilities.

The Company's investment projects contribute both to energy security and to the decarbonization process, and are source of clean energy, in accordance with the "Fit for 55" measures of the European Commission and the new Complementary Delegated Act that included nuclear energy under the scope of the EU Taxonomy on Sustainable Financing. Completion of the Company's investment projects will lead, after 2031, to ensuring about 33% of the consumption needs and an estimated 66% of the energy free of CO<sub>2</sub> emissions at the national level, as well as to avoiding the release into the atmosphere of approximately 20 million tons of CO<sub>2</sub> annually.

The Company has in progress strategic investment projects, including: Refurbishment of Unit 1; the Project of Units 3 and 4; development of small modular reactors in partnership with NuScale ("SMR"); and implementation of support projects for current operation, such as the Tritium Removal Plant. The Company's investment projects will bring clean CO<sub>2</sub>-free energy to Romania's energy stability, social and economic development, development of the nuclear industry and training of a new generation of specialists.

During the COP28 conference on climate change, called by the pro-nuclear states as "Nuclear COP", which ended in December 2023, more than 20 states signed a joint declaration to triple nuclear energy capacity by 2050. In this context, nuclear energy is making a strong comeback, and the major advantage lies with the states, such as Romania, which already have the infrastructure, operating experience and the will to expand nuclear capabilities.

Regarding the legislative regulations, on 10 December 2021, the European Union adopted the Delegated Act supplementing Article 8 of the Regulation (EU) 2020/852 of 18 June 2020 *on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088*, which aims to classify economic activities depending on their contribution to attainment of the environmental targets. This "Taxonomy Regulation" is part of the European strategy advancing a sustainable financing that helps attain carbon neutrality by 2050, in particular by encouraging capital inflows in sustainable investments. The Regulation applies as of 31 December 2021 and requires companies subject to non-financial reporting obligations, such as the Company, to publish three indicators: turnover, capital expenditure and operating expenditure related to the eligible European taxonomy, and then aligned with the business activities taxonomy. The regulations applicable on 31 December 2021 did not specifically cover either the nuclear energy activities, the core business of the Company, or activities related to gas.

As at 2 February 2022, the European Commission approved a complementary delegated act on climate, which includes, under strict conditions, activities specific to nuclear and gas energy in the list of economic activities covered by the EU taxonomy. The draft was formally adopted on 9 March 2022, when the versions were made available in all official EU languages. The Complementary Delegated Act (EU) 2022/1214 was published in the Official Journal on 15 July 2022 and applicable as of 1 January 2023.

The results of the Task Force set up to determine these three indicators are presented in the Company's report on its non-financial activities, under Chapter 5 of the 2023 Sustainability Report.

### 3.34.1. Measurement of assets and liabilities

#### (i) Provisions for contingent liabilities and losses embedding environmental matters

The provisions for bad debts and unforeseen losses that embed aspects related to the environment are: provisions for management of radioactive and non-radioactive waste, and for the management of spent fuel (DICA provisions). For details, see Note 18.

In the financial year ended 31 December 2023, and respectively 31 December 2022, no contingent liabilities related to environmental disputes were booked.

#### (ii) Assessment measurement

The climate aspects are considered in the measurement of long-term assets through impairment testing. At the end of each reporting period, in order to comply with the provisions of IAS 36, the Company assesses whether there is any indication that an asset is significantly impaired. The impairment testing and recognition of the impairment adjustments are carried out in accordance with the provisions of Note 3.10.

The impairment testing was performed as follows:

- The Company measures any impairment of long-term assets by comparing its net carrying amount against its recoverable amount;
- The recoverable amount is determined as the maximum of the net sale price of an asset and its value in use. The value in use is defined as the present value of the future financial flows that the asset will generate during its useful life, without however disregarding the financial flow brought by the sale of the asset at the end of this life;
- The value in use is calculated based on projected cash flows over a period of 10 years, according to the financial models approved by the Company's management;
- The forward prices used in impairment testing are the market prices observed at the end of the period; as at 2024, forecasts produced by an independent supplier (ICIS base case) will be used. For 2023, the projected price is based on a price mix in accordance with the contracts already signed and with the best estimates of the remaining uncontracted electricity;
- The long-term scenarios used for the electricity sale prices are in line with the European path related to the set decarbonization targets, in particular those under the Paris Agreement on climate change, adopted on 12 December 2015 and entered into force on 4 November 2016;
- The macroeconomic assumptions used are based on publicly-available external sources. The inflation rate and exchange rates taken into account are based on the forecasts issued by the National Strategy and Prognosis Committee.

These calculations can be influenced by a number of variables, such as: changes in the electricity market prices; changes in the effective regulations; changes in demand and Company's market shares; the depreciation rate of the customer portfolio; the useful life of the facilities, etc.

The sensitivity analyses on different dimensions and assumptions did not return any impairment risk.

#### 4. Accounting estimates and significant judgments

The Company makes estimates and assumptions that affect the value of the reported assets and liabilities. Estimates and judgments are continually assessed and are based on past experience and other factors, including expectations of future events that are deemed reasonable under the given circumstances.

The management discussed about development, selection, presentation and application of the critical accounting policies and estimates. These disclosures supplement the comments on financial risk management (see Note 30).

The significant accounting judgments for application of the Company's accounting policies include:

##### 4.1. Key sources of estimate uncertainty

###### (i) *Adjustments for impairment of assets measured at amortized cost*

Assets booked at amortized cost are measured for impairment according to the accounting policy described in Note 3.7.

Receivables are measured for impairment individually and this measurement relies on the best management of the present value of the cash flows expected to be received. In order to estimate these flows, the management makes certain estimates regarding as to the counterparty's financial standing. Each asset is analysed individually. The accuracy of the adjustments depends on the future cash flow estimate for specific counterparties.

###### (ii) *Fair value determination for financial instruments*

The fair value of financial instruments that are not traded on an active market is determined using the measurement techniques described in the accounting policy of Note 3.7. For rarely traded financial instruments that do not enjoy price transparency, the fair value is less objective and is determined using different levels of estimates of the liquidity, concentration, uncertainty of market factors, price assumptions and other risks that affects the said financial instrument.

###### (iii) *Fair value hierarchy*

Assets and liabilities are measured and presented at fair value in the financial statements, according to the fair value hierarchy under IFRS 13, which requires classification of the measurement methods in the following measurement levels:

The Company uses the following hierarchy of methods to determine the fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. prices, quoted prices in markets that are not active), or indirectly (e.g. price derivatives)
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This category includes all instruments for which the measurement technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the instrument's measurement. This category includes instruments that are measured based on quoted prices for similar instruments, but for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

The Company determines the fair value using mainly active market quotations.

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

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

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The table below looks into the financial instruments booked at fair value, depending on the measurement method applied:

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2023 (audited)</b>			
<b>Financial assets</b>			
Financial assets measured at amortized cost	634,918,901	634,918,901	2
Trade receivables	624,305,513	624,305,513	2
Other financial assets measured at amortized cost	327,446,936	327,446,936	2
Cash and cash equivalents	3,529,334,516	3,529,334,516	2
Bank deposits	112,257,027	112,257,027	2
	<b>5,228,262,893</b>	<b>5,228,262,893</b>	
<b>31 December 2023 (audited)</b>			
<b>Long-term financial liabilities</b>			
Long-term loans	-	-	
Liabilities under long-term financial leasing agreements	15,605,108	15,605,108	2
Long-term deferred income	35,684,350	35,684,350	2
	<b>51,289,458</b>	<b>51,289,458</b>	
<b>Short-term financial liabilities</b>			
Trade and other payables	818,115,509	818,115,509	2
Liabilities under short-term financial leasing agreements	4,167,292	4,167,292	2
Current part of the long-term loans	65,640,599	65,640,599	2
Short-term deferred income	15,844,172	15,844,172	2
	<b>903,767,572</b>	<b>903,767,572</b>	



	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2022 (audited)</b>			
<b>Financial assets</b>			
Financial assets measured at amortized cost	41,262,942	41,262,942	2
Trade receivables	438,539,974	438,539,974	2
Other financial assets measured at amortized cost	140,954,592	140,954,592	2
Cash and cash equivalents	2,681,002,427	2,681,002,427	2
Bank deposits	1,829,796,500	1,829,796,500	2
	<b>5,131,556,435</b>	<b>5,131,556,435</b>	

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2022 (audited)</b>			
<b>Long-term financial liabilities</b>			
Long-term loans	64,810,940	64,810,940	2
Liabilities under long-term financial leasing agreements	12,831,121	12,831,121	2
Deferred income	63,611,498	63,611,498	2
	<b>141,253,559</b>	<b>141,253,559</b>	
<b>Short-term financial liabilities</b>			
Trade and other payables	445,315,659	445,315,659	2
Liabilities under short-term financial leasing agreements	2,734,403	2,734,403	2
Current part of the long-term loans	65,525,433	65,525,433	2
Deferred income	157,087,526	157,087,526	2
	<b>670,663,021</b>	<b>670,663,021</b>	

*(iv) Classification of financial assets and liabilities*

The accounting policies of the Company provide the basis for the initial classification of assets and liabilities in different accounting categories.

*(v) Re-measurement of tangible assets*

Tangible assets, consisting of land and buildings, are subject to revaluation, and the in fair value are recognized in other comprehensive income.

*(vi) Fair value measurement*

The last measurement of tangible assets was made as at 31 December 2021. Thus, the tangible assets of the Company were valued by an external independent valued, authorized by the National Association of Romanian Authorized Valuers ("ANEVAR"). The revaluations of land and buildings on 31 December 2021 were carried out based on the following methods, in compliance with the principles and valuation techniques included in the ANEVAR Property Valuation Standards:

- The benchmarking method for land owned exclusively;
- The residual method for land owned under undivided share;
- Income method for the two administrative buildings;
- Replacement cost method for special structures and other assets.

*(vii) Fair value hierarchy*

Based on the input data used in the valuation technique, the fair value of tangible assets was classified at Level 3 of the fair value hierarchy.

*(viii) Impact and implications of the military conflicts*

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The geopolitical situation worldwide deteriorated after 24 February 2022, with the invasion of Ukraine by Russia, followed by the outbreak of the war in Israel on 7 October 2023.

Both the military conflict in Ukraine and the war in Israel did not have a significant impact, directly or indirectly, on the Company's activities. The operation, production and development of investment projects, and the current activities are carried out normally.

The conflict in Ukraine, beyond the human drama, proved the importance of a balanced energy mix in the EU and a resilient energy system when faced with extreme events. It is also a major alarm signal in terms of energy policy at the EU level, fair inclusion of energy sources with a role in decarbonization to ensure the long-term stability and accessibility of energy, without risking the energy security of the EU and the Member States. The cooperation between States to identify viable and specific solutions is an extremely important next step.

In this context, nuclear energy becomes even more important in the European energy mix and in reducing energy dependence. Nuclear energy responds to the 3 current challenges: energy security, attainment of the decarbonization targets, and maintaining an affordable cost for consumers. The Company plays an important part at the national level, in terms of both the energy stability of the country and reaching the decarbonization targets.

The outbreak of conflict in Israel in 2023 has triggered a realignment of political, military and economic alliances with potential economic impact:

- the prices of many goods will continue to remain high, with the conflicts in Ukraine and Israel leading to high volatility;
- inflation rates are expected to remain high in the near future, both in Romania and in the rest of the world, but declining and with a volatile outlook;
- monetary policy interest rates of central banks (e.g. NBR, Fed, ECB, BoE) are expected to remain high (end of the "cheap money" period);
- disturbance (to the point of disruption) of supply chains is likely to persist and increase as de-globalisation (regionalisation and protectionism) continues.

The geopolitical framework and the global economic situation, marked by increased uncertainty about economic growth, the potential intensification of the war between Russia and Ukraine or the escalation of the war in Israel, are challenging the financial system in Romania, with adverse implications for commodity markets and global supply chains, as international trade is already relatively fragmented following previous shocks.

Having reviewed the impact of those two conflicts on the Company, we conclude that this has no direct no direct exposure related to Russia, Ukraine or Israel, does not hold any direct or indirect investments in companies of these countries, as this year's supply chains for raw materials were established with companies of Kazakhstan, Canada and Romania. Furthermore, the Company has no exposure to business, companies or banks which are currently affected by the international sanctions.

The indirect impact on the Individual Financial Statements is harmonized with the overall and regional effects of the Ukraine conflict and Israel war. Electricity sale prices, national policies for mitigating the effects of such conflicts, and the evolution of the consumer price index are the most notable influences resulting from such conflictual situations.

## **4.2. Other general matters concerning the Company's activity in the context of military conflicts**

### **a. Impairment of financial instruments and other financial risks**

The Company constantly monitors the developments in the credit risk and makes adjustments for impairment on the financial assets based on the history of depreciation of this risk, in accordance with the provisions of IFRS 9. According to the risk analyses carried out in the Company as at 31 December 2023, no degradations of the implemented indices were identified compared to the values obtained on 31 December 2022. Also, the Company does not hold financial assets or liabilities affected by the international restrictions/sanctions related to the states involved in the conflict. No exposures of the Company to liquidity risk or market risk (in particular currency exchange risk) were identified as generated by the transactions with companies from the states involved in military conflicts.

**b. Impairment of non-financial assets**

Considering that the Company does not own or operate any assets located in the territory of those states involved in the military conflicts, no risks of physical damage, restricted access or impairment indices of the recoverable amount have been identified.

**c. Loss of control or joint control or of the ability to exercise a significant influence**

The companies falling under the consolidation scope of S.N. Nuclearelectrica S.A. are Romanian companies which carry out their activity only in the territory of Romania and are owned 100%, except for the related entity Ropower Nuclear S.A., which is owned 50%. Therefore, as at 31 December 2023, neither any circumstances liable to significantly limit or even lose the ability of the Company to exercise its rights, nor any provisions concerning the governance of these subsidiaries and/or the related entities have been identified.

**d. Other assets, liabilities, income and expenditure**

In addition to the information found in the previous paragraphs, the conflict in Ukraine and the war in Israel did not require any other specific exercise of judgments, estimates or assumptions to determine the value of the assets or liabilities, income and expenditure of the period (compared to those disclosed in Note 2.6 of the Accounting Policies).

The direct or indirect impact of the military conflicts on the Company's business cannot be quantified value-wise, given that the current developments in inflation and the forecasted developments thereof for the upcoming periods are the result of factors that are difficult to predict. From the point of view of qualitative analysis, the Company monitors the macroeconomic developments and continuously assesses the factors of uncertainty and the potential financial impact of the military conflicts, in order to identify the measures required to be implemented, and advise the investors accordingly.

The Company has in place and applies specific and efficient cyber risk management policies. The military conflicts had no impact upon the Company's going concern. The effects of the conflicts on the financial standing, financial performance and cash flows of the Company appear not significant. Similarly to the results of the previous year, the Company obtained very good financial results, complying with and achieving its investment, production programs and performance ratios.

## 5. Tangible assets

	Lands	Nuclear plants	Plant, machinery and other assets	Non-current assets in progress	TOTAL
<b>Cost</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>36,975,047</b>	<b>4,645,307,994</b>	<b>1,196,053,357</b>	<b>1,123,153,126</b>	<b>7,001,489,524</b>
Additions	-	-	23,542,835	471,336,664	494,879,499
Transfers	-	71,116,529	80,209,850	(151,326,379)	-
Heavy water-related additions	-	27,816,605	-	-	27,816,605
Transfer of inventories	-	-	-	(40,632,444)	(40,632,444)
Transfer from reclassified spare parts	-	-	27,324,482	(15,598,170)	11,726,312
Derecognition of inspections	-	(132,769,584)	-	-	(132,769,584)
Derecognition of heavy water	-	(1,217,175)	-	-	(1,217,175)
Disposals	-	(487,267)	(18,111,407)	-	(18,598,674)
<b>Balance as at 31 December 2022 (audited)</b>	<b>36,975,047</b>	<b>4,609,767,102</b>	<b>1,309,019,117</b>	<b>1,386,932,797</b>	<b>7,342,694,063</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>36,975,047</b>	<b>4,609,767,102</b>	<b>1,309,019,117</b>	<b>1,386,932,797</b>	<b>7,342,694,063</b>
Additions	-	-	96,427,136	1,359,346,028	1,455,773,165
Transfers	-	281,283,159	42,673,451	(323,956,610)	-
Heavy water-related 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)
<b>Balance as at 31 December 2023 (audited)</b>	<b>36,975,047</b>	<b>4,694,554,252</b>	<b>1,464,011,513</b>	<b>2,407,984,065</b>	<b>8,603,524,877</b>
<b>Depreciation and impairment adjustments</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>550,782</b>	<b>380,863,168</b>	<b>616,750,302</b>	<b>149,987,368</b>	<b>1,148,151,620</b>
Depreciation expense	-	507,383,343	80,275,699	-	587,659,042
Accumulated depreciation of inspections	-	(119,247,275)	-	-	(119,247,275)
Accumulated depreciation of outflows	-	(1,454,046)	(14,770,722)	-	(16,224,768)
Impairment adjustments	-	-	8,912,944	(3,852,553)	5,060,391
<b>Balance as at 31 December 2022 (audited)</b>	<b>550,782</b>	<b>767,545,190</b>	<b>691,168,223</b>	<b>146,134,815</b>	<b>1,605,399,010</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>550,782</b>	<b>767,545,190</b>	<b>691,168,223</b>	<b>146,134,815</b>	<b>1,605,399,010</b>
Depreciation expense	-	510,865,489	93,678,640	-	604,544,129
Accumulated depreciation of inspections	-	(73,865,661)	-	-	(73,865,661)
Accumulated depreciation of outflows	-	(78,011,905)	(2,313,761)	-	(80,325,666)
Impairment adjustments	-	-	9,326,191	61,092	9,387,283
<b>Balance as at 31 December 2023 (audited)</b>	<b>550,782</b>	<b>1,126,533,114</b>	<b>791,859,293</b>	<b>146,195,907</b>	<b>2,065,139,095</b>
<b>Net book value</b>					
<b>Balance as at 01 January 2022 (audited)</b>	<b>36,424,265</b>	<b>4,264,444,826</b>	<b>579,303,055</b>	<b>973,165,758</b>	<b>5,853,337,904</b>
<b>Balance as at 31 December 2022 (audited)</b>	<b>36,424,265</b>	<b>3,842,221,912</b>	<b>617,850,894</b>	<b>1,240,797,982</b>	<b>5,737,295,053</b>
<b>Balance as at 31 December 2023 (audited)</b>	<b>36,424,265</b>	<b>3,568,021,139</b>	<b>672,152,220</b>	<b>2,261,788,158</b>	<b>6,538,385,782</b>

(i) *Nuclear plants, machinery and other assets*

During 2023, the Company purchased 6.5 tons of heavy water from the National Administration of the State Reserves and Special Problems (“ANRSPS”), needed for Units 1 and 2 amounting RON 17,150,312, and in 2022 it purchased 11.9 tons of heavy water amounting RON 27,816,605.

(ii) *Non-current assets in progress*

As at 31 December 2023 the net carrying amount of non-current assets in progress, of RON 2,261,788,158 (31 December 2022: RON 1,240,797,982), included the following items:

- Investment relating to Units 3 and 4 Project with a net carrying amount of RON 469,168,168 (31 December 2022: RON 469,495,874);
- Investments related to Units 1 and 2, in total amount of RON 1,792,619,991, of which the most representative are:
  - ✓ Advance payments for tangible assets: RON 931,891,618 (31 December 2022: RON 70,081,999)
  - ✓ Refurbishment of U1 in amount of RON 516,909,182 (31 December 2022: RON 270,871,718);
  - ✓ Tritium removal facility for D2O in amount of RON 104,563,465 (31 December 2022: RON 86,878,248);
  - ✓ Improving the nuclear security systems after Fukushima in amount of RON 55,638,950 (31 December 2022: RON 38,924,333);
  - ✓ Building storage and loading premises for the nuclear fuel used (DICA) in amount of RON 29,962,888 (31 December 2022: RON 32,853,382);
  - ✓ Equipment and materials for investments in amount of RON 26,845,309 (31 December 2022: RON 27,361,693).

The gross investment value relating to Units 3 and 4 Project amounts to RON 470,860,424, of which the book value of Units 3 and 4, amounts to RON 273,960,000 (31 December 2022: RON 273,960,000), the remaining amount representing the heavy water especially purchased for Units 3 and 4, respectively approximately 75 tons, with a carrying amount as at 31 December 2023 in amount of RON 159,253,825 (31 December 2022: RON 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 37,646,599 (31 December 2022: RON 37,980,616). Prior to the year 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, consequently, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Company performed the allocation of the construction costs for Units 3 and 4 of the nuclear plant, as well as for Unit 5.

As at 31 December 2023, the gross carrying amount of Unit 5 amounted to RON 137 million (31 December 2022: RON 137 million). As at 31 December 2013 the 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: fitting of spare parts to the equipment in operation, of RON 212,140,078, performance of the annual inspections during the scheduled shutdown of Unit 2 and the unscheduled shutdown of Unit 1, amounting to RON 65,352,336 RON; increase in the carrying amount of DICA amounting to RON 25,265,165.

(iii) **Adjustments for depreciation and impairment**

As at 31 December 2023 the Company accounted for movements in the **adjustments for impairment** of fixed assets in the amount of RON 9,387,283, representing expenses increases (31 December 2022: RON 5,060,391).

**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:

<b>Asset</b>	<b>Number of years</b>
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 for the other relevant accounting policies for tangible 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 15). All other tangible assets are recognized at historical cost less amortization.

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

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

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

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

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

Information relating to the valuation of lands and buildings is presented in Note 4.

(vi) *The carrying amount that would have been recognized had land and buildings been measured at cost, according to the provisions of IAS 16.77 (e)*

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

	<u>31 December 2023</u> <u>(audited)</u>	<u>31 December 2022</u> <u>(audited)</u>
<b>Lands</b>		
Cost	22,350,779	22,350,779
Accumulated depreciation	-	
Net book value	<u>22,350,779</u>	<u>22,350,779</u>
	<u>31 December 2023</u> <u>(audited)</u>	<u>31 December 2022</u> <u>(audited)</u>
<b>Buildings</b>		
Cost	7,204,751,539	7,056,923,302
Accumulated depreciation	(4,410,510,357)	(4,523,041,183)
Net carrying amount	<u>2,794,241,183</u>	<u>2,533,882,118</u>

(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 27). The cost of the Company’s contributions to ANDR in 2023 amounts to RON 101,845,002 (31 December 2022: RON 100,535,482).

(viii) *Pledged assets*

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

(ix) *Supplier credit*

As at 31 December 2023 the Company owned fixed assets purchased with credit from suppliers (commercial credit) in amount of RON 52,649,291 (31 December 2022: RON 46,767,931).

## 6. 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 22,171,298 (31 December 2022: RON 16,031,241).

### (i) Amounts recognized in the Statement of financial position

Assets representing rights to use underlying assets within a leasing contract	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Lands	1,526,919	1,422,211
Office spaces	20,645,379	14,609,030
Depreciation of assets representing rights to use	(3,571,215)	(465,410)
<b>Total net assets representing rights to use</b>	<b>18,601,084</b>	<b>15,565,831</b>
	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
<b>Liabilities within leasing agreements</b>		
Short-term	4,167,292	2,734,403
Long-term	15,605,108	12,831,121
	<b>19,722,400</b>	<b>15,565,524</b>

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

	Note	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Depreciation of assets representing rights of use		3,379,695	271,886
Interest expense	<b>28</b>	1,279,532	32,097

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

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Total cash outflows related to leasing agreements	3,617,527	337,356

### (iv) Recognition of leasing agreements

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



## 7. Intangible assets

	Licenses and software	Software for the nuclear power plant	Intangible assets in progress	TOTAL
<b>Cost</b>				
<b>Balance as at 1 January 2022 (audited)</b>	<b>242,122,644</b>	<b>54,259,543</b>	-	<b>296,382,187</b>
Additions	11,401,870	3,626,905	-	15,028,775
Disposals	(17,909)	(380,168)	-	(398,077)
<b>Balance as at 31 December 2022 (audited)</b>	<b>253,506,605</b>	<b>57,506,280</b>	-	<b>311,012,885</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>253,506,605</b>	<b>57,506,280</b>	-	<b>311,012,885</b>
Additions	2,904,612	44,512	11,516,092	14,465,216
Disposals	(1,406,075)	(199,150)	-	(1,605,225)
Transfers	10,033,345	-	(10,033,345)	-
Reclassifications	(30,826,629)	25,109,373	5,717,255	-
<b>Balance as at 31 December 2023 (audited)</b>	<b>232,211,860</b>	<b>82,461,014</b>	<b>7,200,002</b>	<b>323,872,876</b>
<b>Accumulated depreciation</b>				
<b>Balance as at 1 January 2022 (audited)</b>	<b>205,261,643</b>	<b>42,728,570</b>	-	<b>247,990,212</b>
Depreciation expense	6,830,721	5,816,192	-	12,646,913
Disposals depreciation	(17,909)	(380,168)	-	(398,077)
<b>Balance as at 31 December 2022 (audited)</b>	<b>212,074,455</b>	<b>48,164,594</b>	-	<b>260,239,048</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>212,074,455</b>	<b>48,164,594</b>	-	<b>260,239,048</b>
Depreciation expense	6,412,163	7,787,133	-	14,199,296
Disposals depreciation	(755,717)	(199,150)	-	(954,867)
Reclassifications	(62,299)	62,299	-	-
<b>Balance as at 31 December 2023 (audited)</b>	<b>217,668,603</b>	<b>55,814,876</b>	-	<b>273,483,478</b>
<b>Net book value</b>				
<b>Balance as at 1 January 2022 (audited)</b>	<b>36,861,001</b>	<b>11,530,973</b>	-	<b>48,391,975</b>
<b>Balance as at 31 December 2022 (audited)</b>	<b>41,432,150</b>	<b>9,341,686</b>	-	<b>50,773,837</b>
<b>Balance as at 31 December 2023 (audited)</b>	<b>16,543,257</b>	<b>26,646,139</b>	<b>7,200,002</b>	<b>50,389,398</b>

As at 31 December 2023, the intangible assets held by the Company are licenses and software products purchased, and also internally generated. The Company does not book contractual commitments for development costs.

The accounting policies for intangible assets are presented in Note 3.6.

## 8. Financial assets measured at amortized cost

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Bonds (ii)	552,203,754	-
Government bonds (i)	30,333,530	30,260,661
Loans granted to subsidiaries	25,116,701	5,695,250
Loans granted to associated entities	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
<b>Total</b>	<b>634,918,901</b>	<b>41,262,942</b>

#### (i) Government bonds

As at 31 December 2023, respectively 31 December 2022 the Company held government bonds issued by the Ministry of Public Finance, with their due date on 24 June 2026, a fixed annual interest rate of 3.25% p.a. and a tendering return of 3.51% p.a.

Movement of financial assets representing governmental bonds:

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

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 December 2023, the Company holds:

- 450 non-preferential unguaranteed senior bonds, issued by CEC Bank, with a maturity of five years (February 2028) and a fixed annual interest of 7.5% p.a.
- 428 non-preferential unguaranteed senior bonds, issued by CEC Bank, with a maturity of five years (February 2028) and an annually return of 7.75% p.a
- 17.500 non-preferential senior bonds, MREL eligible, issued by Banca Transilvania, with a maturity of five years (December 2028) and an annually return of 7.25% p.a.

Movement of financial assets representing bonds:

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

## 9. Financial investments in subsidiaries

As at 31 December 2023, the situation of investments in subsidiaries is as follows:

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Energonuclear S.A.	222,438,103	199,438,105
F.P.C.U Feldioara	200	200
Nuclearelectrica Serv	17,000,200	200
<b>Total</b>	<b>239,438,503</b>	<b>199,438,505</b>

### Energonuclear S.A.

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

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

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

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.

In 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.

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

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

In 2021, the Company’s shareholder approved the granting of a loan in amount of RON 2,300,000, for the purpose of financing the activities and expenses of the subsidiary upon its establishment, in compliance with the provisions of the activity programs and of the income and expenditure budget for the years 2021 and 2022.

In 2023, the Company’s shareholder approved the granting of loans in amount of RON 11,000,000 and RON 16,325,949.40 respectively, for the purpose of financing the activities, in compliance with the provisions of the activity programs and of the income and expenditure budget for 2023.

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

### **Nuclearelectrica Serv S.R.L.**

Nuclearelectrica Serv S.A. 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 December 2023, respectively 31 December 2021, the Company held 100% of the share capital of Nuclearelectrica Serv. The value of the shareholding as at 31 December 2023 is RON 17,000,200 (31 December 2022: RON 200).

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

## 10. Financial investments in associates

### 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, Dambovita County, Doicesti 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 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 2022, RON 4,943,000).

During 2023, the share capital of the associated 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.

During 2023, RoPower Nuclear SA concluded a loan agreement with SNN for the equivalent in EUR of the amount of USD 8,966,023, of which the amount of USD 4,556,949 was drawn until 31 December 2023. The loan was granted for the purpose of financing the technical assistance activities related to SMR Front End Engineering and Design (FEED) Phase 1. As at 31 December 2023, the outstanding loan principal amounts to EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted to 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 Doicesti, County of Dambovita, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totalling 462MWe.

## 11. Inventories

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Spare parts	219,146,771	240,796,144
Other raw materials and materials	848,589,760	412,403,547
<b>Total</b>	<b>1,067,736,531</b>	<b>653,199,691</b>

### (i) *Valuation of inventories*

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

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

The value of the inventories expensed in the financial year ended 31 December 2023 is shown under *Cost of Spare Parts* and *Cost of Nuclear Fuel*, in the Individual Statement of Profit or Loss, and is RON 178,066,195 (31 December 2022: RON 177,118,781).

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

The value of impairment adjustments for inventories as at 31 December 2023 amounted to RON 51,253,363 RON (31 December 2022: RON 50,081,781). During 2023, depreciation adjustments were set-up in the amount of RON 2,258,700 (31 December 2022: RON 218.305) and impairment adjustments were written back on income, in amount of RON 1,070,672 (31 December 2022: RON 1,953,198).

During 2023, there were no inventory outflows written back.

### (iii) *Pledged inventories*

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

## 12. Trade receivables

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Trade receivables	635,560,727	450,541,410
Impairment adjustments for trade receivables	(11,255,214)	(12,001,436)
<b>Total</b>	<b>624,305,513</b>	<b>438,539,974</b>

### (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 for the other accounting policies relevant for trade receivables.

### (ii) *Fair value of trade receivables*

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

### (iii) *Impairment and risk exposure*

Information about impairment of trade receivables and the Company's exposure to credit risk and currency risk can be found in Note 30.

### (iv) *Other information*

As at 31 December 2023, the main trade receivables in the balance were toward: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A. – RON 240,490,900 (31 December 2022: RON 1,049,663), Electrica Furnizare S.A. – RON 107,592,215 (31 December 2022: RON 40,721,750) PPC Energie Muntenia S.A. – RON 69,489,409 (31 December 2022: RON 43,660,872), Alro S.A. – RON 49,140,212 (31 December 2022: RON 10,645,053) and PPC Energie S.A.– RON 38,687,973 (31 December 2022: RON 47,068,010).

Sales made during 2023 to Operatorul Pietei de Energie Electrica si de Gaze Naturale „OPCOM” S.A. represented approximately 37.85% (2022: approximately 21%), toward Electrica Furnizare S.A. represented approximately 11.17% (2022: approximately 8%), toward PPC Energie Muntenia S.A. represented approximately 10.97% (2022: approximately 10%), toward ALRO S.A. represented approximately 6.94% (2022: approximately 1.14%), and toward PPC Energie S.A. represented approximately 6.11% (2022: approximately 11.49%) of the total sales of electricity of the Company.

The Company's exposure to market and credit risks, as well as the value adjustments related to trade receivables, are presented in Note 30.

As at 31 December 2023, the headings "Trade Receivables" and "Adjustments for Impairment of Trade Receivables" include a net amount of RON 354,605,776 related to receivables from related parties (31 December 2022: RON 165,075,227).

### 13. Other financial assets measured at amortized cost

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Other receivables	99,618,683	120,242,180
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	212,799,398	300,947
Advance payments	15,612,035	20,994,645
<b>Total</b>	<b>327,446,936</b>	<b>140,954,592</b>

(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 for the other accounting policies relevant for financial assets.

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

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

(iii) *Impairment and risk exposure*

Information about impairment of trade receivables and the Company's exposure to credit risk and currency risk can be found in Note 30.

(iv) *Other information*

As at 31 December 2023, the heading "Pre-Payments" includes the amount of RON 258,506 related to payments made in advance to related parties (31 December 2022: RON 429,334).

As at 31 December 2023, item "Taxes and duties" represented the recoverable VAT of RON 193,626,965 (31 December 2022: RON 300,947), and also the amount related to the Contribution to the Energy Transition Fund to be recovered, in amount of RON 19,171,499. For more details please see Note 31.



#### 14. Cash and cash equivalents, bank deposits

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Bank deposits less than 3 months	3,145,883,700	2,396,122,000
Cash at bank in RON	232,704,676	259,300,485
Cash at bank in foreign currencies	150,247,917	25,057,497
Other cash equivalents	435,296	440,509
Cash in hand	62,927	81,936
<b>Cash and cash equivalents - Total</b>	<b>3,529,334,516</b>	<b>2,681,002,427</b>

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Bank deposits	<b>112,257,027</b>	<b>1,829,796,500</b>

##### (i) *Reconciliation with the Statement of cash flows*

The above items are reconciled with the amount of cash presented in the Statement of cash flows at the end of the financial year, as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Bank deposits having their original due date less than 3 months	3,145,883,700	2,396,122,000
Cash at bank	382,952,593	284,357,982
Other cash equivalents	435,296	440,509
Cash in hand	62,927	81,936
	<b>3,529,334,516</b>	<b>2,681,002,427</b>

##### (ii) *Classification as cash equivalents*

Term deposits are presented as cash equivalents if their due date is of 3 months or less from their set up. See Note 3.13 for the other accounting policies of the Company concerning 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 December 2023 the Company held bank guarantee letters under certain credit facilities, without any collateral deposits, in amount of RON 140,782,892 RON (31 December 2022: RON 124,714,365).

## 15. 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 December 2023 amounted to RON 3,016,438,940 RON, under the authorized capital.

As at 31 December 2023 and 31 December 2022, share capital included the effects of restatements registered also in the previous years according to the application of IAS 29 “Financial reporting in hyperinflationary economies”.

The structure of share capital is presented as follows:

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

As at 31 December 2023, the statutory share capital value subscribed and paid up in full 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 during 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.

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

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

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of the</b>	<b>Number of shares</b>	<b>% of the</b>
	<b>31 December 2023</b>	<b>share</b>	<b>31 December 2022</b>	<b>share</b>
		<b>capital</b>		<b>capital</b>
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%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>	<b>301,643,894</b>	<b>100%</b>

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

### ***Legal Reserves***

According to legal requirements, the Company sets up legal reserves of 5% of the gross statutory profit, up to 20% of the share capital. The value of legal reserve as at 31 December 2023 amounted to RON 557,764,327 (31 December 2022: RON 414,757,698).

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

### ***Revaluation reserves, net of deferred tax***

As at 31 December 2023, the revaluation reserve net of deferred tax amounted to RON 336,996,786 (31 December 2022: RON 394,369,643). The last revaluation of lands, buildings and constructions was made on 31 December 2021 by the independent valuer Primoval S.R.L., a member of the National Association of Authorized Romanian Valuers ("ANEVAR"). Prior to such revaluation, lands and buildings were revalued as at 31 December 2018.

During 2023, the Company recognized a decrease in the revaluation reserve, net of deferred tax, of RON 57,372,857 following its transfer to retained earnings (2022: RON 57,372,857).

### ***Retained earnings***

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

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

*Movements in result carried forward*

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
<b>Balance as at 1 January</b>	<b>6,876,165,858</b>	<b>4,648,549,459</b>
<b>Net profit of period</b>	<b>2,506,518,832</b>	<b>2,764,423,452</b>
Actuarial Gains/(Losses) related to the defined benefit plans	(3,716,876)	1,745,457
Retained earnings from other adjustments	-	-
Transfer of revaluation reserves into retained earnings due to amortization	57,372,857	57,372,857
Dividends	(1,283,215,656)	(595,925,367)
<b>Balance as at 31 December</b>	<b>8,153,125,015</b>	<b>6,876,165,858</b>

***Dividends and profit distribution***

In accordance with the statutory and legal provisions in force, the Ordinary General Meeting of Shareholders approves and fixes the dividends. The Board of Directors of the Company proposed to the shareholders the following distribution of the net profit.

<b>Net profit to be allotted for the 2023 financial year</b>	<b>2,506,518,832</b>
Legal Reserves	143,006,629
Other reserves representing fiscal facilities provided by the law	152,453,305
Dividends	1,120,911,882
Other reserves (own financing sources)	1,090,147,016
<b>Profit yet to be distributed</b>	<b>-</b>

The net profit distribution proposal complies with the provisions of the Government Ordinance no. 64/2001 on the profit distribution at national enterprises, national companies and companies with full or majority State capital, as well as at self-governed administrations, as subsequently amended and supplemented.

The amounts proposed to be distributed as “employee participation in profit” are up to 10% of the net profit; however, not more than one average monthly base salary obtained in 2023, and considering the average headcount in 2023. The obligation to participate in the profit was established in income and expenditure budget for 2022, so that the provisions of Article 1(1)(e) of the Government Ordinance no. 64/2001 are observed. The amounts representing the employee participation in profit do not represent a direct distribution from the net profit; these are provisioned at the end of the financial year and distributed in the following financial year, after approval of the net profit distribution. Thus, the net profit of the financial year 2023 includes a provision for employee participation in profit (deducted from the accounting profit), of RON 30,764,865.

The amounts allocated to the legal reserve are determined based on the provisions of Article 183 of Law no. 31/1990 according to which "at least 5% will be set aside from the Company's profit every year for the formation of the reserve fund, until this reaches at least one fifth of the share capital". The amount allocated to the legal reserve was set aside at the end of the financial year, and represented the mandatory distribution of RON 143,006,697.

Other reserves representing tax facilities provided by the law (RON 152,453,305) are allocated based on Article 22(1) of Law no. 227/2015 on the Tax Code, as subsequently amended and supplemented; these refer to the exempted corporate tax related to the profit invested in engineering equipment, electronic computers and peripheral equipment, cash registers, control and invoicing equipment, as well as software, either produced and/or purchased, as provided in subgroup 2.1, respectively in class

2.2.9 of the "Catalogue for classification and normal operating times of plant, property and equipment", used to carry out the business activity. The amount allocated to reserves is the amount of profit invested in this equipment, net of the legal reserve (5%).

The proposed gross dividends (RON 1,120,911,882) represent a distribution of 50% of the profit remaining after deduction from the net profit of the financial year (RON 2,506,518,832) of the legal reserve (RON 143,006,629) and of the reserves representing tax facilities (RON 152,453,305).

## 16. Earnings per share

As at 31 December 2023 and 31 December 2022, earnings per share were:

### *Earnings based on share*

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Net profit of the financial year</b>	<b>2,506,518,832</b>	<b>2,764,423,452</b>
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		
<b>Weighted average number of ordinary shares as at 31 December</b>	<b>301,643,894</b>	<b>301,643,894</b>
<b>Earnings per share (RON/share)</b>	<b>8.31</b>	<b>9.16</b>

### *Diluted earnings per share*

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Net profit of the financial year</b>	<b>2,506,518,832</b>	<b>2,764,423,452</b>
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of shares issued during the period	-	-
Weighted average number of ordinary shares at the end of the financial year	301,643,894	301,643,894
<b>Weighted average number of ordinary shares (diluted) as at 31 December</b>	<b>301,643,894</b>	<b>301,643,894</b>
<b>Diluted earnings per share (RON/share)</b>	<b>8.31</b>	<b>9.16</b>

## 17. Loans

The loans taken out by the Company as at 31 December 2023 and 31 December 2022 were as follows:

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

### *Bank loans*

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

	<b>Currenc y</b>	<b>Interest rate</b>	<b>Value</b>	<b>Final maturity year</b>
<b>Balance as at 1 January 2023 (audited)</b>			<b>130,116,620</b>	
New drawdowns				
EURATOM reimbursement	EUR	EURIBOR 6M + 0.08%	(65,258,970)	2024
Foreign exchange differences			309,610	
<b>Balance as at 31 December 2023 (audited)</b>			<b>65,167,260</b>	

The loans refer to:

- *Loan granted by EURATOM*

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

The loan agreement sets out certain financial clauses: (i) the debt service coverage ration must be at least 1.5; (ii) the indebtedness must not exceed 2; (iii) the income booked by the Company must be sufficient to cover the operating and maintenance costs of Units 1 and 2, as well as for the interest payments in relation to Units 1 and 2.

The financial ratios need to be calculated based on the financial statements prepared in compliance with the International Financial Reporting Standards.

As at 31 December 2023 and 31 December 2022, the financial ratios requested by EURATOM are met. All loans were contracted to finance construction of Unit 2.

The Company has not entered into any hedging arrangement for its liabilities in foreign currency obligations or interest rate exposure. The fair value of long-term loans, which was estimated by discounting the future contractual cash flows using the

current interest rate on the available market for similar financial instruments, does not differ significantly from the amounts above.

### **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.

## **18. Provisions for risks and charges**

As at 31 December 2023, respectively 31 December 2022 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”:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	101,136,780	70,294,835
Liabilities relating to other low and medium level radioactive and non-radioactive waste	69,517,636	64,737,442
Provision for litigations related to salary bonus	102,341,834	89,288,704
Employee participation in profit	30,764,865	27,000,000
Provisions for disputes	20,698,904	-
Other provisions for risks and charges	215,318	224,307
<b>Total</b>	<b>324,675,337</b>	<b>251,545,288</b>

As at 31 December 2023, provisions in a total amount of RON 324,675,337 represented long and short-terms liabilities, as follows:

	<b>Current part</b>	<b>Long-term</b>
	<b>(&lt; 1 year)</b>	<b>part</b>
		<b>(&gt; 1 year)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	54,090,644	47,046,136
Liabilities relating to other low and medium level radioactive and non-radioactive waste	14,098,206	55,419,430
Provision for litigations related to salary bonus (i)	-	102,341,834
Employee participation in profit	30,764,865	-
Provisions for disputes (ii)	20,698,904	-
Other provisions for risks and charges	215,318	-
<b>Total</b>	<b>119,867,937</b>	<b>204,807,400</b>

- (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 of tax decisions no. 17862/17.10.2023 and no. 4125/23.11.2023 issued as a result of the tax audit carried out by the General Antifraud Fiscal Directorate on the calculation of the contribution to the Energy Transition Fund for the period 1 September-31 December 2022. For more details, see Note 31.

See Note 3.22 for the provision-relevant accounting policies.

## 19. Deferred income

As at 31 December 2023 and 31 December 2022, deferred income is as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Creditor customer	1,186,167	154,743,583
Grants of subsidy nature (i)	43,033,984	57,818,929
Governmental investment subsidies (ii)	7,308,371	5,918,917
Other deferred income	-	2,217,595
<b>Total</b>	<b>51,528,522</b>	<b>220,699,024</b>

### (i) Grants of subsidy nature

As at 31 December 2023, the Company has grants coming from:

#### a) Subsidy amortized during the lifetime of Unit 1

The subsidies were granted in 2007 and consisted of writing off penalties and debts under loan agreements. The subsidies are recognized in the Individual Statement of Profit or Loss as income for the period 2007 - 2026, over the period remaining to be depreciated for Unit 1. The value of the income from subsidies recognized in the Income Statement under "Other income" in 2023 amounts to RON 14,344,662 (2022: RON 14,344,662). The value of the subsidy as at 31 December 2023 is RON 43,033,984 (31 December 2022: RON 57,378,646).

#### b) Grant agreement under the "Connecting Europe Facility" (CEF) - telecommunications sector, for the action "Cynergy - first ISAC for the Energy Sector in Romania", carried out through the European Health and Digital Executive Agency (HaDEA), in accordance with the rights delegated by the European Commission.

The action (Cynergy) aims to create a national information sharing and analysis center (ISAC) in the energy sector (electricity sub-sector) in Romania, which will serve the most prominent companies in this industry of the country, but taking into account a potential expansion to the South-Eastern Europe. The action will develop a robust and trusted sharing community that can easily provide useful knowledge and support to ISAC members when faced with cyber security threats.

Costs were incurred within the period 1 September 2021 – 30 August 2023. According to the agreement, the maximum amount granted is EUR 445,024 and accounts for 75% of the eligible costs of the action. By 31 December 2023, the full costs of the project have been recorded in the amount of RON 2,074,028 of which 25% financed from own sources. The balance of the subsidy to be received as at 31 December 2023 amounts to RON 238,430. Before the date of these financial statements, the Company received the pre-financing of EUR 267,014.

At the date of these financial statements, the Company does not report either any defaults of the conditions imposed for granting the subsidy, or any contingencies.

### (ii) Governmental investment subsidies

The Company received from the US Trade and Development Agency (USTDA) a grant of USD 1.2 million in order to finance identification and assessment of a number of sites in Romania, including sites with existing coal-fired thermal plants that could be replaced by small modelling reactors. The study identified a number of potentially suitable sites, and eventually the site chosen for development of the first small modular reactor in Romania was that of Doicesti, County of Dambovita.

The grants and governmental subsidies are recognized according to the provisions of IAS 20 "Accounting for government grants and disclosure of government assistance" (see Note 3.19).



## 20. Income tax

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

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Expense with current corporate tax	(386,001,879)	(434,906,067)
Net income from deferred tax	32,388,129	6,832,608
<b>Total</b>	<b>(353,613,750)</b>	<b>(428,073,459)</b>

Deferred tax assets and liabilities are measured on 31 December 2023 and 31 December 2022 at the standard tax rate of 16%, representing the currently adopted tax rate.

### Reconciliation of the effective tax rate:

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Profit before corporate tax</b>	<b>2,806,132,582</b>	<b>3,192,496,911</b>
<b>Tax in accordance with the statutory tax rate of 16%</b>	<b>457,621,213</b>	<b>510,799,506</b>
<b>Effect on corporate tax of:</b>		
Legal reserve	(22,881,061)	(25,539,975)
Tax amortization	(1,490,793)	(668,487)
Non-taxable income	(18,405,374)	(23,230,520)
Non-deductible costs	49,399,085	28,088,231
Gain from revaluation reserves	17,384,085	16,995,371
Temporary differences	(32,388,129)	(6,832,608)
Sponsorship	(7,124,668)	(6,776,395)
Reinvested profit	(25,676,346)	(11,009,228)
Corporate tax reduction according to the Government Emergency Ordinance no. 153/2020	(62,825,059)	(53,752,435)
<b>Expense with corporate tax</b>	<b>353,613,750</b>	<b>428,073,459</b>

The deferred tax consists of:

<b>31 December 2023 (audited)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Tangible assets	-	119,888,090	119,888,090
Intangible assets	-	1,305,389	1,305,389
Inventories	-	3,698,424	3,698,424
Trade receivables	(1,705,871)	-	(1,705,871)
Liabilities for employee benefits	(7,694,130)	-	(7,694,130)
Employee participation in profit	(4,922,378)	-	(4,922,378)
Provision for salary increases	(16,374,692)	-	(16,374,692)
Leaves not taken	(2,133,836)	-	(2,133,836)
Taxes and duties	(14,651,603)	-	(14,651,603)
Other provisions	(3,228,474)	-	(3,228,474)
Radioactive and non-radioactive waste	(11,122,822)	-	(11,122,822)
<b>Net tax (asset)/liability</b>	<b>(61,833,806)</b>	<b>124,891,903</b>	<b>63,058,097</b>
<b>31 December 2022 (audited)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>

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

Tangible assets	-	141,888,769	141,888,769
Intangible assets	-	1,045,028	1,045,028
Inventories	-	3,699,283	3,699,283
Trade receivables	(1,859,077)	-	(1,859,077)
Liabilities for employee benefits	(7,289,215)	-	(7,289,215)
Employee participation in profit	(4,320,000)	-	(4,320,000)
Provision for salary increases	(14,286,191)	-	(14,286,191)
Leaves not taken	(1,441,780)	-	(1,441,780)
Taxes and duties	(11,601,703)	-	(11,601,703)
Other provisions	(30,897)	-	(30,897)
Radioactive and non-radioactive waste	(10,357,991)	-	(10,357,991)
<b>Net tax (asset)/liability</b>	<b>(51,186,854)</b>	<b>146,633,080</b>	<b>95,446,226</b>

The table with the movements in the 2023 and 2022 deferred tax liabilities is as follows:

	<b>Balance on 01 January 2022 (audited)</b>	<b>Deferred tax recognized in profit and loss</b>	<b>Deferred tax recognized directly in other comprehensive income</b>	<b>Balance on 31 December 2022 (audited)</b>	<b>Deferred tax recognized in profit and loss</b>	<b>Balance on 31 December 2023 (audited)</b>
Tangible assets	162,161,766	(20,272,996)	10,928,240	141,888,769	(22,000,679)	119,888,090
Intangible assets	1,250,695	(205,667)	-	1,045,028	260,361	1,305,389
Inventories	(651,876)	4,351,159	-	3,699,283	(858)	3,698,424
Trade receivables	(1,992,016)	132,939	-	(1,859,077)	153,206	(1,705,871)
Liabilities for employee benefits	(7,420,638)	131,424	-	(7,289,215)	(404,915)	(7,694,130)
Provision for salary increases	(17,512,945)	3,226,754	-	(14,286,191)	(2,088,501)	(16,374,692)
Employee participation in profit	(3,200,000)	(1,120,000)	-	(4,320,000)	(602,378)	(4,922,378)
Leaves not taken	(877,635)	(564,145)	-	(1,441,780)	(692,056)	(2,133,836)
Taxes and duties	(10,977,700)	(624,003)	-	(11,601,703)	(3,049,900)	(14,651,603)
Radioactive and non-radioactive waste	(18,461,358)	8,103,368	-	(10,357,991)	(764,831)	(11,122,822)
Other provisions	(39,458)	8,560	-	(30,897)	(3,197,576)	(3,228,474)
<b>Net tax (asset)/liability</b>	<b>102,278,835</b>	<b>(6,832,607)</b>	<b>10,928,240</b>	<b>95,446,226</b>	<b>(32,388,129)</b>	<b>63,058,097</b>

## 21. Liabilities for employee benefits

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Retirement benefits	28,252,776	25,011,151
Anniversary bonuses	11,046,547	11,878,616
Decease benefits	923,021	894,429
Retirement benefits in electricity	7,865,968	7,773,395
<b>Total</b>	<b>48,088,311</b>	<b>45,557,591</b>

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.

<b>Measurement date</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
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>
Raise rate in kWh price	<p>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.</p>	<p>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 kWh price rise is 0.8% p.a.</p>

Measurement date	31 December 2023	31 December 2022
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 decease	Anniversary bonuses	Retirement benefits in electricity	Total liabilities with defined benefits
<b>PVDBO as at 31 December 2023 (RON)</b>	<b>28,252,776</b>	<b>923,021</b>	<b>11,046,547</b>	<b>7,865,968</b>	<b>48,088,311</b>
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.

## 22. Trade and other payables

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Suppliers of non-current assets	52,649,291	46,767,931
Suppliers	312,646,820	110,396,300
Liabilities for employee debts	77,585,072	37,461,202
Liabilities to the state	365,521,592	239,212,576
Payable gross dividends	1,080,364	763,805
Other liabilities	8,632,370	10,713,845
<b>Total</b>	<b>818,115,509</b>	<b>445,315,659</b>

As at 31 December 2023, the main suppliers in balance, from the heading "Suppliers of non-current assets" and "Suppliers", were: NAC KAZATOMPROM JSC RON 144,971,567 (31 December 2022: RON 0), Candu Energy Inc. RON 54,020,936 (31 December 2022: RON 26,956,168), General Electric Global Services GMBH – RON 21,629,425 (31 December 2022: RON 23,264,335), Apele Romane Bucuresti – RON 18,156,632 (31 December 2022: RON 12,302,495), BOG ART SRL RON 11,362,785 (31 December 2022: RON 0).

As at 31 December 2023, "Trade Payables and other Liabilities" include the amount of RON 48,044,941 (31 December 2022: RON 38,176,357) related to liabilities to related parties, of which, under the headings "Suppliers" and "Suppliers of non-current assets", RON 47,996,999 (31 December 2022: RON 30,113,114).

As at 31 December 2023, the heading "Liabilities to the state" includes mainly the liability regarding the Payable balance of the to the Energy Transition Fund for December 2023 in the amount of RON 194,055,709 (31 December 2022: RON 73,261,115) which was paid in 2024, as well as the liability related to the local taxes and duties set by the State authorities in 2024, of RON 91,803,624 (31 December 2022: RON 72,723,700) which, according to *IFRIC 21 - Levies*, it is recognized on 31 December 2023. The due date of these taxes and duties is in the 2024 financial year.

## 23. Income from sale of electricity

### (i) *Income from sales of electricity*

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Sales of energy via MACEE	2,222,509,995	-
Sales of energy on the competitive market	5,195,404,075	6,337,877,402
Sales of thermal energy	6,097,431	5,729,022
Green certificates sales	32,480	33,276
<b>Total</b>	<b>7,424,043,981</b>	<b>6,343,639,700</b>

### (ii) *Quantity of sold electricity\**

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

*\*) The amount of electricity sold does not include the amount of electricity related to income from positive imbalances recovered on the Balancing Market, of 43,892 MWh for the financial year ended 31 December 2023 (40,798 MWh for the financial year ended 31 December 2022).*

Effective 1 January 2023, the Company is a seller under the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. The Romanian Electricity and Gas Market Operator OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers at the price of 450 RON/MWh and sells it to buyers at the same price. During 2023, the Company sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 47.02% of the total electricity sold during the period.

On the competitive market, during 2023, the Company sold 52.56% of the energy sold (2022: 99.61%), respectively 5,520,334 MWh (2022: 10,513,116 MWh). The average sale price of electricity sold by the Company on this market during 2023 was 940.45 RON/MWh (2022: 600.15 RON/MWh), amount net of Tg.

The Company is a participant in the Balancing Market according to the balancing market participation agreement concluded with C.N. Transelectrica S.A. and set up a Guarantee in amount of RON 50,000, valid until 11 June 2024 and is a member of PRE Ciga Energy SA, according to the agreement concluded with Ciga Energy S.A. for the provision of the representation service as a party responsible for balancing, for which it has set up a guarantee in the amount of RON 4,450,000 valid until 18 December 2024.

The Company carries out the activity of generation of heat energy by operation of the energy facilities related to the electricity and heat energy production units in two heat exchangers with a total heat power of 40 Gcal/h and 46.51 MW. The Company delivers heat energy to the heat energy local distribution company S.C. Utilitati Publice S.A. Cernavodă, as well as to certain end consumers in Cernavodă Locality– economic operators, social and cultural institutions. The sales of heat in 2023 amount to RON 6,097,431 (2022: RON 5,729,022).

## 24. Other income

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Income from investments subsidies	14,349,555	14,354,675
Income from operating subsidies	-	872,785
Income from compensation, fines and penalties	4,396,781	3,592,024
Net income from sale of assets held for sale	-	-
Income from reversal of provisions and value adjustments	-	74,987,912
Other income	106,716,970	73,660,311
<b>Total</b>	<b>125,463,306</b>	<b>167,467,707</b>

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 Individual Statement of Profit or Loss as income for the period 2007 - 2026, over the period remaining to be depreciated for Unit 1.

The heading "Other income" mainly includes income from changes in inventories in the amount of RON 53,035,166 and income from the production of fixed assets in the amount of RON 32,830,351.

## 25. Personnel costs

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Salaries and wages	670,076,446	509,613,797
Costs of social insurance and similar	69,150,998	45,622,074
<b>Total personnel costs</b>	<b>739,227,444</b>	<b>555,235,871</b>

The breakdown on categories of employees is as follows:

	<b>2023</b>	<b>2021</b>
	<b>(audited)</b>	<b>(audited)</b>
Management staff	100	89
Operational staff	2,252	2,256
<b>Total effective headcount</b>	<b>2,352</b>	<b>2,345</b>

1 The average headcount of the Company in 2023 was 2,272 (2022: 2,221 employees). As at 31 December 2023, the effective headcount was 2,352 (2022: 2,345 employees).

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## 26. Contribution to the Energy Transition Fund / Tax on additional income

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Contribution to the Energy Transition Fund /	2,623,619,387	
Tax on additional income		1,085,014,040
<b>Total</b>	<b>2,623,619,387</b>	<b>1,085,014,040</b>

During 2023, the Company booked Contribution to the Energy Transition Fund in the amount of RON 2,623,619,387 (2022: RON 1,085,014,040, under the heading additional income tax). As at 31 December 2023, the payable balance of the to the Energy Transition Fund amounts to RON 194,055,709 (31 December 2022: 73,261,115 RON), fully paid in January 2024.

In 2022, the Company registered additional income tax. The additional income was established and calculated based on art. II paragraph (1) of Law no. 259/2021 for the approval of Government Emergency Ordinance no. 118/2021, as it was in force until 01 September 2022, and resulted from the difference between the average monthly selling price of electricity and the price of 450 RON/MWh, to which a tax rate of 80% was applied, for the quantity of monthly energy physically delivered from own production. The calculation method was established by Government Emergency Ordinance no. 27/2022 (Appendix 6) and applied, according to art. 4 of the Government Emergency Ordinance no. 27/2022, for the period 1 November 2021 - 31 August 2022.

According to Government Emergency Ordinance no. 119/01.09.2022 for the amendment and supplementation of Government Emergency Ordinance no. 27/2022, starting with 1 September 2022, for the period 1 September 2022 - 31 August 2023, electricity producers must pay a contribution to the Energy Transition Fund, which replaced the additional income tax. The calculation method is provided for in Appendix 6 to Government Emergency Ordinance no. 27/2022 and is determined as a difference between the monthly 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).



## 27. Other operating expenses

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Other expenses with services executed by third parties	109,637,217	97,498,218
ANDR costs	101,845,002	100,535,482
Expenses with energy and water	123,767,644	91,268,972
Expenses with fuel and other consumables	64,737,900	62,274,284
Expenses with insurance premiums	14,906,354	13,555,971
Expenses with the transport and telecommunications	16,779,350	10,749,690
Expenses with building tax	90,949,460	71,957,968
Net expenses related to provisions and value adjustments	68,327,729	-
Expenses related to ANRE contribution	6,370,420	3,121,500
Other operating expenses	84,470,491	51,154,313
<b>Total</b>	<b>681,791,567</b>	<b>502,116,398</b>

### **ANDR costs**

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 2023 is calculated according to the Order ANRE no. 140/2022, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held. As at 31 December 2023 the contribution amounts to RON 6,370,420 (31 December 2022: RON 3,121,500). For 2022, the contribution was calculated according to the Order of ANRE no. 143/2021, representing 0.1% of the turnover realized in 2021, from activities carried out under the licenses held.

### **Other operating expenses**

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

## 28. Financial income and expenses

	<u>2023</u>	<u>2022</u>
	<u>(audited)</u>	<u>(audited)</u>
Interest income	352,588,227	217,870,423
Income from exchange rate differences	42,511,627	20,164,465
Dividend income	971,747	60,935
Financial income regarding the amortization of bonds and government bonds differences	133,390	70,929
Other financial income	17,497,237	9,623
<b>Financial income - Total</b>	<b>413,702,228</b>	<b>238,176,375</b>
Expenses from exchange rate differences	(25,502,393)	(24,235,623)
Interest expense	(9,271,793)	(7,451,711)
<b>Financial expenses - Total</b>	<b>(34,774,186)</b>	<b>(31,687,334)</b>
<b>Net financial costs</b>	<b>378,928,042</b>	<b>206,489,041</b>

### *Other financial income*

Under position “Other financial income” bonds interests are included. estimated for the period until 31 December 2023, in the amount to RON 17,497,237 (31 December 2022: RON 0).

## 29. Transactions and balances with related parties

### *(i) Transactions with State-owned companies*

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

The Company has made significant transactions with other State-owned or controlled companies, including:

- sales of electricity (OPCOM S.A., Electrica Furnizare SA, S.P.E.E.H. Hidroelectrica SA);
- sales of thermal energy (Utilitati Publice S.A. Cernavodă),
- rents invoices (FPCU Feldioara S.R.L., Nuclearelectrica Serv S.R.L., RoPower Nuclear S.A.),
- electricity purchases (OPCOM S.A.);
- purchase of electricity transmission and balancing services (C.N. Transelectrica S.A.);
- contribution for the management of the decommissioning process of the two units and for the final storage of nuclear waste at the end of the useful life of the two units, as well as for the permanent storage of the resulting residues (Nuclear and Radioactive Waste Agency - ANDR)
- water use purchase (Apele Romane Bucharest)
- purchase of processing services of natural technical uranium concentrate (F.P.C.U. Feldioara S.R.L.);
- purchase of waste processing services, equipment decontamination, scaffolding erection/dismantling, cleaning, repair and maintenance, preventive maintenance, fire prevention, etc. (Nuclearelectrica Serv S.R.L.)
- purchase of underground water use services (Dobrogea Seaside Water Basin Administration)
- purchase of treatment services for the radioactive water resulting from production activities (Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitești)

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

	Sales		Receivables as at	
	2023 (audited)	2022 (audited)	31 December 2023 (audited)	31 December 2022 (audited)
Operatorul Pietei de Energie Electrica si de Gaze Naturale din Romania (OPCOM S.A.)	2,826,863,126	1,332,533,729	240,751,656	1,478,997
Electrica Furnizare S.A.	835,748,874	560,894,954	107,592,215	40,721,750
S.P.E.E.H. Hidroelectrica S.A.	412,844,430	114,318,000	-	39,042,000
Utilitati Publice S.A. Cernavoda	6,567,598	6,018,958	5,772,723	5,724,145
F.P.C.U. Feldioara S.R.L.	4,073,425	5,369	521,425	-
Nuclearelectrica Serv S.R.L.	405,626	2,034	92,014	2,034
RoPower Nuclear S.A.	178,587	-	76,411	-
Energonuclear S.A.	30,320	79,747	4,462	2,405
C.N. Transelectrica S.A.	198,996	150,862,549	27,305	26,367,201
Distributie Energiei Electrica Romania S.A.	-	299,140,052	-	52,166,030
<b>Total</b>	<b>4,086,910,982</b>	<b>2,463,855,392</b>	<b>354,851,225</b>	<b>165,504,561</b>

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

	Purchases		Liabilities as at	
	2023 (audited)	2022 (audited)	31 December 2023 (audited)	31 December 2022 (audited)
Agentia Nucleara si pentru Deseuri Radioactive	101,845,002	100,535,482	9,677,430	8,063,243
Apele Romane Bucharest	87,491,766	64,591,306	18,156,632	12,302,495
F.P.C.U Feldioara S.R.L.	74,578,148	-	-	-
Operatorul Pietei de Energie Electrica si de Gaze Naturale din Romania (OPCOM S.A.)	71,630,580	369,609,440	1,586,094	1,068,264
C.N. Transelectrica S.A.	37,422,071	22,960,763	8,320,714	5,610,805
Nuclearelectrica Serv S.R.L.	33,054,277	-	6,456,150	-
Administratia Bazinala de Apa Dobrogea Litoral	20,435,603	12,639,264	5,624,636	3,215,249
Regia Autonoma Tehnologii pentru Energia Nucleara - ICN	14,690,989	11,567,810	3,547,342	2,771,157
Comisia Nationala pentru Controlul Activitatilor Nucleare	10,188,287	9,308,220	-	-
Autoritatea Nationala de Reglementare in Domeniul Energiei	6,371,045	3,121,500	735,522	735,522
Raja S.A.	4,837,165	3,700,316	510,431	754,733
Regia Autonoma Tehnologii pentru Energia Nucleara - CITON	3,900,049	3,798,642	712,585	1,153,794
S.P.E.E.H. Hidroelectrica S.A.	2,180,347	200,300	895,560	78,762
Electrica Furnizare S.A.	1,395,143	3,097,781	-	433,811
Compania Nationala Administratia Canalelor Navigabile S.A.	796,136	1,239,265	74,131	203,195
Compania Nationala a Uraniuului S.A.	541,352	103,328,704	316,577	1,417,293
<b>Total</b>	<b>471,357,960</b>	<b>709,698,793</b>	<b>56,613,806</b>	<b>37,808,324</b>

The balance of intercompany payables as at 31 December 2023 and 31 December 2022, as presented above, does not include advance payments received from related customers.

	Interest income 2023	Debt loan balance, including interest, as at 31 December 2023	Interest income 2022	Debt loan balance, including interest, as at 31 December 2022
Energonuclear S.A.	-	-	-	-
FPCU Feldioara S.R.L.	500,022	25,058,839	126,833	3,730,772
Nuclearelectrica Serv S.R.L.	459,484	57,863	44,478	1,964,478
Ropower Nuclear S.A.	779,399	21,957,885	-	-
<b>TOTAL</b>	<b>1,738,906</b>	<b>47,074,586</b>	<b>171,311</b>	<b>5,695,250</b>

(ii) **Guarantees received from the Romanian State through the Ministry of Finance**

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

All loans are secured by the Romanian State through the Ministry of Finance (see Note 17).

**(iii) Waging of the Company’s management**

The Company’s management include:

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

Members of the Board of Directors, who have directorship (mandate) contracts concluded with the Company, and the remuneration of whom is approved by the General Meeting of Shareholders. Executives with mandate contracts are remunerated based on the contractual provisions, within the general limits approved by the GMS. Detailed information on the remuneration of the Company's directors and executives is included in the Annual Report of the Nomination and Remuneration Committee, set up under the Company's Board of Directors. The amounts shown are gross remunerations.

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Remuneration of the Company’s management (gross amounts)	24,211,849	18,119,030
	<b>24,211,849</b>	<b>18,119,030</b>

**30. Management of significant risks**

The main risks the Company is exposed to are:

- market risk (price risk, interest rate risk and currency risk);
- credit risk;
- liquidity risk;
- taxation risk;
- operational risk.

The general risk management strategy seeks to maximize the Company's profit against the level of risk it is exposed to, and to minimize any potential adverse variations on the Company's financial performance.

The Company has no formal agreements to hedge financial risks. Despite the fact that there are no formal hedge agreements, financial risks are strictly monitored by the management considering the financial needs of the Company in order to effectively manage risks and opportunities. The financial department regularly prepares forecasts of cash flows in order to help the management make decisions.

**a) Market risk**

Market risk is defined as the risk of incurring a loss or not obtaining the expected profit, due to fluctuations of prices, interest rates and currency exchange rates.

The Company is exposed to the following categories of market risk:

**(i) Price risk**

The Company has a moderate exposure regarding the risk related to variation in the price of electricity traded as starting from 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 fixed price of 450 RON/MWh and sells it to buyers at the same

price. During 2023, the Company sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 47.02% of the total electricity sold during the period.

The difference of 52.56% (except the quantity of electricity related to imbalances) was traded on the competitive and spot (DAM + IDM) markets, as well as on the balancing market. To mitigate this risk, the Company trades electricity by concluding bilateral contracts, with fixed prices and well-defined price formulas.

The average sale price under bilateral contracts in 2023 was 1,059 RON/MWh, Tg included (31 December 2022: 531.36 RON/MWh, Tg included), and on the spot market (DAM + IDM) the average price was 516.48 RON/MWh, Tg included (31 December 2022: 1,207.36 RON/MWh, Tg included).

A positive variation of 10% in the price of electricity sold would lead to an increase in profit after taxes on 31 December 2023 by RON 745,531,882 (31 December 2022: RON 636,078,327), a negative variation of 10% having an equal net impact, but with the opposite sign.

**(ii) Interest rate risk**

The Company faces interest rate risk due to its exposure to unfavourable interest rate fluctuations. The change in the market interest rate has a direct influence on the income and expenditure related to the financial assets and liabilities bearing floating interest rates, as well as on the market value of those bearing fixed interest rates. As at 31 December 2023 and 31 December 2022, most of the Company's assets and liabilities are interest-bearing. As a result, the Company is directly affected by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested at interest rates for a maximum period of one year. However, the decrease in market yields could affect the measured amount of the assets held by the Company.

From the total financial liabilities of the Company, the only liabilities bearing floating interest are represented by long-term bank loans. For more information about the contractual maturity of the Company's interest-bearing financial assets and liabilities, see Note 30 Liquidity Risk. The Company does not use derivative financial instruments to hedge against interest rate fluctuations. The impact on the Company's net profit of a  $\pm 1.00\%$  change in the interest rate related to interest-bearing assets and liabilities is  $\pm$  RON 651.673 (31 December 2021:  $\pm$  RON 1,301,166).

	<b>Net book value (*)</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Fixed-rate instruments</b>		
Financial assets	3,840,678,001	4,256,179,161
	<b>3,840,678,011</b>	<b>4,256,179,161</b>
<b>Floating-rate instruments</b>		
Financial liabilities	65,167,260	130,116,620
	<b>65,167,260</b>	<b>130,116,620</b>

(\*) Net book value, before deduction of the trading costs.

### Sensitivity analysis of cash flows for floating interest rate instruments

A change in interest rates by  $\pm 1.00\%$  on the reporting date would have determined the increase (decrease) in profit or loss with the amounts below. This analysis assumes that all other variables, particularly exchange rates, remain constant.

	Profit or loss	
	+ 1.00% increase	- 1.00% decrease
<b>31 December 2023</b>		
Floating-rate instruments	(651,673)	651,673
<b>Cash flow sensitivity (net)</b>	<b>(651,673)</b>	<b>651,673</b>
<b>31 December 2022</b>		
Floating-rate instruments	(1,301,166)	1,301,166
<b>Cash flow sensitivity (net)</b>	<b>(1,301,166)</b>	<b>1,301,166</b>

### (iii) Currency risk

The currency risk is the risk of incurring losses or not making the estimated profit due to unfavourable exchange rate fluctuations. The Company is exposed to exchange rate fluctuations, but it does not have a formal foreign exchange risk hedging policy. Most of the financial assets and liabilities of the Company are expressed in the national currency; the other currencies in which transactions are performed are EUR, CAD, USD and GBP.

The Company is exposed to currency risk fluctuations for cash and cash equivalents and its purchases and long-term loans in a currency other than the Company's functional currency. Long-term loans are denominated in foreign currency and are converted into RON, at the exchange rate on the balance-sheet date, as communicated by the National Bank of Romania. The resulting differences are included in the Individual Statement of Profit or Loss, and do not affect the cash flow until the time when the debt is paid-off.

Financial assets and liabilities expressed in RON and in other currencies as at 31 December 2023 and 31 December 2022 are presented in the following tables.

	Carrying amount(*)	RON	EUR	USD	CAD	GBP	CHF
<b>31 December 2023</b>							
<b>Financial assets</b>							
Cash, cash equivalents and deposits	3,641,591,543	3,489,113,911	4,641,304	145,875,911	1,757,053	202,396	968
Government bonds	30,333,530	30,333,530	-	-	-	-	-
Bonds	552,203,754	-	552,203,754	-	-	-	-
Trade receivables	624,305,513	624,070,382	53,883	181,249	-	-	-
Advance payments	15,612,035	4,422,760	1,680,796	6,673,883	2,462,186	2,039	370,371
Tangible assets (pre- payments)	933,342,826	13,016,503	155,652,697	2,813,085	761,860,541	-	-
<b>Gross exposure</b>	<b>5,797,389,202</b>	<b>4,160,957,087</b>	<b>714,232,434</b>	<b>155,544,128</b>	<b>766,079,780</b>	<b>204,434</b>	<b>371,340</b>
<b>Financial liabilities</b>							
Suppliers and suppliers of non-current assets	(365,296,111)	(145,127,924)	(9,684,683)	(7,860,944)	(61,095,070)	(519,281)	-
Loans	(65,640,599)	-	(65,640,599)	-	-	-	-
<b>Gross exposure</b>	<b>(430,936,710)</b>	<b>(145,127,924)</b>	<b>(75,325,282)</b>	<b>(148,869,154)</b>	<b>(61,095,070)</b>	<b>(519,281)</b>	<b>-</b>
<b>Net exposure in the financial position statement (audited)</b>	<b>5,366,452,492</b>	<b>4,015,829,163</b>	<b>638,907,151</b>	<b>6,674,974</b>	<b>704,984,710</b>	<b>(314,846)</b>	<b>371,340</b>

(\*) Gross carrying amount, before deduction of the trading costs.

	Carrying amount(*)	RON	EUR	USD	CAD	GBP	CHF
<b>31 December 2022</b>							
<b>Financial assets</b>							
Cash, cash equivalents and deposits	4,510,798,927	4,485,707,463	14,612,409	1,140,286	9,291,722	44,023	3,024
Government bonds	30,260,661	30,260,661	-	-	-	-	-
Trade receivables	438,539,974	438,139,300	57,494	317,251	25,433	496	-
Advance payments	20,994,645	20,994,645	-	-	-	-	-
Tangible assets (pre-payments)	70,081,999	14,202,521	24,801,847	1,334,149	29,743,483	-	-
<b>Gross exposure</b>	<b>5,070,676,207</b>	<b>4,989,304,590</b>	<b>39,471,750</b>	<b>2,791,685</b>	<b>39,060,638</b>	<b>44,520</b>	<b>3,024</b>
<b>Financial liabilities</b>							
Suppliers and suppliers of non-current assets	(157,164,231)	(107,284,108)	(5,100,212)	(7,860,944)	(36,296,638)	622,329)	-
Loans	(130,116,620)	-	(130,116,620)	-	-	-	-
<b>Gross exposure</b>	<b>(287,280,851)</b>	<b>(107,284,108)</b>	<b>(135,216,832)</b>	<b>(7,860,944)</b>	<b>(36,296,638)</b>	<b>622,329)</b>	<b>-</b>
<b>Net exposure in the financial position statement (audited)</b>	<b>4,783,395,356</b>	<b>4,882,020,482</b>	<b>(95,745,082)</b>	<b>(5,069,259)</b>	<b>2,764,001</b>	<b>577,810)</b>	<b>3,024</b>

(\*) Gross carrying amount, before deduction of the trading costs.

The following rates of exchange were applied:

	Average rate		Exchange rate as at	
	2023	2022	31 December 2023	31 December 2022
RON/EUR	4.9465	4.9315	4.9746	4.9474
RON/USD	4.5743	4.6885	4.4958	4.6346
RON/CAD	3.3897	3.6020	3.3913	3.4232
RON/GBP	5.6869	5.7867	5.7225	5.5878
RON/CHF	5.0917	4.9096	5.3666	5.0289

#### Sensitivity analysis

A 10% appreciation of the national currency compared to the following foreign currencies on 31 December 2023 and on 31 December 2022 would have increased the gross profit by the amounts indicated below. This analysis assumes that all other variables remain constant.

	2023 profit (audited)	2022 profit (audited)
EUR	(63,890,75)	9,574,508
USD	(667,497)	506,926
CAD	(70,498,471)	(276,400)
GBP	31,485	57,781
CHF	(37,134)	(302)
<b>Total</b>	<b>(135,062,333)</b>	<b>9,862,513</b>

A 10% depreciation in the national currency against the following foreign currencies on 31 December 2023 and on 31 December 2022 would have had a similar, but opposite effect, on the above amounts, assuming that all other variables remained constant.

	Loss 2023	Loss 2022

	<b>(audited)</b>	<b>(audited)</b>
EUR	63.890.75	(9,574,508)
USD	667,497	(506,926)
CAD	70,498,471	276,400
GBP	(31,485)	(57,781)
CHF	37,134	302
<b>Total</b>	<b>135,062,333</b>	<b>(9,862,513)</b>

## b) Credit Risk

Credit risk is the risk of incurring losses or not realizing the estimated profits due to the counterparty not fulfilling their financial obligations. The Company is exposed to credit risk as a result of the investments measured at amortized cost, cash and cash equivalents and trade receivables.

### (i) Risk Management

In order to manage the counterparty risk, investment of the available funds is only done with banking institutions with a minimum rating of BB-, Fitch equivalent. Exposure limits for banks that do not have a public rating are set at a maximum of 3% per bank of total assets, but no more than 7% of total assets accumulated for all banks that do not have a public rating. The medium-term objective is to ensure an adequate spread so that the net exposure to a financial institution does not exceed 8% (percentage calculated by reference to the net investments in a financial institution, out of total assets).

Electricity sale/purchase contracts are concluded in compliance with the electricity and gas law no. 123/2012, the agreements for participation in the centralized electricity markets managed by OPCOM and RCE and ratified by SNN, as well as the procedures associated thereto. The amount of receivables, net of adjustments for impairment, represents the maximum amount exposed to credit risk.

As at 31 December 2023, the Company is exposed to a moderate credit risk, considering that approximately 65.7% of its gross trade receivables are against Societatea Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A., Electrica Furnizare S.A. and PPC Energie Muntenia S.A. (see Note 12). Counterparty risk is limited considering the guarantees obtained from clients in the form of letters of bank guarantee.

The Company's investments in debt instruments are considered to be low-risk investments. Credit ratings of investments are monitored for credit deterioration.

### (ii) Collaterals

For commercial receivables from the sale of electricity, the Company obtains guarantees in the form of letters of bank guarantee, which can be executed if the partner is default of the contractual term.

### (iii) Adjustments for impairment

The Company holds the following financial assets that are subject to the "expected credit losses" model:

- Trade receivables coming from the sale of electricity; and
- Financial assets measured at amortized cost

Although cash and cash equivalents are subject to impairment testing according to IFRS 9, the expected credit losses for these assets are insignificant.



### Cash and cash equivalents

Cash and deposits are placed with different financial institutions (banks), with the aim of reducing the counterparty risk, by limiting the exposure to a single financial institution. The main financial institutions where these financial assets are placed are the following:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
EximBank S.A./Banca Romaneasca S.A.	1,195,229,973	1,382,878,370
Banca Comerciala Romana S.A.	731,266,886	344,214,145
Alpha Bank S.A.	582,532,443	477,433,699
Banca Transilvania S.A.	392,942,257	280,057,693
Vista Bank S.A.	305,084,766	284,622,936
BRD Societe Generale S.A.	232,418,471	152,432,337
Garanti Bank S.A.	175,818,999	384,294,877
CEC Bank S.A.	22,829,270	769,741,239
Unicredit Bank S.A.	1,760,606	432,846,773
Treasury of City of Bucharest	1,485,008	1,436,612
Citi Bank Romania	157,027	7,102
Raiffeisen Bank	-	274,097
Other	65,839	559,048
<b>Total cash and bank deposits</b>	<b>3,641,591,543</b>	<b>4,510,798,927</b>

The maximum credit risk exposure on the reporting date was:

	<b>Net amount</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Financial assets</b>		
Trade receivables	624,305,513	438,539,974
Bank deposits	112,257,024	1,829,796,500
Cash and cash equivalents	3,529,334,516	2,681,002,427
Other financial assets at amortized cost	327,446,936	140,954,592
Government bonds	30,333,530	30,260,661
Bonds	552,203,754	
	<b>5,175,888,276</b>	<b>5,120,554,154</b>

### Trade receivables

The Company applies the simplified method of measuring expected credit losses, as provided under IFRS 9, for the measurement of trade receivables. IFRS 9 allows entities to apply a “simplified approach” to trade receivables, contractual assets and lease receivables. The simplified approach allows entities to recognize expected losses over the lifetime of all these assets without having to identify significant increases in credit risk.

In order to measure the expected credit losses, trade receivables were grouped based on the common characteristics of the credit risk and the days of delay. Expected loss rates are based on customer payment profiles over a 1-year period, analysed at 30-day intervals and historical losses. Historical loss rates are adjusted to reflect the current and prospective information on the macroeconomic factors that affect the customers' ability to pay.

Based on these ratios, the expected credit losses on 31 December 2023 and on 31 December 2022 were determined for trade receivables and other receivables, as follows:

The age of **trade receivables** on the reporting date was as follows:

	<b>Gross amount 31 December 2023 (audited)</b>	<b>Value adjustments as at 31 December 2023 (audited)</b>	<b>Gross amount 31 December 2022 (audited)</b>	<b>Value adjustments as at 31 December 2022 (audited)</b>
Not yet due	571,093,207	-	435,105,134	-
Overdue between 1-30 days	49,456,539	-	34,571	-
Overdue between 31-90 days	161,033	-	161,834	-
Overdue between 91-180 days	806,457	-	203,537	-
Overdue between 181-270 days	2,788,278	-	2,273,571	-
Overdue between 271-365 days	-	-	761,327	-
More than one year	11,255,214	(11,255,214)	12,001,436	(12,001,436)
<b>Total</b>	<b>635,560,727</b>	<b>(11,255,214)</b>	<b>450,541,411</b>	<b>(12,001,436)</b>

The age of **other receivables**, including the recoverable VAT, on the reporting date was as follows:

	<b>Gross amount 31 December 2023 (audited)</b>	<b>Value adjustments as at 31 December 2023 (audited)</b>	<b>Gross amount 31 December 2022 (audited)</b>	<b>Value adjustments as at 31 December 2022 (audited)</b>
Not yet due	99,035,503	-	139,070,849	-
Overdue between 1-30 days	-	-	-	-
Overdue between 31-90 days	-	-	-	-
Overdue between 91-180 days	-	-	-	-
Overdue between 181-270 days	-	-	-	-
Overdue between 271-365 days	-	-	-	-
More than one year	583,180	(583,180)	3,050,103	(3,050,103)
<b>Total</b>	<b>99,618,683</b>	<b>(583,180)</b>	<b>142,120,951</b>	<b>(3,050,103)</b>

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

	<b>31 December 2023 (audited)</b>	<b>31 December 2022 (audited)</b>
<b>Balance at the beginning of the year</b>	<b>(12,001,436)</b>	<b>(12,822,025)</b>
Recognized impairment adjustments, net	746,223	820,589
<b>Balance at the end of the year</b>	<b>(11,255,214)</b>	<b>(12,001,436)</b>

Trade receivables are derecognized when there is no longer a reasonable expectation of recovery. The ratios according to which there is no reasonable expectation of recovery include, among others, a debtor's inability to commit to a repayment plan and the inability to make payments for longer than 270 days. Impairment losses of trade receivables and contractual assets are presented as net impairment losses under the operating profit. Subsequent recoveries of previously cancelled amounts are credited to the same heading as the Individual Statement of Profit or Loss.

### e) Liquidity risk

Liquidity risk represents the risk of incurring losses or not realizing the estimated profits, which results from the impossibility of making short-term payment obligations at any time, without this involving excessive costs or losses that cannot be borne by the Company.

A prudent liquidity risk management policy implies maintaining a sufficient level of cash and cash equivalents and the availability of financing through appropriate contracted credit facilities. Considering the dynamic nature of its business, the Company strives to maintain financing flexibility by having access to various financing sources.

The structure of the assets and liabilities was analysed based on the remaining period from the date of the financial position until the contractual maturity date, both for the period ended 31 December 2023, and for the financial year ended 31 December 2022, as follows:

	Carrying amount 31 December 2023 (audited)	Contract amount	< 1 year	> 1 year	Carrying amount 31 December 2022 (audited)
<b>Financial assets</b>					
Cash and current accounts	3,529,334,516	3,529,334,516	3,529,334,516	-	2,681,002,427
Deposits with banks	112,257,027	112,257,027	112,257,027	-	1,829,796,500
Trade receivables	624,305,513	624,305,513	624,305,513		438,539,974
Financial assets measured at amortized cost	634,918,901	634,918,901	-	634,918,901	41,262,942
Other financial assets measured at amortized cost	327,446,936	327,446,936	327,446,936	-	140,954,592
<b>Total financial assets</b>	<b>5,228,262,893</b>	<b>5,228,262,893</b>	<b>4,593,343,992</b>	<b>634,918,901</b>	<b>5,131,556,435</b>
<b>Financial liabilities</b>					
Loans	65,640,599	65,640,599	65,640,599	-	130,336,373
Trade payables	818,115,509	818,115,509	818,115,509	-	445,315,659
Liabilities within leasing agreements	19,772,400	19,772,400	15,605,108	4,167,292	15,565,524
Other financial liabilities	51,528,522	51,528,522	35,684,350	15,844,172	220,699,024
<b>Total financial liabilities</b>	<b>955,057,030</b>	<b>955,057,030</b>	<b>935,045,566</b>	<b>20,011,464</b>	<b>811,916,580</b>
<b>Excess liquidity</b>	<b>4,273,205,863</b>	<b>4,273,205,863</b>	<b>3,658,298,426</b>	<b>614,907,437</b>	<b>4,319,639,855</b>

#### **d) Taxation risk**

The Romanian tax legislation provides detailed and complex rules that underwent repeated in recent years. The interpretation of the text and the practical procedures implementing the tax legislation could vary, and there is a risk that certain transactions are interpreted by the tax authorities differently than the Company's treatment.

From the point of view of the corporate tax, there is a risk that tax authorities give a different interpretation to the applied tax rules determined under the Accounting Regulations compliant with IFRS.

The Government of Romania has a number of agencies authorized to audit (inspect) the companies operating in the territory of Romania. These inspections are similar to the tax audits undertaken in other countries, and may cover more than just tax issues, meaning legal and regulatory matters of interest for these agencies. It is possible that the Company is subject to tax inspections as new tax regulations are issued.

#### **e) Operational risk**

Operational risk is defined as the risk of incurring losses or not realizing the estimated profits due to internal factors, such as improper performance of internal activities, inadequate personnel or systems, or to external factors, such as economic conditions, changes on the capital market, technological progress. Operational risk is inherent in all the Company's activities.

Operational risk relates to the Company's ability to secure the amounts of electricity assumed under contracts on the regulated and competitive market, taking into account both the scheduled and unscheduled shutdowns of Units 1 and 2. The means of managing these risks imply assessment, maintenance and continuous upgrading of the Company's systems, as well as a good planning and performance of preventive and corrective maintenance activities to control the nuclear risks, as well as to reduce the number of unscheduled downtime hours.

The policies defined for operational risk management took into account each type of event that can generate significant risks and how these manifest, in order to remove or reduce losses of a financial or reputational nature.

#### **f) Regulatory risk**

Regulatory risk is the risk of financial losses, including fines and penalties, resulting from non-compliance with the laws and regulations due to potential amendments of the legislative framework. These may refer to the local and central authorities or the energy regulatory authority (ANRE) imposing new contractual provisions or tax changes. This risk is limited by the continuous monitoring and assessment of the impact of the legislative framework amendments on the Company.

#### **g) Capital adequacy**

The management's policy on capital adequacy focuses on maintaining a solid capital base, in order to support the continuous development of the Company and attainment of its investment objectives.

#### **Risk management**

The Company's capital management objectives are:

- to protect its ability to continue to pursue its business, so that it can continue to provide shareholders with profit and the other stakeholders with benefits, and
- to maintain an optimal capital structure so as to reduce the cost of capital.

To maintain or adjust the capital structure, the Company can adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities.

In line with other industries, the Company monitors the capital based on the following ratio:

Net leverage = net liabilities/equity (as presented in the Statement of the Financial Position, including the non-controlling interests).

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Net debt	(4,138,715,828)	(4,395,157,691)
Equity	11,755,091,170	10,535,504,870
<b>Net debt/Equity</b>	<b>(0.4x)</b>	<b>(0.4x)</b>

As at 31 December 2023, a negative net debt of RON 4.1 million was booked by the Company (31 December 2022: RON 4.4 million). The net leverage ratio being (0.4x).

### Net debt

The net debt includes the total of credits and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets with an initial maturity of more than three months, that are easily convertible into cash and are managed according to a liquidity-focused policy. In this category, the Company recognized financial assets measured at amortized cost of the nature of governmental bonds.

	<b>31 December</b> <b>2023 (audited)</b>	<b>31 December</b> <b>2022 (audited)</b>
Cash and cash equivalents	(3,529,334,516)	(2,681,002,427)
Bank deposits	(112,257,027)	(1,829,796,500)
Financial assets measured at amortized cost in the form of bonds	(552,203,754)	-
Financial assets measured at amortized cost in the form of governmental bonds	(30,333,530)	(30,260,661)
Bank loans	65,640,599	130,336,373
Liabilities within leasing agreements	19,772,400	15,565,524
<b>Net debt</b>	<b>(4,138,715,828)</b>	<b>(4,395,157,691)</b>

### Loan agreements

In accordance with the terms of the loan facility granted by EURATOM, the Company must comply with the following financial clauses:

- the debt service coverage index must be at least 1.5;
- the leverage must not exceed 2;
- the income booked by the Company must be sufficient to cover the operating and maintenance costs of Units 1 and 2, as well as for the interest payments in relation to Units 1 and 2.

As at 31 December 2023 and 31 December 2022, the financial ratios requested by EURATOM are met.

### 31. 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

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

4 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, which is currently under resolution.
- 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,

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

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.

Taking into account 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. 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 34,602, which is currently being resolved.

In the event of an unfavourable response, SNN will appeal to the competent administrative court.

### ***(iii) Insurance policies***

As at 31 December 2023, the following operational insurance policies were valid:

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

### ***(iv) Environmental matters***

The Company does not register any liabilities as at 31 December 2023 and 31 December 2022 for any anticipated costs regarding the environmental issues, including legal and consultancy fees, land surveys, design and application of the rehabilitation plans. The liability for the decommissioning of nuclear plants was taken over by ANDR (see Notes 5 and 27). Management considers that the plant fully complies with the Romanian and international environmental standards and it is estimated that any additional costs related to the observance of environmental laws as at 31 December 2023 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 (ii) 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**

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

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

**(vi) Commitments**

As at 31 December 2023, the total amount of the commercial commitments was fully reflected under "Trade and other payables", representing capital and operating expenditure.

In addition, the company is part of a commitment mentioned in the Ropower Nuclear S.A. investor agreement. This agreement states that Nova Power&Gas S.R.L. ("NPG") - the company that owns 50% of the shares of RoPower Nuclear S.A., has the right to sell part or all of the shares held in the associated entity to SNN. If NPG exercises its right to sell the shares by sending a written notification, SNN will have the obligation to purchase these shares.

Also, according to the provisions of this Agreement, at the date of acquisition of the shares, NPG will have the right to assign to SNN the shareholder loans. In the event that NPG exercises this right, SNN will have the obligation to take over and NPG will have the obligation to assign, by assignment of contract, the shareholder loans granted by NPG to RoPower Nuclear SA.

The price of the loans cession granted by NPG to RoPower Nuclear S.A. it will be calculated according to a formula that takes into account the period that has passed since the granting of these loans and the expected date for reaching the Ready to Build stage, as well as the inclusion in the budget agreed by the parties until the date of reaching the Ready to Build stage.

As at 31 December 2023, NPG had not granted any shareholder loan to RoPower Nuclear S.A.

Until the date of these individual financial statements, NPG has not notified SNN in writing in this regard.

**(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 December 2023, the total amount of the letters of bank guarantee issued in favour of OPCOM, for participation in DAM and IDM, amounts to RON 130.1 million.

Moreover, as at 31 December 2023, the Company issued up letters of bank guarantee in favour of Transelectrica S.A. (of RON 50,000), for the purpose of ensuring the liquidity on the Balancing Market, by each Party Responsible for Balancing setting up a financial guarantee in favour of Transelectrica S.A., on account of the Agreement of Party Responsible for Balancing concluded between the Company as a license holder, and Transelectrica S.A. For all such bank guarantee letters, the Company set up collateral deposits with banks issuing guarantee letters. The Company also holds a letter of bank guarantee of RON 4.424 million in favour of Transelectrica, for provision of the transmission service.

As at 31 December 2023 the Company had set up with the Treasury, a deposit in amount of RON 1,436,176, representing the establishment of precautionary measures according to ANAF (National Agency for Fiscal Administration) Decision – General Directorate for Fiscal Antifraud.



As at 31 December 2023, the total amount of the letters of bank guarantee issued by customers in favour of the Company for the contracts concluded on CMBC-CN, CMBC-LE and CM-OTC was RON 411.633 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

***(viii) Fees***

The total fees (excluding VAT) for the audit of the Individual and Consolidated Financial Statements as at 31 December 2023 was RON 650,000, for the review of the Individual and Consolidated Financial Statements as at 30 June 2023 was RON 112,000, and for other services (reviews under agreed procedures and assurance engagements) in 2023 is RON 71,440 (31 December 2022 : RON 175,950).

### **32. Subsequent events**

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

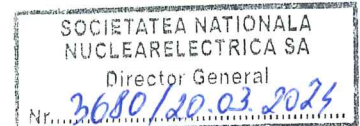
**Date: 20 March 2024**

**Cosmin Ghita**  
**Chief Executive Officer**

**Dan Niculaie-Faranga**  
**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of S.N. Nuclearelectrica S.A.

**Report on separate financial statements****Qualified opinion**

1. We audited the attached separate financial statements of **S.N. Nuclearelectrica S.A.** ("Company"), with its registered office in Bulevardul Iancu de Hunedoara, nr. 48, sector 1, Bucharest, Romania, identified by the unique tax registration code RO10874881, which includes the separate statement of financial position as at December 31, 2023, the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the financial year ended, including a summary of significant accounting policies and explanatory notes.
2. The separate financial statements as at December 31, 2023 are identified as follows:
  - Net asset/Total equity: 11.755.091.170 lei
  - Net result for the financial year - profit: 2.506.518.832 lei
3. In our opinion, except for the possible effect of the matter mentioned in paragraph 4 below, the attached separate financial statements give a true and fair view of the Company's financial position as at 31 December 2023, as well as its financial performance and cash flows for the financial year ended on that date, in accordance with Order of the Minister of Public Finance No. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, as subsequently amended and with the accounting policies described in the notes to the separate financial statements.

**Basis for qualified opinion**

4. As presented in Note 5 "*Tangible assets*" to the attached separate financial statements, the Company presents as of December 31, 2023 outstanding tangible assets in the amount of RON 2,261,788,158, of which capitalizations of items for Units 3 and 4 of the Cernavoda nuclear power plant in the amount of RON 273,960,000 (December 31, 2022: RON 273,960,000). Before 1991, nuclear units 1, 2, 3, 4 and 5 were considered a single project and, for this reason, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Company made the allocation of construction costs for Units 3 and 4 of the nuclear power plant. We have not been able to obtain sufficient and adequate audit evidence on the accuracy of this allocation, which has an effect on the valuation of the assets mentioned. These limitations also impact the deferred tax liability allocated for Units 3 and 4 as of December 31, 2023, in the amount of RON 43,524,186 (December 31, 2022: RON 43,524,186). Therefore, in view of the foregoing, we have not been able to determine whether further adjustments are necessary to property, plant and equipment, deferred tax liability and retained earnings at 31 December 2023 and, consequently, depreciation and amortisation, income tax expense and net profit for the year ended the same date.
5. We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation No. 537 of the European Parliament and of the Council (hereinafter referred to as *the "Regulation"*) and Law no. 162/2017 (the "*Law*"). Our responsibilities under these standards are described in detail in the "*Auditor's Responsibilities in an Audit of Separate Financial Statements*" section of our report. We are independent from the Company under the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("*IESBA Code*"), according to ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities in accordance with these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Highlighting some aspects

6. We draw attention to Note 1 of the separate financial statements, which describes the fact that investments in Units 3 and 4 are planned to be made by the Company's subsidiary – Energonuclear S.A. In addition, during 2022, the Company established together with an investor Ropower Nuclear SA to develop, attract financing, design, build and operate a nuclear power generation capacity based on small modular reactor (SMR) technology. The estimated total recoverable amount of investments in Cernavoda Units 3 and 4 and SMR, including also all separate items capitalized by the Company, was determined by management based on certain assumptions, professional judgments and probabilities regarding subsequent events, which are considered reasonable in the circumstances, as well as other factors, assuming that the current negotiations between the Company's management and its discussion partners regarding the investment in these units will be successfully concluded. These aspects are supported by the fact that in March 2023 Law no. 74 regarding the approval of the signing of the Support Agreement between the Romanian State and Societatea Nationala Nuclearelectrica S.A. for the Cernavoda NPP Units 3 and 4 Project. Also, these assumptions are based on certain external factors on which the implementation of the mentioned projects depends, such as: the support of the Romanian State to ensure the legislative framework and the necessary financing, attracting external funds for the implementation of projects. In the event that any of the premises, professional judgments, probabilities of subsequent events and other factors do not materialize favorably, this could result in a material adjustment to the net carrying amount of the Company's assets, liabilities and separate results for the current or future financial year that cannot reasonably be estimated at the date of issue of these separate financial statements. My opinion does not express a reservation in this regard.

### Key audit issues

7. Key audit issues are those aspects that, based on our professional judgement, were of the greatest importance for the audit of separate financial statements of the current period. These issues have been addressed in the context of auditing the financial statements as a whole and forming our opinion on them, and we do not provide a separate opinion on these key issues.
- **Provisions for liabilities and charges.**
    - **Description.** As presented in Note 18 "Provisions for risks and expenses", the Company has registered on December 31, 2023 provisions in the amount of RON 324,675,337, of which in the long term the amount of RON 204,807,400 and in the short term the amount of RON 119,867,937. The decision to record a provision for risks and charges or to present a contingent liability in the separate financial statements depends on professional judgment and certain estimates by the Company's management. We considered that the recognition or not of provisions for risks and expenses is material for the audit, as it involves a significant degree of professional judgement.
    - **Our response.** Our audit procedures to address the risk of material misstatement in relation to the recognition of provisions for risks and charges, which was considered materially risky, included:
      - Review of the resolutions of the General Shareholders Meetings, ordinary and extraordinary,
      - Analysis of the Company's current obligations under which provisions have been recognized,
      - Analysis of professional reasoning used by the Company's Management in determining the probable outcomes of events, as well as quantification of obligations,
      - Obtaining and evaluating lawyers' answers to auditor's letters, followed by obtaining clarifications on the status of certain disputes. During the audit mission, discussions were also held with management and lawyers (internal and external) on significant disputes,
      - Critical assessment of the working assumptions and estimates made by the Company with respect to disputes, including the amount of provisions recognised in the separate financial statements or contingent liabilities presented,
      - Analysis of the maturity of the obligations underlying the establishment of provisions and

their short- and long-term classification,

- Assessment of the information disclosed in the notes to the separate financial statements with respect to provisions for risks and charges in accordance with the requirements of applicable reporting standards.

#### **Other issues**

8. This report is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the Company's shareholders those aspects that we must report in a financial audit report and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders as a whole for our audit, for this report.
9. Taxation in Romania is constantly evolving. There is a possibility of different interpretations of legal provisions by the Ministry of Finance and local tax authorities. The Company's management recorded in the submitted accounts various taxes, penalties and fees, based on the best interpretation of the tax provisions in force, an interpretation which, however, can be challenged by a possible fiscal control.

#### **Responsibilities of management and persons responsible for governance for separate financial statements**

10. The Company's management is responsible for preparing separate financial statements that provide a true and fair view in accordance with OMFP 2844/2016 and for that internal control that management considers necessary to allow the preparation of separate financial statements free from material misstatements, caused either by fraud or error.
11. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing going concern in the notes to the consolidated financial statements, if any, and for using going concern accounting, unless management either intends to liquidate the Company or cease operations, or has no realistic alternative other than these.
12. The persons responsible for governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities in an audit of separate financial statements**

13. Our goals are to obtain assurance Reasonable on whether the financial statements, as a whole, are free from material misstatements, whether caused by fraud or error, and in issuing an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if one exists. Distortions can be caused either by defraud error and are considered material if that can be expected, flax reasonably well, that they, separately or cumulatively, will Influence economic decisions of users, taken on the basis of these separate financial statements.
14. As part of an ISA audit, we exercise professional judgement and maintain professional skepticism throughout the audit. Also:
  - We identify and assess risks of material misstatement of separate financial statements caused by either fraud or error, design and execute audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than not detecting a material misstatement due to error, as fraud can involve collusion, forgery, intentional omissions, misrepresentation and avoidance of internal control.
  - We understand internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - We assess the adequacy of the accounting policies used and the reasonableness of the cantabile estimates and related disclosures made by management.
  - We conclude on the appropriateness of management's use of accounting on a going concern basis and determine, based on the audit evidence obtained, whether there is material

uncertainty about events or conditions that could raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we should draw attention in the auditor's report to related disclosures in the separate financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.

- We evaluate the presentation, structure and content of separate financial statements, including disclosures, and the extent to which separate financial statements reflect underlying transactions and events in a manner that results in a fair presentation.
15. We communicate to those responsible for governance, among other aspects, the planned scope and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.
  16. We also provide those responsible for governance with a statement as to our compliance with ethical independence requirements and communicate to them all relationships and other matters that may reasonably be considered to affect our independence and, where applicable, related safeguards.
  17. Among the issues we have communicated to those responsible for governance, we determine those aspects that were of greater importance in the audit of separate financial statements in the current period and are therefore key audit issues. We describe these matters in our audit report unless legislation or regulation prevents the matter from being made public, or in extremely rare circumstances we believe that something should not be disclosed in our report because the benefits of the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

#### **Report on compliance of the management report with the separate financial statements and non-financial statement**

The Directors of the Company are responsible for preparing and submitting, in accordance with the requirements of Articles 15-19 of the Accounting Regulations approved by OMFP 2844/2016, an annual report of the Directors that does not contain significant misstatements and for that internal control that the management considers necessary to allow the preparation of the annual report of the Directors that does not contain significant misstatements, due to fraud or error.

The annual report of the directors is not part of the Company's separate financial statements.

Our opinion on the separate financial statements does not cover the annual management report.

In relation to the audit of the separate financial statements for the year ended December 31, 2023, it is our responsibility to read the annual management report and, in doing so, to assess whether it is materially inconsistent with the separate financial statements, or with knowledge we have obtained during the audit, or whether it appears to be materially misstated.

Regarding the annual report of the administrators, we have read and report whether it has been prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19.

Based solely on the activities to be carried out during the audit of the separate financial statements, in our opinion:

- a) The information presented in the annual management report for the financial year for which the separate financial statements have been prepared is consistent in all material respects with the separate financial statements.
- b) The annual report of the administrators was prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19 and 26-28,
- c) The annual management report includes the non-financial statement provided for in art. 39 of OMFP 2844/2016.

In addition, based on our knowledge and understanding of the Company and its environment acquired during the audit of the separate financial statements for the year ended December 31, 2023, we are

required to report whether we have identified material misstatements in the annual management report. We have nothing to report on this.

### **Report on other legal and regulatory provisions**

#### **i) Requirements regarding the information in the Remuneration Report**

In accordance with the requirements of art. 107 paragraph (7) of Law no. 24/2017, as subsequently amended ("*Law 24/2017*"), we have read the Remuneration Report prepared by the Company for the financial year ended December 31, 2023 and confirm that, in our opinion, it presents, in all material aspects, the information provided in art. 107 of Law 24/2017.

#### **ii) Audit requirements for public-interest entities**

We were appointed auditors of the Company by the General Meeting of Shareholders by Decision no. 1 dated February 28, 2024 to audit the Company's separate financial statements for the financial years ended December 31, 2023, 2024 and 2025. The total uninterrupted duration of our commitment is 1 year, covering financial years ended December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Board of Directors, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- Our audit opinion on the separate financial statements expressed in this report is consistent with the additional report submitted to the Company's Audit Committee,
- We have not provided for the Company the prohibited non-audit services mentioned in Article 5 (1) of EU Regulation no. 537/2014.

#### **iii) Report on compliance with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which includes regulatory technical standards on the single electronic reporting format**

We have performed a reasonable assurance mission on the compliance of the separate XHTML financial statements of S.N. Nuclearelectrica S.A. (the "*Company*") on 31.12.2023 ("*XHTML statements*"), with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which sets out the regulatory technical standards on specifying a single electronic reporting format ("*ESEF RTS*").

#### **The responsibility of the Company's management for XHTML situations prepared in accordance with RTS regarding ESEF**

The Company's management is responsible for preparing XHTML statements in accordance with the RTS on ESEF. This responsibility involves:

- ensuring consistency between XHTML statements and separate financial statements prepared for submission to the relevant authorities in accordance with OMFP 2844/2016,
- designing, implementing and maintaining internal control relevant to the preparation and presentation of ESEF RTS-compliant XHTML statements that are free from material misstatement, fraud or error.

#### **Our responsibility**

It is our responsibility to express, based on the evidence obtained, a conclusion as to whether XHTML situations comply, in all material respects, with RTS ESEF requirements. Our reasonable assurance engagement has been conducted in accordance with International Standard on Assurance Engagements 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information* ("*ISAE 3000*") issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement under ISAE 3000 involves conducting procedures to obtain evidence of ESEF compliance with the RTS. The nature, timing and extent of the procedures selected

depend on the auditor's judgement, including the assessment of the risk of significant deviations from the ESEF RTS provisions due to either fraud or error. A reasonable assurance mission involves:

- obtaining an understanding of the process of preparation by the Company of XHTML statements in accordance with the ESEF RTS, and of the relevant internal controls,
- assessing whether the separate financial statements have been prepared in a valid XHTML format,
- reconciliation of XHTML statements with audited separate financial statements prepared by the Company in accordance with OMFP 2844/2016 for submission to the relevant authorities.

It seems to me that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

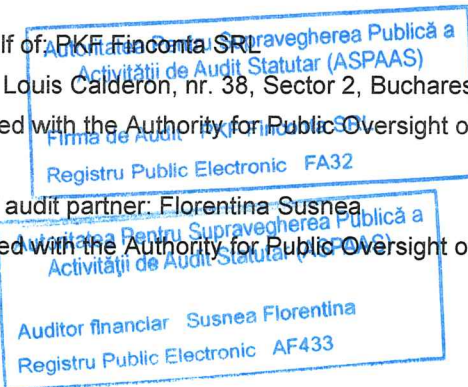
### Conclusion

In our opinion, the XHTML statements for the financial year ended 31.12.2023 comply, in all material respects, with the RTS ESEF requirements.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion regarding the separate financial statements. Our audit opinion on the Company's separate financial statements for the financial year ended 31.12.2023 is included in the section "*Report on the audit of separate financial statements*" above.

On behalf of **PKF Finconta S.R.L.**  
St. Jean Louis Calderon, nr. 38, Sector 2, Bucharest  
Registered with the Authority for Public Oversight of Statutory Audit under number FA32

Name of audit partner: **Florentina Susnea**  
Registered with the Authority for Public Oversight of Statutory Audit under number AF433



Bucharest, March 20, 2024

**26. ANNEX 12 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT,  
AND FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2023**

**CERTIFIED MANAGEMENT SYSTEM  
ISO 37001**



**S.N. Nuclearelectrica S.A.**

**Consolidated Financial Statements  
as at and for the financial year ended at  
31 December 2023**

Issued in accordance with  
Order of the Minister of Public Finance no 2.844/2016 on the approval of the  
Accounting Regulations compliant with the  
International Financial Reporting Standards adopted by the  
European Union



	Note	31 December 2023 (audited)	31 December 2022 (audited)
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	5	6,770,411,156	5,914,458,703
Assets representing rights to use underlying assets within a leasing contract	6	18,601,084	15,565,831
Intangible assets	7	50,466,796	50,851,123
Financial assets measured at amortized cost	8	609,802,200	35,567,692
Financial investments in related entities	9	20,014,848	4,745,610
<b>Total fixed assets</b>		<b>7,469,296,084</b>	<b>6,021,188,959</b>
<b>Current assets</b>			
Inventories	10	1,032,886,751	653,273,110
Trade receivables	11	623,780,215	438,540,316
Other financial assets measured at amortized cost	12	329,590,958	142,158,865
Bank deposits	13	112,257,027	1,829,796,500
Cash and cash equivalents	13	3,581,674,576	2,707,724,133
<b>Total current assets</b>		<b>5,680,189,527</b>	<b>5,771,492,924</b>
<b>Total assets</b>		<b>13,149,485,611</b>	<b>11,792,681,883</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital, of which:		3,211,941,683	3,211,941,683
<i>Share capital subscribed and paid up</i>		<i>3,016,438,940</i>	<i>3,016,438,940</i>
<i>Inflation adjustments of the share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Share premium		31,474,149	31,474,149
Reserve paid in advance		21,553,548	21,553,548
Revaluation reserve		2,101,938,467	2,101,938,467
Retained earnings		6,365,185,539	5,165,634,673
<b>Total capital</b>	14	<b>11,732,093,386</b>	<b>10,532,542,520</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term loans	16	-	64,810,940
Provisions for risks and charges	17	204,807,400	174,504,703
Long-term deferred income	18	50,342,355	63,611,498
Deferred tax liability	19	62,831,361	95,446,226
Liabilities for employee benefits	20	48,088,311	45,557,591
Liabilities under long-term leasing agreements	6	15,735,744	12,831,121
<b>Total long-term liabilities</b>		<b>381,805,171</b>	<b>456,762,079</b>
<b>Current liabilities</b>			
Trade and other payables	21	827,160,116	448,160,020
Current part of provisions for risks and charges	17	120,883,437	77,040,585
Current part of the long-term loans	16	65,640,599	65,525,433
Corporate income tax due	19	16,680,080	52,829,317
Short-term deferred income	18	1,186,167	157,087,526
Liabilities under short-term leasing agreements	6	4,036,655	2,734,403
<b>Total current liabilities</b>		<b>1,035,587,054</b>	<b>803,377,284</b>
<b>Total liabilities</b>		<b>1,417,392,225</b>	<b>1,260,139,363</b>
<b>Total equity and liabilities</b>		<b>13,149,485,611</b>	<b>11,792,681,883</b>

	Note	2023 (audited)	2022 (audited)
<b>Income</b>			
Income from the sale of electricity	22	7,424,023,939	6,343,626,321
Income from the transport of electricity		37,404,747	22,902,955
<b>Total income</b>		<b>7,461,428,686</b>	<b>6,366,529,276</b>
Other income	23	157,005,026	167,599,852
<b>Operating expenses</b>			
Depreciation and impairment		(631,949,767)	(605,436,828)
Payroll costs	24	(796,253,024)	(561,122,081)
Cost of electricity purchased		(121,451,959)	(513,740,391)
Repairs and maintenance		(72,075,989)	(86,468,972)
Expenses with the transmission of electricity		(37,404,747)	(22,902,955)
Expenses with spare parts		(22,962,755)	(25,907,604)
Costs of nuclear fuel		(155,524,489)	(151,232,259)
Contribution to the Energy Transition Fund / Tax on additional income	25	(2,623,619,387)	(1,085,014,040)
Other operating expenses	26	(692,823,478)	(499,254,465)
<b>Operating expenses - Total</b>		<b>(5,154,065,595)</b>	<b>(3,551,079,595)</b>
<b>Operating profit</b>		<b>2,464,368,117</b>	<b>2,983,049,533</b>
Financial expenses		(34,848,958)	(31,799,387)
Financial income		413,193,238	239,236,533
<b>Net financial result</b>	27	<b>378,344,280</b>	<b>207,437,146</b>
<b>Profit before corporate tax</b>		<b>2,842,712,397</b>	<b>3,190,486,679</b>
<b>Part of the (loss) with related entities</b>	9	<b>269,239</b>	<b>(197,390)</b>
Net corporate income tax expenses	19	(356,498,238)	(428,249,778)
<b>Profit of the period</b>		<b>2,486,483,398</b>	<b>2,762,039,511</b>

The Consolidated Financial Statements presented from page 1 to 84 were signed on 20 March 2024 by:

**Cosmin Ghita**  
Chief Executive Officer

**Dan Niculaie-Faranga**  
Chief Financial Officer

S.N. Nuclearelectrica S.A.

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

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

	Note	<u>2023</u> (audited)	<u>2022</u> (audited)
Profit of the period		<u>2,486,483,398</u>	<u>2,762,039,511</u>
Other elements of the overall result			
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		(3,716,876)	1,745,457
Retained earnings from other adjustments		-	-
Other elements of the overall result		<u>(3,716,876)</u>	<u>1,745,457</u>
Total overall result related to the period		<u>2,482,766,522</u>	<u>2,763,784,968</u>
Earnings per share	15		
Earnings per share (RON/share)		8.24	9.16
Diluted earnings per share (RON/share)		8.24	9.16

S.N. Nuclearelectrica S.A.  
 Consolidated Statement of Changes in Equity for the financial year ended 31 December 2023  
 (All amounts are expressed in RON, unless otherwise expressly provided for.)

Note	Share capital	Inflation adjustments of the share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
	<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,548</b>	<b>2,101,938,467</b>	<b>5,165,634,673</b>	<b>10,532,542,520</b>
<b>Balance as at 1 January 2023 (audited)</b>							
<b>Comprehensive result</b>							
<i>Profit of the financial year</i>	-	-	-	-	-	<b>2,486,483,398</b>	<b>2,486,483,398</b>
<i>Other items of the comprehensive result</i>							
Actuarial gains related to the benefit plans	-	-	-	-	-	(3,716,876)	<b>(3,716,876)</b>
<b>Total other items of the comprehensive result</b>	-	-	-	-	-	<b>(3,716,876)</b>	<b>(3,716,876)</b>
<b>Total comprehensive result related to the financial year</b>	<b>14</b>	-	-	-	-	<b>2,482,766,522</b>	<b>2,482,766,522</b>
<b>Transactions with shareholders, only recognized in equity</b>							
Distributed dividends	-	-	-	-	-	(1,283,215,656)	<b>(1,283,215,656)</b>
<b>Total transactions with shareholders, only recognized in equity</b>	<b>14</b>	-	-	-	-	<b>(1,283,215,656)</b>	<b>(1,283,215,656)</b>
<b>Balance as at 31 December 2023 (audited)</b>	<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,548</b>	<b>2,101,938,467</b>	<b>6,365,185,539</b>	<b>11,732,093,386</b>

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.  
Consolidated Statement of Changes in Equity for the financial year ended 31 December 2022  
(All amounts are expressed in RON, unless otherwise expressly provided for.)

	Note	Share capital	Inflation adjustments of the share capital	Share premium	Reserve paid in advance	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2022 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,548</b>	<b>2,101,938,467</b>	<b>2,997,775,072</b>	<b>8,364,682,919</b>
<b>comprehensive result</b>								
<i>Profit of the financial year</i>		-	-	-	-	-	<i>2,762,039,511</i>	<i>2,762,039,511</i>
<i>Other items of the comprehensive result</i>								
Actuarial gains related to the benefit plans		-	-	-	-	-	1,745,457	<b>1,745,457</b>
<b>Total other items of the comprehensive result</b>		-	-	-	-	-	<b>1,745,457</b>	<b>1,745,457</b>
<b>Total comprehensive result related to the financial year</b>	<b>14</b>	-	-	-	-	-	<b>2,763,784,968</b>	<b>2,763,784,968</b>
<b>Transactions with shareholders, only recognized in equity</b>								
Distributed dividends		-	-	-	-	-	(595,925,367)	<b>(595,925,367)</b>
<b>Total transactions with shareholders, only recognized in equity</b>	<b>14</b>	-	-	-	-	-	<b>(595,925,367)</b>	<b>(595,925,367)</b>
<b>Balance as at 31 December 2022 (audited)</b>		<b>3,016,438,940</b>	<b>195,502,743</b>	<b>31,474,149</b>	<b>21,553,548</b>	<b>2,101,938,467</b>	<b>5,165,634,673</b>	<b>10,532,542,520</b>

THIS IS A FREE TRANSLATION FROM THE ROMANIAN VERSION. IN CASE OF ANY DIFFERENCES BETWEEN THE ROMANIAN AND ENGLISH VERSION, THE ROMANIAN VERSION PREVAILS

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Cash flows from operating activities</b>		
Profit before corporate tax	<b>2,842,712,397</b>	<b>3,190,486,679</b>
<b>Adjustments for:</b>		
Depreciation and impairment	631,949,767	605,436,828
Value adjustments of trade receivables	632,241	(817,620)
Value adjustments of inventories	1,232,673	(1,734,893)
Provisions related to liabilities, risks and operating expenses	73,065,345	(62,870,601)
(Gains)/Losses from disposal of assets	15,075,369	1,052,623
(Gains) from the assignment of assets held for sale	-	-
Part of the loss with related entities	(269,239)	197,390
Net financial (income)	(371,452,011)	(208,282,484)
<b>Changes in:</b>		
Decrease/(Increase) in trade receivables	(185,875,256)	(217,237,877)
Decrease/(Increase) of other financial assets measured at amortized cost	(203,217,596)	28,676,091
(Increase) in inventories	(380,785,222)	(90,070,306)
Change in deferred income	(169,008,459)	59,014,287
Increase of trade and other payables	273,666,288	139,406,482
<b>Cash flows related to the operating activity</b>	<b>2,527,726,297</b>	<b>3,443,256,599</b>
Corporate income tax paid	(425,262,339)	(431,043,747)
Interest received	368,305,619	132,190,118
Interest paid	(3,111,542)	(375,868)
Dividends received	3,396	-
<b>Net cash related to operating activity</b>	<b>2,467,661,430</b>	<b>3,144,027,102</b>
<b>Cash flows related to investment activity</b>		
Purchases of intangible assets	(13,864,036)	(13,904,916)
Purchases of tangible assets	(1,481,081,512)	(491,549,819)
(Increase)/Decrease in bank deposits and financial assets measured at amortized cost	1,717,539,473	(500,823,500)
Other investments in financial assets	(552,408,964)	974,000
Investments in associated entities	15,000,000	(4,943,000)
Proceeds from sale of tangible assets	1,038,350	107,551
<b>Net cash related to investment activity</b>	<b>(343,776,689)</b>	<b>(1,010,139,684)</b>
<b>Cash flow related to financing activity</b>		
Loans payments	(65,258,970)	(173,284,441)
Dividends payments	(1,181,057,802)	(595,713,645)
Payments related to liabilities from leasing agreements, including interest	(3,617,527)	(337,356)
<b>Net cash related to the financing activity</b>	<b>(1,249,934,299)</b>	<b>(769,335,442)</b>
<b>Net (Decrease)/Increase Net in cash and cash equivalents</b>	<b>873,950,443</b>	<b>1,364,551,976</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>2,707,724,133</b>	<b>1,343,172,157</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>3,581,674,576</b>	<b>2,707,724,133</b>

## Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

### 1. Reporting entity

#### 1.1. General information about the Group

These Consolidated Financial Statements prepared on the date of, and for, the financial year ended on 31 December 2023 include the Financial Statements of National Company Nuclearelectrica S.A. ("Company" "Parent Company" or "SNN") and its subsidiaries, together hereinafter referred to as the "Group".

Societatea Nationala Nuclearelectrica S.A. is a national joint-stock company, managed under single-tier system, having a head office and two branches without legal personality, Cernavodă NPP (Nuclear Power Plant) - headquartered in Constanta County, Cernavodă, str. Medgidiei, nr. 2, registered with the Trade Register under number J13/3442/2007, respectively NFP Pitești (Nuclear Fuel Plant) - headquartered in Arges County, Mioveni, str. Campului, nr. 1, registered with the Trade Register under number J03/457/1998. The address of the registered office is Romania, Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, Crystal Tower building.

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.

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

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

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

As at 31 December 2023, the Parent Company holds only one related entity that is subject to consolidation:

### **Ropower Nuclear S.A.**

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

**Changes in Group’s structure in 2021:** in 2021, the subsidiaries Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L and Nuclearelectrica Serv S.R.L. were established, both held 100% by the Group.

**Changes in Group’s structure in 2022:** in 2022, the company Ropower Nuclear SA was established as an entity held 50% by the Group.

**Changes in Group’s structure in 2023:** in 2023, no changes in Group’s structure were recorded.

## **1.2. Core businesses of the Group**

The main activity of the Group consists in the electricity and heat generation by means of nuclear methods. The main place of business is within Cernavodă NPP Branch, where the Parent 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 Parent 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 1.2). By Resolution of the Extraordinary General Meeting of Shareholders („EGMS”) no. 8/12.06.2020, the following were approved: (i) The repeal of the “Strategy for continuing the project of Units 3 and 4 within Cernavodă NPP by organizing an investors’ selection procedure” (2014) as well as of the Revised Strategy for continuing the Project of Units 3 and 4 within Cernavodă NPP by organizing an investors’ selection procedure” (2018) (item 2 of the agenda of the Extraordinary General Meeting of Shareholders held on 12 June 2020), (ii) Authorization of the Board of Directors of SNN to initiate the procedures/approaches/steps regarding the cessation of negotiations held with CGN, as well as the cessation of the legal effects (under the parties’ agreement, rescission etc.) of the following documents: “Memorandum of Understanding regarding the development, construction, operation and decommissioning of Units 3 and 4 within Cernavodă NPP (MoU)” and, respectively, “Preliminary Investors’ Agreement” (item 3 of the agenda of the Extraordinary General Meeting of Shareholders held on 12 June 2020) and (iii) Authorization of the Board of Directors of SNN to initiate steps for the examination and materialization of the strategic options relating to the construction of new electricity production capacities from nuclear sources (item 4 of the agenda of the Extraordinary General meeting of Shareholders held on 12 June 2020).

In the period 2020 - 2021, stages were completed in order to carry out this Project, with the sustained effort of the Company and the Romanian State. Under Decision of the Romania’s Prime Minister no. 281/14.07.2020 published in the Official Gazette of Romania, Part I, no. 618/14.VII.2020, the Strategic Coordination Committee for the Implementation of the Project of Units 3 and 4 within Cernavodă NPP was established. Also, in October 2020, US Exim Bank expressed, through a Memorandum of Understanding concluded with the Ministry of Energy, its interest in financing large investment projects in Romania, including nuclear ones, with a total value of USD 7 billion. In November 2021, Energonuclear S.A. subsidiary signed the first agreement with Candu Energy, member of SNC-Lavalin Group and the Design Authority of Units 3 and 4 and OEM Candu (the original manufacturer of CANDU technology).



S.N. Nuclearelectrica S.A.

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

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

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.

In December 2022, the Government of Romania, at the proposal of the Ministry of Energy, approved the draft law concerning the signing of the support agreement between the Romanian State and the Company for the project concerning Units 3 and 4 of Cernavodă. The draft law was adopted by the Senate on 6 February 2023 and was registered with the Chamber of Deputies for debate (PL-x no. 46/2023).

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 Parent Company continues to carry out the activities necessary to complete the stages of the project.

Moreover, the Parent Company owns a **reactor (Unit 5)**, for which the Company's shareholders had approved the change in the original destination since March 2014, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. At the beginning of 2020 the International Atomic Energy Agency ("IAEA") performed a benchmark assessment of the design requirements for the investment objective On-Site Emergency Control Center ("OSECC") – Unit 5 and an assessment of the technical requirements relating to the rating of equipment for hazards/ external events (especially the seismic rating). Presentations submitted by the international experts of IAEA within the benchmarking brought to the forefront a new method/strategy of rating, namely the demonstration of the seismic margin by using the seismic experience as an alternative method for rating the critical systems in the Building of Facilities for Emergency Cases ("BFFEC").

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

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

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

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

**Ropower Nuclear S.A. Company** is established to develop, raise financing, design, build and operate a facility for production of electricity from nuclear energy based on the small modular reactors in Doicesti, County of Dambovita, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totalling 462MWe.

### 1.3. Consolidation purpose

#### Accounting principles and methods

##### (i) Subsidiaries

Subsidiaries are entities under the control of the Group and are fully consolidated, applying the global integration method.

The Group controls an investee if and only if the investor has all the following:

- a) Authority over the entity the investment was made in;
- b) Exposure, or rights, to variable returns from its involvement with the investee;
- c) The ability to use its power over the investee to affect the amount of the investor's returns.

When assessing the control, the Group also considers the potential or convertible voting rights that are then exercisable.

The financial statements of the subsidiaries are included in the consolidated financial statements as of the time when the control is exercised, and until the time when such control ceases. The accounting policies of the Group's subsidiaries were amended so as to align with those of the Group.

The subsidiaries falling under the consolidation scope are presented in Note 1.1.

##### (ii) Related entities

The related entities are companies over which the Group can exercise a significant influence, but cannot control their financial and operating policies.

The consolidated financial statements include the Group's share of the results of the related entities based on the equity method, from the date when the Group started to exercise its significant influence and until the date when this influence ceases.

The interests where the Group holds between 20% and 50% of the voting rights, but over which it does not exercise a significant influence, are qualified as financial assets available for sale.

The related entities are accounted for according to the equity method, and are initially recognized at cost. The Group's investment includes the goodwill identified at the time of purchase, less the accrued impairment losses. The consolidated financial statements include the Group's share of income and expenditure, and the movements in the capital of the related entities, after adjustments to align the accounting policies with those of the Group, over the time when such significant influence is effectively exerted. When the Group's share of the losses is greater than the interest in the entity accounted using the equity method, the carrying amount of such interest (including any long-term investments) is zeroed, and recognition of future losses is discontinued, unless the Group has a liability or made payments on behalf of the investee.

##### (iii) Transactions removed from consolidation

Intra-Group settlements and transactions, as well as the lost profits from intra-Group transactions are completely left out of the consolidated financial statements. Lost profits from transactions with related or jointly-controlled entities are removed up to the Group's participating interest. Lost profits from transactions with a related entity are removed in return for the investment in the related investee. Unrealized losses are removed in the same way as lost profits, but only to the extent that there are no indications of impairment.

##### (iv) Business Combinations

In application of IFRS 3, business combinations are measured and recognized in accordance with the following principles:

- At the purchase date, the identifiable assets acquired and the liabilities assumed, measured at fair value, and any non-controlling interests in the acquired company (minority interests) are booked separately from goodwill;
- Non-controlling interests can be measured either at fair value (full goodwill method) or at their share in the fair value of the net assets of the acquired company (partial goodwill method). The decision is made on a case-by-case basis, for each transaction;
- Any purchase or sale of an investment in a subsidiary that does not affect the control is qualified as transaction between shareholders and must be booked directly in the equity;

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

- If additional interests are acquired in a joint venture, a joint operation or a related entity without resulting into a control acquisition, the value of the previously acquired assets and liabilities remains unchanged in the consolidated balance-sheet.
- Where the control acquisition is staged-out, the cost of the business combination includes the fair value, on the control acquisition date, of the buyer's previously held interest in the acquiree;
- The related costs that can be charged directly to a control-leading acquisition are expenses for the periods when these were incurred, save for the cost of debt instrument or equity instrument issue, which must be accounted in observance of IAS 32 and IFRS 9;
- IFRS 3 does not apply to business combinations under common control, which are examined on a case-by-case basis to determine the appropriate accounting treatment.

#### **1.4. Regulations in the Energy Sector**

The Romanian energy sector is regulated by the Romanian Energy Regulatory Authority (“ANRE”), an independent public institution. Effective 1 January 2023, the Parent Company is a seller under the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. In 2023, the Parent Company participated both in the competitive segment and in the MACEE mechanism, and in 2022 it participated only in the competitive segment (for more information, see Note 22).

## **2. Basis for preparation**

### **2.1. Declaration of conformity**

The Consolidated Financial Statements have been prepared on the basis of the Order of the Minister of Public Finance no. 2.844/2016 on the approval of the Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”) (“OMPF no. 2844/2016”). Within the meaning of OMPF no. 2.844/2016, the International Financial Reporting Standards are standards adopted in accordance with the procedure laid down in European Commission Regulation no. 1.606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

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

Apart from the specific consolidation adjustments, the main restatements of the financial information disclosed in the financial statements prepared in accordance with the Romanian accounting regulations consisted of:

- grouping more elements into more comprehensive categories;
- adjustments of assets, liabilities and equity elements, in accordance with IAS 29 “Financial Reporting in Hyperinflationary Economies” due to the fact that the Romanian economy used to be a hyperinflationary economy until 31 December 2003;
- adjustments for recognition of receivables and payables related to the deferred corporate tax, in accordance with IAS 12 “Income Taxes”;
- the presentation requirements in accordance with IFRS.

The Consolidated Financial Statements prepared for the financial year ended on 31 December 2023 were audited by the financial auditor of the Group - PKF Finconta S.R.L.

These Consolidated Financial Statements were authorized for issue and were signed on 20 March 2024 by the Group’s management.

### **2.2. Going concern**

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

Having examined the implications of the conflict in Ukraine and of the war in Israel on the Group’s business, the management consider that its business continuity will not be affected (see Note 4).

### **2.3. Presentation of the financial statements**

The Consolidated Financial Statements are presented in compliance with the requirements of IAS 1 – “Presentation of Financial Statements”. The Group has adopted a presentation based on liquidity under the consolidated statement of the financial position and a presentation of the income and expenditure depending on their nature under the consolidated statement of profit or loss, considering that such presentation approaches provide information that is more relevant than that presented according to different methods permitted under IAS 1.

### **2.4. Basis of assessment**

The Consolidated Financial Statements were prepared based on the fair value convention for financial assets held for sale and tangible assets, such as land and buildings. Other financial assets and liabilities, such as non-financial assets and liabilities are presented at amortized cost or historical cost.

The accounting policies defined below have been consistently applied to all periods covered by these financial statements. These consolidated financial statements were prepared based on the going concern principle.

## **2.5. Functional and presentation currency**

The Consolidated Financial Statements are presented in Romanian LEI ("RON" or "LEU"), as this is also the functional currency of the Group. All financial information is presented in RON, unless otherwise indicated.

## **2.6. Use of estimates and judgments**

Preparation of the Consolidated Financial Statements in accordance with the IFRS adopted by the European Union requires the management to make estimates, judgments and assumptions that affect application of the accounting policies, as well as the reported value of assets, liabilities, income and expenditure, the estimated lifetimes of non-current assets (see Note 3.3), the assumptions used to determine the fair value (see Note 4), the assumptions used to determine the fair value of tangible assets (see Note 5), the recognition of spare parts that meet the required conditions of IAS 16 as tangible assets (see Note 5), the recoverability of trade receivables (see Note 11), the assumptions applied for the net recoverable value of inventories (see Note 10), the assumptions applied to calculate the liabilities related to employee benefits (see Note 20), the assumptions applied for the time for restatement of governmental subsidies in the profit and loss statement (see Note 3.18 and Note 18), and the estimates concerning the radioactive and non-radioactive waste management obligations (Note 17).

Judgments and assumptions related to such estimates are based on the historical experience as well as other factors considered to be reasonable in the context of such estimates. Results of such estimates form the basis of judgments relating to the carrying amounts of assets and liabilities which cannot be obtained from other information sources. Results obtained could be different from the estimates values.

Judgements and assumptions underpinning them are revised on a regular basis. Revisions of the accounting estimates are recognized during the period in which the estimate is revised, if such revision only affects that period, or during the period when the estimated is revised, and the future period, where revision affects both the current, and future periods.

The management's judgments in application of the IFRSs that have a significant impact on the financial statements, as well as the estimates that imply a significant risk of a material adjustment during the next year are shown in Note 4 and 29.

For application of IFRS 10 and IFRS 11, the Group uses judgment to assess the control exercised and determine the type of partnership represented by a jointly-controlled entity.

### 3. Significant accounting policies

The accounting policies presented below have been consistently applied to all periods covered by these consolidated financial statements and by all Group's entities.

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

#### 3.1. Transactions in foreign currency

Transactions in foreign currency are converted into RON at the exchange rates on the transaction date. Monetary assets and liabilities, expressed in foreign currency at the end of the year, are expressed in RON at the exchange rate displayed by the National Bank of Romania as valid for the last banking day of the year. Gains and losses from exchange rate differences, either realized or unrealized, are included in the profit and loss statement of that year. The exchange rates as at 31 December 2023 and 31 December 2022, for the key currencies used by the Group in transactions, are as follows:

	Average rate		Exchange rate as at	
	2023	2022	31 December 2023	31 December 2022
RON/EUR	4.9465	4.9315	4.9746	4.9474
RON/USD	4.5743	4.6885	4.4958	4.6346
RON/CAD	3.3897	3.6020	3.3913	3.4232
RON/GBP	5.6869	5.7867	5.7225	5.5878
RON/CHF	5.0917	4.9096	5.3666	5.0289

Non-monetary assets and liabilities expressed in a foreign currency, that are measured at fair value, are converted into the functional currency at the exchange rate valid on the fair value determination date. The non-monetary items measured at historical cost in a foreign currency are converted applying the exchange rate on the transaction date.

#### 3.2. Adjustment of hyperinflation's effects

In accordance with IAS 29, the financial statements of an entity the functional currency of which is the currency of a hyperinflationary economy must be presented in the current measurement unit on the end date of the reporting period (non-monetary items are restated applying a general price index on the date of the acquisition or contribution).

According to IAS 29, an economy is deemed to be hyperinflationary when, among other factors, the cumulative inflation rate over a 3-year period is higher than 100%. The continuous fall in the inflation rate and other factors related to the characteristics of the Romanian economic environment point out that the economy the functional currency of which was adopted by the Company has ceased to be hyperinflationary, with effects on the financial periods starting with 1 January 2004. Therefore, the provisions of IAS 29 were adopted in preparation of the financial statements before 31 December 2003.

In order to draw up the consolidated financial statements as at 31 December 2023, the Group adjusted the following non-monetary items so as to be expressed in the current measurement unit as at 31 December 2003:

- ✓ Share capital (see Note 14);
- ✓ Tangible assets acquired before 31 December 2003.

### 3.3. Tangible assets

#### i) *Recognition and measurement*

Tangible assets recognized as assets are initially measured at cost. The cost of an item of tangible assets is formed of the purchase price, including any non-recoverable charges, having first deducted any trade price discounts and other costs that can be directly charged to bringing that asset to site and conditions needed for its operation as envisaged by the management, such as: employee costs resulting directly from construction or acquisition of that asset, site arrangement costs, initial delivery and handling costs, installation and assembly costs, professional fees.

Tangible assets are classified by the Group in the following classes of assets, of the same nature and with similar uses:

- Lands;
- Buildings;
- Equipment, technical plant and machinery;
- Means of transport;
- Furniture and other tangible current assets.

Tangible assets, except for land and buildings, are shown at cost, less the accumulated depreciation and write-down adjustment. Land and structures are valued separately at fair value. Thus:

- Land, special structures, administrative buildings and other buildings, including nuclear power plants, are shown at revalued amount. On the date of shifting to IFRS, these were measured using the deemed cost method. Thus, the revaluation surplus, booked by the Company according to the Order of the Minister of Public Finance no. 3055/2009 until 1 January 2012, was transferred to retained earnings, in a distinct analytical account. The revaluation reserves after the date of shifting to IFRS, further to remeasurements, are shown as such in the financial statements. The revaluation surplus, from before the shift to IFRS, and afterwards, is made as the tangible current assets are disposed.
- Machinery, equipment and other assets (save for special structures, administrative buildings and other buildings, including nuclear power plants) are shown at historical cost, less any accumulated depreciation and any accumulated impairment losses.
- Non-current assets in progress are booked at historical acquisition or construction cost or at inflated cost (restated depending on the measurement unit existing on 31 December 2003 for the non-current assets purchased before 1 January 2004), less any accumulated impairment losses.

The structures and heavy water to be used in expansion of the production capacity are included in the tangible assets in progress; since heavy water is not used and does not chemically depreciate, it is initially and subsequently measured at cost.

Units 1, 2, 3, 4 and 5 were considered one single project, and before 1990, the costs incurred were booked separately for each unit. In 1991, the Group operated a cost allocation for each Unit. This allocation is the cost base of the non-current assets included in tangible assets in progress.

Items, such as spare parts, spare equipment and maintenance equipment are recognized as tangible assets according to IAS 16, when they meet the definition of the tangible assets. All other spare parts are recognized as inventories.

The fair value was determined based on measurements made by independent external valuers, using the market value and net replacement cost methods, less the accumulated depreciation and the accumulated impairment losses, if any.

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading "Revaluation surplus"; however, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss; however, the decrease shall be debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of "Revaluation Surplus".

**ii) Subsequent expenditure**

As a rule, subsequent expenditure expenses related to a tangible assets are expensed during the period in which these were incurred. Those subsequent expenditure or investments made on tangible assets to improve their initial technical parameters and leading to future economic benefits, additional above those initially estimated, are recognized and capitalized as an asset item. Benefits can be obtained either directly by increasing income, or indirectly by reducing the maintenance and operating expenditure.

In order to apply the provisions of the international accounting standard IAS 16 "Tangible Assets", the regular major inspections carried out at Cernavodă NPP are capitalized under tangible assets, and are subsequently straight-line depreciated over a period of 2 years. The regular major inspections concern mainly the same components of the Units, so the depreciation period considered is the 2-year period between two regular general inspections conducted mainly on the same components, i.e. they substitute one another. The latest overhauls carried out were: for Unit 2 in 2023, and for Unit 1 in 2022.

**iii) Repairs and maintenance expenditure**

Repairs and current maintenance costs are classified as expenses of the respective financial period as they occur.

**iv) Depreciation**

Depreciation of tangible assets is calculated based on a depreciation plan, since their commissioning date and until full recovery of their input value, according to the useful lifetimes and their usage conditions.

The Group's management estimate that the lifetimes of the plant, property and equipment covered by the Government Decision no. 2139/2004 approving the Catalogue for classification and normal operation periods of plant, property and equipment match the useful operation periods and conditions of use applicable to the tangible assets owned by the Group.

Depreciation of buildings takes place on the basis of equal annual rates in order to depreciate their revalued amount over their remaining lifetime. Depreciation of other tangible assets is booked based on the straight-line method, over their estimated useful life, 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

Land is not subject to depreciation because is considered to have an undefined lifetime.

Tangible assets in progress are not depreciated before they are put into use.

The estimated lifetimes of Units 1 and 2, i.e. 30 years, take into account a number of projected operation hours per Unit of 210,000 hours, equivalent to a capacity factor of 80% over a period of 30 years. Before 31 December 2023, the cumulative capacity factor attained since commissioning of Unit 1 is 90.60%, and 93.73% for Unit 2, which is higher than the designed capacity factor of 80%. Using these capacity factors extrapolated to the same value for the remaining lifetime, it would follow that the estimated effective lifetime of the units will be 26.4 years for Unit 1 and 25.4 years for Unit 2; however, this is a simplistic straight-line extrapolation, as it is expected that the average capacity factor achieved



so far for both units gradually decreases until the end of the initial lifetime due to the fuel canal creeping, hence to the inherent wear of the units.

The operating experience of other CANDU-type nuclear power plants that have reached the number of designed operating hours indicates shows that it is possible to extend the number of initial operating hours beyond the number of designed hours of 210,000 hours. In February 2017, the Group contracted specialty technical assistance services in order to determine the possibility of extending the number of designed hours of operation for Unit 1. The survey carried out concluded with a work plan listing the analyses and assessment due to be performed to prove the functionality of Unit 1 of Cernavodă NPP up to 245,000 effective hours of operation. These analyses and assessment will substantiate the renewal of the operation permit for Unit 1.

The Company's management are confident that they can successfully extend the number of operation hours for Unit 1 above the designed 210,000 hours of operation, which could ensure operation of Unit 1 until 2026 and therefore maintain the remaining estimated lifetime span, given the estimated lifetime of the first operation cycle of 30 years.

By extrapolating this reasoning and taking into account the remaining lifetime of Unit 2, added to the capacity factor of Unit 2 in the upcoming period, related also to the lifecycle of Unit 2, the estimated life is maintained for Unit 2, too. The estimated residual values, for both units, are zero, considering the challenges attached to the refurbishment of the units after their initial lifetime, which allow extending it by another 25 years after refurbishment.

Depending on the actual results concerning the extension of the initial lifetime of Unit 1 beyond the number of design operation hours, the lifetime estimates for both units could be revised in the following financial years.

Buildings and other plants, machinery and equipment are presented in Note 5 under the heading "Machinery, Equipment and Other Assets". The general inspections and overhauls, capitalized in accordance with IAS 16, are presented in Note 5 and are reflected in the carrying amount of "Nuclear Power Plants". Heavy water (loading for Units 1 and 2) was reclassified as of 31 December 2019 under the item "Nuclear Power Plants".

When the items of a tangible assets have different lifetimes, they are booked as stand-alone items (major components) of an asset. The asset depreciation methods, useful lifetimes and residual value are revised and adjusted, as necessary, at each reporting date.

The carrying amount of the asset is adjusted to the recoverable amount when the carrying amount is higher than the estimated recoverable amount.

The profit and loss from sales are determined by the difference between the income obtained from the sale of the asset and its carrying amount, and are recognized as operating income or operating expenditure through profit and loss.

The cost of loans contracted specifically for the construction of a tangible asset is capitalized under that asset's cost until the date when the activities needed for preparation of the asset for its envisaged use or for sale are carried out.

**v) Sale/write off tangible assets**

The items of tangible assets that are retired or sold are removed from the statement of the financial position, together with their respective accumulated depreciation. Any profit or loss resulting from such an operation is included in the current profit or loss.

**vi) Impairment of tangible and intangible assets**

In accordance with IAS 36, both intangible assets and tangible assets are reviewed at the reporting date for indications of impairment. If there is any indication, or when an annual impairment test is required for an asset, the Group estimates the recoverable amount of the asset to be the higher of fair value less costs of sale and value in use.

If the net book value of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised to reduce the value of the asset to its recoverable amount. Impairment losses are recognised as income in the consolidated profit or loss statement. If the reasons for the impairment are no longer applicable in a subsequent period, a reversal of impairment is recognised as an expense in the consolidated statement of profit or loss. The book

value increased by the reversal of an impairment adjustment must not exceed the book value (net of depreciation) that would have been determined if no impairment adjustment had been recognised in prior years.

### 3.4. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amounts are to be recovered primarily through a sale transaction rather than through continued use. Thus, an asset can be classified as held for sale according to IFRS 5 only if the following criteria are met:

- The asset is readily available for sale in its current condition,
- The sale of this asset is very likely.

All criteria listed below must be met for the sale to be highly likely:

- A sale plan was assumed at the appropriate management level,
- An active programme was initiated to find a buyer and realize the plan,
- The asset is actively marketed at a reasonable price given its current fair value,
- No material changes or withdrawal of the plan are likely,
- It is expected that the sale will meet the derecognition criteria in order to be qualified as sale during one year.

#### *i) Measurement before classification as held for sale*

As a first step, immediately prior to initial classification of an asset as held for sale, the carrying amount of that asset is measured according to the applicable IFRS standards (e.g. property, production units and equipment are measured according to IAS 16), including any cumulative impairment and any write-down in the balance-sheet, if any. This first step applies to a newly-acquired asset, as well as an existing asset that will be reclassified as held for sale under this policy.

#### *ii) Measurement at initial classification as held for sale*

At initial classification as held for sale, the individual asset identified as held for sale is measured at the lower of:

- its carrying amount, and
- its fair value, less the costs to sell.

When the fair value less the costs to sell is higher than the asset's carrying amount, no adjustment is necessary. Otherwise, an impairment loss resulting from this initial measurement is booked directly in the profit and loss statement, and value of the non-current asset is adjusted accordingly.

#### *iii) Subsequent measurement*

At subsequent measurement, the non-current asset held for sale is measured at the lower of the value carried forward and the fair value less the costs to sell.

Non-current assets held for sale are not depreciated.

#### *iv) Recognition of impairment losses and reversals*

Any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell is recognized as impairment loss.

The subsequent increase in fair value less costs to sell of an asset is recognized as gain, but not in excess of the cumulative impairment loss that has been recognized either in accordance with IFRS 5 or previously in accordance with IAS 36 "Impairment of Assets".

#### *v) Derecognition*

If the classification criteria for an asset or disposal group held for sale are no longer met, that asset or disposal group will no longer be classified as held for sale.

A non-current asset which is no longer classified as held for sale is measured at the lower of:

- the amount carried forward before classification as held for sale, as adjusted for any impairment, depreciation/amortization or remeasurement needed if the asset or group intended for disposal would not have been classified as held for sale; and
- the recoverable amount on the date of the decision not to sell.

### 3.5. Leasing

#### (i) *Recognition*

As of 1 January 2019, under IFRS 16 “Leases”, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee under the lease agreement for the space used as headquarters, the Group recognized an asset related to the right to use the underlying asset and a lease liability arises under the same agreement.

As lessor, the financial statements are not unaffected by introduction of the new standard.

Exclusions from application of IFRS 16:

- leases with a lease period of 12 months or less, which do not provide for any purchase options, and
- leases, where the underlying asset is of a lower amount.

The Group found that the exclusion criteria were not met and, consequently, restated the leases as a lessee, according to IFRS 16. The Group concluded leases for assets and liabilities and concession contracts for land, for which it estimated the initial value of the asset related to the right to use at an amount equal to the debt discounted upon transaction, arising from such leases.

#### (ii) *Measurement*

The Group, as lessee, values also the liability arising from the lease at the present value of the lease payments that are not paid to that date. The discounting is done using the default interest under the lease agreement, provided that this rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used.

The carrying amount of the asset measured on the cost-based model represents the cost of the initial measurement, less any accumulated depreciation and any accumulated impairment losses, and adjusted for to any remeasurements of the liability arising from the leasing agreement.

#### (iii) *Depreciation*

The underlying asset is depreciated using the straight-line method. Where ownership is not transferred or there is no purchase option on the underlying asset until the end of its term, the asset is depreciated starting with the effective date of the lease, and until the first of the end of the useful life and the end of the term of the lease that also provides for renewal or termination options.

#### (iv) *Lease liability*

At initial recognition of the lease liability, the present value of the lease payments includes fixed payments less any lease incentives receivable, as well as variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. consumer price index).

The present value of the lease payments that are not paid on the recognition date is determined for the entire term of a leasing agreement, taking into account the periods covered by the agreement renewal options, if the Group has reasonable certainty that it will exercise that option, and the periods covered by agreement termination options, if the Group has reasonable certainty that it will not exercise that option.

The cost of utilities does not pose a liability component arising by the lease, and is recognized in profit or loss as invoices are issued.

The liability arising from the lease is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modification (such as, in the term of the contract, the lease payments, the asset purchase options, the interest rate, or the contract termination terms).

#### (v) *Derecognition*

The Right of Use (ROU) asset use is derecognized at expiry or termination of the contract and is reflected by reducing the carrying amount of the ROU asset and recognizing the gains/losses from lease modification in profit or loss.

### 3.6. Intangible assets

Intangible assets are mainly represented by software and licenses. These are shown at historical cost less accumulated amortization and write-down adjustment.

#### *i) Research and development*

The cost of research conducted to gain new scientific or technical knowledge or interpretations is recognized in profit or loss as it is incurred.

Development activities involve a plan or project aimed at new or substantially improved products or processes. Development costs are capitalized only if they can be reliably measures, the product or process is technically and commercially feasible, the future economic benefits are likely, and the Group intends, and has sufficient resources, to complete the development and use or sell the asset. Capitalized expenses include the cost of materials, direct payroll costs and administrative costs that are directly attributable the preparation of the asset for its intended use, and the capitalized borrowing costs. Other development costs are recognized in profit or loss as they are incurred.

The capitalized development costs are measured at cost less the accumulated amortization and accumulated impairment losses.

#### *ii) Subsequent expenditure*

Subsequent expenditure with intangible assets is capitalized only when they increase the future economic benefits of the asset they refer to. All other costs are recognized in the consolidated statement of profit or loss as they are incurred.

#### *iii) Depreciation*

Depreciation is entered in the consolidated statement of profit or loss based on the straight-line method, over their estimated useful life of the intangible assets. Intangible assets are amortized as of the date when the asset is ready for use, its useful life being then determined depending on the period during which the asset can be used.

The Group holds intangible assets from acquisitions, and not generated internally. The useful lives are determined according to the period during which the asset can be used, for a defined time between 2 and 8 years. Windows licenses, MS Office and software programs have a useful life set between 2 and 3 years, and computer programs specific to operation of the nuclear power plant have a useful life between 5 and 8 years. The Group does not hold any intangible assets purchased from governmental subsidies.

### 3.7. Financial assets and liabilities

#### *i) Classification*

The Group adopted IFRS 9 "Financial Instruments".

This standard replaced IAS 39 "Financial Instruments: recognition and measurement" as to classification and measurement of financial assets and replaces the model applied to estimate the adjustments for impairment of financial assets within a model based on expected losses.

IFRS 9 contains a new approach to classification and measurement of financial assets that reflects the business model under which assets are managed and the characteristics of the cash-flow.

IFRS 9 lists three main classification categories for financial assets: measured at amortized costs, measured at fair value through other comprehensive income, and measured at fair value through profit or loss.

The Group classifies the financial instruments held in the following categories:

- ***Financial assets measured at amortized cost***

A financial asset shall be measured at amortized cost if it means both of the following conditions and is not designated at measured at fair value through profit or loss:

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- is held within a business model whose objective is maintain assets for collection of contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The standard takes over the provisions of IAS 39 about recognition and derecognition of financial instruments.

As at 31 December 2023 and 2022, the Group holds financial assets measured at amortized cost.

- **Financial assets at fair value through other comprehensive income**

A financial asset shall be measured at fair value through other comprehensive income only if both of the following conditions are met and is not designated at fair value through profit or loss:

- is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Moreover, at initial recognition of an investment in equity instruments that is not held for trading, the Group can make an irrevocable election to present in other comprehensive income changes in the fair value. These options apply to each instrument, as the case may be.

As at 31 December 2023 and as at 31 December 2022, the Group does not hold any financial assets at fair value through other comprehensive income.

- **Financial assets at fair value through profit or loss**

All financial assets which are not qualified as measured at amortized costs or at fair value by other comprehensive income will be measured at fair value through profit or loss. Moreover, at initial recognition, the Group may irrevocably designate a financial asset, which otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, to be measured at fair value through profit or loss, when this removes or significantly reduces an accounting inconsistency that would appear in any other approach.

As at 31 December 2023 and as at 31 december 2022, the Group does not hold any financial assets at fair value through profit or loss.

**ii) Recognition**

Financial assets and financial liabilities are recognized on the date when the Group becomes a contractual party to the terms of that instrument. Financial assets and liabilities are measured when they are initially recognized at fair value.

**iii) Offsets**

Financial assets and liabilities are offset, and the net result is presented in the statement of the financial position only when there is a legal right to offset and if there is an intention to settle them on a net basis or if the intention is to realize the asset and pay off the debt at the same time.

Income and expenditure are presented net only when this is permitted under the accounting standards, or for the profit and loss resulting from a group of similar transactions, such as those from the Group's trading activity.

**iv) Measurement**

- **Measurement at amortized cost**

The amortized cost of a financial asset or liability represents the measured amount of that financial asset or liability after initial recognition, less the principal payments, plus or minus the accumulated amortization up to that time, using the effective interest method, less any reductions related to impairment losses.

- **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the main market participants at the measurement date, or in absence of such a main market, on the more advantageous market the Group has then access to.

The Group measures the fair value of a financial instrument using quoted prices on an active market for that instrument. A financial instrument has an active market if quoted prices are readily and regularly available for that instrument. The

market price used to determine the fair value is the closing market price of the last trading day before the measurement date.

In the absence of a price quotation on an active market, the Group applies valuation techniques based on the discounted cash flow analysis and other valuation methods commonly used by market participants, making maximum use of the market information, and relying as little as possible on the company-specific information. The Group uses valuation techniques that maximize the use of observable data and minimize the use of unobservable data.

**v) Identification and measurement of write-downs for financial assets**

*Financial assets measured at amortized cost*

The expected credit loss represents the difference between all the contractual cash flows that are owed to the Company and all the cash flows that the Group expects to receive, discounted at the initial effective interest rate.

A financial asset or a group of financial assets is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Group assesses whether the credit risk for a financial asset has increased significantly since initial recognition based on the information available, without undue costs or efforts, which is an indicator of significant increases in credit risk since initial recognition.

The Group recognizes in profit or loss the amount of the changes in expected credit losses over the entire lifetime of the financial assets, as a gain or loss from impairment.

The gain or loss from impairment is determined as the difference between the carrying amount of the financial asset and the discounted amount of the future cash flows, using the effective interest rate of the financial asset at the initial time.

The Group recognizes the favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

**vi) Derecognition**

The Group derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, or when the Group has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction where it transferred substantially all the risks and benefits of ownership.

The Group derecognizes a financial liability when the contractual obligations came to an end, or there are annulled or expired.

**vii) Gains and losses from disposal**

The gain and loss from disposal of a financial asset or a financial liability measured at fair value through profit or loss is recognized in the current profit or loss.

**3.8. Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortized cost using the effective interest method, minus any impairment losses.

**3.9. Impairment of non-financial assets**

The carrying amount of the Group's non-financial assets, other than deferred tax assets, is revised at each reporting date for impairment indications. Where there are such indications, the recoverable amount of those assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. A cash-generating unit is the smallest identifiable group that

generates cash independently of other assets and groups of assets. Impairment losses are recognized in the statement of profit or loss and other comprehensive income.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value, less the costs of sale of that asset or unit. To determine the value in use, the future cash flows are discounted applying a discounting rate before taxes that reflects the current market conditions and the asset-specific risks.

Impairment losses recognized in previous periods are measured at each reporting date to determine whether they have decreased or no longer exist. The impairment loss is restated if there has been a change in the estimates used to determine the recovery value. The impairment loss is restated only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of amortization and impairment, had the impairment loss not been recognized.

### **3.10. Inventories**

Inventories consist of consumables, spare parts that do not meet the criteria to be recognized as tangible assets, safety inventories, uranium and other stock needed for the Group's activity. They are booked as inventories at the time of purchase and are expensed as they are used.

Inventories are measured at the lowest of cost and net realizable amount. The net realizable value is the sale price estimated to be obtained during the normal pursuit of business, less the costs estimated for completion and the costs required for sale.

The inventories booked by the Group include:

- nuclear fuel raw material, regardless of the form in which they are found in the production cycle of nuclear fuel bundles;
- other raw materials and materials.

The cost of raw materials for nuclear fuel and production in progress includes direct costs, such as raw materials, directly attributable salary costs and various production-specific services. The discharge of management for nuclear fuel takes place depending on the component that make up this stock item (uranium, zircaloy, production costs) as the nuclear fuel bundles are loaded into the reactor. The discharge of management is done at weighted average cost (WAC).

Under IAS 2 "Inventories", the cost of inventory outflows must be determined using the first-in, first-out (FIFO) method or the weighted average cost (WAC) method. Before and on 31 December 2015, the Group used to apply the FIFO method.

The Group management review on inventories found that application of the WAC method would produce more reliable results for the users of the annual accounts. In this context, effective 1 January 2016, the accounting policy applied to determine the cost for inventory outflows was changed from FIFO into WAC.

In accordance with the requirements for amendment of accounting policies under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Group's management considers that the WAC method leads to financial statements that are more relevant and reliable for the business decision-making needs of their users, as it can be seen from the review of the two methods below:

- The FIFO method assumes that the outflows are measured at the acquisition or production cost of the first entry. For older inventories and when prices rise, this method does not produce the most reliable picture of the comprehensive income.
- The WAC method requires calculation of each item based on the weighted average of the costs of similar inventory items at the beginning of the period and of those purchased during the period.

The Group is unable to retroactively apply the amendment to this accounting policy, in accordance with the requirements of IAS 8, because the effects of such retroactive application cannot be determined as the cumulative impact on all previous periods cannot be calculated. Therefore, the Group prospectively applies the new policy effective 1 January 2016.

### **3.11. Trade receivables and other receivables**

Trade receivables are initially book at their invoiced value and are later measured using the effective interest method, minus the amount of the impairment losses. An adjustment for impairment is operated when there is clear evidence that

the Group will not be able to collect the receivables on the set due date. The debtor's significant financial difficulties, the likelihood that they enter bankruptcy or financial reorganization, the payment delays (by more than 360 days) are considered indications that these receivables might require value adjustments.

An impairment loss related to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the expected future cash flows, as discounted using the asset's initial effective interest rate. The carrying amount is reduced by using a depreciation adjustment account, and the loss is booked in the profit and loss statement under "Other operating expenditure".

### **3.12. Cash and cash equivalents**

#### **i) Determination of cash and cash equivalents**

- The heading "Cash and Cash Equivalents" includes cash at hand, current accounts and bank deposits without commitments, which are subject to an insignificant risk of changes in fair value. Bank deposits without commitments are understood by the Group as usual bank deposits, the Group has access to at any time, regardless of their initial maturity and whose liquidation before maturity, in case of occurrence making this necessary, does not cause losses.
- The heading "Bank Deposits" in the statement of financial position refers to those bank deposits that have an initial maturity between 3 and 12 months, but that have an attached commitment, i.e. they represent collateral deposits related to letters of bank guarantee issued by banks on behalf of the Group, in favour of customers.
- The heading "Financial Assets Measured at Amortized Cost" from the statement of financial position also includes collateral deposits related to the aforementioned letters of guarantee, but with a maturity greater than 12 months.

#### **ii) Restricted cash**

According to IAS 1 par. 66 (d) an entity should classify an asset as current asset when the respective asset represents cash or cash equivalents (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Restricted cash thus refers to cash that is held for a specific purpose and is therefore not available for use by the company within the next twelve months.

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.

### **3.13. Cash flows**

The cash flow statement presents, in accordance with IAS 7, cash inflows and outflows from operating activities, investing activities and financing activities. Cash flow values are derived indirectly from gross profit.

Cash flows from operating activities are adjusted for non-monetary income and expenses (mainly depreciation and impairment of fixed assets) and take into account changes in working capital as well as actual financial expenses, financial income and taxes.

Investing activities mainly comprise acquisitions of fixed assets, including leased assets, acquisition/disposal of subsidiaries/related entities and changes in term deposits with a maturity of more than one year.

Financing activities comprise cash inflows and outflows from borrowings and repayment of financial debts, from repayment of lease liabilities and from dividends.

### **3.14. Share capital**

The share capital represents all the shares subscribed and paid by the shareholders of the mother Group. Share capital is entered distinctly in accounts, based on the incorporation documents and supporting documents concerning capital payments.

The capital increase is carried out by subscription and issue of new shares, incorporation of reserves and other operations, according to the law. The capital decrease is mainly operated by reducing the number of shares or decreasing their nominal value due to withdrawal of shareholders, the coverage of accounting losses from previous years or other operations, according to the law.



Writing off an asset that had been brought up as contribution to the share capital does not change the share capital. In all cases of share capital modification, this is done under a decision of the General Meeting of Shareholders. Gains or losses related to issue or cancellation of shares are not recognized in the profit and loss statement. The consideration received or paid in such transactions is recognized directly in equity.

### **3.15. Legal reserve**

Statutory reserves account for 5% of the gross profit at the end of the year, until the statutory reserves reach 20% of the nominal share capital subscribed and paid-up, in accordance with the legal provisions. These reserves are deductible in calculation of the corporate tax in the amount provided by the Tax Code and are only distributable at the Group's liquidation. The statutory reserve is distributed on the balance-sheet date. The statutory reserve can be found under the heading "Retained Earnings".

### **3.16. Reserve paid in advance**

The reserve paid in advance represents the contributions brought up in cash by the Group's shareholders for a future issue of shares by the Company. The contributed amounts are entered in the credit of the reserve paid in advance, when there is no possibility that such advance payments are returned, and the Group's obligation is only to issue a fixed number of shares.

### **3.17. Loans**

Loans are initially recognised at fair value, net of transaction costs recorded. Subsequently, loans are carried at amortised cost; any difference between the amounts received (net of transaction costs) and the redemption value is recognised in profit or loss over the life of the loans using the effective interest method.

### **3.18. Government grants**

The Group recognizes the governmental subsidies in accordance with the provisions of IAS 20 - Accounting for government grants and disclosure of government assistance.

Government grants are "assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Subsidies exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal business transactions of the entity".

IAS 20 distinguishes between two types of grants/subsidies: those concerning assets, called investment subsidies, and those concerning income.

Grants related to assets are "government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held".

### **3.19. The income subsidies are "governmental subsidies different from those related to assets".**

Accounting of governmental subsidies can be done according to one of the following two approaches: the capital-based approach, where a subsidy is recognized outside profit or loss, and the income-based approach, where the subsidy is entered in the profit and loss statement during one or more years.

### **3.20. Employee benefits**

#### **(i) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The Group's net liabilities under the defined benefit plans are calculated separately for each plan, estimating the amount of the future benefits that employees have obtained in exchange for the services rendered in the current and periods; these benefits are discounted to present value. Both any unrecognized costs of past service and the fair value of the benefit plan's assets are deducted.

This calculation is done annually by a qualified actuary, using the projected unit credit method. When the calculation returns a benefit for the Company, the recognized asset is limited to the total of the unrecognized costs of previous services and the present value of the economic benefits available in the form of future reimbursements under the plan or reductions in future contributions. To calculate the present value of the economic benefits, all the minimum funding requirements applicable to any plan within the Group are taken into account. An economic benefit is available to the Group when this is realizable during the lifetime of the plan or at the settlement of the plan's liabilities.

When the benefits of a plan are supplemented, the share of the additional benefit related to the services previously provided by the employees is recognized in the profit or loss statement using the straight-line method, over the average period of time until the benefits take effect. When benefits take effect immediately, the expenditure is recognized immediately in the profit or loss statement.

The Group immediately recognizes all actuarial gains and losses from defined benefit plans as other comprehensive income and all expenditure related to the defined benefit plans in profit or loss.

The Group recognizes the gains or losses related to reduction or settlement of a defined benefit plan when the reduction or settlement concerned actually takes place.

The gains or losses arising from a reduction or settlement must include any resulting change in the present value of the defined benefit liability, any resulting change in the fair value of the plan's assets, any related actuarial gains or losses, and any related cost of past service that had not been previously recognized.

**(ii) Other long-term employee benefits**

The Group's net liability as to the long-term benefits granted to employees is the amount of the future benefits that the employees have earned in exchange for the services rendered in the current and previous periods. This benefit is discounted to determine its fair value, and the fair value of any related asset is deducted. These benefits are estimated using the projected unit credit method. Any actuarial gains or losses are recognized in the profit or loss during the period when they occur.

**(iii) Short-term employee benefits**

The liabilities for short-term benefits are measured without being discounted and are expensed as the services are rendered. A provision is recognized at the amount estimated to be paid for short-term benefits in the form of bonuses or employee profit sharing, only when the Group has a present, legal or implicit obligation to pay this amount for past services rendered by employees, and this can be reliably estimated.

**3.21. Provisions for risks and charges**

Provisions are recognized only when, further to a past event, the Group has a current legal or implicit liability that can be reliably estimated, and an outflow of benefits is likely to be needed in order to pay off that liability. Provisions are determined by updating the projected future cash-flows using a discounting rate before taxes, that would reflect the current market measurements of the value in time of money and the asset-specific risks. The discounting amortization is as financial cost.

The provision for intermediate storage of the used nuclear fuel is determined as the present value of the future cost of its storage. The provision for the management of low- and medium-level radioactive waste and the provision for the management of non-radioactive waste are determined as the present value of their future management cost. The management of the low- and medium-level radioactive waste and non-radioactive waste takes place in a period after that when it is generated by the operating activity.

**3.22. Contingent liabilities and assets**

A contingent liability is:

- (a) a possible obligation, arising as a result of certain past events, and the existence of which shall be confirmed only due to the occurrence or reoccurrence of one or several future uncertain events, which cannot be entirely under the Company's control; or

(b) a current obligation arising as a result of certain past events, however, which is not recognized as: i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or ii. the amount of the debt cannot be sufficiently reliably measured.

Contingent debts are not recognized in the financial statements. These are shown in notes, save for when the possibility of an outflow of economic benefits is reduced.

A contingent asset is a potential asset arising as a result of certain past events, and the existence of which shall be confirmed only due to the occurrence or reoccurrence of one or several future uncertain events, which cannot be entirely under the Company's control.

Contingent assets are not recognized in the financial statements, but are shown when an inflow of benefits is likely.

### **3.23. Income and expenditure recognition**

Income are recognized to the extent that the economic benefits are likely, and these benefits can be reliably measured. The following criteria must also be met in order to recognize income:

(i) *Income from the sale of electricity*

In order to recognize the income from the sale of electricity, the Group applies the provisions of IFRS 15 "Income Recognition".

IFRS 15 clarifies how to identify the duty to perform under a contract, how to determine whether an entity acts in their own name or as an intermediary, and whether the income obtained must be recognized at a given time or over time.

IFRS 15 sets out a five-stage model that applies to income under a contract with a customer (except for contracts that are subject to other standards, such as IFRS 16, IFRS 9, IFRS 4, etc.), regardless of the transaction time or the industry. Also, the requirements of the standard will apply to recognition and measurement of gains and losses from the sale of certain non-financial assets, which are not the result of the Group's regular business (e.g.: sale of tangible and intangible assets). The group assessed the impact of these changes on its financial position and performance, but did not identify any material element before the reporting date.

The group looked into the main income streams, which are represented by the sales of electricity and heat and other income, by applying the "five steps" model set out under IFRS 15. Based on the results of the analysis of the contractual terms for the main types of contracts related to each significant income stream, the Group concluded that IFRS 15 does not have a material impact on the financial statements, compared to the income recognition according to IAS 18 and IAS 11.

The group delivers goods (electricity and heat) for which it considers that income recognition should take place at a given time, when the control over the asset is transferred to the customer, i.e. at delivery of the goods.

(ii) *Financial income and expenditure*

Financial income mainly include income from interest on banking deposits and cash, income from dividends, and income from exchange rate differences. Financial income is recognized in the profit and loss statement loss account based on accrual accounting, using the effective interest method. The effective interest rate is the rate that accurately discounts the expected future cash payments and receipts over the expected lifetime of that financial asset or liability (or, where appropriate, over a shorter period) to the carrying amount of that financial asset or liability.

The amount of the interest on the liabilities arising from the leasing agreement contract is determined using a discount rate that can be the interest rate under the contract or the marginal lending rate of the lessee, and is recognized in profit or loss.

Financial costs include mainly the cost of loan interest and exchange rate losses. All borrowing costs that are not directly attributable to the purchase, construction or production of an asset are recognized in the profit and loss statement using the effective interest method.

(iii) *Levies*

IFRIC 21 "Levies" clarifies how levy costs should be recognized in accounts. For an entity, the event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is gradually recognized if the generating event takes place over a period of time.

The Group has implemented the provisions of **IFRIC 21 Levies** by amending its accounting policies starting with the 2014 annual financial statements. In scope, the Group identified the tax on special constructions and local taxes and duties. The Group recognized the liability for these taxes and duties when the activity giving rise to payment occurred, as this is defined under the relevant legislation. A liability for taxes and duties is gradually estimated only when the activity that gives rise to payment occurs during a period.

IFRIC 21 applies retroactively to all taxes introduced by the governmental authorities according to legislation, other than cash outflows subject to other standards (e.g.: IAS 12 “Income Taxes”), fines and other penalties for infringements of the legislation.

IFRIC 21 points out that this interpretation does not address the method of booking the counterpart of this liability (i.e. asset or cost), but explains that an asset is recognized when a liability has been paid in advance and there is no current payment liability.

The Group considered that liability recognition time is determined by its existence in the assets forming the taxable basis and consequently, the liability for the tax on special structures and the local taxes and duties was recognized in full on 1 January, at the same time with the related cost.

The Group reconsidered the date when the generating event occurs for the taxes and duties that fall under the scope of IFRIC 21 and concluded that this date is 31 December of each year.

### **3.24. Expenditure recognition**

Expenses are decreases in economic benefits recorded during the financial year in the form of outflows or decreases in the value of assets or increases in liabilities, which result in reductions in equity, other than those resulting from their distribution to shareholders.

They are recognised in the consolidated statement of profit or loss when a decrease in the future economic benefits associated with a decrease in the value of an asset or an increase in the value of a liability can be measured reliably. Expense recognition occurs simultaneously with the recognition of an increase in the value of liabilities or a reduction in the value of assets.

### **3.25. Taxes - other than corporate tax**

IFRIC 21 “Levies” clarifies how levy costs should be recognized in accounts. For an entity, the event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is gradually recognized if the generating event takes place over a period of time.

The Group has implemented the provisions of IFRIC 21 Levies by amending its accounting policies starting with the 2014 annual financial statements. In scope, the Group identified the tax on special constructions and local taxes and duties. The Group recognized the liability for these taxes and duties when the activity giving rise to payment occurred, as this is defined under the relevant legislation. A liability for taxes and duties is gradually estimated only when the activity that gives rise to payment occurs during a period.

IFRIC 21 applies retroactively to all taxes introduced by the governmental authorities according to legislation, other than cash outflows subject to other standards (e.g.: IAS 12 “Income Taxes”), fines and other penalties for infringements of the legislation.

IFRIC 21 points out that this interpretation does not address the method of booking the counterpart of this liability (i.e. asset or cost), but explains that an asset is recognized when a liability has been paid in advance and there is no current payment liability.

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

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

The Group considered that liability recognition time is determined by its existence in the assets forming the taxable basis and consequently, the liability for the tax on special structures and the local taxes and duties was recognized in full on 1 January, at the same time with the related cost.

The Group reconsidered the date when the generating event occurs for the taxes and duties that fall under the scope of IFRIC 21 and concluded that this date is 31 December of each year.

### 3.26. Operating segments

An operating segment is identified by IFRS 8 "Operating Segments" as a component of an entity:

- That engages in business activities from which it may earn income and incur expenses, including income and expenses relating to transactions with other components of the same entity;
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

The Group's management consider its operations as a whole as "one single segment".

Identification of a single reportable segment relies on the following elements:

- The Group generates and delivers only electricity and heat. The share of income delivery of heat is down at only 0.08%.
- The generation activity takes place only in the territory of Romania.
- The two functional nuclear units and the nuclear fuel plant are located in the territory of Romania.
- The electricity delivery is mainly done in the territory of Romania and to legal entities.
- The regulatory framework is consistent for the entire Company. The Group applies accounting regulations compliant with the International Financial Reporting Standards ("IFRS") as approved under OMFP no. 2.844/2016, and Romanian energy sector is regulated by the Romanian Energy Regulatory Authority ("ANRE").

In order to meet the financial statements presentation requirements, we point out the following:

- *IFRS 8.32. - Information about products and services.* As stated in *Note 1 Reporting Entity*, the core business of the Group in the electricity and heat generation by means of nuclear methods.
- *IFRS 8.33. - Information about geographic segmentation:*
  - a) *Amount of income obtained from sale of electricity in the territory of Romania and abroad.* 100% of the income from the sale of electricity were made to customers established in Romania.

b) *Amount of non-current assets located in Romania and abroad.* All non-current assets of the Group are located in the territory of Romania.

- *IFRS 8.34. - Information about main customers.* The transactions with main customers are presented in both *Note 11 Trade and other receivables* and *Note 29(b) Management of significant risks, Credit risk, where the Group's exposure to the concentrated credit risk was tackled.*

### 3.27. Net corporate income tax expenses

The net corporate tax expenses of the year includes the current tax and the deferred tax.

The corporate tax is recognized in profit or loss and in other comprehensive income where the tax relates to capital items.

i) The current tax is the tax payable related to the profit made in the current period, as determined based on the percentages applied at the date of the statement of the financial position and all adjustments related to previous periods. For the period ended on 31 December 2023 and 31 December 2022, the corporate tax rate was 16%.

ii) Deferred tax is determined for those temporary differences that occur between the taxable amount for assets and liabilities and their carrying amount used for reporting in the financial statements. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities

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from transactions that are not business combinations and that do not affect either the accounting or the tax profit and differences from investments in subsidiaries, provided that these are not restated in the near future. Deferred tax is calculated based on the tax rates that are expected to be applicable to temporary differences at their restatement, based on the legislation in force on the reporting date or issued on the reporting date and that come into force at a later date.

Deferred tax assets and liabilities are only offset when there is a legal right to offset current tax assets and liabilities and these relate to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but they want to settle the current tax assets and liabilities using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax asset is recognized only to the extent that it is likely that future profits are made that can be used to cover for the loss for tax purposes. The asset is reviewed at the end of each financial year and is reduced to the extent that the related tax benefit is unlikely to be realized.

### **3.28. Dividends to be distributed**

Dividends are treated as a profit distribution during the period when these were declared and approved by the General Meeting of Shareholders. Dividends are recognized as liability in the period during which their distribution is approved.

### **3.29. Earnings per share**

Earnings per share are calculated by dividing profit or loss attributable to the Group's ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. The objective of diluted earnings per share is consistent with that of basic earnings per share, i.e. to provide a measure of the interest of each ordinary share in the performance of an entity.

### **3.30. Subsequent events**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Subsequent events providing additional information on the Group's position at the end of the reporting period (events requiring adjustments) are reflected in the financial statements.

Events after the reporting period that do not require adjustments are highlighted in the notes, when they are considered material.

### **3.31. Related parties**

Parties are deemed to be related if one party has the ability to control the other party, to exercise significant influence over the other party in making financial or operating decisions, is under common control with another party, has a joint venture in which the entity is a partner or is a member of management as described in IAS 24 'Related Party Disclosures'. In assessing each possible relationship with related parties, the focus is on the substance of the relationship and not necessarily its legal form. Related parties may enter into transactions that unrelated parties may not enter into and the same terms, conditions and values will not apply to transactions between related parties as to unrelated parties. The related party transactions are a transfer of resources or obligations between related parties, regardless of whether a price is involved.

Considering the status of a company with majority State capital, the Parent Company is subject to specific regulations, and has obligations to report on its transactions with related parties. The Group discloses its transactions with related parties in the financial statements in accordance with IAS 24 "Related Party Disclosures" (see Note 28).

### **3.32. Implications of the new International Financial Reporting Standards (IFRS)**

*THIS IS A FREE TRANSLATION FROM THE ROMANIAN VERSION. IN CASE OF ANY DIFFERENCES BETWEEN THE ROMANIAN AND ENGLISH VERSION, THE ROMANIAN VERSION PREVAILS*

During the year, the Company considered all the new standards and amendments to the International Financial Reporting Standards (IFRS), which are relevant for its operations and are in force for the accounting periods starting on 1 January 2023, as approved by the European Union.

**(iv) New standards and amendments to the existing standards in force for the current reporting period**

*The following standards and amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in effect for the current reporting period:*

- IFRS 17 “Insurance contracts” issued by the IASB on 18 May 2017. The new standard stipulates that insurance obligations must be valued at a current realizable value and provides a more uniform valuation and presentation approach for all insurance contracts. These requirements are intended to achieve consistent, principles-based accounting of insurance contracts. IFRS 17 prevails over IFRS 4 “Insurance contracts” and related interpretations when applied. The amendments to IFRS 17 Insurance Contracts issued by the IASB on 25 June 2020 postpone the date of initial application of IFRS 17 by two years for annual periods beginning on or after 1 January 2023. In addition, the amendments issued on 25 June 2020 introduce simplifications and clarifications to certain requirements in the standard and provide additional facilities to the initial application of IFRS 17.

- Amendments to IFRS 17 “Insurance contracts” - Initial application of IFRS 17 and IFRS 9 - Comparative information issued by the IASB on 9 December 2021. It is a narrow-scope amendment to the transitional requirements of IFRS 17 for entities applying for the first time IFRS 17 and IFRS 9 simultaneously.

- Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” - Definition of accounting estimates issued by the IASB on 12 February 2021. The amendments focus on accounting estimates and provide guidance on the distinction between accounting policies and accounting estimates.

- Amendments to IAS 12 “Income tax” - Deferred tax related to receivables and payables arising from a single transaction issued by the IASB on 6 May 2021. According to the amendments, the exemption from initial recognition does not apply to transactions in which temporary differences arise both deductible as well as taxable on initial recognition, resulting in the recognition of equal deferred tax assets and liabilities.

- Amendments to IAS 12 “Income Tax” – International Tax Reform – Model Rules on Pillar 2 issued by the IASB on 23 May 2023. The amendments introduce a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing global taxation rules and disclosure requirements regarding corporate income tax exposure arising from the reform, particularly prior to the entry into force of legislation implementing the rules.

- Amendments to IAS 1 Presentation of financial statements - Presentation of accounting policies issued by the IASB on 12 February 2021. The amendments require entities to present their significant accounting policies rather than significant accounting policies and provide guidance and examples to assist preparers of financial statements to decide which accounting policies to present in the financial statements.

Adoption of these standards and amendments to the existing standards did not lead to significant changes in the Consolidated Financial Statements of the Group.

**(v) Standards and amendments to the existing standards issued by IASB and adopted by the EU, but which have not yet taken effect**

On the approval date of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU, but have not yet taken effect:

- Amendments to IFRS 16 “Leases” - Lease liabilities in a sale and leaseback transaction, issued by the IASB on 22 September 2022. The amendments to IFRS 16 require the seller-lessee to subsequently measure lease liabilities arising from a leaseback transaction so that it does not recognize any gain or loss related to the retained right of use. The new requirements do not prevent the seller-lessee from recognizing gains or losses on the partial or total termination of a lease in the income statement.

- Amendments to IAS 1 “Presentation of financial statements” - Classification of liabilities into short-term liabilities and long-term liabilities, issued by the IASB on January 23, 2020, and Amendments to IAS 1 “Presentation of financial statements” - Long-term liabilities with financial indicators issued by the IASB on October 31, 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities provided by IAS 1 starting from the contractual agreements existing at the reporting date. The amendments issued in October 2022 clarify

how conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

***(vi) New standards and amendments to the existing standards issued by IASB and not adopted by the EU***

New standards and amendments to the existing standards were issued by IASB upon approval of such financial statements, but they have not been adopted yet by the EU:

- Amendments to IAS 7 “Statements of cash flows” and IFRS 7 “Financial instruments: Disclosures” – Financing arrangements in the relationship with suppliers issued by the IASB on 25 May 2023. The amendments add requirements regarding the information to be provided, as well as “ indicators” within the existing requirements regarding the information to be provided for the provision of qualitative and quantitative information regarding financing agreements in the relationship with suppliers.

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” – Lack of Convertibility issued by the IASB on 15 August 2023. The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not. .

- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" - Sale of or contribution of assets between an investor and its associates or joint ventures, issued by the IASB on September 11, 2014 The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when the assets sold or contributed represent an enterprise.

- IFRS 14 "Deferral accounts related to regulated activities" issued by the IASB on January 30, 2014. This standard aims to allow entities that adopt IFRS for the first time, and which currently recognize deferred accounts related to regulated activities according to generally accepted accounting policies previous, to continue to do so upon transition to IFRS.

The Group anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Groups's Consolidated Financial Statements in the future.



### 3.33. Climate-related matters

Mitigation of climate change and energy supply security are two of the most important global challenges in 2023, which require a reconsideration of the world's energy systems. Implementation of nuclear energy in the energy, industry, construction and transport sectors can help reduce dependence on fossil fuels and provide flexibility services to render the renewable energy systems even more reliable.

Nuclear power plants do not release any greenhouse gas emissions while operating and during their life cycle, they produce approximately the same amount of carbon CO<sub>2</sub> equivalent emissions per unit of electricity as wind turbines and a third of the emissions per unit of electricity of the solar energy facilities.

The Group's financial statements reflect matters related to climate change and sustainable development under the elements below: implementation of the investment strategy and of a sustainable financing strategy; the costs specifically incurred to respond to the environmental issues, based on the applicable laws and regulations; and the measurement methods applied for the Company's assets and liabilities.

The Group's investment projects contribute both to energy security and to the decarbonization process, and are source of clean energy, in accordance with the "Fit for 55" measures of the European Commission and the new Complementary Delegated Act that included nuclear energy under the scope of the EU Taxonomy on Sustainable Financing. Completion of the Company's investment projects will lead, after 2031, to ensuring about 33% of the consumption needs and an estimated 66% of the energy free of CO<sub>2</sub> emissions at the national level, as well as to avoiding the release into the atmosphere of approximately 20 million tons of CO<sub>2</sub> annually.

The Group has strategic investment projects, including: Refurbishment of Unit 1; the Project of Units 3 and 4; development of small modular reactors in partnership with NuScale ("SMR"); and implementation of support projects for current operation, such as the Tritium Removal Plant. The Group's investment projects will bring clean CO<sub>2</sub>-free energy to Romania's energy stability, social and economic development, development of the nuclear industry and training of a new generation of specialists.

During the COP28 conference on climate change, called by the pro-nuclear states as "Nuclear COP", which ended in December 2023, more than 20 states signed a joint declaration to triple nuclear energy capacity by 2050. In this context, nuclear energy is making a strong comeback, and the major advantage lies with the states, such as Romania, which already have the infrastructure, operating experience and the will to expand nuclear capabilities.

Regarding the legislative regulations, on 10 December 2021, the European Union adopted the Delegated Act supplementing Article 8 of the Regulation (EU) 2020/852 of 18 June 2020 *on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088*, which aims to classify economic activities depending on their contribution to attainment of the environmental targets. This "Taxonomy Regulation" is part of the European strategy advancing a sustainable financing that helps attain carbon neutrality by 2050, in particular by encouraging capital inflows in sustainable investments. The Regulation applies as of 31 December 2022 and requires groups subject to non-financial reporting obligations, such as the SNN Group, to publish three indicators: turnover, capital expenditure and operating expenditure related to the eligible European taxonomy, and then aligned with the business activities taxonomy. The regulations applicable on 31 December 2022 did not specifically cover either the nuclear energy activities, the core business of the Group, or activities related to gas.

As at 2 February 2022, the European Commission approved a complementary delegated act on climate, which includes, under strict conditions, activities specific to nuclear and gas energy in the list of economic activities covered by the EU taxonomy. The draft was formally adopted on 9 March 2022, when the versions were made available in all official EU languages. The Complementary Delegated Act (EU) 2022/1214 was published in the Official Journal on 15 July 2022. It is due to apply as of 1 January 2023.

The results of the Task Force set up to determine these three indicators are presented in the Group's report on its non-financial activities, i.e. under the heading "Climate Change - Role of SNN in the industry" of the 2023 Sustainability Report.

### 3.34. Measurement of assets and liabilities

#### (i) Provisions for contingent liabilities and losses embedding environmental matters

The provisions for bad debts and unforeseen losses that embed aspects related to the environment are: provisions for management of radioactive and non-radioactive waste, and for the management of spent fuel (DICA provisions). For details, see Note 17.

In years 2022 - 2023, no contingent liabilities related to environmental disputes were booked.

#### (ii) Assessment measurement

The climate aspects are considered in the measurement of long-term assets through impairment testing. At the end of each reporting period, in order to comply with the provisions of IAS 36, the Group assesses whether there is any indication that an asset is significantly impaired. The impairment testing and recognition of the impairment adjustments are carried out in accordance with the provisions of Note 3.9.

The impairment testing was performed as follows:

- The Group measures any impairment of long-term assets by comparing its net carrying amount against its recoverable amount;
- The recoverable amount is determined as the maximum of the net sale price of an asset and its value in use. The value in use is defined as the present value of the future financial flows that the asset will generate during its useful life, without however disregarding the financial flow brought by the sale of the asset at the end of this life;
- The value in use is calculated based on projected cash-flows over a period of 10 years, according to the financial models approved by the Group's management;
- The forward prices used in impairment testing are the market prices observed at the end of the period; as at 2024, forecasts produced by an independent supplier (ICIS base case) will be used. For 2023, the projected price is based on a price mix in accordance with the contracts already signed and with the best estimates of the remaining uncontracted electricity;
- The long-term scenarios used for the electricity sale prices are in line with the European path related to the set decarbonization targets, in particular those under the Paris Agreement on climate change, adopted on 12 December 2015 and entered into force on 4 November 2016;
- The macroeconomic assumptions used are based on publicly-available external sources. The inflation rate and exchange rates taken into account are based on the forecasts issued by the National Strategy and Prognosis Committee.

These calculations can be influenced by a number of variables, such as: changes in the electricity market prices; changes in the effective regulations; changes in demand and Group's market shares; the depreciation rate of the customer portfolio; the useful life of the facilities, etc.

The sensitivity analyses on different dimensions and assumptions did not return any impairment risk.

#### 4. Accounting estimates and significant judgments

The Group makes estimates and assumptions that affect the value of the reported assets and liabilities. Estimates and judgments are continually assessed and are based on past experience and other factors, including expectations of future events that are deemed reasonable under the given circumstances.

The management discussed about development, selection, presentation and application of the critical accounting policies and estimates. These disclosures supplement the comments on financial risk management (see Note 29).

The significant accounting judgments for application of the Group's accounting policies include:

##### 4.1. Key sources of estimate uncertainty

###### (ix) *Adjustments for impairment of assets measured at amortized cost*

Assets booked at amortized cost are measured for impairment according to the accounting policy described in Note 3.7. Identification and measurement of write-downs.

Receivables are measured for impairment individually and this measurement relies on the best management of the present value of the cash flows expected to be received. In order to estimate these flows, the management makes certain estimates regarding as to the counterparty's financial standing. Each asset is analysed individually. The accuracy of the adjustments depends on the future cash flow estimate for specific counterparties.

###### (x) *Fair value determination for financial instruments*

The fair value of financial instruments that are not traded on an active market is determined using the measurement techniques described in the accounting policy of Note 3.7. For rarely traded financial instruments that do not enjoy price transparency, the fair value is less objective and is determined using different levels of estimates of the liquidity, concentration, uncertainty of market factors, price assumptions and other risks that affects the said financial instrument.

###### (xi) *Fair value hierarchy*

Assets and liabilities are measured and presented at fair value in the financial statements, according to the fair value hierarchy under IFRS 13, which requires classification of the measurement methods in the following measurement levels:

The Group uses the following hierarchy of methods to determine the fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. prices, quoted prices in markets that are not active), or indirectly (e.g. price derivatives)
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This category includes all instruments for which the measurement technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the instrument's measurement. This category includes instruments that are measured based on quoted prices for similar instruments, but for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

The Group determines the fair value using mainly active market quotations.

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

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

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

The table below looks into the financial instruments booked at fair value, depending on the measurement method applied:

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2023 (audited)</b>			
<b>Financial assets</b>			
Financial assets measured at amortized cost	609,802,200	35,567,692	2
Trade receivables	623,780,215	438,540,316	2
Other financial assets measured at amortized cost	329,590,958	142,158,865	2
Cash and cash equivalents	3,581,674,576	2,707,724,133	2
Bank deposits	112,257,027	1,829,796,500	2
	<b>5,257,104,976</b>	<b>5,153,787,506</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2023 (audited)</b>			
<b>Long-term financial liabilities</b>			
Long-term loans	-	64,810,940	2
Liabilities under long-term financial leasing agreements	15,735,744	12,831,121	2
Deferred income	50,342,355	63,611,498	2
	<b>60,078,099</b>	<b>141,253,559</b>	
<b>Short-term financial liabilities</b>			
Trade and other payables	827,160,116	448,160,020	2
Liabilities under short-term financial leasing agreements	4,036,655	2,734,403	2
Current part of the long-term loans	65,640,599	65,525,433	2
Deferred income	1,186,167	157,087,526	2
	<b>898,023,537</b>	<b>673,507,382</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level</b>
<b>31 December 2022 (audited)</b>			
<b>Financial assets</b>			
Financial assets measured at amortized cost	35,567,692	35,567,692	2
Trade receivables	438,540,316	438,540,316	2
Other financial assets measured at amortized cost	142,158,865	142,158,865	2
Cash and cash equivalents	2,707,724,133	2,707,724,133	2
Bank deposits	1,829,796,500	1,829,796,500	2
	<b>5,153,787,506</b>	<b>5,153,787,506</b>	

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

**(xii) Classification of financial assets and liabilities**

The accounting policies of the Group provide the basis for the initial classification of assets and liabilities in different accounting categories.

**(xiii) Re-measurement of tangible assets**

Tangible assets, consisting of land and buildings, are subject to revaluation, and the in fair value are recognized in other comprehensive income.

**(xiv) Fair value measurement**

The last measurement of tangible assets of the parent company was made as at 31 December 2021. Thus, the tangible assets of the Parent Company were valued by an external independent valued, authorized by the National Association of Romanian Authorized Valuers ("ANEVAR"). The revaluations of land and buildings on 31 December 2021 were carried out based on the following methods, in compliance with the principles and valuation techniques included in the ANEVAR Property Valuation Standards:

- The benchmarking method for land owned exclusively;
- The residual method for land owned under undivided share;
- Income method for the two administrative buildings;
- Replacement cost method for special structures and other assets.

**(xv) Fair value hierarchy**

Based on the input data used in the valuation technique, the fair value of tangible assets was classified at Level 3 of the fair value hierarchy.

**(xvi) Impact and implications of the military conflicts**

The geopolitical situation worldwide deteriorated after 24 February 2022, with the invasion of Ukraine by Russia, followed by the outbreak of the war in Israel on 7 October 2023.

Both the military conflict in Ukraine and the war in Israel did not have a significant impact, directly or indirectly, on the Company's activities. The operation, production and development of investment projects, and the current activities are carried out normally.

The conflict in Ukraine, beyond the human drama, proved the importance of a balanced energy mix in the EU and a resilient energy system when faced with extreme events. It is also a major alarm signal in terms of energy policy at the EU level, fair inclusion of energy sources with a role in decarbonization to ensure the long-term stability and accessibility of energy, without risking the energy security of the EU and the Member States. The cooperation between States to identify viable and specific solutions is an extremely important next step.

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

In this context, nuclear energy becomes even more important in the European energy mix and in reducing energy dependence. Nuclear energy responds to the 3 current challenges: energy security, attainment of the decarbonization targets, and maintaining an affordable cost for consumers. The Parent Company plays an important part at the national level, in terms of both the energy stability of the country and reaching the decarbonization targets.

The outbreak of conflict in Israel in 2023 has triggered a realignment of political, military and economic alliances with potential economic impact:

- the prices of many goods will continue to remain high, with the conflicts in Ukraine and Israel leading to high volatility;
- inflation rates are expected to remain high in the near future, both in Romania and in the rest of the world, but declining and with a volatile outlook;
- monetary policy interest rates of central banks (e.g. NBR, Fed, ECB, BoE) are expected to remain high (end of the "cheap money" period);
- disturbance (to the point of disruption) of supply chains is likely to persist and increase as de-globalisation (regionalisation and protectionism) continues.

The geopolitical framework and the global economic situation, marked by increased uncertainty about economic growth, the potential intensification of the war between Russia and Ukraine or the escalation of the war in Israel, are challenging the financial system in Romania, with adverse implications for commodity markets and global supply chains, as international trade is already relatively fragmented following previous shocks.

Having reviewed the impact of those two conflicts on the Group, we conclude that this has no direct no direct exposure related to Russia, Ukraine or Israel, does not hold any direct or indirect investments in companies of these countries, as this year's supply chains for raw materials were established with companies of Kazakhstan, Canada and Romania. Furthermore, the Group has no exposure to business, companies or banks which are currently affected by the international sanctions.

The indirect impact on the consolidated financial statements is harmonized with the overall and regional effects of the Ukraine conflict and Israel war. Electricity sale prices, national policies for mitigating the effects of such conflicts, and the evolution of the consumer price index are the most notable influences resulting from such conflictual situations.

#### **4.2. Other general matters concerning the Company's activity in the context of military conflicts**

##### **a) Impairment of financial instruments and other financial risks**

The Group constantly monitors the developments in the credit risk and makes adjustments for impairment on the financial assets based on the history of depreciation of this risk, in accordance with the provisions of IFRS 9. According to the risk analyses carried out in the Group as at 31 December 2023, no degradations of the implemented indices were identified compared to the values obtained on 31 December 2022. Also, the Group does not hold financial assets or liabilities affected by the international restrictions/sanctions related to the states involved in the conflict. No exposures of the Group to liquidity risk or market risk (in particular currency exchange risk) were identified as generated by the transactions with companies from the states involved in military conflicts.

##### **b) Impairment of non-financial assets**

Considering that the Group does not own or operate any assets located in the territory of those states involved in the military conflicts, no risks of physical damage, restricted access or impairment indices of the recoverable amount have been identified.

##### **c) Loss of control or joint control or of the ability to exercise a significant influence**

The companies falling under the consolidation scope of S.N. Nuclearelectrica S.A. are Romanian companies which carry out their activity only in the territory of Romania and are owned 100%, except for the related entity Ropower Nuclear S.A., which is owned 50%. Therefore, as at 31 December 2023, neither any circumstances liable to significantly limit or even lose the ability of the Parent Company to exercise its rights, nor any provisions concerning the governance of these subsidiaries and/or the related entities have been identified.

##### **d) Other assets, liabilities, income and expenditure**

In addition to the information found in the previous paragraphs, the conflict in Ukraine and the war in Israel did not require any other specific exercise of judgments, estimates or assumptions to determine the value of the assets or liabilities, income and expenditure of the period (compared to those disclosed in Note 2.6).

The direct or indirect impact of the military conflicts on the Group's business cannot be quantified value-wise, given that the current developments in inflation and the forecasted developments thereof for the upcoming periods are the result of factors that are difficult to predict. From the point of view of qualitative analysis, the Group monitors the macroeconomic developments and continuously assesses the factors of uncertainty and the potential financial impact of the military conflicts, in order to identify the measures required to be implemented, and advise the investors accordingly.

The Group has in place and applies specific and efficient cyber risk management policies. The military conflicts had no impact upon the Group's going concern. The effects of the conflicts on the financial standing, financial performance and cash flows of the Group appear not significant. Similarly to the results of the previous year, the Group obtained very good financial results, complying with and achieving its investment, production programs and performance ratios.

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***5. Tangible assets**

	<b>Lands</b>	<b>Nuclear plants</b>	<b>Plant, machinery and other assets</b>	<b>Non-current assets in progress</b>	<b>Total</b>
<b>Cost</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>36,975,047</b>	<b>4,645,307,994</b>	<b>1,531,687,244</b>	<b>1,280,634,569</b>	<b>7,494,604,854</b>
Additions	-	-	23,988,136	499,337,616	523,325,752
Heavy water-related additions	-	27,816,605	-	-	27,816,605
Transfers	-	71,116,529	80,209,850	(151,326,379)	-
Transfer of inventories	-	-	-	40,632,444	40,632,444
Transfer from reclassified spare parts	-	-	27,324,482	(15,598,170)	11,726,312
Derecognition of inspections	-	(132,769,584)	-	-	(132,769,584)
Derecognition of heavy water	-	(1,217,175)	-	-	(1,217,175)
Annulment of accumulated depreciation	-	-	-	-	-
Disposals	-	(487,267)	(18,191,613)	(77,363)	(18,756,243)
<b>Balance as at 31 December 2022 (audited)</b>	<b>36,975,047</b>	<b>4,609,767,102</b>	<b>1,645,018,099</b>	<b>1,572,337,829</b>	<b>7,864,098,077</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>36,975,047</b>	<b>4,609,767,102</b>	<b>1,645,018,099</b>	<b>1,572,337,829</b>	<b>7,864,098,077</b>
Additions	521,520	-	120,601,854	1,390,139,234	1,511,262,607
Heavy water-related additions	-	17,150,312	-	-	17,150,312
Transfers	-	281,283,159	43,293,298	(324,576,457)	-
Transfer of inventories	-	-	2,043,294	1,881,461	3,924,754
Transfer from reclassified spare parts	-	-	16,219,611	(16,219,611)	-
Derecognition of inspections	-	(73,865,661)	-	-	(73,865,661)
Derecognition of heavy water	-	(939,008)	-	-	(939,008)
Annulment of accumulated depreciation	-	-	-	-	-
Disposals	-	(138,841,651)	(2,373,800)	-	(141,215,451)
<b>Balance as at 31 December 2023 (audited)</b>	<b>37,496,567</b>	<b>4,694,554,252</b>	<b>1,824,802,355</b>	<b>2,623,562,455</b>	<b>9,180,451,630</b>
<b>Depreciation and impairment adjustments</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>550,782</b>	<b>380,863,168</b>	<b>952,356,851</b>	<b>158,643,862</b>	<b>1,492,414,663</b>
Depreciation expense	-	507,383,343	80,333,226	-	587,716,569
Accumulated depreciation of derecognized inspections	-	(119,247,275)	-	-	(119,247,275)
Accumulated depreciation of outflows	-	(1,454,046)	(14,850,928)	-	(16,304,974)
Impairment adjustments	-	-	8,912,944	(3,852,553)	5,060,391
<b>Balance as at 31 December 2022 (audited)</b>	<b>550,782</b>	<b>767,545,190</b>	<b>1,026,752,093</b>	<b>154,791,309</b>	<b>1,949,639,374</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>550,782</b>	<b>767,545,190</b>	<b>1,026,752,093</b>	<b>154,791,309</b>	<b>1,949,639,374</b>
Depreciation expense	-	510,865,489	94,309,779	-	605,175,268
Accumulated depreciation of derecognized inspections	-	(73,865,661)	-	-	(73,865,661)
Accumulated depreciation of outflows	-	(78,011,905)	(2,319,886)	-	(80,331,791)
Impairment adjustments	-	-	9,326,191	61,092	9,387,283
<b>Balance as at 31 December 2023 (audited)</b>	<b>550,782</b>	<b>1,126,533,114</b>	<b>1,128,068,177</b>	<b>154,852,401</b>	<b>2,410,004,474</b>
<b>Carrying amount</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>36,424,265</b>	<b>4,264,444,826</b>	<b>579,330,393</b>	<b>1,121,990,707</b>	<b>6,002,190,191</b>
<b>Balance as at 31 December 2022 (audited)</b>	<b>36,424,265</b>	<b>3,842,221,912</b>	<b>618,266,006</b>	<b>1,417,546,520</b>	<b>5,914,458,703</b>
<b>Balance as at 31 December 2023 (audited)</b>	<b>36,945,785</b>	<b>3,568,021,139</b>	<b>696,734,178</b>	<b>2,468,710,054</b>	<b>6,770,411,156</b>

*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.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### **(vi) Nuclear plants, machinery and other assets**

In 2023, the Parent Company purchased 6.5 tons of heavy water from the National Administration of the State Reserves and Special Problems (“ANRSPS”), needed for Units 1 and 2 amounting to RON 17,150,312, and in 2022 it purchased 11.9 tons of heavy water amounting to RON 27,816,605.

### **(vii) Non-current assets in progress**

As at 31 December 2023 the net carrying amount of assets in progress, in amount of RON 2,468,710,054, included the following items:

- Investment relating to the increase in the production capacity with a net carrying amount of RON 673,936,866 (31 December 2022: of RON 644,585,615);
- Investments related to units 1 and 2, in total amount of RON 1,794,773,189 (31 December 2022: RON 772,960,905), the most outstanding being:
  - ✓ Advance payments for tangible assets: RON 933,093,161 (31 December 2023: RON 72,037,118)
  - ✓ Refurbishment of U1 in amount of RON 516,909,182 (31 December 2022: RON 270,871,718);
  - ✓ Tritium removal facility for D2O in amount of RON 104,563,465 (31 December 2022: RON 86,878,248);
  - ✓ Improving the nuclear security systems after Fukushima in amount of RON 55,638,950 (31 December 2022: RON 38,924,333);
  - ✓ Building storage and loading premises for the nuclear fuel used (DICA) in amount of RON 29,962,888 (31 December 2022: RON 32,853,382);
  - ✓ Equipment and materials for investments in amount of RON 26,845,309 (31 December 2022: RON 27,361,693).

The gross investment value relating to the increase in the production capacity amounts to RON 684,293,981, of which the book value of Units 3 and 4, amounts to RON 273,960,000 (31 December 2022: RON 273,960,000), the remaining amount representing the heavy water especially purchased for Units 3 and 4, respectively approximately 75 tons, with a carrying amount as at 31 December 2023 in amount of RON 159,253,825 (31 December 2022: RON 159,253,825), as well as equipment and other assets for Units 3 and 4 in amount of RON 213,064,046 (31 December 2022: RON 213,064,046). Prior to the year 1991, Units 1, 2, 3, 4 and 5 were considered as a single project and, consequently, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Parent Company performed the allocation of the construction costs for Units 3 and 4 of the nuclear plant, as well as for Unit 5.

As at 31 December 2023, the gross carrying amount of Unit 5 amounted to RON 137 million (31 December 2022: RON 137 million). As at 31 December 2013 the Parent 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 Group in 2023 from the projects in progress related to Units 1 and 2 were represented by: fitting of spare parts to the equipment in operation, of RON 212,140,078, performance of the annual inspections during the scheduled shutdown of Unit 2 and the unscheduled shutdown of Unit 1, amounting to RON 65,352,336 RON, increase in the carrying amount of DICA amounting to RON 25,265,165.

### **(viii) Adjustments for impairment, depreciation, depreciation method and useful life**

As at 31 December 2023 the Group accounted for movements in the adjustments for impairment of fixed assets in the amount of RON 9,387,283, representing expenses increases (31 December 2022: RON 5,060,391).

**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:

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

- 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 for the other relevant accounting policies for tangible assets.

### (ix) *Revaluation*

Buildings and lands are recognized at their fair value, based on periodical assessments carried out by external independent valuers. According to the group's policy, in the consolidated financial statements the revaluation surplus included in the revaluation reserve is capitalized by transferring it to the result carried over when the asset is derecognised, while in the individual financial statements the revaluation surplus included in the revaluation reserve is capitalized by transferring it to the result carried forward when removing the asset from the record or as it is used.

All other tangible assets are recognized at historical cost less amortization.

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

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

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

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

### (x) *Significance of estimates – valuation of lands and buildings*

Information relating to the valuation of lands and buildings is presented in Note 4.

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

- (xi) ***The carrying amount that would have been recognized had land and buildings been measured at cost, according to the provisions of IAS 16.77 (e)***

If lands and buildings had been valued at historical cost, amounts would have been:

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
<b>Lands</b>		
Cost	22,350,779	22,350,779
Accumulated depreciation	-	-
<b>Net carrying amount</b>	<b>22,350,779</b>	<b>22,350,779</b>
	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
<b>Buildings</b>		
Cost	7,205,104,139	7,056,923,302
Accumulated depreciation	(4,410,511,173)	(4,523,041,183)
<b>Net carrying amount</b>	<b>2,794,592,966</b>	<b>2,533,882,118</b>

- (xii) ***Decommissioning of nuclear units***

Unit 1 is designed to operate until 2026, and Unit 2 until 2037. The Parent 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 26). The expense with the Company’s contributions to ANDR in 2023 amounts to RON 100,592,878 (31 December 2022: RON 100,535,482).

- (xiii) ***Pledged assets***

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

- (xiv) ***Supplier credit***

As at 31 December 2023 the Group owned fixed assets purchased with credit from suppliers (commercial credit) in amount of RON 55,188,913 (31 December 2022: RON 46,893,963).

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***6. Assets representing rights to use underlying assets within a leasing contract**

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

The Group concluded lease agreements for assets and liabilities and concession contracts for lands, for which it was estimated the initial value of the asset related to the right to use at a value equal to the debt discounted upon transaction, arising from such agreements, amounting to RON 22,171,298 (31 December 2022: RON 16,031,241).

**(v) Amounts recognized in the Statement of financial position**

	31 December 2023 (audited)	31 December 2022 (audited)
Assets representing rights to use underlying assets within a leasing contract		
Lands	1,526,919	1,422,211
Office spaces	20,645,379	14,609,030
Depreciation of assets representing rights to use	(3,571,215)	(465,410)
Total net assets representing rights to use	<u>15,786,523</u>	<u>15,565,831</u>
Liabilities under leasing agreements		
Short-term	4,167,292	2,734,403
Long-term	15,605,108	12,831,121
	<u>19,772,400</u>	<u>15,565,524</u>

**(vi) Amounts recognized in the Statement of profit or loss account**

	Note	31 December 2023 (audited)	31 December 2022 (audited)
Depreciation of assets representing rights to use		3,379,695	271,886
Interest expense	27	1,279,532	32,097

**(vii) Amounts recognized in the Statement of cash flows**

	31 December 2023 (audited)	31 December 2022 (audited)
Total cash outflows related to leasing agreements	3,617,527	337,356

**(viii) Recognition of leasing agreements**

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

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***7. Intangible assets**

	<b>Formation costs</b>	<b>Licenses and software</b>	<b>Software for the nuclear power plant and other intangible assets</b>	<b>Intangible assets in progress</b>	<b>Total</b>
<b>Cost</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>257</b>	<b>242,445,153</b>	<b>54,256,420</b>	<b>-</b>	<b>296,701,830</b>
Additions		11,439,871	3,626,905	-	15,066,776
Transfer into tangible assets					
Transfer from tangible assets					
Disposals		(126,663)	(380,168)	-	(506,831)
<b>Balance as at 31 December 2022 (audited)</b>	<b>257</b>	<b>253,758,361</b>	<b>57,503,157</b>	<b>-</b>	<b>311,261,775</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>257</b>	<b>253,758,361</b>	<b>57,503,157</b>	<b>-</b>	<b>311,261,775</b>
Additions		2,990,898	44,512	11,516,092	14,551,502
Disposals		(1,406,075)	(199,150)	-	(1,605,225)
Transfers		(30,826,629)	25,109,373	5,717,255	-
Reclassifications		10,033,345	-	(10,033,345)	-
<b>Balance as at 31 December 2023 (audited)</b>	<b>257</b>	<b>234,549,902</b>	<b>82,457,891</b>	<b>7,200,002</b>	<b>324,208,052</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 January 2022 (audited)</b>	<b>10</b>	<b>205,400,019</b>	<b>42,895,093</b>	<b>-</b>	<b>248,295,121</b>
Depreciation expense	41	6,843,236	5,816,192	-	12,659,469
Outflow depreciation		(126,663)	(380,168)	-	(506,831)
<b>Balance as at 31 December 2022 (audited)</b>	<b>51</b>	<b>212,116,591</b>	<b>48,331,117</b>	<b>-</b>	<b>260,447,759</b>
<b>Balance as at 1 January 2023 (audited)</b>	<b>51</b>	<b>212,116,591</b>	<b>48,331,117</b>	<b>-</b>	<b>260,447,759</b>
Depreciation expense	41	6,461,189	7,787,133	-	14,248,363
Outflow depreciation		(755,717)	(199,150)	-	(954,867)
<b>Balance as at 31 December 2023 (audited)</b>	<b>92</b>	<b>217,822,064</b>	<b>55,919,099</b>	<b>-</b>	<b>273,741,254</b>
<b>Carrying amount</b>					
<b>Balance as at 31 December 2021 (audited)</b>	<b>247</b>	<b>37,045,135</b>	<b>11,361,327</b>	<b>-</b>	<b>48,406,709</b>
<b>Balance as at 31 December 2022 (audited)</b>	<b>206</b>	<b>41,641,958</b>	<b>9,172,040</b>	<b>-</b>	<b>50,814,016</b>
<b>Balance as at 31 December 2023 (audited)</b>	<b>166</b>	<b>16,727,838</b>	<b>26,538,792</b>	<b>7,200,002</b>	<b>50,466,796</b>

As at 31 December 2023, the intangible assets held by the Group are licenses and software products purchased, and also internally generated. The Group does not book contractual commitments for development costs.

The formation costs are related to the subsidiaries established in 2022.

The accounting policies for intangible assets are presented in Note 3.6

## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### 8. Financial assets measured at amortized cost

As at 31 December 2023, the Group accounted for in position “Financial assets valued at amortized cost” state government bonds, bonds and loans to subsidiaries and associated 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.

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Bonds (ii)	552,203,754	-
Government bonds (i)	30,333,530	30,260,661
Loans granted to associated entities	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
<b>Total</b>	<b>609,802,200</b>	<b>35,567,692</b>

#### (iii) Government bonds

As at 31 December 2023, respectively 31 December 2022, the Parent Company held government bonds issued by the Ministry of Public Finance, with their due date on 24 June 2026, a fixed annual interest rate of 3.25% p.a. and a tendering return of 3.51% p.a.

Movement of financial assets representing governmental bonds:

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

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

#### (iv) Bonds

As at 31 December 2023, the Parent 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

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## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

- 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.

Movement of financial assets representing bonds:

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

## 9. Financial investments in associated entities

The list of investments in related entities as at 31 December 2023, as consolidated according to the equity method, is presented below. This entity has social capital formed exclusively of ordinary shares, which are held directly by the Group, and the participating interest is the same as the number of the voting rights held. Its country of registration and operation is Romania.

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, Dambovitza County, Doicesti 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 December 2023, SNN held 50% of the share capital of Ropower Nuclear S.A., the shareholding value amounting to **RON 19,943,000** (31 December 2022, RON 4,943,000).

In 2023, the share capital of the associated 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.

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Participating interest (%)	50	50
Share capital percent	19,943,000	4,943,000
Share of retained earnings	(197,390)	-
Share of profit/(loss) of the year adjusted: profit/(loss)	269,238	(197,390)
<b>Balance at the end of the reporting period</b>	<b>20,014,848</b>	<b>4,745,610</b>

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

Ropower Nuclear S.A. Company is established to develop, raise financing, design, build and operate a facility for production of electricity from nuclear energy based on the small modular reactors in Doicesti, County of Dambovita, based on the NuScale technology, consisting of 6 NuScale modules of 77MWe each, totalling 462MWe.

In 2023, RoPower Nuclear SA concluded a loan agreement with SNN for the equivalent in EUR of the amount of USD 8,966,023, of which the amount of USD 4,556,949 was drawn until 31 December 2023. The loan was granted for the purpose of financing the technical assistance activities related to SMR Front End Engineering and Design (FEED) Phase 1. As at 31 December 2023, the outstanding loan principal amounts to EUR 4,257,240 (RON 21,178,068), and the accumulated interest amounted to RON 779,817.

**Material Judgments**

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



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*(All amounts are expressed in RON, unless otherwise expressly provided for)***10. Inventories**

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Spare parts	221,438,133	240,887,349
Other raw materials and materials	811,448,618	412,385,761
<b>Total</b>	<b>1,032,886,751</b>	<b>653,273,110</b>

**(iv) Valuation of inventories**

Inventories are valued at weighted average cost (WAC) according to IAS 2. See Note 3.10 for the other accounting policies relevant for inventories.

**(v) Amounts recognized in Consolidated Statement of Profit or Loss**

The value of the inventories expensed in the financial year ended on 31 December 2023 is shown under Cost of Spare Parts and Cost of Nuclear Fuel, in the Income Statement and other comprehensive income, and is RON 178,487,244 (31 December 2022: RON 177,139,863).

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

The value of impairment adjustments for inventories as at 31 December 2023 amounted to RON 51,253,363 RON (31 December 2022: RON 50,081,781). In the year 2023, depreciation adjustments were set-up in the amount of RON 2,258,700 (31 December 2022: RON 218,305) and impairment adjustments were written back on income, in amount of RON 1,070,672 (31 December 2022: RON 1,953,198).

In the year 2023, there were no inventory outflows written back.

**(vi) Pledged inventories**

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

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

**11. Trade receivables**

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Trade receivables	635,035,429	450,541,752
Impairment adjustments for trade receivables	(11,255,214)	(12,001,436)
<b>Total</b>	<b>623,780,215</b>	<b>438,540,316</b>

**(v) 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 Group 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 3.11 for the other accounting policies relevant for trade receivables.

**(vi) Fair value of trade receivables**

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

**(vii) Impairment and risk exposure**

Information about impairment of trade receivables and the Group's exposure to credit risk and currency risk can be found in Note 29.

**(viii) Other information**

As at 31 December 2023, the main trade receivables in the balance were toward: Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A. – RON 240,490,900 (31 December 2022: RON 1,049,663), Electrica Furnizare S.A. – RON 107,592,215 (31 December 2022: RON 40,721,750) PPC Energie Muntenia S.A. – RON 69,489,409 (31 December 2022: RON 43,660,872), Alro S.A. – RON 49,140,212 (31 December 2022: RON 10,645,053) and PPC Energie S.A.– RON 38,687,973 (31 December 2022: RON 47,068,010).

Sales made during 2023 to Operatorul Pietei de Energie Electrica si de Gaze Naturale „OPCOM” S.A. represented approximately 37.85% (2022: approximately 21%), toward Electrica Furnizare S.A. represented approximately 11.17% (2022: approximately 8%), toward PPC Energie Muntenia S.A. represented approximately 10.97% (2022: approximately 10%), toward ALRO S.A. represented approximately 6.94% (2022: approximately 1.14%), and toward PPC Energie S.A. represented approximately 6.11% (2022: approximately 11.49%) of the total sales of electricity of the Company.

As at 31 December 2023, the headings “Trade Receivables” and “Adjustments for Impairment of Trade Receivables” include a net amount of RON 353,974,860 related to receivables from related parties (31 December 2022: RON 165,070,788).

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***12. Other financial assets measured at amortized cost**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Other receivables	100,165,718	120,489,154
Impairment adjustments for other receivables	(583,180)	(583,180)
Taxes and duties	213,685,035	1,257,980
Advance payments	16,323,385	20,994,911
<b>Total</b>	<b>329,590,958</b>	<b>142,158,865</b>

**(i) Classification of financial assets measured at amortized cost**

The Group 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 3.7 for the other accounting policies relevant for financial assets.

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

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

**(iii) Impairment and risk exposure**

Information about impairment of trade receivables and the Group's exposure to credit risk and currency risk can be found in Note 29.

**(iv) Other information**

As at 31 December 2023, the heading "Other Receivables" and "Impairment Adjustments for Other Receivables" do not include amounts pertaining to related parties (31 December 2022: RON 0).

As at 31 December 2023, the heading "Pre-Payments" includes the amount of RON 258,506 related to payments made in advance to related parties (31 December 2022: RON 429,334).

As at 31 December 2023, item "Taxes and duties" represented the recoverable VAT of RON 194,513,536 (31 December 2022: RON 1,257,980) and also the amount related to the Contribution to the Energy Transition Fund to be recovered, in amount of RON 19,171,499. For more details please see Note 30.

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***13. Cash and cash equivalents, bank deposits**As at 31 December 2023 and 31 December 2022 **cash and cash equivalents** were presented as follows:

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Bank deposits less than 3 months	3,156,329,011	2,396,122,000
Cash at bank in RON	274,444,485	286,009,526
Cash at bank in foreign currencies	150,397,493	25,109,873
Other cash equivalents	435,400	396,694
Cash in hand	68,187	86,040
<b>Cash and cash equivalents - Total</b>	<b>3,581,674,576</b>	<b>2,707,724,133</b>

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

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Bank deposits	<b>112,257,027</b>	<b>1,829,796,500</b>

**(iv) Reconciliation with the Statement of cash flows**

The above items are reconciled with the amount of cash presented in the Statement of cash flows at the end of the financial year, as follows:

	<b>31 December 2023</b> <b>(audited)</b>	<b>31 December 2022</b> <b>(audited)</b>
Bank deposits having their original due date less than 3 months	3,156,329,011	2,396,122,000
Cash at bank	424,841,978	311,119,399
Other cash equivalents	435,400	396,694
Cash in hand	68,187	86,040
	<b>3,581,674,576</b>	<b>2,707,724,133</b>

**(v) Classification as cash equivalents**

Term deposits are presented as cash equivalents if their due date is of 3 months or less from their set up. See Note 3.12 for the other accounting policies of the Group concerning the cash and cash equivalents.

**(vi) Restricted cash**

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

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

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

## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### 14. Equity

#### Share capital

The Parent Company was established by spin-off from the former Autonomous Electricity Administration (“RENEL”). The share capital is the contribution of the Romanian State to the establishment of the Parent Company on 30 June 1998 (restated with inflation until 31 December 2003), plus any subsequent increases thereof.

According to the Articles of Incorporation, the authorized share capital of the Parent Company is RON 3,016,518,660. Subscribed and paid up share capital as at 31 December 2023 amounted to RON 3,016,438,940 RON, under the authorized capital.

As at 31 December 2023 and 31 December 2022, share capital included the effects of restatements registered also in the previous years according to the application of IAS 29 “Financial reporting in hyperinflationary economies”.

The share capital reconciliation is as follows:

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

As at 31 December 2023, the statutory share capital value subscribed and paid up in full 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 December 2023 and 31 December 2022 shareholding structure was presented as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of the</b>	<b>Number of shares</b>	<b>% of the</b>
	<b>31 December 2023</b>	<b>share</b>	<b>31 December 2022</b>	<b>share</b>
		<b>capital</b>		<b>capital</b>
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%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>	<b>301,643,894</b>	<b>100%</b>

#### Share premium

In November 2013, the Group issued 28,100,395 ordinary shares to Bucharest Stock Exchange, by an initial public offer and by the shareholder Fondul Proprietatea S.A. exercising the right of preference. The amount received of RON 312,478,099 was made up of the increase of the share capital in amount of RON 281,003,950 and an issue premium in amount of RON 31,474,149.

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## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### **Reserves paid in advance**

Reserve paid in advance amounted to RON 21,553,548 as at 31 December 2023 and 31 December 2022 and represented sites of public utility from Cernavodă NPP (RON 5,439,321 as at 31 December 2023 and 31 December 2022) and budget allowances related to the period 2007 - 2011 for building the Training and Recreation Center for Young People and Children in Cernavodă (RON 16,114,216) as at 31 December 2023 and 31 December 2022).

### **Statutory Reserves**

According to legal requirements, the Group sets up legal reserves in amount of 5% of the gross profit statutorily registered up to the level of 20% of the share capital. The value of legal reserve as at 31 December 2023 amounted to RON 557,867,979 (31 December 2022: RON 414,757,698).

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

### **Revaluation reserves, net of deferred tax**

As at 31 December 2023, the revaluation reserve amounts to RON 2,101,938,467 RON (31 December 2022: RON 2,101,938,467), net of deferred tax related to the revaluation reserve. The last revaluation of lands, buildings and constructions was made on 31 December 2021 by the independent valuer Primoval S.R.L., a member of the National Association of Authorized Romanian Valuers ("ANEVAR"). Prior to such revaluation, lands and buildings were revalued as at 31 December 2018.

### **Retained earnings**

Retained earnings represent the accumulated result of the Company. Retained earnings are distributed based on the annual financial statements prepared in compliance with the Order of the Minister of Public Finance no. 2.844/2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards.

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

### **Movements in result carried forward**

	Note	31 December 2023 (audited)	31 December 2022 (audited)
Balance as at 1 January		5,165,634,673	2,997,775,072
<i>Net profit of period</i>		2,486,483,398	2,762,039,511
Actuarial Gains/(Losses) related to the defined benefit plans		(3,716,876)	1,745,457
Retained earnings from other adjustments		-	-
Dividends		(1,283,215,656)	(595,925,367)
Balance as at 31 December		<u>6,365,185,539</u>	<u>5,165,634,673</u>

### **Dividends**

In the financial year ended on 31 December 2023, the Parent Company declared dividends of RON 1,283,215,656 (31 December 2022: RON 595,925,367), the subsidiary Energonuclear S.A. declared dividends of RON 968,351 (31 December 2022: RON 60,935).

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***15. Earnings per share**

As at 31 December 2023 and 31 December 2022, earnings per share were:

***Earnings based on share***

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Net profit of the financial year</b>	<b>2,486,483,398</b>	<b>2,762,039,511</b>
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	-	-
<b>Weighted average number of ordinary shares as at 31 December</b>	<b>301,643,894</b>	<b>301,643,894</b>
<b>Earnings per share (RON/share)</b>	<b>8.24</b>	<b>9.16</b>

***Diluted earnings per share***

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Net profit of the financial year</b>	<b>2,486,483,398</b>	<b>2,762,039,511</b>
Number of ordinary shares at the beginning of the financial year	301,643,894	301,643,894
Number of shares issued during the period	-	-
Weighted average number of ordinary shares at the end of the financial year	301,643,894	301,643,894
<b>Weighted average number of ordinary shares (diluted) as at 31 December</b>	<b>301,643,894</b>	<b>301,643,894</b>
<b>Diluted earnings per share (RON/share)</b>	<b>8.24</b>	<b>9.16</b>

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**16. Loans**

The statement of loans taken out by the Group as at 31 December 2023, respectively 31 December 2022 was the following:

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

**Bank loans**

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

	<b>Currency</b>	<b>Interest rate</b>	<b>Value</b>	<b>Final maturity year</b>
<b>Balance as at 1 January 2023 (audited)</b>			<b>130,116,620</b>	
New drawdowns				
EURATOM reimbursement	EUR	EURIBOR 6M + 0.08%	(65,258,970)	2024
Foreign exchange differences			309,610	
<b>Balance as at 31 December 2023 (audited)</b>			<b>65,167,260</b>	

The loans refer to:

- *Loan granted by EURATOM*

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

The loan agreement sets out certain financial clauses: (i) the debt service coverage ration must be at least 1.5; (ii) the indebtedness must not exceed 2; (iii) the income booked by the Company must be sufficient to cover the operating and maintenance costs of Units 1 and 2, as well as for the interest payments in relation to Units 1 and 2.

The financial ratios need to be calculated based on the financial statements prepared in compliance with the International Financial Reporting Standards.

As at 31 December 2023 and 31 December 2022, the financial ratios requested by EURATOM are met. All loans were contracted to finance construction of Unit 2.

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The Group has not entered into any hedging arrangement for its liabilities in foreign currency obligations or interest rate exposure. The fair value of long-term loans, which was estimated by discounting the future contractual cash flows using the current interest rate on the available market for similar financial instruments, does not differ significantly from the amounts above.

**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.

**17. Provisions for risks and charges**

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	101,136,780	70,294,835
Liabilities relating to other low and medium level radioactive and non-radioactive waste	69,517,636	64,737,442
Provision for litigations related to salary bonus	102,341,834	89,288,704
Employee participation in profit	31,780,365	27,000,000
Provisions for disputes	20,698,904	
Other provisions for risks and charges	215,318	224,307
<b>Total</b>	<b>325,690,837</b>	<b>251,545,288</b>

As at 31 December 2023, provisions in a total amount of RON 325,690,837 represented long and short-terms liabilities, as follows:

	<b>Current part</b>	<b>Long-term part</b>
	<b>(&lt; 1 year)</b>	<b>(&gt; 1 year)</b>
Liabilities relating to the Intermediate Dry Storage Spent Fuel Facility (DICA)	54,090,643	47,046,137
Liabilities relating to other low and medium level radioactive and non-radioactive waste	14,098,207	55,419,429
Provision for litigations related to salary bonus (i)	-	102,341,834
Employee participation in profit	31,780,365	-
Provisions for disputes (ii)	20,698,904	-
Other provisions for risks and charges	215,318	-
<b>Total</b>	<b>120,883,437</b>	<b>204,807,400</b>

(iii) 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.

(iv) The item "Provision for litigation" includes the amount of RON 19,171,498 which is related to the appeal of tax decisions no. 17862/17.10.2023 and no. 4125/23.11.2023 issued as a result of the tax audit carried out by the General Antifraud Fiscal

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Directorate, on the calculation of the contribution to the Energy Transition Fund for the period 1 September-31 December 2022. For more details, see Note 30.

See Note 3.21 for the provision-relevant accounting policies.

### 18. Deferred income

As at 31 December 2023 and 31 December 2022, deferred income is as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Creditor customer	1,186,167	154,743,583
Grants of subsidy nature (i)	43,033,984	57,818,929
Governmental investment subsidies (ii)	7,308,371	5,918,917
Other deferred income	-	2,217,595
<b>Total</b>	<b>51,528,522</b>	<b>220,699,024</b>

#### (iii) Grants of subsidy nature

As at 31 December 2023, the Group has grants coming from:

##### c) Subsidy amortized during the lifetime of Unit 1

The subsidies 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 value of the income from subsidies recognized in the Income Statement under "Other income" in 2023 amounts to RON 14,349,554 (2022: RON 14,344,662). The value of the subsidy as at 31 December 2023 is RON 43,033,984 (31 December 2022: RON 57,378,646).

##### d) Grant agreement under the "Connecting Europe Facility" (CEF) - telecommunications sector, for the action "Cynergy - first ISAC for the Energy Sector in Romania", carried out through the European Health and Digital Executive Agency (HaDEA), in accordance with the rights delegated by the European Commission.

The action (Cynergy) aims to create a national information sharing and analysis center (ISAC) in the energy sector (electricity sub-sector) in Romania, which will serve the most prominent companies in this industry of the country, but taking into account a potential expansion to the South-Eastern Europe. The action will develop a robust and trusted sharing community that can easily provide useful knowledge and support to ISAC members when faced with cyber security threats.

Costs were incurred within the period 1 September 2021 – 30 August 2023. According to the agreement, the maximum amount granted is EUR 445,024 and accounts for 75% of the eligible costs of the action. By 31 December 2023, the full costs of the project have been recorded in the amount of RON 2,074,028 of which 25% financed from own sources. The balance of the subsidy to be received as at 31 December 2023 amounts to RON 238,430. Before the date of these financial statements, the Parent Company received the pre-financing of EUR 267,014.

At the date of these financial statements, the Parent Company does not report either any defaults of the conditions imposed for granting the subsidy, or any contingencies.

#### (iv) Governmental investment subsidies

The Parent Company received from the US Trade and Development Agency (USTDA) a grant of USD 1.2 million in order to finance identification and assessment of a number of sites in Romania, including sites with existing coal-fired thermal plants

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that could be replaced by small modelling reactors. The study identified a number of potentially suitable sites, and eventually the site chosen for development of the first small modular reactor in Romania was that of Doicești, County of Dambovită.

The grants and governmental subsidies are recognized according to the provisions of IAS 20 “Accounting for government grants and disclosure of government assistance” (see Note 3.19).

**19. Income tax**

Corporate tax recognized in profit and loss statement:

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Expense with current corporate tax	(389,113,102)	(435,082,386)
Net income from deferred tax	32,614,684	6,832,608
<b>Total</b>	<b>(356,498,238)</b>	<b>(428,249,778)</b>

Deferred tax assets and liabilities are measured on 31 December 2023 and 31 December 2022 at the standard tax rate of 16%, representing the currently adopted tax rate.

**Reconciliation of the effective tax rate:**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>Profit before corporate tax</b>	<b>2,842,712,397</b>	<b>3,190,486,679</b>
<b>Tax in accordance with the statutory tax rate of 16%</b>	<b>454,833,984</b>	<b>510,477,869</b>
<b>Effect on corporate tax of:</b>		
Legal reserve	(22,897,645)	(25,550,521)
Tax amortization	(1,490,616)	(668,487)
Non-taxable income	(18,405,374)	(23,230,519)
Non-deductible costs	49,628,554	28,088,230
Gain from revaluation reserves	17,384,085	16,995,371
Temporary differences	(32,614,864)	(6,832,608)
Tax loss of subsidiaries carried forward	(560,103)	532,545
Consolidation effect	6,705,467	-
Sponsorship	(7,124,668)	(6,776,395)
Reinvested profit	(25,676,346)	(11,009,228)
Corporate tax reduction according to the Government Emergency Ordinance no. 153/2020	(63,284,236)	(53,776,478)
<b>Expense with corporate tax</b>	<b>356,498,238</b>	<b>428,249,778</b>

The deferred tax consists of:

<b>31 December 2023</b>			
<b>(audited)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Tangible assets	-	119,888,090	119,888,090
Intangible assets	-	1,305,389	1,305,389
Inventories	-	3,698,424	3,698,424
Trade receivables	(1,705,871)	-	(1,705,871)
Liabilities for employee benefits	(7,694,130)	-	(7,694,130)
Employee participation in profit	(5,084,858)	-	(5,084,858)
Provision for salary increases	(16,374,692)	-	(16,374,692)
Leaves not taken	(2,198,092)	-	(2,198,092)
Taxes and duties	(14,651,603)	-	(14,651,603)

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Other provisions	(3,228,474)	-	(3,228,474)
Radioactive and non-radioactive waste	(11,122,822)	-	(11,122,822)
<b>Net tax (asset)/liability</b>	<b>(62,060,542)</b>	<b>124,891,903</b>	<b>62,831,361</b>

<b>31 December 2022</b> <b>(audited)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Tangible assets	-	141,888,769	141,888,769
Intangible assets	-	1,045,028	1,045,028
Inventories	3,699,283	-	3,699,283
Trade receivables	(1,859,077)	-	(1,859,077)
Liabilities for employee benefits	(7,289,215)	-	(7,289,215)
Employee participation in profit	(4,320,000)	-	(4,320,000)
Provision for salary increases	(14,286,191)	-	(14,286,191)
Leaves not taken	(1,441,780)	-	(1,441,780)
Taxes and duties	(11,601,703)	-	(11,601,703)
Other provisions	(30,897)	-	(30,897)
Radioactive and non-radioactive waste	(10,357,991)	-	(10,357,991)
<b>Net tax (asset)/liability</b>	<b>(47,487,571)</b>	<b>142,933,797</b>	<b>95,446,226</b>

The table with the movements in the 2023 and 2022 deferred tax liabilities is as follows:

	<b>Balance as at 01 January 2022 (audited)</b>	<b>Deferred tax recognized in profit and loss</b>	<b>Deferred tax recognized directly in other comprehensive income</b>	<b>Balance as at 31 December 2022 (audited)</b>	<b>Deferred tax recognized in profit and loss</b>	<b>Balance as at 31 December 2023 (audited)</b>
Tangible assets	162,161,766	(20,272,996)	10,928,240	141,888,769	(22,000,679)	119,888,090
Intangible assets	1,250,695	(205,667)	-	1,045,028	260,361	1,305,389
Inventories	(651,876)	4,351,159	-	3,699,283	(858)	3,698,424
Trade receivables	(1,992,016)	132,939	-	(1,859,077)	153,206	(1,705,871)
Liabilities for employee benefits	(7,420,638)	131,424	-	(7,289,215)	(404,915)	(7,694,130)
Provision for salary increases	(17,512,945)	3,226,754	-	(14,286,191)	(2,088,501)	(16,374,692)
Employee participation in profit	(3,200,000)	(1,120,000)	-	(4,320,000)	(764,858)	(5,084,858)
Leaves not taken	(877,635)	(564,145)	-	(1,441,780)	(756,312)	(2,198,092)
Taxes and duties	(10,977,700)	(624,003)	-	(11,601,703)	(3,049,900)	(14,651,603)
Radioactive and non-radioactive waste	(18,461,358)	8,103,368	-	(10,357,991)	(764,831)	(11,122,822)
Other provisions	(39,458)	8,560	-	(30,897)	(3,197,576)	(3,228,474)
<b>Net tax (asset)/liability</b>	<b>102,278,835</b>	<b>(6,832,607)</b>	<b>10,928,240</b>	<b>95,446,226</b>	<b>(32,614,864)</b>	<b>62,831,361</b>

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***20. Liabilities for employee benefits**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Retirement benefits	28,252,776	25,011,151
Anniversary bonuses	11,046,547	11,878,616
Decease benefits	923,021	894,429
Retirement benefits in electricity	7,865,968	7,773,395
<b>Total</b>	<b>48,088,311</b>	<b>45,557,591</b>

As at 31 December 2023, the Group 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 Group. This benefit is granted starting from 1 April 2017.

The following **macroeconomic and Group-specific assumptions** were considered for application of IAS 19 "Employee Benefits" as at 31 December 2023 and 31 December 2022.

-	31 December 2023	31 December 2022
- Measurement date	-	-
- Number of employees	-	-
- Salary increase rate	- The management of the Company estimated an increase in line with the annual increase rate of consumer prices communicated by the National Prognosis Committee for 2023-2026. The weighted average rate of salary increases is 3.3% p.a. - - The inflation rate was estimated based on the statistics issued by INSSE and the BNR forecast of Noiembrie 2023, as follows: 4.8% in 2024, 3.5% in 2025, 3% 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.	- The management of the Company estimated an increase in line with the annual increase rate of consumer prices communicated by the National Prognosis Committee for 2022-2026. The weighted average rate of salary increases is 5.7% p.a. - - The inflation rate was estimated based on the statistics issued by INSSE and the 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.
- 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	-	-
- 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	-	-

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

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.

<b>Assumptions</b>	<b>Retirement benefits</b>	<b>Aids for employee decease</b>	<b>Anniversary bonuses</b>	<b>Retirement benefits in electricity</b>	<b>Total liabilities with defined benefits</b>
<b>PVDBO as at 31 December 2023 (RON)</b>	<b>28,252,776</b>	<b>923,021</b>	<b>11,046,547</b>	<b>7,865,968</b>	<b>48,088,311</b>
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.

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***21. Trade and other payables**

As at 31 December 2023 and 31 December 2022 suppliers and other liabilities are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Suppliers of non-current assets	55,188,913	46,893,963
Suppliers	307,914,782	110,823,353
Liabilities for employee debts	82,294,838	38,361,843
Liabilities to the state	371,286,069	240,143,523
Payable dividends	1,080,364	763,805
Other liabilities	9,395,150	11,173,533
<b>Total</b>	<b>827,160,116</b>	<b>448,160,020</b>

As at 31 December 2023, the main suppliers in the balance, from positions of “Suppliers of non-current assets” and “Suppliers”, were: NAC KAZATOMPROM JSC RON 144,971,567 (31 December 2022: RON 0), Candu Energy Inc. RON 54,020,936 (31 December 2022: RON 26,956,168), General Electric Global Services GMBH – RON 21,629,425 (31 December 2022: RON 23,264,335), Apele Romane Bucuresti – RON 18,156,632 (31 December 2022: RON 12,302,495), BOG ART SRL RON 11,362,785 (31 December 2022: RON 0).

As at 31 December 2023, “Trade Payables and other Liabilities” include the amount of RON 41,947,4651 (31 December 2022: RON 38,176,357) related to liabilities to related parties, of which, under the headings "Suppliers" and "Suppliers of non-current assets", RON 41,899,522 (31 December 2022: RON 30,113,114).

As at 31 December 2023, the heading "Liabilities to the state" includes mainly the liability regarding the Payable balance of the to the Energy Transition Fund for December 2023 in the amount of RON 194,055,709 (31 December 2022: RON 73,259,726) which was paid in 2024, as well as the liability related to the local taxes and duties set by the State authorities in 2024, of RON 91,803,624 (31 December 2022: RON 73,261,115) which, according to *IFRIC 21 - Levies*, it is recognized on 31 December 2023. The taxes and duties fall due in the 2024 financial year.

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***22. Income from sale of electricity****(iii) Income from sales of electricity**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Sales of thermal energy via MACEE	2,222,509,995	-
Sales of energy on the free market	5,195,386,185	6,337,865,873
Sales of thermal energy	6,097,431	5,729,022
Income from the sale of green certificates	30,328	31,426
<b>Total</b>	<b>7,424,023,939</b>	<b>6,343,626,321</b>

**(iv) Quantity of sold electricity\*)**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Quantity of electricity sold via MACEE (MWh)	4,938,911	-
Quantity of sold electricity on the free market (MWh)	5,492,584	10,513,090
<b>Total</b>	<b>10,431,495</b>	<b>10,513,090</b>

*\*) The amount of electricity sold does not include the amount of electricity related to income from positive imbalances recovered on the Balancing Market, of 43,892 MWh for the financial year ended on 31 December 2023 (40,798 MWh for the financial year ended on 31 December 2022).*

Effective 1 January 2023, the Parent Company is a seller under the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. The Romanian Electricity and Gas Market Operator OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers at the price of 450 RON/MWh and sells it to buyers at the same price. During 2023, the Parent Company sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON/MWh (Tg included), respectively 447.47 RON/MWh (without Tg), which accounts for 47.02% of the total electricity sold during the period.

On the free market, in 2023, the Parent Company sold 52.56% of the energy sold (2022: 99.61%), respectively 5,492,584 MWh (2022: 10,513,090 MWh). The average sale price of electricity sold by the Company on this market during 2023 was 940.45 RON/MWh (2022: 600.15 RON/MWh), amount net of Tg.

The Parent 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 Parent Company carries out the activity of generation of heat energy by operation of the energy facilities related to the electricity and heat energy production units in two heat exchangers with a total heat power of 40 Gcal/h and 46.51 MW. The Parent 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 2023 amount to RON 6,097,431 (2022: RON 5,729,022).

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***23. Other income**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Income from investments subsidies	14,349,555	14,354,675
Income from operating subsidies	-	872,785
Income from compensation, fines and penalties	4,501,988	3,730,399
Net income from sale of assets held for sale	-	-
Income from restatement of provisions and value adjustments	-	74,987,912
Other income	138,153,483	73,654,081
<b>Total</b>	<b>157,005,026</b>	<b>167,599,852</b>

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 heading “Other revenues” mainly represents income from the variation of stocks in the amount of 53,035,166 RON and income from the production of fixed assets in the amount of 32,830,351 RON.

**24. Personnel costs**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Salaries and wages	723,419,830	512,324,635
Costs of social insurance and similar	72,833,194	48,797,446
<b>Total personnel costs</b>	<b>796,253,024</b>	<b>561,122,081</b>

The breakdown on categories of employees is as follows:

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Management staff	132	112
Operational staff	3,063	2,384
<b>Total effective headcount</b>	<b>3,195</b>	<b>2,496</b>

The average headcount of the Group in 2023 was 2,851 (2022: 2,296 employees).

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Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

*(All amounts are expressed in RON, unless otherwise expressly provided for)***25. Contribution to the Energy Transition Fund / Tax on additional income**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Contribution to the Energy Transition Fund /	2,623,619,387	
Tax on additional income		1,085,014,040
<b>Total</b>	<b>2,623,619,387</b>	<b>1,085,014,040</b>

In 2023, the Group booked tax on additional income, i.e. contribution to the Energy Transition Fund, of RON 2,623,619,387 (31 December 2022: RON 1,085,014,040). As at 31 December 2023, the payable balance of the to the Energy Transition Fund amounts to RON 194,055,709 (31 December 2022: 73,259,726 RON), fully paid in January 2024.

In 2022, the Company registered additional income tax. The additional income was established and calculated based on art. II paragraph (1) of Law no. 259/2021 for the approval of Government Emergency Ordinance no. 118/2021, as it was in force until 01 September 2022, and resulted from the difference between the average monthly selling price of electricity and the price of 450 RON/MWh, to which a tax rate of 80% was applied, for the quantity of monthly energy physically delivered from own production. The calculation method was established by Government Emergency Ordinance no. 27/2022 (Appendix 6) and applied, according to art. 4 of the Government Emergency Ordinance no. 27/2022, for the period 1 November 2021 - 31 August 2022.

According to Government Emergency Ordinance no. 119/01.09.2022 for the amendment and supplementation of Government Emergency Ordinance no. 27/2022, starting with 1 September 2022, for the period 1 September 2022 - 31 August 2023, electricity producers must pay a contribution to the Energy Transition Fund, which replaced the additional income tax. The calculation method is provided for in Appendix 6 to Government Emergency Ordinance no. 27/2022 and is determined as a difference between the monthly 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).

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*(All amounts are expressed in RON, unless otherwise expressly provided for)***26. Other operating expenses**

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Other expenses with services executed by third parties	99,850,023	94,340,155
ANDR costs	101,845,002	100,535,482
Expenses with energy and water	131,838,338	91,268,972
Expenses with fuel and other consumables	73,457,564	62,488,846
Expenditure related to ANRE contribution	6,370,420	3,121,500
Expenses with insurance premiums	14,935,012	13,559,207
Expenses with the transport and telecommunications	18,138,535	10,772,830
Expenses with building tax	90,949,460	71,957,968
Net expenses related to provisions and value adjustments	68,327,729	-
Other operating expenses	87,111,395	51,209,505
<b>Total</b>	<b>692,823,478</b>	<b>499,254,465</b>

**ANDR costs**

Starting with 2007, following the Government Decision no. 1080/5 September 2007 regarding the safe management of radioactive waste and decommissioning of the nuclear plants, the Parent Company is required to pay two types of contributions to ANDR:

- contribution for decommissioning each nuclear unit in amount of 0.6 EUR/MWh net electricity produced and delivered in the system;
- contribution for the permanent storage of radioactive waste of 1.4 EUR/MWh of net electricity produced and delivered in the system.

According to this legislative act, the annual contribution for decommissioning is paid during the designed lifetime of nuclear units, and the direct annual contribution for the final storage is paid during the operating period of nuclear units, and, therefore, ANDR is held responsible for the management of the entire decommissioning process, at the end of the useful lifetime of nuclear plants and storage of the resulting waste.

**Expenses related to ANRE contribution**

ANRE contribution for the year 2023 is calculated according to the Order ANRE no. 140/2022, representing 0.1% of the turnover realized in 2022, from activities carried out under the licenses held. As at 31 December 2023 the contribution amounts to RON 6,370,420 (31 December 2022: RON 3,121,500). For 2022, the contribution was calculated according to the Order of ANRE no. 143/2021, representing 0.1% of the turnover realized in 2021, from activities carried out under the licenses held.

**Other operating expenses**

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

## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### 27. Financial income and expenses

	<b>2023</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
Interest income	353,003,344	218,931,212
Income from exchange rate differences	42,555,871	20,224,768
Dividend income	3,396	-
Financial income regarding the amortization of bonds and government bonds differences	133,390	70,929
Other financial income	17,497,237	9,623
<b>Financial income - Total</b>	<b>413,193,238</b>	<b>239,236,532</b>
Expenses from exchange rate differences	(25,551,640)	(24,347,675)
Interest expense	(9,297,318)	(7,451,711)
<b>Financial expenses - Total</b>	<b>(34,848,958)</b>	<b>(31,799,386)</b>
<b>Financial income/(expenditure), net</b>	<b>378,344,280</b>	<b>207,437,146</b>

#### *Other financial income*

Under position "Other financial income" bonds interests are included. estimated for the period until 31 December 2023, in the amount to RON 17,497,237 (31 December 2022: RON 0).

### 28. Transactions and balances with related parties

#### **i) Transactions with State-owned companies**

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

The Group has made significant transactions with other State-owned or controlled companies, including:

- sales of electricity (OPCOM S.A., Electrica Furnizare SA, S.P.E.E.H. Hidroelectrica SA);
- sales of thermal energy (Utilitati Publice S.A. Cernavodă),
- electricity purchases (OPCOM S.A.);
- purchase of electricity transmission and balancing services (C.N. Transelectrica S.A.);
- contribution for the management of the decommissioning process of the two units and for the final storage of nuclear waste at the end of the useful life of the two units, as well as for the permanent storage of the resulting residues (Nuclear and Radioactive Waste Agency - ANDR)
- water use purchase (Apele Romane Bucharest)
- purchase of waste processing services, equipment decontamination, scaffolding erection/dismantling, cleaning,
- purchase of underground water use services (Dobrogea Seaside Water Basin Administration)
- purchase of treatment services for the radioactive water resulting from production activities (Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitești)

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

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

	Sales		Receivables as at	
	2023 (audited)	2022 (audited)	31 December 2023 (audited)	31 December 2022 (audited)
The Romanian Electricity and Gas Market Operator (OPCOM S.A.)	2,826,863,126	1,332,533,729	240,751,656	1,478,997
Electrica Furnizare S.A.	835,748,874	560,894,954	107,592,215	40,721,750
S.P.E.E.H. Hidroelectrica S.A.	412,844,430	114,318,000	-	39,042,000
Utilitati Publice S.A. NPP Branch	6,567,598	6,018,958	5,772,723	5,724,145
C.N. Transelectrica S.A.	198,996	150,862,549	27,305	26,367,201
Distributie Energiei Electrica Romania S.A.	-	299,140,052	-	52,166,030
<b>Total</b>	<b>4,082,223,024</b>	<b>2,463,768,242</b>	<b>354,143,899</b>	<b>165,500,122</b>

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

	Purchases		Liabilities as at	
	2023 (audited)	2022 (audited)	31 December 2023 (audited)	31 December 2022 (audited)
Nuclear and Radioactive Waste Agency	101,845,002	100,535,482	9,677,430	8,063,243
Apele Romane Bucharest	87,491,766	64,591,306	18,156,632	12,302,495
The Romanian Electricity and Gas Market Operator (OPCOM S.A.)	71,630,580	369,609,440	1,586,094	1,068,264
C.N. Transelectrica S.A.	37,422,071	22,960,763	8,320,714	5,610,805
Dobrogea Seaside Water Basin Administration	20,435,603	12,639,264	5,624,636	3,215,249
Compania Nationala a Uraniului S.A.	16,867,301	103,328,704	316,577	1,417,293
Regia Autonoma Tehnologii pentru Energia Nucleara - ICN	14,690,989	11,567,810	3,547,342	2,771,157
National Commission for Nuclear Activities Control	10,188,287	9,308,220	-	-
S.P.E.E.H. Hidroelectrica S.A.	6,898,034	200,300	1,254,234	78,762
Romanian Energy Regulatory Authority	6,371,045	3,121,500	735,522	735,522
Raja S.A.	4,837,165	3,700,316	510,431	754,733
Regia Autonoma Tehnologii pentru Energia Nucleara - CITON	3,900,049	3,798,642	712,585	1,153,794
Electrica Furnizare S.A.	1,395,143	3,097,781	-	433,811
Compania Nationala Administratia Canalelor Navigabile S.A.	796,136	1,239,265	74,131	203,195
<b>Total</b>	<b>384,769,172</b>	<b>709,698,793</b>	<b>50,516,329</b>	<b>37,808,324</b>

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## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

The balance of intercompany payables as at 31 December 2023 and 31 December 2022, as presented above, does not include advance payments received from related customers.

### ii) Guarantees received from the Romanian State through the Ministry of Finance

All loans are secured by the Romanian State through the Ministry of Finance (see Note 16).

### iii) Remuneration of the Group's management

The Group's management include:

- The members of the Board of Directors of the Company and the subsidiaries, who have mandate contracts concluded with the group's companies;
- Executives with mandate contract in the Group;
- Other executives of the Group who signed individual employment agreements, under the terms laid down in the collective bargaining agreements, as applicable.

Members of the Board of Directors, who have directorship (mandate) contracts concluded with the Group, and the remuneration of whom is approved by the General Meeting of Shareholders. Executives with mandate contracts are remunerated based on the contractual provisions, within the general limits approved by the GMS. Detailed information on the remuneration of the Company's directors and executives is included in the Annual Report of the Nomination and Remuneration Committee, set up under the Company's Board of Directors. The amounts shown are gross remunerations.

	<u>2023</u> <u>(audited)</u>	<u>2022</u> <u>(audited)</u>
Remuneration of the Group's management (gross amounts)	27,594,754	20,493,054
	<u>27,594,754</u>	<u>20,493,054</u>

## 29. Management of significant risks

The main risks the Group is exposed to are:

- market risk (price risk, interest rate risk and currency risk);
- credit risk;
- liquidity risk;
- taxation risk;
- operational risk.

The general risk management strategy seeks to maximize the Group's profit against the level of risk it is exposed to, and to minimize any potential adverse variations on the Group's financial performance.

The Group has no formal agreements to hedge financial risks. Despite the fact that there are no formal hedge agreements, financial risks are strictly monitored by the management considering the financial needs of the Group in order to effectively manage risks and opportunities. The financial department regularly prepares forecasts of cash-flows in order to help the management make decisions.

### h) Market risk

Market risk is defined as the risk of incurring a loss or not obtaining the expected profit, due to fluctuations of prices, interest rates and currency exchange rates.

The Group is exposed to the following categories of market risk:

#### (iv) Price risk

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## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

The Group has a moderate exposure regarding the risk related to variation in the price of electricity traded as starting from 1 January 2023, SNN 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 fixed price of 450 RON/MWh and sells it to buyers at the same price. During 2023, the Company sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON/MWh (with Tg included), and of 447.47 RON/MWh (without Tg), which accounts for 47.02% of the total electricity sold during the period.

The difference of 52.56% (except the quantity of electricity related to imbalances) was traded on the competitive and spot (DAM + IDM) markets, as well as on the balancing market. To mitigate this risk, the Company trades electricity by concluding bilateral contracts, with fixed prices and well-defined price formulas.

The average sale price under bilateral contracts in 2023 was 1,059 RON/MWh, Tg included (31 December 2022: 531.36 RON/MWh, Tg included), and on the spot market (DAM + IDM) the average price was 516.48 RON/MWh, Tg included (31 December 2022: 1,207.36 RON/MWh, Tg included).

A positive variation of 10% in the price of electricity sold would lead to an increase in profit after taxes on 31 December 2023 by RON 745,531,882 (31 December 2022: RON 636,078,327), a negative variation of 10% having an equal net impact, but with the opposite sign.

### (v) Interest rate risk

The Group faces interest rate risk due to its exposure to unfavourable interest rate fluctuations. The change in the market interest rate has a direct influence on the income and expenditure related to the financial assets and liabilities bearing floating interest rates, as well as on the market value of those bearing fixed interest rates. As at 31 December 2023 and 31 December 2022, most of the Group's assets and liabilities are interest-bearing. As a result, the Group is directly affected by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested at interest rates for a maximum period of one year. However, the decrease in market yields could affect the measured amount of the assets held by the Company.

From the total financial liabilities of the Group, the only liabilities bearing floating interest are represented by long-term bank loans. For more information about the contractual maturity of the Company's interest-bearing financial assets and liabilities, see Note 29. The Group does not use derivative financial instruments to hedge against interest rate fluctuations. The impact on the Company's net profit of a  $\pm 1.00\%$  change in the interest rate related to interest-bearing assets and liabilities is  $\pm$  RON 651.673 (31 December 2022:  $\pm$  RON 1,301,166).

	Carrying amount (*)	
	31 December 2023 (audited)	31 December 2022 (audited)
<b>Fixed-rate instruments</b>		
Financial assets	3,851,123,322	4,256,179,161
	<b>3,851,123,322</b>	<b>4,256,179,161</b>
<b>Floating-rate instruments</b>		
Financial liabilities	65,167,260	130,116,620
	<b>65,167,260</b>	<b>130,116,620</b>

(\*) Gross carrying amount, before deduction of the trading costs.

### Sensitivity analysis of cash flows for floating interest rate instruments

A change in interest rates by  $\pm 1.00\%$  on the reporting date would have determined the increase (decrease) in profit or loss with the amounts below. This analysis assumes that all other variables, particularly exchange rates, remain constant.

### Profit or loss

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**S.N. Nuclearelectrica S.A.**

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

	<b>+ 1.00% increase</b>	<b>- 1.00% decrease</b>
<b>31 December 2023</b>		
Floating-rate instruments	(651,673)	651,673
<b>Cash flow sensitivity (net)</b>	<b>(651,673)</b>	<b>651,673</b>
<b>31 December 2022</b>		
Floating-rate instruments	(1,301,166)	1,301,166
<b>Cash flow sensitivity (net)</b>	<b>(1,301,166)</b>	<b>1,301,166</b>

**(vi) Currency risk**

The currency risk is the risk of incurring losses or not making the estimated profit due to unfavourable exchange rate fluctuations. The Group is exposed to exchange rate fluctuations, but it does not have a formal foreign exchange risk hedging policy. Most of the financial assets and liabilities of the Company are expressed in the national currency; the other currencies in which transactions are performed are EUR, CAD, USD and GBP.

The Group is exposed to currency risk fluctuations for cash and cash equivalents and its purchases and long-term loans in a currency other than the Group's functional currency. Long-term loans are denominated in foreign currency and are converted into RON, at the exchange rate on the balance-sheet date, as communicated by the National Bank of Romania. The resulting differences are included in the profit and loss statement, and do not affect the cash flow until the time when the debt is paid-off.

Financial assets and liabilities expressed in RON and in other currencies as at 31 December 2023 and 31 December 2022 are presented in the following tables.

	<b>Amount amount(*)</b>	<b>RON</b>	<b>EUR</b>	<b>USD</b>	<b>CAD</b>	<b>GBP</b>	<b>CHF</b>
<b>31 December 2023</b>							
<b>Financial assets</b>							
Cash, cash equivalents and deposits	3,693,931,603	3,541,304,395	4,783,442	145,879,526	1,760,876	202,396	968
Bonds	552,203,754	-	552,203,754	-	-	-	-
Government bonds	30,333,530	30,333,530	-	-	-	-	-
Trade receivables	623,780,215	623,545,084	53,883	181,249	-	2,039	-
Advance payments	16,323,385	5,134,110	1,680,796	6,673,883	2,462,186	-	370,371
Tangible assets (pre-payments)	934,544,370	14,218,047	155,652,697	2,813,085	761,860,541	-	-
<b>Gross exposure</b>	<b>5,851,116,857</b>	<b>4,214,535,166</b>	<b>714,374,571</b>	<b>155,547,743</b>	<b>766,083,603</b>	<b>204,434</b>	<b>371,340</b>
<b>Financial liabilities</b>							
Suppliers and suppliers of non-current assets	(363,103,695)	(142,935,508)	(9,684,683)	(148,869,154)	(61,095,070)	(519,281)	-
Loans	(65,640,599)	-	(65,640,599)	-	-	-	-
<b>Gross exposure</b>	<b>(428,744,294)</b>	<b>(142,935,508)</b>	<b>(75,325,282)</b>	<b>(148,869,154)</b>	<b>(61,095,070)</b>	<b>(519,281)</b>	-
<b>Net exposure in the financial position statement (audited)</b>	<b>5,422,372,563</b>	<b>4,071,599,659</b>	<b>639,049,289</b>	<b>6,678,589</b>	<b>704,988,533</b>	<b>(314,846)</b>	<b>371,340</b>

(\*) Gross carrying amount, before deduction of the trading costs.

<b>Value amount(*)</b>	<b>RON</b>	<b>EUR</b>	<b>USD</b>	<b>CAD</b>	<b>GBP</b>	<b>CHF</b>
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## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### 31 December 2022

#### Financial assets

Cash, cash equivalents and deposits	4,537,520,633	4,512,373,391	14,659,681	1,144,012	9,295,595	44,931	3,024
Government bonds	30,260,661	30,260,661	-	-	-	-	-
Trade receivables	438,540,316	438,139,642	57,494	317,251	25,433	496	-
Advance payments	20,994,911	20,994,911	-	-	-	-	-
Tangible assets (pre-payments)	72,037,118	16,157,639	24,801,847	1,334,149	29,743,483	-	-
<b>Gross exposure</b>	<b>5,099,353,639</b>	<b>5,017,926,244</b>	<b>39,519,022</b>	<b>2,795,412</b>	<b>39,064,511</b>	<b>45,427</b>	<b>3,024</b>

#### Financial liabilities

Suppliers and suppliers of non-current assets	(157,717,317)	(107,837,194)	(5,100,212)	(7,860,944)	(36,296,638)	622,329)	-
Loans	(130,116,620)		(130,116,620)		-		
<b>Gross exposure</b>	<b>(287,833,937)</b>	<b>(107,837,194)</b>	<b>(135,216,832)</b>	<b>(7,860,944)</b>	<b>(36,296,638)</b>	<b>622,329)</b>	<b>-</b>
<b>Net exposure in the financial position statement (audited)</b>	<b>4,811,519,702</b>	<b>4,910,089,050</b>	<b>(95,697,810)</b>	<b>(5,065,532)</b>	<b>2,767,873</b>	<b>576,902)</b>	<b>3,024</b>

(\*) Gross carrying amount, before deduction of the trading costs.

The following rates of exchange were applied:

	Average rate		Exchange rate as at	
	2023	2022	31 December 2023	31 December 2022
RON/EUR	4.9465	4.9315	4.9746	4.9474
RON/USD	4.5743	4.6885	4.4958	4.6346
RON/CAD	3.3897	3.6020	3.3913	3.4232
RON/GBP	5.6869	5.7867	5.7225	5.5878
RON/CHF	5.0917	4.9096	5.3666	5.0289

### Sensitivity analysis

A 10% appreciation of the national currency compared to the following foreign currencies on 31 December 2023 and on 31 December 2022 would have increased the gross profit by the amounts indicated below. This analysis assumes that all other variables remain constant.

	2023 profit (audited)	2022 profit (audited)
EUR	(63,904,929)	9,569,781
USD	(667,859)	506,553
CAD	(70,498,853)	(276,787)
GBP	31,485)	57,690
CHF	(37,134)	(302)
<b>Total</b>	<b>(135,077,290)</b>	<b>9,856,935</b>

A 10% depreciation in the national currency against the following foreign currencies on 31 December 2023 and on 31 December 2022 would have had a similar, but opposite effect, on the above amounts, assuming that all other variables remained constant.

	Loss 2023 (audited)	Loss 2022 (audited)
EUR	63,904,929	(9,569,781)
USD	667,859	(506,553)
CAD	70,498,853	276,787
GBP	(31,485)	(57,690)
CHF	37,134	302
<b>Total</b>	<b>135,077,290</b>	<b>(9,856,935)</b>

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## **S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### **i) Credit Risk**

Credit risk is the risk of incurring losses or not realizing the estimated profits due to the counterparty not fulfilling their financial obligations. The Group is exposed to credit risk as a result of the investments measured at amortized cost, cash and cash equivalents and trade receivables.

#### **(iv) Risk Management**

Credit risk is managed at Group level.

In order to manage the counterparty risk, investment of the available funds is only done with banking institutions with a minimum rating of BB-, Fitch equivalent. Exposure limits for banks that do not have a public rating are set at a maximum of 3% per bank of total assets, but no more than 7% of total assets accumulated for all banks that do not have a public rating. The medium-term objective is to ensure an adequate spread so that the net exposure to a financial institution does not exceed 8% (percentage calculated by reference to the net investments in a financial institution, out of total assets).

Electricity sale/purchase contracts are concluded in compliance with the electricity and gas law no. 123/2012, the agreements for participation in the centralized electricity markets managed by OPCOM and RCE and ratified by SNN, as well as the procedures associated thereto. The amount of receivables, net of adjustments for impairment, represents the maximum amount exposed to credit risk.

As at 31 December 2023, the Group is exposed to a moderate credit risk, considering that approximately 65.7% of its gross trade receivables are against the Company Operatorul Pietei de Energie Electrica si de Gaze Naturale OPCOM S.A., Electrica Furnizare S.A. and PPC Energie Muntenia S.A. (see Note 11). Counterparty risk is limited considering the guarantees obtained from clients in the form of letters of bank guarantee.

The Group's investments in debt instruments are considered to be low-risk investments. Credit ratings of investments are monitored for credit deterioration.

#### **(v) Collaterals**

For commercial receivables from the sale of electricity, the Group obtains guarantees in the form of letters of bank guarantee, which can be executed if the partner is default of the contractual term.

#### **(vi) Adjustments for impairment**

The Group holds the following financial assets that are subject to the "expected credit losses" model:

- Trade receivables coming from the sale of electricity; and
- Financial assets measured at amortized cost

Although cash and cash equivalents are subject to impairment testing according to IFRS 9, the expected credit losses for these assets are insignificant.

### **Cash and cash equivalents**

Cash and deposits are placed with different financial institutions (banks), with the aim of reducing the counterparty risk, by limiting the exposure to a single financial institution. The main financial institutions where these financial assets are placed are the following:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(audited)</b>	<b>(audited)</b>
EximBank S.A.	1,195,229,973	1,382,878,370

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

Banca Comerciala Romana S.A.	738,148,029	345,120,788
Alpha Bank S.A.	582,532,443	477,433,699
Banca Transilvania S.A.	392,942,257	280,057,693
Vista Bank S.A.	305,084,766	284,622,936
BRD Societe Generale S.A.	277,871,823	178,286,910
Garanti Bank S.A.	175,818,999	384,294,877
CEC Bank S.A.	22,829,470	769,741,439
Unicredit Bank S.A.	1,760,606	432,846,773
Treasury of City of Bucharest	1,485,008	1,436,612
Citi Bank Romania	157,027	7,102
Raiffeisen Bank	-	274,097
Other	71,203	519,337
<b>Total cash and bank deposits</b>	<b>3,693,931,603</b>	<b>4,537,520,633</b>

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

The maximum credit risk exposure on the reporting date was:

	Net amount	
	31 December 2023 (audited)	31 December 2022 (audited)
<b>Financial assets</b>		
Trade receivables	623,780,215	438,540,316
Bank deposits	112,257,027	1,829,796,500
Cash and cash equivalents	3,581,674,576	2,707,724,133
Other financial assets measured at amortized cost	329,590,958	142,158,865
Government bonds	30,333,530	30,260,661
Bonds	552,203,754	
	<b>5,229,840,060</b>	<b>5,148,480,475</b>

**Trade receivables**

The Group applies the simplified method of measuring expected credit losses, as provided under IFRS 9, for the measurement of trade receivables. IFRS 9 allows entities to apply a “simplified approach” to trade receivables, contractual assets and lease receivables. The simplified approach allows entities to recognize expected losses over the lifetime of all these assets without having to identify significant increases in credit risk.

In order to measure the expected credit losses, trade receivables were grouped based on the common characteristics of the credit risk and the days of delay. Expected loss rates are based on customer payment profiles over a 1-year period, analysed at 30-day intervals and historical losses. Historical loss rates are adjusted to reflect the current and prospective information on the macroeconomic factors that affect the customers' ability to pay.

Based on these ratios, the expected credit losses on 31 December 2023 and on 31 December 2022 were determined for trade receivables and other receivables, as follows:

The age of **trade receivables** on the reporting date was as follows:

	Gross amount 31 December 2023 (audited)	Value adjustments as at 31 December 2023 (audited)	Gross amount 31 December 2022 (audited)	Value adjustments as at 31 December 2022 (audited)
Not yet due	570,567,909	-	435,105,477	-
Overdue between 1-30 days	49,456,539	-	34,571	-
Overdue between 31-90 days	161,033	-	161,834	-
Overdue between 91-180 days	806,457	-	203,537	-
Overdue between 181-270 days	2,788,278	-	2,273,571	-
Overdue between 271-365 days	-	-	761,327	-
More than one year	11,255,214	(11,255,214)	12,001,436	(12,001,436)
<b>Total</b>	<b>635,035,429</b>	<b>(11,255,214)</b>	<b>450,541,753</b>	<b>(12,001,436)</b>

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**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

The age of **other receivables**, including the recoverable VAT, on the reporting date was as follows:

	Gross amount 31 December 2023 (audited)	Value adjustments as at 31 December 2023 (audited)	Gross amount 31 December 2022 (audited)	Value adjustments as at 31 December 2022 (audited)
Not yet due	99,348,331	-	139,295,947	-
Overdue between 1-30 days	30,465	-	1,714	-
Overdue between 31-90 days	74,571	-	937,575	-
Overdue between 91-180 days	37,174	-	26,113	-
Overdue between 181-270 days	6,184	-	-	-
Overdue between 271-365 days	85,813	-	13,773	-
More than one year	583,180	(583,180)	3,050,103	(3,050,103)
<b>Total</b>	<b>100,165,718</b>	<b>(583,180)</b>	<b>143,325,224</b>	<b>(3,050,103)</b>

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

	31 December 2023 (audited)	31 December 2022 (audited)
<b>Balance at the beginning of the year</b>	<b>(12,001,436)</b>	<b>(12,822,025)</b>
Recognized impairment adjustments, net of restatements, recognized in the consolidated statement of profit or loss	746,223	820,589
<b>Balance at the end of the year</b>	<b>(11,255,214)</b>	<b>(12,001,436)</b>

Trade receivables are derecognized when there is no longer a reasonable expectation of recovery. The ratios according to which there is no reasonable expectation of recovery include, among others, a debtor's inability to commit to a repayment plan and the inability to make payments for longer than 270 days. Impairment losses of trade receivables and contractual assets are presented as net impairment losses under the operating profit. Subsequent recoveries of previously cancelled amounts are credited to the same heading as the Statement of Profit or Loss.

**j) Liquidity risk**

Liquidity risk represents the risk of incurring losses or not realizing the estimated profits, which results from the impossibility of making short-term payment obligations at any time, without this involving excessive costs or losses that cannot be borne by the Group.

A prudent liquidity risk management policy implies maintaining a sufficient level of cash and cash equivalents and the availability of financing through appropriate contracted credit facilities. Considering the dynamic nature of its business, the Group strives to maintain financing flexibility by having access to various financing sources.

The structure of the assets and liabilities was analysed based on the remaining period from the date of the financial position until the contractual maturity date, both for the period ended on 31 December 2023, and for the financial year ended on 31 December 2022, as follows:

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

	<b>Carrying amount 31 December 2023 (audited)</b>	<b>Contract amount</b>	<b>&lt; 1 year</b>	<b>&gt; 1 year</b>	<b>Carrying amount 31 December 2022 (audited)</b>
<b>Financial assets</b>					
Cash and current accounts	3,581,674,576	3,581,674,576	3,581,674,576	-	2,707,724,133
Deposits with banks	112,257,027	112,257,027	112,257,027	-	1,829,796,500
Trade receivables	623,780,215	623,780,215	623,780,215	-	438,540,316
Financial assets measured at amortized cost	609,802,200	609,802,200	-	609,802,200	35,567,692
Other financial assets measured at amortized cost	329,590,958	329,590,958	329,590,958	-	142,158,865
<b>Total financial assets</b>	<b>5,257,104,976</b>	<b>5,257,104,976</b>	<b>4,647,302,776</b>	<b>609,802,200</b>	<b>5,153,787,506</b>
<b>Financial liabilities</b>					
Loans	65,640,599	65,640,599	65,640,599	-	130,336,373
Trade payables	827,160,117	827,160,117	827,160,117	-	448,160,020
Liabilities under leasing agreements	19,772,399	19,772,399	4,036,655	15,735,744	15,565,524
Other financial liabilities	53,494,797	53,494,797	3,152,442	50,342,355	220,699,024
<b>Total financial liabilities</b>	<b>966,067,912</b>	<b>966,067,912</b>	<b>8,99,989.813</b>	<b>66,078,099</b>	<b>814,760,941</b>
<b>Excess liquidity</b>	<b>4,291,037,064</b>	<b>4,291,037,064</b>	<b>3,747,312,963</b>	<b>543,724,101</b>	<b>4,339,026,565</b>

**k) Taxation risk**

The Romanian tax legislation provides detailed and complex rules that underwent repeated in recent years. The interpretation of the text and the practical procedures implementing the tax legislation could vary, and there is a risk that certain transactions are interpreted by the tax authorities differently than the Group's treatment.

From the point of view of the corporate tax, there is a risk that tax authorities give a different interpretation to the applied tax rules determined under the Accounting Regulations compliant with IFRS.

The Government of Romania has a number of agencies authorized to audit (inspect) the companies operating in the territory of Romania. These inspections are similar to the tax audits undertaken in other countries, and may cover more than just tax issues, meaning legal and regulatory matters of interest for these agencies. It is possible that the Group is subject to tax inspections as new tax regulations are issued.

**l) Operational risk**

Operational risk is defined as the risk of incurring losses or not realizing the estimated profits due to internal factors, such as improper performance of internal activities, inadequate personnel or systems, or to external factors, such as economic conditions, changes on the capital market, technological progress. Operational risk is inherent in all the Group's activities.

Operational risk relates to the Group's ability to secure the amounts of electricity assumed under contracts on the regulated and competitive market, taking into account both the scheduled and unscheduled shutdowns of Units 1 and 2. The means of managing these risks imply assessment, maintenance and continuous upgrading of the Company's systems, as well as a good planning and performance of preventive and corrective maintenance activities to control the nuclear risks, as well as to reduce the number of unscheduled downtime hours.

## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

The policies defined for operational risk management took into account each type of event that can generate significant risks and how these manifest, in order to remove or reduce losses of a financial or reputational nature.

### m) Regulatory risk

Regulatory risk is the risk of financial losses, including fines and penalties, resulting from non-compliance with the laws and regulations due to potential amendments of the legislative framework. These may refer to the local and central authorities or the energy regulatory authority (ANRE) imposing new contractual provisions or tax changes. This risk is limited by the continuous monitoring and assessment of the impact of the legislative framework amendments on the Company.

### n) Capital adequacy

The management's policy on capital adequacy focuses on maintaining a solid capital base, in order to support the continuous development of the Group and attainment of its investment objectives.

### Risk Management

The Group's capital management objectives are:

- to protect its ability to continue to pursue its business, so that it can continue to provide shareholders with profit and the other stakeholders with benefits, and
- to maintain an optimal capital structure so as to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities.

In line with other industries, the Group monitors the capital based on the following ratio:

Net leverage = net liabilities/equity (as presented in the Statement of the Financial Position, including the non-controlling interests)

	<u>31 December 2023</u> <u>(audited)</u>	<u>31 December 2022</u> <u>(audited)</u>
Net debt	(4,191,055,899)	(4,421,879,397)
Equity	11,731,577,146	10,532,542,520
<b>Net debt/Equity</b>	<b>(0.4x)</b>	<b>(0.4x)</b>

As at 31 December 2023, a negative net debt of RON 4.2 million was booked by the Group (31 December 2022: RON 4.42 million). The net leverage ratio being (0.4x).

## S.N. Nuclearelectrica S.A.

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

### Net debt

The net debt includes the total of credits and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets with an initial maturity of more than three years, that are easily convertible into cash and are managed according to a liquidity-focused policy. In this category, the Group recognized financial assets measured at amortized cost of the nature of governmental bonds.

	<u>31 December 2023</u> <u>(audited)</u>	<u>31 December 2022</u> <u>(audited)</u>
Cash and cash equivalents	(3,581,674,576)	(2,707,724,133)
Bank deposits	(112,257,027)	(1,829,796,500)
Financial assets measured at amortized cost in the form of bonds	(552,203,754)	
Financial assets measured at amortized cost in the form of governmental bonds	(30,333,530)	(30,260,661)
Bank loans	65,640,599	130,336,373
Liabilities under leasing agreements	19,772,399	15,565,524
<b>Net debt</b>	<b><u>(4,191,055,889)</u></b>	<b><u>(4,421,879,397)</u></b>

### Loan agreements

In accordance with the terms of the loan facility granted by EURATOM, the Group must comply with the following financial clauses:

- the debt service coverage index must be at least 1.5;
- the leverage must not exceed 2;
- the income booked by the Company must be sufficient to cover the operating and maintenance costs of Units 1 and 2, as well as for the interest payments in relation to Units 1 and 2.

As at 31 December 2023 and 31 December 2022, the financial ratios requested by EURATOM are met.

## 30. Contingencies, commitments and operational risks

### (i) Taxation

The taxation system in Romania is undergoing a stage of consolidation and harmonization with the European laws. Nevertheless, there are no different interpretations of the tax laws. In certain cases, tax authorities may deal with certain issues differently, proceeding to the calculation of some taxes and additional duties and of the related default interest and delay penalties. In Romania, the financial year remains open for tax verification for a 5-year period. The Group's management considers that the tax liabilities 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

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



## **S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

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:

- 3) 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, which is currently under resolution.
- 4) 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.

Taking into account 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 - DIRECTORATE GENERAL ANTI-FISCAL FRAUD, 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;

## **S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

3. 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 34,602, which is currently being resolved.

In the event of an unfavourable response, SNN will appeal to the competent administrative court.

### **(iii) Insurance policies**

As at 31 December 2023, the following operational insurance policies were valid:

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

### **(iv) Environmental matters**

The Group did not register any liabilities as at 31 December 2023 and 31 December 2022 for any anticipated costs regarding the environmental issues, including legal and consultancy fees, land surveys, design and application of the rehabilitation plans. The liability for the decommissioning and cleaning of nuclear plants was taken over by ANDR (see Notes 5 and 26). Management considers that the plant fully complies with the Romanian and international environmental standards and it is estimated that any additional costs related to the observance of environmental laws as at 31 December 2023 are not significant. Moreover, the Group is insured against the risk of nuclear accidents, up to the amount of SDR 300 million, as described at paragraph (ii) above.

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

### **(v) Litigations in progress**

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

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

### **(vi) Commitments**

As at 31 December 2023, the total amount of commercial commitments was fully reflected under "*Trade and other payables*", representing capital and operating expenditure.

In addition, the parent company is part of a commitment mentioned in the Ropower Nuclear S.A. investor agreement. This agreement states that Nova Power&Gas S.R.L. ("NPG") - the company that owns 50% of the shares of RoPower Nuclear S.A., has the right to sell part or all of the shares held in the associated entity to SNN. If NPG exercises its right to sell the shares by sending a written notification, SNN will have the obligation to purchase these shares.

## **S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

Also, according to the provisions of this Agreement, at the date of acquisition of the shares, NPG will have the right to assign to SNN the shareholder loans. In the event that NPG exercises this right, SNN will have the obligation to take over and NPG will have the obligation to assign, by assignment of contract, the shareholder loans granted by NPG to RoPower Nuclear SA.

The price of the loans cession granted by NPG to RoPower Nuclear S.A. it will be calculated according to a formula that takes into account the period that has passed since the granting of these loans and the expected date for reaching the Ready to Build stage, as well as the inclusion in the budget agreed by the parties until the date of reaching the Ready to Build stage.

As at 31 December 2023, NPG had not granted any shareholder loan to RoPower Nuclear S.A.

Until the date of these individual financial statements, NPG has not notified SNN in writing in this regard.

### **(vii) Collaterals**

Trade of electricity produced on the platforms managed by OPCOM, supposes that for certain transactions, the Parent Company should provide bank guarantee letters for participation in certain markets such as DAM (Day-Ahead Market) and IDM (Intra-Day Market), bids (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 December 2023, the total amount of the letters of bank guarantee issued in favour of OPCOM, for participation in DAM and IDM, amounts to RON 130.1 million.

Moreover, as at 31 December 2023, the Parent 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 Parent Company set up collateral deposits with banks issuing guarantee letters. The Parent 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 December 2023 the Parent 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 December 2023, the total amount of the letters of bank guarantee issued by customers in favour of the Parent Company for the contracts concluded on CMBC-CN, CMBC-LE and CM-OTC was RON 411.633 million. Such guarantees cover the risk for non-performance of the contractual obligations assumed by clients under the electricity sales agreements.

### **(viii) Fees**

The total fees (excluding VAT) for the audit of the stand-alone financial statements of the Parent company and the consolidated financial statements of the Group as at 31 December 2023 was RON 650,000, for the review of the stand-alone financial statements of the Parent company and consolidated financial statements of the Group as at 30 June 2023 was RON 112,000, and for other services (reviews under agreed procedures and assurance engagements within the Parent company) in 2023 is RON 71,440 (31 December 2022 : RON 175,950).

**S.N. Nuclearelectrica S.A.**

Explanatory Notes to the Consolidated Financial Statements for the financial year ended as at 31 December 2023

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

**31. Subsequent events**

The Group has not identified events subsequent to 31 December 2023 that could have a significant impact and are of a nature of being presented in the Consolidated Financial Statements.

**Date: 20 March 2024**

**Cosmin Ghita**  
**Chief Executive Officer**

**Dan Niculaie-Faranga**  
**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of S.N. Nuclearelectrica S.A.

Report on consolidated financial statements

Qualified opinion



1. We audited the attached consolidated financial statements of **S.N. Nuclearelectrica S.A.** (the "Company"), together with its subsidiaries (the "Group") with its registered office in Bulevardul Iancu de Hunedoara, nr. 48, sector 1, Bucharest, Romania, identified by the unique tax registration code RO10874881, which includes the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year ended, including a summary of significant accounting policies and explanatory notes.
2. The consolidated financial statements as at 31 December 2023 are identified as follows:
  - Net asset/Total equity: 11.732.093.386 lei
  - Net result for the financial year - profit: 2.486.483.398 lei
3. In our opinion, except for the possible effect of the matter referred to in paragraph 4 below, the attached consolidated financial statements give a true and fair view of the Group's financial position as at 31 December 2023, as well as its financial performance and cash flows for the year ended that date, in accordance with Order of the Minister of Public Finance No. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, with subsequent amendments and with the accounting policies described in the notes to the consolidated financial statements.

Basis for qualified opinion

4. As presented in Note 5 "Property, plant and equipment" to the attached consolidated financial statements, the Group presents as of December 31, 2023 outstanding tangible assets in the amount of RON 2,468,710,054, of which capitalizations of items for Units 3 and 4 of the Cernavoda nuclear power plant in the amount of RON 273,960,000 (December 31, 2022: RON 273,960,000). Before 1991, nuclear units 1, 2, 3, 4 and 5 were considered a single project and, for this reason, the construction costs incurred were not allocated at the level of each unit. Subsequently, the Group made the allocation of construction costs for Units 3 and 4 of the nuclear power plant. We have not been able to obtain sufficient and adequate audit evidence on the accuracy of this allocation, which has an effect on the valuation of the assets mentioned. These limitations also impact the deferred tax liability allocated for Units 3 and 4 as of December 31, 2023, in the amount of RON 43,524,186 (December 31, 2022: RON 43,524,186). Therefore, in view of the foregoing, we have not been able to determine whether further adjustments are necessary to property, plant and equipment, deferred tax liability and retained earnings at 31 December 2023 and, consequently, depreciation and amortisation, income tax expense and net profit for the year ended the same date.
5. We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation No. 537 of the European Parliament and of the Council (hereinafter referred to as the "Regulation") and Law no. 162/2017 (the "Law"). Our responsibilities under these standards are described in detail in the section "Auditor's responsibilities in an audit of consolidated financial statements" of our report. We are independent from the Group under the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA Code"), ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Highlighting some aspects

6. We draw attention to Note 1 of the consolidated financial statements, which describes the fact that investments in Units 3 and 4 are planned to be made by the Company's subsidiary – Energonuclear S.A. In addition, during 2022, the Company established together with an investor the company Ropower Nuclear SA, whose object is the development of a nuclear power production capacity based on small modular reactor (SMR) technology. The estimated total recoverable amount of investments in Cernavoda Units 3 and 4 and SMR, including also all consolidated items capitalized by the Company, was determined by management based on certain assumptions, professional judgments and probabilities regarding subsequent events, which are considered reasonable in the circumstances, as well as other factors, assuming that the current negotiations between the Company's management and its discussion partners regarding the investment in these units will be successfully concluded. These aspects are supported by the fact that in March 2023 Law no. 74 regarding the approval of the signing of the Support Agreement between the Romanian State and Societatea Nationala Nuclearelectrica S.A. for the Cernavoda NPP Units 3 and 4 Project. Also, these assumptions are based on certain external factors on which the implementation of the mentioned projects depends, such as: the support of the Romanian State to ensure the legislative framework and the necessary financing, attracting external funds for the implementation of projects. In the event that any of the premises, professional judgments, probabilities of subsequent events and other factors do not materialise favourably, this could result in a material adjustment to the net carrying amount of the Group's assets, liabilities and consolidated results for the current or future financial year that cannot reasonably be estimated at the date of issue of those consolidated financial statements. My opinion does not express a reservation in this regard.

### Key audit issues

7. The key audit aspects are those aspects that, based on our professional judgement, were of the greatest importance for the audit of the consolidated financial statements of the current period. These issues have been addressed in the context of auditing the financial statements as a whole and forming our opinion on them, and we do not provide a separate opinion on these key issues.
- **Provisions for liabilities and charges.**
    - **Description.** As presented in Note 17 "*Provisions for risks and expenses*", the group has registered on December 31, 2023 provisions in the amount of RON 325,690,837, of which in the long term the amount of RON 204,807,400 and in the short term the amount of RON 120,883,437. The decision to make provision for risks and charges or to present a contingent liability in consolidated financial statements depends on professional judgment and certain estimates by the Company's management. We considered that the recognition or not of provisions for risks and expenses is material for the audit, as it involves a significant degree of professional judgement.
    - **Our response.** Our audit procedures to address the risk of material misstatement in relation to the recognition of provisions for risks and charges, which was considered materially risky, included:
      - Review of the resolutions of the General Shareholders Meetings, ordinary and extraordinary,
      - Analysis of the Group's current obligations under which provisions have been recognised,
      - Analysis of professional reasoning used by the Company's Management in determining the probable outcomes of events, as well as quantification of obligations,
      - obtaining and evaluating lawyers' answers to auditor's letters, followed by obtaining clarifications on the status of certain disputes. During the audit mission, discussions were also held with management and lawyers (internal and external) on significant disputes,
      - critical assessment of the Company's working assumptions and estimates with respect to disputes, including the amount of provisions recognised in the consolidated financial statements or contingent liabilities presented,
      - analysis of the maturity of the obligations underlying the establishment of provisions and their short- and long-term classification,

- Measurement of the information disclosed in the notes to the consolidated financial statements on provisions for risks and charges in accordance with the requirements of applicable reporting standards.

#### **Other issues**

8. This report is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the Company's shareholders those aspects that we must report in a financial audit report and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders as a whole for our audit, for this report.
9. Taxation in Romania is constantly evolving. There is a possibility of different interpretations of legal provisions by the Ministry of Finance and local tax authorities. The Company's management recorded in the submitted accounts various taxes, penalties and fees, based on the best interpretation of the tax provisions in force, an interpretation which, however, can be challenged by a possible fiscal control.

#### **Responsibilities of management and persons responsible for governance for consolidated financial statements**

10. The Company's management is responsible for preparing consolidated financial statements that provide a true and fair view in accordance with OMFP 2844/2016 and for that internal control that management considers necessary to allow the preparation of consolidated financial statements free from material misstatements, caused either by fraud or error.
11. In preparing consolidated financial statements, management shall be responsible for assessing the Group's ability to continue as a going concern, for disclosing going concern in the notes to consolidated financial statements, if any, and for using going concern accounting, unless management either intends to liquidate the Group or cease operations, or has no realistic alternative other than these.
12. The persons responsible for governance are responsible for overseeing the Group's financial reporting process.

#### **Responsibilities of the auditor in an audit of consolidated financial statements**

13. Our goals are to obtain assurance Reasonable on whether the financial statements, as a whole, are free from material misstatements, whether caused by fraud or error, and in issuing an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if one exists. Distortions can be caused either by defraud error and are considered material if that can be expected, flax reasonably well, that they, individually or cumulatively, will Influence economic decisions of users, taken on the basis of these consolidated financial statements.
14. As part of an ISA audit, we exercise professional judgement and maintain professional skepticism throughout the audit. Also:
  - We identify and assess risks of material misstatement of consolidated financial statements caused by either fraud or error, design and execute audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than not detecting a material misstatement due to error, as fraud can involve collusion, forgery, intentional omissions, misrepresentation and avoidance of internal control.
  - We understand internal control relevant to the audit, with a view to designing audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - We assess the adequacy of the accounting policies used and the reasonableness of the cantabile estimates and related disclosures made by management.
  - We conclude on the appropriateness of management's use of accounting on a going concern basis and determine, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that could raise material doubts about the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we should

draw attention in the auditor's report to related disclosures in consolidated financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to stop going on a going concern basis.

- We evaluate the presentation, structure and content of consolidated financial statements, including disclosures, and the extent to which consolidated financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.
15. We communicate to those responsible for governance, among other aspects, the planned scope and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.
  16. We also provide those responsible for governance with a statement as to our compliance with ethical independence requirements and communicate to them all relationships and other matters that may reasonably be considered to affect our independence and, where applicable, related safeguards.
  17. Among the issues we have communicated to those responsible for governance, we determine those aspects that were of greater importance in the audit of consolidated financial statements in the current period and are therefore key audit issues. We describe these matters in our audit report unless legislation or regulation prevents the matter from being made public, or in extremely rare circumstances we believe that something should not be disclosed in our report because the benefits of the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

#### ***Report on the compliance of the management report with the consolidated financial statements and the non-financial statement***

The Directors of the Company are responsible for preparing and submitting, in accordance with the requirements of Articles 15-19 of the Accounting Regulations approved by OMFP 2844/2016, an annual report of the Directors that does not contain significant misstatements and for that internal control that the management considers necessary to allow the preparation of the annual report of the Directors that does not contain significant misstatements, due to fraud or error.

The annual management report does not form part of the consolidated financial statements of the Group. Our opinion on consolidated financial statements does not cover the annual management report.

In connection with the audit of the consolidated financial statements for the year ended December 31, 2023, it is our responsibility to read the annual management report and, in doing so, to assess whether it is materially inconsistent with the consolidated financial statements, or with knowledge we have obtained during the audit, or whether it appears to be materially misstated.

Regarding the annual report of the administrators, we have read and report whether it has been prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19.

Based solely on the activities to be carried out during the audit of consolidated financial statements, in our opinion:

- a) The information presented in the annual management report for the financial year for which the consolidated financial statements have been prepared is consistent in all material respects with the consolidated financial statements.
- b) The annual report of the administrators was prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19 and 26-28,
- c) The annual management report includes the non-financial statement provided for in art. 39 of OMFP 2844/2016.

In addition, based on our knowledge and understanding gained during the audit of the consolidated financial statements for the year ended December 31, 2023, we are required to report whether we have identified material misstatements in the annual management report. We have nothing to report on this.



## Report on other legal and regulatory provisions

### i) Audit requirements for public-interest entities

We were appointed auditors of the Group by the General Meeting of Shareholders by Decision no. 1 of 28 February 2024 to audit the consolidated financial statements of the Group, for the financial years ended 31 December 2023, 2024 and 2025. The total uninterrupted duration of our commitment is 1 year, covering financial years ended December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Board of Directors, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- Our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report submitted to the Company's Audit Committee,
- We have not provided for the Company the prohibited non-audit services mentioned in Article 5 (1) of EU Regulation no. 537/2014.

### ii) Report on compliance with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which includes regulatory technical standards on the single electronic reporting format

We have performed a reasonable assurance mission on the compliance of the consolidated financial statements in XHTML format of S.N. Nuclearelectrica S.A. (the "*Company*") on 31.12.2023 ("XHTML statements"), with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which establishes the regulatory technical standards on specifying a single electronic reporting format ("*ESEF RTS*").

#### The responsibility of the Company's management for XHTML situations prepared in accordance with RTS regarding ESEF

The Company's management is responsible for preparing XHTML statements in accordance with the RTS on ESEF. This responsibility involves:

- designing, implementing and maintaining adequate internal control over ESEF reporting,
- selection and affixing of appropriate iXBRL markings,
- ensuring consistency between digitized information and consolidated financial statements published according to the provisions of Order 2844/2016.

#### Our responsibility

Our responsibility is to express, on the basis of the audit evidence obtained, a conclusion on the compliance of electronic labelling of items in consolidated financial statements, in accordance with Article 4 of the Delegated Regulation, in all material respects. Our reasonable assurance engagement has been conducted in accordance with International Standard on Assurance Engagements 3000 (revised) - "*Assurance engagements other than audits or reviews of historical financial information*", issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement under ISAE 3000 involves carrying out procedures to obtain evidence of compliance with Article 4 of the ESEF Delegated Regulation. The nature, timing and extent of the procedures selected shall depend on the auditor's judgement, including in assessing the risk of significant deviations from the provisions of Article 4, whether due to fraud or error. A reasonable assurance mission involves:

- gaining an understanding of the labelling process and relevant internal controls,
- reconciliation of labeled data with audited consolidated financial statements of the Company,
- assessing the completeness of the labeling of the Company's consolidated financial statements using XBRL markup language,
- assessing whether all iXBRL markings, including voluntary markings, comply with ESEF reporting requirements.

It seems to me that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

### Conclusion

In our opinion, the consolidated financial statements included in the annual report comply, in all material respects, with the RTS requirements for ESEF.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion regarding consolidated financial statements. Our audit opinion on the consolidated financial statements of the Company for the financial year ended 31.12.2023 is included in the section "Report on the audit of consolidated financial statements" above.

On behalf of: **PKF Finconta S.R.L.**  
St. Jean Louis Calderon, nr. 38, Sector 2, Bucharest  
Registered with the Authority for Public Oversight of Statutory Audit under number FA32  
Registru Public Electronic

Name of audit partner: **Florentina Susnea**  
Registered with the Authority for Public Oversight of Statutory Audit under number AF433

Auditor financiar **Susnea Florentina**  
Registru Public Electronic **AF433**

Bucharest, March 20, 2024

## **27. ANNEX 13 – SUSTAINABILITY REPORT**

The companies that fall under the incidence of Directive 2014/95/EU (including SN Nuclearelectrica SA) need to disclose the required non-financial information in either in the annual report of the administrators or in a separate report, provided that the deadline for the publication of such of the report should not exceed six months from the date of submission of the balance sheet and this should be mentioned in the administrators' report.

Regarding the publication of the Non-Financial Report (Non-Financial Statement), SN Nuclearelectrica SA has chosen to present the information required in terms of non-financial reporting in a separate report - "Sustainability Report", presented below as an annex to the Report Annual.



**S.N. NUCLEARELECTRICA S.A.**

**Sustainability Report**

**31 December 2023**

**MARCH 2024**

## ESRS 2 - GENERAL DISCLOSURES

### SNN – Basis of Preparation

#### General Basis for Preparation of the Sustainability Statements

BP-1

S.N. Nuclearelectrica S.A. (SNN of the Company) publishes the sixth Sustainability Report for the period 1 January - 31 December 2023. Sustainability reporting allows SNN to exhibit its ESG (environmental, social and governance) performance and reinforce its commitment to sustainable development in a way that can be evidenced to both internal and external stakeholders. Since, as of 2025 (for the financial year 2024) SNN will fall under the scope of the Corporate Sustainability Reporting Directive (CSRD) and, therefore also under the scope of the European Sustainability Reporting Standards (ESRS), in order to meet these requirements, the Company has decided to prepare its **Sustainability Statement** as part of its 2023 Annual Report.

For 2023, SNN aims to align its ESG reporting as much as possible with the ESRS. SNN's goal was to implement as much of the Standards' requirements as possible in 2023. The sustainability statement is underpinned by the results of the double materiality assessment, according to the ESRS. The double materiality assessment was carried out according to the first ESRS set, as adopted on 31 July 2023. In its previous report, SNN identified a number of specific material topics which it integrated into the relevant ESRS topics, sub-topics and sub-sub-topics.

According to the results of the double materiality assessment, climate change, own workforce and business conduct (ESRS topics E1, S1, G1) are considered the most important sustainability issues, followed by pollution, water and marine resources, biodiversity and ecosystems, resource use and circular economy, workers in the value chain and affected communities (ESRS E2, E3, E4, E5, S2, S3). We also take a particular interest in the digital and nuclear safety.

SNN activity data for the full financial year 2023 and the value chain information collected are presented. Where appropriate, strategic targets, action plans for the future, measures and proposed actions have been introduced.

Annual reporting covers all the activities of S.N. Nuclearelectrica S.A., which are carried out 100% in Romania, in accordance with the legal provisions in force. SNN is a national joint stock company, managed under single-tier system, with the Headquarters in Bucharest, Sector 1, Bulevardul Iancu de Hunedoara, nr. 48, and has two Branches without legal personality, *i.e.* **Cernavoda Nuclear Power Plant Branch (Cernavoda NPP)**, and **Pitesti Nuclear Fuel Plant (Pitesti NFP)**.

Cernavoda NPP Branch supports operation of the two functional CANDU 6 Nuclear Units, as well as the management of all SNN assets of Cernavoda (Units 1 and 2 in operation, Units 3 and 4 are in various stages of construction; for Unit 5, the Company's shareholders approved the change of initial application as early as March 2014, and this would be used to support the activities related to operation of Units 1 and 2, as well as the district heating system).

**Pitesti NFP Branch** produces CANDU 6 nuclear fuel bundles for Units 1 and 2 of Cernavoda.

SNN also has 3 subsidiaries, and is actively involved as shareholder in Special Purpose Vehicle set up for development of small modular reactors; there are not addressed in this report because the current legal requirement applies only to entities with more than 500 employees:

- EnergoNuclear Subsidiary – is the Special Purpose Vehicle in charge of building, commissioning and operating Units 3 and 4 of Cernavoda NPP.
- The Subsidiary Fabrica de Prelucrare a Concentratelor de Uraniu Feldioara – processes the technical uranium concentrates to obtain the sintered UO<sub>2</sub> powders needed for production of the nuclear fuel bundles at Pitesti NFP Branch.
- The Subsidiary Nuclearelectrica Serv provides critical services that support the core business, *i.e.* production of electricity.

As of 2022, SNN has been holding 50% of the shares of RoPower Nuclear SA, the Special Purpose Vehicle set up to develop small modular reactors (SMRs) in Romania.

Reporting is not limited to the Company's own operations, as information about the upstream and downstream value chain is also included. The impact materiality assessment includes the impacts related to SNN's own operations and value chain, including its products and services, as well as its business relationships. Once an impact, a risk or an opportunity has been identified as material, the Company identifies the relevant information to be considered for disclosure under ESRS, or prepares a relevant entity-specific disclosure. Management has a holistic approach to inclusion of the ESG criteria into SNN's strategy and development plans. This holistic approach is broken down across the entire Company and SNN collaborators into established processes and procedures, and particularly into objectives and targets cascaded from the fundamental objectives of SNN, down to an individual level, through the set performance metrics. Information about the value chain is found in the chapters addressing the thematic standards.

SNN has not omitted information about intellectual property, know-how or innovation results.

## Disclosure concerning the specific circumstances

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BP-2

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### Changes in preparation or presentation of the sustainability information

Unlike the current financial year, the Sustainability Report produced for the financial year 2022 was prepared in reliance of the GRI Standards, "Core" option.

For the financial year 2023, a double materiality assessment was performed in accordance with the ESRS standards with a view to complying with the Corporate Sustainability Reporting Directive (the CSRD Directive). The material topics identified for FY 2022 were compared against identified according under the ESRS.

In terms of the sustainability assessment, the Company is assessed annually by international bodies/rating agencies, which issue an annual rating based on the sustainability report assessment and the relevant policies. If need be, certain information disclosed under the ESRS is supplemented by additional information to meet the requirements of the rating agencies' criteria, with presentation of how certain metrics evolve over more consecutive years, and analyze that indicator's development trend.

### Disclosure of information under other legislation or generally-accepted sustainability reporting decisions

The applicable laws or other standards used for reporting purposes are indicated, as applicable, in the text of the report.

### Provision of information through references

The report makes references to additional documents or to information included in another thematic standard.

## SNN – Governance

### Role of Administration, Management and Supervisory Bodies

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GOV-1

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The corporate bodies of SN Nuclearelectrica SA, a company managed under single-tier system, are structure in the **General Meeting of Shareholders** (GMS), which is the ultimate decision-making forum of SNN, as well as in the **Board of Directors** (BoD).

Under the Resolution of the SNN's Ordinary General Meeting of Shareholders no. 1 of 27 January 2021, shareholders took note of the Updated Regulation on the organization and performance of the General Meetings of Shareholders, accommodating the legislative amendments.

The updated Regulation on the Organization and Performance of SNN's GMSs documents all amendments and supplements to the legal provisions laid down in the Financial Supervisory Authority (FSA) Regulation no. 5/2018, Law no. 24/2017 on the issuers of financial instruments and market operations, republished, as subsequently amended and supplemented, Bucharest Stock Exchange (BSE) Governance Code, Law 31/1990 of the Companies, and Government Emergency Ordinance no. 109/2011 on corporate governance of public undertakings, as subsequently amended and supplemented. The updated Regulation on the Organization and Performance of SNN's GMSs<sup>3</sup> is public on the SNN website under the section dedicated to the General Meetings of Shareholders. The section intended for the GMS can be accessed on the SNN website<sup>4</sup> and is being constantly updated, after each decision of the Board of Directors approving a GMS convening.

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<sup>3</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2022/01/RO-REGULAMENT-AGA\\_SNN\\_-septembrie-2020-1.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2022/01/RO-REGULAMENT-AGA_SNN_-septembrie-2020-1.pdf), accessed 29.01.2024

<sup>4</sup> <https://www.nuclearelectrica.ro/ir/>, accessed 29.02.2024

The Regulation for Organization and Conduct of the General Meetings of Shareholders are easily accessible, and information material is available for each GMS.

The General Meeting of Shareholders is the main corporate governance body of SNN, and decides on the activity and financial and business policy. SNN has devised and put in place sound internal procedures for organization and performance of the GMSs, as well as rules that govern its legal and statutory activity, in accordance with the Articles of Incorporation and the applicable legislation. As to of its structure, depending on the matters that require approval by shareholders, the General Meeting of Shareholders can be ordinary or extraordinary.

SNN developed, based on the Government Emergency Ordinance 109/2011, a robust organizational structure, able to ensure the implementation of the long-term strategy, the efficiency of processes and procedures, to operationalize the action lines, to implement the investment projects in correlation with the approved development stages, to evaluate correctly through the risk management system, to act transparently, ethically with the inclusion of the interests of all stakeholders.

According to the Articles of Incorporation of SNN, the company is managed under single-tier system. The executive body of SNN is the Board of Directors, consisting of 7 (seven) members of which at least 4 (four) members must be independent directors. The members of the Board of Directors are elected for a 4-year term of office, and can be re-elected. The members of the Board of Directors are elected by the Ordinary General Meeting of Shareholders, according to the legal provisions.

The Board of Directors is the executive body of the Company, and is formed of 6 members, of each one executive and 5 non-executive members. The members of the **Board of Directors** have committed to exercise their mandate with the prudence and diligence of a good director, with loyalty, in the interest of the Company, its stakeholders and society at large.

The **executive management** is committed to implement the company's strategy and to represent the company's development interests.

The membership of SNN's Board of Directors of is presented below: More information can be read on the Company's website: <https://www.nuclearelectrica.ro/ir/consiliul-de-administratie/> .

#### Membership of SNN's Board of Directors

Item no.	Name	Position	Relevant experience	Date appointed	Office expiry date	Political affiliation	Status
1	Mr. Teodor Chirica, PhD	Chairman of the Board of Directors, Independent Non-Executive Member	Engineer, specializing in nuclear energy, with technical and management experience. CV	29.09.2022	29.09.2026	No political affiliation	Full
2	Mrs. Vasilica Grajdán	Independent Non-Executive Member	Relevant experience in labor relations/negotiations with trade unions CV	15.02.2023	15.02.2027	No political affiliation	Full
3	Mrs. Elena Popescu, PhD	Non-Executive Member	PhD in energy engineering, specific expertise in the nuclear field CV	29.09.2022	29.09.2026	No political affiliation	Full
4	Mr. Cosmin Ghita	Executive Member	Background in international political economy, CEO of SNN CV	29.09.2022	29.09.2026	No political affiliation	Full
5	Mr. Remus Vulpescu	Independent Non-Executive Member	Background in law and politics, lawyer, administration experience CV	15.02.2023	15.02.2027	No political affiliation	Full
6	Mr. Dumitru Chirlesan, PhD	Independent Non-Executive Member	PhD in physics, experience in applied physics in the field of nuclear materials and technologies CV	15.02.2023	15.02.2027	No political affiliation	Full

SNN's Board of Directors has various powers and duties concerning:

- Operation of nuclear units in nuclear safe and security conditions for the staff, population, environment and production assets;
- Maintaining the electricity generation capacity above the industry average;

- Putting in place the organizational framework for the development of the group structure which should integrate all SNN subunits, branches and subsidiaries;
- Continuously optimizing and increasing the efficiency of the organizational structure of the Company, developing and implementing the human resources strategy at the company level by reference to the activity volume, as well as to complexity of the investments projects developed;
- Achieving the planned physical production of fuel bundles, in accordance with the approved revenues and expenditures budgets, respectively with the manufacture plans of Pitesti Nuclear Fuel Plant Branch;
- Ensuring an energy production at the level of the industry related standards being the first 25% (top quartile - in WANO/INPO terminology) reactors in the world from the point of view of the capacity factor mediated during the commercial operation (since in service);
- Capitalizing the electricity production, in conditions of economic efficiency and predictability;
- Ensuring the financial performance of the Company in conditions of economic efficiency and medium-term and long-term sustainability;
- Developing investment projects in compliance with the approved investments goals;
- Implementation of projects to modernize, integrate and secure the information flow and IT infrastructure (hardware, software and cybersecurity);
- Developing the internal control system within SN Nuclearelectrica S.A.;
- Compliance with the principles of corporate governance and the code of ethics and integrity;
- Consolidating the external communication strategy as the basis for a sustainable development, closely related to the acceptance and public support for nuclear energy in Romania.

In order to sit in the Board of Directors, a person must meet a number of criteria, according to the selection procedure that can be read on the Company's website: <https://www.nuclearelectrica.ro/ir/procedura-de-selectie-a-unui-administrator-snn-2/> .

#### Membership, and Diversity of Members, of the Board of Directors

Number of members holding executive positions	1
Number of members holding non-executive positions	5
Percentage of members of the administration, management and supervision bodies	6 of 7 (85.7%)
Gender ratio of the board (Board of Directors) (to be calculated as the average ratio between the female and male members of the Board of Directors)	66.7% - men 33.3% - women
Percentage of independent members of the board (Board of Directors)	6 of 6 (100%)

The Board of Directors delegates the management of the Company to one or more Executives<sup>5</sup>, naming one of them as CEO. The CEO represents the Company in relations with third parties and before the courts of law. The CEO is responsible for taking all measures related to the management of SNN, within the scope of the Company's business and observing the exclusive powers reserved under the law or the Articles of Incorporation to the Board of Directors and to the General Meeting of Shareholders. If need be, the Board of Directors may delegate, under a duly passed resolution, one or more of powers stated as belonging to the CEO. The membership of SNN's Executive Management is shown in the table below and on the Company's website: <https://www.nuclearelectrica.ro/ir/directori/> .

#### Membership of SNN's Executive Management

Item no.	Name	Position	Relevant experience	Date appointed	Office expiry date	Political affiliation	Status
1	Mr. Cosmin Ghita	CEO	Background in international political economy; experience in diplomatic communication and economic field CV	11.02.2019	11.02.2023	No political affiliation	Full
				12.02.2023	12.02.2027		Full
2	Mrs. Laura Constantin	Deputy Chief Corporate Services Officer	Legal background, specializing in private law and nuclear law; lawyer, experience in management and coordination positions	01.02.2022	Employment agreement	No political affiliation	Full

<sup>5</sup> <https://www.nuclearelectrica.ro/ir/directori/>, accessed 13.02.2024



			in financial and energy companies CV				
3	Mr. Marian Serban	Deputy Chief Operating Officer	Background in physics, industrial engineering and management, and expertise in operations, nuclear safety and management of nuclear facilities, including extensive operational experience in the nuclear industry	01.09.2022	01.05.2023 Individual Employment Agreement	No political affiliation	Full
4	Mr. Alexandru Visan	Deputy Chief Operating Officer	Background in electromechanical engineering, expertise in nuclear power generation and green energy equipment manufacturing CV	01.05.2023	31.07.2023 Employment agreement	No political affiliation	
				01.08.2023	31.04.2024	No political affiliation	Full
5	Mr. Dan Niculaie-Faranga	Chief Financial Officer	Economic background; management experience in finance, and in industries such as financial services, real estate development, consultancy, mergers and acquisitions, and energy CV	13.12.2022	13.02.2023	No political affiliation	Interim
				14.02.2023	14.06.2024		Interim
				03.05.2023	14.06.2024		Interim
				03.05.2024	03.05.2027		Full
6	Mr. Valentin Ovidiu Nae	Cernavoda NPP Branch Manager	Background in physics; experience in nuclear safety, leadership and operations CV	19.10.2020	Employment agreement	No political affiliation	Full
7	Mr. Sorin Andrei Popescu	Pitesti NFP Branch Manager	Background in nuclear technology, physics technology and nuclear materials	01.03.2022	28.02.2023	No political affiliation	Full
8	Mr. Florin Ovidiu Gheba	Pitesti NFP Branch Manager	Background in systems and computer science, unconventional driving systems, automation and industrial informatics	02.03.2023	18.06.2023	No political affiliation	Full
9	Mr. Andrei Musetoiu	Pitesti NFP Branch Manager	Background in mechanics, business management and	19.06.2023	18.12.2023	No political affiliation	Interim

			nuclear technologies; management experience in the Technical Directorate of Pitesti NFP CV	19.12.2023	Employment agreement		Full
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According to the Articles of Incorporation of the Company and in accordance with Government Emergency Ordinance no. 109/2011, the Board of Directors of SNN established 4 advisory committees, formed by at least 2 members of the Board of Directors. The Advisory Committees are tasked with performance of analyses and making recommendations for the Board of Directors, in specific fields, and are under obligation to regularly submit activity reports to the members of the Board of Directors. These committees are listed in the table below, including their respective chairmen.

#### Management of advisory committees

Committee	Chairman
Nomination and Remuneration Advisory Committee	Mrs. Vasilica Grajdan
Audit Advisory Committee	Mr. Remus Vulpescu
Nuclear Safety Advisory Committee	Mr. Teodor Chirica, PhD
Strategy, Development and Large Investment Projects Advisory Committee	Mrs. Elena Popescu, PhD

The role of the Audit Advisory Committee is to provide assistance to the Board of Directors in carrying out its internal audit duties, and performs an advisory function concerning the Company's strategy and policy on the internal control system, internal audit and external audit, as well as control of material risks management. The Audit Advisory Committee regularly examines the financial reporting efficiency, the internal control and the risk management system put in place by SNN;

As to risk management, the Committee's role is to:

- monitor the effectiveness of the Company's internal control, internal audit, where applicable, and risk management systems;
- review the internal control and risk management system efficiency.

#### Membership of the Board of Directors' Audit Committee

Name	Position
Mr. Remus Vulpescu	Chairman
Mrs. Vasilica Grajdan	Member
Mr. Dumitru Chirlesan, PhD	Member

On a quarterly basis, the Director of Audit and Risk Management Directorate (ARMD) submits and discusses with the Audit Committee the risk management report prepared by the Risk Management Service, after having been approved by the CEO.

In accordance with the provisions of Law no. 319/2006 on occupational health and safety, the Occupational Safety and Health Committee (OHSC) is organized across the entire Company, and is led by a chairman nominated by SNN's CEO. The worker representatives in the OHSC are nominated for a period of 2 years by the representative trade union of SNN (Cernavoda NPP Trade Union). There are 2 other trade unions in SNN: the Free *Energetica Nucleara '90* Trade Union, and the Pitesti NFP Trade Union, but these are not representative in the Company.

There are also a number of policies and commitments targeted by the Board of Directors.

- ESG Policy (environment/social/governance)<sup>6</sup>
- Commitment to respect human rights<sup>7</sup>
- Commitment to ensure environmental protection<sup>8</sup>
- Commitment to observe ESG principles<sup>9</sup>

In 2023, the Board of Directors decided to set up a Working Group for ESG Management in SNN and along the supply chain. This ESG Working Group has representatives for each ESG pillar (environment, social and governance), including financial and risk, depending on the relevant expertise of each member.

#### Membership of the ESG Working Group

<sup>6</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/Politica-ESG\\_RO\\_20230310\\_.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/Politica-ESG_RO_20230310_.pdf), accessed 15.02.2024

<sup>7</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN\\_Angajament\\_Drepturile-omului\\_RO\\_20230530.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN_Angajament_Drepturile-omului_RO_20230530.pdf), accessed 15.02.2024

<sup>8</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN\\_Angajament\\_Mediu\\_RO\\_20230531.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN_Angajament_Mediu_RO_20230531.pdf), accessed 15.02.2024

<sup>9</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN\\_Angajament\\_respectare-ESG\\_RO\\_20230530.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN_Angajament_respectare-ESG_RO_20230530.pdf), accessed 15.02.2024

Item no.	Name	Position	Role in the ESG Working Group
1	Ludmila Tones	Director of the Communication, Sustainability and Investor Relations Directorate	Group Coordinator
2	Valentina Dinu	Head of Communication, Sustainability and Public Relations Department	Member
3	Roxana Stamate	Head of Financial Reporting and Budget Department	Member
4	Liviu Dumitru Radu Gheorghiu	Chief Engineer in the Prevention and Protection Department	Member
5	Laura Blaga	Director of the Strategy and Human Resources Directorate	Member
6	Monica Anton	Head of Risk Management Service	Member
7	Florenta Irina Marin	Head of Management Systems Development and Monitoring Department, Cernavoda NPP	Member
8	Vasilica Olaru	Head of Nuclear Safety Department, Pitesti NFP	Member
9	Daniela Costea	Chief Engineer with the Quality Management Directorate, Pitesti NFP	Member
10	Flavia Nuta	Employee of the Communication, Sustainability and Investor Relations Directorate, SNN Headquarters	Secretariat

The governance bodies ensure that there is an adequate mechanism in place to monitor ESG performance, through the ESG Working Group they approved, with a risk register, by quarterly reporting on risks (including the ESG risks).

### Information supplied to the undertaking's administration, management and supervisory bodies and sustainability matters approached by them

GOV-2

Risk assessment in SNN is carried out periodically (quarterly), according to *Risk management procedure in S.N. Nuclearelectrica S.A.*, and results are described in the Risk Management Report, with a focus on the main risks which the Company faces. Thus, the administration, management and supervisory bodies are advised of the sustainability matters and how these were addressed during the reporting period. If need be, corrective measures are instructed.

The main categories of risks presented on a quarterly basis in the Risk Management report are:

- Risks related to nuclear safety (Nuclear Safety);
- Information security, nuclear safeguard and physical protection risks (protection of nuclear raw material and radioactive materials);
- Compliance risks, broken down into 3 subcategories:
  - fraud risks;
  - compliance risks (ethics, integrity and conflict of interest)
  - the compliance risks (risks related to observance of the external regulation framework - for instance, laws, ordinances, rules, internal regulation framework, such as internal policies, processes and procedures).

No ESG-related risks material enough to be presented to the SNN administration, management and supervisory bodies were identified in 2023.

### Integration of sustainability performance into the incentive systems

GOV-3

In SNN, the Remuneration Policy<sup>10</sup> does not include performance metrics related to ESG matters.

### Declaration on the Due Diligence Process

GOV-4

<sup>10</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2021/05/AGOA-PCT-8-Politica-de-remunerare-CA-si-Directorii\\_final\\_tc.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2021/05/AGOA-PCT-8-Politica-de-remunerare-CA-si-Directorii_final_tc.pdf), accessed 13.02.2024

SNN has developed and maintains a General Management System, which complies with the provisions of Law no. 111/1996, republished, and the Quality Management Rules applicable in the nuclear field (NMC), issued by the National Commission for Nuclear Activities Control (CNCAN). The SNN Management System is authorized by CNCAN according to Law no. 111/1996 under the Permit for the quality management system in the nuclear field for management activities; permit no. SNN EX - 01/2021, valid until 30 April 2023; the permit currently in place, *i.e.* SNN EX-01/2023, is valid until 30 April 2025. The requirements of the SNN Management System apply to all activities and processes carried out in the company.

The Management System developed and implemented in SNN addresses, in a coherent, coordinated and unitary fashion, the components related to nuclear safety, quality, protection against ionizing radiation, environmental protection, occupational health and safety, physical protection, protection against cyber threats, nuclear safeguard control, protection of classified information, planning and response to emergencies, sale of the electricity generated, and aspects related to the economic performance, and ensures that their requirements are not addressed separately from nuclear safety, as this takes priority over any other requirements, considerations and interests.

The implementation of the management system ensures identification and integration of all legal and regulatory requirements, good practices and voluntarily adopted standards, such as ISO 37001, ISO 27001, in order to attain the general objectives of the Company and meet the expectations of all stakeholders.

The management of SNN has delegated to the Branches the responsibility for development and implementation of parts of the Management System of SNN, for the specific activities they carry out, without this leading to reduction of its responsibility for the effectiveness of the system as a whole. Consequently, the Branches have developed their own Management Systems aligned to the requirements of the SNN Management System, as well as to the legal requirements applicable to their specific field of business. The Management Systems of the Branches are reviewed and accepted by the SNN management.

The integrated management system applied by **Cernavoda NPP** focuses on meeting the nuclear safety requirements that stem from the CNCAN rules and requirements, which underlay the issue of the operating permit for Units 1 and 2 of Cernavoda and for the Spent Fuel Storage (DICA), and is developed in accordance with the requirements of the IAEA GSR Part2 standard and the CNCAN Rules for Quality Management Systems, voluntarily integrating the requirements of the management standards ISO 14001, ISO 45001, ISO 17025, ISO 27001, ISO 37001, and the requirements of the EMAS Regulation - Eco Management and Audit Scheme. The management system of Cernavoda NPP is authorized according to the requirements of Law no. 111/1996, republished, on *Operation, design, supply, repair and maintenance, use and maintenance of nuclear software products activities* (CNCAN permit no. SNN Cernavoda NPP - 01/2023, valid until 30 April 2025).

The integrated management system applied by **Pitesti NFP** focuses on meeting the requirements that stem from the CNCAN rules and requirements that underpin the issue the operating permits issued for the nuclear fuel production activity, and is developed in accordance with the requirements of the Canadian standard CSA N299.2-16 and the CNCAN Rules for Quality Management Systems, voluntarily integrating the requirements of the management standards ISO 9001, ISO 14001, ISO 45001, ISO 17025, and ISO 37001 and the requirements of the EMAS Regulation - Eco Management and Audit Scheme. The management system of Pitesti NFP is authorized according to the requirements of Law no. 111/1996, republished, on Manufacturing activities in the nuclear field, class 2 of gradual application, granted to the management system (CNCAN permit no. 22-038, valid until 17 September 2024).

The branches Cernavoda NPP and Pitesti NFP hold certificates for compliance of the Management System with the requirements of the standards ISO 14001 Environmental Management Systems and ISO 45001 Occupational Health and Safety Management Systems. Pitesti NFP also holds a certificate of conformity for the Management System, in accordance with the standard ISO 9001, as of September 2023.

Both branches are enrolled in the Eco-Management and Audit Scheme (EMAS), according to the Regulation (EC) no. 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) and the Regulation (EU) 2017/1505 of the Commission of 28 August 2017 amending Appendices I, II and III.

It should be noted that the provisions of the CNCAN Rules that contain requirements for the quality management systems cover the requirements of the standard ISO 9001:2015 and even exceed them, being intended for organizations acting in the nuclear field. However, for a better recognition of the performance of the management system implemented in SNN, both the Headquarters and the Pitesti NFP Branch are certified in accordance with the requirements of the International Standards ISO 9001:2015 and ISO 45001:2018 – Occupational Health and Safety Management System.

SNN has developed structures, process data-sheets, procedures and a risk management that proactively and reactively address the key activities of the Company. This approach helps identify, prevent and mitigate, and assess the impact assessment across all business areas, including ESG, devise and put in place improvement measures, follow-up on response and developments, and communicate on how to impact, risk and opportunities are to be addressed under the materiality matrix.

SNN alignment with the UN Guiding Principles is presented in Annex 1 - Results of the Minimum Social Safeguards Attainment Verification.

KEY DUE DILIGENCE PROCESS ELEMENTS	POINTS IN THE SUSTAINABILITY STATEMENT
Inclusion of the due diligence into the governance, strategy and business model	Annex 1 - Results of the assessment of compliance with the minimum social guarantees
Work together with all affected stakeholders in all key stages of the due diligence process	Annex 1 - Results of the assessment of compliance with the minimum social guarantees

Identify and assess the negative impacts	Annex 1 - Results of the assessment of compliance with the minimum social guarantees
Take measures to address these negative impacts	Annex 1 - Results of the assessment of compliance with the minimum social guarantees Annex 1 - Results of the assessment of compliance with the minimum social guarantees
Monitor the effectiveness of these efforts and communication	Annex 1 - Results of the assessment of compliance with the minimum social guarantees

## Risk management and internal controls related to sustainability reporting

GOV-5

In SNN, the main categories of risks are presented on a quarterly basis in the Risk Management Report.

The risks listed under the Chapter **SNN - Impact, Risk and Opportunities Management**, and which are repeated also under each material topic and sub-topic are the result of the double materiality assessment, according to the ESRS. SNN keeps a previously-developed risk register, where the risks were included, merged and linked to an impact, according to the ESRS.

The strategy being prepared in 2024 will take stock of all risks again, according to the ESRS, and an ESG risk register will be prepared to underpin this strategy.

## SNN – Strategy

### Strategy, Business Model and Value Chain

SBM-1

Societatea Nationala Nuclearelectrica S.A. is a national joint stock company, managed under single-tier system, with a Headquarters and two Branches without legal personality. The main scope of business of the Company is “Electricity generation” – NACE Code 3511 and is registered with the Trade Register under number J40/7403/1998, Unique Registration Code 10874881, tax attribute RO.

Type of shareholder	Number of shares held	% of share capital holding
Romanian State – Ministry of Economy, Energy and Business Environment	248,850,476	82.4981%
Other shareholders	52,793,418	17.5019%
Legal Entities	38,465,942	12.7521%
Natural persons	14,327,476	4.7498%
<b>Total</b>	<b>301,643,894</b>	<b>100%</b>

Electricity is sold under the electricity generation license, as follows:

- On the competitive market, under contracts for the sale and purchase of electricity:
  - on markets managed by the market operator OPCOM SA, with long-term delivery: CM-OTC, CMBC-EA-flex, and CMBC-CN; with short-term delivery: DAM (Day-Ahead Market) and IM (Intraday Market);
  - under bilateral transactions with the Electricity Transmission and Distribution Operators and with an electricity supplier to ensure supply of consumers served in accordance with the provisions of the Government Emergency Ordinance no. 27/2022, as subsequently amended and supplemented;
  - under a bilateral contract concluded with the supplier designated by the Government of the Republic of Moldova in order to ensure electricity supply safety for the neighboring country, considering the exceptional situation caused by the effects of the war in Ukraine.
- On the balancing market managed by Transelectrica SA, in case of positive imbalances.
- Under energy supply contracts concluded with two consumers supplied directly from the facilities of Cernavoda NPP, based on the electricity production license.
- Under the Electricity Centralized Purchase Mechanism (ECPMA), according to the requirements of the laws in force.

An Administration Plan for the 2023-2027<sup>11</sup> period was prepared in accordance with the provisions of Article 30(1) and Article 36(1) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public undertakings, as subsequently amended and supplemented, by the members of the Board of Directors and the Executives of SNN, as appointed further to completion of the selection procedures provided for in aforementioned regulatory act under the Resolution no. 6/10.08.2022 and the Resolution no. 1/15.02.2023 of the Ordinary General Meeting of SNN Shareholders.

SNN is the only electric power producer based on nuclear technology from Romania, by Cernavoda NPP branch. With its Pitesti NFP Branch, SNN also produces CANDU 6-type nuclear fuel bundles that are used to keep its own nuclear reactors in use. Decay heat is used to produced heat in centralized system.

SNN has no strategy in relation to, or that impacts, the sustainability matters; this will be written in 2024.

Total number of employees by geographical area/branches	SNN Executive - 226
	Pitesti NFP - 372
	Cernavoda NPP - 1754
Total revenue	RON 7,469,308,958
Revenue by key ESRS Sectors <sup>12</sup>	Electricity: 7,455. 563.848RON Heat RON 6,097,431
Revenue from fossil fuels (coal, oil and gas)	Not applicable
Revenue from coal	Not applicable
Revenue from oil	Not applicable
Revenue from natural gas	Not applicable
Revenue obtained from business activities aligned to the fossil gas-related taxonomy	Not applicable
Revenue from chemicals	Not applicable
Revenue from controversial arms	Not applicable
Revenue from tobacco growing and production	Not applicable

Due to the need to speed up the response to climate change, nuclear energy has become an essential solution for decarbonation and a basic source of energy security, energy independence, social and economic development, innovation and talent fostering, which all also addresses the ESG challenges. SNN, as a company, develops at national level and gets actively involved at international level with a view to supporting the energy transition, and develops and deploys cutting-edge technical solutions able to help attainment of the environmental targets.

Given the critical role of nuclear energy both in the transition towards a clean economy, and in attaining the decarbonation targets assumed by Romania, for SNN, the outlooks of 2050 lay ahead the following priorities, which are also the pillars of current operation, development and contribution to a clean and sustainable economy:

- Safe, environmentally-friendly and employee and population protection-centered operation of Units 1 and 2, the Nuclear Fuel Plant and Feldioara Branch;
- Maintaining and developing the management system, including the environmental management system, to cope with the future challenges raised by the major investment projects;
- Protection of the environment, staff and population;
- Development of SNN's investment projects in the defined timeline;
- Expanding the nuclear production facilities that do not generate CO<sub>2</sub> emissions, which will contribute to reaching Romania's environment targets;
- Development of corporate governance as a coagulation and efficient integration process for all processes in SNN;
- Care for employees, collaborators and the population, by responsibly managing all operating and development activities;
- SNN stakeholders involvement in development of the Company and communicating of the SNN relevant aspects of governance, ethics and integrity to them;
- Development of a new generation of nuclear energy specialists to continue operation and development of nuclear projects and, implicitly development of multiple staff attraction, retention and training programmes;
- Ensuring supply security for the Romanian energy system, source availability in SEN, and backup provision for renewable sources, by and beyond 2050.

SNN's medium and long-term investment projects amount to approximately EUR 12 billion.

<sup>11</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/05/PCT-2-SI-4-SNN-Plan-Administrare-2023-2027-Sumar-executiv\\_Versiune-PV-Comisie-Negociere-Indicatori-19.05.2023.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/05/PCT-2-SI-4-SNN-Plan-Administrare-2023-2027-Sumar-executiv_Versiune-PV-Comisie-Negociere-Indicatori-19.05.2023.pdf), accessed 10.02.2024

<sup>12</sup> generates more than 10% of the Company's revenue and/or is related to the actual material impacts or the potential material negative impacts of the Company.

Their impact is quantifiable both in terms of both the increased supply security for Romania and the region, considering the unified European market which is estimated to reach a 15% interconnectivity by 2030, as well as development of the related industries, the infrastructure, the research and development, the education, and attainment of the decarbonization targets assumed by Romania.

The three major investment projects of SNN are complementary: refurbishment of Unit 1, the Project of CANDU 6 Units 3 and 4, and small modular reactors - SMR US. The first two provide clean energy, base load, implicitly security in the provision and availability of the energetic system, and the small modular reactors provide flexibility, the opportunity to protect economically and socially the areas with coal-fired power stations decommissioned, local development, workplaces. An essential balance will be struck between the power reactors and small modular reactors - SMR in terms of production and response to decarbonization and the energy system or local needs.

Targets assumed by Romania:

- to reduce the CO<sub>2</sub> emissions by 55% by 2030, compared to the baseline year 2005;
- to reduce its dependence on energy imports from 20.8% currently, down to 17.8% by 2030, which means sustained investments in generation capacities free of carbon emissions or transition capacities, with base load delivery to ensure stability for the national power system;
- to reduce the coal-based power generation down to 4.59 GWe by 2032, which means to replace these sources by other clear energy sources.

The two nuclear units that SNN operates contribute to Romania's energy security, but also to attainment of decarbonization targets by:

- 1,400 MW installed
- 18-20% of the consumption demand
- 33% of the total clean energy in Romania
- 215 million tons of CO<sub>2</sub> avoided since commissioning and to date (10 million tons of CO<sub>2</sub> avoided annually by operation of the two units of Cernavoda)
- 11,000 job in the industry.

Expansion of the nuclear capacity with 2 new CANDU 6 units in Romania, SNN contributes with:

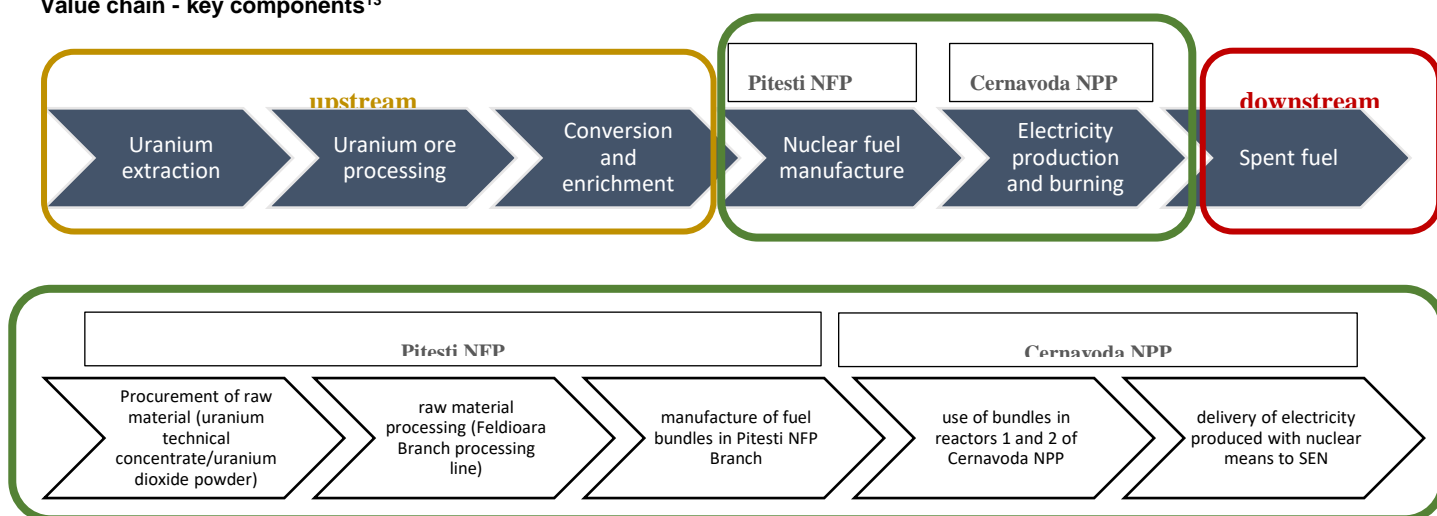
- 66 % clean energy contribution
- 20 million tons of CO<sub>2</sub> avoided annually
- over 19,000 jobs.

Adding also small modular reactors - SMR implementation:

- 462 MW installed
- 4 million tons of CO<sub>2</sub> avoided annually
- replacement of coal-fired power plants
- 2,100 jobs.

We protect the interests of the investors and the society through a careful selection of our suppliers and partners. SNN purchases products, services and works under the provisions of Law no. 99/2016 on sectoral procurements. SNN suppliers who supply products, services or works classified as important for nuclear safety and intended for Cernavoda NPP and Pitesti NFP, must obtain the status of “**qualified supplier**”, prior to the conclusion of the contract. The Company is authorized by the National Commission for Nuclear Activities Control (CNCAN) and, according to the law, it is required to see that its suppliers of products, services or works, as well as their sub-suppliers along the chain put in place and maintain their own controlled quality management system.

### Value chain - key components<sup>13</sup>



<sup>13</sup> Not all value chain inputs are listed

## Stakeholder Interests and Views

SBM-2

The management of Cernavoda NPP, as part of Compania Nationala Nuclearelectrica SA, pays particular attention to communication with, and transparency towards, all stakeholders: staff, population, local and national authorities, NGOs and media, seeking to depict and maintain a realistic image based on facts and concrete data able to strengthen the positive characteristic of nuclear energy, as well as its major social and economic impact.

The nuclear energy is regulated and controlled and always under careful watch of the control authorities, national and international governmental organizations, non-governmental organizations, mass-media and public. Cernavoda NPP abides by, and puts in place, the highest environment, staff and population protection standards.

In terms of social matters, SNN continues to focus on increasing its positive impact for the benefit of communities, by creating a responsible value and increasing nuclear safety. SNN pays particular attention to the systematic training of its staff, to the highest standards of professional competence, implementing continuous training, succession and mentoring programmes for its employees. SNN also kicks-off traineeship, internship and dual education programmes to train new specialists and grow a new generation of specialists in the nuclear energy.

### Key categories of SNN stakeholders

STAKEHOLDER CATEGORIES	EXAMPLES OF STAKEHOLDERS
Shareholders	- the Romanian State, through the Ministry of Economy, Energy and Business Environment; - Other shareholders
Investors and financial institutions	- Other investors, banks
Central and local authorities	- Government, parliament, ministries - Municipalities, local councils, county councils
Regulatory and control authorities	- In the nuclear field: CNCAN - Environmental protection - Environmental Guard, Environmental Protection Agency/Authority (EPA) - Water management - "Apele Romane" National Authority (ARNA) (at central level) and Danube-Seashore Water Basin Administration (DS-WBA) (at local level) - Labor Inspection, through the Territorial Labor Inspectorate - Public Health Directorate
Business partners	- Electricity customers - Electricity carriers - Consumers
Employees	- Own employees - Contract employees
Suppliers	- Suppliers of goods and services (e.g. raw materials, utilities, equipment, etc.)
National and international NGOs	
External organizations (WANO, INPO)	- WANO - World Association of Nuclear Operators - INPO - Institute of Nuclear Power Operations
Media	
Local communities and general public	- Local communities - Population at large
Education units	- Vocational education - Universities

The stakeholders' expectations from **Cernavoda NPP** are:

- **The Government, the Parliament, the Ministries, the Central Authorities, the Local Authorities, and the Regulatory and Control Authorities.** Cernavoda NPP is expected to comply with the legal requirements (i.e. compliance obligations under permits, protocols, clearances, etc. or further to the incidental requirements of the authorities) and operate the nuclear power plant in observance of the limits and conditions imposed under permits or the duly executed protocols. Cernavoda NPP is further expected to safely and securely deliver the amount of energy projected to be delivered, in order help ensure Romania's energy security.
- **Business partners** (energy users, energy transmitters, consumers). Cernavoda NPP is expected to produce electricity and heat in compliance with all legal requirements applicable to environmental protection and the voluntarily implement, in its own work system, the latest environmental and OHS standards, conveying them the trust that Cernavoda NPP is a reliable business partner. All agreements signed with them concerning environmental protection (e.g. environmental agreements with contractors, protocols, etc.) become mandatory to be observed.
- **NGOs, the Public, the Local Community, External Organizations** (WANO, INPO, etc.). The organization is expected to carry out its activity showing care for the environment and the population and these stakeholders need to be provided with relevant information about the activity carried out by Cernavoda NPP, in compliance with all legal environmental protection requirements.



The expectations listed above are duties compliance duties towards these entities for Cernavoda NPP. These also expect to be regularly informed about the environmental performance, be consulted about future projects, and be consulted in the permitting process, in accordance with the rights acquired under the Aarhus Convention and the legislative framework regulated at national level. They expect to receive answers to their requests for information and concerns made known via the communication channels with SNN/NPP through the information centers, public relations departments, and the local advisory committee.

- **NPP employees and contractors.** They expect that their work is recognized and rewarded according to their expectations of the required performance, and they need a healthy and safe work environment. All agreements signed with contractors of services or products concerning environmental protection (e.g. environmental agreements) become mandatory to be observed.

The stakeholders' expectations from **Pitesti NFP** are:

- **SNN Headquarters:**
  - Alignment with the Management Model of SNN SA
  - Observance of the governance requirements, strategies, management plan and advanced principles
  - Implementation of SNN's organizational policies
  - Observance of the Code of Business Ethics and Conduct
  - Compliance with requirements of the Collective Bargaining Agreement (CBA), the Internal Regulations (IR), the SNN Organization and Functioning Regulation (OFR), the SNN SA Management System Manual
  - Compliance with the Income and Expenditure Budget
- **Cernavoda NPP Branch** (as main client):
  - Observance of the contractual commitments
  - Compliance with the manufacturing and control technology of nuclear fuel bundles;
  - Safe delivery of nuclear fuel bundles
  - Ensuring compliance with agreed quality requirements
  - Communication
- **Shareholders**
  - Attaining a high level of nuclear safety performance;
  - Increasing the turnover and profit
  - Observance of the resolutions of the General Meeting of Shareholders
  - Long-term business viability
- **Investors**
  - Honesty and transparency to support a decision to invest in the Company's financial instruments
- **RATEN-NRI**
  - Compliance with the contractual commitments and concluded agreements
  - Compliance with the measures set out in the Emergency Plan
- **Public and local community**
  - Safe operation of the plants to protect the population and the environment
  - Involvement in the community as a responsible "citizen".
  - Voluntary environmental commitments
  - Compliance with agreements concluded with the community groups
  - Communication for visibility and credibility
- **NFP staff and trade unions**
  - Compliance with the organizational requirements according to the CBA, Internal Regulation, and SNN OFR
  - Trust, recognition, and reward to contribute to, and share, the success of the organization
  - Professional development opportunities
  - Workplace safety
  - Participation and consultation
  - Adequate working conditions, and a competitive work environment, in observance of the occupational health and safety requirements;
- **Regulatory bodies** (Ministry of Environment, Water and Forests, National Commission for Nuclear Activities Control, National Environmental Guard, Public Health Directorate, etc.)
  - Compliance with the legal requirements, and the international, national and local laws and regulations;
  - Attainment of a high level of nuclear safety;
  - Communication for visibility and credibility;
- **External organizations in the nuclear field**
  - Reliable partner
  - Driver in the nuclear industry
  - Compliance with the relevant organizational or industrial standards;
- **Government and customers**
  - Delivery of nuclear fuel bundles for safe generation and delivery of electricity to the national system;
- **Non-Governmental Organizations**
  - Communication for visibility and credibility
  - Activity improvement
  - Voluntary practice principles
  - Compliance with the nuclear safety, environment, OSH and Emergency commitments
  - Suppliers
  - Mutually beneficial, profitable and safe business relationships
  - Compliance with the contractual commitments (order stability, delivery planning)

- Media
- Open, immediate and accurate communication.

The stakeholder, and applicable legal and regulatory, requirements are integrated into the IMS processes, activities and documentation, and the set of verification, monitoring and control activities aims not only to meet these requirements, but also to increase stakeholder satisfaction.

## Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model

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SBM-3

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The environmental, social and governance impacts, risks and opportunities were identified and assessed as part of the dual materiality process, in an internal workshop and in consultations with other relevant sources, such as the permits needed for duly operation of the sites. The ESG risks entered in the risk register are integrated into the SNN's business strategy, but the 2023 - 2027 Administration Plan covers also issues related to nuclear safety and security risks for the staff, population, environment and production assets. Thus, the nuclear units operate under nuclear safety and security conditions with a view to minimizing the risks attached to exposure of the staff rendering professional activities, the population and the environment to ionizing radiation.

The link between the identified impacts and risks<sup>14</sup> and associated opportunities (IROs) are presented for each topic/sub-topic according to the ESRS; however, no detailed quantification of the anticipated financial effects has been conducted in monetary terms. Instead, the Company's risk capacity is calculated quarterly on the basis of all SNN risks entered in the risk register (save for the insured risks).

## SNN - Impact, risk and opportunities management

### Disclosures about Material Assessment

#### Description of the processes pursued to identify and assess the material risks and opportunities

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IRO-1

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#### Double Materiality Assessment

A sustainability matter is the material when it generates or is likely to trigger a material financial effect on the Company. This happens when it gives, or may give rise to, risks or opportunities that have a material influence (or can reasonably be expected to have a material influence) on the Company's cash flows, growth, performance, position, cost of capital or access to financing in the short, medium and long term.

As part of the obligations arising from transposition of the ESRS, SNN has conducted a Dual Materiality Assessment to determine the material topics in terms of impacts, risks and opportunities. Materiality assessment is the process whereby SNN determines the material aspects and related information due to be reported in its sustainability statement. Performance of an objective materiality assessment is essential for sustainability reporting, which must include relevant and reliable information about all impacts, risks and opportunities (IROs) on environmental, social and governance matters determined to be material in terms of impact materiality or financial materiality perspective, or both.

A topic is material where it meets the criteria defined for the impact materiality OR the financial materiality OR both.

This assessment is not limited to the Company's own operations, as it covers also the upstream and downstream value chain. Once an impact, risk or opportunity has been identified to be material, SNN:

- refers to the requirements of the related ESRS to identify the relevant information to be considered for the disclosure; or
- where the impact, risk or opportunity is not covered, or is insufficiently covered, by the ESRS, prepares a relevant entity-specific presentation.

Relevance refers to the criteria that support identification of the information to be disclosed. Relevance is underpinned by:

- the information materiality by reference to the problem it describes, or
- its decision-making utility.

Not all material topics are equally important and the approach in the report will reflect this. In order to prepare for sustainability reporting in accordance with the ESRS, SNN applies the specific principles of the Dual Materiality Assessment. For the financial year 2023, SNN updated its material topics in line with the requirements of the European ESRS (according to the first ESRS set, as passed on 31 July 2023), without overlooking the particulars of the nuclear power industry. The stakeholder interests, the economically, socially and environmentally material external impacts of SNN, the material financial impact of particular topic on SNN, and the related risks and opportunities have all been considered along the entire value chain. The materiality assessment for the financial year 2023 was a structured process, which only involved consultation with internal stakeholders, *i.e.* representatives of several SNN departments, as experts in their respective fields of competence.

The materiality assessment process was structured as follows:

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<sup>14</sup> According to the internal procedure, a quantification of the impact of the risks is possible. The Company's risk capacity is calculated on a quarterly basis for all SNN risks

- Analysis of the relevant internal and external stakeholders, based on the stakeholders identified in the FY 2022 Sustainability Report. Of course, we also did due consideration to the information reported by the stakeholders identified by other companies operating in the same field, so as not to overlook any relevant information.
- **Impact materiality assessment.** Identification of the Company's material topics according to the ESRS proposed topics, sub-topics and sub-sub-topics, and revision of the material topics identified for FY 2022, that underpinned the initial assessment. This process identified the topics relevant and irrelevant to the Company, and for each topic, the nature of the actual and potential adverse and positive impacts on the environmental, social and economic matters, over different time periods (2023, short-, medium- and long-term) was assessed. Impacts were identified relying on the analysis conducted by the current stakeholders, the Company's documentation and the industry-wide analysis.
- **Financial materiality assessment.** The results of the impact materiality assessment, supplemented by additional internal information, underpinned determination of the ESG risks in the context of financial materiality. Throughout this process, the likelihood of occurrence and the potential scale of the financial effects are factored into assessment of the significance of the risks and opportunities.
- The final list of material matters was put together based on an assessment of the significance of the impacts, risks and opportunities.
- Each year, materiality is to be supplemented by reviews of the legal requirements, materiality analyses on other industry players (peer analysis), interviews with top management, strategic documents prepared by the Company, expert opinions and a benchmarking of global trends in the literature, as well as the data collected about SNN's history, or other relevant sources, as appropriate. The materiality assessment will be filled out for the data points applicable to the metric, based on the consultations and studies referenced above.

The list of sustainability matters considered for FY 2023 in SNN is highlighted in the table below, with arguments for any matters left out. The result below depicts an accurate picture of the impacts and risks of SNN; however, we do admit that the methodology applied has some limitations; therefore, in 2024, we will improve our double materiality assessment.

List of sustainability matters considered for the FY 2023	Comments
<b>ESRS E1 – Climate change</b>	
Climate change adaptation	
Climate change mitigation	
Energy	
<b>ESRS E2 - Pollution</b>	
Air pollution	
Water pollution	
Soil pollution	
Pollution of living organisms and food resources	
Substances of concern	These are to be managed according to legal and other applicable requirements, with identification of the substances of concern in each SNN unit
Substance of very high concern	These are to be managed according to legal and other applicable requirements, with identification of the substances of concern in each SNN unit
Microplastics	No microplastics are used in the activity of SNN
<b>ESRS E3 - Water and marine resources</b>	
Water( <i>Water withdrawals, Water consumption; Water discharges</i> )	
Marine resources( <i>Water discharges in the oceans, Extraction and use of marine resources</i> )	SNN does not use any water from the seas and oceans in its activity, and does not discharge any water in the seas and oceans
<b>ESRS E5 – Circular economy</b>	
Resources inflows, including resource use	
Resource outflows related to products and services	There are no significant material outflows, other than waste
Waste	
<b>ESRS E4 – Biodiversity and ecosystems</b>	
Direct impact drivers of biodiversity loss( <i>Pollution; Other</i> )	
Direct impact drivers of biodiversity loss ( <i>Climate change, Land-use change, fresh-water use change and sea-use change, Direct exploitation, Invasive alien species</i> )	The sub-sub-topic is also addressed in the climate change chapter. SNN only uses drinking water from drills. SNN's activity does not involve direct exploitation of any

	fauna or flora and does not lead to the appearance of alien species
Impact on the state of species	There is no activity impacting on the state of species
Impacts on the extent and condition of ecosystems	There is no activity impacting on the extent and condition of ecosystems
Impacts and dependencies on ecosystem services	There is no activity impacting, or giving rise to dependencies on, ecosystem services
<b>ESRS S1 – Own workforce</b>	
Working conditions ( <i>Secure employment; Working time; Adequate wages; Social dialogue; Freedom of association, including the existence of works councils and the information consultation and participation rights of workers; Collective bargaining, including rate of workers covered by collective agreements; Work-life balance; Health and safety</i> )	SNN has duly concluded a Collective Bargaining Agreement setting out the commitments of the parties in terms of the working conditions. For all workplaces in the Company, risk assessments are carried out in terms of occupational safety, and health and prevention and protection measures are adopted, the implementation stages of which are reviewed in the OHSC
Equal treatment and opportunities for all ( <i>Gender equality and equal pay for work of equal value; Training and skills development; Employment and inclusion of persons with disabilities; Measures against violence and harassment in the workplace; Diversity</i> )	Under the Collective Bargaining (CBA) Agreement, and the HR Internal Regulations and Procedures issued by the Company, the matters related to equal opportunities and treatment for all employees are addressed in detail
Other work-related rights ( <i>Child labor; Forced labor; Adequate housing; Privacy</i> )	The CBA, the Internal Rules, the individual employment agreement and the regulations issued by the Company in the field of human resources detail other work-related rights
<b>ESRS S2 – Workers in the value chain</b>	
Working conditions (suppliers) ( <i>Secure employment; Working time; Adequate wages; Social dialogue; Freedom of association, including the existence of works councils and the information consultation and participation rights of workers; Collective bargaining, including rate of workers covered by collective agreements; Work-life balance; Health and safety</i> )	The matters related to occupational health and safety are dealt with in the occupational safety agreement to be concluded with each service provider carrying out any activities in the sites of SNN units
Equal treatment and opportunities for all (suppliers) ( <i>Gender equality and equal pay for work of equal value; Training and skills development; Employment and inclusion of persons with disabilities; Measures against violence and harassment in the workplace; Diversity</i> )	
Other work-related rights (suppliers) ( <i>Child labor; Forced labor</i> )	
Other work-related rights (suppliers) ( <i>Adequate housing; Privacy; Water and sanitation</i> )	Not relevant, housing is not a relevant topic.
<b>ESRS S3 – Affected communities</b>	
Communities' economic social and cultural rights ( <i>Security-related impacts</i> )	
Communities' economic social and cultural rights ( <i>Adequate housing, Adequate food, Water and sanitation, Land-related impacts</i> )	Not relevant. SNN's activity does not influence any of these matters.
Communities' civil and political rights ( <i>Freedom of expression; Freedom of assembly; Impact on human rights defenders</i> )	
Rights of indigenous peoples ( <i>Free, prior and informed consent; Self-determination; Cultural rights</i> )	There is no indigenous population in Romania
ESRS S4 – Consumers and end users	Not applicable - SNN's business model is business-to-business
<b>ESRS G1 – Business conduct</b>	
Corporate culture	
Protection of whistleblowers	
Animal welfare	SNN does not perform any experiments on animals. Also, SNN's activity does not involve breeding and exploitation of animals.
Political engagements	There are NO political interests
Management of relationships with suppliers, including payment practices	
Corruption and bribery ( <i>Prevention and detection of corruption and/or bribery incidents, including training; Confirmed incidents</i> )	
<b>Nuclear safety and digital security</b>	
Nuclear safety	
Digital security	

In addition to the ESRS topics and sub-topics, the topic of the nuclear safety and digital security has also been identified.

Topic	Impact	Risk/Opportunity (R/O)
<b>ENVIRONMENT</b>		
<b>Climate change</b>		
Climate change mitigation	<b>Significant positive impact</b> of the company's business on the climate at national level, through production of energy with zero direct GHG emissions from the core business.	<b>Opportunity:</b> Efficient operation of SNN facilities, with investments in new production capacities for energy security and nuclear safety of its operations. <b>Physical risk:</b> Improper operation of the nuclear plant can lead to additional activation of the diesel back-up installations, with the following consequences: <ul style="list-style-type: none"> <li>- Delay in meeting the conditions imposed by CNCAN under the U1 and U2 Operating Permits, including in preparation of the Periodic Nuclear Safety Review;</li> <li>- Damages to the nuclear safety equipment and systems;</li> <li>- Breakdown of power discharge lines to SEN;</li> <li>- Accidental increase in the greenhouse gas emissions.</li> </ul>
Climate change adaptation	<b>Potential negative impact</b> at medium scale, unless the SNN sites not protected against flooding or wildfires.	<b>Physical risk:</b> Safety and production in SNN are affected, with a potential breach of legal risk prevention requirements.
Energy	<b>Significant positive impact</b> of the company's business on the climate at national level, through production of energy with zero direct GHG emissions from the core business.	<b>Opportunity:</b> Efficient operation of SNN facilities, with investments in new production capacities for energy security and nuclear safety of its operations.
<b>Pollution</b>		
Air pollution	<b>Potential negative impact</b> at medium scale due to the release of non-radioactive NOx emissions. The emissions of tritium, solid particles, iodine, noble gases and Carbon-14 into the air are generated by the nuclear power generation activities (for Cernavoda NPP).  <b>Potential negative impact</b> as a result of radioactive releases into the air: Release of airborne dusts with uranium/radioactive aerosols in concentrations higher than the permitted values due to installation incidents, into the work environment and the external environment (for Pitesti NFP).	<b>Risk:</b> Air emissions have a more localized, but still material, impact on human health and the environment. Air emissions are subject to licensing, and emission reduction may result into operating costs or require capital expenditure.  <b>Risk:</b> Increase in the average annual radioactive concentration for airborne dusts with uranium/radioactive aerosols, compared to the limits set by CNCAN
Water pollution	<b>Potential negative impact</b> at medium scale when the Danube downstream heating limit is exceeded (for Cernavoda NPP). <b>Potential negative impact</b> at medium scale due to pollutant infiltration into the groundwater.	<b>Risk:</b> risk of noncompliance with the requirements of the Water Management Permit. It can also give rise to tensions, which in turn can disrupt the production operations. <b>Risk:</b> Liquid radioactive waste handling and disposal can give rise to operating costs, capital expenditures and, in some instances, regulatory costs.
Soil pollution	<b>Potential negative impact</b> on the medium scale as a result of pollutants seeping into the soil in case event of an accident or improper (radioactive) waste management.	<b>Risk:</b> Liquid radioactive waste handling and disposal can give rise to operating costs, capital expenditures and, in some instances, regulatory costs.
Pollution of living organisms and food resources	<b>Potential negative impact</b> at medium scale on crops in the area of influence of the site (for Cernavoda NPP).	<b>Risk:</b> The community or even regional food resources can be affected; SNN could risk losing its operating license, either in full or only for operation of the nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.
Substances of concern	<b>Potential negative impact</b> on a medium or large scale due to contamination of the floors or of various surfaces	

Substances of very high concern	with chemicals and mixtures, including waste or radioactive chemicals and mixtures.	<b>Risk:</b> Process safety incidents can damage the plants, injure the workers and, to some extent, affect the environment.
<b>Water and marine resources</b>		
Water resources/Water withdrawals	<p><b>Potential negative impact</b> when the Danube water downstream heating limit is exceeded due to the use of water to cool down the plant.</p> <p><b>Potential negative impact</b> across the distribution/suction basin below the admissible limit, <i>i.e.</i> lowering of the Danube water level.</p> <p><b>Potential negative impact</b> due to the decrease in thermal efficiency of condensers as a result of the higher temperatures of the Danube water.</p>	<p><b>Risk:</b> failure to comply with the limits set out in the Water Management Permit. To prevent this from reoccurring, specific technical measures are envisaged.</p> <p><b>Risk:</b> shutting down the plant by Cernavoda NPP. To mitigate the risk exposure, number of technical and organizational measures are envisaged.</p> <p><b>Risk:</b> lower thermal efficiency of condenser and, implicitly, reducing the quantity of produced electricity.</p>
Water resources/Water consumption	<b>Potential negative impact</b> due to excessive consumption of drinking water from drills.	<b>Risk:</b> lowering of groundwater table.
Water resources/Water discharges	<b>Potential negative impact</b> due to the shutdown of the Cernavoda NPP Units for an unspecified period of time, as a result of the filter sieve clogging due to intrusion of invasive aquatic species that are not specific to the area and with virulent breeding, favored by the extreme weather conditions.	<b>Risk:</b> financial losses due to the shutdown of production Units. Risk mitigation measures: 1. Monitoring the temperature of cooling water in the intake canal 2. Organization of the site cleaning activity under a continuous working regime (work in 24/24 shifts) 3. Procedure for evacuation of algae from the Sieve Building via the U1-U5 collector; it is currently being issued
<b>Biodiversity</b>		
Direct impact drivers on biodiversity decline	<p><b>Potential negative impact</b> at large scale due to thermal pollution of the Danube water (for Cernavoda NPP)</p> <p><b>Potential negative impact</b> at large scale, with serious consequences for the environment and population in case of a nuclear accident (for Cernavoda NPP)</p>	<p><b>Risk:</b> the maximum permitted levels set out in the relevant permits are exceeded, and this can lead to fines or even interruption of the activities until such problems are fixed.</p> <p><b>Risk:</b> SNN could risk losing its operating license, either in full or only for operation of the nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.</p>
<b>Resources use and circular economy</b>		
Resources inflows, including resource use	<b>Potential negative impact</b> at medium scale because production of nuclear fuel bundles requires availability of certain resources, such as technical uranium concentrate/uranium dioxide powder, zircaloy-4, beryllium metal or substances in the category of drug precursors and explosives precursors, which require that special attention is paid to both their handling and waste storage, as they may pose a risk to the environment and humans	<b>Risk:</b> Mishandling and improper storage of raw materials and resulting waste can lead to production costs, capital expenditure or even regulatory costs.
Waste	<b>Potential negative impact</b> at large scale, with serious consequences for the environment and the population, when radioactive waste is improperly disposed	<b>Risk:</b> Waste management, particularly radioactive waste, can lead including to capital or regulatory costs.
<b>SOCIAL</b>		
<b>Own workforce</b>		
Work conditions	Nuclear incidents, while extremely rare across the industry, can have a <b>potentially negative impact</b> at large scale on human health and the environment, affecting the reputation of SNN and certain legal requirements.	<p><b>Risk:</b> While SNN, like other nuclear power plant operators in many regions, has operated for decades without major public safety incidents, occurrence of rare, but large-scale, incidents anywhere in the world can have a major impact on the entire nuclear power sector.</p> <p>SNN could risk losing its operating license, either in full or only for operation of some nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.</p>

Opportunities and equal treatment for all	<b>Potential positive impact</b> as SNN delivers adequate emergency training to all its staff and keeps in place a sound safety culture	<b>Opportunity:</b> A sound safety culture and proper oversight of operating safety across SNN can help detect the incidents earlier and respond to them more effectively, by mitigating the potential financial risks and improving operational efficiency.
Other work-related rights	A minimal <b>potential negative impact</b> when the rights of own employees are not respected, with the potential of damages to SNN's reputation and certain legal requirements	<b>Risk:</b> Where other employee rights (related to forced labor, child labor or privacy) are not respected, SNN's work may indirectly affect the rights of its own employees if cases of human rights violations are identified.
<b>Workers in the value chain</b>		
Work conditions	<b>Potential</b> small-scale <b>negative impact</b> when the rights of suppliers' employees, with consequential damages to SNN's reputation, and the legal requirements are not observed.	<b>Risk:</b> Where other employee rights (supplier) concerning the work conditions are not respected, SNN's work may indirectly affect the rights of upstream employees, if cases of human rights violations are identified. Working conditions include safe workplaces, working time, adequate wages, social dialogue, freedom of association and negotiation, work-life balance, and health and safety.
Opportunities and equal treatment for all	The civil and political rights of other workers (along the value chain), such as gender equality and equal pay for equal work, training and skills development, as well as employment and inclusion of people with disabilities, measures taken against violence and harassment in the workplace, and diversity, are all respected.	<b>Opportunity:</b> Observance of the civil and political rights of workers along the value is assessed as part of the public procurement process. All SNN suppliers are required to respect the human rights in their dealings with employees, and are audited in this respect. They adopt the principles of behavior required by SNN and thus make a contribution to the well-being of their employees, SNN's reputation and compliance with the legal requirements.
Other work-related rights (suppliers)	<b>Potential</b> small-scale <b>negative impact</b> when the rights of suppliers' employees, with consequential damages to SNN's reputation, and the legal requirements are not observed.	<b>Risk:</b> Where other employee rights (suppliers) (related to forced labor or child labor, as particular groups) are not respected, SNN's work may indirectly affect the rights of upstream employees if cases of human rights violations are identified for the workers in the value chain.
<b>Affected communities</b>		
Communities' economic social and cultural rights	<b>Potential negative impact</b> at large scale where the environment parameters subject to monitoring - water, air, food sources, etc. - are exceeded.	<b>Risk:</b> Where the communities' rights are not respected, SNN's work may affect the social (health) and economic development of the communities in the area where it operates, if the environmental monitoring parameters are exceeded.
Communities' civil and political rights	<b>Positive impact:</b> The communities' civil and political rights are respected	<b>Opportunity:</b> Local communities consulted as part of the licensing process, and there are channels in place to make complaints, thus facilitating the decision-making process related to definition of measures to protect the communities.
<b>CORPORATE GOVERNANCE</b>		
<b>Business conduct</b>		
Corporate culture	<b>Positive impact</b> of the Company's values on SNN and its stakeholders; however, these could be also a potential large-scale negative impact if the internal codes and procedures are not followed.	<b>Opportunity:</b> Effective management of the internal issues and ensuring fair remuneration, as well as providing adequate working conditions, all help prevent unpleasant situations in the own operations.
Protection of whistleblowers	<b>Potential negative impact</b> at medium scale, if whistleblowers are not protected.	<b>Risk:</b> Damage to SNN reputation and violation of the legal requirements.
Management of relationships with suppliers, including payment practices	<b>Potential negative impact</b> at medium scale if payments are not made in due time.	<b>Risk:</b> Damages to SNN's reputation due to the adverse financial impact on suppliers and/or the breach of contract terms.

Corruption and bribery	<b>Potential negative impact</b> at medium scale in case of incidents.	<b>Risk:</b> Damage to SNN reputation and violation of the legal requirements.
<b>ADDITIONAL TOPIC – DIGITAL SECURITY</b>		
Nuclear safety	<b>Potential negative impact</b> at a very large scale in case of nuclear-impact incidents or accidents, with fatalities, long-term damage to human health and the environment, to SNN's reputation, violation of the legal requirements and business closure.	<b>Risk:</b> Nuclear incidents or accidents can have particularly serious consequences, with fatalities, long-term damages to people's health and the environment, SNN's reputation, litigation and business shutdown.
Digital security	<b>Potential negative impact</b> at a very large scale in case of safety incidents or accidents.	<b>Risk:</b> The consequences can be very serious and impact nuclear safety and power generation (e.g. outages due to cyber attacks), loss of SNN's reputation, litigation and business shutdown.

Details about the impacts, risks and opportunities identified for each material topic are presented in the chapter tackling each relevant ESRS topic.

## ESRS disclosure requirements covered by the Undertaking's Sustainability Statement

IRO-2

The disclosure requirements related to this report are included in the table below.

Standard	Disclosure Requirements (DR)	Applicable data points
ESRS 2		
	BP-1 – General basis for preparation of the sustainability statements	5(a) 5(c) 5(d)
	BP-2 – Disclosure concerning the specific circumstances	13(a) 15 16 AR 2
	GOV-1 – Role of Administration, Management and Supervisory Bodies	21 22 23 AR 3
	GOV-2 – Information supplied to the undertaking's administration, management and supervisory bodies and sustainability matters approached by them	26(a) 26(b)
	GOV-3 – Integration of sustainability performance into the incentive systems	27
	GOV-4 – Declaration on the Due Diligence Process	30 AR 10
	GOV-5 – Risk management and internal controls related to sustainability reporting	34
	SBM-1 – Strategy, business model and value chain	40(a) 40(b) 42



	SBM-2 – Stakeholder interests and views	45
	SBM-3 – Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model	48
	IRO-1 – Description of the processes pursued to identify and assess the material risks and opportunities	53
	IRO-2 – ESRS disclosure requirements covered by the Undertaking’s Sustainability Statement	56 59
	MDR-P Policies – Policies adopted to manage the material sustainability matters	
	MDR-A actions – Actions and resources concerning the material sustainability matters	
	<i>Metrics and targets</i>	
	MDR-M – Metrics for the material sustainability matters	
	MDR-T targets – target-based tracking of the effectiveness of policies and actions	
ESRS E1  Climate change	E1-1 – Climate change mitigation transition plan	17
	E1-2 – Climate change mitigation and adaptation-related policies	22
	E1-3 – Actions and resources related to the climate change policies	26
	E1-4 – Targets related to climate change mitigation and adaptation	30
	E1-5 – Energy consumption and energy mix	37
	E1-6 – Gross Scopes 1, 2 and 3 GHG emissions, and total GHG emissions	44 48 49 51 52
	E1-7 – GHG removals and GHG emission mitigation projects financed through carbon credits	56
	E1-8 – Internal carbon pricing	62
	E1-9 – Anticipated financial effects from material physical and transition risks and the potential climate-related opportunities	64
	ESRS E2  Pollution	E2-1 – Pollution-related policies
E2-2 – Pollution-related actions and resources		16
E2-3 – Pollution-related targets		20 23(d)
E2-4 – Air, water and soil pollution		26 28(a) 30
E2-5 – Substances raising concerns and substances raising particular concerns		32 34
E2-6 – Anticipated financial effects from pollution-related risks and opportunities		36
ESRS E3  Water and marine resources		E3-1 – Policies related to water and marine sources
	E3-2 – Actions and resources related to water and marine resources	15
	E3-3 – Targets related to water and marine sources	20 25
	E3-4 – Water consumption	26 289a)

	E3-5 – Anticipated financial effects from risks and opportunities related to water and marine resources	
ESRS E4  Biodiversity and ecosystems	E4-1 – Transition plan and consideration of biodiversity and ecosystems in the business strategy and model	11
	E4-2 – Policies related to biodiversity and ecosystems	20
	E4-3 – Actions and resources related to biodiversity and ecosystems	25
	E4-4 – Targets related to biodiversity and ecosystems	29
	E4-5 – Impact metrics related to biodiversity and ecosystem changes	33
	E4-6 – Financial effects	42
ESRS E5  Resources use and circular economy	E5-1 – Policies related to resources use and circular economy	12 14
	E5-2 – Actions and resources related to resources use and circular economy	17 20(a) 20(e) 20(f)
	E5-3 – Targets related to the use of resources and the circular economy	21 24(e) 24(f)
	E5-4 – Resources inflows	28 31(a)
	E5-5 – Resources outflows	33 37(a) 37(b) 37(c) 38(d) 38 39
	E5-6 – Anticipated financial effects from impacts, risks and opportunities related to resources use and circular economy	
	ESRS S1  Own workforce	S1-1 – Own workforce-related policies
S1-2 – Processes to work together with the own workforce and workers' representatives on impacts		25 27(a) 27(c) 28

	S1-3 – Processes to address the negative impacts and the channels provided to own workforce to voice their concerns	30 32(a) 32(b) 32(c) 32(d) 32(2)
	S1-4 – Adoption of measures concerning the material impacts on the own workforce and approaches to mitigate the material risks and to pursue the material opportunities related to the own workforce, and effectiveness of these actions	35 38(a)
	S1-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities	44
	S1-6 – Characteristics of the undertaking's employees	48 50(a) 50(b) 50(c)
	S1-7 – Characteristics of non-employee workers in the undertaking's workforce	-
	S1-8 – Coverage of collective bargaining and social dialogue	58 60(a)
	S1-9 – Diversity metrics	64 66(a) 66(b)
	S1-10 – Adequate wage	67 69
	S1-11 – Social security	72 74
	S1-12 – People with disabilities	77 79 80
	S1-13 – Metrics for training and skill development indicators	81 83(a) 83(b)
	S1-14 – Health and safety metrics	86 88(a) 88(b) 88(c)
	S1-15 – Work-life balance metrics	91 93(a) 93(b)
	S1-16 – Wage metrics (wage gap and total wage)	95 97(a) 97(b)
	S1-17 – Incidents, complaints and serious human rights problems and incidents	100
ESRS S2	S2-1 Policies concerning workers in the value chain	17(a)
	S2-2 – Impact-related collaborative processes with the workers in the value chain	20

Workers in the value chain	S2-3 – Processes to address the negative impacts and the channels provided to workforce in the value chain to voice their concerns	25 27(a) 27(b) 27(c) 27(d)
	S2-4 – Adoption of measures concerning the material impacts on the workers in the value chain, and approaches to mitigate the material risks and to pursue the material opportunities related to the workers in the value chain, and effectiveness of these actions	30 32(a)
	S2-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities	
ESRS S3  Affected communities	S3-1 – Affected communities-related policies	12
	S3-2 – Impact-related collaborative processes with the affected communities	19 21(a) 21(b)
	S3-3 – Processes to address the negative impacts and the channels provided to affected communities to voice their concerns	25 27(a) 27(b) 27(c) 27(d)
	S3-4 – Adoption of measures concerning the material impacts on the affected communities, and approaches to mitigate the material risks and to pursue the material opportunities related to the affected communities, and effectiveness of these actions	30
	S3-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities	39(a)
	ESRS S4  Consumers and end-users	S4-1 – Consumers and end-users-related policies
S4-2 – Impact-related collaborative processes with consumers and end-users		
S4-3 – Processes to address the negative impacts and the channels provided to consumers and end-users to voice their concerns		
S4-4 – Adoption of measures concerning the material impacts on consumers and end-users, and approaches to mitigate the material risks and to pursue the material opportunities related to consumers and end-users, and effectiveness of these actions		
S4-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities		
ESRS G1  Business conduct	G1-1 – Corporate culture and business conduct and corporate culture-related policies	7 10(a) 10(b) 10(c)
	G1-2 – Management of relationships with suppliers	12
	G1-3 – Prevention and detection of corruption and bribery	16 18(a)
	G1-4 – Confirmed cases of corruption or bribery	22 25(a)
	G1-5 – Exercise of political influence and lobbying	Not applicable; there are no political interests
	G1-6 – Payment practices	31

A sustainability matter is material when: it pertains to the Company's material actual or potential positive or negative impacts on people or the environment (environmental, social and governance matters), over the short- medium- or long-term.

The final list of material matters was put together based on an assessment of the significance of the impacts, risks and opportunities. The materiality is  $\pm 1$  out of  $\pm 5$  in the average score for the impact resulting from consultations, but legal requirements, studies and other relevant sources contributed to the final materiality determination, from the topic to the applicable data points.

## **SNN – Minimum disclosure requirements regarding policies and actions**

### **Policies adopted to manage the material sustainability matters**

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#### *MDR-P Policies*

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Material matters are managed by SNN under a set of policies and actions aimed at preventing, mitigating and addressing the actual and potential significant impacts, addressing the material significant risks, and/or pursuing the significant opportunities. These are included in SNN's ISO management systems, which ensure not only compliance with the legal requirements, but also alignment with the international good practice.

The policies and actions required for each material matter (relevant ESRS topic) are presented in the ESRS Report's sections E1-E5, S1-S4, and G1. Where no policies or actions are in place, the time period during which the SNN envisages adopting such is presented in the Report's sections related to ESRS E1-E5 and S1-S4, and G1.

### **Material sustainability matters-related actions and resources**

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#### *MDR-A Actions*

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The actions required for each material matter (relevant ESRS topic) are presented in the ESRS Report's sections E1-E5, S1-S4, and G1. If applicable, to indicate whether implementation of an action plan requires significant operating expenditure (OPEX) and/or significant capital expenditure (CAPEX) in Annex 1 of the taxonomy report, which the amount of the current financial is set out and explanations are provided about how these relate to the most relevant amounts presented in the financial statements.

## **Metrics and targets**

### **Material sustainability matters-related metrics**

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#### *MDR-M*

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Metrics and targets for each material topic (relevant ESRS topic) are presented in the ESRS report, sections E1-E-6, S1-S4, and G1. Where no metrics and targets have not been yet adopted, the reasons for not adopting them the timeframe in which the SNN intends to adopt them are presented in the Report's sections related to ESRS E1-E-6 and S1-S4, and G1.

Metrics are also presented in the Report's section 1.6 List of Disclosure Requirements, which summarizes the material topics, the disclosure requirements and the material data points related to the material topics and the metrics that SNN uses to assess performance and effectiveness with respect to topics of material impact, risk or opportunity.

### **Metric-base tracking of the effectiveness of policies and actions**

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#### *MDR-T*

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SNN tracks the effectiveness of its actions to address the material impacts, risks and opportunities through the annual performance monitoring and reporting under the sustainability report, including performance for the metrics it uses in this regard, as presented in Report's section 1.6 List of Disclosure Requirements.

The SNN performance and the metrics and targets for each material topic (relevant ESRS topic) are detailed in the ESRS Report's sections E1-E-6, S1-S4, and G1. Where no result-oriented, measurable and time-bound metrics are in place, the time period during which the SNN envisages adopting such is presented in the Report's sections related to ESRS E1-E-6 and S1-S4, and G1, including when such metrics are not to be set and reasons for the why the undertaking does not envisage setting them. To indicate whether and how the effectiveness of policies and actions related to each material topic is monitored.

## Data points arising from other EU legislation

The data points arising from other EU legislation related to this report are included in the table below:

Disclosure requirement and related data point	Reference from SFDR <sup>15</sup>	Reference from Pillar 3 <sup>16</sup>	Reference from the Benchmark Regulation <sup>17</sup>	EU Reference from Climate Law <sup>18</sup>
	<b>NOT APPLICABLE</b>	<b>NOT APPLICABLE</b>		
ESRS 2 GOV-1 Gender diversity in the governing bodies item 21(d)	Metric no. 13 in Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 <sup>19</sup> , Annex II	
ESRS 2 GOV-1 Percentage of members of the governing bodies who are independent, item 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Due diligence statement, paragraph 30	Metric no. 10 in Table 3 of Annex 1			
ESRS E1-4 Greenhouse gas emission reduction targets, item 34;	Metric no. 4 in Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio - Climate change-related transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Fossil energy consumption disaggregated by source (only sectors with high climate impact), item 38	Metric no. 5 in Table 1 and metric no. 5 in Table 2 of Annex 1			
ESRS E1-5 energy consumption and energy mix, item 37	Metric no. 5 in Table 1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in sectors with high climate impact, Paragraphs (40)-(43)	Metric no. 6 in Table 1 of Annex 1			
ESRS E1-6 Gross Scopes 1, 2 and 3 and total GHG emissions, item 44	Metrics nos. 1 and 2 in Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio - Climate change-related transition risk: credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)	

<sup>15</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

<sup>16</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, "CRR") (OJ L 176, 27.6.2013, p. 1).

<sup>17</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>18</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

<sup>19</sup> Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

Disclosure requirement and related data point	Reference from SFDR <sup>15</sup>	Reference from Pillar 3 <sup>16</sup>	Reference from the Benchmark Regulation <sup>17</sup>	EU Reference from Climate Law <sup>18</sup>
ESRS E1-6 Gross GHG emissions intensity, Paragraphs (53)-(55)	Metric no. 3 in Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio - Climate change-related transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits, item 56				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to physical climate risk, item 66			Commission Delegated Regulation (EU) 2020/1818, Annex II Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary values by acute and chronic physical risk, item 66(a) ESRS E1-9 Location of significant assets subject to significant physical risk, item 66(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, items 46 and 47, Template 5: Banking portfolio - Climate change-related physical risk: exposures subject to physical risk.		
ESRS E1-9 Breakdown of book value of real estate assets by energy efficiency classes, item 67(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, item 34; Template 2: Banking portfolio - Climate change-related transition risk: Loans secured by real estate - Energy efficiency of collateral.		
ESRS E1-9 Portfolio's exposure to climate-related opportunities, item 69			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, item 28	Metric no. 8 in Table 1 of Annex 1 Metric no. 2 in Table 2 of Annex 1 Metric no. 1 in Table 2 of Annex 1 Metric no. 3 in Table 2 of Annex 1			
ESRS E3-1 Water and marine resources, item 9	Metric no. 7 in Table 2 of Annex 1			
ESRS E3-1 Specific policy, item 13	Metric no. 8 in Table 2 of Annex 1			
ESRS E3-4 Total recycled and reused water, item 28(c)	Metric no. 6.2 in Table 2 of Annex 1			
ESRS E3-4	Metric no. 6.1 in Table 2 of Annex 1			

Disclosure requirement and related data point	Reference from SFDR <sup>15</sup>	Reference from Pillar 3 <sup>16</sup>	Reference from the Benchmark Regulation <sup>17</sup>	EU Reference from Climate Law <sup>18</sup>
Total water consumption in m <sup>3</sup> per net revenue from own operations, item 29				
ESRS 2- IRO 1 - E4 item 16(a)(i)	Metric no. 7 in Table 1 of Annex 1			
ESRS 2- IRO 1 - E4 item 16(b)	Metric no. 10 in Table 2 of Annex 1			
ESRS 2- IRO 1 - E4 item 16(c)	Metric no. 14 in Table 2 of Annex 1			
ESRS E4-2 Sustainable land/farming practices or policies, item 24(b)	Metric no. 11 in Table 2 of Annex 1			
ESRS E5-5 Non-recycled waste, item 37(d)	Metric no. 13 in Table 2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste, item 39	Metric no. 9 in Table 1 of Annex 1			
ESRS S1-1 Human rights policy commitments paragraph (20)	Metric no. 9 in Table 3 and metric no. 11 in Table 1 of Annex 1			
ESRS S1-1 Due diligence policies on matters covered by the International Labor Organization's fundamental Conventions 1-8, paragraph (21)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures to prevent trafficking in human being, item 22	Metric no. 11 in Table 3 of Annex 1			
ESRS S1-1 Policy on prevention of accidents at work, or a system to manage them, item 23	Metric no. 1 in Table 3 of Annex 1			
ESRS S1-3 complaint handling mechanisms, item 32(c)	Metric no. 5 in Table 3 of Annex 1			
ESRS S1-14 Number of fatalities, and number and rate of accidents at work, item 88(b) and (c)	Metric no. 2 in Table 3 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost due to injury, accidents, fatalities or illnesses, item 88(e)	Metric no. 3 in Table 3 of Annex 1			
ESRS S1-16 Gender pay gap in non-adjusted form, item 97(a)	Metric no. 12 in Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive ratio between the CEO pay and workers' pay, item 97(b)	Metric no. 8 in Table 3 of Annex 1			
ESRS S1-17 Discrimination incidents, item 103(a)	Metric no. 7 in Table 3 of Annex 1			
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, item 104(a)	Metric no. 10 in Table 1 and metric no. 14 in Table 3 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II to Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS 2- SBM3 – S2	Metrics nos. 12 and 13 in Table 3 of Annex 1			



Disclosure requirement and related data point	Reference from SFDR <sup>15</sup>	Reference from Pillar 3 <sup>16</sup>	Reference from the Benchmark Regulation <sup>17</sup>	EU Reference from Climate Law <sup>18</sup>
Significant risk of child labor or forced labor in the value chain, item 11(b)				
ESRS S2-1 Human rights policy commitments, item 17	Metric no. 9 in Table 3 and metric no. 11 in Table 1 of Annex 1			
ESRS S2-1 Policies concerning workers in the value chain, item 18	Metrics nos. 11 and 4 in Table 3 of Annex 1			
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, item 19	Metric no. 10 in Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II to Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S2-1 Due diligence policies on matters covered by the International Labor Organization's fundamental Conventions 1-8, item 19			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights matters and incidents related to its upstream and downstream value chain, item 36	Metric no. 14 in Table 3 of Annex 1			
ESRS S3-1 Human rights policy commitments, item 16	Metric no. 9 in Table 3 of Annex 1 and metric no. 11 in Table 1 of Annex 1			
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles, and the OECD Guidelines, item 17	Metric no. 10 in Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II to Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S3-4 Human rights matters and incidents, item 36	Metric no. 14 in Table 3 of Annex 1			
ESRS G1-1 United Nations Convention against Corruption, item 10(b)	Metric no. 15 in Table 3 of Annex 1			
ESRS G1-1 Whistleblower protection, item 10(d)	Metric no. 6 in Table 3 of Annex 1			
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, item 24(a)	Metric no. 17 in Table 3 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Anti-corruption and anti-bribery standards, item 24(b)	Metric no. 16 in Table 3 of Annex 1			

## ESRS E1 – CLIMATE CHANGE

### ■ SNN – Climate change

#### Strategy

Romania has committed to a number of strategic GHG emission reduction objectives and targets, such as: reduce its dependence on imports to meet the energy needs; replace coal in energy production by other less polluting sources; and other measures. Currently, SNN plays a strategic part at the national level, with 2 nuclear units operating at the highest safety and productivity standards, and contributing 20% to the total national energy demand. Now, the two nuclear units contribute to Romania's energy security by supplying 33% of Romania's total clean energy.

SNN continues to provide support to attainment of Romania's objectives by increasing the capacity to generate energy from nuclear sources by 2030. Nuclear energy has become an essential solution for decarbonization and a basic source of energy security and energy independence in the energy transition and attainment of the decarbonization targets.

### ■ Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model

SBM-3, IRO-1

The impacts, risks and opportunities, including those related to climate change, were identified and assessed as part of the dual materiality process, in an internal workshop and in consultations with other relevant sources, such as the permits needed for duly operation of the sites. This looks into how impacts and dependencies become sources of risks or opportunities:

- when SNN's activity depends on a natural resource;
- when SNN's activities have negative impacts, the activities could be subject to more stringent government regulation and/or the impact could have serious physical or reputation-related consequences;
- when SNN's business partners face material sustainability risks, the undertaking may also be exposed to related consequences.

SNN then determines which of these are material based on (i) the likelihood of occurrence, and (ii) the potential magnitude of the short, medium and long-term financial effects. The financial effects of the material risks and opportunities arising from impacts associated with climate change on SNN, in the short, medium and long-run, are assessed as having maximum positive effects of over 3% of turnover, for the energy and emission reduction opportunities, as well as for the adaptation risks, as these were assessed in the dual materiality assessment.

Sub-topic	Impact	Risk/Opportunity
Climate change mitigation	<b>Significant positive impact</b> of the company's business on the climate at national level, through production of energy with zero direct GHG emissions from the core business.	<p><b>Opportunity:</b> Efficient operation of SNN facilities, with investments in new production capacities for energy security and nuclear safety of its operations.</p> <p><b>Physical risk:</b> Improper operation of the nuclear plant can lead to additional activation of the diesel back-up installations, with the following consequences:</p> <ul style="list-style-type: none"> <li>- Delay in meeting the conditions imposed by CNCAN under the U1 and U2 Operating Permits, including in preparation of the Periodic Nuclear Safety Review;</li> </ul>

		<ul style="list-style-type: none"> <li>- Damages to the nuclear safety equipment and systems;</li> <li>- Breakdown of power discharge lines to SEN;</li> <li>- Accidental increase in the greenhouse gas emissions.</li> </ul>
Climate change adaptation	<b>Potential negative impact</b> at medium scale, unless the SNN sites not protected against flooding or wildfires.	<b>Physical risk:</b> Safety and production in SNN are affected, with a potential breach of legal risk prevention requirements.
Energy	<b>Significant positive impact</b> of the company's business on the climate at national level, through production of energy with zero direct GHG emissions from the core business.	<b>Opportunity:</b> Efficient operation of SNN facilities, with investments in new production capacities for energy security and nuclear safety of its operations.

An analysis of the physical risks related to SNN adapting to climate change was conducted out as part of a vulnerability study, as required under the EU Taxonomy Regulation<sup>20</sup>, its results were included in the DNSH analysis, and its findings are summarized in **Annex 1** of this Report.

In addition, SNN's risk register also records the energy and climate-related risks in the implemented system. The stages/activities of the regular risk assessment process are:

- Risk identification and assessment by the divisions of SNN SA,
- Documentation of risk analysis and estimation in risk data-sheets, in the risk management IT application,
- Approval/validation the risk registers at departmental level by their heads in the application and, for branches, also by the risk officers at branch level,
- Submission of the risk and actions/measures data-sheets for risk treatment, via the IT application, to the Risk Management Service (RMS),
- Aggregation, processing and analysis of the risk registers and risk information,
- Issue the Risk Management Report and its dissemination across the organization.

Risk information is circulated between risk owners, heads of divisions, risk officers in branches and the Risk Management Service's staff as part of the risk management process, using the risk management application.

In SNN, no transition risks, nor their financial effects, have been reviewed according to the ESRS requirements. For each material climate-related risk identified by the Company, an analysis is to be conducted to determine whether the risk is a climate-related physical risk or a climate-related transition risk. No targets or measures have been yet set, as this is the first reporting year under the ESRS content requirements, published in November 2023.

#### ▪ **Integration of sustainability performance into the incentive systems**

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GOV-3

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For reporting year (2023), no climate-related considerations were factored in the remuneration of the SNN management. There is no percentage of remuneration recognized to be linked to climate considerations during the reporting period.

#### ▪ **Climate change mitigation transition plan**

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ESRS E1-1

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In the reporting year (2023), there was no transition/emission reduction plan in place in SNN. SNN's Climate Strategy is under preparation, will include policies, targets and a transition/emission reduction plan for SNN, and is due to be adopted in 2024.

#### ▪ **Climate change mitigation and adaptation-related policies**

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ESRS E1-2

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No specific policies have been devised for these areas, as these are to be developed as part of SNN's 2024 climate strategy and transition/emission reduction plan.

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<sup>20</sup> Commission Delegated Regulation (EU) 2021/2139 - Classification of climate-related hazards

▪ **Actions and resources related to the climate change policies**

ESRS E1-3

The core business of Cernavoda NPP is production of electricity. The technology used to produce electricity has zero direct CO<sub>2</sub> emissions. One of the Company's main objectives is to operate its facilities at the highest nuclear standards. However, maintaining these standards requires leads to a correct operation of the nuclear installation, with the effect of reducing the use of fossil fuels.

As a result of the Stress Test Report issued after the Fukushima event, most of the world's nuclear power plants, including the Cernavoda NPP Branch, have also purchased emergency mobile diesel generators. All direct emissions are related to providing back-up for power supply, where the own power sources become unavailable. SNN's performance over time has proven that, so far, the back-up sources didn't have to be used.

For these installations, the Cernavoda NPP Branch has requested the point of view of the National Environmental Protection Agency (NEPA) on the need to have this equipment covered by the GHG Permit. The EU-ETS facilities of the Cernavoda NPP Branch do not operate during normal operation of the two nuclear units. The emergency and back-up diesel generators are kept on standby, are periodically checked for availability, and are designed to operate only in Class III or IV loss situations, for the purpose of supplying power to the main systems and secure nuclear safety for the reactors of Units U1 and U2. The start-up thermal plant (STP) is used to start up one unit of the Cernavoda NPP where both units are shut down and to provide heating of homes and spaces of Cernavoda NPP during this period. Because of this, after the start-up of Unit U2 and connection to the National Energy System (SEN), the STP use considerably reduced, with only regular testing for availability.

No specific and direct emission reduction actions have been taken in SNN because SNN's core business helps mitigation at national and global level, as a major energy producer without (significant) GHG emissions in the production process.

Actual GHG emission reduction*	emissions	NA
Projected GHG emission reduction	emissions	not determined**

\* 2023 is the first reporting year under ESRS

\*\* A reduction occurred for Scope 2 (indirect) emissions from the purchase of renewable energy at Cernavoda NPP.

**Management of risks related to climate factors**

The internal and external OPEX (operating experience) process is carefully monitored and reported on to through the External Nonconformity Reporting Process - CECA - the NCRs (Non Conformity Reports) classification committee reviews the issued NCRs and decides on the NCRs category. Important NCs are subject to root-cause investigations, followed by preventive/corrective/improvement actions. Also, within the plant management committees have available reports on these main NCs.

The investigations and root-causes are debated on in the weekly meetings of the NPP management and, once the reports are approved, either actions are taken, or action plans are devised to properly monitor application of the decisions made.

Daily, hydrological and meteorological data is received from national institutes and represents basic inputs to assessment of business-related risks (via EOOS-Risk Monitor). Participants in the daily management meeting are informed about the risk level results for the previous day and the current day estimates and, if necessary, additional actions are decided based on the risk level and the potentially affected safety issues.

At corporate level, there is a risk management process in place, and its deliverable is a 3-month integrated report of the risk register and the actions required to mitigate the risks. The report also contains the "Climate Risks" chapter, which details general information at corporate level.

**Integrating physical climate changes into the regular risk assessments and the business strategy**

The NPP's procedures in force, which also include instructions for extreme conditions related to climate change, are implemented in all activities of the power plant, and a regular daily risk assessment is carried out and discussed in the operational decision meeting, as presented above.

Every 3 months, is a meeting called Plant Safety Operating Committee (PSOC) is held with the first line management to discuss the Plant Risk Report with the aid of the Risk Monitor (EOOS) for the last 3 months and also for the last 12 months. The aggregate annual risk metric calculated for the period concerned is compared against the documentary limit set for the EPSN average risk level (2.61E-05); usually, this value is conservatively set below the limit recommended by the IAEA (1E-04).

**Responsibility of the management or of Board of Directors level for the climate change risks**

In SNN, the climate change risks and any other abnormal situations falls under the responsibility of the management and the Operations Division of the nuclear power plant, and actions are taken depending on the type of hazard and the action level contain in the main document of the OP&P power plant, i.e. the emergency procedures (depending on the specifics of extreme events of natural origin - EEON).

The report for the last part of 2022 was submitted to, and approved by, the SNN management in the second half of January 2023.

### Initiatives to manage or adapt to climate change physical risks

Under contracts and/or through mutual Protocols, the weather conditions supplied by the Institute of Hydrology, the Institute of Meteorology and the Institute of Seismic Research (if necessary) are daily updated. This information is input data for the daily assessment of activities, plants and their related risks, carried out under the plant risk monitoring procedure (EOOS). The average risk template is presented and discussed daily in the operational meeting of the plant and, if necessary, additional actions are decided based on the estimated risk level.

After the Fukushima event, corrective actions were devised and implemented to accommodate the lessons learned from this event. The emergency plan and procedures, agreements, protocols and contracts in force have been revisited and revised to better adapt to the emergency response in case of serious accidents that overlap natural disasters. A sound accident management programme, with Abnormal Operating Procedures (APOP), is in place. Particular attention was paid to the communication systems, where measures were taken together with the special national communication services to complete and improve the existing communication systems.

In 2022, an independent assessment of the power plant's design was carried out against the assessment of external events regarding extreme air and water temperatures in terms of the actual results of the external events, such as extreme wind, tornado, extreme rainfall/snowfall and their potential risk to the power plant's systems and structures performing a nuclear safety function.

The results of the above assessments are included in the updates of the FSR (Final Safety Report), a document that is part of the basic design document required for approval by the nuclear authority and for the sustainability of the power plant's license.

### Recognition of climate change physical risks

The final safety analysis report (FSAR) and the addenda thereto, as well as other permitting-supporting documents, make up the summary of the safety case for Cernavoda NPP. Under the FSAR, most hazards are addressed in Chapter 2 thereof, Site Characteristics, which includes the geography, demographics, nearby industrial, transport and military facilities, meteorology, hydrology, geology and seismology. FSAR's Chapter 3, Nuclear Power Plant's Buildings and Structures, describes the design characteristics to protect structures against the effects of hazards.

- **Earthquakes** - were tackled by a deterministic risk analysis to determine the parameters for a design earthquake.
- **Extreme weather conditions** – were determined based on data collected in the vicinity of the power plant, subject to a limited use of on-site weather data.
- **Historical wind data** - wind and seismic events have similar effects, but the seismic effects are more limiting; so, the effects of wind were not addressed separately (save for the outer wall panels, etc.). Tornadoes were deemed to occur at very low frequencies.
- **Snow** - the maximum snow-cover was determined to be 136 cm in 1954, based on records from nearby locations. The original design standard used in FSAR was compared against modern standards and it was concluded that the original design value is conservative.
- **Rainfall** - The highest value of these absolute maximum amounts of precipitation in 24 h in Cernavoda was 103.5 mm, recorded in July 1993; the longest duration of precipitation was recorded in Fetesti, in April 1984 and lasted 90 hours. The value used for the design/flood protection tasks is documented; additionally, the drainage on site and in Valea Cismelei and Valea Viteilor was identified and rated as adequate to avoid floods.
- **Drought** – The minimum levels of the Danube River (at specified confidence levels) are determined and documented in FSAR and have proven to be adequate to provide sufficient water for the safety systems of the plants. However, the operating procedures for maintenance of the safety case have been re-assessed and revised.
- **Hydrology** - The hazards related to surface and underground water are addressed.
- **Emergency water supply**
- **Ice** - even in icy winters, there is always enough water available for the unit's safety systems.
- **Floods** - The levels of the Danube River and the Danube-Black Sea canal were analyzed based on historical data and an assumption of failure of the upstream dam on the River. The result showed that the height of the site is sufficient to avoid safety problems in case of floods. The runoff from Cismelei Valley and Viteilor Valley was also analyzed for the level of precipitation and was taken into account in the design of the plant so as to avoid flooding. Unit 1 is protected against flooding caused by the rising groundwater levels by including a perimeter containment wall around the nuclear island, which provides protection against levels higher than the 100-year maximum groundwater level, and there are pumps available to remove any water intrusion. Additionally, areas, such as probabilistic security analysis (PSA), have been expanded and improved. Much of this development was supported and reviewed by organizations, such as the IAEA.
- **Biological hazards** (addressed under IAEA NS-G-1.5)

A major study has been published and approved by the EU after the 2011 FUKUSHIMA event, known as the Stress Test Report, based on the requirements set by the Western European Nuclear Regulators Association (WENRA) and the European Nuclear Safety Regulators Group (ENSREG), which addresses the aspects required by the EU "stress test" specifications, where the initial design basis of nuclear power plant units is discussed, followed by a detailed assessment of each of the major aspects for the design basis overrun conditions.

This detailed assessment concludes that both units of Cernavoda NPP nuclear power plant, as these were designed, meet the safety requirements laid down in the initial design, while also providing for sufficient safety margins against serious earthquakes, floods, power failures, and loss of final radiator. Ever since, improvements have since been identified and implemented to increase the available safety margins. A stand-alone assessment was conducted using a risk-based process to determine which improvements are recommended for implementation with priority.

There is also a number of NPP internal procedures, forms/checklists and briefings, in addition to the Design Base Documents (DBA) required for the Licensing Design Base Documents (DBA) of the nuclear power plant's units, which describe the methods and actions that must be taken depending on the type of extreme weather hazard and/or any combination of hazards and operational risks.

**Annex 1** shows the significant amounts of CapEx and OpEx required to implement the actions undertaken or planned for the climate objectives, these being investments in the core business of SNN, with the key performance indicators set out in the Commission Delegated Regulation (EU) 2021/2178 and the CapEx plan provided in the Commission Delegated Regulation (EU) 2021/2178.

No specific emission reduction actions have been taken in either Cernavoda NPP or Pitesti NPP. These are to be devised as part of SNN's 2024 climate strategy and transition/emission reduction plan.

The activities planned for the immediate future include investments to improve the energy efficiency of the buildings owned by SNN in Bucharest, resulting into a reduced energy consumption. Under the exterior and interior refurbishment projects concerning the buildings owned by SNN in Bucharest, 8 Slavesti St., and 65 Polona St., which are in the progress for energy efficiency purposes, SNN envisaged the following climate change mitigation actions:

- Investments in renewal of the thermal insulation system (replacement of the window frames with minimum thermal resistance (W/m<sup>2</sup>K):0.77; application of thermosystem on the upper floor with a thickness of 20 cm; application of thermosystem on the facade, with a thickness of 10 cm, in order to obtain a lower PNV for the buildings at 65 Polona St.
- Investments in renewal of the thermal insulation system (replacement of the window frames with minimum thermal resistance (W/m<sup>2</sup>K):0.77; application of thermosystem on the upper floor with a thickness of 20 cm; application of polystyrene/basaltic mineral wadding on the facade of the building, with a thickness of 10 cm, in order to obtain a lower PNV for the buildings at 8 Slavesti St.
- Thermal insulation of the envelope with mineral wadding of at least 20 cm.
- Replacement of existing lighting fixtures by economic lighting fixtures (LED) in the three buildings owned by SNN (Polona/Slavesti St.).

As to the types of contractual tools used for the sale and purchase of electricity, it should be noted that SNN sells the electricity produced by **Cernavoda NPP**:

- through the ECPM (Electricity Centralized Purchase Mechanism)
- under concluded on the trading platforms
- SNN buys electricity to perform two functions:
- Purchases as a participant in the wholesale market with the aim of optimizing its production and selling it on the wholesale market.
- Purchase of energy for own consumption, as end-consumer.

The own process consumption of NPP is mainly covered from in-house production. However, the electricity used for internal consumption and purchased from third parties (Electrica, Hidroelectrica and Enel) was 3,082.09 MWh in 2023.

**Consumption of Pitesti NPP** - in 2023, Pitesti NPP had a consumption of 4,844.72 MWh. This electricity was supplied by Enel, through RATEN-NRI of Pitesti.

**Consumption in other buildings** - is covered by Hidroelectrica, at the Bucharest location, Polona St., and by Renovation Trading, for the Crystal Tower Bucharest. In 2023, the consumption was 443.80 MWh.

▪ **Targets related to climate change mitigation and adaptation**

ESRS E1-4

SNN's Climate Strategy will include policies, targets and a transition/emission reduction plan for SNN, including adaptation, and is due to be adopted in 2024. In 2023, SNN did not set any GHG emission reduction targets, but a strategy will be devised with targets against this baseline year in 2024. Scope 1 emissions will be limited to the Company's secondary activities, if any, given that the core business (electricity generation) has zero direct emissions, as for the Scope 2 emissions from Cernavoda NPP.

	M.U.	Baseline year 2023*	Target for 2030	Target for 2035	...	Sales by 2050
Absolute value of GHG emission reduction (tons, CO <sub>2</sub> e)	GHG emissions	0	to be determined	to be determined		to be determined
Percentage of GHG emission reduction, out of a baseline year's emissions	percentage	0	to be determined	to be determined		to be determined
Value of GHG emission reduction intensity	decimal	0	to be determined	to be determined		to be determined
Absolute value of GHG emission reduction - Scope 1	GHG emissions	0	not applicable	not applicable		not applicable
Percentage of Scope 1 GHG emission reduction, out of a baseline year's emissions	percentage	0	not applicable	not applicable		not applicable

Value of GHG emission reduction intensity - Scope 1	decimal	0	not applicable	not applicable	not applicable
Absolute value of GHG emission reduction - Scope 2, <b>depending on site</b>	GHG emissions	0	to be determined	to be determined	to be determined
Percentage of Scope 2 GHG emission reduction, depending on site, out of a baseline year's emissions	percentage	0	to be determined	to be determined	to be determined
Value of GHG emission reduction intensity - Scope 2, depending on site	decimal	0	to be determined	to be determined	to be determined
Absolute value of GHG emission reduction - Scope 2, <b>based on market</b>	GHG emissions	0	to be determined	to be determined	to be determined
Percentage of Scope 2 GHG emission reduction, based on market, out of a baseline year's emissions	percentage	0	to be determined	to be determined	to be determined
Value of GHG emission reduction intensity - Scope 2, base on market	decimal	0	to be determined	to be determined	to be determined
Absolute value of GHG emission reduction - Scope 3	GHG emissions	0	to be determined	to be determined	to be determined
Percentage of Scope 3 GHG emission reduction, out of a baseline year's emissions	percentage	0	to be determined	to be determined	to be determined
Value of GHG emission reduction intensity - Scope 3	decimal	0	to be determined	to be determined	to be determined

\* The baseline year is the reporting year (2023) - the first reporting under ESRS

SNN has not set any reduction targets for the direct GHG emissions from installations. The start-up thermal plant (STP) is used to start up one unit of the Cernavoda NPP where both units are shut down and to provide heating of homes and spaces of Cernavoda NPP during this period. Because of this, after the start-up of Unit U2 and connection to the National Energy System (SEN), the STP use considerably reduced, with only regular testing for availability. Consequently, the carbon dioxide emissions generated by the EU-ETS installations of Cernavoda NPP come from burning diesel and Light Liquid Fuel (LLF) (for STP), for the purpose of running the regular performance tests with the frequency instructed by CNCAN. SNN cannot set any GHG emission reduction targets because the purpose of these installations is to ensure emergency power supply to the plant's systems, when the electricity supply from own sources is unavailable. The current emission levels is already at the lowest possible because the combustion plants are only used to prove readiness before the Romanian nuclear regulator.

## ▪ Energy consumption and energy mix

ESRS E1-5

### Cernavoda NPP

In 2023, approximately 288.31 tons of liquid fuel were consumed (1 ton of conventional fuel (TCF) = 8.141 MWh)

Energy consumption and energy mix	Benchmark <sup>21</sup>	Year N (2023)
(1) Consumption of fuel from coal and coal products (MWh)	not applicable	0
(2) Consumption of fuel from crude oil and petroleum products (MWh)	not applicable	2347.13
(3) Consumption of fuel from natural gas (MWh)	not applicable	0
(4) Consumption of fuel from other fossil sources (MWh)	not applicable	0
(5) Consumption of electricity, heat, steam and coolant purchased or obtained from fossil sources (MWh)	not applicable	0
(6) Total fossil energy consumption (MWh) (calculated as sum of rows 1-5)	not applicable	2347.13
Share of fossil sources in total energy consumption (%)	not applicable	100%
(7) Consumption from nuclear sources (MWh)	not applicable	0
Share of consumption from nuclear sources in total energy consumption (%)	not applicable	0%
(8) Consumption from renewable fuel, including biomass (including industrial and municipal biowaste, biogas, renewable hydrogen, etc.) (MWh)	not applicable	0

<sup>21</sup> Previous year, no data is entered for the first reporting year

(9) Consumption of electricity, heat, steam and coolant purchased or obtained from renewable sources (MWh)	not applicable	0
(10) Consumption of renewable energy, other than in-house produced fuels (MWh)	not applicable	0
(11) Total renewable energy consumption (MWh) (calculated as sum of rows 8-10)	not applicable	0
Share of renewables in total energy consumption (%)	not applicable	0
<b>Total energy consumption (MWh) (calculated as sum of rows 6 and 11)</b>	<b>not applicable</b>	<b>2347.13</b>

#### Non-renewable energy production and renewable energy production, in MWh

Non-renewable energy production (MWh)*	<b>10,312,143.39 MWh</b>
Renewable energy production (MWh)	0

\*Nuclear energy produced (net) by Cernavoda NPP (U1+U2)

The amount of the net revenues from activities in economic sectors with high climate impact (SNN activity) used for calculation of the GHG emission intensity is found in the SNN's Stand-Alone Financial Statements to the Profit and Loss Standalone Statement, under the line "Total revenue".

#### Pitesti NFP

Electricity was supplied through RATEN-NRI by ENEL, and the green label indicates the share of each energy source (available for 2022). In 2023, Pitesti NFP used 4,845 MWh of electricity.

Energy consumption and energy mix	Benchmark <sup>22</sup>	Year N (2023)
(1) Consumption of fuel from coal and coal products (MWh)	not applicable	557.6
(2) Consumption of fuel from crude oil and petroleum products (MWh)	not applicable	1.9
(3) Consumption of fuel from natural gas (MWh)	not applicable	544.09
(4) Consumption of fuel from other fossil sources (MWh)	not applicable	016.9
(5) Consumption of electricity, heat, steam and coolant purchased or obtained from fossil sources (MWh)	not applicable	0
(6) Total fossil energy consumption (MWh) (calculated as sum of rows 1-5)	not applicable	1120
Share of fossil sources in total energy consumption (%)	not applicable	23.11%
(7) Consumption from nuclear sources (MWh)	not applicable	1,592.5
Share of consumption from nuclear sources in total energy consumption (%)	not applicable	32.87%
(8) Consumption from renewable fuel, including biomass (including industrial and municipal biowaste, biogas, renewable hydrogen, etc.) (MWh)	not applicable	0
(9) Consumption of electricity, heat, steam and coolant purchased or obtained from renewable sources (MWh)	not applicable	2,132.2
(10) Consumption of renewable energy, other than in-house produced fuels (MWh)	not applicable	0
(11) Total renewable energy consumption (MWh) (calculated as sum of rows 8-10)	not applicable	2,132.2
Share of renewables in total energy consumption (%)	not applicable	44.01
<b>Total energy consumption (MWh) (calculated as sum of rows 6 and 11)</b>	<b>not applicable</b>	<b>4,845</b>

#### Other offices/sites

Date about the consumption recorded by both the **buildings of Polona/Slavesti St., and at the new SNN headquarters - Crystal Tower building**, is included below.

Energy consumption and energy mix	Benchmark <sup>23</sup>	Year N (2023)
(1) Consumption of fuel from coal and coal products (MWh)	not applicable	0
(2) Consumption of fuel from crude oil and petroleum products (MWh)	not applicable	261.83

<sup>22</sup> Previous year, no data is entered for the first reporting year

<sup>23</sup> Previous year, no data is entered for the first reporting year



(3) Consumption of fuel from natural gas (MWh)	not applicable	327.72
(4) Consumption of fuel from other fossil sources (MWh)	not applicable	0
(5) Consumption of electricity, heat, steam and coolant purchased or obtained from fossil sources (MWh)	not applicable	71.71
(6) Total fossil energy consumption (MWh) (calculated as sum of rows 1-5)	not applicable	661.27
Share of fossil sources in total energy consumption (%)	not applicable	63.99%
(7) Consumption from nuclear sources (MWh)	not applicable	89.97
Share of consumption from nuclear sources in total energy consumption (%)	not applicable	8.70%
(8) Consumption from renewable fuel, including biomass (including industrial and municipal biowaste, biogas, renewable hydrogen, etc.) (MWh)	not applicable	1.31
(9) Consumption of electricity, heat, steam and coolant purchased or obtained from renewable sources (MWh)	not applicable	280.77
(10) Consumption of renewable energy, other than in-house produced fuels (MWh)	not applicable	0
(11) Total renewable energy consumption (MWh) (calculated as sum of rows 8-10)	not applicable	282.09
Share of renewables in total energy consumption (%)	not applicable	27.30
Total energy consumption (MWh) (calculated as sum of rows 6 and 11)	not applicable	1033.36

### Gross Scopes 1, 2 and 3 GHG emissions, and total GHG emissions

ESRS E1-6

Cernavoda NPP	Retrospectively				Milestones and Years-Target			
	Amount for year (2023)	Benchmark <sup>24</sup>	N (2023)	% N / N-1	2025	2030	(2050)	Annual % target/Baseline year
<b>GHG emissions - Scope 1</b>								
Gross GHG emissions - Scope 1 (tCO <sub>2</sub> e)	3,621.069	not applicable	3,621.069	-	no targets are set*	no targets are set*	no targets are set*	
Percentage of category 1 GHG emissions from emissions regulated trading schemes (%)	0	not applicable	0	-	to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 2</b>								
Gross GHG emissions - Scope 2 location-based (tCO <sub>2</sub> e)	153.456	not applicable	153.456	-	to be determined	to be determined	to be determined	
Gross GHG emissions - Scope 2 market-based (tCO <sub>2</sub> e)	688.077	not applicable	688.077	-	to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 3</b>								
	40,072.526 (location based)	not applicable	40,072.526 (location based)	-				

<sup>24</sup> Previous year, no data is entered for the first reporting year

Gross GHG emissions - <b>Scope 3</b> (tCO2e)	40,129.439 (market based)		40,129.439 (market based)		to be determined	to be determined	to be determined	
1 Purchased goods and services	34,119.497	not applicable	34,119.497	-	to be determined	to be determined	to be determined	
<i>(Optional sub-category: Cloud computing and datacenter services)</i>	-	not applicable	-	-	to be determined	to be determined	to be determined	
2 Capital goods	3,229.782	not applicable	3,229.782		to be determined	to be determined	to be determined	
3 Fuel and energy-related activities Activities (not included in category 1 or category 2)	452.705 (location based) 509.618 (market based)	not applicable	452.705 (location based) 509.618 (market based)		to be determined	to be determined	to be determined	
4 Transport and distribution downstream	-	not applicable	-		to be determined	to be determined	to be determined	
5 Waste resulting from operations	155.932	not applicable	155.932		to be determined	to be determined	to be determined	
6 Business trips	602.73	not applicable	602.73		to be determined	to be determined	to be determined	
7 Employee commuting	1,511.88	not applicable	1,511.88		to be determined	to be determined	to be determined	
8 Upstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
9 Downstream transport	-	not applicable	-		to be determined	to be determined	to be determined	
10 Processing of sold products	-	not applicable	-		to be determined	to be determined	to be determined	
11 Use of sold products	-	not applicable	-		to be determined	to be determined	to be determined	
12 Treatment of products sold at the end of lifecycle	-	not applicable	-		to be determined	to be determined	to be determined	
13 Downstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
14 Franchises	-	not applicable	-		to be determined	to be determined	to be determined	
15 Investments	-	not applicable	-		to be determined	to be determined	to be determined	

Total GHG emissions								
Total GHG emissions (location-based)* (tCO <sub>2</sub> e)	43,847.051	not applicable	43,847.051		to be determined	to be determined	to be determined	
Total GHG emissions (market-based)** (tCO <sub>2</sub> e)	44,438.585	not applicable	44,438.585		to be determined	to be determined	to be determined	

\*Total GHG emissions location-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions location-based + Gross Scope 3 GHG emissions location-based

\*\*Total GHG emissions market-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions market-based + Gross Scope 3 GHG emissions market-based

It contains the CO<sub>2</sub> emissions coming from the combustion plants that supply power to the plant's systems, added to the emissions of the car fleet and the fugitive emissions.

SNN cannot set any Gross Scope 1 GHG emission reduction targets because the purpose of these installations is to ensure emergency power supply to the plant's systems, when the electricity supply from own sources is unavailable.

Pitesti NFP	Retrospectively				Milestones and Years-Target			
	Amount for year (2023)	Benchmark	N (2023)	% N / N-1	2025	2030	(2050)	Annual % target/Baseline year
<b>GHG emissions - Scope 1</b>								
Gross GHG emissions - Scope 1 (tCO <sub>2</sub> e)	152.497	not applicable	152.497	-	to be determined	to be determined	to be determined	
Percentage of category 1 GHG emissions from emissions regulated trading schemes (%)	0	not applicable	0		to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 2</b>								
Gross GHG emissions - Scope 2 location-based (tCO <sub>2</sub> e)	671.28	not applicable	671.28		to be determined	to be determined	to be determined	
Gross GHG emissions - Scope 2 market-based (tCO <sub>2</sub> e)	1,081.58	not applicable	1,081.58		to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 3</b>								
Gross GHG emissions - Scope 3 (tCO <sub>2</sub> e)	62,320.219 (location based)	not applicable	62,320.219 (location based)		to be determined	to be determined	to be determined	
	62,363.898 (market based)		62,363.898 (market based)					
1 Purchased goods and services	61,302.81	not applicable	61,302.81		to be determined	to be determined	to be determined	
(Optional sub-category: Cloud computing and	-	not applicable	-		to be determined	to be determined	to be determined	

<i>datacenter services)</i>								
2 Capital goods	0	not applicable	0		to be determined	to be determined	to be determined	
3 Fuel and energy-related activities	376.327 (location based)	not applicable	376.327 (location based)		to be determined	to be determined	to be determined	
Activities (not included in category 1 or category 2)	420.006 (market based)		420.006 (market based)					
4 Transport and distribution downstream	220.251	not applicable	220.251		to be determined	to be determined	to be determined	
5 Waste resulting from operations	15.129	not applicable	15.129		to be determined	to be determined	to be determined	
6 Business trips	23.776	not applicable	23.776		to be determined	to be determined	to be determined	
7 Employee commuting	381.926	not applicable	381.926		to be determined	to be determined	to be determined	
8 Upstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
9 Downstream transport	-	not applicable	-		to be determined	to be determined	to be determined	
10 Processing of sold products	-	not applicable	--		to be determined	to be determined	to be determined	
11 Use of sold products	-	not applicable	-		to be determined	to be determined	to be determined	
12 Treatment of products sold at the end of lifecycle	-	not applicable	-		to be determined	to be determined	to be determined	
13 Downstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
14 Franchises	--	not applicable	-		to be determined	to be determined	to be determined	
15 Investments	-	not applicable	--		to be determined	to be determined	to be determined	
<b>Total GHG emissions</b>								
Total GHG emissions (location-based)* (tCO <sub>2</sub> e)	63,144,001	not applicable	63,144,001		to be determined	to be determined	to be determined	

Total GHG emissions (market-based)** (tCO <sub>2</sub> e)	63,597,979	not applicable	63,597,979		to be determined	to be determined	to be determined	
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\*Total GHG emissions location-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions location-based + Gross Scope 3 GHG emissions location-based

\*\*Total GHG emissions market-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions market-based + Gross Scope 3 GHG emissions market-based

OTHER SNN OFFICES/SITES Headquarters	Retrospectively				Milestones and Years-Target			
	Amount for year (2023)	Benchmark <sup>25</sup>	N (2023)	% N / N-1	2025	2030	(2050)	Annual % target/Baseline year
<b>GHG emissions - Scope 1</b>								
Gross GHG emissions - Scope 1 (tCO <sub>2</sub> e)	77.474	not applicable	77.474	-	to be determined	to be determined	to be determined	
Percentage of category 1 GHG emissions from emissions regulated trading schemes (%)	0	not applicable	0	-	to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 2</b>								
Gross GHG emissions - Scope 2 location-based (tCO <sub>2</sub> e)	32.676	not applicable	32.676	-	to be determined	to be determined	to be determined	
Gross GHG emissions - Scope 2 market-based (tCO <sub>2</sub> e)	99.078	not applicable	99.078	-	to be determined	to be determined	to be determined	
<b>GHG emissions - Scope 3</b>								
Gross GHG emissions - Scope 3 (tCO <sub>2</sub> e)	1,048,674 (location based)	not applicable	1,048,674 (location based)	-	to be determined	to be determined	to be determined	
	1,048.59 (market based)		1,048.59 (market based)					
1 Purchased goods and services	338,118	not applicable	338,118	-	to be determined	to be determined	to be determined	
(Optional sub-category: Cloud computing and datacenter services)	-	not applicable	-		to be determined	to be determined	to be determined	
2 Capital goods	-	not applicable	-		to be determined	to be determined	to be determined	
	60.467	not applicable	60.467					

<sup>25</sup> Previous year, no data is entered for the first reporting year

3 Fuel and energy-related activities Activities (not included in category 1 or category 2)	60.383 (market based)		60.383 (market based)		to be determined	to be determined	to be determined	
4 Transport and distribution downstream		not applicable			to be determined	to be determined	to be determined	
5 Waste resulting from operations	29.932	not applicable	29.932		to be determined	to be determined	to be determined	
6 Business trips	108.345	not applicable	108.345		to be determined	to be determined	to be determined	
7 Employee commuting	511.812	not applicable	511.812		to be determined	to be determined	to be determined	
8 Upstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
9 Downstream transport	-	not applicable	-		to be determined	to be determined	to be determined	
10 Processing of sold products	-	not applicable	-		to be determined	to be determined	to be determined	
11 Use of sold products	-	not applicable	-		to be determined	to be determined	to be determined	
12 Treatment of products sold at the end of lifecycle	-	not applicable	-		to be determined	to be determined	to be determined	
13 Downstream leased assets	-	not applicable	-		to be determined	to be determined	to be determined	
14 Franchises	-	not applicable	-		to be determined	to be determined	to be determined	
15 Investments	-	not applicable	-		to be determined	to be determined	to be determined	
<b>Total GHG emissions</b>								
Total GHG emissions (location-based)* (tCO <sub>2</sub> e)	1,158.824	not applicable	1,158.824		to be determined	to be determined	to be determined	
Total GHG emissions (market-based)** (tCO <sub>2</sub> e)	1,225.142	not applicable	1,225.142		to be determined	to be determined	to be determined	

\*Total GHG emissions location-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions location-based + Gross Scope 3 GHG emissions location-based

\*\*Total GHG emissions market-based (tCO<sub>2</sub>e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions market-based + Gross Scope 3 GHG emissions market-based

2023	M.U.	Cernavoda NPP	Pitesti NFP	SNN HQ
Absolute value of GHG emissions - Scope 1	tCO2e	3,621.069	152.497	77.474
Absolute value of GHG emissions - Scope 2, <b>location-based</b>	tCO2e	153.456	671.284	32.676
Absolute value of GHG emissions - Scope 2 <b>market-based</b>	tCO2e	688.077	1,081.584	99.078
Absolute value of GHG emissions - Scope 3 <b>location-based</b>	tCO2e	40,072.526	62,320.219	1,148.674
Absolute value of GHG emissions - Scope 3 <b>market-based</b>	tCO2e	40,129.439	62,363.898	1,048.590
Absolute value of GHG emissions - total <b>location-based</b>	tCO2e	43,847.051	63,144.001	1,158.824
Absolute value of GHG emissions - total <b>market-based</b>	tCO2e	44,438.585	63,597.979	1,225.142
Absolute value of GHG emissions - total SNN <b>location-based*</b>	tCO2e	108,149.876		
Absolute value of GHG emissions - total SNN <b>market-based**</b>	tCO2e	109,261.707		

\*Total GHG emissions location-based (tCO2e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions location-based + Gross Scope 3 GHG emissions location-based

\*\*Total GHG emissions market-based (tCO2e) = Gross Scope 1 GHG emissions + Gross Scope 2 GHG emissions market-based + Gross Scope 3 GHG emissions market-based

The **methodologies, key assumptions and emission factors used to calculate or measure the GHG emissions** are presented below:

#### **Scope 1 – Direct emissions coming from the company's activities on site and from the car fleet - property of the company**

##### **Cernavoda NPP**

The CO<sub>2</sub>e emissions are calculated according to the legislation on greenhouse gas emissions, applying the calculation methodology validated at the national level and based on the specific characteristics of the fuels (NFP and FE) and the quantities of fuel consumed, and are reported to the National Environmental Protection Agency according to the requirements of the Greenhouse Gas Emissions Permit no. 38/2021, subject to review and validation by the authorized bodies and to annual compliance with the requirements to hand over the EUA certificates for the amount of approved emissions. The sources of direct GHG emissions during the operation period of Cernavoda NPP are associated with the following activities:

- LLF burning in the boilers of the Start-Up Thermal Plant (STP);
- diesel burning in the diesel units of the back-up supply system;
- diesel burning in the diesel generators of the Emergency Supply System;
- management (storage/handling) of liquid fuels on the premises of Cernavoda NPP;
- traffic on the premises of the facility, in particular in the area of the garage and the car parks of U1 and U2.

The provisions of Directive 2003/87/EC ("ETS Directive"), setting out the obligation for the operators of installations included in the emissions trading scheme (EU ETS) to hold a valid GHG emission permit issued by the relevant competent authority, to monitor and report on emissions, and to have their reports reviewed under Article 15 of the EU ETS Directive and of the Regulation pursuant to that article.

The methodology set out in the Monitoring and Reporting Regulation (Commission Regulation (EU) No 2018/2066, as amended, hereinafter referred to as the "MRR"), which defines additional monitoring and reporting requirements, was applied to calculate the CO<sub>2</sub> emissions.

##### **Pitesti NFP – methodology**

The sources of CO<sub>2</sub> emissions on the site of Pitesti NFP are as follows:

- diesel burning in diesel generators
- fuel consumption for the car fleet
- natural gas consumption
- equipment loading with refrigerants (Freon) - fugitive emissions.

The following methodologies were applied to calculate the CO<sub>2</sub> emissions:

- for fuel consumption, an emission factor of 2.7 kg of CO<sub>2</sub>/liter for diesel and of 2.3 kg of CO<sub>2</sub>/liter for gasoline was applied (factors taken from literature);

- for gas consumption, an emission factor of 0.2 kg CO<sub>2</sub>/kWh was applied, as published by DEFRA 2023, WTT-fuels, gaseous fuels, natural gas, kWh (Net CV)
- for fugitive emissions, the sum of the quantities of freon loaded in installations in 2023, multiplied by the global warming potential (as stated in the safety data-sheets of each product), was calculated.

#### Other offices/sites - SNN Headquarters

The following methodologies were applied to calculate the CO<sub>2</sub> emissions:

- for gas consumption, an emission factor of 0.205 kg CO<sub>2</sub>/kWh was applied, according to the published conversion factor of primary energy into CO<sub>2</sub>e emissions, pursuant to Annex no. 4 "Conversion Factors", Table 2 "Conversion factors of primary energy into CO<sub>2</sub>e emissions" in Order no. 2641/2023, Annex no. 4 of the Ministry of Environment, Water and Forests
- The following formula was applied for fuel consumption:
- for fuel consumption, an emission factor of 2.7 kg of CO<sub>2</sub>/liter for diesel and of 2.3 kg of CO<sub>2</sub>/liter for gasoline was applied (factors taken from literature).

#### Scope 2 – CO<sub>2</sub>e emissions coming from purchase of electricity and used for own purposes

This category includes indirect emissions related to the purchase of electricity or heat acquired and consumed by the Company. The methodology applied to inventory the Scope 2 CO<sub>2</sub>e emissions is aligned with the international good inventory and reporting practices, and complies with the applicable rules under the standards "GHG Protocol: A Corporate Accounting and Reporting Standard".

The following formula was applied: Total CO<sub>2</sub> (tons of CO<sub>2</sub>) = Electricity for internal consumption purchased from third parties x Emission factor (gCO<sub>2</sub>/kWh) of the third producer x 0.000001

#### Cernavoda NPP - Methodology

GHG emissions are mainly calculated based on the electricity consumption measured in the local grid and the supplier-specific emission factors (location based), and the ANRE (National Energy Regulator) emission factor – market based. Emission factors specific to the three utilities providers, from which we purchased electricity, as valid for 2022, were used, because the electricity label was not available for 2023, namely: Electrica, Hidroelectrica and Enel.

Electricity supplier	Consumption place	Emission factor 2022 [gCO <sub>2</sub> /kWh] of third producer	Emission factor published by ANRE in 2022 [g/kWh]
Electrica*	Cernavoda NPP	225.03	223.25
Hidroelectrica**	Cernavoda NPP	0.6083	223.25
Enel***	Cernavoda NPP	138.56	223.25

\*We used the 2022 energy label for Electrica because the 2023 label was not available

\*\*We used the 2022 energy label for Hidroelectrica because the 2023 label was not available

\*\*\*We used the 2022 energy label for Enel because the 2023 label was not available

#### Pitesti NFP – methodology

To calculate the CO<sub>2</sub> emissions resulting from the purchase of electricity, we considered the supplier's CO<sub>2</sub> emission factor (market based) and that calculated by ANRE (location based), as listed in the supplier's green label. On the date of these calculations, the supplier had not yet published the 2023 green label; therefore, the emission factors published in 2022 were used.

The following conversion factors were applied:

Electricity supplier	Consumption place	Emission factor [gCO <sub>2</sub> /kWh] of third producer	Emission factor published by ANRE in 2022 [g/kWh]
ENEL*	Pitesti NFP	138.56	223.25

\*We used the 2022 energy label for Enel because the 2023 label was not available

#### Other offices/sites - SNN Headquarters

To calculate the CO<sub>2</sub> emissions resulting from the purchase of electricity, we considered the supplier's CO<sub>2</sub> emission factor (market based) and that calculated by ANRE (location based), as listed in the supplier's green label. On the date of these calculations, the supplier had not yet published the 2023 green label; therefore, the emission factors published in 2022 were used.

The following conversion factors were applied:

Electricity supplier	Consumption place	Emission factor [gCO <sub>2</sub> /kWh] of third producer	Emission factor published by ANRE in 2022* [g/kWh]
HIDROELECTRICA*	Polona/Slavesti St.	0.6083	223.25
Renovatio Trading**	Crystal Tower	83.388	223.25



\*We used the 2022 energy label for Hidroelectrica because the 2023 label was not available

\*\*We used the 2022 energy label for Renovation Trading because the 2023 label was not available

### Scope 3 – Methodology

The methodology applied to inventory the greenhouse gas emissions for all operations specific to the value chain of SN Nuclearelectrica is aligned with the international good inventory and reporting practices, and complies with the applicable rules under the standards “GHG Protocol: A Corporate Accounting and Reporting Standard” and “Corporate Value Chain (Scope 3) Standard”, developed by the World Business Council for Sustainable Development (WBCSD) and by the World Resources Institute (WRI). Scope 3 includes indirect emissions coming from a wide range of activities that are not included in Scopes 1 and 2, but are related to the organization's activities. These are emissions generated in operations across the corporate value chain.

The accuracy and relevance of the GHG emission calculation are directly influenced by the emission factors applied. Calculation of the indirect emissions associated with Nuclearelectrica's value chain relied on the methodologies recommended under the abovementioned international standards, and the emission factors applied were selected from valid sources or internationally recognized databases, such as:

- DEFRA – UK Department for Environment, Food and Rural Affairs;
- AIE – International Energy Agency;
- ANRE - Romanian Energy Regulatory Authority;
- Information published by SNN's electricity suppliers.

Relevant tools developed by reference international organizations for economic sectors or industries relevant for calculation of Scope 3 emissions (e.g. air transport industry, hotel industry, etc.) were also used for calculation purposes.

For Scope 3 calculation, the operations of SNN executive (Headquarters), Pitesti NFP and Cernavoda NPP were considered.

In order to determine the generating activities and the sources of indirect greenhouse gas emissions specific to the Company's value chain, an analysis of the operations carried out at the three entities was carried out. This was aimed at understanding the business specifics and the particularities of the value chain in order to be able to identify the activities to be included in the greenhouse gas accounting process. Further to the assessment carried out and based on the information supplied by the SNN representatives, the following activities applicable to SNN were decided to be included in calculation of the greenhouse gas emissions.

#### Activities applicable to SNN that were included in calculation of the Scope 3 greenhouse gas emissions for 2023

Category	Activities or sources of emissions
Upstream activities	Purchase of goods and services
	Purchase of capital goods
	Energy and fuel-related activities (included in S1 and S2)
	Supply chain transport and distribution
	Waste generated from operations
	Business trips
	Employee transport

The GHG emissions data for the sustainability report matches the date in general financial statements; the financial year 2023 is the calendar year 2023.

<sup>26</sup> GHG intensity per net income	Benchmark	N (2023)	% N / N-1
Total GHG emissions (site-based) per net income (tCO <sub>2</sub> e/monetary unit)	NA	1.44792E-05 tCO <sub>2</sub> e/RON (0.0000144792 tCO <sub>2</sub> e/RON)	NA
Total GHG emissions (market-based) per net income (tCO <sub>2</sub> e/monetary unit)	NA	1.46281E-05 tCO <sub>2</sub> e/RON	NA

<sup>26</sup> SNN's activity falls into the category: business economic with high climate impact.

		(0.0000146281 tCO <sub>2</sub> e/RON)	
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The amount of the net revenues used for calculation of the GHG emission intensity is found in the SNN's Stand-Alone Financial Statements to the Profit and Loss Standalone Statement, under the line "Total revenue".

There have been no changes in the definition given by SNN and its upstream and downstream value chain from year to year to the reported GHG emissions; this is the first year of reporting under ESRS.

#### Cernavoda NPP - Carbon emissions and their intensity 2020 – 2022 – Scope 1

Year	Total tons CO <sub>2</sub> emitted per year	Total tons of CO <sub>2</sub> emitted by Diesel generators per year	Total tons of CO <sub>2</sub> emitted by the Start-Up Thermal Plant per year	Tons of CO <sub>2</sub> released by the Car Fleet
2020	885	867	18	331.53
2021	1121	1005.6	115.4	296.24
2022	953	916.4	36.5	273.78

#### Pitesti NFP - Carbon emissions and their intensity 2020 – 2022 – Scope 1

Year	Total tons of CO <sub>2</sub> emitted per year	Tons of CO <sub>2</sub> released by the Car Fleet
2020	0	154
2021	0	160
2022	0	153

The CO<sub>2</sub> emissions resulting from their testing are calculated according to the legislation on greenhouse gas emissions, applying the calculation methodology validated at the national level and based on the specific characteristics of the fuels (NFP and FE) and the quantities of fuel consumed, and are reported to the National Environmental Protection Agency according to the requirements of the Greenhouse Gas Emissions Permit no. 38/2021, subject to review and validation by the authorized bodies and to annual compliance with the requirements to hand over the EUA certificates for the amount of approved emissions.

- Is the electricity from own production, that is produced by Cernavoda NPP for operation of its own equipment (pumps, valves, etc.)

"Is the electricity purchased by Cernavoda NPP under contracts with third parties and used to supply certain own users (warehouses, office buildings, car parks, etc.)"

#### Cernavoda NPP - Carbon emissions and their intensity 2020 – 2022 – Scope 2

Item no.	Year	Self-produced electricity for internal consumption (MWh/year)*	Total CO <sub>2</sub> (tons of CO <sub>2</sub> )	Electricity purchased from third parties for internal consumption (MWh/year)**	Emission factor (g CO <sub>2</sub> /kWh) of third producer	Total CO <sub>2</sub> (tons of CO <sub>2</sub> )	Electricity supplier
1	2020	909,701.80	0	1,480,742.00	245.4	363,374	ENEL
2	2021	908,251.00	0	695,766.00	171.6	133,970	ENEL
				765,477.00	216.64	165,833	ELECTRICAL
3	2022	908,251.00	0	1,037,775.00	229.67	238,346	ELECTRICAL

#### Pitesti NFP - Carbon emissions and their intensity 2020 – 2022 – Scope 2

Item no.	Year	Electricity purchased from third parties for internal consumption (MWh/year)**	Emission factor (g CO <sub>2</sub> /kWh) of third producer	Total CO <sub>2</sub> (tons of CO <sub>2</sub> )	Supplier of utilities	Electricity supplier
1	2020	4,746,487.00	174.96	830.45	NRI Pitesti	CEZ Vanzare
2	2021	5,158,779.00	213.43	1,101.04	NRI Pitesti	CEZ Vanzare
3	2022	4,891,371.00	174.86	855.31	NRI Pitesti	ENEL

Scope 1: Direct emissions coming from the company's activities on site and car fleet - property of the company  
 Scope 2: CO<sub>2</sub> emissions coming from purchase of electricity and used for own purposes  
 Scope 3: Not calculated in the previous years.

## GHG removals and GHG emission mitigation projects financed through carbon credits

ESRS E1-7

As to GHG removals and GHG storage in own operations and upstream and downstream the value chains in the reporting year, we point out the following:

- There were no GHG removals or storage in SNN's operations, or to which SNN contributed along its upstream and downstream value chain, or outside SNN's value chain.

Removals	Benchmark <sup>27</sup>	N (Year 2023)	% N / N-1
GHG removal activity 1	not applicable	0	NA
<b>Total GHG removals from own operations (tCO<sub>2</sub>e)</b>	not applicable	0	NA
GHG removal activity 1	not applicable	0	NA
<b>Total GHG removals in upstream and downstream value chain (tCO<sub>2</sub>e)</b>	not applicable	0	NA
<b>Reversals (tCO<sub>2</sub>e)</b>	not applicable	0	NA

- There are no set calculation assumptions, methodologies and frameworks applied by the Company (GHG removals and storage).
- There were no GHG removal activities to be converted into carbon credits
- There is no set degree of use or quality criteria that SNN uses for carbon credits
- The scope, methodologies, frameworks or how the residual GHG emissions would be neutralized have not been determined
- SNN has not made any public statement as to the GHG neutrality involving the use of carbon credits.

Carbon credits cancelled in the reporting year	Benchmark <sup>28</sup>	N (Year 2023)
<b>Total (tCO<sub>2</sub>e)</b>	not applicable	0
Share of removal projects (%)	not applicable	0
Share of reduction projects (%)	not applicable	0
Recognized quality standard 1 (%)	not applicable	0
Share of EU projects (%)	not applicable	0
Share of carbon credits qualifying as appropriate adjustments (%)	not applicable	0

Carbon credits planned to be cancelled in the future	Amount before 31 December 2023
<b>Total (tCO<sub>2</sub>e)</b>	<b>0</b>

### Internal carbon pricing

ESRS E1-8

SNN does not apply internal carbon price tracking systems, that are included in the financial statements, as risks related to the electricity purchase costs for SNN. SNN's core business, *i.e.* electricity generation, has zero direct carbon emissions (excluding those resulting from the annual operational tests to the backup gensets). Therefore, the determination was that there was no need to put in place a special price

<sup>27</sup> No benchmarking year; this is the first reporting year under ESRS

<sup>28</sup> No benchmarking year; this is the first reporting year under ESRS

tracking system. However, in terms of electricity trading, SNN has tools to constantly monitor the EUA<sup>29</sup> market quotations, because these are factored into the electricity pricing.

SNN activity involving GHG emissions is limited to ancillary activities (transport, diesel unit testing) or Scope 3 supply chain emissions, which were inventoried for the first time during the reporting year 2023.

Types of domestic carbon prices	Volume concerned (tCO <sub>2</sub> e)	Prices applied (EUR/tCO <sub>2</sub> e)	Perimeter description
Not applicable	0	not applicable	not applicable

▪ **Anticipated financial effects from material physical and transition risks and the potential climate-related opportunities**

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ESRS E1-9

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The anticipated financial effects<sup>30</sup> from material physical and transition risks and the potential climate-related opportunities However, their relevance and materiality was noted in the double materiality assessment.

The SNN register lists a number of energy-related risks that are to be reviewed and aligned with the ESRS reporting requirements in the upcoming period, taking into account the climate-related transition events (examples based on the TCFD classification). For the reporting year, the transition risks and opportunities have not been reviewed in detail as required by the standard, and have not yet been built into SNN's business strategy and risk register.

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<sup>29</sup> The EU market in trading GHG emissions, known as the European Greenhouse Gas Emissions Trading Schedule (EU ETS).

<sup>30</sup> As per – Appendix C – List of phased-in disclosure requirements - the undertaking may omit the information required under ESRS E1-9 in the first year where it prepares the sustainability statement. The undertaking can comply with ESRS E1-9 by reporting only qualitative information in the first three years of sustainability statement, unless it can produce disclosures of quantitative information.

## ESRS E2 – POLLUTION

### ■ SNN – Pollution

#### ■ General Disclosures

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##### ESRS 2

Environmental protection has been and remains a constant concern for SNN and the entire staff of the Company. The specific requirements set out under the environmental policies and by the competent authorities, or even removal of any potential negative impact on the environment due to the Company's activities.

The risks attached to performance of the activities are also identified, assessed and documented, and measures are taken to prevent/minimize their occurrence by implementing a risk management process. These requirements stem both from application of the specific nuclear regulations and the applicable environmental legislation, as well as from the voluntary compliance with the requirements of the Standard ISO 14001:2015 and Regulation (EC) 1221/2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

Details about the environmental activities and results/performance are included in the “Environmental Statements” prepared annually for each site, and which are publicly available on the SNN website<sup>31</sup>.

All categories of stakeholders are consulted on the environmental matters. The nuclear field is regulated and controlled and always under the careful supervision of the control authorities, the governmental organizations, the NGOs, and the public. For this reason, SNN has always been motivated and committed to adopt the latest industry standards, and prove its care for the environment and the public.

SNN complies with the legal requirements (*i.e.* compliance obligations under permits, protocols, clearances, etc.) and the one-off requests if the authorities, and operates its sites within the limits and conditions imposed by them. During the licensing procedures, stakeholders are informed of, and consulted on, the future projects, on a case-by-case basis, in accordance with the legislation in force.

In order to maintain good provision of information and communication with all categories of interested public, Cernavoda NPP has set up a Community Information and Consultation Board (CICB), in order to identify more easily the problems, concerns and interests of the community. CICB's role is also to provide consultancy, advise and opinions on the community expectations in all areas of interest, with a view to continuously improving the activities on site and making a contribution to the well-being of the community.

#### ■ Description of the processes pursued to identify and assess the pollution-related material impacts, risks and opportunities

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##### ESRS 2 IRO-1

In the risk management process, these are identified and assessed in terms of their financial and non-financial impact, and risk controls or actions to be taken to mitigate their impact are provided. For each identified risk, internal control and monitoring tools have been devised, and risks are entered into the SNN-wide Risk Register.

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<sup>31</sup> <https://www.nuclearelectrica.ro/fcn/2022/11/04/declaratia-de-mediul-2022/> - Pitesti NFP, accessed on 28 February 2024

## Cernavoda NPP

Cernavoda NPP has in place a **procedure** for the **Environmental analysis, determination of environmental matters and establishment of material environmental matters in Cernavoda NPP**, which sets out a way of working for identification, assessment and determination of the responsibilities and measures related to the identified environmental matters, in order to improve the environmental performance of Cernavoda NPP, pursuant to the requirements of the Regulation (EC) No 1221/2009 on the Community eco-management and audit scheme (EMAS), the Commission Regulation (EU) 2017/1505 of 28 August 2017 amending Annexes I, II and III to the Regulation (EC) No 1221/2009, and the standard ISO 14001/2015.

The activities carried out in Cernavoda NPP, in respect of which the environmental analysis is carried out to identify impacts, risks and opportunities, include, but are not limited to:

- operation of the installations and equipment of Cernavoda NPP, under normal and abnormal operation, start-up, shutdown, transient, and emergency conditions;
- maintenance and repair activities;
- projects, and project changes;
- improvement of the plant's systems and installations, including upgrades, refurbishments and changes thereto;
- storage and transfer/transport in installation;
- activities performed based on contracts for purchases of services or products;
- support and ancillary activities;
- any changes and abnormal situations related thereto.

In identification of the environmental matters, the activities are analyzed taking into account the following environmental factors:

- pollutant emissions into air;
- pollutant discharges into water;
- soil and subsoil pollution, discharges on soil/subsoil;
- use of chemicals;
- resources consumption (water, fuel);
- generation (radioactive, hazardous or non-hazardous non-radioactive industrial) of waste
- noise generation;
- emissions of heat, radiations and vibrations;
- damage to biodiversity (fauna, flora);
- process leaks from equipment/systems (oil, glycol, etc.);
- legal requirements/authorized limits;
- electricity consumption.

## Pitesti NFP

Environmental pollution can only occur under local accidental conditions. With the measures it puts in place, Pitesti NFP aims to pursue its business with a minimum impact on the environment and the resources.

Pitesti NFP pursues its business in line with the requirements of the revised Environmental Permit issued under the Government Decision no. 568/2023 amending the Annex to the Government Decision no. 24/2019.

Pitesti NFP's manufacture of CANDU-6 nuclear fuel bundles can cause indoor and outdoor air pollution, soil pollution, pollution with substances of concern and of very high concern. Pitesti NFP's activity cannot have any effect on water pollution because wastewater is not discharged directly into any outfall; this is collected, analyzed and then transferred to the Treatment Plant of the Nuclear Research Institute (NRI), located on a platform shared with Pitesti NFP.

The parameters investigated and the investigation frequencies are set out under the Environmental Permit, *i.e.* the Environmental Radioactivity Monitoring Programme (which is also included in the Environmental Permit).

In Pitesti NFP, the **Environmental Analysis** procedure, which aims to identify the environmental matters and assess them to determine which of them are material. In order to improve the environmental performance, pursuant to the requirements of the Regulation (EC) No 1221/2009 on the Community eco-management and audit scheme (EMAS), the Commission Regulation (EU) 2017/1505 of 28 August 2017 amending Annexes I, II and III to the Regulation (EC) No 1221/2009, and the standard ISO 14001/2015, NFP devised the procedure for Environmental Performance Assessment, setting out measures and actions intended at attaining the set environmental targets, which further leads to a higher environmental performance.

In identification of the direct environmental matters, the activities are analyzed taking into account the following environmental factors:

- pollutant emissions into air
- soil and subsoil pollution, discharges on soil/subsoil
- use of chemicals
- consumption of resources, including energy
- waste generation
- noise generation
- emissions of heat, radiation and vibrations

In identification of the indirect environmental matters, consideration is given to:

- service lifecycle-related matters (design, development, packaging, transport, use and recovery/disposal of waste).
- environmental performance of contractors, subcontractors and suppliers.
- range and nature of services (transport, catering, etc.).

The environmental pollution-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other documented sources, operating permits and risk registers, as established for each risk area. These are summarized in the table below and are tackled in the following sections.

Sub-topic	Impact	Risk/Opportunity
<b>Air pollution</b>	<b>Potential negative impact</b> at medium scale due to the release of non-radioactive NOx emissions. The emissions of tritium, solid particles, iodine, noble gases and Carbon-14 into the air are generated by the nuclear power generation activities (for Cernavoda NPP).	<b>Risk:</b> Air emissions have a more localized, but still material, impact on human health and the environment. Air emissions are subject to licensing, and emission reduction may result into operating costs or require capital expenditure.
	<b>Potential negative impact</b> as a result of radioactive releases into the air: Release of airborne dusts with uranium/radioactive aerosols in concentrations higher than the permitted values due to installation incidents, into the work environment and the external environment (for Pitesti NPP).	<b>Risk:</b> Increase in the average annual radioactive concentration for airborne dusts with uranium/radioactive aerosols, compared to the limits set by CNCAN
<b>Water pollution</b>	<b>Potential negative impact</b> at medium scale when the Danube downstream heating limit is exceeded (for Cernavoda NPP).	<b>Risk:</b> risk of noncompliance with the requirements of the Water Management Permit. It can also give rise to tensions, which in turn can disrupt the production operations.
	<b>Potential negative impact</b> at medium scale due to pollutant infiltration into the groundwater.	<b>Risk:</b> Liquid radioactive waste handling and disposal can give rise to operating costs, capital expenditures and, in some instances, regulatory costs.
<b>Soil pollution</b>	<b>Potential negative impact</b> on the medium scale as a result of pollutants seeping into the soil in case event of an accident or improper (radioactive) waste management.	<b>Risk:</b> Liquid radioactive waste handling and disposal can give rise to operating costs, capital expenditures and, in some instances, regulatory costs.
<b>Pollution of living organisms and food resources</b>	<b>Potential negative impact</b> at medium scale on crops in the area of influence of the site (for Cernavoda NPP).	<b>Risk:</b> The community or even regional food resources can be affected; SNN could risk losing its operating license, either in full or only for operation of the nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.
<b>Substances of concern or of very high concern</b>	<b>Potential negative impact</b> on a medium or large scale due to contamination of the floors or of various surfaces with chemicals and mixtures, including waste or radioactive chemicals and mixtures.	<b>Risk:</b> Process safety incidents can damage the plants, injure the workers and, to a small extent, affect the environment.

The short, medium and long-term **financial effects** on SNN of the risks arising from the pollution impacts on the environment are assessed in the dual materiality assessment process to be very low (below 0.1% of annual turnover) for air, water, soil, living organisms and food resources pollution, but also in case of pollution with substances of concern, *i.e.* material financial impact (above 0.7%, but below 2.0% of turnover) pollution with substances of very high concern.

## ▪ Pollution-related policies

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ESRS E2-1

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SNN's ESG policy includes specific requirements leading to minimization or elimination of any potential negative impact on the environment due to the Company's activities. According to the ESG policy, SNN management make a priority of assuming the responsibility for operation of the nuclear assets at nuclear safety excellence, maintenance of the assets, keeping the environmental releases below the regulated figures, and maintenance of the production capacity above the average industry level.

The Environmental Protection Committee, which operates at SNN level, monitors implementation of the Environmental Protection Policy across the Company. Representatives of all the SNN entities sit in this Committee.

The Management System developed and implemented in SNN SA addresses, in a coherent, coordinated and unitary fashion, the components related to nuclear safety, protection against ionizing radiation, environmental protection, quality management, occupational health and safety, physical protection, protection against cyber threats, control of nuclear safeguards, protection of classified information, planning and response to emergencies, sale of the produced electricity and heat, and matters related to economic performance.

### **Cernavoda NPP**

The environmental policy of Cernavoda NPP is part of the Integrated Site Policy and is assumed under signature by the management. Mr. Valentin Ovidiu Nae, as Director Cernavoda NPP, is responsible for implementation of this policy. The Environmental Policy of Cernavoda NPP provides for the possibility of putting in place a Management System in accordance with the legal requirements and with the CNCAN Rules for Nuclear Management Systems, and voluntarily incorporates the requirements of the management standards ISO 14001, including the EMAS registration under Regulation (EC) No 1221/2009 on the Community eco-management and audit scheme (EMAS), Regulation (EU) No 2017/1505 of 28 August 2017 amending Annexes I, II and III to Regulation (EC) No 1221/2009 and Regulation No 2026/2018 amending Annex IV to Regulation no. 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS). Implementation of these environmental performance standards validates a commitment to environmental performance, on all environmental elements (air, water, soil, subsoil, noise and waste).

Cernavoda NPP has developed and implemented an Integrated Management System, and thus put in place, together with the requirements imposed under the CNCAN rules and the requirements of the standards to which Cernavoda NPP has voluntarily decided to adhere, such as ISO 14001, ISO 27001, ISO 45001, ISO 17025, and ISO 37001, also the EMAS Regulation - Eco Management and Audit Scheme (Community Eco-Management and Audit System). The Management System of Cernavoda NPP is subject to licensing against the Requirements of Law no. 111/1996 on the safe performance, regulation, authorization and control of nuclear activities, republished, as amended and supplemented.

In a complex and highly dynamic legislative climate facing multiple many challenges, Cernavoda NPP has managed to continuously evolve and improve its performance, by achieving its goal of becoming an organization with a sound nuclear safety culture, at the top of the world nuclear industry, in terms of both results and individual and organizational behaviors.

Cernavoda NPP has devised and put in place specific requirements to minimize the environmental impact resulting from the activities carried out inside the plant. The environmental management process helps control of all activities with an impact on the environment with a view to complying with the requirements and limits imposed under the Operating Permits, the Environmental Permit and the Water Management Permits, the standard ISO 14001, and the EMAS registration.

The procedures laying down the processes and work practices in Cernavoda NPP set out the responsibilities for all categories of staff of Cernavoda NPP in terms of identification of the environmental matters attached to the activities, assessment of the potential environmental impact and definition of the applicable measures to minimize or remove the risk to the environment, reduce the amounts of waste and control them strictly, as well as to reduce pollution caused by operation of Cernavoda NPP.

Specific environmental management requirements can be found in the documents of the Environmental Management process described in the related procedure. Process coordination is provided by the Management Systems Monitoring and Development, through the Environmental Protection Assessment Group.

### **Pitesti NFP**

Under the **Policy on nuclear safety, quality, protection against ionizing radiation, environment, occupational safety and health, physical protection, control of nuclear safeguards, cyber security, and protection of classified information**, Pitesti NFP has committed to take all necessary measures for the monitoring, assessment and continuous improvement of the environmental performance, pollution prevention, sustainable use of resources and biodiversity conservation. The ultimate responsibility for establishment, implementation, development and continuous improvement of the Integrated Management System, including the environmental matters, rests with the Pitesti NFP Manager, Mr. Andrei Musetoiu.

The Integrated Management System existing in Pitesti NFP is developed and put in place in with the legal requirements and with the CNCAN Rules for management systems and nuclear safety, and voluntarily integrates the requirements of the management standards SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2018, including Regulation (EC) no. 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), the Commission Regulation (EU) 2017/1505 of 28 August 2017, and the Commission Regulation no. 2018/2026 of 19 December 2018.



The Quality Management System is subject to licensing against the Requirements of Law no. 111/1996 on the safe performance, regulation, authorization and control of nuclear activities, republished, as amended and supplemented.

Pitesti NFP has put in place specific requirements leading to minimization of the environmental impact of the activities carried out inside the plant. The environmental management process helps control of all activities with an impact on the environment with a view to complying with the requirements and limits imposed under the Nuclear Operating Permits issued by CNCAN, the Environmental Permit issued with the Government Decision no. 568/2023, the certification according to ISO 14001 and the EMAS registration.

Specific environmental management requirements are found in the documents of the "Environmental Protection Assurance" process, with environmental protection coordination provided by the staff of the Nuclear Safety and Licensing Service.

## ▪ **Pollution-related actions and resources**

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ESRS E2-2

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SNN management have a holistic approach to inclusion of the ESG criteria into the Company's strategy and development plans. The key objective in terms of environmental protection is **Zero environmental events**, which means that we strive to have no event whatsoever leading to environmental pollution. So far, there has been no radiological or non-radiological environmental event.

An environmental management system is developed and applied to ensure protection and control of the environment during activities with a potential direct or indirect environmental impact. **Cernavoda NPP** has adhered to the nuclear excellence standards and is committed to a process of continuous improvement of the organization's performance by benchmarking it against the best performing nuclear power plants worldwide.

Furthermore, **Pitesti NFP** is committed to achieve and prove sustainable performance in environmental protection, through good management of the activities/processes and products that can have a significant impact on the environment.

## ▪ **Environmental Management System**

The Management System put in place in accordance with the legal requirements and the CNCAN Rules for Management Systems in the Nuclear Field voluntarily integrates the requirements of the management standards ISO 9001, ISO 14001, ISO 45001, ISO 17025, ISO 27001 and ISO 37001, including the requirements of the EMAS Regulation on the Community eco-management and audit scheme. The process is subjected annually to an independent audit conducted by certified auditing companies, and auditors' conclusions prove that the Company has a functional environmental management, as a component part of the organization's integrated management system, which is being continuously improved and aligned to the international environmental and population protection requirements. In 2023, Cernavoda NPP saw 3 inspections of the environmental authorities (Environmental Guard) and independent auditors (ISO 14001 and EMAS), but none of them found any departures from the legal provisions or the environmental standards. In 2023, no inspections of the environmental authorities were undertaken on Pitesti NFP. During 20-21 September 2023 and on 22 September 2023, supervisory audits were undertaken for recertification of the Environmental Management System, and validation of the Environmental Statement, in order to keep Pitesti NFP registered with EMAS. No departures from the legal provisions or the environmental standards were found.

SNN holds certificates for its environmental management system, as follows:

### **Cernavoda NPP Branch:**

- Certificate no. 56 concerning the Environmental Management System of SNN - Cernavoda NPP Branch for the Electricity and Heat Generation activity using nuclear sources and support and related activities, according to the conditions of the standard SR EN ISO 14001:2015 (ISO 14001:2015), issued by IQNet and SRAC on 10 June 2022 and valid until 14 December 2025.
- EMAS Registration Certificate no. RO-000017, re-registration date 16 October 2021, expiry date 16 October 2024.

### **Pitesti NFP**

- Certificate no. 4309 on the Environmental Management System of SNN - Pitesti NFP Branch for its nuclear fuel processing activity, according to the conditions of the standard SR EN ISO 14001:2015 (ISO 14001:2015), issued by IQNet and SRAC CERT on 31 October 2022 and valid until 5 November 2025.
- EMAS Registration Certificate no. RO-000018, re-registration date 28 March 2023, expiry date 28 March 2026.

With their construction-inherent elements, nuclear units abide by a number of technical, administrative and procedural means and measures to control and monitor of the activities and equipment liable to affect the staff, the environment and the population with a view to eliminating and/or minimizing the risks attached to the environmental factors. Cernavoda NPP implements and maintains a Defense in Depth concept, which includes technical and procedural barriers aimed at preventing and mitigating of the effects of accidents, and responding to emergencies, taking into account triggers related to equipment and human performance, as well as severe external conditions (earthquakes, floods, bad weather, etc.) which can affect the operation of the plant. Any departure from the management system documents is promptly reported, recorded and assessed for root-cause identification, and taking measures to prevent/minimize occurrence of risks through a sound management.

## Cernavoda NPP

The environmental performance concept refers to the results of actions taken to continuously improve the environmental management system, as part of the integrated management system (attainment of the objectives, metrics and targets) either as a whole, or as one or more component elements. The environmental analysis should highlight the proposals made to improve of the environmental management system with a view to enhancing the environmental performance (setting the environmental objectives, indicators and targets) and minimizing the risks according to the ALARA (as low as reasonably achievable) principle. The improvement proposals resulting from the environmental analysis are translated into actions across the plant, and their implementation is followed up through the implemented processes.

Cernavoda NPP has put in place environmental protection programmes. The programmes and monetary value attached to each programme for 2023 are shown below:

Item no.	2023 Planned	2023 Actual
1.	<p>Basic activities – Environmental Control Laboratory (programme 23-LCM)</p> <p>Of which:</p> <p><b>1.1</b> Food samples, reagents, samples and standards, laboratory consumables, equipment, tools, laboratory devices, spare parts – RON 175,156</p> <p><b>1.2</b> Preventive and corrective maintenance services for OXIDIZER combustion applicable – RON 42,000</p> <p><b>1.3</b> Benchmarking services and annual fees for maintaining the CNCAN accreditation – RON 28,280</p> <p><b>Total – RON 245,436</b></p>	<p>Basic activities – Environmental Control Laboratory (programme 23-LCM)</p> <p>Of which:</p> <p><b>1.1</b> Food samples, reagents, samples and standards, laboratory consumables, equipment, tools, laboratory devices, spare parts – RON 177,642.99</p> <p><b>1.2</b> Preventive and corrective maintenance services for OXIDIZER combustion applicable (contract no. 467/17.05.2018, Cambera Packard SRL) – RON 21,770.76</p> <p><b>1.3</b> Benchmarking services and annual fees for maintaining the CNCAN accreditation (contract no. 695/10.06.2021, PROCORAD Association of France) – RON 28,280.54</p> <p><b>Total – RON 227,694.29</b></p>
2.	Radioactive waste processing (it includes contamination control, sampling, radioactive waste management, including endowment and consumables) – RON 1,794,500	Radioactive waste processing (it includes contamination control, sampling, radioactive waste management, including endowment and consumables) (Nuclearelectrica Serv SRL) – RON 1,013,990.23
3.	Greenhouse gas emissions monitoring programme – Annual report review fee (TQ Consultanta si Recrutare SRL) – RON 5,100	Greenhouse gas emissions monitoring programme – Annual report review fee (TQ Consultanta si Recrutare SRL) – RON 5,100
4.	Cost of contribution to the National Agency for Nuclear Waste (NANW) – according to the specific legislation, for spent nuclear fuel and radioactive waste – RON 93,960,000 (estimate made in EUR, at the beginning of the year, depending on the MWs estimated to be produced).	Cost of contribution to the National Agency for Nuclear Waste (NANW) – according to the specific legislation, for spent nuclear fuel and radioactive waste – RON 100,593,725
5.	ARNA/DS-WBA (use of the Danube water, reception of wastewater in resource – RON 110,406,181.50	ARNA/DS-WBA (use of the Danube water, reception of wastewater in resource – RON 98,683,936.04
6.	ARNA/DS-WBA – use of underground water – RON 50,000,000	ARNA/DS-WBA – use of underground water – RON 0
7.	Administration of Navigable Canals, Constanta – RON 950,000	Reach water consumption – RON 498,467.65
8.	Environmental Fund fees; Licensing fees, Environmental clearances – RON 20,000	Environmental Fund fees; Licensing fees, Environmental clearances – RON 25,668.30
9.	Water consumption, sewage/rainwater + wastewater analysis (RAJA) – RON 2,500,000	Water consumption, sewage/rainwater + wastewater analysis (RAJA) – RON 4,836,407.80
0.	Collection/neutralization of municipal waste (Cernavoda Public Utilities) – RON 250,000	Collection/neutralization of municipal waste (Cernavoda Public Utilities) – RON 237,401.36
1.	Waste collection and cleaning (POLARIS HOLDING CONSTANTA) – RON 12,000	Waste collection and cleaning (POLARIS HOLDING CONSTANTA) – RON 10,958.99
2.	Third-party chemical analysis and diagnosis services (physical and chemical analysis services to determine the concentration of Praestol A3040 L Flocculant 3DT149 in the process waters discharged from Cernavoda NPP – contract with ICECHIM Bucharest) – RON 21,750	Third-party chemical analysis and diagnosis services (physical and chemical analysis services to determine the concentration of Praestol A3040 L Flocculant 3DT149 in the process waters discharged from Cernavoda NPP – contract with ICECHIM Bucharest) – RON 9,000

Item no.	2023 Planned	2023 Actual
3.	Drinking water chemical analysis – RON 10,000	Drinking water chemical analysis – Ecoind National Reserch&Development Institute of Bucharest – RON 14,537.80
4.	NPP Cooling and rain water physical and chemical analysis services (CBO5, petroleum product) and domestic water – Rompetrol Quality – RON 15,120	NPP Cooling and rain water physical and chemical analysis services (CBO5, petroleum product) and domestic water – Rompetrol Quality – RON 78,850
5.	Transformer oil analysis services – RON 70,000 Energotech S.A Bucharest	Transformer oil analysis services – RON 123,900.84 – Energotech S.A Bucharest
6.	Supply of electricity to CONPET Ploiesti for operation of fixed environmental radioactivity monitoring stations – RON 10,000	Electricity supply to CONPET Ploiesti for the operation of fixed environmental radioactivity monitoring stations - RON 13,023.30
7.	Preventive maintenance services for radioprotection systems: LEM, GEM – RON 28,292.34	Preventive maintenance services for radioprotection systems: LEM, GEM – RON 0
8.	Preventive and corrective maintenance services for Canberra equipment in the Individual Dosimetry Laboratory + Expenses Cost of consumables needed for analyses (gamma, global alpha/beta and tritium) of liquid and gaseous radioactive effluents – RON 1,096,000	Preventive and corrective maintenance services for Canberra equipment in the Individual Dosimetry Laboratory + Expenses Cost of consumables needed for analyses (gamma, global alpha/beta and tritium) of liquid and gaseous radioactive effluents – RON 706,571.80
9.	SRAC supervisory services – RON 21,700 Verification audit – EMAS validation	SRAC supervisory services – RON 21,700
0.	Analysis, interpretation/diagnosis of oil results for diesel compressor groups – RON 45,000	Analysis, interpretation/diagnosis of oil results for diesel compressor groups – RON 103,387.20
1.	Gamma field monitoring and surveillance services for the plant's system of assets, Kinetrix – RON 166,000	Gamma field monitoring and surveillance services for the plant's system of assets, Kinetrix RON 166,000
2.	Sanitary Permit + specialty assistance RON 13,328	Sanitary Permit + specialty assistance RON 12,200 Chemical and microbiological analysis RON 1,797 Total RON 13,997
3.	Preventive and corrective maintenance services for the external dosimetry system with TLD Panasonic Dositracker SRL, RON 113,627.29	Preventive and corrective maintenance services for the external dosimetry system with TLD Panasonic Dositracker SRL, RON 386,529.70
4.	Radiations Control Service	Stainless steel barrels RON 244,240.80
5.	CNCAN	Fee for issue of nuclear licenses and permits, RON 1,140
6.	Snec SRL	Laundry services, RON 33,444.60
7.	Paneal Company SRL	Landscaping services, RON 355,546.12

### Storage of chemicals

Cernavoda NPP is an end-user, and the substances and mixtures of concern are purchased for use in the chemical control of the fluids in the power plant's circuits and equipment, for maintenance and repair purposes, for laboratory analyzes and in activities/services implementing the changes/projects developed on the site.

The administration and management of the chemicals used in Cernavoda NPP is based on:

- The domestic and Community legislation (REACH Regulation, CLP, etc.) in force that regulates the regime of dangerous substances and mixtures and specific regulatory acts by category of chemical substances/products;
- The requirements, limits and conditions approved under the applicable permits and clearance issued by the environmental protection regulatory and control authorities. The chemical products purchased directly or under services contracts and used in the activities of Cernavoda NPP are classified, packaged and labeled according to the legal requirements in force. Special consideration is also given to the appropriate labeling, *i.e.* writing of all the information required under the CLP Regulation (EC) and the best international practices (hazard pictograms, warning words, hazard statements (H) and precautionary statements (P ), etc. which are taken, as applicable, from the containers in which the substances and mixtures of concern used are delivered onto the small-sized containers used for the activities in the process plants of Cernavoda NPP

The biocidal products acquired directly or under services contracts are also accompanied by the Clearances issued by the Ministry of Health in accordance with the legal provisions in force, are quantitatively and qualitatively monitored under the same conditions as those laid down in the procedures of Cernavoda NPP, and are reported on in accordance with the requirements and limits of the environmental permits.

All chemicals used in the activities of Cernavoda NPP, by direct purchase or under services contracts, are assessed/cleared and included in the List of Approved Chemicals ("Chemicals" Intranet app). The activities of Cernavoda NPP use only products that can be found in this app.

The Safety Data Sheet of the products concerned are enclosed to any work package or work plan which use substances or mixtures. Also, for the activities where certain substances or dangerous mixtures are used in large quantities, an initial training is delivered to the staff who are to carry out the activity (IPEL), and who are thus presented the hazards dangers and compensatory measures due to be taken in case of accidental spills.

The emergency procedures under the Site Emergency Plan feature individual action procedures in case of leakages or contamination with dangerous chemicals, as well as procedures that regulate the flow for advising the authorities of reportable events. So far, there have been no reportable events with impact on the environment and the population.

### Project – tritium removal facility (CTRF)

The project is part of the SNN's portfolio of initiatives aimed at the consistent implementation of the general policy of the Company, namely the concern for maintaining nuclear security at the highest standards, and reducing both radiological risks for own staff and the public, as well as the environmental impact. The project aims to reduce the releases of tritium into water and air, by extracting the tritium from the heavy water, and storing it under a safe form in a dedicated facility, the elimination of heavy tritiated water from the category of radioactive waste, thus significantly reducing the quantity of radioactive waste left to be managed at the end of the operational life of the two reactors.

Moreover, CTRF will determine:

- reduction of the risks of generating radioactive effluents and emissions of tritium in the environment,
- minimizing the tritium concentrations from radioactive waste generated within the precincts of the nuclear systems using heavy water at Cernavoda NPP.

The project, worth EUR 194 million, is based on an implementation strategy, updated by SNN in 2018, based on the Feasibility Study, approved under Resolution no. 9/22.08.2018 of the Extraordinary General Meeting of Shareholders. The project involves the completion of the installation design (detailed design), the construction of the tritium removal plant, the tests and inspections for the purpose of its commissioning, a trial operation period of 6 months, followed by the putting of the plant into commercial operation, planned for the year 2026.

The OGMS Resolution no. 5/05.07.2023 approved the amendment of the Implementation Strategy for the "Cernavoda NPP Tritium Removal Facility" Investment Project as a result of the update of the investment's amount, based on the price increase indices between 2018 and 2022, and by including additional cost which had not been initially considered.

Under the EGMS Resolution no. 8/7.12.2023, conclusion by SNN of the financing agreement with the European Investment Bank (the "Agreement"), for the financing of the "Cernavoda NPP Tritium Removal Facility" Project was approved, with the following essential features:

Amount	145 mil. EUR
Currency	EUR
Duration	15 years, of which 4 years representing the grace period for the payment of the principal instalments
Period of use	36 months from the Agreement signing date
Interest	Fixed or Variable (at the Company's choice)
Analysis fee	EUR 145,000 payable within 30 days from the Agreement signing date
Non-use fee	0.12% per year, payable after a period of 12 months from the Agreement signing date, being applicable to the undrawn amount of the loan
Principal and interest rate repayments	Equal semi-annual instalments

### Pitesti NFP

Bearing in mind that Pitesti NFP is an organization with a certified environmental management system and is also an EMAS-registered organization, it annually sets environmental indicators and environmental targets, for which actions are taken to attain these targets. In order to avoid any potential air, soil and water pollution, Pitesti NFP has identified these risks and determined monitoring and control tools for them.

Soil contamination can occur accidentally, further to equipment failures, errors, intentional human actions or earthquakes.

To prevent soil and subsoil pollution, Pitesti NFP has taken the following measures:

- The unit's premises is made of concrete and is provided with gutters connected to the rainwater sewer.
- The radioactive solid waste temporary storage platform is equipped with a water collection base, which is checked regularly;
- Storages for oils and substances/mixtures of concern are provided with collection bases and absorbent material;
- Waste handling activities are documented in procedures to avoid risk of accidental soil pollution.

Pitesti NFP is an end-user of chemicals, which are used both in the production flow and for the physical and chemical analysis performed in the Chemical Analysis Laboratory. The Tender Books prepared for procurement of substances and mixtures of concern include requirements for protection of the environment and of the staff, as well as for compliance with the domestic and international legislation applicable to their marking, packaging, labelling and transport. Moreover, products are accompanied by Safety Data-Sheets, which users get familiar with. Safety Data-Sheet of the products concerned are requested for any work where chemical substances or mixtures are used. The environmental protection requirements applicable to procurement of chemicals are documented in the procedure entitled *Application of the environmental protection requirements to performance of works, provision of services, and supply of products in Pitesti NFP*.

In order to avoid potential incidents/accidents involving chemical substances/mixtures, their storage depends chemical compatibilities, in keeping with the legislation in force, so there is no possibility that the presence and use of chemical substances may generate chemical accidents. As to the potential incidents due to substances and mixtures of concern, site-specific plans have been prepared to respond to emergencies with an impact on the environment; response teams have been set up the members of which are delivered regular training; and drills are carried out at a predefined frequency. This activity is covered by documented procedures, namely *Preparedness for Emergencies with Environmental Impact and Responsiveness*. The activities where substances/mixtures of concerned are used are documented, the staff is trained on the requirements of these documents, so that they can render their work activity avoiding any undesirable situations that could lead to environmental pollution, or have an impact on people's health.

In 2023, Pitesti NFP had investments in progress, intended to improve its environmental performance, namely:

<b>2023</b>	Amount (lei)
Design of the ventilation and air-conditioning plant for beryllium depositing area	15,000
Filtering unit for the air released from the chemical analysis laboratory	90,000
Cooling system for the ventilation plant of Hall V	190,000
Investments in research and development to innovate and develop safe and sustainable alternatives to the use of substances of concern or to reduce emissions in a production process.	0

No action has been taken to extend to upstream or downstream commitments along the value chain.

▪ **Pollution-related targets**

ESRS E2-3

Any activity in SNN is carried out only on the basis of approved documents that integrate the requirements of the applicable laws and standards. SNN applies the Best Available Techniques (BAT) to operate nuclear sites.

Units are operated in strict compliance with the requirements of the operating permits, and within the limits and conditions imposed under the operating policies and principles, as well as in the other documents approved by the authorities, which integrate the requirements of the applicable laws and standards. Any accidental violation is deep-dived into and is to CNCAN.

The environmental management plans of Cernavoda NPP and Pitesti NFP set out measures and actions able leading to attainment of the set targets and implicitly of the environmental objectives.

**Cernavoda NPP**

In Cernavoda NPP, the performance objectives, targets and indicators are cascaded from the SNN general objectives, whereas in departments or other units, specific objectives are cascaded from the objectives defined at site level. In order to attain the set objectives, improvement (linked to the general objectives) and current (basic) programmes are devised, approved, linked to the current activities of the departments.

Environmental performance targets are available for review on the Company's website<sup>32</sup>.

The improvements made to the environmental management system is measured in the annual integrated management review (QARC), following the model presented in the EMAS Regulations. Additionally, effectiveness of the actions resulting stemming from the environmental analysis is reviewed in the environmental management process self-assessment. Whenever this analysis finds improvement-related effectiveness flaws, these are documented in the environmental review of the following year, and corrective measures are proposed.

<sup>32</sup> <https://www.nuclearelectrica.ro/cne/protectia-mediului-si-a-personalului/emas/>, accessed 16.02.2024

The “environmental management” process owner is required to validate the zone-based environmental analyses carried out by the designated persons in charge. The document “Cernavoda NPP Environmental Analysis” is produced annually, depending on the date of the annual environmental audit, by the environmental management process officer, relying on the information contained in the Cernavoda NPP zone-based analyses.

The content of the document “Cernavoda NPP Environmental Analysis”, which is issued annually in the form of an Information Report (IR), must comply with the requirements of both the EMAS regulations and ISO 14001:2015, and will address at least the following chapters:

- Setting the organizational background. The corporate context refers to determination and understanding of the internal and external factors that are relevant to Cernavoda NPP and that may affect its ability to attain the expected performance of the environmental management system;
- Stakeholder identification and determination of their relevant needs and expectations. The stakeholders relevant to the management system are determined (authorities: Ministry of Environment, Water and Forests (MoEWF), Environmental Protection Agency (EPA), Danube-Seashore Water Basin Administration (DS-WBA), CNCAN, National Environmental Guard (NEG); other stakeholders: NGOs, etc.), the relevant needs and expectations of these stakeholders and which of these needs and expectations it should respond to, or decide to respond to. Where Cernavoda NPP decides to voluntarily adopt or agree to the stakeholders’ corporate context needs or expectations, which are not covered by the legal requirements, these become part of its compliance obligations;
- Identification of the applicable legal environmental requirements;
- Identification of the direct and indirect environmental matters, and determination of the material matters;
- Assessment of the environmental matters’ materiality;
- Assessment of the results of the investigations undertaken on previous incidents;
- Determination and documentation of the risks and opportunities; Whenever the environmental matters are identify, consideration is given to the following elements: risk of environmental accidents and other emergencies, with a potential environmental impact (e.g. chemical accidents) and any potential abnormal situations that could lead to a potential environmental impact. In operational activities, risks are assessed according to the procedures in force;
- Examination of the existing processes, practices and procedures.

Other performance indicators considered for 2023:

- Zero penalties applied further to the environmental authorities’ inspections for waste-management related issues.
- Annual re-training of all own and contract-based employees in the Cernavoda NPP Environmental Protection training course.
- Improving the promotion of waste segregation and minimization practices/bi-monthly Newsletter.
- Maintaining the ISO 14001: 2015 certification and the EMAS registration.
- Reducing in the amount of solid waste generated (tons) in 2023 v 2022: solid waste 2023 < 422 tons.
- Reduce the percentage of solid waste of concern out of the total amount of solid waste generated in 2023 v 2022: percentage of solid waste of concern/total solid waste x 100 < 7.5%.
- Waste management optimization by increasing the amount of recoverable waste handed over for recycling (recovery) v 2022: ratio: amount of plastic waste recovered (tons) in 2023 > 0.357 tons.

## **Pitesti NFP**

In Pitesti NFP, performance indicators are set according to the environmental matters with material impact, as identified in its own business, and to the requirements of the EMAS Regulation concerning the main metrics related to the performance obtained in the essential environmental areas: energy, materials, water, waste, and emissions. All departments that regularly conduct the environmental analysis specific to the activities carried out are engaged in setting the performance indicators and targets.

Performance against targets is monitored monthly, and half-yearly based on relevant objective evidence; the trends in attaining the targets are assessed, and corrective actions determined whenever deviations are observed. The whole process is documented and reviewed annually by a certified external assessor.

The EMAS Regulation describes the areas for which Pitesti NFP is under the obligation to set annual environmental indicators, namely:

- Energy efficiency;
- Material efficiency;
- Water;
- Waste;
- Biodiversity (considered irrelevant for the business of Pitesti NFP)
- Emissions.

For 2023, Pitesti NFP set the following objectives, targets and environmental indicators:

Environmental Objectives	Name of Ratio	Environmental Targets
1. Efficient use of electricity	1.1 Electricity consumption/number of bundles produced	1.1.1 Reduction by min. 0.01% of the electricity consumption in 2023 v 2021, by reference to the number of FBs produced.
2. Rational usage of materials	2.1 UO <sub>2</sub> powder processing yield	2.1.1 Increase by min. 0.02% of in the UO <sub>2</sub> powder processing yield in 2023 v 2021.
	2.2 Zy-4 tube processing yield	2.2.1 Increase by at least 0.02% in the processing yield of Zy-4 tubes in 2023 v 2021.
3. Rendering drinking water consumption more efficient	3.1 Drinking water consumption/average headcount	3.1.1 Reduction by min. 0.01% of the drinking water consumption in 2023 v 2021 by reference to the average headcount
4. Minimization of the amount of incinerable solid waste generated	4.1 Amount of incinerable radioactive solid waste generated, by reference to the number of nuclear fuel bundles produced	4.1.1 Max. 0.56 Kg/FB (this amount is the maximum amount of incinerable radioactive solid waste generated according to the environmental permit is 6.7 t, by reference to the maximum authorized production)
5. Reducing the emissions of radioactive gaseous effluents into the atmosphere	5.1 Amount of uranium removed through radioactive gaseous effluents, by reference to the number of nuclear fuel bundles produced	5.1.1 maximum 70.83 mgU/FB (which accounts for 17% of the amount of uranium authorized to be released through radioactive gaseous effluents under to the Environmental Permit, by reference to the maximum authorized production)

As of 2020, NFP has set an a reduction percentage for the annual electricity consumption and the drinking water consumption, as well as increasing percentage for the raw material processing yields (UO<sub>2</sub> powder and Zy-4 tubes), thus achieving environmental performance (e.g. in 2020, the drinking water consumption was 7,868 m<sup>3</sup>, whereas in 2023, this was 5,489 m<sup>3</sup>).

For 2023, Pitesti NFP set the following air pollution prevention indicator: reduction of the amount of uranium released into the atmosphere through radioactive gaseous effluents, by reference to the number of fuel bundles (FBs) produced, *i.e.* a maximum of 70.83 mgU/FB (17% of the amount of uranium authorized to be released through radioactive gaseous effluents according to the environmental permit, by reference to maximum authorized output) **The target has been attained.**

Reduction of the quantity uranium released into the atmosphere through radioactive gaseous effluents, by reference to the number of nuclear fuel bundles (FBs) produced

	2020	2021	2022	2023	2023	
					Planned	Achieved
Amount of uranium released through radioactive gaseous effluents [mgU]	470880	471089	453726	466361	70.83	42.4
Number of nuclear fuel bundles produced	10800	11000	10826	11000		
Ration between the quantity of uranium released through radioactive gaseous effluents and the number of nuclear fuel bundles produced	43.6	42.83	41.91	42.4		

When new environmental targets are set, the previously recorded values are fed in so that the newly-set targets support the environmental protection performance. Assessment of the progress made in attainment of the environmental targets and objectives is presented in the 2021-2023 EMAS Performance Indicator Evolution Report.

As to soil pollution, Pitesti NFP has not yet deemed necessary to set any indicators, because the measurements have not showed any soil pollution.

For water, the indicator set concerned the quantity of water used, whereas for the discharged water, no indicator has been set because Pitesti NFP does not discharge into any outlet, but into the RATEN-NRI Treatment Plant. Discharges are controlled, based on analyses and within the limits set in the Environmental Permit.

As to chemicals, Pitesti NFP did not define a metric indicator for the consumption of substances/mixtures of concern in 2023. Over the years, NFP has replaced certain substances, where possible, by less harmful to human health and more environmentally-friendly ones, for instance tetrachloride by kerosene.

In addition to the above, the quantities used in the chemical analysis laboratory and in the manufacturing flow are not very large.

In support of the above, after having sent the documentation in accordance with the provisions of Law no. 59 of 11 April 2016 on the control of major accident hazards involving dangerous substances, to the Emergency Inspectorate of Arges, confirmation was received that Pitesti NFP is not a SEVESO facility.

The recorded results are monitored on a monthly basis, and whenever a negative trend in reaching the targets is observed, corrective actions are determined.

When new environmental targets are set, the previously recorded values are fed in so that the newly-set targets support the environmental protection performance.

▪ **Air, water and soil pollution**

ESRS E2-4

In SNN, pollution can originate in two major sources: radioactive and non-radioactive emissions. For radioactive emissions, these are way below the limit set out by the nuclear regulator, and are part of the nuclear excellence programme.

▪ **Non-radioactive emissions**

▪ **Non-radioactive emissions – Cernavoda NPP**

Non-radioactive atmospheric emissions come from:

- fuel burning: resulting into CO<sub>2</sub>, dust, heavy metals, volatile organic compounds, etc.
- fuel management: resulting into volatile organic compounds (VOCs).

The term impact of these non-radioactive emissions is insignificant in the long-run, according to the environmental balance-sheet produced out by independent third parties for Cernavoda NPP.

▪ **Volatile Organic Compounds (VOCs)**

The nuclear-based energy generation technological process of Cernavoda NPP does not use volatile organic substances. Also, there aren't any emissions of NO<sub>x</sub> or SO<sub>x</sub>.

2023	NO <sub>x</sub>	SO <sub>x</sub>	VOC
Quantitative value	0	0	0

▪ **Non-radioactive emissions – Pitesti NFP**

Non-radioactive atmospheric emissions come from:

- total particulate matters, nitrogen oxides, hydrochloric acid - released and monitored via the Dispersion Stack no. 1 (NO<sub>x</sub> result from the Chemical Analysis Laboratory)
- total particulate matters, beryllium, acetone - discharged and monitored via the Dispersion Stack no. 2 and the Ventilation System related to Hall IV and Outbuildings
- airborne beryllium powders/beryllium aerosols – released and monitored via the air ventilation plant related to the beryllium work area

Determinations of non-radioactive pollutants are carried out every six months by authorized providers, under services contracts. The values recorded for various emissions through the stacks of Pitesti NFP in years 2020-2023 are shown in the tables below.

	2020		2021		2022		2023		Lists set out under the legislation (Order of the Minister of Water, Forests and Environmental Protection (MoWFEP) no. 462/1993)	
Pitesti NFP	Sem. I	Sem. II	Sem. I	Sem. II	Sem. I	Sem. II	Sem. I	Sem. II		
									Alert threshold (AT)	Limit value (LV)



Stack no. 1										
NO <sub>2</sub> [mg/m <sup>3</sup> ]	22.55	32.8	38.95	55.35	63.55	75.24	88.77	96.35	350 mg/m <sup>3</sup>	500 mg/m <sup>3</sup>
NO <sub>2</sub> [t/year]	0.4		0.7		1.09		1.23		7.8 t/year	
Particular matters [mg/Nm <sup>3</sup> ]	2.3	3.28	2.94	3.23	3.35	3.57	3.58	4.16	35 mg/m <sup>3</sup>	50 mg/m <sup>3</sup>
HCl [mg/Nm <sup>3</sup> ]	4.67	5.61	5.33	19.55	17.76	12.56	18.79	19.78	21 mg/m <sup>3</sup>	30 mg/m <sup>3</sup>
Stack no. 2										
Particular matters [mg/Nm <sup>3</sup> ]	1.82	2.25	2.21	2.52	2.76	3.11	3.04	3.43	35 mg/m <sup>3</sup>	50 mg/m <sup>3</sup>
Acetone [mg/Nm <sup>3</sup> ]	0.0022	0.0021	0.0022	0.0022	0.0022	0.0022	0.0022	0.0036	105 mg/m <sup>3</sup>	150 mg/m <sup>3</sup>
Acetone [t/year]	0.000015		0.000015		0.000015		0.00002		1.0488 t/year	
Isopropyl alcohol [mg/Nm <sup>3</sup> ]	0.0022	0.0021	0.0022	0.0022	0.0022	0.0022	0.0022	0.0036	105 mg/m <sup>3</sup>	150 mg/m <sup>3</sup>
Isopropyl alcohol [t/year]	0.000015		0.000015		0.000015		0.00002		1.0488 t/year	
Beryllium [mg/m <sup>3</sup> ]	0.000168	0.00021	0.00018	0.00018	0.00018	0.00018	5,12*10 <sup>-6</sup>	0.000182	0.01 mg/m <sup>3</sup>	0.1 mg/m <sup>3</sup>
Beryllium [t/year]	0.0000012		0.0000012		0.0000012		6,55*10 <sup>-7</sup>		1.07502 t/year	
SO <sub>x</sub>	0		0		0		0			
Ventilation exhaustion in beryllium deposit area										
Beryllium [mg/m <sup>3</sup> ]	0.00018	0.000168	0.00018	0.00018	0.00018	0.00018	5,01*10 <sup>-6</sup>	0.000178	0.1 mg/m <sup>3</sup>	0.1 mg/m <sup>3</sup>
Beryllium [t/year]	0.0000012		0.0000012		0.0000012		6,55*10 <sup>-7</sup>		7,17*10 <sup>-4</sup>	

Supervision of the beryllium concentrate in the exterior air takes place through a beryllium sampling point (45) located outside the beryllium work area (Beryllium Deposit Area), for which chemical determinations are carried out in the NFP's Chemical Analysis Laboratory, and which is connected with the Central Aerosol Sampling System (CASS).

The values recorded in 2023 are shown in table below:

Item no.	Month	Measured value [µgBe/m <sup>3</sup> ]	Maximum permissible Be concentration limit [µgBe/m <sup>3</sup> ]
1	January	0.00063	0.009
2	February	0.00089	
3	March	0.00131	

4	April	0.00093
5	May	0.00054
6	June	0.00060
7	July	0.00108
8	August	0.00298
9	September	0.00142
10	October	0.00108
11	November	0.00060
12	December	0.00060

- **Radioactive emissions**

- **Radioactive emissions – Cernavoda NPP**

The main pollutants found in the air discharged from the Reactor Building and the Utilities Building are: tritium, solid particles, iodine and noble gases. These are taken over by the plant's **ventilation systems** and are treated accordingly in the D20 vapor recovery systems and the ventilation and air filtration systems. The contaminated or potentially contaminated air is collected by the ventilation systems and is discharged via a common exhaust stack after filtering and monitoring.

The radioactive gas emissions are supervised by **continuously monitoring** the air discharged through the plant's stack with the aid of the Gas Effluents Monitor. For the releases of the potentially radioactive air, Derived Emission Limits have been set for each radionuclide, as approved by the regulator, *i.e.* CNCAN. The air filtration process ensures that releases into the air are kept within the limits approved by CNCAN.

The Derived Emission Limits are maximum quantities legally allowed or authorized for radionuclides that are released into the air so that neither the health of the population, nor the environment are affected. When calculating the atmosphere emission limits, the food chain and any potential concentration phenomena in some species are considered.

- **Values of emission of liquid and gaseous radioactive effluents – Cernavoda NPP**

	2020	2021	2022	2023
Radioactive emissions into the environment U1+U2 [ $\mu$ Sv]	5.60	7.40	7.85	8.60
Annual target set by Cernavoda NPP [ $\mu$ Sv/year]	< 8.5	<9	<9	<9
Dose constraint for Cernavoda NPP [ $\mu$ Sv/year]	250	250	250	250
Legal limit for individual members of the public [mSv/year]	1	1	1	1

- **Radioactive emissions – Pitesti NFP**

Radioactive emissions are monitored in accordance with the requirements of the Permits for performance of nuclear activities, issued by CNCAN, which requirements are also taken over in the Environmental Permit of Pitesti NFP, issued under the Government Decision no. 568/2023 amending the Annex to the Government Decision no. 24/2019. Pitesti NFP performs monitoring of air contamination in both the outdoor environment and the working environment.

## Exterior air monitoring

### Radioactive emissions of radioactive gaseous effluents

The key radioactive pollutants are uranium airborne dusts (radioactive aerosols).

The release of radioactive gaseous effluents from the ventilation systems takes place via three dispersion stacks (Stack 1, Stack 2 and Stack 3); a Radioactive Gaseous Effluent Monitors (GEMs) is fitted to each stack to make continuous measurements and submit them online. The data collected via the three GEMs are transferred electronically to a dedicated computer in the Staff Radiation Protection and Dosimetry Laboratory (SRPDL). In order to avoid the release of uranium into the environment above the authorized limit, an administrative control limit was set below the alert threshold. These monitoring systems feature an acoustic and visual alarm system, so that when the alarm value

reaches the administrative control limit, measures can be taken to avoid the release of large amounts of radioactive pollutants into the environment. The recorded data is processed and reported to the authorities, as required under the Environmental Permit.

According to the permits issued by CNCAN, Pitesti NFP is under the obligation to conduct maintenance and check calibration of this equipment with a CNCAN-authorized service provider. Thus, Pitesti NFP ensures the smooth operation of this equipment under services contract for corrective and preventive maintenance services and spare parts.

The frequency of the preventive maintenance sessions and the calibration checks is set out in the equipment user manual supplied by the manufacturer.

All three dispersion stacks are also equipped with a Stack Isokinetic Sampling System (SISS). A SISS consists of:

- Three isokinetic sampling units for uranium gas and powder sampling;
- One isokinetic sampling unit for beryllium gas and powder sampling;
- One control unit that manages sampling for all four sampling units.

The samples taken through SISS are analyzed on a monthly basis in the Chemical Analysis Laboratory of Pitesti NFP. SISS is used to conduct monthly monitoring of the amount of uranium discharged through the three dispersion stacks, as well as the monthly amount of beryllium discharged through the second dispersion stack.

The values recorded for the quantity of uranium discharged with the gaseous radioactive effluents, the volume of gaseous radioactive effluents discharged, and the maximum concentration of natural uranium in the gaseous effluents emitted, as well as the limits set under the permits held by Pitesti NFP are shown in the following table:

	2023	Limit according to the Production Permit issued by CNCAN and to the Environmental Permit
Amount of uranium removed through radioactive gaseous effluents	0.466 [kg]	5 kg/year
Volume of radioactive gaseous effluents removed in 2023	0,839*10 <sup>9</sup> m <sup>3</sup>	1*10 <sup>9</sup> m <sup>3</sup>
Maximum concentration of natural uranium in the emitted gaseous effluents	0.556 [µgU/m <sup>3</sup> ]	5 [µgU/m <sup>3</sup> ]

For 2023, NFP assessed of the maximum dose that can be received by a person representative for the population, as a result of the activities carried out by Pitesti NFP, on the shared NRI-NFP platform.

Two critical groups were determined for assessment of the doses received by population, namely:

- Group 1: the Guard and Protection Group of the Romanian Gendarmerie, positioned at the platform access gate, about 400 meters from NFP;

- Group 2: the group of population most exposed to radioactive gaseous effluents emitted by the nuclear facilities on the NRI-NFP platform, consisting of individuals living in houses on the ESE edge of Town of Mioveni, located about 1 km W-NW of the NRI platform.

The 2023 assessment results show that the estimated doses for the two groups are:

- 0.37 µSv/year for Group 1
- 0.14 µSv/year for Group 2

The estimated values are well below the dose constraint set for Pitesti NFP, i.e. 10 µSv/year, for radioactive gaseous effluents.

Note: The dose constraint imposed for population by CNCAN, as resulting from the activities carried out on the shared NRI-NFP platform is 0.1 mSv/year (100 µSv/year) of which Pitesti NFP allocated 10 µSv/year to radioactive gaseous effluents.

In 2023, NFP set a performance indicator concerning *reduction of the amount of uranium released into the atmosphere through radioactive gaseous effluents, by reference to the number of fuel bundles produced, i.e. a maximum of 70.83 mgU/FB (17% of the amount of uranium authorized to be released through radioactive gaseous effluents according to the environmental permit, by reference to maximum authorized output)*

- **Amount of uranium removed through radioactive gaseous effluents at the dispersion stacks of Pitesti NFP, by reference to the number of nuclear fuel bundles produced**

	2020	2021	2022	2023
Amount of uranium removed – cumulative for the three dispersion stacks [mgU/year]	470,880	471,089	453,726	466,361
Number of nuclear fuel bundles produced	10,800	11,000	10,826	11,000
Ration between the quantity of uranium released through radioactive gaseous effluents and the number of nuclear fuel bundles produced	43.6	42.83	41.91	42.4

## Radioactive monitoring of the external environment

Supervision of the exterior air radioactivity takes place through 6 sampling uranium connected to the Central Aerosol Sampling System (CASS), namely points 1, 3, 17, 34 and 42, located outside Halls I, II and III, and point 44 located outside Extension of Hall V - pellet sheath-loading), for which radiometric measurements are made in the Staff Radiation Protection and Dosimetry Laboratory of NFP.

As to the proper functioning of the Central Aerosol Sampling System, it can be stated that:

- The sampling flow rates are checked quarterly according to NFP internal procedures, using a metrologically-verified air flow calibrator. In addition, the sampling rates are checked daily by the staff of the Staff Radiation Protection and Dosimetry Laboratory.
- The manovacuummeter connected to the aerosol sampling pump is metrologically checked every year in the Metrology Laboratory of Pitesti NFP.
- The Central Aerosol Sampling System is included in the list of checks/maintenance operations prepared annually by NFP. These activities are carried out by the staff of the Mechanical, Energy and Utilities Section.

Maximum measured values for radioactive concentration of exterior environment air in years 2020-2023:

	Maximum measured value 2020 [Bq/m <sup>3</sup> ]	Maximum measured value 2021 [Bq/m <sup>3</sup> ]	Maximum measured value 2022 [Bq/m <sup>3</sup> ]	Maximum measured value 2023 [Bq/m <sup>3</sup> ]
Sampling point – 1	0.053	0.027	0.028	0.016
Sampling point – 3	0.040	0.030	0.038	0.028
Sampling point – 17	0.024	0.012	0.035	0.021
Sampling point – 34	0.033	0.032	0.044	0.032
Sampling point – 42	0.033	0.026	0.042	0.023
Sampling point – 44	0.030	0.033	0.040	0.020
Administrative control limit [Bq/m <sup>3</sup> ]	0.08	0.08	0.08	0.08

## Dose rates

Since 2010, in order to improve the environmental radioactivity monitoring, Pitesti NFP has introduced a new quality parameter for air radioactivity by measuring the gamma dose rate at the site boundary. The points where gamma dose rate measurements are performed were set 1 m away from the soil surface, were located, for guidance, along the perimeter fencing of Pitesti NFP. Measurements are carried out weekly (each time at the same set points), with hand-held, metrologically checked equipment from the Staff Radiation Protection and Dosimetry Laboratory.

Measured values for dose rate in years 2020-2023

	Average value 2020 [μSv/h]	Average value 2021 [μSv/h]	Average value 2022 [μSv/h]	Average value 2023 [μSv/h]
Point V1	0.085	0.081	0.089	0.1282
Point V2	0.106	0.099	0.103	0.1524
Point V3	0.113	0.118	0.135	0.2045
Point V4	0.13	0.123	0.126	0.1682
Point V5	0.19	0.221	0.267	0.3453
Point V6	0.189	0.184	0.194	0.2563
Point V7	0.143	0.143	0.139	0.1471
Point V8	0.116	0.104	0.108	0.1341
Point V9	0.105	0.096	0.1	0.131

Point V10	0.098	0.094	0.097	0.1249
Population dose limit	1 $\mu\text{Sv/h}$	1 $\mu\text{Sv/h}$	1 $\mu\text{Sv/h}$	1 $\mu\text{Sv/h}$

### Dose monitoring at perimeter fence

To measure the ambient gamma dose at the site boundary (perimeter fencing), Pitesti NFP defined 10 measurement points, for which it uses 10 dosimeters. Measurements are made by the laboratory notified to CNCAN for this type of measurements.

Measured values for monthly average doses in years 2020-2023

	2020	2021	2022	2023
Gate 1 NFP	100.9	86.7	86.7	94.2
REMAT Platform	155.5	121.7	126.7	120.8
TSP Platform	149.1	140.0	148.3	146.7
Mechanic Processing Hall	106.4	80.0	95	94.2
KMP-A Warehouse	199.1	170.0	178.3	164.2
KMP-C Warehouse	183.6	150.0	124.2	150.8
Compressor station	112.7	81.7	95	95.8
Gate 2 NFP	100.9	77.5	90	94.2
Hall IV - punching	100.9	89.2	84.2	93.3
Outside NFP CASS point	102.7	90.8	90.8	103.3
LCA	LCA=1 $\mu\text{Sv/h}$ (720 $\mu\text{Sv/month}$ )	LCA=1 $\mu\text{Sv/h}$ (720 $\mu\text{Sv/month}$ )	LCA=1 $\mu\text{Sv/h}$ (720 $\mu\text{Sv/month}$ )	LCA=1 $\mu\text{Sv/h}$ (720 $\mu\text{Sv/month}$ )

The main objective of the radiation exposure control process is to keep exposures as low as reasonably achievable (the ALARA principle), thus guaranteeing a low impact on the environment and safety of the population health.

### Air monitoring in the work environment

Radioactive emissions:

**Airborne uranium powders/uranium aerosols** – work environment – monitoring is performed through air sampling devices to control the uranium radioactive concentration in air - Central Aerosol Sampling System. Sample measurement for radioactive NOx is performed with the TENNELEC LB-5SE automatic counting system, according to the procedure *Sample measurement with the TENNELEC automatic counting system*, or with the EBERLINE SAC-4 and RaDEYE HEC hand-held counters, according to the procedure *Uranium smear sampling and measurement of samples with the EBERLINE SAC-4 hand-held counter* and the procedure *Sample measurement with the hand-held sample counter, Model RADEYE HEC*. Values are entered into the (computer) database and in the measurement records. The equipment listed above are metrologically-checked by authorized operators.

Non-radioactive emissions

**Beryllium aerosols** - through the sampling points connected to the Central Aerosol Sampling System, the beryllium content on filters is determined with physical and chemical methods in the NFP Chemical Analysis Laboratory.

**NOx determinations** – measurements are performed annually with accredited operators, under service contracts.

### Collective doses and maximum individual doses

The effectiveness of the ALARA policy in Cernavoda NPP is monitored by performance indicators based on the internal and external operating experience, and their regular reporting and analysis.

Performance indicators emphasize the effectiveness of the radiation protection programmes in optimizing radiation exposure.

▪ **Developments in collective doses and ALARA performance indicators - NPP**

	2020	2021	2022	2023
Collective dose [Om mSv]	719.81	372.63	728.35	404.53
Internal collective dose [Om mSv]	185.81	74.56	172.38	98.4
Contribution of internal dose to total dose (%)	25.78	20	23.7	24.3
Maximum individual dose [mSv]	13.93	7.77	7.96	7.23
Average dose (Collective dose/ No. of persons exposed)	0.98	0.53	0.96	0.54

Dose limits	Measurement unit	Amount
Statutory limit for the individual dose of occupationally exposed staff	mSv/year	20
Administrative limit for the individual dose of occupationally exposed staff	mSv/year	14

Reports on each pollutant that was set a limit under the water management permit are submitted on a monthly basis to the environmental authorities. The indicator "Water polluters meet the limits under the Water Management Permit (%)" is calculated monthly and annually; for this, limits set out in the permit are not exceeded.

The Radiation Protection Department prepares and submits regular reports on the developments observed in collective doses and ALARA performance indicators, thus increasing the engagement of the Power Plant's staff in the control and optimization of the occupational exposure to ionizing radiation. How these objectives are attained is tracked via ALARA process, and the ALARA committees operate with excellent results.

▪ **Pitesti NFP**

▪ **Developments in collective doses and ALARA performance indicators - NFP**

	2020	2021	2022	2023
Collective dose [Om mSv]	494,038	505.37	476,002	469,078
Internal collective dose [Om mSv]	49,266	56,039	47,884	44,185
Contribution of internal dose to total dose (%)	9.97	11.09	10.06	9.42
Maximum individual dose [mSv/year]	9,781	9,450	9,187	8,929
Medium dose (Collective dose / No. of persons exposed) [mSv/year]	1,270	1,299	1,286	1,234

ALARA indicator	Measurement unit	Amount
Maximum legal limit for individual dose	mSv/year	20
Maximum documentary limit for individual dose	mSv/year	15

## Radioactive wastewater monitoring

### Cernavoda NPP

The **radioactively contaminated waste water collection** system is intended to collect of all aqueous radioactive waste resulting from the power plant's process systems and from maintenance, overhaul and decontamination operations, followed by discharge of the cooling water from condensers into the discharge canal, but ensuring compliance with the regulated limits for radioactive material concentrations when discharged into the emissary. The discharge is done intermittently into the cooling water from condensers.

In order to ensure proper control and registration of radioactive discharges, the discharge of radioactive liquid effluents is done as follows:

- Before emptying a tank into the cooling water canal of the condenser, the tank content is recirculated to ensure good homogenization and a representative sample is taken to be measured in laboratory and determine the content of gamma and tritium radioactivity.
- Depending on results, the shift leader dispatcher authorizes the discharge, or the water is decontaminated.

During the discharge, the Liquid Effluent Monitor (LEM) monitors the global gamma activity that is discharged and stops the discharge in the event of an unexpected high activity.

Approximately 1,400 samples of water discharged from the plant are measured in the plant's Dosimetry Laboratory. The radioactivity monitoring results are centralized weekly and compared against the documentary limits of Cernavoda NPP and the committed environmental objectives.

In all years of commercial operation (26 years for U1 and 15 years for U2), the discharges of radioactive liquid effluents have been lower than the Derived Discharge Limit approved by authorities and stayed below the limits set out in the environmental objectives of Cernavoda NPP thanks to implementation of the Environmental Management System.

### Pitesti NFP

Production of CANDU-6 nuclear fuel can result into wastewater that can be treated as radioactive wastewater or radioactive liquid waste, which is managed as follows:

- Radioactive liquid waste comes mainly from Halls I, II and III, further to technological processes and decontamination operations, as well as from chemical analysis laboratories. This waste is collected at the Radioactive Liquid Waste Collection Station and is managed in accordance with the requirements of the procedure "*Collection and Shipment of Radioactive Liquid Waste from NFP*". Radioactive liquid waste with a concentration of maximum 2 mg U/L is transferred to the Wastewater Collection and Discharge Station, and that above this concentration is transferred to the RWTS-NRI for treatment and recovery of uranium as solid uranyl phosphate and return to NFP.
- Radioactive wastewater is collected in the Radioactive Water Collection and Discharge Plant, and is controlled discharged into RATEN-NRI Pitesti Treatment Plant, after having performed analyses to determine that the limits set in the Pitesti NFP Environmental Permit are observed. Radioactive wastewater collection and discharge is an activity covered by the procedure *Collection, storage, analysis and disposal of radioactive wastewater*.

Quantities of radioactive wastewater discharged, *i.e.* quantities of radioactive liquid waste generated, as well as the limits set out in the NFP licenses – period 2020-2023

	2020	2021	2022	2023	Limit under the environmental permit [m <sup>3</sup> ]
Quantities of radioactive wastewater discharged by NFP in the TP of RATEN-NRI [m <sup>3</sup> ]	1050	1150	850	850	2000
Amount of liquid radioactive waste transferred to the Radioactive Liquid Waste Treatment Plant [m <sup>3</sup> ]	440	380	270	330	800

### ▪ Substances raising concerns and substances raising particular concerns

ESRS E2-5

SNN pays great importance to implementation of all necessary measures to prevent major accidents involving dangerous substances.

### ▪ Use of chemicals of concern – Cernavoda NPP

Cernavoda NPP is uses substances and mixtures of concerned for the chemical control of the fluids in the power plant's circuits and equipment, for maintenance and repair purposes, for laboratory analyses and in activities/services implementing the changes/projects developed on site.

Procedures for the management of chemicals, which ensure a thorough quantitative and qualitative control, plus duly monitoring and reporting to the competent authorities, have been approved and are in place for the site.

The chemical products purchased directly or under services contracts and used in the activities of Cernavoda NPP are classified, packaged and labeled according to the legal requirements in force REACH Regulation, CLP Regulation, etc.). Also, the biocidal products acquired directly or under services contracts are also accompanied by the Clearances issued by the Ministry of Health in accordance with the legislation in force, are quantitatively and qualitatively monitored under the same conditions as those laid down in the procedures of Cernavoda NPP, and are reported on in accordance with the requirements and limits of the environmental permits.

All chemicals used in the site activities are assessed/cleared and included in the List of Approved Chemicals; any product not appearing on this list shall not be used. The Safety Data Sheet of the products concerned are enclosed to any work package or work plan which use substances or mixtures. Also, for the activities where certain substances or dangerous mixtures are used in large quantities, an initial training is delivered to the staff who are to carry out the (Pre-Work Preliminary Training (PWPT)), and who are thus presented the hazards and adequate measures in case of accidental leaks.

The emergency procedures under the Site Emergency Plan feature actions in case of leakages or contamination with dangerous chemicals, as well as procedures that regulate the flow for advising the authorities of reportable events. So far, there have been no reportable events with impact on the environment and the population.

#### ▪ **Use of chemicals of concern – Pitesti NFP**

NFP is a an end-user, and the substances and mixtures of concern purchased for use in the technological processes or in laboratory analyses are kept in their original packaging, and are stored depending on compatibility (compatibilities are determined by the staff of the chemical analysis laboratory) in warehouses with controlled access.

When preparing the documentation for acquisition of substances and mixtures of concern, the requirements concerning their classification, packaging and labeling under the Regulation (EC) no. 1907/2006, concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), as subsequently amended and supplemented, and the Regulation (EC) no. 1272/2008 on classification, labelling and packaging of substances and mixtures, as subsequently amended and supplemented.

The substances and mixtures of concern used in NFP are accompanied by Safety Data-Sheets, are kept in the manufacturer's packaging, and are subject to procedural requirements, that both at ordering and at taking-over, as well as during regular inspections, the integrity and tightness of the packaging, the correct labeling with information on the name of the product, the brand of the factory and the name of the manufacturer, the date of manufacture, and the warranty period are strictly monitored; all of this is data strictly needed for first aid in order to avoid chemical hazards, for removal of residual products and, where applicable, for application of restrictions on the use of the product. In the event of an accidental damage to the packaging, the chemical product is transferred to other containers compatible with its characteristics, ensuring that these are clean so as not to contaminate the product, are properly labeled and meet any other specific requirements.

For the works carried out in Pitesti NFP, which use substances and mixtures of concern, these are accompanied by Safety Data-Sheets.

#### ▪ **The environmental impact transport or use and disposal of products and services**

Pitesti NFP carries out the following types of transport:

- Nuclear fuel bundles to/from Cernavoda NPP (Unit 1 and Unit 2)
- Sinterable UO<sub>2</sub> powder from PFCU Feldioara to Pitesti NFP
- Noncompliant nuclear material from Pitesti NFP to FPCU Feldioara
- Solid radioactive waste contaminated with natural uranium from Pitesti NFP to the Final Landfill of Feldioara CNU Branch
- Other transport authorized by CNCAN

The transport of radioactive materials takes place with authorized means of transport, and drivers certified to carry Class 7 hazardous goods.

For each transport of radioactive material, dosimetry measurements are performed both on the means of transport and on the attending staff, according to the Programme for protection against ionizing radiation in transport of radioactive material. After each transport and transfer of radioactive materials, a report is prepared on how the transport and transfer took place, which is submitted to CNCAN.

#### ▪ **Anticipated financial effects from pollution-related impacts, risks and opportunities**

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ESRS E2-6

The short, medium and long-term **financial effects** on SNN of the risks arising from the pollution impacts on the environment are assessed in the dual materiality assessment process to be very low (below 0.1% of annual turnover) for air, water, soil, living organisms and food resources pollution. As to the pollution with substance of concern, the short, medium and long-term financial effects of the risks arising from the impact of pollution with substances of very high concern on SNN are estimated to have a material financial impact (above 0.7%, but below 2.0% of turnover).



## ESRS E3 – WATER AND MARINE RESOURCES

### ■ SNN – Water and marine resources

#### ■ General Disclosures

ESRS 2

For SNN, and particularly for Cernavoda NPP, water is an important resource because it is used to cool down the plant's systems.

#### **Cernavoda NPP**

The use of water for the technological processes of Cernavoda NPP is foreseen under the design; the water used to cool down the system is taken from the Danube, via the Danube - Black Sea Canal; then, the hot water is discharged back into the river.

The water is captured via a free-level intake located on a bypass of the Danube - Black Sea Canal - Reach I, reaches the NPP's distribution basin, from where, having been mechanically cleaned in the Unit of Sieves U1 and U2 and pumped via the Units of Pumps U1 and U2, it cools down the turbine condenser of Unit 1, respectively of Unit 2, as well as some heat exchangers in the two nuclear units. The water taken from the Danube never comes into contact with the primary circuit (the nuclear part of the plant). Water is returned to the Danube via the Seimeni Canal or, by way of exception, to the Canal Danube - Black Sea, Reach II.

The water flow collected is double the discharged flow, with but negligible water losses along the circuit (under normal operating conditions, 98% of the Danube water returns to the river). At high levels of the Danube, the effect of water sampling is not felt for Cernavoda.

The cold water usage in the process water circuits is strictly metered. The water volumes and flow rates are authorized for operation of the 2 units under a 365 days/year and 24/7 regime, according to the Water Management Permit in force. Since the Danube can ensure the necessary cooling flow, the hydrotechnical circuit was designed to operate in an open mode; thus, the process requirements cannot justify a reduction of the amount of water used for cooling purposes.

In wintertime, a fraction of the hot water flow (25%÷70%) is discharged into the NPP's distribution basin to prevent sludge formation (ice crust), with notice given to the "Apele Romane" National Administration/Dobrogea-Seashore Water Basin Administration, with no thermal influence on the water bypass or Reach I of the Danube - Black Sea Canal.

According to the Water Management Permit (WMP), the water temperature when leaving the power plant must meet the following conditions:

- in reach II of the Danube - Black Sea Canal, it will be maximum 10°C above the water temperature of Reach I of the DBSC, so that the water temperature in this reach, downstream of the canal's discharge point, does not exceed 25°C.
- in the Danube, it will be maximum 10°C above the water temperature of the Danube River; however, not higher than 35°C after passing through the mixing zone.

Drinking water is supplied on the site of Cernavoda NPP from:

- underground own source, via deep pits. From the deep pits (FJ1 and FJ2), in the NPP's area, water is extracted with submersible pumps and carried to the Drinking Water Treatment Plant (DWTP) on the site. Cernavoda NPP holds the Sanitary Operating Permit no. 42/20.02.2012, issued by the Public Health Directorate of Constanta, for FJ1, FJ2 and the Treatment and Chlorination Stations; this permit must be applied a visa every year in order to prove that all conditions therein are met.
- from the zonal drinking water supply system of town city of Cernavoda (operator: S.C. RAJA S.A. Constanta).

The sites of the nuclear units of Cernavoda have been subject to many hydrological surveys conducted to confirm that the area is not subject to hydric stress and that the necessary water quantities are permanently ensured. However, the potential periods of prolonged drought that

can lead to a lower flow rate of the Danube have been taken into account, and technical and administrative measures are considered to help protect of the plant, the environment and the population, such as, for instance:

- permanent monitoring of the water flow-rate on the Danube, under the collaboration protocols duly executed with the National Institute of Meteorology;
- availability of internal action procedures for the case where the minimum flow-rate required to cover for the water demand cannot be ensured.

### Pitesti NFP

The water supply and sewage system, as well as the right to use the water for the entire NRI-NFP nuclear platform is assigned to the Nuclear Research Institute of Pitesti of the Autonomous State-Owned Enterprise for Nuclear Energy Technologies (RATEN-NRI Pitesti), as holder of the water management permits issued by “Apele Romane” National Administration of Arges - Vedea-Pitesti Water Basin Administration.

Drinking and industrial water for Pitesti NFP is supplied by RATEN-NRI under an agreement, i.e. a utilities supply contract.

Pitesti NFP is located in a hydrographic area with groundwater and deep water that ensures covers for the consumption of both the population and the local businesses. Considering that Pitesti NFP is not located in an area with a high risk of drought/hydric risk, no additional investments for water supply are required.

In the Final Nuclear Safety Report of Pitesti NFP, prepared in 2022, there is a chapter on water sources (surface water, groundwater, etc.).

Pitesti NFP has put in place and had certified an environmental management system according to SR EN ISO 14001:2015. Additionally, since 2020, it is an EMAS registered organization (in 2023, the certificate was renewed), so each year, NFP is bound to set environmental targets for each area defined under the EMAS Regulation, one of which is water consumption.

### ▪ Description of the processes pursued to identify and assess the water and marine resources-related material impacts, risks and opportunities

ESRS 2 IRO-1

The water resources-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources and the risk registers, as summarized in the table below and addressed in the following sections.

Sub-topic	Sub-sub-topic	Impact	Risk/Opportunity
Water resources	<b>Water withdrawal</b>	<b>Potential negative impact</b> when the Danube water downstream heating limit is exceeded due to the use of water to cool down the plant.	<b>Risk:</b> failure to comply with the limits set out in the Water Management Permit. To prevent this from reoccurring, specific technical measures are envisaged.
		<b>Potential negative impact</b> across the distribution/suction basin below the admissible limit, i.e. lowering of the Danube water level.	<b>Risk:</b> shutting down the plant by Cernavoda NPP. To mitigate the risk exposure, number of technical and organizational measures are envisaged.
		<b>Potential negative impact</b> due to the decrease in thermal efficiency of condensers as a result of the higher temperatures of the Danube water.	<b>Risk:</b> lower thermal efficiency of condenser and, implicitly, reducing the quantity of produced electricity.
	<b>Water consumption</b>	<b>Potential negative impact</b> due to consumption of drinking water from drills.	<b>Risk:</b> lowering of groundwater table.
	<b>Discharges into surface water</b>	<b>Potential negative impact</b> due to the shutdown of the Cernavoda NPP Units for an unspecified period of time, as a result of the filter sieve clogging due to intrusion of invasive aquatic species that are not specific to the area and with virulent breeding, favored by the extreme weather conditions.	<b>Risk:</b> financial losses due to the shutdown of production Units. Risk mitigation measures: 1. Monitoring the temperature of cooling water in the intake canal 2. Organization of the site cleaning activity under a continuous working regime (work in 24/24 shifts) 3. Procedure for evacuation of algae from the Sieve Building via the U1-U5 collector; it is currently being issued

The short, medium and long-term **financial effects** on SNN of the risks arising from the impacts on water resources are assessed in the double materiality assessment to be very low (below 0.1% of annual turnover) for air, water, soil, living organisms and food resources pollution.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

SNN's activities do not involve the use of water from seas and oceans, nor any wastewater is discharged into oceans and seas, and SNN has no impact on the marine resources.

## ▪ **Policies related to water and marine sources**

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ESRS E3-1

There are no dedicated policies covering water resources, but the commitment to keep the volume of radioactivity releases into water below the regulated levels is provided in both the Environmental Protection Policy and the Company's ESG Policy, as assumed by the SNN management.

Also, under the integrated management systems and the water management permits, SNN takes up the responsibility to manage the water resources in a sustainable way, taking into account observance of certain water quality indicators and protection of the ecosystems and the human health.

### **Cernavoda NPP**

Currently, Cernavoda NPP holds the Water Management Permit no. 72 of 6 September 2021, amending the Permit no. 58/01.07.2021 on Water Supply and Waste Water Discharge for U1 and U2 of CERNAVODA NPP" (valid until 30 June 2026), issued by "Apele Romane" National Administration. Under this, Cernavoda NPP is authorized to use the Danube River water, via the Danube - Black Sea Canal, Reach I, as cooling water.

Also, under the Water Management permit no. 94/28.06.2022, issued by Dobrogea-Seashore Water Basin Administration for the Spent Fuel Intermediate Storage (SFIS) and valid until 30 June 2024, Cernavoda NPP has the right to use the hydraulic engineering structures and receptors to discharge the rainwater from the surface of the Spent Fuel Intermediate Storage and to discharge the rainwater into Cismelei Valley; however, provided that the quality indicators related to the presence of radioactive elements observe the limits set by CNCAN.

Cernavoda NPP holds the Sanitary Operating Permit no. 42/20.02.2012, issued by the Public Health Directorate of Constanta, for FJ1, FJ2 drillings and the Treatment and Chlorination Stations; this permit must be applied a visa every year in order to prove that all conditions therein are met.

### **Pitesti NFP**

Pitesti NFP does not hold a Water Management Permit because Pitesti NFP does not discharge any water into any outlet. The wastewater resulting from the activities carried out by Pitesti NFP is transferred to NRI Pitesti Wastewater Treatment Plant, and after treatment, this is controlled discharged into the outlet.

The commitment to a rational use of resources, including water resources, was documented in the *Policy on nuclear safety, quality, protection against ionizing radiation, environment, occupational safety and health, control of nuclear guarantees, cyber security, and protection of classified information*, which is a document approved by Pitesti NFP Manager.

Under the procedures in force, an environmental analysis is prepared annual, and includes the following stages:

- Setting the organizational background;
- Stakeholder identification and determination of their relevant needs and expectations. Annually, the Integrated Management Representative reviews and updates, if need be, the list of stakeholders and their expectations;
- Identification of the applicable legal environmental requirements;
- Identification of the direct and indirect environmental matters related to all Pitesti NFP activities, taking into account the lifecycle outlooks of the nuclear fuel bundle (purchase of raw materials, production, transport/delivery, use and end-of-life treatment), and its impacts on the environment (actual and potential, beneficial and harmful);
- Definition of criteria for assessment of the importance of environmental matters, and identification of those environmental matters with a significant impact on the environment;
- Deep-dive into the environmental performance stemming from the specific NFP activities, and setting of the environmental objectives, indicators and targets;
- Determination of the measures needed to eliminate or minimize any adverse effect on the environment.

In this regard, Pitesti NFP envisages both reduction of the use of resource and aspects related to water pollution prevention and reduction.

▪ **Actions and resources related to water and marine resources**

ESRS E3-2

The water resources-related actions are specific to each branch, and are aimed in particular at protecting the water sources.

**Cernavoda NPP**

In order to protect the water sources, Cernavoda NPP applies a number of technical and organizational measures:

1. The routine physical and chemical monitoring programme for the non-radioactive liquid effluent is designed to meet the following objectives, under normal plant operating conditions:
  - evidencing compliance with the environmental permits, for Cernavoda NPP;
  - supporting an independent assessment, based on the physical and chemical analysis of the source control effectiveness, effluent control and non-radioactive liquid effluent monitoring.

This programme is carried out according to the Water Management Permits (WMPs) in force (the chemicals that can be discharged into water, the discharge routes, the maximum concentration permitted in the non-radioactive liquid effluent are identified), and to the Protocol signed between Cernavoda NPP and the Dobrogea-Seashore Water Basin Administration of Constanta (identifies the physical and chemical parameters to be analyzed, the analysis frequency, and the sampling points).

2. Plants, systems and measures for water quality protection
  - *Radioactively-contaminated wastewater decontamination plant* - is intended to reduce radioactive contamination of radioactively-contaminated wastewater. Each of the U1 and U2 nuclear power units is equipped with a radioactively-contaminated water decontamination plant.
  - *The radioactively contaminated waste water collection system* – is designed to collect of all aqueous radioactive waste resulting from the power plant's process systems and from maintenance, overhaul and decontamination operations, followed by discharge of the cooling water from condensers into the discharge canal, but ensuring compliance with the regulated limits for radioactive material concentrations when discharged into the emissary. It is found at each of the nuclear power units U1 and U2.
  - *Plant for neutralization of the wastewater coming from the Water Chemical Treatment Plant (WTP)* - its role is to collect and neutralize the wastewater resulting from ionic resin regeneration in the demineralization plant, equipment washing, floor washing, etc. and to ensure the transfer to the siphoning basin of neutralized water with a pH in the range of 6.5 ÷ 9.0.

Other wastewater treatment and control plants:  
 Drainage systems - intended to collect groundwater related to buildings with various functions:

- screening and external drainage - related to the main buildings of each unit;
- to the Spent Fuel Pool;
- to the Reactor Building;
- to the Spent Fuel Intermediate Storage;
- to the non-radioactive waste collection centers;
- to the fuel station of the Start-Up Thermal Station;
- to the fuel station of the Back-Up Diesel Groups.

Cernavoda NPP's current routine environmental monitoring programme also includes drinking water and rainwater sampling.

Type of sample	Sampling frequency	Analysis frequency
Surface waters	weekly	monthly
Water (CCW canal) (*)	weekly	weekly
Sweep water	monthly	monthly
Deep water table	monthly	monthly
Drinking water	monthly	monthly
Rainwater	depending on the weather conditions	depending on the sampling period

3. Monitoring of radioactive liquid effluents – radiological pollutants. According to the regulatory acts, in terms of radioactive contamination, before discharge, the beta and gamma activity of all water must be within the limits set by CNCAN. Radioactive monitoring is carried out according to the provisions of the licensing documents issued by the competent authority (CNCAN), throughout the service lifetime of the plant. The radioactivity in liquid effluents is measured by analysis of the samples from the Liquid Effluent Monitor (LEM). The Derived Emission Limits (DELs) for liquid discharges were calculated for each discharge route and each representative person of the population considered for liquid discharges into the Danube-Black Sea Canal and the Danube. The DELs of radioactive effluents in the environment are thus set so as to ensure that the dose constraints are met for the most exposed groups of individuals of the population (critical groups, *i.e.* adult and child 0 - 1 year old), with three different monitoring locations being set, depending on the two potential discharge routes:

- a. Discharges into the Danube-Black Sea Canal: Town of Cernavoda, located 2 km away from the plant, and City of Constanta (only for drinking water, because about 40% of its population is supplied drinking water from the DBSC).
- b. Discharges into the Danube: locality of Seimenii Mari, located on the Danube bank, approx. 1 km downstream the discharge point of the condenser cooling water discharge channel into the Danube.

In addition to the annual emission limits, shorter-term DELs have been approved to monitor and optimize the control of radioactive discharges: Quarterly DELs: 35% of annual and monthly DELs: 15% of annual DELs. Were short-term limits are exceeded, Cernavoda NPP is required to give notice CNCAN, to define the reasons that led to the increased discharges, and to put in place corrective measures to reduce the radioactive emissions.

For the discharge of liquid effluents into the Danube-Black Sea Canal, additional measures are implemented so that the radioactivity concentration in the canal water complies with the limits set under the drinking water legislation in force. The administrative and monitoring measures taken ensure compliance with the legal requirements for drinking water radioactivity ( $^3\text{H}$  concentration, overall alpha activity and overall beta activity). The plan of measures to limit the radioactivity concentration in the discharged water is presented to the authorities to obtain the discharge route switching permits.

Where, liquid effluents are discharged both into the Danube-Black Sea Canal and into the Danube during a given year, there is an additional condition that the sum of the doses received by a person of the critical group during that year, from these discharges, does not exceed 25  $\mu\text{Sv}$ .

There were no instances where the regulated parameters requiring remedial action were exceeded.

### Pitesti NFP

Pitesti NFP is located in a hydrographic area with groundwater and deep water that ensures covers for the consumption of both the population and the local businesses. Considering that Pitesti NFP is not located in an area with a high risk of drought/hydric risk, no additional investments for water supply are required. Pitesti NFP is supplied with water by RATEN-NRI. Pitesti NFP does not carry out any water sampling.

Since Pitesti NFP is constantly concerned about environmental protection, use of resources, etc., under the *NFP Policy on nuclear safety, quality, protection against ionizing radiation, environment, occupational safety and health, physical protection, control of nuclear safeguards, cyber security, and protection of classified information*, the NFP management committed to take all necessary measures for the *Monitoring, assessment and continuous improvement of the environmental performance, pollution prevention, sustainable use of resources and biodiversity conservation*.

Pitesti NFP does not discharge any water into any outlet. Waste water is collected in the two stations held by NFP:

- the Waste Water Collection and Discharge Station (RWCDs-NFP)
- The Radioactive Liquid Waste Collection Station (RLWCS-NFP).

Depending on the uranium concentration, these are discharged into Pitesti NRI Treatment Station (TS-NRI) as radioactive waste water or are transferred by road tanker to Pitesti NRI Radioactive Waste Treatment Station (RWTS-NRI), as radioactive solid waste for treatment and uranium recovery.

In order to reduce the use of water, Pitesti NFP has taken a number of reduction measures along the years, namely:

- In order to reduce the consumption of domestic water, the measures consisted of delivering training to, and raising awareness of, the staff on the rational use of resources, replacement of water mixing units by new photocell-equipped ones, checking the water routes and replacement of those areas where wear and tear was observed.
- To reduce the industrial water consumption, two cooling water recirculation plants were put into operation.

Also for 2023, Pitesti NFP set a performance indicator for the use of water, which consists in reducing use of water by 0.01%<sup>(\*)</sup> in 2023, compared to 2021, based on the average headcount.

*\*Note: In setting the targets, NFP referred to year with the lowest consumption (5,505 m<sup>3</sup> - in 2021); the percentage reductions of 0.01% were made annually, an analysis going back several years finds a progress, i.e. reduction in the water consumption from 7,868 m<sup>3</sup> (amount recorded in 2020) down to 5,489 m<sup>3</sup> (amount recorded in 2023).*

Sources of waste water:

- Radioactive liquid waste – is radioactively contaminated waste water of different concentrations, coming from the production and quality control activity, and is collected in the tanks of the Radioactive Liquid Waste Collection Station of NFP (RLWCS-NFP). Radioactively contaminated waste water, with a concentration of more than 2 mg U/L, is transferred for uranium recovery to the Radioactive Waste Treatment Station of NRI (RWTS-NRI), where precipitation with trisodium phosphate and ammonia, followed by settling, filtration and drying results into solid and dry uranyl phosphate that is returned to the NFP.
- Radioactive waste water - is waste water with a radioactive content below 1 mg U/L is collected together with the non-radioactive waste water at the Residual Water Collection and Discharge Station (RWCDs-NFP) in tanks. Here, it is checked whether the content of uranium, total nitrogen, total phosphorus, beryllium and pH fall within the limits set out under the Operating Regulation of NRI-Pitesti Waste Water Treatment Plant and by CNCAN, after which the radioactively contaminated waste water (radioactive liquid effluents) are discharged into the NRI Treatment Station (TS-NRI).
- Domestic waste water from the NFP is discharged via the domestic sewage network system (separated from industrial sewage networks) into the NRI Treatment Station (TS-NRI), based on the relevant procedures.

There were no significant operating expenditure (OpEx) and/or significant capital expenditure (CaPex) related to the water resources-related actions in SNN.

▪ **Targets related to water and marine sources**

ESRS E3-3, ESRS MDR - T

By monitoring and controlling the use of water resources, SNN can have the big picture of the water resources.

**Cernavoda NPP**

The technology used to produce nuclear energy requires the use of a significant amount of water to cool down the heat transfer systems. For operation of Cernavoda NPP, the Danube water is used to ensure that the heat source is taken over from condensers. The amount of water used is set out under the project and can only be adjusted within very small limits, depending mainly on the outside temperature of the input water.

Any reduction in the amount of water required has an impact on the smooth operation of the installation. For this reason, Cernavoda NPP has no reduction targets as to the cooling water taken from the Danube because no streamlining to reduce the cooling water use factor can be foreseen.

According to the requirement of the Water Management Permit, the water need for the following year is determined. Thus, compared to the maximum volume of water drawn, as set out in the permit, the amount of water per unit/per month and total amount are estimated depending on the power plant's cooling needs (for instance, in summertime, between July and October, a larger amount of cooling water is needed compared to the rest of the year, or during planned shutdowns when maintenance activities are performed on the cooling circuits, the volume of water at the stopped unit is lower; this is the only measure that reduces the amount of water used from the Danube.

**Volumes of process water, as authorized under the Water Management Permit for Cernavoda NPP**

2023	Volume
<b>Process water</b>	
Process water volumes and flow rates for operation of the two units under a 365 days/year and 24/7 regime.	
Qday max.	9,331,200 m <sup>3</sup> /day (108,000 l/s)
Qday average	6,863,616 m <sup>3</sup> /day (79,440 l/s)
Max. annual V	3,405,888 thousand m <sup>3</sup>
Average V annual	2,505,220 thousand m <sup>3</sup>

Under normal conditions, when the Danube water level is normal, no measures to reduce water consumption are necessary. In certain instance, for example in case of drought, when the Danube water level is low, the water regulatory authority ("Apele Romane") enforces restrictions on the use of water for all economic operators. These restrictions are applied mainly to other economic operators and only then to the nuclear power plant, as this is the main and most important beneficiary of the Danube water, as coolant for its aggregates. However, in critical situations, the power plant must be shut down.

Drinking water is supplied from its own underground source, through 3 deep pits, two of which are located in the envelope, and one is located in the NPP Campus area.

Pit	Depth	Hydrostatic level (Nhs)	Hydrodynamic level (Nhd)	Flow rate (Q)
F1	700 m	4 m	10 m	16 l/s
F2	700 m	3.1 m	5 m	28.5 l/s
F3	700 m	5.17 m	5.92 m	21.2

**Volumes of domestic water, as authorized under the Water Management Permit for Cernavoda NPP**

2023	Volume
<b>Domestic water</b>	
Authorized volumes and flows rates of groundwater (Fj1 + Fj2)	
Qday max.	2,865 m <sup>3</sup> /day (33.15 l/s)
Qday average	2,660 m <sup>3</sup> /day (30.8 l/s)
Max. annual V	1,045.7 thousand m <sup>3</sup>
Average V annual	970.9 thousand m <sup>3</sup>

Volumes and flow rates of water authorized from the local drinking water supply system of Town of Cernavoda (through the operator: S.C. RAJA S.A. Constanta)	
Qday max.	2,160 m <sup>3</sup> /day (25.0 l/s)
Qday average	1,910 m <sup>3</sup> /day (22.1 l/s)
Max. annual V	788.4 thousand m <sup>3</sup>
Average V annual	697.15 thousand m <sup>3</sup>

The targets set in Cernavoda NPP refer in particular to water quality targets assessed on two major areas:

- to check the quality of the radiologically-assessed water (SNN aims to maintain the volume of radioactivity releases into the air and water, below the regulated level);
- to check the quality of the physically and chemically assessed water.

From a radiological point of view, the liquid effluents of interest and the related Derived Emission Limits, as approved by CNCAN for the nuclear power units of Cernavoda NPP in operation, for each receiving waterway, are presented in the following table.

**Derived Emission Limits approved by CNCAN for each of the nuclear units (U1, U2) in operation at Cernavoda NPP**

DELs for Liquid Effluent Emissions into the Danube – Black Sea Canal		DELs for Liquid Effluent Emissions into the Danube	
Radionuclide/ Group of Radionuclides	DEL (GBq/year)	Radionuclide/ Group of Radionuclides	DEL (GBq/year)
H-3	1.97E+06	H-3	4.92E+07
C-14	8,94E-01	C-14	4.28E+01
Beta-Gamma		Beta-Gamma	
I-131	9,07E-01	I-131	2.39E+01
I-132	8.53E+01	I-132	1.28E+03
I-133	1.92E+01	I-133	1.17E+02
I-134	2.45E+02	I-134	1.40E+03
I-135	2.58E+01	I-135	4.21E+02
Cr-51	2.87E+02	Cr-51	1.14E+03
Mn-54	2.22E+00	Mn-54	5.11E+01
Fe-59	2.19E+00	Fe-59	4.48E+01
Co-58	3.87E+00	Co-58	2.47E+01
Co-60	1,54E-01	Co-60	4.77E+00
Zn-65	5,33E-01	Zn-65	2.47E+01
Sr-89	3.67E+00	Sr-89	9.81E+01
Sr-90+	9,66E-02	Sr-90+	3.98E+00
Zr-95+	3.95E+00	Zr-95+	2.98E+01
Nb-95	1.41E+01	Nb-95	9.42E+01
Mo-99	4.82E+01	Mo-99	8.84E+02
Ru-103	1.75E+01	Ru-103	3.98E+01
Ru-106+	1.52E+00	Ru-106+	4.21E+01
Ag-110m	9,37E-01	Ag-110m	4.21E+01
Sb-122	1.33E+01	Sb-122	3.11E+02
Sb-124	3.31E+00	Sb-124	1.28E+02
Sb-125	1.49E+00	Sb-125	7.16E+01
Te-132	3.06E+00	Te-132	1.10E+02
Cs-134	4,68E-02	Cs-134	1.99E+00
Cs-137	4,78E-02	Cs-137	2.24E+00

DELs for Liquid Effluent Emissions into the Danube – Black Sea Canal		DELs for Liquid Effluent Emissions into the Danube	
Radionuclide/ Group of Radionuclides	DEL (GBq/year)	Radionuclide/ Group of Radionuclides	DEL (GBq/year)
Ba-140	4.64E+00	Ba-140	5.11E+01
Ce-141	1.67E+01	Ce-141	2.65E+02
Ce-144	1.93E+00	Ce-144	5.51E+01
Eu-152	1,49E-01	Eu-152	5.51E+00
Gd-153	1.97E+01	Gd-153	1.79E+02
Eu-154	2,02E-01	Eu-154	7.16E+00
Hf-181	1.11E+01	Hf-181	3.25E+02

From a non-radiological point of view, the regulated non-radioactive liquid effluents for the water discharged from Cernavoda NPP and the maximum permitted values are presented in the following table.

Regulated non-radioactive liquid effluents for the water discharged from Cernavoda NPP and the maximum permitted values:

Discharge water category	Quality ratios	Maximum permitted values mg/l
Domestic waste water (radioactively contaminated) non-	According to the Government Decision no. 188/NTPA 002/2002, as amended and supplemented by the Government Decision no. 352/2005, and the services contract signed with S.C. RAJA S.A. Constanta	
Process water	Temperature	*
	pH	6.5 – 9.0
	Particulate matters	25
	Total ionic iron	1.5
	Chlorides	250
	Sulphates	200
	Ammonium	3
	Phosphorus	1
	CBO5	15
	Sodium	100
	Calcium	150
	Magnesium	50
	Petroleum product	5 (without iriz.)
	Free residual chlorine	0.2
	Hydrazine	0.1
	Morpholine	0.4
	Cyclohexylamine	0.1
	Lithium hydroxide	0.025
	Mixture of hydrazine + lithium hydroxide	0.1 + 0.025
	Mixture of hydrazine + morpholine	0.1 + 0.4
	Mixture of hydrazine + morpholine + cyclohexylamine	0.1 + 0.4 + 0.1
	Rhodamine - discharging into the DBSC - discharging into the Danube	2.0 10.0
Fluorescein - with discontinuous discharge	0.25	
RGCC-100	1.0 off-the-shelf product	
Biomate 5716	1.0	
Biocid MB-40	5.2 active substance	



Discharge water category	Quality ratios	Maximum permitted values mg/l
		0.01 (ml/l) off-the-shelf product
	Ethylene glycol (DOWCAL 10)	< 1.0

## Pitesti NFP

In Pitesti NFP, there have been no independent checks on the how water is used.

Cooperation with other entities to reduce the use of water is not pursued by Pitesti NFP.

Pitesti NFP does not hold a Water Management Permit, as the needed water is supplied by the Nuclear Research Institute (NRI) of Pitesti.

Pitesti NFP decided to implement the requirements of the Regulation (EC) No 1221/2019 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), as amended by the Regulation (EU) no. 2017/1505 of the Commission of 28 August 2017 and Regulation (EU) no. 2018/2026 of the Commission of 19 December 2018. The decision to implement the requirements of this regulation was made voluntarily; Pitesti NFP obtained the EMAS registration in 2020 and renewed it in 2023.

After EMAS registration, Pitesti NFP is required under the relevant Regulation to set performance indicators concerning the following areas:

- energy efficiency;
- material efficiency;
- water;
- waste;
- biodiversity (for this area, Pitesti NFP has not set any indicator, but provided reasons in support of the lack of business relevance of such an indicator);
- emissions.

Being an EMAS registered organization, Pitesti NFP is under the obligation to set annual environmental objectives, indicators and targets, and strives to obtain performance at all times. In order to attain these targets and to meet the objective, a programme setting out measures, actions, owners and implementation time-limits needs to be devised. Thus, the Environmental Management Programme is prepared annually to set out actions aimed at attaining the set targets. Stakeholders have not been involved in target-setting.

The list of environmental objectives and targets is enclosed to the Environmental Performance Report, a report prepared by the staff of the Nuclear Safety and Licensing Service and a part of the annual Management Review Report.

According to the Performance Indicators Evolution Report in early 2024, the performance indicator related to water use reduction by 0.01% in 2023 v 2021 has been achieved, and the effective water use reduction is 3.8%.

	2020	2021	2022	2023	2023	
					Planned	Achieved
Amount of water used (m <sup>3</sup> )	7,868	5,505	5,317	5,489	16.298	15.68
Average headcount (Pitesti NFP)	338	338	341	350		
Ratio between the amount of water used and the average headcount	23.3	16.3	15.6	15.68		

For target-setting purposes, the baseline year considered was that with the lowest consumption, *i.e.* 5,505 m<sup>3</sup>, that is 2021. Percentage reductions of 0.01% were achieved each year.

## ▪ Water consumption

ESRS E3-4

For the amount Danube water used for cooling in **Cernavoda NPP**, an independent check is conducted by the regulator in order to make sure that the maximum permitted quantities are not exceeded, and the amounts of water used are confirmed by the water regulatory authority ("Apele Romane") at conclusion of the annual contracts (Apele Romane being the sole operator under the legislation in force).

A water recycling system does not apply to Cernavoda NPP because there is no actual water pollution with pollutants that require recycling.

### Water consumption in Cernavoda NPP, broken down by each Unit and by type of water (domestic and industrial)

2023	Quantitative values
<b>CERNAVODA NPP</b>	

<b>Domestic water</b>	
<b>Volume captured U1 (thousand m3/year)</b>	369.752
Total volume Fj1 + Fj2	369.752
RAJA total volume	0
<b>Volume captured U2 (thousand m3/year)</b>	0
Total volume Fj1 + Fj2	0
RAJA total volume	0
<b>Total water discharges (thousand m3/year)</b>	369.752
<b>Process water</b>	
<b>Total volume U1 (thousand m3/year)</b>	1,245,430
Volume of fresh water	1,087,363
Recirculated volume	158,067
<b>Total volume U2 (thousand m3/year)</b>	1,160,809
Volume of fresh water	981,619
Recirculated volume	179,190
<b>Total water discharges (thousand m3/year)</b>	2,406,239
<b>Total domestic water</b>	

**Pitesti NFP** does not directly carry out any water sampling.

The water is supplied to the site under a services contract from the drinking water station located on the NRI-NFP platform, located in the premises of Pitesti NRI, consisting of two water storage tanks with  $V = 500 \text{ m}^3$  each and built of reinforced concrete. From the storage tanks, water is distributed for drinking purposes via a pumping station made up of 4 pumps and one fire pump, in a branched distribution network through which it reaches the networks inside Pitesti NFP. Water quality is determined with analyses carried out by Public Health Directorate (PHD) of Arges; a copy of these reports is sent also to Pitesti NFP by RATEN-NRI. The quantities of drinking water and industrial water are measured by reading a meter.

The water supply for industrial purposes is provided from the treated raw water station to cover all needs of the entire NRI-NFP platform, located in the premises of Pitesti NRO, and which consists of two storage tanks with  $V = 1,000 \text{ m}^3$  each. Water distribution for process-related purposes is done via a pumping station made up of 6 pumps and a branched distribution network to Pitesti NFP's networks. Industrial water is used as cooling water for the two production sections, *i.e.* for the sintering furnaces, the hydrogen station, the heat treatment furnaces, as well as certain support processes. With its two cooling water recirculation systems, Pitesti NFP obtains a smaller industrial water consumptions by recirculating the water existing in the two tanks, with no need to continuously use industrial water from NFP. The current industrial water consumption for the two recirculation plants is about  $30 \text{ m}^3$ , compared to the much higher consumption before their coming into service.

The water needed for fire fighting is supplied from the relevant water station located in the premises of Pitesti NRI, and which is made up of the intangible volume of  $500 \text{ m}^3$  available in the two drinking water storage tanks.

To produce domestic hot water, Pitesti NFP also uses a solar plant consisting of 30 solar panels, with ethylene glycol as the transfer medium. NFP also holds a water demineralization station and a cooling water recirculation plant.

Pitesti NFP does not discharge any water into any outlet; wastewater is transferred via a sewage system to the NRI Pitesti Treatment Plant (operator located on the a platform shared with NFP). In the Treatment Plant, this is treated, analyzed and then discharged into the outlet.

For 2023, Pitesti NFP did not set any targets to reduce the amount of wastewater discharged into the NRI Treatment Plant.

<b>2023</b>	<b>CERNAVODA NPP</b>	<b>PITESTI NFP</b>	<b>TOTAL</b>
Total water consumption ( $\text{m}^3$ )	2,406,608,752 $\text{m}^3$	5,636 $\text{m}^3$	2,406,614,388 $\text{m}^3$
Drinking water consumption ( $\text{m}^3$ )	369,752 $\text{m}^3$	5,489 $\text{m}^3$	375,241 $\text{m}^3$
Industrial water consumption ( $\text{m}^3$ )	2,406,239,000 $\text{m}^3$	147 $\text{m}^3$	2,406,239,147 $\text{m}^3$

Total water consumption in areas with water risk, including high water stress areas (m <sup>3</sup> )	0	0	0
Total amount of recycled and reused water (m <sup>3</sup> )	337,257,000 m <sup>3</sup>	30 m <sup>3</sup>	337,257. 030 m <sup>3</sup>
Total amount of stored water (m <sup>3</sup> )	3,000 m <sup>3</sup>	1,000 m <sup>3</sup>	4,000 m <sup>3</sup>
Changes in storage (m <sup>3</sup> )		0	0
Water consumption intensity (total water consumption in own operations in m <sup>3</sup> per net revenue, in million EUR)	-	-	-
Additional intensity rates	-	-	-
Total water sampling	2,406,608,752 m <sup>3</sup>	5,636 m <sup>3</sup>	2,406,614,388 m <sup>3</sup>
Total water discharges	2,406,608,752 m <sup>3</sup>	5,050.8 m <sup>3</sup>	2,406,613,802.8 m <sup>3</sup>

▪ **Anticipated financial effects from risks and opportunities related to water and marine resources**

ESRS E3-5

The short, medium and long-term financial effects on SNN of the risks arising from the impacts on water resources are assessed in the double materiality assessment to be very low (below 0.1% of annual turnover) for air, water, soil, living organisms and food resources pollution.

No detailed quantification of the anticipated financial effects has been conducted in monetary terms, before considering the water-related actions.

## ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

- **SNN – Biodiversity and ecosystems**

- **General Disclosures**

ESRS 2

Given the Company's business profile, *i.e.* that of a nuclear energy producer, SNN should also consider the ecosystem where it operates, particularly where it can influence the biodiversity of the environment in which it is present. Thus, preparation, assimilation and update of the set of procedures related to the Environmental Management System in place in SNN should cover protection, monitoring and control of radioactivity, radioactive and non-radioactive waste management, management of chemicals of concern, water and **biodiversity** management.

The SNN could directly influence the loss of biodiversity through thermal pollution of the Danube water or in case of major nuclear accidents with serious consequences on soil, fauna or flora. The climate change-related factors are tackled the ESRS Chapter E1 – Climate Change. SNN's business has no impact whatsoever on the species characteristics, or the ecosystem condition and capacity to expand, *i.e.* impact and dependence on ecosystem services. SNN's activity does not involve direct exploitation of any fauna or flora and does not lead to the appearance of alien species. Furthermore, SNN's activity does not lead to changes in the land use or groundwater or sea levels, or habitat destruction.

SNN sites do not overlap any protected natural areas of Community interest.

According to the environmental radioactivity monitoring programmes implemented in the pre-operational and operational phase of Cernavoda NPP, and to the specialty studies conducted for the projects on site in different operation stages, the flora and fauna in the area of influence of the NPP platform are not affected by the plant's operation. Since commissioning of the two units of Cernavoda NPP, no radiological risk situation has been observed for the habitats and species of conservation interest of the protected natural areas, or any radioactive effects on the local flora and fauna, in general.

Also, according to the Environmental Impact Report prepared for Pitesti NFP, for biodiversity the conclusions were as follows: "*The relatively large distances between the site and the Natura 2000 protected areas and the nature reserves, as well as the values projected further to the NRI-NFP platform-specific pollutant dispersion study carried out, ensure conservation of the species and habitats for which these have been designated; the project has an overall immaterial impact thereon, during both the construction and operation phases*".

- **Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model**

SBM 3

In SNN, there are 2 sites that are considered to have a potential impact on biodiversity, namely Cernavoda NPP and Pitesti NFP.

### **Cernavoda NPP**

The Nuclear Power Plant of Cernavoda is located in County of Constanta, about 2 km South-East from the limits of Town of Cernavoda, about 1.5 km North-East from the first lock of the Danube-Black Sea navigable canal, on the land in the area of the platform resulting from excavations of the former Ilie Barza limestone quarry, at 44°20' north latitude and 28°01' east longitude.

The actual and potential impacts on biodiversity on the own sites, and on the surroundings, were assessed in waves, by conducting complex environmental studies called *Environmental Impact Report* and *Environmental Balance-Sheet*, which addressed also the topic of biodiversity.

All these studies are public<sup>33</sup>, and moreover, they are subject to public debate and consultation (for instance, in order to issue an environmental permit, the Ministry of Environment organized a public debate).

According to the 2022 County Report on the Environment Status<sup>34</sup>, published on the website of the Environmental Protection Agency of Constanta “the additional exposure of the local population due to operation of Cernavoda NPP is insignificant compared to natural exposure and under the domestic national and international regulations on the population exposure to nuclear practices”.

Also, according to the 2016 Health, Safety and Environment Report, published on the website of the National Public Health Institute, “Drinking water quality ensures compliance with the quality indicator value, at a total dose of 0.1 mSv per year. Tritium concentrations in the impact zone of Cernavoda NPP were below 100 Bq/l. The determinations conducted in 2016 on in drinking water or foodstuff found no contamination leading to a significant increase of the dose by ingestion in the territory of Romania”. According to this report, the monitoring programme carried out by the laboratories of the Public Health Directorates consisted of determinations of global alpha and global beta activity, as well as of the natural and artificial radionuclide concentrations in samples of drinking water and foodstuff (milk and mixed diet).

Under the environmental legislation in force, namely

- Minister Order (MO) no. 1964/2007 establishing the status of natural protected area for the sites of Community importance, as an integral part of the Natura 2000 European ecological network in Romania, as amended and supplemented by MO no. 2387/2011;
- Government Decision no. 1284/2007 declaring the special bird protection areas as an integral part of the Natura 2000 ecological network in Romania, as amended and supplemented by Government Decision no. 971/2011;
- Government Emergency Ordinance no. 57/2007 on the regime of protected natural areas, conservation of natural habitats, and wildlife, as approved by Law no. 49/2011, as subsequently amended and supplemented;

The Cernavoda NPP platform is not located in any protected areas or sites or areas, but only in the vicinity of such areas. Most of the areas in the 30 km zone around the power plant, the banks of the Danube and Ialomitei Pond are covered by anthropic ecosystems. The biodiversity that existed before farming expansion in the reference area is being replaced over large areas, with the original flora and fauna being preserved on small “islands” surrounded by cereal crops.

The site of Cernavoda NPP is bordered to the north by Cismelei Valley, and to the south-west by County Road (DJ) 223. The closest Natura 2000 sites are Canaralele Dunarii (ROSCI0022) and ROSPA0002 “Allah Bair – Capidava, and may be the most susceptible in terms of biodiversity impact, given the proximity to the Cernavoda NPP platform and their location downstream the cooling water discharge outlet into the Danube.

#### Protected natural areas of Community and national interest located within a radius of 15 km from Cernavoda NPP

Type of site		Code of site	Name of site	Comments
Natura2000	Site of Community importance	ROSCI0022	Canaralele Dunarii	<ul style="list-style-type: none"> <li>– Approx. 2.2 km straight-line distance to the Cernavoda NPP platform</li> <li>– The cooling water from Cernavoda NPP is discharged through a circuit made up of boxes, tunnels, an open concrete canal and a dirt channel, discharging into the Danube 6.3 km away from the NPP platform’s boundary. The northern end of the protected area is at a distance of approx. 52 km downstream the cooling water outlet into the Danube. The Stereo 70 coordinates of the confluence point are: X (North) 323843 m; Y (East) 742188 m</li> </ul>
Natura2000	Site of Community importance	ROSCI0353	Pestera - Deleni	– Approx. 13.4 km SSE of the Cernavoda NPP platform
Natura2000	Site of Community importance_proposed	ROSCI0412	Ivrinezu	- An area proposed as a site of community Importance, which is found in the public thematic layer on the Ministry of Environment website (accessed in August 2017).
Natura2000	Special Bird Protection Area	ROSPA0001	Aliman - Adamclisi	– Approx. 11.5 km S-SW from the Cernavoda NPP platform
Natura2000	Special Bird Protection Area	ROSPA0002	Allah Bair - Capidava	<ul style="list-style-type: none"> <li>– Approx. 10.3 km to the NPP platform</li> <li>– The southern boundary of the protected area is about 6.5 km downstream the cooling water outlet into the Danube.</li> <li>– Area declared by the Romanian Ornithological Society as Important Bird Area (IBA) - code RO107 Allah Bair-Capidava</li> </ul>

<sup>33</sup> <https://www.mmediu.ro/articol/snn-sa-sucursala-cne-cernavoda-solicitare-autorizatie-de-mediul-pentru-functionarea-unitatilor-1-si-2/2182>, accessed 11/02/2024

<https://www.mmediu.ro/articol/lucrari-de-construire-a-instalatiei-de-detritiere-apa-grea/3022>, accessed 11/02/2024

<sup>34</sup> [http://www.anpm.ro/web/apm-constant/rapoarte-anuale1/-/asset\\_publisher/zx0kZaWCbnWT/content/raport-judetean-privind-starea-mediului-pe-anul-2022](http://www.anpm.ro/web/apm-constant/rapoarte-anuale1/-/asset_publisher/zx0kZaWCbnWT/content/raport-judetean-privind-starea-mediului-pe-anul-2022), accessed 28/02/2024

Natura2000	Special Bird Protection Area	ROSPA0012	Bratul Borcea	– Approx. 10.06 km to Cernavoda NPP – The confluence Borcea Branch - the Danube is approx. 52 km downstream the cooling water outlet into the Danube.
RAMSAR	Wetland of international importance	RORMS0014		
Natura2000	Special Bird Protection Area	ROSPA0039	Dunare - Ostroave	– SW-W from the NPP; the closest point is located about 1.8 km from Cernavoda NPP – Upstream the cooling water intake for NPP and its return to the Danube.
IUCN	Monument of nature	RONPA0371	Locul fosilifer Cernavoda	– Approx. 2.6 km W-NW to the Cernavoda NPP platform
IUCN	Monument of nature	RONPA0372	Locul fosilifer Seimenii Mari	– Approx. 8.8 km N of the Cernavoda NPP platform
RAMSAR	Wetlands of international importance	RORMS0017	Ostroavele Dunarii - Bucgeac - Iortmac	- Includes the Natura2000 sites: ROSCI0022 Canaralele Dunarii, ROSPA0001 Aliman – Adamclisi. ROSPA0002 Allah Bair – Capidava.

The survey *Impact of the operation of Cernavoda Nuclear Power Plant on the Aquatic and Terrestrial Organisms in its Area of Influence* was conducted in years 2008 – 2012 and was followed up in 2013 – 2016 under the programme for monitoring the impact of the Cernavoda Nuclear Power Plant's operation on the aquatic and terrestrial organisms in its area of influence, did not highlight any material impact Cernavoda NPP's operation on the local biota.

According to the report produced further to the campaigns carried out in 2016 in the area of influence of Cernavoda NPP, no atypical changes in the structure of plant associations were observed. From an artificial association - lolium and trifolium - the turf that was part of the original landscape architecture - we have now a "new ecosystem", with a greater number of new plant species, the seeds of which have been carried naturally by birds or wind, increasing their variability. The evolution of plant associations from "simple" (a few) to "complex" (several species with a specific spatial arrangement) points to favorable conditions (unaltered by the plant's activity) for growth in the NPP ecosystem and for amplification of the gene pool diversity.

Also, according to the same survey, there is no need to intervene in the evolution of the ecosystem, and the signs of vegetation amplification and diversification support this claim. Snails, fish, birds, insects, etc. can be turned to account to justify the biosensors existing in the ecosystem, which a clear sign, even to non-*connoisseurs*, the existence of a clean environment.

#### **Pitesti NFP**

The Nuclear Fuel Plant is located on the NRI - Pitesti NFP shared platform, which covers an area of 47.90 ha, of which Pitesti NFP occupies 23,273.40 sq.m.

The site is located about 13.4 km NE of City of Pitesti (about 19.7 km by road), County of Arges, within the administrative territory of Town of Mioveni; the position of Pitesti NFP against the neighboring human settlements is as follows:

- to NNE, Racovita District (Mioveni), at approx. 2 km;
- to NW, Village of Negresti, at approx. 7 km;
- at W, Town of Mioveni (former Colibasi), at approx. 3 km;
- to W-SW, Colibasi district (Mioveni) and DACIA RENAULT companies, at approx. 2.5÷3 km.

The site is located in an afforested area, at an altitude around +450 m above the Black Sea level, and about +150 m above the Doamnei Riverbed.

The area where Pitesti NFP is located is not declared a sensitive area, and is qualified as an industrial platform. Any sensitive areas are declared neither in the proximity of Pitesti NFP.

#### **▪ Description of the processes pursued to identify and assess the pollution-related material impacts, risks and opportunities**

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ESRS 2 IRO-1

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The biodiversity-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources, as well as the studies and surveys conducted to underpin the issue of the operating and environmental permits, and the risk registers, as put together for each risk area. These are summarized in the table below and are tackled in the following sections.

Sub-topic	Impact	Risk/Opportunity
<b>Direct impact drivers on biodiversity decline</b>	<b>Potential negative impact</b> at large scale due to thermal pollution of the Danube water (for Cernavoda NPP)	<b>Risk:</b> the maximum permitted levels set out in the relevant permits are exceeded, and this can lead to fines or even interruption of the activities until such problems are fixed.
	<b>Potential negative impact</b> at large scale, with serious consequences for the environment and population in case of a nuclear accident (for Cernavoda NPP)	<b>Risk:</b> SNN could risk losing its operating license, either in full or only for operation of the nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.

The short, medium and long-term **financial effects** on SNN of the risks arising from the activity impacts on biodiversity are assessed in the double materiality assessment to be medium (above 0.7%, but below 2.0% of annual turnover).

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

## ▪ Transition plan and consideration of biodiversity and ecosystems in the business strategy and model

ESRS E4-1

For both the existing activities, and the new activities to be carried out on the SNN sites, specific environmental impact assessment studies are conducted in terms of biodiversity.

**Cernavoda NPP** carries out environmental impact assessment studies or analyses with independent entities, beyond any influence from the Company. Every matter resulting from these analyses is turned into actions that Cernavoda NPP implements.

More details about the impacts, biodiversity-related opportunities and environmental analyses can be found on the Ministry of Environment's website<sup>35</sup>.

The environmental permit of **Pitesti NFP** does not set out any specific requirements for biodiversity and ecosystems. In 2015, the *Environmental Impact Report was prepared for the project Construction of the Technical Outbuilding for ventilation equipment and chiller platform (ventilation and air-conditioning works in Hall IV)*. The purpose of this report was both to assess the environmental impact of the project's implementation, and to assess the cumulative impact on the operation of Pitesti NFP. Under the biodiversity chapter, the conclusion was that the activity of Pitesti NFP has no impact whatsoever on biodiversity.

## ▪ Policies related to biodiversity and ecosystems

ESRS E4-2

No specific policies have been devised for biodiversity and ecosystems; however, elements on these two topics were included in the integrated management systems or the specific work processes.

Policy elements about environmental protection and nuclear safety are introduced into the work processes of **Cernavoda NPP**. All activities carried out in Cernavoda NPP are analyzed also for their direct or indirect impact on the environment. Nuclear, population, staff and environment safety takes priority over the production-related matters.

In 2023, **NFP Pitesti** prepared the *Policy on nuclear safety, quality, protection against ionizing radiation, environment, occupational safety and health, physical protection, control of nuclear safeguards, cyber security, and protection of classified information*, where the management Pitesti NFP committed to take all necessary measures for the monitoring, assessment and continuous improvement of the environmental performance, pollution prevention, sustainable use of resources and biodiversity conservation.

The activity carried out by Pitesti NFP has no direct impact on the local biodiversity and ecosystems.

<sup>35</sup> RIM CTRF\_Rev.3.pdf (mmediu.ro)

RIM CTRF\_Engleza.pdf (mmediu.ro)

<https://www.mmediu.ro/articol/snn-sa-sucursala-cne-cernavoda-solicitare-autorizatie-de-mediu-pentru-functionarea-unitatilor-1-si-2/2182>

2018-06-18\_Raport\_bilant\_de\_mediu\_II.pdf (mmediu.ro)

2018-06-18\_Raport\_bilant\_de\_mediu\_I.pdf (mmediu.ro)

## ▪ **Actions and resources related to biodiversity and ecosystems**

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ESRS E4-3

The biodiversity and ecosystems-related actions in **Cernavoda NPP** are provided in the *Environmental Monitoring Programme* described in chapter **ESRS E3-3**. Thus, the Company makes sure that the authorized emission parameters are monitored and maintained.

The Environmental Monitoring Programme requires monitoring of the environmental factors water, air, noise, soil/subsoil, from a both radiological and non-radiological point of view. So far, there have been no cases of damage to biodiversity and climate that would require remedial measures or significant capital expenditure.

In **Pitesti NFP**, the environmental management system does not require setting any biodiversity targets or actions.

## ▪ **Targets related to biodiversity and ecosystems**

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ESRS E4-4

Not applicable; in **Cernavoda NPP**, no impacts material enough have been identified in the studies conducted so as to require the setting of biodiversity and ecosystems-related targets have been identified; only the values of the parameters are monitored against the environmental and water management permits.

Not applicable, because the environmental management system of **Pitesti NFP** does not require setting any biodiversity targets or actions.

## ▪ **Impact metrics related to biodiversity and ecosystem changes**

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ESRS E4-5

This does not apply to **Cernavoda NPP** because no impacts material enough have been identified in the studies conducted so as to require the setting of impact metrics related to biodiversity and ecosystems; only the values of the parameters are monitored against the environmental and water management permits.

Not applicable, because the environmental management system of **Pitesti NFP** does not require setting any biodiversity targets or actions.

## ▪ **Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities**

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ESRS E4-6

The short, medium and long-term **financial effects** on SNN of the risks arising from the activity impacts on biodiversity are assessed in the double materiality assessment to be medium (above 0.7%, but below 2.0% of annual turnover).

The financial effects of the biodiversity and ecosystem-related risks and opportunities have not been yet identified Pursuant to the current policy applied in Cernavoda NPP, the Company makes sure that the necessary funds are available to improve or acquire high-eco performance technologies in order to prevent environmental pollution and preserve a clean environment.



## ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

- **SNN - Resource use and circular economy**

- **General Disclosures**

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ESRS 2

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SNN supports the rational use of energy and natural resources, striking a balance between environment, energy and economy.

The commitment to the rational use of resources is described in the Integrated Management System Manual of Cernavoda NPP. It is also envisaged that the technologies used and the products and equipment purchased meet the acceptability criteria for the minimum reasonable technological impact on the environment.

In Pitesti NFP, an environmental analysis is carried out every year to assess both the inputs to the process, *i.e.* resources, raw materials, materials and utilities, and the outputs from the process, *i.e.* products, waste generated, etc. The environmental analysis addresses both the environmental risks and the related opportunities. The risk attached with inflows of resources, raw materials and materials in NFP is identified, assessed and documented in a risk data-sheet, where controls were determined.

Also about resources consumption, a financial performance risk was identified consisting of the exceeding of the specific rated consumptions, which would lead to both higher costs and an increased consumption of resources.

- **Description of the processes pursued to identify and assess the pollution-related material impacts, risks and opportunities**

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ESRS 2 IRO-1

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The circular economy-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources, as well as the studies and surveys conducted to underpin the issue of the operating and environmental permits, and the risk registers, as put together for each risk area. These are summarized in the table below and are tackled in the following sections.

Sub-topic	Impact	Risk/Opportunity
<b>Resources inflows, including resource use</b>	<b>Potential negative impact</b> at medium scale because production of nuclear fuel bundles requires availability of certain resources, such as technical uranium concentrate/uranium dioxide powder, zircaloy-4, beryllium metal or substances in the category of drug precursors and explosives precursors, which require that special attention is paid to both their handling and waste storage, as they may pose a risk to the environment and humans	<b>Risk:</b> Mishandling and improper storage of raw materials and resulting waste can lead to production costs, capital expenditure or even regulatory costs.

<b>Waste</b>	<b>Potential negative impact</b> at large scale, with serious consequences for the environment and the population, when radioactive waste is improperly disposed	<b>Risk:</b> Waste management, particularly radioactive waste, can lead including to capital or regulatory costs.
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The short, medium and long-term **financial effects** on SNN of the risks arising from the activity impacts on the inflows of resources are assessed in the double materiality assessment to be very low (below 0.1% of turnover), particularly because there are more suppliers along the supply chain, whereas the financial effects of waste management are assessed to be medium (above 0.7%, but below 2.0% of turnover) due to handling of radioactive waste.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

▪ **Policies related to resources use and circular economy**

ESRS E5-1

By design, the nuclear units include also technical, administrative and procedural means and measures to control and monitor the activities and equipment likely to affect the staff, the environment and the population, with a view to eliminating and/or minimizing the risks attached to harming the environmental factors.

Cernavoda NPP promotes the rational use of energy and natural resources, striking a balance between environment, energy and economy, as stated in the Integrated Management System Manual. This commitment translates into: integration of the sustainable development concept into projects and investments, compliance with the domestic and Community legislation, and with the permits and environmental protocols and agreements, and continuous improvement of environmental performance.

Cernavoda NPP has devised and put in place specific requirements to support minimization/elimination of any potential negative impact on the environment resulting from the plant's activities.

Cernavoda NPP Branch, as a legal entity holding waste, classifies each type of waste generated from its own activity according to the legal provisions in force. Such classification is subject to the provisions of the Government Decision no. 856/2002. Cernavoda NPP Branch, according to the Environmental Permit, does not carry out treatment, recovery, recycling and disposal of the generated non-radioactive waste, as defined by Law no. 92/2021, as amended and supplemented to date. Domestic transport (on national public roads) of non-radioactive chemical waste is carried out in accordance with the specific legal provisions (ADR rules and Government Decision no. 1061/2008). Cernavoda NPP does not carry out any non-radioactive waste export operations.

Under Pitesti NFP's Policy on nuclear safety, quality, protection against ionizing radiation, environment, occupational safety and health, physical protection, control of nuclear safeguards, cyber security, and protection of classified information, NFP Pitesti commits to take all necessary measures for the *Monitoring, assessment and continuous improvement of the environmental performance, pollution prevention, sustainable use of resources and biodiversity conservation*. Both this policy and the Environmental Statement, which in turn includes the commitment to a rational use of resources, are documents approved by the NFP Manager.

This commitment is reflected in work procedures that detail how to identify, assess and manage the identified environmental matters, including those related to the use of resources: water, energy and materials. The relevant risks and opportunities associated with the identified environmental matters are identified in the environmental analysis.

In terms of waste management, Pitesti NFP has adopted a policy that observe the waste hierarchy principles; thus, the first step is to prevent waste generation, followed by its reuse, recycling, other recovery and, finally, disposal or landfilling.

▪ **Actions and resources related to resources use and circular economy**

ESRS E5-2

In the manufacturing process, Pitesti NFP has implemented a process to recover the resulting non-compliant materials, with the aim of optimizing consumption, recycling the resulting non-compliant materials and, implicitly, reducing the impact on the environment. Non-compliant nuclear materials resulting from the pill manufacturing processes are collected by category (powder, pellets, raw pills and sintered/rectified pills, rectification sludge, etc.) and stored until transferred to the powder supplier for recycling and conversion into compliant UO<sub>2</sub> powder, which is later returned to Pitesti NFP to be reintroduced in the manufacturing process. Incinerable radioactive solid waste and radioactive liquid waste (contaminated with uranium) are transferred to the Radioactive Waste Treatment Station of NRI Pitesti for uranium treatment and recovery in the form of uranium ash and uranyl phosphate, which materials are then returned to NFP and subsequently managed as non-compliant nuclear material.

In order to implement the waste hierarchy principle, several measures have been taken in Pitesti NFP, as follows:

- to increase the degree of selective waste collection - the purchase of containers for selective collection according to Law no. 132/2010 on selective waste collection in public facilities, *i.e.* a better segregation of waste.
- to reduce the amount of paper waste from office activities, electronic signature has been introduced and a document analysis platform has been created to avoid the printing out of documents.
- in the production and maintenance activities, the primary focus is on repair and reuse of parts and components, whenever possible.
- when dismantling/taking out of service any equipment, those components that can be reused are retained and not disposed as waste.
- the zircaloy-4 waste resulting from the process, at takeovers and quality controls, are collected under controlled procedures and are transferred to authorized companies for processing and turning into various zircaloy materials used in other industries.
- noncompliant nuclear material resulting from the process flow is controlled-collected to be transferred for processing in the Uranium Concentrate Processing Plant, and is then returned to NFP as compliant UO<sub>2</sub> sinterable powder.
- radioactive liquid waste (RLW) and incinerable radioactive solid waste (ISRW) are sent to RATEN-NRI for treatment/incineration to recover the contained uranium, and the resulting materials (uranyl phosphate and uranium ash) are returned to FCN as noncompliant nuclear material, which is then transferred to FPCU for uranium recovery and production of compliant UO<sub>2</sub> sinterable powder, which is sent to NFP and fed into the flow as a feedstock.
- the personal protective equipment waste (gowns, overalls, T-shirts) is collected separately, *i.e.* the waste used in controlled areas where there is a risk of radioactive contamination is separated from the waste used in areas under radiological surveillance. This increased the recycling of textile waste to the detriment of its incineration (if, after decontamination and dosimetric measurements, it is found to be contaminated).
- metal packages, *i.e.* metal barrels used to collect used oils and emulsions - NFP asked collectors to return the containers to be reused for collection of the same kinds of waste.

▪ **Targets related to the use of resources and the circular economy**

ESRS E5-3, ESRS 2 MDR - T

No use of resources and circular economy-related targets have been set for the Headquarters.

In **Cernavoda NPP**, according to the design, the amount of nuclear fuel bundles is constant. Since the degree of use of these bundles is based on a physical and chemical calculation, their the amount varies only slightly. In this regard, no targets have been set for the use of these resources, nor is this the case, as providing energy at national level is contrary to the resources economy in this regard.

Internally, one of the programmes currently in progress, with immediate benefits in terms of reducing the use of resources, is the programme to reduce the internal electricity consumption by replacing the plant's lighting system from incandescent bulbs to eco-lighting, or by acquiring only that equipment that ensures a reduced energy consumption.

In order for **Pitesti NFP** to meet the environmental targets and the environmental indicators according to the *Environmental Performance Assessment* procedure, an Environmental Management Programme is devised to set measures/actions, owners and implementation time-limits. In accordance with the procedural requirements, evolution of the performance indicators is analyzed on a monthly basis, so that, should there be found that there is a risk that these are not attained, corrective/preventive actions can be taken.

The identified risks are documented in risk records, where controls are also defined. These are reviewed and updated on a quarterly basis.

For the use of resources, Pitesti NFP has set the following indicators:

- Electricity consumption by reference to the number of bundles produced - Reduction by min. 0.01% of the electricity consumption in 2023 v 2021, by reference to the number of FBs produced (0.4688 MWh/FB produced); the metric fell within the proposed target, with a of a reduction of 6.18%

	2020	2021	2022	2023	2023	
					planned	
Amount of electricity used, MWh	4746	5158	4891	4845	0.4688	0.44
Number of FBs produced	10800	11000	10826	11000		
Amount of electricity used/no. FB produced	0.434	0.469	0.452	0.44		

- Rational use of resources - increase by at least 0.02% in the UO<sub>2</sub> powder processing yield compared v 2021 ( $\eta=95.11\%$ ); the metric fell within the proposed target, as a 0.54% increase was reported.

	2020	2021	2022	2023	2023	
					Planned	Achieved

The amount of uranium in the UO <sub>2</sub> pellet columns formed [kg]	199150.229	203015.959	199043.484	202783.472	95.11	95.63
Amount of uranium in UO <sub>2</sub> powder released for fabrication [kg]	217191.569	209221.668	213507.934	212040.719		
Yield [%]	95.19	95.09	95.34	95.63		

- **Rational use of resources - increase by at least 0.02% in the Zy-4 tube processing yield in 2023 v 2021 ( $\eta=97.48\%$ );** the metric fell within the proposed target, as a 0.41% increase was reported.

	2020	2021	2022	2023	2023	
					Planned	Achieved
Yield [%]	97.24	97.46	97.55	97.87	97.48	97.87

The quantities of raw materials and materials needed to produce one nuclear fuel bundle is determined in accordance with the procedures of Pitesti NFP. In order to optimize the production costs of the components and fuel bundles, Pitesti NFP has devised internal control tools and mechanisms to minimize the risk that the specific rated consumptions are exceeded.

- **Rendering water usage more efficient - Reduction by at least 0.01% of the drinking water consumption in 2023 v 2021 by reference to the average headcount (16.298 cubic m/average headcount);** the metric fell within the proposed target, as a 3.8% reduction was reported.

	2020	2021	2022	2023	2023	
					planned	achieved
Amount of water used (m <sup>3</sup> )	7868	5505	5317	5489	16.298	15.68
Average number of employees	338	338	341	350		
Ratio between the amount of water used and the average headcount	23.3	16.3	15.6	15.68		

No targets have been set for the waste hierarchy in Pitesti NFP; however, in 2023, NFP has set an indicator associated with the objective of minimizing the amount of incinerable radioactive solid waste generated, *i.e.* reducing the amount of incinerable radioactive solid waste generated in relation to the number of Fuel Bundles (FBs) produced. Maximum quantity of incinerable radioactive solid waste authorized to be generated under to the Environmental Permit, compared to the maximum authorized production, is maximum 0.56 kg/FB; the indicator fell within the proposed target.

## ▪ Resources inflows

ESRS E5-4

**Pitesti NFP** is the only producer of CANDU-6 nuclear fuel bundles for Cernavoda NPP, where these are turned into electricity.

**Cernavoda NPP** uses nuclear fuel bundles as raw material for electricity generation. The amount of fuel bundles is provided under the project at approximately 5,000 fuel bundles per unit per year, and remains constant. How intensive these bundles are used depends on a physical and chemical calculation, and the amount varies slightly according to a number of factors.

**The number of fuel bundles used to obtain electricity.**

2023	NO OF NUCLEAR FUEL BUNDLES USED	
	UNIT 1	UNIT 2
	5,592	4,772

The quantities of raw materials and materials reflect the quantity in initial state of the materials, which are weighed in the reception activities, according to the internal procedures of Pitesti NFP.

The estimated quantities of raw materials and materials required in the technological process to obtain a production of **12,000 FBs/year** (full production capacity) are shown in the table below:

Item no.	Raw materials	M.U.	Quantity (*)	Packaging
1	Uranium in the form of UO <sub>2</sub> sinterable powder	t U	250	Barrel 200 L
2	Zinc stearate	kg	900	Paper bag
3	Zircaloy-4 1.6 mm sheet	kg	2500	Wood, cardboard
4	Zircaloy-4 0.83 mm sheet	kg	868	Wood, cardboard
5	Zircaloy-4 1.98 mm sheet	Kg	300	Wood, cardboard
6	Zircaloy-4 wire for skids	kg	650	Wood, cardboard
7	Zircaloy -4 bars for plugs	kg	7500	Wood, cardboard
8	Zircaloy-4 tubes for sheaths	pcs.	469920	Wood, cardboard, tinfoil
9	Beryllium (in powder form)	kg	7.8	Plastic barrel
10	Helium 4.6, 99.996% purity	Nm <sup>3</sup>	7800	Pressure vessel
11	Colloidal graphite solution	kg	816	Metal-sheet can

Pitesti NFP decided to pack the nuclear fuel bundles in reusable packages, made of wood (crates). Inside them, product protected with plastic, metal and cardboard materials, which are returnable materials and which Pitesti NFP reuses if they are not damaged. After decay, these become packaging waste.

#### ▪ Resources outflows

ESRS E5-5

There are no significant material outflows, other than waste, *i.e.* the produced energy.

The Headquarters is located in a leased building, and the household and recyclable waste generated is now collected and disposed by the company under contract which Plaza Development, namely Romprest; the costs are then recharged to SNN according to the lease agreement, depending on the leased area. For the buildings owned at Polona/Slavesti St., SNN has a selective collection contract with Romprest, but as there is no business pursued in the building, this is insignificant.

#### Cernavoda NPP

Cernavoda NPP classifies each type of waste generated from its own activity according to the legal provisions in force. Radioactive and non-radioactive waste results from the activities performed by Cernavoda NPP. SNN pays special attention to the post-activity radioactive waste management, and all related activities are authorized in advanced by CNCAN.

#### Radioactive waste

Radioactive waste generated in the daily maintenance and repair activities and the planned or unplanned shutdowns of the plant, consists of:

- solid waste (plastics, cellulose, glass, wood, purification filters, ventilation system filters, etc.);
- organic liquid waste (oil, solvent, scintillating liquid);
- organic solid-liquid mixture waste (flammable);
- aqueous solid-liquid mixture waste (slurry);
- solid and liquid chemical waste.

2023	Quantity [m <sup>3</sup> ]	Limit under permit
Solid radioactive waste [m <sup>3</sup> ]	62.26	No limits are enforced under the plant's licenses
Radioactive organic solid-liquid mixed waste [m <sup>3</sup> ]	5.72	No limits are enforced under the plant's licenses
Radioactive organic liquid waste [m <sup>3</sup> ]	2.42	No limits are enforced under the plant's licenses

Radioactive waste is collected and sorted by qualified staff, according to rules and criteria laid down under procedures, and apply to all types of radioactive waste.

For each type of radioactive waste, different criteria are applied:

- source of origin (services building, reactor building);
- type of material (plastic, cellulose, metal, wood, oil, solvents, etc.);
- radionuclide content (with short, medium or long lifetime);
- contact dose flow-rate (weakly-active, medium-active).

After sorting, radioactive waste is stored in special stainless-steel containers.

Organic liquid radioactive waste and organic solid-liquid mixtures (flammable) are kept in the services building, and are to be then solidified to remove any potential flammability hazards.

The waste radioactive aqueous solid-liquid mixtures (sludge) are stored in stainless-steel barrels in the services building, and are to be then subjected to drying-treatment applying processes to remove the water content.

Solid chemical and radioactive liquid waste are kept in the services building, in containers suitable for their chemical properties, and will be treated by authorized operators.

The volumes of waste produced can be reduced by compaction (using a hydraulic press), applying treatment methods that use incineration of the combustible radioactive solid waste and melting of radioactive metal waste, at external authorized operators, and by unconditional release of waste under the authorization regime of CNCAN.

Solid or solidified radioactive waste is stored over the entire plant's operation period, under optimal safety and storage conditions. This is stored inside the physical protection fence of the site, in the Radioactive Solid Waste Intermediate Storage.

The final storage of this waste is only done after conditioning into solid safe matrices, which guarantee that no negative impact on the environment occurs for at least 300 years.

#### Non-radioactive waste

According to the Environmental Permit, Cernavoda NPP does not carry out any treatment, recovery, recycling and disposal of the generated non-radioactive waste.

Non-radioactive waste is collected separately at the place of generation and is stored in containers identified by the type of waste, in spaces specially arranged and approved under the plant's documents. Cleaning routines and standards are issued for retrieval of waste from the collection spaces, fitting-out these spaces, labelling, recording and transferring it to the temporary disposal areas.

Recoverable waste (ferrous and non-ferrous metal, plastic, PET, paper, batteries, etc.) is handed over under contract to authorized companies, according to specific legal requirements.

Hazardous waste is collected separately, correctly labelled and transferred from the place of generation to temporary storages (where applicable).

Non-radioactive industrial waste is disposed /recovered in accordance with the plant's procedures and the specific legal regulations in force concerning the waste amount recording, nature, origin and, where applicable, destination, frequency, mode of transport, treatment method and disposal/recovery, for appropriate reporting to the environmental authorities.

Municipal and similar waste is collected and transferred under a services contract to landfills.

Cernavoda NPP keeps monthly records of the amount of waste generated, temporarily stored, handed over for recycling/recovered/disposed of.

<b>2023</b>	Quantity [tons]	Limit under permit
Non-recyclable non-radioactive waste [tons] (acids without other specification; oily water from oil/water settlers; inorganic waste with a content of substances of concern; absorbents; filtering materials; polishing materials with a content of substances of concern).	83.855	No limits are enforced under the license
Non-radioactive waste of concern [tons] (used oils, glycol, hydrazine/morpholine, emulsion, chemicals, resins, flammable solids, petrolatum, and sludge).	270.835	No limits are enforced under the license
Recycled non-radioactive waste [tons] (batteries; used tires; soil and stones; calcium hydroxide)	115.171	No limits are enforced under the license
Selectively collected non-radioactive waste [tons] (plastic, PET, paper, metal packages, glass)	23.258	No limits are enforced under the license

#### Management of used fuel

Spent fuel is stored as follows:

- Wet storage in the unit's Spent Fuel Pool, for a period of at least 6 years
- Dry storage in the Spent Fuel Intermediate Storage, for a period of at least 50 years.

The Spent Fuel Intermediate Storage (DICA) is located on the site of Cernavoda NPP, and is carried on an in-premises road that allows maintenance of an integrated physical protection system.

Storage is staged-out in accordance with the DICA long-term development strategy. So far, as many as 16 MACSTOR 200 modules have been made.

#### Waste resulting from plant decommissioning

In Cernavoda NPP, no waste is generated further to the decommissioning of the plant or a part of the plant, because Units 1 and 2 of are in their service lifetime set out under designs, and for which extensions of their respective service lifetimes by additional 30 years are envisaged (estimate - Unit 1 by 2059, and Unit 2 by 2067). So far, no projections as to the quantities of waste expected to result from the decommissioning activities have been made.

#### **Pitesti NFP**

In the manufacturing, maintenance, technical quality control, supply and transport, radiation protection, environmental protection, emergencies, etc. processes, a wide range of materials is used, and the activities carried out result into the three categories of waste:

- incinerable/non-incinerable radioactive solid waste;
- non-radioactive waste (of, and not of, concern);

#### Radioactive waste

The radioactive waste resulting from activities carried out in controlled areas of NFP is classified as follows:

- Radioactive wastewater (slightly contaminated with uranium);
- Gaseous Radioactive Effluents (GREs);
- Solid Radioactive Waste (SRW) resulting from the technological, control and maintenance processes, radiological protection, repair works, investments, asset retirements, etc.
- Solid radioactive waste resulting from the conditioning of radioactive organic liquid wastes (spent organic solvent, oils) with NOCHAR polymers;
- Recoverable radioactive liquid waste (RLW) in the SCRAP category.

The radioactive waste contaminated with natural uranium, generated in NFP, are:

- **Non-incinerable radioactive solid waste with low specific activity (NIRSW)** – metal waste, pipes, grinding stones, metal parts, subsets, epoxy powder, bricks, cables, debris, etc. - contaminated with natural uranium) that cannot be decontaminated and are of no interest for recovery. This is temporarily stored on the Solid Radioactive Waste Temporary Storage Platform (TSP) in metal barrels. The waste is then transferred/transported to the Low Activity Solid Waste Final Disposal Landfill of Feldioara, for final storage.
- **Incinerable radioactive solid waste low specific activity (IRSW)** – filters/prefilters resulting from ventilation systems, protective equipment, paper, etc. contaminated with natural uranium. This is temporarily stored on the for Solid Radioactive Waste Temporary Storage Platform (TSP) in metal barrels and/or raffia bags and later are transferred to RWTS-NRI for disposal by incineration and recovery of uranium contained in uranium ash, that is returned of nuclear control safeguards.
- **Radioactive liquid waste** with different concentrations of uranium from the production and quality control activity are collected in stainless steel tanks in the Liquid Radioactive Waste Collection Station of NFP (RLWCS-NFP), and are transferred to the Radioactive Waste Treatment Station of NRI (RWTS-NRI) for the recovery of uranium, from where, through precipitation with trisodium phosphate and ammonia followed by settling, filtering and drying, solid and dry uranyl phosphate is obtained, which is returned to NFP under the nuclear safeguards control.

Management of the waste generated by Pitesti NFP is a procedure-regulated activity, as follows:

- incinerable/non-incinerable radioactive waste is managed in accordance with the requirements of the procedure *Sorted collection, packaging, temporary storage and record keeping of non- incinerable/non-incinerable radioactive solid waste*
- uncontaminated waste is managed in accordance with the requirements of the procedure *Management of uncontaminated (radioactive) waste procedure*
- waste contaminated with beryllium is managed in accordance with the procedure *Collection, packaging and storage of solid waste contaminated with beryllium*
- municipal/household waste is managed in accordance with the requirements of the procedure *Municipal waste collection and transfer.*

Pitesti NFP issues decisions to appoint waste management officers, by type of waste.

The waste generated from its operation is collected separately, by waste category that are dosimetrically measured to determine whether they are contaminated; then, it is transferred for temporary storage in specially arranged places, and is handed over to authorized operators by waste category, under services contracts.

The quantities of waste generated in 2023 are presented in the Environmental Monitoring Report.

## Radioactive waste

2023	Amount	Authorized limit
Total amount of non-incinerable radioactive solid waste (NIRSW) generated	12,007.8 kg	20,000 kg/year
The total amount of non-incinerable radioactive solid waste (NIRSW) transferred to the Low-Activity Radioactive Solid Waste Final Landfill	16,064.4 kg	
Stock of non-incinerable radioactive solid waste as at 31 December 2023	819.5 kg	-
Total amount of incinerable radioactive solid waste (IRSW) generated	2,787.4 kg	6,700 kg/year
Total amount of incinerable radioactive solid waste (IRSW) transferred to the RWTS of Pitesti NRI for incineration	6,248.2 kg	-
Stock of incinerable solid radioactive waste as at 31 December 2023	1,848.3 kg	-
Liquid Radioactive Waste (LRW) transferred to RWTS-NRI	330 m <sup>3</sup>	800 m <sup>3</sup>

## Non-radioactive waste recovered/recycled

2023	Amount generated in 2023 [tons]
Recyclable non-radioactive waste [tons] (paper/cardboard, wood, plastic, metal, etc.).	8.95
Non-radioactive waste of concern [tons] (used oils, emulsion, chemicals, mineral fat, etc.)	11.31

## Anticipated financial effects from impacts, risks and opportunities related to resources use and circular economy

ESRS E5-6

The short, medium and long-term financial effects on SNN of the risks arising from the activity impacts on the inflows of resources are assessed in the double materiality assessment to be very low (below 0.1% of turnover), particularly because there are more suppliers along the supply chain, whereas the financial effects of waste management are assessed to be medium (above 0.7%, but below 2.0% of turnover) due to handling of radioactive waste.

No detailed quantification of the anticipated financial effects has been conducted in monetary terms, before considering the circular economy-related actions.



## ESRS S1 – OWN WORKFORCE

### ■ SNN – Own workforce

#### ■ General Disclosures

##### ESRS 2

Employees are the most important asset for the success of SNN. Own workforce includes SNN's own employees (Headquarters, Cernavoda NPP and Pitesti NFP) with active employment agreements as at 31 December 2023. The interns, students in dual school and vocational school programmes, trainees, and people with inactive employment agreements because they are on maternity leave, parental leave, long-term sick leave, are not accounted.

In SNN, the rights and obligations of the employees, as laid down in the Collective Bargaining Agreement (CBA), as well as in the Internal Regulation, are worded with respect for human rights, the right to work enshrined in the International Charter of Human Rights, and the principles of the fundamental rights set out in the Declaration of the International Labor Organization (ILO) on the principles and fundamental rights at work, including their transposition into the applicable labor relation legislation, in observance of the principles of consensus and good faith, that are the pillars of labor relations.

SNN has zero tolerance for undermining and/or violating human rights, no matter the form of violation of such rights. The commitment to respect the human rights is also found in the **SNN values**:

- Safety and sustainability refers to the safety of the team, the population and the environment, nuclear safety and long-term sustainability. These two values are and remain our priority;
- Care for employees – we consider that every member of the SNN team is valuable, and every position is an important part of the company's success. Each of us must be proud of our personal contribution and at the same time, responsible for the continuous professional development and future preparation of the team we are part of and of the new members;
- Professional excellence – in everything we do, we aim to achieve and sustainably maintain the highest performance targets;
- Empathy and responsibility – colleagues, families, communities, partners, suppliers, clients, and even the Romanian economy as a whole depend on each of us and our work;
- Sustainable development – everything we do today has an impact in the future and we want that impact to be positive.

The SNN internal regulation contains, in accordance with the applicable legal requirements, the principles that underpin employment relationships in the Company, such as, for instance:

- protecting/observance of the fundamental rights and freedoms of individuals;
- ensuring the necessary conditions so that all activities performed by our employees are carried out effectively and are free of bias, corruption, abuse of power and/or political pressure;
- staff will be selected exclusively according to their skills and compatibility with the work and value system of SNN;
- elimination of any form of forced labour, observance of the non-discrimination principal and removing any form of human dignity violation;
- equal opportunities at employment, advancement, promotion and rewarding of employees;
- objective judgment of situations that lead to employees being sanctioned or terminated their employment relationships;
- freedom of expression and social dialogue;
- right to association and trade union freedom;
- prohibition of any political activities in the premises of SNN units.

The Code of Business Ethics and Conduct of SNN makes reference to these principles, that are the pillars of the employment relationships in the Company.

▪ **Own workforce characteristics**

ESRS S1-6; ESRS S1-7

At the end of 2023, SNN had a total of 2,352 employees, distributed across all 3 sites: Cernavoda NPP, Pitesti NFP and the Headquarters. Period-end data was reported as an average of the reporting period.

SNN has no contract staff.

**Headcount**

The number of SNN employees is compiled in a HR system devised and implemented across the Company (Report Card), which covers for the main HR indicators to ensure good visibility of the performance of the HR processes across the organization.

The values related to this section are reported in terms of number of persons and refer to the staff employed in the 2 branches (Cernavoda NPP and Pitesti NFP), as well in the Headquarters.

**Headcount by gender**

<b>2023</b>	
<b>Gender</b>	<b>Headcount (number of persons)</b>
Male	1627
Female	725
Other	0
Not declared	0
New employees	<b>2352</b>

**Employees by type of contract/agreement, broken down by gender**

<b>2023</b>				
<b>FEMALE</b>	<b>MALE</b>	<b>OTHER*</b>	<b>NOT DECLARED</b>	<b>TOTAL</b>
Headcount (number of persons)				
725	1627	0	0	2352
Permanent headcount (number of persons)				
725	1627	0	0	2352
Temporary headcount (number of persons)				
0	0	0	0	0
Headcount with not guaranteed working hours (number of persons)				
0	0	0	0	0
Number of full-time employees (number of persons)				
724	1624	0	0	2348
Number of part-time employees (number of persons)				
1	3	0	0	4

\* Gender is that indicated by the employees themselves.

The total percentage of female persons employed in SNN in years 2020 - 2023 observes a constant trend, this being mainly determined by the particulars of the jobs in the energy production industry, the availability and effort specifics of which make them more appropriate for men.

However, the percentage is higher than the average industry figure in the Nuclear Energy Agency (NEA) member countries. According to the OECD NEA statistics, in 2021, women accounted for less than a quarter (24.9%) of the total nuclear workforce (NEA, 2023<sup>36</sup>).

#### Total percentage of employed women

	2020	2021	2022	2023
Total percentage of female persons employed in SNN	30%	29.6%	30%	30.8%
Total percentage of women sitting in the Board of Directors	20%	20%	29%	33.33%
Total percentage of women in the Executive Management	0%	0%	29%	27.40%

All SNN employees have permanent employment agreements, which do not require renewal, and in over 99% of cases these are full-time agreements (full time means 40 hours/week). Only 4 employees have part-time agreements (4 hours/day/20 hours/week and 6 hours/day/30 hours/week).

#### Employees by type of contract/agreement, broken down by site

<b>2023</b>			
Cernavoda NPP	Pitesti NFP	Headquarters	TOTAL
Headcount (number of persons)			
1754	372	226	2352
Permanent headcount (number of persons)			
1754	372	226	2352
Temporary headcount (number of persons)			
0	0	0	0
Headcount with not guaranteed working hours (number of persons)			
0	0	0	0
Number of full-time employees (number of persons)			
1754	371	223	2348
Number of part-timers (number of persons)			
0	1	3	4

In 2023, 24 employees left the Company, either voluntarily (resignations), or by retirement (early retirement or retirements due to reduced retirement age) or death. The staff turnover rate was 6%, which is constant compared against 2022 (the staff turnover rate in 2022 is also 6%).

#### ▪ Stakeholder Interests and Views

SBM-2

The human resources strategies and policies of SNN, and the action lines of the administrative and executive management are aimed at respecting the human rights in accordance with international and domestic legislation. The Collective Bargaining Agreement (CBA), the Internal Regulation and the specific procedures developed in SNN regulate matters related to respect for human rights, including respect for freedom of association, prevention of trafficking in human beings for all forms of exploitation, forced labor obligations related to child labor, precarious and unsafe work.

The SNN's Code of Business Conduct, Management Manual and Policy Statement on the Management System contain the commitment of the SNN's management to the responsibility assumed to avoid causing or taking part in any negative impact on human rights in its activities, and to tackling this impact when it occurs, as well as to prevent or mitigate the negative impact on the human rights that is directly related to the production activities of the Company. A document on the *Commitment to Respect for Human Rights - Zero Tolerance to Human Rights Violations*<sup>37</sup> can be found on the Company's website.

<sup>36</sup> NEA (2023), Gender Balance in the Nuclear Sector, OECD Publishing, Paris, Retrieved [06/02/2024] from: [https://www.oecd-nea.org/jcms/pl\\_78831/gender-balance-in-the-nuclear-sector](https://www.oecd-nea.org/jcms/pl_78831/gender-balance-in-the-nuclear-sector), accessed 15.02.2024

<sup>37</sup> [https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN\\_Angajament\\_Drepturile-omului\\_RO\\_20230530.pdf](https://www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2023/07/SNN_Angajament_Drepturile-omului_RO_20230530.pdf)

Responsibility for the protection of human rights shall be reflected at the corporate level by an integrated approach, with responsible staff through various ways of action and decision-making capacity:

- Board of Directors
- CEO
- Branch Manager for Cernavoda NPP and Pitesti NPP
- Human Resources Strategy Directorate
- ESG Working Group
- Distinct organizational entity for managing the Compliance Function
- Anticorruption policy, implemented and certified according to ISO 37001
- Whistleblower
- Ethics Committee/Ethics Adviser

In the SNN units, participation of employees or their representatives in discussions about their problems concerning human rights and occupational health and safety, is ensured according to the legal regulations in force.

The Ethics Committee and the Ethics Advisor are responsible for raising such concerns. On a quarterly basis, the Ethics Advisor prepares reports on compliance with the conduct rules by the SNN employees. The reports, as validated by the Ethics Committee and approved by the Manager of the SNN Unit, are communicated to employees. Quarterly reports are required to:

- find the causes leading to professional misconducts, including coercion or threats exerted on an employee to cause them to infringe the legal provisions in force, or to apply them improperly;
- identify ways to prevent professional misconducts;
- take measures to reduce and eliminate the cases of noncompliance with legal provisions.

There is also an application for SNN staff to submit improvement proposals and an application to report abnormal conditions.

▪ **Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model**

SBM-3

The important issues related to the respect for human rights are carefully reviewed; thus, under the human resources policies, the Collective Bargaining Agreement (CBA) and the SNN's Administration Plan, these are adapted to the particulars of the nuclear industry, thus contributing to the corporate culture and climate, according to the goal that nuclear safety is the most important.

The Risk Management Service (RMS) of the Headquarters regularly assesses the SNN risks regularly. Each department appoints a person in charge of the departmental risks, and in branches/subunits, this role is provided by a representative coordinated from the Headquarters, and a person in charge for each department. The risk management system is compatible with the standard ISO 31000. RMS submits and publishes a report on the management system analysis, which also covers risk registers. The risk management system and the Company's risks are reviewed quarterly by the Management Control System Committee (MICS), chaired by the Company's CEO.

The management plan of SNN for years 2023-2026 contains, among the Company's strategic objectives, actions concerning Occupational Health and Safety as part of the Corporate Social Responsibility and the main action lines concerning human capital management.

The own workforce-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources and the risk registers, as summarized in the table below and addressed in the following sections.

Sub-topic	Impact	Risk/Opportunity
Work conditions	Nuclear incidents, while extremely rare across the industry, can have a <b>potentially negative impact</b> at large scale on human health and the environment, affecting the reputation of SNN and certain legal requirements.	<b>Risk:</b> While SNN, like other nuclear power plant operators in many regions, has operated for decades without major public safety incidents, occurrence of rare, but large-scale, incidents anywhere in the world can have a major impact on the entire nuclear power sector.  SNN could risk losing its operating license, either in full or only for operation of some nuclear units, as well as many other financial consequences in case of an accident - although insurance is available and there may be other legal protections against certain liabilities.
Opportunities and equal treatment for all	<b>Potential positive impact</b> as SNN delivers adequate emergency training to all its staff and keeps in place a sound safety culture	<b>Opportunity:</b> A sound safety culture and proper oversight of operating safety across SNN can help detect the incidents earlier and respond to them more effectively, by mitigating the potential financial risks and improving operational efficiency.
Other work-related rights	A minimal <b>potential negative impact</b> when the rights of own employees are not respected, with	<b>Risk:</b> Where other employee rights (related to forced labor, child labor or privacy) are not respected, SNN's

	the potential of damages to SNN's reputation and certain legal requirements	work may indirectly affect the rights of its own employees if cases of human rights violations are identified.
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The short, medium and long-term **financial effects** on SNN of the opportunities arising from the impacts on own workforce are assessed to be very low (below 0.1% of annual turnover), whereas the impact of risks is assessed to be material (above 0.7%, but below 2.0% of turnover) in the double materiality assessment.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

## ▪ **Processes to work together with the own workforce and workers' representatives on impacts**

ESRS S1-2

All SNN workers have access to the human resources policies, the Collective Bargaining Agreement, the Internal Regulation and the Employee Code of Conduct in the nuclear field, and the Code of Business Ethics and Conduct, available on the Company's intranet. The processes related to the collaboration between employer and employees are regulated in SNN under the Collective Bargaining Agreement and in the Occupational Health and Safety Management System implemented and certified in each SNN unit, according to SR ISO 45001:2018.

The CBA clauses are negotiated after on-going consultations of the Negotiation Committee appointed both by the management and by the representative trade union operating in the Company, in accordance with the provisions of Law no. 62/2011. CBA Negotiating Committee is composed of management representatives appointed by the Board of Directors and representatives of the Company's representative trade union.

In accordance with the provisions of Law 367/2022, the Committee appointed to negotiate the CBA in SNN is composed of the employer, represented by the members of the directorship appointed by decision of the Board of Directors, and the representative trade union, *i.e.* members appointed by mandate by the president of the representative trade union. The meetings of the Negotiating Committee are held, as a rule, at the Company's registered office or any other place indicated in the notice of that meeting. As a rule, members participate in meetings in person and, by way exception, by means of remote communication that provide the technical conditions required for identification of the participants and allow their effective participation (such as video-conferencing, teleconferencing, etc.), usually during the working hours, unless the parties agree otherwise.

A **joint management-union committee** set up by decision of the SNN management has a number of powers and duties, as laid down in the CBA:

- to give a consistent interpretation of the CBA clauses;
- to review and address the employees' complaints about how the management of the SNN units settle their applications, reports and complaints related to application of the CBA and of the labor relations legislation;
- at the request of employees, to try to settle amicably the potential situations that fall under the jurisdiction of the courts, before bringing up the matters concerned before them. The amicable settlement will be addressed as a matter of urgency, so as not to affect the statutory time-limit for bringing the matter before the court of jurisdiction. Amicable settlement of disputes prevents court proceedings;
- to follow up on the application of the CBA, the Internal Regulation, the Employee Code of Conduct in the nuclear field, the legal provisions and other agreements concerning labor relations;
- to report to the management of SNN and, as the case may be, to the Board of Directors any infringements of the legal provisions, the CBA and other agreements concerning labor relations;
- to carry out any other duties provided by the law and/or resulting from the own Functioning Regulations, as annex to the CBA;
- to draw up reports at the request of any of the parties regarding compliance with the CBA, the Internal Regulation, the Employee Code of Conduct in the nuclear field, the legal provisions and other the agreements concluded under the terms of the law, which they make known to the management of the Company, as well as to the management of the trade union.

As to the **occupational safety and health** matters, cooperation with the employees and their representatives takes place through the **Occupational Safety and Health Committee (OSH Committee)**, which operates according to its own Organization and Functioning Regulation (OFR), which also sets out the powers and duties of this Committee. Employee representatives are appointed by the SNN representative union and include representatives of all workers in the SNN units. The SNN CEO issues a decision to appoint the OHSC members and the chairman of this committee. OHSC meets at least once a quarter, and as often as necessary, and the Agenda of each OHSC meeting is defined by the chairman and the secretary of the Committee, in consultation with the workers' representatives, and is sent to the members of the Occupational Safety and Health Committee and the Territorial Labor Inspectorate at least 5 days before the date set for the Committee's meeting. Minutes are prepared for each meeting, which is signed by all the OHSC members and is then forwarded to the Territorial Labor Inspectorate in accordance with the law.

In 2023, the following issues were mainly debated in the OHSC:

- The annual report on work safety prepared for the entire Company;
- The report on health supervision at work, prepared up by the medical unit that provides occupational medicine services in REGARDING each SNN unit;
- The status of the Programme of OHS measures for 2023;
- The review and updating of the Regulation on unified provision of protective food in the workplaces of SNN, which require that workers are granted protective food;

- The terms for hiring specialized psychosocial assessment and psychological counselling services for SNN's employees;
- 2021 - 2022 benchmarking of the trend-related findings of the occupational health and safety monitoring in the production units of Cernavoda NPP, Pitesti NFP and the workplaces of the Headquarters;
- 
- Analysis on the continuation of Covid-19 testing services for SNN employees;
- Analysis and validation of the revision of the "Instructions for provision of rehabilitation and physical recovery medical services at the Cernavoda NPP Dispensary".
- Identification and development of a consistent approach to the reimbursement of the price of eyeglasses, according to the judgment of the Court of Justice of the European Union (CJEU), which ruled that the eyeglasses for people working with computer monitors would be provided to workers by their employer, or their employer should cover their costs.
- Validation of the revision to the procedure on the occupational health and safety, and emergencies training in Cernavoda NPP, which procedure is aligned with the specific legal requirements;
- Making a proposal of a strategy for acquisition of personal protective equipment in accordance with the specific occupational health and safety and public procurement legislation, taking into account the problems reported by workers as to the quality of the equipment purchased by Cernavoda NPP in 2018-2022;
- Presentation of the status of the legislation and consultation performed by SNN's representative trade union concerning employment under special work conditions of the Cernavoda NPP staff and the Pitesti NFP staff exposed to working conditions specific to production of electricity from nuclear sources;
- The analysis of health status and measures taken in the context of the SARS CoV2 pandemic, as well as of other mass spread diseases;
- Analysis of the specific OHS procedures and instructions.

Moreover, the management staff of the Headquarters carry out observation and guidance activities in the branches, in accordance with the related procedure, and the results thereof are documented in an Observation Report for the occupational safety and health field. For 2023, two such actions were planned and completed, and their conclusions were documented in an Observation Report and were presented in the regular SNN top management review meetings.

In SNN, there is a procedure on the organization and functioning of the **Ethics Committee**, as well as on the statute of the ethics advisors of the Company, which also covers assessment and mitigation of the impact on human rights:

- Management and development of the Company's ethical values, ensuring compliance with the ethical rules of business conduct, in all company structures and at all levels;
- Coordination and supervision of the development, interpretation and implementation of the ethics policies and programmes;
- Analysis of the situations disclosed in referrals/reports concerning infringement of the ethics standards, policies and procedures of the organization and their referral to those having authority to address them;
- Advising employees on how to approach certain situations so that no ethics rules are infringed;
- Participation in the investigations carried out on infringement of the Company's code of conduct and the internal rules, and making recommendations for the lawful settlement of the case;
- Delivery of training on ethics and compliance with the rules of the organization, as well as regular communications about ethics, compliance with the rules and business conduct requirements;
- Integration of the newly hired into the ethical environment, compliance with the rules and the business practices of the Company;
- Measurement and management of the Company's performance in terms of ethics and compliance;
- Preparation of quarterly reports on compliance with the conduct rules by the unit's employees.

Any matter that affects human rights is reviewed and reported by the ethics advisors, and should any form of violation of the human rights be found, disciplinary procedures are initiated in accordance with the legal provisions and the Internal Regulation of SNN.

As part of the works/services provided by contractors, the procurement documents contain requirements related to compliance of the services/works provided with the applicable legal requirements, and they are to conclude agreements regarding the access to the SNN units and agreements on the sharing of the occupational health&safety and emergency responsibilities, which also contain provisions that support to the respect for human rights.

## ▪ **Processes to address the negative impacts and the channels provided to own workforce to voice their concerns**

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ESRS S1-3

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The Internal Regulation of SNN sets out the rights and obligations of the employees and of the employer, including rules on non-discrimination and infringement of the human dignity, conflict of interest, disciplinary procedure or processing of the employee applications or complaints. This regulation is made known to employees and is signed by them for acknowledgment of its provisions.

SNN staff are encouraged to report in good faith any known, potential or suspected wrongdoing or misconduct, without fear of retaliation, in accordance with the Irregularity Reporting and Whistleblower Protection Procedure.

When there are doubts as to whether something should be reported, employees may seek clarification from the Ethics Advisor or the Compliance Officer in SNN or branches. As to reporting irregularities, employees can report them, via the Whistleblower sections on the Company Intranet and website, to their managers, the Compliance Officer or the compliance representative at branch level, to the Ethics

Advisors in SNN and the branches, as well as to the Company's management. Managers have been trained to support and encourage the reporting of misconducts, and to help create an environment where employees can raise concerns or ask questions without fear of retaliation.

The Ethics and Compliance Service made sure that employees had multiple channels available to report compliance issues (including the Whistleblower sections of the Company's intranet and website), allowing them to report any potential violations of SNN's Code of Ethics and Business Conduct, and of any Company policies or laws, without fear of retaliation.

The risks related to the human resources activities carried out in SNN are identified, assessed and controlled by means of the "ARM - Risk Management" computer application, especially developed and consistently implemented across the Company. These risks are attached to both current and future projects. Risks are assessed quarterly.

An onboarding programme is in place for new hires, containing information about the human resources policies, the CBA, the Internal Regulations and their availability on the Company's intranet.

The Internal Regulation also sets out the obligation of the management of SNN and of its units to respect the rights and obligations of the employees under the CBA and this Internal Regulation, in the collaboration or JV agreements concluded with Romanian or foreign partners, throughout their entire collaboration.

The Ethics and Compliance Service receives all complaints of the employees using the Whistleblower platform and is responsible for their review, assessment and resolution. Depending on the referral content, the Ethics and Compliance Service may initiate preliminary assessments of the matters concerned, compliance investigations, or ad-hoc audits together with the Internal Audit Department, or anti-fraud investigations together with the Anti-Fraud Office, all concluding with a report to the SNN management. Also, in less complex cases, the Ethics and Compliance Service works together with other responsible units to process referrals.

Ethical dilemmas or ethics-related complaints are handled by the Ethics Advisor appointed in SNN and at branch level.

Another form of worker consultation and participation on occupational safety and health matters is to conduct surveys on employee satisfaction with how the occupational safety and health requirements are met. The matters reported or proposed by employees are reviewed and considered in definition of the prevention and protection measures and actions, including in the OHSC review meetings.

The processes to address the negative impacts and the channels provided to employees to voice their occupational health and safety concerns are set in the Collective Bargaining Agreement regulating the organization and functioning of OHSC. Employees can express their occupational health and safety concerns directly to their representatives in the OHSC, as well as in the satisfaction questionnaires distributed at least once a year to review the employee satisfaction with the working conditions and occupational health and safety measures taken.

The CBA sets out the obligation of the SNN units to take all necessary measures to protect the life and health of employees, and when the measures envisaged, which aim to improve the working conditions and provide adequate protection in accordance with the legal provisions in force, are not possible, compensation in cash or otherwise is provided in accordance with the law. Thus, the Company provides, at no cost to employees, for those jobs where the working conditions require it: Personal Protective Equipment, protective food, medical services to recover their work capacity, reimbursement of eyeglasses for the staff exposed to video-terminals, private insurance for accidents at work and occupational illnesses, etc.

The effectiveness of corrective Occupational Safety and Health measures is assessed through focused analyses and reviews in the OHSC, as documented in the OHS Programme Progress Reports and the OHS Annual Report. The conclusions and any resulting actions are documented in the Minutes of the OHSC meetings and in Action Plans assumed by each SSM unit.

## ■ Work conditions

### ■ Own workforce-related policies

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ESRS S1-1

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Article 20 of the Romanian Constitution ratifies the universal and European human rights treaties. SNN's activity consists in production and supply of electricity and is carried out exclusively in Romania. Romanian organizations assess the potential negative impacts associated with their operations, including GDPR, corruption, reports/complaints/claims, collective bargaining and other important and material social topics. All SNN operational policies and procedures apply to the entire organization.

Gender and labor exploitation of children or trafficking in human beings are not a concern for the Romanian employees since no cases of gender discrimination, gender-based violence or labor exploitation of children have been identified or reported, otherwise than in family contexts. The Romanian Constitution provides that minors under the age of 15 years may not be hired as employees, and exploitation and use of minors in activities that would harm their health, morality or endanger their life or normal development are prohibited. Currently, there are no UNICEF or other NGOs reports pointing to cases of child labor exploitation in Romania.

The SNN's Code of Business Conduct, Management Manual and Policy Statement on the Management System contain the commitment of the SNN's management to the responsibility assumed to avoid causing or taking part in any negative impact on human rights in its activities, and to tackling this impact when it occurs, as well as to prevent or mitigate the negative impact on the human rights that is directly related to the production activities of the Company.

The SNN Management System Manual contains provisions reading that the management ensure adequate working conditions for performance of the activities through a permanent control of the regarding occupational health and safety risks in order to mitigate them, and the health status of employees is monitored in order to maintain their working capacity.

Correlatively, in each branch of SNN, a management commitment statement is available regarding compliance with the relevant OHS legal and regulatory requirements, control of occupational health and safety risks, as well as continuous improvement of the OHS performance.

The human resources strategies and policies, and the action lines of the administrative and executive management are aimed at respecting the human rights in accordance with international and domestic legislation. The rights and duties of employees are laid down in the Collective Bargaining Agreement (CBA) of SNN, as well as in the Internal Regulation of SNN. These are worded with respect for human rights, the right to work enshrined in the International Charter of Human Rights, and the principles of the fundamental rights set out in the Declaration of the International Labor Organization on the principles and fundamental rights at work, including their transposition into the applicable labor relation legislation, in observance of the principles of consensus and good faith, that are the pillars of labor relations.

SNN pays particular attention to the principle of equal rights and equal opportunities, the right to life, to health protection and the right to a healthy environment, the right to defense and non-discriminatory access to justice, individual freedom and the right to free movement, freedom of expression, freedom of information, the right to elect and be elected, the right to work and the right to strike, the right to association, the protection of people with disabilities, the right to petition, the right to legislative initiatives, the protection of children and young people, prevention of trafficking in human beings through all forms of exploitation, forced labor or duties related to child labor, precarious and unsafe work.

The complaint/referral settlement mechanism applicable to staff-related matters is described in the Procedure on reporting irregularities and whistleblower protection and the Functioning Regulation of the Ethics Committee, as well as the statute of the Ethics Advisors in SNN SA.

The Ethics and Compliance Service receives all complaints of the employees using the Whistleblower platform and is responsible for their review, assessment and resolution. Depending on the referral content, the Ethics and Compliance Service may initiate preliminary assessments of the matters concerned, compliance investigations, or ad-hoc audits together with the Internal Audit Department, or anti-fraud investigations together with the Anti-Fraud Office, all concluding with a report to the SNN management. Also, in less complex cases, the Ethics and Compliance Service works together with other responsible units to process referrals. Ethical dilemmas or ethics-related complaints are handled by the Ethics Advisor appointed in SNN and at branch level.

▪ **Adoption of measures concerning the material impacts and approaches to mitigate the material risks and to pursue the material opportunities related to the own workforce, and effectiveness of these actions and approaches**

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ESRS S1-4

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The organizational culture of SNN is rooted in the general beliefs of the Company members: Safety First (safety has priority), awareness of the importance of nuclear safety and security in all conducted activities, as well as focus on continuous improvement. SNN adopted the WANO (World Association of Nuclear Operators) & INPO (Institute of Nuclear Power Operations) principles of the continuous improvement culture "Staying on top", and embedded them in the organizational culture and the nuclear safety culture put in place in SNN.

In SNN units, participation of employees in discussions about all issues concerning occupational safety and health is ensured, according to the legal regulations in force (Law no. 319/2006 on occupational safety and health, Article 18).

SNN's management policy statement on the Management System contains a commitment at the highest management level of the Company to ensure conditions for consultation and participation of employees on occupational safety and health matters, whereas the Collective Bargaining Agreement (CBA) contains provisions on the work conditions and the occupational safety and health in the Company.

Under the CBA's provisions, the parties thereto, *i.e.* the employer and the employees, are bound to employ the necessary efforts to institutionalize an organized system aimed at the continuous improvement of the work conditions. In this context, the SNN units are required to take all necessary measures to protect the life and health of employees, and provide the compensation provided under the law, if any. The Employer is also under the obligation to ensure the safety and health of employees in all aspects of their work, and where the SNN unit uses external persons or services, this shall not release them of any liability in this respect.

According to the CBA provisions, the obligations of employees related to radiation protection and occupational safety and health may not affect the responsibility of SNN unit, which is liable for:

- risk assessment and control at source;
- highlighting the risks that cannot be avoided and delivery of training to employees accordingly;
- definition of specific instructions, technologies and standards;
- provision of radioprotection equipment and personal protective equipment;
- putting in place the conditions needed for the work of the Occupational Safety and Health Committee (OHSC), according to the duties provided by the law and depending on the workload;
- planning prevention of the occupational risks;
- definition and application of other measures specific to the SNN activity.

SNN employees are required to take care of their own health and safety, and that of other persons who may be affected by their actions during the working hours, and are therefore required to comply with all the provisions of the rules, instructions and regulations issued up in



this regard. This obligation stemming from the provisions of the legislation in force (Law no. 319/2006 on occupational safety and health, Article 22), is correlatively contained also in the CBA, the job description of each employee, as well as in the Internal Regulation of SNN.

Specifically, consultation and participation of SNN employees in discussions about all occupational health and safety matters takes place in the Occupational Safety and Health Committee (OHSC), organized across the entire Company. The membership of OHSC was updated in 2023 by CEO Decision. The employee representatives sitting in the OHSC are nominated for a period of 2 years by the representative trade union operating in SNN. OHSC is led by a chairman nominated by the Company's CEO, and it is organized and operates based on its own Regulation, enclosed to the CBA.

The specifics of the nuclear safety culture fosters a questioning attitude, where all workers are alert to assumptions, anomalies, values, conditions or activities that could have an unwanted effect on workplace safety; thus, workers are encouraged to express their opinions about the work conditions, as well as any aspect of the professional activity that could affect occupational health and safety.

According to the approved 2023 Occupational Safety and Health Programme, the following thematic actions specific to this field have been determined, with time-limits and owners:

- Provision of personal protective equipment (PPE);
- Provision of facilities, checks and tests on the technical protective equipment;
- Provision and performance of external services to check and maintain the technical radiation protection equipment;
- Providing of worker health surveillance services, *i.e.* occupational medicine, emergency medicine, COVID-19 testing, medical services to recover the work capacity, medical education services;
- Monitoring the spread of the COVID-19 virus;
- Provision of hygiene and sanitary materials;
- Provision of protective food;
- Provision of determinations and measurements of the pollutant concentration in the exposed workplaces;
- Procuring the occupational health and safety risk assessments
- Provision of pest control, disinfestation and disinfection services;
- Maintenance of optimal conditions for the changing rooms, sanitary facilities and equipment in these facilities;
- Delivery of specific occupational health and safety training to workers;
- Analysis of the occupational health and safety trends/performance;
- Analysis of the occupational health and safety internal and external OPEX.

## **Targets related to significant impact management, positive impact promotion, and significant risk and opportunity management**

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ESRS S1-5

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Specific targets have not been yet adopted for our employees under a materiality-based internal process.

However, the Company has in place a number of codes of conduct and management systems, where metrics and annual targets (as described in ESRS S1-14) are set for the occupational safety and health process:

- Staff protection during performance of activities in SNN
- Compliance with the OHS legal requirements
- Implementation of the OHS programme
- Ensuring the staff health state
- Performance of the set OHS actions
- Compliance with the OHS training programme.

The *commitment to respect the human rights* stipulates zero tolerance for undermining, and/or violation of, human rights, regardless of the form of such violations.

## ▪ **Coverage of collective bargaining and social dialogue**

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ESRS S1-8

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The work conditions and employment terms set out in Collective Bargaining Agreement (CBA), as negotiated with the SNN unions. The Internal Regulation, the CBA and the Individual Employment Agreement make reference to the employees' right to association and trade union freedom.

All Company employees are covered by the provisions of the same CBA.

Employee representation is ensured by participation of the representative trade union (Cernavoda NPP Trade Union) in meetings and discussions with the management representatives. In SNN, there are 2 other trade unions, but they are not representative for the Company: Free Energetica Nucleara '90 Trade Union and Pitesti NFP Trade Union. The relationship with trade unions is permanent and consists of meetings/consultations; the provisions of the CBA are negotiated after on-going consultations of the Negotiation Committee appointed both by the management and by the representative trade union operating in the Company, in accordance with the legal provisions in force (Law no. 367/2022).

The 2023-2027 SNN's administration plan contains provisions concerning collective bargaining, which takes place according to the legal provisions applicable to conclusion of the Company's CBA. In 2023, a Collective Bargaining Agreement was applicable in the Company; this was duly registered the Territorial Labor Inspectorate of Bucharest, further to a collective bargaining process conducted in keeping with the applicable legal requirements.

<b>2023</b>	<b>TOTAL</b>
Number of employees covered by collective bargaining agreements	2352
Number of unionized employees	1687

▪ **Adequate wage**

ESRS S1-10

The waging of the SNN staff is consistently regulated under the Collective Bargaining Agreement (CBA). CBA contains a hierarchy of positions and trades in the SNN, contains salary limits for each hierarchical level depending on the complexity of the work, and the degree of technicality and professional competence specific to the positions of the Company's organization chart.

Salary negotiation is sensitive to the requirements contained in the Job Description (enclosed to the Individual Employment Agreement), and considers a comparative evaluation with the average income earned in similar activities at national and international level; thus, a salary the amount of which is determined in accordance with the limits of the Hierarchy List of Positions, included in the CBA of the company, is obtained. When determining the limits of the Hierarchy List of Positions provided in the CBA, consideration was given to the average levels attained for similar activities at national and international level. SNN, as holder of the license for nuclear installations is required to put in place appropriate measures and policies so as to ensure a competitive pay at least equal to the average remuneration paid by similar organizations in the nuclear industry of the European Union for the functions important to nuclear safety, according to the Nuclear Safety Rules issued by CNCAN, the regulator in the nuclear field.

SNN currently applies a template Individual Employment Agreement for both limited-term employees, and those employed under open-ended contracts. The Individual Employment Agreement implemented under the CBA contains provisions in accordance with the applicable national legislation and observes the clauses laid down in the Order no. 64/2003 approving of template Individual Employment Agreement.

▪ **Social security**

ESRS S1-11

According to the Collective Bargaining Agreement (CBA), all SNN employees benefit from social security at work.

When resuming work, the employees who used to be on leave for temporary incapacity for work, maternity leave, maternity leave, leave to care for a sick child up to 7 years of age or vocational training leave, who had temporarily suspended work, but not terminated their employment relationship (strike, prior disciplinary investigation, standby regime), who have not benefited of the provisions of Article 6.24 (1) and (2) of the CBA, this right receive this entitlement the end of the month concerned.

Employees seconded to SNN units receive their bonuses from the units where they render the work, on their respective payment date.

The rights provided at Article 6.24 (1) of the CBA shall be granted by Protocol concluded by the SNN CBA Negotiation Committee. These rights include:

- SNN units will grant the employee a financial aid at the birth or adoption of each child (up to 18 years old);
- SNN employees benefit from a lump sum aid to compensate for electricity consumption;
- Retirement aid for electricity quota;
- SNN employees benefit from a lump-sum aid to compensate for heat consumption;
- Employees affected by layoffs for reasons not related to their person benefit of active measures to control unemployment, as well as of compensation under the terms of the law and of the CBA;
- Where the employee has totally lost the ability to work as a result of an accident at work or in connection with work, an occupational illness or in connection with their profession, they receive compensation payments under the insurance policy taken out by SNN;
- SNN employees who have totally lost their ability to work as a result of work-related accidents or occupational or professional illnesses are entitled to an aid on their retirement date;
- In the event of the employee's death in an accident at work or as a result of an occupational or work-related illness, they benefit from the provisions of the insurance policy taken out by SNN;
- In the case of occupational or work-related illnesses and accidents at or related to work, the employees concerned will be referred for medical treatment;

- Employees who have contracted occupational or profession-related illnesses while rendering their work will be provided means of recovery their work capacity by SNN, in specialized units, until they meet the retirement conditions for loss of work ability, from funds allocated for occupational safety and health.

Other benefits include: reimbursement of the cost of eyeglasses to the eligible staff, provision of transport to and from work by public transport on the basis of monthly passes or similar payment documents, contributions made on behalf of employees to a voluntary pension fund.

▪ **Health and safety metrics**

ESRS S1-14

Performance of the Occupational Health and Safety process is quantified through performance indicators attached to the specific objectives, which are correlated to the general objectives set at SNN level. Thus, in order to implement the measures or actions provided in the Occupational Health and Safety Management Programme put in place in the SNN units, the annual target for the metric *Attainment of OHS objectives and targets for SHS* in years 2020 - 2023 was set between 85% and 95%; therefore, the target was attained.

At Company level, the *Prevention and Protection* process is documented in the process data-sheet, and the occupational health and safety monitoring and measurement criteria are:

- monitoring and maintaining the health of the staff in order to preserve their ability to work;
- avoiding accidents at work and occupational illnesses that can cause temporary incapacity to work or death;
- controlling and keeping the risk of injury as low as possible;
- setting rules, internal order measures and responsibilities in the organization, and performing activities case of an emergency;
- preventing any conditions that are likely favor occurrence of emergencies;
- limiting the consequences of emergencies.

Process Analysis Reports are prepared annually; for 2023, the status of occupational health and safety activity is as follows:

<b>2023</b>				
<b>CRITERION</b>	<b>METRIC</b>	<b>SET TARGET</b>	<b>ACTUAL VALUE</b>	<b>TARGET SET FOR THE NEXT YEAR</b>
Staff protection during performance of activities in SNN	Rate of accidents at work	0	0	0
Compliance with the OHS legal requirements	Compliance degree (%)	100%	100%	100%
	Nonconformities found by the inspection bodies	0	0	0
Implementation of the OHS programme	Measures carried out/measures planned (%)	95%	100%	95%
Ensuring the staff health state	Occupational illness rate	0	0	0
Completion of actions	Degree of implementation of the measures and actions within the set time-limits	100%	100%	100%
Meeting the OHS objectives	Degree of attaining the objectives	100%	100%	100%
Compliance with the OHS training programme	Delivery of training according to the programme (no. trainings delivered/no. trainings planned)	100%	100%	100%

The SNN's organizational chart includes specialized internal services to ensure the prevention and protection activities, which also include activities related to emergencies.

A Prevention and Protection Department provides the specific activities regulated under the applicable occupational health and safety, emergency and work psychology and organizational psychology legal requirements. This also provides operational coordination of the organizational entities operated as Occupational Health and Safety Emergency Units in SNN's branches.

These specialized services set up in all SNN sites are provided by skilled staff, in keeping with the legal requirements, and include also analysis and monitoring of the metrics related to occupational health and safety and emergencies. These metrics are reviewed in the OHS Committee and are integrated across the entire Company, so as to ensure coordination of the Company-wide strategic decision and tactics for this activity.

As of 2020, in the production units of SNN, *i.e.* Cernavoda NPP Branch and Pitesti NFP Branch, an Occupational Health and Safety Management System has been documented, implemented and certified by SRAC-Cert, in accordance with the provisions of SR ISO 45001:2018 Occupational Health and Safety Management Systems. During 12 October - 14 October 2020, a surveillance and SR ISO 45001:2018 migration audit took place on Pitesti NFP.

In 2023, an Occupational Health and Safety Management System was put in place also in the Headquarters, in line with the provisions SR ISO 45001:2018.

ISO 45001 certification	2020	2021	2022	2023
Degree of certification coverage for the SNN units	67%	67%	67%	100%

The SNN Management System Manual, includes the organizational policies and general guidelines that are the basis for development of all activities in SNN, and also includes the occupational health and safety activity; in each branch, a Health and Safety Management Policy is available, and contains the relevant aspects under the management's attention to ensure a clean and safe working environment for all employees, the contractors' staff and visitors.

In accordance with the provisions of Law 319/2006 on occupational health and safety, for all workplaces of SNN hazards are identified and risks are assessed for each component of the work system, *i.e.* who performs the job, workload, work tools/equipment and work environment. These assessments are available to all workers by posting on the Intranet of SNN units and are included in the annual occupational health and safety training topic.

In order to assess the risks of accidents at work and occupational illnesses, the Company applies the Method of the National Research Institute - Development for Work Safety (NRI-DWS); for all workplaces in the Company. According to this method, the global risk level determined for each SNN unit and for the entire Company falls into the category of accepted risks, the annual trend of which is constant, as weighted average, with a value of 3.13 in 2023 (compared to 3.18 in years 2019-2022). Prevention and protection measures are determined to control the global risk of accidents at work or occupational illness, under annual OHS Programmes.

Assessment of the accidents at work and occupational illness risks is the basis for the of occupational health and safety management strategy and is followed by the control of these risks by defining preventive measures, which are included in the annual prevention and protection plan prepared in accordance with the provisions of the Implementing Rules of Law no. 319/2006 on occupational health and safety, approved by Government Decision no. 1425/2006, as subsequently amended and supplemented; the measures contained therein are reviewed in the Meetings of the Occupational Health Safety Committee set up in the Company in accordance with the applicable legal provisions. The measures contained in the prevention and protection plan have been annually allocated resources for implementation under the Company's approved Income and Expenditure Budget.

Assessment of the risks of accidents at work and occupational illness is a carefully review process and is updated when events occur in the work system, new work methods/technologies are adopted, attitudes/behaviors are noticed that require reconsideration of classification of risks identified in the Company's workplaces by impact/likelihood.

The opportunities related to occupational health and safety stem from positive contextual aspects leading to an improved OHS performance, and are addressed in all activities of the occupational health and safety process, according to the occupational health and safety management system implemented and certified in each unit of SNN, according to SR ISO 45001:2018, as well as to model covered by the procedure *Risk Management in SNN*, as implemented and maintained through the IT application dedicated to the integrated risk management across SNN.

The findings of the occupational health and safety risk analysis required adoption of employee awareness-raising topics, which consisted of sending emails or displaying information materials in the production units with a view to preventing occurrence of events in the work system or due to behaviors that can be harmful to workers' health (smoking).

The particular of the nuclear safety culture fosters a questioning attitude, where all workers are alert to assumptions, anomalies, values, conditions or activities that could have an unwanted effect on workplace safety; thus, employees are encouraged to express their opinions about the work conditions, as well as any aspect of the professional activity that could have a negative impact on occupational health and safety.

Workers assume personal responsibility for safety, as part of the extensive nuclear safety culture specific to this industry. Thus, the responsibility and authority for safety and health in each workplace are well defined and clearly understood. The reporting relationships, positional authority and team responsibilities highlight the major importance of workplace safety.

The information about occupational health and safety is duly communicated to the stakeholders; thus, the annual report on occupational health and safety is submitted to the Territorial Labor Inspectorate. In the Company's branches, the SRAC-cert certification body conducted certification audit and surveillance audit actions annually to independently check the OSH information against the Occupational Health and Safety Management System, implemented according to SR ISO 45001:2018.

The health of SNN workers is monitored in accordance with the provisions of the Government Decision no. 355/2007 on the supervision of the health of workers in workplace, through specialized occupational medicine services provided under contract. Each worker takes an occupational medicine examination, at least annually, in accordance with the occupational risks identified for the activity carried out in their respective workplace. The occupational medicine doctor issues a skill data-sheet for each employee, that contains the medical opinion.

SNN's management system is certified according to ISO 45001 for all SNN units, so that the entire SNN staff, as well as contractors' workers performing activities in the SNN units are covered by SNN's occupational health and safety management system.

In application of the provisions of Law no. 319/2006 on occupational health and safety and of the Implementing Rules of this law, the events produced in the work system are immediately communicated to the stakeholders, and are investigated, recorded and reported on in accordance with the applicable legal provisions.

#### Accidents at work occurred in SNN the units in years 2020 – 2023

Events	2020	2021	2022	2023
No. of accidents at works with temporary work incapacity (own employees)	1	0	2	2
No. of accidents at work with invalidity (own workforce)	0	0	0	0
No. of accidents at work with fatalities (own workforce)	0	0	0	0
Total events (own workforce)	1	0	2	2
No. of accidents at work with fatalities (contract employees)	1	0	0	0

#### Number of fatalities due to work-related injuries and illnesses in SNN units

2023			
UNIT	OWN WORKFORCE FATALITIES	CONTRACTOR FACILITIES	TOTAL WORK-RELATED FATALITIES
Cernavoda NPP	0	0	0
Pitesti NFP	0	0	0
Headquarters	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

This report covers only the fatalities due to work-related injuries, and it does not include road traffic events that were not related to work-related activities.

Over the last four years, SNN has not recorded any accidents at work resulting into disability or death, and the accidents with temporary incapacity for work remain at a low level.

All the events produced in the work system of the Company are carefully reviewed and processed by workers, determining actions to reassess the risks of accidents at work and occupational illnesses for the workplaces involved or potentially involved, and actions aimed at eliminating their causes are taken.

No occupational illnesses were reported in 2023.

#### Number and rate of accidents at work reported in the SNN units

2023			
UNIT	TLI ACCIDENT	ACCIDENT WITH INVALIDITY	ACCIDENT WITH FATALITY
Cernavoda NPP	2	0	0
Pitesti NFP	0	0	0
Headquarters	0	0	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>

#### Number of days lost due to work-related injuries and fatalities caused by work-related accidents, work-related illnesses and illness-caused fatalities

2023			
UNIT	NUMBER OF CASES	TOTAL HOURS WORKED IN 2023	LOST TIME RATE
Cernavoda NPP	2	306.4026	0.65

Pitesti NFP	0	583,599	0
Headquarters	0	326,600	0
<b>Total</b>	<b>2</b>	<b>3,974,225</b>	<b>0.50</b>

#### Lost time incident rate (LTIR) in 2020-2023

	2020	2021	2022	2023
Lost time incident rate (LTIR) Number of accidents x 100,000/total number of hours worked during the year	0.036	0	0.051	0.50

The training of SNN employees on occupational health and safety is delivered out in accordance with the provisions of Law no. 319/2006 at employment, in the workplace, regularly and additionally, whenever necessary, based on programmes and topics determined for the different workplaces and trades. All Company employees mandatorily attend the mandatory OHS trainings at employment, and in the workplace, regularly and additionally, whenever necessary. Specialist staff with specific OHS responsibilities are trained under training programmes dedicated to their responsibilities as members of the Work Safety services organized in each SNN unit.

#### Number of employees trained on occupational health and safety

	2020	2021	2022	2023
OSH specialists and employees with specific OHS responsibilities (number of persons)	49	57	65	69
Staff trained of general matters, including OSH topics (no. of persons)	1991	2181	2319	2622

#### Work-life balance metrics

ESRS S1-15

We aim to promote a work-life balance for our employees. According to the Collective Bargaining Agreement (CBA), male employees are entitled to 10 consecutive days (paternity leave), at request, upon the birth of a child. Where the father of the newborn has obtained the certificate of completion of the childcare training, the duration of the parental leave is increased by 5 working days. The right to increase the duration of paternity leave by the 5 days is granted for each newborn child, based on the certificate of completion of the childcare training, regardless of when it was obtained.

Employees are entitled to care leave to care for, or provide support to, a relative or a person living in the same household as the employee and is in need of care or support due to a serious medical condition, for a period of 5 working days during one calendar year (relative means son, daughter, mother, father, husband or wife of an employee).

The employee has the right to be miss work in unforeseen situations, caused by a family emergency due to an illness or accident, which make the immediate presence of the employee indispensable; however, provided that the employer is informed in advance and that the period of absence is recovered, until the employee's normal working hours are fully covered.

<b>2023</b>			
	<b>FEMALE</b>	<b>MALE</b>	<b>TOTAL</b>
<b>Total headcount</b>	725	1627	2352
Employees entitled to family-related leave	725	1627	2352
Employees who took maternity, paternity or parental leave	33	43	76
Employees who took the care leave	3	4	7
<b>Percentage of employees entitled to family-related leave</b>	100%	100%	100%
% of employees who took leave for family reasons	3.23%	2.63%	5.86%
% of employees who took maternity, paternity or parental leave	1.4%	1.8%	3.2%

% of employees who took the care leave	0.1%	0.2%	0.3%
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## ▪ Equal opportunities and treatment for all

### ▪ Our equal treatment policies

ESRS S1-1

Employees are permanently applied an equal and non-discriminatory treatment, as per the international nuclear industry standards, read in connection with the domestic legislation and the incentive packages adapted to the macroeconomic and microeconomic context of Romania.

In SNN, we always show the respect we pay to all the parties we interact with. In our daily work, we come across people of different ethnicities, cultures, religions, political beliefs, ages or gender, as well as with people with disabilities and of different sexual orientations.

The diversity of our staff is one of our greatest assets as it allows us to benefit from a variety of professional and educational knowledge, as well as of different views. Integration of these differences helps increase our agility and ability to adequately respond to the changes taking place in our business environment and allows us to work more cooperatively.

The Collective Bargaining Agreement and the Internal Regulation contain details rules prohibiting direct or indirect discrimination employee, on grounds of gender, sexual orientation, genetic features, age, national affiliation, race, color, ethnic origin, religion, political belief, social origin, disability, family situation or responsibility, trade union membership or activity.

The principles on prevention and mitigation of discrimination are outlined in the SNN's Internal Regulation. Any complaints on this topic are handled in accordance with the Functioning Regulation of the Ethics Committee and the Ethics Advisors' Statute in SNN SA, and can be reported including through the Whistleblower, in accordance with the Irregularities Reporting Procedure.

Also, the Code of Business Ethics and Conduct contains provisions about the non-discrimination policy applied in the Company.

### ▪ Adoption of measures concerning the material impacts and approaches to mitigate the material risks and to pursue the material opportunities related to the own workforce, and effectiveness of these actions and approaches

ESRS S1-4

As of 2021, SNN has been documenting a Company-wide Report Card containing the main human resources metrics, including a diversity metric.

The strategic action lines followed to control of the diversity metric are:

- Involvement of the Company in early training of the young generation of specialists in the nuclear energy industry, both under the above strategic directions and by providing support for upgrading of laboratories and school workshops, internship programmes, scholarships, traineeships, dual school, mentoring, study facilities, school/university competitions or participation in theme projects.
- Optimizing the management of internal communication by conducting research programmes on the workers' satisfaction with the organizational culture and climate, and organizing theme social actions to adapt behaviors to the mission, vision and values of SNN.
- Diversity tracking and monitoring is part of a broader strategy to improve representation within the organization;
- Collaboration with accredited national universities and other educational institutions has been improved and streamlined, with newly-set objectives for internships in the Company, in order to hire directly from a pool of graduates of university or relevant vocational education.

### ▪ Own workforce equal treatment-related targets

ESRS S1-5

Specific targets have not been yet adopted for our employees under a materiality-based internal process.

However, the Company has in place a number of codes of conduct and management systems setting metrics and annual targets concerning the equal treatment of our employees. Also, the *commitment to respect the human rights* stipulates zero tolerance for undermining, and/or violation of, human rights, regardless of the form of such violations.

SNN professionally appraises its employees based on an internal procedure, annually or regularly, ever 3 to 6 months (for the staff under observation). The staff performance appraisal procedure was revised at the end of 2020, it applies since 2021 and contains a unique methodology and form applicable across the entire Company, with individual performance indicators (KPI) cascaded from the overall objectives of the Company.

▪ **Diversity metrics**

ESRS S1-9

The diversity metric found in the Report Cards is reported on the executive and administrative management, as part of the management's commitment to enhance diversity. This is a composite metric that includes measurements of the share of young people under the age of 30 years employed and retained in the Company, the ratio between the male and female employees, and the number of employees with disabilities. This composite metric is reviewed on a monthly basis and the average monthly values, consolidated at Company level, usually fall into the excellence range. The **composite diversity metric** has constantly evolved in 2023, and reports a value of **81%**.

**Gender distribution by number and percentage, for senior management**

<b>2023</b>	<b>FEMALE</b>	<b>MALE</b>	<b>TOTAL</b>
Number of top management members	40	106	146
Percentage of top management members	27.40%	72.60%	

**Employee breakdown by age bands**

<b>2023</b>	<b>&lt; 30 YEARS</b>	<b>30 - 50 YEARS</b>	<b>&gt; 50 YEARS</b>	<b>TOTAL</b>
Numbers of employees by age bands	245	1423	684	2352

The figures shown are based on data from the human resources system, as at 31 December 2023.

▪ **People with disabilities**

ESRS S1-12

We support inclusion of people with disabilities; nevertheless, most SNN workplaces have attached specific health requirements for our employees, as confirmed according to the applicable legal requirements. The staff health state is certified at employment and regularly afterwards by the specialized occupational medicine service available in the Company, so that, the state of health of the staff is appropriate for the professional risk factors identified for each position in SNN.

The number of persons with disabilities employed by SNN in years 2020 - 2023 followed a constant trend.

<b>2023</b>	<b>FEMALE</b>	<b>MALE</b>	<b>TOTAL</b>
Numbers of employees with disabilities	1	9	10
Total percentage of employees with disabilities	0.42%		

▪ **Training and skills development metrics**

ESRS S1-13

SNN pays particular attention to the systematic training of its staff so that they can carry out their duties at the excellence standards of the nuclear energy industry.

The Company is involved and constantly invests in ensuring the quality of employees through training and continuous training and by promoting meritocracy, as a component of the motivation system documented and implemented in SNN.

The nuclear energy industry particularly places on the staff selected for positions important to nuclear safety and management, coordination and supervision positions, in the processes carried out in the Company, requirements at the highest standards of professional competence and ethics in the specific field of activity, giving priority to the nuclear safety considerations before any other considerations.

The significant achievements of 2023 in terms of the workforce-related performance processes are summarized below:

- A comprehensive succession planning process was devised and put in place at corporate level. The overall process includes identification, selection and development of applicants for the future leadership roles;



- Successor development is planned and monitored under the newly devised individual development plans (IDPs). These IDPs include elements, such as: short and long-term objectives, learning objectives and activities to support them, training needs/activities, as well as experiential roles/activities needed for development. These IDPs were devised further to the industry benchmarking;
- The corporate positions critical to the Company's success have been identified and included in the succession planning process;
- The specific procedures describing the succession planning process have been updated and harmonized between the SNN headquarters and the two branches;
- SNN devised and implemented a Report Card in 2021, and maintained it also in 2023. This includes the main Human Resources (HR) metrics to ensure good visibility of the performance of the HR processes across the organization.

All employees benefit of access to professional training, under internal and external training programmes, courses, seminars at national or international level. The Company prepares the Annual Training and Improvement Plan.

The Personnel Training and Authorization Department has the role of training the Cernavoda NPP staff for continuous improvement of individual performance and for elimination of any errors likely to have an adverse effect on nuclear safety and the population. The annual training offer is available to all Company employees on the Intranet page.

<b>2023</b>			
	<b>FEMALE</b>	<b>MALE</b>	<b>TOTAL</b>
<b>Total headcount</b>	725	1627	2352
Participation in regular appraisal	725	1627	2352
% of employees who participated in regular appraisal	30.83%	69.17%	100%
Participation in professional training	715	1626	2341
% of employees who participated in professional training	30.39%	69.13%	99.53%

▪ **Wage metrics (wage gap and total wage)**

ESRS S1-16

The waging of the SNN staff is consistently regulated under the Collective Bargaining Agreement (CBA), which contains a hierarchy of the positions and trades in the Company. It lists the waging limits for each hierarchical level, depending on the work complexity, and the degree of technicality and professional competence specific to the positions in the Company's organization chart.

Salary negotiation is sensitive to the requirements contained in the Job Description, which is enclosed to the CBA, and considers a comparative evaluation with the average income earned in similar activities at national and international level; thus, a salary the amount of which is determined in accordance with the limits of the Hierarchy List of Positions, included in the CBA, is obtained.

The gender pay gap, defined as the difference in average pay between female and male employees, and calculated according to ESRS S1 AR100, is **6.69%**.

The ratio of the total annual pay for the highest paid employee and the median total annual pay for all employees, calculated in accordance with ESRS S1 AR101 (c) is **5.12%**.

**Pay breakdown between women and men, by employee category:**

<b>2023</b>	
Pay gap between women and men	6.69%
Pay breakdown between women and man for the management level	4.07%
Pay breakdown between women and man for the execution level	5.15%
Ratio between total annual compensation	5.12%

## ▪ Other work-related rights

### ▪ Own workforce-related other policies

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ESRS S1-1

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Gender and labor exploitation of children or trafficking in human beings are not a concern for the Romanian employees since no cases of gender discrimination, gender-based violence or labor exploitation of children have been identified or reported, otherwise than in family contexts. The Romanian Constitution provides that minors under the age of 15 years may not be hired as employees, and exploitation and use of minors in activities that would harm their health, morality or endanger their life or normal development are prohibited. Currently, there are no UNICEF or other NGOs reports pointing to cases of child labor exploitation in Romania.

According to the CBA provisions, for a person to be employed with SNN, they must have turned the age of 16 years and graduated secondary education; for activities and jobs subject to special/particular conditions, the employment age is at least 18 years. The Collective Bargaining Agreement (CBA) also contains the obligation to observe any other restrictions concerning the minimum employment age under the law.

### ▪ Adoption of measures concerning the material impacts and approaches to mitigate the material risks and to pursue the material opportunities related to the own workforce, and effectiveness of these actions and approaches

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ESRS S1-4

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The CBA, the Internal Regulation and the specific procedures developed in SNN regulate matters related to the respect for human rights, including prevention of the trafficking in human beings for all forms of exploitation, forced labor or obligations related to child labor.

### ▪ Targets related to significant impact management, positive impact promotion, and significant risk and opportunity management

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ESRS S1-5

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Specific targets have not been yet adopted for our employees under a materiality-based internal process.

However, the Company has in place a number of codes of conduct and management systems setting metrics and annual targets concerning other work-related rights.

The commitment to respect the human rights stipulates zero tolerance for undermining, and/or violation of, human rights, regardless of the form of such violations.

### ▪ Incidents, complaints and serious human rights problems and incidents

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ESRS S1-17

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The Organization and Functioning Regulation lists the Company's organizational entities that process the complaints filed by the individuals or communities affected by SNN's business activities. These complaints are registered and addressed in accordance with the applicable legal provisions.

In 2023, SNN did not register any cases with a major impact on human rights related to the current business or the decisions adopted. Receipt and settlement of any complaints, minimization of the instances of violation of human rights and adoption of settlement measures are regulated under the Ethics Committee's Regulation. All incidents have been addressed.

In 2023, there no complaints were received from employees regarding occupational safety and health, discrimination or human rights.

<b>2023</b>	
Number of human rights violation incidents	0
Number of employee complaints concerning human rights	0
Number of employee complaints concerning OHS	0

## ESRS S2 – VALUE CHAIN

### ■ SNN – Value chain

(economic, social and cultural rights + civil and political rights)

#### Stakeholder Interests and Views

SBM 2, SBM3, IRO 1

The interests and views of workers in the value chain are usually identified after internal consultations with suppliers, and these are mainly reviewed by the SNN suppliers.

As a Company majority State shareholding, SNN is required to follow the legal public procurement procedures, which include the Agreements signed by each supplier and which become part of the contract, initially being part of the Tender Book. All documents required to be completed by the potential tenderers are made public at the time when the procurement is commenced, by through publication in the Electronic Public Procurement System. Additionally, suppliers also sign a *Declaration on own responsibility* that they comply with the applicable legislation, including respect for the human rights provided in the UN Universal Declaration of Human Rights, as well as other environmental and social matters.

SNN pays a particular attention to the requirements of contractors who provide specialized personnel for a wide range of services and works, and supply products for the processes carried out in Nuclearelectrica. Thus, the Tender Book requirements set out conditions related to occupational health and safety, and for the critical areas and activities, these are subject to audits in accordance with the requirements of the occupational health and safety management system according to SR ISO 45001:2018.

For all contractors performing activities in Nuclearelectrica, an Agreement on occupational health and safety and emergencies is signed, as annex to the Business Contract, as uniquely regulated across under the SNN Decision no. 512/14.12.2022).

This agreement contains occupational health and safety responsibilities each party to the contract, as well as responsibilities in case events occur in the work system.

SNN understands that the exceptional nature of its operations can give rise to material impacts and risks not only to its own workforce, but also to the workers in the value chain. A SNN strategy that values safety and health in the daily activities can mitigate these material impacts. Hence, the own workforce-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources, as summarized in the table below and addressed in the following sections.

Sub-topic	Impact	Risk/Opportunity
Work conditions	<b>Potential</b> small-scale <b>negative impact</b> when the rights of suppliers' employees, with consequential damages to SNN's reputation, and the legal requirements are not observed.	<b>Risk:</b> Where other employee rights (supplier) concerning the work conditions are not respected, SNN's work may indirectly affect the rights of upstream employees, if cases of human rights violations are identified. Working conditions include safe workplaces, working time, adequate wages, social dialogue, freedom of association and negotiation, work-life balance, and health and safety.
Opportunities and equal treatment for all	The civil and political rights of other workers (along the value chain), such as gender equality and equal pay for equal work, training and skills development, as well as employment and inclusion of people with disabilities, measures	<b>Opportunity:</b> Observance of the civil and political rights of workers along the value is assessed as part of the public procurement process. All SNN suppliers are required to respect the human rights in their dealings with employees, and are audited in this respect. They adopt the principles of behavior required by SNN and thus make a contribution

	taken against violence and harassment in the workplace, and diversity, are all respected.	to the well-being of their employees, SNN's reputation and compliance with the legal requirements.
Other work-related rights (suppliers)	<b>Potential</b> small-scale <b>negative impact</b> when the rights of suppliers' employees, with consequential damages to SNN's reputation, and the legal requirements are not observed.	<b>Risk:</b> Where other employee rights (suppliers) (related to forced labor or child labor, as particular groups) are not respected, SNN's work may indirectly affect the rights of upstream employees if cases of human rights violations are identified for the workers in the value chain.

It is important to underline that 100% of all contractors' staff are required to comply with the contract provisions, including those of the Occupational Health and Safety and Emergency Agreement, that is concluded and attached to each contract. These set out requirements to control the occupational safety and health risks identified for work carried out in the SNN installations and premises, including prior training delivered by the SNN specialists in charge of managing occupational the occupational health and safety activities in the SNN units.

The supervision of the compliance with the occupational safety and health requirements provided by the Company's specialists includes also checks on how these requirements are met out by the contractors' staff. The results/conclusions are documented and are subject to focused analysis with the participation of the contractors' representatives, and control actions and measures are taken and assumed or whenever measures to evacuate the workers, suspend the work until the conditions for safe work and quality parameters established and agreed by each party are resumed, are required.

The short, medium and long-term **financial effects** on SNN of the risks of the material risks and opportunities arising from the impacts on communities are assessed to be low (between 0.1% and 0.7% of annual turnover), in the double materiality assessment.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

▪ **Policies concerning workers in the value chain**

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ESRS S2-1

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SNN does not have any stand-alone policies concerning the workers in the value chain; these are included in broader scope documents, such as the Code of Ethics and Business Conduct, which define the mission, vision, values and standards of conduct of SNN, and the Complaints Policy, which is disclosed by SNN as part of **ESRS G-1**. According to the Code, it is SNN's responsibility to ensure protection of people, goods and the environment. SNN also considers compliance with the legal requirements derived from the whistleblower protection legislation.

No instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises Involving Affected Communities, involving also the affected communities, have been reported in the SNN operations or its upstream and downstream value chain.

In the value chain, there are a number of suppliers of products and services for SNN in Romania. Downstream SNN, we find Transelectrica SA. as a transmission operator, as well as a number of electricity distributors. Article 20 of the Romanian Constitution ratifies the universal and European human rights treaties. SNN's activity consists in production and supply of electricity and is carried out exclusively in Romania. Romanian organizations assess the potential negative impacts associated with their operations, including GDPR, corruption, reports/complaints/claims, collective bargaining and other important social topics, pursuant to the legal requirements.

Gender and labor exploitation of children or trafficking in human beings are not a concern for the Romanian employees since no cases of gender discrimination, gender-based violence or labor exploitation of children have been identified or reported, otherwise than in family contexts. The Romanian Constitution provides that minors under the age of 15 years may not be hired as employees, and exploitation and use of minors in activities that would harm their health, morality or endanger their life or normal development are prohibited. Currently, there are no UNICEF or other NGOs reports pointing to cases of child labor exploitation in Romania (save for isolated cases in family contexts).

In SNN value chain, there are also foreign suppliers of raw materials and equipment, who each have undertaken commitments to respect the human rights, the OHS policies, etc. Such commitments of suppliers are communicated and can be found on their websites. In addition, there is a process of auditing the management systems at supplier level, as part of the SNN public procurement process, including outside Romania. Moreover, through its internal specialized structures, SNN regularly conducts compliance audits of the suppliers with significant exposure to the quality, environmental, and occupational health and safety risks.

The occupational safety and health risk assessments carried out in SNN also cover the workplaces where the contractors' personnel render the work. Under the Occupational Health and Safety Agreement concluded between the Company and each contractor, contractors are required to prepare, when so requested by the Beneficiary, an occupational health and safety plan for the activities carried out in the spaces belonging to the Beneficiary, based on the assessed risks of injury or occupational illness, which includes also appropriate protective measures. This Plan shall is submitted for clearance by the Occupational Health and Safety Structure of the Beneficiary, prior to commencement of the activities, and is be available in the premises of the Beneficiary to be examined at request by Occupational Health and Safety Officers, Labor Inspectors and Health Inspectors.

SNN applies a materiality assessment process, where the risks and opportunities related to the suppliers in the value chain and their employees are assessed. SNN's complaint policy and the related channels are applicable and available to the workers in the value chain, and are disclosed as part of **ESRS G-1**. Through these channels, consultation takes place directly with the workers in the value chain. All complaints are considered for resolution, and the views of the workers in the value chain inform the decisions aimed at managing the actual and potential impacts. Auditing the suppliers' management systems facilitates implementation of the required measures.

The Head of the SNN Compliance Department<sup>38</sup> ensures that this collaboration takes place and that its results are included in the strategic approach adopted to the relevant matters in SNN. All comments are considered in the decisions made on the procurement process in SNN.

Moreover, the Occupational Health and Safety Agreement concluded between the Company and each contract regulates the access of the contractors' staff to the premises of the Beneficiary, as well as the condition that the activities pertaining to the services/works covered by the Business Contract only commence after the signing of the Occupational Health and Safety and Emergencies Agreement, delivery of training on the undertaking's and/or SNN units' specific activities, assessment of the occupational health and safety risks to the contractors' workers, and determination of the prevention and protection measures, in general, and completion of the work formalities imposed under the occupational health and safety management system put in place in the SNN units.

### ▪ **Processes to address the negative impacts and the channels provided to workforce in the value chain to voice their concerns**

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Workers in the value chain can be exposed to a range of negative impacts when they work in an environment of concern, subject to hazard risks; therefore, the occupational health and safety provisions are an essential part of preventing the harmful effects, rather than remediation itself. SNN's priority is to minimize and prevent as much as possible any negative effects on its contractors and their subcontractors, particularly the accidents at work. As such, SNN has put in place a number of procedures to ensure, or cooperate to address the negative impacts on the workers in the value chain, and has provided channels for them to voice their concerns for these to be further addressed.

These are SNN's formal means by which all stakeholders, including workers in the value chain, can make their concerns and needs known directly through SNN's complaint resolution mechanisms. The approach to issues raised and details of processes put in place to address the negative impacts, as well as the channels whereby concerns can be raised, are outlined in **ESRS G1**, under the whistleblower section.

The effectiveness of these channels is confirmed by the complete resolution of the complaints.

SNN makes sure that suppliers are aware of the SNN's and legal procedures, and worker may use the SNN channels to voice their concerns or needs, and find out how these can be addressed. The Head of the SNN Compliance Department ensures that this collaboration takes place and that its results are included in the strategic approach adopted to these matters in SNN.

With a view to preventing negative impacts, before remedial measures are needed, the SNN units delivery training to the workers of their contractors and subcontractors on the specific activities of the SNN unit, the risks to their health and safety, as well as the prevention and protection measures and activities established, and the introduction of the work area where the contracted activities are to be carried out. Also, access and organization work formalities, including fire permit, are provided according to the internal procedures of the unit concerned.

These are made available to contractors for compliance by the own workforce and the subcontractors' workers with the internal procedures regulating the access to SNN premises and to the workplace in SNN premises, as well as for actions in emergencies that could occur while contractors' workers are present inside SNN.

SNN and its collaborators in the value chain are required to inform each other immediately of any event suffered by the workers of their own workers in the premises belonging to the SNN units or outside thereof, if it occurred in connection with the activities performed under the contract/framework agreement which is covered by the OHS and Emergencies Agreement.

In the event of a work-related event/accident, both parties must take the following steps immediately:

- maintain the state of affairs that led to the occurrence of the event, unless it is necessary to rescue personnel;
- to inform each other, as well as the legal investigation bodies, if necessary, about the work event/accident, with the necessary data according to the legal provisions;

Hazardous incidents occurring in the facilities of the SNN Unit are investigated and recorded by the SNN Unit where these occurred. Where the investigation of these hazardous concludes that these occurred as a result of the breach of the occupational health and safety and fire safety requirements by the contractors' workers, the Contractor shall bear the consequences.

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<sup>38</sup> <https://www.nuclearelectrica.ro/wp-content/uploads/2023/12/Organigama-15-12-2023-2.pdf>, accessed 15.02.2024

▪ **Adoption of measures concerning the material impacts on the workers in the value chain, and approaches to mitigate the material risks and to pursue the material opportunities related to the workers in the value chain, and effectiveness of these actions**

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ESRS S2-4

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SNN put in place procedure to, and performs audits to directly, check the performance of the suppliers which it works with. No serious human rights issues and incidents have been identified or reported by workers in SNN's value chain.

The resources needed for prevention-based management of a potential material impact are included in the procurement budgets, including the budget for audits. The effectiveness of these actions and initiatives is disclosed in the annual sustainability report published on the SNN website.

Specifically, as to the matters concerning the occupational health and safety related to the contractors' workers in the value chain, these are identical to those applied to the SNN employees. Thus, occupational risks are assessed for all workplaces in the SNN units where they work, before commencement of any work. Under the OHS and Emergencies Agreement, Providers are also required to prepare an Occupational Health and Safety plan for the activities performed in spaces belonging to SNN, based on the assessed accident at work or occupational illness, that would include appropriate protective measures; this Plan is cleared by the Occupational Health and Safety Structure of the Unit before any activities is commenced. The duly executed OHS Agreement contains obligations to observe SNN's legal requirements and the internal procedures concerning the protection measures specific to the works and services performed, including in terms of work at height, work in confined spaces, work in an environment with ionizing radiation, work with substances of concern/mixtures, work with electrical installations, work under the supervision of the State Inspection for the Control of Boilers, Pressure Vessels and Hoisting Equipment, as well as work under other particular conditions regulated under the specific legal provisions or the regulations applicable in the SNN units.

Also, social security and health insurance for its own employees is analysed by applying the provisions of Law no. 346/2002 on insurance for work accidents and occupational diseases, with subsequent additions and amendments. The SNN specialists with responsibilities in the regular analysis of compliance with the occupational health and safety requirements conduct theme analyses, and where they find any nonconformities, these are documented according to the occupational health and safety management system of the SNN unit and are analyzed with involvement of the contractors with a view to addressing the situation and ensuring the safety, as necessary, of the workers and the technical equipment, pending adoption of remedial measures.

The conclusions of these observations are classified depending on the severity of the implications contained in deep-dives, in order remove their respective causes.

Last but no least, according to the central occupational health and safety management system of SNN, a procedure for development of the operational coordination of prevention and protection is being documented according to the Company's procedure AQ-00-23, due to be completed on 31 July 2024; this will detailed the elements concerning the material impacts on the workers in the value chain, and approaches to mitigate the material risks, as well as the pursuit of the material opportunities related to the workers in the value chain, and the effectiveness of these actions.

▪ **Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities**

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ESRS S2-5

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Specific targets have not been yet adopted for the workers in the value chain under a materiality-based internal process.

However, the Company has in place a number of codes of conduct and **management systems** where the following targets related to the workers in the value chain are included as performance criteria:

- Zero cases of violations of the human rights of workers in the SNN value chain, resulting from audits or complaints.

Their effectiveness is reflected in the SNN performance. SNN directly audits the performance of the suppliers SNN works with.

## ESRS S3 – AFFECTED COMMUNITIES

### ▪ SNN – Affected communities

(economic, social and cultural rights + civil and political rights)

#### Stakeholder Interests and Views

*SBM 2, SBM3, IRO 1*

SNN follows a number of legal processes and procedures to consult the communities potentially affected by the Company's activities, this being the main way in which the interests of affected communities are considered. SNN's strategy and business model are based on following these processes and procedures. Consideration is given to compliance with the legal requirements in order to be issued the regulatory acts by authorities. Consultations with the local community take place as part of the procedures for obtaining in particular the environmental agreements and permits.

The types of communities significantly impacted by the SNN operations are:

- communities living or working around the SNN sites or more remote communities potentially affected by activities performed on these SNN sites.
- communities located around SNN's nuclear waste warehouse.

Communities in the areas related to SNN's supply chain, or other indigenous populations outside of Romania were not considered to be significantly impacted by SNN's operations. Romania has no indigenous population.

The interests and views of the affected communities also stems from additional consultations with the communities where SNN operates, and their analysis has taken place as part of SNN's materiality assessment process. The affected communities-related impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other literature sources, as summarized in the table below and addressed in the following sections.

Sub-topic	Impact	Risk/Opportunity
Communities' economic social and cultural rights	Potential negative impact at large scale where the environment parameters subject to monitoring - water, air, food sources, etc. - are exceeded.	<b>Risk:</b> Where the communities' rights are not respected, SNN's work may affect the social (health) and economic development of the communities in the area where it operates, if the environmental monitoring parameters are exceeded.
Communities' civil and political rights	Positive impact: The communities' civil and political rights are respected	<b>Opportunity:</b> Local communities consulted as part of the licensing process, and there are channels in place to make complaints, thus facilitating the decision-making process related to definition of measures to protect the communities.

In the environmental protection licensing process, for implementation of projects with environmental impact, public consultation is a mandatory requirement under the provisions of:

- Government Emergency Ordinance no. 195/2005 on environmental protection, as amended and supplemented
- Law no. 292/2018 on the assessment of certain public and private projects' impact on the environment, as subsequently amended and supplemented
- Order no. 1798/2007 approving the procedure for the issue of the environmental permit, as amended and supplemented.

Specifically, for a comprehensive approach to community consultation, Cernavoda NPP supplements its community communication and consultation programme by setting up the Community Information and Consultation Board (CICB). The Board is formed citizens of the town of Cernavoda and the communes of Saligny and Seimeni, representatives of non-governmental organizations and members of different institutions that are interested in matters related to the nuclear power plant. The Community Information and Consultation Board (CICB) supports Cernavoda NPP in identifying and effectively responding to the questions, concerns and interests of the community, in relation to Cernavoda NPP's activity. The Board pursues the following purposes:

- to identify the problems, concerns and interests of the community;
- to provide Cernavoda NPP with consultancy, advice and opinions on the community expectations in all areas/fields of interest related to the activity of Cernavoda NPP;
- to define the actions that its members consider necessary in order to be able to continuously improve the activities on site and to contribute to a better communication, respectively collaboration between Cernavoda NPP and the local community;
- to provide consultancy, advice and opinions on the communication activities of Cernavoda NPP with the community on the environmental, business and social effects of the power plant's operation on the community;
- to supply data and information for environmental assessments related to Cernavoda NPP;
- to participate in the visits made to site of Cernavoda NPP, that are relevant for the local community;
- to work together with other consultation organizations related to the nuclear industry (e.g. ROMATOM), in a way that maximizes distribution of information and minimizes its duplication.

The consultations, advice and opinions of the Board focus on, but are not limited to, the following topics:

- Effects of the nuclear power plant's operation on the environment, health and community safety;
- Involvement of Nuclearelectrica - Cernavoda NPP in community development;
- Waste management activities on and off the nuclear power plant's site;
- New technologies and trends in the nuclear energy or other forms of energy that may involve the site of Cernavoda NPP.

As far as Pitesti NPP is concerned, a risk related to the environmental protection assurance was identified and documented, *i.e.* deviation from the stakeholder requirements, for which both the impact/consequence of the risk and the internal control/monitoring tools were determined. The procedures whereby the compliance obligations are identified, as well as how communication with the environmental stakeholders is carried out are:

- Identification and application of environmental protection/occupational health and safety compliance obligations;
- Internal and external communication related to the environment.

The short, medium and long-term **financial effects** on SNN of the risks of the material risks and opportunities arising from the impacts on communities are assessed to be very low (below 0.1% of annual turnover), in the double materiality assessment.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

## ▪ **Affected communities-related policies**

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ESRS S3-1

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SNN does not have any stand-alone policies concerning the affected communities; these are included in broader scope documents, such as the Code of Ethics and Business Conduct, which define the mission, vision, values and standards of conduct of SNN, and the Complaints Policy, which is disclosed by SNN as part of **ESRS G-1**. According to the Code, it is SNN's responsibility to ensure protection of people, goods and the environment. The essential element of the SNN policy is the observance of all the necessary conditions to ensuring nuclear safety, with the material risks and opportunities being associated with nuclear safety. SNN also considers compliance with the legal requirements on public consultation in the procedures followed to be issued the regulatory acts by authorities.

No instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises Involving Affected Communities, involving also the affected communities, have been reported in the SNN operations or its upstream and downstream value chain. It should be noted that there is no indigenous population in Romania, so in the areas where SNN operates.

## **Impact-related collaborative processes with the affected communities**

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ESRS S3-2

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SNN applies a materiality assessment process, whereby the communities in which SNN operates are consulted on sustainability matters associated with, and relevant to, SNN's business. Each dialog partner thus assesses the level of the positive or negative impact, and the nature of this environmental, social or governance impact related to the Company's business, this being also how SNN assesses the effectiveness of its collaboration with the affected communities. The frequency of these consultations is every 3 years or more often, if necessary.

As to the community communication, Cernavoda NPP distributes the Infoplus magazine for neighbors, in all relevant local locations, and sends out monthly or daily news not only to CNCAN, but also to the municipalities of Cernavoda, Medgidia, Fetesti, Saligny, Seimeni, Rasova, Aliman and other municipalities. This information includes data about the environmental impact, doses to population as a result of operation of Cernavoda NPP's U1 and U2, radioactivity of groundwater on site or the electrical power at the power plant's terminals.



In order to support the potentially disadvantaged local communities, SNN has also implemented a dual and vocational education programme (in Cernavoda and Fetesti) to train the future generations of specialists. Under these internships, SNN makes sure that the representatives of local community are given the opportunity to develop and then pursue a career in a company that operates in their community.

SNN also organizes a series of public consultation sessions with the environmental authorities, as part of the procedures pursued to obtain the regulatory acts from them. Therefore, consultations with the local community take place in particular for the environmental agreements and permits, in accordance with the legal regulations in force, and their frequency is laid down in the procedures pursued to obtain the regulatory acts.

The environmental agreement is issued by the competent environmental protection authority, and sets out the conditions to be met for development or modification of a project. The (integrated) environmental permit is the administrative act issued by the competent environmental protection authority, which grants the right to operate all or part of an installation. Assessment of the environmental impact of certain public and private projects, as well as the licensing procedure require performance of public consultations, in accordance with the transposed EU Directives.

The Head of the SNN External Communication Department<sup>39</sup> ensures that this collaboration with the neighboring communities takes place and that its results are included in the strategic approach adopted to the relevant matters in SNN.

All consultations and public debates are attended by members of the community regardless of gender, age, education or ethnicity. All comments are considered in the decisions made in the licensing procedures. There is no indigenous population in Romania (in the communities where SNN operates).

### ▪ **Processes to address the negative impacts and the channels provided to affected communities to voice their concerns**

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ESRS S3-3

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As a socially responsible company, SNN takes full responsibility for the actions needed to address the negative impacts on the communities in which we operate.

SNN has put in place a number of procedures to ensure, or cooperate to address the negative impacts on the affected communities, and has provided the affected communities with specific channels, including mechanisms to settle the complaints, for these communities to voice their concerns and for any potential problems to be addressed.

Details about the processes followed to address the negative impacts and the channels provided to affected communities to voice their concerns are presented in **ESRS G1**. Moreover, correct information of the public about risks, on potentially dangerous activities to the environment and the population. This information is publicly available at: Information intended to the public according to Law no. 59/2016 - Cernavoda NPP ([nuclearelectrica.ro](http://nuclearelectrica.ro))

The effectiveness of these channels is confirmed by the complete resolution of the complaints.

SNN makes sure that the public or the potentially affected communities are aware of and trust the SNN's and legal procedures, as a way to voice their concerns and needs, as well as the procedures to be followed to have these addressed. The Head of the SNN External Communication Department makes sure that this collaboration with the communities and their results are included in the strategic approach adopted to the matters in SNN. All information is discussed in formal meetings held with the local community's representatives, in the Community Information and Consultation Board (CICB). Consideration is given to compliance with the legal requirements in order to be issued the regulatory acts by authorities. Consultations with the local community take place in particular for the environmental agreements and permits, which include also remediation conditions.

### ▪ **Adoption of measures concerning the material impacts on the affected communities, and approaches to mitigate the material risks and to pursue the material opportunities related to the affected communities, and effectiveness of these actions**

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ESRS S3-4

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SNN, together with the environmental or other local authorities, define measures to address the significant environmental impacts on affected communities, under the agreements and permits issued. These are mainly stipulated in the CNCAN, environmental and water management permits, the internal emergency plans and other policies and plans for the SNN sites.

The effectiveness of these actions and initiatives is disclosed in the annual environmental reports submitted to the county environmental agencies, as well as the annual sustainability report published in the SNN website.

No serious human rights problems and incidents have been reported by the communities located in SNN's operation area. The resources needed to manage a potential material impact are included in the Company's operating budgets, which include all legal measures related to nuclear safety and environmental protection, including waste management.

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<sup>39</sup> <https://www.nuclearelectrica.ro/wp-content/uploads/2023/12/Organigama-15-12-2023-2.pdf>, accessed on 15 February 2024

## ■ Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities

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ESRS S3-5

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Specific targets have not been yet adopted for the potentially-affected communities under a materiality-based internal process.

However, the Company has in place a number of codes of conduct and **management systems** where the following targets related to communities are included as performance criteria:

- Zero serious human rights incidents in the communities located in SNN's operation area, under the Code of Ethics and Business Conduct.
- Zero overruns of the environmental monitoring parameters in the communities where SNN operates, under the ISO 14001:2015 environmental management system.

Their effectiveness is reflected in the SNN performance. SNN has worked, in the above consultations, directly together with the potentially affected communities, *i.e.* in the communities where SNN operates. In addition to the metrics associated with environmental protection, NFP also set metrics for nuclear safety, which include protection of the population in the communities surrounding the site.

## ESRS G1 – BUSINESS CONDUCT

- **SNN – Business conduct**
- **Business conduct**

### ESRS 2 GOV-1, IRO 1

SNN's business conduct practice shows how our values are used to build and maintain trust with customers, authorities, investors and partners. SNN's Board of Directors plays a leadership and supervisory role as to business conduct and is trained on professional conduct matters.

The impacts, risks and opportunities are identified and assessed as part of the dual materiality assessment, in an internal workshop, as well as by consulting other sources. The Company's risk register also lists the risks related to business professional in the implemented system.

The stages/activities of the regular risk assessment process are:

- Risk identification and assessment by the divisions of SNN SA;
- Documentation of risk analysis and estimation in risk data-sheets, in the risk management IT application;
- Approval/validation the risk registers at departmental level by their heads in the application and, for branches, also by the risk officers at branch level;
- Submission of the risk and actions/measures data-sheets for risk treatment, via the IT application, to the Risk Management Service (RMS);
- Aggregation, processing and analysis of the risk registers and risk information;
- Issue the Risk Management Report and its dissemination across the organization.

Risk information is circulated between risk owners, heads of divisions, risk officers in branches and RMS's staff as part of the risk management process, using the risk management application.

Sub-topic	Impact	Risk/Opportunity
<b>Corporate culture</b>	<b>Positive impact</b> of the Company's values on SNN and its stakeholders; however, these could be also a potential large-scale negative impact if the internal codes and procedures are not followed.	<b>Opportunity:</b> Effective management of the internal issues and ensuring fair remuneration, as well as providing adequate working conditions, all help prevent unpleasant situations in the own operations.
<b>Protection of whistleblowers</b>	<b>Potential negative impact</b> at medium scale, if whistleblowers are not protected.	<b>Risk:</b> Damage to SNN reputation and violation of the legal requirements.
<b>Management of relationships with suppliers, and payment practices</b>	<b>Potential negative impact</b> at medium scale if payments are not made in due time.	<b>Risk:</b> Damages to SNN's reputation due to the adverse financial impact on suppliers and/or the breach of contract terms.
<b>Corruption and bribery</b>	<b>Potential negative impact</b> at medium scale in case of incidents.	<b>Risk:</b> Damage to SNN reputation and violation of the legal requirements.

The short, medium and long-term **financial effects** on SNN of the material risks and opportunities arising from the related impacts are assessed to be low to medium (between 0.7% and 1.0% of annual turnover) for the business conduct risks and maximum effects above 3% of turnover for the safety risks, as these were assessed in the double materiality assessment.

Unless otherwise stated, SNN performance has not been validated by an external body or auditor.

## ▪ Corporate culture and business conduct and corporate culture-related policies

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ESRS G1-1

**The Code of Business Ethics and Conduct** (adopted in 2018), applicable to all management members, employees, consultants, staff, and partners who carry out their activity in SNN, contains the fundamental values that must be observed and advance a fair attitude, so that observance of the criteria laid down in this Code can help build a prosperous business, based on healthy, upright and transparent principles. The fundamental values that guide our activity represent universally valid principles within the company, which must be known and applied unconditionally by all employees. They have the role of supporting and promoting the vision and culture of our organization.

- **Reliability, Ambition, Engagement and Perseverance** - All employees should make an active contribution to the efficiency and optimization of the activity carried out, through efforts appropriate to the goals, in order to attain the Company's objectives.
- **Respect** - A fair attitude towards co-workers, clients/customers, suppliers, investors and other people who have a direct or indirect connection with the Company's activity is essential for promoting the Company's image and business development.
- **Integrity and responsibility in making decisions** - All the activities carried out and the decisions taken must be in accordance with the fundamental principles represented by honesty, sincerity and transparency.
- **Responsibility for ensuring protection of people, property and environment** - the essential element of the activity is the observance of all the necessary requirements for ensuring nuclear safety and environmental protection.
- **Teamwork** - is essential for obtaining exceptional collective results. In parallel, through cooperation, the strengths and skills of each employee can be properly turned to account. Also, the active and constant support given to new colleagues ensures their rapid integration and development of a supportive and proactive work environment.
- **Respect** - A fair attitude towards co-workers, clients/customers, suppliers, investors and other people who have a direct/indirect connection with the Company's activity is essential for promoting the Company's image and business development.
- **Innovation** - Encouraging individual and collective initiative in order to improve the Company's processes and to adopt new technical solutions, as well as to organize the work so as to become a driving engine for the Company's development.

Under this Code of Ethics and Professional Conduct of the Board of Directors (BoD), its members adhere to a set of principles concerning good governance, decision-making transparency, integrity, impartiality, honesty, loyalty and efficient management of the organization's resources in order to attain the objectives. The Code of Ethics and Professional Conduct defines the mission, vision, values and rules of professional conduct that the SNN BoD members must respect and apply in their activity in the organization, in accordance with the business model and the objectives of the organization, and set out the organizational framework for transposition of these principles into procedures and policies applicable to all SNN employees. Also, the Code of Ethics and Professional Conduct sets out the guidelines and directs individual and group behaviors in the internal and external relations of the SNN BoD.

The provisions concerning management of the conflict of interests are included in the Organization and Functioning Regulation of the Board of Directors, as well as in the Code of Ethics of the Board of Directors. The members of the Board of Directors will make decisions to the best interest of the Company and will not take part in debates or decisions that give rise to a conflict between their personal interests and those of the Company.

Each member of the Board of Directors makes sure they avoid of any direct or indirect conflict of interest with the Company, and should such a conflict occur, they will abstain from the debates and casting their vote on the that matters, in accordance with the legal provisions in force. The members of the Board of Directors disclose to the SNN Board of Directors information about any relationship with a shareholder who directly or indirectly holds shares accounting for more than 5% of all voting rights. This obligation refers to any kind of relationship that could affect the member's position on the matters decided on by the Council.

In order to promote and strengthen integrity in performance of its activities, SNN developed an ethics and compliance programme that includes policies and principles aimed at encouraging and facilitating prevention, detection and control of the acts of corruption. The proposed measures are extensively outlined in the 2023-2027 Administration Plan, whereby the SNN management promote the concept of zero tolerance to corruption and urge the staff to act systematically to this end.

The Ethics and Compliance Service provides ethics advice to the SNN staff and implementation of the anti-corruption policies. It submits the relevant findings, the report and the annual activity plan to the SNN Board of Directors (*i.e.* the Audit Advisory Committee). The members of the Audit Committee have relevant experience in management and implementation of the corporate governance, and at least one of them has a background in application of the accounting and financial auditing principles.

The staff of the Ethics and Compliance Service have relevant experience (over 20 years) in anti-fraud, investigations and compliance.

### What is not covered by the Code of Ethics and Business Conduct?

Being a company-wide document, the Code of Ethics and Business Conduct does not provide for any detailed guidance on compliance with each legal requirement.

The Code of Conduct does not provide exhaustive information about every SNN standard or policy. We are all responsible for understanding and complying with the details of the policies relevant to our role and function.

We all have a responsibility towards SNN and to each other to work with integrity and accountability and in accordance with the legal regulations in force.

SNN is also subject to legal requirements under the domestic legislation transposing Directive (EU) 2019/1937, and has put in place internal reporting channels for whistleblowers, provides information and training to its own workers and information on designation and training of

staff who receive reports, and protection measures against retaliation for its own whistleblowing workers, in accordance with the applicable legislation transposing Directive (EU) 2019/1937 of the European Parliament and of the Council into the local language (Romanian).

## Management of relationships with suppliers

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ESRS G1-2

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### Supplier selection

SNN follows the legal public procurement procedure. There are SNN suppliers from Romania and other countries in the value chain, each with commitments to respect the human rights.

In addition, the management systems (integrated - quality, OHS, environment, social) of the suppliers are audited in the procurement process (for qualification), including for those outside Romania. Consideration is given to compliance with the legal public procurement requirements and criteria in supplier selection.

Gender and labor exploitation of children or trafficking in human beings are not material issues for Romania since no cases of gender discrimination, gender-based violence or labor exploitation of children have been identified or reported, otherwise than in family contexts. The Romanian Constitution provides that minors under the age of 15 years may not be hired as employees, and exploitation and use of minors in activities that would harm their health, morality or endanger their life or normal development are prohibited. Currently, there are no UNICEF or other NGOs reports pointing to cases of child labor exploitation in Romania. Romanian organizations assess the potential negative impacts associated with their operations, including GDPR, corruption, reports/complaints/claims, collective bargaining and other important and material social topics.

SNN is investigating new methods of supplier checking, taking into account the legal constraints (related to public procurement). The social performance of suppliers from outside Romania in respecting the human rights is communicated as appropriate and can be found on their websites. According to the List of NFP-Qualified Suppliers, the external suppliers of raw materials are:

- Framatome for Zy-4 zirconium alloy sheets and bars - <https://www.framatome.com/fr/contactez-nous/>
- Cameco for UO<sub>2</sub> sinterable uranium oxide powder (was a supplier in 2022, no longer in 2023) - <https://www.cameco.com>
- BWXT for Zy-4 tubes - <https://www.bwxt.com/bwxt-nec;>
- Cameco for Zy-4 wire <https://www.cameco.com/>
- Ulba Metallurgical for beryllium - <http://www.ulba.kz/en/>
- Kazatomprom for concentrated uranium oxide U<sub>3</sub>O<sub>8</sub> - <https://www.kazatomprom.kz/en/>

### Prevention and detection of corruption and bribery

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ESRS G1-3

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As a socially responsible company, we assume full responsibility for the actions taking place in our sphere of influence. We reserve the right to express our position on corruption prevention in all aspects related to our activities, employees or business partners.

The anti-corruption policy of SNN aims to foster and facilitate prevention and control of corruption and sets anti-corruption principles for all employees of SNN and its branches, as well as for its business partners. The anti-corruption principles implemented in this policy are:

- SNN management and staff comply with, and maintain, the principle of “zero tolerance” to bribery and corruption. Consequently, any needed and proportionate measure is encouraged to ensure compliance with this principle.
- SNN management and staff are committed to comply with the domestic legislation and the applicable regulatory framework regarding the fight against corruption.

SNN's Anti-Corruption Policy provides a framework for setting, reviewing and attaining the anti-corruption objectives assumed by the Company under the National Anti-Corruption Strategy, and is consistent with the applicable legislation, the Nuclear Employee Code of Conduct, the Board of Directors' Code of Ethics and other related procedures/policies, as identified as reference documents.

The anti-corruption policy cannot anticipate or prevent all potential business situations in which the SNN management or staff could find themselves, and in which elements of corruption could appear. In the event of a situation not covered by this Anti-Corruption Policy, it is necessary to seek guidance from the line manager, the Ethics Advisor, the branch compliance representative or Head of the Compliance Office.

The policy is an integral part of the Anti-Bribery Management System, certified according to the requirements of ISO 37001:2016. In order to ensure integration of the requirements of the anti-bribery management system into the Company's processes, the internal regulatory anti-corruption framework was consolidated and developed **by policies and procedures; of these, we list:**

- The Anti-corruption Policy, intended to encourage and facilitate prevention and control of corruption, and setting out the anti-corruption principles for all employees, as a framework for definition, revision and attainment of the anti-corruption objectives;
- The procedure “Compliance with the Anti-Corruption Policy”, that regulates the scope and structure of the compliance function set up to ensure compliance with the principles of the Anti-Corruption Policy;
- The procedure on "Implementation of financial and non-financial anti-corruption compliance controls" which describes how the relevant controls are implemented for prevention, detection and investigation of corruption risks;

- The procedure for assessment of the business partners in terms of the risks attached to the anti-corruption compliance system, which describes how business partners are screened in order to minimize the risks generated by the transactions carried out by SNN SA;
- The procedure on "Identification, assessment and prevention of conflict of interests";
- The Anti-Fraud Policy;
- Irregularity reporting;
- Estimation of the compliance and reputational risks

**Key criteria considered to assess the risk of corruption and bribery:**

- Sanctions or withdrawal of permits;
- Involvement of the Company or its employees in disputes;
- Loss of strategic business partners;
- Increasing number of reported irregularities;
- Nature, size and complexity of processes and activities;
- Business partner anti-bribery management system: suppliers, customers and consultants;
- Locations and business lines where the organization operates or envisages operating.

The **anti-bribery management system** developed by SNN is adapted to the requirements of the standard ISO 37001:2016 and contains internal control procedures for the following processes:

- Disclosure of gifts and other benefits;
- Prevention of conflicts of interest, incompatibilities and pantouflage;
- Mandate of ethics advisor and compliance officer;
- Whistleblower protection;
- Preventive measures for management of sensitive positions;
- Sponsorships, donations and other charitable activities;
- Employee expense reports.

Corruption prevention and control is the **main responsibility of the Ethics and Compliance Service**, which is regularly allocated the necessary resources to attain its objectives. **SNN created the Compliance function** to manage the anti-bribery management system. The compliance officer has long/important experience in Internal Audit and Compliance. The training programme includes regular participation in workshops and specific trainings on topics related to fraud, corruption, ethics and integrity.

The Ethics and Compliance Service receives all complaints of the employees using the Whistleblower platform and is responsible for their review, assessment and resolution. Depending on the referral content, the Ethics and Compliance Service may initiate preliminary assessments of the matters concerned, compliance investigations, or ad-hoc audits together with the Internal Audit Department, or anti-fraud investigations together with the Anti-Fraud Office, all concluding with a report to the SNN management. Also, in less complex cases, the Ethics and Compliance Service works together with other responsible units to process referrals.

The preliminary assessments/investigations/audit engagements conclude with a report intended for the SNN management. Where issues are more important, these are also reported to the Board of Directors (Audit Advisory Committee). An annual report on the activities of the Ethics and Compliance Service is prepared and submitted to the Audit Advisory Committee. Where administrative/disciplinary investigation of persons or facts is required, independent Disciplinary Committees are set up to review the issues identified and propose measures accordingly.

Also, SNN put in place **mechanisms for monitoring and warning** of the occurrence of any threats or non-compliances with the ethics and integrity rules, such as:

- Regular identification and assessment of the corruption risks;
- Disclosure by the Company's employees of any potential conflicts of interest and use of an application to disclose and consolidate the said information;
- Anti-corruption contractual clauses included in contracts with business partners;
- Regular employee counselling programme set up by the Ethics Advisors;
- Means of communication provided to the whistleblowers and analysis of the complaints/reports depending on their nature;
- Screening of business partners in terms of their anti-corruption management system;
- Internal controls aimed at preventing occurrence of fraud and corruption;
- Analysis of sponsorship applicants in terms of their ethical behavior.

SNN has not been involved in any pending or settled legal actions concerning anti-competitive behavior. The code of ethics and conduct sets out the principles that govern the ethical and professional conduct of SNN employees. The anti-corruption policy defines the terms corruption and bribery. The term "*Facilitation Payments*" is not defined in the Romanian legislation, is interpreted in the legislation as bribery.

In order to advance responsible and fair, as well as compliance with, the standards among business partners (customers and suppliers), SNN conducts permanent checks thereon, for all contracts concluded and amounting to more than RON 135,000, within two main segments:

- in terms of potential conflicts of interest, against the information entered by the SNN employees in CIMA - Conflict of Interest Management Application; so as to avoid instances where our employees or their next of kin up to the 4th degree could be involved in as part of the procurement/supply procedures or in performance of contracts with companies which they hold any interest in (shareholders, directors or employees);  
**In 2023, the Ethics and Compliance Service carried out such checks on a total of 146 partners, but no potential cases of conflict of interest were identified.**
- in terms of the overall corruption risk, by assessing the partners' anti-bribery management system, based on a questionnaire containing a set of questions, depending on which a score is given and partners are rated in one of the risk categories (low, medium or high).

**In 2023, the Ethics and Compliance Service carried out such assessments on a total of 58 partners, of which 41 were qualified with low risk, and other 17 with medium risk.**

The Ethics and Compliance Service has made available to our business partners, classified in the medium risk category, excerpts from SNN's compliance policies and the Compliance Guide, with the aim of these being taken into account by the management and employees involved in negotiation/performance of contracts.

In the internal procedure AF-00-03 - *Granting and accepting benefits* - it is prohibited to grant any benefits to the authorities, business partners or any other persons in order to facilitate approvals, permits or unlawfully obtaining a business decision. Also, SNN has a **procedure dedicated to conflicts of interests**. Employees are under the obligation to disclose any personal interests that conflict with the interests of the Company. The declaration is renewed on an annual basis.

The SNN **AF-00-02 procedure for reporting irregularities and whistleblower protection** aims to determine the ways of reporting and treating irregularities and it is worded so as to address issues concerning aspects of public interest, that could include also infringement of the SNN policies and procedures, or the applicable legislation. The issues that can be qualified as irregularities (without this listing being limitative) are: non-compliance with the Code of Ethics and Conduct, non-compliance with policies and procedures, improper aspects concerning the financial statements and the relations between employees, abuses, discrimination, corruption, theft, money laundering and any inappropriate behavior that could damage the reputation of the Company or any attempts to hide any of the above. Our company, recognizing the essential importance of a clear and up-to-date process for both internal reporting and protection of those who submit make such reports (whistleblowers), has adopted a procedure to provide guidance to the staff and ensure full confidentiality and protection thereof, as part of its general responsibility towards the staff, shareholders and customers. The Irregularity Reporting procedure aims to:

- encourage employees and third parties to feel confident enough raise serious issues, question them and act accordingly;
- make available to employees and third parties means of discussing and obtaining assessments of any measures taken as a consequence;
- make sure that employees and third parties receive an answer to their reports and that they know how to proceed when they are not happy with the measures taken;
- reassure the employees and third parties as to the fact that, when they report non-compliances that believe are real in good faith, they will be protected against any retaliation or victimization.
- The procedure particularly determines the means of communication and the process to receive referrals on:
- improper documents and/or accounting and auditing practices that come against the international practices and applicable provisions;
- fraud, corruption of conflict of interest, as these are defined in the related policies/codes of SNN on the control of fraud and corruption and conflicts of interest.

The issues that can be qualified as irregularities (without this listing being limitative) are: non-compliance with the Code of Ethics and Conduct, non-compliance with policies and procedures, improper aspects concerning the financial statements and the relations between employees, abuses, discrimination, corruption, theft, money laundering and any inappropriate behavior that could damage the reputation of the Company or any attempts to hide any of the above.

However, the communication channels described in this procedure can be used also to submit other reports concerning irregularities identified by the reporter. The preliminary assessments/investigations/audit engagements conclude with a report intended for the SNN management. Where issues are more important, these are also reported to the Board of Directors (Audit Advisory Committee). An annual report on the activities of the Ethics and Compliance Service is prepared and submitted to the Audit Advisory Committee. Where administrative/disciplinary investigation of persons or facts is required, independent Disciplinary Committees are set up to review the issues identified and propose measures accordingly.

**The procedure on Reporting Irregularities** is intended to provide support to individuals (full-time or part-time employees, contractors, suppliers, customers and other members of the public) who believe they have encountered instances of work negligence, fraud or irregularities. This procedure does not apply to personal grievances, that refer to terms of employment or other aspects of the employment relationship or disciplinary matters. The procedure does not have the mission to call into question the financial or business decisions made by SNN and by the branches, nor should it be used to reconsider matters that have already been addressed according to disciplinary procedures.

The principles of the procedure are in accordance with the principles that govern whistleblower protection:

- the principle of lawfulness, according to which authorities, public institutions, other legal entities under public law, as well as legal entities under private law are under the obligation to respect the fundamental rights and freedoms, by ensuring full respect, among other things, for the freedom of expression and information, the right to protection of personal data, the freedom to carry out a business activity, the right to a high level of consumer protection, the right to a high level of protection of human health, the right to a high level of protection of the environment, the right to effective remedy, and the right to defense;
- the principle of responsibility, according to which the whistleblower is under the obligation to submit data or information in support of the facts reported;
- the principle of impartiality, according to which examination and settlement of reports are free of subjectivity, regardless of the beliefs and interests of the persons tasked to address them;
- the principle of good management, according to which public authorities and institutions, and other legal entities under public law are under the obligation to carry out their activity in the pursuit of the general interest, with a high degree of professionalism, and with an efficient and effective use of the resources;
- the principle of balance, according to which no person can rely on the provisions of this law in order to reduce the administrative or disciplinary sanction for a more serious infringement that is not related to that reported;

- the principle of good faith, according to which the person who had good reasons to believe that the information about the reported infringements was true at the time of reporting and that the said information fell in the scope of this law, is provided protection.

Irregularities refer mainly, but are not limited, to:

- abuse of trust
- corruption offences, offences qualified as corruption, offences directly related to corruption offences
- forgery and use of forged documents
- fraud and deception concerning investment capital
- theft and embezzlement
- blackmail
- falsification of documents and other manipulative actions concerning documents
- robbery
- market price manipulation
- insolvency offences
- coercion and threats
- "inside trading" (illegal) and market manipulation activities
- falsification of the Company's records
- cyber crimes
- falsification, and piracy of products and brands
- abuse in relation to private or business secrets
- infringements related to accounting, financial and accounting control or internal audit
- violation of the legal provisions on public procurement and grants
- anti-competitive collusion
- money laundering
- violation of the rules concerning representation and signing of documents
- preferential or discriminatory practices or treatments in performance of the duties, violation of the provisions concerning incompatibilities and conflicts of interest
- abusive use of the Company's material or human resources
- noncompetitive practices
- incompetence or negligence at work
- non-objective staff appraisal in the recruitment, selection, promotion, demotion and dismissal process
- violations of the procedures or determination of internal procedures in violation of the law
- any other serious infringement of the legislation or internal rules of business ethics and conduct of the company

Given that the reporting process is generally recognized as a key tool for uncovering misconduct, it is important that staff fully understand the type of incidents they are required to report.

#### **Nature, scope and depth of the training programmes offered or imposed by the Company.**

In 2023, the Ethics and Compliance Service included in its training programme in-house trainings to introduce main components of the ethics and compliance programme, and the anti-corruption policy:

- (1) Whistleblower and incompatibilities, attended by 1,147 employees from SNN, NPP and NFP;
- (2) Identification and prevention of conflicts of interest, attended by 1,062 SNN, NPP and NFP employees.

Also in 2023, the matters related to identification and prevention of conflicts of interest were promoted for 39 new SNN employees, who participated in the onboarding programme.

The Ethics and Compliance Service also carried out and organized:

- two separate physical sessions in the offices of NPP and NFP, intended dedicated exclusively to management staff members, to introduce the amendments of the domestic legislation concerning the Whistleblower, attended by 50 people;
- a training session on the SNN professional training online platform, exclusively for senior staff, which covered issues related to fraud, the new view on the ESG risks and amendments to the Whistleblower legislation, attended by 20 people.

External trainings:

- as to the ethics segment – the training on "Ethics and Anti-Corruption", attended by 58 employees from SNN, NPP and NFP;
- as to anti-corruption - the training "National Anti-Corruption Strategy, corruption offences, whistleblowing", attended by 13 employees holding management positions in SNN.

The professional training programmes were delivered in particular to persons holding positions exposed to the risk of corruption, which means that we estimate that more than 90% of them have received at least one training in this field.

No professional training activities were delivered to the Board members in 2023.

The staff of the Ethics and Compliance Service attend relevant professional training sessions, as well as:

- meetings with the Ministry of Energy and the Ministry of Justice on topics related to implementation of the National Anti-Corruption Strategy;
- workshops and meetings/interviews with OECD representatives under the programme for Romania's accession to this organization and for implementation of the European good practices in the local business environment;
- workshops/conferences under the World Economic Forum - Partnering Against Corruption Initiative (PACI).

#### **Communication channels**



The Company has put in place different communication channels that can be used by employees and third parties to voice their complaints in accordance with the purpose of this procedure, as follows:

- A dedicated internet portal available in SNN, "Report an irregularity" section, where an Irregularity Reporting Form is available, the format of which is included in the annex to this Procedure; [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)<sup>40</sup>
- Email addresses managed by the Ethics and Compliance Service: [sesizari@nuclearelectrica.ro](mailto:sesizari@nuclearelectrica.ro) and [conformitate@nuclearelectrica.ro](mailto:conformitate@nuclearelectrica.ro)
- The mailing address.

The people who make the complaints can remain anonymous, but they are encouraged to identify themselves (name and contact details), particularly if an additional investigation is needed. It is preferable that all reports are made using the Irregularity Reporting Form. The number of referrals/reports received by SNN from employees or third parties over the last five years is presented in the table below. All referrals have been addressed.

Reporting year	2020	2021	2022	2023
Number of referrals/reports	4	17	9	7

In 2023, 7 complaints concerning potential possible breaches of procedures were received via the Whistleblower mechanism, for which the Ethics and Compliance Service or other responsible departments of SNN carried out checks, and to which they timely responded. All referrals have been addressed.

#### **Investigation of complaints by the Ethics and Compliance Service**

All reports received are carefully reviewed by the Ethics and Compliance Service, subject to full secrecy and confidentiality. The Ethics and Compliance Service selects the referrals depending to the specific procedure, will review them carefully, but can only act on those that disclose instances of fraud (including improper actions and accounting and auditing practices that come against the international practices and the applicable provisions), corruption and conflicts of interest. The other referrals, which do not concern matters related to the activity of the Compliance Office, are forwarded for processing to the competent structure of the Company.

The information can be provided anonymously; however, this means that the Ethics and Compliance Service cannot contact the person who file the referral/report for additional information, and this makes it more difficult to address the issue.

The person who files a referral is advised not to communicate to other people the details of the issues they reported, considering that this could have an unfavorable impact on any future investigation.

All referrals sent are treated as strictly confidential by all the units involved of the Company.

#### **Protection measures**

All disclosures are treated similarly to the confidential and sensitive information. When irregularities are reported, any person can assume that only the employees investigating the complaint will know their identity. The identity of the persons who makes an accusation will be confidential as long as it does not prevent or limit the investigations.

However, the identity of the person making the report will have to be disclosed where there is a legal obligation to do so:

Anonymous accusations are less credible, but can still be taken into account. In the exercise of this right, the to be considered are:

- Severity of the reported issues
- Reliability
- Possibility to obtain confirmation from independent and reliable sources

The procedure is intended to provide protection to employees and other people who report issues:

- in good faith
- who reasonably believe that there is a case of negligence or wrongdoing, as long as the disclosure was made to an appropriate person.

The Company will not allow any retaliation by the management against the persons who report an irregularity in good faith, including when the reported facts are not confirmed or are only partially confirmed by the investigations carried out. Also, managers have been trained to support and encourage the reporting of misconducts, and to help create an environment where employees can raise issues or ask questions without fear of retaliation.

The people who make referrals can remain anonymous, but they are encouraged to identify themselves, particularly when additional useful and timely information is needed for investigation of the reported case.

Referrals and reports are received and reviewed by the Ethics and Compliance Service, who decides whether these can be addressed by them, or by other competent units, such as: The Anti-Fraud Office, the Human Resources Strategy Department or the Legal Department, etc.

Both the employees and business partners and the third parties have the opportunity and are encouraged to report non-compliances or acts/facts that could lead to violation of the law and procedures or to occurrence of a noncompliance. In this sense, the Company's website has a page dedicated to whistleblowing.

<sup>40</sup> <https://www.nuclearelectrica.ro/formular-online-de-semnalare-a-neregulilor/>, accessed on 5 March 2024

The referrals received are entered in a special register. All referrals are answered in not more than 40 days. Depending on their nature and materiality, these are reported to the SNN management, who can decide to commence an investigation. The annual report of the Compliance Office includes a section on the referrals received and the measures taken thereon.

The employees and business partners can call the Compliance Office during the working hours.

Ethics advisors have regular meetings with employees in order to provide them with advice on ethics and integrity.

The employees attend training programmes on integrity topics every year. One of the topics addressed in these dedicated training is that of the whistleblower.

The whistleblowing procedure includes specific clauses that prohibit retaliation against the employees who report non-conformities, violations of procedures or rules in good faith.

▪ **Confirmed cases of corruption or bribery**

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ESRS G1-4

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There were no incidents of corruption or bribery during the reporting period.

Incident	Status	Summary of remedial actions
N/A	NA	NA

▪ **Payment practices**

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ESRS G1-6

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According to SNN's Terms of Payment, Pitesti NFP suppliers are paid for orders delivered within 30 days of receiving the products or services.

In its electricity supply contract, SNN has a buffer period of **15 working days** of receiving the invoice for the electricity produced by Cernavoda NPP (Transelectrica SA) and supplied to the buyer, so as to give them time to pay for the electricity supplied.

## NUCLEAR SAFETY AND DIGITAL SECURITY

### ▪ SNN – Nuclear safety and digital security

The double materiality assessment identified as relevant also the topic of nuclear safety and digital security, as relevant as part of the reporting scope under the standards.

#### ▪ Time-bound and result-oriented targets

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As part of the Company's ESG priorities, under the Governance heading, we give priority to the operating and production, and infrastructure and asset protection procedures. Our targets are to permanently ensure the nuclear safety of the nuclear assets, as well digital security, as a safeguard for all processes and activities in the Company

Regarding the operation of nuclear units in nuclear safe and secure conditions for the staff, population, environment and production assets, we want to ensure:

- Maintaining maximum availability of the engineering and safety functions.
- Improving/maintaining high professional training of the staff who operate the two nuclear units.
- Maintaining the radioactive releases in water and air below the regulated level.
- Maintaining membership of international nuclear energy organizations and, if necessary, membership of other organizations.
- Ensuring the oversight function.

#### ▪ Company's understanding of safety-related impacts, risks and opportunities, and of the extent to which these have been analyzed during the undertaking's materiality assessment process

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IRO-1

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The permanent maintenance of a high level of nuclear safety in all phases of performance and operation of nuclear objectives and facilities is of vital importance and constitutes the first priority for SNN, as part of the Nuclear Safety Culture.

SNN has developed and respects a nuclear safety policy that was approved by CNCAN, in order to maintain a high and constant level of nuclear safety in all phases of the commissioning and exploitation process of nuclear installations. The nuclear safety policy provides guarantees of good execution for all important activities regarding nuclear safety, in all phases of implementation and exploitation of nuclear installations. This document confirms that nuclear safety has the highest priority.

Nuclear safety as a field is a set of technical and organizational measures intended to:

- ensure the safe operation of nuclear facilities;
- to prevent and limit their deterioration;
- to ensure the protection of the staff, the population and the environment against radiation or radioactive contamination.

The high level of nuclear safety is ensured by the way in which nuclear facilities are designed, built and operated. The risk generated by the nuclear fuel from the reactors on the population and the external environment is minimal, due to the fact that:

- i. The power of the reactor is under control;
- ii. The fuel is cooled down;
- iii. The radioactivity is retained, and all are performed continuously.

The nuclear safety philosophy of CANDU-type power plants is based on the concept of "Defense in Depth", which ensures gradual protection in the event of equipment failures, human errors, transient regimes anticipated in operation or accidents, including severe accidents. For the implementation of this concept, the project foresees a number of successive protection barriers against the uncontrolled release of radioactive materials into the environment. In addition to the five major barriers against the release of fission products to the population from a CANDU 6-type power plant: fuel matrix, fuel sheath, primary circuit enclosure, envelope enclosure and exclusion zone; passive or active characteristics have been included in the system design, intended to prevent or limit the consequences of a process failure or accident sequences, which could otherwise lead to releases of radioactive materials into the environment.

So far, no CANDU 6-type nuclear power plant has reported events or accidents that threaten the health or safety of the population. To supplement the measures intended for the power plant's operation under full safety conditions, planning and preparation for emergency situations is a mandatory condition for authorizing a nuclear power plant to operate. At Cernavoda nuclear power plant, emergency preparedness is checked and improved in quarterly, annual or general drills (once every 3-4 years).

In the aftermath of the Fukushima accident, the European Commission and the Group of European Regulators of the Nuclear Society have decided that the nuclear safety of nuclear power plants in Europe should be reviewed based on transparent and extensive risk assessments, called "Stress Tests". The technical purpose of these stress tests was defined considering the risks that were highlighted by the events at Fukushima. Emphasis was placed on the following issues: the triggering events, such as earthquakes or floods, the consequences of the loss of the safety functions during these events, as well as the difficulties of managing severe accidents.

Cernavoda NPP, together with AECL Canada and Ansaldo Italy, issued the "Report on Reassessment of the Nuclear Safety Margins". The assessment conducted proves that Units 1 and 2 of Cernavoda NPP meet the nuclear safety requirements set out under the design and can face severe earthquakes and floods, as well as the total loss of electricity supply and cooling water. In addition, methods and procedures were identified for the management of potential severe accidents. Also, methods were identified to prevent and limit the consequences of accidents that can cause melting of the active area.

In order to ensure good coordination with the competent Local Public Authorities on the response to emergency situations, Cernavoda NPP has set up two important facilities for the town of Cernavoda, namely: The Local Centre for Emergencies of the Cernavoda Municipality and the Personal Decontamination Area, in the Cernavoda Town Hospital.

The risk system developed in the Company is aligned to the standard ISO 31000:2018. The Company does not hold an ISO 31000 certification, because no certification body has been yet identified for this standard in Romania; however, in the annual review of the system, we perform gap analyses to ensure compliance with the standard's requirements.

The risk management system is aligned also with the COSO and BASEL standards.

For risk reporting and review, the Company uses a national system (SCIM)

The safety-related impacts and risks were also assessed as part of the materiality assessment process.

Sub-topic	Impact	Risk/Opportunity
<b>Nuclear Safety</b>	<b>Potential negative impact</b> at a very large scale in case of nuclear-impact incidents or accidents, with fatalities, long-term damage to human health and the environment, to SNN's reputation, violation of the legal requirements and business closure.	<b>Risk:</b> Nuclear incidents or accidents can have particularly serious consequences, with fatalities, long-term damages to people's health and the environment, SNN's reputation, litigation and business shutdown.
<b>Digital security</b>	<b>Potential negative impact</b> at a very large scale in case of safety incidents or accidents.	<b>Risk:</b> The consequences can be very serious and impact nuclear safety and power generation (e.g. outages due to cyber attacks), loss of SNN's reputation, litigation and business shutdown.

▪ **Nuclear safety and digital security-related risks or opportunities entered into the Company's risk register**

The risks listed the risk register and the Company's risk universe are reviewed quarterly, with actions to be taken, according to specific situations. Risk assessment in SNN is carried out according to MR-00-01 – Risk management procedure in S.N. Nuclearelectrica S.A., and results are described in the Risk Management Report, with a focus on the main risks which the Company faces.

The main categories of risks presented on a quarterly basis in the Risk Management report are:

- risks related to nuclear safety (Nuclear Safety);
- the information safety risks, guarantee control and physical protection risks (protection of nuclear material and of the radioactive materials);
- the compliance risks, divided into 3 subcategories, respectively fraud risks, compliance risks (ethics integrity, conflict of interests) and other compliance risks (risks regarding the compliance with the external regulation framework - for example: laws, ordinances, rules, and with the internal regulation framework - for example internal policies, processes, procedures).
- risks attached to the supply chain, in particular to procurement;
- ESG risks;
- risks related to the major investment projects.

Most of the risks in these categories are in the green zone, having been established controls and monitoring tools to prevent their occurrence.

At the end of 2022, the Risk Register listed 425 risks, of which 93.65% in the green area (low risks), plus the risks of EnergoNuclear (16), Nuclearelectrica Serv (8) and FPCU Feldioara (10), and risks related to major projects (CTRF - 8, RT U1 - 9, SMR - 9, U3&4-11 and U5-7).

At the end of 2023, the SNN Risk Register listed 448 risks, plus the risks of EnergoNuclear (35), Nuclearelectrica Serv (27) and FPCU Feldioara (29), and the risks related to major projects (CTRF – 10, RT U1 – 12, SMR – 13, U3&4 – 10 and U5 – 7), but which are not covered by this report.

By the end of 2023, 40 risks related to nuclear safety area have been recorded, of which more than 97% have residual exposure in the green zone (low risks) and those with exposure in the yellow zone (medium risks) are controlled.

The risk tolerance limit of SNN, expressed as risk exposure, is 14, low score risks being considered tolerable, and those above this score being considered intolerable. We notice a high risk (exposure above 14) for the RTU1 investment project, for which remediation and mitigation measures, action and monitoring plans have been defined and will be reported to the Management.

▪ **SNN – Nuclear safety**

Nuclear safety risks are systematically addressed in SNN, in the context of SNN's commitment to ensure Nuclear Safety.

The risk register identifies items specific to nuclear safety, as follows:

- Damages to the nuclear safety equipment and systems
- Breakdown of cooling equipment that serves the fuel in the Loading and Unloading Machine (LUM) or on the unloading route (Spent fuel Unloading Gate, Spent Fuel Unloading Bucket)

- Mechanical damages to bundles during underwater storage manoeuvres
- Delays in completion of the training programme for the CNCAN initial authorization and reauthorization of the operating staff (ONPCC and DST)
- Loss of certified staff needed for implementation of the independent assessment requirements (authorization provided in NSN-20 and NMC-02)
- Exceeding the storage capacity for the liquid and radioactive waste
- FB damages in case of a traffic accident
- Increase in the average annual radioactive concentration for airborne dusts with uranium/radioactive aerosols, compared to the limits set by CNCAN
- Inadequate protection of employees in case of an accident
- Staff illness (occupational illnesses)
- Inadequate acquisition of OHS knowledge
- Incorrect reaction in case of an emergency
- Reduction of the Emergency Core Cooling operating margin

For each matter, internal controls and monitoring tools are considered to address the risk, and a responsible department is identified.

## ▪ **Nuclear safety policies and how these are implemented under specific procedures**

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The Nuclear Safety Policy document approved by the Romanian Nuclear Regulatory Authority confirms the top nuclear safety priority in the Company. It stipulates that every employee of the Company is required to respect Nuclear Safety by certain aspects, as well as to behave in accordance with certain traits of a healthy Nuclear Safety Culture.

The Major Accident Prevention Policy is available to all employees, subcontractors and visitors and is processed to employees as part of their training process. There is also an organizational structure for emergency situations, with clear responsibilities and concrete steps to be taken in the referenced situations.

SNN also respects and implements the National Nuclear Safety and Security Strategy of Nuclear safety, as found in the Decision no. 600/23 July 2014, and published in the Official Gazette no. 564.

Specifically, for Cernavoda NPP, assessment and continuous improvement of the Management System defines also the Continuous Nuclear and Corporate Safety Performance Improvement Programme. Under this programme, performance is monitored, performance gaps are identified and reviewed, the actions resulting from the identified improvement initiatives are implemented, and the effectiveness of the integrated performance assessment process is monitored.

## ▪ **Actions taken, planned or in progress to prevent or mitigate the nuclear safety-related material negative impacts**

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In Cernavoda NPP, nuclear, population, staff and environmental safety takes priority over the production-related matters, and units are operated in strict observance of the requirements of the operating permits, and within the limits set out therein, as follows:

- Only trained, skilled and, as the case may be, authorized staff are used to carry out the activities, according to the requirements of the regulatory documentation;
- Cernavoda NPP provides the funds and resources needed to achieve high performance in all fields and is committed to the efficient management of these funds.
- Each Cernavoda NPP employee is aware of, and responsible for, the quality of their work and is required to report any deficiency in their own work or that of their co-workers;
- Cernavoda NPP provides protective equipment and any tools needed for performance of the activities, as well as the infrastructure required to prevent accidents;
- Cernavoda NPP ensures physical protection of the site in accordance with the legal provisions.

In order to limit the consequences of radiological and/or chemical incidents, with or without impact on the environment, Cernavoda NPP has defined an emergency response plan, subject to CNCAN approval. In order to check the readiness of Cernavoda NPP for emergency response, regular drills are defined and conducted, the results of which are assessed and any lessons learned are transferred to the "Action Tracking".

The Operation Manual - Emergency Procedures - 0/1/2-03420-OM-001 provides instructions and guidance to the plant's staff as to the actions to be taken in the event of an emergency. The Specific requirements for preparation and implementation of emergency plans are contained in the documents associated with the emergency response planning and preparedness process, as described in RD-01364-RP008. Coordination of the process is provided by the Radiation Protection Technical Service of DRSM-PSI. Organization of the staff involved in the emergency response is also described.

In Pitesti NFP, nuclear, population, staff and environmental safety takes priority over the production-related matters. Stewardship of the compliance with the nuclear safety requirements and assurance of optimal conditions for formation, maintenance and monitoring of the nuclear safety culture rest with the Pitesti NFP Manager. The Pitesti NFP Manager declared his commitment to ensuring nuclear safety as a priority, and the Management System put in place in Pitesti NFP supports and promotes the nuclear safety culture at all execution and management levels of the organization, by:

- Recognizing the nuclear safety as a clear value, that takes decision-making priority;
- Ensuring a consistent understanding of the fundamental aspects of safety culture, to the benefit of the organization;
- Providing the means whereby the organization supports the safe and successful completion of individual and team tasks, taking into account the human-machine-organization interaction;
- Strengthening a questioning and learning attitude across all levels;
- Keeping the risks as low as reasonably achievable, taking into account the technical, economic and social factors;
- Providing the means whereby the organization continually seeks to develop and improve its safety culture;

The nuclear safety functions applicable to Pitesti NFP are:

- Retention of radioactive materials, including maintenance of physical barriers against their release into the environment;
- Control and monitoring of the conditions of the installation, and provision of the support services as needed to maintain the functions listed at the previous paragraph;

Pitesti NFP provides financial resources and human resources with adequate qualifications and skills, as needed to meet its nuclear safety obligations.

In NFP, the Integrated Management System contains also the process “Nuclear Safety and Safeguards”, which documents how the requirements of the applicable nuclear safety and safeguards standards, as well as specific and relevant domestic and international regulations, are implemented.

As NFP is exposed to a radiological risk, NFP devised and put in place and documented radiological protection programmes, taking into account the radiological risks specific to the activities carried out and compliance with the legal and regulatory requirements issued by CNCAN, as well as the principles set by the relevant international organizations and committees.

With a view to keeping the radiological risk as low as possible, Pitesti NFP undertakes the following actions:

- Provision of initial training, and of regular refreshment training of its own staff;
- Delivery of training to the external personnel before they commence rendering any work in NFP’s spaces
- Putting in place an integrated system of procedures and work instructions aimed at preventing and reducing the potential radiological risks
- Provision of collective and individual protective equipment
- Provision of the radiological monitoring of workers and the work environment
- Provision supervision for the workers’ health state.

▪ **Activities or programmes to ensure or enable remedial measures related to an actual material impact**

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No remedial measures were imposed because there was no real material impact in any of the SNN's sites.

▪ **Action plans and resources to manage the Company's nuclear safety-related material impacts, risks and opportunities**

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Detailed information about the nuclear safety assessments can be found in the procedures applied to manage the operating permits, as described in the procedure RD-01364-L008 - “Management of the Nuclear Safety Permits in Cernavoda NPP”; Process coordination is provided by the Nuclear Safety, Licensing and Performance Improvement Department.

At least annually, nuclear safety performance is assessed with the aid of external specialists from other nuclear power plants. The areas to be assessed are determined by the management of Cernavoda NPP. As a rule, the areas of activity with a major impact on nuclear safety and where underperformance or need for improvement has been identified, are selected. The assessment activities are organized according to PSP-Q006-010 - “Independent External Assessment of the Nuclear Safety and Performance”.

## ▪ Nuclear safety incidents/accidents in the reporting year

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There were no nuclear safety-related incidents or accidents in the reporting year.

## ▪ SNN – Digital security

The risk register identifies items specific to digital security, as follows:

- Penetration of the PPCIU physical and cyber protection system
- The tendency to replace thorough acquisition of knowledge by easily obtained certificates, with no acquisition of skills
- Compromised data and feedback collection tools and process
- Failure of the people portal monitors integrated into the physical protection system of Cernavoda NPP
- Unauthorized access to confidential data
- Unauthorized access (internal and external), via the Internet, of data from the NFP network
- Partial or total unavailability of the physical protection technical system

For each matter, internal controls and monitoring tools are considered to address the risk, and a responsible department is identified.

## ▪ Digital security policies and how these are implemented under specific procedures

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In SNN, there is an approved Cyber Security Policy, coded: SI-00-01. This document applies to the IT&C and OT systems used and administered in the SNN, regardless of their purpose, location, technologies used, or the persons operating them. Thus, this policy:

- Defines the SNN's policy on privacy protection, integrity and availability of IT&C and OT resources/processes/services;
- Sets out responsibilities related to ensuring and maintaining the information security.

The objective of this policy is to ensure the security of SNN's IT&C and OT resources by:

- Preserving confidentiality (protection of the information resources against unauthorized disclosure);
- Preserving integrity (protection of the information resources against unauthorized or accidental alterations, while ensuring their accuracy and completeness);
- Ensuring availability (ensuring that the information resources are available when and how they are requested by the internal beneficiaries).

SNN protects all equipment, software and information resources by putting in place technical and non-technical measures. The SNN management is committed to continually reduce the risks to information resources and to implement the cyber security policy in a consistent, timely and efficient manner.

## ▪ Actions taken, planned or in progress to prevent or mitigate the digital security-related material negative impacts

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SNN has taken or aims to take the following actions to address the digital security risk:

- Regular delivery of Security Awareness Trainings to user of SNN, NFP and NPP.
- Regular sample-based checks to see that the security tool agents (FireEye, TrendMicro, etc.) are in place on workstations and that the AD-level security policies are enforced.
- Definition of a procedure to enforce the regular review of the Active Directory group policies across SNN.
- Definition of procedure to detail the best practices in the use of removable devices (or to amend the existing procedure, if need be) for users, and to define the users with access rights to such devices in SNN's computing systems.
- Enforcement of restrictive policies concerning the use of removable devices on workstations.
- Logging/auditing the file servers and pushing logs to the SIEM solution.
- Regular reviews of the file server permissions.
- Purchase a file management product/Data Loss Prevention solution.
- Migration of the web applications to secure communication protocols.



- **Activities or programmes to ensure or enable remedial measures related to an actual material impact**

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No remedial measures were imposed because there was no real material impact in any of the SNN's sites.

- **Action plans and resources to manage the Company's digital security-related material impacts, risks and opportunities**

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SNN has in place the following procedures: *SNN Executive Cybersecurity Incident Response*, *Cyber Risk Management* and *Cyber Vulnerability Management*, which define the course of action (plan) and the resources involved in management of the incidents (impacts), risks and vulnerabilities of the Company related to digital security.

- **Digital security incidents/accidents in the reporting year**

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There were no digital security-related incidents or accidents in the reporting year.

## ANNEX 1

- **Nuclearelectrica S.A.**

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- Report under Article 8 of the Regulation (EU) No 2020/852 of the European Parliament and of the Council (“Taxonomy Regulation”)

Financial Year 2023

## 1. Introduction

This report has been prepared to describe the information required under Article 8 of the Taxonomy Regulation (Regulation (EU) 2020/852) to be included in the Sustainability Report of the Compania Nationala Nuclearelectrica S.A. (hereinafter referred to as "SNN" or the "Company"), for the financial year 2023.

The information complies with the simplified reporting requirements under Article 8 of the Taxonomy Regulation and under Article 10(2) of Article 8 of Commission Delegated Regulation (EU) 2021/2178 and the subsequent amending acts, Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2022/1214, Commission Delegated Regulation (EU) 2023/2485, and Commission Delegated Regulation (EU) 2023/2486.

## 2. Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It is an important step taken forward towards carbon neutrality by 2050, in accordance with EU objectives, because the Taxonomy is a classification system for sustainable business activities.

In the following section, we, as a non-financial Company, present the share of turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting period 2023, which relate to **the business activities aligned** with one or both environmental targets (climate change mitigation and climate change adaptation), and **eligible**, related to the 6 environmental targets in accordance with Article 8 of the Taxonomy Regulation and Article 10(2) of Article 8 and the subsequent Delegated Acts.

## 3. Overview

*Article 8 (2) of the Taxonomy Regulation, read in connection with Article 10(2) of Article 8 and the subsequent delegated acts*

### Share of Taxonomy non-eligible, eligible and aligned business activities for SNN (by turnover, CAPEX and OPEX)

	Total (RON)	Share of Taxonomy-eligible and non-aligned business activities (in %)	Share of Taxonomy-aligned business activities (in %)	Share of taxonomy-non-eligible business activities
Turnover	7,469,308,958	0%	99.9%	0.1%
Capital expenditure (CAPEX)	1,445,132,484	0%	100%	0%
Operating expenditure (OPEX)	1,536,336,881	0%	100%	0%

## 4. Description of the activities

Under the law, the reporting entity is Compania Nationala Nuclearelectrica S.A. (SNN) a national joint-stock Company, managed under single-tier system, having its Headquarters in Bucharest. Currently, SNN is the only electric power producer based on nuclear technology from Romania. SNN also produces CANDU-type nuclear fuel bundles that are used to keep its own nuclear reactors in use.

The Branch of Cernavoda NPP (Nuclear Power Plant), with its registered office in Cernavoda, ensures operation of the two functional CANDU Nuclear Units, as well as the management of all SNN assets of Cernavoda (apart from Units 1 and 2 already in operation, Units 3 and 4 are in various stages of construction; for Unit 5, the Company's shareholders approved the change of initial application as early as March 2014, and this would be used to support the activities related to operation of Units 1 and 2, as well as the district heating system). The second SNN site is the NFP Branch (Nuclear Fuel Plant) Pitesti, with the registered office in Mioveni, where CANDU fuel bundles are produced for Units 1 and 2 of Cernavoda.

The **core business** of the Company is "Production of electricity" - CAEN Code 3511.

This activity was identified as eligible for Taxonomy purposes, according to the NACE code D35.11 under activity 4.28. - Electricity generation from nuclear energy in existing installations, as well as under activity 4.25. - Heat production for heating/cooling using decay heat; this is a **secondary business** carried out, also eligible and contributing to the turnover. The secondary business is pursued in same in the same site as the core business (Cernavoda). **These activities are eligible for taxonomy.**

For the reporting period 1 January 2023 - 31 December 2023, **other** revenue generating **activities** were identified, but for which the eligibility, and implicitly, the alignment, of these activities with the Taxonomy Regulation could not be determined.

For the reporting period FY 2023, **no new eligible activities have been identified** for the 2 climate objectives or the 4 environmental objectives under the Taxonomy Regulation, Delegated Regulation (EU) 2023/2485 and Delegated Regulation (EU) 2023/2486.

#### 4.1. Taxonomy-eligible business activities and their assessment

*Section. 1.2.2.1(a) of Annex I to Article 8 and the subsequent Delegated Acts*

A business activity is considered taxonomy-eligible where it matches the description of the activity presented in the EU taxonomy. In order to identify the eligible activities in SNN, we carried out a full assessment of our activities and compared these activities against the description of business activities/products listed in Annex I or II of the EU Delegated Acts on climate taxonomy and the activities listed in Annexes I, II, III and IV of the EU Delegated Acts concerning the environment.

The activities identified as eligible and aligned, together with the results of their assessment, are listed below.

##### SNN's contribution to the environmental objectives

Business activity	Environmental target	Eligible	Aligned	Compliance with the EMAS requirements	Compliance with the requirements for minimum social safeguards
4.28 Electricity generation from nuclear energy in existing installations	Climate change mitigation	Yes	Yes	Yes	Yes
	Climate change adaptation	-	Yes		
	Water and marine resources	-	-		
	Circular economy	-	-		
	Pollution prevention and control	-	-		
	Biodiversity and ecosystems	-	-		
4.25 Heat production for heating/cooling using decay heat	Climate change mitigation	Yes	Yes	Yes	Yes
	Climate change adaptation	-	Yes		
	Water and marine resources	-	-		
	Circular economy	-	-		
	Pollution prevention and control	-	-		
	Biodiversity and ecosystems	-	-		

*\* The results of the DNSH assessment and fulfilment of the social criteria are shown in the tables below*

According to the analysis carried out during the reporting period 1 January 2023 - 31 December 2023, the activity of SN "Nuclearelectrica" S.A. (SNN) has a significant contribution to Climate Change Mitigation (Activities 4.28 and 4.25) and does not significantly harm any of the other 5 environmental objectives set out under Article 17 of the Regulation (EU) 2020/852, namely:

- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The core business, *4.28 Electricity generation from nuclear energy in existing installations* and the secondary business *4.25 Heat production for heating/cooling using decay heat*, make a substantial contribution to the Climate Change Mitigation objective, and meet the technical screening requirements under the Taxonomy Regulation.

The results of the DNSH analysis and the results of the checks on fulfilment of the minimum social safeguards can be found in the tables below.

## DNSH analysis results

Environmental objectives assessed against technical criteria - Substantial contribution	Result – Activity 4.28 (core business)	Result – Activity 4.25 (secondary business)
Climate change mitigation	<b>Yes</b> Meets the criteria	<b>Yes</b> Meets the criteria

Environmental objectives assessed against the DNSH principle	Result – Activity 4.28 (core business)	Result – Activity 4.25 (secondary business)
Climate change adaptation	<b>Yes</b> , without damages	<b>Yes</b> , without damages
Sustainable use and protection of water and marine resources	<b>Yes</b> , without damages	<b>Yes</b> , without damages
Circular economy, including waste prevention and recycling	<b>Yes</b> , without damages	<b>Yes</b> , without damages
Prevention and control of air, water or soil pollution	<b>Yes</b> , without damages	<b>Yes</b> , without damages
Protection and restoration of biodiversity and ecosystems	<b>Yes</b> , without damages	<b>Yes</b> , without damages

## Results of the assessment of compliance with the minimum social guarantees

Compania Nationala Nuclearelectrica S.A. carries out an economic activity aligned with the OECD Guidelines for multinational organizations and **the UN Guiding Principles on business and human rights** (including gender equality and use of child labor, as well as the principles and rights set out under the eight fundamental conventions identified in the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights).

Summary - Meeting of the minimum social criteria	Result	
Commitment to respect for human rights	Yes	
Human rights reflected in the operating policies and procedures and incorporated across the organization	Yes	
Background check process for human rights violations to identify, prevent and mitigate the impact on human rights in operations and along the supply chain	Yes	
Complaint mechanism (including legal rights to bring up actions before courts)	Yes	
External communication about how the impact on human rights is approached	Yes	
Identification of, and addressing, the negative impact on human rights through legitimate processes	Yes	
Health and Safety Policy	Yes	
Policy on work practices (Labor Code + Collective Bargaining Agreement)	Yes	
Policies laying down establish for a responsible business conduct:	GDPR - Personal data processing	Yes
	Anti-corruption policy	
	Whistleblowing mechanism/procedure	
	ESG procurement policy/procedure	
	Policy on trade unions (collective bargaining) - employment agreement	

## 4.2. Decisions in identification of the eligibility and alignment of SNN's activities

In accordance with the reporting requirements for the financial year 2023, for Societatea Nationala Nuclearelectrica SA, a number of eligible activities were identified and assessed for compliance in accordance with the Taxonomy Regulation (EU) (2020/852) and the subsequent delegated acts.

The score business is eligible and aligned. Other income-generating activities carried out include sale heat resulting from cooling processes and *other activities*.

For alignment, the following studies have been checked and updated for the financial year 2023:

- **DNSH assessment** for eligible activities;
- **Reviewing whether the minimum social criteria are met;**
- **Business risk and climate vulnerability assessment survey.**

## 4.3. CapEx Plan

The CapEx plan includes the list of taxonomy-eligible business activities in 2023 and provides information on the CapEx envisaged to fund them, with the aim of increasing sustainability over the next 5 years.

The CapEx plan intended for eligible activities is based on the most recent business plan approved by management, while the time horizon reflects the five-year period for a CapEx plan referred in Annexes 1-5 of Commission Delegated Regulation (EU) 2020/852.

No CapEx has been planned for the next 5 years for the eligible activities; SNN's business is already aligned.

## 5. Turnover, CAPEX and OPEX for taxonomy

The key performance indicators ("KPIs") include the turnover KPI, the CAPEX KPI and the OPEX KPI. For the 2023 reporting period, the KPIs must be disclosed for taxonomy-aligned and -eligible activities and taxonomy non-eligible activities (Article 10(2) of Article 8 of the Delegated Act).

### Section. 1.2.1(a) and (b) of Annex I to Article 8 of the Delegated Act

KPIs are set in accordance with Annex I to Article 8 of the Delegated Act. We set the KPIs eligible for taxonomy in accordance with legal requirements and we describe our accounting policy in this regard, as follows:

#### ▪ Turnover KPI

**Definition** - The share of business activities eligible/aligned for taxonomy in our total turnover was calculated as part of the net turnover derived from products and services associated with the business activities eligible for the taxonomy (numerator) divided by the net turnover (denominator), in each case for the financial year 1 January 2023 - 31 December 2023.

The turnover KPI denominator is based on net turnover, as per the Stand-Alone Financial Statements prepared for the financial year ended 31 December 2023 and the Profit and Loss Standalone Statement for the financial year ended on 31 December 2023.

The turnover KPI numerator is defined as the net turnover obtained from the products and services associated with *the business activities eligible for the taxonomy*.

#### KPI CAPEX

**Definition** - The CAPEX KPI is defined as taxonomy-eligible/aligned CAPEX (numerator) divided by total CAPEX (denominator). Capital expenditure is found in the Notes to the Stand-Alone Financial Statements for the financial year ended on 31 December 2023, Note 5. Tangible non-current assets, Note 6 Assets representing right to use underlying assets within a leasing contract and Note 7 Intangible non-current assets.

The capital expenditure indicator is defined as taxonomy-eligible capital expenditure (numerator) divided by total SNN capital expenditure (denominator). The denominator, i.e. the total capital expenditure, consists of the additions related to intangible non-current assets, tangible non-current assets and assets related to the right of use, and are adjusted to exclude any additions related to the groups intended for disposal under IFRS 5, during the reporting period. For more details about our accounting policies for the relevant assets, see the Stand-Alone Financial Statements of SNN for 2023, Note 3.

#### KPI OPEX

**Definition** - The indicator related to the operating expenditure indicator is defined as taxonomy-eligible expenditure (numerator) divided by total SNN operating expenditure (denominator) according to:

- Stand-Alone Financial Statements prepared for the financial year ended on 31 December 2023.

- Profit and Loss Standalone Statement for the financial year ended on 31 December 2023.

The total operating expenditure for the purposes of taxonomy (numerator) consists of research and development expenditure, maintenance and repair expenditure, other direct expenditure related to current maintenance of the assets and short-term lease expenditure.

Total operating expenditure (OPEX) consists of the non-capitalized direct costs related to research and development, building renovation measures, short-term rental, maintenance and repairs and any other direct expenses related to the daily servicing of the assets, properties, plants and equipment.

The research and development expenditure include research and development costs recognized under IAS 38 "Intangible non-current assets" and included in the line "Other operating expenditure" line of the Profit and Loss Standalone Statement.

Maintenance and repair expenditure and other direct expenditure related to current maintenance of assets mainly include cost of external services, payroll cost, cost of materials related for regular and unscheduled maintenance and repairs. The related cost elements can be found at rows *Payroll Costs, Repairs and Maintenance, Cost of Spare Parts and Other Operating Expenditure* in the Profit and Loss Standalone Statement.

The short-term lease expenditure were determined and included in accordance with IFRS 16 "Leases".

## 5.1. SNN's KPI indicators

### KPI - Turnover

Financial year	Year 2023			Substantial Contribution Criteria						DNSH ("Do No Significant Harm") Criteria						Share of taxonomy-aligned or taxonomy-eligible turnover (A.2.), turnover, year 2022	Facilitating activity category	Transitional activity category	
Business activities	Code	Turnover	Share of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				Minimum safeguards
Text		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitation-related	Transition-related
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally-sustainable activities (activities aligned to taxonomy)</b>																			
Electricity generation from nuclear energy in existing installations	CCM 4.28	7,455,563,848	99.82%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	99.9%	N/A	N/A
Heat production for heating/cooling using decay heat	CCM 4.25	6,097,431	0.08%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	0.1%	N/A	N/A
<b>Turnover of environmentally-sustainable activities (aligned with taxonomy) (A.1)</b>		<b>7,461,611,279</b>	<b>99.90%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>100%</b>		
<b>Of which, facilitation-related</b>			%	%	%	%	%	%	%								%	Facilitation-related	
<b>Of which, transition-related</b>			%	%													%		Transition-related
<b>A.2 Taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy)</b>																			
<b>Turnover of taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								%		

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A. Turnover of taxonomy eligible activities (A.1+A.2)	7,461,611,279	99.90%	100%	0%	0%	0%	0%	0%	0%		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>											
Turnover of taxonomy non-eligible activities	7,647,679	0.10%									
<b>TOTAL</b>	<b>7,469,308,958</b>	<b>100%</b>									

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

**KPI – CapEX**

Financial year		Year 2023		Substantial Contribution Criteria						DNSH (“Do No Significant Harm”) Criteria						Minimum safeguards	Share of taxonomy-aligned or taxonomy-eligible turnover (A.2.) CapEx, 2022	Facilitating activity category	Transitional activity category
Business activities	Code	CapEx	Share of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Text		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitation-related	Transition-related
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally-sustainable activities (activities aligned to taxonomy)</b>																			
Electricity generation from nuclear energy in existing installations	CCM 4.28	1,445,132,484	100%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	100%	N/A	N/A
Heat production for heating/cooling using decay heat	CBA 4.25	0	0.0%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	0.0%	N/A	N/A
<b>CapEx related to environmentally-sustainable activities (taxonomy-aligned) (A.1)</b>		<b>1,445,132,484</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>		
<b>Of which, facilitation-related</b>			<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>	<b>Facilitation-related</b>	
<b>Of which, transition-related</b>			<b>%</b>	<b>%</b>						<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>		<b>Transition-related</b>
<b>A.2 Taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy) (g)</b>																			
<b>CapEx related to taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>%</b>		
<b>A. CapEX related to the taxonomy eligible activities (A.1+A.2)</b>		<b>1,445,132,484</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>										
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			

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CapEX related to the taxonomy non-eligible activities*	0	0%
TOTAL	1,445,132,484	100%

*\*No CAPEX was allocated separately for heat or other activities of SNN (there are no stand-alone cost centers set-up). Thus, the total CAPEX is allocated to the core business, i.e. electricity generation and distribution.*

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KPI – OpEX

Financial year 2023	Year 2023			Substantial Contribution Criteria						DNSH (“Do No Significant Harm”) Criteria							Share of taxonomy-aligned or taxonomy-eligible turnover (A.2.) OpEx, 2022	Facilitating activity category	Transitional activity category
Business activities	Code	Operating Expenditure (OpEx)	Share of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
Text		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitation-related	Transition-related
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally-sustainable activities (activities aligned to taxonomy)</b>																			
Electricity generation from nuclear energy in existing installations	CCM 4.28	1,536,336,881	100%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	100%	N/A	N/A
Heat production for heating/cooling using decay heat*	CBA 4.25	0	0.0%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	0.0%	N/A	N/A
<b>OpEx related to environmentally-sustainable activities (taxonomy-aligned) (A.1)</b>		<b>1,536,336,881</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>		
<b>Of which, facilitation-related</b>			<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>	<b>Facilitation-related</b>	
<b>Of which, transition-related</b>			<b>%</b>	<b>%</b>						<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>%</b>		<b>Transition-related</b>
<b>A.2 Taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy)</b>																			
OpEx related to taxonomy-eligible, but not environmentally-sustainable activities (activities not aligned to the taxonomy) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								%		
<b>A. OpEX related to taxonomy eligible activities (A.1+A.2)</b>		<b>1,536,336,881</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>										
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
OpEX related to the taxonomy non-eligible activities*		0	0%																

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TOTAL	1,536,336,881	100%
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*\*No OPEX was allocated separately for heat or other activities of SNN (there are no stand-alone cost centers set-up). Thus, the total OPEX is allocated to the core business, i.e. electricity generation and distribution.*

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## 5.2. Information about the activities of Nuclearelectrica S.A.

In accordance with the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards the business activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those business activities. The information about the activities in the nuclear and gas sectors is presented in a table, **using the templates included in Annex XII of the Regulation.**

### ACTIVITIES CARRIED OUT

For the reporting entity Nuclearelectrica S.A., the following activities carried out in the financial year 2023 and the KPIs associated with these activities were identified according to the requirements of the Delegated Regulation (EU) 2022/1214 - **Annex XII**

#### Template 1 Nuclear and fossil gas-related activities

Row	Nuclear and fossil gas related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.*	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.**	NO
3.	<b>The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.</b>	<b>YES</b>
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

\*SMRs and other activities are not carried out or accounted for by Nuclearelectrica S.A., as the reporting entity

\*\* Investment projects for other new production units are not carried out or accounted for by Nuclearelectrica S.A., as the reporting entity

## ACTIVITIES CARRIED OUT – Turnover, CAPEX and OPEX

### Template 2 Taxonomy-aligned business activities (denominator)

KPI - total turnover*							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the applicable key performance indicator</b>  Turnover related to the sale of electricity	7,455,563,848 RON	99.82%	RON 7,455,563,848 99.82%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-aligned business activities**, not referred to in rows 1-6 above, in the denominator of the applicable key performance indicator</b>  Turnover related to the sale of heat	6,097,431 RON	0.08%	RON 6,097,431 0.08%		RON 0 0%	
8.	<b>Total applicable KPI – total turnover of Nuclearelectrica S.A. - for alignment (denominator)*</b>	<b>7,461,661,279 RON</b>	<b>99.90%</b>	<b>7,461,661,279</b> <b>99.9%</b>		RON 0 0%	

\*According to the Stand-Alone Financial Statements prepared for the financial year ended on 31 December 2023.

Profit and Loss Standalone Statement for the financial year ended on 31 December 2023

\*\*4.25. Marketing of heat for heating (steam from cooling).

KPI - CAPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the applicable key performance indicator</b> <i>CAPEX - electricity</i>	1,445,132,484 100%		1,445,132,484 100%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-aligned business activities*, not referred to in rows 1-6 above, in the denominator of the applicable key performance indicator –CAPEX –heat</b>	RON 0 0%		RON 0 0%		RON 0 0%	
8.	<b>Total applicable KPI</b> <i>CAPEX of Nuclearelectrica S.A. (denominator)</i>	<b>1,445,132,484</b> <b>100%</b>		<b>1,445,132,484</b> <b>100%</b>		<b>RON 0</b> <b>0%</b>	

**\*No CAPEX was allocated separately for heat (there are no stand-alone cost centers set-up).**

**Source:**

Notes to the Stand-Alone Financial Statements for the financial year ended on 31 December 2023.

Note 5. Tangible non-current assets, Note 6 6 Assets representing right to use underlying assets within a leasing contract and 7. Note Intangible non-current assets.

The capital expenditure indicator is defined as taxonomy-eligible capital expenditure (numerator) divided by total SNN capital expenditure (denominator). The denominator, i.e. the total capital expenditure, consists of the additions related to intangible non-current assets, tangible non-current assets and assets related to the right of use, and are adjusted to exclude any additions related to the groups intended for disposal under IFRS 5, during the reporting period. For more details about our accounting policies for the relevant assets, see the Stand-Alone Financial Statements of SNN for 2023, Note.



KPI - OPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the applicable key performance indicator</b> <i>OPEX related to expenditure for production of electricity</i>	1,536,336,881 100%		1,536,336,881 100%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-aligned business activities*, not referred to in rows 1-6 above, in the denominator of the applicable key performance indicator – OPEX related to heat generation expenditure</b>	RON 0 0%		RON 0 0%		RON 0 0%	
8.	<b>Total applicable KPI</b> <i>Total OPEX of Nuclearelectrica S.A. - for alignment (denominator)*</i>	<b>1,536,336,881</b>	<b>100%</b>	<b>1,536,336,881</b> <b>100%</b>		<b>RON 0</b> <b>0%</b>	

**\*No OPEX was allocated separately for heat (there are no stand-alone cost centers set-up).**

**Source:**

Stand-Alone Financial Statements prepared for the financial year ended on 31 December 2023.

Profit and Loss Standalone Statement for the financial year ended on 31 December 2023.

The indicator related to the operating expenditure indicator is defined as taxonomy-eligible expenditure (numerator) divided by total SNN operating expenditure (denominator). Total operating expenditure according to the EU Taxonomy consist of research and development expenditure, maintenance and repair expenditure, other direct expenditure related to current maintenance of assets and short-term lease expenditure.

The research and development expenditure include research and development costs recognized under IAS 38 "Intangible non-current assets" and included in the line "Other operating expenditure" line of the Profit and Loss Standalone Statement.

Maintenance and repair expenditure and other direct expenditure related to current maintenance of assets mainly include cost of external services, payroll cost, cost of materials related for regular and unscheduled maintenance and repairs. The related cost elements can be found at rows Payroll Costs, Repairs and Maintenance, Cost of Spare Parts and Other Operating Expenditure in the Profit and Loss Standalone Statement.

The short-term lease expenditure were determined and included in accordance with IFRS 16 "Leases".

## ACTIVITIES CARRIED OUT - TAXONOMY-ALIGNED

### Template 3 Taxonomy-aligned business activities (numerator)

KPI - turnover							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the numerator of the applicable key performance indicator (electricity)</b>	7,455,563,848 RON		RON 7,455,563,848 99.82%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-aligned* business activities, not referred to in rows 1-6 above, in the numerator of the applicable key performance indicator (heat - 4.25)</b>	6,097,431 RON		RON 6,097,431 0.08%		RON 0 0%	
8.	<b>Total applicable KPI – total turnover of aligned activities</b>	<b>7.461.661.279 RON</b>	<b>99.90 %</b>	<b>7,461,661,279 RON 99.98%</b>		<b>RON 0 0%</b>	

KPI - CAPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the numerator of the applicable key performance indicator</b> <i>CAPEX - electricity</i>	1,445,132,484 100%		1,445,132,484 100%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-aligned business activities, not referred to in rows 1-6 above, in the numerator of the applicable key performance indicator</b> <i>CAPEX - heat</i>	RON 0 0%		RON 0 0%		RON 0 0%	
8.	<b>Total applicable KPI – total CAPEX of aligned activities</b>	1,445,132,484 RON	100%	RON 1,445,132,484 100%		RON 0 0%	

KPI - OPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the numerator of the applicable key performance indicator</b> <i>OPEX - electricity</i>	1,536,336,881	100%	RON 1,536,336,881	100%	RON 0	0%
7.	<b>Amount and proportion of other taxonomy-aligned business activities, not referred to in rows 1-6 above, in the numerator of the applicable key performance indicator</b> <i>OPEX - heat</i>	RON 0	0%	RON 0	0%	RON 0	0%
8.	<b>Total applicable KPI – total OPEX of aligned activities</b>	<b>RON 1,536,336,881</b>	<b>100%</b>	<b>RON 1,536,336,881</b>	<b>100%</b>	<b>RON 0</b>	<b>0%</b>

## ECONOMIC ACTIVITIES (CARRIED OUT) ELIGIBLE, BUT NOT ALIGNED

### Eligible (core) business: 4.28 Electricity generation from nuclear energy in existing installations

Description: Modification of the existing nuclear installations for the purpose of extending the activity authorized by the competent authorities of the Member States until 2040, in accordance with the applicable national legislation, and the safe operation time of the nuclear installations that produce electricity or heat from nuclear energy ("nuclear power plants").

The core business is classified under the NACE codes D35.11 and F42.2, in accordance with the statistical classification of business activities under the Regulation (EC) no. 1893/2006.

#### Template 4 - Taxonomy-eligible but not taxonomy-aligned business activities

KPI - turnover							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator (electricity)	RON 0	0%	RON 0	0%	RON 0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned business activities not referred to in rows 1 to 6 above in the denominator of the applicable key performance indicator (heat)	RON 0	0%	RON 0	0%	RON 0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned business activities in the denominator of the applicable key performance indicator	RON 0	0%	RON 0	0%	RON 0	0%

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KPI – CAPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator CAPEX related to expenditure for production of electricity	RON 0	0%	RON 0	0%	RON 0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned business activities not referred to in rows 1 to 6 above in the denominator of the applicable key performance indicator CAPEX expenditure - heat	RON 0	0%	RON 0	0%	RON 0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned business activities in the numerator of the applicable key performance indicator	RON 0	0%	RON 0	0%	RON 0	0%

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KPI – OPEX							
Row	Business activities	Amount and proportion (the information is to be presented in monetary amounts and in percentages)					
		CCM + CCA		Climate Change Mitigation – CCM		Climate Change Adaptation – CCA	
		Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
3.	<b>Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator</b> <i>OPEX related to expenditure for production of heat</i>	RON 0 0%		RON 0 0%		RON 0 0%	
7.	<b>Amount and proportion of other taxonomy-eligible, but not taxonomy-aligned business activities, not referred to in rows 1-6 above, in the denominator of the applicable key performance indicator</b> <i>OPEX expenditure - heat</i>	RON 0 0%		RON 0 0%		RON 0 0%	
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned business activities in the numerator of the applicable key performance indicator</b>	<b>RON 0</b>	<b>0%</b>	<b>RON 0</b> <b>0%</b>		<b>RON 0</b> <b>0%</b>	

## NON-ELIGIBLE OPERATING ACTIVITIES

### Template 5 - Taxonomy non-eligible business activities

KPI - turnover			
Row	Business activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible business activities not referred to in rows 1 to 6 above in the denominator of the applicable key performance indicator</b>	RON 7,647,679	0.10%
8.	<b>Total amount and proportion of taxonomy-non-eligible business activities in the denominator of the applicable key performance indicator"</b>	RON 7,647,679	0.10%

<b>KPI - CAPEX</b>			
<b>Row</b>	<b>Business activities</b>	<b>Amount</b>	<b>Percentage</b>
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible business activities not referred to in rows 1 to 6 above in the denominator of the applicable key performance indicator</b>	RON 0	0%
8.	<b>Total amount and proportion of taxonomy-non-eligible business activities in the denominator of the applicable key performance indicator”</b>	RON 0	0%



<b>KPI - OPEX</b>			
<b>Row</b>	<b>Business activities</b>	<b>Amount</b>	<b>Percentage</b>
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable key performance indicator	RON 0	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible business activities not referred to in rows 1 to 6 above in the denominator of the applicable key performance indicator</b>	RON 0	0%
8.	<b>Total amount and proportion of taxonomy-non-eligible business activities in the denominator of the applicable key performance indicator**</b>	RON 0	0%

## ANNEX 2 - GRI Indices that meet the ESRS disclosure requirements, according to the GRI-ESRS Interoperability Index<sup>41</sup>

Standard	Disclosure Requirements (DR)	Applicable data points	GRI disclosures and requirements
ESRS 2	<i>The basis of drafting the financial statements</i>		
	BP-1 – General basis for preparation of the sustainability statements	5(a) 5(c) 5(d)	GRI 2-2 Entities included in the organization's sustainability reporting
	BP-2 – Disclosure concerning the specific circumstances	13(a) 15 16 AR 2	GRI 2-4 Information restatements
	<i>Governance</i>		
	GOV-1 – Role of Administration, Management and Supervisory Bodies	21 22 23 AR 3	GRI 2-1 Organizational details GRI 2-9 Governance structure and composition GRI 2-12 Role of the ultimate governance body in impact management oversight GRI 2-13 Impact management responsibility delegation
	GOV-2 – Information supplied to the undertaking's administration, management and supervisory bodies and sustainability matters approached by them	26(a) 26(b)	GRI 2-13 Impact management responsibility delegation GRI 2-13 Impact management responsibility delegation GRI 2-16 Communication of critical concerns GRI 2-24 Incorporation of policy commitments
	GOV-3 – Integration of sustainability performance into the incentive systems	27	GRI 2-19 Remuneration policies
	GOV-4 – Declaration on the Due Diligence Process	30 AR 10	GRI 2-24 Incorporation of policy commitments
	GOV-5 – Risk management and internal controls related to sustainability reporting	34	GRI 2-14 Role of the ultimate governance body in sustainability reporting
	<i>Strategy</i>		
	SBM-1 – Strategy, business model and value chain	40(a) 40(b) 42	GRI 2-6 Activities, value chain and other business relationships GRI 2-7 Employees
	SBM-2 – Stakeholder interests and views	45	GRI 2-12 Role of the ultimate governance body in impact management oversight

<sup>41</sup> [https://www.globalreporting.org/media/z2vmxbks/gri-standards-and-esrs-draft-interoperability-index\\_20231130-final.pdf](https://www.globalreporting.org/media/z2vmxbks/gri-standards-and-esrs-draft-interoperability-index_20231130-final.pdf), accessed 06.03.2024  
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	SBM-3 – Significant Impact, Risks and Opportunities, and their Interaction with the Business Strategy and Model	48	GRI 308-2 Negative impacts on the environment in the supply chain and actions taken
	<i>Management of impacts, risks and opportunities</i>		
	IRO-1 – Description of the processes pursued to identify and assess the material risks and opportunities	53	GRI 2-14 Role of the ultimate governance body in sustainability reporting
	IRO-2 – ESRS disclosure requirements covered by the Undertaking's Sustainability Statement	56 59	
	MDR-P Policies – Policies adopted to manage the material sustainability matters		
	MDR-A actions – Actions and resources concerning the material sustainability matters		
	<i>Metrics and targets</i>		
	MDR-M – Metrics for the material sustainability matters		
	MDR-T targets – target-based tracking of the effectiveness of policies and actions		
ESRS E1  Climate change	E1-1 – Climate change mitigation transition plan	17	
	E1-2 – Climate change mitigation and adaptation-related policies	22	
	E1-3 – Actions and resources related to the climate change policies	26	
	E1-4 – Targets related to climate change mitigation and adaptation	30	
	E1-5 – Energy consumption and energy mix	37	GRI 301-2 Recycled input material used
	E1-6 – Gross Scopes 1, 2 and 3 GHG emissions, and total GHG emissions	44 48 49 51 52	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Indirect energy (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions
	E1-7 – GHG removals and GHG emission mitigation projects financed through carbon credits	56	GRI 305-5 Reducing GHG emissions
	E1-8 – Internal carbon pricing	62	
	E1-9 – Anticipated financial effects from material physical and transition risks and the potential climate-related opportunities	64	GRI 201-2 Financial implications and other risks and opportunities due to climate change
	ESRS E2  Pollution	E2-1 – Pollution-related policies	12
E2-2 – Pollution-related actions and resources		16	GRI 305: 2016 Emissions
E2-3 – Pollution-related targets		20 23(d)	GRI 305: 2016 Emissions

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	E2-4 – Air, water and soil pollution	26 28(a) 30	GRI 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions
	E2-5 – Substances raising concerns and substances raising particular concerns	32 34	GRI 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions
	E2-6 – Anticipated financial effects from pollution-related risks and opportunities	36	
ESRS E3  Water and marine resources	E3-1 – Policies related to water and marine sources	9	
	E3-2 – Actions and resources related to water and marine resources	15	GRI 303-1 Interactions with water as a common resource
	E3-3 – Targets related to water and marine sources	20 25	
	E3-4 – Water consumption	26 289a)	GRI 303-5 Water consumption
	E3-5 – Anticipated financial effects from risks and opportunities related to water and marine resources		
ESRS E4  Biodiversity and ecosystems	E4-1 – Transition plan and consideration of biodiversity and ecosystems in the business strategy and model	11	
	E4-2 – Policies related to biodiversity and ecosystems	20	GRI 304: Biodiversity 2016
	E4-3 – Actions and resources related to biodiversity and ecosystems	25	
	E4-4 – Targets related to biodiversity and ecosystems	29	
	E4-5 – Impact metrics related to biodiversity and ecosystem changes	33	
	E4-6 – Financial effects	42	
ESRS E5  Resources use and circular economy	E5-1 – Policies related to resources use and circular economy	12 14	GRI 306: 2020 Waste
	E5-2 – Actions and resources related to resources use and circular economy	17 20(a) 20(e) 20(f)	GRI 306-2 Management of waste-related material impacts
	E5-3 – Targets related to the use of resources and the circular economy	21 24(e) 24(f)	GRI 306: 2020 Waste
	E5-4 – Resources inflows	28 31(a)	GRI 301-1 Materials used, by weight or volume
	E5-5 – Resources outflows	33	GRI 306-1 Waste generation and waste-related material impacts

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		37(a) 37(b) 37(c) 38(d) 38 39	GRI 306-2 Management of waste-related material impacts GRI 306-3 Generated waste GRI 306-4 Waste bypassed from disposal GRI Waste directed to disposal
	E5-6 – Anticipated financial effects from impacts, risks and opportunities related to resources use and circular economy		
ESRS S1  Own workforce	S1-1 – Own workforce-related policies	17 19 20(a) 20(b) 20(c) 21 22 23 24(a) 24(b) 24(c) 24(d)	GRI 2-23 Policy commitments GRI 2-25 Adverse impact remediation processes GRI 2-29 Approach to stakeholder engagement GRI 403-1 Occupational health and safety management system GRI 409-1 Operations and suppliers with significant risk of forced or compulsory work incidents
	S1-2 – Processes to work together with the own workforce and workers' representatives on impacts	25 27(a) 27(c) 28	GRI 2-29 Approach to stakeholder engagement
	S1-3 – Processes to address the negative impacts and the channels provided to own workforce to voice their concerns	30 32(a) 32(b) 32(c) 32(d) 32(2)	GRI 2-25 Adverse impact remediation processes
	S1-4 – Adoption of measures concerning the material impacts on the own workforce and approaches to mitigate the material risks and to pursue the material opportunities related to the own workforce, and effectiveness of these actions	35 38(a)	
	S1-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities	44	
	S1-6 – Characteristics of the undertaking's employees	48 50(a)	GRI 2-7 Employees

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		50(b) 50(c)	
	S1-7 – Characteristics of non-employee workers in the undertaking's workforce	-	GRI 2-8 Non-employee workers
	S1-8 – Coverage of collective bargaining and social dialogue	58 60(a)	GRI 2-30 Collective bargaining agreements
	S1-9 – Diversity metrics	64 66(a) 66(b)	GRI 405-1 Diversity in the governing bodies and workforce
	S1-10 – Adequate wage	67 69	GRI 202-1 Standard entry wage ratio, depending on gender, compared to the local minimum wage
	S1-11 – Social security	72 74	GRI 401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees
	S1-12 – People with disabilities	77 79 80	GRI 405-1 Diversity in the governing bodies and workforce
	S1-13 – Training and skills development metrics	81 83(a) 83(b)	GRI 404-1 Average training hours per year per employee GRI 404-3 Percentage of employees receiving regular performance and career development appraisals
	S1-14 – Health and safety metrics	86 88(a) 88(b) 88(c)	GRI 403-8 Workers covered by an occupational health and safety management system
	S1-15 – Work-life balance metrics	91 93(a) 93(b)	
	S1-16 – Wage metrics (wage gap and total wage)	95 97(a) 97(b)	GRI 2-21 Total compensation annual report GRI 405-2 Women/men base pay and remuneration ratio
	S1-17 – Incidents, complaints and serious human rights problems and incidents	100	GRI 406-1 Incidents of discrimination and corrective actions taken
ESRS S2	S2-1 Policies concerning workers in the value chain	17(a)	GRI 2-23 Policy commitments
	S2-2 – Impact-related collaborative processes with the workers in the value chain	20	GRI 2-29 Approach to stakeholder engagement

Workers in the value chain	S2-3 – Processes to address the negative impacts and the channels provided to workforce in the value chain to voice their concerns	25 27(a) 27(b) 27(c) 27(d)	GRI 2-25 Adverse impact remediation processes
	S2-4 – Adoption of measures concerning the material impacts on the workers in the value chain, and approaches to mitigate the material risks and to pursue the material opportunities related to the workers in the value chain, and effectiveness of these actions	30 32(a)	GRI 2-24 Incorporation of policy commitments GRI 2-25 Adverse impact remediation processes GRI 403-7 Prevention and mitigation of the impact on occupational health and safety directly related to the business relationships
	S2-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities		
ESRS S3	S3-1 – Affected communities-related policies	12	
Affected communities	S3-2 – Impact-related collaborative processes with the affected communities	19 21(a) 21(b)	GRI 2-29 Approach to stakeholder engagement
	S3-3 – Processes to address the negative impacts and the channels provided to affected communities to voice their concerns	25 27(a) 27(b) 27(c) 27(d)	GRI 2-25 Adverse impact remediation processes GRI 2-26 Mechanisms to seek advice and raise concerns GRI 413-1 Operations involving community, impact assessment and development programmes
	S3-4 – Adoption of measures concerning the material impacts on the affected communities, and approaches to mitigate the material risks and to pursue the material opportunities related to the affected communities, and effectiveness of these actions	30	GRI 413-1 Operations involving community, impact assessment and development programmes
	S3-5 – Targets related to significant adverse impact management, positive impact promotion, and significant risk and opportunity management	39(a)	
ESRS S4	S4-1 – Consumers and end-users-related policies	Not applicable, because the SNN's business model is B2B: the electricity generate is sold under electricity sale and purchase contracts/agreements.	
Consumers and end-users	S4-2 – Impact-related collaborative processes with consumers and end-users		
	S4-3 – Processes to address the negative impacts and the channels provided to consumers and end-users to voice their concerns		
	S4-4 – Adoption of measures concerning the material impacts on consumers and end-users, and approaches to mitigate the material risks and to pursue the material opportunities related to		

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	consumers and end-users, and effectiveness of these actions		
	S4-5 – Targets related to the management of material negative impacts, positive impact promotion, and management of material risks and opportunities		
ESRS G1 Business conduct	G1-1 – Corporate culture and business conduct and corporate culture-related policies	7 10(a) 10(b) 10(c)	GRI 2-9 Governance structure and composition  GRI 2-12 Role of the ultimate governance body in impact management oversight
	G1-2 – Management of relationships with suppliers	12	GRI 204: 2021 Procurement Practices
	G1-3 – Prevention and detection of corruption and bribery	16 18(a)	GRI 205-1 Operations assessed for corruption risks
	G1-4 – Confirmed cases of corruption or bribery	22 25(a)	GRI 205-3 Confirmed incidents of corruption and actions taken
	G1-5 – Exercise of political influence and lobbying	Not applicable; there are no political interests	
	G1-6 – Payment practices	31	