



NUCLEARELECTRICA

Current report in compliance with Law no. 24/2017 on issuers of financial instruments and capital market transactions and FSA Regulation no. 5/2018 on issuers of financial instruments and market operations

Reporting date: 12.11.2020

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

Registered office: 65 Polona St., district 1, Bucharest

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

Sole Registration Code with the Trade Register Office: 10874881

Registration number in the Trade Register: J40/7403/1998

Subscribed and paid-up share capital: 3.016.438.940 Lei

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

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

Significant event to report: Availability of the Quarterly Report for the 9-month period ended on September 30, 2020

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the availability of the Quarterly Report for the 9-month period ended on September 30, 2020, prepared in accordance with the provisions of art. 67 of Law no. 24/2017 regarding the financial instruments issuers and capital market transactions and with Appendix 13 to the FSA Regulation no. 5/2018, **starting with November 12, 2020, 08:00 a.m.**

The Quarterly Report for the 9-month period ended on September 30, 2020 is available in written format, for free, at the registered office of the company in Bucharest, 65 Polona St., District 1, and in electronic format, on the Company's website, under the section Relations with Investors (www.nuclearelectrica.ro).

The Quarterly Report for the 9-month period ended on September 30, 2020 includes:

- The main events of the company's activity during the reporting period;
- The Individual Interim Financial Statements on the date and for the 9-month period ended on September 30, 2020;
- The Quarterly Report of the Board of Directors for the period January 1 - September 30, 2020.

Additional information may be obtained from the Department for Communication and Relations with Investors, e-mail: investor.relations@nuclearelectrica.ro.

Societatea Nationala NUCLEARELECTRICA S.A.

65 Polona Street, District 1, 010494, Bucharest, Romania; Tel +4021 203 82 00, Fax +4021 316 94 00;

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Paid and subscribed capital: 3.016.438.940 lei.

office@nuclearelectrica.ro, www.nuclearelectrica.ro

I. Main results

In the nine month period ended on September 30, 2020, SNN registered a net profit of 477.689 thousand lei, 14,8% higher compared to the similar period of last year. Operation result (EBIT) registered a 3,3% increase, and EBITDA a 1,1% increase compared to the same period of last year.

| Indicator [thousand RON] | 9-month period ended on September 30, 2020 (unaudited) | 9-month period ended on September 30, 2019 (unaudited) | Variation |
|--|--|--|---------------|
| Production (GWh)* | 7,684 | 7,524 | 2,1% |
| Operating income, out of which: | 1,777,182 | 1,810,218 | (1.8%) |
| <i>Income from electricity sales**</i> | <i>1,731,673</i> | <i>1,771,356</i> | <i>(2.2%)</i> |
| Operating expenses, minus impairment and depreciation | (830,690) | (873,954) | (5.0%) |
| EBITDA | 946,492 | 936,264 | 1,1% |
| Impairment and depreciation | (408,763) | (415,582) | (1.6%) |
| EBIT | 537,729 | 520,682 | 3,3% |
| Net financial result | 34,904 | (4,704) | n/a |
| Net income tax expense | (94,944) | (100,032) | (5.1%) |
| Net profit | 477,689 | 415,946 | 14.8% |

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

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

*** Excerpted from the Interim Individual Financial Statements as at and for the period ended on September 30, 2020

Operating profit (EBITDA) increased by 1.1% compared to the same period of the previous year. The increase was caused by a decrease in operating expenses, less depreciation and amortization by 5%, partially offset by a decrease in operating income of 1.8%, influenced by a 2,2% decrease in electricity sales revenues.

The **operating income** decreased by 1.8%, determined by the 3.2% increase in the weighted average price of the electricity sold in period January 1 - September 30, 2020 as compared to the weighted average price from the same period of 2019, considering the sale of a total quantity of electricity that was higher by 1.2%.

II. Electric power sales (quantities, prices and values) over the period January 1 - September 30, 2020

The gross production of electricity of the two operational units of Cernavoda NPP was 8,354,013 MWh over the period January 1 - September 30, 2020 (of which 2,389,939 MWh in the 3rd quarter of 2020); from this gross production, the own technological consumption of the Units

during operation, and during the outages ensured from own production was of 670 thousand MWh over the period January 1 - September 30, 2020 (of which 205 thousand MWh in the 3rd quarter of 2020).

| Sales by types | Quantities in MWh | % of total sales | Average price [Ron/MWh with Tg included] | Revenues from sales [Ron] |
|---|-------------------|------------------|--|---------------------------|
| Sales on the regulated market | 1,481,558 | 18.7% | 188.21 | 278,850,722 |
| Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which: | 6,408,101 | 81.0% | 227.15 | 1,455,617,557 |
| - Sales on PCCB - LE, PCCB - NC, PC - OTC contracts and supply contracts | 4,040,768 | 51.1% | 266.81 | 1,078,120,683 |
| - PZU and PI sales | 2,367,333 | 29.9% | 159.46 | 377,496,874 |
| PE positive imbalances ^{*)} | 25,625 | 0.3% | 124.57 | 3,191,983 |
| Total sales January 1 - September 30, 2020 | 7,915,284 | 100% | 219.53 | 1,737,660,262 |

^{*)} NB: RON 145,161 of the presented value represents revenues redistributed in January - August 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 31/2018. The value of positive imbalances for September 2020 is estimated.

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU and PI) and on PE is 7,915,284 MWh, 2.2% more than the sales program, of 7,742,012 MWh (sized on the production estimate, without estimating unplanned outages) and 1.2% more than the electricity quantity sold in the same period of 2019.

The revenues obtained from the electricity market related to electricity deliveries over the period January 1 - September 30, 2020 are of RON 1,737,660,262 (of which RON 145,161 represent redistributed revenues resulted from balancing the system, 5.8% lower than the budget revenues over the period January 1 - September 30, 2020, and 2.1% lower than the revenues in the same period of the previous year, respectively).

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted over the period January 1 - September 30, 2020, is of 227.15 RON/MWh (including Tg). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated over the period January 1 - September 30, 2020 (PCCB – LE, PCCB – LE flex, PCCB – NC, PC – OTC, PZU and PI), calculated based on the values published by OPCOM in the monthly market reports, is of RON 228.55/MWh. Over the period January 1st - September 30th, 2019, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was of RON 229.95/MWh (including Tg).

Sales on the regulated market

Following Government Emergency Ordinance no. 114/28.12.2018, which amends and supplements Electricity and natural gas law no. 123/2012, ANRE issued Order no. 216/11.12.2019 for approving the Methodology for setting prices for the electricity sold by producers based on regulated contracts and the quantities of electricity from the regulated contracts concluded by producers with last-instance suppliers. According to ANRE Resolution no. 2213/23.12.2019, the quantity assigned to SNN for Q1 2020 for regulated contracts was 1,087 GWh, out of which 701.4 GWh for Q1 2020 and 385.6 GWh for Q2 2020. For the first half-year of 2020, ANRE established a regulated price for SNN of RON 188.47 /MWh (without T_g). For the 2nd half-year of 2020, ANRE issued Order 88/12.06.2020 for approving the Methodology for setting regulated fees and prices applied by last-instance providers to end clients for period July 1 - December 31, 2020 [...]. According to ANRE Resolution no. 1077/29.06.2020, the quantity assigned to SNN for the second half-year of 2020 for regulated contracts was 1,095 GWh, out of which 394.9 GWh for Q3 2020 and 700.1 GWh for Q4 2020. For the first half-year of 2020, ANRE established a regulated price for SNN of RON 182.63 /MWh (without T_g).

Sales on the competitive market (bilateral contracts and sales on PZU and PI)

The electricity quantities sold on the **competitive market** of bilateral contracts represented over the period January 1 - September 30, 2020, a percentage rate of 51.1% out of the total volume of the sold electric power. The average sale price on bilateral contracts in this period was 266.81 RON/MWh (with T_g included), recording an increase of 15,9% as compared to the average price recorded in the same period of 2019, of 230.14 RON/MWh (with T_g included); given the fact that the values of the electric power input transport fee in the T_g network were the following: RON 1.18 /MWh for the period July 1, 2018 - December 31, 2019, according to ANRE Order no. 108/20.06.2018 and RON 1.30 /MWh for the period January 1, 2020 - September 30, 2020, according to ANRE Order no. 218/11.12.2019.

On the **spot market** (PZU and PI), over the period January 1st - September 30th, 2020, a quantity of electricity representing 29.9% of the total sales volume was sold, compared to the percentage share of 11.8% recorded over the same period of 2019. The energy average selling price on the spot market (PZU and PI) achieved by SNN over the period January 1st - September 30th, 2020 was of RON 159.46/MWh (with T_g included), as compared to RON 228.62/MWh (with T_g included) recorded over the same period of 2019.

III. Investment program on September 30, 2020

The total value of the investment program of SNN for 2020 is 309,544 thousand RON (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/05.03.2020 of the Ordinary General Assembly of Shareholders of SNN, as part of the Revenues and Expenses Budget ("BVC") of SNN for 2020. As in the previous years, Nuclearelectrica S.A. structured its investment development program on objectives defined in relation to the needs of the production branches (Cernavoda NPP and

Pitesti NFF), so as to achieve a high level of utilization of the production capacity (EAF Energy Availability Factor) in compliance with the nuclear safety norms and the long-term maintenance of the level of excellence in the operation of the plant. At the same time, the goal of the development program is to cover the necessity to upgrade/refurbish certain systems, for economic reasons (specific consumption reductions, improvement of certain parameters related to served processes, with a positive impact on efficiency), and legal ones – the need to implement upgrades associated with nuclear security, environment protection and labor security, representing imperative requirements from the regulatory authorities in the field.

The investment program of SNN for 2020 annexed to BVC was value-sized by considering the ongoing contractual commitments, the estimates regarding the investment objectives to be made in the following year, including amounts allocated to investment projects for which the fulfillment of certain requirements outside the control of SNN is anticipated (e.g. prior approvals of regulation authorities, legal terms regarding the completion of public tender procedures, including appeals, obtaining the necessary approvals from SNN corporate bodies, etc.), in order to allow the implementation of these projects by fitting into the approved budget values.

The comparative situation of the investment accomplishments (value and percentage) for 2020 compared to the same period of 2019 is presented in the table below:

| Year | Value of the investment program [thousand RON] | Performed (01.01 - 30.09) [thousand RON] | Achievement level (01.01 - 30.09) (%) |
|-------------|---|---|--|
| 2020 | 309,544 | 157,112 | 50.8% |
| 2019 | 256,548 | 178,370 | 69.5% |

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

Cosmin Ghita
Chief Executive Officer