



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

Report date: April 27, 2021

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

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

Telephone/Fax: 021.203.82.00 / 021.316.94.00

Sole Registration Code with the Trade Register Office: 10874881

Registration number 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

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

Significant event to report:

Annual Report concerning the financial year ended on December 31, 2020

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the publication of the Annual Report for the financial year 2020, prepared in accordance with the provisions of Art. 63 of Law no. 24/2017 and Annex no. 15 to ASF Regulation no. 5/2018

The annual report for the financial year 2020 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 on December 31, 2020 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), together with the independent auditor's report;
- (iii) The consolidated annual financial statements audited as of and for the financial year ended on December 31, 2020 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), together with the independent auditor's report.
- (iv) The annual report, as well as the consolidated financial statements in ESEF (European Single Electronic Format) format may be accessed on the SNN website, in the section Relations with Investors/Financial Results/Financial Statements for 2020.**

NUCLEARELECTRICA S.A. National Company

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Main results

In 2020, SNN achieved a net profit of 699,322 thousand RON. 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, 2020, as follows:

Indicator [thousand RON]	2020 (audited)	2019 (audited)	Variation
Production (GWh)*	10,558	10,347	2.0%
Operating income, out of which:	2,500,172	2,417,433	3.4%
<i>Revenues from the sale of electric power**</i>	2,432,279	2,365,564	2.8%
Operating expenses, less depreciation and amortization	(1,184,029)	(1,232,455)	(3.9%)
EBITDA	1,316,143	1,184,978	11.1%
Depreciation and amortization	(544,752)	(555,553)	(1.9%)
EBIT	771,391	629,425	22.6%
Financial revenues	84,530	67,337	25.5%
Financial expenses	(40,513)	(65,487)	(38.1%)
Net corporate tax expense	(116,086)	(95,608)	21.4%
Net profit	699,322	535,667	30.6%

*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.

The main **factors contributing to the results of 2020** as compared to the previous year:

- Increase by 11.1% of the operating profit (EBITDA) as compared to the same period of the previous year, mainly following the decrease of operating expenses, less depreciation and amortization by 3.9%, and the increase of operating income by 3.4%, influenced by the increase by 2.8% of the revenues from the sale of electricity (electric power).
- The increase by 1.4% of the weighted average price of the electricity sold in 2020, as compared to the weighted average price from the same period of 2019, in a context where the sale of a total quantity of electricity increased by 1.4%.
- The quantity of electricity assigned by SNN to the regulated market in 2020 was of 1.087 GWh in the first half-year, according to the National Energy Regulatory Authority's (ANRE) decision no. 2213/12.23.2019 at a regulated price of RON 188.47/MWh (without Tg) and of 1,095 GWh in the second half-year, according to ANRE decision no. 1077/06.29.2020, at a regulated price of RON 182.63/MWh (without Tg).
- The quantity of electricity sold on the competition market of bilateral contracts decreased by 28%, and benefited from an increase of the average sale price on

this market by 17% (price without Tg), while the electricity quantity sold on the spot market (PZU and PZI) decreased by 155%, in a context where the average sale price on this market decreased by 25% (price without Tg).

- The decrease by 3.9% of the operating expenses, less the depreciation and amortization determined by the decrease of other operating expenses, expenses related to the purchased electricity and expenses related to spare parts, partially offset by the increase of expenses related to nuclear fuel, personnel expenses, repair and maintenance expenses, and electricity transport expenses.
- The significant increase of net financial revenues from 1,850 thousand RON to 44,017 thousand RON
- The increase in the corporate tax expense which diminished the positive influences of the other items, as a result of the increase in the taxable profit calculated for the financial year 2020 as compared to that calculated for the financial year 2019.

Electricity output in 2020

The gross production of electricity of the two operational units of CNE (The Nuclear Power Plant) Cernavoda was 11,466,405 MWh in 2020; from this gross output (production), the Units' own technological consumption during operation, and during the outages provided from the company's own production was 909 thousand MWh in 2020.

Thus, the electricity produced and delivered in the National Energy System ("NES") was of 10,557,776 MWh in the year of 2020, as compared to 2019 (10,346,746 MWh), accounting for a 2% decrease.

Energy output	2020			2019		
	Unit 1	Unit 2	Total	Unit 1	Unit 2	Total
Gross production (GWh)	5,395	6,070	11,466	5,788	5,492	11,280
Net production (GWh)	4,963	5,611	10,575	5,293	5,075	10,368
Capacity factor (%)	87.29	98.32	92.81	93.86	89.18	91.52

Electricity sales in 2020

Sales by types	Quantities in MWh	% out of total sales	Average price [RON/MWh, Tg included]	Revenues from sales [RON]
Sales on the regulated market	2,181,607	20.2%	186.84	407,610,770
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	8,589,781	79.5%	236.03	2,027,435,851
– Sales on PCCB – LE, PCCB – LE Flex, PCCB – NC, PC – OTC contracts and supply agreements	5,908,307	54.7%	266.05	1,571,903,363
- PZU and PI sales	2,681,474	24.8%	169.88	455,532,488
PE positive imbalances ^{*)}	33,757	0.3%	152.76	5,156,798

Total sales in 2020	10,805,145	100%	225.84	2,440,203,419
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**) Note: RON 290,374 of the presented value account for revenues redistributed in 2020 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017, ANRE Order no. 31/2018 and ANRE Order no. 61/2020.*

The revenues obtained from the electricity market related to electricity deliveries in 2020 are 2,440,203,419 lei (out of which 290,374 lei represents redistributed revenues resulted from balancing the system), 4.4% lower than the budget revenues for 2020, and 2.9% higher than the previous year.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in 2020, is of RON 236.03/MWh (including Tg). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated in 2020 (PCCB – LE, PCCB – LE flex, PCCB – NC, PC – OTC, PZU and PI), calculated according to the values published by OPCOM in the monthly market reports, is 235.19 RON/MWh. In 2019, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 227.7 RON/MWh (including Tg).

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. 10/01.02.2019 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/December 23, 2019, the quantity assigned to SNN for the first half-year of 2020 **for regulated contracts** was 1,087 GWh, out of which 701.4 GWh for the first half-year of 2020 and 385.6 GWh for the second half-year of 2020. For the first half-year of 2020, ANRE established a regulated price for SNN of RON 188.47 /MWh (without Tg). For the second half-year of 2020, ANRE issued Order 88/June 12, 2020 approving the Methodology for setting regulated fees and prices applied by suppliers of last resort to end-customers for the period July 1 to December 31, 2020 [...]. According to ANRE Decision no. 1077/06.29.2020, 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 Quarter 3 of 2020 and 700.1 GWh for Quarter 4 of 2020. For the second half-year of 2020, ANRE set a regulated price of RON 182.63 /MWh (without Tg) for SNN.

The electricity quantities sold on the **competitive market of bilateral contracts** represented in 2020 a percentage rate of 54.7% of the total volume of electricity sold. The average sale price on bilateral contracts in this period was 266.05 RON/MWh (Tg included), recording an increase of 16.7% as compared to the average price recorded in 2019, of 228.01 RON/MWh (Tg included); in a context where the values of the transmission tariff for the injection of electricity in the Tg network were as follows: RON 1.18/MWh for the period July 1, 2018 - December 31, 2019, according to ANRE Order no. 108/June 20, 2018 and RON 1.30/MWh for 2020, according to ANRE Order no. 218/December 11, 2019.

On the spot market (PZU and PI), in 2020, a quantity of electricity representing 24.8% of the total sales volume was sold, as compared to a percentage rate of 9.9% recorded in 2019. The average sale price of energy on the spot market (PZU and PI) achieved by SNN in 2020 was

169.88 RON/MWh (Tg included), as compared to 225.23 RON/MWh (Tg included) recorded in 2019.

Investment program

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/March 5th, 2020 of the Ordinary General Meeting of Shareholders of SNN, as part of the Income and Expense Budget ("BVC") of SNN for 2020.

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

Year	Value of the investment program [thousand RON]	Performed (January 1 - December 31) [thousand RON]	Achievement level (January 1 - December 31) (%)
2020	309,544	223,947	72.3%
2019	256,548	218,455	85.2%

As in the previous years, Nuclearelectrica S.A. structured its investment development program according to goals defined in relation to the needs of the production branches (Cernavoda Nuclear Power Plant (CNE) and Pitesti Nuclear Fuel Factory (FCN)), so as to achieve a high level of utilization of the production capacity (EAF Energy Availability Factor) in compliance with the nuclear safety regulations 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 the served processes, with a positive impact on efficiency), as well as legal ones – the need to implement upgrades in relation to nuclear security, environmental protection and labor security representing imperative requirements imposed by the regulatory authorities in the field.

The investment program of SNN for 2020 enclosed to BVC was value-sized, considering the ongoing contractual commitments, the estimates regarding the investment goals to be accomplished over 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 the regulatory authorities, legal terms regarding on completion of public procurement procedures, including appeals, obtaining the necessary approvals from SNN corporate bodies, etc.), in order to allow the implementation of these projects within the limits of the approved budget values.

Additional information may be obtained from: investor.relations@nuclearelectrica.ro

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