

NUCLEARELECTRICA

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**SNN Investors Teleconference  
Individual Interim Financial Statements  
as at and for the period of three months ended  
March 31, 2021**

**Bucharest: May 14, 2021**

# Executive Summary

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## Financial Highlights - 3M 2021 Income statement -

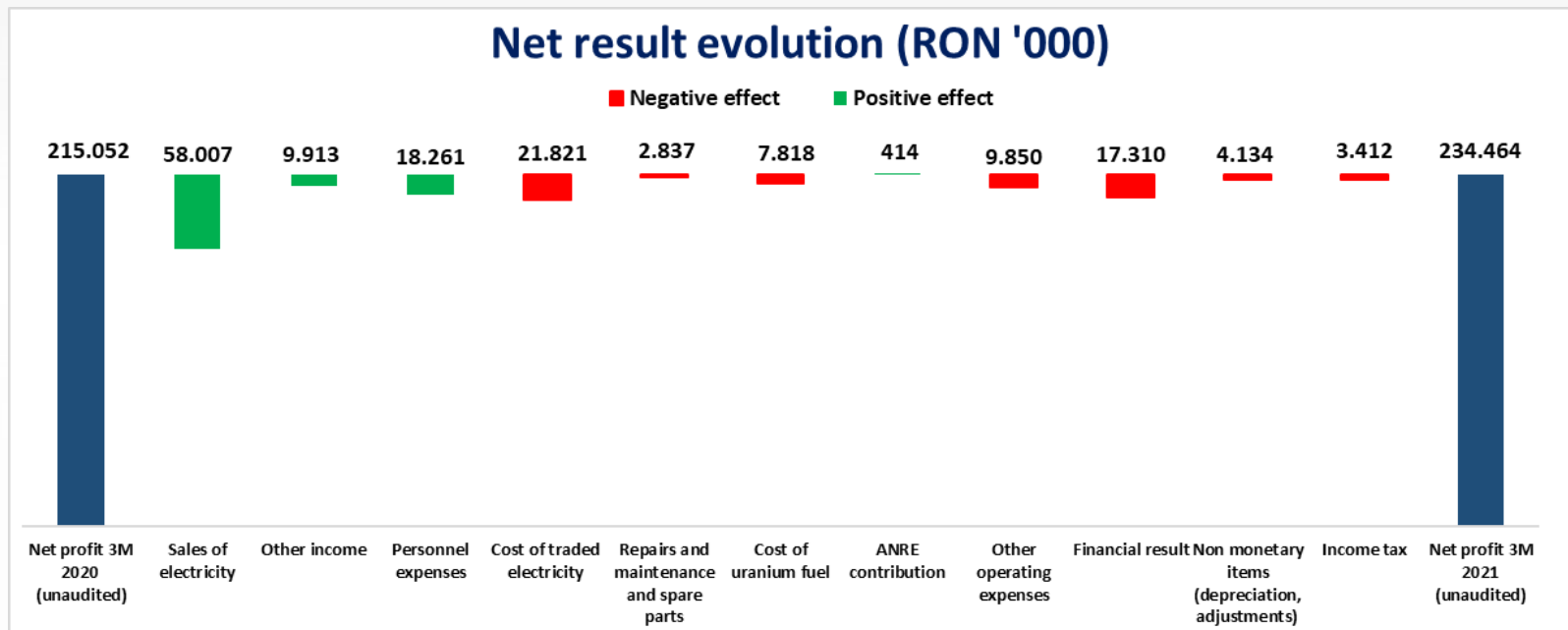
RON '000	3M ended 31.03.2021 (unaudited)	3M ended 31.03.2020 (unaudited)	Variation (%)	3M ended 31.03.2019 (unaudited)	Variation (%)	Budget 3M 2021*	Variation (%)
	1	2	3 = (1 - 2)/2	4	5 = (2 - 4)/4	6	7 = (1 - 6)/6
<b>Revenues</b>							
Sales of electricity	683,544	625,536	9.3%	665,436	(6.0%)	678,196	0.8%
Electricity transmission revenues	3,457	3,701	(6.6%)	3,235	14.4%	3,446	0.3%
<b>Total revenues</b>	<b>687,001</b>	<b>629,237</b>	<b>9.2%</b>	<b>668,671</b>	<b>(5.9%)</b>	<b>681,642</b>	<b>0.8%</b>
Other income	17,468	7,556	131.2%	9,336	(19.1%)	11,056	58.0%
<b>Operating expenses</b>							
Personnel expenses	95,010	113,271	(16.1%)	115,432	(1.9%)	109,367	(13.1%)
Cost of traded electricity	23,836	2,015	1,082.9%	5,561	(63.8%)	29,677	(19.7%)
Repairs and maintenance	15,100	12,364	22.1%	9,773	26.5%	16,363	(7.7%)
Electricity transmission expenses	3,457	3,701	(6.6%)	3,235	14.4%	3,446	0.3%
Costs with spare parts	2,655	2,553	4.0%	3,696	(30.9%)	4,235	(37.3%)
Cost of uranium fuel	39,168	31,350	24.9%	28,223	11.1%	40,494	(3.3%)
Other operating expenses	105,450	91,359	15.4%	89,474	2.1%	115,940	(9.0%)
<b>Total operating expenses</b>	<b>284,676</b>	<b>256,614</b>	<b>10.9%</b>	<b>255,394</b>	<b>0.5%</b>	<b>319,522</b>	<b>(10.9%)</b>
<b>EBITDA</b>	<b>419,793</b>	<b>380,179</b>	<b>10.4%</b>	<b>422,613</b>	<b>(10.0%)</b>	<b>373,176</b>	<b>12.5%</b>
Depreciation and amortisation	137,092	137,613	(0.4%)	136,392	0.9%	138,983	(1.4%)
<b>EBIT</b>	<b>282,701</b>	<b>242,566</b>	<b>16.5%</b>	<b>286,221</b>	<b>(15.3%)</b>	<b>234,192</b>	<b>20.7%</b>
Finance costs	15,709	9,584	63.9%	31,785	(69.8%)	8,610	82.5%
Finance income	15,267	26,452	(42.3%)	14,306	84.9%	15,982	(4.5%)
Income tax charge, net	47,794	44,383	7.7%	49,457	(10.3%)	42,414	12.7%
<b>Net profit</b>	<b>234,464</b>	<b>215,052</b>	<b>9.0%</b>	<b>219,285</b>	<b>(1.9%)</b>	<b>199,150</b>	<b>17.7%</b>

\* Revenue and Expenditure Budget for 2021 was approved through GSM no. 7/06.05.2021.

\*\* Including thermal energy.

## Financial Highlights

### - Net result evolution (increased by 9.0%) -



Net result benefited mainly from a significant increase of revenues from sales of electricity (including sales of thermal energy), other income and a decrease of personnel costs. Other positive influences are determined by decrease of ANRE.

The negative impact is caused mainly by increase of cost of trade electricity, financial results, other operating expenses, cost of uranium fuel and income taxes.

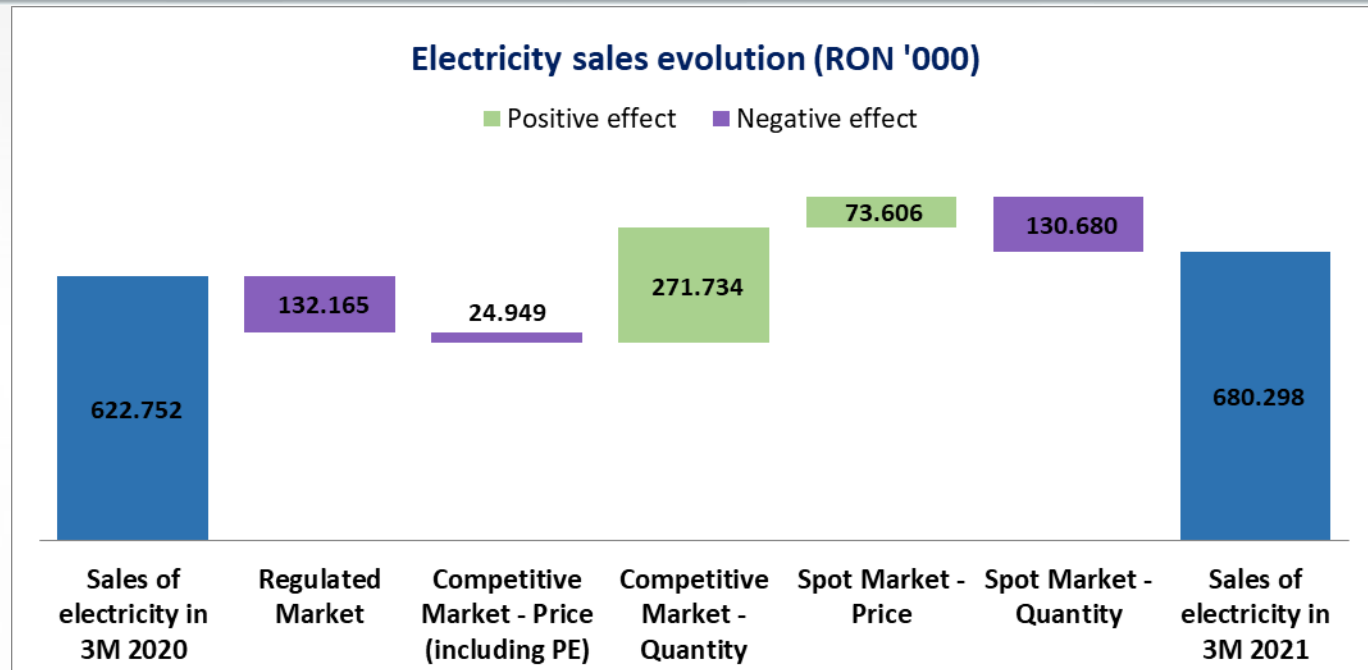


## Financial Highlights

### - 3M 2021 Financial position -

RON '000	31.03.2021 (unaudited)	31.12.2020 (audited)	Variation (%)
	A	B	C = (A - B)/B
<b>Total non-current assets</b>	<b>5,905,082</b>	<b>5,995,542</b>	<b>(1.5%)</b>
Inventories	460,185	435,435	5.7%
Assets classified as held for sale	2,232	2,232	-
Trade receivables	190,556	157,944	20.6%
Other financial assets at amortised cost	105,681	85,368	23.8%
Cash and cash equivalents (incl. deposits)	2,312,917	2,167,950	6.7%
<b>Total current assets</b>	<b>3,071,572</b>	<b>2,848,928</b>	<b>7.8%</b>
<b>Total assets</b>	<b>8,976,653</b>	<b>8,844,469</b>	<b>1.5%</b>
Share capital and premium	3,243,416	3,243,416	-
Prepaid share reserve	21,554	21,554	-
Revaluation reserve	191,671	198,800	(3.6%)
Retained earnings	4,297,530	4,055,916	6.0%
<b>Total shareholder's equity</b>	<b>7,754,170</b>	<b>7,519,685</b>	<b>3.1%</b>
Long term borrowings	262,499	290,479	(9.6%)
Long term lease liabilities	480	515	(6.9%)
Provisions for risks and expenses	234,449	235,410	(0.4%)
Other non-current liabilities	189,983	195,697	(2.9%)
<b>Total non-current liabilities</b>	<b>687,410</b>	<b>722,101</b>	<b>(4.8%)</b>
Accounts payable and other liabilities	240,091	333,298	(28.0%)
Current portion of provisions for risks and expenses	76,132	57,273	32.9%
Short term lease liabilities	106	118	(10.3%)
Current portion of long term borrowings	218,745	211,995	3.2%
<b>Total current liabilities</b>	<b>535,073</b>	<b>602,684</b>	<b>(11.2%)</b>
<b>Total liabilities</b>	<b>1,222,484</b>	<b>1,324,784</b>	<b>(7.7%)</b>
<b>Total equity and liabilities</b>	<b>8,976,653</b>	<b>8,844,469</b>	<b>1.5%</b>

## Sales of electricity in 3M 2021 increased by 9.2% compared to 3M 2020



Electricity sales evolution from 3M 2020 to 3M 2021 was determined by:

- decrease in total quantity of electricity sold by 3.8%, at an weighted average (w/out Tg) selling price by 13.5% higher;
- changes in sales structure (quantities sold), corroborated with **price evolution**, as follows:
  - 0.01% sales (361 MWh - the contracts concluded on the regulated market for the second half of 2020 have delivery in CET hours; the last delivery time in 2020 being the first in January 2021) on **Regulated Market** in 3M 2021 compared to 24.6% (701,601 MWh) in 3M 2020, with 3.1% decrease of price;
  - sales on **Competitive Market** of 81.45% in 3M 2021 compared to 39.7% in 3M 2020 (increase of 97% from 3M 2020 to 3M 2021), with 8% decrease of price;
  - sales on **Spot Market** of 18.26% in 3M 2021 compared to 35.4% in 3M 2020 (decrease of 50% from 3M 2020 to 3M 2021), with 40% increase of price;
  - **Balancing Market (PE)**: sales increase of 1% corroborated with 56% increase of price.

## Sales structure analysis 3M 2021 vs. 3M 2020

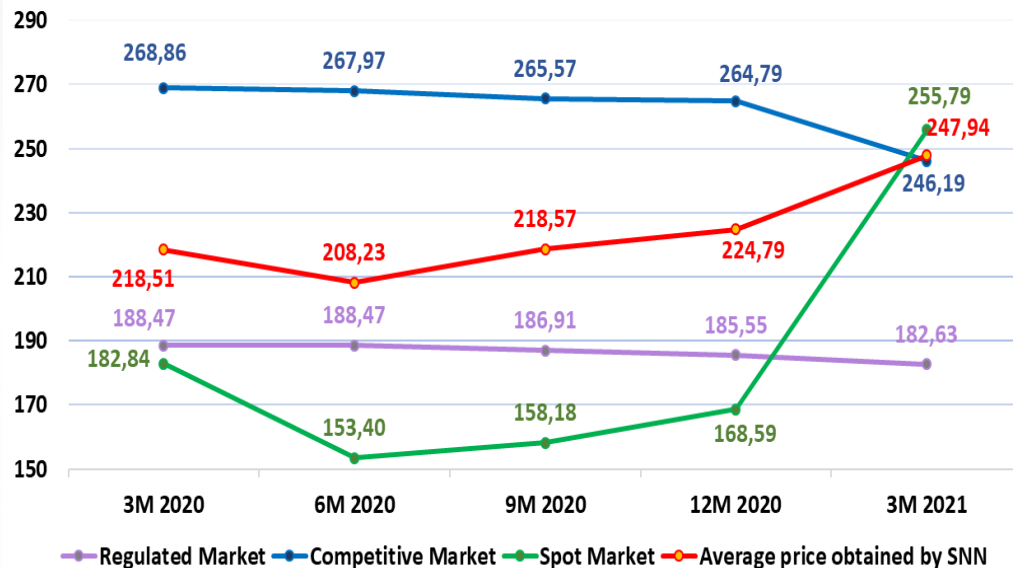
The sale structure of 3M 2021 is completely changed compared to 3M 2020. Differences are determined by both, the percentage of energy sold on the Regulated Market and the significant changes between Competitive Market and Spot Market percentage.

Starting with 2021, the Romanian electricity market has been fully liberalized and as direct result, ANRE no longer established delivery obligations for producers on the **Regulated Market**. The contracts concluded on the Regulated Market for the second half of 2020 have delivery in CET hours, the last delivery hour in 2020 being the first in January 2021 (361 MWh, regulated price of 182.63 RON/MWh (w/out Tg)).

The quantities of electricity sold on the **Competitive Market** represented in the first quarter of 2021 81.45% of the total volume of electricity sold, compared to 39.7% recorded in the first quarter of 2020. The average selling price during this period was 246.19 RON/MWh (w/out Tg), recording a 8.4% decrease compared to the average price recorded in the same period of 2020, of 268.86 RON/MWh (w/out Tg).

On the **Spot Market (PZU + PI)**, in 3M 2021 the quantities of electricity sold represented 18.26% of the total sales volume, compared to 35.4% in the same period of 2020. The average price on spot market, made by SNN in 3M 2021 was 255.79 RON/MWh (w/out Tg), compared to 182.84 RON/MWh (w/out Tg) in 3M 2020.

Sales prices evolution (RON/MWh w/out Tg)



Sales structure of quantities sold

Quantities	3M 2021 Actual	3M 2021 Budgeted	Variation actual vs. Budgeted [%]	3M 2020 Actual	Variation comparative periods [%]
Regulated Market	361	361	-	701,601	(99.95%)
Competitive Market	2,234,668	2,234,533	0.01%	1,133,427	97.16%
Spot Market	501,120	508,592	(1.47%)	1,009,498	(50.36%)
Total	2,736,149	2,743,486	(0.27%)	2,844,525	(3.81%)

## OPEX

Cost structure (RON '000)	3M 2021 [1]	%	3M 2020 [2]	% 3=[1-2]/2	Budget 3M 2021 [4]	% 5=[1-4]/4
Depreciation and amortisation	137,093	32.5%	137,613	(0.4%)	138,983	(1.4%)
Personnel expenses	95,010	22.5%	113,271	(16.1%)	109,367	(13.1%)
Other operating expenses	57,752	13.7%	45,461	27.0%	68,696	(15.9%)
Cost of uranium fuel	39,168	9.3%	31,350	24.9%	40,494	(3.3%)
ANDR contribution	25,392	6.0%	24,227	4.8%	25,850	(1.8%)
Cost of traded electricity	23,836	5.7%	2,015	1,082.9%	29,677	(19.7%)
Tehnological and non-tehnological water and energy	21,692	5.1%	20,645	5.1%	20,782	4.4%
Repairs and maintenance	15,100	3.6%	12,364	22.1%	16,363	(7.7%)
Electricity transmission expenses	3,457	0.8%	3,701	(6.6%)	3,446	0.3%
Cost with spare parts	2,654	0.6%	2,553	3.9%	4,235	(37.3%)
ANRE contribution	613	0.1%	1,027	(40.3%)	612	0.1%
<b>Total</b>	<b>421,768</b>	<b>100%</b>	<b>394,227</b>	<b>7.0%</b>	<b>458,506</b>	<b>(8.0%)</b>

■ **3M 2021 OPEX higher with 7.0% compared to 3M 2020 on the basis of:**

- **Depreciation and amortisation:** without significant changes between the two periods.
- **Personnel expenses:** decreased by 16.1%, due to the decrease in the number of personnel and also of SNN's commitments to employees, representing benefits and rewards included in the Budget for 3M 2021.
- **Other operating expenses:** recorded an overall increase of 27%, mainly due to increase in provisions, technological water expenses and other services performed by third parties.
- **Cost of uranium fuel:** increased by 24.9% due to increase in average acquisition cost of sintered uranium dioxide powder used in the production of fuel bundles in 3M 2021, which was consumed at an average price of 523.27 RON/kg, coming from the existing stock as at January 1, 2021 and acquisitions during the period (from CNU – Feldioara Branch and Cameco Marketing Inc. Canada), compared to the average cost of 429.75 RON/kg consumed in 3M 2020.
- **ANDR contribution** for decommissioning (0.6 EUR/MWh) and for permanent storage of radioactive waste (1.4 EUR/MWh), recorded an increase of 4.8% as a direct result of the increase in the quantities of electricity sold.
- **Cost with spare parts, repairs and maintenance:** recorded an overall increase, correlated with the repairs and maintenance program and with the needs in 3M 2021.
- **Cost of traded electricity:** recorded a significant increase, subject of purchases of electricity and imbalances, thus:
  - **Larger purchases of electricity** in 3M 2021, compared to 3M 2020 (increase of 19.9 mil. RON), to cover contractual obligations during unplanned outage of U1. The total amount of electricity purchased in 3M 2021 was 75,307 MWh, at an average price of 264.30 RON/MWh. There were no unplanned outage recorded in the first quarter of 2020;
  - **Increase in expenses with imbalances of 1.9 mil. RON:** these expenses represent the equivalent of energy received from balancing market mainly due to differences in notified quantities vs. delivered. A larger quantity was needed in 3M 2021.
- **Electricity transmission expenses:** decrease by 6.6% due to the decrease in the level of electricity sold in 3M 2021, compared to 3M 2020. The transmission tariff into the grid remained the same, of 1.30 RON/MWh starting with January 1, 2020.
- **ANRE contribution:** recorded a significant decrease due to reduction of the tax percentage paid by SNN, from 2% to 0.1% of turnover. The first 14 days of 2020 were subject of ANRE Order no. 251/2019 (2%), for the remaining days of 2020 and the entire year of 2021 the tax is 0.1% of turnover (ANRE Order no. 1/2019 and ANRE Order no. 223/2019).



## CAPEX

### Capital expenditure of SNN in 3M 2021:

- 39 mil. RON in 3M 2021 (in 3M 2020: 14.5 mil. RON) out of total investment program of 433.9 mil. RON.
- 9% completion degree: completed 90% from the target level of 10% for 3M 2021.
- Part of the budgeted investments included in the investment program for 3M 2021, were postponed for the next period.

CAPEX Program [thousand RON]	BVC 2021*)	Degree of completion 31.03.2021		BVC 2020	Degree of completion 31.03.2020	
Ongoing investments	251,362	25,087	10.0%	105,788	8,054	7.6%
Investments made on tangible assets	90,811	2,285	2.5%	132,278	3,162	2.4%
Equipments	91,687	11,658	12.7%	71,478	3,250	4.5%
<b>Total value of investment program</b>	<b>433,860</b>	<b>39,030</b>	<b>9.0%</b>	<b>309,544</b>	<b>14,466</b>	<b>4.7%</b>
*) Approved through GSM no. 7/06.05.2021.						

## CAPEX

### - Aspects related to main investments and long term strategic projects -

#### **Unit 1 Refurbishment (\*):**

- By General Shareholders' Meeting Decision no. 9/28.09.2017, Phase I of "Refurbishment of Unit 1 NPP Cernavoda Project Strategy" was approved to start.
- In the last quarter of 2017, the Technical and Refurbishment Division was set up within SNN headquarters, responsible for the development of the project.
- As per the first stage of the project, logistical and reorganization activities as well as studies and analyses are in progress. The feasibility study is also part of the first stage and it is due to be completed by the end of this stage, namely 2021, and submitted for the approval of the GMS.

#### **Increase of the Production Capacity Project (\*):**

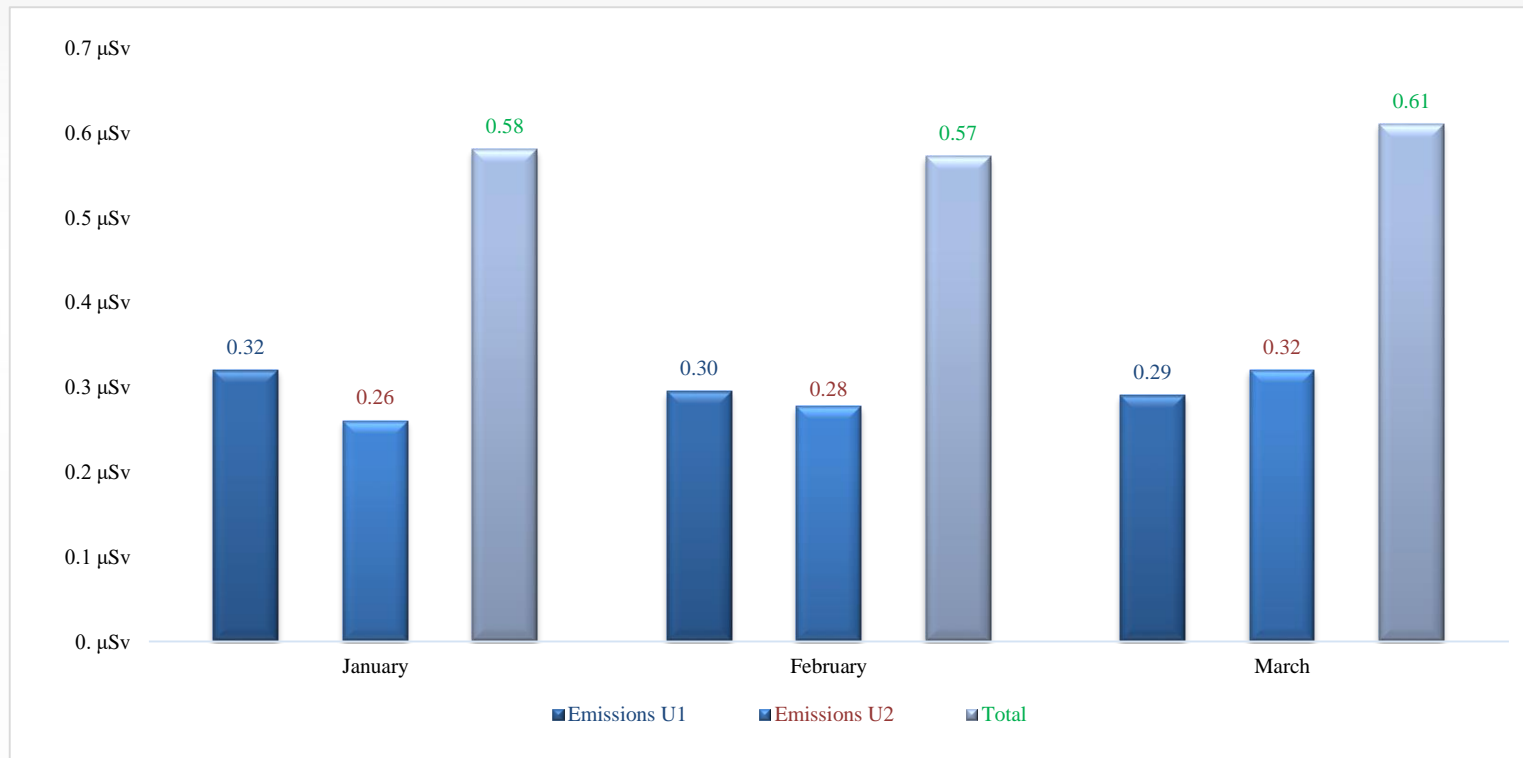
- By Decision of the Prime Minister of Romania no. 281/14.07.2020, was established the Strategic Coordination Committee for the Implementation of Cernavoda NPP Units 3 and 4 Project.
- By Decision of the Prime Minister of Romania no. 20/2021, was changed the component of the Strategic Coordination Committee for the Implementation of Cernavoda NPP Units 3 and 4 Project.
- By Decision no. 3/05.04.2021 of the OGMS was approved the "Strategy for the continuation of Cernavoda NPP Units 3 and 4 Project".

(\*) On October 9, 2020, was initialed in Washington DC, the Agreement between the Romanian Government and the USA Government on cooperation in connection with the nuclear power projects in Cernavoda and Romanian civil nuclear energy sector. By reference to the investment projects carried out by SNN, the initialing phase of this Agreement mainly aims: "Increase of the Production Capacity" and "Unit 1 Refurbishment".

#### **Acquisition of the Uranium Octoxide Processing Line from National Uranium Company – Feldioara Branch Project:**

- On March 30, 2020, SNN EGMS: approved the initiation of the procedures for purchasing the assets; mandated the managers of SNN to implement the procedures required for purchasing the assets (including discussions and negotiations, in order to prepare the necessary documentation and the purchasing offer) and approved the initiation of the procedures required for transferring the concession license of the exploitation activity in the perimeter of Tulghes – Grinties, Neamt County, concluded between National Agency of Mineral Resources and National Uranium Company.
- On March 18, 2021, SNN signed with National Uranium Company, the sale – purchase contract of some assets within the uranium concentrate processing line from National Uranium Company - Feldioara Branch.

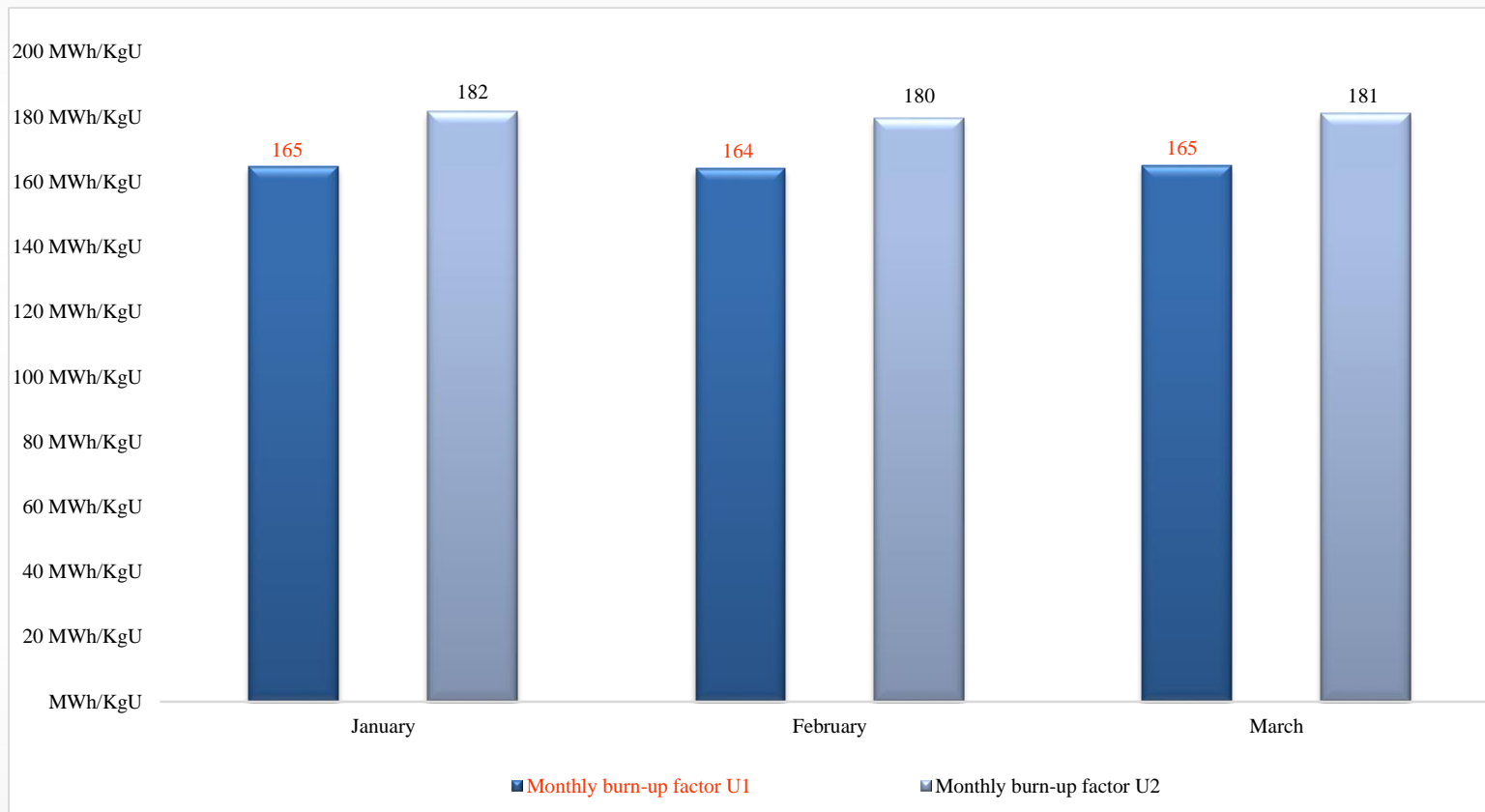
## Radioactive emissions U1+U2 (μSv)



Total 3M 2021:	Annual limit:
1.76	250

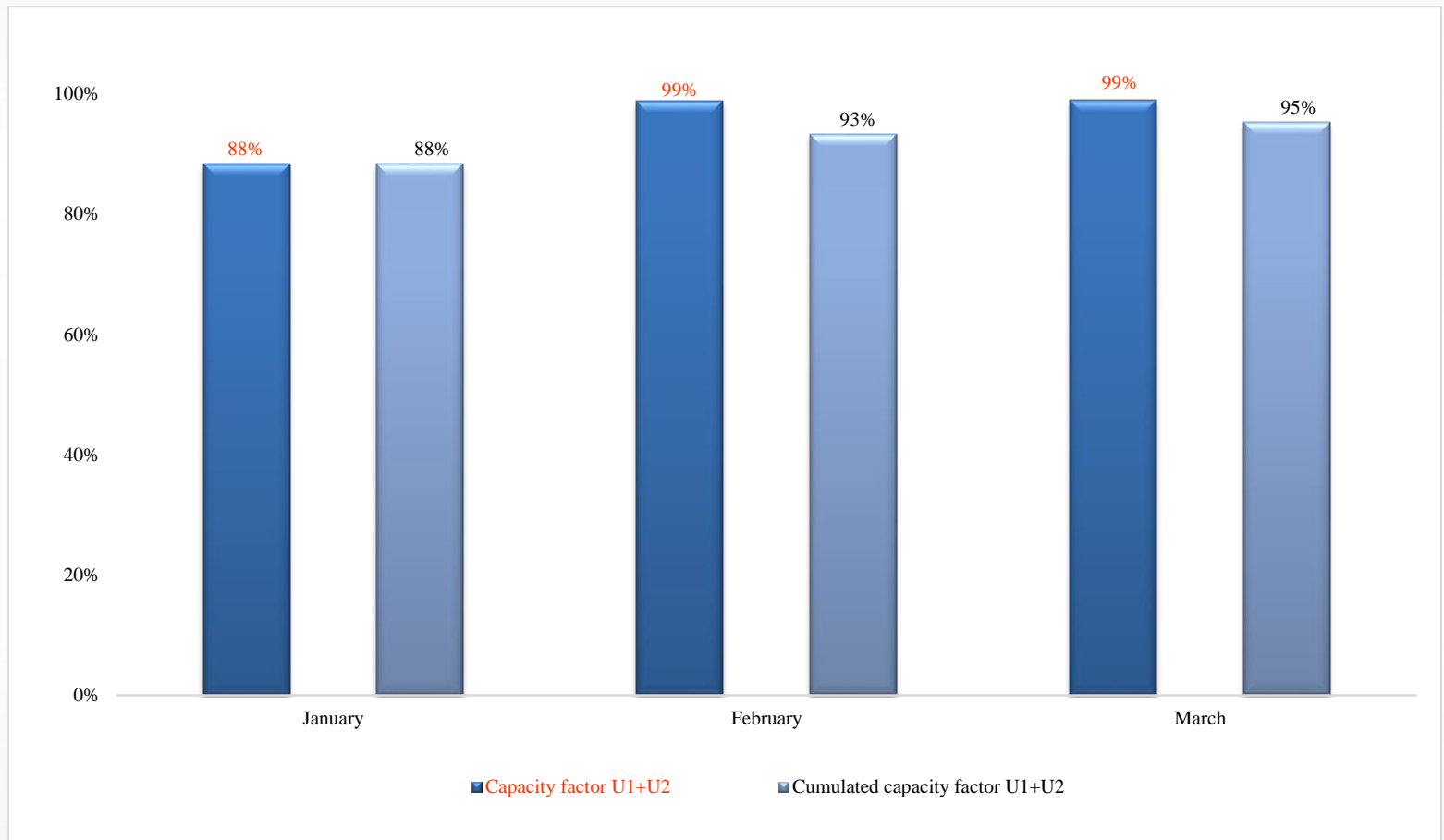
**CNCAN authorized limit = 100 μSv/year/unit + 50 μSv/year DICA**  
**Legal limit for population (as per Radioprotection Norm NSR01) = 1,000 μSv/year**

## Nuclear fuel burn up factor (MWh/KgU) (Cumulated 3M 2021: 173/Project estimated: min. 156)





## CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 3M 2021: 95.25%)



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## SNN Investor Relation

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### 2021 Financial calendar

Event	Date
Publication of the First Half - Year Report 2021 (January - June) Conference call Financial analysts, investment advisors, brokers and investors.	13 August 2021 (Friday) Hour of the conference call: 16:00 Romania's time
Publication of the Third Quarterly Report 2021 (January - September) Conference call Financial analysts, investment advisors, brokers and investors.	12 November 2021 (Friday) Hour of the conference call: 16:00 Romania's time

## Executive Management

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