



NUCLEARELECTRICA

Current Report in compliance with the provisions of art. 65 of the Law no. 24/2017 regarding issuers of financial instruments and market operations and the ASF Regulation No. 5/2018 regarding issuers of securities and market operations

Report date: 13.08.2021

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

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

Telephone/Fax Number: 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 Supervisory Authority (ASF)**

Significant event to report:

Availability of the Half-Yearly Report related to the period January 1st-June 30th 2021

Societatea Nationala Nuclearelectrica S.A. ("SNN") informs the shareholders and investors on the availability of the Half Yearly Report for the 1st Half of the financial year 2021, prepared in accordance with the provisions of art. 65 of Law no. 24/2017 and with Appendix 14 to the ASF Regulation no. 5/2018, starting with **August 13, 2021**, as follows:

- In written format, by request, at the Bucharest Headquarters, 65 Polona Street, District 1, Communications and Investor Relations Department;
- Electronically on the company's website, in the "Investor Relations – 2021 Financial Results" section (www.nuclearelectrica.ro).

The Half-Yearly Report for the financial year 2021 comprises:

- The main events of the company's activity during the reporting period;
- The Individual Interim Financial Statements on the date and for the six-month period ended on June 30, 2021, drafted according to the OMFP [Order of the Ministry of Public Finance] no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, passed by the European Union, based on Accounting Standard 34 - "Interim financial reporting"

Societatea Nationala NUCLEARELECTRICA S.A.

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

Paid and subscribed capital: 3.016.438.940 lei.

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- The Consolidated Interim Financial Statements on the date and for the six-month period ended on June 30, 2021, drafted according to the OMFP no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, passed by the European Union, based on Accounting Standard 34 - “Interim financial reporting”
- The Half-year report of the Board of Directors on the administration activity for period January 1 – June 30, 2021.

The main results

1. The financial results of the period

During the period of 6 months that ended on June 30, 2021, SNN recorded a net profit of 385,393 thousand lei, 12.3% higher than in the similar period of last year. The operation result (EBIT) has registered an increase of 17.1%, and EBITDA an increase of 9.9% compared to the same period of last year.

Indicator [thousand RON]	6-month period ended on June 30, 2021 (reviewed)	6-month period ended on June 30, 2020 (reviewed)	Variation
Production (GWh)*	4,890	5,499	(11.1%)
Operating revenues, of which:	1,382,537	1,182,985	16.9%
<i>Revenues from the sale of electricity**</i>	<i>1,339,580</i>	<i>1,157,519</i>	<i>15.7%</i>
Operating expenses, less depreciation and amortization	(649,746)	(516,121)	25.9%
EBITDA	732,791	666,864	9.9%
Impairment and depreciation	(277,642)	(278,255)	(0.2%)
EBIT	455,149	388,609	17.1%
Net financial result	9,327	24,609	(62.1%)
Net income tax expense	(79,083)	(69,996)	13.0%
Net profit	385,393	343,222	12.3%

*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.

Operating profit (EBITDA) increased by 9.9% as compared to the same period of the previous year, mainly following the increase of operating revenues by 16.9%, influenced by the increase by 15.7% of the revenues from the sale of electricity.

Operating revenues increased by 16.9%. This increase was driven by the increase by 21.2% of the weighted average price of the electricity sold in the 1st half-year of 2021, as compared to the weighted average price from the same period of 2020, considering the sale of a total quantity of electricity that was lower by 4.6%.

Starting with 2021, ANRE no longer established delivery obligations for manufacturers on the regulated market. The contracts concluded by SNN 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 (361 MWh, regulated price amounting to 182.63 RON/MWh (price without T_g)).

As compared to the same period of the previous year, the quantity of electricity sold on the competition market of bilateral contracts increased by 90%, given that the average sale price on this market was 8.5% lower (price without T_g). The quantity of electricity sold by SNN on the spot market (PZU and PI) in the first half-year of 2021 decreased by 58%, given that the average sale price on this market that was 88% higher (price without T_g).

Operating expenses, minus impairment and amortization increased by 25.9% in the first half-year of 2021, compared to the same period of 2020. This evolution was caused by the increase of expenses with purchased electricity, repair and maintenance expenses, other operating expenses, expenses with nuclear fuel and expenses with spare parts, partially compensated by the decrease of expenses with personnel and expenses with the transportation of electricity.

The **financial result** (net financial revenues) decreased by 62.1%, and negatively influenced the net result. The main currencies to which there are exposures are EUR and CAD.

The increase of **net profit tax expense** decreased the positive influence of the other elements. This increase was caused by the increase of the taxable profit calculated for the first half-year of 2021 compared to the one calculated for the first half-year of 2020.

2. Electricity sales (quantities, prices and values) in the first half of 2021

Sales by types	Quantities in MWh	% of total sales	Average price [Ron/MWh with T _g included]	Revenues from sales [RON]
Sales on the regulated market ^{*)}	361	0.01%	183.93	66,347
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	5,278,027	99.73%	253.61	1,338,546,940
– Sales on PCCB – LE, PCCB – LE Flex, PCCB – NC, PC – OTC contracts and supply agreements	4,391,212	82.97%	246.34	1,081,729,596
- PZU and PI sales	886,815	16.76%	289.60	256,817,344
PE positive imbalances on PE ^{**)}	13,824	0.26%	203.88	2,818,466
Total sales in the first half-year of	5,292,212	100%	253.47	1,341,431,753

2021				
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**) NB: Starting with 2021, ANRE no longer established delivery obligations for manufacturers 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 time in 2020 being the first in January 2021 (361 MWh, regulated price amounting to RON 183.93/MWh (including T_g)).*

****) NB: RON 43,857 of the value presented represents revenues redistributed in January 2021 resulted from the balancing of the system, based on the application of ANRE Order no. 76/2017 and ANRE Order no. 61/2020.*

The electricity quantity sold on the regulated market, based on contracts, on the spot market (PZU and PI) and on PE is 5,292,212 MWh, 8.4% higher than the sales program, of 4,881,951 MWh (sized on the production estimate, without estimating unplanned outages) and 4.6% less than the electricity quantity sold in the first half-year of 2020.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (402.5 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 92% from the spot market, 6% on PE and the rest by term contracts.

The revenues obtained from the electricity market related to electricity deliveries in the first half-year of 2021 are 1,341,431,753 lei (out of which 43,857 lei represents redistributed revenues resulted from balancing the system), 5.4% higher than the budget revenues for the first half-year of 2021, and 15.6% higher than the results from the first half-year of 2020.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in the first half-year of 2021, is of **253.61 RON/MWh** (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated in the first half-year of 2021 (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 265.23 RON/MWh. In the first half-year of 2020, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 214.36 lei/MWh (including T_g).

The electricity quantities sold on the competitive market of bilateral contracts represented in the first half-year of 2021 a percentage rate of 82.97% out of the total volume of the sold electricity, compared to a percentage rate of 41.7% recorded in the first half-year of 2020. The average sale price for bilateral contracts in this period was 246.34 RON/MWh (T_g included), a decrease of 8.5% compared to the average price recorded in the first half-year of 2020, of 269.27 RON/MWh (T_g included); given that the value of the transportation fee for introducing electricity in the network T_g has remained unmodified since January 2020 (1.30 RON/MWh according to ANRE Order no. 218/11.12.2019).

On the spot market (PZU and PI), in the 1st half-year of 2021, a quantity of electricity representing 16.76% of the total sale volumes was sold, as compared to the percentage share of 38.4% recorded in the 1st half-year of 2020. The average energy selling price on the spot market

(PZU and PI) achieved by SNN in the first half-year of 2021 was 289.60 lei/MWh (T_g included), compared to 154.69 lei/MWh (T_g included) recorded in the first half-year of 2020.

3. The degree of achievement of the investments at the end of the first half of 2021

The total value of the investment program of SNN for 2021 is 433,860 thousand RON (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 7/06.05.2021 of the Ordinary General Meeting of Shareholders of SNN, as part of the Income and Expense Budget ("BVC") of SNN for 2021.

The comparative situation of the investment accomplishments (value and percentage) for the first half-year of 2021 compared to the same period of 2020 is presented in the table below:

Year	Value investment program [thousand RON]	Achieved (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2021	433,860	179,887	41.5%
2020	309,544	58,946	19.0%

As in the previous years, Nuclearelectrica S.A. structured its investment development program according to goals defined in relation to the needs of the branches (Cernavoda Nuclear Power Plant (CNE) and Pitesti Nuclear Fuel Factory (FCN)) regarding production continuity, 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.

Further information can be obtained from the Communications and Investor Relations Department, e-mail: investor.relations@nuclearelectrica.ro.

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Chief Executive Officer

Paul Ichim
Chief Financial Officer