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**SNN Investors Teleconference
Individual Interim Reviewed Financial Statements
as at and for the period of six months ended
June 30, 2021
- H1 2021 -**

Bucharest: August 13, 2021

Executive Summary

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Technical performances

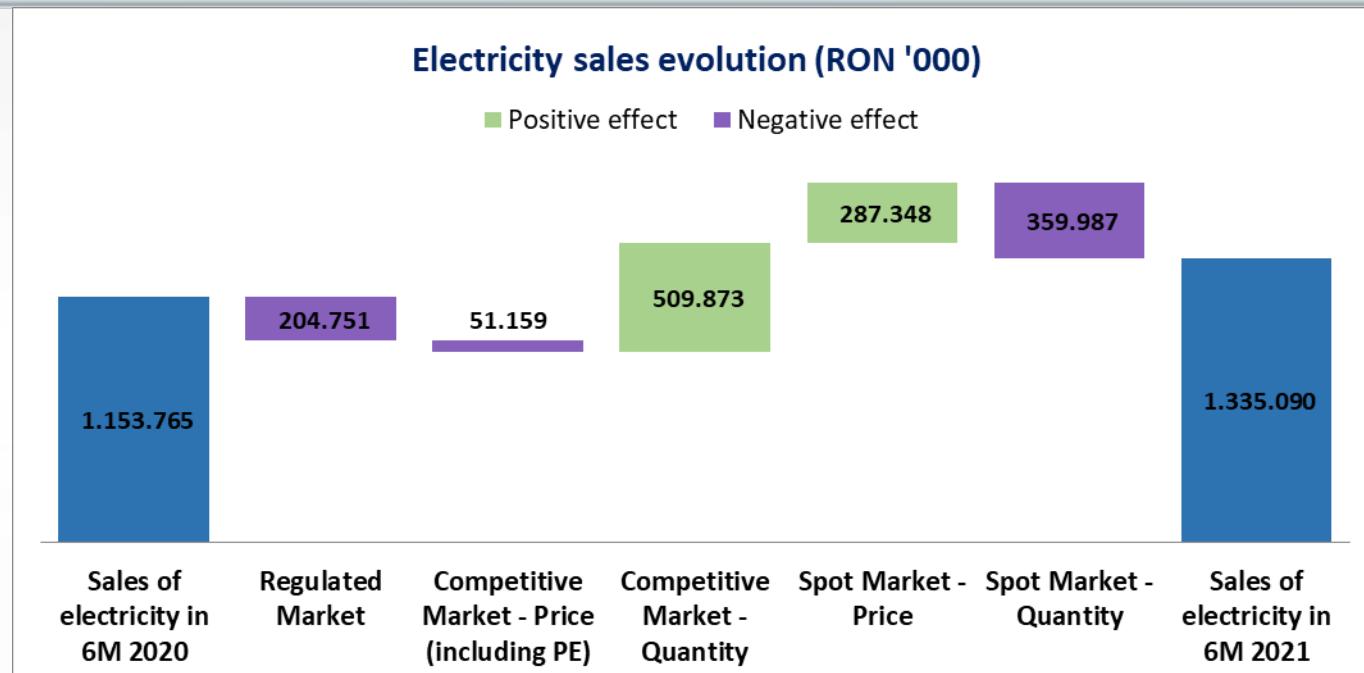
- Radioactive emissions (slide 11)
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SNN details

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Sales of electricity in 6M 2021 increased by 15.7% compared to 6M 2020



Electricity sales evolution from 6M 2020 to 6M 2021 was determined by:

- decrease in total quantity of electricity sold by 4.6%, at an weighted average (w/out Tg) selling price by 21.3% 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 6M 2021 compared to 19.6% (1,086,736 MWh) in 6M 2020, with 3.1% decrease of price;
 - sales on **Competitive Market** of 82.97% in 6M 2021 compared to 41.7% in 6M 2020 (increase of 90% from 6M 2020 to 6M 2021), with 8.5% decrease of price;
 - sales on **Spot Market** of 16.76% in 6M 2021 compared to 38.4% in 6M 2020 (decrease of 58% from 6M 2020 to 6M 2021), with 88% increase of price;
 - **Balancing Market (PE)**: sales decrease of 24% corroborated with 100,1% increase of price.

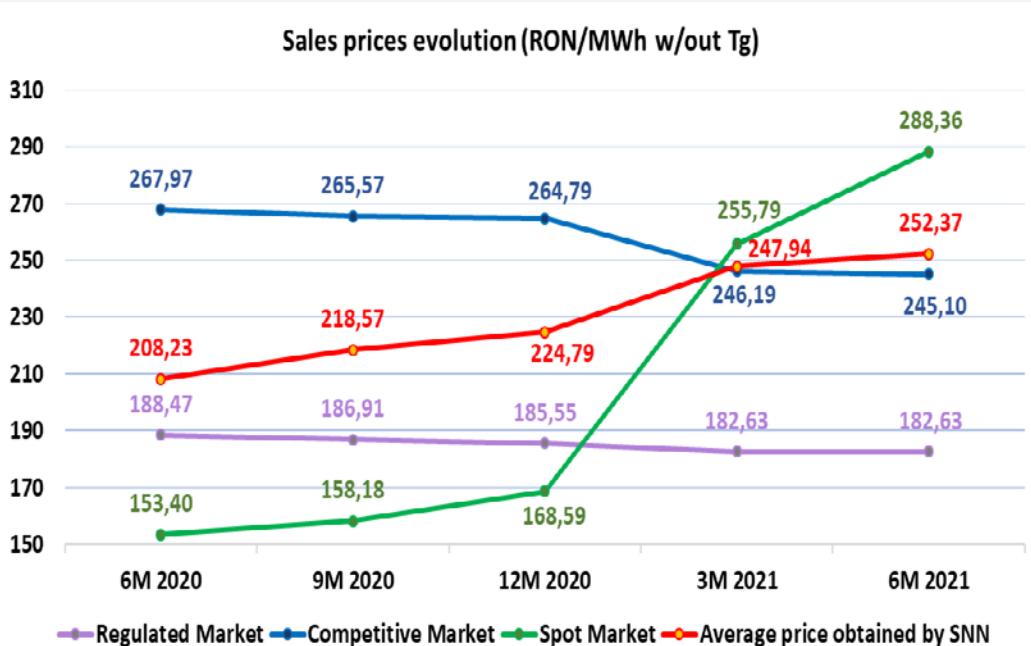
Sales structure analysis 6M 2021 vs. 6M 2020

The sale structure of 6M 2021 is completely changed compared to 6M 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 6M 2021 82.97% of the total volume of electricity sold, compared to 41.7% recorded in 6M 2020. The average selling price during this period was 245.10 RON/MWh (w/out Tg), recording a 8.5% decrease compared to the average price recorded in the same period of 2020, of 267.97 RON/MWh (w/out Tg).

On the **Spot Market (PZU + PI)**, in 6M 2021 the quantities of electricity sold represented 16.76% of the total sales volume, compared to 38.4% in the same period of 2020. The average price on spot market, made by SNN in 6M 2021 was 288.36 RON/MWh (w/out Tg), compared to 153.40 RON/MWh (w/out Tg) in 6M 2020.



Sales structure of quantities sold

Quantities	6M 2021 Actual	6M 2021 Budgeted	Variation actual vs. Budgeted [%]	6M 2020 Actual	Variation comparative periods [%]
Regulated Market	361	361	-	1,086,736	(99.97%)
Competitive Market	4,391,212	4,376,577	0.33%	2,314,623	89.72%
Spot Market	886,815	888,480	(0.19%)	2,129,884	(58.36%)
Total	5,278,388	5,265,418	0.25%	5,531,243	(4.57%)

OPEX

Cost structure (RON '000)	6M 2021 [1]	%	6M 2020 [2]	% 3=[1-2]/2	Budget 6M 2021 [4]	% 5=[1-4]/4
Depreciation and amortisation	277,642	29.9%	278,254	(0.2%)	283,097	(1.9%)
Personnel expenses	193,789	20.9%	218,531	(11.3%)	210,622	(8.0%)
Cost of traded electricity	123,120	13.3%	10,364	1,087.9%	135,802	(9.3%)
Other operating expenses	107,016	11.5%	95,369	12.2%	141,058	(24.1%)
Cost of uranium fuel	70,934	7.6%	64,590	9.8%	73,862	(4.0%)
ANDR contribution	50,947	5.5%	48,609	4.8%	51,699	(1.5%)
Repairs and maintenance	46,062	5.0%	22,126	108.2%	54,286	(15.1%)
Tehnological and non-tehnological water and energy	39,531	4.3%	39,027	1.3%	39,849	(0.8%)
Cost with spare parts	10,764	1.2%	8,303	29.6%	12,464	(13.6%)
Electricity transmission expenses	6,356	0.7%	7,148	(11.1%)	6,200	2.5%
ANRE contribution	1,226	0.1%	2,054	(40.3%)	1,224	0.1%
Total	927,389	100%	794,375	16.7%	1,010,164	(8.2%)

❑ **6M 2021 OPEX higher with 16.7% compared to 6M 2020 on the basis of:**

- **Depreciation and amortisation:** without significant changes between the two periods.
- **Personnel expenses:** decreased by 11.3%, 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 6M 2021.
- **Cost of traded electricity:** recorded a significant increase, subject of purchases of electricity and imbalances, thus:

 - **Larger purchases of electricity** in 6M 2021, compared to 6M 2020 (increase of 108 mil. RON), to cover contractual obligations during unplanned outage of U1 and planned and unplanned outages of U2. The total amount of electricity purchased in 6M 2021 was 380,180 MWh (6M 2020: 40,050 MWh), at an average price of 299.70 RON/MWh (6M 2020: 146.58 RON/MWh). In 6M 2020 was recorded only a part of the planned outage of U1 as a result of postponing it due to pandemic.
 - **Increase in expenses with imbalances of 4.7 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 6M 2021.

- **Other operating expenses:** recorded an overall increase of 12.2%, mainly due to increase in provisions and other services performed by third parties.
- **Cost with spare parts, repairs and maintenance:** recorded an overall increase, correlated with the repairs and maintenance program and with the needs in 6M 2021.
- **Cost of uranium fuel:** increased by 9.8% due to increase in weighted average cost, which comprises all cost components, of fuel bundles consumed by CNE Branch. Average acquisition cost of sintered uranium dioxide powder consumed by FCN Branch in the production of fuel bundles in 6M 2021 was 504.70 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 513.07 RON/kg consumed in 6M 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% due to increase in exchange rate, partially compensated by the decrease in the estimated quantities of electricity sold.
- **Electricity transmission expenses:** decrease by 11.1% due to the decrease in the level of electricity sold in 6M 2021, compared to 6M 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%), and for the remaining days of 2020 and the entire year of 2021 the tax is 0.1% of turnover (ANRE Order no. 1/2020 and ANRE Order no. 223/2020).

Financial Highlights

- 6M 2021 Income statement -

RON '000	6M ended 30.06.2021 (reviewed)	6M ended 30.06.2020 (reviewed)	Variation (%)	6M ended 30.06.2019 (reviewed)	Variation (%)	Budget 6M 2021*	Variation (%)
	1	2	3 = (1 - 2)/2	4	5 = (2 - 4)/4	6	7 = (1 - 6)/6
Revenues							
Sales of electricity**	1,339,580	1,157,519	15.7%	1,181,738	(2.0%)	1,270,275	5.5%
Electricity transmission revenues	6,356	7,148	(11.1%)	5,804	23.2%	6,200	2.5%
Total revenues	1,345,937	1,164,667	15.6%	1,187,542	(1.9%)	1,276,474	5.4%
Other income	36,600	18,317	99.8%	21,018	(12.8%)	29,322	24.8%
Operating expenses							
Personnel expenses	193,789	218,531	(11.3%)	233,780	(6.5%)	210,622	(8.0%)
Cost of traded electricity	123,120	10,364	1,087.9%	42,202	(75.4%)	135,802	(9.3%)
Repairs and maintenance	46,062	22,126	108.2%	31,604	(30.0%)	54,286	(15.1%)
Electricity transmission expenses	6,356	7,148	(11.1%)	5,804	23.2%	6,200	2.5%
Costs with spare parts	10,764	8,303	29.6%	9,775	(15.1%)	12,464	(13.6%)
Cost of uranium fuel	70,934	64,590	9.8%	50,906	26.9%	73,862	(4.0%)
Other operating expenses	198,720	185,059	7.4%	195,432	(5.3%)	233,831	(15.0%)
Total operating expenses	649,746	516,121	25.9%	569,502	(9.4%)	727,066	(10.6%)
EBITDA	732,791	666,864	9.9%	639,058	4.4%	578,731	26.6%
Depreciation and amortisation	277,642	278,254	(0.2%)	274,872	1.2%	283,097	(1.9%)
EBIT	455,148	388,609	17.1%	364,185	6.7%	295,633	54.0%
Finance costs	22,484	22,580	(0.4%)	38,797	(41.8%)	17,230	30.5%
Finance income	31,811	47,189	(32.6%)	34,734	35.9%	30,151	5.5%
Income tax charge, net	79,083	69,996	13.0%	69,461	0.8%	52,582	50.4%
Net profit	385,393	343,222	12.3%	290,661	18.1%	255,972	50.6%

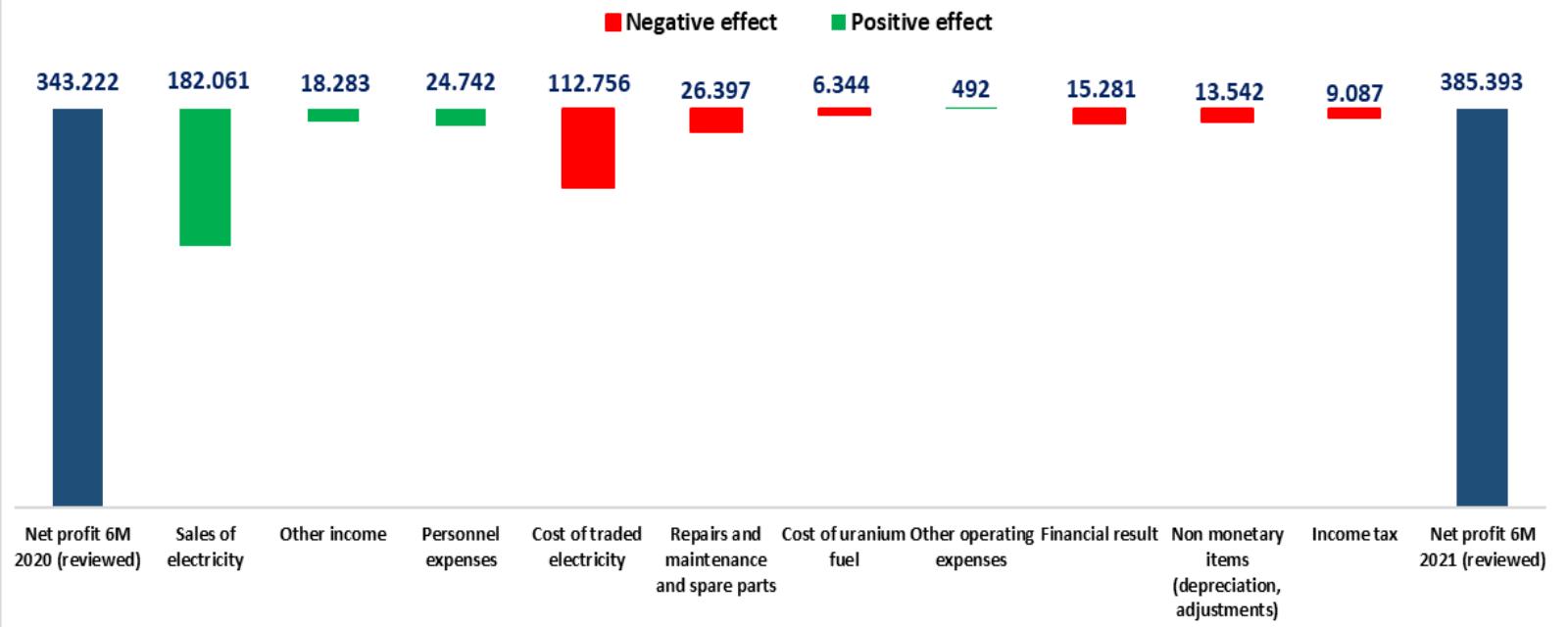
* Revenue and Expenditure Budget for 2021 was approved through GSM no. 7/06.05.2021.

** Including thermal energy.

Financial Highlights

- Net result evolution (increased by 12.3%) -

Net result evolution (RON '000)



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 other operating expenses.

The negative impact is caused mainly by increase of cost of trade electricity, repairs and maintenance and spare parts expenses, financial results, non monetary items, income tax and cost of uranium fuel.

Financial Highlights

- 6M 2021 Financial position -

RON '000	30.06.2021 (reviewed)		31.12.2020 (audited)	Variation (%)
	A	B	C = (A - B)/B	
Total non-current assets	5,886,029	5,995,542	(1.8%)	
Inventories	483,390	435,435	11.0%	
Assets classified as held for sale	2,232	2,232	-	
Trade receivables	170,553	157,944	8.0%	
Other financial assets at amortised cost	119,487	85,368	40.0%	
Cash and cash equivalents (incl. deposits)	1,935,314	2,167,950	(10.7%)	
Total current assets	2,710,976	2,848,928	(4.8%)	
Total assets	8,597,005	8,844,469	(2.8%)	
Share capital and premium	3,243,416	3,243,416	-	
Prepaid share reserve	21,554	21,554	-	
Revaluation reserve	184,557	198,800	(7.2%)	
Retained earnings	3,983,453	4,055,916	(1.8%)	
Total shareholder's equity	7,432,980	7,519,685	(1.2%)	
Long term borrowings	186,722	290,479	(35.7%)	
Long term lease liabilities	460	515	(10.8%)	
Provisions for risks and expenses	240,250	235,410	2.1%	
Other non-current liabilities	187,101	195,697	(4.4%)	
Total non-current liabilities	614,532	722,101	(14.9%)	
Accounts payable and other liabilities	264,463	333,298	(20.7%)	
Current portion of provisions for risks and expenses	66,255	57,273	15.7%	
Short term lease liabilities	99	118	(15.5%)	
Current portion of long term borrowings	218,676	211,995	3.2%	
Total current liabilities	549,493	602,684	(8.8%)	
Total liabilities	1,164,025	1,324,784	(12.1%)	
Total equity and liabilities	8,597,005	8,844,469	(2.8%)	

CAPEX

Capital expenditure of SNN in 6M 2021:

- 179.9 mil. RON in 6M 2021 (in 6M 2020: 58.9 mil. RON) out of total investment program of 433.9 mil. RON.
- Target level of 20% for 6M 2021 has been exceeded.
- Part of the budgeted investments included in the investment program for 6M 2021, were postponed for the next period.

CAPEX Program [thousand RON]	BVC 2021*)	Degree of completion 30.06.2021		BVC 2020	Degree of completion 30.06.2020	
Ongoing investments	251,362	98,744	39.3%	105,788	31,981	30.2%
Investments made on tangible assets	90,811	58,874	64.8%	132,278	20,785	15.7%
Equipments	91,687	22,270	24.3%	71,478	6,180	8.6%
Total value of investment program	433,860	179,887	41.5%	309,544	58,946	19.0%

*) 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".

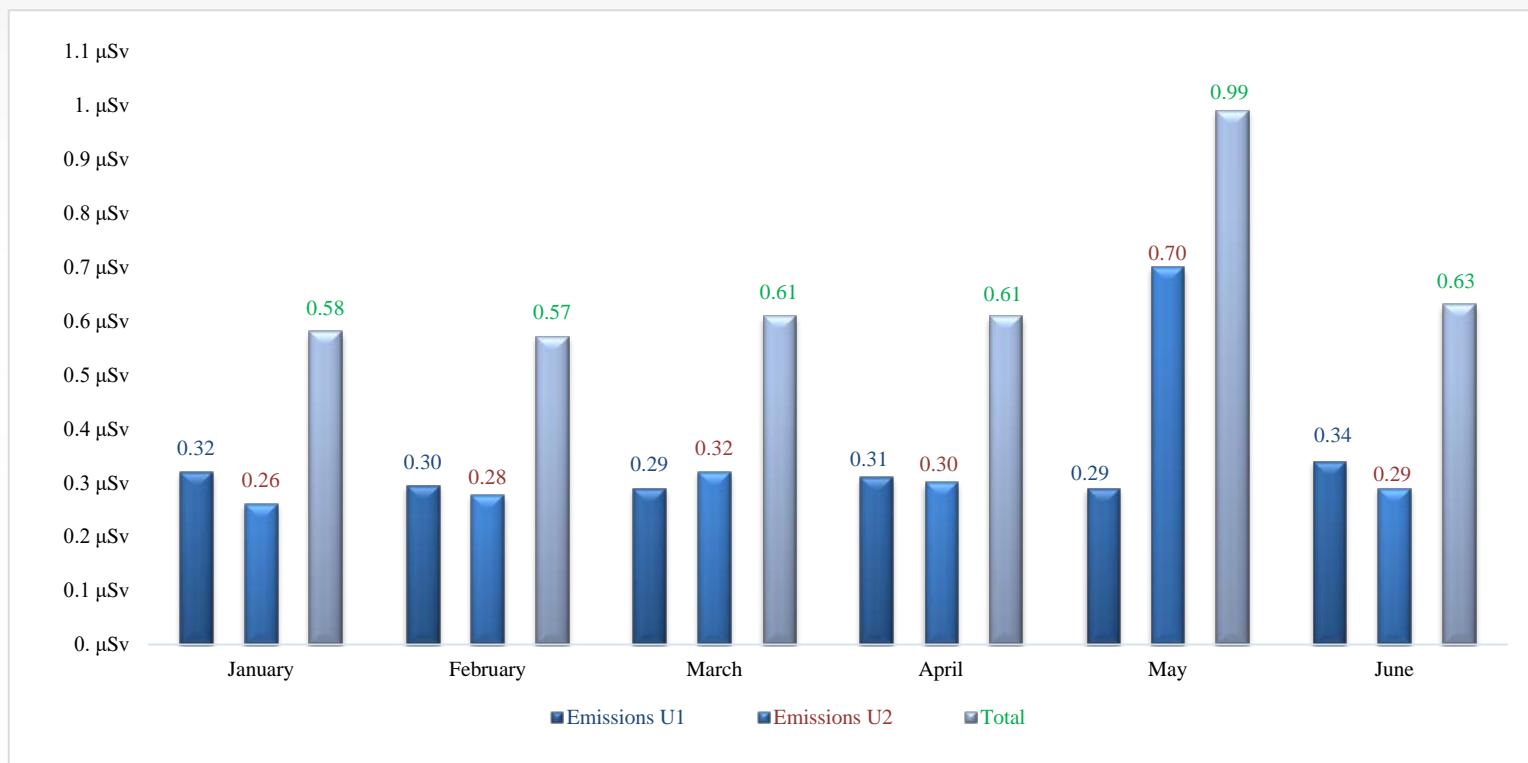
(*) On December 4, 2020 / December 9, 2020, was signed in Upper Marlboro / Bucharest, the Agreement between the Romanian Government and the USA Government on cooperation in connection with the nuclear power projects in Cernavoda and Romanian civil nuclear energy sector. By reference to the investment projects carried out by SNN, the initialing phase of this Agreement mainly aims: "Increase of the Production Capacity" and "Unit 1 Refurbishment".

(*) In July 2021, Romania has ratified 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.

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.
- On August 4, 2021, SNN signed an addendum with National Uranium Company for taking over the concession license of the Tulghes – Grinties exploitation activity, based on the order of the National Agency of Mineral Resources.

Radioactive emissions U1+U2 (μSv)

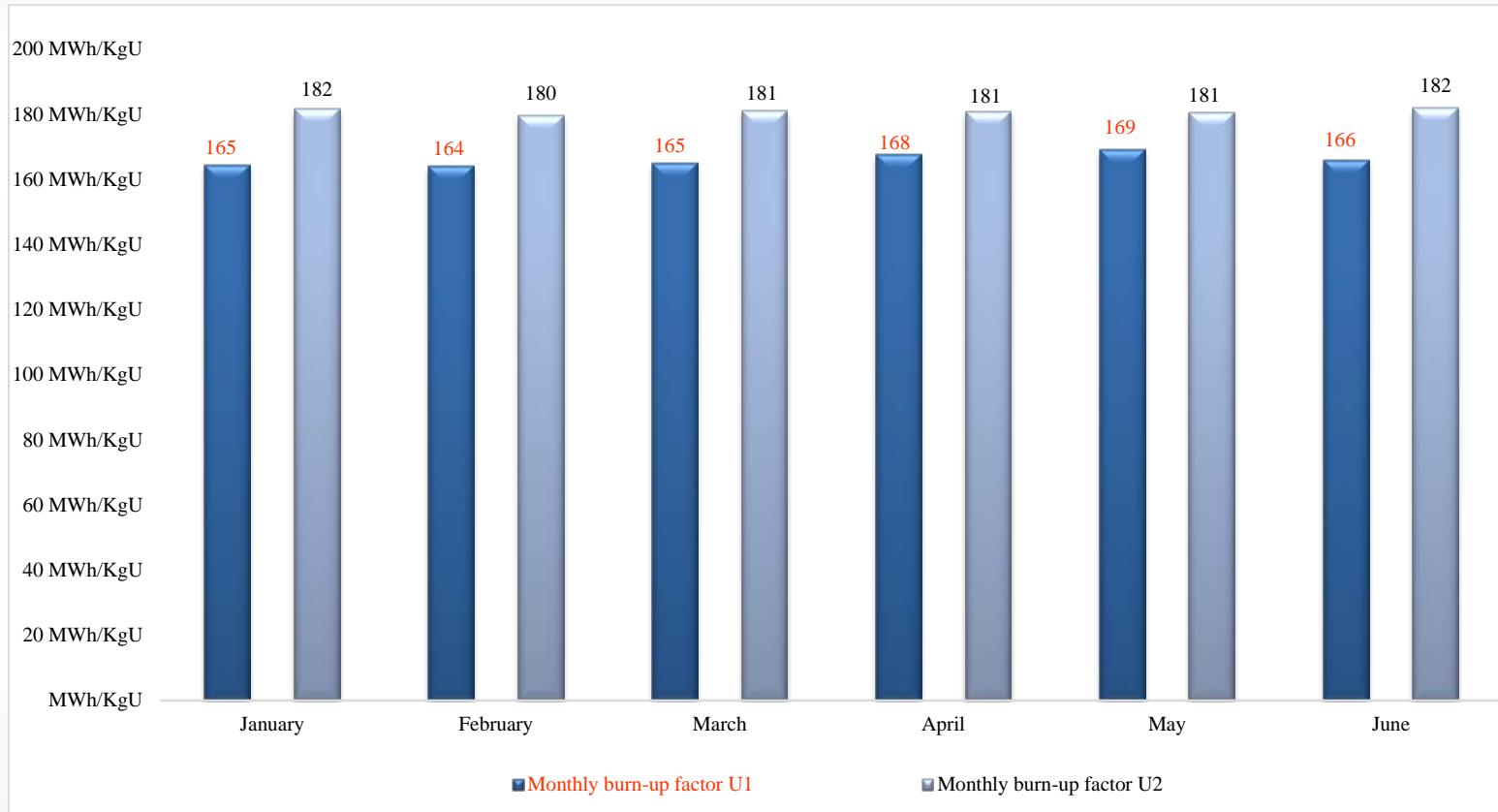


Total 6M 2021:	Anual limit:
3.99	250

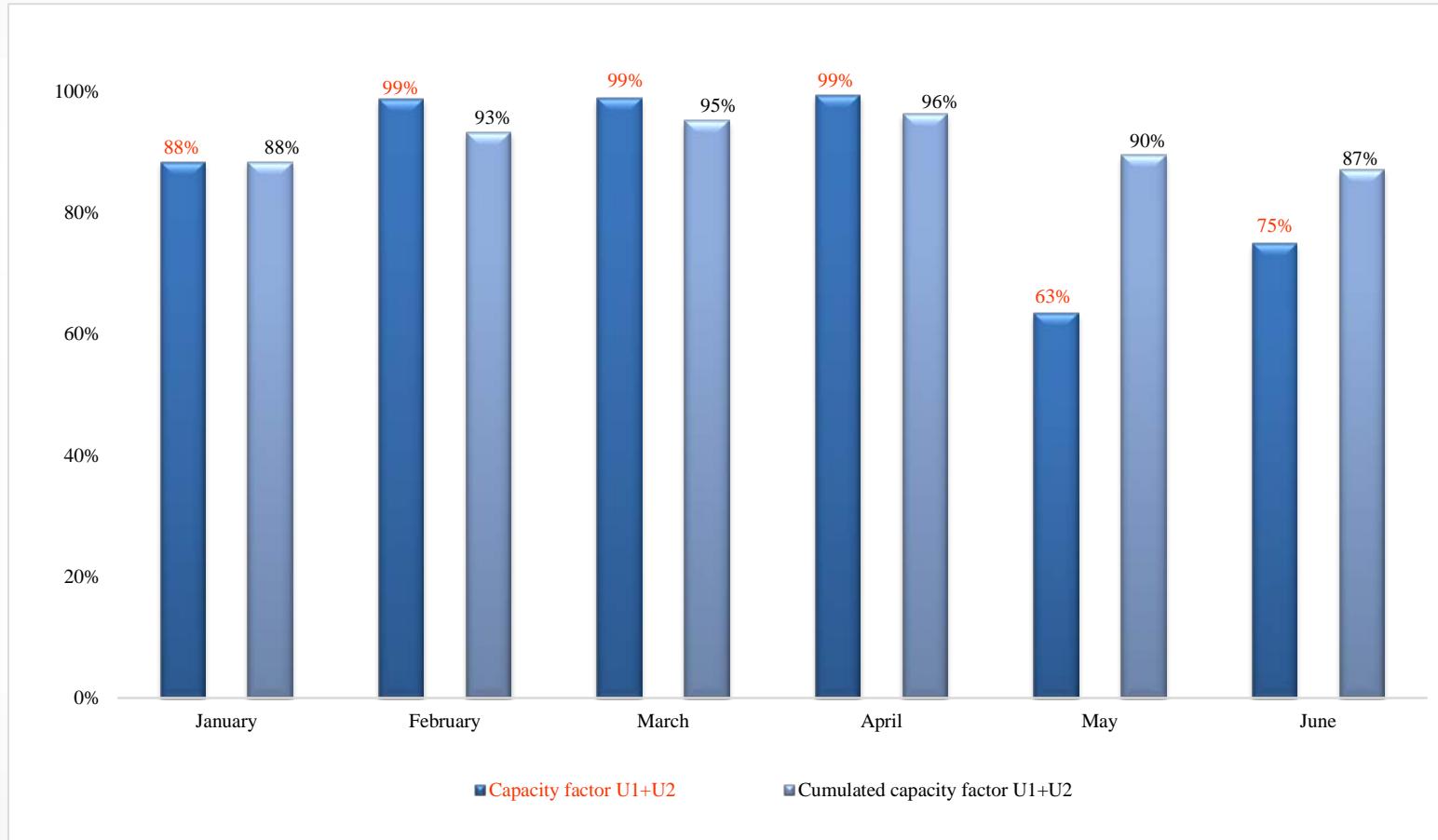
CNCAN authorized limit = 100 $\mu\text{Sv}/\text{year}/\text{unit} + 50 \mu\text{Sv}/\text{year DICA}$
Legal limit for population (as per Radioprotection Norm NSR01) = 1,000 $\mu\text{Sv}/\text{year}$

Nuclear fuel burn up factor (MWh/KgU)

(Cumulated 6M 2021: 174/Project estimated: min. 156)



CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 6M 2021: 87.14%)



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2021 Financial calendar

Event	Date
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

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Thank you!