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SNN Investors Day
Preliminary Unaudited Individual Financial
Statements as at and for the year ended
December 31, 2021

Bucharest: February 24, 2022

Executive Summary

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Financial Highlights

- 2021 Preliminary income statement -

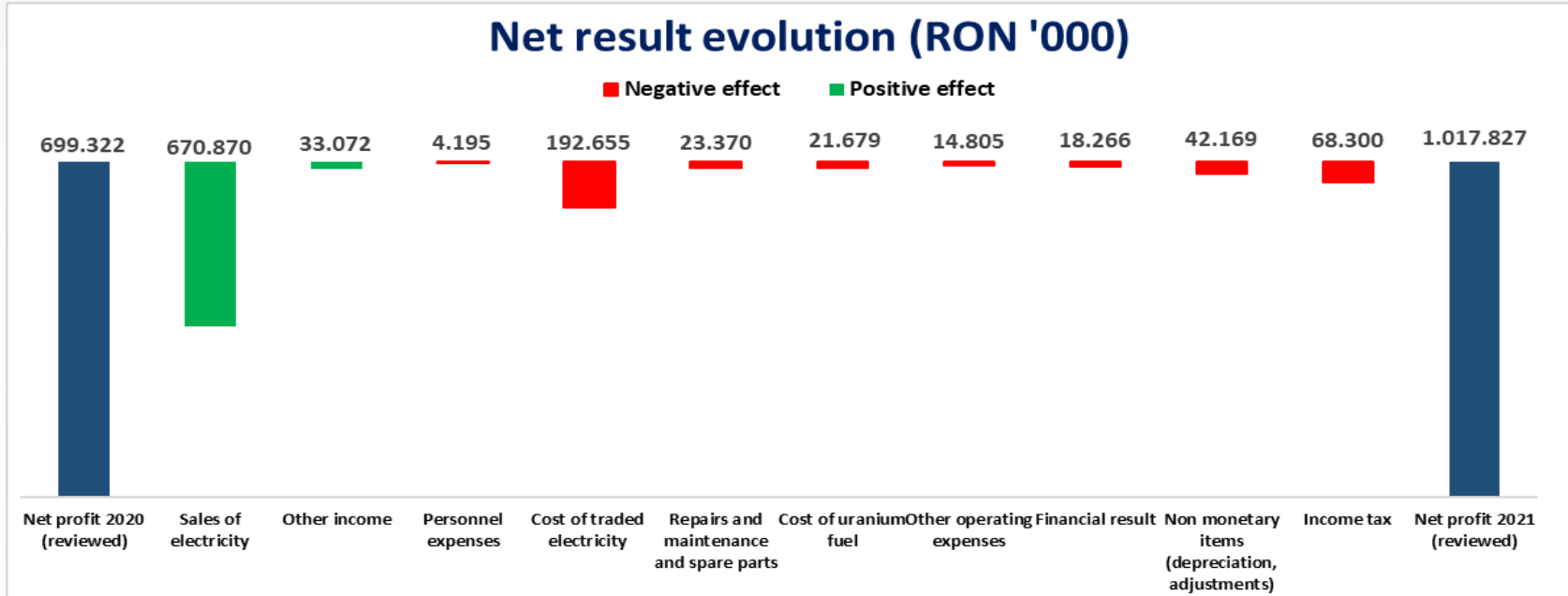
RON '000	12M ended 31.12.2021 (unaudited)	12M ended 31.12.2020 (audited)	Variation (%)	12M ended 31.12.2019 (audited)	Variation (%)	Budget 12M 2021* GSM no.11/28.09. 2021	Variation (%)
	1	2	3 = (1 - 2)/2	4	5 = (2 - 4)/4	6	7 = (1 - 6)/6
Revenues							
Sales of electricity **	3.103.150	2.432.279	27,6%	2.365.564	2,8%	2.900.395	7,0%
Electricity transmission revenues	13.490	13.725	(1,7%)	12.209	12,4%	13.504	(0,1%)
Total revenues	3.116.639	2.446.004	27,4%	2.377.772	2,9%	2.913.899	7,0%
Other income	87.240	54.168	61,1%	39.661	36,6%	61.592	41,6%
Operating expenses							
Personnel expenses	444.476	440.281	1,0%	425.597	3,5%	474.147	(6,3%)
Cost of traded electricity	249.251	56.596	340,4%	84.160	(32,8%)	212.493	17,3%
Repairs and maintenance	87.421	66.178	32,1%	63.140	4,8%	98.578	(11,3%)
Electricity transmission expenses	13.490	13.725	(1,7%)	12.209	12,4%	13.504	(0,1%)
Costs with spare parts	17.484	15.357	13,9%	16.312	(5,9%)	22.908	(23,7%)
Cost of uranium fuel	154.445	132.766	16,3%	106.123	25,1%	138.840	11,2%
Other operating expenses	493.745	459.126	7,5%	524.914	(12,5%)	521.367	(5,3%)
Total operating expenses	1.460.312	1.184.028	23,3%	1.232.455	(3,9%)	1.481.837	(1,5%)
EBITDA	1.743.568	1.316.144	32,5%	1.184.978	11,1%	1.493.654	16,7%
Depreciation and amortisation	567.105	544.752	4,1%	555.553	(1,9%)	572.028	(0,9%)
EBIT	1.176.462	771.392	52,5%	629.426	22,6%	921.626	27,7%
Finance costs	35.273	40.514	(12,9%)	65.487	(38,1%)	40.389	(12,7%)
Finance income	61.024	84.530	(27,8%)	67.337	25,5%	55.440	10,1%
Income tax charge, net	184.387	116.086	58,8%	95.608	21,4%	145.370	26,8%
Net profit	1.017.827	699.322	45,5%	535.667	30,6%	791.307	28,6%

* The Revenue and Expenditure Budget was initially approved by GSM no. 7/06.05.2021, subsequently rectified by GSM no. 11/28.09.2021.

** Including thermal energy.

Financial Highlights

- Net result evolution (increased by 45.5%) -



Net result benefited mainly from a significant increase of revenues from sales of electricity (including sales of thermal energy) and other income.

The negative impact is caused mainly by increase of cost of traded electricity, income tax, cost of repairs and spare parts, cost of uranium fuel, other operating expenses and personnel expenses.

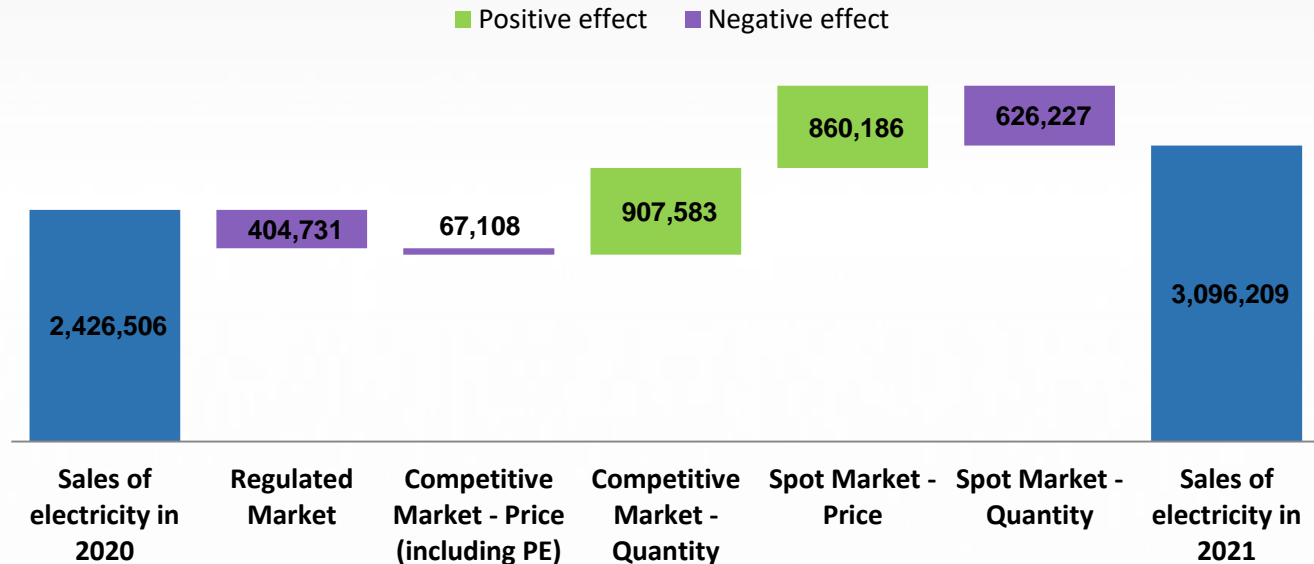
Financial Highlights

- 2021 Preliminary financial position -

RON '000	31.12.2021 (unaudited)	31.12.2020 (audited)	Variation (%)
	A	B	C = (A - B)/B
Total non-current assets	5.770.837	5.995.542	(3,7%)
Inventories	560.149	435.435	28,6%
Assets classified as held for sale	0	2.232	(100,0%)
Trade receivables	220.487	157.944	39,6%
Other financial assets at amortised cost	87.009	85.368	1,9%
Cash and cash equivalents (incl. deposits)	2.646.373	2.167.950	22,1%
Total current assets	3.514.019	2.848.928	23,3%
Total assets	9.284.856	8.844.469	5,0%
Share capital and premium	3.243.416	3.243.416	0,0%
Prepaid share reserve	21.554	21.554	0,0%
Revaluation reserve	170.144	198.800	(14,4%)
Retained earnings	4.629.643	4.055.916	14,1%
Total shareholder's equity	8.064.756	7.519.685	7,2%
Long term borrowings	130.135	290.479	(55,2%)
Long term lease liabilities	911	515	76,8%
Provisions for risks and expenses	245.823	235.410	4,4%
Other non-current liabilities	167.844	195.697	(14,2%)
Total non-current liabilities	544.712	722.101	(24,6%)
Accounts payable and other liabilities	437.456	333.298	31,3%
Current portion of provisions for risks and expenses	69.541	57.273	21,4%
Short term lease liabilities	264	118	124,3%
Current portion of long term borrowings	168.127	211.995	(20,7%)
Total current liabilities	675.388	602.684	12,1%
Total liabilities	1.220.100	1.324.784	(7,9%)
Total equity and liabilities	9.284.856	8.844.469	5,0%

Sales of electricity in 2021 increased by 27.6% compared to 2020

Electricity sales evolution (RON '000)



Electricity sales evolution from 2021 to 2020 was determined by:

- increase in total quantity of electricity sold by 1.1%, at an weighted average (w/out Tg) selling price by 26.2% higher;
- changes in sales structure (quantities sold), corroborated with price evolution, as follows:
 - 0.003% 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 2021 compared to 20.2% (2.181.607 MWh) in 2020, with 1.6% decrease of price;
 - sales on **Competitive Market** of 86.8% in 2021 compared to 54.7% in 2020 (increase of 61% from 2020 to 2021), with 4.7% decrease of price;
 - sales on **Spot Market** of 12.9% in 2021 compared to 24.8% in 2020 (decrease of 48% from 2020 to 2021), with 190% increase of price;
 - **Balancing Market (PE)**: without significant changes in sales and with 174% increase of price.

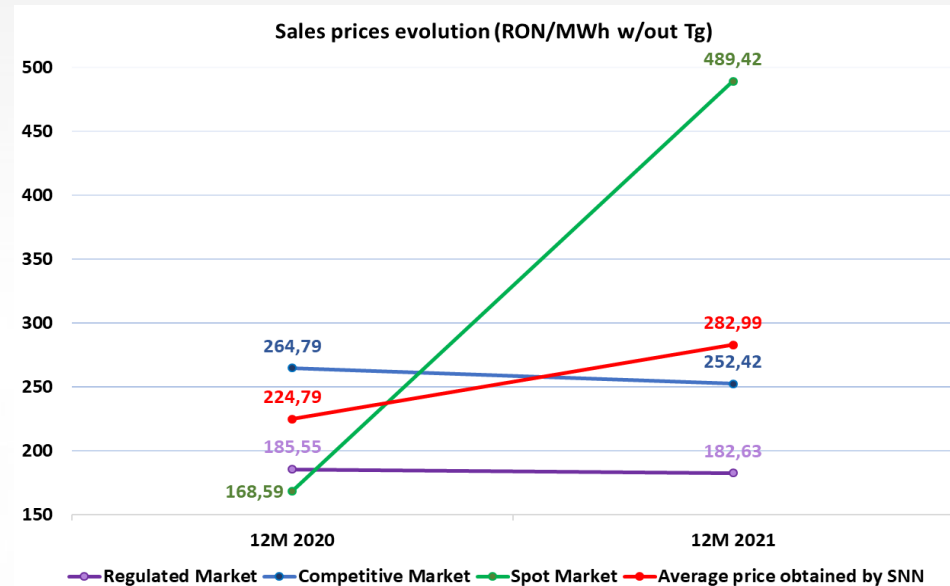
Sales structure analysis 2021 vs. 2020

The sale structure of 2021 is completely changed compared to 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 2021 86.8% of the total volume of electricity sold, compared to 54.7% recorded in 2020. The average selling price during this period was 252,42 RON/MWh (w/out Tg), recording a 4.7% decrease compared to the average price recorded in the same period of 2020, of 264,79 RON/MWh (w/out Tg).

On the **Spot Market (PZU + PI)**, in 2021 the quantities of electricity sold represented 12.9% of the total sales volume, compared to 24.8% in the same period of 2020. The average price on spot market, made by SNN in 2021 was 489.42 RON/MWh (w/out Tg), compared to 168.59 RON/MWh (w/out Tg) in 2020.



In 2021, SNN has exceeded the total budgeted quantity.

Quantities	12M 2021 Actual	12M 2021 Budgeted	Variation actual vs. Budgeted [%]	12M 2020 Actual	Variation comparative periods [%]
Regulated Market	361	361	-	2.181.607	(99,98%)
Competitive Market	9.485.453	9.459.313	0,28%	5.908.307	60,54%
Spot Market	1.405.204	1.425.780	(1,44%)	2.681.474	(47,60%)
Total	10.891.017	10.885.454	0,05%	10.771.388	1,11%

OPEX

Cost structure (RON '000)	2021 [1]	%	2020 [2]	% 3=[1-2]/2	Budget 2021 [4]	% 5=[1-4]/4
Depreciation and amortisation	567.105	28,0%	544.751	4,1%	572.028	(0,9%)
Personnel expenses	444.476	21,9%	440.281	1,0%	474.147	(6,3%)
Other operating expenses	305.144	15,1%	272.642	11,9%	336.565	(9,3%)
Cost of traded electricity	249.251	12,3%	56.596	340,4%	212.493	17,3%
Cost of uranium fuel	154.445	7,6%	132.766	16,3%	138.840	11,2%
ANDR contribution	102.230	5,0%	102.247	(0,0%)	103.155	(0,9%)
Repairs and maintenance	87.421	4,3%	66.178	32,1%	98.578	(11,3%)
Tehnological and non-tehnological water and energy	83.920	4,1%	80.010	4,9%	79.199	6,0%
Cost with spare parts	17.484	0,9%	15.358	13,8%	22.908	(23,7%)
Electricity transmission expenses	13.490	0,7%	13.725	(1,7%)	13.504	(0,1%)
ANRE contribution	2.452	0,1%	4.228	(42,0%)	2.449	0,1%
Total	2.027.417	100%	1.728.780	17,3%	2.053.865	(1,3%)

❑ **2021 OPEX higher with 17.3% compared to 2020 on the basis of:**

- **Depreciation and amortisation:** recorded a moderate increase of 4.1% due to the acquisition of new assets required in the plant operating process and also commissioning of new investments;
- **Personnel expenses:** increased by 1.0% as a direct result of increased number of employees.
- **Cost of traded electricity:** recorded a significant increase, subject of purchases of electricity and imbalances, thus:
 - **Larger purchases of electricity** in 2021, compared to 2020 (increase of 122 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 2021 was 547,501 MWh (2020: 247,013 MWh), at an average price of 359.79 RON/MWh (2020: 198.73 RON/MWh).
 - **Increase in expenses with imbalances of 70.8 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 2021.
- **Other operating expenses:** recorded an overall increase of 11.9%, 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 2021.

- **Cost of uranium fuel:** increased by 16.3% 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 2021 was 491,52 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 521.13 RON/kg consumed in 2020.
- **ANDR contribution** for decommissioning (0.6 EUR/MWh) and for permanent storage of radioactive waste (1.4 EUR/MWh), no variation;
- **Electricity transmission expenses:** recorded a slight decrease of 1.7% due to the decrease in the level of electricity sold in 2021, compared to 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).

CAPEX

Capital expenditure of SNN in 2021:

- 319.7 mil. RON in 2021 (in 2020: 223.9 mil. RON) out of total investment program of 356.8 mil. RON.
- Target level of 60% for 2021 has been exceeded.

CAPEX Program [thousand RON]	BVC 2021*) GSM no. 11/28.09.2021	Degree of completion 31.12.2021		BVC 2020	Degree of completion 31.12.2020	
Ongoing investments	211.855	189.364	89,4%	105.788	77.718	73,5%
Investments made on tangible assets	86.756	84.935	97,9%	132.278	109.967	83,1%
Equipments	58.164	45.380	78,0%	71.478	36.263	50,7%
Total value of investment program	356.774	319.679	89,6%	309.544	223.947	72,3%

* The Revenue and Expenditure Budget was initially approved by GSM no. 7/06.05.2021, subsequently rectified by GSM no. 11/28.09.2021.

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".
- In November 2021 was signed the first contract with Candu Energy, a member of the SNC-Lavalin group and the Design Authority of Units 3&4 and OEM of CANDU technology. Within the contract, Candu Energy will offer engineering services for the elaboration and updating of some documentations necessary to restart the CANDU Units 3&4 Project (among which updating the licensing basis documents, updating the Safety Design Guides, updating the list of safety related design changes etc.)

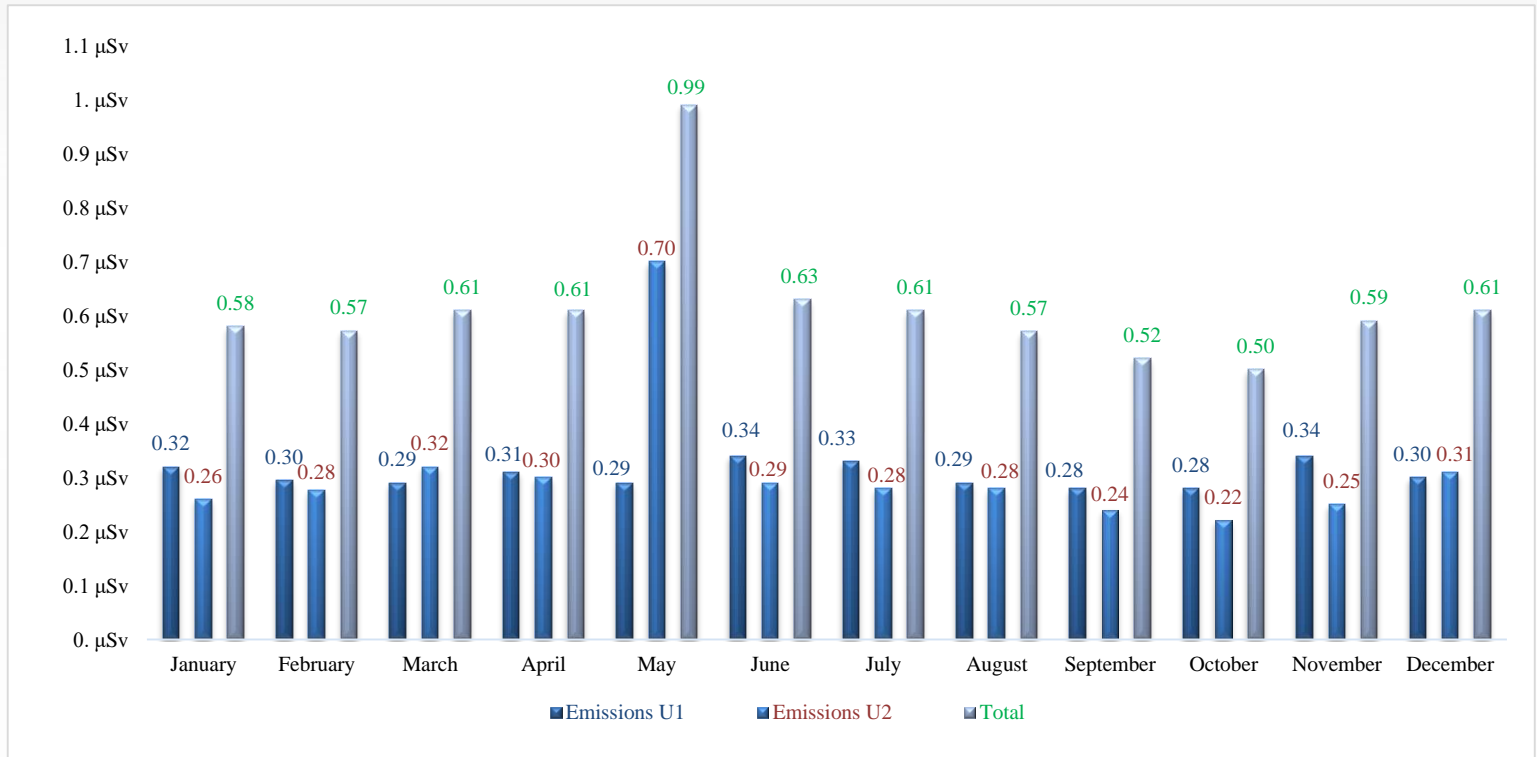
(*) On December 4, 2020 / December 9, 2020, was signed in Upper Marlboro / Bucharest, the Agreement between the Romanian Government and the USA Government on cooperation in connection with the nuclear power projects in Cernavoda and Romanian civil nuclear energy sector. By reference to the investment 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.
- On September, 2021, the SNN branch, the Uranium Concentrate Processing Factory Feldioara SRL, was established.

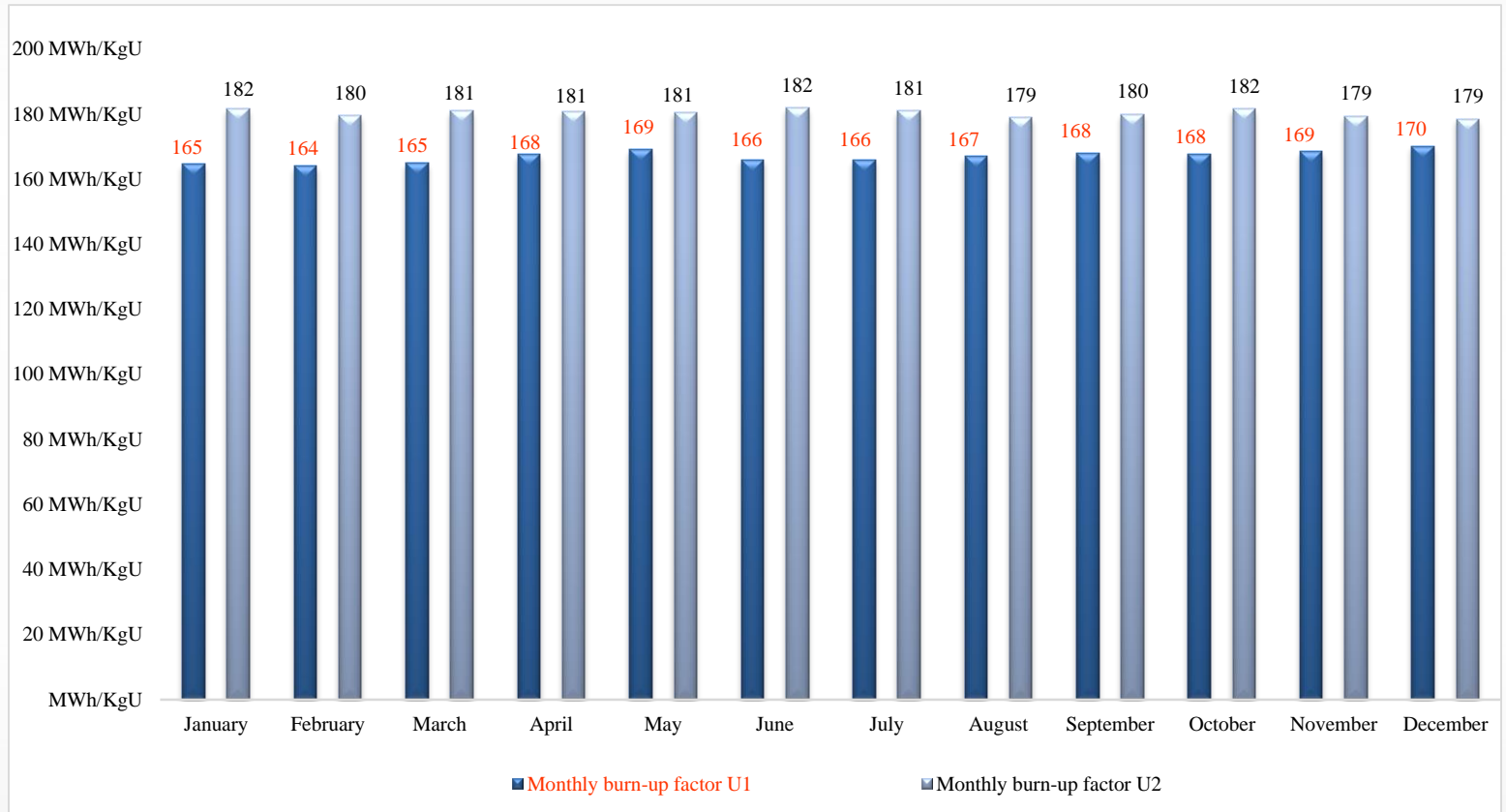
Radioactive emissions U1+U2 (μSv)



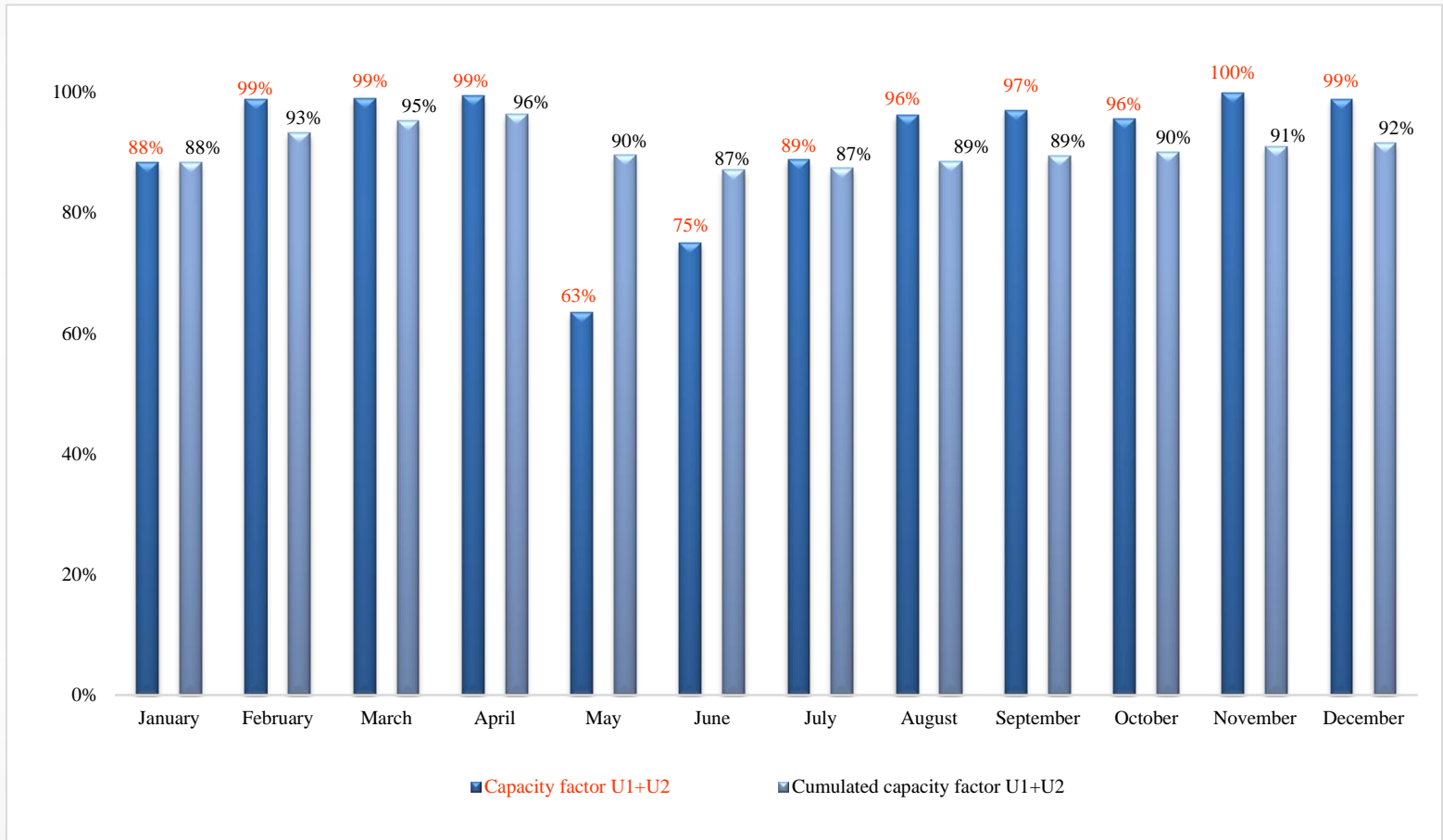
Total 2021:	Anual limit:
7.4	250

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 2021: 173/Project estimated: min. 156)



CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 2021: 91.6%)



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SNN Investor Relation

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2022 Financial calendar

Event	Date
General Meeting of the Shareholders for the approval of the Annual Audited Financial Statements for the financial year 2021.	24 April 2022 (Thursday)
Publication of the Annual Audited Financial Statements for the financial year 2021 Conference call Financial analysts, investment advisors, brokers and investors.	29 April 2022 (Thursday) Hour of the conference call: 16:00 Romania's time
Publication of the First Quarterly Report 2022 (January - March) Conference call Financial analysts, investment advisors, brokers and investors.	12 May 2022 (Thursday) Hour of the conference call: 16:00 Romania's time
Publication of the First Half - Year Report 2022 (January - June) Conference call Financial analysts, investment advisors, brokers and investors.	12 August 2022 (Friday) Hour of the conference call: 16:00 Romania's time
Publication of the Third Quarterly Report 2022 (January - September) Conference call Financial analysts, investment advisors, brokers and investors.	11 November 2022 (Friday) Hour of the conference call: 16:00 Romania's time



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Thank you!