



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 29, 2022

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, 2021

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the publication of the Annual Report for the financial year 2021, prepared in accordance with the provisions of Art. 65 of Law no. 24/2017, republished on August 10, 2021, and Annex no. 15 to ASF Regulation no. 5/2018

The annual report for the financial year 2021 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, 2021 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, 2021 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 for the year ended on December 31, 2021, which includes the Consolidated Financial Statements in ESEF format (European Single Electronic Format), may be accessed on the SNN website, in the section Relations with Investors/Financial Results/Financial Statements for 2021.

NUCLEARELECTRICA S.A. National Company

No. 65, Polona Street, District 1, 010494, Bucharest, Romania; Tel. +4021 203 82 00, Fax +4021 316 94 00;

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office@nuclearelectrica.ro, www.nuclearelectrica.ro

Main results

In 2021, SNN recorded a net profit of RON 1,036,262 thousand. 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, 2021, as follows:

Indicator [thousand RON]	2021 (audited)	2020 (audited)	Variation
Production (GWh)*	10,377	10,558	(1.7%)
Operating revenues, of which:	3,203,880	2,500,172	28.1 %
<i>Revenues from the sale of electricity**</i>	<i>3,103,150</i>	<i>2,432,279</i>	<i>27.6 %</i>
Operating expenses, less depreciation and amortization	(1,461,544)	(1,184,029)	23.4 %
EBITDA	1,742,336	1,316,143	32.4 %
Impairment and depreciation	(562,856)	(544,752)	3.3 %
EBIT	1,179,480	771,391	52.9 %
Net financial result	24,614	44,017	(44.1 %)
Net income tax expense	(167,832)	(116,086)	44.6 %
Net profit	1,036,262	699,322	48.2 %

*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 32.4 % as compared to the same period of the previous year, mainly following the increase of operating revenues by 28.1 %, influenced by the increase by 27.6 % of the revenues from the sale of electricity.

Operating revenues increased by 28.1 %. This increase was caused by the increase by 26 % of the weighted average price of the electricity sold in 2021, as compared to the weighted average price obtained in 2020 and the sale of a total quantity of electricity that was by 1.1 % higher.

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 RON 182.63/MWh (price without T_g)).

As compared to 2020, the quantity of electricity sold on the competition market of bilateral contracts increased by 61 %, given that the average sale price on this market was 4.7 % lower (price without Tg). The quantity of electricity sold by SNN on the spot market (DAM and IDM) in 2021 increased by 48 %, given that the average sale price on this market that was 190.3 % lower (price without Tg).

Operating expenses, minus impairment and amortization, increased by 23.4 % in 2021, as compared to the same period of 2020. This evolution is mainly determined by the increase of the expenses with purchased electricity, repair and maintenance expenses, expenses with nuclear fuel and other operating expenses.

The **financial result** (net financial revenues) decreased by 44.1 %, and negatively influenced the net result. The main currencies to which there are exposures are EUR and CAD.

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

Electricity output in 2021

The gross production of electricity of the two operational units of Cernavoda NPP was 11,284,320 MWh in 2021; from this gross output, the Units' own technological consumption during operation, as well as during the outages provided from the company's own production was 907 thousand MWh in 2021.

Thus, the electricity produced and delivered in the National Energy System ("NES") was of 10,377,214 MWh in 2021, as compared to 2020 (10,557,776 MWh), accounting for a 1.7 % decrease. The decrease is mainly explained by the cumulative operation of the Cernavoda NPP units in 2021, with 72 hours less than in 2020.

Energy Production in 2021:

Energy output	2021			2020		
	Unit 1	Unit 2	Total	Unit 1	Unit 2	Total
Gross production (GWh)	5,929	5,355	11,284	5,395	6,070	11,466
Net production (GWh)	5,450	4,951	10,401	4,963	5,611	10,575
Capacity factor (%)	96.19	87.02	91.61	87.29	98.32	92.81

Electricity sales in 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	0.003 %	183.93	66,347
Sales on the competitive market (bilateral contracts and sales on DAM and IDM), of which:	10,890,657	99.7 %	284.25	3,095,680,358
– Sales under CMBC – EA, CMBC – EA Flex, CMBC-CN, CM – OTC contracts and supply agreements	9,485,453	86.8 %	253.67	2,406,189,335
- Sales on DAM and IDM	1,405,204	12.9 %	490.67	689,491,023
Positive imbalances on BM ^{**)}	33,702	0.3 %	413.11	13,922,504
Total sales in 2021	10,924,719	100 %	284.65	3,109,669,209

^{*)} 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 revenues obtained from the electricity market related to electricity deliveries in 2021 are **RON 3,109,669,209** (of which RON 43,857 represent redistributed revenues resulting from balancing the system), 7.0 % higher than the revenues set out in the budget for 2021, and 27.4 % higher than the achievements of 2020.

The average weighted sale price, for the electricity quantities sold (without the regulated market and PE), resulted in 2021, is of **RON 284.25/MWh** (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN operated in 2021 (CMBC – EA, CMBC – EA Flex, CMBC-CN, CM – OTC, DAM and IDM), calculated according to the values published by OPCOM in the monthly market reports, is RON 361.38/MWh. In 2020, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was RON 236.03/MWh (including T_g).

The quantities of electricity sold on the **competitive market of bilateral contracts** represented in 2021 a percentage rate of 86.8 % out of the total volume of the electricity sold, compared to a percentage rate of 54.7 % recorded in 2020. The average sale price for bilateral contracts in this period was RON 253.67/MWh (including T_g), a decrease of 4.7 % compared to the average price recorded in 2020, of RON 266.05/MWh (including T_g); given that the value of the transportation fee for introducing electricity in the network T_g has remained unchanged since January 2020 (RON 1.30/MWh according to ANRE Order No. 218/December 11, 2019).

On the spot market (DAM and IDM), in 2021, a quantity of electricity representing 12.9 % of the total sales volume was sold, as compared to a percentage rate of 24.8 % recorded in 2020. The average sale price of energy on the spot market (DAM and IDM) achieved by SNN in 2021 was RON 490.67/MWh (including T_g), as compared to RON 169.88/MWh (including T_g) recorded in 2020.

Investment program

The total value of the investment program of SNN for 2021, approved by Resolution No. 7/May 6, 2021 of the Ordinary General Meeting of Shareholders of SNN S.A. was RON 433,860 thousand (without the component allocated to the payment of the debt service related to long-term loans).

Subsequently, Resolution No. 11/October 28, 2021 of the Ordinary General Meeting of Shareholders approved the rectification of the Revenue and Expenditure Budget for 2021. According to this rectification, the total value of the investment program of SNN for 2021 was resized to RON 356,774 thousand (without the component allocated to the payment of the debt service related to long-term loans).

The comparative statement of the investment accomplishments (value and percentage) for 2021 as compared to the same period of 2020 is presented in the table below:

Year	Value investment program [thousand RON]	Achieved (January, 1 - December 31) [thousand RON]	Achievement level (January, 1 - December 31) (%)
2021	356,774	319,679	89.6 %
2020	309,544	223,947	72.3%

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 NPP and Pitesti NFP), 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 2021, attached to the REB, was value-sized, considering the commitments of ongoing contractual, the estimates regarding the investment objectives to

be initiated during 2021, 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 regulatory authorities, legal deadlines for the 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

Cosmin Ghita
Chief Executive Officer