

NUCLEARELECTRICA
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**SNN Investors Teleconference
Individual Interim Financial Statements
as at and for the period of three months ended
March 31, 2022**

Bucharest: May 12, 2022

Executive Summary

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Financial Highlights

- 3M 2022 Income statement -

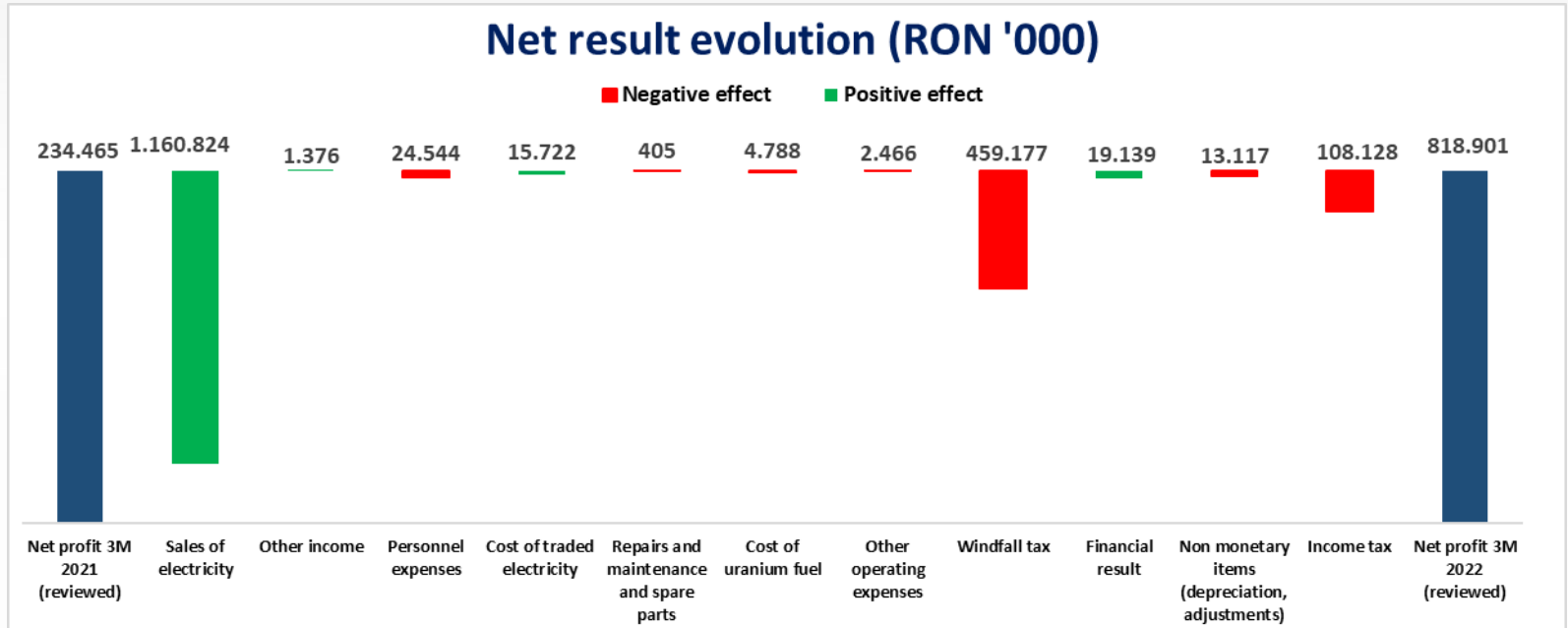
RON '000	3M ended 31.03.2022 (unaudited)	3M ended 31.03.2021 (unaudited)	Variation (%)	Budget 3M 2022*	Variation (%)
	1	2	3 = (1 - 2)/2	4	5 = (1 - 4)/4
Revenues					
Sales of electricity	1,844,368	683,544	169.8%	1,460,384	26.29%
Electricity transmission revenues	4,156	3,457	20.2%	4,095	1.49%
Total revenues	1,848,524	687,001	169.1%	1,464,479	26.22%
Other income	18,845	17,468	7.9%	1,814	938.85%
Operating expenses					
Personnel expenses	119,554	95,010	25.8%	(126,981)	(5.85%)
Cost of traded electricity	8,114	23,836	(66.0%)	(40,326)	(79.88%)
Repairs and maintenance	14,626	15,100	(3.1%)	(23,661)	(38.19%)
Electricity transmission expenses	4,156	3,457	20.2%	(4,095)	1.49%
Costs with spare parts	3,533	2,654	33.1%	(12,161)	(70.95%)
Cost of uranium fuel	43,957	39,168	12.2%	(41,046)	7.09%
Windfall tax expenses for electricity producers	459,177	-	-	(161,514)	184.29%
Other operating expenses	107,222	105,450	1.7%	(126,884)	(15.50%)
Total operating expenses	760,338	284,675	167.1%	(536,669)	41.68%
EBITDA	1,107,031	419,794	163.7%	929,624	19.08%
Depreciation and amortisation	150,904	137,093	10.1%	(144,124)	4.70%
EBIT	956,127	282,701	238.2%	785,501	21.72%
Finance costs	6,412	15,709	(59.2%)	(9,267)	(30.81%)
Finance income	25,108	15,267	64.5%	14,787	69.81%
Income tax charge, net	155,922	47,794	226.2%	(128,674)	21.18%
Net profit	818,901	234,465	249.3%	662,346	23.64%

* Revenue and Expenditure Budget for 2022 was approved through GSM no. 3/23.02.2022.

** Including thermal energy.

Financial Highlights

- Net result evolution (increased by 249.3%) -



The net profit benefited mainly of the high level of electricity prices, for similar quantity as previous comparative period, which had significant upward impacts on sale of electricity. However, SNN's profitability was partially offset by windfall tax (nil in 2021) and also by the correspondent increase in income tax.

Financial Highlights

- 3M 2022 Financial position -

RON '000	31.03.2022	31.12.2021	Variation
	(unaudited)	(audited)	(%)
	A	B	C = (A - B)/B
Total non-current assets	6,022,777	6,110,845	(1.4%)
Inventories	565,158	560,150	0.9%
Trade receivables	425,916	220,487	93.2%
Other financial assets at amortised cost	78,679	87,270	(9.8%)
Cash and cash equivalents (incl. deposits)	3,579,517	2,646,373	35.3%
Total current assets	4,649,271	3,514,280	32.3%
Total assets	10,672,048	9,625,125	10.9%
Share capital and premium	3,243,416	3,243,416	0.0%
Prepaid share reserve	21,554	21,554	0.0%
Revaluation reserve	437,399	451,743	(3.2%)
Retained earnings	5,481,794	4,648,549	17.9%
Total shareholder's equity	9,184,163	8,365,261	9.8%
Long term borrowings	94,975	130,135	(27.0%)
Long term lease liabilities	844	911	(7.3%)
Provisions for risks and expenses	250,562	245,823	1.9%
Other non-current liabilities	211,972	220,695	(4.0%)
Total non-current liabilities	558,353	597,564	(6.6%)
Accounts payable and other liabilities	674,329	424,369	58.9%
Current portion of provisions for risks and expenses	83,790	69,541	20.5%
Short term lease liabilities	262	264	(1.0%)
Current portion of long term borrowings	171,152	168,127	1.8%
Total current liabilities	929,532	662,300	40.3%
Total liabilities	1,487,885	1,259,864	18.1%
Total equity and liabilities	10,672,048	9,625,125	10.9%

Sales of electricity in 3M 2022 increased by 170.6% compared to 3M 2021

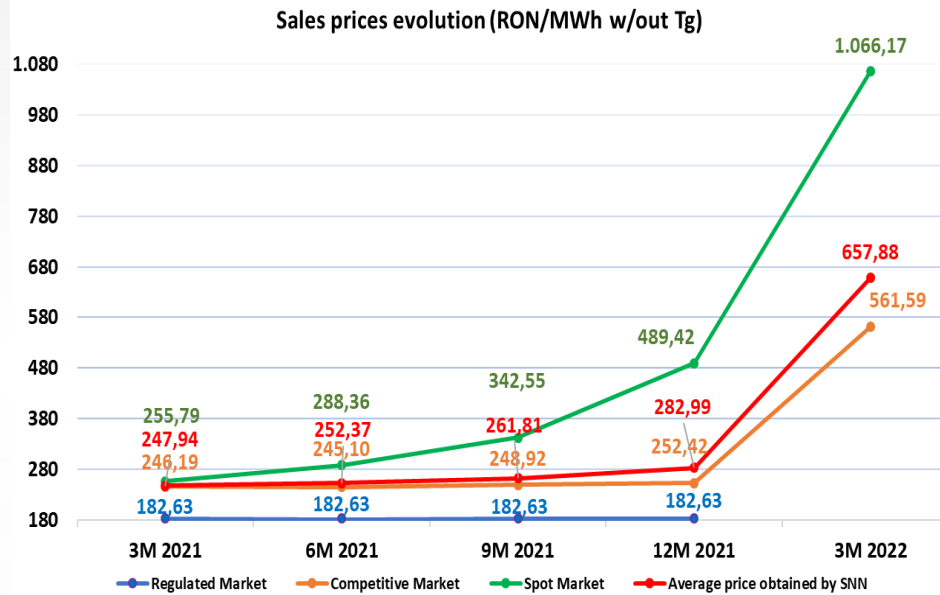
Electricity sales evolution (RON '000)



Electricity sales evolution from 3M 2021 to 3M 2022 was determined mainly by increase in weighted average selling price (w/out Tg) of 165.5%, for similar quantity of electricity sold (+1.9% in Q1'22 vs Q1'21):

- **Competitive Market:** 128.1% increase in price, without significant changes in quantity sold (+ 1%);
- **Spot Market:** 316.8% increase in price, with +6% increase in quantity sold;

Sales structure analysis 3M 2022 vs. 3M 2021



Sales structure of quantities sold

Quantities	3M 2022 Actual	3M 2022 Budgeted	Variation actual vs. Budgeted [%]	3M 2021 Actual	Variation comparative periods [%]
Regulated Market	0	0	-	361	(100,00%)
Competitive Market	2.257.438	2.324.393	(2,88%)	2.234.668	1,02%
Spot Market	532.387	464.632	14,58%	501.120	6,24%
Total	2.789.825	2.789.025	0,03%	2.736.149	1,96%

OPEX

RON ('000)	3M 2022 [1]	% in total OPEX	3M 2021 [2]	% 3=[1-2]/2	Budget 3M 2022 [4]	% 5=[1-4]/4
TOTAL OPEX, out of wich:	911,242		421,768	116.05%	680,792	33.85%
- Windfall tax expense	459,177	50.4%	-	-	161,514	184.3%
- Personnel expenses	119,554	13.1%	95,010	25.8%	126,981	(5.8%)
- Cost of uranium fuel	43,957	4.8%	39,168	12.2%	41,046	7.1%

Main impact on OPEX in Q1 2022 is coming from:

- Windfall tax:** representing a tax of 80% on the additional income resulting from the difference between the average monthly selling price of electricity obtained by SNN and the threshold price of RON 450 /MWh, settled in accordance with art. II of Law 259/29.10.2021 and calculated based on the methodology established by GEO no. 27/18.03.2022. Budgeted figures are as per initial budget approved by GMS no. 3/23.02.2022;
- Personnel expenses:** increased by 25.8% as a result of increased number of employees (9% increase of the average no of employees) and also SNN's commitments, following the salary increases approved in Dec 2021;
- Cost of uranium fuel:** increased by 12.2% due to increase in both the weighted average cost of fuel bundles, which comprises all cost components, and the quantities 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 3M 2022 was 571,57 RON/kg, coming from the existing stock as at January 1, 2022 and acquisitions during the period, compared to the average cost of 523,37 RON/kg consumed in 3M 2021.

CAPEX

Capital expenditure of SNN in 3M 2022:

- 99.8 mil. RON in 3M 2022 (in 3M 2021: 39.0 mil. RON) out of total investment program of 702.8 mil. RON.
- 14.2% completion degree; the target level for 3M 2022 was 10%.

CAPEX Program [thousand RON]	BVC 2022*)	Degree of completion 31.03.2022		BVC 2021**)	Degree of completion 31.03.2021	
Ongoing investments	502.115	87.466	17,4%	251.362	25.087	10,0%
Investments made on tangible assets	99.310	1.470	1,5%	90.811	2.285	2,5%
Equipments	101.369	10.823	10,7%	91.687	11.658	12,7%
Total value of investment program	702.795	99.759	14,2%	433.860	39.030	9,0%
*) Approved through GSM no. 3/23.02.2022;						
**) 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.
- By Extraordinary General Meeting Decision no. 4/23.02.2022, Shareholders of SNN approved the investment decision in the project for refurbishing Unit 1 of Cernavoda NPP. The version approved by the SNN shareholders included project amendments which provide, in addition to Scenario 1, an increase in the nuclear safety margins of the plant and take into account the new trends in increasing the robustness in terms of nuclear safety. The current cost for the implementation of Scenario 2 Enhanced Safety is of about 1.85 billion Euros, without taking into account the financing costs and the inflation rate update on the date when the refurbishment contract of Unit 1 of Cernavoda NPP is going to be signed.

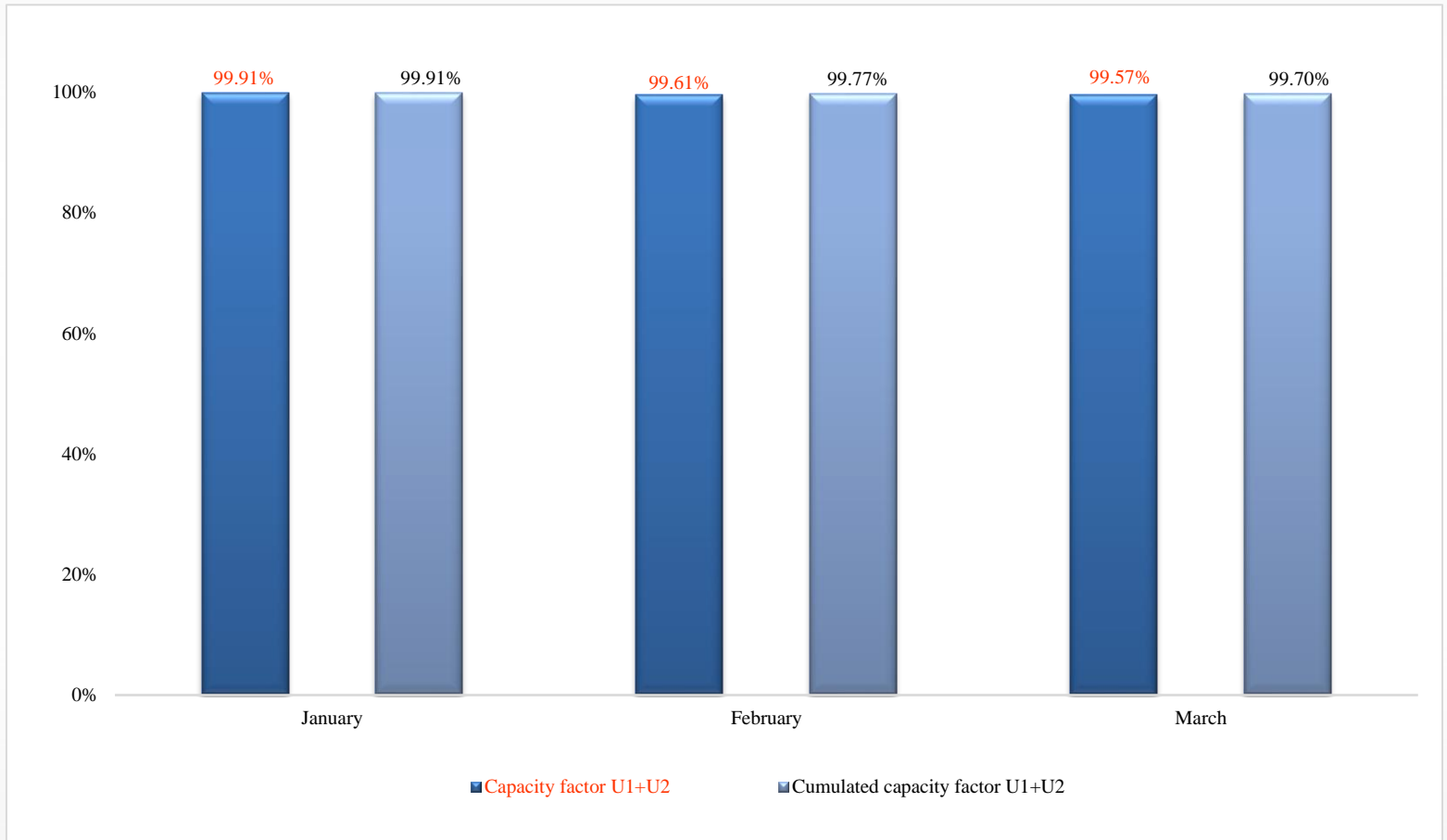
With the approval of the investment decision, SNN goes into the second phase of the project, namely ensuring the financial resources for the implementation of the Project for the Refurbishment of U1, preparing the performance of the activities that have been identified and defined for the refurbishment in Phase 1 and obtaining all the necessary approvals and authorizations for the implementation of this project.

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.)

(* 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.

CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 3M 2022: 99.70%)



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SNN Investor Relation

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2022 Financial calendar

Event	Date
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!