



NUCLEARELECTRICA

**Current Report in compliance with the provisions of art. 67 of the Law no. 24/2017 regarding issuers of financial instruments, republished and market operations and the ASF Regulation No. 5/2018 regarding issuers of securities and market operations
Report date: 12.08.2022**

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 2022

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 2022, prepared in accordance with the provisions of art. 67 of Law no. 24/2017, republished and with Appendix 14 to the ASF Regulation no. 5/2018, starting with **August 12, 2022**, as follows:

- In written format, by request, at the Bucharest Headquarters, 65 Polona Street, District 1, Communications and Public Relations Department;
- Electronically on the company’s website, in the “Investor Relations – 2022 Financial Results” section (www.nuclearelectrica.ro).

The Half-Yearly Report 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, 2022, 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”

- The Consolidated Interim Financial Statements on the date and for the six-month period ended on June 30, 2022, 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, 2022.

The main results

1. The financial results of the period

During the period of 6 months that ended on June 30, 2022, SNN recorded a net profit of 1,220,792 thousand lei, 216,8% higher than in the similar period of last year. The operation result (EBIT) has registered an increase of 208.8% and EBITDA an increase of 133.1% compared to the same period of last year.

During the period of 6 months that ended on June 30, 2022, SNN recorded a net profit of 1.2 billion RON (1,220,792 thousand RON).

Indicator [thousand RON]	6-month period that ended on June 30, 2022 (revised)	6-month period ended on June 30, 2021 (revised)	Variation
Production (GWh)*	4,779	4,890	(2.3%)
Operating revenues, of which:	3,140,335	1,382,537	127.1%
<i>Revenues from the sale of electric power**</i>	3,089,082	1,339,580	130.6%
Operating expenses, less depreciation and amortization and additional income tax	(846,625)	(649,746)	30.3%
Additional income tax expense	(585,811)	-	-
EBITDA	1,707,899	732,791	133.1%
Impairment and depreciation	(302,619)	(277,642)	9.0 %
EBIT	1,405,280	455,149	208.8%
Net financial result	50,293	9,327	439.2%
Corporate tax expense	(234,781)	(79,083)	196.9%
Net profit	1,220,792	385,393	216.8%

*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 133.1 % as compared to the same period of the previous year, mainly following the increase of operating revenues by 127.1 %, influenced by the increase by 130.6 % of the revenues from the sale of electricity. The increase of revenues was partially diminished by the increase of operating expenses, after recording the expense with the additional income tax as of January 2022 (see the details below regarding the expense with the additional income tax), and the value of this expense for January - June 2022 was 585,811 thousand RON (0 RON for January - June 2021), and by the increase of the cost of the electricity purchased in the analysed period, caused by the increase of purchase prices.

Operating revenues increased by 127.1 %. This increase was driven by the increase by 143% of the weighted average price, including Tg, of the electricity sold in the 1st half-year of 2022, as compared to the weighted average price from the same period of 2021.

In the first half-year of 2022, compared to the first half-year of 2021, the company sold a total quantity of electricity lower by 5.1%, because of electricity production lower by 2.3%, caused by the fact that in 2022 there was a scheduled stoppage of Unit 1, with a longer duration than the scheduled stoppage of Unit 2 in 2021.

The quantity of electricity sold on the competition market of bilateral contracts decreased by 4.6 % compared to the same period of the previous year, given that the average sale price on this market was 132,6% higher (price without Tg). The quantity of electricity sold by SNN on the spot market (PZU and PI) in the first half-year of 2022 increased by 7,7%, given that the average sale price on this market that was 179,0% lower (price without Tg).

Expense with the tax on additional revenues – following the application of the taxation rate of 80% on additional revenues resulted from the difference between the average monthly sale price of electricity and the price of 450 RON/MWh, according to art. II par. (1) of Law no. 259/2021, as further amended and supplemented, it resulted an expense with the tax on additional revenues of 585,811 thousand RON. The method for calculating this tax is set by GEO No. 27/2022 (Annex 6) and is applied, according to art. 4 of GEO no. 27/2022 in period November 1, 2021 – March 31, 2023. The company met the application criteria as of January 2022.

The operating expenses, except for impairment, amortization and the expense with the tax on additional revenues, increased by 30.3% in the 1st half-year of 2022, compared to the same period of 2021, mainly caused by the increase of expenses with the purchased electricity, caused by the increase of the purchase prices.

Impairment and amortization increased by 9%, following the effects of the asset evaluation as of 31.12.2021, which caused the increase of the asset value, and implicitly the increase of the expense with their amortization.

The **financial result** positively influenced the net result, so that in the first half-year of 2022, net financial revenues were recorded, a 439.2% increase compared to the similar period of the previous year, following the obtained revenues from interests. 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 first half-year of 2022 compared to the one calculated for the first half-year of 2021.

2. Electricity sales (quantities, prices and values) in the first half of 2022

Sales by types	Quantities in MWh	% of total sales	Average price [Ron/MWh with T _g included]	Revenues from sales [Ron]
Sales on the competitive market (bilateral contracts and PZU and PI contracts), out of which:	5,008,494	99.69%	615.40	3,082,248,250
– Sales under CMBC – EA, CMBC – EA Flex, CMBC-CN, CM – OTC contracts, directly negotiated contracts and supply contracts	4.189.745	83.40%	534.46	2.239.236.541
- Sales on DAM and IDM	818.749	16.30%	1,029.63	843,011,709
PE positive imbalances	15,475	0.31%	754.02	11,668,698
Total sales in the first half-year of 2022	5.023.969	100 %	615.83	3.093.916.948

The electricity quantity sold based on contracts, on the spot market (PZU and PI) and on PE is 5,023,969 MWh, 4.2% more than the sales program, of 4,823,423 MWh (sized on the production estimate, without estimating unplanned outages) and by 5.1% lower than the electricity quantity sold in the first semester of 2021.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (244.7 thousand MWh) is represented by the electricity purchased for the full coverage of the contractual obligations, an electricity quantity that was purchased 89 % from the spot market, 6 % on PE and 5% by term contracts.

The revenues obtained from the electricity market related to the deliveries of electricity in the first half-year of 2022 are of RON 3,093,916,948, 28.1% higher than the budget revenues for HY1 2022, and 130,6 % higher than the results from the first half-year of 2021, respectively.

The average weighted sale price, for the quantities of electricity sold (without the BM), resulted in the first half-year of 2022, is **615.40 RON/MWh** (including T_g). For comparison, the weighted average price of all the transactions performed on the markets on which SNN mainly operated in the first half-year of 2022 (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 752.07 RON/MWh. In the first half-year of 2021, the average weighted sale price, for the energy quantities sold (without the regulated market and PE) was 253.61 lei/MWh (including T_g).

The electricity quantities sold on the competitive market of bilateral contracts represented in the first half-year of 2022 a percentage rate of **83.40%** out of the total volume of the sold electricity, compared to a percentage rate of 82.97% recorded in the first half-year of 2021. The average sale price for bilateral contracts in this period was **534.46 RON/MWh** (T_g included), an increase of 117 % compared to the average price recorded in the first half-year of 2021, of 246.34 RON/MWh (T_g included); considering that the value of the transportation fee for introducing electricity in the T_g network was 1.30 RON/MWh starting with January 2020 (according to ANRE Order No. 218/December 11, 2019), and as of January 1, 2022, 1.49 RON/MWh (according to ANRE Order No. 124/November 25, 2021) and 2.53 RON/MWh as of April 1, 2022 (according to ANRE order no. 33/23.03.2022).

On the **spot market (PZU and PI)**, in the 1st half-year of 2022, a quantity of electricity representing **16.30%** of the total sale volumes was sold, as compared to the percentage share of 16.76% recorded in the 1st half-year of 2021. The average energy selling price on the spot market (PZU and PI) achieved by SNN in the first half-year of 2022 was **1.029.63 lei/MWh** (T_g included), compared to 289.60 lei/MWh (T_g included) recorded in the first half-year of 2021.

3. The degree of achievement of the investments at the end of the first half of 2022

The total value of the investment program of SNN for 2022 is RON 702,795 thousand (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution No. 4/February 23, 2022 of the Ordinary General Meeting of Shareholders of SNN, as part of the Revenue and Expenditure Budget ("REB") of SNN for 2022.

The comparative situation of the investment accomplishments (value and percentage) for the first half-year of 2022 compared to the same period of 2021 is presented in the table below:

Year	Value of Investment Program [thousand RON]	Achieved (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2022	702,795	363,882	51.8%
2021	433,860	179,887	41.5%

When sizing the investment development program, SN Nuclearelectrica S.A. considered the necessities of the branches (Cernavoda NPP and Pitesti NFF) regarding production continuity, and reaching a high level of utilization of the production capacity (EAF Energy Availability Factor), respectively, in compliance with the nuclear safety regulations and the long-term maintenance of the level of excellence in the operation of the plant, the purchase of assets corresponding to the Feldioara Branch belonging to Compania Nationala a Uraniului S.A., and the transfer in the corporate assets of the Branch of the Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara S.R.L., branch set up by S.N. Nuclearelectrica S.A., as well as the contribution to the share capital of Nuclearelectrica Serv SRL and EnergoNuclear S.A. At the same time, the development program also caters for the necessity to upgrade/refurbish certain systems, which, for both economic reasons (specific consumption reductions, improvement of certain parameters related to the processes served, with a positive impact on efficiency), and legal ones, require the implementation of improvements 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 Public Relations Department, e-mail: investor.relations@nuclearelectrica.ro.

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