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**SNN Investors Teleconference
Individual Interim Reviewed Financial Statements
as at and for the period of six months ended
June 30, 2022
- H1 2022 -**

Bucharest: August 12, 2022

Executive Summary

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Financial Highlights - 6M 2022 Income statement -

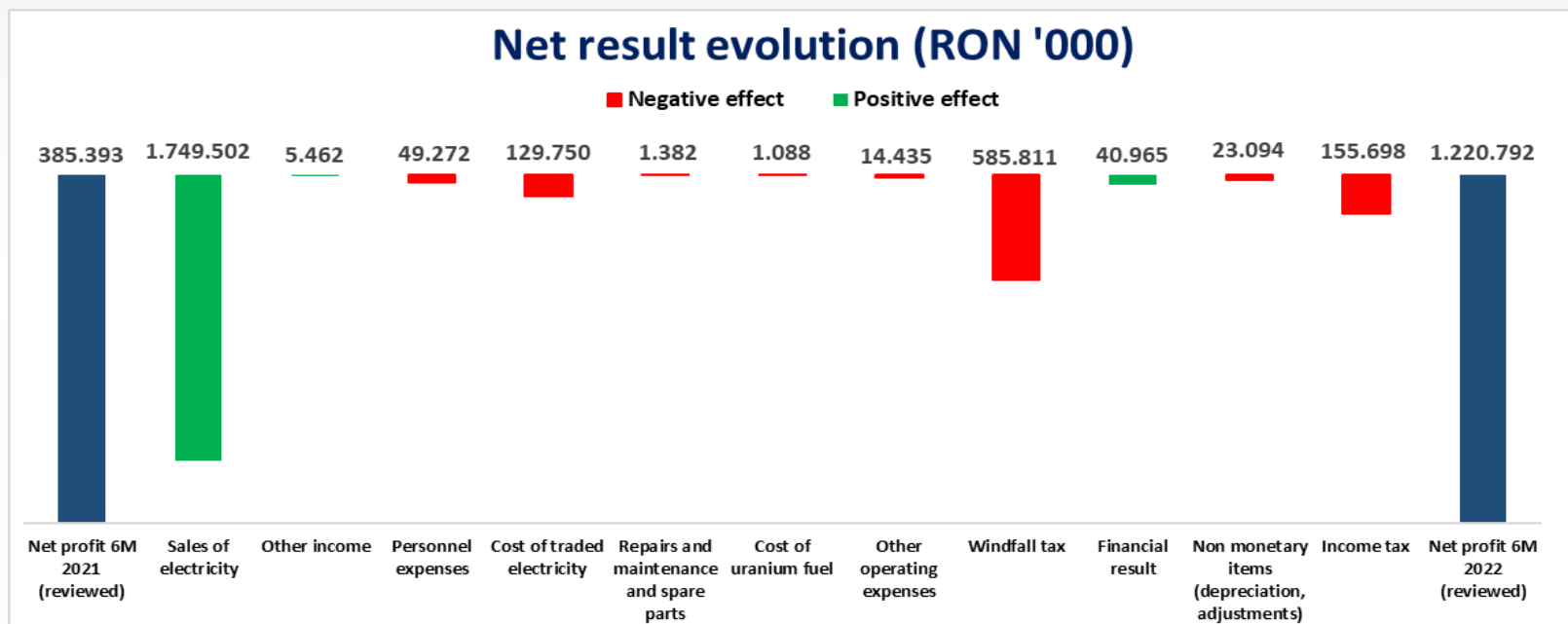
RON '000	6M ended 30.06.2022 (revised)	6M ended 30.06.2021 (revised)	Variation (%)	Budget 6M 2022*	Variation (%)
	1	2	3 = (1 - 2)/2	5	6 = (1 - 5)/5
Revenues					
Sales of electricity **	3.089.082	1.339.580	130,6%	2.411.931	28,1%
Electricity transmission revenues	9.190	6.356	44,6%	6.948	32,3%
Total revenues	3.098.272	1.345.937 ▲	130,2%	2.418.878	28,1%
Other income	42.063	36.600	14,9%	28.756	46,3%
Operating expenses					
Personnel expenses	243.061	193.789	25,4%	259.735	(6,4%)
Cost of traded electricity	252.870	123.120	105,4%	237.756	6,4%
Repairs and maintenance	42.681	46.062	(7,3%)	55.883	(23,6%)
Electricity transmission expenses	9.190	6.356	44,6%	6.948	32,3%
Costs with spare parts	15.528	10.764	44,3%	20.105	(22,8%)
Cost of uranium fuel	72.022	70.934	1,5%	78.230	(7,9%)
Windfall tax expenses for electricity producers	585.811	-	-	161.514	262,7%
Other operating expenses	211.273	198.720	6,3%	274.021	(22,9%)
Total operating expenses	1.432.435	649.746 ▲	120,5%	1.094.192	30,9%
EBITDA	1.707.899	732.791 ▲	133,1%	1.353.443	26,2%
Depreciation and amortisation	302.619	277.642	9,0%	291.000	4,0%
EBIT	1.405.281	455.148 ▲	208,8%	1.062.443	32,3%
Finance costs	14.939	22.484	(33,6%)	18.543	(19,4%)
Finance income	65.232	31.811	105,1%	30.570	113,4%
Income tax charge, net	234.781	79.083	196,9%	172.818	35,9%
Net profit	1.220.792	385.393 ▲	216,8%	901.651	35,4%

* 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 216.8%) -



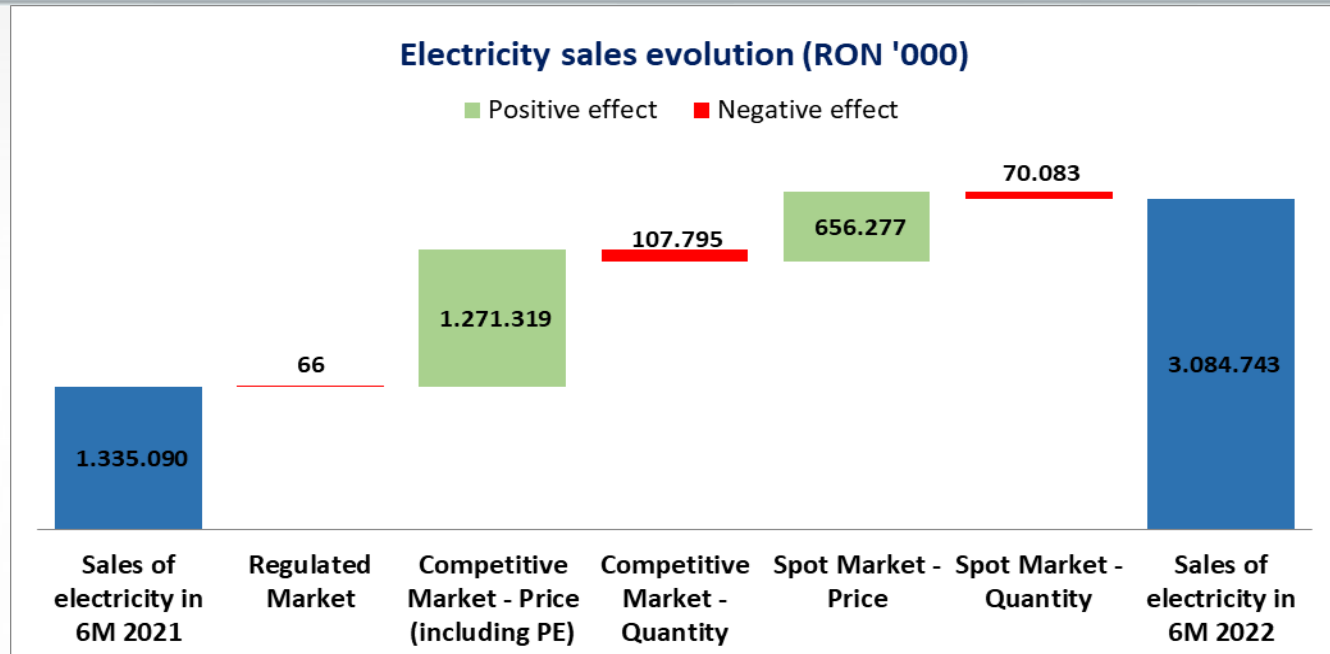
The net profit benefited mainly of the high level of electricity prices, for similar quantity as previous comparative period, which had significant upward impacts on sale of electricity. However, SNN's profitability was partially offset by windfall tax (nil in 2021) and also by the correspondent increase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

Financial Highlights

- 6M 2022 Financial position -

RON '000	30.06.2022 (revised)	31.12.2021 (audited)	Variation (%)
	A	B	C = (A - B)/B
Total non-current assets	6.108.235	6.110.845	(0,0%)
Inventories	591.042	560.150	5,5%
Trade receivables	237.480	220.487	7,7%
Other financial assets at amortised cost	107.166	87.270	22,8%
Cash and cash equivalents (incl. deposits)	3.154.109	2.646.373	19,2%
Total current assets	4.089.797	3.514.280	16,4%
Total assets	10.198.032	9.625.125	6,0%
Share capital and premium	3.243.416	3.243.416	0,0%
Prepaid share reserve	21.554	21.554	0,0%
Revaluation reserve	423.056	451.743	(6,4%)
Retained earnings	5.302.103	4.648.549	14,1%
Total shareholder's equity	8.990.128	8.365.261	7,5%
Long term borrowings	97.424	130.135	(25,1%)
Long term lease liabilities	780	911	(14,4%)
Provisions for risks and expenses	255.149	245.823	3,8%
Other non-current liabilities	207.805	220.695	(5,8%)
Total non-current liabilities	561.159	597.564	(6,1%)
Accounts payable and other liabilities	483.322	424.369	13,9%
Current portion of provisions for risks and expenses	73.124	69.541	5,2%
Short term lease liabilities	260	264	(1,5%)
Current portion of long term borrowings	90.039	168.127	(46,4%)
Total current liabilities	646.745	662.300	(2,3%)
Total liabilities	1.207.904	1.259.864	(4,1%)
Total equity and liabilities	10.198.032	9.625.125	6,0%

Sales of electricity in 6M 2022 increased by 131.1% compared to 6M 2020



Electricity sales evolution from 6M 2021 to 6M 2022 was determined mainly by increase in weighted average selling price (w/out Tg) of 143.12%, for similar quantity of electricity sold (-5.1% in S1'22 vs S1'21):

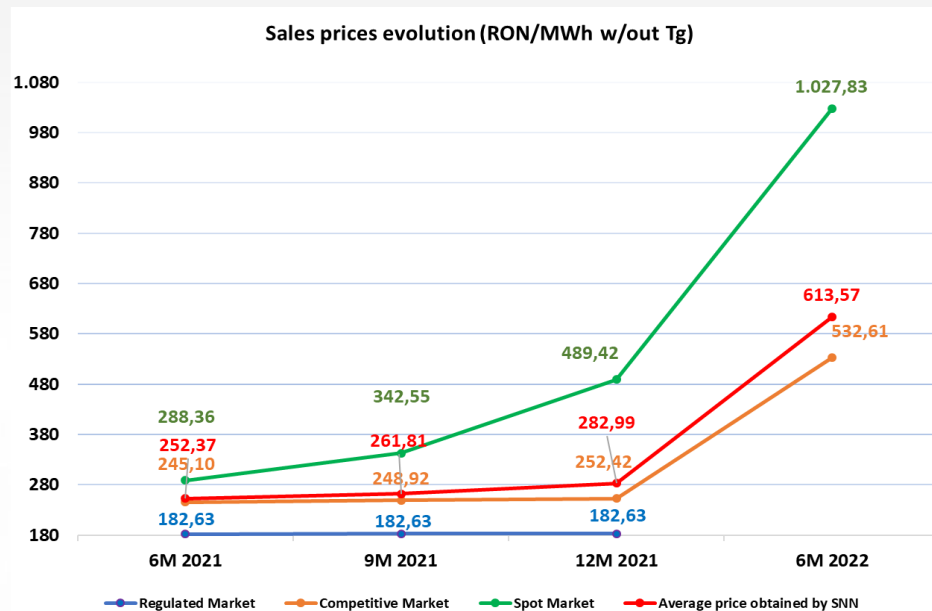
- **Competitive Market:** 117% increase in price, with 5% decrease in quantity sold;
- **Spot Market:** 256% increase in price, with 6% decrease in quantity sold;

Sales structure analysis 6M 2022 vs. 6M 2021

The sale structure of 6M 2022 is similar to 6M 2021, with minor variation on the regulated market, as a small quantity was sold in January 2021 (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 the first semester of 2022, 83.4% of the total volume of electricity sold, compared to 82.9% recorded in the first semester of 2021. The average selling price during this period was 532.62 RON/MWh (w/out Tg), recording a 117% increase compared to the average price recorded in the same period of 2021, of 245.10 RON/MWh (w/out Tg).

On the **Spot Market (PZU + PI)**, in the first semester of 2022 the quantities of electricity sold represented 16.3% of the total sales volume, compared to 16.8% in the same period of 2021. The average price on spot market, achieved by SNN in the first semester of 2022 was 1,027.83 RON/MWh (w/out Tg), compared to 288.36 RON/MWh (w/out Tg) in 6M 2021.



Sales structure of quantities sold

Quantities	6M 2022 Actual	6M 2022 Budgeted	Variation actual vs. Budgeted [%]	6M 2021 Actual	Variation comparative periods [%]
Regulated Market	0	0	-	361	(100,00%)
Competitive Market	4.189.745	4.362.868	(3,97%)	4.391.212	(4,59%)
Spot Market	818.749	623.198	31,38%	886.815	(7,68%)
Total	5.008.494	4.986.066	0,45%	5.278.388	(5,11%)

OPEX

Cost structure (RON '000)	6M 2022 [1]	%	6M 2021 [2]	% 3=[1-2]/2	Budget 6M 2022 [4]	% 5=[1-4]/4
Windfall tax expenses for electricity producers	585.811	33,8%	0	0,0%	161.514	262,7%
Depreciation and amortisation	302.619	17,4%	277.642	9,0%	291.000	4,0%
Cost of traded electricity	252.870	14,6%	123.120	105,4%	237.756	6,4%
Personnel expenses	243.061	14,0%	193.789	25,4%	259.735	(6,4%)
Other operating expenses	117.114	6,7%	107.016	9,4%	178.461	(34,4%)
Cost of uranium fuel	72.022	4,2%	70.934	1,5%	78.230	(7,9%)
ANDR contribution	50.614	2,9%	50.947	(0,7%)	51.963	(2,6%)
Repairs and maintenance	42.681	2,5%	46.062	(7,3%)	55.883	(23,6%)
Tehnological and non-tehnological water and energy	41.992	2,4%	39.531	6,2%	42.038	(0,1%)
Cost with spare parts	15.528	0,9%	10.764	44,3%	20.105	(22,8%)
Electricity transmission expenses	9.190	0,5%	6.356	44,6%	6.948	32,3%
ANRE contribution	1.553	0,1%	1.226	26,7%	1.559	(0,4%)
Total	1.735.054	100%	927.389	87,1%	1.385.192	25,3%

❑ 6M 2022 OPEX higher with 87.1% compared to 6M 2021 on the basis of:

- **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;
- **Depreciation and amortisation:** recorded a significant increase of 9% due to the acquisition of new assets required in the plant operating process and also commissioning of new investments;
- **Personnel expenses:** increased by 25.4% as a result of increased number of employees (11.2% increase of the average no of employees) and also SNN's commitments, following the salary increase made in December 2021.
- **Cost of uranium fuel:** increased by 1.5% 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 6M 2022 was 589.83 RON/kg, coming from the existing stock as at January 1, 2022 and acquisitions during the period, compared to the average cost of 504.70 RON/kg consumed in 6M 2021.;
- **ANDR contribution** for decommissioning (0.6 EUR/MWh) and for permanent storage of radioactive waste (1.4 EUR/MWh), no notable variation;
- **Technological and non-technological water and energy:** 6.2% increase due to higher utility prices recorded in 6M 2022.
- **Cost of traded electricity:** recorded a significant increase of 105.4%, due to:
 - **Smaller purchases of electricity but at a larger prices** in 6M 2022, compared to 6M 2021 (**increase of 122 mil. RON**), to cover contractual obligations during unplanned outage of U1 in 6M 2022. The total amount of electricity purchased in 6M 2022 was 230,013 MWh (6M 2021: 380,180 MWh), at an average price of 1,026.59 RON/MWh (6M 2021: 299.70 RON/MWh).
 - **Increase in expenses with imbalances of 7,6 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 2022.
- **Electricity transmission expenses:** recorded a significant increase of 44.6% due to the increase in the level the transmission tariff into the grid (from 1.30 RON/MWh in 6M 2021 to 1.49 RON/MWh in the first quarter of 2022 and 2.53 RON/MWh in the second quarter of 2022).
- **ANRE contribution:** recorded a significant increase, of 26.7%, as a direct result of the turnover growth. The tax is calculated as 0.1% of the previous annual turnover, for both years.
- **Cost with spare parts, repairs and maintenance:** recorded an overall increase, correlated with the repairs and maintenance program and with the needs in 2022.

CAPEX

Capital expenditure of SNN in 6M 2022:

- 363.9 mil. RON in 6M 2022 (in 6M 2021: 179.9mil. RON) out of total investment program of 668.7 mil. RON.
- Target level of 20% for 6M 2022 has been exceeded.

CAPEX Program [thousand RON]	BVC 2022*)	Degree of completion 30.06.2022		BVC 2021**)	Degree of completion 30.06.2021	
Ongoing investments	477.468	251.880	52,8%	251.362	98.744	39,3%
Investments made on tangible assets	99.310	51.149	51,5%	90.811	58.874	64,8%
Equipments	91.687	60.853	66,4%	91.687	22.270	24,3%
Total value of investment program	668.465	363.882	54,4%	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.

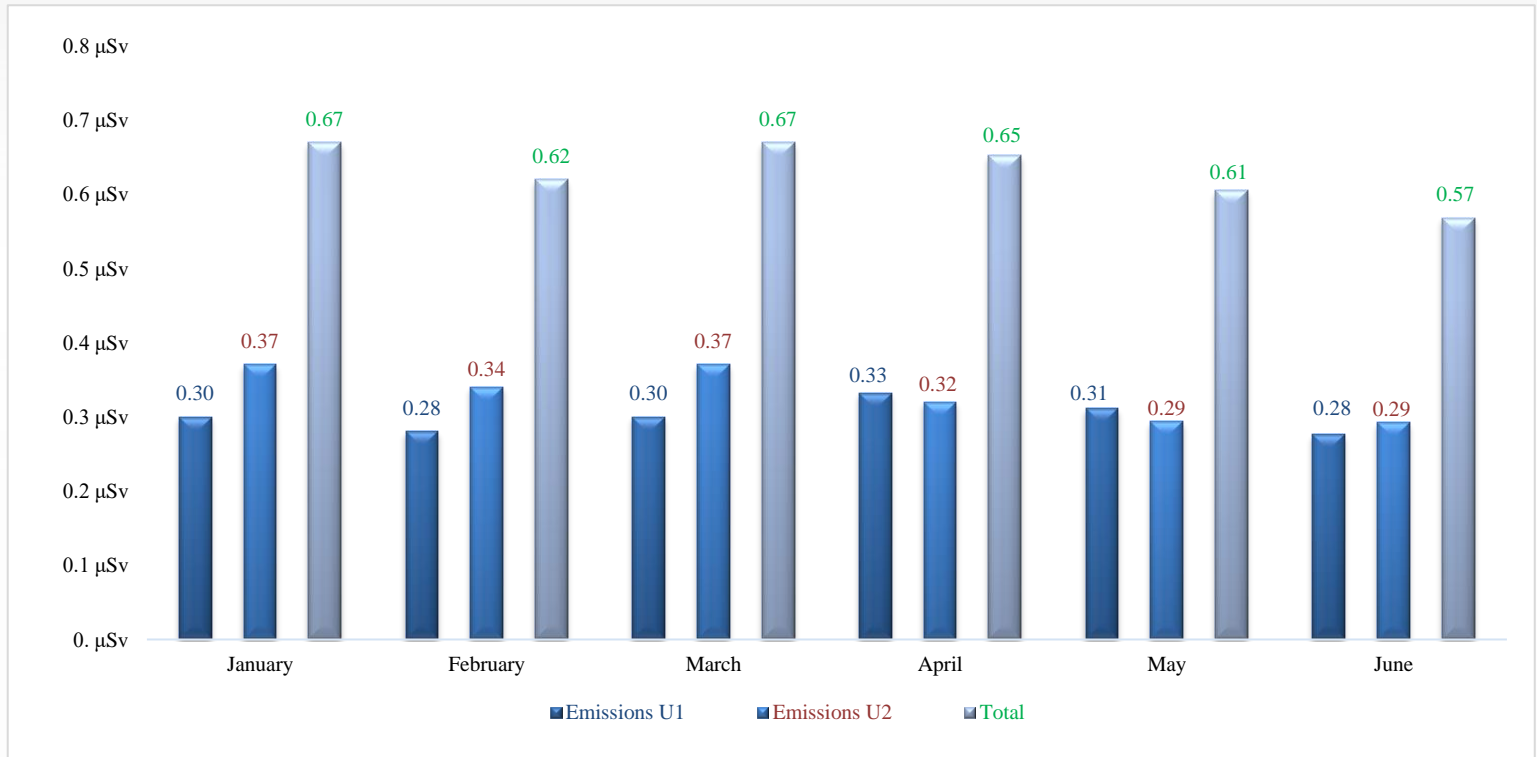
With the approval of the investment decision, SNN goes into the second phase of the project, namely ensuring the financial resources for the implementation of the Project for the Refurbishment of U1, preparing the performance of the activities that have been identified and defined for the refurbishment 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.);
- By Extraordinary General Meeting Decision no. xx/10.08.2022, SNN's shareholders approved the continuations of Cernavoda NPP Units 3 and 4 Project, and adopted the Preliminary Investment Resolution and the advancement to Stage II – Preliminary Stages. SNN's shareholders also approved to finance Energonuclear subsidiary with 185 mil Euro, in form of either a share capital increase or as a loan.

(*) 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.

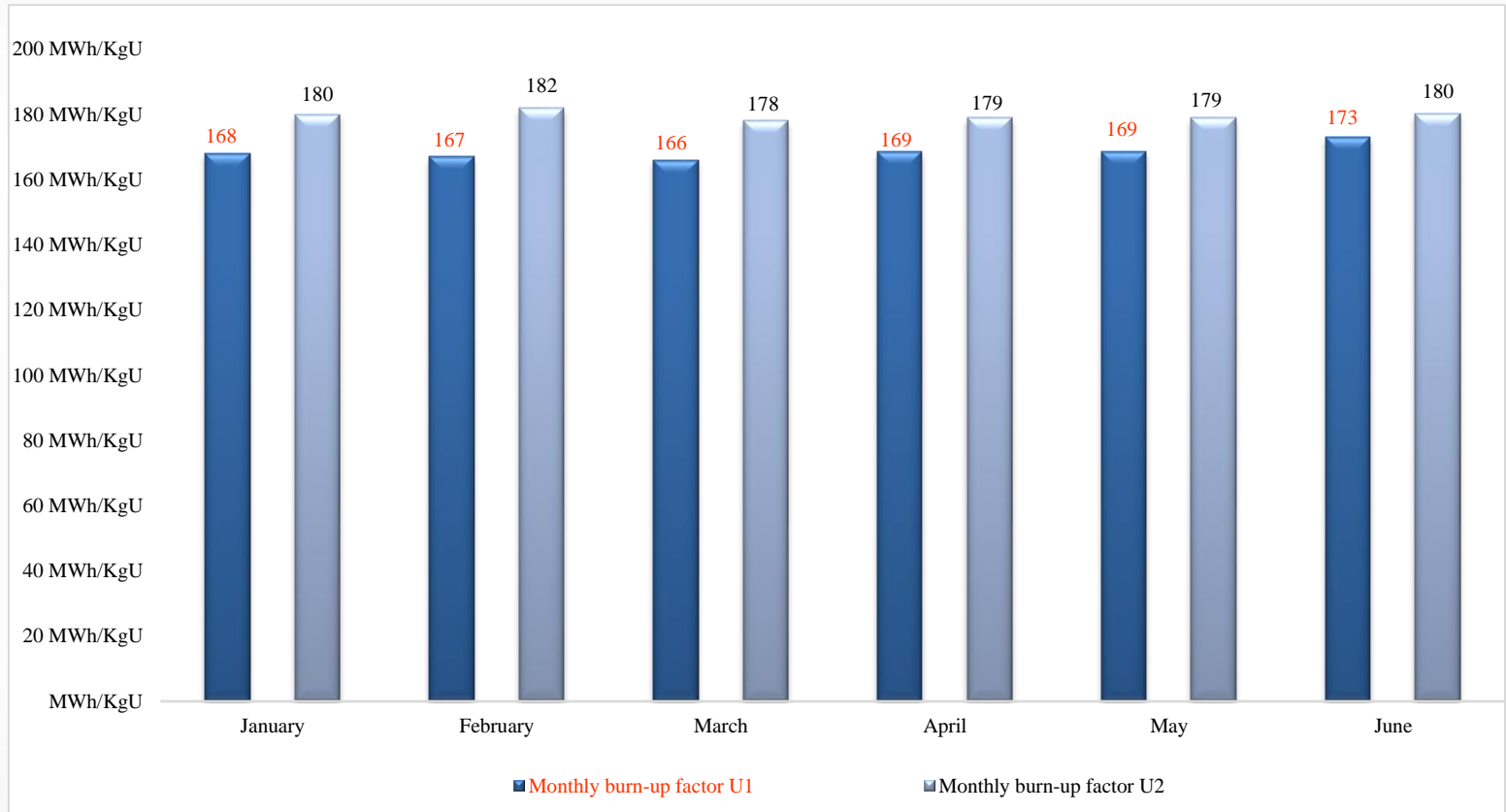
Radioactive emissions U1+U2 (μSv)



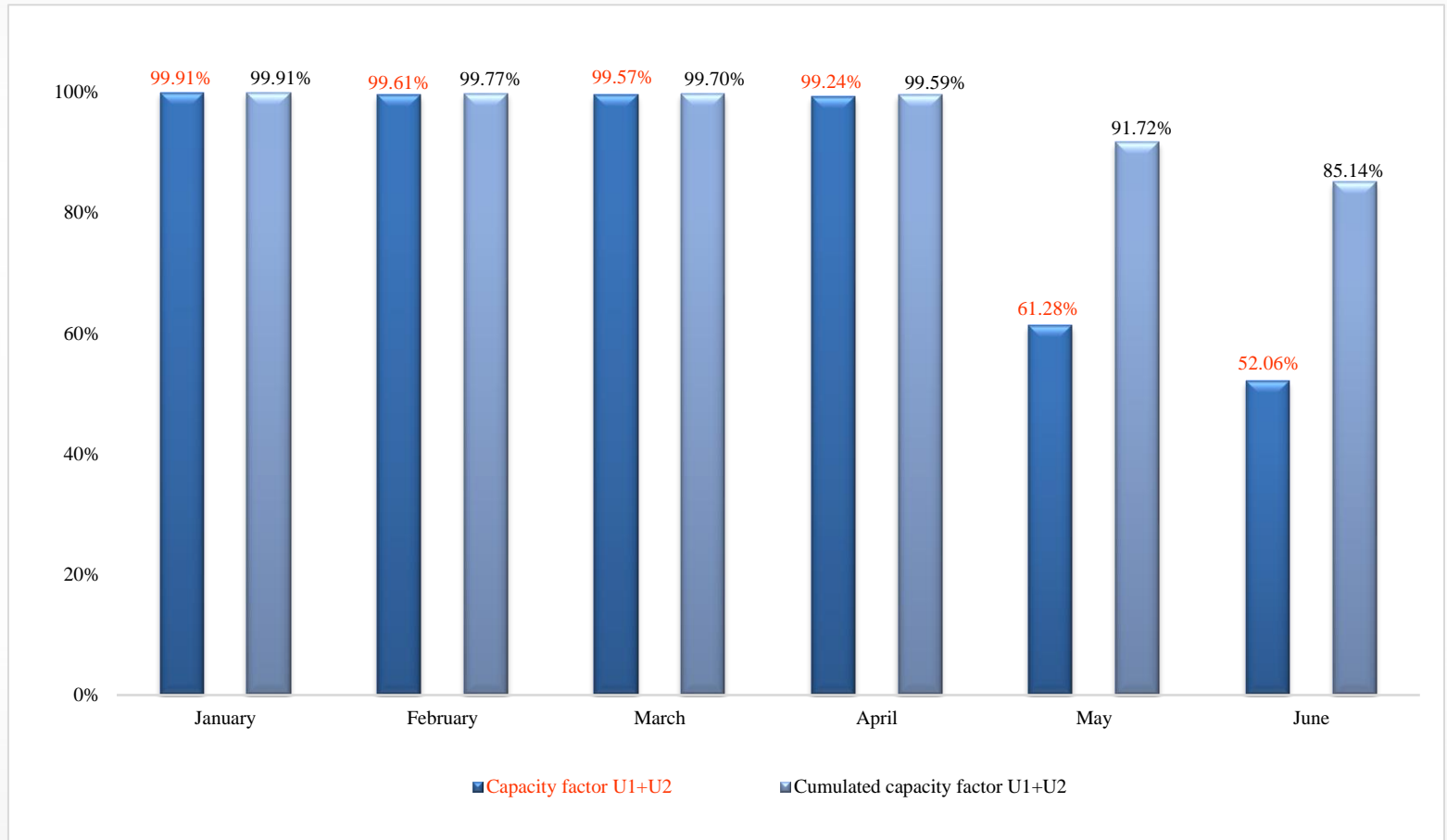
Total 6M 2022:	Anual limit:
3.78	250

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 2022: 173.5/Project estimated: min. 156)



CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 6M 2022: 85.14%)



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SNN Investor Relation

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2022 Financial calendar

Event	Date
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

Executive Management

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Thank you!