



NUCLEARELECTRICA

Current report in compliance with Law no. 24/2017 on issuers of financial instruments and capital market transactions and FSA Regulation no. 5/2018 on issuers of financial instruments and market operations

Reporting date: 11.11.2022

Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.

Registered office: 65 Polona St., district 1, Bucharest

Phone/fax number: 021-203.82.00 / 021 – 316.94.00

Sole Registration Code with the Trade Register Office: 10874881 Registration number in the Trade Register: J40/7403/1998

Subscribed and paid-up share capital: 3.016.438.940 RON

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

**To: Bucharest Stock Exchange
Financial Supervisory Authority**

Significant event to report:

Availability of the Quarterly Report for the 9-month period ended on September 30, 2022

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the availability of the Quarterly Report for the 9-month period ended on September 30, 2022, prepared in accordance with the provisions of art. 69 of Law no. 24/2017 regarding the financial instruments issuers and capital market transactions and with Appendix 13 to the FSA Regulation no. 5/2018, **starting with November 11, 2022, 08:00 a.m.**

The Quarterly Report for the 9-month period ended on September 30, 2022 is available in written format, for free, at the registered office of the company in Bucharest, 65 Polona St., District 1, and in electronic format, on the Company's website, under the section Relations with Investors (www.nuclearelectrica.ro).

The Quarterly Report for the 9-month period ended on September 30, 2022 includes:

- The main events of the company's activity during the reporting period;
- The Individual Interim Financial Statements on the date and for the 9-month period ended on September 30, 2022;
- The Quarterly Report of the Board of Directors for the period January 1 - September 30, 2022.

Additional information may be obtained from the Department of External Communication and Public Relations, e-mail: investor.relations@nuclearelectrica.ro.

Main results

1. Financial results of the period

In the nine-month period ended on September 30, 2022, SNN registered a net profit of 1,939,091 thousand lei, 202.7% higher compared to the similar period of last year. Operation result (EBIT) registered a 191.2% increase, and EBITDA a 126.0% increase compared to the same period of last year.

| Ratio [Thousand RON] | The 9-month period ended on 30 September 2022 (not audited) | The 9-month period ended on 30 September 2021 (not audited) | Variation |
|---|--|--|---------------|
| Production (GWh)* | 7,410 | 7,572 | -2.1% |
| Operating revenues, of which: | 4,910,534 | 2,186,432 | 124.6% |
| <i>Revenues from the sale of electricity**</i> | 4,829,890 | 2,114,818 | 128.4% |
| Operating expenses - less depreciation and impairment and tax on additional income | (1,388,541) | (1,014,377) | 36.9% |
| Additional income tax expenses / Contribution to the Energy Transition Fund | (872,931) | 0 | - |
| EBITDA | 2,649,062 | 1,172,055 | 126.0% |
| Depreciation and impairment | (451,279) | (417,428) | 8.1% |
| EBIT | 2,197,783 | 754,627 | 191.2% |
| Net financial result | 114,334 | 17,295 | 561.1% |
| Expense with corporate tax | (373,026) | (131,314) | 184.1% |
| Net profit | 1,939,091 | 640,608 | 202.7% |

*Electricity produced and delivered by Cernavodă NPP in the National Energy System.

**Including income from the sale of thermal energy, insignificant in total income.

The operating profit (EBITDA) increased by 126% year-on-year, mainly as a result of the increase in operating income by 124.6%, influenced by the increase by 128.4% in the income from the sale of electricity. The increase in income was partially reduced by the increase in operating expenses, as a result of the registration of the additional income tax expense starting with January 2022 (see the detail below regarding the additional income tax expense), the amount of this expense for the period January - September 2022 being RON 872,931 thousand (RON 0 for January - September 2021), as well as the increase in the cost of electricity purchased during the period, caused by the increase in purchase prices.

Operating income increased by 124.6%. This increase is determined by the increase in revenues from the sale of electricity, as a result of the 138.2% increase in the weighted average selling price of electricity (including Tg) achieved between January 1 and September 30, 2022 compared to the weighted average price of the same period of 2021.

In the period January 1 - September 30, 2022, compared to the similar period of 2021, the company sold a total amount of electricity lower by 4.1%, due to a lower electricity production by 2.1%. In 2022, the planned shutdown of Unit 1 took place, with a longer duration than the planned shutdown of Unit 2 in 2021, which determined the decrease in production.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 4% compared to the same period of the previous year, and the average selling price on this market increased by 113.1% (price without Tg). The amount of electricity sold by SNN on the spot market (DAM and

IDM) during January 1 - September 30, 2022 decreased by 5.5%, and the average selling price on this market increased by 255.7% (price without Tg).

Additional income tax expenses / Contribution to the Energy Transition Fund

During January 1 - August 31, 2022, pursuant to art. II par. (1) of Law no. 259/2021, the additional income resulting from the difference between the average monthly electricity selling price and the price of RON 450/MWh was taxed by 80%. The method of calculating this tax is established by GEO no. 27/2022 (Annex 6) for the period January - August 2022. The company met the enforcement criteria starting with January 2022.

Starting with September 1, 2022, pursuant to GEO no. 119/01.09.2022, the additional income tax was replaced by solidarity contribution, amounting to 100% of the difference between the average monthly electricity selling price and the price of RON 450/MWh. Based on GEO no. 119/01.09.2022, the solidarity contribution applies between September 1, 2022 and August 31, 2023.

Thus, for the period January 1 - September 30, 2022, SNN recorded an additional income tax expense/solidarity contribution of RON 872,931 thousand.

Operating expenses, less depreciation, amortization and additional income tax expense increased by 36.9% during the period January 1 - September 30, 2022, compared to the same period of 2021, mainly as a result of the increase in expenses regarding the purchased electricity (caused by the increase in purchase prices), as well as the increase in personnel expenses.

Depreciation and amortization increased by 8.1%, as a result of recording the effects of asset evaluation as at 31 December 2021, which led to an increase in the value of assets, and therefore to an increase in their amortization expense.

The financial result positively influenced the net result, so that in the period January 1 - September 30, 2022, net financial income was recorded, increasing by 561.1% compared to the similar period of the previous year, as a result of the interest income obtained. The main currencies to which there are exposures are EUR, USD and CAD.

The increase in **the net expense with the corporate tax** diminished the positive influences of the other elements. This increase was determined by the increase in the taxable profit calculated for the period January 1 - September 30, 2022 compared to the one calculated for the similar period of 2021.

2. Electric power sales (quantities, prices and values) over the period January 1 - September 30, 2022

The gross electricity production of the two operational units of Cernavodă NPP was 8,064,740 MWh between January 1 and September 30, 2022 (of which 2,869,934 MWh in the third quarter of 2022); from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 654 thousand MWh in the period January 1 - September 30, 2022 (of which 238 thousand MWh in the third quarter of 2022).

Thus, the electricity produced and delivered in the National Energy System ("SEN") was 7,410,474 MWh between January 1 and September 30, 2022, compared to the same period of 2021 (7,571,854 MWh), representing a decrease by 2.1%. In the third quarter of 2022, the amount of electricity produced and

delivered in the SEN was 2,631,270 MWh, down by 1.9% compared to the level recorded in the third quarter of 2021 of 2,682,131 MWh.

Electricity sales (quantities, prices and values) during January 1 - September 30, 2022

| Sales by type | Quantities in MWh | % of total sales | Average price [RON/MWh including Tg] | Sale revenues [RON] |
|---|-------------------|------------------|--------------------------------------|----------------------|
| Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which: | 7,700,924 | 99.63% | 625.90 | 4,820,040,925 |
| - Sales under PCCB - LE, PCCB - LE Flex, PCCB - NC, PC -OTC agreements, directly negotiated agreements and supply contracts | 6,655,461 | 86.10% | 532.50 | 3,544,008,133 |
| - Sales on DAM and IDM | 1,045,463 | 13.53% | 1,220.54 | 1,276,032,792 |
| Positive imbalances on PE* | 28,848 | 0.37% | 732.32 | 21,126,041 |
| Total sales 1 January - 30 September 2022 | 7,729,772 | 100% | 626.30 | 4,841,166,966 |

* Note: the values also include RON 690,092 of additional system balancing income, according to ANRE Order 213/2020

The amount of electricity sold on the basis of contracts, on the spot market (DAM and IDM) as well as on the PE market is 7,729,772 MWh, 1.8% above the sales schedule, of 7,594,223 MWh (measured according to the production forecast, without estimating unplanned shutdowns) and 4.1% lower than the amount of electricity sold between January 1 and September 30, 2021.

The difference between the electricity sold by the Company and the electricity produced and delivered by Cernavodă NPP (319.3 thousand MWh) is represented by the electricity purchased to fully cover the contractual obligations, the amount of electricity that was purchased in proportion to 81% of on the spot market, 16% from PE and 3% through forward contracts.

The revenues achieved on the electricity market related to electricity deliveries from January 1 to September 30, 2022 amount to RON 4,841,166,966, 0.3% lower than the budgeted revenues for the period January 1 to September 30, 2022 included in the Rectified Income and Expenditure Budget for the year 2022, approved by Decision no. 10/19.10.2022 of the Ordinary General Meeting of Shareholders (and 31.5% higher than the Income and Expenditure Budget of 2022, approved by Decision no. 3/23.02.2022 of the Ordinary General Meeting of Shareholders), and respectively higher by 128.4% compared to the revenues achieved between January 1 and September 30, 2021.

The weighted average sales price, for the quantities of electricity sold (without PE), resulting from January 1 - September 30, 2022, is RON 625.90/MWh (including Tg). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was predominantly active between January 1 and September 30, 2022 (PCCB - LE, PCCB - LE flex, PCCB - NC, PC - OTC, DAM and IDM), calculated based on the values published by OPCOM in the monthly market reports, is RON 886.09/MWh. During January 1 - September 30, 2021, the weighted average sales price, for the quantities of electricity sold (without regulated market and PE), was RON 263.06/MWh (including T_g).

The quantities of electricity sold on the **competitive market of bilateral contracts** represented in the period January 1 - September 30, 2022 a percentage share of 86.10% of the total volume of electricity sold, compared to a percentage share of 86.00% recorded in the same period of 2021. The average sales price on bilateral contracts between January 1 and September 30, 2022 was RON 532.50/MWh (T_g included), registering an increase of 113% compared to the average price recorded in the same period of

2021, of RON 250.17/MWh (T_g included); provided that the value of the transmission tariff for the introduction of electricity into the network T_g amounted to RON 1.30/MWh starting from January 2020 (according to ANRE Order no. 218/11.12.2019), RON 1.49/MWh starting with January 1, 2022 (according to ANRE Order no. 124/25.11.2021) and RON 2.53/MWh starting with April 1, 2022 (according to ANRE Order no. 33/23.03.2022).

During January 1 - September 30, 2022, electricity amounting to 13.53% of the total sales value was sold **on the spot market (DAM and IDM)**, as compared to 13.72% in the same period of 2021. The average sale price of energy on the spot market (DAM and IDM) achieved by SNN during January 1 - September 30, 2022 was RON 1,220.54/MWh (T_g included), as compared to RON 343.79/MWh (T_g included) during the same period of 2021.

3. Investment program on September 30, 2022

The total rectified value of SNN's investment program for the year 2022 is RON 609,220 thousand (without the component allocated to the payment of debt service related to long-term loans), program approved by Decision no. 10/19.10.2022 of the Ordinary General Meeting of SNN Shareholders, as part of the Rectified Income and Expenditure Budget ("BVC") of SNN for the year 2022.

The comparative statement of investments made (as values and as percentages) for the period 1 January - 30 September 2022 compared to the same period of 2021 is presented in the table below:

| Year | Investment program value [thousand RON] | Actual (01.01 - 30.09) [thousand RON] | Degree of completion (01.01 - 30.09) (%) |
|------|--|---|--|
| 2022 | 609,220 | 422,383 | 69.3% |
| 2021 | 356,774 | 244,022 | 68.4% |

Note. The value of the investment program, respectively the calculation of the level of achievement 01.01 – 30.09, are in accordance with the values approved in the BVC 2021, respectively BVC 2022 rectifications

When sizing the investment development program, SN Nuclearelectrica SA took into account the need of the branches (Cernavodă NPP and NFP Pitești) regarding production continuity, respectively reaching the highest possible level of production capacity utilization (EAF – Energy Availability Factor) in compliance nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant, the acquisition of assets related to the Feldioara Branch belonging to Compania Nationala a Uraniului SA and their transfer to the assets of the branch Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara S.R.L., 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 responds to the need to modernize/upgrade some of the plant's systems, which for economic reasons (reductions in specific consumption, improvement of certain characteristic parameters of the processes served, with a positive impact on efficiency), and for legal reasons, require the implementation of certain improvements associated with nuclear safety, environmental protection and work safety, these representing imperative requirements, coming from the regulatory authorities in the field.

The investment program of SNN for 2022 was dimensioned in terms of value, taking into account ongoing contractual commitments, estimates regarding the investment objectives to be achieved by the

end of 2022, including amounts allocated to certain investment projects for which the fulfilment of certain requirements beyond SNN's control was anticipated (for example: prior approvals of certain regulatory authorities, legal deadlines regarding the completion of public procurement procedures including appeals, obtaining the necessary approvals from the SNN corporate bodies, etc.), to allow the implementation of these projects within the approved budget values.

Further information is available and will be provided by the Communications and Investor Relations Department, e-mail: investor.relations@nuclearelectrica.ro.

Cosmin Ghita
Chief Executive Officer