



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 27, 2023

Name of issuing entity: NUCLEARELECTRICA S.A. National Company

Registered office: 48 Iancu de Hunedoara Av., 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, 2022

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the publication of the Annual Report for the financial year 2022, 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 2022 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, 2022 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, 2022 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, 2022, 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 2022.

Societatea Nationala NUCLEARELECTRICA S.A.

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Trade Registry number: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.016.438.940 lei.

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Main results

In the 12-month period ended on 31 December 2022, SNN obtained a net profit amounting to RON 2,764,423 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, 2022, as follows:

Ratio [Thousand RON]	The 12-month period ended on 31 December 2022 (audited)	The 12-month period ended on 31 December 2021 (audited)	Variation
Production (GWh)*	10,200	10,377	(1.7%).
Operating revenues, of which:	6,534,010	3,203,880	103.9%.
<i>Revenues from the sale of electricity**</i>	6,343,640	3,103,150	104.4%.
Operating expenses - less depreciation and impairment and tax on additional income	(1,857,584)	(1,461,544)	27.1%.
Additional income tax expenses / Contribution to the Energy Transition Fund	(1,085,014)	-	-
EBITDA	3,591,412	1,742,336	106.1%.
Depreciation and impairment	(605,405)	(562,856)	7.6%.
EBIT	2,986,007	1,179,480	153.2%.
Financial income	238,176	61,025	290.3%.
Financial expenses	(31,687)	(36,411)	(13.0%).
Net financial result	206,489	24,614	738.9%.
Expense with corporate tax	(428,073)	(167,832)	155.1%.
Net profit	2,764,423	1,036,262	166.8%.

*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 106.1% year-on-year, mainly as a result of the increase in operating income by 103.9%, influenced by the increase by 104.4% 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 - December 2022 being RON 1,085,014 thousand (RON 0 for January - December 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 103.9%. This increase is determined by the increase in revenues from the sale of electricity, as a result of the 111.7% increase in the weighted average selling price of electricity (including Tg) achieved between 1 January and 31 December 2022 compared to the weighted average price of the same period of 2021.

In the period January 1 - 31 December 2022, compared to the similar period of 2021, the company sold a total amount of electricity lower by 3.4%, due to a lower electricity production by 1.7%. 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.

Additional income tax expenses / Contribution to the Energy Transition Fund

During 1 January – 31 August 2022, pursuant to Article II para. (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. During the time period when the Government Emergency Ordinance no. 27/2022 applies, the monthly expenditure included: the cost of the electricity acquired for transactions with physical delivery, as well as the cost of the access to the energy markets: injection tariff (Tg), market administration cost, and trading tariff. The company met the enforcement criteria starting with January 2022.

Starting with 1 September 2022, pursuant to GEO no. 119/01.09.2022, the additional income tax was replaced by the contribution to the Energy Transition Fund, amounting to 100% of the difference between the average monthly electricity selling price and the price of RON 450/MWh. During the time period when the Government Emergency Ordinance no. 119/01.09.2022 applies, the monthly expenditure included the cost of electricity acquisitions for transactions with physical delivery, including on the balancing market. The applicability period of the Government Emergency Ordinance no. 119/01.09.2022 is 1 September 2022 - 31 August 2023.

Effective 16 December 2022, Law no. 357/2022 approving the Government Emergency Ordinance no. 119/01.09.2022, which set forth a number of amendments to the provisions of the Government Emergency Ordinance no. 119/2022 on the contribution to the Energy Transition Fund, came into effect. The application period has been extended until 31 March 2025, and the calculation methodology was amended so that the amount of the contribution would be further determined as the product between the difference between the monthly sale

price and the amount of RON 450/MWh and the monthly quantity physically delivered from own production. During the time period when Law no. 357/2022 applies, the monthly expenditure included also the cost of unbalances.

Thus, for the period 1 January - 31 December 2022, SNN recorded an additional income tax expense/contribution to the Energy Transition Fund of RON 1,085,014 thousand.

Operating expenses, less depreciation, amortization and additional income tax expense/contribution to the Energy Transition Fund increased by 27.1% during the period 1 January - 31 December 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 7.6%, 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 1 January - 31 December 2022, net financial income was recorded, increasing by 738.9% 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 1 January - 31 December 2022 compared to the one calculated for the similar period of 2021.

Electricity output in 2022

The gross electricity production of the two operational units of Cernavodă NPP was 11,088,709 MWh in 2022 (of which 3,023,969 MWh in the fourth 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 889 thousand MWh during 2022 (of which 235 thousand MWh in the fourth quarter of 2022).

Thus, the electricity produced and delivered in the National Energy System ("SEN") was 10,199,558 MWh in 2022, compared to the same period of 2021 (10,377,214 MWh), representing a decrease by 1.7%. In the fourth quarter of 2022, the amount of electricity produced and delivered in the SEN was 2,789,084 MWh, down by 0.6% compared to the level recorded in the fourth quarter of 2021 of 2,805,361 MWh.

The net electricity production program approved by the Board of Directors for the year 2022 (April 2022 revision) considered a quantity of 10,275,683 MWh, being achieved in proportion of 99.3% and for the fourth quarter of 2022, it considered a quantity of 2,783,066 MWh, being

achieved in proportion of 100.2%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in the fourth quarter of 2022, as well as in aggregate from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 31 December 2022, was as follows:

Cernavodă NPP unit	Aggregate Third quarter 2022	October 2022	November 2022	December 2022	Aggregate 2022	Aggregate since the first date of commercial operation
Unit 1	76.81%	92.56%	96.62%	96.16%	81.42%	90.41%
Unit 2	98.22%	99.33%	99.94%	99.88%	98.60%	94.23%

Electricity sales in 2022

Electricity sales (quantities, prices and values) during 1 January - 31 December 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:	10,513,116	99.61%	602.33	6,332,359,322
- Sales under PCCB - LE, PCCB - LE Flex, PCCB - NC, PC -OTC agreements, directly negotiated agreements and supply contracts	9,409,435	89.15%	531.36	4,999,818,284
- Sales on DAM and IDM	1,103,681	10.46%	1,207.36	1,332,541,038
Positive imbalances on PE*	40,798	0.39%	696.63	28,421,035
Total sales during 2022	10,553,914	100%	602.69	6,360,780,357

*) Note: the values also include RON 1,588,775 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 10,553,914 MWh, 1.1% above the sales schedule, of 10,435,019 MWh (measured according to the production forecast, without estimating unplanned shutdowns) and 3.4% lower than the amount of electricity sold in 2021.

The difference between the electricity sold by the Company and the electricity produced and delivered by Cernavodă NPP (354.3 thousand MWh) is represented by the electricity purchased to fully cover the contractual obligations, the amount of electricity that was purchased in proportion to 79% of on the spot market, 18% from PE and 3% through forward contracts.

The revenues achieved on the electricity market related to electricity deliveries in 2022 amount to RON 6,360,780,357, 0.1% lower than the budgeted revenues for 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 26.3% 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 104.5% compared to the revenues achieved in 2021.

The weighted average sales price for the electricity sold (without PE) achieved in 2022 is **RON 602.33/MWh** (including T_g). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was predominantly active in 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 870.56/MWh. In 2021, the weighted average sales price, for the quantities of electricity sold (without regulated market and PE), was RON 284.25/MWh (including T_g).

The quantities of electricity sold on the **competitive market of bilateral contracts** represented in 2022 a percentage share of 89.15% of the total volume of electricity sold, compared to a percentage share of 86.83% recorded in 2021. **The average sales price on bilateral contracts** in 2022 was **RON 531.36/MWh** (T_g included), registering an increase of 109% compared to the average price recorded in the same period of 2021, of RON 253.67/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 1 January 2022 (according to ANRE Order no. 124/25.11.2021) and RON 2.53/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022).

In 2022, electricity amounting to 10.46% of the total sales value was sold on the **spot market (DAM and IDM)**, as compared to 12.86% in 2021. **The average sale price of energy on the spot market (DAM and IDM)** achieved by SNN in 2022 was **RON 1,207.36/MWh** (T_g included), as compared to RON 490.67/MWh (T_g included) during 2021.

Investment program

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 Income and Expenditure Budget ("IEB") of SNN for the year

2022.

The investment program of SNN for the year 2022 includes the necessary investments within the Cernavodă NPP Branch, the NFP Pitești Branch and the Central Headquarters estimated to be completed by the end of 2022, as well as investment objectives to be completed in the following years.

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 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.

The comparative statement of investments made (as values and as percentages) for the period 1 January - 31 December 2022 compared to the same period of 2021 is presented in the table below:

Year	Investment program value [thousand RON]	Actual (01.01 – 31.12) [thousand RON]	Degree of completion (01.01 – 31.12) (%)
2022	609,220	561,468	92.2%
2021	356,774	319,679	89.6%

Note. The value of the investment program, respectively the calculation of the level of achievement 01.01 – 31.12, are in accordance with the values approved in the IEB 2021, respectively IEB 2022 rectifications

Additional information may be obtained from: investor.relations@nuclearelectrica.ro

Cosmin Ghita
Chief Executive Officer