

NUCLEARELECTRICA

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**SNN Investors Day
Individual Interim Financial Statements
as at and for the period of three months ended
March 31, 2023**

Bucharest: May 12, 2023

Executive Summary

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3M 2023 Financial results highlights

Indicator	Unit	Q1 2023	Q1 2022	Variation	Rectified	Variation
		(unaudited)	(unaudited)	(%)	Budget	(%)
		1	2	3 = (2-1)/1	3M 2023*	4
						5 = (4-1)/1
Quantity of energy sold (w/out PE)	MWh	2,772,572	2,789,825	-0.6%	2,748,405	0.9%
Sales of electricity (including thermal energy)	RON '000	2,093,433	1,844,368	13.5%	2,043,875	2.4%
Operating expenses	RON '000	1,163,559	760,337	53.0%	1,332,731	-12.7%
EBITDA	RON '000	956,134	1,107,031	-13.6%	737,464	29.7%
EBIT	RON '000	799,974	956,127	-16.3%	585,397	36.7%
Net profit		766,518	818,901	-6.4%	553,760	38.4%

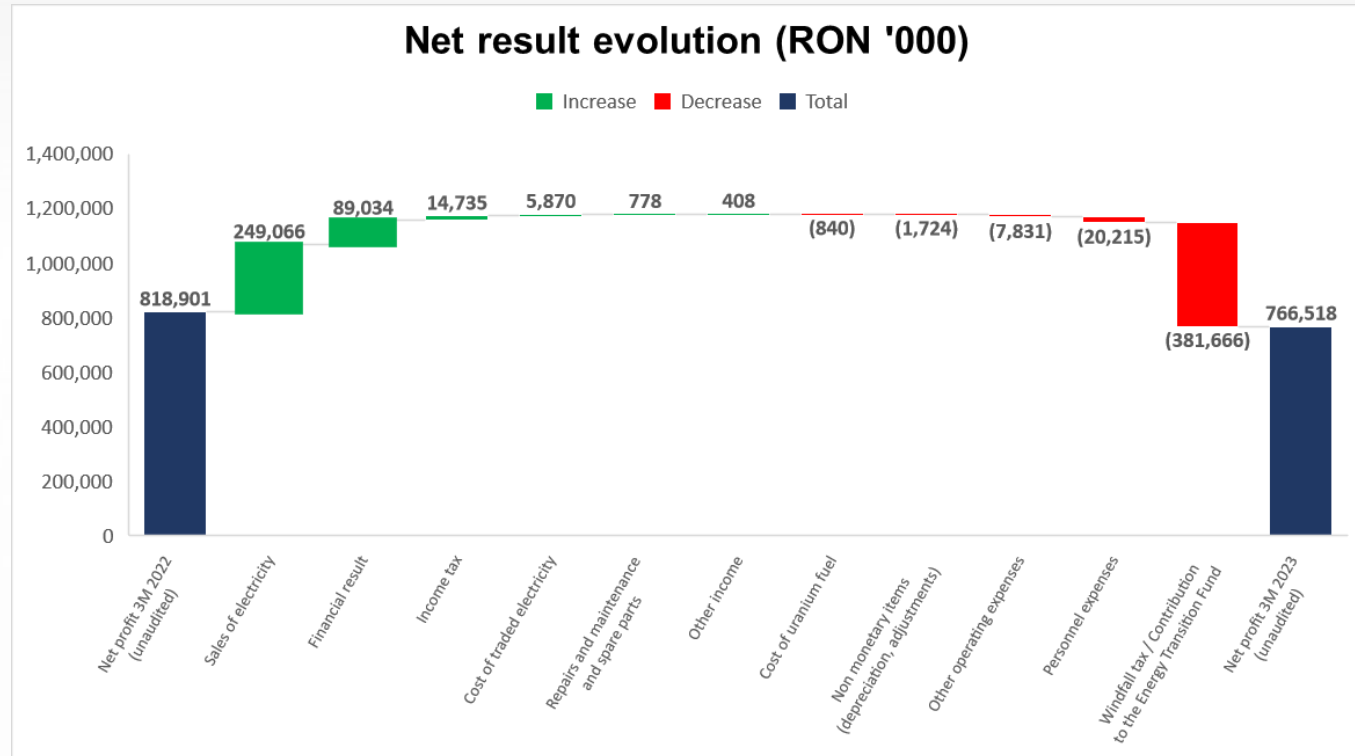
* The Revenue and Expenditure Budget approved by GSM no. 1/15.02.2023.

Net profit: 766,518k RON (38.4% above Budget 3M 2023 and -6,4% under 3M 2022)

Main drivers:

- Revenues + 13,5% on the basis of mix of sales: significant impact of MACEE, compensated by high prices obtained by SNN on competitive market
- Significant increase in operating expenses (+53%) triggered mainly by significant increase in contribution to Energy Transition Fund

Financial Highlights - Net result evolution



Net profit in Q1'23 recorded a slight decrease of -6.4% compared to Q1'22 (-53 mil RON), mainly resulting from:

- significant increase in windfall tax/contribution to the Energy Transition Fund (-382 mil RON impact)
 - increase in personnel cost (-20 mil RON impact)
 - increase in sales from increase of electricity prices, for similar quantity sold (+250 mil RON impact)
 - positive impact on the profitability from financial result and income tax decrease (+104 mil RON impact)
- sold, as compared to previous period. A positive impact on the profitability had also the financial result and the income tax decrease.

Financial Highlights

- 3M 2023 Financial position -

RON '000	31.03.2023	31.12.2022	Variation
	(unaudited)	(audited)	(%)
	A	B	C = (A - B)/B
Total non-current assets	6,235,653	6,049,279	3.1%
Inventories	764,740	653,200	17.1%
Trade receivables	602,400	438,540	37.4%
Other financial assets at amortised cost	156,608	140,955	11.1%
Cash and cash equivalents (incl. deposits)	5,102,668	4,510,799	13.1%
Total current assets	6,626,417	5,743,493	15.4%
Total assets	12,862,070	11,792,772	9.1%
Share capital and premium	3,243,416	3,243,416	0.0%
Prepaid share reserve	21,554	21,554	0.0%
Revaluation reserve	380,026	394,370	(3.6%)
Retained earnings	7,657,027	6,876,166	11.4%
Total shareholder's equity	11,302,023	10,535,505	7.3%
Long term borrowings	54,440	64,811	(16.0%)
Long term lease liabilities	13,116	12,831	2.2%
Provisions for risks and expenses	180,750	174,505	3.6%
Other non-current liabilities	197,512	204,615	(3.5%)
Total non-current liabilities	445,818	456,762	(2.4%)
Accounts payable and other liabilities	954,431	655,205	45.7%
Current portion of provisions for risks and expenses	90,809	77,041	17.9%
Short term lease liabilities	2,805	2,734	2.6%
Current portion of long term borrowings	66,183	65,525	1.0%
Total current liabilities	1,114,229	800,505	39.2%
Total liabilities	1,560,047	1,257,267	24.1%
Total equity and liabilities	12,862,070	11,792,772	9.1%

The main variations of the financial position:

Non-current assets +3.1% coming from:

- purchase of long-term bonds - approx. 223 mil. RON, issued by CEC Bank, with a fixed annual interest rate of 7.5%;
- increase in loans granted to subsidiaries - 1 mil. RON to F.P.C.U. Feldioara;
- depreciation recorded during the period exceeds the additions of fixed assets;

Current assets +15.4% - cash and cash equivalents and bank deposits increase by 0.6 billion RON; increase in trade receivables by 37% from increases in prices;

Non-current liabilities -2.4% – decrease of the long-term portion of the external credits contracted from EURATOM (due in 2024)

Current liabilities +39.2% - their balance includes the contribution to the energy transition fund due for March, paid in April; increase in account payables from a general increase in prices.

Equity - the increase in the result carried forward with the profit of the previous period;

Financial Highlights

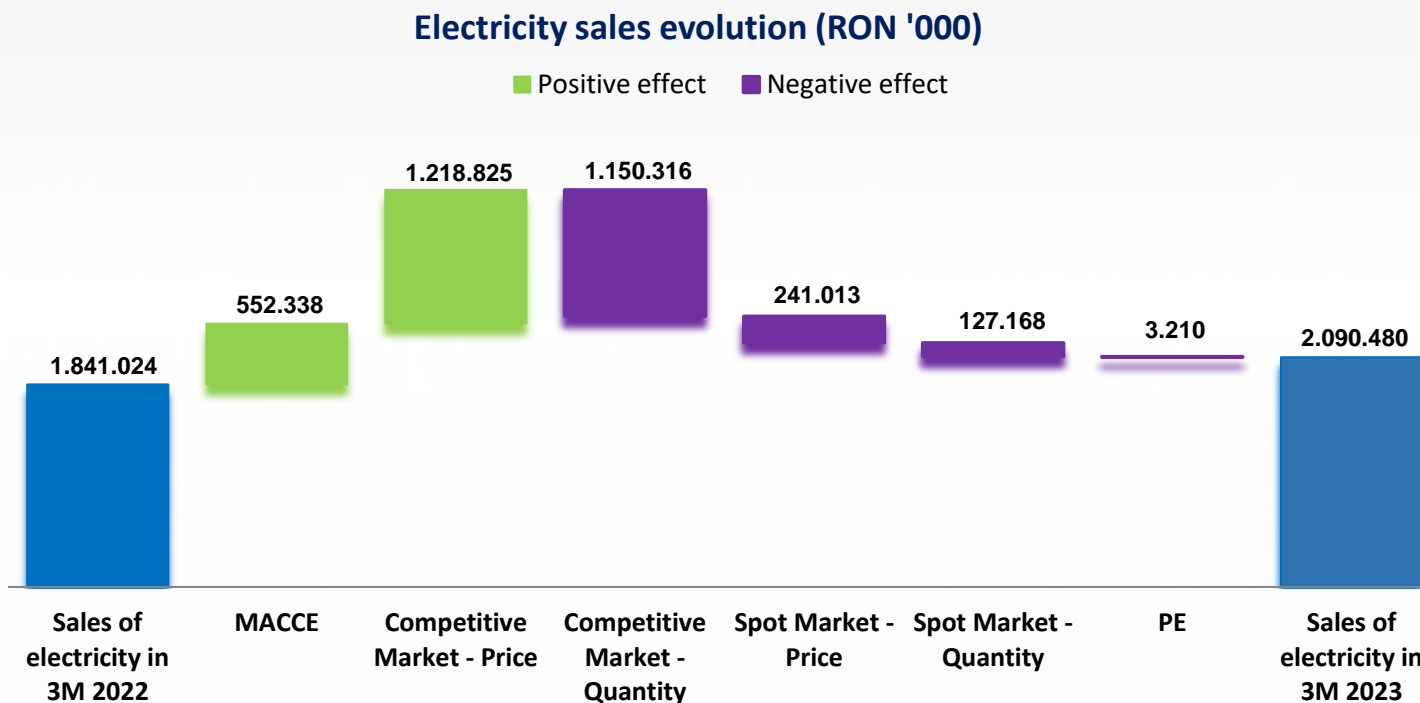
- 3M 2023 Income statement -

RON '000	3M ended 31.03.2023	3M ended 31.03.2022	Variation (%)	Budget 3M 2023*	Variation (%)
	1	2	3 = (1 - 2)/2	4	5 = (1 - 4)/4
Revenues					
Sales of electricity **	2,093,433	1,844,368	13.5%	2,043,875	2.4%
Electricity transmission revenues	7,007	4,156	68.6%	6,839	2.5%
Total revenues	2,100,440	1,848,524	13.6%	2,050,713	2.4%
Other income	19,253	18,845	2.2%	19,482	(1.2%)
Operating expenses					
Personnel expenses	139,770	119,554	16.9%	173,256	(19.3%)
Cost of traded electricity	2,244	8,114	(72.3%)	160,176	(98.6%)
Repairs and maintenance	14,755	14,626	0.9%	19,377	(23.9%)
Electricity transmission expenses	7,007	4,156	68.6%	6,839	2.5%
Costs with spare parts	2,626	3,533	(25.7%)	4,890	(46.3%)
Cost of uranium fuel	44,796	43,957	1.9%	44,850	(0.1%)
Expenditure on additional tax / Contribution to the Energy Transition Fund	840,842	459,177	83.1%	773,504	8.7%
Other operating expenses	111,520	107,222	4.0%	149,840	(25.6%)
Total operating expenses	1,163,560	760,338	53.0%	1,332,731	(12.7%)
EBITDA	956,134	1,107,031	(13.6%)	737,464	29.7%
Depreciation and amortisation	156,160	150,904	3.5%	152,067	2.7%
EBIT	799,974	956,127	(16.3%)	585,397	36.7%
Finance costs	5,650	6,412	(11.9%)	8,399	(32.7%)
Finance income	113,381	25,108	351.6%	80,588	40.7%
Income tax charge, net	141,187	155,922	(9.5%)	103,826	36.0%
Net profit	766,518	818,901	(6.4%)	553,760	38.4%

* The Revenue and Expenditure Budget approved by GSM no. 1/15.02.2023

** Including thermal energy.

Sales of electricity in 3M 2023 increased by 13.5% compared to 3M 2022



Electricity sales evolution from 3M 2022 to 3M 2023 was determined mainly by increase in weighted average selling price (w/out Tg) of +14.4%, for a similar quantity of electricity sold (-0.6% in Q1'23 vs Q1'22):

- **MACEE** (Centralized Electricity Acquisition Mechanism): regulated price of 450 RON/MWh, for 1,234,350 MWh;
- **Competitive Market**: +96.1% increase in price, with -46.3% decrease in quantity sold;
- **Spot Market**: -42.5% decrease in price, with -38.9% decrease in quantity sold;
- **Balancing Market (PE)**: with -54.5% decrease of price, with -5.2% decrease in quantity sold.

Sales structure analysis 3M 2023 vs. 3M 2022

Starting with January 1, 2023, the Company is a seller within the Centralized Electricity Acquisition Mechanism ("MACEE"), established by GEO no. 153/2022 for the period 1 January 2023 – 31 March 2025. In the first three months of 2023, SNN participated both on the competitive segment and in the MACEE mechanism.

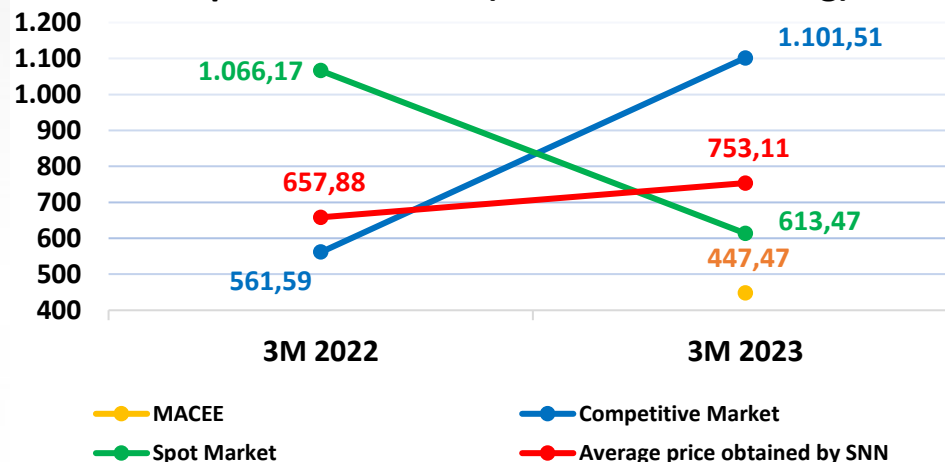
Despite significant change in sales mix (from implementing MACEE), the company sold electricity on competitive market at higher prices, thus generating performance.

Within MACEE, the company is obliged to sell electricity at fixed regulated price of **450 RON/MWh** (Tg included; 447.47 RON/MWh w/out Tg). The quantities of electricity sold within **MACEE** represented in Q1'23 **44.41%** of total volume of electricity sold.

On the **Competitive Market**, in the first 3 months of 2023, the quantity of sold electricity represented **43.65%** of the total volume of electricity sold, compared to 80.72% recorded in the same period of 2022. The average selling price during the reporting period was **1,101.51 RON/MWh** (w/out Tg), recording a 96% increase compared to the average price recorded in the same period of 2022, of 561.59 RON/MWh (w/out Tg).

On the **Spot Market (PZU + PI)**, the quantities of electricity sold during the first 3 months of 2023 represented **11.7%** of the total sales volume, compared to 19.04% in the same period of 2022. The average price on spot market, achieved by SNN in Q1 2023 was **613.47 RON/MWh (w/out Tg)**, compared to 1,066.17 RON/MWh (w/out Tg) in Q1 2022.

Sales prices evolution (RON/MWh w/out Tg)



Quantities	3M 2023 actual	3M 2022 actual	Variation comparative period [%]	3M 2023 budgeted	Variation Actual vs Budgeted [%]
MACEE	1,234,350	-	100.0%	1,234,350	0.0%
Competitive Market	1,213,129	2,257,438	-46.3%	1,428,252	-15.1%
Spot Market	325,093	532,387	-38.9%	85,803	277.9%
TOTAL	2,772,572	2,789,825	-0.6%	2,748,405	0.9%

OPEX

Cost structure (RON '000)	3M 2023 [1]	% in total OPEX	3M 2022 [2]	% 3=[1-2]/2	Budget 3M 2023 [4]	% 5=[1-4]/4
Windfall tax expenses / Contribution to the Energy Transition Fund	840,842	63.7%	459,177	83.1%	773,504	8.7%
Personnel expenses	139,770	10.6%	119,554	16.9%	173,256	-19.3%
Tehnological and non-tehnological water and energy	26,208	2.0%	23,720	10.5%	28,652	-8.5%
Depreciation and amortisation	156,160	11.8%	150,904	3.5%	152,067	2.7%
Other operating expenses	58,758	4.5%	57,424	2.3%	93,896	-37.4%
Cost of uranium fuel	44,796	3.4%	43,957	1.9%	44,850	-0.1%
ANDR contribution	24,984	1.9%	25,307	-1.3%	25,699	-2.8%
Repairs and maintenance	14,755	1.1%	14,626	0.9%	19,377	-23.9%
Electricity transmission expenses	7,007	0.5%	4,156	68.6%	6,839	2.5%
Cost with spare parts	2,626	0.2%	3,533	-25.7%	4,890	-46.3%
Cost of traded electricity	2,244	0.2%	8,114	-72.3%	160,176	-98.6%
ANRE contribution	1,570	0.1%	770	104.0%	1,592	-1.4%
Total	1,319,719	100%	911,242	44.8%	1,484,798	-11.1%

□ **3M 2023 OPEX higher with 44.8% compared to 3M 2022, under budgeted figures (-11%) on the basis of:**

- **Windfall tax / Contribution to the Energy Transition Fund:** highest cost within SNN OPEX, recorded a significant increase of 83% (+382 mil RON), on the basis of successive changes in legislation referring to taxation percentage and calculation method and higher prices:
 - In Q1'22: tax of 80% applied to additional income resulting from the difference between the average monthly selling price of electricity obtained by SNN and regulated fixed price of 450 RON/MWh, for electricity sold (art. II of Law 259/29.10.2021, methodology established by GEO no. 27/18.03.2022); the applicable methodology allowed deduction of significant costs (eg cost of traded electricity) from revenues used as basis for computation of average monthly selling price;
 - In Q1'23: tax of 100% applied to difference between average monthly selling price obtained by SNN and regulated fixed price of 450 RON/MWh for electricity sold (starting September 1, 2022 GEO no. 27/2022 was amended and supplemented by GEO nr.119/2022, the calculation method being updated); the updated applicable methodology does not allow deduction of significant costs (eg cost of traded electricity) from revenues used as basis for computation of average monthly selling price; also, in Q1'23, selling price increased, resulting in increase in windfall tax.
- **Personnel expenses:** increased by 16.9% as a result of increased number of employees (6.9% increase of the average no of employees) and also SNN's commitments, following the increase of salaries and employees participation to profit.
- **Technological and non-technological water and energy:** 10.5% increase due to higher utility prices recorded in 3M 2023.

- **Depreciation and amortisation:** +3.5% due to new assets put in function;
- **Cost of uranium fuel:** a slight increase of 1.9%, due to increase in the weighted average cost of fuel bundles, which comprises all cost components;
- **ANDR contribution** for decommissioning (0.6 EUR/MWh) and for permanent storage of radioactive waste (1.4 EUR/MWh), no notable variation;
- **Cost with repairs and maintenance:** recorded a slight increase, correlated with the repairs and maintenance program and with the needs in 2023.
- **Electricity transmission expenses:** recorded a significant increase of 69.8% due to the increase in the level the transmission tariff into the grid (form 1.49 RON/MWh in the first quarter of 2022 to 2.53 RON/MWh in the similar period of 2023).
- **Cost of traded electricity:** significant decrease of 72.3%; in Q1'23 no unplanned outage occurred, thus low quantity of electricity acquired during the period; lower costs with imbalances: these expenses represent the equivalent of energy received from balancing market mainly due to differences in notified quantities vs. delivered. The total value of imbalances costs for the first 3 months of 2023 was 2,240 KRON, recording a 71,83% decrease compared to the similar previous period (in the absence of unplanned outage during the reporting period).
- **ANRE contribution:** : significant increase, corelated with the increase of the basis for computation of the contribution, represented by sales of electricity recorded in the previous financial year.

CAPEX

Capital expenditure of SNN in 3M 2023:

- 74 mil. RON in 3M 2023, closed to 100 mil RON in 3M 2022
- significantly higher annual investment program (double), generating lower degree of completion, of 5.5% in 3M 2023 compared to 14.2% in 3M 2022.
- the investments in the first quarter of 2023 was made according to the planning for the year 2023.

CAPEX Program [thousand RON]	Budget 2023*	Degree of completion 31.03.2023		Budget 2022**	Degree of completion 31.03.2022	
Ongoing investments	1,133,574	46,805	4.1%	502.115	87.466	17,4%
Investments made on tangible assets	111,244	3,564	3.2%	99.310	1.470	1,5%
Equipments	100,588	23,182	23.0%	101.369	10.823	10,7%
Total value of investment program	1,345,406	73,552	5.5%	702.795	99.759	14,2%
*) Approved through GSM no. 1/15.02.2023 **) Approved through GSM no. 3/23.02.2022						

CAPEX

- Aspects related to main investments and long term strategic projects -

Unit 1 Refurbishment:

- On March 7, 2023, SNN selected Candu Energy Inc., a member of the SNC-Lavalin Group (TSX: SNC), to perform additional pre-project work for the CANDU reactor of Unit 1 at Cernavoda. In the framework of the two-year agreement, worth approximately 65 million dollars, SNC-Lavalin will perform long-term engineering and front-end engineering services, in order to prepare the future re-engineering project of Cernavoda CNE Unit 1.

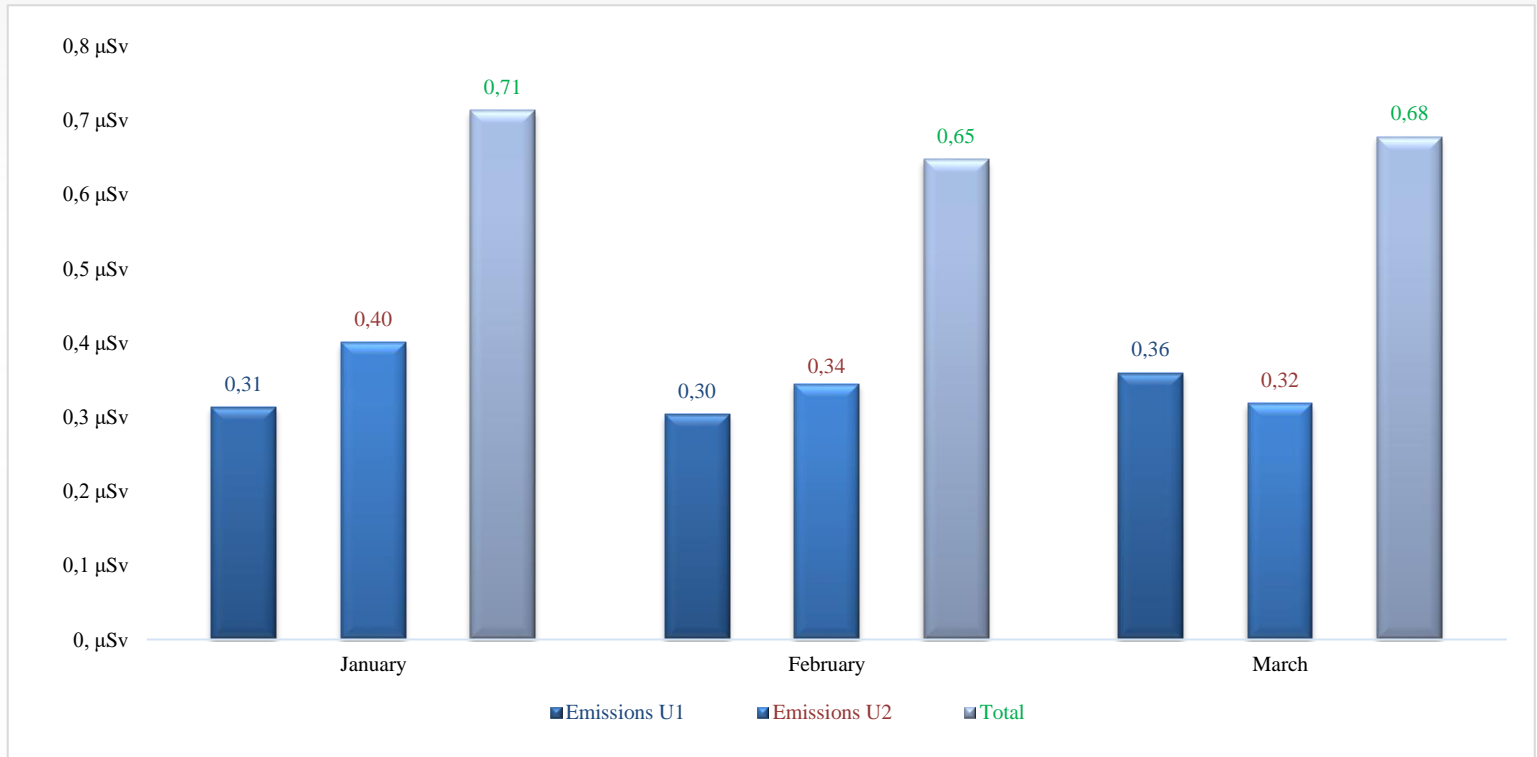
Increase of the Production Capacity Project:

- On March 31, 2023, was adopted the Law no. 74 for the approval of the signing of the Support Agreement between the Romanian state and Societatea Nationala Nuclearelectrica S.A. regarding the Project of Units 3 and 4 CNE Cernavoda

Small Modular Reactors

- On December 28, 2022, the contract for the Front-End Engineering and Design (FEED) works was signed between NuScale Power LLC and the Romanian company RoPower Nuclear S.A., marking an important step towards the implementation of a NuScale VOYGR™ power plant with small modular reactors (SMR) in Romania.

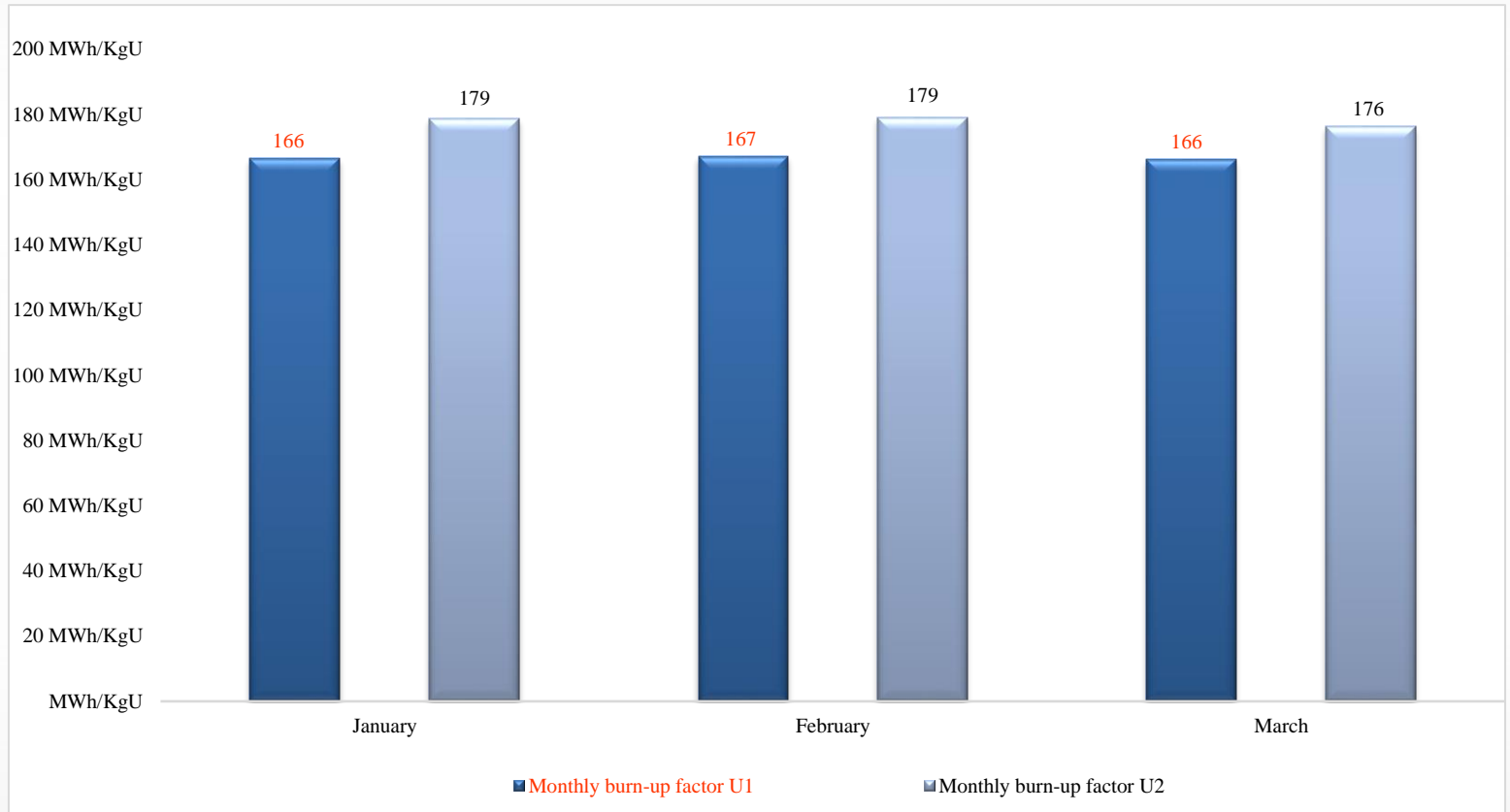
Radioactive emissions U1+U2 (μSv)



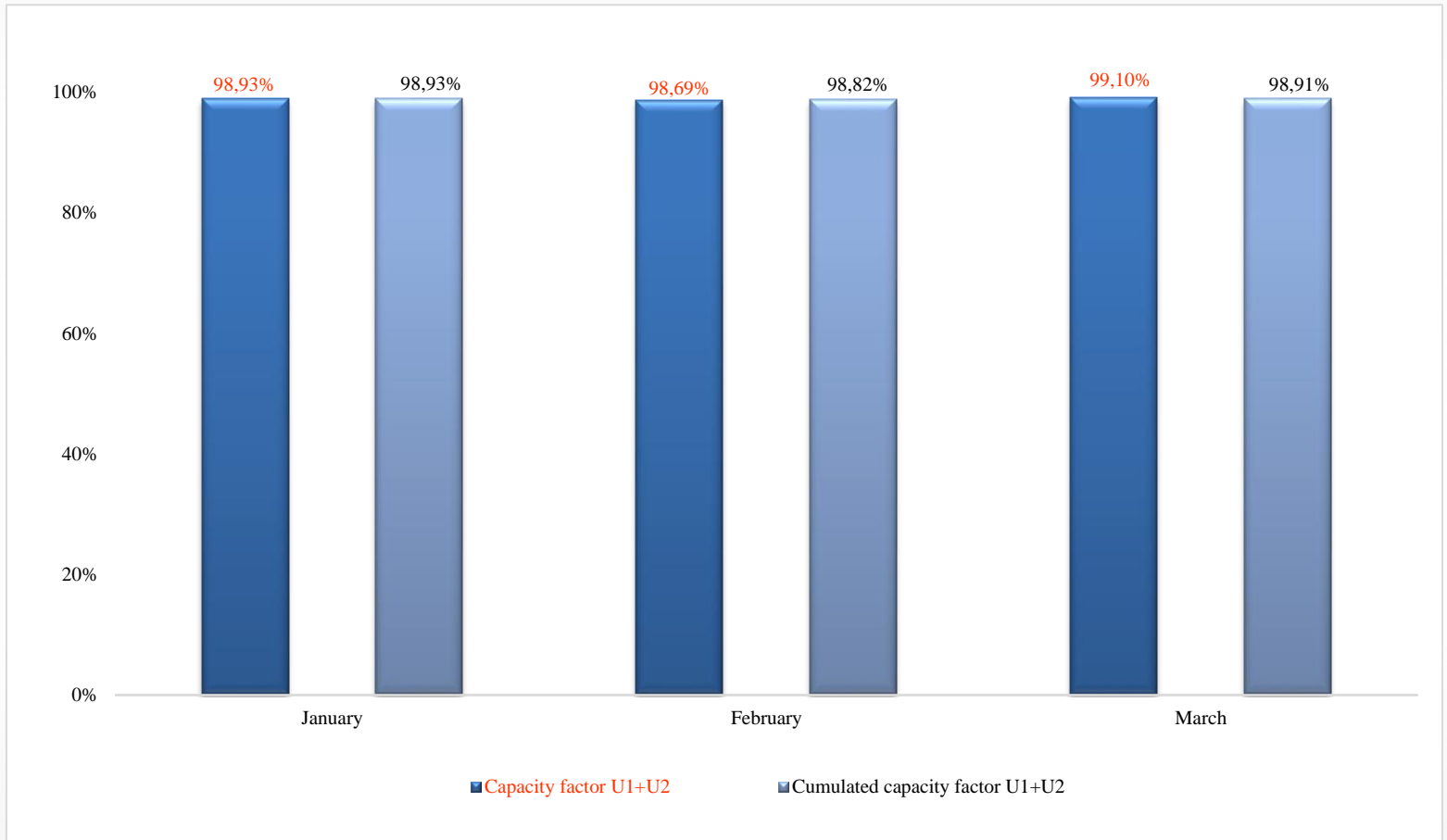
Total 3M 2023:	Anual limit:
2.04	250

CNCAN authorized limit = 100 μSv/year/unit + 50 μSv/year DICA
Legal limit for population (as per Radioprotection Norm NSR01) = 1,000 μSv/year

Nuclear fuel burn up factor (MWh/KgU) (Cumulated 3M 2023: 172.3/Project estimated: min. 156)



CANDU Technology Unit performance U1 + U2 (%) Capacity Factor (Cumulated 3M 2023: 98.91%)



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SNN Investor Relation

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2023 Financial calendar

Event	Date
Publication of the First Half - Year Report 2023 (January - June) Conference call Financial analysts, investment advisors, brokers and investors.	14 August 2023 (Monday) Hour of the conference call: 16:00 Romania's time
Publication of the Third Quarterly Report 2023 (January - September) Conference call Financial analysts, investment advisors, brokers and investors.	13 November 2023 (Monday) Hour of the conference call: 16:00 Romania's time

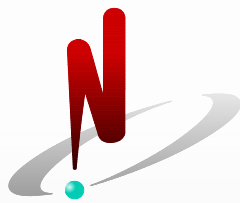
Executive Management

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Thank you!