



NUCLEARELECTRICA

QUARTERLY REPORT

on the economic and financial activity of S.N. Nuclearelectrica S.A., pursuant to the provisions of Article 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, and to Appendix no. 13 to the FSA Regulation no. 5/2018 regarding the issuers of financial instruments and market operations, for the 3-month period ended on 31 March 2023 (Q1 of the financial year 2023)

Basis of the report:	Article 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, as republished on 10 August 2021, and Appendix no. 13 to FSA Regulation no. 5/2018 for the 3-month period ended on 31 March 2023 (Q1 of the financial year 2023)
Date of report:	May 09, 2023
Name of the issuer:	S.N. Nuclearelectrica S.A. ("SNN")
Headquarters:	Bucharest, Bulevardul Iancu de Hunedoara, nr. 48, District 1
Phone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/Email:	www.nuclearelectrica.ro; office@nuclearelectrica.ro
Single Code of Registration with the Office of the Trade Register:	10,874,881
Number of registration 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 (www.bvb.ro), Premium category 301,643,894 shares, each with the nominal value of RON 10/share, in dematerialized form, registered, ordinary, indivisible, with equal rights to vote, freely tradable with Bucharest Stock Exchange under SNN symbol of 4 November 2013.
The main characteristics of securities issued:	Individual Interim Financial Statements as at and for the 3-month period ended on 31 March 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards ("IFRS-EU") adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting", adopted by the European Union.
Applicable accounting standards:	(Romanian Leu (RON) - all amounts are expressed in RON, unless otherwise expressly provided for.)
Reporting currency:	Q1 of the financial year 2023
Reporting period:	

CONTENTS

1. ECONOMIC AND FINANCIAL SITUATION	3
2. IMPORTANT EVENTS	4
3. ECONOMIC AND FINANCIAL RATIOS.....	7
4. STATEMENTS AND SIGNATURES.....	7
5. APPENDICES.....	8

1. ECONOMIC AND FINANCIAL SITUATION

The Information and the Individual Interim Financial Statements as at and for the 3-month period ended on 31 March 2023 disclosed in this report are not audited and have prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS-EU”) adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting”, adopted by the European Union.

The ratios presented are in lei (RON), unless otherwise specified.

a) Statement of financial position as of 31 March 2023

Ratio [thousand RON]	31 March 2023 (unaudited)	31 December 2022 (audited)
Fixed assets	6,235,653	6,049,279
Current assets	6,626,417	5,743,493
Total assets	12,862,070	11,792,772
Equity	11,302,023	10,535,505
Total liabilities, of which:	1,560,047	1,257,267
Long-term liabilities	445,818	456,762
Current liabilities	1,114,229	800,505
Total equity and liabilities	12,862,070	11,792,772

b) Statement of profit or loss and comprehensive income for the 3-month period ended on 31 March 2023

Ratio [thousand RON]	The 3-month period ended on 31 March 2023 (unaudited)	The 3-month period ended on 31 March 2022 (unaudited)
Operating income	2,119,693	1,867,368
Operating expenses	(1,319,719)	(911,241)
<i>of which, additional income tax expenditure</i>	<i>(840,842)</i>	<i>(459,177)</i>
Operating profit	799,974	956,127
Financial income	113,381	25,108
Financial expenses	(5,650)	(6,412)
Net financial (Expense)/income	107,731	18,696
Pre-tax profit	907,705	974,823
Net corporate income tax expenses	(141,187)	(155,922)
Profit of the period	766,518	818,901
Other elements of the overall result	0	0
Overall result	766,518	818,901
Earnings based on share (RON/share)	2.54	2.71
Diluted earnings per share (RON/share)	2.54	2.71

2. IMPORTANT EVENTS

2.1 Important events during Q1 2023

Changes in the management of the company - Directors

By the Current Report published on 13 February 2023, the Company informed about the decision of the Board of Directors of S.N. Nuclearelectrica S.A. dated 13 February 2023, based on the recommendation of the Nomination and Remuneration Committee, to appoint Mr. Dan Niculaie - Faranga as temporary Chief Financial Officer for a 4-month term of office, effective 14 February 2023, however without exceeding the date when a Chief Financial Officer would be appointed for a 4-year term of office further to completion of the CFO selection procedure pursuant to the provisions of the Government Emergency Ordinance no. 109/2011, as subsequently amended and supplemented, provided that this selection comes to an end before the set term.

By the Current Report published on 3 May 2023, the Company informed, according to the Decision of the Board of Directors, about the appointment of Mr. Dan Niculaie-Faranga in the position of Financial Director, with a 4-month term of office, starting on 3 May 2023.

Changes in the management of the Company - Board of Directors

By OGMS Resolution no. 1/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, four non-executive members of the Board of Directors were appointed effective 15 February 2023, for a 4-year term of office, in keeping with the provisions of Article 29(1) of the Government Emergency Ordinance no. 109/2011. The form of the mandate contract and the fixed allowance of the new non-executive directors were also approved. As non-executive directors of the Board of Directors of SNN, Mr. Vulpescu Remus, Mr. Chirlesan Dumitru, Mr. Niculescu George Sergiu and Mrs. Grajdan Vasilica were appointed.

By the Current Report dated 29 March 2023, the Company informed the shareholders and investors about the notice given to Mr. George-Sergiu Niculescu as to the termination *de jure* of his mandate as a member of the Board of Directors, effective 29 March 2023. Termination *de jure* of his office stems from the provisions of Article 13.1(g) of his contract of mandate concluded with SNN, stipulating that the contract comes to an end *de jure* when a case of incompatibility occurs or a prohibition provided by law becomes applicable.

Relocation of SNN's registered office

By the EGMS Resolution no. 2/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, the shareholders approved relocation of the company's registered office to the address of Bucharest, sector 1, Bd. Iancu de Hunedoara nr. 48, ground floor and 4th, 5th and 13th floor, as well as the updating the Articles of Incorporation of SNN with the new registered office.

Development of the first small modular reactor (SMR) – RoPower Nuclear S.A.

On 28 December 2022, the contract for the Front-End Engineering and Design (FEED) works was concluded, and marked an important step towards deployment of a NuScale VOYGR™ power plant with small modular reactors (SMR) in Romania.

By the EGMS Resolution no. 2/15.02.2023 of the Ordinary General Meeting of SNN's Shareholders, the shareholders approved the revocation of the approval of point 3 of the SNN EGMS Resolution no. 7/10.08.2022 on the establishment of a SNN business unit in Commune of Doicesti, given that RoPower Nuclear SA had already established a business unit in that location. The establishment had been previously approved by Decision of the Extraordinary General Meeting of Shareholders no. 7/10.08.2022.

Refurbishment Project of Unit 1 Cernavodă NPP

As at 7 March 2023, Nuclearelectrica announced selection of Candu Energy Inc., a member of the SNC-Lavalin Group (TSX: SNC), to carry out additional pre-project works for the CANDU reactor of Unit 1 of Cernavoda. Under the two-year agreement, with an amount of approximately USD 65 million, SNC-Lavalin will perform long-term engineering and front-end engineering services, in order to prepare the future refurbishment project of Cernavoda NPP's Unit 1.

Memorandum of Understanding with Emirates Nuclear Energy Corporation (ENEC)

By the Current Report published on 20 March 2023, the Company announced the signing of a Memorandum of Understanding (MoU) for bilateral cooperation in the nuclear energy sector, to support the development of this critical energy source in addressing the energy security and climate change challenges.

The objective of the Memorandum of Understanding is to provide both parties with a favorable framework for a potential collaboration in development and expansion of nuclear energy programme in the UAE and in Romania, as well as in Central and Eastern Europe.

Continuation of the Project on Increasing Production Capacity

As at 31 March 2023, Law no. 74, approving the signing of the Support Agreement between the Romanian State and Societatea Națională Nuclearelectrica S.A. for Cernavodă NPP's Units 3 and 4 Project, was passed.

Fabrica de Prelucrare a Concentratelor de Uraniu ("FPCU") - SNN Subsidiary

Between January and March 2023, Feldioara Subsidiary became fully operational with a view to developing the integrated nuclear fuel cycle; in this regard, all the necessary steps were taken to authorize the production process and prepare the plants to commence processing. As the same time, with Feldioara Subsidiary becoming fully operational, a subsequent contract was signed with the qualified supplier Kazatomprom in order to ensure the necessary technological resources for production of uranium dioxide (UO₂). During the same period, all the necessary steps were taken to transport the uranium technical concentrate and to deliver of the contracted quantities.

As at 24 March 2023, a loan agreement was concluded with FPCU Feldioara, in the amount of RON 11,000,000, to finance for the subsidiary's investment activities. The first tranche of RON 1,000,000 was disbursed in Q1.

Development of nuclear medicine in Europe under an innovative agreement with BWXT Medical Ltd, part of BWX Technologies

The agreement between Nuclearelectrica and BWXT Medical Ltd. will explore the possibility of further cooperation in nuclear medicine in Europe, for production of medical isotopes. The initial purpose of the agreement is to conduct a specific market analysis, which is to inform the next collaboration phases. BWXT Medical Ltd., part of BWX Technologies, Inc., has more than 40 years of experience in nuclear medicine, *i.e.* in production of medical isotopes, pharmaceutical products and medical devices, strengthening cooperation to further develop new treatments in the field of nuclear medicine through the development, manufacture and supply of diagnostic imaging and radiotherapy treatment products.

2.2 Important events subsequent to 31 March 2023

Fabrica de Prelucrare a Concentratelor de Uraniu (“FPCU”) - SNN Subsidiary

The Resolution no. 4/26.04.2023 of the Extraordinary General Meeting of Shareholders (“EGMS”) approved the transfer of the license for concession of the Tulghes – Grinties exploitation activity (Exploitation License no. 479/1999) from SNN S.A. to Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara S.R.L.

Approval of distribution of the net profit of financial year 2022

Through Resolution no. 3/26.04.2023 of the Ordinary General Meeting of Shareholders (“OGMS”) it was approved the distribution of the net profit of the financial year 2022 by applications, the total gross amount of the dividends of RON 1,283,215,656, the amount of the gross dividend per share of RON 4.25407469, the dividend payment date, *i.e.* 23 June 2023, and the payment methods, in accordance with the note presented to the shareholders for this item on the agenda (item 5 of the OGMS agenda from 26 April 2023).

Changes in the management of the company - Directors

By the Current Report published on 3 May 2023, the Company informed on the appointment, under a Decision of the Board of Directors, of Mr. Dan Niculaie-Faranga to the position of Financial Director, with a 4-month term of office, starting on 3 May 2023.

3. ECONOMIC AND FINANCIAL RATIOS

SNN performances are found as well, in the fulfilment of the main economic and financial ratios, as follows:

Name of ratio	Calculation method	M.U.	Amount 31 March 2023 ^{*)}
1. Current ratio	Current assets/ Short-term liabilities	x	5.95
2. Indebtedness ratio			
2.1. Indebtedness ratio (1)	Borrowed capital/ Equity x 100	%	0.5%
2.1. Indebtedness ratio (2)	Borrowed capital/ Capital employed x 100	%	0.5%
3. Accounts receivable turnover ratio	Average customer balance/ Turnover x 90	days	22
4. Assets turnover ratio ^{**)}	Turnover/ Fixed assets	x	1.35

^{*)} According to the Individual Interim Financial Statements as at, and for the 3-month period ended on, 31 March 2023.

^{**)} Assets turnover ratio is calculated by the annualization of the quarterly turnover (360 days/90 days).

4. STATEMENTS AND SIGNATURES

Based on the best available information, we confirm that Individual Interim Financial Statements as of and for the 3-month period ended on 31 March 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS-EU”), based on International Accounting Standard 34 - "Interim Financial Reporting” adopted by the European Union, provide a fair and true image regarding financial position, financial performance and cash flows for the 3-month period ended on 31 March 2023 and that such report, prepared in accordance with the provisions of art. 69 of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished on 10 August 2021, and Appendix no. 13 to FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations for the 3-month period ended on 31 March 2023, included fair and true information in relation to the company development and performance.

Teodor Minodor Chirica,
Chairman of the Board of Directors

Endorsed,
Dan Niculaie-Faranga,
Chief Financial Officer

5. APPENDICES

5.1 INDIVIDUAL INTERIM FINANCIAL STATEMENTS as of and for the 3-month period ended, on 31 March 2023

The Individual Interim Financial Statements as at, and for the 3-month period ended on 31 March 2023 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS-EU”) adopted by the European Union, based on International Accounting Standard 34 - "Interim Financial Reporting”, adopted by the European Union, as published on the website of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Investor Relations.

5.2 QUARTERLY REPORT of the Board of Directors regarding the management activity for the period 1 January - 31 March 2023

The quarterly report of the Board of Directors regarding the management activity for the period 1 January - 31 March 2023 drawn up based on the provisions of art. 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished on 10 August 2021, and the Mandate Contracts concluded by the Board of Directors with SNN, is published on the internet page of S.N. Nuclearelectrica S.A. (www.nuclearelectrica.ro), section Investor Relations.