



Current Report in compliance with the provisions of Law no. 24/2017 and ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations
Report date: August 14th, 2023

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

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 Supervisory Authority (ASF)**

Important event to be reported : Availability of the Half Year Report on the economic and financial activity for the 1st Half of the financial year 2023

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the availability of the Half Year Report on the economic and financial activity for the 1st Half of the financial year 2023, prepared in accordance with the provisions of art. 67 of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished and with Appendix 14 to the ASF Regulation no. 5/2018 regarding issuers of financial instruments and market operations, starting with **August 14, 2023, 08:00 HRS**, as follows:

- In written format, by request, at the Bucharest Headquarters, 48 Iancu de Hunedoara Av., District 1, External Communications, Sustainability and Investor Relations Department;
- Electronically on the company’s website, in the “Investor Relations – 2023 Financial Results” section (www.nuclearelectrica.ro).

The Half Year Report on the economic and financial activity for the 1st Half of the financial year 2023 comprises:

- The main events of the company's activity during the reporting period;
- The Individual Interim Financial Statements as at and for the six-month period ended on June 30, 2023, prepared according to OMFP [Order of the Ministry of Public Finance] no. 2844/2016 for approving the Accounting Regulations according to the International Financial

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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Reporting Standards, passed by the European Union, based on Accounting Standard 34 - “Interim financial reporting”

- The Consolidated Interim Financial Statements as at and for the six-month period ended on June 30, 2023, prepared according to the OMFP no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, passed by the European Union, based on Accounting Standard 34 - “Interim financial reporting”

- The Half Year report of the Board of Directors on the administration activity for the period January 1 – June 30, 2023.

Main results

1. Individual financial results for the period

In the 6-month period ended on 30 June 2023, SNN obtained a net profit amounting to RON 1,288,781 thousand.

Ratio [Thousand RON]	The 6-month period ended 30 June 2023 (revised)	The 6-month period ended 30 June 2022 (revised)	Variation
Production (GWh)*	4,920	4,779	3.0%
Operating revenues, of which:	3,779,647	3,140,335	20.4%
<i>Revenues from the sale of electricity**</i>	3,669,194	3,089,082	19.8%
Operating expenses, less depreciation and impairment	(690,808)	(846,625)	(18.4%)
Cost of contribution to the Energy Transition Fund/tax on additional income	(1,461,691)	(585,811)	149.5%
EBITDA	1,627,147	1,707,899	(4.7%)
Depreciation and impairment	(316,003)	(302,619)	4.4%
EBIT	1,311,144	1,405,280	(6.7%)
Financial income	222,801	65,232	241.6%
Financial expenses	(13,253)	(14,939)	(11.3%)
Net financial result	209,548	50,293	316.7%
Net corporate income tax expenses	(231,911)	(234,781)	(1.2%)
Net profit	1,288,781	1,220,792	5.6%

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

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

Operating profit (EBITDA) decreased by 4.7% compared to the same period of the previous year, significantly influenced by the increase in the cost of the contribution to the Energy Transition Fund for the period 1 January - 30 June 2023, which was 149.5% higher than the tax on additional income due for the similar period of the previous year. The main reasons of the increase of this tax are the changes made to the calculation methodology detailed below, as well as the increase in the basis for computation, represented by the revenues from the sale of electricity which, in the first half of 2023, are higher than in the first half of 2022.

Operating revenues increased by 20.4% supported by the 19.8% increase in electricity sales revenues. This increase is determined by the 21.5% increase in the weighted average price, including Tg, of the electricity sold in the first half of 2023 compared to the weighted average price of the same period of 2022, considering that a similar total quantity of electricity was sold (-1.3%).

Compared to the same period of last year, the key change occurred in the sale mix is represented by the introduction of the Centralized Electricity Acquisition Mechanism (“MACEE”), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025, in which SNN participates as producer. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers at a price of RON 450/MWh, and sells it to buyers at the same price. In the first half of 2023, the Company sold via MACEE a quantity of 2,107,985 MWh at the price of RON 450/MWh, which accounts for 42.52% of the total electricity sold during the period.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 48.7%, accounting for 43.32% of the total sold quantity, and the average sale price on this market increased by 108.5% (price without Tg).

The amount of electricity sold by SNN on the spot market (DAM and IDM) in the first half of 2023 decreased by 16.4%, accounting for 13.81% of the total sold quantity, and the average sale price on this market decreased by 48.5% (price without Tg).

Contribution to the Energy Transition Fund/tax on additional income, of RON 1,461,691 thousand, due for the period 1 January - 30 June 2023, increased by 149.5% (first half of 2022: RON 585,811 thousand), due to the changes made to the calculation methodology and as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the first half of 2023, are higher than in the first half of 2022.

In the first half of 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of RON 450/MWh, pursuant to Article II(1) of Law no. 259/2021 for approving the Government Emergency Ordinance no. 118/2021, as subsequently amended and supplemented. The calculation method is set out under the Government Emergency Ordinance no. 27/2022 (Appendix 6).

In the first half of 2023, the contribution to the Energy Transition Fund was determined as 100%, applied to the difference between the monthly average sale price of electricity, calculated according to the calculation methodology, and the price of RON 450/MWh, pursuant to Law no. 357/2022 approving the Government Emergency Ordinance no. 119/2022. The calculation methodology applicable for the first half of 2023 did not allow deduction, from the reference amount, of the cost of the purchase of electricity and the cost related to accessing the energy markets (Tg and market management costs), as the methodology applicable in the first half of 2022 used to allow. During the period 1 January 2023 - 30 June 2023, the monthly expenses only included the cost of unbalances.

Operating expenses, less depreciation and amortization and expenses with the contribution to the Energy Transition Fund / additional income tax, decreased by 18.4% during the first half of 2023, compared to the same period of 2022. This decrease is determined by the decrease in expenses regarding the purchased electricity, the amount of electricity purchased in the first half of 2023 decreased by 94.4% compared to the similar period of the previous year.

Financial result positively influenced the net result, so that, in the first half of 2023, net financial income increasing by 241.6% compared to the similar period of the previous year was reported, fed by the interest income obtained. The main currencies with exposures are EUR and CAD.

Net income tax expense decreased by 1.2% as a result of the decrease in the taxable profit calculated for H1 2023 compared to that calculated for H1 2022, also influenced by the impact of deferred income tax expenses and revenues recognized during the reporting period.

2. Sales of electricity (quantities, price and values) in the first half of 2023

The gross electricity production of the two operational units of Cernavodă NPP was 5,344,882 MWh in the first half of 2023 (of which 2,346,037 MWh in the second quarter of 2023); from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 424 thousand MWh during the first half of 2023 (of which 195 thousand MWh in the second quarter of 2023).

Thus, the electricity generated and delivered in the National Energy System ("SEN") was 4,920,140 MWh in the first half of 2023, compared to the same period of 2022 (4,779,204 MWh), representing an increase by 2.9%. In the second quarter of 2023, the amount of electricity produced and delivered in the SEN was 2,150,500 MWh, increase by 8.1% compared to the level recorded in the second quarter of 2022 of 1,989,873 MWh.

The net electricity production program approved by the Board of Directors for the year 2023 (March 2023 revision) considered a quantity of 10,218,912 MWh, and for the first half of 2023, considered a quantity of 4,829,947 MWh, being achieved in proportion of 101.9% and for the second quarter of 2023, it considered a quantity of 2,087,527 MWh, being achieved in proportion of 103%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in the second quarter of 2023, as well as in aggregate from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 30 June 2023, was as follows:

Cernavodă NPP unit	Cumulative first quarter 2023	April 2023	May 2023	June 2023	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	98.14%	98.44%	97.37%	95.81%	97.67%	90.54%
Unit 2	99.68%	99.33%	20.42%	47.28%	77.50%	93.70%

The lower value of the installed power utilization factor at Cernavodă NPP Unit 2 reflects the influence of the planned shutdown with an effective duration of 934 hours, recorded starting on 7 May 2023 at 11:00 a.m. The unplanned extension of the planned shutdown of Cernavodă NPP Unit 2 was 6.7 hours, and lasted until 15 June 2023 at 15:41.

Sales of electricity (quantities, prices and values) in the first half of 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including T _g]	Sale revenues [RON]
Sales via MACEE	2,107,985	42.52%	450.00	948,593,160
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	2,832,703	57.14%	973.11	2,756,536,665
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC contracts, directly negotiated contract and supply contracts	2,148,018	43.33%	1,113.51	2,391,842,354
- Sales on DAM and IDM	684,685	13.81%	532.65	364,694,311
Positive imbalances on PE*	17,084	0.34%	323.86	5,532,772
Total sales in the first half of 2023	4,957,772	100%	748.45	3,710,662,597

* Note: the values also include RON 753,979 of additional system balancing income, according to ANRE Order 213/2020. The value of the positive imbalances related to June 2023 is estimated.

The amount of electricity sold through the centralized electricity purchasing mechanism under contracts on the spot market (DAM and IDM) as well as on the PE market is 4,957,772 MWh, 1.3% above the sales schedule, of 4,893,203 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 1.3% lower than the amount of electricity sold in H1 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (37.6 thousand MWh) is represented by the electricity purchased in order to fully cover contractual obligations, 49% of which was purchased on the spot market and 51% on the PE market.

The revenues gained on the electricity market related to electricity deliveries in the first half of 2023 amount to RON 3,710,662,597, 3.4% higher than the revenues budgeted for the first half of 2023, and 19.9% higher compared to the amounts gained in the first half of 2022.

The weighted average sales price for the electricity sold (without MACEE and PE) achieved in the first half of 2023 is RON 973.11/MWh (including T_g). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was active in the first half of 2023 (CMBC-EA-flex, CMBC-CN, CM-OTC, DAM and IDM), calculated based on the values published by OPCOM in the monthly market reports, is RON 748.45/MWh. In the first half of 2022, the weighted average sales price for the energy sold (without PE) was RON 615.40/MWh (including T_g).

SNN is the seller under the Centralized Electricity Acquisition Mechanism (MACEE), set up under the Government Emergency Ordinance no. 153/2022, for the period 1 January 2023 – 31 March 2025. OPCOM S.A., as sole purchaser, according to Article 2 and Article 3(2) of the Government Emergency Ordinance no. 153/2022, buys electricity from producers and sells it to buyers at the price of RON 450/MWh, via the Electricity Centralized Acquisition Mechanism. In the first half of 2023, **the Company sold via MACEE, to OPCOM, 2,107,985 MWh.**

The quantities of electricity sold on **the competitive market of bilateral contracts** represented a percentage share of **43.33%** of the total volume of electricity sold in the first half of 2023, compared to a percentage share of 83.40% reported in the first half of 2022. **The average sales price on bilateral contracts during this period was RON 1,113.51/MWh (T_g included),** registering an increase of 108.3%

compared to the average price recorded in the first half of 2022, of RON 534.46/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 1.49/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), RON 2.53/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and RON 4.04/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

In the first half of 2023, electricity accounting for **13.81%** of the total sales value was sold **on the spot market (DAM and IDM)**, as compared to 16.30% in the first half of 2022. **The average sale price of energy on the spot market (DAM and IDM)** achieved by SNN in the first half of 2023 was RON **532.65/MWh (T_g included)**, as compared to RON 1,029.63/MWh (T_g included) in the first half of 2022.

3. The investment program as at June 30, 2023

The total amount of SNN's 2023 investment programme is RON 1,345,406 thousand (without the component allocated to payment of debt service for long-term loans), which is significantly higher than the amount of the 2022 investment programme (RON 702,795 according to the 2022 IEB approved by the OGMS Resolution no. 3/23.02.2022, and RON 609,220 according to the 2022 IEB approved by the OGMS Resolution no. 10/19.10.2022). The 2023 investment programme was approved by the Resolution no. 1/15.02.2023 of the Ordinary General Meeting of SNN Shareholders, as part of the 2023 Income and Expenditure Budget ("IEB") of SNN.

The 2023 investment programme of SNN 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 2023, as well as investment objectives to be completed in the following years.

When sizing the investment development program, S.N. Nuclearelectrica S.A. 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 with the nuclear safety regulations and with the long-term maintenance of the level of excellence in the operation of the plant, 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 2023 was dimensioned in terms of value, taking into account ongoing contractual commitments, estimates regarding the investment objectives to be achieved by the end of 2023, 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 the investments made (value-wise and as percentages), for the first half of 2023 compared to the same period of 2022, is presented in the table below. In the first half of 2023, investments of RON 371,424 thousand were made (27.6% of the total 2023 investment programme), according to the internal planning.

Year	Investment program value [thousand RON]	Actual (01.01 - 30.06) [thousand RON]	Degree of completion (01.01 - 30.06) [%]
2023	1,345,406	371,424	27.6%
2022	609,220**	363,882	59.7%

** IEB 2022 rectified approved by the OGMS Resolution no. 10/19.10.2022

Further information may be obtained from the External Communication, Sustainability and Investor Relations Department, e-mail: investor.relations@nuclearelectrica.ro.

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