



NUCLEARELECTRICA

Current report according to the provisions of Law no. 24/2017 on issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations

Reporting date: 13.11.2023

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

Registered office: 48 Iancu de Hunedoara Av, District 1, Bucharest

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

Sole Registration Code with the Trade Register Office: 10874881

Order number: J40/7403/1998

Subscribed and paid share capital: 3,016,438,940 Lei

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 on the economic and financial activity for the 9-month period ended on September 30, 2023

Societatea Nationala Nuclearelectrica S.A., stock exchange symbol "SNN", informs shareholders and investors about the availability, as of **13 November 2023, 08:00**, of the Quarterly Report on the economic and financial activity for the 9-month period ended 30 September 2023, prepared in accordance with the provisions of Article 69 of Law no. 24/2017 on issuers of financial instruments and market operations, republished and of Annex no. 13 to ASF Regulation no. 5/2018.

The quarterly report on the economic and financial activity for the 9-month period ending 30 September 2023 can be consulted free of charge either at the company's registered office in Bucharest, Av. Iancu de Hunedoara, no. 48, district 1, or by accessing the electronic format on the company's website at www.nuclearelectrica.ro, Investor Relations section.

The quarterly report on the economic and financial activity for the 9-month period ending 30 September 2023 includes:

- The main events in the Company's business during the reporting period;
- Individual interim financial statements as at and for the nine-month period ended 30 September 2023, prepared according to the OMFP [Order of the Ministry of Public Finance] 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";
- Quarterly report of the Board of Directors for the period from 1 January to 30 September 2023.

Further information can be obtained from the Company's External Communications, Sustainability and Investor Relations Department, email: investor.relations@nuclearelectrica.ro.

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Main results:

1. Financial results for the period

In the 9-month period ended 30 September 2023, SNN achieved a net profit of RON 1,976,614 thousand, up 1.9% compared to the same period last year.

Ratio [Thousand RON]	9-month period ended 30 September 2023 (not audited)	9-month period ended 30 September 2022 (not audited)	Variation
<i>Production (GWh)*</i>	7,622	7,410	2.9%
Operating revenues, out of which:	5,659,471	4,910,534	15.3%
<i>Revenues from the sale of electricity**</i>	5,547,008	4,829,890	14.8%
Operating expenses, less depreciation and impairment	(1,082,256)	(1,388,541)	(22.1%)
Cost of contribution to the Energy Transition Fund/tax on additional income	(2,059,256)	(872,931)	135.9%
EBITDA	2,517,959	2,649,062	(4.9%)
Depreciation and impairment	(469,860)	(451,279)	4.1%
EBIT	2,048,099	2,197,783	(6.8%)
Financial income	312,214	137,713	126.7%
Financial expenses	(21,510)	(23,380)	(8.0%)
Net financial result	290,704	114,334	154.3%
Net corporate income tax expenses	(362,189)	(373,026)	(2.9%)
Net profit	1,976,614	1,939,091	1.9%

*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 4.9% compared to the same previous period, significantly impacted by the increase in the energy transition fund contribution expense due for the period 1 January to 30 September 2023 which was 135.9% higher than the additional income tax due for the similar previous period. The main reasons for the increase in this tax being the changes in the calculation methodology detailed below, as well as the increase in the calculation base represented by revenues from the sale of electricity, which for the period 1 January - 30 September 2023 were higher than in the similar previous period.

Operating income increased by 15.3%, supported by a 14.8% increase in electricity sales revenues, driven by a 15.5% increase in the weighted average price, including Tg, of electricity sold in the period 01 January - 30 September 2023 compared to the weighted average price in the same period of 2022, given that a similar quantity of electricity was sold, an increase of 2.9%.

Compared to the same period of the previous year, the key change in the sales mix is represented by the introduction of the Centralized Electricity Purchase Mechanism ("MACEE"), set up by GEO no. 153/2022 for the period 1 January 2023 - 31 March 2025, in which SNN participates as a producer. OPCOM S.A., as sole purchaser, according to Art. 2 and Art. 3 para. (2) of GEO no. 153/2022, buys electricity from producers at the price of 450 RON/MWh and sells it to buyers at

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the same price. During 01 January - 30 September 2023, SNN sold via MACEE the quantity of 3,384,409 MWh at the price of 450 RON/MWh, which accounts for 43.96% of the total electricity sold during the period.

The quantity of electricity sold on the competitive market of bilateral contracts decreased by 51.4%, accounting for 42.01% of the total quantity sold, and the average selling price on this market was 103% higher (price without Tg).

The quantity of electricity sold by SNN on the spot market (PZU and PI) in the first 9 months of 2023 increased by 0.5%, accounting 13.65% of the total sold quantity, and the average selling price on this market was 57% lower (price without Tg).

The cost of the Contribution to the Energy Transition Fund/tax on additional income, of 2,059,256 thousand RON, due for the period 1 January - 30 September 2023, increased by 135.9% (1 January - 30 September 2022: 872,931 thousand RON), due to the changes in the calculation methodology and the increase in the calculation base, represented by higher revenues from the sale of electricity in the first 9 months of 2023 compared to the same period of the previous year.

As at 30 September 2022, the tax on additional income was determined as 80%, applied to the difference between the monthly average selling price of electricity, calculated according to the calculation methodology, and the price of 450 RON/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 period from January 1st to September 30th 2023, the contribution to the energy transition fund was determined as 100% applied to the difference between the average monthly selling price calculated according to the modified methodology and 450 RON/MWh, according to the provisions of Law no. 357/2022 approving GEO no. 119/2022. The calculation methodology applicable for the current reporting period did not allow the deduction from the calculation base of the electricity purchase expenses, the expenses related to the access to the energy markets (Tg and market administration expenses), as allowed by the methodology applicable in the previous similar period. For the period 01 January 2023 - 30 September 2023, the monthly expense included only the cost of imbalance.

Operating expenses, less depreciation and amortization and Energy Transition Fund Contribution/tax on additional income, decreased by 22.1% during the period 01 January - 30 September 2023, compared to the same previous period. This decrease is determined by lower expenditure on purchased electricity, with the amount of electricity purchased in the first 9 months of 2023 decreasing by 76% compared to the similar previous period.

The financial result positively influenced the net result, so that in the period 01 January - 30 September 2023 net financial income increased by 126.7% compared to the same period of the previous year, fed by the interest income obtained during the period. The main currencies with exposures are EUR and CAD.

Net income tax expense decreased by 2.9% as a result of a decrease in taxable profit calculated for the period January 1 to September 30, 2023 compared to that calculated for the previous similar period, also influenced by the impact of the income tax expense and income recognized in the period.

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2. Electricity production and sales (quantities, prices and values) in the period 1 January - 30 September 2023

The gross electricity production of the two operating units of the Cernavoda NPP was 8,287,615 MWh in the first 9 months of 2023 (of which 2,942,733 MWh in the third quarter of 2023); of this gross production, the Units' own technological consumption during operation, as well as during shutdowns ensured from own production, was 665 thousand MWh in the first 9 months of 2023 (of which 240 thousand MWh in the third quarter of 2023).

Thus, the electricity produced and delivered to the National Energy System ("NES") was 7,622,416 MWh in the first 9 months of 2023, compared to the same period of 2022 (7,410,474 MWh), representing an increase of 2.9%. In the third quarter of 2023 the amount of electricity produced and delivered to the NES was 2,702,277 MWh, an increase of 2.7% compared to the level recorded in the third quarter of 2022 of 2,631,270 MWh.

The net electricity production program approved by the Board of Directors for 2023 (March 2023 revision) envisaged a quantity of 10,218,912 MWh, and for the first 9 months of 2023, it envisaged a quantity of 7,477,070 MWh, being 101.9% achieved; for the third quarter of 2023, it envisaged a quantity of 2,647,123 MWh, being 102% achieved.

The utilization factor of the installed power, recorded by each operating unit of the Cernavoda NPP in the third quarter of 2023, as well as cumulated from the start of commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 30 September 2023, was as follows:

Cernavodă NPP unit	Cumulative first half 2023	July 2023	August 2023	September 2023	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	97.67%	93.97%	87.34%	94.56%	95.74%	90.56%
Unit 2	77.50%	96.81%	96.80%	97.63%	84.07%	93.75%

Electricity sales (quantities, prices and values) during 01 January - 30 September 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	3,384,409	43.96%	450.00	1,522,984,185
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	4,285,213	55.66%	942.37	4,038,260,789
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC contracts, directly negotiated contract and supply contracts	3,234,459	42.01%	1,079.72	3,492,324,142
- Sales on DAM and IDM	1,050,754	13.65%	519.57	545,936,647
Positive imbalances on PE*	29,459	0.38%	269.19	7,929,827
Total sales during Q3 2023, aggregate	7,699,080	100%	723.36	5,569,174,801

^{*)} Note: the values also include RON 1,947,791 of additional system balancing income, according to ANRE Order 213/2020. The value of the positive imbalances related to September 2023 is estimated.

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The amount of electricity sold through the Centralized Electricity Purchase Mechanism, on a contract basis, on the spot market (PZU and PI) as well as on the PE is 7,699,080 MWh, 1.4% above the sales program of 7,593,947 MWh (scaled to the production forecast, without estimating unplanned outages) and 0.4% below the amount of electricity sold in the similar period in 2022.

The difference between the electricity sold by the Company and the electricity produced and delivered by CNE Cernavoda (76.6 thousand MWh) is represented by the electricity purchased for the full coverage of contractual obligations, which was purchased 47% from the spot market and 53% from PE.

Realized revenues on the electricity market related to electricity deliveries in the first 9 months of 2023 are 5,569,174,801 RON, higher by 0.05% compared to the budgeted revenues adjusted for 2023 at 9 months and respectively higher by 15% compared to the realizations in the first 9 months of 2022.

The weighted average selling price for the quantities of electricity sold (without MACEE and PE), resulting in the period 01 January - 30 September 2023, is 942.37 RON/MWh (including Tg). For comparison, the weighted average price of all transactions concluded on the markets where SNN has been active in the first 9 months of 2023 (PCCB - LE flex, PCCB - NC, PC - OTC, PZU and PI), calculated on the basis of the values published by OPCOM in the monthly market reports, is 723.36 RON/MWh. **In the period 01 January - 30 September 2022, the weighted average selling price for the quantities of energy sold (without PE) was 625.90 RON/MWh (including Tg).**

SNN is a seller under the Centralized Electricity Purchase Mechanism (MACEE), established by GEO no. 153/2022 for the period 1 January 2023 - 31 March 2025. OPCOM S.A., as sole buyer, according to art. 2 and art. 3 para. (2) of GEO no. 153/2022, buys electricity from producers and sells it to buyers at a price of 450 RON/MWh through the Centralized Electricity Purchase Mechanism. In the first 9 months of 2023, SNN sold through MACEE to OPCOM the amount of 3,384,409 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in the first 9 months of 2023 a percentage share of 42.01% of the total volume of electricity sold, compared to a percentage share of 86.10% recorded in the same period of 2022.

The average selling price on bilateral contracts in the first 9 months of 2023 was 1,079.72 RON/MWh (including Tg), registering an increase of 103% compared to the average price registered in the previous similar period of 532.50 RON/MWh (including Tg); given that the value of the transmission tariff for introducing electricity into the grid Tg was 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

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On the spot market (PZU and PI), in the first 9 months of 2023 a quantity of electricity was sold representing 13.65% of the total sales volume, compared to a percentage share of 13.53% recorded in the same period of 2022. The average energy selling price on the spot market (PZU and PI) achieved by SNN in the first 9 months of 2023 was 519.57 RON/MWh (including Tg), compared to 1,220.54 RON/MWh (including Tg) recorded in the previous similar period.

3. Investment program as at 30 September 2023

The total rectified amount of SNN's 2023 investment program is RON 710.318 thousand (without the component allocated to payment of debt service for long-term loans), which is higher than the rectified amount of the 2022 investment program (RON 609,220 according to the 2022 rectified IEB approved by the OGMS Resolution no. 10/19.10.2022). The rectified investment program for the year 2023 was approved by Resolution of the Board of Directors no. 232/27.10.2023.

SNN's investment program for 2023 includes investment projects required at the Cernavoda NPP Branch, the Pitesti NPP Branch and the Head Office, estimated to be completed by the end of 2023, as well as investment objectives to be completed in the coming 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.

At the same time, the development program also responds to the need to modernize/refurbish some of the plant's systems, which, for economic reasons (reduction of specific consumption, improvement of some parameters characteristic of the processes served, with a positive impact on efficiency) and for legal reasons, require the implementation of improvements associated with nuclear safety, environmental protection and occupational safety, which represent imperative requirements from the regulatory authorities in the field.

SNN's investment program for the year 2023 has been sized in terms of value taking into account ongoing contractual commitments, estimates of investment objectives to be achieved by the end of 2023, including amounts allocated to investment projects for which it is anticipated that certain requirements beyond SNN's control will be met (e.g. prior approvals from regulatory authorities, legal deadlines for the completion of public procurement procedures including appeals, obtaining the necessary approvals from SNN's corporate bodies, etc.), in order to allow the implementation of these projects within the approved budget amounts.

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The comparative situation of investment achievements (in value and percentage) for the period 1 January - 30 September 2023 compared to the same period of 2022 is presented in the table below. In the period 1 January - 30 September 2023, investments amounting to RON 455,742 thousand (64,2% of the total rectified investment program for 2023) were made, according to internal planning.

Year	Investment program value [thousand RON]	Actual (01 January – 30 September) [thousand RON]	Degree of completion (01 January - 30 September) [%]
2023	710,318	455,472	64.2%
2022	609,220	422,383	69.3%

Note. The value of the investment program, and the calculated progress attained in 1 January – 30 September are in accordance with the figures approved in the rectified IEB 2022 and rectified IEB 2023

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

Cosmin Ghita
Chief Executive Officer

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