



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

Report date: April 26, 2024

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

Fiscal code: 10874881

Trade Register Number: 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 ("ASF")**

Significant event to report:

Annual Report for the financial year ended December 31, 2023

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the publication of the Annual Report for the financial year ended December 31, 2023, 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 ended December 31, 2023 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 December 31, 2023 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), accompanied by the independent auditor's report;
- (iii) The consolidated annual financial statements audited as of and for the financial year ended December 31, 2023 prepared in accordance with *OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards* ("IFRS-EU"), accompanied by the independent auditor's report.
- (iv) The Annual Report for the year ended on December 31, 2023, 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 2023.

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 2023, SNN obtained a net profit amounting to RON 2,506,519 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, 2023, as follows:

Ratio [Thousand RON]	The 12-month period ended on 31 December 2023 (audited)	The 12-month period ended on 31 December 2022 (audited)	Variation
Production (GWh)*	10,294	10,200	0.9%
Operating revenues, of which:	7,586,912	6,534,010	16.1%
Revenues from the sale of electricity**	7,424,044	6,343,640	17.0%
Operating expenses, less depreciation and impairment and CETF	(1,850,718)	(1,857,584)	(0.4%)
Cost of contribution to the Energy Transition Fund/tax on additional income CETF	(2,623,619)	(1,085,014)	141.8%
EBITDA	3,112,575	3,591,412	(13.3%)
Depreciation and impairment	(631,370)	(605,405)	4.3%
EBIT	2,481,205	2,986,007	(16.9%)
Financial income	431,702	238,176	73.7%
Financial expenses	(34,774)	(31,687)	9.7%
Net financial result	378,928	206,489	83.5%
Net corporate income tax expenses	(353,614)	(428,073)	(17.4%)
Net profit	2,506,519	2,764,423	(9.3%)

*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) decreased by 13.3% compared to the same period of the previous year, under the significant influence of the increase in the cost of the contribution to the Energy Transition Fund payable for the period 1 January - 31 December 2023, which was 141.8% higher than the tax on additional income due for the similar period of the previous year. The main causes of the increase in this tax are the changes made to the calculation methodology detailed below, as well as the increase in the reference amount, represented by the revenues from the sale of electricity which, in the period 01 January - 31 December 2023, are higher than in the similar period of the previous year.

Operating income increased by 16.1%, an evolution supported by the 17% increase in income from the sale of electricity, determined by the 17.6% increase in the weighted average price, including Tg, of the electricity sold during 1 January - 31 December 2023 compared to the

weighted average price from the same period of 2022, under the conditions of the sale of a similar total amount of electricity, an increase of 0.9%.

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 450 RON /MWh, and sells it to buyers at the same price. In the period 01 January - 31 December 2023, SNN sold via MACEE a quantity of 4,938,911 MWh at the price of 450 RON /MWh, which accounts for 47.02% of the total electricity sold during the period.

The amount of electricity sold on the competitive market of bilateral contracts decreased by 53.8%, accounting for 41.41% of the total sold quantity, and the average sale price on this market increased by 99.3% (price without Tg).

The amount of electricity sold by SNN on the spot market (DAM and IDM) in the first 12 months of 2023 increased by 6%, accounting for 11.4% of the total sold quantity, and the average sale price on this market decreased by 57.2% (price without Tg).

The cost of the contribution to the Energy Transition Fund/tax on additional income, of RON 2,623,619 thousand, due for the period 1 January - 31 December 2023, increased by 141.8% (1 January - 31 December 2022: RON 1,085,014 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 2023, are higher than the previous year.

As at 31 December 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 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 (Annex 6).

In the period 01 January - 31 December 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 450 RON /MWh, pursuant to Law no. 357/2022 approving the Government Emergency Ordinance no. 119/2022. The calculation methodology applicable for the current reporting period 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 similar period of the previous year used to allow. During the period 01 January 2023 - 31 December 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 0.4% during 2023, compared to 2022. This decrease is determined by the decrease in expenses regarding the purchased electricity, the amount of electricity purchased in the first 12 months of 2023 decreased by 41% compared to the similar period of the previous year.

The financial result positively influenced the net result, so that in the period 01 January - 31 December 2023, net financial income was recorded, increasing by 83.5% compared to the similar period of the previous year, as a result of the interest income obtained. The main currencies with exposures are EUR and CAD.

The net income tax expense decreased by 17.4% as a result of the decrease in the taxable profit calculated for the period 01 January - 31 December 2023 compared to that calculated for the similar period of the previous year, also influenced by the impact of deferred income tax expenses and revenues recognized during the reporting period.

Electricity output in 2023

The gross electricity production of the two operational units of Cernavodă NPP was 11,191,089 MWh in 2023; from this gross production, the own technological consumption of the Units during operation, as well as during shutdowns ensured, from own production, was 896 thousand MWh in 2023.

Thus, the electricity generated and delivered in the National Energy System ("SEN") was 10,294,203 MWh in 2023, compared to 2022 (10,199,558 MWh), representing an increase by 0.9%.

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, being achieved in proportion of 100.7%.

The installed power utilization factor, recorded by each operational unit within Cernavodă NPP in 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 31 December 2023 was as follows:

Cernavodă NPP unit	Aggregate 2023	Aggregate since the first date of commercial operation
Unit 1	95.49%	90.60%
Unit 2	86.11%	93.73%

Electricity sales in 2023

Electricity sales (quantities, prices and values) in 2023:

Sales by type	Quantities in MWh	% of total sales	Average price [RON/MWh including Tg]	Sale revenues [RON]
Sales via MACEE	4,938,911	47.02%	450.00	2,222,509,995
Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	5,520,334	52.56%	944.01	5,211,276,928
- Sales under CMBC-EA Flex, CMBC-CN, CM-OTC, LCM-RCE contracts, directly negotiated contract and supply contracts	4,350,214	41.42%	1,059.01	4,606,927,731
- Sales on DAM and IDM	1,170,120	11.14%	516.48	604,349,197
Positive imbalances on PE*	43,892	0.42%	490.57	21,531,894
Total sales during 2023	10,503,137	100%	709.82	7,455,318,817

* Note: the values also include RON 3,317,384 of additional system balancing income, according to ANRE Order 213/2020.

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 10,503,137 MWh**, 1.1% above the sales schedule, of 10,391,304 MWh (measured according to the production forecast, without estimating unscheduled shutdowns) and 0.5% lower than the amount of electricity sold in 2022.

The difference between the electricity sold by the Company and the electricity generated and delivered by Cernavodă NPP (208.9 thousand MWh) is represented by the electricity purchased in order to fully cover contractual obligations, 64% of which was purchased on the spot market and 36% on the PE market.

The revenues gained on the electricity market related to electricity deliveries in 2023 amount to RON 7,455,318,817, 0.26% higher than the rectified revenues budgeted for 2023, and 17.8% higher compared to the amounts gained in 2022.

The weighted average sales price for the electricity sold (without MACEE and PE) achieved in 2023 is 944.01 RON /MWh (including Tg). For comparison, the weighted average price of all transactions concluded on the markets in which SNN was active in 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 700.82 RON /MWh. In 2022, the weighted average sales price for the energy sold (without PE) was 602.33 RON /MWh (including Tg).

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 450 RON /MWh, via the Electricity Centralized Acquisition Mechanism. In 2023, SNN sold via MACEE, to OPCOM, 4,938,911 MWh.

The quantities of electricity sold on the competitive market of bilateral contracts represented in 2023 a percentage share of 41.41% of the total volume of electricity sold, compared to a percentage share of 89.15% recorded in 2022.

The average sales price on bilateral contracts during 2023 was 1,059.01 RON /MWh (T_g included), registering an increase of 99.3% compared to the average price recorded in the previous year, of 531.36 RON/MWh (T_g included), provided that the value of the transmission tariff for the introduction of electricity into the network T_g amounted to 1.49 RON/MWh starting from 1 January 2022 (according to ANRE Order no. 124/25.11.2021), 2.53 RON/MWh starting with 1 April 2022 (according to ANRE Order no. 33/23.03.2022) and 4.04 RON/MWh starting with 1 April 2023 (according to ANRE Order no. 28/29.03.2023).

In 2023, electricity amounting to 11.14% of the total sales value was sold on the spot market (DAM and IDM), as compared to 10.46% in 2022. **The average sale price of energy on the spot market (DAM and IDM) achieved by SNN in 2023 was 516.48 RON/MWh (T_g included)**, as compared to 1,207.36 RON/MWh (T_g included) during the previous year.

Investment program

The total rectified value of SNN's investment program for the year 2023 is RON 710,318 thousand (without the component allocated to the payment of debt service related to long-term loans), program approved by Resolution no. 232/27.10.2023 of the Board of Directors of SNN, as part of the Rectified Income and Expenditure Budget ("IEB") of SNN for the year 2023.

The investment program of SNN for the year 2023 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 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 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 investments made (as values and as percentages) for the period 1 January - 31 December 2023 compared to the same period of 2022 is presented in the following table:

Year	Investment program value [thousand RON]	Actual (01.01 – 31.12) [thousand RON]	Degree of completion (01.01 – 31.12) (%)
2023	710,318	630,749	88.8%
2022	609,220	561,468	92.2%

Note. The value of the investment programme, and the calculated progress attained in 1 January – 31 December are in accordance with the figures approved in the rectifications of IEB 2022 and IEB 2023

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

Cosmin Ghita
Chief Executive Officer