

S.N. Nuclearelectrica S.A.

**SNN Investors Teleconference
Individual Interim Financial Statements
for the 3 month period ended
March 31, 2024
- Q1 2024-**



Bucharest: May 14, 2024

EXECUTIVE SUMMARY

- **Financial Highlights**

- Financial position @31.03.2024
- Income statement 3M 2024 vs 3M 2023
- Net result evolution
- Income statement actual vs budgeted

- **Sales of electricity**

- Sales of electricity evolution
- Sales structure analysis

- **OPEX**

- **CAPEX**

- Main investments

- **Technical performances**

- Radioactive emissions
- Nuclear fuel burn up factor
- Capacity factor

- **SNN details**

- Executive Management
- Investor Relation
- Financial calendar 2024

- **Q&A**

Financial Highlights

- 3M 2024 Financial position -

RON '000	31.03.2024 (unaudited)	31.12.2023 (audited)	Variation (%)
	A	B	C = (A - B)/B
Total non-current assets	7,473,021	7,501,677	(0.4%)
Inventories	1,038,475	1,067,737	(2.7%)
Trade receivables	225,671	624,306	(63.9%)
Other financial assets at amortized cost	126,249	327,447	(61.4%)
Cash and cash equivalents (incl. deposits)	4,467,425	3,641,592	22.7%
Total current assets	5,857,820	5,661,081	3.5%
Total assets	13,330,841	13,162,757	1.3%
Share capital and premium	3,243,416	3,243,416	0.0%
Prepaid share reserve	21,554	21,554	0.0%
Revaluation reserve	322,774	336,997	(4.2%)
Retained earnings	8,730,617	8,153,125	7.1%
Total shareholder's equity	12,318,361	11,755,092	4.8%
Long term borrowings	0	0	0%
Long term lease liabilities	36,463	15,605	133.7%
Provisions for risks and expenses	195,309	204,807	(4.6%)
Other non-current liabilities	140,076	146,830	(4.6%)
Total non-current liabilities	371,848	367,242	1.3%
Accounts payable and other liabilities	422,197	850,747	(50.4%)
Current portion of provisions for risks and expenses	158,384	119,868	32.1%
Short term lease liabilities	4,696	4,167	12.7%
Current portion of long term borrowings	55,355	65,641	(15.7%)
Total current liabilities	640,632	1,040,423	(38.4%)
Total liabilities	1,012,480	1,407,665	(28.1%)
Total equity and liabilities	13,330,841	13,162,757	1.3%

Main variations 31.03.2024 vs 31.12.2023:

Non-current assets -0,4% (-28,6 mil RON):

- Increase in financial assets at amortized cost, due to:
 - increase in the loan granted by the company to the associated entity RoPower Nuclear SA: **approx. +55,8 mil RON**, balance from 22 mil. RON as at 31.12.2023, to 78 mil. RON as at 31.03.2024.
The loan was granted for financing the technical assistance activities related to SMR Front End Engineering and Design (FEED) Phase 1.
 - compensated by the reduction of the net book value of tangible and intangible assets, through the recognition of depreciation expense related to the period January 1 - March 31, 2024: **approx. - 82.8 mil RON;**

Current assets +3,5% (+197 mil RON):

- **+825 mil RON** – increase in cash and cash equivalents (including bank deposits with maturity over 3 months);
- **-600 mil RON** – decrease of trade receivables and the financial assets at amortised cost

Current liabilities -38,4% (+400 mil RON) mainly from:

- the reduction of trade payables balances and other payables (windfall tax) – **543 mil RON;**
- compensated by the income tax debt increase **+113 mil RON**

Financial Highlights

- 3M 2024 Income statement -

RON '000	3M period ended 31.03.2024 actual (unaudited)	3M period ended 31.03.2023 actual (unaudited)	VAR (abs)	VAR (%)
	1	2	3 = (1-2)	4 = 3/2
Revenues				
Sales of electricity, including thermal energy	1,162,493	2,093,433	(930,941)	(44.5%)
Electricity transmission revenues	10,573	7,007	3,566	50.9%
Total revenues (including Tg)	1,173,066	2,100,440	(927,374)	(44.2%)
Other income	32,273	19,253	13,020	67.6%
Total operating revenues	1,205,339	2,119,693	(914,354)	(43.1%)
Personnel expenses	(168,549)	(139,770)	28,779	20.6%
Cost of traded electricity	(33,545)	(2,244)	31,302	1395.2%
Repairs and maintenance	(20,110)	(14,755)	5,355	36.3%
Electricity transmission expenses	(10,573)	(7,007)	3,566	50.9%
Costs with spare parts	(4,278)	(2,626)	1,652	62.9%
Cost of uranium fuel	(52,217)	(44,796)	7,421	16.6%
Other operating expenses	(148,766)	(111,520)	37,246	33.4%
Windfall tax	-	(840,842)	(840,842)	(100%)
Total operating expenses less amortisation and depreciation	(438,038)	(1,163,560)	(725,522)	(62.4%)
EBITDA	767,301	956,134	(188,833)	(19.7%)
Depreciation and amortisation	(164,394)	(156,160)	8,234	5.3%
EBIT	602,907	799,974	(197,067)	(24.6%)
Finance costs	(12,710)	(5,650)	7,060	125.0%
Finance income	82,358	113,381	(31,023)	(27.4%)
Financial Result	69,648	107,731	(38,083)	(35.4%)
Gross profit	672,555	907,705	(235,150)	(25.9%)
Income tax, net	(109,285)	(141,187)	(31,902)	(22.6%)
Net profit	563,270	766,518	(203,248)	(26.5%)

Net profit for 3M 2024 recorded a 26.5% decrease compared to 3M 2023 (-203 mil RON)

Negative impact coming from:

- decrease in revenues from energy sales by 927 mil RON
- increase in other operating expenses by 37 mil RON mainly due to increase in technological water costs
- increase in traded electricity costs resulted from higher costs on balancing market by 31 mil RON impact
- increase in personnel cost by 29 mil RON impact as a result of the increase of salaries and employees incentives for company's performance.
- decrease in net financial result due to lower interest revenues recorded during the reporting period by 38 mil RON impact

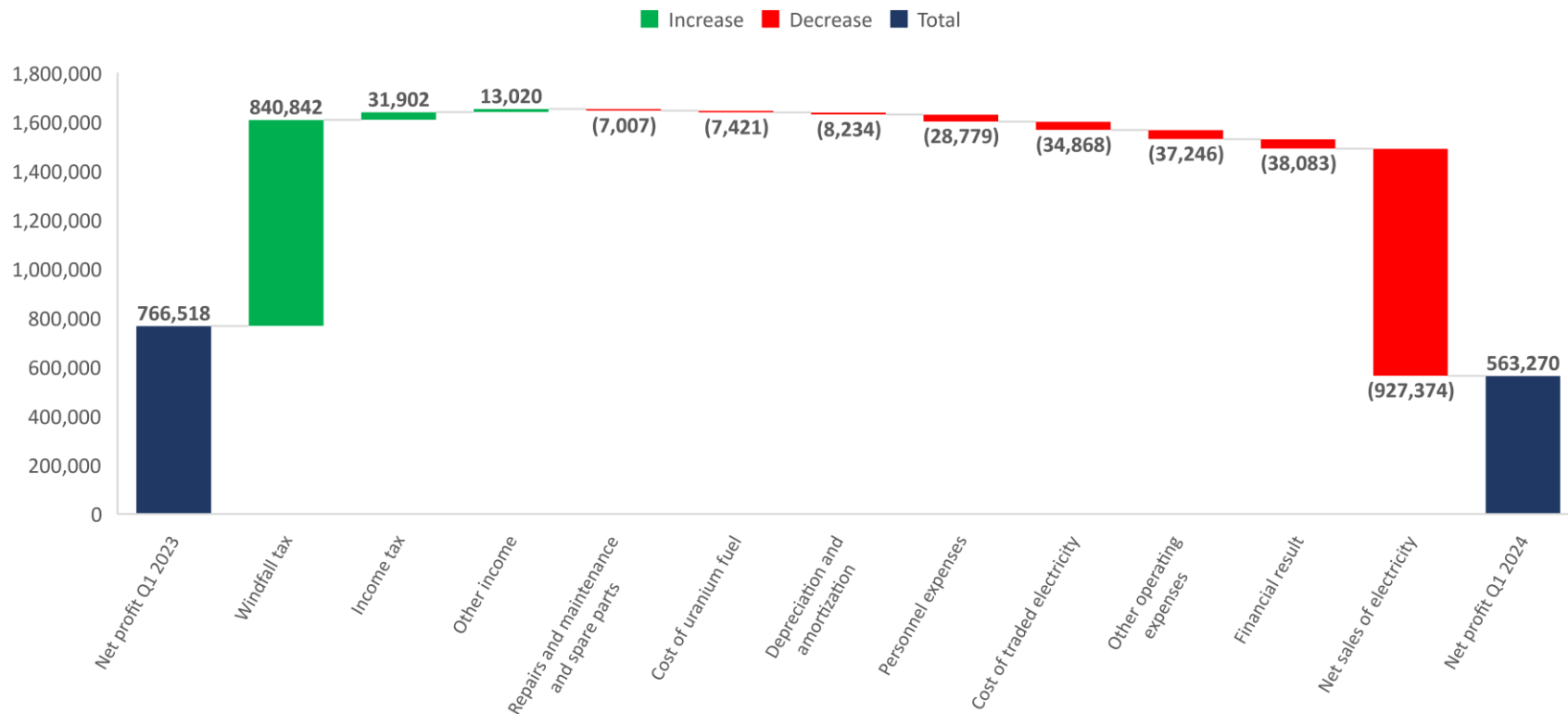
Positive impact coming from:

- decrease in windfall tax by 840 mil RON
- decrease of income tax by 32 mil RON impact, as a result of the above indicator's evolution

Financial Highlights

- Detailed Net result evolution -

Net result evolution ('000 RON)



Sales structure analysis Q1 2024 vs Q1 2023 (I)

Q1 2024

Sales by type	Quantity in MWh	% in total sales	Average selling price [lei/MWh including Tg]	Revenues from sales including Tg [mil RON]
1. MACEE Sales	1,880,866	67.6%	450	846.4
2. Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	886,654	32%	355	314.5
2.1. Sales under PCCB – LE, PCCB – LE Flex, PCCB – NC, PC – OTC, contracts, directly negotiated contract and supply contracts	29,661	1%	466	13.8
2.2. Sales on Day Ahead Market and Intra-Day Market	856,993	31%	351	300.6
3. Revenues from imbalances	13,659	0.5%	667	9.1
Total sales 3M 2024	2,781,215	100%	421	1,170

Q1 2023

Sales by type	Quantity in MWh	% in total sales	Average selling price [lei/MWh including Tg]	Revenues from sales including Tg [mil RON]
1. MACEE Sales	1,234,350	44.4%	450	555.5
2. Sales on the competitive market (bilateral agreements and sales on DAM and IDM), of which:	1,538,222	55.4%	1,001	1,539.6
2.1. Sales under PCCB – LE, PCCB – LE Flex, PCCB – NC, PC – OTC, contracts, directly negotiated contract and supply contracts	1,213,129	43.7%	1,104	1,339.3
2.2. Sales on DAM and IDM	325,093	11.7%	616	200.3
3. Revenues from imbalances	6,588	0.2%	370	2.4
Total sales 3M 2023	2,779,160	100%	755	2,097

First quarter 2024 vs First quarter 2023

Sales from electricity (including Tg) in Q1 2024 decreased by -44,2% compared to Q1 2023 (- 927 mil lei).

The evolution was determined mainly by the reduction of the average selling price (including Tg) by +44,3%, for a similar quantity of electricity sold

1. MACEE: increase by + 291 mil lei / +52.4%

Quantity: increase by +647 GWh/+52.4% (67,63% from total energy sold) ; Price: 450 lei/MWh

2.1. PCCB: decrease by - 1,326 mrd lei / -99%

Quantity: decrease by - 1.183 GWh / -97,6%

Average selling price: decrease by: -638 lei/MWh / -57,8%

2.2. Spot market: increase by +100 mil. lei / +50.2%

Quantity: increase by +532 GWh (+163,6%)

Average selling price: decrease by -265 lei/MWh (-43%)

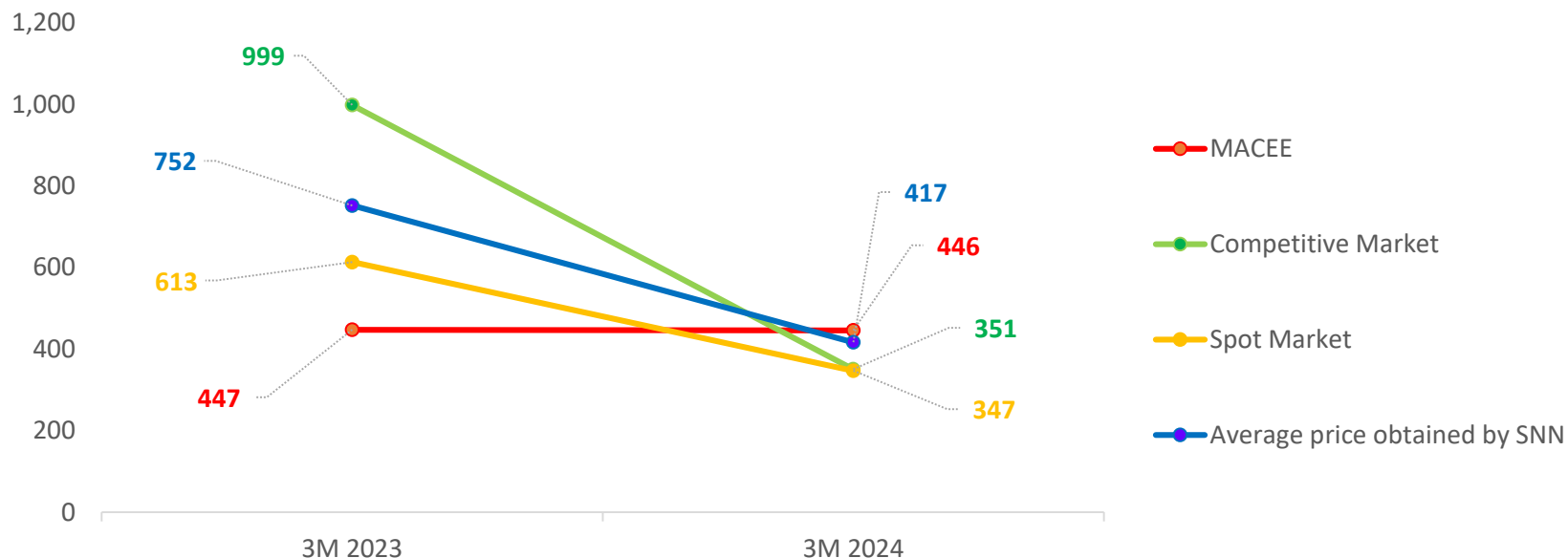
3. Balancing market: increase by + 7 mil lei / +275%

Quantity: increase by +7 GWh / +107,9%

Average selling price: increase by +297.32 lei/MWh / +80,4%

Sales*) structure analysis Q1 2024 vs Q1 2023 (II)

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



Quantities	3M 2024 actual	3M 2023 actual	Variation comparative period [%]	3M 2024 budgeted*)	Variation Actual vs Budgeted [%]
MACEE	1,880,866	1,234,350	52.4%	1,995,879	(5.8%)
Competitive Market	29,661	1,213,129	(97.6%)	8,101	266.1%
Spot Market	856,993	325,093	163.6%	769,175	11.4%
TOTAL	2,767,520	2,772,572	(0.2%)	2,773,155	(0.2%)

*Sales on the competitive market are subject to the windfall tax. In 2023, the tax level was 100% on the revenues exceeding 450 RON/MWh

OPEX

Cost structure (RON '000)	3M 2024 actual	% in total	3M 2023 actual	VAR (abs)	VAR %	3M 2024 budgeted	VAR %
	1		2	3= 1 - 2	4 = 3 / 2	5	6 = (1-5) / 5
Cost of traded electricity	33,545	5.6%	2,244	31,302	1395.2%	63,992	(47.6%)
Personnel expenses	168,549	28.0%	139,770	28,779	20.6%	192,951	(12.6%)
Other operating expenses	81,528	13.5%	58,758	22,770	38.8%	93,941	(13.2%)
Technological and non-technological water and energy	40,666	6.8%	26,208	14,458	55.2%	42,433	(4.2%)
Depreciation and amortization	164,394	27.3%	156,160	8,234	5.3%	160,460	2.5%
Cost of uranium fuel	52,217	8.7%	44,796	7,421	16.6%	80,143	(34.8%)
Repairs and maintenance	20,110	3.3%	14,755	5,355	36.3%	23,988	(16.2%)
Electricity transmission expenses	10,573	1.8%	7,007	3,566	50.9%	10,418	1.5%
Cost with spare parts	4,278	0.7%	2,626	1,652	62.9%	5,878	(27.2%)
ANDR contribution	25,348	4.2%	24,984	364	1.5%	25,492	(0.6%)
ANRE contribution	1,224	0.2%	1,570	-346	(22.0%)	1,867	(34.4%)
Total OPEX except Windfall tax	602,432	94%	478,877	123,555	25.8%	701,562	(14.1%)
Windfall tax	0	0.0%	840,842	-840,842	(100%)	0	0%
Total OPEX	602,432	94%	1,319,719	-717,287	(54.4%)	701,562	(14.1%)

3M'24 OPEX is lower by 54.4% compared to 3M'23 based on:

- **Windfall tax / Contribution to the Energy Transition Fund:** considering the decline in the evolution of the energy selling prices, during the first quarter of 2024 SNN did not owe windfall tax.
- **Cost of traded electricity:** significant **increase of +31 mil RON**; as a result of higher costs from imbalances in Q1 2024 compared to the similar previous period
- **Personnel expenses:** **increased by 20.6%** as a result of a slight increase in the number of employees, the increase of salaries adopted starting Q3 2023 and employees incentives for company's performance.
- **Technological and non-technological water and energy:** **55.2% increase** due to higher utility prices recorded in 3M 2024.
- **Depreciation and amortisation:** +5.3% due to new assets put in function in second half of 2023;
- **Cost of uranium fuel:** expenses **increased by 16.6%**, due to increase in the weighted average cost of fuel bundles, which comprises all cost components;
- **Repairs and maintenance:** recorded a 36.3% increase correlated with the repairs and maintenance program and with the needs in 2024.
- **Electricity transmission expenses:** recorded a **significant increase of +50.9%** due to the increase in the level the transmission tariff into the grid (**2.53 RON/MWh** during 01.04.2022-31.03.2023, **4.04 RON/MWh** during 01.04.2023-31.12.2023 and **3.82 RON/MWh** starting 31.01.2024,).
- **ANDR contribution for decommissioning** (0.6 EUR/MWh) and for permanent storage of radioactive waste (1.4 EUR/MWh), no notable variation;
- **ANRE contribution:** : **decrease**, correlated with the decrease of the basis for computation of the contribution, represented by sales of electricity recorded in the previous financial year.

Financial Highlights

- 3M 2024 Income statement actual vs budgeted -

RON '000	3M period ended 31.03.2024 actual (unaudited)	3M period ended 31.03.2024 budgeted *)	Variation (abs)	Variation (%)
	1	2	3 = 1-2	4 = 3/2
Revenues				
Sales of electricity **	1,162,493	1,154,617	7,875	0.7%
Electricity transmission revenues	10,573	10,418	155	1.5%
Total revenues	1,173,066	1,165,035	8,031	0.7%
Other income	32,273	39,393	(7,120)	(18.1%)
Operating expenses				
Personnel expenses	(168,549)	(192,951)	(24,402)	(12.6%)
Cost of traded electricity	(33,545)	(63,992)	(30,447)	(47.6%)
Repairs and maintenance	(20,110)	(23,988)	(3,879)	(16.2%)
Electricity transmission expenses	(10,573)	(10,418)	155	1.5%
Costs with spare parts	(4,278)	(5,878)	(1,600)	(27.2%)
Cost of uranium fuel	(52,217)	(80,143)	(27,926)	(34.8%)
Other operating expenses	(148,766)	(163,732)	(14,966)	(9.1%)
Total operating expenses less depreciation and amortization	(438,038)	(541,102)	(103,064)	(19%)
EBITDA	767,301	663,327	103,974	15.7%
Depreciation and amortization	(164,394)	(160,460)	3,934	2.5%
EBIT	602,907	502,867	100,040	19.9%
Finance costs	(12,710)	(7,631)	5,079	66.6%
Finance income	82,358	64,763	17,595	27.2%
Income tax charge, net	(109,285)	(83,630)	25,655	30.7%
Net profit	563,270	476,369	86,901	18.2%

* The Revenue and Expenditure Budget approved by GMS Decision no. 1/28.02.2024

** Including thermal energy.

CAPEX

Capital expenditure of SNN in 3M 2024:

- 67 mil. RON in 3M'24 (in 3M 2023: 73.5 mil. RON) out of total investment program of 1,599 mil. RON.
- the investments in the first 3 months of 2024 were made according to the planning for the year 2024

CAPEX Program [thousand RON]	Budget 2024*	Degree of completion 31.03.2024		Budget 2023**	Degree of completion 31.03.2023	
Ongoing investments	1,340,325	567	0.0%	527,333	46,805	8.9%
Investments made on tangible assets	148,138	66,387	44.8%	87,564	3,564	4.1%
Equipments	110,899	122	0.1%	95,421	23,182	24.3%
Total value of investment program	1,599,362	67,075	4.2%	710,318	73,552	10.4%

*) Approved through GSM decision no. 1/28.01.2024

***) Revised through BoD decision no. 232/27.10.2023

Aspects related to main investments and long term strategic projects :

- **Unit 1 Refurbishment**
- **Unit 3 and 4 Project CNE Cernavoda**
- **Small Modular Reactors**
- **Tritium Removal Facility Project - CTRF**

Unit 1 Refurbishment

- The Unit 1 Refurbishment Project is in the second phase of implementation, which includes the provision of financial resources for carrying out the refurbishment project, preparing the execution of the activities identified and defined in Phase I and obtaining all necessary approvals and endorsements for project implementation.
- On 15 February 2024, Nuclearelectrica signed a Memorandum of Understanding with SACE and Ansaldo Nucleare to advance the development and financing of the refurbishment of Cernavodă NPP Unit 1 and Cernavodă NPP Units 3 and 4.
- By the EGMS Resolution no. 6 of 25 April 2024, the Company's shareholders approved the framework agreement between the Company and Canadian Nuclear Partners, having as object "Management, technical assistance, consultancy and staff training services, necessary for the preparation and implementation of the Cernavodă NPP Unit 1 Refurbishment Project", with the maximum amount of CAD 358,919,984 (EUR 243,616,360).
- Main activities underway in Q1 2024: obtaining the Environmental Agreement and the building permit for the infrastructure needed to retube the reactor of Unit 1; Development of the Population Health Assessment Study with a completion date in Q2 2024.

Unit 3 and 4 Project CNE Cernavodă

- On June 9, 2023, the Support Agreement was signed between the Romanian State - the Government of Romania, the General Secretariat of the Government, the Ministry of Energy, the Ministry of Finance, the Ministry of Transport - and Societatea Nationala Nuclearelectrica, in order to develop the National Strategic Project Cernavodă NPP Units 3 and 4.
- By signing the Support Agreement, the Romanian state undertook to support the Cernavodă NPP Units 3 and 4 Project, including through:
 - securing the Project's financing by granting of State guarantees issued by the Ministry of Finance ("MoF") to the Project's financing parties
 - implementing the "Contracts for Difference" type scheme and adopting measures required to ensure the fulfilment of the technical criteria provided for in the Complementary Delegated Act of the European Commission;
 - in kind contribution (Heavy Water, Uranium Octoxide, Nuclear Fuel Load) to the financing of the Project, by increasing the share capital of EnergoNuclear by the Government of Romania
- On 15 February 2024, Nuclearelectrica signed a Memorandum of Understanding with SACE and Ansaldo Nucleare to advance the development and financing of the refurbishment of Cernavodă NPP Unit 1 and Cernavodă NPP Units 3 and 4.
- By the Resolution no. 4/17.04.2024 of the Extraordinary General Meeting of Shareholders ("EGMS"), the addendum to the Support Agreement between the Romanian State and SNN regarding the Cernavodă NPP Units 3 and 4 Project was approved. The main provisions of the Addendum aim at: updating the budget related to Stage II – Preliminary Works (LNTP); updating clause 4.1 regarding the financing of the budget related to Stage II; updating the data relating to the Investment Decisions I and II in accordance with the current implementation schedule of the Project.

Small Modular Reactors

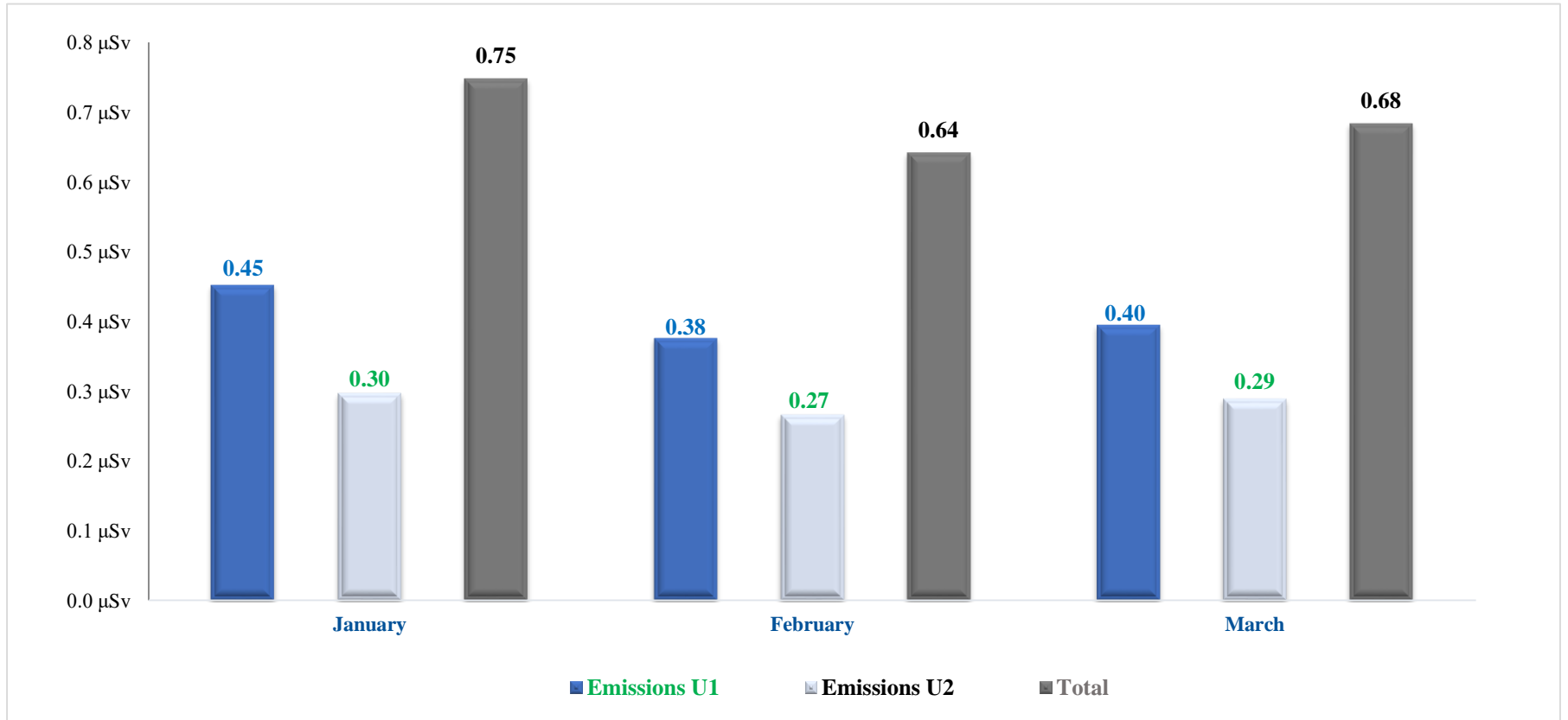
- Under the GMS Resolution no. 6 of 4 December 2023, the Company reported completion of FEED Phase 1 for the Small Modular reactors Project and approval of the transition to FEED Phase 2 of the SMR Project.
- By the Current Report dated 9 April 2024, the Company, together with the project company SMR, announces the successful completion of the IAEA SEED (Site and External Events Design) Follow-up Mission, focused on the selection of the Doicești site, planned for the safe development of the first small modular reactors power plant in Romania.
- Following a comprehensive evaluation, CNCAN issued the official approval letter in August 2023, as confirmation of the Licensing Basis Document (LBD) conformity with the national regulatory requirements. The approval of the Licensing Basis Document (LBD) represents a key milestone of the Small Modular Reactors Project, which will facilitate the implementation of the licensing process for all the stages of the plant in Romania.

Tritium Removal Facility Project - CTRF

- The Tritium Removal Facility Project (“CTRF”) is part of SNN's portfolio of initiatives aimed at the consistent implementation of the Company's general policy, namely the concern for maintaining nuclear safety at the highest standards and improving environmental performance.
- The CTRF installation captures the tritium from the heavy water used in the nuclear-electric power plant from Cernavodă NPP, which will lead to an improvement in operational performance, economic-financial efficiency and increased protection of the population, staff and environment, in full accordance with the ESG objectives of Nuclearelectrica.
- The project is based on an implementation strategy, updated by SNN in 2018, based on the Feasibility Study, approved under Resolution no. 9/22.08.2018 of the Extraordinary General Meeting of Shareholders.
- Under the Resolution no. 8/07.12.2023 of the General Meeting of SNN Shareholders, the current report dated 22 December 2023 was approved and execution of the loan agreement with the European Investment Bank (EIB), amounting to EUR 145 million, to support completion of the first tritium removal facility (CTRF) in Europe, was announced.
- Nuclearelectrica and Korea Hydro & Nuclear Power (KHNP) signed on 27 June 2023 the Engineering, Procurement and Construction (EPC) contract for the completion of Europe's first tritium removal facility (CTRF) at the Cernavoda NPP. Korea Hydro & Nuclear Power (KHNP) was selected as the engineering, procurement and construction (EPC) contractor following a public procurement process. KHNP has extensive experience in developing similar projects and operates a similar facility at the Wolsong Nuclear Power Plant site, Wolsong Tritium Removal Facility.
- Main activity underway in Q1 2024: evaluation of the documentation for long manufacturing cycle equipment.

Technical performances

Radioactive emissions U1+U2 (μSv)

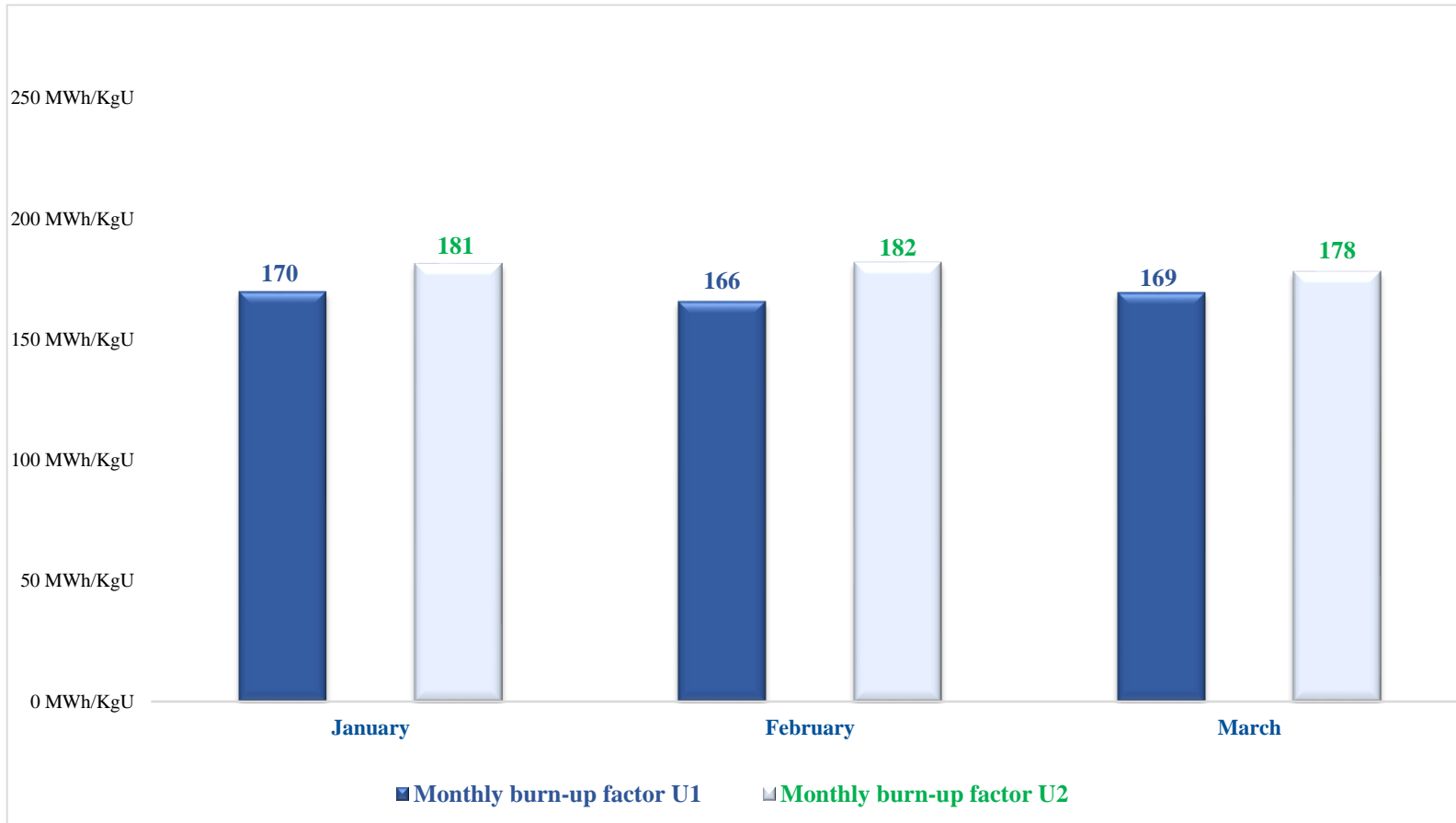


Total 3M 2024:	Annual limit:
2.074	9.25

Technical performances

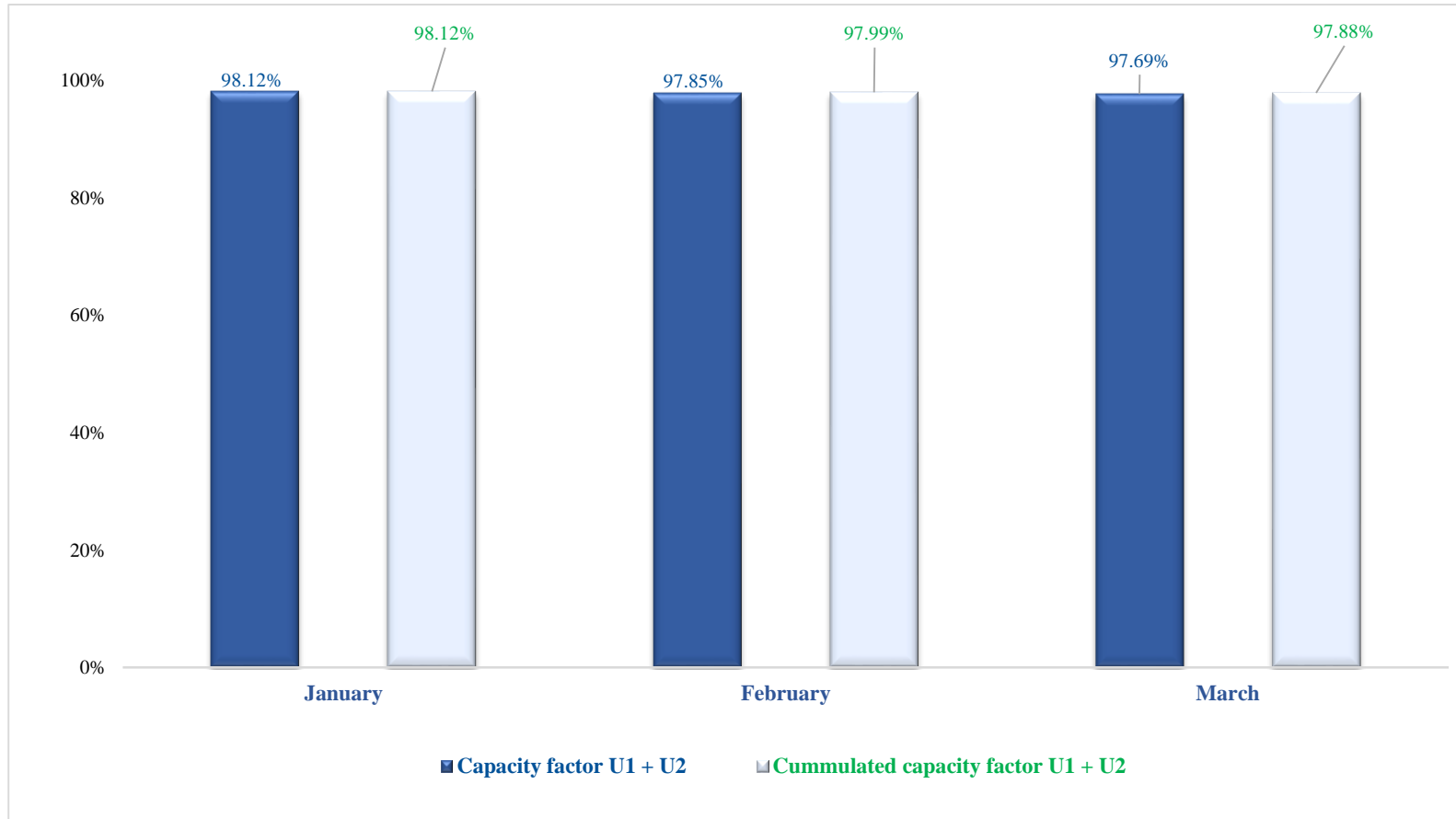
Nuclear fuel burn up factor (MWh/KgU)

(Cumulated 3M 2024: 174.3/Project estimated: min. 156)



Technical performances

CANDU Technology Unit performance U1 + U2 (%)
Capacity Factor (Cumulated 3M 2024: 89.99%)



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SNN Investor Relation

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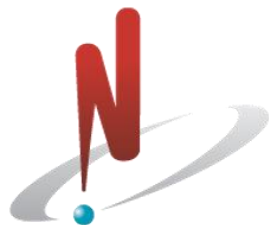
Executive Management

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NUCLEARELECTRICA

2024 Financial Calendar

Event	Date
Publication of the Quarterly Report for the 1st Quarter of the year 2024 (January-March)	14 May 2024 (Tuesday)
Financial analysts, investment advisors, brokers and investors conference call and webcast	Hour of the conference call: 16:00, Romania's time
Publication of the Half-Year Report for the year 2024 (January – June)	14 August 2024 (Wednesday)
Financial analysts, investment advisors, brokers and investors conference call and webcast	Hour of the conference call: 16:00 Romania's time
Publication of the Quarterly Report for the 3rd Quarter of the year 2024 (January – September)	14 November 2024 (Thursday)
Financial analysts, investment advisors, brokers and investors conference call and webcast	Hour of the conference call: 16:00 Romania's time



Q & A