

Speaker B

[00:02] SNN registered a net profit of 2.4 billion lei increased by almost 700 million or 40.4 percent above 2024 previous period net profit and also with 371 million or 18.3 percent above the

[00:24] revised budget profit for 2025. uh we had an increase in sales of electricity of almost 1 billion lei in 2025.

[00:40] And the reason for that was the higher every selling prices with 17.7% versus 2024 and also higher quantity by 2.5% without considering balancing market. Also the financial result we had an increase

[01:07] of 44.7 percent or 125 million lei as a result of the increase in interest income mainly higher interest rates obtained for our cash deposits and other financial assets in 2025.

[01:31] As you know, last year we had also some political turmoil that led to increased rates in the market. We also had some increases in expenses, mainly the windfall tax, and this was driven, of

[01:51] course, by the higher average selling price of 535 lei per megawatt hour in 2025 compared with the 455 lei in 2024. we had also

[02:07] 1.7 percent increase in opex mainly due to the overall inflationary trends that we saw also in last year uh also as a result of the increase in net profit, we had also an increase of income tax with 34%.

[02:33] So, this kind of sums up this financial performance that we can characterize as very good. We have also on the next slide a detailed income statement.

[02:59] I will not insist on it because the main elements we discussed, the general idea being that we had quite significant revenue increase

[03:20] and quite, how to say, slight increase in OPEX and this drove the profitability up.

[03:37] In the next slide, we have also, which I think is more telling, we have a waterfall on the net results in 2025 versus 2024. We can see that on the negative factors, we have the windfall and income tax, as we previously

[03:58] discussed. On other operating expenses, we had an increase of 64 million, mainly due to the inflationary trends.

[04:12] We have also a cost of uranium fuel, which comes from the increased commodity price that we saw in last year.

[04:25] And of course, on the positives, we have the sales of electricity and the financial result.

[04:45] In terms of financial position, we have a non-current asset increase of 5 billion or 62% increase. And this is coming from a couple of sources.

[05:01] 1.1 billion, we have an increase in financial assets measured at amortized cost. This is coming from an increase in loan granted to our project companies,

[05:21] RoPower Nuclear, which is developing our SMR project. We had an increase in loans granted of 680 million ron. And also for our project company

[05:35] EnergoNuclear, which is developing the new builds, units 3 and 4, we had an increase of 438 million. We have also a high increase in net value of tangible assets, 2 of 3.9 billion.

[05:58] 2.3 billion, we had an increase in the net value of tangible assets according to the revaluation process carried out at the end of last year. And of course, the appraisal was done by a certified ANEVAR appraiser.

[06:19] 1.6 billion represents the cancellation of the accumulated depreciation of the revalued assets from the point above, and 1.5 billion lei reflects the net impact of the additions

[06:36] and disposal of tangible assets from the reporting period, as well as advances granted for investment projects, which are amounting of 689 million lei. As you know, we are having a quite robust

[06:56] investment program, and this is the effect that we are seeing. On current assets, decrease of 16.7% of about 1 million lei, 790 million. It's a decrease in cash and cash

[07:16] equivalents, including deposits. A comment here, we can see that even with this decrease, our cash and cash equivalents are still at a very, very comfortable level of 2.7 billion. We also had a decrease in other financial assets valued at amortized cost due to trade rule certificates maturing in 2025, like 68 million lei, and a decrease in the position

[07:51] of taxes and duties through VAT to be recovered, 88 million impact. And these were offset by increasing short-term government securities, plus 30 million and other receivables of about 10 million.

[08:06] We had also 54 million decrease in inventories and a 39 million late decrease in trade receivables. In terms of non-current liabilities, we had an increase of 725 million

[08:20] lei or 181.7%. This comes from an increase related to the EIB loan disbursement, 80 million during 2025.

[08:36] This loan is for our treatment removal facility, which is being constructed. And we have a 347 million loan increase from deferred tax liability

[08:53] due to increasing calculation-based net value of tangible assets revalued at the end of the year. In terms of current liabilities, we had a decrease of 149 million lei of about 10.8%.

[09:14] This is coming from a reduction in trend payables of 223 million lei, cumulated with a reduction in debts to the state 59. These are mainly local taxes and duties.

[09:34] And these were offset by an increase in debt to fixed asset suppliers of about 69 million lei. Equity, we had of course an increase of revaluation reserve of 1,892,000,000 lei and 892 million lei and retained earnings 1.6 billion lei.

[10:05] Now, in terms of sales of electricity, we had versus 2024, when we had more peculiar

[10:19] year due to matches still being present in the beginning of Q1. Now we are seeing a decrease in we have of course

[10:36] an increase in weighted average selling price without transmission of 18% and as we stated previously an increase in quantity of 2.5. MACCE, we have a reduction of 2.3 billion

[10:52] as a result of the elimination of participating in this mechanism. And we have increase in competitive market of almost 300% and decrease in spot market

[11:10] of 32.3%. On balancing market or PE, we have a 50% decrease in revenue with 29 percent decrease in quantity sold and 29.4 percent

[11:31] decrease in uh price so the mix was different uh we see that the 2025 mix better represents our main commercial strategy to sale mainly forward on the cell structure, 2025 versus 2024, of course, MACCE didn't apply anymore.

[12:27] And on competitive market for the PCCB, the quantity of electricity sold represented 87.3% of the total cells of electricity without balancing, compared with just 25.5% in 2024. Also, as we discussed, the selling price increase in this market from 530 lei per megawatt hour to from 474 lei per megawatt hour in 2024.

[12:50] So an 11.8% increase. On the spot market, next day and intraday, the quantities of electricity sold during last year represented 12.7% of the total sales volume.

[13:07] And also, the price was higher also on this market, 534.9% in 2025 versus 422.8 in 2024.

[13:31] Now coming on OPEX, OPEX in 2025 was 3.375 billion lei plus almost 300 million or almost

[13:48] 10% versus 2024, but with 253 million lay or 7% below the rectified budget. The main drivers, 5 versus 2024, of course, the windfall tax, the contribution to the energy transition fund

[14:09] increased by 215 million. And as we discussed, this is based on the higher average prices. Depreciation and amortization This is based on the higher average prices. Depreciation and amortization increased with 7% due to the new assets received and put

[14:27] in function. Cost of traded electricity, we had a significant decrease of 31.3%. This comes from a decrease in days of unplanned outage and corroborated with the impact on the balancing market of these outages

[14:47] and also impact on of acquisition prices during the outages since we didn't have the significant dam plant outages in 2025 then we kind of eliminated also the cost associated with

[15:06] with them cost of uranium fuel we had an increase of 23.3% due to an increase on the average cost of the fuel bundles, which also comprised uranium, of course, and this increased as a commodity.

[15:28] But also there were significant increases in zircalloy, on the metal which is used, and last year we had quite a high degree of uncertainty also around the

[15:49] tariffs policy between Europe, America and some other areas which impacted especially these alloys. On technological and non-technological water and energy we had a 5.8 increase due to higher utility prices.

[16:10] As you know, this is a regulated price and based on some government regulations and recommendations, all these state-owned utility actors like National Water Company and so on, have raised their prices in 2025.

[16:46] We have also an increase of 10% on costs with repairs and maintenance. This was correlated with the repairs and maintenance program in 2025.

[17:02] ANDR contribution for the waste management increased with 30.6% due to increase in the price from 2 euro per megawatt to 4 euro per megawatt. What we're seeing here it's a partial effect because we didn't

[17:27] quote a full year since the new levels were enacted by law starting October 2025. We have a significant decrease in the annual contribution of 37%.

[17:47] This comes from a decrease on the basis of computation of the contribution represented by the sales of electricity recorded in the previous financial year. Moving now on the CAPEX, the capital expenditure in 2025, we had 3.4 billion

[18:15] lei during 2025 versus 1.3 billion in 2024 out of a total investment program of completion in 2025, 102.5% of planned versus 2024 of 98.7%.

[18:47] In last year, in 2025, investment was made according to the planning of the year. And you have a table with a bit more detail.

[19:06] We are very happy with the performance of the investment activity for this year. And now going on the main CAPEX projects, Unit 1 refurbishment.

[19:26] The Unit 1 refurbishment is in the second phase of its implementation which includes the provision of financial resources for carry out the refurbishment project preparing the execution of the activities identified in

[19:40] phase one and we already obtained all the necessary approvals and endorsements for project in implementation in february 2025 uh the consortium sent the official notice of commencement related to the engineering procurement and construction, the so-called EPC contract.

[20:08] The procurement procedure for the contract having as object provision of with Arabelle France was finalized and the

[20:31] contract was signed actually in September 2025. This was the last major contract in the refurbishment as of September last year, 2025, we have all the contracts in place for carrying out this project to

[21:01] its 2030 completion. Also, the environmental agreement was issued in July 2025, and following And following that one, we obtained also the construction permit.

[21:30] In September 2025, it was approved the contracting of the loan of 540 million from a banking syndicate led by JP Morgan and comprising all the major banks in Romania for the financing of project refurbishment of unit one.

[21:56] That loan is not drawn yet, but it's fully available since September last year. Also in September last year, the civil construction works for the project infrastructure also began. And we mentioned Arabelle, which is part of EDF Group, signing for the turbine and ancillary systems refurbishment.

[22:30] Moving now to Unis 3 and 4. I will focus on the latest developments marked in blue. together with the loan for the refurbishment of 540 in September last year, also a new signed with the same syndicate, financing of 80 million

[23:05] for the development of units three and four, for supporting the financing needs during the LNTP phase

[23:18] that Energonuclear is currently carrying out and that is planned to be finalized by the end of this year.

[23:38] During last year, Energonuclear, the project company, continued the preparatory activities for the development of Unis 3 and 4.

[23:53] They also developed the financial model, prepared the documentation for the notification of state aid that will be sent to the EU Commission this year, and progress was recorded in the development and deliverables of the EPCM contract

[24:25] and already they started the initiation of negotiation regarding procurement. I think that's On SMRs, in 2025, the shareholders approved the addendum to the framework loan

[25:04] dated August 2023, which comprises introduction to the contract object, the financing grant from SNN to Ropower,

[25:20] and the expense related to the acquisition of the Doicesti site and the possibility for SNN within the same loan envelope of 243 million US dollars to grant guarantees for financing

[25:54] obtained by Ropower. In June 2025, NuScale obtained the approval from USNRC of the SMR NuScale Voyager design

[26:14] with 77 megawatts output, which is the same module that we are looking to implement in our project.

[26:29] During summer, RoPower acquired the site, the land. This will permit the project company to further develop the regulatory approval process with CNCAN and develop further the project.

[26:56] The FEED 2 process was completed at the end of 2025 and on February this year,

[27:10] on 12th of February 2026, the shareholders also of SNN approved the final investment decision for the SMR project, a major milestone for this project and which positions Romania

[27:38] in the forefront of the SMR projects in Europe. On the Tritium Removal Facility project, the CTRF, in 2025, the following progress was made.

[28:06] The contracting procedures for long-cycle equipment were continued and finalized. The installation works of the waterproofing membrane were carried out following the completion of the excavation works in 2024. In May 2025, CNCAN approval was obtained to

begin the execution works on the foundation of the tritium removal facility. In June, we had the pouring of the first concrete event,

[28:39] which happened in the presence of the Ambassador of Republic of Korea to Romania and other distinguished guests. In September 2025, we poured concrete at the elevation 91M,

[29:00] and in October we had the pouring for 92M level for the treatment container storage chamber. Note here the budget performance lacked in 2025 due to engineering delays, but corrective measures taken towards the end of last year are expected to drive improvements for 2026. And on the last CAPEX project in this presentation, the medical isotope project, I will only insist on the development in blue on the slide. The project is currently in the conceptual design stage.

[30:05] This will be followed by detailed design, component procurement, and the installation and commission of the irradiation system estimated for 2027 with an intent that from 2028 the large-scale commercial irradiation service

[30:30] will be launched using the existing nuclear reactor infrastructure. technical performances and with respect to radioactive emissions

[30:47] on both Unit 1 and 2, we are in green. We had during 2025

[31:05] a level of 8.7 millisieverts, well below, under the annual limit of 9.5. Also, the nuclear burn factor, this means megawatts obtained per kilogram of uranium burned.

[31:53] rate of 172 well above the minimum of 156 megawatts per kilogram. In terms of capacity factor, as performance, we had a simulated capacity factor of 9.33%.

[32:14] Very satisfactory considering that Unit 1 is closing its initial lifetime of 30 years.

[32:37] That's about it. We are waiting for

Speaker C

[32:47] your questions. Thank you. Hi, hello. This is Eduard from BT Capital, I do have a couple of questions if you will please bear with me uh the first one is on the smr project so now that you

[33:00] have taken the final investment decision do you have an estimate for the IRO return uh on the of

Speaker B

[33:12] the project now it's going to use a comparison of units 3 and 4 to this LNTP or pre-construction phase where they are moving to the ready to build phase.

[33:55] Now still, it's not, how to say, certain enough.

Speaker C

[34:05] Okay, thank you. And if I understand, you are going to start just with one modular reactor? And how exactly will you take the decision on if you add more? Will it be based on operational strictly operational performance or is it also

[34:20] based on the early financial results uh on using one modular reactor we uh we saw also the press

Speaker B

[34:31] interpretation of this basically, the procurement will be done for six reactors, with some clarifications here. Due to the nature of, how to say, the first of its kind nature of the project, anyway

[35:10] it's also a regulatory requirement to install one and after six months to one year to install the others. So in terms of procurement, it doesn't really make sense to procure one, install it, and

[35:30] then to start the procurement of the other five because these are long lead times materials. So this will negatively impact the project implementation schedule.

[35:51] This, how to say, warranty from the supplier for the other five based on the performance of one, you need to see it as a performance guarantee from the supplier, from New Scale, got adequate participation and involvement of the technology provided into the project since they

[36:20] will have skin in the game this is uh but the procurement will be done for the whole batch of six uh from the beginning but there will be a performance guarantee from the supplier in

[36:35] in this respect so it's not one and then we procure the other from the company. I hope this clarifies a bit.

Speaker C

[36:45] Yes, understood. Thank you. And for my last questions, I was wondering why is the effective tax rate in the last quarter so much lower than usual? On my calculations, it's around 7.8%

Speaker B

[37:03] of pre-tax net income. I didn't understand what indicator was.

Speaker C

[37:09] So I was looking at the net income tax expense for the quarter and if I'm comparing it relative to the profit before income tax, it's around 7.8% and I was expecting somewhere around

[37:22] 16% as per the corporate tax rate.

Speaker B

[37:28] Yeah, as you know, our tax sheet is quite complex and it's not a direct calculation on the profit by applying the corporate tax rate.

[37:48] We do have deductions, investments, deferrals, and so on. So it's a more complex calculation, which also factors in the effect of the investment

Speaker C

[38:15] program. Understood, thank you.

Speaker A

[38:18] I'm sorry to step in, but Daniel, we have two more questions from Mr. Bogdan Natarau on the chat. I'm not sure if you're able to see those.

Speaker B

[38:29] Can you read it? Because I'm on the phone, actually.

Speaker A

[38:32] Yes, I'm about to do this. So the first one, why Nuclearelectrica is not following the example of Hidroelectrica to enter the energy suppliers market.

Speaker B

[38:50] That's according to our strategy. We don't have that in to our current strategy. But of course, we are looking on what the others are doing so far is not part of our

[39:07] of our strategy.

Speaker A

[39:10] OK, the second one, this one is a little bit longer. So which one is the estimated cost for bringing into operational the Doicesti project based on SMRs?

[39:23] And which one is the most realistic deadline for having this project operational, considering that not far than yesterday, the U.S. Nuclear Regulatory Commission approved NuScale technology, receiving the certification being the first world SMR approved.

[39:42] So basically the first part of the question is which is the estimated cost for the Doicesti project and the second one, if I'm about to split into two parts, is which is the realistic

Speaker B

[40:00] deadline for commissioning.

Cost, it was also together with the approval on the 12th of February.

[40:17] We are looking now at a 6.2 billion US dollar cost. But mind you, this is cost class three. And the project team and the project company is quite, how to say,

[40:45] confident that these costs can be even driven down. In terms of timeline for commissioning, this will also, we are very happy with the NRC decision, but the timeline of the project, it will mainly be impacted about by the procurement chain and but we are looking early next decades as

[41:11] being the commission date for this project, the beginning years of uh 2030s okay and one more

Speaker A

[41:24] question from Mr Natarau, what means and i quote “after NuScale will prove that the reactor works, Nuclearelectrica will procure the other five reactors”. Like this is the press report.

[41:36] How many years of testing?

Speaker B

[41:40] This, again, the procurement most likely will be for six. With the performance guarantee for units two to six.

[42:05] Otherwise, it will unnecessarily lengthen the process with about four years. And I think it was also another part of the questions. Can you repeat?

Speaker A

[42:20] No, this was the only part. Mainly, it was a quotation from the media.

Speaker B

[42:32]it which secures the other five reactors, the improvement of reactor and is not about working, it's working in the parameters of output and so on

[42:50] this I understand has a gap in between the commissioning of module one and module two of one year.

[43:04] Anyway, all the time, I'm not a nuclear engineer, but I understand that to get a staggered approach, a sequential approach, when you are commissioning modules or reactors, it's kind of the industry standard. And we have a good example close by,

[43:29] also units three and four will be about nine months to one year apart in commissioning. Nobody wants to commission two reactors, large or small, in the same time, or six, even less.

[43:48] So this is also a nuclear reglementation approach

Speaker A

[43:57] Okay, thank you Daniel We have one more question from Mr. Caius Rapanov from BCR regarding our sales mix going forward and how far ahead have we already concluded contracts

Speaker B

[44:15] We are working in the same way of 2025, meaning that we have concluded for this year and even next year and so on.

[44:30] And as you also noted from the press a couple of months ago, we are trying to look also

[44:43] on very long, how to say, timelines in the future. Okay, thank you. Any more questions? Well, if not, thank you very much for joining us.

Speaker A

[45:06] In a short while, we are going to publish both the presentation and the audio file on the website, on the investor relations page, and a bit later on, we are also going to publish the transcript of the conference.

[45:19] Thank you all. Have a good day. Thank you, Daniel.

Speaker B

[45:22] Thank you all. Bye bye.

Speaker A

[45:20] Thank you all. Have a good day. Thank you, Daniel.

Speaker B

[45:22] Thank you all. Bye bye.