

SNN Investors' Day – Presentation of the Audited Financial Statements as at and for the year ended on December 31, 2025

Speaker A

[00:01] Our teleconference today is of course the audited individual and consolidated financial statements for 2025, we are going to deliver the presentation and then we are going to go straight ahead to your questions. Before proceeding,

[00:19] I would like to let you know that Mr. Daniel Adam is on delegation with what may be weaker connection to Internet. Nonetheless, he is in the call.

[00:32] The presentation is going to be delivered by my colleague Roxana from the financial reporting and budget department. So, Roxana, please, thank you.

Speaker B

[00:44] hello everyone. Thank you Valentina. Indeed we will go through the audited financial results individual and consolidated and i want to start with the financial results highlight For 2025, we have a net profit of 2.4 billion RON, which is higher with 40% than 2024.

[01:05] I would like to emphasize the fact that compared to the financial statements presented preliminary to you, this net profit is higher with a little bit and the main difference between these final financial statements and

[01:21] the preliminary financial statements is due to the revaluation report around 133 million euro above the assets. In terms of the net profit also I would like to emphasize the fact that we are above

[01:37] the revised budget for 2025 with 372 million ron. This net profit and this result comes from mainly to an increase in the EBITDA.

[01:55] an increase in the EBITDA of 30%. This year we have 3 billion RON compared to the previous period, 2.4 billion RON. We also have an increase, a little increase in depreciation and amortization, which is due to investments put in function during the period.

[02:13] We also have a performance in the financial result, an increase of 43, almost 44%. we gained some financial income from the interest rates on the market. And also we have a slight negative impact from the windfall tax due to the higher prices in the period.

[02:34] So in 2025, the base for the taxation was higher than 2024, so the windfall tax was higher and thus a negative impact in the profit. The most important and

[02:50] positive increase in the result is due to the sales of electricity which impacted the difference between the results in the period.

[03:08] In terms of financial highlights, individual versus consolidated, I would like to emphasize the fact that the net profit is lower with 56 million RON. This is mainly due to the interest revenues and foreign exchange revenues and expenses from one of our subsidiaries.

[03:29] I want to remind you that we do full consolidation for the subsidiaries of the company, which is FPCU Feldioara, NuclearElectrica Serv and EnergoNuclear and the equity method for the company Ropower,

[03:43] which is the joint control company in which we have a 50% participation. In terms of the financial position, Nuclearelectrica has total assets of 18.4 billion

[04:04] RON compared to 14 billion RON previous year. The main variation comes from increasing net value of tangible assets due to devaluation reserve,

[04:18] and also we have some increase in financial assets measured at amortized cost. Also the current assets of the company decreased a little bit with 922

[04:39] million ron. The decrease comes mainly from cash and cash equivalents including deposits due to of course the cash that we put in our investments but also to the dividends that we pay to our shareholders. I would like to emphasize here that we

[04:54] have an audit report positively modified this year. Namely, we have no qualification on the closing balance for the cost allocation of units three and four.

[05:09] The opinion, the audit opinion will be cleared in full starting with the next audit report because the closing balance will be the opening balance.

[05:24] No qualification in the audit report from now on. In terms of non-current liabilities we have an increase. We start to see some debt in our financial position because we have loan disbursement.

[05:41] For the period, we have 80 million euros from EIB. We also have a decrease in current liabilities, which is a reduction in trade payables actually in the final balance,

[05:57] in the closing balance, but compensated a little bit by other elements allocated as current liabilities. In terms of consolidated financial position we see that our total equity and liability and

[06:12] of course our total assets increased a little bit with 252 million. This is mainly due to the subsidiaries that we fully consolidate so we have here their assets

[06:25] and also their liabilities in the closing balance. Of course, we eliminated the intra-group transactions, so everything that you see here is at group level. In terms of sales of electricity, I remind you that in 2025, there is no centralized mechanism for acquisition of electricity,

[06:46] so no MACCE involved. Our mix of sales was different. So we have an impact in terms of sales of electricity and positive impact from

[07:03] eliminating much that quantity was sold and moved actually on the forward market. We see here a positive impact from the competitive market quantity and price

[07:16] We obtained in 2025 an average selling price of 532.33 RON per megawatt compared with 451.42 RON per megawatt hour in 2024.

[07:33] These prices do not contain the tariff, the transport tariff. So higher... price, weighted average price and also we turned back to our sales strategy selling on competitive market most of our electricity

[07:55] for 2025 is 87.3 percent and on the spot market 12.7 percent. In terms of operating expenses,

[08:13] we have for 2025 3.3 billion RON compared to 2024 3.07 billion RON, so an increase of 279.

[08:25] in our total operating expenses, we can see that the main increase is due to the windfall tax, which brought us an increase of 250 million RON. Nevertheless, we are below our budget with 272 million RON.

[08:44] So the operating expenses, except the windfall tax, increased only by 2.3%. In terms of CAPEX or our capital expenditure,

[08:58] we have 3.5 billion RON during 2025 compared to 1.3 billion RON in 2024. That's a significant increase in absolute value. Nevertheless, we have a degree of completion of 100.

[09:17] and 2.6 percent, slightly higher than the one from 2024 of 98.7 percent. In terms of unit 1 refurbishment, I can tell you that the news are that on October 8,

[09:41] 2025, SNN announced the signing of a strategic agreement with EDF, which is a French group, as we know, for the unit 1 refurbishment. For units 3 and 4, the project continues and we are in line with our budget and with our schedule.

[10:03] In terms of small modular reactors, on 12 February 2020, the shareholder approved the financial investment decision for this SMR project at Doicești, which is a major milestone that of course positions Romania among the European leaders in SMR deployment.

[10:22] In terms of Tritium removal facility project, the budget was a little bit lagged in 2025 due to engineering delays, but in the last quarter we proposed corrections and

[10:44] of course we expect improvements in the results for the next year. We also have the medical isotope project Lutetium-177.

[10:59] The project is currently in the conceptual design stage as we know, but we have established stages for 2027 and 2028.

[11:16] Because the technical performance is equally important as the financial performance of the company, I will present you briefly the performance. We have radioactive emissions accumulated for units 1 and 2 below the annual limit.

[11:33] We have 8.7 and the annual limit is 9.5. In terms of the burn-up factor, we have accumulated burn-up factor for 2025 of 172

[11:48] MWh per kilogram uranium, which is above the minimum of 156. The capacity factor for the two units in 2025 is 89.34%,

[12:02] a high capacity factor for the nuclear field. And I would like to emphasize the fact that the next meeting and results will be published on 22 May,

[12:21] which will represent the report for the first quarter of 2026. Thank you.

Speaker A

[12:33] If you have any questions, please feel free.

Speaker C

[12:39] Hi Valentina, thank you so much for the presentation. It was a great result and I actually enjoyed the presentation very much. So this is Caius from BCR. My question was actually dealing with something that is on everybody's mind these days and it's a quite difficult question.

[13:01] What is the impact you think, of the changes in energy markets brought by the conflict in the Gulf and how do you guys see it? I would imagine that you have most of your energy already contracted for.

[13:17] 2026, 2027, so probably, you're not going to be able to participate in a price rally unless for the share that is on

[13:30] market. But how do you guys see that? This is the question. And the second would be regarding a bit more detail on your investment projects, the small modular reactors and the unit three and four.

[13:46] If you can give us more nuance outside of what is on the presentation. Thank you.

Speaker D

[13:54] I will take on the questions. Hi, this is Daniel Adam. Thank you, Roxana, for the presentation. On the sell side of the first question regarding the Middle East conflict,

[14:15] what we are seeing in the market is an increase in prices mainly due to the fact that also gas besides oil is affected by the conflict there.

[14:32] And we were able to capture some of the... some of these new prices because we are not 100% sold for this year.

[14:53] And we already in the last weeks closed contracts based on this new price, higher price which came on the heels of this conflict. I want to make also a

[15:13] statement regarding the expenses or supply side, we don't see to have any major impact as you know we have ample

[15:27] reserves of uranium and most of our fuel bundle value chain is, how to say, localized in Romania. So the impact on cost will be fairly...

[15:45] fairly limited to maybe shipping costs for spare parts and so on. But in general, we are having some benefits due to the price rally that you are mentioning

[16:01] about. Regarding the units 3 and 4, as you know, we are still in this LNTP phase and will be for most of the year.

[16:18] And there we don't foresee any negative developments in that project.

[16:34] The consortium is delivering the LNTP deliverables that they need to do. So far that project is on track based on the calendar that we have assumed

[16:55] once we entered in this LNTP phase.

Speaker C

[17:04] Thank you so much, Daniel. Just to be a little bit more precise, these contracts that you sign in, if you can disclose, of course, are for 2026 or 2027?

Speaker D

[17:19] They are also for 2026 and also 2027.

Speaker C

[17:23] Okay, and

Speaker D

[17:24] we are never 100% fully sold. This fills in throughout the year. So once we are closing the year, we are getting closer and closer to 100%.

[17:40] But mind you, neither in December, you are at first of December, you are not fully 100% because there are some variances due to the... refueling of the station and so on. So always we have also, even in December,

[17:58] we have a part like we had last year, we have a part which stays on the spot market. But we are still signing forward contracts for this year and the next.

Speaker C

[18:12] Excellent, thank you so much. We should assume that, anyway, towards the end of the year you'll have the same more or less split in about 10, 12-15% spot market and the rest on forwards.

Speaker D

[18:27] Yes, this is in general how we are doing. Again, there are some variances in the operation of the plant due to the refueling cycles and so on.

[18:43] And we wouldn't want actually to have like a 100% sold out capacity because then that will get you into the balancing market if you have a small decrease in output

[19:01] and depending on the state of the balancing market the fees there can be very steep as you know

Speaker C

[19:08] yeah yeah yeah Understood. Thank you so much. And this is of course if the regulator is not going to come with another matching mechanism.

Speaker D

[19:19] We hope not. We hope considering all the decisions that there were also from the Supreme Court and the EU and so on. We deem it unlikely.

[19:35] On this, we need to wait and see, but we don't see it at this moment.

Speaker E

[19:44] Thank you so much for the answers.

Speaker D

[19:47] You're welcome.

Speaker A

[19:56] Any other questions, please? Okay, if not, thank you very much. As usual, we are going to publish on our website investor relations page, the presentation, the audio file, and as well the transcript in a couple of hours.

[20:15] Thank you all for joining us in. Other than that, you can ask us any questions you want, anytime you want. Thank you.

Speaker E

[20:24] Thank you.