

SNN Investor Day Conference Call - Presentation of the Q1 2026 individual and consolidated financial statements

Speaker B

[00:06] Hello, everybody. So we are going forward to unaudited individual and consolidated financial statements for the three-month period dated 31st of March, 2026.

[00:20] And we will move to the three-month 2026 financial results highlights. The net profit equals 887 million RON.

[00:36] with 72.8% higher than the same period of last year, 2025, and with 5.9% or 49 million RON better than the budget,

[00:56] the first quarter in the budget of 2026. The increases mainly came from sales of electricity, 137 million RON based on the higher every selling prices with 13.4% and

[01:15] for a slightly lower quantity with 3.3%. We have also higher financial results with 27% as

[01:30] a result of the increase in the interest income and the positive impact from the currency exchange rates. Windfall and windfall tax.

[01:44] As you know, the windfall tax was stopped at 30 June last year, so we have zero expense on that in 2026,

[02:01] but we did have 341 million in the first quarter of last year. We have also a higher income tax due to the

[02:18] increased profit of this year versus the last. And we have also an increase of 3% on OPEX. This comes mainly from the waste disposal tax,

[02:35] which in October last year increased by regulatory decision from 2 euro to 4 euro per megawatt.

[02:48] with an impact of 25 million lei. I think we can skip that because we discussed already the main highlights.

[03:01] In terms of the waterfall that you see, it's plainly visible that the main impact for the increased net result is coming, first of all, from the windfall tax, which has the biggest contribution. Let's say the second is the

[03:21] cost of electricity, 138 million lei. We did have also some negative impacts, 69 million tax income taxed up.

[03:37] We do have also an increase in depreciation and amortization. As you may remember due to the revaluation done at the end of last year, and the increase in operating expense,

[03:58] another tax hike started in October last year. On the individual versus consolidated financial

[04:23] performance, this basically comes from the company adjustments. In total, the total effect on profit is 36 million, so not really material.

[04:39] So I would not bore you with each element. If you have questions, we can address this in the Q&A session at the end. On the financial position, we do have increase of non-current assets.

[05:00] 355 million lei or 2.7 increase. This comes from a net increase in tangible assets.

[05:14] We have 546 million net impact of the inflows and outflows of tangible assets. This relates to many inflows from the investments with a strong weight towards Unit 1 refurbishment project.

[05:32] which as you know is in progress and 200 million decrease represents the expense of depreciation and the impairment of fixed assets. On current assets we do have an increase of 16% or 790 million lei,

[05:53] 970 million it's a 44% increase in cash and bank deposits with the maturity of more than three months.

[06:17] The non-current liabilities increased to just 7 million due to liability provisions for the waste storage. On current liabilities, we have an increase of 250 million lei or 20%.

[06:40] This comes from the increase in income tax due at the end of Q1 2026 and an increase of 49 million in trade and other payables,

[06:56] mainly influenced by obligations for suppliers like Candu Energy and Ansaldo. In equity, of course, we are seeing the increase of return earnings from the prior results allocation.

[07:17] On the consolidated individual to consolidated position, of course, the main difference is represented from the cancellation of inter-group transaction as loans to subsidiaries and

[07:32] there is nothing special to mention. So let's move to the sales of electricity. The electricity sales evolution from Q1 2025 to Q1 2026 is

[07:53] determined mainly by an increase in weighted average selling price with a TG of 13.2% for, as we mentioned, a slightly lower quantity with 3.3%.

[08:06] On the competitive market, we have a slight decrease in revenue. related to also an increase in prices, but also a decrease in quantity sold with 13%.

[08:24] On the spot market, we have 84% decrease in revenue related to increasing quantity sold, and a slight decrease in price with 1.71%,

[08:38] and also a small decrease in balance in market. The sales mix was different. which determined the increase in the average price without TG, 13.2%,

[08:55] but also a more favorable mix on the stock market. In terms of the structure analysis on the competitive market for PCCB,

[09:11] the quantity of electricity sold represented 80.6% of the total sales of electricity compared with 89.2%.

[09:24] 9 recorded in the first quarter of 2025. The average selling price during the period was 582 RON per megawatt,

[09:38] which is a 14.3% increase versus the same period of 2025, which was 599 RON per megawatt. On the spot market, the quantities of electricity

[09:56] represented 19% of the total sales and the average price on the spot market was 644 lei

[10:09] per megawatt compared with 655 lei per megawatt in 2025. So a slight decrease. In terms of a higher spot market weight in

[10:26] in Q1 of this year versus last year, we can adopt that here we have seen a bit of Iran conflict effect.

[10:42] Basically, some of the customers waited in end of February and March to see how the market would go. So it was kind of a standstill or a waiting period. On OPEX,

[11:03] we have 296 million reduction compared to the one of 2025 and

[11:16] 59 million compared with the budget. With the proposed budget is not yet an approved budget. The increasing costs are coming mainly from depreciation and amortization.

[11:33] This is mainly determined by the increase in the net worth value of fixed asset revalued at the end of last year. Of course, updated to actual market prices and the ANDR contribution,

[11:48] which increased with 25 million due to the increase in tariff per megawatt from 2 to 4. This increase was compensated, as we previously stated, by the elimination of the windfall tax.

[12:04] with a difference from last year of 341 million. And we had also decreases in operating expenses, mainly due to decrease in legal and consulting services,

[12:18] which were lower with almost 14% versus last year. The cost of traded electricity, we had a decrease of 46%

[12:31] due to the decrease of 18.4% on the balancing market compared with the same period of last year.

[12:45] The capex, we have 538 million capex expenditure from

[12:57] 3.4 billion program. This is 15.7% completion.

[13:14] Versus last year, we do have a slightly better completion. Last year was only 14.1%. Of course, out of this CAPEX, as you know,

[13:34] the biggest part is the refurbishment of Unit 1, which is in progress. aspects related to the main investment and long-term strategic progress, updates on Unit 1 refurbishment.

[13:56] In the first quarter of 2026, the activities under the PPC contract, the PMO framework and the EPC contract continued as scheduled. An important note here, on April 16, the EU Commission opened as a standard procedure an in-depth, state-paid investigation into

[14:17] Romanian state support for refurbishment of Unit 1. This in-depth analysis is very characteristic to large projects and especially to nuclear projects.

[14:34] On May 18, SNN announced completion of the continuous concrete of the permanent structures into the refurbishment project.

[14:47] The most complex operation of this kind carried out at the plant since the construction works of unit 2 in 2007. 3,417 cubic meters of concrete were used, basically the foundation,

[15:05] about 380 concrete mixer tracks used. In terms of units 3 and 4 project, In the first quarter of 2026, through an extraordinary joint meeting of shareholders' resolution,

[15:24] SNN approved acting as a guarantor for EnergoNuclear, securing a loan of up to 46 million euro equivalent, the loan is in US dollars

[15:39] from the Export-Import Bank of United States. The same resolution also put the conclusion of the corresponding agreement of

[15:52] about 46 million euros to the US between EN as a borrower, SNN as a guarantor, and US Exim as a lender,

[16:03] and JPMorgan SE as a documentation agent. These loans were actually signed in April. On SMR, on May 18, 2036,

[16:24] SNN informed that the small SMR project is currently in the phase preceding stage III, pre-EPC phase. This stage includes a list of activities to be carried out by RoPower,

[16:41] completion of geotechnical investigation of the site, continuation of the licensing process, finalization of the negotiation of the pre-EPC and of the contracts for the procurement of longer materials, definition of supply chain materials and equipment,

[16:59] and preparation of the company for the pre-EPC and later on EPC stages. On CTRF, on the Tritium Removal Facility, in the first quarter of 2026,

[17:13] KHNP continued negotiating contracts for the non-contract procurement packages, reaching 18 signed contracts out of 20... at the end of March. Construction activities were focused on the 95M level,

[17:31] encompassing structural metalwork assembly, formwork installation, and bush hammering with rebar cleaning following the concrete pouring.

[17:44] At levels 91 to 95M, preparatory works for the wall waterproofing membrane installation were initiated. Additionally, the operating training program for the pilot facility was successfully completed.

[18:00] On the medical isotopes project, the Lutetium-177, in the first quarter of 2026, CNCAN approved the design change related to the project implementation.

[18:17] Also, a number of documents pertaining to the conceptual design stage were reviewed and approved. The nuclear safety reviews were completed and led to the identification of the best solution for certain equipment so that nuclear safety and production continuity will not be affected.

[18:35] In terms of the technical performances, in all three months, January, February and March,

[18:50] the radioactive emissions were in green, The capacity

[19:20] factor for accumulated units in Q1 of 2026 was 94%.

[19:39] so satisfactory performance. And that's it. Thank you for your attention. We are waiting for your questions.

[19:54] If you

[20:09] have any questions, please go ahead. Well, if not, thank you very much for joining us in. As usual, we are going to... I think we have a question on the chat.

[20:27] So, could you tell us why it's not available anymore, the option to vote in GMS through eVote platform for retail investors? It is more easier, more transparent, less bureaucratic, and more environmentally friendly than any other option.

[20:44] Yes, I will answer this. We do not have implemented yet the e-vote. We are going to do so in the future. Nonetheless, the e-vote is not going to exclude the physical presence for the GMS meetings. Thank you. Any other questions, please?

[20:59] On the SMR project, do you see any material risk coming from NuScale? Can you provide any color on the expectations for the second quarter?

Speaker B

[21:08] We don't see any material risk coming from NuScale. So the answer is no. And on the second point, on the color of the expectations,

[21:27] yes, we'll have an impact from the unplanned stoppage from unit 2, but this is yet

[21:43] to be determined and we'll know more at the end of the unplanned stop. But still we are expecting positive results and so on.

Speaker A

[22:05] Okay, I see no other questions. So we're going to post this afternoon the audio file and the presentation on our investor relations page. Thank you very much for joining this teleconference. Have a great afternoon. Thank you.