Speaker A

[00:02] And I'm going to kindly ask him to deliver the presentation. Please feel free to ask any questions you want during the presentation or afterwards. Thank you, Daniel. The floor is yours.

Speaker B

[00:13] Hello, everybody. We'll present the individual and consolidated financial statements as at end for the nine-month period ended September 30, 2026. And we'll begin with the highlights of financial results.

[00:32] We have a net profit of 1 billion 182 million ron with 445 million or 27.3 percent below the

[00:48] nine months of 2025. And compared with the budget 2026, we are lower with 330 million or 21.8 percent.

[01:04] The decreases are coming mainly from the sales of electricity, minus 17.1% or a minus of 694 million, driven by a 26 percent decrease in quantity of electricity sold caused by firstly, by the unplanned shutdown of Unit 2 in May 2026,

[01:29] as well as the reduction in electricity generation for both units due to the low water levels and the flow rate of the Danube,

[01:43] which also led to the declaration of force majeure in August 2026 and the suspension of electricity deliveries based on

[01:58] our trading contracts. Other operating expenses increased with almost 300 million ron, mainly driven by the same outages and contributed

[02:19] to approximately 149 increase in electricity per purchase costs to cover contract deliveries until the declaration of force

[02:34] majeure. And also this year we have higher ANDR contributions for the production in the first part of the year. The ANDR fee increased from 2 euro to 4 euro per megawatt.

[02:53] Depreciation and amortization increased by 100, 102 million ron, mainly due to the revaluation of the market of the assets to market value

[03:09] at the end of uh last year. We had also some increases in result, the financial result increased to 64 million lei or 21.1 percent as a result of the increase in interest income.

[03:26] We we had higher interest rates in 2026 and a positive net impact from currency exchange rates. Windfall tax, as you all know by now, disappeared at mid next last year, in 2025.

[03:46] So we have a positive 514 million lei effect, and we have an income tax expense decreased with 81 million lei as

[04:01] a result of the decrease in taxable profits during the period. Here I think we covered the main topics. We'll move to the net result evolution waterfall.

[04:19] As you can plainly see here, the biggest effects are the ones already mentioned, the sales of electricity as a negative combined with the increase in trade

[04:35] of electricity, electricity acquisition, and compensated by the windfall tax on the positive, along with some other minor effects that you can see there

[04:58] on the individual versus consolidated financial performance. We have a consolidation adjustment also on the intercompany transactions is the sales of energy made

[05:21] to our energy nuclear total company. On other income, we have consolidation adjustment of 25 million due to processing services invoiced by our uranium processing

[05:46] company competitive by revenues recognized by FPCU from third party customers. On other major effects, we have a consolidation adjustment, elimination of interest income recognized by Nuclearelectrica related to loans granted to subsidiaries,

[06:09] plus recognition of the subsidiaries' financial income of totaling. We have an effect of 80 million ron.

[06:26] We'll move to the financial position at 30 of September 2026. Non-current assets increase by 5.1 percent or 687 million ron.

[06:44] We have a 1.3 billion increase in net value of tangible assets, of which 1.9 billion represents CAPEX related to the main investment projects,

[06:58] mainly unit one refurbishment, which is our major CapEx project this year, the Tritium Removal Facility project, heavy water addition and commissioning of equipment required for planned and unplanned outages.

[07:13] So, all this was compensated by 617 million ron, representing depreciation and amortization in the period.

[07:25] Current assets decreased with 904 million ron. This is due to the advanced circumstances of force majeure, which actually reduced the cash collection in the period combined with the lower tariff balance,

[07:46] and also as part of the cost efficiency efforts, the production of fuel bundles decreased, thus the balance of inventories was influenced,

[07:59] cash and cash deposits decreased with 1.4 billion, receivables decreased with 300 million, and inventories decreased with 12 million

[08:15] during this period. Non-current liabilities increased with 30 million mainly due to increase in balance of long-term borrowings due to foreign exchanges evaluation of the outstanding loan,

[08:30] the tritium removal facility, as well as an update of long-term portion of provisions for risk and expenses for the intermediary waste

[08:45] storage, nuclear risk allowance, and so on. But the latest was compensated by the decrease in non-current liabilities. Current liabilities decreased with 18.5 percent or 232 million lei uh due to decrease in short-term deferred income and corporate income tax in the context of the reduced electricity

[09:10] generation resulting from the decline in river water level and flow rate. Equity increase from the return earnings from the prior year result allocation.

[09:33] On the consolidation side, we have on the non-current assets, the difference is mainly represented by the cancellation of intragroup transactions,

[09:46] such as loans granted to subsidiaries and shares held in subsidiaries, net of the subsidiaries fixed assets. On current assets, we have the elimination of intragroup transaction representing the current portion of the loan granted and our fuel bundle subsidiary

[10:10] inventories held in custody at our FPCU daughter company. On equity return earnings from the subsidiaries financial result following the adoption of IFRS,

[10:25] and on the total liabilities, we have the trade payables to the subsidiaries remaining after the elimination of the intragroup transaction, mainly the JP Morgan loan contracted by EnergoNuclear,

[10:37] and payables to capital asset supply and our nuclear electrical assets. On the sales of electricity, we had the negative evolution of 694 million or a 17.1

[11:03] percent decrease. This is coming mainly from the decrease in electricity generation due to the two events this year, the unplanned outage of unit 2 in May due to the transformer blowout as

[11:20] well as the Danube situation. We started the production at nominal power for unit two on 11 of

[11:42] November and for unit one on 13 of November, and now we are in normal operation mode.

[11:56] Let's say in terms of sales structure, first nine months of 2026 versus the nine months of 2025.

[12:10] We see also from the graph an increase in pricing of the competitive market for the PCCB.

[12:22] The quantity of electricity sold represented 84 percent of the total sales, similar to the 86.8 percent we had last year.

[12:37] The average selling price during this year was 578 ron per megawatt without transport, recording an increase of 10.5 percent compared with the average of last year when we had 523 ron per megawatt.

[13:01] On the spot market of intraday and next day, the quantities of electricity sold represented 15 percent, similar with the 13.1 percent that we had last year,

[13:16] and the average spot price increased with about 20 percent, 515.9 ron per megawatt versus 512.1

[13:32] last year. On the OPEX, I think we already went through it during the waterfall and the initial presentation of highlights, so I will not

[13:53] spend too much time here. I think it’s more interesting to discuss about the CAPEX. As a general overarching feedback here, even during this prolonged outage due to the Danube,

[14:13] none of our CAPEX projects suffered any interruption or suspension. We were well funded in all this period, so we could we could continue the normal development of our projects.

[14:35] The capital expenditure during the nine months of 2026, we were at 1.8 billion lei versus 1.2

[14:51] million in 2025 out of an investment total investment program for this year of 3.1 billion lei. The degree of completion slightly decreased compared to the similar previous period.

[15:09] We have 58.1 percent in 2026 versus the 66 percent in 2025.

[15:21] As the activities for the complex project are not linear during the during the year, we estimate to fulfill the investment program until the end

[15:37] of the year with a high degree of completion over 90 percent by the year ends. Now to some information on our main CapEx projects, I will present only the bolded statement in each project as

[16:08] this is the latest update. According to the extraordinary meeting of shareholders resolution from 29 October uh 2026,

[16:25] SNN as a borrower was authorized to enter financing agreements totaling 800 million euro with EIB for the purpose of financing the unit one refurbishment

[16:41] project at Cernavoda nuclear power plant. The financing package is structured in two separate loan agreements of 400 million each.

[16:54] One was signed in November, not October, sorry for the small mistake,2026 and the next one will be signed

[17:11] in the first part of 2027. These loans are the first from a larger package that we are working on, which will complete the full construction financing for unit

[17:32] one refurbishment. On units three and four, the project run by our EnergoNuclear company,

[17:46] based on shareholders' decision in July 2026, financing of up to 75 million euro from Export Development Canada or EDC was

[18:02] approved. This loan as the previous US EXIM and the 80 million JP Morgan in syndicate loan that EnergoNuclear took last year are are part

[18:20] of the LNTP package for EnergoNuclear, and as you know, all these are warranted by the shareholder SNN.

[18:36] On small modular reactors pursuant to the general meeting of shareholder resolution from 29 of October this year,

[18:49] the measures required for the continuation of the project were approved, aligned with the fulfillment status of the FID conditions to ensure the efficient operation of the project company

[19:05] in the upcoming period. As you well know, we focus on three major conditions to be fulfilled. One is related to the framework agreement between Nuclearelectrica and NuScale, second, it relates to the 1/5 condition of between

[19:32] RoPower and NuScale, and the third one is related to the sorting out of the gas situation on site.

On the tritium removal facility, currently the activity schedule is under revision to align with the updated project timeline,

[20:11] as it's also specified in our financial situation. We are running some important delays here, and currently the project team is in discussions with the contractor to address this issue.

[20:35] And on medical isotopes, we don't have any special announcement. Related to technical performances, on the radioactive

[20:51] emissions. Of course, we are in green. We do have an increase in September due to the stoppage that we had related to the Danube.

[21:09] We carried out more maintenance. We try to take advantage of the fact that the reactors are shut down, and this had a small influence also on this on this KPI.

[21:26] The nuclear fuel burn rate looked decent up until August, but as you can see, in September it was zero.

[21:38] As you know, September was full shutdown already. We do not spend too much time here, on capacity factor.

[21:58] It's kind of the same story. Already in July we had lower performance, but already in August and September we are seeing this KPI is affected by the shutdowns

[22:18] due to the water availability on the on the Danube. I think this is all we are waiting for your questions.