Chair of the Board of Directors
Laurentiu Nicolae Cazan

NOTE
on the approval by the Ordinary General Meeting of Shareholders ("OGMS") of S.N. Nuclearelectrica S.A. ("SNN") of the supplementation of SNN's Electricity Trading Strategy for the electricity produced by Cernavoda NPP, with the 2027–2046 trading strategy

I. Whereas

- The provisions of Article 13(2)(h) of SNN's updated Articles of Association (18 December 2025), granting the SNN OGMS the power to approve the Company's development strategy and policies;
- Commencement of the work under the Cernavoda NPP Unit 1 Refurbishment Project ("RTH"), which requires raising financing;
- The need for the borrower (SNN) to provide adequate guarantees for such financing, including by entering into very long term electricity trading contracts;
- The legislation in force governing the long-term contracting of electricity

II. Electricity Market Background

The Romanian electricity market in 2026 is characterized by a structural price volatility, stemming from weather dependencies, grid inflexibility, the merit-order pricing mechanism, and the mismatch between supply and demand (where energy demand is decoupled from periods of excess output). Furthermore, the market is shaped by major shifts in the subsidy policies and tightening integration into regional flows.

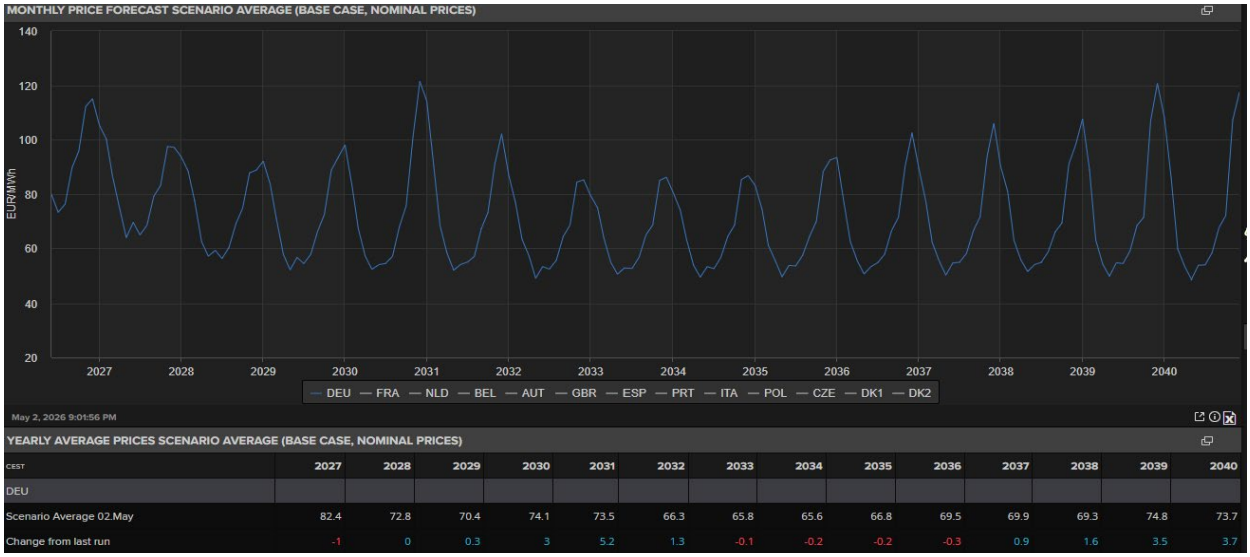
- End of price capping: After years of capped prices, Romania is among the last EU Member States that still maintain support schemes. The trend is to protect the market component related to vulnerable consumers, leaving the rest of the market to self-regulate.
- Boom in prosumers: The rapid expansion of prosumers has raised challenges for the stability of the transmission and distribution grids. The lack of storage capacity and highly-flexible generation makes imbalances difficult to manage, and has a bearing on the costs associated with the end-consumer supply.
- Decrease in domestic production: ANRE reports show a slight decrease in domestic production in 2025 *v* 2024 (approx. 3%), which maintains dependence on imports, especially during peak demand periods, with imports approximately 24% higher in 2025 *v* 2024.

- Regional dependence: Prices in Romania are closely correlated with those in Hungary and Bulgaria. In periods of drought (which affect the hydropower plants in the Balkans) or low wind output, Romania becomes a net importer in order to maintain the system balance.
- The electricity price forecasts for the next 30 years, as provided by specialists companies hired by SNN to produce very long term projections for the electricity prices, point to a downward price trend, ultimately falling below the estimated average post-RTH LCOE. LCOE is the minimum price at which the electricity produced post-RTH must be sold in order to cover all costs over the extended lifetime of the plant and includes: construction, operation, fuel, maintenance, and decommissioning.

Price projection produced by Baringa[1] in the Q1 2026 report, a price projection that does not factor in the annual inflation rate:

Prices - Electricity Wholesale Electricity Price €/MWh								
2026	2027	2028	2029	2030	2031	2032	2033	2034
115.0	101.7	93.1	92.3	93.9	94.7	91.8	90.2	90.2
2035	2036	2037	2038	2039	2040	2041	2042	2043
89.2	83.9	87.8	89.5	86.3	80.7	79.3	76.4	75.1
2044	2045	2046	2047	2048	2049	2050	2051	2052
76.6	77.1	78.2	77.8	74.0	74.9	73.4	74.0	74.5
2053	2054	2055	2056	2057	2058	2059	2060	
73.7	72.1	74.0	71.7	74.8	74.7	75.8	74.6	

Price estimate on the Refinitiv platform[2] published on 2 May 2026 for the German market.
To bring them in line with the prices on the Romanian electricity market, the estimated annual RO-DE spread is added, which may range between EUR 5 and EUR 25/MWh.



[1] Baringa is one of the 13 companies recognized worldwide for its experience in AI and has been ranked Gold for the "Energy, Utilities and Environment" sector for the last 6 years. They have been recommended by Forbes as one of the best consulting firms worldwide

[2] LSEG Data & Analytics, formerly Refinitiv, is a global US-UK provider of data and infrastructure for financial markets

Prices - Electricity													
Wholesale Electricity Price *€/MWh*													
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
82.4	72.8	70.4	74.1	73.5	66.3	65.8	65.6	66.8	69.5	69.9	69.3	74.8	73.7

At EU level, the direction is clear and exerts pressure on the Romanian energy mix:

- REPowerEU targets: Romania is required to increase its generation capacity from renewable sources (over newly-installed 1,400 MW by the end of 2026, prevailingly solar).
- Cost of emissions: The price of CO2 certificates continues to make coal-based power (Complexul Energetic Oltenia) uncompetitive, forcing closure or conversion of old facilities.
- Negative prices: Negative midday prices (driven by peak solar output hitting low demand) are becoming a regular fixture across Europe, and Romania is no exception.

Conclusion: Romania is moving away from a rigid, subsidy-backed system toward a dynamic, interconnected market. The main hurdle is no longer just power generation; it is making large-scale investment projects bankable enough to secure financing, and building a balanced energy mix that delivers predictability, flexibility, and affordable pricing for both households and industrial end-users.

III. SNN's Long-Term Contracting Strategy

SNN envisages concluding long-term contracts (spanning 20 years with deliveries starting in 2027, and targeting a 16-year window after Unit 1 comes back into service), in order to make the U1 RTH project bankable and raise financing.
Given the complexity of such an instrument and its implications for SNN, this process is intended to be carried out in more stages:

Phase 1: Publication on SNN's own website of a public consultation, describing a target product, with the aim of identifying potential interested partners – **this stage was completed in October 2025.**

Phase 2: Gathering and processing information about the profile and the requirements applicable to the key public consultation stakeholders (active energy companies), from the law firms working with SNN and its RTH project financing interlocutors, in order to fine tune a draft contract to be put up for public auction. Discussions were also held with the two market operators (OPCOM and the Romanian Commodities Exchange (BRM)) to identify the best platform for listing these types of contracts – **stage completed**.

Phase 3: Securing SNN's corporate approvals for the entire contracting auction package (including the template PPA contract) for the sale by SNN of a 400 MW baseload equivalent for the period 1 January 2027 – 31 December 2046. This involves obtaining approval to launch the procurement process by publishing the aforementioned tender to secure sales contracts for the 400 MW base load equivalent over the period 1 January 2027 – 31 December 2046 – **in progress.**

Phase 4: Running the auction process for awarding the PPA contract(s) across 3 distinct phases, provided that the signing/execution of the PPA(s) remain strictly conditional upon securing the

corporate approvals at SNN level:

Stage 1: the contract clauses negotiation phase, limited strictly to counterparties meeting the prudential eligibility criteria, and securing the in-principle internal approvals for the counterparties involved in this contracting process – estimated duration: 30 days;

Stage 2: the electronic auction session – estimated duration: 1 day;

Stage 3: securing the corporate approvals, including the final sign-off from SNN's financiers for the U1 RTH project, both by SNN (as the electricity seller) and, as applicable, by the other contracting party/parties (the long-term electricity buyer(s)) — estimated duration: 40 days. Once this has been approved by the Board of Directors, we will upload the draft contract in the data room for the RTH financing providers.

NOTE: Should the target of contracting the total proposed quantity not be met, SNN reserves the right to either restart or to cancel the contracting process.

IV. Summary of the product to be auction and the draft contract to underpin negotiations

The draft contract proposed by SNN is a standard EFET (the European Federation of Energy Traders – the professional association of traders on the European wholesale electricity and natural gas markets) contract. It will include clauses that may be negotiated by and between the parties in Stage 1 of Phase 4 (see above). Negotiable clauses will be clearly highlighted in the draft contract to distinguish them from non-negotiable clauses, which are SNN binding requirements which no derogations shall be permitted from. In this regard, for instance, SNN's prudential eligibility and guarantee criteria are out of the scope of negotiations, as these requirements are qualified as mandatory and binding by SNN.

Product Description

The quantity to be auctioned is 400 MW with base load delivery and divided into fractions of 3×100 MW and 2×50 MW each. The chosen quantity is linked to the contract amount, which exceeds the amount of the RTH works (for the minimum annual contractual quantity and without added inflation, the minimum amount of the contracts with a delivery period of 20 years is approx. EUR 5.6 billion).

The total quantity delivered may vary from one year to another due to the two non-delivery options available to the seller, to hedge market risk during planned outages (45 days/year) and unplanned outages (10 days/year) specific to the CANDU technology.

The delivery period is 1 January 2027 - 31 December 2046

The sale price shall be determined in accordance with **Appendix 1** to this Note.

The FLOOR price is the minimum sale price for each individual auction and shall be determined following the electronic auction session organized on the trading platform.

The German electricity market is the largest and most liquid market in Europe; the other markets are benchmarked against the quotations on this market. By contrast, the Romanian market is not a very liquid market. For this reason, including a component that reflects Romania's average forward market transaction price in the selling price formula depends entirely on the outcome of the prior domestic market liquidity assessment (the specific conditions required to be met are detailed in the offer proposal). Optionally, upon signing the contract, the buyer may choose to

calculate the monthly/annual settlement price based on the actual DAM results recorded during the delivery period.

To illustrate the price formula, the DAM price history in Germany and Romania and the spread between them are presented below.

YEAR	DAM DE-LU_price [*€/MWh*]	DAM RO_price [*€/MWh*]	Spread [*€/MWh*]
2016	28.98	33.37	4.39
2017	34.19	48.19	14.00
2018	44.47	46.45	1.98
2019	37.67	50.37	12.70
2020	30.45	39.47	9.02
2021	96.85	111.43	14.58
2022	235.46	265.29	29.83
2023	95.19	103.74	8.55
2024	79.57	103.52	23.95
2025	90.97	113.39	22.42
2026 YTD	96.86	113.43	16.57

*) Source: Energy Live

To provide an overview of how spot prices have evolved in Romania over the last 20 years, we included the table below.

Historical prices									
DAM RO	*€/MWh*								
2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
44.78	47.89	51.21	34.29	36.44	52.13	48.80	35.34	34.66	36.42
2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
33.37	48.19	46.45	50.37	39.47	111.43	265.29	103.74	103.52	113.39

The final selling price for each delivery year is determined based on the weighted arithmetic average of market prices, as adjusted in accordance with **Appendix 1**. This contract price can neither fall below the FLOOR price (the price resulting from the trading platform auction), nor exceed the CAP price (the price calculated using the formula in the Appendix). Adjusting the price against the market average is necessary to make this 20-year delivery product more attractive, especially given that the guaranteed minimum price (FLOOR) transfers market risk to the buyer.
The contract currency is EUR.
The price to be submitted to the public sales auction is the FLOOR price, which shall be fixed for the first year and shall be afterwards indexed annually to the EURO Zone inflation rate.

The applicable eligibility criteria are counterparty risk criteria and are in line with SNN's internal procedures, and consistent with the general criteria used by banks for the financing of development projects. These criteria are illustrated in **Appendix 1** to this Note.

The penalties for termination/rescission of the contract shall be calculated specifically to deter either party from rescinding/terminating the contract before the end of the delivery period. If either party proceeds with rescission, this shall be conditional upon payment of a mark-to-market calculated penalty, so that the other party does not sustain rescission financial losses.

The guarantee mechanism is described in **Appendix 2** to this Note.

Trading conditions:

In order to maximize transparency and ensure strict adherence to the antitrust regulations, as well as to meet the objective of executing these sales transactions with highly creditworthy counterparties, thereby providing reassurance to both SNN and the RTH project lenders, we assessed the two available trading platforms, namely OPCOM and the Romanian Commodities Exchange (BRM).

Platform Identification

After having reviewed potential platforms to accommodate trading of a long-term delivery product, we identified:

- CMLT (the Centralized Market for awarding Long Term Electricity Contracts), managed by OPCOM, and
- The platform organized for conclusion of contracts with a long delivery period managed by the Romanian Commodities Exchange (BRM),

The approach to the award procedure is similar on both platforms, but the costs differ significantly. While OPCOM charges a trading fee of 0.05 RON/MWh on its CMLT platform, applicable to both the seller and the buyer, BRM charges a fee of 0.01 RON/MWh, which applies solely to the buyer.
Moreover, the OPCOM procedure fails to include a dedicated stage for obtaining final corporate approvals, a prerequisite for both the seller and the buyer alike.

In order to maximize transparency, adhere to the antitrust regulations, satisfy the internal corporate approvals, and execute these sales transactions with highly creditworthy counterparties, thereby delivering the required reassurance to both SNN and the financial institutions backing the RTH project, we recommend using the BRM platform for the trading of long-term contracts.

V. Proposals submitted to the approval of the Ordinary General Meeting of Shareholders of SNN

Considering the provisions of Article 13(2)(h) of SNN's Articles of Association, updated version (18 December 2025), according to which the Ordinary General Meeting of Shareholders ("OGMS" of SNN) shall approve the Company's development strategy and policies, corroborated with the elements detailed above in this Note, from which it follows that, for the business case covered by this Note, given the scale and amount of the transactions that SNN envisages consuming (a minimum total amount of EUR 5.6 billion under commercial very long term electricity sale operations), we are faced with a genuine long-term Development Strategy of the Company, and hence we hereby submit for the approval of the Ordinary General Meeting of SNN's Shareholders the following:
(1) The 2027–2046 Electricity Offering and Trading Strategy, as detailed in this Note, including (i) SNN's proposal for a long-term (20-year) electricity sales contract, which is to be negotiated and signed with the successful bidder(s) of the auction who meet(s) the eligibility conditions proposed by SNN, and (ii) SNN's proposed contracting offer, documents which can be found in **Appendices 1 and 2** to this Note.

(2) Authorization of SNN's executive management to commence and carry out the offering procedure in accordance with the Strategy and documentation referred to in the previous paragraph and, once one or more successful bidders have been designated, to negotiate, in the name and on behalf of SNN, the long-term electricity sale and purchase contract(s) (PPA contract(s)) with the successful bidder(s) thus selected, including any other documents related thereto, adding that both the final draft of the contract(s) and the entry into force of such contract(s) are conditional upon obtaining, at SNN level, the necessary corporate approvals – specifically, the approval of the contracts by SNN's GMS.

CEO
Cosmin GHITA

CFO
Daniel ADAM

Head of Legal and Corporate Governance Directorate
Vlad CHIRIPUS

Head of the Electricity Transactions Directorate
Emilian BARBULESCU