



Approved by,
Chairman of the Board of Directors
Laurentiu Nicolae Cazan

NOTE

on (i) informing the Extraordinary General Meeting of Shareholders of Societatea Națională Nuclearelectrica S.A. (SNN) regarding the status of fulfilling the conditions associated with the Final Investment Decision (FID) for the Doicești SMR Project, conditions approved by Resolution of the Extraordinary General Meeting of SNN Shareholders (EGMS) no. 1/12.02.2026 and regarding the status of actions related to updating the SMR Implementation Strategy, (ii) approval of SNN's proposal regarding the measures necessary to continue the Project, in line with the status of fulfillment of the conditions related to the Final Investment Decision (FID), to ensure efficient conduct of operations within the project company RoPower Nuclear S.A. (RPN) in the coming period and (iii) approval of the authorisation for the SNN representative at the RPN Extraordinary General Meeting of Shareholders to participate in the meeting and vote in favour of approving the matter aforementioned in item (ii)

1. General considerations/Approval authority

In accordance with the provisions of Article 13(2)(h) of the updated Articles of Incorporation of Societatea Națională Nuclearelectrica S.A., the Ordinary General Meeting of Shareholders 'approves the Company's development strategy and policies'.

In view of:

- **Resolution no. 8/22.09.2022** of the Ordinary General Meeting of Shareholders of Societatea Națională Nuclearelectrica S.A., regarding the approval of the implementation strategy for the project to build a NuScale Small Modular Reactor nuclear power plant at the Doicești site, through the project company RoPower Nuclear S.A.;
- **Resolution no. 1/12.02.2026** of the Extraordinary General Meeting of Shareholders of Societatea Națională Nuclearelectrica S.A., regarding the approval, amongst others, of the following:
 - o at **Article 3** – the adoption of the Final Investment Decision (FID) for the NuScale Small Modular Reactor (SMR) Project at Doicești (the Project), based on the Feasibility Study of the Project;

Societatea Națională NUCLEARELECTRICA S.A.

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Unique Trade Register Code (CUI) 10874881, Tax Registration Number (CIF) RO10874881, IBAN RO94 RNCB 0072 0497 1852 0001 held at BCR,
Sector 1 Branch;
Subscribed and paid-up share capital: 3,016,438,940 lei.
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- at **Article 4** – the conditions the fulfilment of which forms the basis of the Project’s feasibility and which, consequently, represent mandatory requirements conditioning the Project’s feasibility, with the proviso that failure to fulfil any of these conditions makes it impossible to carry out the Project, which will be deemed unfeasible, in the event of failure to fulfil any of the aforementioned conditions;
- **Resolution no. 5/15.07.2026** of the Ordinary General Meeting of Shareholders of Societatea Națională Nuclearelectrică S.A. concerning:
 - **Article 8** – the shareholders took note of the information presented by the company regarding the current status of the activities carried out to fulfil the conditions associated with the Final Investment Decision (FID) for the Doicești SMR Project (the Project), with a target completion date of June 2026, as approved by SNN EGMS no. 1/12.02.2026;
- The management plan of Societatea Națională Nuclearelectrică S.A. for the period 2023–2027, prepared in accordance with Government Emergency Ordinance 109/2011, which includes, amongst its objectives, the implementation of the Doicești SMR Project to develop an electricity generation capacity through a small modular reactor (SMR) nuclear powerplant .

With reference to the above:

- (i) We hereby inform, through this note, the Extraordinary General Meeting of SNN Shareholders regarding the status of fulfilling the conditions associated with the Final Investment Decision (FID) for the Doicești SMR project, conditions approved by SNN EGMS no. 1/12.02.2026 and regarding the status of actions related to updating the SMR Implementation Strategy;
- (ii) We submit for the approval of the Extraordinary General Meeting of SNN Shareholders SNN’s proposal regarding the measures necessary to continue the Project, in line with the status of fulfilment status of the conditions related to the Final Investment Decision (FID), to ensure efficient conduct of operations within the project company RoPower Nuclear S.A. (RPN) in the coming period, given its strategic nature and impact on the SMR Project;
- (iii) We submit for the approval of the Extraordinary General Meeting of SNN Shareholders the authorisation for the SNN representative at the RPN EGMS to participate in the meeting and vote in favour of approving the matter mentioned above in point (ii).

2. Considerations regarding the status of implementation of the FID conditions

Since February 2026, there has been a high level of institutional involvement and support, under the auspices of the US-Romania Intergovernmental Agreement (IGA), through repeated efforts undertaken by the parties involved, which were intended to facilitate the fulfilment of certain FID conditions, particularly of those relating to the conclusion of commercial agreements between parties.

Despite these steps and the efforts made to date, there are a number of obstacles and difficulties in fulfilling certain conditions deemed essential for the development of the Project, which lead to a necessity of reassessment of how the Project’s continuation will be approached, in light of the approved Implementation Strategy and investment decision, and the fulfilment of certain essential conditions, as follows:

- (a) The conclusion, between SNN and Nuscale, of a Framework Agreement – an essential condition for SNN to ensure a mechanism for fair risk sharing and the conditions for SNN to obtain strategic benefits and advantages commensurate with the level of involvement and risks assumed in the development of the Project;

- (b) NuScale's acceptance and implementation of one of the two options, as set out in scenario A1.3 recommended in the project's Feasibility Study, regarding the method of procuring the NuScale reactor modules – this is the most important condition imposed by RPN, and its implementation is conditional upon obtaining a firm commitment from NuScale regarding one of the two options set out in the Feasibility Study, namely: (i) *“only the first NPM module will be procured by RPN, whilst the remaining five will be the responsibility of NuScale and will be paid for by RPN only once the first NPM is fully operational”* or (ii) *“RPN will purchase all six modules, but with the obligation that NuScale must fully reimburse the costs of the five modules if the first NPM module does not operate as designed”*.
- (c) Adopting the necessary measures to clarify/resolve the situation regarding the presence of natural gas on site and the classification of the Soceram well, and carrying out the well abandonment works – an essential condition for assessing the acceptability of the site from the perspective of the hazard posed by natural gas.

With regard to condition (a), this has not been met, currently there is no agreed form of the 'Framework Agreement' or any binding alternative mechanism. There are numerous doubts regarding the prospects of fulfilling this condition, given the successive delays recorded in this process to date – which are attributable to the partner NuScale, who has gradually renounced binding elements of what was previously envisaged to be undertaken.

Although SNN has fulfilled its obligation to exercise all due diligence and make sustained efforts to fulfil this condition, NuScale has not responded to SNN's requests to negotiate the key provisions proposed by SNN in the Agreement or to conclude a binding Agreement, a fact which, moreover, contravenes the 'Heads of Terms' convention, a document serving as a precursor to the negotiations on the 'Framework Agreement'.

NuScale has put forward, as a potential alternative to the Agreement, a mechanism based on SNN's right to subscribe for NuScale shares at a pre-determined exercise price ('warrants'), which, from SNN's perspective, is insufficient, in the form proposed by NuScale, to fulfil this FID condition. In this context, SNN's express request is to revisit the 'Framework Agreement'.

It is important to note that the fulfilment of this condition is essential to ensure a balanced collaboration between the parties, as well as to ensure the realisation of economies of scale, the creation and localisation of a supply chain, and benefits for SNN and the Romanian state as developers of a 'First of a Kind' ('FOAK') technology.

With regard to condition (b), this has not been met, although RPN has taken the necessary steps to fulfil it, however, to date, NuScale has not agreed to enter into a binding agreement regarding one of the two options which are also covered by the scenario proposed in the Project Feasibility Study. Essentially, the condition serves as a risk-mitigation tool and should not be confused with the performance criteria applicable to the project as a whole.

Although RPN's proposals are in line with market practices for 'FOAK' projects, NuScale has refused to sign a binding agreement, despite all the sustained efforts on the part of RPN.

NuScale's approach thus places the negotiations within a conditional and restrictive framework from the perspective of a balanced sharing of risks, failing to offer a concrete solution for meeting the FID condition. During the negotiations, NuScale's proposals have had multiple limitations and extensive disclaimers, thereby avoiding the assumption of obligations regarding the reimbursement of costs for the five modules and performance guarantees.

In this regard, multiple negotiation and alignment meetings were organised, attended by representatives of all the responsible institutions, both in Romania and the US, who provided constant support and openness to resolving differences, without prejudice to the commercial negotiations between NuScale and SNN, and RPN respectively. NuScale has ceased to engage in these discussions.

With regard to condition (c), this has not been met, as there is currently no confirmed procedural framework leading to the adoption of measures to mitigate the risks potentially arising from the existing situation regarding the emission of natural gas identified in the area (at the adjacent site – Soceram), as well as in adjacent areas, in accordance with the requirements of the competent authorities and best practices applicable to nuclear projects, including IAEA standards (such as SSG-35) – an essential condition for assessing the acceptability of the site from the perspective of the hazard posed by natural gas. The lack of institutional support has hampered RPN’s ability to fulfil this condition and has also affected the project timetable by delaying the commencement of site characterisation studies required to obtain the site licence.

Furthermore, RPN has entered into an agreement to carry out an independent assessment, which will evaluate the impact and identify monitoring and mitigation measures, with a view to establishing the technical conditions for site authorisation. The conclusions of the study will be a key factor in assessing the acceptability of the site from the perspective of hazards associated with the presence of natural gas, which will inform subsequent decisions regarding the continuation of the Project at this site. Preliminary indicative results of the study will be made available from March 2027, with the final study due to be published in October 2027.

Thus, whilst steps are being taken at RPN level to implement condition (c) and there is a prospect of its implementation in the near future, the prospects for implementing conditions (a) and (b) are limited, as these depend not only on the efforts of RPN and SNN, but also on the partner’s willingness to participate constructively in the process of negotiating the agreements covered by these conditions.

All other FID conditions set out in EGMS no. 1/12.02.2026 remain valid during this period and are to be addressed by SNN and RPN for fulfilment; steps will be taken to implement them at an accelerated pace, once a positive resolution has been reached on conditions (a)–(c), which are considered a priority, as their fulfilment is a prerequisite for the continuation of the SMR Project.

Furthermore, we provide a centralised update, in **Annex 1** hereto, on the current status of the work carried out to fulfil the conditions associated with the FID decision in the Doicesti SMR project, conditions approved by SNN Extraordinary General Meeting Resolution no. 1/12.02.2026. Over 80% of the conditions on which the FID approval of February 2026 was based remain unfulfilled currently, a fact which maintains a significant allocation of risk to RPN, and by extension to SNN and the Romanian State, in its capacity as the majority shareholder of SNN.

We therefore consider that this situation of uncertainty must be clarified in the immediate future and, with a view to safeguarding the interests of the parties involved – RPN, SNN and the Romanian State – we intend to notify the technology partner (NuScale) regarding the target deadlines for fulfilling the priority FID conditions within a maximum of 30 days from the date of issuing that notification to the technology partner; the responsibility for ensuring this is carried out lies with the executive management of SNN and RPN, in accordance with the respective areas of responsibility of each of the two management teams.

In parallel, the executive management of SNN will carry out an analysis to identify the factors that have led to the current situation, as well as the measures required to mitigate or eliminate, as far as possible, the risks and to minimise the financial impact on SNN arising from this Project.

3. Notice regarding the commencement of the update to the SMR Implementation Strategy – deadline of six months from the date of this notice

Given the level of involvement and institutional support provided to the Project, both nationally and internationally, as well as the sustained efforts of the partners under the auspices of the US–Romania Intergovernmental Agreement, the conditions are now in place for the SNN to initiate steps to update the SMR Implementation Strategy in Romania, for which we continue to appreciate the openness of our American partners.

In its updated form, the Strategy will encompass, but not be limited to, elements relating to the assessment of the most advanced SMR technologies of US origin, the matching of SMR technologies to site characteristics, and the exploration of other types of electricity generation capacity. The reassessment of the strategy does not entail the elimination of the current working scenario – namely, development using NuScale technology – but effectively constitutes a benchmarking of multiple technologies and scenarios based on recent technological developments and technological maturity, in order to ensure the most advantageous solution for Romania and to safeguard the interests of the Romanian State, should a positive resolution not be reached following the stage described above. Following the completion of these steps, an updated strategy will be submitted for approval to the relevant corporate bodies within SNN.

These steps will be aligned with and carried out exclusively in accordance with the partnership established through the Intergovernmental Agreement (IGA) between Romania and the USA, approved and ratified by Law no. 200/2021 and the sound institutional cooperation demonstrated to date.

4. The measures necessary to continue the SMR Project over the next six months, with gradual implementation scaling activities at RPN level – a phased implementation schedule, with an interim report on the steps taken by 31 December 2026.

Thus, given that EGMS SNN no. 1/12.02.2026 stipulates that the fulfilment of these conditions forms the basis for the feasibility of the Project and that these conditions, “*constitute mandatory requirements that determine the feasibility of the Project, it being noted that failure to fulfil any of these conditions renders the Project impossible to carry out, the Project being, in the event of failure to fulfil any of the aforementioned conditions, unfeasible*”, SNN, as a shareholder of the project company, intends to request its shareholders to approve a series of measures to be implemented at RPN through the corporate governance mechanisms regulated by law and by RPN’s Articles of Incorporation, measures designed to help achieve the objectives set out below and to ensure that RPN carries out its activities efficiently in the coming period.

Specifically, we consider it necessary to implement, at RPN level, a set of measures designed to ensure an appropriate resizing of the company’s operations, taking into account the current availability of financial resources provided for under the borrowing limit approved by EGMS no. 8/19.07.2024 and the need to prioritise their allocation, in an optimised manner, in order to respond swiftly to the essential needs of the Project in the immediate future.

Thus, in the coming period, the activities of the RPN project company will focus primarily on fulfilling the priority conditions (b) and (c) for which it is responsible. SNN considers it appropriate to implement a plan involving resizing measures applicable at RPN level during this period, with an estimated duration of 6 months. The resizing of operations is considered necessary at this stage, in light of the points set out above and to enable resources to be concentrated on preparing and providing a basis for a decision on the prospects

for continuing the SMR Project under optimal conditions. By implementing and executing this resizing plan, we believe the Project will achieve a greater degree of clarity and certainty regarding the optimal way forward.

The resizing plan is, in fact, intended to ensure optimal continuation of the working framework, facilitated by the measures to be set out in the RPN plan, with a view to fulfilling the FID conditions in accordance with the deadlines set out in the plan.

With a view to ensuring business continuity in this context, it is necessary and appropriate to adopt measures, to be defined and implemented at RPN, which should aim, at the very least, to:

- Focusing activities, as a priority, primarily on the two conditions falling within RPN's remit, the fulfilment of which, in the immediate future, has been deemed essential. In this regard, any other expenditure incurred for activities associated with other FID conditions will be limited;
- Optimising operational expenditure, which entails a gradual reduction in RPN expenditure until a minimum expenditure threshold is reached, deemed critical to adequately support the project company in achieving its short-term objectives;
- A gradual reduction in working hours, namely a reduction in the number of RPN staff involved in the implementation of the SMR Project (by at least 60%), by limiting staffing exclusively to critical staff categories, whilst at the same time enabling the project company to function effectively in terms of decision-making and operations during this period.

The deadline requested by SNN for RPN to submit the contingency plan is **a maximum of one month** from the date of the SNN GMS at which the aforementioned measures are approved.

5. Conclusions

In view of the above, SNN will pursue the implementation of the following measures, which will form the basis for a clear decision on the re-evaluation of the Project's feasibility, as follows:

- ✓ fulfilment of the three conditions deemed essential for making a decision on the continuation of the Project, including the final notification to the Nuscale partner regarding the need to conclude commercial agreements to fulfil conditions (a) and (b), namely the conclusion of the Framework Agreement and the signing of a binding document regarding one of the two options which also also form the subject of the scenario proposed in the Project Feasibility Study;
- ✓ the resizing of RPN's operations, under the conditions detailed above;
- ✓ updating the SMR Project Implementation Strategy.

These measures are considered necessary to ensure the correct allocation of risks arising from the implementation of a FOAK-type project, taking into account the resources committed to date to the implementation of the SMR Project, as well as to provide a sound basis for the arguments underpinning the update of the SMR Project Implementation Strategy.

6. Proposals to be submitted to the Extraordinary General Meeting of Shareholders of SNN ()

In light of the above, we request that the Extraordinary General Meeting of SNN Shareholders:

1. To take note of the information regarding the status of fulfilling the conditions associated with the Final Investment Decision (FID) for the Doicești SMR Project, conditions approved by Resolution no. 1/12.02.2026 of the Extraordinary General Meeting of Shareholders (EGMS) no. 1/12 February 2026, and regarding the status of actions related to updating the SMR Implementation Strategy;
2. To approve the proposal regarding the measures necessary to continue the Project, in line with the status of fulfilment the conditions relating to the Final Investment Decision (FID), to ensure the efficient conduct of operations within the project company RoPower Nuclear in the coming period, as presented in Section 4 of the Note pertaining to this item and presented to the shareholders;
3. To approve the authorisation for the SNN representative at the RPN Extraordinary General Meeting of Shareholders to participate in the meeting and vote in favour of approving the matter referred to in point 2 above.

Annex 1 – Report on the status of implementation of the FID conditions

Given the confidential nature of the information contained in Annex 1 to this Note, access to it by SNN shareholders is subject to the shareholders signing a confidentiality undertaking to protect the information provided.

Endorsed by,

Mihai Gioara
Chief Executive Officer

Daniel Adam
Chief Financial Officer

Vlad Chiripus
Director of Legal and Corporate Governance Department

Andrei Radulescu
Head of SMR Department