



SNN no. ....../.....

Endorsedby,  
Teodor Chirica  
Chairman of the Board of Directors

#### NOTE

**for approval by the Ordinary General Meeting of Shareholders (OGMS) of S.N. Nuclearelectrica S.A. (SNN) of the continuation strategy for the DICA investment project (Intermediary Spent Fuel Storage Facility) on the basis of the “Feasibility Study for Extension of the Intermediary Spent Fuel Storage Facility (DICA) with MACSTOR 400 modules” - Code: 79D-08230-SF-001, updated, rev. 2**

#### **I. Approval Powers**

- According to SNN’s Articles of Incorporation, as updated on 14 November 2024, namely Article 13(2)(h), reading that the powers of the Ordinary General Meeting of SNN Shareholders (OGMS) also includes the power to approve the development strategies and policies of the Company;
- The total amount of the investment, as updated in the General Estimate, is **EUR 273,085.75 thousand (RON 1,365,428.75 thousand)**, adding that this amount will be fully financed from SNN's own funds, throughout the implementation period of the DICA Project (2025 – 2067).

#### **II. Overview of the Project’s Background**

The commissioning of the nuclear power plant Cernavoda NPP - Unit 1 in 1996 and Unit 2 in 2007 gave rise to the need to develop and put into service the Intermediary Spent Fuel Storage (DICA), according to the regulatory acts issued by the National Commission for Nuclear Activities Control (CNCAN), the IAEA recommendations and the international practices on spent fuel management, in order to intermediary store the irradiated spent fuel from the reactor, after a temporary storage period (6 years) in the Spent Fuel Pool Bay (SFB).

At the international level, the “Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management” was adopted on 9 September 1997 in Vienna, and was ratified by Romania by Decree no. 192/1999. According to the provisions of the Convention, “spent fuel produced by nuclear power plants shall be stored for a limited period in dry intermediary storage facilities”.

In Romania, Law no. 111/1996 on the safe performance, regulation, authorization and control of nuclear activities, republished, sets out the framework for safe performance, regulation, authorization and control of nuclear activities, whereas the Government Decision no. 102/2022 approved the medium and long-term National Strategy for the safe management of spent nuclear fuel and radioactive waste. Thus, the permit holders (SNN) are required to devise their **own strategies for the medium and long-term safe management of spent nuclear fuel and radioactive waste**.

So far, as many as 17 MACSTOR 200 modules have been developed realized on the DICA site, **according to the Strategy approved by SNN OGMS in 2019, with the SNN OGMS Resolution no. 10/25.10.2019.**

The next stage in the strategy approved by SNN GMS for DICA extension is **transition to MACSTOR 400 modules, starting with Module 18**, the first module on the 3rd DICA string; **this is the most technically and**

**economically feasible option to provide necessary storage space to accommodate the fuel produced by the U1 and U2 units, in two operating cycles.**

In view of the above, Revision 2 of the Feasibility Study, which substantiates the strategy for continuation of the **DICA Investment Project**, was aimed at **updating the investment cost by updating the General Estimate of the 20 MACSTOR 400 modules (DICA modules 18 - 37), as necessary to provide storage space for the spent fuel produced by the U1 and U2 units of Cernavoda NPP, two life cycles, in consideration of DICA Extension Version 1, with MACSTOR 400 modules, starting with Module 18, a Version that has already been approved with the SNN OGMS Resolution no. 10/25.10.2019.**

### **III. Need and opportunity of the continued development of the DICA Project**

Specifically, the decision to extend DICA with MACSTOR 400 modules has already been approved under the Resolution of the Extraordinary General Meeting of (SNN EGMS) no. 6/18.07.2016, based on Version 1 devised in 2015, amounting to **RON 604,567.54 thousand**, and provides for development of MACSTOR 200 modules 8 and 9; **from Module 10 on, as many as 21 MACSTOR 400 modules will be developed.**

Due to the delays experienced in obtaining the Environmental Agreement for the transition to MACSTOR 400 modules, the long-term strategy for development of the Intermediary Spent Fuel Storage has been revised as follows:

- In 2017, Resolution no. 8/28.09.2017 of SNN OGMS and Resolution no. 9/28.09.2017 of SNN EGMS were approved Revision 5 of the “Long-term strategy for development of the Intermediary Spent Fuel Storage and authorization in view of the extension of the lifetime of Units 1 and 2, as harmonized with the comments of CNCAN and of the Ministry of the Environment”, whereby transition to the MACSTOR 400 modules was due to occur starting with module 12, while modules 1-11 were to be built as MACSTOR 200 modules. **The approved investment cost in this setup was RON 604,567.54 thousand.**
- In 2019, Resolution no. 10/25.10.2019 of SNN OGMS was passed to approve Revision 6 of the “Long-term strategy for development of the Intermediary Dry Spent Fuel Storage and authorization in view of the extension of the lifetime of Units 1 and 2, as harmonized with the comments of CNCAN and of the Ministry of the Environment”, which led to modification of the needed number of modules, as compared to the strategy approved in 2017, by adding 6 additional MACSTOR 200 modules (modules from 12 to 17); starting with module 18, other 20 MACSTOR 400 modules were to be developed so as to ensure the storage capacity for the spent fuel produced by two operating units, U1 and U2, over two life cycles. Also in this DICA setup (17 M200 + 20 M400), **the approved investment cost was RON 604,567.54 thousand.**

Out of the approved amount of **RON 604,567.54 thousand**, in years 2017 - 2024, the amount of **RON 158,264.38 thousand** was used to build modules 8 - 17, of MACSTOR 200 type.

Considering the rises in prices and rates in the construction sector, as well as the inflation increase between 2015 - 2024 and the price adjustments according to the legal provisions (Government Emergency Ordinance no. 15/2021 and Government Emergency Ordinance no. 47/2022, the investment amount still available after development of the 10 MACSTOR 200 modules (modules 8 - 17), namely RON 446,303.16 thousand (equivalent to EUR 89,260.63 thousand), no longer covers for the cost of building the other 20 MACSTOR 400 modules provided under the strategy approved in 2019, **and this amount needs to be brought to the level of 2024.**

The investment cost updating **is in line with the DICA project implementation strategy**, as approved by SNN with the SNN OGMS Resolution no. 10/25.10.2019, **which provides for transition to MACSTOR 400 modules, starting with the Module 18 of DICA.**

### **IV. Cost Analysis against the Approved Amount of DICA Investment**

This latest revision of the Feasibility Study was aimed at updating the amount of the DICA investment, in Version 1 (the Version approved by shareholders), by updating the General Estimate according to the provisions of Government Decision no. 1116/2023, amending Government Decision no. 907/2016, so that the approved amount can cover for all the costs needed to develop the 20 MACSTOR 400 modules.

After the update, the **total amount of Version 1 costs - DICA Extension with MACSTOR 400 modules, starting with Module 18 (the Version approved by shareholders), is:**

| <b>Investment amount for<br/>20 MACSTOR 400<br/>modules<br/>(DICA modules 18-37)</b> | <b>Net of VAT</b>   |                     | <b>VAT included</b> |                     |
|--------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                      | <b>Thousand RON</b> | <b>Thousand EUR</b> | <b>Thousand RON</b> | <b>Thousand EUR</b> |
| <b>GRAND TOTAL,<br/>of which:</b>                                                    | <b>1,365,428.75</b> | <b>273,085.75</b>   | <b>1,624,860.22</b> | <b>324,972.05</b>   |
| TOTAL Construction +<br>Assembly                                                     | 676,540.59          | 135,308.12          | 805,083.30          | 161,016.66          |
| Machinery, process and<br>functional equipment                                       | 395,433.42          | 79,086.68           | 470,565.77          | 94,113.15           |
| Contingencies (1%)                                                                   | 10,684.24           | 2,136.85            | 12,714.25           | 2,542.85            |
| 25% budget margin<br>expenditure                                                     | 270,218.50          | 54,043.70           | 321,560.02          | 64,312.01           |
| Other expenditure                                                                    | 12,552.00           | 2,510.40            | 14,936.88           | 2,987.38            |

Making a comparison between the costs of DICA extension in Version 1 with 20 MACSTOR 400 modules (the Version approved by shareholders), as updated in 2024 under revision 2 of the Feasibility Study, and those approved in 2016 and calculated for 20 MACSTOR 400 modules, based on revision 1 of the Feasibility Study, and if we are to take out the amount related to Heading 7 newly-introduced in the structure of the General Estimate under the amendments made to the Government Decision no. 907/2016 by the Government Decision no. 1116/2023, *i.e.* RON 270,218.50 thousand, we find as follows:

- after update, the total amount of the General Estimate for DICA extension, in Version 1 (the Version approved by shareholders), increased by 98.89% compared to the total amount approved back in 2016;
- comparing the percentage increase in the amount of the General Estimate, as updated in 2024, against the 2016 amount (an increase by 98.89%) with the price adjustment percentage in 2024 v 2022, as resulting from application of the Government Emergency Ordinance no. 47/2022 (an increase by approx. 60%), but also with the consumer price index for non-food goods from 2015 to 2024 (153.45%), we can conclude that the updated amount of the General Estimate for DICA Extension in Version 1, with MACSTOR 400 modules (the Version approved by shareholders), is in line with the construction price increase from 2016 to 2024.

Financing will be provided from SNN's own funds, and will be staged over the entire period of DICA extension with MACSTOR 400 modules (2025 - 2067).

#### **V. Proposals Submitted for Approval by SNN OGMS**

In view of the above and taking into account the fact that the total amount of the investment, as updated by the General Estimate, is EUR 273,085.75 thousand (RON 1,365,428.75 thousand), the power to approve the strategy for continuation of the DICA (Intermediary Spent Fuel Storage) investment project on the basis of the "Feasibility Study for Expansion of the Intermediary Spent Fuel Storage (DICA) with MACSTOR 400 modules, updated, rev. 2" rests with the Ordinary General Meeting of SNN Shareholders (SNN OGMS),

we submit for approval by the Ordinary General Meeting of SNN Shareholders (SNN OGMS) **the strategy for the continuation of the DICA investment project (Intermediary Spent Fuel Storage) on the basis of**

**the “Updated Feasibility Study for Extension of the Intermediate Spent Fuel Storage Facility (DICA) with MACSTOR 400 modules” - Code: 79D-08230-SF-001, Rev:2, with an updated investment amount of EUR 273,085.75 thousand (RON 1,365,428.75 thousand).**

***APPENDICES:***

**Appendix 1: FEASIBILITY STUDY FOR EXTENSION OF THE INTERMEDIARY SPENT FUEL STORAGE (DICA) WITH MACSTOR 400 MODULES” - CODE 79D-08230-SF-001, REV:2”,** due to be made available to shareholders subject to these signing a Non-Disclosure Agreement and to their capacity as shareholder as at the reference date 10 January 2025 being checked, and after having received the Shareholders Register from the Central Depository, as provided for in the template Non-Disclosure Confidentiality Agreement published on the SNN website, Investor Relations page, GMS Information, GMS dated 22 January 2025.

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