



**ENDORSED BY**

**Chairman of the Board of Directors,  
Teodor Minodor Chirica**

**NOTE**

**regarding the endorsement of the net profit distribution proposal for the financial year 2023,  
of the value of the gross dividend per share, of the initiation date of the dividend payment  
and of the payment methods**

**1. General matters/powers**

In accordance with the applicable legal provisions into force, the Board of Directors proposes the manner of distribution of the net profit of the financial year 2023, including the dividend proposal at the same time as the Endorsement of the annual financial statements.

Article 111(2)(a) of Law no. 31/1990 republished, as subsequently amended and supplemented, provides that the Ordinary General Meeting of Shareholders is required *to discuss, approve or amend the annual financial statements on the basis of reports presented by the Board of Directors, respectively by the management board and the supervisory board, by censors or, as the case may be, by the financial auditor, and to establish the dividend*. Moreover, according to the provisions of Article 13(2)(b) of the Articles of Incorporation of Nuclearelectrica National Company, the Ordinary General Meeting of Shareholders *“shall decide on the distribution of the net profit and shall establish the dividend”*.

Legal grounds are represented by:

- Law no. 31/1990, republished, as subsequently amended and supplemented (“Law no. 31/1990”);
- Law no. 24/2017 regarding issuers of financial instruments and market operations (“Law no. 24/2017”);
- Law no. 227/2015 on the Fiscal Code, as subsequently amended and supplemented (“Fiscal Code”);
- Government Ordinance no. 64/2001 on the profit distribution at national enterprises, national companies and companies with full or majority State capital, as well as at self-governed administrations, as subsequently amended and supplemented (“G.O. no. 64/2001”);
- Law no. 74/31.03.2023 approving the signature of the Support Agreement between the Romanian State and Societatea Nationala “Nuclearelectrica” - S.A. for the Cernavoda NPP Units 3 and 4 Project;

**Societatea Nationala NUCLEARELECTRICA S.A.**

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Subscribed and paid-up share capital: RON 3,016,438,940.

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- Regulation no. 5/2018 regarding issuers of financial instruments and market operations, issued by the Financial Supervisory Authority (Regulation no. 5/2018).

Ordinary General Meeting of Shareholders has the power to approve the net profit distribution proposal and of the dividend.

## 2. Presentation

### 2.1. Distribution of the net profit related to the financial year 2023

The proposal of distribution of the net profit of the financial year 2023 by destinations was made in compliance with the provisions of the G.O. no. 64/2001, as subsequently amended and supplemented. Thus, the net profit of the financial year 2023 shall be distributed by the following destinations:

Indicator (financial year 2023)*)	Amount (RON)
<b>Net profit of the financial year (A)</b>	<b>2,506,518,832</b>
+ The provision for employees' participation in profit (deducted from the accounting profit) (B)	30,764,865
<b>Net profit to be distributed related to the financial year (A+B), distributed as follows:</b>	<b>2,537,283,697</b>
a) statutory reserve	143,006,629
b) other reserves representing fiscal facilities provided by the law	152,453,305
c) coverage of accounting loss from previous years, except the accounting loss resulting from the application of IAS 29	-
d) establishment of own financing sources for projects co-financed from external loans, as well as to set up the sources needed to repay principal instalments, and pay the interest, commissions and other costs related to external loans	-
e) other distributions provided by the law	-
<b>Remaining profit to be distributed after the deduction of the above amounts (a-e), of which distributed as follows:</b>	<b>2,241,823,763</b>
f) employee participation in profit	30,764,865
g) dividends due to shareholders	1,120,911,882
h) other reserves (own financing sources)	1,090,147,016
<b>Profit yet to be distributed</b>	<b>-</b>

\*) Note – amounts are rounded to the nearest integer

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As regards the amounts proposed to be distributed, we make the following clarifications:

- The amounts allocated to the **statutory reserve** are determined based on the provisions of Article 183 of Law no. 31/1990 according to which *"at least 5% will be set aside from the Company's profit every year for the formation of the reserve fund, until this reaches at least one fifth of the share capital"*. **The amount allocated to the statutory reserve was set aside at the end of the financial year, and represented the mandatory distribution of RON 143,006,629;**
- **Other reserves (RON 152,453,305) representing tax facilities** provided by the law are allocated according to Article 22(1) of Law no. 227/2015 on the Fiscal Code, as subsequently amended and supplemented; these refer to the exempted corporate tax related to the profit invested in engineering equipment - machinery, equipment and working installations, as provided in subgroup 2.1 of the "Catalogue for classification and normal operating times of plant, property and equipment, used to carry out the business activity (only new equipment), as well as electronic computers and peripheral equipment, software and other electronic equipment as provided in class 2.2.9 of the Catalogue. The amount allocated to reserves is the amount of profit invested in this equipment, net of the statutory reserve (5%);
- **The amounts proposed to be distributed as "employee participation in profit"** are in accordance with the provisions of Article 1(1), letter e) of the G.O. 64/2001 up to 10% of the net profit; however, not more than one average monthly base salary obtained in 2023, and considering the average headcount in 2023. Thus, the maximum amount representing 10% of the net profit, however, not more than one average monthly base salary obtained in 2023 was of RON 30,764,865;
- **The proposed gross dividends (RON 1,120,911,882)** represent a distribution of 50% of the profit remaining after deduction from the net profit of the financial year (RON 2,506,518,832) of the statutory reserve (RON 143,006,629) and of the reserves representing tax facilities (RON 152,453,305). For the year 2023, according to the approved income and expenditure budget, the Company distributes at least 50% of the net profit as dividends.
- **Own sources of investment** amounting to **RON 1,090,147,016**.

## 2.2.Value of the gross dividend per share

Dividends to be allocated to shareholders are in the amount provided in the net profit distribution proposal, respectively the amount of **RON 1,120,911,882**.

The number of shares related to the share capital subscribed and paid up is **301,643,894** at the date hereof. Thus, **the value of the proposed gross dividend per share is RON 3.71601052 per share**.

The tax on dividends shall be withdrawn and transferred by SNN in accordance with the provisions of the Fiscal Code.

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### 2.3.Starting date of dividend payment

The payment terms of dividends in accordance with the applicable legal provisions are:

- According to the provisions of Article 67(2) of Law no. 31/1990 dividends are distributed to shareholders *“within the time limit set by the general meeting of shareholders or, as the case may be, established by special laws, however, no later than 60 days from the date of approval of the annual financial statement related to the financial year ended”*;
- Article 29(5) of the Articles of Incorporation of SNN provides that *“payment of dividends due to shareholders is made by the company according to law”*;
- The provisions of Article 1(3) of the G.O. no. 64/2001 establish that, by derogation from Law no. 31/1990: national companies are required to transfer the dividends due to shareholders within 60 days from the time limit provided for by law for the submission of the annual financial statements.

Thus, it results from the corroboration of the time limits provided for by the above-mentioned normative acts and the Articles of Incorporation of SNN that the payment deadline for dividends by SNN is of 60 days from the time limit provided for by law for submission of the annual financial statements. Considering that the latter deadline is 25 April 2024, we propose that **dividends should be paid starting from 21 June 2024.**

### 2.4.Dividend payment method

Dividends shall be paid to SNN shareholders through the agency of Depozitarul Central SA and of a payment agent specialized in the provision of such service, according to Article 87(5) of Law no. 24/2017 and to Article 177(1) of ASF Regulation no. 5/2018.

No fees are charged on shareholders for the dividend payment, no matter the payment method, since they are borne by SNN.

The identification data of the chosen payment agent, the detailed payment methods, the specific forms and the necessary documents requested to shareholders for making the payment, shall be made known to shareholders before the starting date of such payment by a press release and respectively, a current report sent to Bucharest Stock Exchange and to the Financial Supervisory Authority. Information shall be posted as well, on SNN website to [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro), Investor Relations section.

### 2.5.Registration date

The registration date should be subsequent to GMS date (25 April 2024) at least 10 business days. Thus, **the proposed registration date is 31 May 2024.**

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## **2.6. Right to collect dividends**

Only shareholders which are registered with S.C. Depozitarul Central S.A. upon registration are entitled to receive dividend.

## **3. Proposals**

**In the light of the above, we ask the Ordinary General Meeting of Shareholders the following:**

- a) Endorsement of the distribution proposal of the net profit related to the financial year 2023;**
- b) Endorsement of the gross dividend per share to the amount of RON 3.71601052 per share;**
- c) Endorsement of the registration date: 31 May 2024;**
- d) Endorsement of the starting date of the dividend payment: 21 June 2024;**
- e) Endorsement of the payment method according to this note.**

**CEO,  
Cosmin Ghita**

**CFO,  
Dan Niculaie - Faranga**

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