

Protective Filing¹
Centrus Energy Corp.
FEIN: 52-2107911
Attachment To Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's specific circumstances. Shareholders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Form 8937, Part I Line 8

November 23, 2021: repurchase of Series B Preferred Non-Voting stock tendered in the Offer.
December 15, 2021: repurchase all remaining Series B Preferred Non-Voting stock pursuant to the Notice of Full Redemption.

Form 8937, Part I Line 10

CUSIP Number of Class of Securities:

U15601401
15643U203
15643U302

Form 8937, Part II, Line 14

On October 20, 2021 (the "Transaction Date"), Centrus Energy Corp. (the "Company") commenced a tender offer to purchase all of its outstanding Series B Preferred Non-Voting Stock, par value \$1.00 per share (the "Series B Preferred Shares"), at a price of \$1,145.20 per Series B Preferred Share (inclusive of any rights to accrued but unpaid dividends), to the sellers

¹ Based on the Instructions to Form 8937, a redemption that does not involve all holders of a class of stock may not require reporting. Some holders of Series B Preferred Shares did not participate in the Offer. Nevertheless, the Company is treating the repurchases pursuant to the Notice of Full Redemption as part of the same plan as the Offer for Federal income tax purposes and, therefore, has prepared this Form 8937.

² All Capitalized terms not otherwise defined in the disclosure have the same meaning as those defined terms in the October 20, 2021 Press Release.

(each a “Selling Shareholder”) in cash, less any applicable withholding taxes (the “Offer”), and the related consent solicitation (the “Consent Solicitation”) to amend the certificate of designation of Series B Preferred Shares (the “Series B Preferred Amendment”).²

The Offer and Consent Solicitation period expired on November 18, 2021. A total of 36,867 were tendered, representing approximately 97% of the Company’s Series B Preferred Shares as of September 30, 2021, for \$42.2 million. Payment for shares tendered was made in cash, subject to applicable withholding without interest, on November 23, 2021.

In addition, the Consent Solicitation received the approval of at least 90% of the outstanding Series B Preferred Shares required to effect the Series B Preferred Amendment.³ The Series B Preferred Amendment provided the Company with the option to redeem the remaining Series B Preferred Shares, in whole or in part, at any time or from time to time, at a redemption price of \$1,145.20 per share, plus an amount equal to any accrued dividends. In connection with the completion of the Offer, the Company issued a Notice of Full Redemption providing for the redemption of all remaining Series B Preferred Shares remaining outstanding after completion with a redemption date of December 15, 2021 from such shareholders (each also treated as a Selling Shareholder).

Form 8937, Part II, Line 15

Effect on Basis to Selling Shareholders

The repurchase of the Series B Preferred Shares pursuant to the Offer and the Notice of Full Redemption are treated as part of a single plan resulting in the repurchase of all the Series B Preferred Shares. The repurchase of Series B Preferred Shares for cash will be a taxable transaction for United States federal income tax purposes. A Selling Shareholder will be treated, depending on such Selling Shareholder’s particular circumstances, either as recognizing gain or loss from the disposition of the Series B Preferred Shares or as receiving a distribution from the Company as described in more detail below.

Under the relevant stock redemption rules of Section 302 of the Code, a Selling Shareholder will recognize gain or loss on the repurchase of Series B Preferred Shares for cash if the repurchase: (a) results in a “complete termination” of all such Selling Shareholder’s equity interest in the Company, or (b) is “not essentially equivalent to a dividend” with respect to the Selling Shareholder (together, the “Section 302 tests”). In applying the Section 302 tests, a Selling Shareholder must take into account stock that such Selling Shareholder constructively owns under certain attribution rules, pursuant to which the Selling Shareholder will be treated as owning shares in the Company owned by certain family members (except that in the case of a “complete termination” a Selling Shareholder may waive, under certain circumstances,

² All Capitalized terms not otherwise defined in the disclosure have the same meaning as those defined terms in the October 20, 2021 Press Release.

³ Series B Preferred Amendment is not being reported as a separate reorganization but as a redemption of the remaining 980 Series B Preferred Shares outstanding (approximately 3%).

attribution from family members) and related entities and shares in the Company that the Selling Shareholder has the right to acquire by exercise of an option. The determination as to how the Section 302 tests would apply in the case of a company that has issued and outstanding different classes of common shares with different voting rights, such as us, is complex. Accordingly, Selling Shareholders are urged to consult their tax advisors regarding the application of the Section 302 tests in their particular circumstances.

In general, a repurchase of Series B Preferred Shares for cash will generally satisfy the “not essentially equivalent to a dividend” test if it results in a “meaningful reduction” of the Selling Shareholder’s equity interest in the Company. A repurchase of Series B Preferred Shares for cash that results in any reduction in the proportionate equity interest in the Company held by a Selling Shareholder with a relative equity interest that is minimal and who does not exercise any control over, or participate in, the Company’s management should generally be treated as “not essentially equivalent to dividend.” Selling Shareholders should determine whether a meaningful reduction is experienced in their equity interest in the Company by taking into account the repurchase of all the Series B Preferred Shares (by treating the December 15, 2021 repurchases as part of the same plan that involves the Offer) and all shares of stock of any class that such Selling Shareholders hold in the Company, including shares treated as held by the Selling Shareholders under certain attribution rules. Selling Shareholders are urged to consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

We cannot predict whether any particular Selling Shareholder will be subject to sale or exchange treatment, on the one hand, or distribution treatment, on the other hand. Contemporaneous dispositions or acquisitions of shares in the Company (including market sales and purchases) by a Selling Shareholder or related individuals or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining whether the Section 302 tests have been satisfied.

Effect on Basis to Selling Shareholders if the Repurchase of Series B Preferred Shares Constitutes a Sale or Exchange

If a Selling Shareholder is treated under the Section 302 tests as recognizing gain or loss from the “sale or exchange” of the Series B Preferred Shares for cash, such gain or loss will be equal to the difference, if any, between the amount of cash received and such Selling Shareholder’s tax basis in the Series B Preferred Shares exchanged therefor. In that case, the Selling Shareholder’s tax basis in other shares in the Company owned by the Selling Shareholder, if any, will not be affected.

Effect on Basis to Selling Shareholders if the Repurchase of Series B Preferred Shares Constitutes a Distribution

If a Selling Shareholder is not treated under the Section 302 tests as recognizing gain or loss from the “sale or exchange” of Series B Preferred Shares for cash, the entire amount of cash received by such Selling Shareholder pursuant to the repurchases will be treated as a distribution by the Company with respect to the Selling Shareholder’s Series B Preferred Shares. The distribution will be treated as a dividend to the extent of the Company’s current

and accumulated earnings and profits allocable to such Series B Preferred Shares. Such a dividend would be includible in income without reduction for the Selling Shareholder's tax basis in the Series B Preferred Shares exchanged. Currently, dividends are taxable at the preferential rates applicable to long-term capital gains for non-corporate Selling Shareholders (including individuals) if certain holding period and other requirements are met.

To the extent that amounts received pursuant to the repurchases that are treated as distributions exceed a Selling Shareholder's allocable share of our current and accumulated earnings and profits, the distribution will first be treated as a non-taxable return of capital with a corresponding reduction in the Selling Shareholder's tax basis, and any amounts in excess of the Selling Shareholder's tax basis will constitute capital gain. The tax basis in the Series B Preferred Shares repurchased may potentially be transferred to any remaining equity interests in the Company held by such Selling Shareholder when applying the rules described in the prior sentence. If such Selling Shareholder has no remaining equity interests in the Company, its tax basis could, under certain circumstances, be transferred to any remaining equity interests that are held by a person related to such Selling Shareholder, or the tax basis could be lost entirely. Please consult with your tax advisor to determine the amount of your tax basis and its location.

The U.S. federal income tax rules governing the repurchase of your Series B Preferred Shares are complicated and unclear and will depend on facts and circumstances that are not yet known. In particular, we expect to have significant earnings and profits for U.S. federal income tax purposes for our current taxable year. As a result, if the cash payment is treated as a distribution pursuant to Section 301 of the Code, it is possible that you will be required to include all or a substantial amount of the cash you received in your taxable income as a dividend for U.S. federal income tax purposes without reduction for your tax basis in your Series B Preferred Shares. We strongly urge you to consult your own tax advisor with respect to the U.S. federal income tax consequences of the repurchase of your Series B Preferred Shares in light of your individual circumstances.

Form 8937, Part II, Line 16

The value of consideration issued on November 18, 2021 was equal to \$1,145.20 per share and the value of consideration issued on December 15, 2021 was equal to \$1,149.99 per share.

All Selling Shareholders that had their Series B Preferred Shares repurchased should consult their individual tax advisors, to determine their tax basis in their Series B Preferred Shares and the consequences of the repurchases based on their particular circumstances.

Form 8937, Part II, Line 17

Section 302(a) (for a Selling Shareholder that is treated as recognizing gain or loss from a sale or exchange)

Section 301(c) (for a Selling Shareholder that is treated as receiving a distribution)

Form 8937, Part II, Line 18

To the extent the repurchase is treated as a sale or exchange, a Selling Shareholder may recognize a loss to the extent the tax basis in the Series B Preferred Shares surrendered exceeds the cash received in exchange therefor. Selling Shareholders should consult their individual tax advisors to determine the tax consequences of the repurchases to them.

Form 8937, Part II, Line 19

For more information related to the Offer, please see Form 8-K filed with the Securities Exchange Commission on October 20, 2021, which can be found at the following address:

<https://investors.centrusenergy.com/static-files/4f06a041-3b08-481a-948c-161cbcccaced>