

Summary of the IFRS-EU Consolidated Results for the first 9 months of 2024

EBITDA of RON 1,062.0 mil. and net profit of RON 302.4 mil. for the first 9 months of 2024

The evolution of the main indicators for the first 9 months of 2024:

- **EBITDA – RON 1,062.0 mn.**, a decrease of RON 124.5 mn. (10.5%) compared to 9M 2023;
- **Operating income – RON 6,427.2 mn.**, a decrease of 10.2% compared to 9M 2023;
- **Net result – RON 302.4 mn.**, a decrease of RON 188.2 mn. compared to 9M 2023;
- **CAPEX PIF (commissioning) – RON 330.6 mn.**, an increase of 1.8% compared to RON 324.9 mn. in the first 9 months of 2023.

Declaration from Alexandru-Aurelian Chirita, CEO of Electrica S.A.:

"The consolidated results for the first nine months of this year reflect the complexity of a dynamic economic and regulatory context, as well as our firm commitment to addressing these challenges with responsibility and strategic vision.

We have intensified investments and made significant progress in implementing our strategy. Notably, the expansion of the portfolio in the renewable energy sector and the completion of the Vultur project demonstrate our commitment to the energy transition.

We remain dedicated to the objective of optimizing and expanding operations, strengthening the regulated asset base, and increasing the company's resilience in the face of market challenges.

The growth in distributed energy volumes and significant investments in modernizing infrastructure highlight our determination to provide high-quality services to our nearly 4 million consumers."

Analysis of the consolidated financial indicators

The main results presented below are extracted from the condensed consolidated interim financial statements as at and for the nine-month period ended 30 September 2024 prepared in accordance with IFRS-EU:

Financial Results – RON mn.*	9M 2023	9M 2024	Δ	Δ%	Q3 2023	Q3 2024	Δ	Δ%
Operating income	7,156.6	6,427.2	(729.4)	-10.2%	2,349.1	2,232.6	(116.5)	-5.0%
Other income	2,667.9	948.7	(1,719.2)	-64.4%	793.1	423.0	(370.1)	-46.7%
Operating expense	(9,026.1)	(6,752.1)	2,274.0	-25.2%	(2,666.3)	(2,354.7)	311.7	-11.7%
Operating profit (EBIT)	798.4	623.7	(174.6)	-21.9%	475.9	300.9	(175.0)	-36.8%
EBITDA	1,186.5	1,062.0	(124.5)	-10.5%	606.8	447.3	(159.5)	-26.3%
Financial result	(216.8)	(237.8)	(20.9)	9.7%	(75.2)	(66.7)	8.6	-11.4%
Net profit	490.5	302.4	(188.2)	-38.4%	348.1	200.3	(147.8)	-42.5%

*Amounts are rounded to the nearest whole value

Source: Electrica

In the first nine months of 2024, Electrica Group achieved an **EBITDA of RON 1,062.0 mn.**, a decrease of 10.5% (or RON 124.5 mn.) compared to **RON 1,186.5 mn.** achieved in the first nine months of 2023. The largest share in the EBITDA variation was the decrease in revenues and other revenues in the supply segment with a negative of RON 2,531.4 mn. (of which subsidies RON 1,718.6 mn. RON - amounts to be recovered

from the Ministry of Energy as a result of the application of the electricity price ceiling) offset by the positive impact from the decrease in the cost of purchasing electricity in the same segment in the amount of RON 2,204.1 mn..

The **operating profit** records a value of **RON 623.7 mn.** for 9M 2024, down by 21.9%, from **RON 798.4 mn.** for 9M 2023, primarily reflecting the performance of the supply segment.

The **net result** of the Electrica Group for the first nine months of 2024 of **RON 302.4 mn.** a decrease of RON 188.2 mil. from RON **490.5 mn.** in 2023, primarily generated by the negative effect of RON 438.3 mn. from the variation in the net result of the supply segment (from a profit of RON 78.5 mn. for 9M 2023 to a loss of RON 359.8 mn. for 9M 2024), partially offset by the positive effect of RON 274.6 mn. from the variation in the distribution segment (from a profit of RON 377.2 mn. for 9M 2023 to a profit of RON 651.8 mn. for 9M 2024).

On the **distribution segment**, revenues increased by approximately RON 255.0 mn. (or 8.1%) to RON 3,390.6 mn., from RON 3,135.2 mn. in the first nine months of 2023, mainly due to the effect of the increase in distribution tariffs. Starting with January 1, 2024, the tariffs have increased by approx. 6.8% compared to those in Q2 2023 (by ANRE Order 115/2023), a positive effect to which is added the increase in the volumes of distributed electricity by approx. 5.1%. The contribution of the electricity distribution segment to the Group's consolidated revenues is 29.2%.

For the **supply segment**, for the first nine months of 2024 the revenues from electricity and natural gas supply decreased with 15,2% to RON 4,531.0 mn., this variation was mainly driven by a decrease in acquisition costs by approximately 41% (resulting in lower subsidy revenues and changes introduced by the new ANRE guidelines issued on July 29, 2024, regarding the updated calculation of recoverable amounts from the price cap subsidies) and a 2% decrease in electricity sales volumes. The supply segment contributes 70.2% to the Group's consolidated revenues.

As of 30 September 2024, the total amount estimated for subsidies was RON 1,392.3 mn. (on 31 December 2023: RON 2,614.5 mn.). Out of the total amount to be collected, RON 468.3 mn. represents uncollected claims submitted to the state authorities (RON 212.6 mn. representing the amount estimated to be received from the Ministry of Energy, respectively RON 255.7 mn. from National Agency for Payments and Social Inspection "ANPIS") and RON 924 mn. requests that have not yet been submitted to the state authorities until 30 September 2024. In the period October 1 - November 04, 2024 subsidies in the amount of RON 28.4 mn. were received from the Ministry of Energy.

OTHER IMPORTANT OPERATIONAL INFORMATION

- **Distributed electricity volumes – 13.19 TWh**, up by 5,1% compared to the first nine months of 2023. DEER serves approx. 4.0 mn. users, over an area covering about 40.8% of Romania;
- **Volumes of electricity supplied to final customers on retail market – 5.6 TWh**, down by 1.8% compared to 2023, amid the general downward trend of electricity consumption; Electrica Furnizare supplies electricity to approx. 3.5 mn. consumption places overall, also places on the competitive market, as well consumption places in universal service and as last resort supplier;
- **Supply market share** - Electrica Furnizare is the second largest supplier, with a total **market share of 15.43%** cumulated for the first 7 months of 2024 and a **competitive market share of 10.35%**, according to the ANRE reports available for 2024;
- Electrica Group continues to pursue the expansion of its portfolio in the field of electricity production, at present time, it has photovoltaic parks and projects for photovoltaic, wind, and storage parks in various stages of execution, with an installed capacity of approximately 304 MWp for production and 100 MWh for storage. In the case of the Vulturu project, where the works were completed and starting with 21 October 2024 it is connected to the National Energy System and operates during the testing period according to the applicable regulations while in the case of “Satu-Mare 2” project which is in advanced phase of execution/implementation and has a partial funding from PNRR program.

Additionally, on 17 September 2024, Electrica announced the attraction of EUR 3.4 mn. through PNRR program for electricity storage.

- The **Regulated Asset Base (RAB)**, in nominal terms, with inflation of 4.6% for the year 2024 is estimated at the end of third quarter of 2024 at **RON 7.3 bn.**
- At the end of the first six months of 2024, the operator Distribuție Energie Electrică România (DEER) has the following **average degree of execution of Commissioning**:
 - **Compared to the values approved by ANRE: 95.5%** of the planned value for the first 9 months (RON 330.6 million compared to the planned RON 346.0 million), respectively 46% of the annual value (RON 330.6 million compared to the planned RON 718.3 million);
 - **Compared to the budgeted values: 81%** of the planned value for the first 9 months (RON 330.6 million compared to the budgeted RON 408.4 million), respectively 36% of the annual budgeted value (RON 330.6 million from RON 918.3 million).
- As of the date of this report, the Electrica Group has accessed over RON 2.2 bn. in non-reimbursable funds from the Modernization Fund for its distribution segment, as well as approximately RON 40 mn. from the PNRR program for production and storage:

The documents related to the Q3 2024 results are available on Electrica's website at the following link: <https://www.electrica.ro/en/investors/results-and-reports/financial-results/financial-statements-for-q3-2024/> , as well as in the pdf file attached below.

We remind you that Electrica's management is organising on **19 November 2024, 16:00** (Romanian time), a web conference for analysts and investors: **[Presentation of Electrica Group Q3 2024 Financial Results](#)**.

The web conference can be accessed online under the following link:
<https://87399.themediaframe.eu/links/electrica241119.html>

Contact Details: Electrica Investor Relations - ir@electrica.ro ; +40731796111

CEO
Alexandru-Aurelian Chirita

CFO
Stefan Alexandru Frangulea



SOCIETATEA ENERGETICA ELECTRICA S.A.

Condensed Consolidated Interim Financial Statements

as at and for the nine-month period ended

30 September 2024

prepared in accordance with

**International Accounting Standards – 34 “Interim Financial Reporting”,
adopted by the European Union**

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
 PREPARED IN ACCORDANCE WITH IAS 34 "INTERIM FINANCIAL REPORTING" ADOPTED BY THE EUROPEAN UNION
 (All amounts are in THOUSAND RON, if not otherwise stated)

Contents

Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	5
Condensed consolidated statement of changes in equity	7
Condensed consolidated statement of cash flows	9

Notes to the condensed consolidated interim financial statements

1. Reporting entity and general information	11
2. Basis of accounting	18
3. Basis of measurement.....	19
4. Significant accounting policies.....	19
5. Operating segments.....	19
6. Revenue	22
7. Other income	22
8. Electricity, natural gas and merchandise purchased	22
9. Earnings per share.....	22
10. Income tax.....	24
11. Trade receivables.....	25
12. Cash and cash equivalents.....	26
13. Other payables	26
14. Long-term bank borrowings	27
15. Overdrafts.....	31
16. Provisions.....	32
17. Financial instruments – fair values	33
18. Related parties	33
19. Contingencies	35
20. Subsequent events.....	36

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	30 September 2024 (unaudited and not reviewed)	31 December 2023 (audited)
Non-current assets			
Intangible assets related to concession arrangements		6,493,340	6,220,530
Other intangible assets		27,303	27,822
Goodwill		24,663	24,663
Property, plant and equipment		660,558	594,994
Investments in associates		16,628	16,638
Other investments		7,000	7,000
Deferred tax assets	10	89,402	32,404
Right of use assets		44,435	40,993
Other non-current assets		51,350	51,954
Total non-current assets		7,414,679	7,016,998
Current assets			
Trade receivables	11	3,010,991	2,540,442
Subsidies receivable	7	1,392,327	2,614,535
Other receivables		70,605	93,832
Cash and cash equivalents	12	640,538	377,215
Inventories		116,738	115,660
Prepayments		9,954	12,935
Current income tax assets		8,700	-
Assets held for sale		280	280
Total current assets		5,250,133	5,754,899
Total assets		12,664,812	12,771,897
EQUITY AND LIABILITIES			
Equity			
Share capital		3,395,530	3,464,436
Share premium		103,049	103,049
Treasury shares reserve		-	(75,372)
Pre-paid capital contributions in kind from shareholders		7	7
Revaluation reserve		162,125	159,536
Legal reserves		449,363	449,363
Retained earnings		1,503,597	1,259,396
Total equity attributable to the owners of the Company		5,613,671	5,360,415
Non-controlling interests		-	(451)
Total equity		5,613,671	5,359,964

(Continued on page 3)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	30 September 2024 (unaudited and unreviewed)	31 December 2023 (audited)
Liabilities			
Non-current liabilities			
Long-term bank borrowings	14	1,718,275	794,348
Lease liability – long term		34,965	29,143
Deferred tax liabilities	10	134,442	121,318
Employee benefits		158,030	151,358
Other payables	13	33,322	37,161
Total non-current liabilities		2,079,034	1,133,328
Current liabilities			
Current portion of long-term bank borrowings	14	519,939	523,294
Lease liability – short term		11,139	14,052
Bank overdrafts	15	2,082,370	2,851,221
Trade payables		1,015,939	1,671,478
Other payables	13	1,132,248	1,035,084
Deferred revenue		6,194	7,837
Employee benefits		106,425	120,548
Provisions	16	57,752	41,167
Current tax liabilities		40,101	13,924
Total current liabilities		4,972,107	6,278,605
Total liabilities		7,051,141	7,411,933
Total equity and liabilities		12,664,812	12,771,897

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AS AT 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	Nine-month period ended	
		30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Revenue	6	6,427,190	7,156,560
Other income	7	948,656	2,667,884
Electricity, natural gas and merchandise purchased	8	(4,376,674)	(6,854,040)
Construction costs related to concession agreements		(638,519)	(696,199)
Employee benefits		(751,743)	(692,297)
Repairs, maintenance and materials		(48,193)	(69,711)
Depreciation and amortization		(438,193)	(388,167)
Impairment for trade and other receivables, net		(89,175)	(23,272)
Other operating expenses		(409,602)	(302,400)
Operating profit		623,747	798,358
Finance income		7,641	17,785
Finance costs		(245,395)	(234,592)
Net finance cost		(237,754)	(216,807)
Share of results of associates		(10)	(34)
Profit before tax		385,983	581,517
Income tax expense	10	(83,615)	(90,994)
Net profit		302,368	490,523
Net profit attributable to:			
- owners of the Company		302,659	490,598
- non-controlling interests		(291)	(75)
Net profit		302,368	490,523
Earnings per share			
Basic and diluted earnings per share (RON)	9	0.89	1.44

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer
 Alexandru – Aurelian Chirita

Chief Financial Officer
 Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	Three-month period ended	
		30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Revenue	6	2,232,550	2,349,072
Other income	7	423,002	793,119
Electricity, natural gas and merchandise purchased	8	(1,587,826)	(1,912,641)
Construction costs related to concession agreements		(190,317)	(272,265)
Employee benefits		(263,013)	(240,772)
Repairs, maintenance and materials		(18,127)	(19,913)
Depreciation and amortization		(146,365)	(130,959)
Impairment for trade and other receivables, net		(29,553)	979
Other operating expenses		(119,449)	(90,759)
Operating profit		300,902	475,861
Finance income		3,899	6,405
Finance costs		(70,568)	(81,633)
Net finance cost		(66,669)	(75,228)
Share of results of associates		(3)	(2)
Profit before tax		234,230	400,631
Income tax expense	10	(33,921)	(52,486)
Net profit		200,309	348,145
Net profit attributable to:			
- owners of the Company		200,427	348,091
- non-controlling interests		(118)	54
Net profit		200,309	348,145
Earnings per share			
Basic and diluted earnings per share (RON)	9	0.59	1.03

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Net profit	302,368	490,523
Other comprehensive income		
Remeasurements of the defined benefit liability	(1,559)	(5,798)
Related tax	250	927
Other comprehensive income, net of tax	(1,309)	(4,871)
Total comprehensive profit	301,059	485,652
Total comprehensive profit attributable to:		
- owners of the Company	301,350	485,727
- non-controlling interests	(291)	(75)
Total comprehensive profit	301,059	485,652

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer
 Alexandru – Aurelian Chirita

Chief Financial Officer
 Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Three-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Net profit	200,309	348,145
Other comprehensive income		
Remeasurements of the defined benefit liability	-	-
Related tax	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive profit	200,309	348,145
Total comprehensive profit attributable to:		
- owners of the Company	200,427	348,091
- non-controlling interests	(118)	54
Total comprehensive profit	200,309	348,145

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer

Alexandru – Aurelian Chirita

Chief Financial Officer

Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Attributable to the owners of the Company									
	Share capital	Share premium	Treasury shares reserve	Capital contributions in kind from shareholders	Revaluation reserve	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024 (audited)	3,464,436	103,049	(75,372)	7	159,536	449,363	1,259,396	5,360,415	(451)	5,359,964
Comprehensive income										
Profit for the period (not reviewed)	-	-	-	-	-	-	302,659	302,659	(291)	302,368
Other comprehensive income	-	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Total comprehensive profit (unaudited and not reviewed)	-		-	-	-	-	301,350	301,350	(291)	301,059
Transactions with owners of the Company (not reviewed)										
Contributions and distributions										
Reduction of ordinary shares	(68,906)	-	75,372	-	-	-	(6,467)	-	-	-
Dividends	-	-	-	-	-	-	(39,999)	(39,999)	-	(39,999)
Total contributions and distributions	(68,906)	-	75,372	-	-	-	(46,466)	(39,999)	-	(39,999)
Changes in ownership interests (not reviewed)										
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	(68,906)	-	75,372	-	-	-	(46,466)	(39,999)	-	(39,999)
Other changes in equity (not reviewed)										
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	(8,095)	(8,095)	742	(7,353)
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	-	-	-	2,589	-	(2,589)	-	-	-
Balance at 30 September 2024 (unaudited and not reviewed)	3,395,530	103,049	-	7	162,125	449,363	1,503,597	5,613,671	-	5,613,671

(Continued on page 6)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

	Attributable to the owners of the Company									
	Share capital	Share premium	Treasury shares reserve	Capital contributions in kind from shareholders	Revaluation reserve	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2023 (audited)	3,464,436	103,049	(75,372)	7	92,117	429,583	554,634	4,568,454	(516)	4,567,938
Comprehensive loss										
Profit for the period (unaudited, not reviewed and restated*)	-	-	-	-	-	-	490,598	490,598	(75)	490,523
Other comprehensive profit	-	-	-	-	-	-	(4,871)	(4,871)	-	(4,871)
Total comprehensive profit (unaudited, not reviewed and restated*)	-	-	-	-	-	-	485,727	485,727	(75)	485,652
Transactions with owners of the Company (unaudited, not reviewed and restated*)										
Contributions and distributions										
Dividends to the owners of the Company	-	-	-	-	-	-	(39,999)	(39,999)	-	(39,999)
Changes in ownership interests (unaudited, not reviewed and restated*)										
	-	-	-	-	-	-	-	-	179	179
Total changes in ownership interests	-	-	-	-	-	-	-	-	179	179
Total transactions with owners of the Company	-	-	-	-	-	-	(39,999)	(39,999)	179	(39,820)
Other changes in equity (unaudited, not reviewed and restated*)										
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	-	-	-	(4,574)	-	4,574	-	-	-
Fair Value of non-controlling interest acquired without change in control	-	-	-	-	-	-	(2,057)	(2,057)	-	(2,057)
Balance at 30 September 2023 (unaudited and not reviewed)	3,464,436	103,049	(75,372)	7	87,543	429,583	1,002,879	5,012,125	(412)	5,011,713

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

		Nine-month period ended	
	Note	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Cash flows from operating activities			
Profit		302,368	490,523
Adjustments for:			
Depreciation		13,534	13,270
Amortisation		424,659	374,897
Impairment of trade and other receivables, net	11	89,175	23,272
Change in provisions, net	16	16,583	(13,342)
Net finance cost		237,754	216,807
Income tax expense	10	83,615	90,994
Loss on disposal of property, plant and equipment		2,156	(80)
Changes in employee benefits obligations		37	-
Share of loss of associates		10	34
		1,169,891	1,196,375
Changes in:			
Trade receivables		(867,404)	45,938
Subsidies receivable	7	1,222,208	(983,331)
Other receivables		(33,167)	(54,339)
Prepayments		2,981	(2,132)
Inventories		(1,078)	(20,543)
Trade payables		(235,762)	(126,619)
Other payables		136,430	219,581
Employee benefits		(9,045)	(6,512)
Deferred revenue		(1,643)	(14,569)
Cash from operating activities		1,383,411	253,849
Interest paid		(233,945)	(207,122)
Income tax paid		(106,985)	(11,124)
Net cash from operating activities		1,042,481	35,603

(Continued on page 11)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

		Nine-month period ended	
	Note	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(81,254)	(6,423)
Payments for network construction related to concession agreements		(779,945)	(622,598)
Payments for purchase of other intangible assets		(8,904)	(10,689)
Interest received		5,679	1,851
Payments for acquisition of subsidiaries, net of cash acquired		-	(6,308)
Payments for non-controlling interest acquired without change in control		(7,353)	(1,924)
Payments for the acquisition of associated entities		-	(4,149)
Proceeds from sale of property, plant and equipment		-	80
Net cash used in investing activities		(871,777)	(650,160)
Cash flows from financing activities			
Proceeds from long term bank borrowings	14	1,783,526	600,890
Proceeds/Payments from overdrafts	14	(765,986)	50,873
Repayment of long-term bank loans	14	(863,521)	(122,831)
Payment of lease liabilities		(21,459)	(21,527)
Dividends paid		(39,942)	(40,078)
Net cash generated from financing activities		92,618	467,327
Net increase/decrease in cash and cash equivalents		263,323	(147,238)
Cash and cash equivalents at 1 January		377,215	334,887
Cash and cash equivalents at 30 September	12	640,538	187,649

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

The non-cash transactions are disclosed in Note 12.

Chief Executive Officer

Alexandru – Aurelian Chirita

Chief Financial Officer

Stefan Alexandru Frangulea

15 November 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

1. Reporting entity and general information

These financial statements are the condensed consolidated interim financial statements of Societatea Energetica Electrica S.A. ("the Company" or "Electrica SA") and its subsidiaries (together "the Group") as at and for the nine-month period ended 30 September 2024.

The registered office of the Company is 9 Grigore Alexandrescu Street, District 1, Bucharest, Romania. The Company has sole registration code 13267221 and Trade Register registration number J40/7425/2000.

As at 30 September 2024 and 31 December 2023, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with an ownership share of 49.785% from the share capital.

The Company's shares are listed on the Bucharest Stock Exchange and the global depository receipts ("GDRs") are listed on the London Stock Exchange (LSE). The shares traded on the London Stock Exchange are the global depository receipts, one global depository receipt representing four shares. The Bank of New York Mellon is the depository bank for these securities.

As at 30 September 2024 and 31 December 2023, the Company's subsidiaries are the following:

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 30 September 2024	% shareholding as at 31 December 2023
Distributie Energie Electrica Romania S.A. ("DEER")	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%	99.99999929%
Electrica Furnizare S.A. ("EFSA")	Electricity and natural gas supply	28909028	Bucharest	99.9998444099934%	99.9998444099934%
Electrica Serv S.A. ("SERV")	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucharest	99.99998095%	99.99998095%
Sunwind Energy S.R.L. ("SWE")	Electricity generation	42910478	Bucharest	100%	100%
New Trend Energy S.R.L. ("NTE")	Electricity generation	42921590	Constanta	100%	60%
Foton Power Energy S.R.L. ("FPE")	Electricity generation	43652555	Constanta	100%	60%

As at 30 September 2024 and 31 December 2023, the Company's associates are the following:

Associate	Activity	Sole registration code	Head Office	% shareholding as at 30 September 2024	% shareholding as at 31 December 2023
Crucea Power Park S.R.L. ("CPP")	Electricity generation	25242042	Constanta	40%	40%

Changes in Group structure for the nine-months period ended 30 September 2024

On 12 September 2024, Electrica SA completed the acquisition of the company Foton Power Energy SRL, whose main activity is the production of energy from photovoltaic sources. Foton Power Energy SRL develops the photovoltaic project "Bihor 1" with an authorized installed capacity of 77,525 MW, located in the vicinity of Oradea. The project is in the "ready-to-build" phase.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

On 12 July 2024, Electrica completed the acquisition of the company New Trend Energy SRL, whose main activity is the production of energy from photovoltaic sources. New Trend Energy SRL develops the photovoltaic project "Satu Mare 3" with an authorized installed capacity of 57 MW, located in the vicinity of Doba commune, Satu Mare County. The project is in the "ready-to-build" phase.

Group's main activities

The activities of the Group include operation and construction of electricity distribution networks and electricity and natural gas supply to final consumer, as well as energy production from renewable sources. The Group is the electricity distribution operator and the main electricity supplier in Muntenia Nord area (Prahova, Buzau, Dambovita, Braila, Galati and Vrancea counties), Transilvania Nord area (Cluj, Maramures, Satu Mare, Salaj, Bihor and Bistrita Nasaud counties) and Transilvania Sud area (Brasov, Alba, Sibiu, Mures, Harghita and Covasna counties), operating with transformation station and 0.4 kV to 110 kV power lines.

The Company's distribution subsidiary, Distributie Energie Electrica Romania S.A. which resulted from the merger through absorption of the three distribution subsidiaries Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., Societatea de Distributie a Energiei Electrice Muntenia Nord S.A. and Societatea de Distributie a Energiei Electrice Transilvania Sud S.A. now operates electric lines in 18 counties, from three geographical areas of the country, representing 40.8% of the Romanian territory, and serves over 3.93 million users. It invoices the electricity distribution service to electricity suppliers (mainly to Electrica Furnizare S.A. subsidiary) which further invoices the electricity consumption to final consumers.

Electrica Furnizare S.A. is active on both the competitive market and as the supplier of last resort for aprox. 3.5 million clients. Electrica Furnizare S.A. holds an electricity supply license that covers the entire territory of Romania, which was extended in 2021 for a period of 10 years. At the same time, Electrica Furnizare S.A. ensures the supply of electricity for household customers in a universal service regime. At the same time, it also holds a license for carrying out the activity of natural gas supply, valid until 2032. In 2023, Electrica Furnizare S.A. was designated supplier of last resort ("FUI") for electricity in May and October, and for natural gas it was nominated supplier of last resort in April and November 2023.

Through the acquisition of the new subsidiary Electrica Energie Verde 1 S.R.L. (formerly Long Bridge Milenium S.R.L.) as of 31 August 2020, establishment of a new legal entity Electrica Productie Energie S.A. and also the five shares sales and purchase agreements in five project companies having as main activity the production of energy from renewable sources the Group entered on the electricity generation segment, in particular from renewable sources. Currently, one of the project companies has been absorbed through merger by the parent company where a photovoltaic park with a capacity of 12 MW is being developed.

Through the merger that took place on 31 December 2023 between the parent company and its former subsidiary, Electrica Energie Verde 1 S.R.L., Electrica SA became a producer of electricity from renewable sources that operates a photovoltaic park in Stanesti, Giurgiu County, with an installed capacity of MW 7.5 (operating capacity limited MW to 6.8).

Regulations in the energy sector

Regulatory environment

The activity in the energy sector is regulated by the Romanian Energy Regulatory Authority.

Some of the main responsibilities of ANRE are to approve prices and tariffs and to issue substantiation methodologies used to set regulated prices and tariffs.

Electricity distribution

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

The distribution tariffs approved by the National Authority for Energy Regulation ("ANRE") are as follows (RON/MWh, presented cumulatively for medium and low voltage levels):

	Order 28/23.03.2022		
	1 April 2022 – 31 March 2023		
	High voltage	Medium voltage	Low voltage
Transilvania Nord area	23.77	57.49	144.73
Transilvania Sud area	24.63	54.52	158.84
Muntenia Nord area	23.35	56.70	175.26

	Order 27/29.03.2023		
	1 April 2023 -31 December 2023		
	High voltage	Medium voltage	Low voltage
Transilvania Nord area	29.09	71.38	182.24
Transilvania Sud area	28.48	62.32	171.97
Muntenia Nord area	31.23	69.44	229.96

	Order 79/06.07.2023		
	Starting 1 January 2024		
	High voltage	Medium voltage	Low voltage
Transilvania Nord area	31.22	74.86	190.16
Transilvania Sud area	29.55	63.05	185.49
Muntenia Nord area	34.72	74.69	238.63

In 2022, according to the Government's emergency ordinance (GEO) no. 119/2022, approved through Law no. 357/2022, the additional costs for purchased electricity (determined as the difference between the realized costs and the costs included in the approved distribution tariffs), made between 1 January 2022 and 31 March 2025, in order to cover the own technological consumption, compared to the costs included in the tariffs regulated (and not only borrowings), are capitalized quarterly and remunerated with 50% of the regulated rate of return (RRR) approved by ANRE, applicable during the amortization period of the respective costs and are recognized as a distinctive component in the regulated tariffs, called the component related to additional costs with NL. Also, ANRE elaborated the Methodological norms regarding the recognition in the tariffs of the additional costs with the acquisition of electricity for covering the network losses compared to the costs included in the regulated tariffs, the purpose of these norms is to establish the substantiation of additional costs with the purchase of electricity to cover the NL, as well as the conditions for their recognition in the regulated income, based on which the distribution tariffs are established.

ANRE approved Order no. 55/6.08.2024 establishing the regulated rate of return, in the amount of 6.94%, for the fifth regulatory period 2025-2029 (PR5).

The methodology for establishing distribution tariffs was approved on September 17 by ANRE Order no. 67/2024 and entered into force on 20th September 2024. The main changes to the Methodology for PR5 compared to the Methodology for the fourth regulatory period (PR4):

I. Controllable (CC) and non-controllable (CNC) operation and maintenance costs:

- CC and the efficiency factor for PR5 will be established based on the OPEX study carried out by ANRE with an external consultant;
- Personnel costs are not subject to efficiency and will be adjusted annually with the inflation rate (IR) and by 5%;
- Research and development costs will not be subject to efficiency, and can be requested by the OD in a maximum amount of 5 million RON per total PR5;

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

- Expenses related to contracts with affiliated parties with the object of representing the OD, consulting services in the field of regulation, and expenses corresponding to the profit attributed to any subcontracted parties are not recognized;
- The inflation correction between realized and forecasted IR is applied to personnel costs only if the difference in IR is positive.

II. Investments and BAR:

- The minimum mandatory value for the investments made from own sources for the regulatory period is equal to the value of the cost with the total forecasted regulated depreciation approved for the regulatory period;
- The minimum mandatory value for the investments made in RED from own sources in year t for the regulatory period is equal to 85% of the cost value with the total forecasted regulated depreciation approved for year t at the beginning of the regulatory period;
- BAR PR5 will be inflated with the predicted IR used in the RRR calculation;
- Investments such as updating IT applications or databases will not be recognized in the BAR, they will be recognized as special expenses within the CNC;
- Endowment-type assets will be recognized in the BAR if the OD demonstrates their efficiency.

III. RRR incentives:

- RRR incentives of 1% for new investments in RED and 1% for PIC will no longer be granted;
- For RED investments made within the projects co-financed from non-reimbursable EU funds, an incentive of 0.5% will be granted;
- A 1% incentive is granted for the value that exceeds the minimum mandatory value of the investments made in RED;
- RRR will increase or decrease by 0.5%, depending on the level of performance achieved by the OD regarding the development of a smart network;
- RRR is reduced by 2% for investments in endowments (administrative buildings and tangible and intangible assets), which will be PIF in PR5. As an exception, the RRR is not reduced in the case of the equipment used for the works in the RED and which lead to the maintenance and/or improvement of the RED parameters.

IV. CPT

- CPT targets will decrease linearly during PR5 by 15% for JT and by 6% for MT;
- The CPT price recognized ex-post will not exceed the weighted average of the prices realized by the OD, plus 5%;
- In times of crisis on the energy market, declared by normative acts, the CPT price realized by the OD will be recognized.

V. Revenues and tariffs

- Regulated income will consist of: non-CPT income and CPT income;
- The non-CPT income is linearized and the related tariff component, calculated as a weighted average, will be capped at 10%;

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

- The CPT income is the basis for the establishment of CPT tariffs, which will not be capped and will be recovered from both consumers and producers;
- Pole rental activity is regulated and will be included in the income of the distribution service.

According to the Government's Emergency Ordinance ("GEO") no. 153/2022 during the period 1 January 2023 – 31 March 2025 is established the centralized electricity purchasing mechanism, OPCOM being designated the sole purchaser. The distribution operators ("OD") will buy from OPCOM through an annual/monthly mechanism at least 75% of the quantity forecasted and validated by National Authority for Energy Regulation ("ANRE") at the price of 450 RON/MWh, and the producers will sell to OPCOM through annual/monthly mechanism 80% of the quantity forecasted and validated by ANRE and Transelectrica at the price of 450 RON/MWh. The Government's Emergency Ordinance ("GEO") no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024, MACEE is modified, so that producers will voluntarily sell to OPCOM at the price of 400 lei/MWh and OD will buy electricity from OPCOM at the price of 400 lei/MWh.

Tariff adjustments

Annually, ANRE makes revenue corrections due to: change in the quantities of electricity distributed compared to the forecast; change in quantities and acquisition price for the regulated own technological consumption compared to the forecast; the annual change in controllable operating and maintenance costs, realized and accepted against the forecast; annual change in uncontrollable operating and maintenance costs compared to the forecast; changes in revenues from reactive energy compared to the forecast; failure to meet/exceeding the approved investments programme; revenues generated from other operations made by the distribution operator and the quantity of electricity recovered from recalculations.

In regulated activities, the regulatory authority establishes, through the tariff adjustment mechanism (as presented above), the criteria for recognizing surpluses or deficits related to a period in future periods. The group does not recognize assets and liabilities resulting from regulation in relation to these deficits or surpluses, as the differences are recovered or returned through tariff changes in subsequent periods.

Electricity and natural gases supply

Starting with 1 November 2021, in the context of the increase in prices for the electricity and natural gas markets at international and national level, the energy crisis, as well as the effects caused by these increases among the population, in Romania, a series of support measures for electricity and natural gas have been applied to customers, by establishing compensation and capping schemes between 1 November 2021 and 31 March 2025.

Over 2023 and the first three quarters of 2024, several changes have been brought to the legislation, having a significant impact on the supply of electricity, as follows:

- Price capped for electricity for household and non-domestic customers according to GEO no. 27/2022, with subsequent amendments and additions;
- The limitation of the average purchase price considered for determining the amounts to be recovered from the state budget initially to 1,300 RON/MWh; then to 900 RON/MWh (according to Law no. 206/2023, which approves GEO 153/2022) and starting with 1st April 2024 to 700 RON/MWh (according to GEO 32/2024);
- The mechanism of centralized purchase of electric energy (MACEE) provides - OPCOM, as sole acquirer, buys electricity from producers (electricity producers with an installed power equal to or greater than 10 MW) and sells the purchased electricity to electricity suppliers that have contracts with final customers, the electricity transmission system operator and electricity distribution system operators to cover their own technological consumption; the price paid by OPCOM to electricity producers, for the quantities of electricity sold by them is 450 RON/MWh and the sale price of OPCOM to the economic operators is also 450 RON/MWh (OPCOM has the right to charge market participants tariffs/commissions at the level of costs recorded by organizing the centralized electricity purchase mechanism); In order to carry out the transactions, OPCOM shall organize an annual procurement procedure as well as an additional procurement procedure each month for the quantities of electricity to be delivered in the following month; annual and monthly electricity quantities are firm

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

obligations of electricity producers and economic operators and are evenly distributed across all settlement intervals each month (contracts are concluded by signing, within maximum 3 working days);

Starting from 1st April 2024, the MACEE price changes, respectively it decreases from 450 lei/MWh to 400 lei/MWh. At the same time, producers can sell electricity voluntarily through MACEE.

- The obligation to store natural gas was calculated by ANRE based on two criteria: the obligation of all suppliers to store a quantity of gas that would cover 90% of Romania's storage capacity and the market share that each supplier had in the gas year 2022-2023 (Electrica Furnizare S.A. market share was 0.82%). The storage obligation for the 2024-2025 cycle was established by ANRE by decision no. 360/28.02.2024 at a volume of 219 GWh, an obligation that must be fulfilled by 31.10.2024;
- The obligation of natural gas producers to sell at the price of 150 RON/MWh the necessary quantities to supply household customers/heat energy producers changes starting from April 1, 2024, meaning the sale price of natural gas decreases from 150 lei/MWh to 120 lei/MWh.

In accordance with the provisions of GEO no. 32/2024 from 1 April 2024:

- the rule regarding the payment of 40% of the amount related to the capping within 10 days from the date of submission of the application is changed - in the new guide for the payment of the amount related to the capping there will be 10 days from the date ANRE confirms to ME/ANPIS the correctness data "within the limits of the amounts available in the Energy Transition Fund and other legally established amounts";
- suppliers will receive guarantees of origin for the quantity contracted through MACEE;
- the percentage for the accepted profit in order to overtax the trading activity increases to 10%;
- between 1 April 2025 and 31 March 2026, suppliers can prepare offers for final customers only if the purchase covers at least 50% of the consumption requirement;
- the natural gas supply component is increased from 12 lei/MWh to 15 lei/MWh for non-FUI customers, and for natural gas customers taken over as a last resort, the increase is from 13.5 lei/MWh to 15 lei/MWh.

Additionally, on 29.07.2024, ANRE modified the Guide for completing the data that is uploaded on the ANRE portal in order to settle from the state budget the amounts related to price capping for final customers, with applicability from January 1, 2024 for electricity. The main changes consist in the recognition of the amount for which the settlement is made, respectively the consumption billed for the month of analysis, and the way of allocating imbalances based on the weight of the consumption made by each category of customers (eligible and FUI). This algorithm for allocating purchase costs significantly impacts the full recovery of costs recorded by suppliers. The financial impact of these updates is presented in the Financial Statements published on September 30, 2024.

The categories of customers to whom the electricity price capped applies in 2023 and in the first three quarters of 2024:

- household customers (tranche <100 KWh/month - maximum price 0.68 lei/KWh, tranche 100-300 KWh/month - with the distinct estimate of the volume exceeding 255 KWh/month - respectively the price level capped at 0.8 lei/KWh and with a maximum price of 1.3 lei/KWh);
- non-household customers - divided separately into the category of customers benefiting from capping for 85% of consumption with a price capped at 1.0 lei/KWh, category of customers benefiting from capping for 100% of consumption, price capped at 1.0 lei/KWh and the rest of the companies at a maximum price of 1.3 lei/KWh.

The categories of customers to whom the natural gas price capped applies in 2023 and in the first three quarters of 2024:

- household customers – the maximum price is capped at 0.31 lei/KWh;
- non-household customers - the maximum price is capped at 0.37 lei/KWh for an annual consumption of up to 50 GWh.

The compensated amounts are settled by the National Agency for Payments and Social Inspection ("ANPIS") for

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

household consumers and by the Ministry of Energy for non-household consumers.

Transactions on the competitive wholesale market are transparent, public, centralized and non-discriminatory. Participants on the wholesale market can trade electricity based on bilateral contracts concluded on dedicated markets.

According to the provisions of GEO 27/2022, with subsequent amendments and additions, the application of the capping support scheme ends on March 31, 2025.

At the present time, from the available information, work is being done on a new protection mechanism for vulnerable consumers after the end of the application period of GEO 27/2022, with subsequent amendments and additions.

Increase in electricity price impact

The regulatory framework on the electricity segment has undergone significant changes in the last decade, regarding the total liberalization of the electricity and natural gas market, the implementation of the support scheme for renewable energy, the support of electricity consumers, the limitation of prices to final consumers and the capitalization of additional costs with own technological consumption.

According to the Emergency Ordinance no. 153/2022, during the period 1 January 2023 – 31 March 2025, the centralized electricity purchase mechanism (MACEE) was established, OPCOM being designated as the sole purchaser. The distribution operators ("OD") will buy from OPCOM through an annual/monthly mechanism at least 75% of the quantity forecast and validated by ANRE at the price of 450 lei/MWh, and the producers will sell to OPCOM through an annual/monthly mechanism 80% of the quantity forecast and validated by ANRE and Transelectrica at the price of 450 lei/MWh. Emergency Ordinance no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024, MACEE is modified, so that producers will voluntarily sell to OPCOM at the price of 400 lei/MWh and OD will buy electricity from OPCOM at the price of 400 lei/MWh.

The appearance of GEO no. 32/2024 from April 1, 2024, which provides for the increase of the percentage for the profit accepted for the overtaxation of trading activity from 2% to 10%, as well as the fact that participation in MACEE is voluntary, led to an increase in the number of sales offers initiated by the big producers (Hidroelectrica, Nuclearelectrica and CE Oltenia) on the term markets.

The average transaction price of energy in PZU in Q3 2024 registered an increase of approximately 27%, from 497.54 RON/MWh average price recorded in Q3 2023 to 633.60 RON/MWh. The price increase had the following causes:

- the increase in energy consumption generated by high temperatures;
- reducing the volumes offered for sale in MACEE (up to their total absence);
- prolonged unavailability of production units in the region;
- the decoupling of the Hungarian energy market from the countries of South-Eastern Europe, resulting in the reduction of the net transfer capacity from Hungary;
- the unavailability of a key 400 kV transmission line, responsible for the transport of flows from the west to the east of Hungary, as well as from the west to the south of Europe, caused network congestion in the countries of south-east Europe;
- the low flow of the Danube, generated by the prolonged drought.

Thus, in Q3 2024, the transaction price in PZU in the evening peak hours recorded values of over 4,000 lei/MWh, the

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

maximum recorded being in September, respectively 5,084 lei/MWh, the highest value achieved since the establishment of this market.

As a result, for **the distribution segment**, Romanian Regulatory Authority for Energy – ANRE (<https://www.anre.ro/>) adopted measures through its Order no. 129/12.10.2022, amended by Order no. 104 approving the Methodological Norms regarding the recognition in the tariffs of the additional costs with the acquisition of electricity for own technological consumption compared to the costs included in the regulated tariffs, carried out between 1 January 2022 – 31 March 2025.

ANRE will determine the recognized annual amounts of the costs based on the quantities and prices recognized for NL, and by 15 March of the year immediately following the year of the additional costs, ANRE will transmit to the distribution operators the recognized annual amounts of the costs for the previous year. The computation of the amounts is carried out in compliance with the legislation specific to the entities that are the subject of GEO 119/2022, with subsequent additions and changes.

For **the supply segment**, for the first three quarters of 2024, the effect of retail electricity prices was covered by subsidies, which must be recovered from the state authorities, as a result of the application of the price capping mechanism for electricity and natural gas to final customers and as a result of application of GEO 27/2022, with subsequent amendments and additions. The manner of implementation of this mechanism and the settlement mechanism of the amounts granted as support to clients, ex post from the state budget to the electricity suppliers, have generated constraints in terms of cash flow, as well as uncertainties regarding the recovery the full amount of the respective amounts by the suppliers. In this context, EFSA has adapted to these changes, to manage their impact on the company's activities in a responsible and sustainable manner in the context of a regulatory framework that has seen numerous successive and major updates.

Both in 2023 and the first three quarters of 2024, the electricity market is totally liberalized for all categories of customers and the price is set by suppliers through free market mechanisms, both for universal services offers and for the offers related to the competitive market, in compliance with the legal provisions on capping established for the period 1 November 2021 – 31 March 2025.

The Group actively reviews and implements policies and strategies to recover from the loss generated by the increase in energy price, strategies which mainly aim in revising the method of generating the selling price for final consumers, concluding agreements with specific clauses ensuring new financing facilities, closely monitoring suppliers and consumers payment terms, monitoring daily cash flow and forecasted cash flow. The Group continues to closely monitor the macroeconomic outlook and as additional information will be available, their effects on the activity of Group companies and over the financial results will be analyzed.

Geopolitical tensions

In February 2022 global geopolitical tensions significantly escalated following military interventions in Ukraine by the Russian Federation. As a result of these escalations, economic uncertainties in energy and capital markets have increased, with global energy prices expected to be highly volatile for the foreseeable future. As at the date of these interim financial statements, management is unable to reliably estimate the effects on the Groups financial outlook and cannot exclude adverse consequence on the business, operations, and financial position. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances and that judgements used in these financial statements remain appropriate.

2. Basis of accounting

These condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS-EU").

These condensed consolidated interim financial statements have been prepared for submission to the Bucharest Stock Exchange. These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 15 November 2024.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

Judgements and estimates

In preparing these interim financial statements, management has made professional judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant professional judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2023.

3. Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for land and buildings which are measured based on the revaluation model.

4. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023.

The new amendments to existing standards that are effective starting with 1 January 2024 do not have a significant impact over the Group's condensed consolidated interim financial statements.

5. Operating segments

(a) Basis for segmentation

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Electricity and natural gas supply	Supplying electricity and natural gas to final consumers (includes Electrica Furnizare S.A.).
Electricity distribution	Operation, maintenance and construction of electricity networks operated by the Group (includes Distributie Energie Electrica Romania S.A. and the activity performed by Electrica Serv S.A within the distribution network).
Electricity generation	Production of electricity from renewable sources (Sunwind Energy S.R.L., New Trend Energy S.R.L., Foton Power Energy S.R.L and the activity carried out by Electrica S.A. in the electricity production segment).
External electricity network maintenance	Repairs, maintenance and other services for electricity networks owned by other distributors (Electrica Serv S.A., without the activity performed in the electricity distribution segment).

The Board of Directors of the Company reviews management reports of each segment. Segment earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

There are varying levels of integration between the Electricity supply, Electricity distribution and External electricity network maintenance segment. This integration includes electricity distribution and shared electricity network maintenance services. Inter-segment pricing policy is determined on an arm's length basis.

All assets are allocated to reportable segments, except for investments in associates and deferred tax assets.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Information about reportable segments

Nine-month period ended 30 September 2024 (unaudited and not reviewed)	Electricity and natural gas supply	Electricity distribution	Electricity generation	External electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	4,509,730	1,876,411	2,577	38,410	6,427,128	62	-	6,427,190
Inter-segment revenue	21,254	1,514,215	4,716	47,764	1,587,949	-	(1,587,949)	-
Segment revenue	4,530,984	3,390,626	7,293	86,174	8,015,077	62	(1,587,949)	6,427,190
Other income	857,803	137,945	-	16,051	1,011,799	930	(64,073)	948,656
Segment profit/(loss) before tax	(415,544)	794,763	2,477	(182)	381,514	64,210	(59,741)	385,983
Net finance (cost)/ income	(144,672)	(140,546)	(924)	2,867	(283,275)	105,522	(60,001)	(237,754)
Amortization and depreciation	(16,157)	(411,205)	(1,809)	(7,500)	(436,671)	(1,522)	-	(438,193)
Adjusted EBITDA*	(254,715)	1,346,561	5,210	4,451	1,101,507	(39,790)	260	1,061,977
Impairment of property, plant and equipment, net	-	(46)	-	-	(46)	-	-	(46)
(Impairment)/Reversal of impairment of trade and other receivables, net	(79,584)	(9,388)	-	(203)	(89,175)	-	-	(89,175)
Segment profit/(loss) after tax	(359,760)	651,811	2,477	389	294,917	67,192	(59,741)	302,368
Employee benefits	(87,583)	(611,812)	(31)	(26,711)	(726,137)	(25,606)	-	(751,743)
Capital expenditure	16,373	666,295	64,541	1,400	748,609	5,084	-	753,693

Nine-month period ended 30 September 2023 (unaudited and not reviewed)	Electricity and natural gas supply	Electricity distribution	Electricity generation	External electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	5,304,371	1,820,091	6,035	25,916	7,156,413	147	-	7,156,560
Inter-segment revenue	39,460	1,315,498	5,952	57,124	1,418,034	-	(1,418,034)	-
Segment revenue	5,343,831	3,135,589	11,987	83,040	8,574,447	147	(1,418,034)	7,156,560
Other income	2,584,175	113,171	0	16,793	2,714,139	949	(47,204)	2,667,884
Segment profit/(loss) before tax	94,552	451,267	4,208	877	550,904	18,883	11,730	581,517
Net finance (cost)/ income	(117,164)	(156,855)	(3,115)	9,377	(267,757)	50,950	-	(216,807)
Amortization and depreciation	(11,335)	(366,776)	(1,710)	(7,307)	(387,128)	(1,039)	-	(388,167)
Adjusted EBITDA*	223,051	974,898	9,033	(1,193)	1,205,789	(31,028)	11,730	1,186,491
(Impairment)/Reversal of impairment of trade and other receivables, net	(14,088)	(9,349)	-	98	(23,339)	67	-	(23,272)
Segment profit/(loss) after tax	78,536	377,190	3,595	591	459,912	18,881	11,730	490,523
Employee benefits	(75,051)	(573,417)	(194)	(22,915)	(671,577)	(20,720)	-	(692,297)
Capital expenditure	9,681	733,532	4,373	1,981	749,567	395	-	749,962

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

At 30 September 2024 (unaudited and not reviewed)	Electricity and natural gas supply	Electricity distribution	Electricity generation	External electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
Segment assets	5,316,985	9,718,211	175,585	464,212	15,674,993	126,927	(3,137,108)	12,664,812
Trade and other receivables	3,368,243	1,189,948	6,934	98,433	4,663,558	1,873	(1,583,835)	3,081,596
Cash and cash equivalents	52,135	575,959	950	4,556	633,600	6,938	-	640,538
Trade and other payables and short-term employee benefits	2,854,165	861,842	26,274	31,948	3,774,229	72,655	(1,558,950)	2,287,934
Bank overdrafts	1,608,082	135,824	-	-	1,743,906	338,464	-	2,082,370
Lease liability	7,241	10,556	25,957	557	44,311	1,794	-	46,105
Bank borrowings	25,061	1,982,423	-	-	2,007,484	230,730	-	2,238,214
At 31 December 2023 (audited)	Electricity and natural gas supply	Electricity distribution	Electricity generation	External electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
Segment assets	5,703,052	9,619,007	187,691	481,669	15,991,419	125,943	(3,345,465)	12,771,897
Trade and other receivables	2,662,875	1,784,184	8,999	109,668	4,565,726	3,055	(1,934,507)	2,634,274
Cash and cash equivalents	184,140	166,103	19,299	3,898	373,440	3,775	-	377,215
Trade and other payables and short-term employee benefits	3,129,486	1,520,819	12,388	52,979	4,715,672	61,885	(1,913,286)	2,864,271
Bank overdrafts	1,869,706	774,529	-	-	2,644,235	206,986	-	2,851,221
Lease liability	6,813	21,180	12,068	994	41,055	2,140	-	43,195
Bank borrowings	200,000	900,874	-	-	1,100,874	216,768	-	1,317,642

Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) for operating segments is defined and calculated as segment profit/(loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets in the operating segment, ii) impairment of assets held for sale and iii) net finance income in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***6. Revenue**

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Distribution and supply of electricity, net	5,613,405	6,182,101
Supply of natural gas	96,380	135,355
Construction revenue related to concession agreements	666,295	726,485
Repairs, maintenance and other services rendered	48,174	60,741
Sales of merchandise	2,936	51,878
Total	6,427,190	7,156,560

In respect of timing of revenue recognition, most of the Group's services provided are transferred to the customer over time, only a small part amounting to RON 1,869 thousand (nine month period ended 30 September 2023: RON 1,993 thousand) being transferred at a point in time (e.g. metering services provided by the distribution companies, providing periodic data analysis to customers for certain taxes collected on their behalf).

Other services provided are reconnection services, income from the sale of green certificates, consulting services, etc.

7. Other income

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Subsidies	836,606	2,555,206
Rental income	68,548	68,697
Late payment penalties from customers	17,098	42,697
Other	26,404	1,284
Total	948,656	2,667,884

During the nine-month period ended 30 September 2024, Electrica Furnizare S.A. recognized subsidies of RON 836,606 thousand (nine-month period ended 30 September 2023: RON 2,555,206 thousand RON, of which 2,545,379 thousand RON with the Ministry of Energy/National Agency for Payments and Social Inspection and 9,827 thousand RON with the County Agency for Payments and Social Inspection).

8. Electricity, natural gas and merchandise purchased

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Electricity purchased	3,754,155	6,249,888
Green certificates purchased	398,463	393,411
Cost of merchandise	2,801	-
Natural gas purchased	221,255	210,741
Total	4,376,674	6,854,040

The supply subsidiary has a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity supplied to final customers. The cost of green certificates is then invoiced to final customers separately from electricity tariffs and included in the caption "Electricity distribution and supply" as presented in Note 6.

9. Earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to Company's

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

shareholders and weighted-average number of ordinary shares outstanding:

Profit for the period attributable to the Company's shareholders

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Profit for the period attributable to the owners of the Company	302,659	490,598
Profit for the period attributable to Company's shareholders	302,659	490,598

Weighted-average number of outstanding ordinary shares (in number of shares)

The weighted average number of outstanding ordinary shares (unaudited and not reviewed) as at 30 September 2024 is 339,553,004 (30 September 2023: 339,553,004).

Earnings per share

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Basic and diluted earnings/(loss) per share (RON)	0.89	1.44

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***10. Income tax****(i) Amounts recognised in profit or loss**

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Current tax expense	124,137	64,271
Deferred tax expense	(40,522)	26,723
Total income tax expense	83,615	90,994

(ii) Reconciliation of effective tax rate

		30 September 2024 (unaudited and not reviewed)		31 December 2023 (audited)
Profit before tax		385,983		897,917
Tax using Company's domestic tax rate	16%	61,757	16%	143,667
Non-deductible expenses	6%	22,504	2%	17,338
Non-taxable income	-2%	(6,966)	-3%	(25,426)
Deduction of legal reserves	-2%	(5,851)	0%	(3,165)
Other tax effects	5%	20,630	-1%	(5,622)
Recognition of tax effect of previously unrecognised tax losses	-2%	(8,460)	0%	(978)
Income tax expense	22%	83,615	14%	125,814

(iii) Movement in deferred tax balances

	Balance at 30 September 2024 (unaudited and not reviewed)					
30 September 2024	Net balance at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensiv e income	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	59,516	(7,820)	(3,098)	48,598	-	48,598
Intangible assets related to concession agreements	229,694	-	-	229,694	-	229,694
Employee benefits	(27,244)	(1,002)	(250)	(28,496)	(28,496)	-
Impairment of trade receivables	(25,560)	(3,845)	-	(29,405)	(29,405)	-
Tax loss carried forward	(4,356)	(29,699)	-	(34,055)	(34,055)	-
Other items	(143,136)	(7,658)	-	(150,794)	(150,794)	-
Tax liabilities/(assets) before set-off	88,914	(50,024)	(3,348)	35,542	(242,750)	278,292
Set off of tax	-	-	-	-	153,084	(153,084)
Net tax liabilities/(assets)	88,914	(50,024)	(3,348)	35,542	(89,666)	125,208

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

30 September 2023	Balance at 30 September 2023 (unaudited and not reviewed)					
	Net balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	36,980	(97)	-	36,883	-	36,883
Intangible assets related to concession agreements	208,016	16,022	-	224,038	-	224,038
Employee benefits	(21,101)	(1,608)	(927)	(23,636)	(23,636)	-
Impairment of trade receivables	(30,930)	4,899	-	(26,031)	(26,031)	-
Tax loss carried forward	(6,068)	2,615	-	(3,453)	(3,453)	-
Other items	(4,521)	(8,811)	-	(13,335)	(13,335)	-
Tax liabilities/(assets) before set-off	182,376	13,020	(927)	194,466	(66,455)	260,921
Set off of tax	-	-	-	-	29,876	(29,876)
Net tax liabilities/(assets)	182,376	13,020	(927)	194,466	(36,579)	231,045

11. Trade receivables

	30 September 2024 (unaudited and not reviewed)	31 December 2023 (audited)
Trade receivables, gross	3,738,862	3,180,660
Bad debt allowance	(727,871)	(640,218)
Total trade receivables, net	3,010,991	2,540,442

Receivables from related parties are disclosed in Note 18.

According to GEO no. 119/2022, with subsequent amendments, regarding the capping and compensation mechanism, part of the receivables of the subsidiary Electrica Furnizare S.A. from the sale of electricity and gas to final consumers will be recovered from the Romanian State through the National Agency for Payments and Social Inspection (household consumers) and the Ministry of Energy (non-household consumers).

Electricity distribution and supply

On 30 September 2024, the amounts estimated to be received from the Ministry of Energy for non-household consumers are 10,130 thousand RON (31 December 2023: 10,130 thousand RON) and from the National Agency for Payments and Social Inspection for household consumers are 23,525 thousand RON (31 December 2023: 36,496 thousand RON). The receivables are booked under the caption "Electricity distribution and supply".

Grants to be received

As at 30 September 2024, the estimated amount for subsidies to be received from the Ministry of Energy is RON 1,392.3 million (31 December 2023: RON 2,614.5 million) and from County Agency for Payments and Social Inspection is nill (31 December 2023: RON 18,981 thousand). Out of the amount of subsidies to be collected, the amount of 468.3 million RON represents unpaid requests submitted to the state authorities, of which 212.6 million RON is the amount estimated to be received from the Ministry of Energy, respectively 255.7 million RON from The National Agency for Payments and Social Inspection, and the amount of 924 million RON represents requests that have not yet been submitted to the state authorities until 30 September 2024.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

The reconciliation between the opening balances and the closing balances of the lifetime expected credit losses is as follows:

Lifetime expected credit losses	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Balance as at 1 January (audited)	640,218	652,689
Loss allowance recognized	166,700	93,163
Loss allowance reversed	(77,288)	(69,891)
Amounts written off	(1,759)	(12,280)
Balance as at 30 September (unaudited and not reviewed)	727,871	663,681

Loss allowances are determined according to IFRS 9 "Financial instruments" based on "expected credit loss" model. In applying IFRS 9, the Group has identified 5 clusters of customers based on shared risk characteristics: 3 separate clusters for the distribution subsidiaries and 2 clusters (households and non-households) for the supply subsidiary.

A significant part of the bad debt allowances refers to clients in litigation, insolvency or bankruptcy procedures, many of them being older than five years. The Group will derecognize these receivables together with the related allowances after the finalization of the bankruptcy process.

In applying IFRS 9 as of 30 September 2024, the Group has considered all the information available without undue costs (including forward looking information) that may affect the credit risk of its receivables since original recognition, thus recording a bad debt allowance in amount of RON 166,700 thousand.

12. Cash and cash equivalents

	30 September 2024 (unaudited and not reviewed)	31 December 2023 (audited)
Bank current accounts	221,837	223,213
Call deposits	418,251	153,997
Cash in hand	450	5
Total cash and cash equivalents in the condensed consolidated statement of financial position	640,538	377,215

The following information is relevant in the context of the consolidated statement of cash flows: non-cash activity includes set-off between trade receivables and trade payables of RON 307,680 thousand in 2024 (31 December 2023: RON 160,104 thousand).

13. Other payables

	30 September 2024 (unaudited and not reviewed)		31 December 2023 (audited)	
	Current	Non-current	Current	Non-current
VAT payable	481,773	-	588,814	-
Liabilities towards the State	4,192	-	33,372	-
Other liabilities	646,283	33,322	412,898	37,161
Total	1,132,248	33,322	1,035,084	37,161

Other liabilities include mainly guarantees, connection fees, habitat tax and cogeneration contribution. Other non-current liabilities refer to guarantees from customers related to electricity supply.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***14. Long-term bank borrowings**

Drawings and repayments of borrowings during the nine-month period ended 30 September 2024 were as follows:

	Currency	Interest rate	Maturity year	Amount (RON thousand)
Balance at 1 January 2024 (audited)				1,317,642
Drawings of borrowings during the period , out of which:				
BCR	RON	ROBOR 3M+1.3%	2028	220,000
BEI (tranche 1)	EUR	EURIBOR 6M+spread+0.33%	2036	597,252
BEI (tranche 2)	EUR	EURIBOR 6M+spread+0.33%	2036	447,804
BERD	RON	ROBOR 3M + spread % + margin 2,10%	2028	60,000
CEC Bank	RON	ROBOR 3M+2,85%	2026	150,000
Exim Bank	RON	ROBOR 3M+1,60%	2027	250,000
Unicredit Bank	RON	ROBOR 3M+3,15%	2029	24,881
ERSTE Group Bank si Raiffeisen Bank	RON	ROBOR 3M+1,16%	2024	13,768
Vista Bank	RON	ROBOR 3M+2,4%	2025	20,000
Total drawings				1,783,525
Accumulated interest as of 30 September 2024				11,692
Interest payments related to 2023 in 2024				(11,125)
Reimbursements , out of which:				863,521
BRD	RON	3,99%	2026	15,600
BRD	RON	3,85%	2028	10,714
Banca Transilvania	RON	4,59%	2027	13,393
Unicredit Bank	RON	3,85%	2026	7,200
BCR	RON	ROBOR 3M+1%	2028	14,212
BERD	RON	ROBOR 6M + spread 0,30% + margin 1,15%	2031	22,949
BRD	RON	3,85%	2028	8,571
Exim Bank Romania	RON	ROBOR 3M+1,65%	2024	125,000
CEC Bank	RON	ROBOR 3M+2,85%	2026	350,000
Exim Bank 1430	RON	ROBOR 3M+1,60%	2027	250,000
Vista Bank	RON	ROBOR 3M+2,4%	2025	20,000
BRD	RON	ROBOR 3M +1.3%	2028	25,882
Balance at 30 September 2024 (unaudited and not reviewed)				2,238,214

As at 30 September 2024 and 31 December 2023, the long-term bank borrowings are as follows:

Lender	Borrower	Balance at 30 September 2024 (unaudited and not reviewed)	Balance at 31 December 2023 (audited)
Banca Transilvania	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	49,113	62.508
BCR	Distributie Energie Electrica Romania	195.324	-
UniCredit Bank	Distributie Energie Electrica Romania (former SDEE Transilvania Nord S.A.)	21,829	29,103
BRD	Distributie Energie Electrica Romania (former SDEE Muntenia Nord S.A.)	46,800	62,400
BRD	Distributie Energie Electrica Romania (former SDEE Transilvania Nord S.A.)	53,571	64,286
BRD	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	42,885	51,467

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

Lender	Borrower	Balance at 30 September 2024 (unaudited and not reviewed)	Balance at 31 December 2023 (audited)
BCR	Distributie Energie Electrica Romania (former SDEE Muntenia Nord S.A.)	76,238	90,542
EBRD	Distributie Energie Electrica Romania	162,735	189,971
EBRD	Distributie Energie Electrica Romania	243,476	182,773
CEC Bank	Electrica Furnizare S.A.	0	200,000
UniCredit Bank	Electrica Furnizare S.A.	25,062	0
Exim Bank Romania	Distributie Energie Electrica Romania	41,675	167,825
Vista Bank	Societatea Energetica Electrica S.A.	125,000	125,000
ERSTE Group Bank and Raiffeisen Bank	Societatea Energetica Electrica S.A.	105,730	91,768
BEI Tranche I	Distributie Energie Electrica Romania	599,301	-
BEI Tranche II	Distributie Energie Electrica Romania	449,476	-
Total, out of which:		2,238,214	1,317,642
Current portion of the long-term bank borrowings		(508,247)	(512,169)
Accumulated interest		(11,692)	(11,125)
Long term borrowings		1,718,275	794,348

Bank Borrowings description*a) Investment loan granted by Banca Transilvania*

On 18 July 2019, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with Banca Transilvania an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 125,000 thousand; Interest rate: fixed, 4.59% per annum; Reimbursements: quarterly instalments until 17.07.2027; Grace period: 12 months. As at 30 September 2024, the outstanding balance is of RON 49,113 thousand, of which RON 49,107 thousand principal and RON 6 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 62,508 thousand).

b) Investment loan granted by Unicredit Bank

On 13 November 2019, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as borrower, concluded with Unicredit Bank an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 60,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 13.11.2026; Grace period: 12 months. As at 30 September 2024, the outstanding balance is of RON 21,829 thousand, of which RON 21,600 thousand principal and RON 229 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 29,103 thousand).

c) Investment loan granted by BRD – Groupe Societe Generale

On 29 October 2019, Societatea de Distributie a Energiei Electrice Muntenia Nord S.A., currently Distributie Energie Electrica Romania S.A., as borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 130,000 thousand; Interest rate: fixed, 3.99% per annum; Reimbursements: quarterly instalments until 28.10.2026; Grace period: 12 months.

As at 30 September 2024, the outstanding balance is of RON 46,800 thousand. (Outstanding balance as at 31 December 2023: RON 62,400 thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

d) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan. Main provisions are: Maximum loan amount: RON 100,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 2028; Grace period: 12 months. As at 30 September 2024, the outstanding balance is of RON 53,571 thousand. (Outstanding balance as at 31 December 2023: RON 64,286 thousand).

e) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A. as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 80,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 2028; Grace period: 12 months. As at 30 September 2024, the outstanding balance is RON 42,885 thousand, of which RON 42,857 thousand principal and RON 28 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 51,467 thousand).

f) Investment loan granted by Banca Comerciala Romana ("BCR")

On 17 September 2020, Societatea de Distributie a Energiei Electrice Muntenia Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower and Electrica SA as a guarantor, concluded with Banca Comerciala Romana S.A. an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 155,000 thousand; Interest rate: ROBOR 3M+1% per annum; Reimbursements: quarterly instalments until 2028; Grace period: 12 months. As at 30 September 2024, the outstanding balance is RON 76,238 thousand, of which RON 75,799 thousand principal and RON 439 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 90,542 thousand).

g) Investment loan granted by the European Bank for Reconstruction and Development ("BERD")

On 2 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for investments in order to finance investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: The maximum value of the loan RON 195,136 thousand; Interest rate: agreed individually for each tranche drawn; Repayments: 17 half-yearly instalments until 31.07.2031; Grace period: 24 months. As at 30 September 2024, the outstanding balance is RON 162,735 thousand, of which RON 160,700 thousand principal and RON 2,035 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 189,970 thousand, of which RON 183,657 thousand principal and RON 6,313 thousand accrued interest). The loan agreement is guaranteed by Electrica SA.

h) Investment loan granted by the European Investment Bank ("BEI")

On 14 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the first part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 120,000 thousand; Interest rate and Repayments will be agreed individually for each tranche drawn. As at 30 September 2024, the outstanding balance is RON 599,301 thousand, of which RON 597,072 thousand principal and RON 2,229 thousand accrued interest (Outstanding balance as at 31 December 2023 is nil). The loan agreement is guaranteed by Electrica SA.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

i) Investment loan granted by the European Investment Bank ("BEI")

On 7 December 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the second part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 90,000 thousand; Interest rate and Repayments will be agreed individually for each tranche drawn. As at 30 September 2024, the outstanding balance is RON 449,476 thousand, of which RON 447,804 thousand principal and RON 1,672 thousand accrued interest (Outstanding balance as at 31 December 2023 is nil). The loan agreement is guaranteed by Electrica SA.

j) Loan for financing current activity granted by Eximbank Romania

On 22 December 2022, Distributie Energie Electrica Romania S.A., as a borrower, concluded with Eximbank Romania a credit agreement for a period of 24 months. The main provisions are: Maximum loan amount: 250,000 thousand RON; Interest rate: ROBOR 3M + 1.65 % p.a.; Repayments: 6 equal quarterly instalments; Grace period: 6 months. On 30 September 2024, the outstanding balance is RON 41,675 thousand, of which RON 41,667 thousand principal and RON 8 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 167,825 thousand). The loan agreement is guaranteed by Electrica SA.

k) Line of Credit for working capital and for issuing Bank Guarantee Letters granted by Vista Bank

On 30 December 2022, Societatea Energetica Electrica S.A., as the borrower, concluded a contract for a line of credit for working capital and for the issuance of Bank Guarantee Letters granted by Vista Bank for a period of 18 months. The main provisions are: Maximum credit amount: RON 125,000 thousand. At 28 June 2024, the maximum value of the loan was increased with RON 5,000, up to RON 130,000 thousand. Interest rate: ROBOR 3M + 2.4 % p.a.; full refund at maturity. On 30 September 2024, the balance of the loan is RON 125,000 thousand out of which accrued interest is RON 801 thousand (Outstanding balance as at 31 December 2023: RON 125,000 thousand).

l) Investment loan granted by the European Bank for Reconstruction and Development ("EBRD")

On 17 March 2023, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for working capital. The main provisions are: The maximum value of the loan RON 180,000 thousand; Interest rate: ROBOR 3M + spread % + margin 2.10%;. As at 19 December 2023, the value of the loan increased by 60 thousand RON to 240,000 thousand RON. As at 30 September 2024, the outstanding balance is RON 243,575 thousand, of which RON 240,000 thousand principal and RON 3,476 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 182,775 thousand). The loan agreement is guaranteed by Electrica SA.

m) Multicredit facility for multiple financing by accessing cash and non-cash products granted by CEC BANK SA ("CEC")

On 4 August 2023, Electrica Furnizare S.A., as the borrower, concluded a Facility Agreement Multicredit. The main provisions are: The maximum value of the loan RON 150,000 thousand; Interest rate: ROBOR 3M+2.85%; full repayment at maturity. On 18 December 2023, the amount of the loan was increased by RON 50 thousand, up to the value of RON 200,000 thousand. As at 30 September 2024, the outstanding balance is nil (Outstanding balance as at 31 December 2023: RON 200,000 thousand). The loan agreement is guaranteed by Electrica SA.

n) Syndicated credit facility granted by Erste Group Bank AG and Raiffeisen Bank SA

On 2 November 2021, Electrica S.A., as borrower, entered into a syndicated credit facility with Erste Group Bank AG and Raiffeisen Bank SA. The main provisions are: Maximum loan amount RON 750,000 thousand; Interest rate: ROBOR 3M+1.16%. On 3 November 2023 the loan was extended for a period of one year and the maximum loan amount was reduced to RON 450,000 thousand. On August 20, 2024, two Letters of Comfort were issued, with a total value of RON

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts are in THOUSAND RON, if not otherwise stated)

345,020 thousand, as follows: New Trend Energy SRL, 92,020 thousand RON and Foton Power Energy SRL, 253,000 thousand RON. As at 30 September 2024 the balance of the loan is RON 105,730 thousand, of which principal RON 104,918 thousand and accrued interest RON 252 thousand (31 December 2023: RON 91,768 thousand).

o) Loan for investments granted by UniCredit Bank

On April 26, 2024, the Credit contract no. GRIM/8714 was signed, concluded between Electrica Furnizare S.A. and UniCredit Bank SA, SE Electrica SA as guarantor, through which a credit for investments was granted, in the amount of 24,881 thousand RON, valid until 26.04.2029. Interest rate: ROBOR 3M+3.15%.

On September 30, 2024, the balance of the loan is 25,061 thousand RON, of which the principal is 24,881 thousand RON and the accumulated interest is 180 thousand RON.

p) Loan for investments granted by European Investment Bank ("EIB")

On 8 May 2024, the credit contract no. FI no. 98.007 was signed, concluded between Distributie Energie Electrica Romania S.A., as a borrower, and European Investment Bank (EIB), SE Electrica SA as a guarantor, through which a loan for investments was granted, in amount of EUR 15,000 thousand, with a validity until 14.07.2039 and the interest rate : EURIBOR 6M+spread+0.51%. Outstanding balance as at 30 September 2024 is nil.

q) Loan for covering the network losses expense granted by Banca Comerciala Romana ("BCR")

On 25 January 2022, Distributie Energie Electrica Romania S.A., as a borrower, concluded with Banca Comerciala Romana (BCR) as the lender, granting of a loan in amount of RON 220,000 thousand. At 26 June 2024, the value of the credit limit was increased with RON 150,000 thousand, totaling RON 370,000 thousand. The validity of the loan was changed to 30.04.2028, and the interest rate is ROBOR 3M+1.3%. As at 30 September 2024 the balance of the loan is RON 195,324 thousand, of which principal RON 194,118 thousand and accrued interest RON 1,206 thousand.

r) Loan for covering the network losses expense granted by Raiffeisen Bank SA

At 26 May 2022, Distributie Energie Electrica Romania S.A., as a borrower, concluded with Raiffeisen Bank SA, as the lender, granting of a loan in amount of RON 220,000 thousand. At 26 June 2024, credit limit was increased with RON 100,000 thousand, up to RON 320,000 thousand. Thus, the value of the facility was modified to 31.12.2027, and the interest rate is ROBOR 1M+1.50%. As at 30 September 2024 the balance is nil.

Financial Covenants

The financial covenants specified in the agreements with BRD – Groupe Societe Generale, Unicredit Bank, Banca Comerciala Romana, European Bank for Reconstruction and Development and European Investment Bank have been fulfilled as at 30 September 2024 and 31 December 2023.

15. Overdrafts

Until the authorization for issue of these Consolidated Financial Statements by the Board of Directors, the Group has overdrafts from various banks (ING Bank N.V., Raiffeisen Bank, Banca Comerciala Romana, Banca Transilvania, BNP Paribas, Intesa Sanpaolo Bank, BRD – Groupe Societe Generale S.A., Alpha Bank, UniCredit Bank, Vista Bank and Vista Leasing) with a total overdraft limit of up to RON 3,020,924 thousand (total overdraft limit as at 31 December 2023: RON 2,963,947 thousand).

The overdraft facilities are used for financing activities. The outstanding balance of the overdraft facilities as at 30 September 2024 is of RON 2,083,258 thousand (31 December 2023: RON 2,851,221 thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

As at 30 September 2024 and 31 December 2023, the overdrafts are as follows:

Lender	Borrower	Balance at 30 September 2024 (unaudited and not reviewed)	Balance at 31 December 2023 (audited)
ING Bank N.V	Societatea Energetica Electrica S.A.	190,289	206,987
BRD	Societatea Energetica Electrica S.A.	148,176	-
Alpha Bank	Electrica Furnizare S.A.	21,002	213,702
BCR	Electrica Furnizare S.A.	290,672	378,887
BRD	Electrica Furnizare S.A.	216,702	218,817
Banca Transilvania	Electrica Furnizare S.A.	180,133	187,194
ING Bank N.V	Electrica Furnizare S.A.	169,883	170,602
Raiffeisen Bank	Electrica Furnizare S.A.	405,519	369,274
UniCredit Bank	Electrica Furnizare S.A.	302,314	302,399
BNP Paribas	Electrica Furnizare S.A.	4,856	28,830
Vista Bank	Electrica Furnizare S.A.	17,000	-
BCR	Distributie Energie Electrica Romania S.A	-	210,593
Banca Transilvania	Distributie Energie Electrica Romania S.A	-	159,544
ING Bank N.V	Distributie Energie Electrica Romania S.A	-	49,682
Intesa San Paolo	Distributie Energie Electrica Romania S.A	135,823	135,815
Raiffeisen Bank	Distributie Energie Electrica Romania S.A	-	218,895
Total overdrafts		2,083,370	2,851,221

Guaranteed assets

On 30 September 2024, for several overdrafts, the Group has pledges (guarantees) for the amounts of commercial receivables, as specified in the contracts.

Bank guarantees

The maximum value of multi-product facilities (credit facilities for issuing bank guarantee letters and overdrafts) is 3,315,516 thousand RON, of which non-cash uses 816,013 thousand RON.

16. Provisions

	Fiscal	Others	Total provisions
Balance at 1 January 2024 (audited)	1,084	40,083	41,167
Provisions recognised	378	23,066	23,444
Provisions used	-	-	-
Provisions reversed	(447)	(6,414)	(6,861)
Balance at 30 September 2024 (unaudited and not reviewed)	1,015	56,735	57,750

As at 30 September 2024 provisions mainly refer to benefits upon the termination of executive directors' mandate contracts in the form of a non-compete clause of RON 724 thousand (31 December 2023: 710 RON thousand) and for various claims and litigations involving the Group companies with a total amount of RON 57,028 thousand (31 December 2023: 40,457 RON thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

17. Financial instruments – fair values

(a) Accounting classifications and fair values

According to IFRS 9, financial assets are measured at amortised cost because they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The Group assessed that the carrying amount is a reasonable approximation of the fair value for the financial assets and financial liabilities.

(b) Measurement of fair values

Fair value hierarchy

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (eg. prices) or indirectly (eg. derived from prices);
- Level 3: inputs from an asset or a liability that are not based on observable market data (unobservable inputs).

18. Related parties

(a) Main shareholders

As at 30 September 2024 and 31 December 2023, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital.

(b) Management and directors compensation

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Executive management compensation	15,117	28,447

Executive management compensation refers to both the managers with mandate contract and those with labour contract, from both the subsidiaries and Electrica SA. This also includes the benefits in the event of the termination of mandate contracts for executive directors.

Compensations granted to the members of the Board of Directors were as follows:

	Nine-month period ended	
	30 September 2024 (unaudited and not reviewed)	30 September 2023 (unaudited and not reviewed)
Members of the Board of Directors	2,529	3,213

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***(c) Transactions with companies in which the State has control or significant influence**

The Group has transactions with companies in which the State has control or significant influence in the ordinary course of business, related mainly to the acquisition of electricity and gas, transport and system services and sale of electricity. Significant purchases and balances are mainly with electricity and gas producers/suppliers, as follows:

Supplier	Purchases (excluding VAT)		Balance (including VAT)	
	Nine-month period ended 30 September 2024 (unaudited and not reviewed)	Nine-month period ended 30 September 2023 (unaudited and not reviewed)	30 September 2024 (unaudited and not reviewed)	31 December 2023 (audited)
OPCOM	2,259,274	2,062,994	89,035	212,746
Transelectrica	961,911	458,236	128,629	170,242
Nuclearelectrica	122,055	624,254	33,438	107,671
Complexul Energetic Oltenia	35,243	828,311	5,152	132,693
Hidroelectrica	148,177	44,584	3,063	37
ANRE	14,173	16,724	3,506	12
Transgaz	6,315	4,034	474	1,850
SNGN Romgaz SA	27,896	39,111	3,122	9,081
Others	4,143	3,737	755	1,513
Total	3,579,187	4,081,985	267,174	635,845

The Group also makes sales to other entities in which the State has control or significant influence representing electricity supply, of which the most significant transactions are the following:

Client	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance	Balance, net
	Nine-month period ended 30 September 2024 (unaudited and not reviewed)	30 September 2024 (unaudited and not reviewed)		
OPCOM	30,121	2,555	-	2,555
Transelectrica	209,787	12,051	-	12,051
Hidroelectrica	190,729	28,960	-	28,960
CFR Electrificare	11,628	3,149	-	3,149
Compania Nationala de Administrare a Infrastructurii Rutiere S.A.	25,437	18,633	3	18,629
CFR Telecomunicatii	2,569	48	-	48
C.N.C.F. CFR S.A.	59,853	20,521	10	20,511
CN Remin SA	163	71,235	71,148	87
Oltchim	-	115,426	115,426	-
C.N.C.A.F. MINVEST S.A.	-	26,802	26,802	-
CET Braila	1	3,379	3,377	1
Termoelectrica	-	1,206	1,206	-
Agentia Nationala pentru Plati si Inspectie Sociala	-	23,752	-	23,752
Ministerul Energiei (*)	836,606	1,402,457	-	1,402,457
Others	91,804	21,623	1,288	20,337
Total	1,458,698	1,751,797	219,260	1,532,537

(*) During the nine-month period ended 30 September 2024, Electrica Furnizare S.A. recognized subsidies in amount of RON 836,606 thousand, to be received from the Ministry of Energy, following the application of the capping price

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

mechanism for the electricity and natural gas according to the legislation in force.

	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance	Balance, net
Client	Nine-month period ended 30 September 2023 (unaudited and not reviewed)	31 December 2023 (audited)		
OPCOM	17,614	2,174	-	2,174
Transelectrica	146,154	44,220	-	44,220
Hidroelectrica	210,166	32,882	-	32,882
CN Romarm	16,480	4,279	-	4,279
SNGN Romgaz	26,116	-	-	-
Transgaz	999	544	-	544
CFR Electrificare	13,512	2,347	-	2,347
CN Remin SA	658	71,347	71,216	131
Oltchim	-	115,426	115,426	-
C.N.C.A.F. MINVEST SA	-	26,802	26,802	-
C.N.C.F. CFR S.A.	-	33,841	5	33,836
CET Braila	14	3,378	3,361	17
Termoelectrica	-	1,206	1,206	-
National Agency for Payments and Social Inspection	-	36,496	-	36,496
County Agency for Payments and Social Inspection	9,827	18,981	-	18,981
Ministry of Energy (*)	2,545,379	2,605,684	-	2,605,684
Others	229,168	9,173	364	8,809
Total	3,216,087	3,008,780	218,380	2,790,400

19. Contingencies

Contingent Liabilities

Fiscal environment

Tax audits are frequent in Romania, consisting of detailed verifications of the accounting records of taxpayers. Such audits sometimes take place after months, even years, from the date liabilities are established. Consequently, companies may be found liable for significant taxes and fines. Moreover, tax legislation is subject to frequent changes and the authorities demonstrate inconsistency in interpretation of the law.

Income tax returns may be subject to revision and corrections by tax authorities, generally for a five year period after they are completed.

The Group may incur expenses related to previous years tax adjustments because of controls and litigations with tax authorities. The management of the Group believes that adequate provisions and liabilities were recorded in the consolidated financial statements for all significant tax obligations; however, a risk persists that the tax authorities might have different positions.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

Tax inspection report for former SDEE Muntenia Nord S.A. subsidiary (currently Distributie Energie Electrica Romania S.A.)

The former SDEE Muntenia Nord S.A. subsidiary (currently Distributie Energie Electrica Romania S.A.) was subject to a tax audit performed by the Local Taxes Department of Galati City Hall that referred to the taxes on buildings paid for the period 2012-2016. The tax audit was finalized in December 2019, when the fiscal inspection report was communicated to the subsidiary. The fiscal report established additional payment obligations for the subsidiary representing building tax for the period 01.01.2012-31.12.2015 in the total amount of RON 24,831 thousand, of which principal in amount of RON 12,051 thousand and related late-payment penalties computed as of October 2019, in amount of RON 12,780 thousand. The amount of late charges was recalculated to RON 13,021 thousand between the tax inspection report date and principal debt payment date. Litigious actions were started in order to challenge the tax inspection report, next court term being on 17 September 2024.

The Group recognised an expense of RON 12,051 thousand during the year ended 31 December 2019. At the same time, for the late penalties in the amount of RON 13,021 thousand, a letter of bank guarantee was established in the amount of RON 13,021 thousand valid until 14 February 2025, in order to mitigate the associated risks.

Other litigations and claims

The Group is involved in a series of litigations and claims (eg. with ANRE, ANAF, Court of Accounts, claims for damages, claims over land titles, labour related litigations etc.).

As summarised in Note 16, the Group made provisions for the litigations or claims for which the management assessed as probable the outflow of resources embodying economic benefits due to low chances of favourable outcomes of those litigations or disputes. The Group does not disclose information in the financial statements and did not make provisions for litigations and claims for which management assessed a remote possibility of outflow of economic benefits.

If applicable, the Group discloses information on the most significant amounts subject to litigations or claims for which the Group did not make provisions as they relate to possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events, not wholly within the control of the Group (ie. litigations for which different inconsistent sentences were issued by the courts, or litigations which are in early stages and no preliminary ruling was issued so far).

20. Subsequent events

There are no significant subsequent events to report within these simplified consolidated interim financial statements after the nine-months ended 30 September 2024.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

15 November 2024



2024 THIRD QUARTER CONSOLIDATED DIRECTORS' REPORT (Q3 2024)

(based on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union)

**REGARDING THE ECONOMIC AND FINANCIAL ACTIVITY OF SOCIETATEA ENERGETICA
ELECTRICA S.A.**

in compliance with art. 67 of the Law no. 24/2017 on issuers of financial instruments and market operations and with annex no. 13 to ASF Regulation no. 5/2018 and the Bucharest Stock Exchange Code

for the nine months period ended 30 September 2024

Free translation from the Romanian version of the report, which will prevail in the event of any discrepancies with the English version.

Cuprins

1.	Identification Details Of The Issuer	4
2.	Highlights	5
2.1.	Key Events during the period January – September 2024 (Q3 2024)	10
2.2.	Applicable significant regulatory framework	19
2.3.	Subsequent events	25
2.4.	Summary of financial indicators	27
2.5.	Risks and uncertainties	28
2.6.	Group liquidity	31
3.	Organizational Structure	32
3.1.	Group Structure	32
3.2.	The main elements of the Strategic Plan for the period 2024 – 2030	34
3.3.	Key information by segments	35
4.	Shareholders' Structure	41
5.	Operational Results IFRS-EU	43
6.	Financial position IFRS- EU	49
7.	The regulatory framework perspective and the impact on the energy market	53
8.	Statements	58
9.	Appendix	59
9.1.	Appendix 1 - Economic and financial indicators of Electrica Group as of 30 September 2024 according to Annex 13/ASF Regulation no. 5/2018	59
9.2.	Appendix 2 - Applicable legal framework - issued in 2024	60
9.3.	Appendix 3 – Table list	79
9.4.	Appendix 4 – Figures list	79
	Glossary	80

Note: The figures presented in this document are rounded based on the round to nearest method; as a result, rounding differences may appear.

1. Identification Details Of The Issuer

Report date: 15 November 2024

Company name: Societatea Energetica Electrica S.A.

Headquarters: no. 9 Grigore Alexandrescu Street, 1st District, Bucharest, Romania

Phone/fax no: 004-021-2085999/ 004-021-2085998

Sole Registration Code: 13267221

Trade Registry registration number: J40/7425/2000

LEI Code (Legal Entity Identifier): 213800P4SUNUM5AUDX61

Subscribed and paid in share capital: RON 3,395,530,040

Main characteristic of issued shares: as of 30 September 2024 - 339,553,004 ordinary shares of 10 RON nominal value, issued in dematerialized form and freely transferable, nominative, tradable and fully paid.

Regulated market where the issued securities are traded: the Company's shares are listed on the Bucharest Stock Exchange (ticker: EL), and the Global Depositary Receipts (ticker: ELSA) are listed on the London Stock Exchange.

Applicable accounting standards: International Financial Reporting Standards as approved by the European Union ("IFRS-EU").

Reporting period: 2024 Third quarter (period 1 January – 30 September 2024).

Audit/Review: The condensed consolidated interim financial statements as of and for the nine months period ended 30 September 2024 are not reviewed or audited by an independent financial auditor.

Table 1. Company details

	Ordinary Shares	GDR
ISIN	ROELECACNOR5	US83367Y2072
Bloomberg Symbol	0QVZ	ELSA: LI
Currency	RON	USD
Nominal Value	RON 10	-
Stock Market	Bucharest Stock Exchange REGS	London Stock Exchange MAIN MARKET
Ticker	EL	ELSA

Source: Electrica

2. Highlights

The Group's core business segments are the distribution of electricity to users, the supply of electricity to household and non-household consumers, the segment of services related to the external distribution networks as well as the segment regarding the production of electricity from renewable sources.

Electrica's distribution segment operates through its subsidiary Distribuție Energie Electrica Romania („DEER”) and it is geographically limited to 18 counties from the historical regions Muntenia and Transylvania. The Group holds exclusive distribution licenses for these regions, which are valid until 2027, and may be extended for another 25 years.

The electricity and natural gas supply segment operates through Electrica Furnizare („EFSA”) subsidiary, and the main activity is the supply of electricity to final customers, on the universal service segment and as supplier of last resort, as well as a competitive supplier, all over Romania.

The Group holds an electricity supply license covering the entire territory of Romania, which was renewed in 2021 for a period of 10 years. In order to extend the economic activities of Electrica Furnizare S.A. (EFSA) in Hungary, the electricity trading license was granted by the Hungarian Energy and Public Utilities Regulatory Authority (MEKH) for an indefinite period for Electrica Furnizare S.A., by Decision no. H879/2022. Also, the Group holds a natural gas supply license valid until 2032.

Within the external electricity network maintenance segment, SERV provides maintenance, repair and various services to group companies (car rental, rental of buildings etc.) as well as repairs, maintenance and other energy related services to third parties.

The Group entered on the segment of electricity production, from renewable sources, starting with 2020 through the purchase of a photovoltaic park with an installed capacity of 7.5 MW (operating capacity limited to 6.8 MW), and in the last 12 months of acquired five projects of electricity production parks from renewable sources (four photovoltaics - with an installed capacity of 175.5 MW and a wind farm with an installed capacity of 121 MW, with an attached electricity storage capacity of 60 MWh). Also, at the end of 2023, the Group merged three of its five renewable generation park projects (absorbed companies) with the Parent Company (absorbing company). Also, in the first 9 months of 2024 the Group signed an EPC (Engineering, Procurement & Construction) contract for the development of the photovoltaic project "Satu Mare 2", the project having partial financing from the PNRR program and a completion date of December 2024 and also attracted non-reimbursable financing in the amount of EUR 3.4 mil. through PNRR for electricity storage with an installed storage capacity of 69.93 MWh to be realized in Fantanele, Mures county.

In the consolidated report of the administrators on the date and for the nine-month period ending on 30 September 2024, the main events that took place during the nine months period of the current financial year (detailed below) are included and their impact on the accounting reporting is included both in the operational results of the Group. Also, significant events subsequent to the reporting date are included in this report.

KEY EVENTS

-AT THE DATE OF THE REPORT-

GENERAL

- ❖ On 26 January 2024 the OGMS approved the election of the following members of the Company's Board of Directors by applying the cumulative vote method:
 - Mr. Ion-Cosmin Petrescu
 - Mr. Dumitru Chirita
 - Ms. Georgiana Bogasievici
 - Mr. Dragos-Valentin Neacsu
 - Mr. Adrian-Florin Lotrean
 - Mr. Marian-Cristian Mocanu
 - Ms. Valentina-Elena Sidovan
- ❖ On 15 February 2024, Electrica announced the securing of new non-reimbursable funds of EUR 171 mn. through the Modernisation Fund.
- ❖ On 28 February 2024, Electrica announced the official admission of Electrica shares in FTSE Russell indexes, starting 18 March 2024.
- ❖ On August 2, 2024, Electrica announced that DEER secured another EUR 200 mn. in non-refundable European funding through the Modernization Fund (FM), representing 80% of the eligible expenses for seven new investment projects in the electricity distribution network.
- ❖ On 29 October 2024, Electrica's BoD elected Mr. Mihai Diaconu as Chair of the BoD, starting on 29 October 2024 until 31 January 2025 and decided the following composition of the Strategy and Corporate Governance Committee:
 - Mr. Marian - Cristian Mocanu – Chair;
 - Mr. Mihai Diaconu - Member;
 - Mr. Dragos Valentin Neacsu – Member.

DISTRIBUTION SEGMENT

- ❖ Emergency Ordinance no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024, CEAM was changed, so that producers voluntarily sell to OPCOM at the price of 400 RON/MWh and DO buys electricity from OPCOM at the price of 400 RON/MWh.

SUPPLY SEGMENT



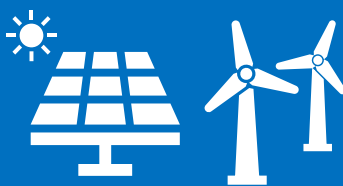
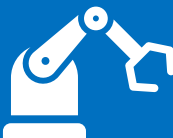
- ❖ ANRE has modified the Guide for completing the data that is uploaded on the ANRE portal to settle the amounts from the state budget related to the price ceiling for final customers, with applicability from January 1, 2024. This algorithm for allocating the costs of the purchase impacts in significantly the full recovery of the costs recorded by the suppliers.

PRODUCTION SEGMENT

- ❖ On April 11, 2024, Electrica announced the signing of an EPC (Engineering, Procurement & Construction) contract for the development of the "Satu Mare 2" photovoltaic project. The project has partial financing from the PNRR.
- ❖ On 17 September 2024, Electrica announced the attraction of EUR 3.4 mn. through PNRR for electricity storage.



Key figures: Operational

Distribution	Supply	Production	Services
			
<i>(vs prior period)</i>			
~3.97 mn. (+1.8%) users	~3.5 mil. (0%) places of consumption	Renewable electricity production - Wind and photovoltaic 4 projects under development/implementation with a total of 260 MWp and 100 MWh storage 2 ongoing investment projects of 27 MWp and 12 MWp 1 operational project of 7.5 MWp	Revenue: RON 102.2 mn. (+2,4%) out of which: 42.1% - workings with external clients 56.8% - workings intragroup 1.1% - rent
204,151 km (+0.7%) electric lines 97,196 km² (+0%) area covered	15.43% (-8.0%) market share (as of July 2024)	ELSA ownership in production subsidiaries: Sunwind Energy S.R.L. („SWE”) 100% (+0%) New Trend Energy S.R.L. („NTE”) 100% (+40%) Foton Power Energy S.R.L. („FPE”) 100% (+40%) Crucea Power Park S.R.L. („CPP”) 40% (+0%)	~7% market share (data from 2023)
13.19 TWh (+5.1%) distributed electricity	5.6 TWh (-1.8%) retail supplied electricity	7,434 MWh electricity produced from renewable sources in the first 9 months of 2024	Revenue categories: 53.7% - Maintenance services 29.4% - Car and machinery rental 14.9% - Rental servies 2% - Installation of photovoltaic panels

Key figures: Investments – average degree of execution for DEER

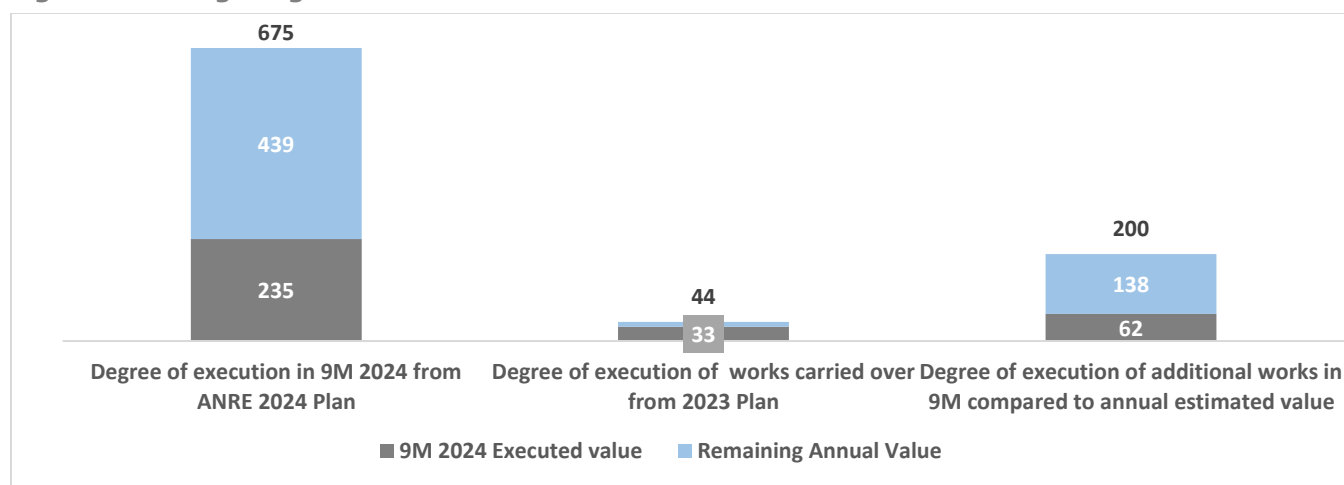
For the year 2024, the following values were budgeted for Distribuție Energie Electrica Romania (DEER): the CAPEX plan is RON 878 mn. which represents 78% of the total CAPEX plan of the Group in the total amount of RON 1,127.3 mn. The Commissioning plan sent to ANRE is RON 718 mn. (RON 675 mn. plan related to the year 2024 and approximately RON 44 mn. carried forward values related to the year 2023) to which an estimated value of RON 200 mn. additional works are added compared to the ANRE plan.

The average degree of execution of CAPEX investment in the first three quarters of 2024 is 115% of the planned value for the first 9 months (RON 650.5 mn. estimated against the planned RON 565.1 mn.), respectively 74% of the planned annual value.

The average degree of execution of Commissioning investment in the first three quarters of 2024 is:

- Compared to the values approved by ANRE:** 95.5% of the planned value for the first 9 months (RON 330.6 million compared to the planned RON 346.0 million), respectively 46% of the annual value (RON 330.6 million compared to the planned RON 718.3 million), respectively:
 - degree of execution of the 2024 ANRE Plan, including additional works: 98% of the plan for the first 9 months (RON 297.6 million out of RON 302.4 million);
 - degree of execution of works carried over from the 2023 ANRE Plan to 2024: 76% (RON 33.0 million out of RON 43.7 million); the total final degree of execution of 2023 Commissioning Plan (including additional and recovered works) being approximately 113.87%.
- Compared to the budgeted values:** 81% of the planned value for the first 9 months (RON 330.6 million compared to the budgeted RON 408.4 million), respectively 36% of the annual budgeted value (RON 330.6 million from RON 918.3 million):
 - level of execution of the 2024 ANRE Plan: 78% of the plan for the first 9 months (RON 235.2 million realized from RON 302.4 million planned)
 - degree of execution of additional works: 100% for the first 9 months (RON 62.4 million out of RON 62.4 million requests)
 - degree of execution of works carried over from 2023 concluded in 2024: 76% (33.0 million RON out of 43.7 million RON).

Figure 1: Average degree of PIF execution



Key figures: Financial

Table 2. Consolidated financial result Q3 2024 vs Q3 2023

(mn. RON)	9M 2024	9M 2023	Var (abs)	Var (%)
Revenue	6,427.2	7,156.6	(729.4)	-10.2%
Other operating income	948.7	2,667.9	(1,719.2)	-64.4%
Operational costs	(6,752.1)	(9,026.1)	2,274.0	-25.2%
EBITDA ¹	1,062.0	1,185.5	(124.5)	-10.5%
EBIT	623.7	798.4	(174.6)	-21.9%
Gross profit	386.0	581.5	(195.5)	-33.6%
Net profit	302.4	490.5	(188.2)	-38.4%

¹ Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) is defined and calculated as profit/(loss) before tax adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets, and iii) net finance income. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

2.1. Key Events during the period January – September 2024 (Q3 2024)

During the nine months period ended 30 September 2024 the following main events took place:

Main decision of ELSA's Board of Directors (BoD):

On 22 January 2024, ELSA's Board of Directors decided to extend the duration of the mandate of Mr. Alexandru-Aurelian Chirita, as interim CEO, under the same conditions, until 31 March 2024 (inclusively).

During its meeting on 12 February 2024, ELSA's BoD elected Mr. Dumitru Chirita as the Chair of the Board of Directors until 31 December 2024.

Also, the Board of Directors decided, in accordance with art. 18, para. 14 from the articles of Association of the Company, to establish two vice-chair positions. Therefore, the Board of Directors elected Mr. Dragos-Valentin Neacsu and Mr. Adrian-Florin Lotrean as Vice-Chairs, until 30 December 2024.

During the same meeting from 12 February 2024, the Board of Directors decided the following composition for its consultative committees, until 31 December 2024:

The Strategy and Corporate Governance Committee

- Mr. Marian Cristian Mocanu – Chair;
- Mr. Dumitru Chirita – Member;
- Mr. Dragos Valentin Neacsu – Member.

The Audit and Risk Committee

- Ms. Valentina-Elena Siclovan – Chair;
- Mr. Adrian-Florin Lotrean – Member;
- Mr. Ion Cosmin Petrescu – Member.

The Nomination and Remuneration Committee

- Mr. Adrian-Florin Lotrean – Chair;
- Mr. Marian Cristian Mocanu – Member;
- Mr. Ion Cosmin Petrescu – Member.

The Climate Governance and Public Affair Committee

- Mr. Dragos Valentin Neacsu – Chair;
- Ms. Valentina-Elena Siclovan – Member;
- Ms. Georgiana Bogasievici – Member.

On 25 March 2024, ELSA's Board of Directors decided to extend the duration of the mandate of Mr. Alexandru-Aurelian Chirita, as interim CEO, under the same conditions, until 31 December 2024 (inclusively).

On 19 September 2024, Electrica announced that Mr. Dumitru Chirita resigned from the Chair position of the BoD starting 19 September 2024 and as a member of the BoD starting 19 October 2024.

On the same date, Electrica's BoD elected Mr. Ion-Cosmin Petrescu as Chair of the BoD, starting from 19 September 2024 until 18 October 2024.

On 19 September 2024, Electrica's BoD convened EGMS on 8 November 2024.

▪ General Meetings of Shareholders (GMS)

26 January 2024, the Ordinary General Meeting of Shareholders (OGMS) took place, physically and online through the voting platform <https://electrica.voting.ro/>, with a quorum of 90.0765% of the total voting rights and 88.2849% of the share capital of the Company, which approved the election of the following members of the Company's Board of Directors by applying the cumulative vote method:

- Mr. Ion-Cosmin Petrescu
- Mr. Dumitru Chirita
- Ms. Georgiana Bogasievici
- Mr. Dragos-Valentin Neacsu
- Mr. Adrian-Florin Lotrean
- Mr. Marian-Cristian Mocanu
- Ms. Valentina-Elena Siclovan

The following members of the Board of Directors are considered revoked: Mr. Iulian Cristian Bosoanca, Mr. Radu Mircea Florescu and Mr. Gicu Iorga. They were not reconfirmed as a result of applying the cumulative voting method, their mandate ending as a consequence on the AGOA date, according to the provisions of art. 167 paragraph (3) of Regulation no. 5/2018 of the Financial Supervision Authority.

Also, Electrica shareholders approved with the majority of votes cast by the shareholders present or represented:

- Establishing the term of office of the members elected by applying the cumulative voting method, for a period of 4 (four) years.
- Establishing the remuneration due to the members of the Board of Directors elected by applying the cumulative voting method, respectively that established according to the Remuneration Policy for Administrators and Executive Directors, approved by the Resolution of the Ordinary General Meeting of Shareholders no. 1/27 April 2023.
- Establishing the form of the mandate contract that will be signed with the members of the Board of Directors elected by applying the cumulative voting method, respectively the one approved by the Resolution of the Ordinary General Meeting of Shareholders no. 1 of 9 February 2018.

On 25 April 2024, the OGMS and EGMS took place, physically and online through the voting platform <https://electrica.voting.ro/>, with a quorum of 90.6464% of the total voting rights and 88.8435% of the share capital of the Company, which mainly approved:

- The Separate Financial Statements for the year 2023 prepared in accordance with OMFP 2844/2016;
- The Consolidated Financial Statements for the year 2023 prepared in accordance with OMFP 2844/2016 and IFRS-EU;
- The distribution of the net profit for the financial year 2023, respectively the total gross dividend value of RON 40 mn. gross dividend per share of RON 0.1178 and date of payment of the dividends for the year 2023 as 21 June 2024;
- The income and expenses budget of Electrica for financial year 2024, at individual and consolidated level;
- The filing of a civil damage action in court for the liability of Mr. George Cristodorescu, former director of the company;
- The cancellation of the shares owned by Electrica (treasury shares) obtained thorough the stabilization after the IPO from June 2014, respectively the reduction of the share capital with the number of the cancelled own shares and the amendment of Articles of Association so as to reflect these operations.

Also, EGMS also rejected the approval of a ceiling of up to EUR 300 mn. for one or more bond issues.

Other relevant events

On 19 January 2024, Electrica received from the European Bank for Reconstruction and Development (EBRD) a notification according to which, on 15 January 2024, the EBRD disposed of a number of 205,505 Electrica shares, falling below the 5% threshold provided by article 71 of Law 24/2017 on issuers of financial instruments and market operations, thus reaching a holding of 4.9502% of the voting rights of Electrica calculated on the basis of all the shares to which voting rights are attached, even if for the shares own shares (6,890,593 own shares) their exercise is suspended, in accordance with the provisions of art. 71 (1) of Law no. 24/2017 regarding issuers of financial instruments and market operations.

On 14 February 2024, Electrica published the preliminary key operational indicators for Q4 2023.

On 15 February 2024, Electrica published a current report regarding the final settlement of a litigation against ANRE.

On 15 February 2024, Electrica announced the attraction of new non-reimbursable financing of EUR 171 mn. through the Modernisation Fund.

On 26 February 2024, Electrica published a current report regarding the action filled by Electrica against DEER, following the implementation of measures ordered by Court of Accounts (CCR).

On 28 February 2024, Electrica announced the official admission of Electrica shares in FTSE Russell indexes, starting 18 March 2024.

On 29 February 2024, Electrica published the Preliminary Consolidated Financial Statements for the year 2023, prepared in accordance with OMFP 2844/2016.

On 6 March 2024, Electrica published the audited Consolidated Financial Statements for the year 2023, prepared in accordance with OMFP 2844/2016, and the audited Separate Financial Statements for the year 2023, together with the Independent Auditor's Reports and the BoD Reports for the year 2023.

On 25 March 2024, Electrica published the audited Consolidated Financial Statements for the year 2023, prepared in accordance with IFRS-EU.

On 25 March 2024, Electrica published a current report regarding the Restatement of the 2022 IFRS Financial Statements and the differences between the Financial Statements for the year 2023 prepared in accordance with IFRS-EU and OMFP 2844/2016.

On 25 March 2024, Electrica published the 2024 CAPEX Plan, at the Group level.

On 10 April 2024, Electrica published a current report regarding the final settlement of file no. 2229-2-2017 against Court of Accounts.

On 11 April 2024, Electrica announced the signing of an EPC agreement for the development of the photovoltaic project "Satu Mare 2".

On 25 April 2024, Electrica published an announcement regarding the effect of the EGMS Resolutions on the 2023 dividend payment date.

On 30 April 2024, Electrica published a current report regarding the final settlement of DEER case no. 375/1285/2021.

On 30 April 2024, Electrica published the preliminary key operational indicators for Q1 2024.

On 2 May 2024, Electrica published a current report regarding the estimated impact of the final settlement of DEER case no. 375/1285/2021.

On 15 May 2024, Electrica published the Consolidated condensed financial statements (unaudited) for Q1 2024, according to IFRS-EU, together with the BoD Report for Q1 2024

On 16 May 2024, Electrica published a current report regarding the resolution of the Bucharest Court of Appeal in file no. 1927/2/2019 (EFSA litigation).

On 16 May 2024, Electrica announced the signing of a Memorandum of Understanding with Esyasoft Holding Ltd.

On 4 June 2024, Electrica published an announcement regarding the 2023 dividends payment methods.

On 10 June 2024, Electrica published a current report regarding the settlement in file 107-1285-2024 – DEER – CCR.

On 28 June 2024, Electrica published a current report regarding the clarifications on 2023 dividend payment date.

On 11 July 2024, Electrica published a current report regarding the approval of the share capital reduction and the 2023 dividend payment date.

On 22 July 2024, Electrica announced that, on July 19, 2024, the ASF issued the Certificate of Registration of Financial Instruments (CIIF) related to the reduction of share capital by cancellation of own shares.

On 22 July 2024, Depozitarul Central has operated the reduction of Electrica's share capital by cancellation of own shares.

On July 31, 2024, Electrica announced that together with EsyaSoft Holding Ltd. of Dubai, UAE, part of the International Holding Company (IHC) group, Electrica will establish a joint-venture company (joint-venture) that will have as its object of activity the production and operation of advanced green energy technologies for the domestic and European markets.

On August 2, 2024 Electrica announced the attraction of new non-reimbursable financing of EUR 200 mn. through the Modernization Fund.

On August 9, 2024 Electrica published preliminary key operating indicators for Q2 2024.

On 17 September 2024, Electrica announced the attraction of EUR 3.4 mn. through PNRR for electricity storage.

The complete list of current reports can be found on the ELSA website at:

<https://www.electrica.ro/en/investors/results-and-reports/current-reports/>

Transactions with related parties

As the first nine months of 2024, Electrica published 25 current reports according to art. 108 of Law no. 24/2017 regarding the transactions concluded in this period between DEER – OPCOM, EFSA – OPCOM, DEER – EFSA, EFSA – Transelectrica, EFSA – SNN, EFSA – Hidroelectrica and DEER - Hidroelectrica, whose cumulated value in the case of each announcement exceeds the threshold of 5% of ELSA's net assets, calculated on the basis of Electrica's latest available individual financial statements.

Also, two more current reports were published, regarding the details of the MACEE contracts concluded by DEER and EFSA and the internal treasury agreements concluded by ELSA with EFSA, DEER and Electrica Serv.

On 31 January 2024, ELSA published the Auditor's report regarding the transactions reported in H2 2023 according to Art. 108 Law 24/2017 (R).

On 30 July 2024, ELSA published the Auditor's report regarding the transactions reported in H1 2024 according to Art. 108 Law 24/2017 (R).

All these current reports and auditor's reports can be found on ELSA's website, at this address:
www.electrica.ro/en/investors/results-and-reports/current-reports-art-108/.

Acquisition of shares in subsidiaries

On 15 July 2024, Electrica announced the completion of the acquisition of the company New Trend Energy S.R.L. which develops the photovoltaic project "Satu Mare 3".

On 12 September 12, 2024, Electrica announced the completion of the acquisition of the company Foton Power Energy SRL, which develops the "Bihor 1" photovoltaic project.

Litigations

Case no. 2790/1/2023 (former no. 360/2/2015)

On 14 February 2024, the High Court of Cassation and Justice definitively settled the case no. 2790/1/2023 (former number 360/2/2015), against ANRE, rejecting Electrica's recourse as unfounded (the case was also dismissed on merits). The object of the file is Electrica's request for the annulment of ANRE President's Order no. 156/2014 regarding the approval of the specific tariffs for the electricity distribution service and of the price for reactive electricity, for Societatea Comerciala "Filiala de Distributie si Furnizare a Energiei Electrice Electrica Distributie Transilvania Sud" S.A., now Distributie Energie Electrica Romania S.A. (DEER), Electrica's subsidiary. Following Electrica's request, the case was suspended until the final resolution of Electrica's file against ANRE no. 192/2/2015, having as its object the annulment of ANRE's President Order no. 146/2014 regarding the establishment of the regulated rate of return applied to the approval of tariffs for the electricity distribution service provided by concessionaire distribution operators starting from January 1, 2015 and the repeal of art. 122 of the Methodology for establishing tariffs for the electricity distribution service, approved by the Order of the President of the National Energy Regulatory Authority no. 72/2013.

▪ Case no. 107/1285/2024

In order to implement the measures ordered by CCR to remedy the deviations found in paragraphs 1-4 of the CCR Decision no. 12/27 December 2016, issued as a result of the control on the management of Electrica's patrimony for the period 01 January 2013 - 30 June 2014, Electrica submitted, on 23 February 2024, a request to be summoned to court, against its subsidiary Distributie Energie Electrica Romania SA (DEER), for:

- obliging DEER to pay the amount of 235,567,249 lei, the amount that will be updated with the inflation rate, based on unjust enrichment, as follows: - the amount of 232,451,693 lei (composed of 205,829,399 lei - payments made until 30.06.2014, 22,950,254 lei - unjustified increase in operating expenses/depreciation expenses and 3,672,040 lei - reduction of profit tax) ; - the amount of 2,711,682 lei (2,337,657 lei - payments made and 374,025 lei - profit tax); - the amount of 86,614 lei (74,667 lei - payments made and 11,947 lei - profit tax); - the amount of 317,260 lei (273,500 lei - payments made and 43,760 lei - profit tax);
- obliging the defendant DEER to pay the legal interest calculated starting with the date of enrichment of the defendant, until the date of payment of the amount that is the main object of the action.

We mention that during 19.09.2016 – 29.11.2016, Electrica's activity was subject to an audit by the Court of Accounts, with the topic "the management of the patrimony for the distribution and supply of electricity" during the period 01.01.2013 – 30.06.2014. The findings of the audit team were recorded in the Control Report drawn up on 29.11.2016 by the external public auditors of the Romanian Court of Accounts, Department IV, Directorate 2,

registered with Societatea Energetica Electrica SA under no. 9900/20307/29.11.2016. Through the above-mentioned Control Report, inter alia, the following deviations were found: 1. "Employment of funds in the estimated amount of 224,622,940 lei (without VAT), for the execution of the investment work "AMR System (Automatic Meter Reading) measurement and consumption dispatcher activities at SC Electrica SA level", for which, although the purchased goods, were highlighted in the accounting, there are not physically found in the patrimony, nor were they used for the activities carried out according to the object of activity; 2. Unjustified increase in operating expenses with an estimated amount of 273,500 lei (without VAT) representing studies developed for activities that are not within the scope of activity of SC DFEE "Electrica" SA, being related to activities belonging to other legal entities (their subsidiaries); 3. Unjustified increase in expenses for technical assistance services intended for carrying out the activity of other legal entities (distribution subsidiaries), in an estimated amount of 2,337,657.50 lei (without VAT); 4. Unjustified increase in operating expenses by the amount of 74,667.60 lei (without VAT), representing maintenance services for communication equipment provided to other legal entities (their subsidiaries).

Subsequent to the control report, the Decision no. 12/27.12.2016 and the Conclusion no. 12/27/02/2017 were issued. Against Decision no. 12/27.12.2016 and Conclusion no. 12/27.02.2017, Societatea Energetica Electrica SA filed an action for annulment, which forms the subject of file no. 2229/2/2017*. Electrica informed its investors about this file through the annual reports, starting with the one for 2017.

We mention that the first instance admitted Electrica's appeal regarding the above-mentioned violations and abolished them, solution held definitively by the High Court of Cassation and Justice.

Considering that the above-mentioned deviations were definitively abolished by the courts, so that the reason for filing the action that is the subject of file no. 107/1285/2024, in order not to generate additional expenses, Electrica no longer paid the judicial stamp duties, for which the court canceled the claims in this file.

▪ **Case no. 2229/2/2017***

On 9 April 2024, Electrica's case against the Romanian Court of Accounts no. 2229/2/2017* was definitively settled.

Following the decision of the High Court of Cassation and Justice, the only deviation (respectively correlative measure) from the decision of the Court of Accounts no. 12/27.12.2016, partially preserved by the courts, as being fundamental and legal, is the one from point 5, measure II.7 (regarding the making of payments, between July 2013 and June 2014, in the estimated amount of 36,385 lei, for expenses without a legal basis, respectively for expenses with the rent of a building classified as official residences, from which the general manager benefited, in the conditions that the housing was not granted in accordance with the law), but for the rent related to the period 17 July 2013 – 1 September 2013.

The rest of the points and correlative measures from Decision no. 12/27.12.2016, contested by Electrica, were definitively annulled by the courts, namely:

- point 1 (measure II.3) - The hiring of funds in the estimated amount of 224,622,940 lei (without VAT), for the execution of works related to the objective "AMR system necessary for the measurement activity and consumption dispatcher at level Electrica SA", for which the purchased goods, although they were highlighted in the accounting, are not physically found in the patrimony nor were they used for the activities carried out according to the object of activity, being necessary for the performance of the activity of other legal entities (the company's subsidiaries);
- point 2 (measure II.4) - The unjustified increase in the expenses of technical assistance services in the estimated amount of 2,337,657.50 lei (without VAT), intended for carrying out the activities of other legal entities (distribution subsidiaries);

- point 3 (measure II.5) - Unjustified increase in operating expenses with the amount of 74,667.60 lei (without VAT), representing maintenance services for the equipment located in the communications infrastructure of the subsidiaries, separate legal entities;
- point 4 (measure II.6) – Unjustified increase in operating expenses with services in the estimated amount of 273,500 lei (without VAT), for which proof of their provision for the exclusive needs of the company was not provided, respectively with the value of 4 technical studies purchased for activities that are not found in the object of activity of the verified entity, being related to activities belonging to other legal entities (Electricity Distribution Subsidiaries), without being re-invoiced to them and their consideration recovered, being technically approved for the activity of electricity distribution carried out by the Electric Energy Distribution Subsidiaries (South Transilvania, North Muntenia and North Transilvania), organized as separate legal entities, a field in which the entity is not licensed by ANRE to carry out activities, nor does it own such electrical distribution networks;
- partially point 5 (measure II.7), for the rent exceeding the period 17Jul2013-01Sep2013 - Making payments, during July 2013 - June 2014, in the estimated amount of 36,385 lei, for expenses without a legal basis, respectively for expenses with the rent of a building classified as official residences, from which the general director benefited, in the conditions that the housing was not granted in accordance with the law;
- point 6 (measure II.8) - Unjustified increase in expenses amounting to 2,400 lei, representing land valuation services, engaged in the same year, several times, with the same valuer, for the same patrimonial elements;
- point 7 (measure II.9) - Non-compliance with the legal provisions regarding good management in the use of funds, respectively the employment of services at overvalued prices by awarding a service contract to an economic operator who presented a price offer higher than other competitors.

File no. 2229/2/2017* has as its object, mainly, the partial annulment of decision no. 12/27.12.2016, issued by the director of Directorate 2 within Department IV of the Court of Accounts, respectively regarding the irregularities found in points 1 to 8, with the consequence of removing the measures ordered in points 1, 3 to 9 inclusive, in the Electrica's charge, by the contested decision, the partial cancellation of the Conclusion no. 12/27.02.2017 of the Court of Accounts by which the appeal promoted by Electrica against the Decision 12/27.12.2016 was rejected, respectively regarding the irregularities and the measures ordered above indicated, and additionally the extension of the deadlines for the fulfillment of all the measures ordered in the Electrica task by Decision no. 12/27.12.2016 with at least 12 months.

▪ **DEER Case no. 375/1285/2021**

On 23 April 2024, the High Court of Cassation and Justice definitively settled the case initiated by Grup 4 Instalatii S.A. and continued by G4 Electrice S.A., as a result of the division of Grup 4 Instalatii S.A., against DEER, having no. 375/1285/2021. On merits, the Court partially admitted the specified action and obliged the defendant to leave the plaintiff full ownership and peaceful use of the land with an area of 10720 square meters, registered in CF 297841, having no. cadastral 297841, located in Cluj-Napoca, 28A Ilie Macelararu Street, 2 Uzinei Electrice Street, Cluj County, as identified in the expert report, with the defendant continuing to use the land on which the C5 and C6 buildings are located, in its ownership. The court obliged the defendant to leave to the plaintiff the full ownership and peaceful use of the buildings having no. cadastral 297841 – C1, with a built-up area of 448 sqm, 297841 – C2, with a builtup area of 512 sqm, 297841 – C3, with a built-up area of 171 sqm, 297841 – C4, with a built-up area of 338 sqm, located in Cluj-Napoca, 28A Ilie Macelararu Street, 2 Uzinei Electrice Street, Cluj County, as they were identified in the expert report drawn up in the case. At the same time, the court ordered the registration of the ownership right in favor of the plaintiff over the land with an area of 10720 square meters, registered in CF 297841, having no. cadastral 297841, located in Cluj-Napoca, 28A Ilie Macelararu Street, 2 Uzinei Electrice Street, Cluj County, and on the constructions with no. cadastral 297841 C1 – C4, located in Cluj – Napoca, 28A Ilie Macelararu Street, 2

Uzinei Electric Street, Cluj County, as identified in the expert report drawn up and rejects, as unfounded, the demands requesting the rectification of entries in the land register in the sense of canceling the registration decisions and erasing the defendant's property right.

On appeal, the Cluj Court of Appeal admitted the exception of illegality of the Certificate of Attestation of the Property Right series M03 no. 8696 of 28.08.2003 issued by the Ministry of Economy and Trade, invoked by the plaintiff respondents Grup 4 Instalatii SA and G4 Electric SA and rejecting the appeal made by DEER.

In recourse, the Court found null the recourse declared by the Ministry of Economy, Entrepreneurship and Tourism against civil decision no. 243A/2023 of September 28, 2023, pronounced by the Cluj Court of Appeal and definitively reject the DEER appeal.

The object of the litigation was the obligation of DEER to recognize and respect the property rights of G4 Instalatii S.A. regarding the buildings located in Cluj Napoca, 28A Ilie Macelaru Street, 2 Uzinei Electric Street, registered in CF 297841 Cluj Napoca with cadastral no. 297841, consisting of land with an area of 10720 sqm and constructions: construction registered in CF with cadastral no. 297841-C1, building administrative headquarters with an area of 1560 sqm; body A, building cadastral no. 297841-C2 - 512 sqm, body B, building cadastral no. 297841 -C3 - 171 sqm, building C, building cadastral no. 297841 - C4 - 338 sqm, building D, building cadastral no. 297841-C6 - 348 sqm - 110/10 Kw Transformer Station. At the same time, the handover of the above buildings and the rectification of the CF registrations were requested in the sense of canceling the closings of the tabulation by which the property right of DEER was registered, the deletion of the property right from the CF, the registration of the property right in favor of G4 Instalatii.

The estimated impact of the derecognition of the disputed assets is approximately RON 35 mn. in the individual statutory financial statements of the subsidiary DEER according to OMFP 1802/2014. Both in the set of consolidated financial statements of Electrica Group prepared in accordance with IFRS - EU and in the set of consolidated financial statements in accordance with OMFP 2844/2016 the impact of the removal from the BAR (Active Regulatory Base) of the assets in dispute is estimated at approximately RON 2.7 mn. representing the amount remaining to be recovered through remuneration in tariffs (depreciation of fixed assets and related RRR).

Also, a portion of the assets in dispute were included in the initial DEER BAR, and the value remaining in the BAR at 31 December 2023 is approximately RON 2.15 mn.. The impact of the removal of the disputed assets from the BAR represents a negative difference in income, estimated at an amount of approximately 2.7 mn., which is calculated as the sum of the remaining undepreciated value and the return on the assets removed from the BAR that DEER will no longer recover through tariffs. The details of the exact amounts and the final impact will be known after the court's judgment has been communicated to DEER and all necessary legal steps have been taken and will be reflected in DEER's 2024 annual statutory financial statements and will be considered for inclusion in the consolidated financial statements at group level prepared in accordance with IFRS-EU as at December 31, 2024.

▪ **EFSA Case no. 1927/2/2019**

On 08.05.2024, the Bucharest Court of Appeal resolved in the first instance file no. 1927/2/2019, by rejecting the action as unfounded.

The complete resolution of the court: "It rejects the exception of lack of interest invoked by E.ON Energie Romania SA, the exception of inadmissibility, the exception of lack of interest, the exception of remaining without object, the exception of the res judicata authority invoked by Electrica Furnizare SA, as unfounded. Reject the action as unfounded. The decision can be appealed within 15 days from the communication."

The court file no. 1927/2/2019 is the request submitted by SPEEH Hidroelectrica S.A. against ANRE, EFSA having the quality of intervener (at ANRE's request, together with the other last resort suppliers in Romania), through

which SPEEH Hidroelectrica S.A. requested: i. the partial annulment of the ANRE President's Decision no. 324/25.02.2019 regarding the establishment of regulated prices for delivered electricity and quantities of electricity sold based on regulated contracts between 1 March 2019 and 31 December 2019 by SPEEH Hidroelectrica S.A.; ii. issuing a Decision approving the regulated price for the electricity sold by SPEEH Hidroelectrica, between 1 March 2019 and 31 December 2019, based on regulated contracts concluded with suppliers of last resort in compliance with legal provisions; iii. the payment to Hidroelectrica of the amounts representing the damage suffered as a result of the effects of the ANRE President's Decision no. 324/25.02.2019, the amount to which is added the legal interest related to the loss suffered, damage related to the period 1 March 2019 to 31 December 2019.

▪ **Case no. 22635/3/2024**

Considering AGOA Decision no. 2/25.04.2024, by which it was decided to file a civil action, in court, in order to recover the damage caused to ELSA by Mr. Cristodorescu George, as a result of the non-fulfillment/improper fulfillment of the assumed contractual obligations, on 01.07.2024, ELSA filed a summons request in opposition to Mr. Cristodorescu George, having as object:

-Obliging the defendant to pay the damage caused to the subscription in the amount of RON 570,928.16 representing:

a) the value of the net allowance collected from the illegally subscribed during the period 08.07.2021-15.05.2023, in the total amount of RON 384,062;

b) the counter value of the settled amounts to be subscribed in the period 07.08.2021-05.15.2023, in the total amount of RON 125,061.13;

-Obliging the defendant to pay the legal interest calculated from the receipt of each individual remuneration until the date of actual payment. We specify that the amount of interest calculated until 28.05.2024 is in the total amount of RON 50,660.58 related to the amount from point 1 a), and the amount of RON 15,342.98 related to the amount from point 1 b).

The action was registered on the roll of the Bucharest Court under no. 22635/3/2024 and is in the regularization procedure.

The present litigation was actually generated as Mr. Cristodorescu George: (i) exercised the function of administrator without having this right, as a result of the forfeiture of the right to exercise the function of administrator, (ii) violated his obligation to inform ELSA of the fact that, as a result of the pronouncement. Decision no. 1280 of 07.08.2021 of the Bucharest Court of Appeal, the right to exercise the function of administrator occurred, respectively (iii) he violated the provisions of the Mandate Agreement regarding the obligation of the trustee to answer for the damages caused to the company.

▪ **Case no. 17268/197/2024**

On 20.06.2024, following the final decision in case no. 2229/2/2017*, Electrica filed a claim against Mr. Rosca Ioan, with the following objectives:

a) the partial absolute nullity of the mandate contract no. 32/03.10.2013, specifically point 1.2.3 of Annex 4 to this contract ("Benefits, expenses, and leave"), for an illicit cause;

b) the obligation of the defendant: (1) to pay the amount of lei 4,571.15 , representing the rent for the period 17.07.2013 - 01.09.2013, paid by Electrica for a property, which the defendant benefited from due to his position as general manager of the Company from 08.07.2013 to 10.03.2016, and which was retained as a damage to the company by the CCR control report dated 25.11.2016, and upheld by the final decision of the Bucharest Court of Appeal no. 1107/06.07.2023, pronounced in case no. 2229/2/2017*, plus the adjustment

with the inflation rate until the actual payment date; (2) to pay the amount of lei 1,519.70, representing the legal interest, as well as the continuing legal interest until the actual payment date.

The case was registered with the Brasov Court, with a hearing date set for 09.12.2024.

2.2. Applicable significant regulatory framework

Distribution segment

For or the distribution segment, the significant changes in the Romanian legislation were detailed in *Appendix 9.2.1* of this report. Based on these changes, the expected effects refer to:

- GEO no. 119/2022 for the amendment and completion of GEO no. 27/2022 *regarding the measures applicable to final customers in the electricity and natural gas market in the period 1 April 2022—31 March 2023, as well as for the modification and completion of some normative acts in the field of energy* - in force starting from 1 September 2022: (i) the additional costs with the purchase of electricity, made between 1 January 2022 and 31 August 2023, in order to cover the NL, compared to the costs included in the regulated tariffs, are capitalized quarterly, RRR = 50% of the RRR applicable to each periods; GEO no. 119/2022 was approved and amended by Law no. 357/2022, application period 1 January 2023 – 31 March 2025.
- GEO no. 153/2022 for the amendment and completion of GEO no. 27/2022 *regarding the measures applicable to final customers in the electricity and natural gas market in the period 1 April 2022-31 March 2023, as well as for the amendment and completion of some normative acts in the field of energy and the amendment of the GEO no. 119/2022 for amending and supplementing the GEO no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period 1 April 2022-31 March 2023, as well as for the modification and completion of some normative acts in the field of energy*. (i) **in the period 1 January 2023-31 March 2025** the mechanism for the centralized purchase of electricity is established (CEAM); (ii) OPCOM is designated as the sole purchaser, it buys the electricity from the planned producers and sells the purchased electricity to the electricity suppliers who have contracts concluded with final customers, the electricity transport and system operator and the electricity distribution operators, for covering the own technological consumption of the networks operated by them. DO can buy from OPCOM through an annual/monthly mechanism 75% of the amount of NL forecasted and validated by ANRE at the price of 450 RON/MWh, and producers can sell to OPCOM through an annual/monthly mechanism 80% of the amount produced forecasted and validated by ANRE and Transelectrica at the price of 450 RON/MWh. GEO no. 153/2022 was approved and amended by Law 206/2023.
- Emergency Ordinance no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024, CEAM was changed, so that producers voluntarily sell to OPCOM at the price of 400 lei/MWh and OD buys electricity from OPCOM at the price of 400 lei/MWh.
- ANRE order no. 129/2022 for the approval of the *Methodological Norms for the recognition in tariffs of the additional costs with the purchase of electricity to cover the own technological consumption compared to the costs included in the regulated tariffs, application period 1 January 2022 – 31 August 2023* - (i) the quarterly capitalization of the additional costs with NL compared to the costs included in the regulated tariffs; (ii) the capital costs related to the year 2022 are recognized in a distinct component related to the additional cost with NL applicable starting on 01 April 2023, outside the 7% limitations imposed for tariff increases; (iii) the recognized NL price for 2022 will be equal to the reference price calculated as an average among network operators, increased by 5%; (iv) the additional cost with NL capitalized in 2023 will be

included in the separate NL component applicable in 2024. By ANRE Order no. 104/2023, the application period was changed until March 31, 2025, according to the changes approved by Law no. 357/2022.

- ANRE order no. 79/2023 regarding the modification and completion of the *Methodology for establishing tariffs for the electricity distribution service*, approved by ANRE Order no. 169/2018 with the following changes: (i) The year 2024 represents the transition period from the fourth period (RP4) to the fifth regulatory period (RP5); (ii) The target income of the DO for the year 2024 is established according to the Methodological Norms that complete the Methodology (Annex 1[^]1); (iii) In 2024, ANRE approved for DEER regional distribution tariffs established on the basis of a single regulated income and a single NL target; (iv) The forecast for NL price for the year 2024 is calculated as a weighted average considering 75% the price approved by MACEE and 25% the DAM price for May 2023; (v) The value of the RAB achieved on 31 December 2023 will be calculated in 2024, and the DO will transmit to ANRE, until 31 May 2024, the net accounting value of the fixed assets included in the RAB on 31 December 2023; (vi) The regulated rate of return for the year 2024 is maintained at the value of 6.39%; (vii) The inflation corrections related to RP4 will be calculated in 2024 and added to the target income of 2025, which represents the first year of RP5; (viii) The deadline for submitting to ANRE the documentation substantiating the tariffs and the investment program for the year 2024 was 15 August 2023.
- Methodology for establishing distribution tariffs was approved by ANRE Order no. 67/17.09.2024 and entered into force on September 20, 2024. Main changes:

Controllable Operating and Maintenance Cost (Opex) controllable (OpexC) and noncontrollable (OpexNC)

- OpexC and the efficiency factor will be established based on the OPEX study, carried out by ANRE.
- PEX is not subject to efficiency and will be adjusted annually with the inflation rate (RI) and by 5%, correlated with the real wage growth index published by the NSFC
- Research and development costs will not be subject to efficiency and can be requested by DSOs in the amount of a maximum of RON 5 million per RP5 total.
- Expenses related to contracts with affiliated parties whose object is DSOs representation, consulting services or assistance in the field of regulation, and expenses corresponding to the profit attributed to possible subcontracted parties are not recognized.
- The inflation correction between realized and forecasted IR will be applied to PEX only if the inflation difference is positive.

Investment expenditure and RAB

- RAB RP5 will be inflated with the forecasted IR used to calculate the RRR.
- Investments in the form of updates of IT applications or databases will not be recognized in RAB, they will be recognized as OpexNC.
- Endowment-type assets will be recognized in RAB if DSO demonstrates their efficiency.

III. RRR incentives

- RRR incentives will no longer be granted: 1% new investments in network and 1% for PCI.
- An incentive of 0.5% will be granted for investments in networks made within the projects co-financed from non-reimbursable EU funds.
- A 1% incentive is granted for the value that exceeds the minimum mandatory value for investments made in network.
- The RRR will increase or decrease by 0.5%, depending on the level of performance achieved regarding the development of a smart grid;
- RRR is reduced by 2% for investments in pif endowments in RP5 (administrative buildings and tangible and intangible fixed assets). As an exception, the RRR is not reduced in the case of equipment actually

used for works in the RED and which lead to the maintenance and/or improvement of the RED parameters.

Electricity acquisition costs to cover network losses (NL)

- NL targets will decrease linearly by the end of RP5 by at least 15% in LV and at least 6% in MV;
- The NL recognized price shall not exceed the weighted average of the prices realized by the DSO, plus 5%.
- In periods of crisis on the energy market, declared by normative acts, the NL price realized by the DSO will be recognized

Income and tariffs

- Regulated income consists of 2 components: non-NL income and NL income;
 - Non-NL revenue is linearized, based on which distribution tariffs are set capped at 10%;
 - NL revenue forms the basis for setting NL tariffs, which are not capped and recovered from consumers (DTNL) and producers;
 - The activity of renting poles is regulated and included in the income of the distribution service.
- Regulated rate of return on invested capital for RP5 (RRR) - ANRE approved Order no. 55/6.08.2024 establishing RRR PR5, in the amount of 6.94%.

Draft Order regarding the approval of the Methodology for establishing performance indicators in relation to the development of smart grid that promotes energy efficiency and the integration of electricity produced from renewable sources. Within the methodology the following is proposed:

- ✓ Establishing a set of indicators to monitor:
 - A. the quality of the electricity distribution/transportation service;
 - B. integration of electricity production from renewable sources (RES), storage facilities and flexibility services;
 - C. the level of digitization of grid.
 - ✓ The evaluation of the performance of each network operator (NO) is done through a composite performance indicator, determined as a weighted average of the monitored indicators.
 - ✓ The monitoring of the indicators and the determination of the composite performance indicator is done annually, starting in 2027.
 - ✓ In 2024-2025, the composite indicator is determined as a weighted average based on quality indicators, production integration indicators, storage facilities and flexibility services, and the weighting coefficients are equal.
 - ✓ For the indicators that reflect the degree of digitization of the networks, it is proposed to establish some targets that must be reached by the OR.
 - ✓ Thresholds against which the RRR is increased or decreased by 0.5% depending on the value achieved in a year of the composite performance indicator:
 - A. if it is higher than 90%, the RRR is increased by 0.5%;
 - B. if it is lower than 70%, the RRR is decreased by 0.5%
- The modification of the *Investment Procedure* by ANRE Order no. 6/2023 considers the recognition of DO investments in energy storage and production for control and NL: (i) inclusion in the category of justifiable investments of energy production installations from renewable sources for NL supply and control consumption from the station; (ii) the inclusion in the category of necessary investments of electricity storage facilities; (iii) the possibility for DO to own storage facilities, by way of exception from the provisions of the Energy Law (art. 46¹ para. (1)), only with prior approval by ANRE; (iv) establishing the method of

calculating the economic efficiency of investments in production/storage, to be recognized by ANRE.

- ANRE Order no. 3/2024 for the approval of the *Procedure regarding the approval of the investments of the transport and system operator and of the concessionaire distribution operators, which consist of electricity production facilities from renewable energy sources located in their own electrical transformation stations*, for approval they must be fulfilled the following conditions: (i) the electrical energy produced is consumed exclusively to supply the own consumption of the electrical station where the installation is located; (ii) TSO/DSO includes technical measures for managing the energy produced, so that it cannot be discharged into the public network. The ex-ante presentation of the cost-benefit analysis is required, as well as the analysis, every year after commissioning, of the level of benefits achieved in relation to the costs included in the network tariffs. In the situation where the realized benefits are lower than the realized capital and operational costs, the profitability related to the investment, recognized for the respective year, is reduced accordingly, so that the capital and operational costs related to the investment do not exceed the realized benefits. The approved investments are included in the investment plan of the TSO/DSO in the endowment category, derogation for the investments made in 2023 and approved according to this procedure are considered additional investments to the investment plan for the year 2023, in the endowment category and are reported until the 31 May 2024 in a table dedicated to this type of investment. TSO/DSO must first obtain the exemption provided for in ANRE Order no. 99/2023.
- The regulation approved by ANRE Order no. 99/2023 allows granting to the TSOs and DSO the right to own, develop, manage or operate electrical energy storage facilities (ISE) that represent fully integrated network components (CRCI). CRCI cannot be used by the TSO/DSO to buy or sell electricity on the electricity markets: for the purpose of system balancing or congestion management or to cover the own technological consumption of the electricity network.
- The Draft Order regarding the modification and completion of the Framework Conditions for the realization of the implementation calendar of the intelligent electricity metering systems at the national level approved by ANRE Order no. 177/2018 - with subsequent changes and additions is in public debate:
 - modifying and supplementing the existing provisions to ensure compliance with the conditions - framework with the provisions of art. 66 paragraphs (5) and (7) of Law 123/2012;
 - introduces provisions to create conditions so that the SMI realized are able to reach the performance criteria provided in terms of the reliability and accuracy of the transmission and valorization of the measurement and instrumentation data collected and transited through the system elements;
 - increasing the accuracy and relevance of the monitoring of the SMI implementation process by updating the corresponding annexes; detailed explanations of the monitored indicators and parameters were carried out; provisions were introduced for the preparation of annual monitoring reports in a unitary and sufficiently detailed manner to ensure visibility on the development of the SMI implementation process;
 - substantiating the proposals to change the SMI implementation calendar in a unitary way by introducing annex no. 6 to the conditions - framework that includes reference framework structures for the preparation of supporting memoranda and cost-benefit analyzes that substantiate the requests to change the SMI implementation calendar;
 - replacing the phrase "users integrated in SMI" with "places of consumption/production and consumption integrated in SMI" and reformulating references to integration in SMI so that it refers to places of consumption/production and consumption; the reference to users is made only in relation to information, rights and obligations;
 - the inclusion of provisions to ensure the access of users whose places of consumption/production and consumption are integrated in SMI, to unvalidated consumption data, in near real time, in accordance

with the provisions of the Law.

Supply segment

The regulatory framework has undergone significant changes over the last decade: in terms of liberalization of electricity and natural gas market, supply and distribution activities unbundling, implementation of renewable energy support scheme, support for electricity consumers and price caps for end consumers.

Starting 1 November 2021, against the background of the increase in energy and natural gas price on the international and national markets, the energy crisis, in Romania, a series of support schemes have been applied for electricity and gas consumers, for the period 1 November 2021 and 31 March 2025.

Therefore, full year 2023 and the first three quarters of 2024 were impacted by the following aspects:

1. Price cap for household and non-household consumers according to GEO no.27/2022, with the subsequent changes and amendments;
2. Limiting the average purchase price considered for determining the amounts to be settled from state budget, initially to 1,300 RON/MWh, and then to 900 RON/MWh (amendment according to Law 206/2023, which enforced GEO no.153/2022), and starting 1 April 2024 to 700 RON/MWh (according to GEO no.32/2024);
3. The mechanism for the centralized purchase of electricity (MACEE) settles that OPCOM, as the sole purchaser, buys electricity from producers (electricity producers with an installed capacity equal to or greater than 10 MW) and sells the purchased electricity to: electricity suppliers who have contracts settled with end customers, the electricity transmission system operator and the electricity distribution system operators to cover their own technological consumption. For contracts settled by 31 March 2024, the price paid by OPCOM to energy producers for sold electricity quantities is 450 RON/MWh, and the OPCOM selling price to economic operators is also 450 RON/MWh (OPCOM has the right to charge market participants tariffs /commissions at the level of costs recorded through the organization of the centralized electricity purchase mechanism). In order to carry out the transactions, OPCOM will organize an annual procurement procedure every month, as well as an additional monthly procurement procedure, for the quantities of electricity to be delivered in the following month; the annual and monthly quantities of electricity are binding on electricity producers and economic operators for all settlement intervals each month (contracts are concluded by signature, within a maximum of 3 working days);

Starting 1 April 2024 MACEE price was revised, dropping from 450 RON/MWh to 400 RON/MWh. At the same time, producers can optionally sell electricity through MACEE.

4. Mandatory underground gas storage was determined by Romanian Energy Regulatory Authority (ANRE) based on two criteria: obligation of all gas suppliers to store a minimum stock of natural gas in order to reach the total level of 90% of the storage facilities capacity in Romania and the market share that each supplier has had for the gas year 2022-2023 (Electrica Furnizare market share was 0.82%). The storage obligation for 2024-2025 was established by ANRE Decision no. 360/28.02.2024 to a total volume of 219 GWh, obligation that must be fulfilled until 31 October 2024;
5. The obligation of natural gas producers to sell at a price of 150 RON/MWh the volumes needed to supply household/ heat energy producers was revised starting 1 April 2024, natural gas selling price dropping from 150 RON/MWh to 120 RON/MWh respectively.

According to GEO no.32/2024 provisions, starting 1 April 2024:

- the rule regarding the payment of 40% of the capping amount within 10 days from the date of application submission is changed – according to the new rule of working, for the capping amount

payment there will be 10 days from the date ANRE confirms to ME/ANPIS the correctness data "*within the limits of the amounts available in the Energy Transition Fund and other legally established amounts*";

- suppliers will receive guarantees of origin for the quantity contracted through MACEE;
- the percentage for the accepted profit in order to overtax trading activity increases to 10%;
- between 1 April 2025 and 31 March 2026, suppliers can make offers to end customers only if the purchase covers at least 50% of consumption requirements;
- the natural gas supply component has increased from 12 RON/MWh to 15 RON/MWh for non-Last Resort customers, and for natural gas Last Resort customers, the increase is from 13.5 RON/MWh to 15 RON/MWh.

In addition, on 29 July 2024, ANRE has amended the Guide for completing the data to be uploaded on the ANRE portal in order to settle from the state budget the amounts related to the price cap on end-customers, with applicability from January 1, 2024 for electricity. The main changes consist in the recognition of the quantity for which the settlement is made, i.e. the billed consumption for the month of analysis, and the way of allocating the imbalances based on the weight of the consumption realized by each category of customers (eligible and last resort, including the wholesale market). This purchase cost allocation algorithm significantly impacts the full recovery of costs incurred by suppliers.

The categories of customers benefiting from electricity cap in 2023 and in the first three quarters of 2024:

- household customers (consumption <100 KWh/month - maximum price 0.68 RON/KWh, consumption range 100-300 KWh/month – by delimiting the volume exceeding 255 KWh/month - respectively the price level capped at 0.80 RON/KWh and with a maximum price of 1.3 RON/KWh);
- non-household customers - divided separately by activity field into three categories: customers benefiting from capping for 85% of consumption with a price capped at 1.0 RON/KWh, customers benefiting from capping for 100% of consumption, price capped at 1.0 RON/KWh and the rest of the customers at a maximum price of 1.3 RON/KWh.

The categories of customers benefiting from natural gas cap in 2023 and in the first three quarters of 2024:

- household customers – the maximum price is capped at 0.31 RON/KWh;
- non-household customers - the maximum price is capped at 0.37 RON/KWh for an annual consumption of up to 50 GWh.

The compensated amounts are settled by the National Agency for Payments and Social Inspection ("ANPIS") for household consumers and by the Ministry of Energy for non-household consumers.

Transactions on the competitive gross market are transparent, public, centralized and non-discriminatory. Participants on the gross market can trade electricity based on bilateral contracts concluded on distinct markets.

According to the provisions of GEO 27/2022, as subsequently amended and supplemented, the application of the capping support scheme ends on March 31, 2025.

At the present date, according to the information available, a new protection mechanism for vulnerable consumers is being worked on after the end of the period of application of GEO 27/2022, as amended and supplemented.

Green certificates

Electricity suppliers have the legal obligation to purchase green certificates from renewable energy producers equivalent with the product between the value of the mandatory annual quota for the purchase of green certificates

for the respective year and the amount of energy supplied to end consumers. The cost of green certificates is billed to end consumers separately from electricity tariffs.

Electricity prices

The increase in the percentage of profit accepted for the trading activity overtaxing, as well as the fact that MACEE became a voluntary market, led to the increase in the number of sales offers initiated by the big producers (Hidroelectrica, Nuclearelectrica and CE Oltenia).

The increase in prices in DAM and the reduction of volumes offered for sale in MACEE (up to their total absence) influenced the increase in trading prices in the forward markets, above the limit of 450 RON/MWh.

Due to the changes in the world energy market in recent years (including in the EU), each EU member state has had to modify its energy sector legislative framework in order to protect the interests of civil society, on the one hand, and on the other part, to ensure a proper balance and functionality in the local energy market by supporting energy suppliers.

For the supply segment, in the three quarters of 2024, the effect of retail electricity prices was covered by subsidies, which must be collected from the state authorities, as a result of application of the electricity and natural gas price capping mechanism to end customers and as a result of application of GEO no.27/2022, with subsequent amendments and additions. The way in which these schemes are implemented and the mechanism for settling the amounts granted as ex-post customer support from the state budget to the electricity suppliers are likely to generate cash-flow constraints and uncertainties as to the full collection of the amounts by the suppliers.

In this context, Electrica Furnizare has adapted to these changes, in order to manage their impact on company's activities in a responsible and sustainable manner in connection with a regulatory framework that has seen numerous successive and major updates.

Subsidies receivables

As of 30 September 2024, the total amount estimated for subsidies was RON 1,392.3 mn. (on 31 December 2023: RON 2,614.4 mn.). Out of the total amount to be collected, RON 468.3 mn. represents uncollected claims submitted to the state authorities (RON 212.6 mn. representing the amount estimated to be received from the Ministry of Energy, respectively RON 255.7 mn. from National Agency for Payments and Social Inspection "ANPIS") and RON 924 mn. requests that have not yet been submitted to the state authorities until 30 September 2024.

2.3. Subsequent events

Below are presented the relevant events that took place at the Group level in the period between 30 September 2024 and the date of the present report.

Main decision of ELSA's Board of Directors (BoD)

On 21 October 2024, Electrica's BoD convened EGMS on 11 December 2024.

On 21 October 2024, Electrica's BoD elected Mr. Ion Cosmin Petrescu as Chair of the BoD for one more month, starting on 21 October 2024 until 20 November 2024. Also, Electrica's BoD decided the following composition of the Strategy and Corporate Governance Committee:

- Mr. Marian - Cristian Mocanu – Chair;
- Ms. Valentina Siclován - Member;
- Mr. Dragos Valentin Neacsu – Member.

Also on 21 October 2024, Electrica's BoD appointed Mr. Mihai Diaconu as interim member of the Board of Directors, starting on 21 October 2024 and until 30 April 2025 or until the date of the next Ordinary General Meeting of Shareholders (EGMS), on the vacant position. Mr. Mihai Diaconu accepted the director mandate on 23 October 2024.

On 21 October 2024, Electrica's BoD approved the value of the Investment Plan (Commissioning) of the subsidiary Distribuție Energie Electrica Romania S.A. (DEER) for the period 2025-2029 (RP5 - the fifth regulatory period), in a total amount of 3,702 mn. RON.

On 29 October 2024, Electrica's BoD elected Mr. Mihai Diaconu as Chair of the BoD, starting on 29 October 2024 until 31 January 2025 and decided the following composition of the Strategy and Corporate Governance Committee:

- Mr. Marian - Cristian Mocanu – Chair;
- Mr. Mihai Diaconu - Member;
- Mr. Dragos Valentin Neacsu – Member.

Also, during the meeting of 29 October 2024, Electrica's BoD decided that the current composition of the BoD Committees will be valid until 31 January 2025.

General Meetings of Shareholders (GMS)

On 8 November 2024, the Extraordinary General Meeting of Shareholders (EGMS) is convened, with the following main items on the agenda:

- approval of a ceiling of up to EUR 500 mn. for issuing green bonds or sustainable bonds;
- contracting a syndicated loan of RON 3.1 bn. from a consortium of commercial banks;
- the approval of two investment projects, including the conclusion of two EPC (Engineering, Procurement and Construction) contracts, for the construction of the "Satu Mare 3" park - developed by New Trend Energy SRL (NTE) -, worth EUR 38 mn., and "Bihor 1" park - developed by Foton Power Energy SRL (FPE) -, worth EUR 49.5 mn..

On 11 December 2024, the Extraordinary General Meeting of Shareholders (EGMS) is convened, with the following main items on the agenda:

- approval of the guarantee granted by ELSA for a loan of up to EUR 200 mn., which DEER will contract from the European Investment Bank (EIB);
- the ratification of an Addendum to the agreement regarding the Credit Facility, concluded on 3 November 2021, in the amount of RON 450 mn., with Erste Bank AG and Raiffeisen Bank SA, in order to extend the termination date by 4 years and the period by 1 year of availability.

Other relevant events

On 30 October 2024, Electrica published the Preliminary Key Operational Indicators for Q3 2024.

Transactions with related parties

Subsequent to 30 September 2024, ELSA published 5 current reports, pursuant to Article 108 of Law no. 24/2017, relating to the transactions entered into between EFSA – OPCOM, DEER – EFSA, EFSA – TEL, EFSA – SNN and DEER – OPCOM, whose cumulative value in the case of each report exceeds the threshold of 5% of ELSA's net assets, calculated on the basis of the latest available individual financial statements of Electrica.

Acquisition of shares in associated entities

On 15 October 2024, Crucea Power Park became subsidiary of Electrica as a result of Electrica owning 60% of the share capital.

Litigations

Case no. 22635/3/2024

On 25 October 2024, the High Court of Cassation and Justice definitively settled the ELSA case against ANAF, with the following objectives:

1. Obliging ANAF to correct the record of tax claims, maintained under Article 153 CPF, so that it reflects the decisions made by the courts in disputes between the parties, through judgments that have become res judicata, specifically through: a) Decision No. 1078/17.04.2015 pronounced by CAB in case 5433/2/2013; b) Decision No. 5154/26.06.2017 pronounced by the Sector 1 Bucharest Court in case 51817/299/2016*; c) Decision No. 624/06.03.2015 pronounced by the Bucharest Court of Appeal in case 7614/2/2013; obliging ANAF to prepare those acts or administrative correction operations that: reflect Electrica's right to the refund of 5,860,080 RON representing tax obligations unlawfully re-entered in the tax record, the amount paid by Electrica on 9 Dec. 2020 with OP No. 1, for the purpose of accessing the tax facilities provided by OUG 69/2020;

reflect Electrica's right to the refund of 817,521 RON that was not subject to refund through the payment made to ANAF on 22 September 2020, resulting from the annulment of the tax decision in the case at point 1, letter a);

2. Obliging ANAF to pay legal interest for the period 12.12.2016 – 21.09.2020, calculated at 0.02% per day of delay on the amount of 18,687,515 RON that was refunded on 22.09.2020, totaling RON 5,161,491.64;

3. Setting a 15-day deadline from the pronouncement of the judgment for ANAF – DGAMC to adjust the tax record as indicated above, with the imposition of penalties of 1,000 RON/day of delay for exceeding this deadline, owed to Electrica by DGAMC.

On the merits of the case, by Decision No. 1012/07.06.2023, the court partially admitted Electrica's request and obliged the defendant to correct the record of tax claims regarding the plaintiff to reflect the plaintiff's right to the refund of RON 5,860,080 and RON 817,521. Additionally, the court obliged the defendant to pay the plaintiff RON 5,161,491.64 as interest. The defendant was also obliged to pay the plaintiff RON 49,083.37 as legal costs.

Against this decision, ANAF filed an appeal, and Electrica filed an incidental appeal, both of which were dismissed on 25.10.2024, making Decision No. 1012/07.06.2023 final.

Subsidies receivables

In the period October 1 - November 04, 2024 subsidies in the amount of RON 28.4 mn. were received from the Ministry of Energy.

2.4. Summary of financial indicators

A summary of the main financial indicators is presented below:

- In the nine month period ended 30 September 2024, EBITDA decreased by RON 124.5 mn. as compared with the same period of 2023, recording a positive value of RON 1,062.0 mn. vs positive value of RON 1,186.5 mn. in previous year;

- The capital expenses in Q3 2024 amounted to RON 753.7 mn., increasing by approx. 0.5%, compared to RON 750.0 mn. in Q3 2023, in line with the annual evolution of the approved investment plans and the investment plan allocation throughout the year;
- The operating result in Q3 2024 is a profit of RON 623.7 mn., recording a decrease of RON 174,6 mn. as compared with the same period of the previous year, when the Group recorded a profit of RON 798.4 mn..
- The cost of electricity purchased significantly decreased by RON 2,477.3 mn., or 36.1%, to RON 4,376.7 mn. in the nine month period ended 30 September 2024, compared to RON 6,854.0 mn. recorded in the comparative period, mainly as a result of the decrease in the volumes sold by 2% compared to the similar period of 2023 and the decrease in the electricity purchase cost on the supply segment by 41% on average, to which is added the decrease in electricity costs for the NL coverage for the distribution segment as a result of the implementation of MACEE;
- In Q3 2024, the revenue from the electricity supply segment decreased by RON 812.8 mn. y-o-y, or 15.2%, to RON 4,531.0 mn. (out of which RON 4,509.7 mn. with external clients) mainly as a net effect of the following: i) the reduction of the quantity of energy supplied on the retail market by 2%, ii) the decrease of the purchase cost which results in lower revenues from subsidies and iii) the modification given by the new ANRE guide dated July 29, 2024 regarding the new calculation of the amounts to be recovered from the capping (subsidies); the contribution of the supply segment to the Group's consolidated revenues is 70.2%
- Revenue from the distribution segment increased by RON 255.0 mn., or 8.1%, to RON 3,390.6 mn. (out of which RON 1,876.4 mn. external clients), compared to Q3 2023 mainly due to the increase in the volume of electricity distributed by 5.1% compared to the previous period, combined with the increase in tariffs from 1 January 2024 vs. 2023 of approx. 6.8%; the contribution of the electricity distribution segment to the Group's consolidated revenue is of 29.2%.

2.5. Risks and uncertainties

Risks and uncertainties present on 30 September 2024 and aspects regarding the main risks and uncertainties that could affect the Group's activity and its liquidity in the next quarter of 2024:

Risk description	Mitigation risk actions
<p><i>Ukraine Crisis</i></p> <ul style="list-style-type: none"> • On 24 February 2022, Russia invaded Ukraine, marking a sharp escalation of the Russian-Ukrainian war that began in 2014 with Russia's annexation of the Crimea peninsula. The invasion generated on the one hand a refugee crisis with the fastest growth in Europe since the Second World War, and on the other hand a global food crisis. At the same time, at the regional level, a resource crisis was created due to the imposition of a series of restrictions on the international level, Russia being an important player in the natural gas market in Europe. • The Electrica Group does not own subsidiaries and affiliated entities on the territory of Ukraine, nor 	<ul style="list-style-type: none"> • The mitigation of the impact was possible in the supply activity through the compensation and capping measures established at national level. • In the distribution activity, the direct impact felt was visible through the price at which it was possible to purchase electricity for own technological consumption (CPT). <p>These negative influences may continue in the next period due to market volatility and possible future regulations with a direct impact on the Group's activity.</p>

<p>does it have any other relevant exposures in the countries directly involved in this conflict. From an operational point of view, the purchases of energy and natural gas are mainly made from the domestic market, availability, provenance and delivery of resources could be influenced by the dynamics of the conflict from region.</p>	
<p>Market risk</p> <ul style="list-style-type: none"> Market risk represents the risk that the change in energy and natural gas prices, the reference interest rate, such as share prices, interest rates or exchange rates, will affect the Group's income or the value of its holdings. In Q3 2024, the inflation rate in Romania fell slightly from 4.9% in Q3 2024 to 4.6%, the forecast for the end of Q4 is a an increase to 4.9%. For 2024, energy goods price inflation is forecast to decrease from 2.5% in Q1 2024 to negative 0.5 in Q4 2024. <p><i>Source: https://www.bnr.ro/Proiectii-BNR-22694-mobile.aspx</i></p>	<ul style="list-style-type: none"> Market risk management policies, procedures and tools are in place at the supply activity level to manage and control exposures on the electricity and natural gas market. In this regard, internal projects have been initiated to review the hedging strategy, improve demand forecasting capacity. It was also taken into account their adequacy to the reality imposed by the specific markets in this period: the decrease in consumption correlated with the increase in purchase prices..
<p>Credit and counterparty risk</p> <ul style="list-style-type: none"> Credit risk represents the risk of financial losses when a counterparty/client does not meet its contractual obligations to pay invoices when they are due. Counterparty risk is also the knowledge of potential business partners (customers and suppliers) of their reputation, creditworthiness and the nature of their business before entering into a contractual relationship. It is based on strict compliance with the legal provisions on the prevention of money laundering and combating terrorist financing. 	<ul style="list-style-type: none"> The current market context implies a significant pressure on the ability of counterparties in the energy market to ensure on-time delivery or to make the related compensation payments, which is why the subsidiaries monitor and review the current exposure, credit limits and counterparty ratings as well as the provisions set aside.
<p>Liquidity risk</p> <ul style="list-style-type: none"> Liquidity risk represents the risk that the Group will not be able to meet its financial obligations when they are due. 	<ul style="list-style-type: none"> The Group's approach to liquidity management consists in ensuring a sufficient level of liquidity for the payment of due obligations, both under normal conditions and under stress conditions, through the treasury management system through cash pooling and accessing a varied range of credit lines of the type overdraft.

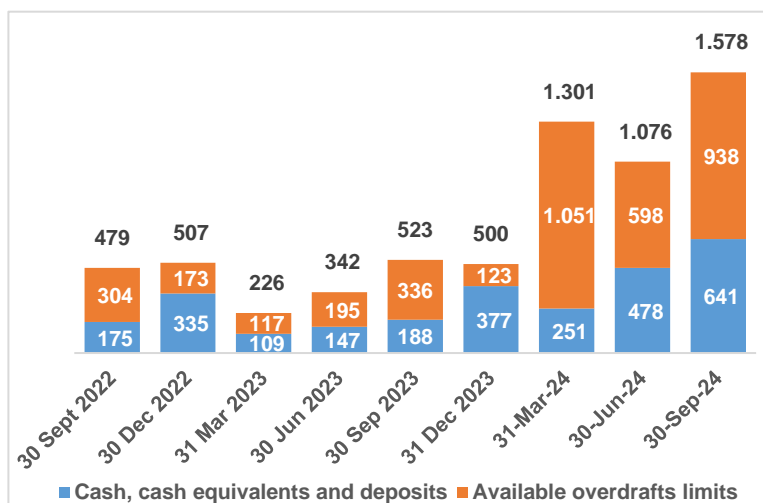
	<ul style="list-style-type: none"> Also, the pre-financing of the support scheme for the segmental supply involves a liquidity risk, including the financing of the NL price that will be recovered through future tariffs. Failure to recover these amounts from the state on time (for reasons not attributable to the group) leads to a high risk of contagion (in relation to the group's distribution activities) associated with liquidity risk. The group carefully monitors, through the treasury structures, the impact and effects on the companies' activity and financial results and has adequate resources to continue its operational activity.
<i>Conformity (Legal) risk</i>	
<ul style="list-style-type: none"> The energy and natural gas markets are regulated by local and European legislation. These regulations may be modified or interpreted differently by the local authorities and may affect the operational profit margins of the Group. This risk is also supported by the legislative history of recent years, which contains a series of laws that significantly changed energy and natural gas prices, capping elements, etc. 	<ul style="list-style-type: none"> The group makes efforts to optimize operational efficiency in accordance with current and future regulations. The impact of these regulations is close to the maximum range used in the evaluation with immediate consequences in profitability at the group level.
<i>Operational risk</i>	
<ul style="list-style-type: none"> The Group may record direct or indirect losses resulting from a wide range of factors associated with processes, service providers, technology and infrastructure, and from external factors, such as regulatory or legal requirements and generally accepted standards regarding the best practices in the field. Violation or failure of security and information technology systems may entail the risk of financial loss, interruption of operations or damage to the Group's reputation. 	<ul style="list-style-type: none"> The group have implemented an operational monitoring system, documented by policies and procedures, which ensures the escalation and remediation of potential operational problems. In order to implement the best practices in the field, SE Electrica S.A. obtained in 2022 the certification for the implementation of standard ISO 27001: Information Technology, Security Techniques, Information Security Management Systems. The extension of the certification to the level of the other entities in the Group is further analyzed.

Source: Electrica

2.6. Group liquidity

At Group level, the total liquidity available in cash and overdraft limits as of 30 September 2024 was RON 1,578 mn., mainly due to the lower level of use of the overdraft limits in the distribution and supply segments. The level of cash on 30 September 2024 was RON 640.5 mn., and increase of 34% compared to the previous reporting period.

After the approval of the financing ceiling of up to RON 1.5 bln. for Electrica Furnizare through EGMS Decision no. 1 from 21 March 2022, increased up to RON 1.7 bln. through EGMS Decision no. 3 from 9 June 2022 and up to RON 0.85 bln. through EGMS Decision no. 4 from 22 November 2023, the Group took all the necessary formalities with its partner banks to contract supplementary lines of credit to ensure the financing. Moreover, the cash pooling structures allow the Group to optimize the use of liquidity between companies and to quickly cover unforeseen liquidity needs.



The level of receipts, payments and liquidity is monitored continuously and closely at the level of each company of the Group and consolidated in order to detect any deviation in time.

3. Organizational Structure

3.1. Group Structure

The Electrica Group is one of the main distributors and suppliers of electricity on the Romanian market.

The main activity segments of the Group consist of the distribution of electricity to users, the supply of electricity to domestic and non-domestic consumers, the segment of services related to external distribution networks as well as the segment regarding the production of electricity from renewable sources.

Currently, the Group includes the parent company of the Group, Societatea Energetica Electrica SA ("ELSA") and the following subsidiaries and associated entities:

- **Distributie Energie Electrica Romania S.A. („DEER”)** resulted from the merger through absorption of the three distribution subsidiaries Societatea de Distributie a Energiei Electrice Muntenia Nord (“SDMN”), Societatea de Distributie a Energiei Electrice Transilvania Sud (“SDTS”) and Societatea de Distributie a Energiei Electrice Transilvania Nord (“SDTN”), the last one being the absorbing company. DEER is the main electricity supplier in Transilvania Nord area (Cluj, Maramures, Satu Mare, Salaj, Bihor and Bistrita Nasaud counties), Transilvania Sud area (Brasov, Alba, Sibiu, Mures, Harghita and Covasna counties) and Muntenia Nord area (Prahova, Buzau, Dambovita, Braila, Galati and Vrancea counties), ensuring the service of network users by operating the installations that work at 0.4 kV to 110 kV (power lines, substations and transformation stations). DEER holds exclusive distribution licenses for the aforementioned regions, which have a validity period until 2027, with the possibility of extension for a period of 25 years;
- **Electrica Furnizare S.A. („EFSA”)**, company whose main activity is the supply of electricity to final consumers. EFSA holds an electricity supply license that covers the entire territory of Romania, which was renewed in 2021 for a period of 10 years, and a license for carrying out the activity of natural gas supply, valid until 2022. In view the expansion of the economic activities of Electrica Furnizare S.A. (EFSA) in Hungary, the electricity trading license was granted by the Hungarian Energy and Public Utilities Regulatory Authority (MEKH) for Electrica Furnizare, by Decision no. H879/2022. Also, the Group holds a natural gas supply license valid until 2032 whose main activity is the supply of electricity to final consumers. EFSA holds an electricity supply license that covers the entire territory of Romania, which was renewed in 2021 for a period of 10 years, and a license for carrying out the activity of natural gas supply, valid until 2032. In view the expansion of the economic activities of Electrica Furnizare S.A. (EFSA) in Hungary, the electricity trading license was granted by the Hungarian Energy and Public Utilities Regulatory Authority (MEKH) for Electrica Furnizare, by Decision no. H879/2022. Also, the Group holds a gas supply license valid until 2032;
- **Electrica Serv S.A. („SERV”)** starting on 30 November 2020, the company absorbed Servicii Energetice Muntenia SA (“SEM”), following a merger process. SERV provides repair services and other related services to third parties and various services to the companies in the group (car rental, building rental, etc.);
- **Sunwind Energy S.R.L. („SWE”)** is developing the photovoltaic project "Satu Mare 2" with a designed installed capacity of 27 MW, located near Satu Mare and became a subsidiary on 21 March 2022 as a result of ELSA owning 60% of shares. On 24 March 2023, ELSA bought the remaining shares up to 100%;
- **New Trend Energy S.R.L. („NTE”)** develops the photovoltaic project "Satu Mare 3", with a designed capacity of 59 MW, located near Satu Mare and became a subsidiary on 27 May 2022 as a result of ELSA owning 60% of shares. Subsequently, on July 12, 2024, ELSA acquired the remaining shares up to 100%;
- **Foton Power Energy S.R.L. („FPE”)** develops the photovoltaic project “Bihor 1”, with a designed installed capacity of 77.5 MW, located near Oradea city and became subsidiary on 31 July 2023 as a result of ELSA

owning 60% of shares. Subsequently, on September 12, 2024, ELSA acquired the remaining shares up to 100%.

Table 3. ELSA's subsidiaries

Subsidiary	Activity	Sole registration code	Headquarters	% shareholdings as of 30 September 2024
Distributie Energie Electrica Romania S.A. („DEER”)	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%
Electrica Furnizare S.A. („EFSA”)	Electricity and natural gas supply	28909028	Bucharest	99.9998444099934%
Electrica Serv S.A. („SERV”)	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucharest	99.99998095%
Sunwind Energy S.R.L.	Production of electricity	42910478	Bucharest	100%
New Trend Energy S.R.L. („NTE”)	Production of electricity	42921590	Bucharest	100%
Foton Power Energy S.R.L. („FPE”)	Production of electricity	43652555	Bucharest	100%

Source: Electrica

As at 30 June 2024, the Company's associates are the following:

Table 4. ELSA's associates

Associate	Activity	Sole registration code	Head Office	% shareholdings as of 30 September 2024
Crucea Power Park S.R.L.	Production of electricity	25242042	Constanta	40%

Source: Electrica

- **Crucea Power Park S.R.L. („CPP”)** develops the wind project “Crucea Est”, with a designed installed capacity of 121 MW and a projected electricity storage capacity of 60 MWh (15 MW x 4h), located outside the Crucea commune, Constanta county.

Table 5. Long term investments owned by ELSA

Company	Activity	Sole registration code	Head Office	% shareholding as at 30 September 2024
CCP.RO Bucharest S.A. („CCP.RO”)	Financial brokerage activities, exclusively insurance activities and pension funds (risk management through derivative products on the energy market)	41850416	Bucharest	7.42%

Source: Electrica

- On 8 December 2022, the effective subscription was made in the amount of RON 7 mn., equivalent to 8.06% of the share capital of the company CPP.RO Bucharest S.A. after the increase of the share capital, CCP.RO thus becoming a financial investment owned by ELSA for the long term. Following the two operations of the share capital increase, in which ELSA did not participate, ELSA's holding in the share capital of CCP.RO was reduced to 7.42%.

3.2. The main elements of the Strategic Plan for the period 2024 – 2030

The results of the Corporate Strategy for 2019-2023 were the starting point for the analyses and debates necessary to develop the Corporate Strategy for 2024-2030. The Board of Directors approved the new strategic directions and objectives, the document being available on the company's website in the section Investors > Strategy overview > [Key elements of Electrica Group's Strategy for 2024-2030 – document published on December 22, 2023](#).

The main strategic directions assumed are:

- ❖ Contribution to a green economy transition
- ❖ Promoting network security and business sustainability
- ❖ Accelerating the digital transition in the Group's operations. By adopting strategic directions, aligned with those at national and European level, Electrica Group could play an important role in transforming the energy sector, contributing to a new era of energy that is sustainable, efficient and environmentally friendly.

Governance and investor relations remain in focus for the Group, pursuing continuous improvement and implementation of best practices in corporate governance and investor relations.

The general objectives proposed within the corporate strategy cover all Group operations and constitute the response adapted to new trends and market requirements:

1. Diversification of renewable energy sources → Active contribution to large-scale projects to increase the share of renewable energy sources in the national energy mix through significant investments in the development and implementation of renewable energy technologies, such as solar, wind, CCGT and hydrogen potential, including energy storage solutions.
2. Implementing ESG in business models → Implementing a comprehensive governance framework for stakeholder engagement, while promoting sustainable practices across the Group, actively participating in initiatives aimed at reducing greenhouse gas emissions and combating climate change, investing in training programs and education to ensure a workforce prepared for the new requirements of the energy sector, awareness and education initiatives for communities and customers on the benefits and importance of sustainable energy.
3. Sustainable electrification and modern infrastructure → Investment in automation and development of smart grids for efficient grid management and smart energy distribution, as well as to support the transition to renewables, promoting sustainable mobility through investments in charging infrastructure for electric vehicles.
4. Energy efficiency and customer solutions → Implementing extensive energy efficiency programs in the Group's operations and integrating digital technologies for optimizing and efficiently monitoring energy consumption, integrating innovative services, customized energy solutions and educational programs for customers in order to reduce energy consumption.
5. Digitalization and innovation → Automating business processes and integrating them on interconnected platforms to increase operational efficiency, develop virtual communication channels to improve customer experience, support innovative initiatives and develop strategic partnerships with other companies and organizations to share expertise and collaborate on innovative projects that contribute to the modernization of the organization and the transformation of the sector energetic.

In addition to traditional areas of interest, namely electricity distribution, electricity and natural gas supply and energy services, there is a high interest in developing new activities based on innovative technology, while continuing to monitor and analyze growth opportunities through mergers or acquisitions. It also aims at a closer relationship with customers, based on skills development, but also on an offer of products and services in line with their needs.

Also, an important role will be played by optimizing IT&C support functions and aligning with industry-specific trends and solutions. In this context, beyond the digitization of processes and their integration into IT platforms, the development of smart grids, the integration of smart meters into the rhythm of their implementation plan, support for the operationalization of prosumers, etc. are foreseen in the distribution area. In the supply area, the development of a customer-friendly interface, the automation of contracting, reporting and invoicing processes and data exchange with all distributors in Romania are critical elements supported by IT&C in order to ensure strategic advantages for the Group's business segments.

The corporate governance framework continues to improve, closely following the Corporate Governance Action Plan established with the EBRD since 2014. It was approved the establishment of the Climate Governance and Public Policy Committee in order to prepare the necessary framework for implementing initiatives that contribute to achieving the EU's objective of zero greenhouse gas emissions by 2050 and ensuring the long-term resilience of the companies within the Group, in light of potential structural changes in the business environment, arising from climate change.

From a process-oriented culture to a results-oriented and customer-centered culture, through leadership and improving employee satisfaction, we aim to realign the culture with the vision, mission and core values of the organization to achieve the strategic objectives proposed in the horizon 2024-2030.

We are dedicated to cultivating a culture that embraces diversity, we remain committed to creating the most equitable and inclusive workplaces, advancing diversity representation at every level of the organization.

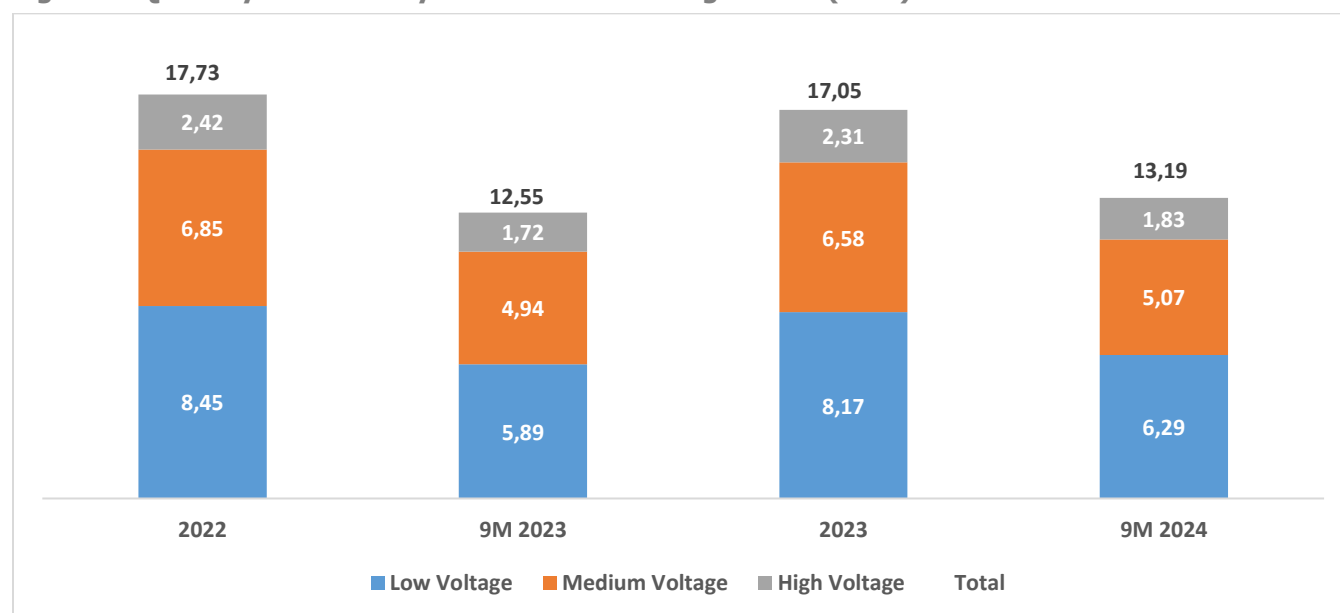
By translating general strategic objectives into objectives and plans of specific initiatives, at the level of each Subsidiary, the organization adapts to market conditions, customer expectations and the rapid pace of technology so as to deliver value consistently.

3.3. Key information by segments

Distribution segment

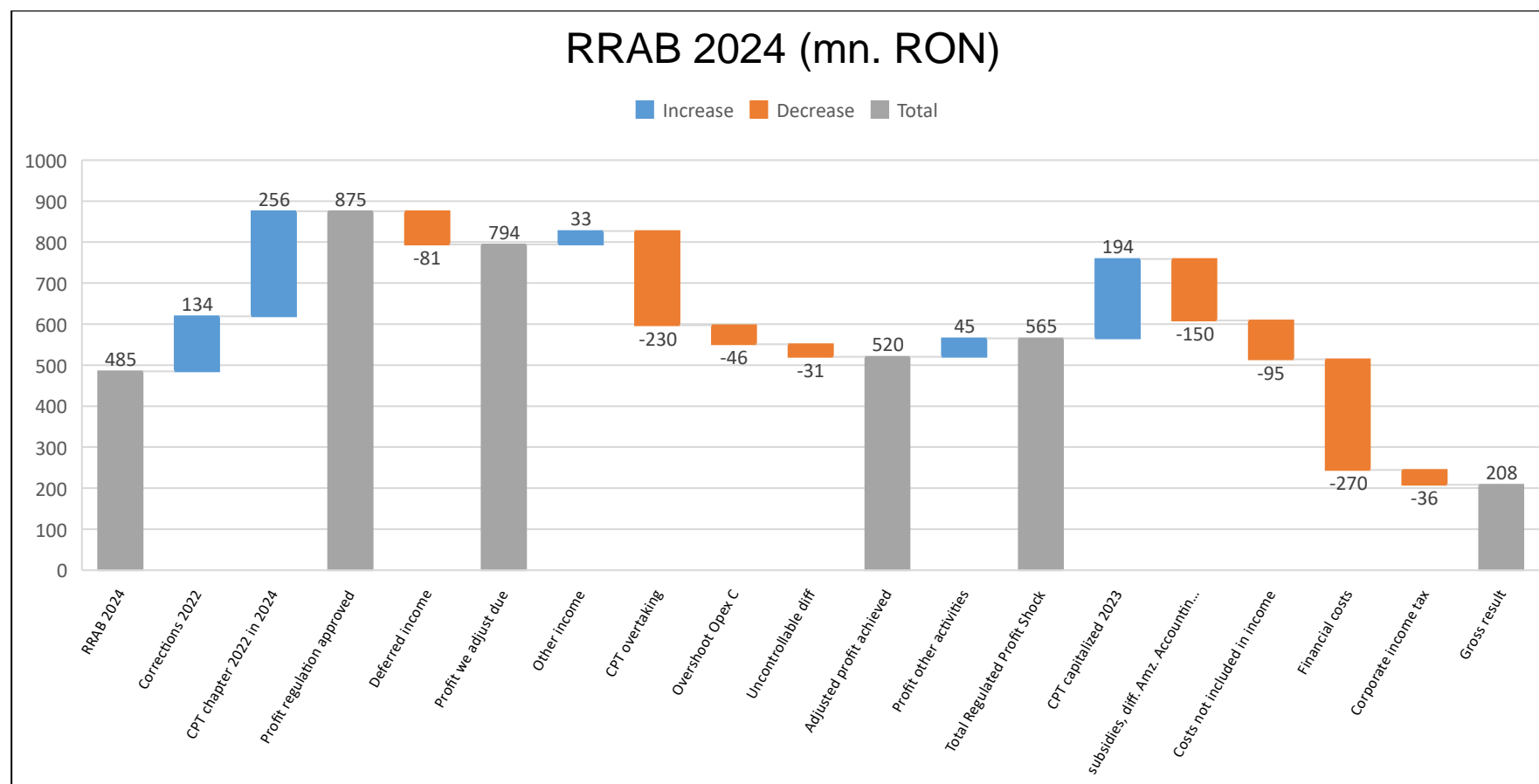
Information for the period ended 30 September 2024:

- The estimated Regulated Assets Base (RAB), in nominal terms, with inflation of 4.6% for the year 2024, estimated at the end of the third quarter of the year 2024 was RON 7.3 bn;
- 204,151 km of electric lines – 7,604 km for High Voltage ("HV"), 47,074 km for Medium Voltage ("MV") and 149,474 km for Low Voltage ("LV");
- Total area covered: 97.196 km², 40.8% of Romania's territory;
- 3.97 mn. users for the distribution activity;
- 13.19 TWh of electricity distributed in the first three quarters of the year 2024, a increase of 5.1% as compared to the first 9 months of the year 2023.

Figure 2: Quantity of electricity distributed on voltage levels (TWh)

Source: Electriza

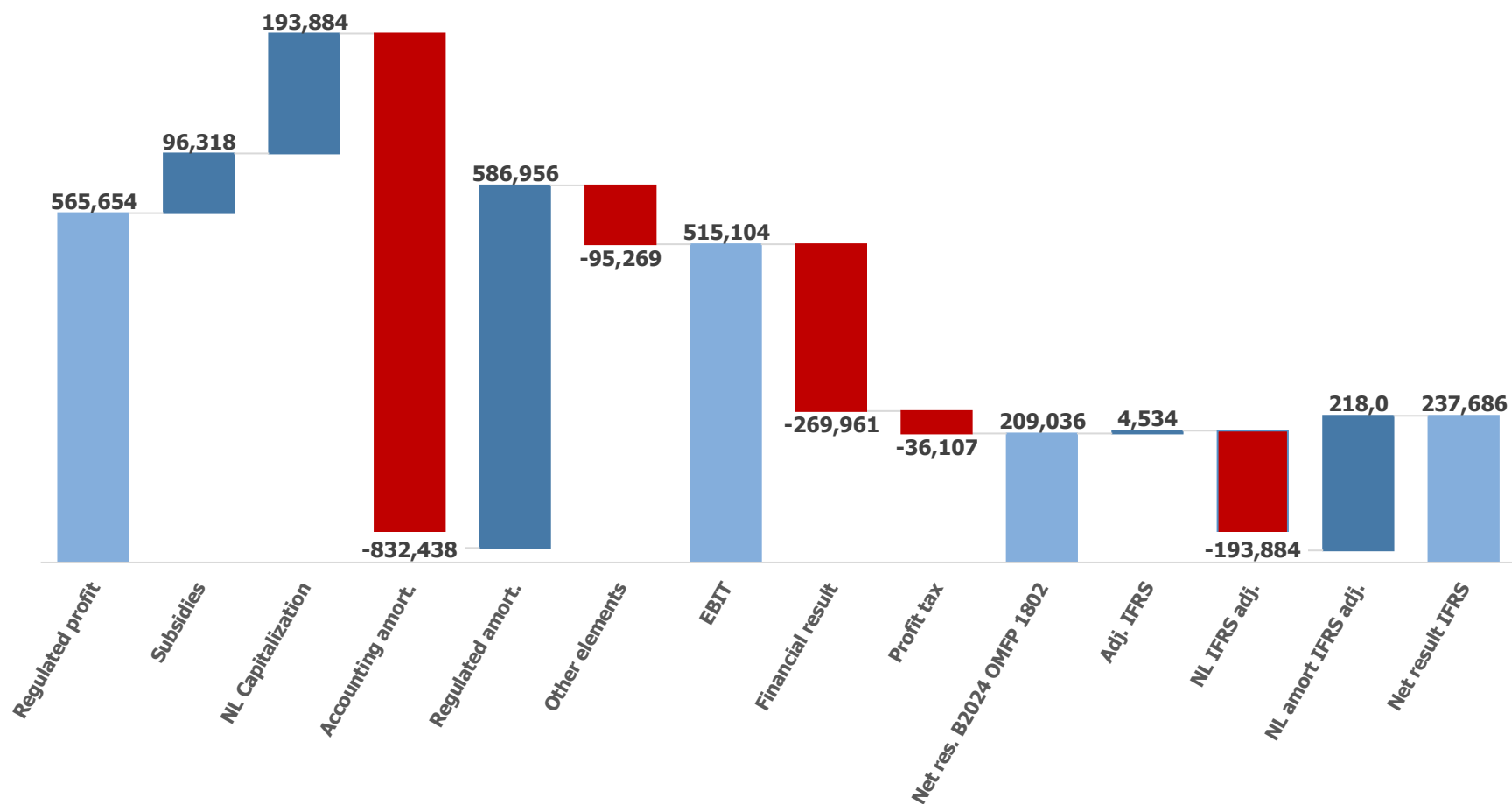
Figure 3: RRAB analysis of the distribution segment result for the year 2024 (RON mn.)



Source: Electrica

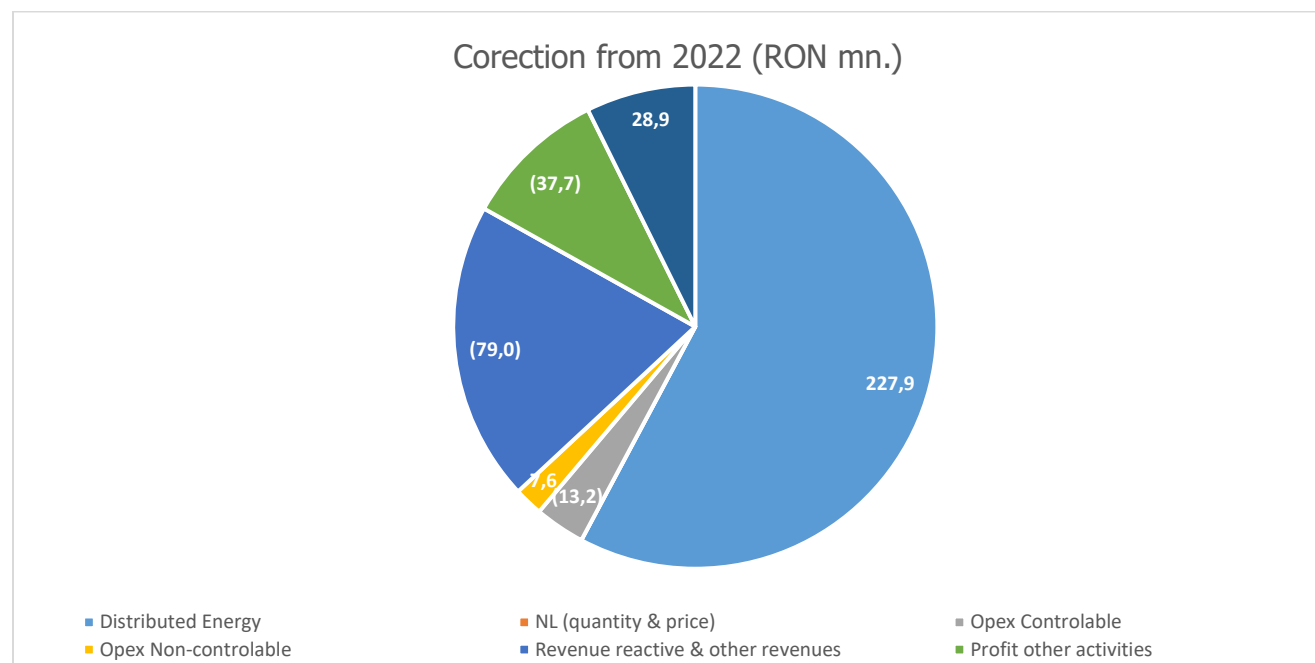
*The corrections for 2022 are worth 390 Mlei and were reflected in the tariffs for 2024

Figure 4: Analysis of regulated profit – IFRS(EU) budgeted result for the distribution segment for the year 2024 (RON mn.)



The corrections approved by ANRE that affect the tariffs for the year 2024 are positive in the amount of RON 390 mn., of which the positive corrections related to the year 2022 of RON 134 mn. are reflected by components in the graph below:

Figure 5: Corrections approved by ANRE that affect the tariffs for the year 2024 (RON mn.)



Source: Electrica

To the positive corrections related to the year 2022, are added the positive correction of RON 256 mn. related to the component for the additional cost of NL capitalized in the year 2022.

Supply segment

Market data (according to ANRE Report for July 2024):

- The supply market consists of competitive segment, universal service (US) and last resort (LR);
- The universal and last resort service segment includes five suppliers of last resort nominated at national level;
- Competitive segment includes 93 suppliers (including those of last resort with activity on the competitive segment of the retail market), of which 84 are relatively small (<4% market share).

Electrica Furnizare has a total market share of 15.43% and on the competitive market with a total share of 10.35% (ANRE report July 2024). By comparison, in 2023 Electrica Furnizare had a total electricity market share of 16.77% and a competitive market share of 10.45% (ANRE report December 2023).

As of September, 2024, Electrica Furnizare supplied 5.6 TWh of electricity to approximately 3.5 million places of consumption (both in the universal service regime and last resort, as well as from the competitive market), representing a decrease of 1,8% compared to the same period of the prior year.

Renewable electricity production segment

Projects in development/implementation

For the production segment, the development of the projects already acquired in order to reach the ready to build stage is continuing, i.e. development activities (final phase) in the 3 production plants:

- New Trend Energy S.R.L. - CEF Satu Mare 3 project with P=62 MWp;
- Foton Energy S.R.L. - project CEF Bihor 1 with P=77 MWp;
- Crucea Power Plant S.R.L. - Crucea wind farm project with P=121 MWp and 30 MW storage.

The status of "Satu Mare 3" and "Bihor" projects are ready-to-build with all the necessary construction authorizations and the Crucea Project is in the final phase (stage4) of obtaining the Establishment Authorization from ANRE (the other approvals: construction authorization and Connection Contract necessary to reach the ready-to-build stage are already obtained) and of taking over 100% of the shares.

- ELSA – 35/70 MWh storage project - Fantanele, internally developed.

Ongoing investment projects

- ELSA - Project Vulturul with P=12 MWp where the works were completed and starting with 21 October 2024 it is connected to the National Energy System and operates during the testing period according to the applicable regulations;
- Sunwind Energy S.R.L. where Electrica S.A. owns 100% of the shares, for the CEF Satu Mare 2 project with P=27MWp, following the finalization of the selection of the EPC contractor (engineering, procurement and construction), the contract was signed and is in advanced phase of execution/implementation. The project has partial financing from the PNRR program.

Operational project

- ELSA - Stanesti photovoltaic power plant with a capacity of 7.5 MWp.

In addition to the aspects mentioned above, activities continue on:

- Evaluation of opportunities for the acquisition of new RES power generation projects and/or entering into partnerships by acquiring majority stakes in RES projects (already developed by potential partners);
- Project development activities have been started for: energy production using efficient and flexible natural gas-based capacities (hydrogen ready);
- Project development activities were carried out for energy storage capacity in batteries of 70 MWh and after participating in a competitive selection procedure, the project was approved and a contract was signed for financing from non-reimbursable funds (PNRR program);

4. Shareholders' Structure

Until July 2014, the Romanian State, through the Ministry of Economy, Energy and Business Environment, was the sole shareholder of ELSA. As of 4 July 2014, after the Initial Public Offering, the Company's shares are listed on the Bucharest Stock Exchange (BSE – ticker EL), and the Global Depositary Receipts are listed on the London Stock Exchange (LSE – ticker ELSA).

Subsequently, a secondary public offer took place, which ended on 3 December 2019, during which a total number of 208,554 new shares were subscribed, with a nominal value of RON 10 and a total nominal value of RON 2,085,540.

On 22 July 2024, the share capital was reduced by 6,890,593 own shares held by Electrica as a result of stabilization after the 2014 IPO, which had their voting rights suspended. Thus, starting from this date, the total number of voting rights is equal to the total number of shares.

As of 30 September 2024, the ownership structure according to the Central Depository records (Romanian: *Depozitarul Central*) is presented below.

Table 6. Ownership structure

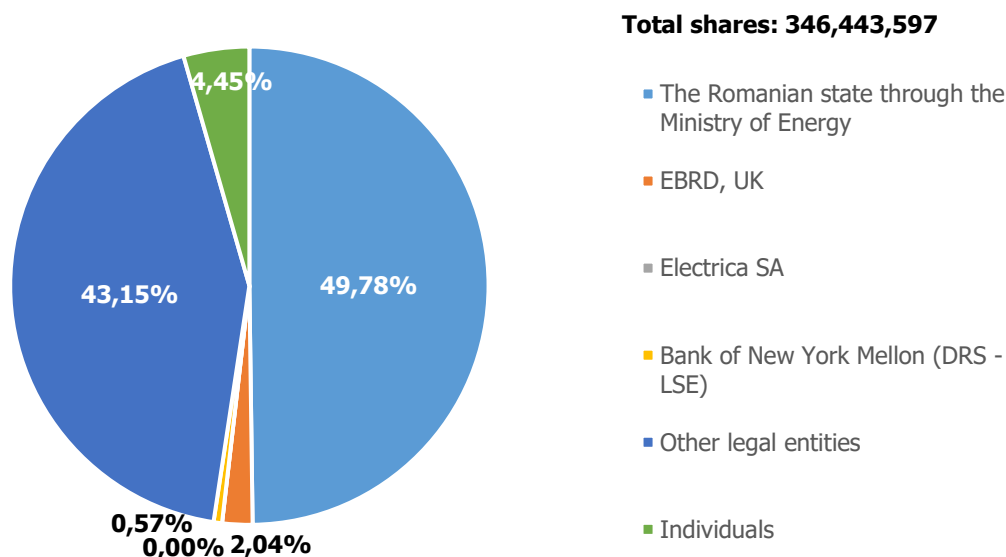
Shareholder	Number of shares	Stake held (% of the share capital)	Percent of voting rights (%)
The Romanian State, through the Ministry Energy, Bucharest, Romania	169,046,299	48.7948%	49.7850%
The European Bank for Reconstruction and Development	6,942,585	2.0446%	2.0446%
Electrica SA	-	-	-
BNY MELLON DRS, New York, USA	1,934,808	0.5698%	0.5698%
Other legal entities*	146,531,190	43.1541%	43.1541%
Individuals	15,098,122	4.4465%	4.4465%
TOTAL	339,553,004	100.0000%	100.0000%

Source: Central Depository, Electrica

Note 1: On 22 July 2024, the share capital was reduced by 6,890,593 own shares held by Electrica as a result of stabilization after the 2014 IPO, which had their voting rights suspended. Thus, starting from this date, the total number of voting rights is equal to the total number of shares

** Paval Holding, NN Group NV and Allianz SE hold, directly or indirectly, between 5% and 10% of the total number of shares with voting rights*

The shares presented to be held by the Bank of New York Mellon represent the global depositary receipts (GDRs) owned by ELSA shareholders that are traded on the London Stock Exchange (LSE). A global depositary receipt represents four shares. The Bank of New York Mellon is the depositary bank for these securities.

Figure 6: Ownership structure as of 30 September 2024

Source: Central Depository, Electrifica

At the end of September 2024, ELSA's shares were owned by a total of 14,404 shareholders, of which 243 legal entities and 14,161 individuals from 29 countries. 93.58% of the total number of shares (317,755,405 shares) were owned by investors with residence in Romania. Thus, foreign shareholders held 6.42% of the share capital (21,797,599 shares), the largest weight being represented by American and European shareholders. Shareholders in the United Kingdom and Ireland held 2.33% of share capital, while those in the USA held 2.38%, in this category being included also the GDRs holders.

5. Operational Results IFRS-EU

The following table presents the the condensed consolidated statement of profit or loss.

Table 7. Consolidated statement of profit or loss (RON mn.)

Indicator	30 September 2024 (unaudited and unreviewed)	30 September 2023(unaudited and unreviewed)	Variation (abs.)
Revenues	6,427.2	7,156.6	(729.4)
Other income	948.7	2,667.9	(1,719.2)
Electricity and natural gas purchased	(4,376.7)	(6,854.0)	2,477.3
Construction costs related to concession agreements	(638.5)	(696.2)	57.7
Employee benefits	(751.7)	(692.3)	(59.4)
Repairs, maintenance and materials	(48.2)	(69.7)	21.5
Depreciation and amortization	(438.2)	(388.2)	(50.0)
Impairment loss on trade and other receivables, net	(89.2)	(23.2)	(65.9)
Other operating expenses	(409.6)	(302.4)	(107.2)
Operating profit	623.7	798.4	(174.6)
Finance income	7.6	17.8	(8.9)
Finance costs	(245.4)	(234.6)	(10.8)
Net finance cost	(237.8)	(216.8)	(21.0)
Share of the result of the associates	(0)	(0)	-
Profit before tax	386.0	581.5	(195.5)
Income tax expense	(83.6)	(91.0)	7.4
Net profit	302.4	490.5	(188.2)

Source: Electrica

Key financial indicators for the period ended 30 September 2024:

- **Revenues: RON 6.4 bn.**, decrease of RON 729.4 mn. as compared to Q3 2023;
- **EBITDA: RON 1,062.0 mn.**, a RON 124.5 mn. decrease compared to the same period of last year;
- **EBIT: RON 623.7 mn.**, a RON 174.6 mn. decrease compared to Q3 2023;
- **EBT: RON 386.0 mn.**, a RON 195.5 mn. decrease compared to Q3 2023;
- **Net result:** profit of **RON 302.4 mn.**, a decrease of RON 188.2 mn. compared to Q3 2023.

Revenues and other income

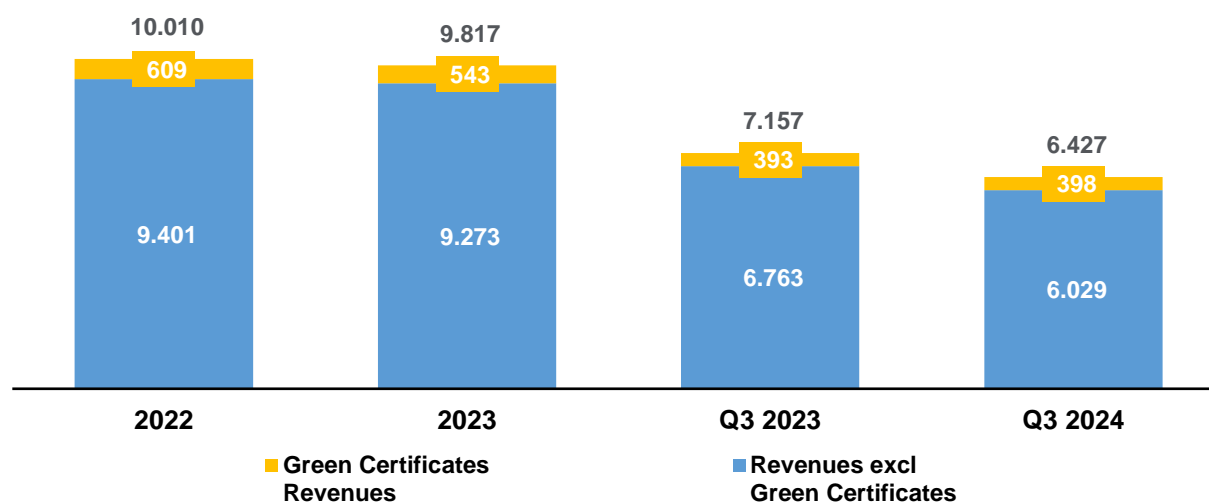
Electrica's revenues and other income for the nine-month period ended 30 September 2024 and 30 September 2023 amounted to RON 7,375.8 mn. and RON 9,824.4 mn., respectively, representing a decrease of approx. RON 2,448.6 mn., or 24.9%; the variation is mainly generated by the evolution of other operating income, mainly subsidies (amounts to be recovered following the application of the electricity price cap) recognized by the supply subsidiary (EFSA). Other income recorded in Q3 2024 compared to Q3 2023, a decrease of RON 1,719.2 mn., a negative impact of RON 1,718.6 mn. from subsidies recoverable from the Ministry of Energy, as a result of the application of the price cap mechanism for electricity and natural gas approved by GEO 27/2022 and the effect of changes made by the new guide published by ANRE on July 29, 2024.

Therefore, on July 29, 2024, ANRE updated the guidelines for the calculation of the amounts to be recovered from the capping to be carried out based on the provisions of GEO 27/2022, starting January 1, 2024, the way of allocating imbalances and the way of allocating contracts between FUI/non-FUI customer categories are updated. Thus, the subsidy revenues as of September 30, 2024 amounted to RON 836.6 mn. compared to RON 2,555.2 mn. recorded in the same period of last year.

In addition, starting April 1, 2024, the MACEE price is modified, i.e. it decreases from 450 RON/MWh to 400 RON/MWh. Also, generators can sell electricity voluntarily through MACEE.

Revenues

Figure 7: Revenue for Q3 2024 and comparative information (RON mn.)



Source: Electrica

The revenues decreased by RON 729.4 mn., or 10.2%, being the net effect of the following main factors:

- decrease of RON 812.8 mn. on the supply segment;
- internal revenue (from the Group): the Group's consolidated revenues decreased with RON 170.0 mn;
- RON 255.0 mn. increase of the distribution segment's revenues;
- increase of RON 3.1 mn. of the services segment's revenues;
- decrease of RON 4.7 mn. of the production segment's revenues.

During the nine months period ended 30 September 2024, revenues from the electricity distribution segment increased by approx. RON 255.0 mn., or 8.1%, to RON 3,390.6 mn., from RON 3,135.6 mn. in the same period of the previous year, as a result of the following factors:

- favorable impact of approx. RON 315.2 mn., from the increase in tariffs on the distribution segment which was motivated by the ANRE order no. 115/2023 in which distribution tariffs were higher by approx. 6.8% compared to the last tariffs increased in Q2 2023, and to the fact that starting Q2 2023 according to GEO 27/2023 distribution tariffs were higher by approx. 20% (26.1% MN area; 21.5% TN area and 10.9% TS area) compared to the corresponding tariffs in Q1 2023, a positive effect to which is added the increase in electricity volumes distributed by approx. 5.1%;
- negative impact from the evolution of revenues recognized in accordance with IFRIC 12 - decrease in Q3 2024 by RON 60.2 mn., compared to the same period last year.

Regarding the supply segment, the revenue from the electricity supply and natural gas decreased in Q3 2024 by RON 812.8 mn., or 15.2%, to RON 4,531.0 mn., from RON 5,343.8 mn. in Q3 2023.

The change in supply segment revenues is mainly generated by the net effect of the following: i) the reduction of the quantity of energy supplied on the retail market by 2%, ii) the decrease of the purchase cost which results in lower revenues from subsidies and iii) the modification given by the new ANRE guide dated July 29, 2024 regarding the new calculation of the amounts to be recovered from the capping (subsidies).

Electricity and gas purchased

In Q3 2024, the expense for electricity and gas purchased decreased by RON 2,477.3 mn., or 36.1%, to RON 4,376.7 mn., from RON 6,854.0 mn. in the comparative period.

This variation is the net impact of the increase of electricity costs on the supply segment, and by the decrease in electricity costs for NL coverage on distribution segment.

The table below presents the structure of the electricity, gas and merchandise purchased for the indicated periods:

Table 8. Structure of the electricity, gas and merchandise purchased (RON mn.)

Nine months period ending 30 September	2024	2023	%
Electricity purchased	3,754.2	6,249.9	-39.9
Natural gas	221.3	210.7	5.0
Supply purchased	2.8	-	100
Green Certificates	398.5	393.4	1.3
Total electricity purchased	4,376.7	6,854.0	-36.1

Source: Electrica

Supply segment

The cost of the electricity purchased for supply (including transmission and system services) decreased by RON 2,204.1 mn., or 31.3%, to RON 4,832.8 mn. in Q3 2024, from RON 7,036.9 mn. recorded in Q3 2023.

In 2021, after the full liberalization of the energy market, purchase prices were approximately the same in both the competitive, universal service and FUI segments. Since the end of March 2021, the procurement market has recorded significant increases, manifested internationally and driven by the international economic and political context. Thus, the growth recorded in the procurement market has been transferred to end customers, within the limits allowed by the legislation in force and by the contracts signed with the end customer.

It should be noted that energy suppliers are unable to terminate existing contracts under the Electricity and Natural Gas Law no. 123/2012, based on Art. 57.

Green certificates' (GC) cost is recognized in the statement of profit and loss based on the quantitative quota set by the regulatory authority and influenced by GC amount that the Group has to purchase for the current year and GC purchase price on the centralized market. The green certificates cost is a pass-through cost.

Distribution segment

Regarding the distribution segment, in the nine months period ended 30 September 2024, the cost of the electricity purchased to cover network losses decreased by RON 99.5 mn., or 12.8%, to RON 678.2 mn., from RON 777.7 mn., the evolution being generated both by a decrease in the electricity purchase prices of 1% as a result of the implementation of the centralized purchase mechanism MACEE which was modified starting with 1 April 2024, therefore, producers can voluntarily sell 80% of available energy at a price of 400 RON/MWh as well as a decrease of 12% in the volumes of electricity needed to cover network losses compared to the same period of last year.

Construction costs

In Q3 2024, the expenses with the construction of the electrical networks in connection with the concession contracts decreased by RON 57.7 mn., or 8.3%, to RON 638.5 mn., from RON 696.2 mn. in the comparative period, being correlated with the evolution of the investments realized, related to the Regulated Asset Base, and the allocation of the investment plan throughout the year.

Employee benefits

The expenses for salaries and employee benefits increased by RON 59.4 mn, or 8.6%, to RON 751.7 mn. in Q3 2024, from RON 692.3 mn. in Q3 2023, determined mainly from the increase of benefits negotiated through CCM.

Other operating expenses

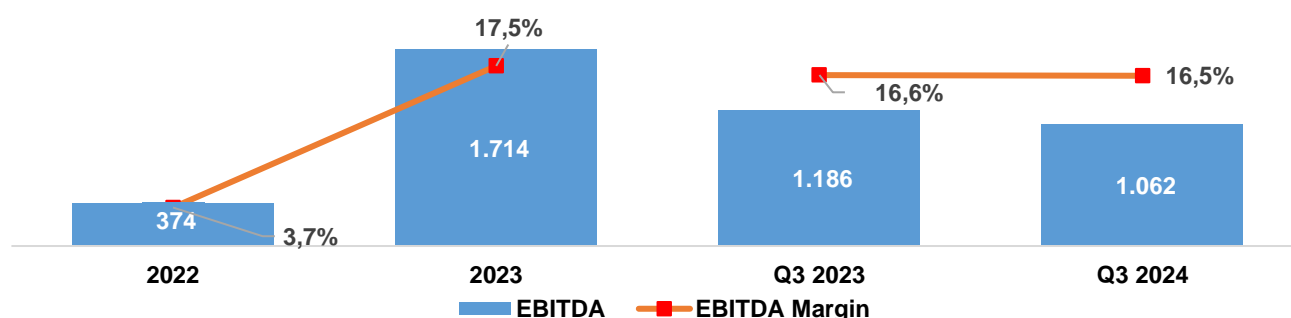
In the first nine months of 2024, the other operating expenses increased by RON 107.2 mn., or 35.4%, to RON 409.6 mn., from RON 302.4 mn. in the same period of 2023, mainly from:

- the variation of the impairment loss on trade and other receivables, with an impact of RON 29.9 mn;
- operating expenses recorded an increase of RON 77.2 mn., especially in the supply segment, due to an increase in penalty expenses, caused by late payments to suppliers, taxes and adjustments for impairment of receivables.

EBITDA and EBITDA margin

Group EBITDA decreased by approx. RON 124.5 mn. compared to the same period of the previous year, decreasing from RON 1,186.5 mn. in Q3 2023 to RON 1,062.0 mn. in Q3 2024.

Figure 8: EBITDA and EBITDA margin for Q3 2024 and comparative information (RON mn. and %)

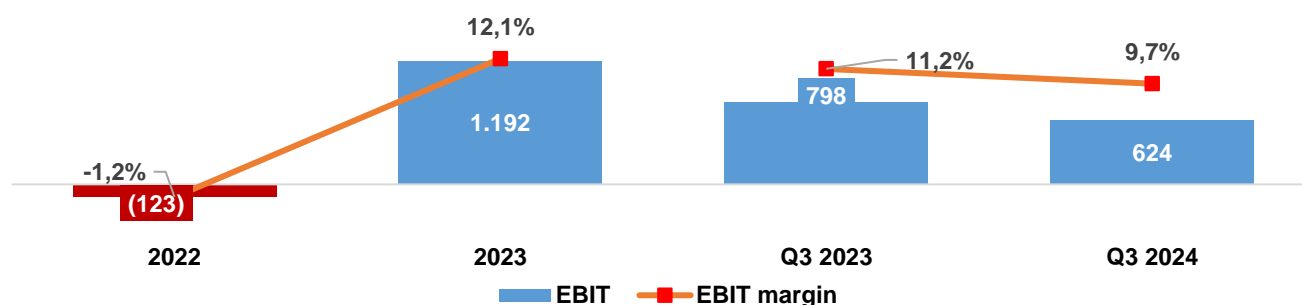


Source: Electrica

Operating result

The Group operating result (EBIT) decreased by RON 174.6 mn. y-o-y, from RON 798.4 mn. to RON 623.7 mn..

Figure 9: EBIT and EBIT margin for Q3 2024 and comparative information (RON mn. and %)



Source: Electrica

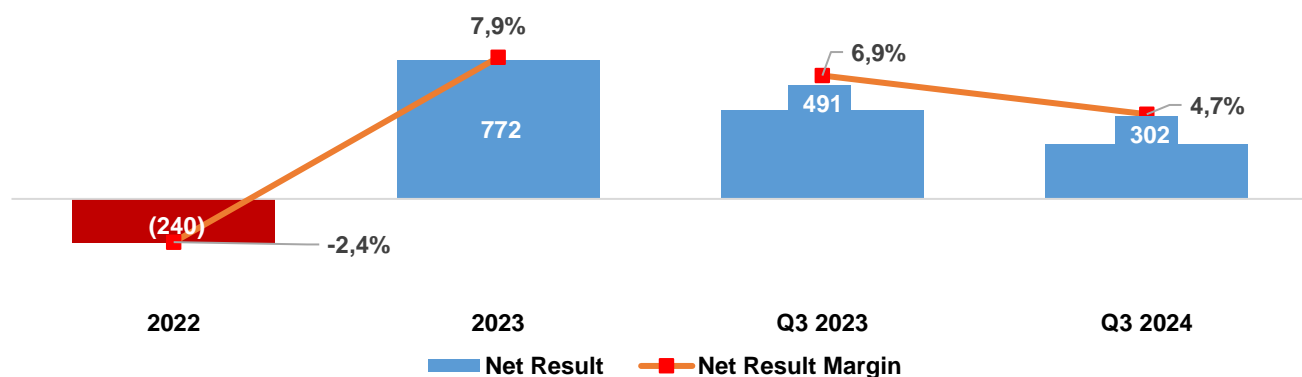
Net finance cost

The net finance cost at group level decreased by RON 20.9 mn. in Q3 2024 compared to the similar period in 2023, mainly as a result of the increase of finance expenses of RON 10.8 mn. related to loans for pre-financing the support scheme for electricity and natural gas consumers established by GEO no. 119/2022 and the decrease in financial revenues by RON 10.1 mn..

Net result for the period

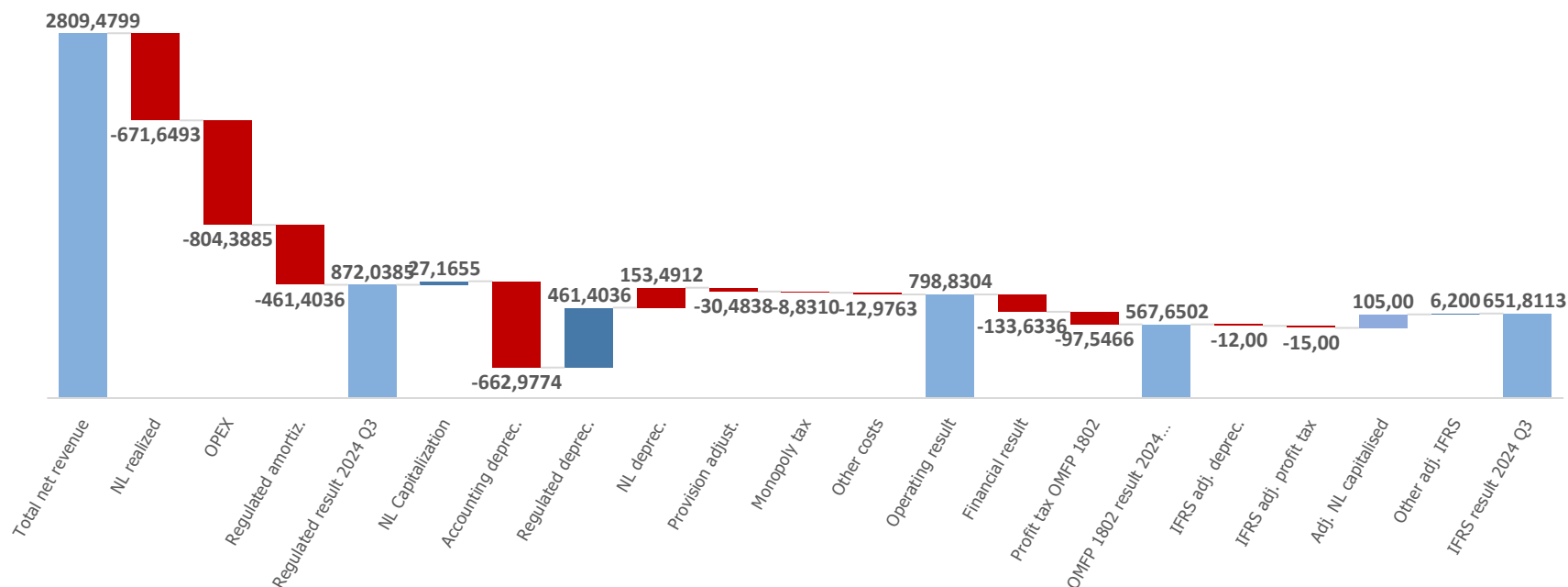
As a result of the above described factors, in the nine months period ended 30 September 2024, the net result decreased by RON 188.2 mn., to RON 302.4 mn. (profit), from RON 490.5 mn. (profit) as compared with the similar period of last year.

Figure 10: Net result and Net result margin for Q3 2024 and comparative information (RON mn. and %)



Source: Electrica

Figure 11: Regulated net result - OMFP 1802/2014 – IFRS(EU) for the distribution segment in Q3 2024 (RON mn.)



The positive regulatory result of RON 872.0 mn. does not include the effect of capitalization of the negative NL cost variance - in realized values this was RON 27.2 million, determined for the amount of NL realized in the first nine months of 2024.

6. Financial position IFRS- EU

The following table presents the consolidated statement of the financial position (amounts in RON mn.):

Table 9. Financial position (RON mn.)

	30 September 2024 (unaudited and unreviewed)	31 December 2023 (audited)	Variation (abs.)
ASSETS			
Non-current assets			
Intangible assets related to concession agreements	6,493.3	6,220.5	272.8
Other intangible assets	27.3	27.8	(0.5)
Goodwill	24.7	24.7	-
Property, plant and equipment	660.6	595.0	65.6
Investments in associates	16.6	16.6	-
Other investments	7.0	7.0	-
Deferred tax assets	89.4	32.4	57.0
Other non-current assets	51.4	52.0	(0.6)
Right of use assets	44.4	41.0	3.4
Total non-current assets	7,414.7	7,017.0	397.7
Current assets			
Trade receivables	3,011.0	2,540.4	470.5
Other receivables	70.6	93.8	(23.2)
Cash and cash equivalents	640.5	377.2	263.3
Subsidies receivables	1,392.3	2,614.5	(1,222.2)
Inventories	116.7	115.7	1.1
Prepayments	10.0	12.9	(3.0)
Current income tax receivable	8.7	-	8.7
Assets held for sale	0.3	0.3	-
Total current assets	5,250.1	5,754.9	(504.8)
Total assets	12,664.8	12,771.9	(107.1)
EQUITY AND LIABILITIES			
Equity			
Share capital	3,395.5	3,464.4	(68.9)
Share premium	103.0	103.0	-
Treasury shares reserves	-	(75.4)	75.4
Pre-paid capital contributions in kind from shareholders	0.0	0.0	-
Revaluation reserve	162.1	159.5	2.6
Legal reserves	449.4	449.4	-
Retained earnings	1,503.6	1,259.4	244.2
Total equity attributable to shareholders of the Company	5,613.7	5,360.4	253.3
Non-controlling interests	-	(0.5)	0.5
Total equity attributable to shareholders of the Company	5,613.7	5,360.0	253.7

	30 September 2024 (unaudited and unreviewed)	31 December 2023 (audited)	Variation (abs.)
Liabilities			
Non-current liabilities			
Lease liability – long term	35.0	29.1	5.8
Deferred tax liabilities	134.4	121.3	13.1
Employee benefits	158.0	151.4	6.7
Other liabilities	33.3	37.2	(3.8)
Long-term bank borrowings	1,718.3	794.3	923.9
Total non-current liabilities	2,079.0	1,133.3	945.7
Current liabilities			
Lease liability – short term	11.1	14.1	(2.9)
Bank overdrafts	2,082.4	2,851.2	(755.1)
Trade payables	1,015.9	1,671.5	(655.5)
Other payables	1,132.2	1,035.1	97.2
Deferred revenue	6.2	7.8	(1.6)
Employee benefits	106.9	120.5	(13.6)
Provisions	57.2	41.2	16.1
Current income tax liability	40.1	13.9	26.2
Current portion of long-term bank borrowings	519.9	523.3	(3.4)
Total current liabilities	4,972.1	6,278.6	(1,306.5)
Total liabilities	7,051.1	7,411.9	(360.8)
Total equity and liabilities	12,664.8	12,771.9	(107.1)

Source: Electrica

The materiality threshold established internally at Group level in the analysis of the main indicators (below) is RON 53.1 mn., representing 5% of EBITDA.

Non-current assets

The non-current assets increased by RON 397.7 mn. in Q3 2024, or 5.7%, from RON 7,017.0 mn. as of 31 December 2023, to RON 7,414.7 mn. at 30 September 2024, this variation being mainly the effect of:

- an increase of RON 272.8 mn. in network investments made by the distribution subsidiaries;
- the increase by RON 65.6 mn. of tangible fixed assets, mainly due to the development of renewable energy production parks (investment works in progress).
- RON 57.0 mn. increase in deferred tax receivables (IAS 12).

Current assets

In 2024, current assets decreased by RON 504.8 mn. compared to 31 December 2023, or 8.8%, from RON 5,754.9 mn. to RON 5,250.1 mn., this evolution is mainly due to the decrease of RON 1,222.2 mn. in subsidies receivable at September 30, 2024 compared to December 31, 2023 and the increase with RON 470.5 mn. of trade receivables.

Trade receivables

Trade receivables mainly include unpaid invoices issued up to the reporting date for the supply and distribution of electricity and services, penalties for late payment and estimated receivables related to electricity delivered and services rendered up to the year-end, but invoiced after the year-end.

Trade receivables increased by RON 470.5 mn. in 2024, or 18,5%, from RON 2,540.4 mn. to RON 3,011.0 mn. as of September 30, 2024 as a result of temporary unavailability of the notice/disconnection processes (the launch of the notice process was realized during June 2024, and of the disconnection process in early July 2024; ~67% of the increase in outstanding receivables is generated by the household segment), non-billing of prosumer customers and SAP IS-U errors on places of consumption with reading/count error, implausible readings or in outsourced (ex: invoice value automatically issued from SAP IS-U is above certain thresholds/alerts).

Cash and cash equivalents

Cash and cash equivalents include cash balances, demand deposits and current accounts with banks.

The value of cash and cash equivalents increased RON 263.3 mn., or 69.8% from RON 377.2 mn. at December 31, 2023 to RON 640.5 mn. at September 30, 2024.

Table 10. Cash and cash equivalents

(mn. RON)	30 September 2024	31 December 2023	31 December 2022
Current accounts	221.8	223.2	141.7
Deposits	418.3	154.0	193.2
Cash	0.4	0.0	0.0
Total cash and cash equivalents	640.5	377.2	334.9

Source: Electrica

Non-current liabilities

Non-current liabilities increased from RON 1,133.3 mn. at December 31, 2023 to RON 2,079.0 mn. as of September 30, 2024.

This development is a net effect of the change in the main categories of long-term debt, the most significant of which is the increase in the distribution subsidiary's long-term loan balances (Investment loan granted by the European Investment Bank "EIB") amounting to RON 1,044.9 mn., the drawings made in 2024 being mainly used to refinance the amounts used from other credit lines for the Group's investments.

Current liabilities

In the first 9 months of 2024, current liabilities decreased by RON 1,306.5 mn. to RON 4,972.1 mn. from RON 6,278.6 mn. at the end of 2023, mainly as a result of the evolution of the categories listed below.

Overdrafts

Overdrafts decreased by 27.0% in the first 9 months of 2024 from RON 2,851.2 mn. at December 31, 2023 to RON 2,082.4 mn. at September 30, 2024 due to the use of the drawdown of the loan with EIB to refinance the amounts used from other credit lines for the Group's investments.

Trade payables

As of September 30, 2024, trade payables decreased by approximately RON 655.5 mn. to RON 1,015.9 mn. from RON 1,671.5 mn. as of December 31, 2023 (decrease of RON 299.9 mn. DEER and of RON 414.9 mn. EFSA) mainly due to the decrease in energy prices in the first 9 months of 2024.

7. The regulatory framework perspective and the impact on the energy market

Distribution segment

For the distribution segment, the significant changes in the Romanian legislation were detailed in *chapter 2.2 Applicable regulatory framework* and in *Annex A.9.2.1* of this report.

In 2022, according to the Government's emergency ordinance (OUG) no. 119/2022, the additional costs for the purchase of electricity (determined as the difference between the realized costs and the costs included in the approved distribution tariffs), realized between 01 January 2022 and 31 August 2023, in order to cover the NL, compared to the costs included in the tariffs regulated (and not only loans), are capitalized quarterly and remunerated with 50% of the regulated rate of return (RRR) approved by ANRE, applicable during the amortization period of the respective costs and are recognized as a distinct component in the regulated tariffs, called the component related to additional costs with NL. Also, ANRE developed the Methodological Norms regarding the recognition in tariffs of the additional costs with the purchase of electricity to cover the own technological consumption compared to the costs included in the regulated tariffs, with the aim of establishing the way of substantiating the additional costs with the purchase of electricity for NL coverage as well as the conditions for their recognition in the regulated income on the basis of which the distribution tariffs are established.

According to Emergency Ordinance no. 153/2022, between 1 January 2023 and 31 March 2025, the mechanism for the centralized purchase of electricity is established, with OPCOM being designated as the sole purchaser. The distribution operators ("DO") will buy from OPCOM through an annual/monthly mechanism 75% of the quantity forecast and validated by ANRE at the price of 450 lei/MWh, and the producers will sell to OPCOM through an annual/monthly mechanism 80% of the quantity forecasted and validated by ANRE and Transelectrica at the price of 450 lei/MWh.

Emergency Ordinance no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024, CEAM was changed, so that producers voluntarily sell to OPCOM at the price of 400 lei/MWh and DO buys electricity from OPCOM at the price of 400 lei/MWh.

The methodology for establishing the distribution tariffs approved by ANRE Order no. 67/2024, establishes the regulatory framework for the fifth regulatory period (RP5) and the method of establishing the regulated revenues and the return of the assets of the distribution subsidiary. The approved RRR value for RP5, of 6.94%, is increased or decreased by 0.5 percentage points, depending on the level of performance achieved by the DSOs regarding the development of a smart grid to promote energy efficiency and the integration of energy produced from renewable sources, in relation to the values of a set of indicators that will be approved according to a methodology developed by ANRE. The regulated revenues of the DSOs consist of: (i) non-NL revenues that are recovered through the tariffs applied to consumers and (ii) NL revenues that are recovered from both consumers and electricity producers.

Supply segment

Supply segment will focus on diversifying its activity through offers and services adapted to customer needs, on operational efficiency through optimized electricity sales and purchase processes and on orientation towards customers and maximizing their satisfaction. The aim is to increase the supply segment, offer value-added solutions (products and services) and specific operations and processes digitalization.

Please consider that other factors that are not available at the date of this report (e.g. regulations and legislation in process of being amended) or that have not been presented above, or that have not been taken into account by the Group, may appear and can have a significant impact on Group's strategy implementation and evolution.

The regulatory framework has undergone significant changes in the last decade, including liberalization of electricity and natural gas markets, supply and distribution activities separation, support scheme implementation for renewable energy, electricity prosumers support and price capping for end customers.

In 2024, the price was set by suppliers through free market mechanisms, both for universal service offers and for offers related to competitive market, in compliance with price capping rules on invoicing.

Regarding last-resort electricity and natural gas supply, a monthly rotation system was introduced for SoLR nomination, which automatically accepts customers from all areas of the country. For this purpose, SoLR list is established according to the market share, each SoLR on the list being nominated in turn, monthly, to automatically take over the customers left without a supplier. Thus, during the first three quarters of 2024, Electrica Furnizare was nominated electricity supplier of last resort in March and August, and natural gas supplier of last resort in June 2024.

ANRE's development of the online platform for changing electricity and natural gas supplier (POSF), helps Romanian energy market to reach the objective provided by the European legislation regarding the change of supplier in 24 hours, starting with 2026.

Regarding the legislation related to prosumers, the change in the installed electric power threshold in power plants from renewable sources belonging to prosumers, from 100 kW to 400 kW per place of consumption and the quantitative compensation introduction led to an increase in prosumers number, which determined an increase of 185% in 2023 compared to 2022.

Last but not least, in 2023 the New Regulation Code for electricity supply to end consumers entered into force, approved by ANRE Order no. 5/2023, which brought various innovations that had to be implemented in electricity supply activity.

In the context of price increase on electricity and gas markets at international and national level, in Romania, a series of support schemes have been applied for electricity and gas consumers, for the period 1 November 2021 and 31 March 2025. Considering the implementation method of these schemes and the settlement mechanism of the amounts granted as support to clients, ex post from the state budget to electricity suppliers, they are generating constraints in terms of cash flows, such as uncertainties regarding full collection of the respective amounts by suppliers.

During 2024, several normative acts with impact on supply activity were approved: GEO no.32/2024, GEO no.31/2024 and ANRE Order no.6/2024.

By GEO no.32/2024, changes are made to the capping scheme established by GEO no.27/2022. Thus, starting 1 April 2024, the supply component for natural gas is increased to 15 RON/MWh for both SoLR and non-SoLR, the rule stating the payment of 40% of the capped amount within 10 days from the day of submission is changed, the selling price for natural gas producers that carry out both onshore and offshore activities and sales of natural gas activities is reduced from 150 RON/MWh to 120 RON/MWh, the MACEE price drops from 450 RON/MWh to 400 RON/MWh.

At the same time, producers can voluntarily sell through MACEE and suppliers will receive guarantees of origin for the quantity contracted through MACEE; drops down the limit for the average price accepted for the settlement of amounts related to 700 RON/MWh cap for the consumption recorded after 1 April 1 2024.

Last but not least, suppliers can make offers for end customers only if the purchase covers at least 50% of the needed consumption.

At the same time, GEO no.32/2024 also specifies the deadlines for entering settlement data on ANRE platform: 30 July 2024 for the period September 2022-August 2023; 31 December 2024 for the period September 2023-August 2024, 30 July 2025 for the period September 2024-March 2025.

By GEO no.31/2024, Law no. 227/2015 provisions regarding the Fiscal Code, with reference to the minimum tax, are changed, in the sense that economic operators controlled/licensed by ANRE who, in the previous year, achieved revenues from distribution/supply/transport of electricity and natural gas activities of over 95% from the total income does not fall under the incidence of these provisions.

By ANRE no.6/2024, the Regulation code of electricity supply to end customers and the Regulation code of natural gas supply to end customers were amended and completed with the provisions on the RO e-Invoice electronic invoice.

In this context, Electrica Furnizare is in the process of adapting its strategy to the new market circumstances.

Evolution of acquisition costs

The measures to reduce the price of electricity and natural gas approved by OUG 27, OUG 119 and OUG 153 have resulted in maintaining the downward trend in prices in the first part of 2024. The shortage of electricity and natural gas available in the wholesale market generated by the implementation at the end of 2022 of measures to reduce the prices of electricity and natural gas, respectively, is maintained:

- Introduction of the centralized electricity purchase mechanism (MACEE);
- Capping of the retail selling price for certain categories of final customers;
- Mechanisms for the recognition of the realized purchase cost;
- Over-taxation to producers/traders of the income obtained from the sale of electricity, if the average price exceeds 400 RON/MWh;
- Limiting the profit from the wholesale sale of electricity and natural gas to 10%, the difference to be paid to the energy transition fund;
- Limiting the export of electricity;
- Establishment of the maximum purchase price recognized to electricity suppliers for energy invoiced to capped customers, with offers available only for one-month periods.

The over-taxation of income from the sale of energy by generators/traders and the obligation of large generators to sell energy produced exclusively through MACEE have resulted in a reduced number of transactions in the wholesale market. However, the emergence of GEO no. 32/2024 as of April 1, 2024, which provides for an increase in the percentage for the profit accepted for the over-taxation of trading activity from 2% to 10% as well as the fact that participation in MACEE is voluntary, led to an increase in the number of sales offers initiated by large producers (Hidroelectrica, Nuclearelectrica and CE Oltenia) on the forward markets.

The average trading price of energy in the DAM in Q3 2024 registered an increase of about 27%, from 497.54 RON/MWh average price registered in Q3 2023 to 633.60 RON/MWh. This upward trend of prices in DAM manifested at the end of H1 and Q3 is the result of the following causes:

- increased energy consumption generated by high temperatures;
- the reduction in the volumes offered for sale in MACEE (up to their total lack);
- prolonged unavailability of production units in the region;
- the decoupling of the Hungarian energy market from South-East European countries resulting in reduced net transfer capacity in Hungary;

- the unavailability of a key 400kV transmission link, responsible for the transportation of flows from West to East Hungary as well as from West to South Europe, has caused grid congestion in South-East European countries;
- low flow on the Danube, caused by prolonged drought.

Thus, in Q3 2024, the trading price in the DAM in the evening peak hours recorded values of over 4,000 RON/MWh, the maximum recorded being in September, namely 5,084 RON/MWh, the highest value realized since the establishment of this market.

For natural gas, the spot market trading price recorded a slight decrease in Q3 2024, by about 0.3% compared to the trading price realized in Q3 2023, from 153.15 RON/MWh to 152.67 RON/MWh.

Against the background of the still low liquidity of the market, the unpredictability created by the legislative framework as well as the limits set by the government on the purchase/sale prices of electricity and natural gas, it is difficult to assess how the wholesale electricity and natural gas market will evolve in 2024. In the absence of major investments in new generation and storage capacities, it is estimated that prices will be on the rise, above the level recorded in Q3 2024 and 2023, respectively.

Impact on customers

The impact on customers in the dynamic national and international context:

- Accelerating digitalization, by automating processes to optimize client interaction (improvement of self-service level, end-to-end digitalization on online platform interaction);
- Adapting to domestic and international context of energy market, by offering tariff plans and customizable options according to lifestyle and specific needs, with focus on energy efficiency;
- Support measures granted to both household and non-household consumers.

Energy services segment

The Group's portfolio also includes the energy services segment (equipment maintenance, repairs and other additional services related to the network), performed almost entirely for the distribution companies outside the Group.

Electrica Serv will multiply the efforts to develop the market for "green energy" generation solutions – photovoltaic power plants and reactive energy compensators – by strengthening the partnership with EFSA in finding solutions and opportunities for efficiency for customers, by mounting photovoltaic panels and reactive energy compensators, intelligent lighting solutions, backup power, smart metering.

The main objectives of the SERV for the next period are:

- Expanding the activity on the service market outside ELSA group and consolidating in the business lines the new activities simultaneously with reactivating the old activities for which there is accumulated experience;
- Adapting the business and staff structure to streamline the activity and compensate for the losses suffered in the last fiscal years;
- Strengthening the current financial situation and reinvesting resources for the company's development in new directions of development.

The IT&C perspective

For the year 2024, in line with the objectives and directions included in the Digitization Strategy approved in 2022, the Group proposed the implementation of Central Finance SAP, which brings numerous benefits to the organization, having a significant impact on operational efficiency, as well as on strategic decision-making and

financial performance. Central Finance SAP integrates financial data from various ERP and accounting systems, providing a single and consolidated view of the financial situation. The implementation of this system enables the standardization and automation of financial processes, reducing redundancy and complexity.

By implementing Central Finance SAP, the organization will benefit from a powerful and integrated platform for the effective management of financial processes, facilitating long-term growth and success.

Creating an innovation and product development lab to explore and implement emerging technologies such as artificial intelligence and IoT. Stimulating innovation and adaptability through the development of innovative products and services, which enhances competitiveness and positions the organization as a leader in its field.

The increase in cyber threats and security incidents can put our organization's data and information at risk. We plan to invest in advanced cyber security solutions and develop training and awareness programs for employees regarding security best practices.

Beyond traditional IT&C infrastructure and services, the Group has set out to continue and accelerate digitization initiatives and the application of technologies that determine a faster, more flexible and friendly interaction with customers.

The implementation of innovative ITC technologies allows the organization to evolve faster and respond more effectively to changes in the market and customer requirements. Through digitization, we can provide an improved customer experience by personalizing services, providing faster and more flexible solutions, and facilitating two-way communication with customers.

Digitization gives our organization greater adaptability to changes in the business environment and market demands, allowing us to quickly adapt to new trends and promptly respond to customer needs.

8. Statements

Based on the best available information, we confirm that the interim condensed consolidated financial statements for the nine month period ended 30 September 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), provides an accurate and real image regarding the Electrica Group's financial position, the financial performance and the cash flows, as required by the applicable accounting standards, and that this Report, prepared in accordance with art. 67 of the law no. 24/2017 on issuers of financial instruments and market operations and to annex no. 13 to ASF Regulation no. 5/2018 for the nine months period ended 30 September 2024, comprises accurate and real information regarding the Group's development and performance.

Chair of the Board of Directors,

Mihai Diaconu

Chief Executive Officer,

Alexandru-Aurelian CHIRITA

Chief Financial Officer,

Stefan Alexandru FRANGULEA

9. Appendix

9.1. Appendix 1 - Economic and financial indicators of Electrica Group as of 30 September 2024 according to Annex 13/ASF Regulation no. 5/2018

Indicator	Formula	Value
Current liquidity ratio	Current assets/Current liabilities	1.06
Capital Gearing Ratio	Debt/Equity * 100	32.2%
	Debt/Employed Capital * 100	28.8%
Trade receivables turnover	Average balance trade receivables/ Turnover * 270	126 days
Non-current asset turnover ratio	Turnover/Non-current assets	0.88

9.2. Appendix 2 - Applicable legal framework - issued in 2024

A.9.2.1 Distribution segment

ANRE has issued documents for the regulatory framework that requires additional efforts from distribution operators in order to comply with the new requirements:

2024	
Regulations regarding tariffs:	<ul style="list-style-type: none"> ▪ The electricity distribution service tariffs for the year 2024 were approved by ANRE Order no. 115/2023, the average tariffs for DEER having the following increases compared to the tariffs from April 1, 2023: MN +7.6%, TN +5.8%, TS +6.9%; - effective from January 1, 2024. ▪ ANRE order no. 109/2023 approving the average tariff for the electricity transmission service, the components of the transmission tariff for introducing electricity into networks (T_G) and extracting electricity from networks (T_L) and the regulated price for reactive electricity, practiced by the National Electric Energy Transport Company "Transelectrica" - S.A. and ANRE Order no. 116/2023 approving the tariff for the purchase of system services for the transport and system operator Compania Nationala de Transport al Energiei Electrice "Transelectrica" - S.A - effective from January 1, 2024. With the following deviations compared to the tariffs from April 1, 2023: T_L: 1%. T_G: -5.4%, respectively compared to June 1, 2023: T_S +38.1%. ▪ ANRE order no. 15/2024 regarding the approval of the tariff for the acquisition of system services for the transport and system operator Compania Nationala de Transport al Energiei Electrice "Transelectrica" - S.A. - effective from June 1, 2024. <ul style="list-style-type: none"> ▪ The system tariff increased on June 1, 2024 by 40% compared to January 1, 2024, from 9.17 lei/MWh to 12.84 lei/MWh. ▪ ANRE order no.55/6.08.2024 regarding the establishment of the regulated rate of return on invested capital applied to the approval of tariffs for the transmission and distribution services of electricity and natural gas, for the fifth regulatory period, with the value of 6.94%. ▪ ANRE order no.67/17.09.2024 regarding the approval of the Methodology for setting tariffs for the electricity distribution service. <ul style="list-style-type: none"> I. OPEX: OPEXC and the efficiency factor will be established based on the OPEX study, carried out by ANRE. PEX is not subject to efficiency and will be adjusted annually with the inflation rate (RI) and by 5%, correlated with the real wage growth index published by the NSFC Research and development costs will not be subject to efficiency and can be requested by DSOs in the amount of a maximum of RON 5 million per RP5 total. Expenses related to contracts with affiliated parties whose object is DSOs representation, consulting services or assistance in the field of regulation, and expenses corresponding to the profit attributed to possible subcontracted parties are not recognized. The inflation correction between realized and forecasted IR will be applied to PEX only if the inflation difference is positive. II. RAB / CAPEX RAB RP5 will be inflated with the forecasted IR used to calculate the RRR. Investments in the form of updates of IT applications or databases will not be recognized in RAB, they will be recognized as OpexNC. Endowment-type assets will be recognized in RAB if DSO demonstrates their efficiency. III. RRR incentives RRR incentives will no longer be granted: 1% new investments in network and 1% for PCI. An incentive of 0.5% will be granted for investments in networks made within the projects co-financed from non-reimbursable EU funds. A 1% incentive is granted for the value that exceeds the minimum mandatory value for investments made in network. The RRR will increase or decrease by 0.5%, depending on the level of performance achieved regarding the development of a smart grid; RRR is reduced by 2% for investments in pif endowments in RP5 (administrative buildings and tangible and intangible fixed assets). As an exception, the RRR is not reduced in the case of equipment actually used for works in the RED and which lead to the maintenance and/or improvement of the RED parameters. IV. NL NL targets will decrease linearly during RP5 by 15% for LV and by 6% for MV. The recognized NL price will not exceed the weighted average of the prices realized by the DSO, plus 5%. In periods of crisis on the energy market, declared by normative acts, the NL price realized by the DSOs will be recognized.

2024	
	<p>V. Revenues and tariffs</p> <p>The regulated income will consist of non-NL income and NL income, the non-NL income is linearized, and the related average tariff component will be capped at 10%.</p> <p>The NL income is the basis for the establishment of NL tariffs that will be recovered from both consumers and producers.</p> <p>Pole rental activity will be regulated and will be included in distribution service income.</p> <ul style="list-style-type: none"> ▪ Draft Order on the approval of the Methodology for the establishment of performance indicators in relation to the development of a smart grid to promote energy efficiency and the integration of electricity produced from renewable sources. The Methodology proposes: <ul style="list-style-type: none"> ○ Establishment of a set of indicators to monitor: <ul style="list-style-type: none"> A. quality of electricity distribution/transmission service; B. integration of renewable electricity generation (RES-E), storage facilities and flexibility services; C. the level of digitization of electricity grids. ○ The performance of each network operator (RO) is assessed through a composite performance indicator, determined as a weighted average of the monitored indicators; ○ The monitoring of the indicators and the determination of the composite performance indicator shall be done on an annual basis, starting in 2027; ○ In 2024-2025 the composite indicator shall be determined as a weighted average based on quality indicators, production integration indicators, storage facilities and flexibility services, and the weighting coefficients shall be equal; ○ For the indicators reflecting the degree of digitization of the networks, it is proposed to set targets to be achieved by the ROs; ○ Thresholds against which the RRR is increased or decreased by 0.5% depending on the value realized in one year of the composite performance indicator: <ul style="list-style-type: none"> A. if greater than 90%, RRR is increased by 0.5%; B. if below 70%, the RRR is decreased by 0.5%.
Investments Procedure	<ul style="list-style-type: none"> ▪ ANRE order no. 3/2024 for the approval of the Procedure regarding the approval of the investments of the transport and system operator and distribution operators, which consist of electricity production installations from renewable energy sources located in their own electrical transformation stations - effective from March 1, 2024 <ul style="list-style-type: none"> ▪ For the ANRE to approve an installation for the production of electricity from renewable sources in the premises of its own electrical transformation station, the following conditions must be met: <ul style="list-style-type: none"> ○ the electrical energy produced is consumed exclusively to supply the own consumption of the electrical station where the installation is located; ○ TSO/DSO includes technical measures for managing the energy produced, so that it cannot be discharged into the public network. ▪ The ex-ante presentation of the cost-benefit analysis is required, as well as the analysis, every year after the commissioning, of the level of benefits achieved in relation to the costs included in the network tariffs. In the event that the realized benefits are lower than the realized capital and operational costs, the profitability related to the investment, recognized for the respective year, is reduced accordingly, so that the capital and operational costs related to the investment do not exceed the realized benefits; ▪ The approved investments are included in the investment plan of the TSO/DSO in the endowment category, derogation for the investments made in 2023 and approved are considered additional investments to the investment plan for the year 2023, in the endowment category and are reported until May 31, 2024 in a table dedicated to this type of investment. ▪ ANRE Draft order for the amendment of the Procedure regarding the substantiation and approval of the development and investment plans of the transport and system operator and of the electricity distribution operators approved by ANRE Order no. 98/2022 - public consultation <ul style="list-style-type: none"> ▪ art. 27, para. (4), lit. g) - to clarify the fact that the electricity production facilities from renewable sources located in a power station can only be used to cover the "administrative consumption" and the "own consumption" of the power station, in accordance with ANRE Order no. 3/2024; ▪ art. 40, para. (2) imposes the condition that the network operators implement the investment plan in the network in the amount of at least 95%. The reformulation of this paragraph is necessary to clarify the fact that the planned and realized values that are compared refer to the investments related to the network.
<u>Licenses and authorizations</u>	<ul style="list-style-type: none"> ▪ ANRE Draft order regarding the amendment of the Regulation for the granting of licenses and authorizations in the electricity sector approved by ANRE Order no. 12/2015, with subsequent changes and addition - public consultation <ul style="list-style-type: none"> ▪ improving the process of granting/modification/suspension/withdrawal of authorizations and licenses of economic operators carrying out activities in the field of electricity, by revising the conditions applicable to applicants; ▪ correlation of the provisions of the Regulation with the provisions of ANRE Order no. 118/2023 regarding the approval of tariffs and monetary contributions charged by ANRE in 2024;

2024	
	<ul style="list-style-type: none"> modification of the legal provisions regarding the method of submission of documents by authorization/license applicants, in the sense of prioritizing electronic means of communication (portal provided by ANRE in this regard, ANRE e-mail address or uploading to the PCUe platform); the inclusion of a chapter dedicated to the transfer of energy capacities in which the ways of realizing/exploiting the energy capacities that are the subject of a transfer are regulated, either as a result of the conclusion of contracts through which the ownership/use right is transferred over them, or as a result of a process of merger/division of the holders of establishment authorizations/licenses; the inclusion in the Regulation of the situation of modification of the license for the commercial exploitation of energy capacities by including in its content some energy capacities over which the applicant can have a provisional exploitation right, until the date on which the license holder obtains the definitive exploitation right, in the case of the transfer of the right of ownership/use of the respective energy capacities. <ul style="list-style-type: none"> ANRE Order no. 23/2024 for the modification and completion of the Technical Norm regarding the establishment of requirements for the execution of works under voltage in electrical installations, approved by ANRE Order no. 34/2021- NTE code 010/20/01 - effective from July 2, 2024 <ul style="list-style-type: none"> establishing new requirements that will allow an easier implementation of technologies for the execution of works under tension by economic operators certified by ANRE, other than NO, electricity producers or final customers of electricity, industrial or similar; regarding the degree/type of authorization for electricians belonging to economic operators who carry out activities based on certificates issued by ANRE, other than NO, electricity producers or final customers of electricity, industrial or similar, who perform live works; a new requirement was introduced regarding the marking of protective means, tools, devices and work equipment used for the execution of work under tension in accordance with the provisions of the SR EN 61477-2009 standard - Work under tension Minimum requirements for the use of tools, devices and the equipment; both the specific requirements for economic operators that perform live work and the organizational measures for work safety necessary for the performance of live work at MV or HV have been completed; the definition of the issuer for works under tension has been reformulated, taking into account the possibility that it belongs to the economic operator certified by ANRE that performs works under tension.
Smart metering regulations (SM):	<ul style="list-style-type: none"> The Draft Order regarding the modification and completion of the Framework Conditions for the realization of the implementation calendar of the intelligent electricity metering systems at the national level approved by ANRE Order no. 177/2018 with subsequent changes and addition - public debate <ul style="list-style-type: none"> modifying and supplementing the existing provisions to ensure compliance with the conditions - framework with the provisions of art. 66 paragraphs (5) and (7) of Law 123/2012; introduces provisions to create conditions so that the SMI realized are able to reach the performance criteria provided in terms of the reliability and accuracy of the transmission and valorization of the measurement and instrumentation data collected and transited through the system elements; increasing the accuracy and relevance of the monitoring of the SMI implementation process by updating the corresponding annexes; detailed explanations of the monitored indicators and parameters were carried out; provisions were introduced for the preparation of annual monitoring reports in a unitary and sufficiently detailed manner to ensure visibility on the development of the SMI implementation process; substantiating the proposals to change the SMI implementation calendar in a unitary way by introducing annex no. 6 to the conditions - framework that includes reference framework structures for the preparation of supporting memoranda and cost-benefit analyzes that substantiate the requests to change the SMI implementation calendar; replacing the phrase "users integrated in SMI" with "places of consumption/production and consumption integrated in SMI" and reformulating references to integration in SMI so that it refers to places of consumption/production and consumption; the reference to users is made only in relation to information, rights and obligations; the inclusion of provisions to ensure the access of users whose places of consumption/production and consumption are integrated in SMI, to unvalidated consumption data, in near real time, in accordance with the provisions of the Law.
Technical regulations	<p>a) Network connection</p> <ul style="list-style-type: none"> ANRE Order no. 106/2023 for the amendment and completion of ANRE Order no. 239/2019 for the approval of the Technical Norm regarding the delimitation of protection and safety zones related to energy capacities - effective from January 10, 2024 the order changes involve NO in evaluating the position of the building-type objective in relation to the safety zone of the overhead power lines with nominal voltages higher than 1kV; assures the applicants of location approvals the facilitation of the location of the building-type objective outside the safety zone of the overhead power lines, the size of which is calculated with the formula from point 2.3 of Annex no. 6 to the Norm, without the need to carry out a risk analysis.

- **ANRE order no.53/31.07.2024 for the approval of the Methodology regarding the allocation of the electricity network capacity for the connection of electricity production sites, as well as for the modification and completion of some orders of the president of the National Energy Regulatory Authority in the field of connecting users to the public interest electricity network**
 - The methodology aims to establish the rules regarding the allocation by auction of the available capacities in order to connect production/consumption and production sites, with installed capacities of electricity production facilities greater than or equal to 5 MW.
 - This regulation will replace the current concept that establishes the obligation of connection applicants to participate in general strengthening works in the electrical networks upstream of the connection point with a mechanism for allocating the capacity of the electrical network based on an auction. The development and administration of the auction platform and the organization of the respective activity is carried out by the transport and system operator.
 - The methodology is applied starting from 01.01.2026 for: - the connection of production/consumption and production sites with/without new storage facilities, with the installed power of electricity production facilities greater than or equal to 5 MW, respectively of new storage facilities, with installed power greater than or equal to 5 MW; - the granting of a power increase for evacuation in the situation of the location at a place of production/consumption and existing production of additional electricity production facilities/storage facilities with an installed power greater than or equal to 5 MW; - the connection to an existing place of consumption of electricity production facilities/storage facilities with an installed power greater than or equal to 5 MW.
 - Through this mechanism, the sums collected through the auction for the additional electricity network development works, necessary to cover the requests of the applicants for capacity allocation, are used by the network operators for the development of the electricity networks.
 - At the same time, the order revises the provisions of the Regulation regarding the connection of users to public interest electric networks, approved by ANRE Order no. 59/2013, with subsequent amendments and additions, through measures that mainly refer to the establishment of the 5% financial guarantee provided for in the technical connection notices issued for production/consumption and new production sites with installed capacities greater than 1 MW regardless of whether or not the connection solution provides for strengthening works in the electrical networks upstream of the connection point.
- **ANRE Draft Order for the approval of the Procedure regarding the rules for the connection to the public interest electrical networks of equipment and aggregates for irrigation, of the new pressurization stations, as well as for economic operators that carry out activities included in CAEN code 01 Agriculture, hunting and services annexes and CAEN code 10 Food industry - public debate**
 - the rules are addressed to the connection to the electrical networks of public interest of the equipment and aggregates for irrigation, of the new pressure stations, as well as of the places of consumption belonging to the economic operators that carry out activities included in the CAEN code 01 Agriculture, hunting and related services and CAEN code 10 Food industry;
 - the rules apply to the connection to the electrical networks of new places of consumption;
 - DSO has the obligation to ensure, under conditions of economic efficiency, the financing and realization of the design and execution works of the connection installations of the places of consumption, with a length of up to 2,500 meters, when the connection solution provides for the same voltage level at the point delimitation and at the connection point; in the event that the connection installations of the places of consumption are longer than 2,500 meters and when the connection solution provides for the same voltage level at the delimitation point and at the connection point, the financing of the difference in their length that exceeds the length of 2,500 meters is ensured by users;
 - if in the area where the places of consumption are located, there is only an electric network with a voltage level different from that of the demarcation point provided in the connection solution, DSO are obliged to ensure the financing and realization of the design and execution works of the connection installations consumption places with a length of up to 2,500 meters, excluding the transformer station/electrical station, as the case may be, which is financed by the users;
 - if in the area where the places of consumption are located there is only an electric network with a voltage level different from that of the demarcation point provided in the connection solution and the installations for connecting the places of consumption are longer than 2,500 meters, DSO has the obligation ensure the financing and realization of the design and execution works of the connection installations for a length of up to 2,500 meters, and the financing of the difference in their length compared to the length of 2,500 meters and of the transformer station/electrical station, as the case may be, is ensured by users;
 - the term for making the connection, including the reception and commissioning of the connection installation, is a maximum of 120 days from the date of obtaining the agreement/authorization for the connection installation;
 - the connection installation becomes the property of DSO through the handover-acceptance report, on the date of its commissioning, in accordance with the provisions of the connection contract;
 - the user whose place of consumption is supplied by a connection installation made in accordance with the provisions of the procedure, has the obligation to use the place of consumption and to keep its destination for a period of 15 years from the date of commissioning of the connection installation ;
 - DSO verifies the fulfillment of the user's obligation to use the place of consumption and to keep its destination at least once every year during the period of 15 years from the date of commissioning of the connection installation;
 - if the user does not comply with the obligation to use the place of consumption and to keep its destination for a period of 15 years from the date of commissioning of the connection installation, he is obliged to return to DSO the value of the design and execution works of the connection installation borne by the operator, proportional to the unused period, gradually.

2024	
	<p><u>b) Prosumers</u></p> <ul style="list-style-type: none"> ▪ Draft Order for the modification and completion of the Methodology for establishing the rules for the commercialization of electricity produced in power plants from renewable sources with an installed electric power of no more than 400 kW per place of consumption belonging to prosumers, approved by ANRE Order no. 15/2022 - public debate phase II <ul style="list-style-type: none"> ▪ clarifications on how to apply the quantitative compensation between the electrical energy consumed and the electrical energy produced and delivered in the electrical network by prosumers who own SRE electrical energy production units with an installed electrical power of no more than 200 kW per point of consumption ▪ detailing the way of settlement of the electricity produced and delivered in the electricity network at one or more places of production and consumption where they have the capacity of prosumers with the electricity consumed from the same electricity network at other places of production and consumption/places of consumption of them, a facility that was introduced by GEO no. 163/2022. <p><u>c) Storage</u> <i>No changes or additions to the legislation were issued until the moment of publication of this report.</i></p> <p><u>d) Distribution service performance standard</u> <i>No changes or additions to the legislation were issued until the moment of publication of this report.</i></p>
<u>Commercial Regulations</u>	<ul style="list-style-type: none"> ▪ Draft Order for the amendment of the Procedure regarding the establishment of electricity consumption in the flat-rate system, approved by ANRE Order no. 190/2020 - public debate <ul style="list-style-type: none"> ▪ the drawing up by NO on the date of ascertaining the situation in which the electricity consumption cannot be determined by measurement of a Finding Note, this has the role of recording the technical problems identified at the measurement group, it is not necessary to sign it by the end customer ; ▪ PV drawn up by NO is sent by him both to the final customer and to the electricity supplier within a maximum of 5 working days from the date of drawing up; based on the minutes, the supplier has the obligation to issue the invoice; ▪ it is not necessary for the final customer to sign the verbal process, but he can dispute both the verbal process and the invoice issued by the supplier within a maximum of 20 days from the communication; ▪ the elimination of the option of determining the consumption of electricity in a flat system based on the average consumption resulting from the consumption history of the last 3 years, established for a period of time equal in duration and similar in terms of consumption conditions to that in which the measurement group did not work; in the situation where there is no consumption history of the last 3 years, the average consumption is established based on the consumption history related to a period of 2 years respectively or 1 year, as the case may be, because it is no longer applicable considering that the recalculation is based on the average daily consumption of the new meter; ▪ introduction of the model of the assessment note drawn up by the NO; ▪ the introduction of the finding report model in the situation where the meter is/is not subject to metrological verification in an authorized metrology laboratory. ▪ Order no.54/30.07.2024 for the modification and completion of the Commercial Rules regarding the collection, processing and transmission of the measured values of electric energy, approved by ANRE Order no. 62/2020 <ul style="list-style-type: none"> • The Order entered into force starting on July 31, 2024, TSOs, DSOs and MOs update their own procedures, within 30 days from the entry into force • o The changes made represent the updating of the terminology: the replacement of the terms UD (dispatchable unit), CD (dispatchable consumption) and ISD (dispatchable storage facility) with GFR (reserve supply group) and UFR (reserve supply unit), as a result of the implementation in the related secondary legislation of the currently existing terminology within the European regulations in force.
<u>Compliance Regulation</u>	<ul style="list-style-type: none"> ▪ Draft Order regarding the modification and completion of the Regulation for the organization and development of investigative activity in the field of energy regarding the operation of the wholesale energy market, approved by ANRE Order no. 25/2017 - public consultation <ul style="list-style-type: none"> ▪ allows investigators access to national classified information, with subsequent authorization to issue security certificates; ▪ introduces a substantiation note for completing the preliminary analysis, with the aim of aligning the articles of the regulation; ▪ establishes a deadline of 60 days for performing the preliminary analysis, with the possibility of extension by another 60 days, for efficiency; ▪ standardizes the terminology for structures within ANRE according to the current institutional organization; ▪ clarifies the internal approval procedure of the investigation report in its final form; ▪ regulates the process of completing the investigation in the case of sanctions related to turnover; ▪ clarifies the way of resolving complaints and introduces a preliminary analysis and a substantiation note; ▪ change the deadline for initiating the complaint investigation from 90 to 60 days, subject to the approval of the substantiation note; ▪ abrogates the prioritization of cases by the Directorate of Investigations, leaving this decision under the responsibility of the ANRE president;

2024	
	<ul style="list-style-type: none"> remove the mention about the exercise of investigative powers by notifying the judicial authorities, because REMIT has specific provisions; completes the rights of the members of the investigation team with those provided by REMIT; require the investigated market participants to provide a declaration regarding the correctness and completeness of the documents provided, as well as to carry out correspondence/discussions with ANRE in Romanian; adds the obligation of the investigation team to follow the implementation of the measures ordered by the decision to complete the investigation.
<u>Sanctions and complaints</u>	<ul style="list-style-type: none"> Draft Order for the amendment and completion of the Procedure regarding the establishment and individualization of contraventional sanctions related to the turnover resulting from the control activity - public consultation <ul style="list-style-type: none"> the amendment and completion of the Procedure takes into account the latest administrative changes in the organization of ANRE, but also its completion in the sense of regulating a new situation, that of the supervisory control action; in the case of a surveillance-type control action, the notification note shall take the place of the control report provided for in art. 2(1). Order no.62/2024 for the amendment of the Procedure regarding the settlement of complaints of interested parties in the energy sector, approved by ANRE Order no. 194/2020 <ul style="list-style-type: none"> is modified considering the provisions of the Electricity and Natural Gas Law no. 123/2012, art. 7² Settlement of complaints and by way of derogation from the provisions of GEO no. 27/2002 regarding the regulation of the activity of resolving petitions, approved with changes and additions by Law no. 233/2002, with subsequent changes; in the approval report, ANRE motivates the changes because of the increase in the number of complaints registered with ANRE, the proposals received from the internal auditors, the IT changes in the organization of the institution, which also generated changes in the storage and archiving of complaint files, and especially the situations in practice as a result of the application of the provisions of the normative act. Draft Order regarding the modification and completion of the Procedure regarding the establishment and individualization of contraventional sanctions related to turnover, by the Regulatory Committee of ANRE, as a result of investigative actions, approved by ANRE Order no. 13/2022 - public consultation <ul style="list-style-type: none"> modification of the procedure for indicating all relevant legal provisions from Law no. 123/2012 governing the establishment of sanctions proportional to the turnover of the investigated legal entities. the repeal of some provisions that do not correlate with the current provisions. changing the terminology for the document issued by the department responsible for investigations, modifications and additions to the provisions regarding the documents presented for analysis and debate sent to the Regulatory Committee, for establishing and individualizing the sanction provided by law. Paper documents are sent to the Regulatory Committee only upon its express request changes and additions to the documents presented for analysis and debate to the Regulatory Committee, including aspects related to the implementation of its decisions. clarifications regarding the determination of the turnover and the introduction of clarifications regarding the method of requesting the necessary information for establishing the sanction. changes to the criteria for individualizing the sanction and classifying the facts according to gravity.
Primary legislation:	<ul style="list-style-type: none"> Emergency Ordinance no. 32/2024 - effective from April 1, 2024 <ul style="list-style-type: none"> modify and supplement GEO no. 27/2022 for the period April 1, 2024 - December 31, 2024, modifies CEAM, so that DSO buys electricity from OPCOM at the price of 400 lei/MWh, and producers will voluntarily sell to OPCOM at the price of 400 lei/MWh.
Alignment with the European legislation - EU Regulation no. 943/2019:	<p><u>Electricity market functioning</u></p> <ul style="list-style-type: none"> ANRE order no. 2/2024 for the amendment of the Regulation regarding the organized trading framework on the organized future electricity markets administered by the Electric Energy and Natural Gas Market Operator OPCOM S.A. approved by ANRE Order no. 12/2023 – effective from February 22, 2024 <ul style="list-style-type: none"> Taking into account the approval of Order 95/2023 in which aggregation can be done cumulatively (producers, consumers and owners of storage facilities), the aggregation of market participants is carried out for production and/or consumption activity; OPCOM carries out the provisions of the order and publishes on its website, within 10 days from the effective date of the order, the updated operational procedures. ANRE order no. 8/2024 for the modification of ANRE orders regarding the electricity market - effective from March 31, 2024 <ul style="list-style-type: none"> Extending the term from which the provisions of ANRE Order no. 127/2021, respectively from April 1, 2024 to June 1, 2024, for the following reasons:

2024

Modification of the module relating to the settlement of BRP imbalances developed by the TSO as a result of the modification of the formulas for calculating the single final imbalance price:

- The complexity of the process of implementing the new functions in the EMS - SCADA system and the module for activating the automatically activated frequency restoration reserves using the order of merit – RRFa;
 - Application and process testing stage with all entities involved in the BPM activity, in addition, they must develop software applications necessary for data exchange with the BPM platform, as well as the training of operators in this regard;
 - The very small volume of qualifications for the provision of system services as a number of participants in the electricity market, with an insufficient volume of reserves.
 - Taking into account the request of TSO to waive the deadline for joining the European balancing platforms for automatically activated frequency restoration reserves (RRFa) in July and respectively September 2024 for manually activated frequency restoration reserves (RRFm), the purpose of the draft order is to include provisions for the bidding, selection and activation processes for the national balancing market (BPM) platform for the transitional period until the company joins the European platforms;
 - It is also necessary to extend its application period from April 1, 2024 to June 1, 2024 and ANRE Order no. 128/2021, for alignment with the provisions of ANRE Order no. 127/2021.
- **ANRE Order no. 9/2024 for the amendment of ANRE Order no. 124/2022 for the approval of the Rules for the management of congestion through the use on a market basis by the network operators of the flexibility of the resources in the distribution networks and those in the transport network, of the Rules applicable to the purchase of reactive electrical energy for the regulation of the voltage in the steady state of to the transport and system operator and the Rules applicable to the purchase of reactive electrical energy for voltage regulation in stationary mode by concessionaire distribution operators and for the modification and completion of ANRE Order no. 127/2021 for the approval of the Regulation on terms and conditions for balancing service providers and for frequency stabilization reserve providers and the Regulation on terms and conditions for parties responsible for balancing** - effective from April 24, 2024
 - modification of the term of application of ANRE Order no. 124/2022 from May 1, 2024 to May 1, 2025;
 - extending the deadline for submission to ANRE of the operational procedures related to solving congestion based on the use of flexible resources until April 5, 2025.
 - **ANRE order no. 18/2024 for the modification and completion of some orders of the president of the National Energy Regulatory Authority regarding the electricity market** - effective from June 1, 2024
 - Amendment of Order 127/2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization backup providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some ANRE orders.
 - a. change the order application date from June 1, 2024 to July 1, 2024
 - b. the extension of the application period for the method of acquiring capacity through market mechanisms for the frequency stabilization reserve (RSF), from June 1, 2024 to June 1, 2025
 - Amendment of Order 128/2021 for the approval of the rules for suspending and restoring market activities and applicable settlement rules
 - a. change the order application date from June 1, 2024 to July 1, 2024
 - On July 1, 2024, ANRE Order 23/2016 for the approval of the Regulation on the suspension of the operation of the wholesale electricity market and the applicable commercial rules is repealed
 - **Order no. 52/17.07.2024 regarding the approval of the Framework Contract between the CfD Counterparty and the CfD contribution payer for the collection of the CfD contribution and the Framework Contract between the CfD Scheme Operator and the CfD Counterparty** - public debate phase II
 - Annex 1 framework contract between the CfD Counterparty and the contribution payer:
 - a. the conditions for collecting the CfD contribution;
 - b. the obligations, respectively the rights of the CfD Counterparty;
 - c. the obligations of the CfD contribution payer;
 - d. payment terms.
 - Appendix no. 2 framework contract between the CfD Counterparty and the operator of the CfD scheme:
 - a. object of the contract;
 - b. the conditions for collecting the CfD scheme operator's contribution;
 - c. obligations and rights of the operator of the CfD scheme;

2024

- d. the obligations of the CfD counterparty;
- e. payment terms.

▪ **Order no.51/17.07.2024 regarding the approval of the Methodology for determining and collecting the CfD contribution**

- In order to apply the CfD support mechanism for the production of energy through technologies with low carbon emissions, the necessary funds are constituted by the monthly collection by the CfD Counterparty of the CfD contribution from: a) electricity suppliers active on the retail market electricity from Romania; b) electricity producers for the electricity consumed from their own production at their own places of consumption and for which they owe the tariff for the distribution/transportation service; c) energy producers for the electricity supplied to consumers connected to the power plant busbars and for which the tariff for the distribution/transportation service is due.
- The methodology establishes:
 - a) the process of determining the CfD contribution that must be collected by the CfD counterparty, according to the legal provisions;
 - b) the method of determining the annual costs borne by the CfD Counterparty and the CfD Scheme Operator for the performance of their administrative tasks;
 - c) the data collection process necessary for the approval of the CfD contribution;
 - d) the way to review the CfD contribution.

▪ **ANRE order no. 66/17.09.2024 regarding the approval of the contribution for contracts for the difference (CfD), enters into force on October 1, 2024.**

The following contributions are approved:

- for contracts for the difference (CfD) in a total amount of 0.000128 lei/kWh, exclusive of VAT.
- related to contracts for the difference — the Operator's component of the CfD scheme in the amount of 0.000019 lei/kWh, exclusive of VAT.
- related to contracts for the difference — the CfD counterparty component, in the amount of 0.000109 lei/kWh, exclusive of VAT.

▪ **Order no. 60/28.08.2024 for the modification of ANRE orders regarding the electricity market, enters into force on October 1, 2024**

- The concept of elastic demand is used on the European balancing platform, it can also be used on periods of operation not connected to the single balancing platform with the application of local rules. This concept allows TSOs to optimize and reduce energy system balancing costs by using alternative offers such as specific local balancing products. During the use of this concept, the TSO communicates the maximum prices it is willing to pay for the selected balancing energy, this fact being to the benefit of all participants in the electricity market by reducing balancing costs. Also, the TSO has the obligation to publish the second day after the day of delivery, in a transparent and non-discriminatory manner, the prices of the offers by type of reserves, as well as the marginal prices of the balancing energy selected for each settlement interval.
- The rules applied to power plants in operation for the trial period were modified by changing the price offered to them for the electricity produced, which is correlated with the price for day ahead market (DAM) for the respective settlement interval. The test period will be carried out in a schedule established with the TSO for each producer depending on its power and operating voltage.
- Also, a provision was approved requiring network operators to send suppliers information, in good time, regarding the measured values related to their consumption in order to facilitate the taking of proactive measures in order to balance their portfolios, with application from January 1, 2025. This provision was adopted in order to improve consumption forecasts, this fact can lead to a reduction in balancing costs and implicitly in the cost of electricity for the end customer.

Source: Electrica

A.9.2.2 Supply segment

In 2024, with an impact on the electricity and natural gas supply activity, the following normative acts were adopted:

2024
<p>a. Primary legislation:</p> <ul style="list-style-type: none"> ▪ GEO No 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as amending and supplementing certain regulatory acts in the field of energy: <ul style="list-style-type: none"> - the period of application of the support (capping) scheme is 1 year, i.e. 1 April 2022 - 31 March 2023. - For electricity the final invoiced price is: maximum 0.68 lei/kWh (VAT included) for household customers with average monthly consumption (achieved at the place of consumption in 2021) less than or equal to 100 kWh, maximum 0.8 lei/kWh (VAT included) for household customers with average monthly consumption between 100 kWh and 300 kWh inclusive, maximum 1 lei/kWh (VAT included) for non-household customers (the framing of household customers is made according to the average monthly consumption achieved in 2021, the capped prices will apply for the entire period regardless of the amount consumed. In the case of household customers who were not initially included in the cap but whose consumption in 2022 is included, suppliers issue regularisation invoices in February 2023 using the capped price for the period in which they consumed). - for natural gas the final invoiced price is: maximum 0.31 lei/kWh (VAT included) for household customers, maximum 0.37 lei/kWh (VAT included) for non-household customers whose annual consumption of natural gas in 2021 at the place of consumption is 50,000 MWh or less and for thermal energy producers; - customers connected after 1 January 2022 will be invoiced with a ceiling: domestic electricity customers at 0.68 lei/kWh (with minimum ceiling), domestic gas customers at 0.31 lei/kWh (category ceiling), non-household electricity customers at 1 lei/kWh (category ceiling) and non-household gas customers at 0.37 lei/kWh (regardless of consumption); - customers who do not fall under the ceiling will have monthly adjustable prices, the variable being a correction component for the purchase price, so that the cost of purchase (with PE within 5%) is passed on to the final customers. The exception is only the first two months of the application period, when the price is not adjustable. At the request of final customers, suppliers may also conclude supply contracts under conditions other than those provided for in the article referring to uncapped customers. - the subscription is included in the cap; if the price in the current contracts with end customers is lower than the capped price, the contract price applies. - The supply component is 73 lei/MWh for the electricity supply activity and 12 lei/MWh for the natural gas supply activity and for the customers taken over in the last resort it is 80 lei/MWh for the electricity supply activity and 13,5 lei/MWh for the natural gas supply activity (the GEO establishes the value of the supply component, without specifying that it is a maximum). - for the purchase of electricity and natural gas, the monthly imbalance must not exceed 5% of the monthly energy value delivered to the final customers in the portfolio, which exceeds this threshold will not be recognized and settled; the purchase made for the last resort supply does not have the cost of balancing limited to 5%; the obligation appears to constitute in the period 1 April - 31 October 2022 storage deposits of at least 30% of the quantity of natural gas required for the consumption of the final customers in the portfolio. - the recovery of the capping amounts is fully realized under the condition of respecting the limit of 5% of the cost with imbalances; the losses registered from the application of the support scheme in the period 1 November 2021 - 31 March 2022 can also be recovered (a supply cost of 73 lei/MWh is accepted and we have the limitation of the cost with imbalances to 5% of the purchase cost) - for the recovery to be at a high level it is necessary to invoice all consumption, including FUI, by the beginning of May. - the supplier is obliged to notify customers about changes resulting from the application of the provisions of the GEO with the first invoice sent after the entry into force (the fine is between 100 thousand and 400 thousand lei). - Fines: between 1-5% of the turnover for non-compliance with the ceiling and cost limits; between 20 thousand and 400 thousand lei for non-compliance with the provisions for supply in last resort; between 100 thousand and 400 thousand lei if we do not inform final customers, if we do not keep differentiated/segmented monthly records of customers, if we do not identify customers in order to apply the ceilings or if we do not submit the documents requested by ANRE. ▪ Law No 206/2022 approving Government Emergency Ordinance No 27/2022 on measures applicable to final customers in the electricity and natural gas market between 1 April 2022 and 31 March 2023, and amending and supplementing certain regulatory acts in the field of energy.

2024

The main new elements are the following:

- a single invoice form will be introduced, drawn up by joint Order of ANRE and ANPC;
- final electricity customers, who do not benefit from capping, will be invoiced the minimum between the price in the current supply contract and the final price resulting from the application of the GEO.
- final customers of natural gas are charged the minimum between the price in the contract, the capped final price and the price resulting from the application of the GEO.

- **GEO no. 119/2022** - Emergency Ordinance amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and amending and supplementing certain regulatory acts in the field of energy.

- the period of application of the support (capping) scheme is 1 September 2022-31 August 2023,
- the final capped electricity bill price is: maximum 0.68 lei/kWh, (VAT included) for household customers whose average monthly consumption at the place of consumption in 2021 was between 0-100 kWh inclusive; maximum 0.80 lei/kWh (VAT included) for household customers whose average monthly consumption at the place of consumption in 2021 was between 100.01-300 kWh - for a monthly consumption that is maximum 255 kWh; maximum 1 leu/kWh (VAT included) for 85% of the average monthly consumption at the place of consumption in 2021, in the case of small and medium-sized enterprises (SMEs), economic operators in the food industry, public institutions; maximum 1 leu/kWh (VAT included)

for the full consumption of public and private hospitals, public and private educational establishments, crèches, public and private social service providers. In order to benefit from the facilities provided for by this GEO as from 1 September 2022, the above-mentioned non-household customers are required to submit to their electricity supplier an application accompanied by an affidavit within a maximum of 30 days from the date of entry into force of this GEO. Beneficiaries covered by the provisions of the GEO who have not submitted an application accompanied by an affidavit in September 2022, as well as those established after 1 September 2022, shall benefit from the provisions of this GEO as of the 1st of the month following their submission to the supplier.

- the capped final invoiced price for natural gas is: maximum 0.31 lei/kWh (VAT included) for household customers (also applies to household customers' consumption points connected as of 1 January 2022 or for household customers who have no history in 2021 with the supplier, based on monthly consumption); maximum 0.37 lei/kWh (VAT included) for non-household customers whose annual consumption of natural gas in 2021 at the consumption point is 50 or less. 000 MWh, as well as in the case of heat producers (also applies to consumption sites of non-household customers connected as of 1 January 2022);

- the amounts and tranches provided for the capping scheme may be modified by Government decision, depending on developments on the domestic and international electricity and natural gas markets and on geopolitical developments in Romania's neighbourhood;

- the electricity and gas supply component is 73 lei/MWh for electricity supply and 12 lei/MWh for gas supply;

- the compensation amounts for each supplier are determined by ANRE, within 30 days from the date of receipt of the settlement requests, submitted and registered with ANPIS (domestic customers) and ME (non-household customers) respectively, and copied to ANRE;

- the maximum value of the weighted average price of electricity at which ANRE calculates the amounts to be settled from the state budget for electricity suppliers is 1,300 lei/MWh;

- as from 1 September 2022, during the period of application of the provisions of this Emergency Ordinance, electricity producers, aggregated electricity generating entities, traders, suppliers carrying out trading activities and aggregators trading quantities of electricity and/or natural gas on the wholesale market shall pay a contribution to the Energy Transition Fund calculated in accordance with the methodology of this GEO;

- bilateral contracts concluded on the wholesale market by direct negotiation are reported to ANRE by the contracting parties within 2 working days from the date of conclusion;

- the successive sale of quantities of electricity or natural gas by traders and/or suppliers with trading activities, with the clear aim of increasing the price, is sanctioned by ANRE with a fine of 5% of turnover;

- **GEO No 153/2022** - Emergency Ordinance amending and supplementing Government Emergency Ordinance No 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as amending and supplementing certain regulatory acts in the field of energy and amending Government

2024

Emergency Ordinance No 119/2022 amending and supplementing Government Emergency Ordinance No 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as amending and supplementing certain regulatory acts in the field of energy.

- for the period from 1 January 2023 to 31 March 2025, the mechanism for centralised purchasing of electricity shall be established

- The mechanism provides - OPCOM, as the single buyer, buys electricity from generators (electricity generators with an installed capacity of 10 MW or more) and sells the purchased electricity to electricity suppliers with contracts with final customers, the electricity transmission system operator and electricity distribution operators to cover their own technological consumption; the price paid by OPCOM to electricity producers for the quantities of electricity sold by them is 450 lei/MWh and the OPCOM sales price to economic operators is also 450 lei/MWh (OPCOM has the right to charge market participants tariffs/commissions at the level of the costs incurred through the organisation of the centralised electricity purchase mechanism); OPCOM organises an annual procurement procedure and an additional procurement procedure each month for the quantities of electricity to be delivered in the following month; the annual and monthly quantities of electricity are binding obligations for electricity producers and economic operators and are distributed evenly over all the settlement intervals of each month (contracts are concluded by signature within a maximum of 3 working days).

- **Law no. 357/2022** - Law on the approval of Government Emergency Ordinance no. 119/2022 on the amendment and completion of Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and on the amendment and completion of certain energy-related regulations.

- GEO No. 119/2022 is approved to amend and supplement GEO No. 27/2022 with some modifications; the electricity price cap is extended until 31 March 2025;

- the capped final invoiced price of electricity supplied to household customers in the period from 1 January 2023 to 31 March 2025 is:

- 0.68 lei/kWh, VAT included, for consumption during the period 1 January 2023 - 31 March 2025 by the following categories of customers: a) domestic customers whose monthly consumption is between 0 and 100kWh inclusive; b) domestic customers who use medical devices, appliances or equipment necessary for treatment, on the basis of an application and a declaration on their own responsibility submitted in writing to Electrica Furnizare S.A., c) household customers who have at least 3 dependent children up to the age of 18, or 26 if they are in education, on the basis of an application and a declaration on their own responsibility submitted in writing to Electrica Furnizare S.A., and the final invoiced price shall apply from the first day of the month following the month in which the said documents were submitted, d) single-parent household customers who have at least one dependent child aged up to 18 years, or 26 years if the child is in education, on the basis of an application and a declaration on their own responsibility submitted in writing to Electrica Furnizare S.A., and the final invoiced price shall apply from the first day of the month following the month in which the said documents were submitted.

- 0.80 lei/kWh, VAT included, for consumption during the period 1 January 2023 - 31 March 2025 by household customers whose monthly consumption at the place of consumption is between 100.01 and 255 kWh. Electricity consumption between 255 and 300 kWh/month is invoiced at a price of 1.3 lei/kWh, VAT included. If consumption exceeds 300 kWh/month, the entire consumption is billed at 1.3 lei/kWh including VAT.

- 1.3 lei/kWh, VAT included, for household consumers not covered above.

- the electricity price caps for non-household final customers are:

- maximum 1 leu/kWh, for 85% of the average monthly consumption at the place of consumption (application and affidavit of the legal representative) for: SMEs, Regional Operators (Law no. 51/2006), Bucharest Metro Transport Company "Metrorex" - S.A., as well as airports, which are under the subordination/coordination or authority of the Ministry of Transport and Infrastructure, economic operators in the food industry sector, identified by CAEN code 10, and those in the agriculture and fisheries sector, identified by CAEN codes 01 and 03, local public authorities and institutions, deconcentrated public services of ministries and other central bodies, companies and commercial companies of county, municipal or local interest, autonomous companies and all public and private entities providing a public service, national research and development institutes;

- maximum 1 leu/kWh, for the full consumption of public and private hospitals, public and private educational establishments, crèches and public and private providers of social services listed in the social services nomenclature;

2024

- maximum 1 leu/kWh, VAT included, for 85% of the monthly consumption at the place of consumption of public institutions other than those referred to above, as well as for places of consumption belonging to officially recognised religions in Romania;

- non-household customers who do not fall into one of the above categories pay a price capped at a maximum of 1.3 lei/kWh, including VAT.

- as far as the price of natural gas to non-household customers is concerned, the beneficiaries of the price capped at a maximum of 0.37 lei/kWh, including VAT, include non-household customers in industrial parks regulated by Law no. 186/2013, as well as those in closed distribution systems defined under Law no. 123/2012. In addition, the consumption limit of 50,000 MWh will refer to the year prior to the current year (not to 2021); for consumption places of non-household customers connected after 1 January 2022, the cap applies only within the limit of an annual consumption of no more than 50,000 MWh.

- the principle is maintained that, when billing electricity and natural gas, suppliers must apply the lower of (i) the maximum capped final price, (ii) the contract price or (iii) the final price calculated in accordance with Articles 5 and 6, only in the case of natural gas.

- **GEO no. 192/2022** - Emergency Ordinance amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and amending and supplementing certain regulatory acts in the field of energy.

- the final invoiced price for electricity of maximum 0.68 lei/kWh shall be applied to household customers whose place of consumption is occupied by persons who use medical devices, appliances or equipment supplied from the electricity grid, necessary for medical treatment, on the basis of a confirmation from the medical specialist and a request submitted to the supplier; for January 2023, instead of the medical confirmation, an affidavit shall be submitted; the capped final invoiced price shall be applied from the first day of the month following the month in which the documents referred to above were submitted;

- the capping also applies to places of consumption used under a rental contract, the following documents shall be submitted to the supplier by the household customer: the application for the application of the capped price, the copy of the rental contract, the tenant's affidavit that he/she falls into one of the categories benefiting from the capping or the medical confirmation, as the case may be".

- The electricity cap applies to all consumption points of a household customer according to the consumption at each of them.

- the annual and monthly centralised purchasing mechanisms (MACEE) are modified with regard to the transmission of forecasts and quantities purchased, guarantees, payments, etc.

- **GEO no. 32/2024** - Emergency Ordinance amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period 1 April 2022-31 March 2023, as well as amending and supplementing certain regulatory acts in the field of energy and adopting certain measures in the field of energy.

The main changes are:

- the supply component: for electricity it remains unchanged, for natural gas it increases to 15 lei/MWh from 1 April 2024 for both FUI and non-FUI (price caps remain unchanged) ;
- from 1 April 2024 the rule of paying 40% of the ceiling amount within 10 days of the date of submission no longer applies. There will be 10 days for the whole amount from the date ANRE confirms to ME/ANPIS the correctness of the data, "within the limit of the amounts available in the Energy Transition Fund and other legally constituted amounts" ;

- deadlines are specified for entering the settlement data into the ANRE platform:

- 30 July 2024 for the period September 2022 to August 2023
- 31 December 2024 for the period September 2023 - August 2024
- 30 July 2025 for the period September 2024 - March 2025

- from 1 April 2024 the price at which natural gas producers carrying out both onshore and/or offshore extraction activities and natural gas sales activities decrease from 150 lei/MWh to

120 lei/MWh;

- from 1 April 2025 to 31 March 2026, suppliers can only draw up offers for final customers if the purchase covers at least 50% of their consumption needs;
- suppliers will receive guarantees of origin for the quantity contracted through the MACEE;
- increases to 10% the percentage for profit accepted for over-taxation of trading activity
- the price of the MACEE is modified as from 1 April 2024: it decreases from 450 lei/MWh to 400 lei/MWh. At the same time, generators can voluntarily sell on the MACEE from 1 April 2024;
- the limit of the average purchase price accepted for the settlement of the capped amounts is lowered to 700 lei/MWh for consumption after 1 April 2024.

- **GEO no. 31/2024** - Emergency Ordinance on the regulation of certain fiscal-budgetary measures and on the amendment and completion of certain normative acts - the provisions of Law no. 227/2015 on the Fiscal Code are amended with regard to Article¹⁸¹ on the minimum tax, as follows:
 - Art.¹⁸¹, para. (14) shall read as follows: "This article shall not apply to economic operators regulated/licensed by the National Energy Regulatory Authority who, in the previous year, have obtained revenues from the distribution/supply/transport of electricity and natural gas in a proportion of more than 95% of the total revenues from which the revenues included in the Vs indicator referred to in paragraph (1) are deducted. (3) lit. (i) to (vii)."
 - Art.¹⁸³, para. (11) is worded as follows: "Taxpayers regulated/licensed by the National Energy Regulatory Authority who, in the previous year, have obtained revenues from distribution/supply/transport of electricity and natural gas activities in a proportion exceeding 95% of the total revenues minus the revenues included in the Vs indicator referred to in paragraph (i) and (ii) of Article 183(1), shall be deemed to have obtained the following revenues. (2) lit. (i) to (vii) shall not be subject to this Article."
- **HG no. 318/2024** - Decision on the approval of the general framework for the implementation and operation of the support mechanism through contracts for difference for low carbon technologies:
 - establishes the general framework regulating the implementation and operation of the support mechanism through contracts for difference for the production of electricity using low-carbon technologies.
 - Eligible generation technology - electricity generation technology that utilizes: onshore wind resources, offshore wind resources, solar photovoltaic resources, hydro resources, nuclear resources, hydrogen and energy storage. For the technologies specified above, the relevant Ministry shall develop CfD State aid schemes or grant ad hoc CfD State aid, which shall be subject to European Commission authorization, and the timing of any CfD tender associated with a State aid scheme shall be subject to authorization.
 - The CfD contract related to the CfD scheme for onshore wind and solar photovoltaic technologies is set out in the Annex to this decision.
- **Order ME No. 373/2024** - Order of the Minister of Energy on the approval of the methodology for assessing compliance with the "Do no significant harm" (DNSH) principle.
 - the methodology aimed at ensuring compliance with the "Do no significant harm" (DNSH) and "climate change immunization" principles for the measure on economic activities for which support in the form of green financial instruments dedicated to energy efficiency improvement measures in industry is requested is approved.
- **Order ME no. 336/2024** - Order of the Minister of Energy for the approval of the state aid scheme aimed at supporting investments in the industrial value chain of production and/or assembly and recycling of photovoltaic batteries, cells and panels.
 - the State aid scheme for investment measure I.4, sub-measures 4.1 and 4.2, under C.6 Energy - Pillar I. Green Transition of Romania's National Recovery and Resilience Plan, updated in accordance with European Commission Decision C(2024) 1.380 final of 29.02.2024 regarding State Aid Scheme SA 110458 (2023/N) - Romania - Amendments to State Aid Scheme SA.102924 for supporting investments in the industrial value chain of production and/or assembly and recycling of photovoltaic batteries, cells and panels.
 - the scheme shall apply from the date of publication in the Official Gazette of Romania, Part I, until the allocated budget is exhausted, but no later than the end of the second quarter of 2026. The total estimated budget of the scheme is the equivalent of EUR 258.7 mil..
- **Order ME no. 353/2024** - Order of the Minister of Energy for the approval of the State Aid Scheme for the support of investments in new capacities for the production of electricity from renewable energy sources, related to the Modernization Fund.
 - the State aid scheme to support investments in new capacities for the production of electricity from renewable energy sources, related to the Modernization Fund, is approved. The scheme based on competitive bidding procedure is applicable for projects aiming at: realization of new capacities of electricity production from wind energy sources, realization of new capacities of electricity production from solar energy sources (under 5 MW and over 5 MW), realization of new capacities of electricity production from hydro energy sources. The scheme applies only to new installations for the production of electricity from renewable energy sources, without the financing of energy storage capacity.

- **Order ME No 354/2024** - Order of the Minister of Energy for the approval of the Specific Guide - Support for investments in new capacities for the production of electricity from renewable energy sources, related to the Modernization Fund.
- the Specific Guide - Support for investments in new capacities for the production of electricity from renewable energy sources, related to the Modernization Fund is approved.
- **Law no. 113/2024** - Law on the approval of Government Ordinance no. 3/2023 amending and supplementing Government Emergency Ordinance no. 166/2022 on some measures for granting support to vulnerable categories of persons for the compensation of energy prices, partly supported by non-reimbursable external funds.
- GEO No 3 of 11 January 2023 is approved to amend and supplement GEO No 166/2022;
- **Law No 121/2024** - Law on Offshore Wind Energy.
- regulates the general framework necessary for the implementation in Romania of offshore wind energy projects. The implementation of the projects shall be carried out in compliance with the principle of non-discrimination, under conditions of fair competition, and in compliance with the principle of integrated pollution prevention and control by using the best available techniques for activities with significant environmental impact.
- **Law no. 135/2024** - Law on the approval of the Government Emergency Ordinance no. 75/2023 for the amendment and completion of the Government Emergency Ordinance no. 166/2022 on some measures for granting support to vulnerable categories of persons for the compensation of energy prices, partially supported by non-reimbursable external funds.
- GEO no. 75/2023 is approved for amending and supplementing GEO no. 166/2022.
- **Order ME no. 573/2024** - Order of the Minister of Energy for the re-establishment of the State Aid Scheme aimed at supporting investments in the construction of capacities for the production of green hydrogen in electrolysis plants.
- the re-establishment of the State aid scheme aimed at supporting investments in the construction of capacities for the production of green hydrogen in electrolysis plants, related to investment measure I.2 - Capacities for the production of green hydrogen to be used for electricity storage and for the decarbonization of industry under Component 6 - Energy, Pillar I
- Green Transition of the National Recovery and Resilience Plan of Romania, is approved, subject to the suspensive condition of approval of its re-establishment by decision of the European Commission.
- The re-establishment of the State aid scheme establishes its validity until December 31, 2024.
- **GEO no. 68/2024** - Emergency Ordinance amending and supplementing Government Emergency Ordinance no. 166/2022 on some measures for granting support to vulnerable categories of persons to compensate the price of energy, partially supported by non-reimbursable external funds.
- establishing measures for the granting of temporary support for the year 2023 to vulnerable categories of persons to compensate the price of energy of whatever nature, namely electricity, centrally supplied heating energy, gas, gas cylinders, butane, firewood, sawdust, coal, fuel oil, pellets, briquettes, liquid or solid fuels and any other heating materials that can be used for heating homes as well as temporary support for the year 2024 to compensate, as from 31 December 2024, the cost of purchasing and installing heat cost-sharing systems in condominiums connected to the centralized heat supply system or equipped with their own local heat energy production source.
- **Law No 204/2024** - Law for the approval of Government Emergency Ordinance No 31/2024 on the regulation of some fiscal-budgetary measures and for the amendment and completion of some normative acts.
- GEO no. 31/2024 on the regulation of some fiscal-budgetary measures and for the amendment and completion of some normative acts is approved.
- **Law no. 217/2024** - Law for the approval of Government Emergency Ordinance no. 119/2023 on the regulation of standards for green financial instruments dedicated to support measures to improve energy efficiency in industry, and for the amendment of Law no. 121/2014 on energy efficiency.
- GEO no. 119/2023 is approved on the regulation of standards for green financial instruments dedicated to support measures to improve energy efficiency in industry, as well as for the amendment of Law no. 121/2014 on energy efficiency.
- the following definitions are amended: 'financial instrument - a form of financial support, such as loans, guarantees and counter-guarantees, equity inflows, quasi-equity or mezzanine investments, for operators in industry to improve energy efficiency';
- "the "Do no significant harm" principle, hereinafter referred to as DNSH - the principle regulated by Article 17 of Regulation (EU) 2020/852, applied for all green financial instruments

2024

dedicated to support energy efficiency improvement measures in industry, financed from public funds, both from the European Union budget and the state budget."

- **Order ME no. 1.120/2024** - Order of the Minister of Energy on the approval of the State aid scheme in the form of contracts for the difference for the production of electricity from renewable sources of onshore wind and solar photovoltaic energy:
 - approves the State Aid Scheme in the form of Contracts for Difference for the production of electricity from renewable onshore wind and solar photovoltaic energy sources - establishes the manner in which State aid will be granted through Contracts for Difference (CfD contracts), based on the European Commission's State Aid Authorization Decision C(2024) 1.596 final of 6.03.2024;
 - the State aid scheme aims to conclude CfD contracts until December 31, 2025 for projects with a total capacity of 5,000 MW, using eligible onshore solar photovoltaic and wind onshore technologies.
- **Order ME no. 1.290/2024** - Order of the Minister of Energy on the approval of the initiation of the first tender for the State aid scheme in the form of contracts for the difference for the production of electricity from renewable sources of onshore wind and solar photovoltaic energy, as well as the rules of the tender procedure for the first tender:
 - the general framework entitled "Initiation of the first tender procedure for the State aid scheme in the form of contracts for the production of electricity from renewable onshore wind and solar photovoltaic energy sources" is approved;
 - the rules of the tender procedure for the first tender for the State aid scheme in the form of contracts for the difference for the production of electricity from renewable sources of onshore wind and solar photovoltaic energy.

b. Secondary legislation:

During the reference period, at the level of the regulatory framework, the following changes and additions were registered:

- **ANRE Order no. 1/2024** - Order approving the Methodology for determining the level of the minimum stock of natural gas required to be built up in underground storage facilities during the period 1 April 2024 - 31 October 2024.
 - The methodology is approved, the purpose of which is to establish the method for determining the level of the minimum stock of natural gas that the holders of the natural gas supply license are obliged to build up in underground storage facilities during the period from 1 April 2024 to 31 October 2024;
 - natural gas supply license holders shall fulfil their obligation to build up the minimum stock of natural gas by: storing natural gas on their own account by concluding storage contracts; concluding sale-purchase contracts relating to quantities of natural gas stored by another supplier; concluding agency contracts with another supplier;
 - the quantities of natural gas representing the minimum stock to be stored represent 90% of the national storage capacity of the SI. The minimum natural gas stocks of the holders of supply licenses shall be broken down for each holder according to the share of the quantity of natural gas sold to final customers by the respective supplier in the gas year 2022/2023 in the total quantities of natural gas sold to final customers at national level.
- **ANRE Order no. 2/2024** - Order amending and supplementing the Regulation on the organized framework for trading on the organized forward electricity markets administered by OPCOM - S.A., approved by Order no. 12/2023 of the President of the National Energy Regulatory Authority.
 - The main amendments/completions to the Regulation on the organized framework for trading on the organized forward electricity markets administered by OPCOM are:
 - in the case of aggregated participation, the aggregator shall communicate to the PO the list of aggregated participants and the PO shall include it, as an annex, in the Participation Agreement for bilateral electricity contract markets;
 - the party terminating a contract concluded on PCCB-LE-flex shall notify the PO and the PO shall publish this information on its website and exclude that contract from the calculation of the corresponding market indices.
- **ANRE Order no. 4/2024** - Order on the establishment of the mandatory quota for the purchase of green certificates for the year 2023.
 - the mandatory quota for the purchase of green certificates by economic operators who are obliged to purchase green certificates for 2023 is set at 0.4946974 green certificates/MWh (compared to 0.4943963 CV/MWh estimated quota for 2023 and 0.4934314 CV/MWh mandatory quota for 2022);
 - enters into force on 1 March 2024.

2024

- **ANRE Order no. 6/2024** - Order amending and supplementing the Regulation on the supply of electricity to final customers, approved by Order of the President of the National Energy Regulatory Authority no. 5/2023, and amending the Regulation on the supply of natural gas to final customers, approved by Order of the President of the National Energy Regulatory Authority no. 29/2016.
 - the provisions of Chapter I of GEO 120/2021 and those of Law 296/2023 on electronic invoicing RO e-Invoice and e-Invoice in Romania are harmonized with the provisions of RFEE and RFGN;
 - the structure of the elements to be included in the invoice has been modified in order to correlate with the fields available in the electronic system RO e-Invoice (some of the minimum priority information will be included by the supplier in the invoice, and others may also be included in the invoice annex, which represent the invoicing details, any outstanding payment obligations and penalty interest for late payment of the invoice will be highlighted as information);
 - the provisions on the method of invoice transmission for customers for whom the obligation to transmit the invoice via the national electronic invoicing system applies (mainly non-households) have been amended, with the introduction of the provision that, in their case, the invoice and the documents attached to it are transmitted by the supplier via the electronic invoicing system;
 - the provision that, at the request of the final customer, the supplier is obliged to send a copy of the invoice has been reworded and remains applicable only to customers who are not subject to the obligation to send their invoices via the national e-invoicing system (predominantly domestic);
 - natural/legal persons (generators, non-concessionary distribution operators, not holding a supply license) are obliged to publish on their website universal service offers applicable to household customers supplied directly from the electricity installations of the generating units/electricity networks they operate or located in the vicinity of these networks and to transmit the universal service offer to household customers who request this offer, by one of the communication channels mail, e-mail, portal, according to the customer's choice.
- **ANRE Order no. 8/2024** - Order amending some orders of the President of the National Energy Regulatory Authority on the electricity market.
 - the provisions of ANRE Orders No 128/2021 and No 127/2021 (Order approving the Regulation on terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on terms and conditions for balancing parties and amending and repealing certain orders of the President of the National Energy Regulatory Authority) will apply from 1 June 2024;
- **ANRE Order no. 9/2024** - Order amending the Order of the President of the National Energy Regulatory Authority no. 124/2022 on the approval of the Rules for congestion management through the market-based use by network operators of the flexibility of distribution network resources and transmission network resources, of the Rules applicable to the purchase of reactive electricity for voltage regulation in stationary mode by the transmission and system operator and of the Rules applicable to the purchase of reactive electricity for voltage regulation in stationary mode by the concessionary distribution operators and on the amendment and completion of the Order of the President of the National Energy Regulatory Authority no. 127/2021 approving the Regulation on terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on terms and conditions for balancing parties and amending and repealing some orders of the President of the National Energy Regulatory Authority.
 - the provisions of Article 6 of ANRE Order no. 124/2022 are amended to the effect that the National Electricity Transmission Company Transelectrica - S.A., Retele Electrice Muntenia - S.A., Retele Electrice Dobrogea - S.A. and Retele Electrice Banat - S.A., Distributie Energie Electrica Romania - S.A., Distributie Energie Oltenia - S.A. and Delgaz Grid - S.A. shall draw up their own operational procedures for implementing the provisions of Annex No 1 by 5 April 2025.
 - Article 8(2) of ANRE Order No 124/2022 shall be amended to the effect that the provisions of Articles 1, 3 and 4 shall enter into force on the date of publication and shall apply from 1 May 2025 (they shall no longer apply from 1 May 2024, i.e. application shall be postponed for one year).
- **ANRE Order no. 15/2024** - Order on the approval of the tariff for the purchase of system services for the transmission and system operator Compania Nationala de Transport de Energiei Electrice "Transelectrica" - S.A..
 - approves the tariff for the purchase of system services, practiced by the National Company for the Transmission of Electricity "Transelectrica" - S.A. at the amount of 12.84 lei/MWh (VAT not included).
 - It enters into force on June 1, 2024.

2024

- **ANRE Order no. 18/2024** - Order amending and supplementing some orders of the President of the National Energy Regulatory Authority regarding the electricity market
 - amending and supplementing ANRE Order no. 127/2021 for the approval of the Regulation on the terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on the terms and conditions for balancing parties.
 - in the period from June 1, 2024 to August 31, 2024, the purchase of balancing capacity services for frequency stability contracted by the transmission and system operator shall be carried out at a maximum price of 82.30 lei/hMW for the secondary regulation reserve/frequency restoration reserve with automatic activation activated on increase and for the activated on reduction, at a maximum price of 37,94 lei/hMW for the fast tertiary regulating reserve/frequency restoration reserve with manual activation activated on increase and at a maximum price of 16,38 lei/hMW for the reserve activated on reduction.
 - ANRE Order no. 128/2021 is amended to approve the rules for suspension and restoration of market activities and the applicable settlement rules.
 - enters into force on June 1, 2024.
- **ANRE Order no. 14/2024** - Order on the approval of the Procedure for the confirmation of the right to participate in the electricity/natural gas markets in Romania of foreign legal entities having their registered office in a Member State of the European Union.
 - the Procedure for confirming the right to participate in the electricity/natural gas markets in Romania of foreign legal entities having their registered office in a Member State of the European Union is hereby approved.
 - In relation to foreign legal entities, which have obtained from ANRE the confirmation of the right to participate in the electricity/natural gas markets in Romania, the economic operators licensees and end customers shall establish commercial relations and apply the technical and commercial regulations under the same conditions as the licensees granted by ANRE for the activity of electricity/natural gas supply or, where appropriate, for the activity of electricity/natural gas trader.
- **ANRE Order no. 19/2024** - Order on the approval of the reference price of electricity produced in high efficiency cogeneration, which benefits from the bonus.
 - The reference price of 353.39 lei/MWh, excluding VAT, for electricity produced in high-efficiency cogeneration in the period July 1 - October 31, 2024 is approved, which will be used in the overcompensation analysis of the activity for the year 2024 for producers of electricity and heat in cogeneration that benefit from the high-efficiency cogeneration bonus.
 - It enters into force on July 1, 2024.
- **ANRE Order no. 22/2024** - Order on the approval of the regulated tariff for electricity exchanges with perimeter countries, practiced by the National Company for the Transmission of Electricity "Transelectrica" - S.A..
 - the regulated tariff for electricity exchanges with perimeter countries of 2,8 euro/MWh, excluding VAT, applied by the National Electricity Transmission Company "Transelectrica" - S.A., for all import, export and transit transactions of electricity, scheduled with the electro-energy systems of the perimeter countries, is approved.
 - shall enter into force on July 1, 2024.
- **ANRE Order no. 48/2024** - Order amending the Order of the President of the National Energy Regulatory Authority no. 123/2017 on the approval of the contribution for high efficiency cogeneration and some provisions regarding its invoicing.
 - the contribution for high-efficiency cogeneration is approved at the value of 0.0094 lei/kWh, excluding VAT (down by 44% compared to the previous value of 0.0168 lei/kWh applied from 01.01.2024).
 - It enters into force on July 1, 2024.
- **ANRE Orders no. 24/2024 - 47/2024** - Order for the approval of regulated tariffs for the provision of natural gas distribution service.
 - they shall apply to customers of the natural gas distribution service in the localities for which the Company holds the natural gas distribution license as of 1 July 2024.
- **ANRE Order no. 50/2024** - Order regarding the approval of the Methodology for establishing the maximum price for the purchase by the transmission system operator of the system service for voltage regulation in the transmission grid
 - the Methodology for establishing the maximum price for the purchase by the transmission system operator of the system service for voltage regulation in the transmission grid is approved. The TSO shall procure the system service for voltage regulation in the TSO through transparent, non-discriminatory and market-based procedures from any market

2024

participant, including market participants offering energy from renewable sources, market participants offering dispatchable consumption services, operators of energy storage facilities and market participants engaged in aggregation.

- **ANRE Order no. 52/2024** - Order on the approval of the Framework Contract between the CfD counterparty and the CfD contribution payer for the collection of the CfD contribution and of the Framework Contract between the CfD scheme operator and the CfD counterparty
 - the Framework Contract between the CfD Counterparty and the CfD Contribution Payer for the collection of the CfD Contribution and the Framework Contract between the CfD Scheme Operator and the CfD Counterparty and the electricity suppliers are approved and the provisions of this Order are carried out.
- **ANRE Order no. 51/2024** - Order on the approval of the Methodology for determining and collecting the contribution related to contracts for difference
 - the Methodology for the determination and collection of the contribution related to the contracts for difference is approved, the National Electricity Transmission Company "Transelectrica" - S.A. acts as CfD Scheme Operator, the Electricity and Natural Gas Market Operator "OPCOM" - S.A. acts as CfD Counterparty
 - for the application of the support mechanism through contracts for the difference for the production of energy through low-carbon technologies, the necessary funds are constituted by the monthly collection by the CfD Counterparty of the CfD contribution from all suppliers of electricity consumers in Romania
 - the CfD contribution, the CfD Scheme Operator's contribution and the CfD Counterparty's contribution shall enter into force as of October 1, 2024.
- **ANRE Order no. 54/2024** - Order for the amendment and completion of the Commercial Rules regarding the collection, processing and transmission of electricity measured values, approved by the Order of the President of the National Energy Regulatory Authority no. 62/2020
 - the Commercial Rules on the collection, processing and transmission of electricity measured values are amended/complemented with the following notions: specific consumption profile, residual consumption profile, prosumer, reserve supply unit, reserve supply group;
 - the deadlines for submitting to the responsible market participants the MV (metered values) and AMV (approved metered values) are modified/completed;
 - enters into force on July 31, 2024.
- **ANRE Order no. 57/2024** - Order regarding the approval of the tariff for the purchase of system services for the transmission and system operator "Compania Nationala de Transport a Energiei Electrice "Transelectrica" S.A.".
 - the tariff for the acquisition of system services, practiced by the National Company for the Transmission of Electric Energy "Transelectrica" - S.A., in the amount of 11.51 lei/MWh;
 - enters into force on September 1, 2024.
- **ANRE Order no. 60/2024** - Order for the modification and completion of some orders of the President of the National Energy Regulatory Authority regarding the electricity market
 - new rules on the balancing market are adopted;
 - it aims to reduce the costs of balancing the SEN, which may lead to a reduction of imbalance prices paid by PRE, market participants, final consumers;
 - the concept of "elastic demand", used on the European balancing platform, to which all European countries are interconnected; It allows the OTS to optimize and reduce the balancing costs of the SEN by using alternative offers such as specific local balancing products; During the use of elastic demand, the OTS communicates the maximum prices it is willing to pay for the selected balancing energy, this is to the benefit of all electricity market participants by reducing balancing costs. Also, the OTS is obliged to publish the day after the day of delivery, in a transparent and non-discriminatory manner, the prices of the bids per reserve type, as well as the marginal prices of the selected balancing energy for each settlement interval;
 - the rules applied to the plants in operation for the test period have been modified, by modifying the price offered to them for the electricity produced which is correlated with the price for PZU for the respective settlement interval. The test period will be conducted on a schedule agreed with the OTS for each generator depending on the generator's operating power and voltage;
 - The RO is required to provide suppliers with timely information on the measured values related to their consumption in order to facilitate proactive measures to balance the portfolio;
 - enters into force on October 1, 2024, except for the provision requiring the RO to provide timely information on metered values, which enters into force on January 1, 2025.

2024

- **ANRE Order no. 59/2024** - Order for the amendment of the Methodology for the determination and collection of the contribution related to contracts for difference, approved by ANRE Order no. 51/2024
 - the Methodology for determining and collecting the contribution for contracts for difference is amended: 1. The operator of the CfD Scheme transmits to the CfD Counterparty the data received from the CfD contribution payers, verified, within a maximum of 12 days from the end of the month, for the previous calendar month (initially in Order no. 51/2024 the deadline was a maximum of 15 days), 2. The CfD Counterparty must pay the invoice issued by the CfD Scheme Operator no later than the last day of each month for the previous calendar month (initially in Order no. 51/2024 the payment deadline was the 25th of each month), etc.;
- **ANRE Order no. 58/2024** - Order amending the Framework Contract between the CfD scheme operator and the CfD counterparty, approved by ANRE Order no. 52/2024
 - the Framework Contract between the CfD scheme operator and the CfD counterparty is amended in the sense that the CfD counterparty has the obligation to pay monthly the value of the invoices sent by the CfD scheme operator, by the last day of each month for the previous calendar month, related to the CfD contribution (initially in Order no. 52/2024 the payment deadline was the 25th of each month);
- **ANRE Order no. 62/2024** - Order for the amendment and completion of the Procedure for the resolution of complaints of interested parties in the energy sector, approved by ANRE Order no. 194/2020
 - the Procedure for the resolution of complaints of interested parties in the energy sector is amended and supplemented: The Petition/Submission/Reclamation addressed to ANRE, which does not contain attached the answer formulated by the energy market participant or the proof of transmission of the request to it, shall be redirected to the complained party in order to be solved and to issue an answer to the petitioner, with the information of ANRE, Petitions / Requests / Complaints are addressed to ANRE in writing, by mail, by direct submission to the registry, by sending it to the fax number of ANRE or by filling in the dedicated form available on ANRE's own website, etc..
- **ANRE Order no. 66/2024** - Order on the approval of the contribution for contracts for difference (CfD)
 - the contribution for Contracts for Difference (CfD) contracts is approved for a total amount of 0.000128 lei/kWh, excluding VAT (CfD Scheme Operator's component of 0.000019 lei/kWh, excluding VAT and CfD Counterparty's component of 0.000109 lei/kWh, excluding VAT).

Source: Electrica

9.3. Appendix 3 – Table list

Table 1. Company details.....	4
Table 2. Consolidated financial result Q3 2024 vs Q3 2023	9
Table 3. ELSA's subsidiaries	33
Table 4. ELSA's associates	33
Table 5. Long term investments owned by ELSA	33
Table 6. Ownership structure	41
Table 7. Consolidated statement of profit or loss (RON mn.).....	43
Table 8. Structure of the electricity, gas and merchandise purchased (RON mn.).....	45
Table 9. Financial position (RON mn.).....	49
Table 10. Cash and cash equivalents	51

9.4. Appendix 4 – Figures list

Figure 1: Average degree of PIF execution	8
Figure 2: Quantity of electricity distributed on voltage levels (TWh).....	36
Figure 3: RRAB analysis of the distribution segment result for the year 2024 (RON mn.)	37
Figure 4: Analysis of regulated profit – IFRS(EU) budgeted result for the distribution segment for the year 2024 (RON mn.) ..	38
Figure 5: Corrections approved by ANRE that affect the tariffs for the year 2024 (RON mn.).....	39
Figure 6: Ownership structure as of 30 September 2024.....	42
Figure 7: Revenue for Q3 2024 and comparative information (RON mn.)	44
Figure 8: EBITDA and EBITDA margin for Q3 2024 and comparative information (RON mn. and %).....	46
Figure 9: EBIT and EBIT margin for Q3 2024 and comparative information (RON mn. and %)	47
Figure 10: Net result and Net result margin for Q3 2024 and comparative information (RON mn. and %).....	47
Figure 11: Regulated net result - OMFP 1802/2014 – IFRS(EU) for the distribution segment in Q3 2024 (RON mn.).....	48

Glossary

ANRE	Romanian Energy Regulatory Authority
BoD	Board of Directors
BPM	Balancing Market
BRP	Balance Responsible Party
BSE	Bucharest Stock Exchange
CAPEX	Capital Expenditure
CfD	Contract for Difference
CGC	Corporate Governance Code
CMBC (EA/CN)	Centralized Market for Bilateral Contracts (Extended Auction/Continuous Negotiation)
CMC	Competitive Market Component
CMNG-AN	Centralized Market for Bilateral Natural Gas Contracts – Auction and Negotiation
CMNG-PA	Centralized Market for Bilateral Natural Gas Contracts – Public Auction
CMNG – OTC	Centralized Market for Bilateral Natural Gas Contracts – OTC
CMUS	Centralized Market for Universal Service
CNTEE	The National Transmission System Operator
DAM	Day Ahead Market
DAM-NG	Day Ahead Market – Natural Gas
DEER	Distributie Energie Electrica Romania
DSO	Distribution System Operator
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EDN	Electrical Distribution Network
ELSA	Electrica S.A.
EGMS	Extraordinary General Meeting of Shareholders
ETN	Electrical Transport Network
EU	European Union
EUR	EURO, the monetary unit of several member states of the European Union
FPM-LT	Medium and Long Term Flexible Products Market
GC	Green Certificates
GDP	Gross Domestic Product

GDR	Global Depositary Receipts
GEO	Government Emergency Ordinance
GMS	General Meeting of Shareholders
HV	High Voltage
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IM-NG	Intraday Market for Natural Gas
IPO	Initial Public Offering
IR	Investor Relations
ISIN	International Securities Identification Number
KPI	Key Performance Indicators
kV	KiloVolt
LR	Last Resort
LV	Low Voltage
MACEE	Centralized Electricity Acquisition Mechanism (CEAM)
MV	Medium Voltage
MVA	Mega Volt Ampere
MWh	MegaWatt hour
MKP	Management Key Position
NAFA	National Agency for Fiscal Administration
NES	National Energy System
NL	Network Losses
NO	Network Operator
NRC	Nomination and Remuneration Committee
OMPF	Order of Ministry of Public Finances
OGMS	Ordinary General Meeting of Shareholders
OHL	Overhead Line
OHS	Occupational Health and Safety
OPCOM	Romanian Gas and Electricity market operator
PP	Percentage points
RAB	Regulated Asset Base

REMIT	Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency
RM	Retail Market
RON	Romanian monetary unit
RRR	Regulated Rate of Return
SAD	Distribution Automation System
SCADA	Supervisory Control And Data Acquisition
SDMN	Societatea de Distributie a Energiei Electrice Muntenia Nord
SDTN	Societatea de Distributie a Energiei Electrice Transilvania Nord
SDTS	Societatea de Distributie a Energiei Electrice Transilvania Sud
SEM	Servicii Energetice Muntenia SA
SEO	Servicii Energetice Oltenia SA
SoLR	Supplier of last resort
TAC	Technical Approval for Connection
TWh	TeraWatt hour
TSO	Transmission and system operator
UGC	Underground cables
UM	Unit of Measurement
US	Universal Service
VAT	Value Added Tax