

Summary of the IFRS-EU Consolidated Results for H1 2024

Growth of EBITDA at consolidated level in H1 2024, up to RON 614.7 mn., and a net profit at consolidated level of RON 102.1 mn..

The evolution of the main indicators for 2024:

- **EBITDA** – RON 614.7 mn., an increase of RON 35.0 mn. (6%) compared to H1 2023;
- **Operating income** – RON 4,720.3 mn., a decrease of 29.4% compared to H1 2023;
- **Net result** – net profit of RON 102.1 mn., a decrease of RON 40.3 mn. compared to H1 2023;
- **CAPEX PIF (commissioned)** – RON 199.2 mn., a slight decrease of 6.2% compared to RON 212.4 mn. in the first 6 months of 2023.

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

"In the first half of the year, the Electrica Group recorded a 6% increase in EBITDA compared to the first semester of 2023, as a result of solid strategies aimed at optimizing operations, particularly in the distribution segment, where revenues increased by 15%, supported by higher regulated tariffs and the growth of distributed electricity volumes. Operational profit remains similar to that of the first semester of 2023; however, net profit recorded a decline due to the unfavourable dynamics of the supply market.

We remain focused on our key priorities, investing in the modernization of the distribution infrastructure while maintaining a strong focus on implementing measures aimed at stabilizing results and generating sustainable long-term growth."

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 six-month period ended 30 June 2024 prepared in accordance with IFRS-EU:

Financial Results – in RON mn.*	H1 2023**	H1 2024	Δ	Δ%	T2 2023**	T2 2024	Δ	Δ%
Operating income	6,682.3	4,720.3	(1,962.0)	-29.4%	3,170.7	2,150.6	(1,020.2)	-32.2%
Operating expense	6,359.8	4,397.4	(1,962.4)	-30.9%	2,869.7	2,077.0	792.7	-27.6%
Operating profit	322.5	322.8	0.3	0.1%	301.0	73.5	(227.5)	-75.6%
EBITDA	579.7	614.7	35.0	6.0%	431.0	213.9	(217.1)	-50.4%
Financial result	(141.6)	(171.1)	(29.5)	20.9%	(77.1)	(91.6)	(14.4)	18.7%
Net profit	142.4	102.1	(40.3)	-28.3%	185.4	(25.6)	(211.1)	-

*Amounts are rounded to the nearest whole value

**** The values are restated - see note 5 of the simplified consolidated interim financial statements**

Source: Electrica

In the first six months of 2024, **EBITDA** at Electrica Group level increased by 6%, respectively by RON 35.0 mn., reaching a value of RON 614.7 mn., compared to the value of RON 579.7 mn. achieved in the first six months of 2023. The EBITDA growth was mainly driven by the operational performance of the distribution segment on the back of the increase in electricity distribution revenues by approximately RON 292.0 mn., (or 15.0%), to RON 2,244.4 mn. from RON 1,952.4 mn. in 2023.

The **operating profit** registered is kept at the same level compared to the same period of the previous year at a value of RON 322.8 mn. in 2024, respectively RON 322.5 mn. in 2023.

The **net result** of the Electrica Group for 2024 decreased of RON 40.3 mn., reaching a value of RON 102.1 mn. from RON 142.4 mn. from the same period of the previous year.

On the **distribution segment**, revenues increased by approximately RON 292.0 mn. (or 15.0%) to RON 2,244.4 mn., from RON 1,952.4 mn. in the first half of 2023, mainly due to the effect of the increase in distribution tariffs (a reminder that in Q2 2023 the distribution tariffs increased by approx. 20% (26.1% in the MN area; 21.5% in the TN area and 10.9% in the TS area) compared to the tariffs in Q1 2023 by ANRE Order no. 27/2023, and starting with January 1, 2024, the tariffs were increased by ANRE Order 115/2023 by approx. 5.8% compared to those of Q2 2023), a positive effect to which is added the increase of electricity volumes distributed by approx. 4.9% and also the increase in revenues recognized in accordance with IFRIC 12 (recognized on the basis of the stage of completion of works, in accordance with the accounting policy on the recognition of network investments in connection with concession agreements). The contribution of the electricity distribution segment to the Group's consolidated revenue is 29.6%.

For the **supply segment**, the revenues from electricity and natural gas supply decreased in 2024 by approximately RON 757.2 mn., (or 20.5%), to RON 2,937.8 mn. from RON 3,694.9 mn. in 2023, this variation was mainly due to the effect of lower sales volumes in electricity by 3% and lower purchase cost for electricity by 49%, in the regulatory context explained further. The decrease in the cost of acquisition was seen in the forward and DAM markets. This decrease is also propagated in the decrease of the revenue from the sale of electricity and the decrease of the revenue from subsidies (by approx. 74% - electricity) because, according to GEO 27/2022, as subsequently amended, the final price to be invoiced to customers is represented by the minimum value between the capped price, the contract price and the final price calculated with the cost plus method (i.e. realized purchase cost + supply component). The contribution of the supply segment to the Group's consolidated revenues is in the proportion of 69.7%.

As of 30 June 2024, the estimated amount for subsidies receivables was RON 2,461.5 mn. (31 December 2023: RON 2,614.5 mn.) of which the amount of RON 1,903.1 mn. represents unpaid requests submitted to the state authorities (of which RON 1,278.8 mn. represents the amount estimated to be received from the Ministry of Energy, respectively RON 624.3 mn. from the Agency County Department of Payments and Social Inspection) and RON 558.4 mn. representing requests that have not yet been submitted to the state authorities as of 30 June 2024. In the period 1 July – 5 August 2024, subsidies amounting to RON 1,283.7 mn. were collected.

OTHER IMPORTANT OPERATIONAL INFORMATION

- **Distributed electricity volumes** – 8.68 TWh, up by 4.9% compared to the first half of 2023. DEER serves approx. 3.9 mn. users, over an area covering about 40.8% of Romania;
- **Volumes of electricity supplied to final customers on retail market** – 3.8 TWh, down by 3.1% 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 largest supplier, with a total market share of 16.18% and a competitive market share of 10.88%, according to the latest ANRE report available (April 2024);
- Electrica Group continues to pursue the expansion of its portfolio in the field of electricity production, especially from renewable sources, having at this time projects in different phases of execution with a **capacity of approx. 300 MW**. In the case of the Vulturu project, is in the construction implementation phase with a degree of completion of approximately 80%, with a completion date of September 2024, and in the case of the Satu-Mare 2 project, works have begun and have a completion date of December 2024;
- The Regulated Asset Base (RAB), in nominal terms, with inflation of 4.6% for the year 2024 is estimated at the end of the first half of 2024 at RON 7.4 bn..

- At the end of the first six months of 2024, the operator Distributie Energie Electrica Romania (DEER) has the average degree of execution of PIF investments in the first semester of 2024 of 71.7% of the planned value in 6 months, respectively RON 199.2 mn. against the planned RON 277.9 mn.

The documents related to the H1 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-h1-2024/>, as well as in the pdf file attached below.

We remind you that Electrica's management is organising on **30 August 2024, 16:00** (Romanian time), a web conference for analysts and investors: [Presentation of Electrica Group H1 2024 Financial Results](#). The web conference can be accessed online under the following link: <https://87399.themediaframe.eu/links/electrica240830.html>

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CEO
Alexandru-Aurelian Chirita

CFO
Stefan Alexandru Frangulea



SOCIETATEA ENERGETICA ELECTRICA S.A.

Condensed Consolidated Interim Financial Statements

as at and for the six-month period ended

30 June 2024

prepared in accordance with

**International Accounting Standard 34 - "Interim Financial Reporting", as
adopted by the European Union**

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

Contents

Condensed consolidated statement of financial position	1
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	7

Notes to the condensed consolidated interim financial statements

1. Reporting entity and general information	12
2. Basis of accounting	17
3. Basis of measurement	18
4. Significant accounting policies	18
5. Restatements	18
6. Operating segments	20
7. Revenue	23
8. Other income	23
9. Electricity, natural gas and merchandise purchased	23
10. Earnings per share	23
11. Income tax	24
12. Trade receivables	26
13. Cash and cash equivalents	27
14. Other payables	27
15. Long-term bank borrowings	28
16. Overdrafts	32
17. Provisions	33
18. Financial instruments – fair values	33
19. Related parties	34
20. Contingencies	36
21. Subsequent events	37

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

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

	Note	30 June 2024 (reviewed)	31 December 2023 (audited)
ASSETS			
Non-current assets			
Intangible assets related to concession arrangements		6,425,687	6,220,530
Other intangible assets		28,111	27,822
Goodwill		24,663	24,663
Property, plant and equipment		633,850	594,994
Investments in associates		16,630	16,638
Other investments		7,000	7,000
Deferred tax assets	11	72,836	32,404
Right of use assets		50,408	40,993
Other non-current assets		76,988	51,954
Total non-current assets		7,336,173	7,016,998
Current assets			
Trade receivables	12	2,996,731	2,540,442
Subsidies receivable	8	2,461,549	2,614,535
Other receivables		63,411	93,832
Cash and cash equivalents	13	478,201	377,215
Inventories		107,929	115,660
Prepayments		13,108	12,935
Current income tax assets		8,700	-
Assets held for sale		280	280
Total current assets		6,129,909	5,754,899
Total assets		13,466,082	12,771,897
EQUITY AND LIABILITIES			
Equity			
Share capital		3,464,436	3,464,436
Share premium		103,049	103,049
Treasury shares reserve		(75,372)	(75,372)
Pre-paid capital contributions in kind from shareholders		7	7
Revaluation reserve		159,305	159,536
Legal reserves		449,363	449,363
Retained earnings		1,323,649	1,259,396
Total equity attributable to the owners of the Company		5,424,437	5,360,415
Non-controlling interests		(624)	(451)
Total equity		5,423,813	5,359,964

(Continued on page 2)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

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

	Note	30 June 2024 (reviewed)	31 December 2023 (audited)
Liabilities			
Non-current liabilities			
Long-term bank borrowings	15	2,252,343	794,348
Lease liability – long term		37,312	29,143
Deferred tax liabilities	11	124,291	121,318
Employee benefits		158,029	151,358
Other payables	14	35,495	37,161
Total non-current liabilities		2,607,470	1,133,328
Current liabilities			
Current portion of long-term bank borrowings	15	476,613	523,294
Lease liability – short term		15,826	14,052
Bank overdrafts	16	2,470,595	2,851,221
Trade payables		1,260,284	1,671,478
Other payables	14	1,001,669	1,035,084
Deferred revenue		8,429	7,837
Employee benefits		107,181	120,548
Provisions	17	58,020	41,167
Current tax liabilities		36,182	13,924
Total current liabilities		5,434,799	6,278,605
Total liabilities		8,042,269	7,411,933
Total equity and liabilities		13,466,082	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

26 August 2024

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

AS AT 30 JUNE 2024

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

	Note	Six-month period ended	
		30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Revenue	7	4,194,640	4,807,488
Other income	8	525,654	1,874,765
Electricity, natural gas and merchandise purchased	9	(2,788,848)	(4,941,399)
Construction costs related to concession agreements		(448,202)	(423,934)
Employee benefits		(488,730)	(451,525)
Repairs, maintenance and materials		(30,066)	(49,798)
Depreciation and amortization		(291,828)	(257,208)
Impairment for trade and other receivables, net		(59,622)	(24,251)
Other operating expenses		(290,153)	(211,641)
Operating profit		322,845	322,497
Finance income		3,742	11,380
Finance costs		(174,827)	(152,959)
Net finance cost		(171,085)	(141,579)
Share of results of associates		(7)	(32)
Profit before tax		151,753	180,886
Income tax expense	11	(49,694)	(38,508)
Net profit		102,059	142,378
Net profit attributable to:			
- owners of the Company		102,232	142,507
- non-controlling interests		(173)	(129)
Net profit		102,059	142,378
Earnings per share			
Basic and diluted earnings per share (RON)	10	0.30	0.42

*please see Note 5

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

26 August 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	Three-month period ended	
		30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Revenue	7	1,960,655	2,312,504
Other income	8	189,901	858,247
Electricity, natural gas and merchandise purchased	9	(1,245,748)	(2,098,922)
Construction costs related to concession agreements		(222,254)	(252,641)
Employee benefits		(253,962)	(244,682)
Repairs, maintenance and materials		(13,211)	(19,235)
Depreciation and amortization		(140,383)	(129,990)
Impairment for trade and other receivables, net		(38,027)	(15,649)
Other operating expenses		(163,437)	(108,624)
Operating profit		73,534	301,008
Finance income		2,130	4,847
Finance costs		(93,684)	(81,987)
Net finance cost		(91,554)	(77,140)
Share of results of associates		(3)	(30)
Profit/(Loss) before tax		(18,023)	223,838
Income tax expense	11	(7,625)	(38,418)
Net profit/(loss)		(25,648)	185,420
Net profit/(loss) attributable to:			
- owners of the Company		(25,533)	185,508
- non-controlling interests		(115)	(88)
Net profit/(loss)		(25,648)	185,420
Earnings per share			
Basic and diluted earnings per share (RON)	10	(0.08)	0.55

**please see Note 5*

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

26 August 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts are in THOUSAND RON, if not otherwise stated)

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Net profit	102,059	142,378
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	100,750	137,507
Total comprehensive profit attributable to:		
- owners of the Company	100,923	137,636
- non-controlling interests	(173)	(129)
Total comprehensive profit	100,750	137,507

**please see Note 5*

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

26 August 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in THOUSAND RON, if not otherwise stated)

	Three-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Net profit/(loss)	(25,648)	185,508
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/(loss)	(26,957)	180,549
Total comprehensive profit/(loss) attributable to:		
- owners of the Company	(26,842)	180,637
- non-controlling interests	(115)	(88)
Total comprehensive profit/(loss)	(26,957)	180,549

**please see Note 5*

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

26 August 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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	92,117	449,583	1,259,396	5,360,415	(451)	5,359,964
Comprehensive income										
Profit for the period (reviewed)	-	-	-	-	-	-	102,232	102,232	(173)	102,059
Other comprehensive income	-	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Total comprehensive profit (reviewed)	-	-	-	-	-	-	100,923	100,923	(173)	100,750
Transactions with owners of the Company (reviewed)										
Contributions and distributions										
Dividends to the owners of the Company	-	-	-	-	-	-	(39,999)	(39,999)		(39,999)
Changes in ownership interests (reviewed)										
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	(39,999)	(39,999)		(39,999)
Other changes in equity (reviewed)										
Set up of legal reserves	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	-	-	-	(3,329)	-	3,329	-	-	-
Other changes in equity	-	-	-	-	3,098	-	-	3,098	-	3,098
Balance at 30 June 2024 (reviewed)	3,464,436	103,049	(75,372)	7	159,305	449,363	1,323,649	5,424,437	(624)	5,423,813

(Continued on page 6)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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*)	-	-	-	-	-	-	142,507	142,507	(129)	142,378
Other comprehensive profit	-	-	-	-	-	-	(4,871)	(4,871)	-	(4,871)
Total comprehensive profit (unaudited, not reviewed and restated*)	-	-	-	-	-	-	137,636	137,636	(129)	137,507
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*)										
Set up of legal reserves	-	-	-	-	-	4,350	(4,350)	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	-	-	-	(3,900)	-	3,900	-	-	-
Balance at 30 June 2023 (unaudited, not reviewed and restated*)	3,464,436	103,049	(75,372)	7	88,217	433,933	651,821	4,666,091	(466)	4,665,625

**please see Note 5*

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

26 August 2024

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

		Six-month period ended	
	Note	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Cash flows from operating activities			
Profit		102,059	142,378
Adjustments for:			
Depreciation		8,970	8,884
Amortisation		282,858	248,348
Impairment of trade and other receivables, net	12	59,622	24,251
Change in provisions, net	17	16,853	(9,330)
Net finance cost		171,085	141,579
Income tax expense	11	49,694	38,508
Loss on disposal of property, plant and equipment		(648)	-
Changes in employee benefits obligations		37	-
Share of loss of associates		7	32
		690,537	594,650
Changes in:			
Trade receivables		(625,750)	(222,123)
Subsidies receivable	8	152,986	(1,019,098)
Other receivables		(35,045)	(5,488)
Prepayments		(173)	(6,846)
Inventories		7,731	19,656
Trade payables		(237,945)	(16,488)
Other payables		(46,503)	440,766
Employee benefits		(8,292)	2,424
Deferred revenue		592	(14,741)
Cash used in operating activities		(101,862)	(227,288)
Interest paid		(146,877)	(131,154)
Income tax paid		(70,573)	(1,417)
Net cash used in operating activities		(319,312)	(359,859)

**please see Note 5*

(Continued on page 8)

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

		Six-month period ended	
	Note	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(38,641)	(932)
Payments for network construction related to concession agreements		(532,965)	(376,811)
Payments for purchase of other intangible assets		(6,261)	(2,967)
Interest received		2,404	1,097
Payments for acquisition of subsidiaries, net of cash acquired		-	(6,105)
Net cash used in investing activities		(575,463)	(385,718)
Cash flows from financing activities			
Proceeds from long term bank borrowings	15	1,685,880	450,890
Proceeds/Payments from overdrafts	15	(384,618)	188,122
Repayment of long-term bank loans	15	(291,272)	(46,457)
Dividends paid		(61)	(20,047)
Payment of lease liabilities		(14,168)	(14,591)
Net cash generated from financing activities		995,761	557,917
Net increase/decrease in cash and cash equivalents			
		100,986	(187,660)
Cash and cash equivalents at 1 January		377,215	334,887
Cash and cash equivalents at 30 June	13	478,201	147,227

**please see Note 5*

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

The non-cash transactions are disclosed in Note 13.

Chief Executive Officer

Alexandru – Aurelian Chirita

Chief Financial Officer

Stefan Alexandru Frangulea

26 August 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 six-month period ended 30 June 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 June 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 48.79% 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 June 2024 and 31 December 2023, the Company's subsidiaries are the following:

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 30 June 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	60%	60%
Foton Power Energy S.R.L. ("FPE")	Electricity generation	43652555	Constanta	60%	60%

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

Associate	Activity	Sole registration code	Head Office	% shareholding as at 30 June 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 six-months period ended 30 June 2024

In the first six months of 2024, there are no changes in the Group's structure.

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

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.

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

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

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

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

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.

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 they 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.

The regulator establishes through the regulated income and tariffs for the following year taking into account the justified corrections presented above, which are added algebraically to the income for the following year. The group does not recognize assets and liabilities resulting from regulation in relation to these deficits or surpluses, as the differences are

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

recovered or returned through the annual tariff change.

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 customers have been applied, by establishing compensation and capping schemes between 1 November 2021 and 31 March 2025.

Over 2023 and the first semester 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 transmission system operator electricity and distribution system operators electricity 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 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);
- 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 the suppliers of domestic 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 April 1, 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 April 1, 2025 and March 31, 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.

The categories of customers to whom the electricity price capped applies in 2023 and in the first quarter 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

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

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:

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

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.

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 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 year 2023 and in the first semester of 2024, the effect of retail electricity prices was covered by subsidies received from the state authorities, as a result of the application of the price capping mechanism for electricity and natural gas to final customers, 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, so as 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 semester 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

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

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 26 August 2024.

Going concern

The consolidated financial statements have been prepared on the going concern basis. In making this judgement management considers current trading performance and access to finance resources. The Group has prepared a forecast that includes the following assumptions:

- A continuation of the support scheme until 31 March 2025 according to the applicable legislation but with a more stable flow of repayments of the reimbursement requests for subsidies as compared with last year, as the mechanism has been operationally improved;
- The utilization of confirmed debt facilities up to a limit of RON 3,973,035 thousand, including RON thousand 2,130,639 thousand overdraft limits and RON 1,842,396 thousand long term loans limit.

At the date of issuance of these consolidated financial statements the regulatory position may be further amended and there may be further laws enacted which could adversely impact the Groups operating cash flows during the forecast period. Given the current market uncertainties, the Group is closely monitoring the market context and is continuously analysing the opportunities for optimisation of debt and increase of bank overdrafts and long-term loans. In light of the importance of the Group as the supplier and distributed of electricity on the Romanian market, having 39.3% (according to the latest ANRE report 2023 for the distribution segment) as market share on the electricity distribution and 16.77% (according to the latest ANRE report 2023 for the supply segment) as market share on the electricity supply market and having as main shareholder of Electrica SA the Romanian State, the management believes sufficient financing will be made available to cover any financing requirements arising from market uncertainty and Group will be able to meet its obligations as they fall due.

Based upon the above projections and other information, given the measures already implemented and the strategies

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

to reduce the risks which may occur due to the instability of the economic environment, the Board of Directors has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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. Restatements

During 2023, the Group reassessed its previous position with the consolidated financial statements, related to the recognition of financial asset from the amendment of the concession agreements, for which it was recognised a financial asset in the amount of RON 951,557 thousand for the period 1 January – 31 December 2022 and the comparatives were restated in the financial statements of the year (please see Note 5 of the IFRS financial statements published for 31 December 2023).

As at 31 December 2022, the Group recognized in the balance sheet an financial asset in amount of RON 951,557 thousand, as a consequence of this amendment, representing the difference between the net cost with the purchase of the energy for NL and the NL cost included in the regulatory tariff by ANRE, for the period 1 January – 31 December 2022. An equal amount was thereafter recognized in the profit and loss account as "Other income".

As at 30 June 2023, the Group recognized an additional financial asset in amount of RON 56,258 thousand in the balance sheet, as a consequence of this amendment, representing the difference between the net cost with the purchase of the energy for NL and the NL cost included in the regulatory tariff by ANRE for the period 1 January – 30 June 2023. Consequently, an equal amount was recognized in the profit and loss account as "Other income". Further, the depreciation related to the 6 months of 2023 was recognized for the asset recorded in 2022, presented on "Changes in the fair value of financial assets".

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

The following table summarise the impact on the Group's consolidated financial statements:

Consolidated statement of financial position

	30 June 2023 as reported previously	30 June 2023 reclassifications	30 June 2023 as restated
Financial assets related to concession agreements – long-term	726,477	(726,477)	-
Financial assets related to concession agreements – short-term	181,619	(181,619)	-
Retained earnings	1,414,388	(762,801)	651,587
Deferred tax liabilities	220,773	(145,295)	75,478
Total assets	12,684,764	(908,096)	11,776,668
Total equity	5,428,192	(762,801)	4,665,391
Total liabilities	7,256,572	(145,295)	7,111,277

Consolidated statement of profit or loss

	30 June 2023 as reported previously	30 June 2023 reclassifications	30 June 2023 as restated
Other income	1,931,022	(56,257)	1,874,765
Changes in the fair value of financial assets	(99,952)	99,952	-
Income tax expense	(31,554)	(6,954)	(38,508)
Net profit	105,637	36,741	142,378
Earnings per share			
Basic and diluted earnings per share (RON)	0.31	0.11	0.42

Consolidated statement of cash flows

	30 June 2023 as reported previously	30 June 2023 reclassifications	30 June 2023 as restated
Cash flows from operating activities			
Net profit	105,637	36,741	142,378
Other income from the initial recognition of financial assets related to concession agreements	(56,257)	56,257	-
Changes in the fair value of financial assets	99,952	(99,952)	-
Income tax expense	31,554	6,954	38,508
Changes in:			
Other receivables	1,466	(6,954)	(5,488)
Other payables	433,812	6,954	440,766
Cash used in operating activities	(227,288)	-	(227,288)

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

6. 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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

(b) Information about reportable segments

Six-month period ended 30 June 2024 (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	2,925,248	1,240,144	1,156	28,053	4,194,601	39	-	4,194,640
Inter-segment revenue	12,505	1,004,264	2,549	12,392	1,031,710	-	(1,031,710)	-
Segment revenue	2,937,753	2,244,408	3,705	40,445	5,226,311	39	(1,031,710)	4,194,640
Other income	463,815	98,222	-	10,528	572,565	635	(47,546)	525,654
Segment profit/(loss) before tax	(319,208)	462,856	748	2,819	147,215	64,276	(59,738)	151,753
Net finance (cost)/ income	(100,478)	(102,949)	(523)	1,925	(202,025)	90,940	(60,000)	(171,085)
Amortization and depreciation	(10,425)	(273,998)	(1,206)	(5,236)	(290,865)	(963)	-	(291,828)
Adjusted EBITDA*	(208,305)	839,802	2,477	6,130	640,104	(25,701)	263	614,666
(Impairment)/Reversal of impairment of trade and other receivables, net	(50,459)	(9,180)	-	17	(59,622)	-	-	(59,622)
Segment profit/(loss) after tax	(279,990)	370,183	748	3,050	93,991	67,806	(59,738)	102,059
Employee benefits	(54,741)	(410,774)	(20)	(6,429)	(471,964)	(16,766)	-	(488,730)
Capital expenditure	13,090	437,036	35,860	1,316	487,302	2,864	-	490,166

Six-month period ended 30 June 2023 (unaudited, not reviewed and restated*)	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	3,666,289	1,120,564	3,835	16,800	4,807,488	-	-	4,807,488
Inter-segment revenue	28,654	831,851	3,061	44,945	908,511	-	(908,511)	-
Segment revenue	3,694,943	1,952,415	6,896	61,745	5,715,999	-	(908,511)	4,807,488
Other income	1,815,034	73,722	-	10,001	1,898,757	618	(24,610)	1,874,765
Segment profit/(loss) before tax	48,972	125,544	1,433	992	176,941	13,359	(9,414)	180,886
Net finance (cost)/ income	(75,362)	(104,576)	(2,249)	6,173	(176,014)	34,435	-	(141,579)
Amortization and depreciation	(7,588)	(242,817)	(1,297)	(4,870)	(256,572)	(636)	-	(257,208)
Adjusted EBITDA*	131,922	472,937	4,979	(311)	609,527	(20,440)	(9,414)	579,673
(Impairment)/Reversal of impairment of trade and other receivables, net	(16,208)	(8,010)	-	(34)	(24,252)	1	-	(24,251)
Segment profit/(loss) after tax	31,235	105,034	1,492	674	138,435	13,357	(9,414)	142,378
Employee benefits	(49,471)	(372,852)	(134)	(15,103)	(437,560)	(13,965)	-	(451,525)
Capital expenditure	4,837	442,375	-	37	447,249	264	-	447,513

*please see Note 5

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

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

At 30 June 2024 (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	6,305,233	9,718,334	136,008	468,291	16,627,866	184,511	(3,346,295)	13,466,082
Trade and other receivables	3,279,172	1,499,373	1,928	102,925	4,883,398	445	1,823,701	3,060,142
Cash and cash equivalents	72,079	335,178	534	3,618	411,409	66,792	-	478,201
Trade and other payables and short-term employee benefits	3,235,485	813,894	11,725	32,240	4,093,344	115,860	1,804,575	2,404,629
Bank overdrafts	1,976,536	137,226	-	-	2,113,762	356,833	-	2,470,595
Lease liability	7,322	15,294	27,822	798	51,236	1,902	-	53,138
Bank borrowings	160,689	2,349,866	-	-	2,510,555	218,401	-	2,728,956

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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***7. Revenue**

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited and not reviewed)
Distribution and supply of electricity, net	3,609,257	4,171,179
Supply of natural gas	82,049	115,750
Construction revenue related to concession agreements	467,700	442,375
Repairs, maintenance and other services rendered	32,742	34,276
Sales of merchandise	2,892	43,908
Total	4,194,640	4,807,488

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 1,198 thousand (six month period ended 30 June 2023: RON 1,437 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.

8. Other income

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Subsidies	454,461	1,801,956
Rental income	45,728	45,534
Late payment penalties from customers	9,271	21,323
Other	16,194	5,952
Total	525,654	1,874,765

**please see Note 5*

During the six-month period ended 30 June 2024, Electrica Furnizare S.A. recognized subsidies of RON 454,461 thousand (six-month period ended 30 June 2023: RON 1,801,956 thousand).

9. Electricity, natural gas and merchandise purchased

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited and not reviewed)
Electricity purchased	2,297,396	4,450,347
Green certificates purchased	267,550	264,942
Cost of merchandise	2,647	40,950
Natural gas purchased	221,255	185,160
Total	2,788,848	4,941,399

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 7.

10. Earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to Company's shareholders and weighted-average number of ordinary shares outstanding:

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

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)**Profit/ for the period attributable to the Company's shareholders*

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Profit for the period attributable to the owners of the Company	102,232	142,507
Profit for the period attributable to Company's shareholders	102,232	142,507

please see Note 5Weighted-average number of outstanding ordinary shares (in number of shares)*

For the calculation of the basic and diluted earnings per share, treasury shares (6,890,593 shares) were not treated as outstanding ordinary shares and were deducted from the number of issued ordinary shares.

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

Earnings per share

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Basic and diluted earnings/(loss) per share (RON)	0.30	0.42

please see Note 5*11. Income tax*****Amounts recognised in profit or loss***

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited, not reviewed and restated*)
Current tax expense	83,801	16,400
Deferred tax expense	(34,107)	22,108
Total income tax expense	49,694	38,508

**please see Note 5*

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

(ii) Reconciliation of effective tax rate

		30 June 2024 (reviewed)		31 December 2023 (audited)
Profit before tax		151,753		897,917
Tax using Company's domestic tax rate	16%	24,280	16%	143,667
Non-deductible expenses	20%	30,793	2%	17,338
Non-taxable income	-5%	(7,541)	-3%	(25,426)
Deduction of legal reserves	-2%	(3,672)	0%	(3,165)
Other tax effects	9%	13,246	-1%	(5,622)
Recognition of tax effect of previously unrecognised tax losses	-5%	(7,412)	0%	(978)
Income tax expense/(benefit)	33%	49,694	14%	125,814

**please see Note 5*

(iii) Movement in deferred tax balances

				Balance at 30 June 2024 (reviewed)		
30 June 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	(8,733)	(3,098)	47,685	-	47,685
Intangible assets related to concession agreements	229,694	-	-	229,694	-	229,694
Employee benefits	(27,244)	(758)	(250)	(28,252)	(28,252)	-
Impairment of trade receivables	(25,560)	(2,095)	-	(27,655)	(27,655)	-
Tax loss carried forward	(4,356)	(22,172)	-	(26,528)	(26,528)	-
Other items	(143,136)	(349)	-	(143,485)	(143,485)	-
Tax liabilities/(assets) before set-off	88,914	(34,107)	(3,348)	51,459	(225,920)	277,379
Set off of tax	-	-	-	-	153,084	(153,084)
Net tax liabilities/(assets)	88,914	(34,107)	(3,348)	51,459	(72,836)	124,295

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

	Balance at 30 June 2023 (unaudited, not reviewed and restated)*					
30 June 2023	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	(213)	-	36,767	-	36,767
Intangible assets related to concession agreements	208,016	10,702	-	218,717	-	218,717
Employee benefits	(21,101)	(1,503)	(927)	(23,531)	(23,531)	-
Impairment of trade receivables	(30,930)	6,003	-	(24,927)	(24,927)	-
Tax loss carried forward	(6,068)	(1,308)	-	(7,376)	(7,376)	-
Other items	(156,771)	8,427	-	(148,344)	(148,344)	-
Tax liabilities/(assets) before set-off	30,126	22,108	(927)	51,306	(204,178)	255,484
Set off of tax	-	-	-	-	180,005	(180,005)
Net tax liabilities/(assets)	30,126	22,108	(927)	51,306	(24,173)	75,479

*please see Note 5

12. Trade receivables

	30 June 2024 (reviewed)	31 December 2023 (audited)
Trade receivables, gross	3,695,219	3,180,660
Bad debt allowance	(698,488)	(640,218)
Total trade receivables, net	2,996,731	2,540,442

Receivables from related parties are disclosed in Note 19.

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 June 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 24,881 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 June 2024, the estimated amount for subsidies to be received from the Ministry of Energy is RON 2,461,796 thousand (31 December 2023: RON 2,595,554 thousand) and from County Agency for Payments and Social Inspection is nill (31 December 2023: RON 18,981 thousand). From the total amount of subsidies to be received, RON 1,903,083 thousand represent uncollected claims submitted to the state authorities and RON 558,714 thousand claims not yet submitted to the state authorities as at 30 June 2024.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited and not reviewed)
Balance as at 1 January (audited)	640,218	652,689
Loss allowance recognized	106,775	52,997
Loss allowance reversed	(46,916)	(28,746)
Amounts written off	(1,589)	(12,253)
Balance as at 30 June (reviewed)	698,488	664,687

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 June 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 106,775 thousand.

13. Cash and cash equivalents

	30 June 2024 (reviewed)	31 December 2023 (audited)
Bank current accounts	382,738	223,213
Call deposits	95,023	153,997
Cash in hand	440	5
Total cash and cash equivalents in the condensed consolidated statement of financial position	478,201	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 111,496 thousand in 2024 (31 December 2023: RON 160,104 thousand).

14. Other payables

	30 June 2024 (reviewed)		31 December 2023 (audited)	
	Current	Non-current	Current	Non-current
VAT payable	420,586	-	588,814	-
Liabilities towards the State	3,586	-	33,372	-
Other liabilities	577,497	35,495	412,898	37,161
Total	1,001,669	35,495	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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

*(All amounts are in THOUSAND RON, if not otherwise stated)***15. Long-term bank borrowings**

Drawings and repayments of borrowings during the three-month period ended 30 June 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
EximBank Romania	RON	ROBOR 3M+1.65%	2027	250,000
BEI (tranche 1)	EUR	EURIBOR 6M+spread+0.33%	2036	597,252
BEI (tranche 2)	EUR	EURIBOR 6M+spread+0.33%	2036	447,939
EBRD	RON	9.35%	2028	60,000
CEC	RON	ROBOR 3M+2.85%	2025	110,689
Total drawings				1,685,880
Accumulated interest as of 30 June 2024				27,831
Interest payments related to 2023 in 2024				(11,125)
Reimbursements , out of which:				291,272
BRD	RON	3.99%	2026	10,400
BRD	RON	3.85%	2028	7,143
Banca Transilvania	RON	4.59%	2027	8,929
UniCredit Bank	RON	3.85%	2026	4,800
BCR	RON	ROBOR 3M+1%	2028	9,475
EBRD	RON	Rata flotanta (1.15% + rata interbancara + ROBOR spread)	2031	11,478
BRD	RON	3.85%	2028	5,714
Exim Bank	RON	ROBOR 3M+1.65%	2024	83,333
CEC	RON	ROBOR 3M+2.85%	2024	150,000
Balance at 30 June 2024 (reviewed)				2,728,956

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

Lender	Borrower	Balance at 30 June 2024 (reviewed)	Balance at 31 December 2023 (audited)
Banca Transilvania	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	53,578	62,508
UniCredit Bank	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	24,250	29,103
BRD	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	52,000	62,400
BRD	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	57,143	64,286
BRD	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	45,744	51,467
BCR	Distributie Energie Electrica Romania (former SDEE Transilvania Sud S.A.)	80,995	90,542
EBRD	Distributie Energie Electrica Romania	177,971	189,971
EBRD	Distributie Energie Electrica Romania	243,575	182,773
CEC Bank	Electrica Furnizare S.A.	160,689	200,000
Eximbank Romania	Distributie Energie Electrica Romania	251,700	-
BEI (tranche 1)	Distributie Energie Electrica Romania	604,932	-
BEI (tranche 2)	Distributie Energie Electrica Romania	453,699	-
BCR	Distributie Energie Electrica Romania	220,180	-
Exim Bank Romania	Distributie Energie Electrica Romania	84,100	167,825

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

Lender	Borrower	Balance at 30 June 2024 (reviewed)	Balance at 31 December 2023 (audited)
Vista Bank	Societatea Energetica Electrica S.A.	125,000	125,000
ERSTE Group Bank and Raiffeisen Bank	Societatea Energetica Electrica S.A.	93,400	91,767
Total, out of which:		2,728,956	1,317,642
Current portion of the long-term bank borrowings		(448,782)	(512,169)
Accumulated interest		(27,831)	(11,125)
Long term borrowings		2,252,343	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 June 2024, the outstanding balance is of RON 53,578 thousand, of which RON 53,581 thousand principal and RON 7 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 June 2024, the outstanding balance is of RON 24,250 thousand, of which RON 24,000 thousand principal and RON 250 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 June 2024, the outstanding balance is of RON 52,000 thousand. (Outstanding balance as at 31 December 2023: RON 62,400 thousand).

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 for 2020. 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 June 2024, the outstanding balance is of RON 57,143 thousand. (Outstanding balance as at 31 December 2023: RON 64,286 thousand).

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

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 June 2024, the outstanding balance is RON 45,744 thousand, of which RON 45,714 thousand principal and RON 30 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 June 2024, the outstanding balance is RON 80,995 thousand, of which RON 80,536 thousand principal and RON 459 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 June 2024, the outstanding balance is RON 177,971 thousand, of which RON 172,179 thousand principal and RON 5,792 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 189,971 thousand).

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 June 2024, the outstanding balance is RON 604,932 thousand, of which RON 597,252 thousand principal and RON 7,680 thousand accrued interest. (Outstanding balance as at 31 December 2023 is nil).

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 June 2024, the outstanding balance is RON 453,699 thousand, of which RON 447,939 thousand principal and RON 5,760 thousand accrued interest. (Outstanding balance as at 31 December 2023 is nil).

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

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 June 2024, the outstanding balance is RON 84,100 thousand, of which RON 83,333 thousand principal and RON 767 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 167,825 thousand).

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. At 28 June 2024, the maximum value of the loan was increased with RON 5,000, up to RON 130,000 thousand. The main provisions are: Maximum credit amount: RON 130,000 thousand; Interest rate: ROBOR 3M + 2.95 % p.a.; full refund at maturity. On 30 June 2024, the balance of the loan is RON 125,914 thousand out of which accrued interest is RON 914. (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%; Repayments: 14 quarterly instalments until 31.01.2028; Grace period: 18 months. As at 19 December 2023, the value of the loan increased by 60 thousand RON to 240,000 thousand RON. As at 30 June 2024, the outstanding balance is RON 243,575 thousand, of which RON 240,000 thousand principal and RON 3,575 thousand accrued interest. (Outstanding balance as at 31 December 2023: RON 182,773 thousand).

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; Maturity date: 03 August 2026. 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 June 2024, the outstanding balance is RON 160,689 thousand (Outstanding balance as at 31 December 2023: RON 200,000 thousand).

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. As at 30 June 2024 the balance of the loan is RON 91,752 thousand, of which principal RON 91,149 thousand and accrued interest RON 602 thousand (31 December 2023: RON 91,767 thousand).

o) Loan for financing the current activity granted by Eximbank Romania

On 22 December 2023, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with EXIM BANCA ROMANEASCA S.A., SE Electrica S.A. as a guarantor, through which a loan was granted in the amount of RON 250,000 thousand, for the financing of the current activity. Maturity date: 21.12.2027, full refund at maturity; Interest rate: ROBOR 3M + 1.65% p.a. As at 30 June 2024, the balance is RON 251,700 thousand, of which principal is RON 250,000 thousand and accrued interest RON 1,700 thousand (31 December 2023: nil).

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

p) Loan for investments granted by UniCredit Bank

On 26 April 2024, Distribuție Energie Electrica Romania S.A., as a borrower, concluded with UniCredit Bank SA, SE Electrica SA as a guarantor, through which a loan was granted in the amount of RON 24,881 thousand, with a validity until 26.04.2029 and the interest rate: ROBOR 3M+3.15%. Outstanding balance as at 30 June 2024 is nil.

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

On 8 May 2024, Distribuție Energie Electrica Romania S.A., as a borrower, concluded with 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 June 2024 is nil.

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

On 25 January 2022, Distribuție 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 1.3% p.a. As at 30 June 2024 the balance of the loan is RON 220,180 thousand, of which principal RON 220,000 thousand and accrued interest RON 180 thousand.

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

At 26 May 2022, Distribuție 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%. Outstanding balance as at 30 June 2024 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 June 2024 and 31 December 2023.

16. 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, Vista Bank and UniCredit Bank) with a total overdraft limit of up to RON 3,070,887 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 June 2024 is of RON 2,470,595 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 SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in THOUSAND RON, if not otherwise stated)

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

Lender	Borrower	Balance at 30 June 2024 (reviewed)	Balance at 31 December 2023 (audited)
ING Bank N.V	Societatea Energetica Electrica S.A.	207,601	206,987
BRD	Societatea Energetica Electrica S.A.	149,232	-
Alpha Bank	Electrica Furnizare S.A.	300,000	213,702
BCR	Electrica Furnizare S.A.	312,429	378,887
BRD	Electrica Furnizare S.A.	218,790	218,817
Banca Transilvania	Electrica Furnizare S.A.	189,824	187,194
ING Bank N.V	Electrica Furnizare S.A.	170,697	170,602
Raiffeisen Bank	Electrica Furnizare S.A.	412,246	369,274
UniCredit Bank	Electrica Furnizare S.A.	335,075	302,399
BNP Paribas	Electrica Furnizare S.A.	20,475	28,830
Vista Bank	Electrica Furnizare S.A.	17,000	-
BCR	Distributie Energie Electrica Romania S.A	447	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	135,799	135,815
Raiffeisen Bank	Distributie Energie Electrica Romania S.A	980	218,895
Total overdrafts		2,470,595	2,851,221

17. Provisions

	Fiscal	Others	Total provisions
Balance at 1 January 2024 (audited)	1,084	40,083	41,167
Provisions recognised	86	21,118	21,204
Provisions used	-	-	-
Provisions reversed	(447)	(3,904)	(4,351)
Balance at 30 June 2024 (reviewed)	723	57,297	58,020

As at 30 June 2024 provisions mainly refer to benefits upon the termination of executive directors' mandate contracts in the form of a non-compete clause of RON 715 thousand (31 December 2023: 710 RON thousand) and for various claims and litigations involving the Group companies with a total amount of RON 57,305 thousand (31 December 2023: 40,457 RON thousand).

18. 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.

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

(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).

19. Related parties

(a) Main shareholders

As at 30 June 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 48.79% from the share capital.

(b) Management and directors' compensation

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited and not reviewed)
Executive management compensation	15,117	20,426

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:

	Six-month period ended	
	30 June 2024 (reviewed)	30 June 2023 (unaudited and not reviewed)
Members of the Board of Directors	2,529	2,368

(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:

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

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

Supplier	Purchases (excluding VAT)		Balance (including VAT)	
	Six-month period ended 30 June 2024 (reviewed)	Six-month period ended 30 June 2023 (unaudited and not reviewed)	30 June 2024 (reviewed)	31 December 2023 (audited)
OPCOM	1,428,814	1,443,372	114,996	212,746
Transelectrica	740,239	293,917	310,058	170,242
Nuclearelectrica	1,780	449,050	-	107,671
Complexul Energetic Oltenia	3,645	548,564	-	132,693
Hidroelectrica	138,975	44,497	72,559	37
ANRE	14,173	16,704	7,027	12
Transgaz	5,380	3,438	402	1,850
SNGN Romgaz SA	21,354	23,011	3,458	9,081
Others	2,877	3,680	1,194	1,513
Total	2,357,237	2,826,233	509,694	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
	Six-month period ended 30 June 2024 (reviewed)	30 June 2024 (reviewed)		
OPCOM	33,753	11,546	-	11,546
Transelectrica	225,980	128,990	-	128,990
Hidroelectrica	139,856	26,617	-	26,617
CFR Electrificare	8,691	3,442	-	3,442
Compania Nationala de Administrare a Infrastructurii Rutiere S.A.	6,326	4,146	-	4,146
Tetarom S.A.	5,108	982	-	982
CFR Telecomunicatii	2,518	2,755	-	2,755
C.N.C.F. CFR S.A.	45,965	40,487	9	40,478
CN Remin SA	131	71,258	71,148	110
Oltchim	-	115,426	115,426	-
C.N.C.A.F. MINVEST S.A.	-	26,802	26,802	-
CET Braila	-	3,378	3,378	-
Termoelectrica	-	1,206	1,206	-
Agentia Nationala pentru Plati si Inspectie Sociala	-	24,881	-	24,881
Ministerul Energiei (*)	454,461	2,471,679	-	2,471,679
Others	46,286	9,379	979	8,400
Total	969,075	2,942,974	218,948	2,724,026

(*) During the three-month period ended 30 June 2024, Electrica Furnizare S.A. recognized subsidies in amount of RON 454,461 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 SIX-MONTH PERIOD ENDED 30 JUNE 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	Six-month period ended 30 June 2023 (reviewed)	31 December 2023 (audited)		
OPCOM	15,730	2,174	-	2,174
Transelectrica	75,932	44,220	-	44,220
Hidroelectrica	133,681	32,882	-	32,882
CN Romarm	11,139	4,279	-	4,279
SNGN Romgaz	20,209	-	-	-
Transgaz	805	544	-	544
CFR Electrificare	8,086	2,347	-	2,347
CN Remin SA	-	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	-	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	-	18,981	-	18,981
Ministry of Energy (*)	1,801,956	2,605,684	-	2,605,684
Others	180,791	9,173	364	8,809
Total	2,248,329	3,008,780	218,380	2,790,400

20. 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 SIX-MONTH PERIOD ENDED 30 JUNE 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 17, 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 made 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).

21. Subsequent events

Subsequent events regarding the reduction of the share capital and dividend payment date

On 11 July 2024, the Bucharest Trade Registry Office accepted the request to reduce the share capital of SE Electrica S.A., according to EGMS resolution. The share capital of Electrica is thus reduced from the value of RON 3,464,435,970 to the value of RON 3,395,530,040, and the number of shares is reduced from 346,443,597 shares to 339,553,004 shares.

Following the reduction of the share capital, the Romanian State holds a percentage of 49.7850% of the subscribed share capital, and other shareholders - list type (individuals and legal entities), hold a percentage of 50.2150% of the share capital.

On 19 July 2024, The Financial Supervisory Authority (FSA) has issued the Financial Instruments Registration Certificate (CIIF in Romanian) no. AC - 4023 - 3 / 19 Jul 2024 related to the reduction of share capital with the value of own shares held since 2014.

The process of finalizing the procedure regarding the reduction of the share capital is ongoing, Electrica taking steps in this regard next to Depozitarul Central SA, where the reduction of the share capital is being registered.

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

Acquisition of shares within the subsidiaries

On 12 July 2024, has completed the acquisition of the project company New Trend Energy SRL having as main object of activity the generation of energy from photovoltaic sources, by acquiring another 40% of the company's shares and voting rights. Thus, the group owns 100% of the shares of the company New Trend Energy S.R.L..

Other subsequent events

- In July 2024, the subsidiary Distribuție Energie Electrică România (DEER) has attracted an additional EUR 200 mil. non-reimbursable financing through the Modernisation Fund, representing 80% of the eligible expenses for seven more new investment projects in the electricity distribution network, projects whose total estimated value is approx. RON 250 mil. (without VAT).
- During its meeting on 31 July 2024, the Board of Directors of the Company approved the participation of Electrica SA in the establishment together with EsyaSoft Holding Ltd. of Dubai, UAE, part of the International Holding Company (IHC) Group, of a joint-stock company which will have as its object of activity the production and operation of advanced technologies in the field of green energy, for the national and European market. This company, in which Electrica will hold 25% of the share capital and EsyaSoft 75% will build production units for green energy equipment, as well as electricity storage solutions and digitalization solutions for the electricity distribution network (smart meters). The initial share capital of the newly established company will be RON 90,00, and the two shareholders will subsequently provide additional financing for the development of the activity.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

26 August 2024

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders,
Societatea Energetica Electrica S.A.

Introduction

1. We have reviewed the accompanying condensed consolidated financial statements of Societatea Energetica Electrica S.A. (the "Company") and its subsidiaries (together "the Group") as at June 30, 2024, which comprise the condensed consolidated statement of financial position as at June 30, 2024, and the condensed consolidated statement of profit and loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union ("IFRS"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

2. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements were not prepared, in all material respects in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Emphasis of matter

4. We draw attention to Note 2 which state that these condensed consolidated interim financial statements have been prepared assuming that the Group will continue as a going concern. The Group operates in the electricity distribution and supply industry which is currently affected by the ceiling laws on sales to end customers. The Romanian authorities regulatory position is under review and there may be further laws enacted which could adversely impact the Group's operating cash flows. In the forthcoming twelve months the group will need to renew its existing facilities. Given the position of the Group and its significance to the Romanian economy, management expects that all necessary financing will be made available. Our review conclusion is not modified in this respect.

5. We draw attention to Note 2 of the consolidated financial statements, which describes that starting from 2022 the Group prepares two sets of consolidated financial statements, one under statutory regulations, namely Ministry of Finance Order 2844/2016 with subsequent amendments and one under International Financial Reporting Standards as adopted by the European Union ("IFRS"). These condensed consolidated interim financial statements are prepared under International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union, which differs from Ministry of Finance Order 2844/2016 with subsequent amendments as summarized in Note 2. Consequently, these condensed consolidated interim financial statements do not comply with IFRS. Our review conclusion is not modified in this respect.
6. We draw attention to Note 5 of the consolidated financial statements, which describes that as at June 30, 2023 the Group has recorded a financial asset related to the concession agreement of RON 908,096 thousand related to the additional cost of purchasing electricity for covering the own technological consumption of the distribution operators. As at June 30, 2024 the Group reassessed its previous position within the consolidated financial statements related to the recognition of financial asset from the amendment of the concession agreements. Our review conclusion is not modified in this respect.

Other matters

7. We draw attention to the fact that we have not audited nor reviewed the accompanying condensed consolidated statements of profit or loss and condensed consolidated statement of comprehensive income for the three months period ended June 30, 2024 and June 30, 2023, respectively for the six months period ended June 30, 2024 and accordingly, we do not express an opinion nor a conclusion on them.
8. This report is made solely to the Group's shareholders, as a body. Our review work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our review work, for this report, or for the conclusion we have formed.

On behalf of:
Deloitte Audit S.R.L.

Răzvan Ungureanu

*For signature, please refer to the original
signed Romanian version.*

Bucharest, Romania
August 26, 2024



2024 HALF YEAR CONSOLIDATED DIRECTORS' REPORT (H1 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. 14 to ASF Regulation no. 5/2018 and the Bucharest Stock Exchange Code

for the six months period ended 30 June 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 – June 2024 (H1 2024).....	10
2.2.	Subsequent events	20
2.3.	Summary of financial indicators.....	21
2.4.	Risks and uncertainties	22
2.5.	Group liquidity	24
2.6.	Group Investment plan approved for 2024.....	25
3.	Organizational Structure	26
3.1.	Group Structure	26
3.2.	The main elements of the Strategic Plan for the period 2024 – 2030	28
3.3.	Key information by segments	29
4.	Shareholders' Structure	34
5.	Operational Results IFRS-EU	36
6.	Financial position IFRS- EU	43
7.	Statement of cash flows IFRS-EU	47
8.	The regulatory framework perspective and the impact on the energy market	49
9.	Restatements	54
10.	Statements	56
11.	Appendix.....	57
11.1.	Appendix 1 - Economic and financial indicators of Electrica Group as of 30 June 2024 according to Annex 14/ASF Regulation no. 5/2018	57
11.2.	Appendix 2 - Applicable legal framework - issued in 2024	58
11.3.	Annex 3 - Details of the main investments of Electrica Group during the first semester of 2024	76
11.4.	Litigations	82
11.5.	Appendix 3 – Table list	97
11.6.	Appendix 4 – Figures list.....	97
	Glossary	98

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: 26 August 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: as of 30 June 2024, RON 3,464,435,970 – as of report date: RON 3,395,530,040.

Main characteristic of issued shares: as of 30 June 2024 - 346,443,597 ordinary shares of 10 RON nominal value, out of which 6,890,593 treasury shares and 339,553,004 shares issued in dematerialized form and freely transferable, nominative, tradable and fully paid. As of report date – 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 Half-year (period 1 January – 30 June 2024).

Audit/Review: The condensed consolidated interim financial statements as of and for the six months period ended 30 June 2024 are reviewed 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 6 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.

In the consolidated report of the administrators on the date and for the six-month period ending on 30 June 2024, the main events that took place during the six 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 Siclovan
- ❖ 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.

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



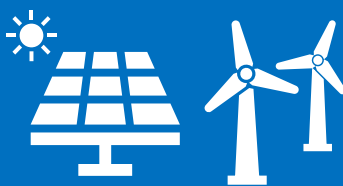
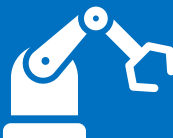
- ❖ As of June 30, 2024, the amount of subsidies receivable was RON 2,461.5 mn. (December 31, 2023: RON 2,614.5 million). In the period July 1 - August 5, 2024, subsidies amounting to RON 1,283.7 mn. were collected.
- ❖ ANRE has modified the Guide for completing the data that is uploaded on the ANRE 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 program and a deadline of December 2024.



Key figures: Operational

Distribution	Supply	Production	Services
			
<i>(vs prior period)</i>			
~3.95 mn. (+1.3%) users	~3.5 mil. (0%) places of consumption	Renewable electricity production - Wind and photovoltaic 4 projects under development/implementation with a total of 288 MWp 2 ongoing investment projects of 39 MWp 1 operational project of 7.5 MWp	Revenue: RON 50.9 mn. (-29%) out of which: 55.5% - external revenue 24.3% - inter-segment revenue 14.9% - rent
203,815 km (+0.6%) electric lines 97,196 km² (+0%) area covered	16.18% (-1.6%) market share (as of April 2024)	ELSA ownership in production subsidiaries: Sunwind Energy S.R.L. („SWE”) 100% (+0%) New Trend Energy S.R.L. („NTE”) 60% (+0%) Foton Power Energy S.R.L. („FPE”) 60% (+30%) Crucea Power Park S.R.L. („CPP”) 40% (+0%)	~6% (+0%) market share (data from 2022)
8.68 TWh (+4.9%) distributed electricity	3.8 TWh (-3.1%) retail supplied electricity	4,380 MWh electricity produced from renewable sources in the first 6 months of 2024	Revenue categories: 42.3% - Maintenance services 28.7% - Car and machinery rental 24.4% - Rental servies

Key figures: Investments – average degree of execution

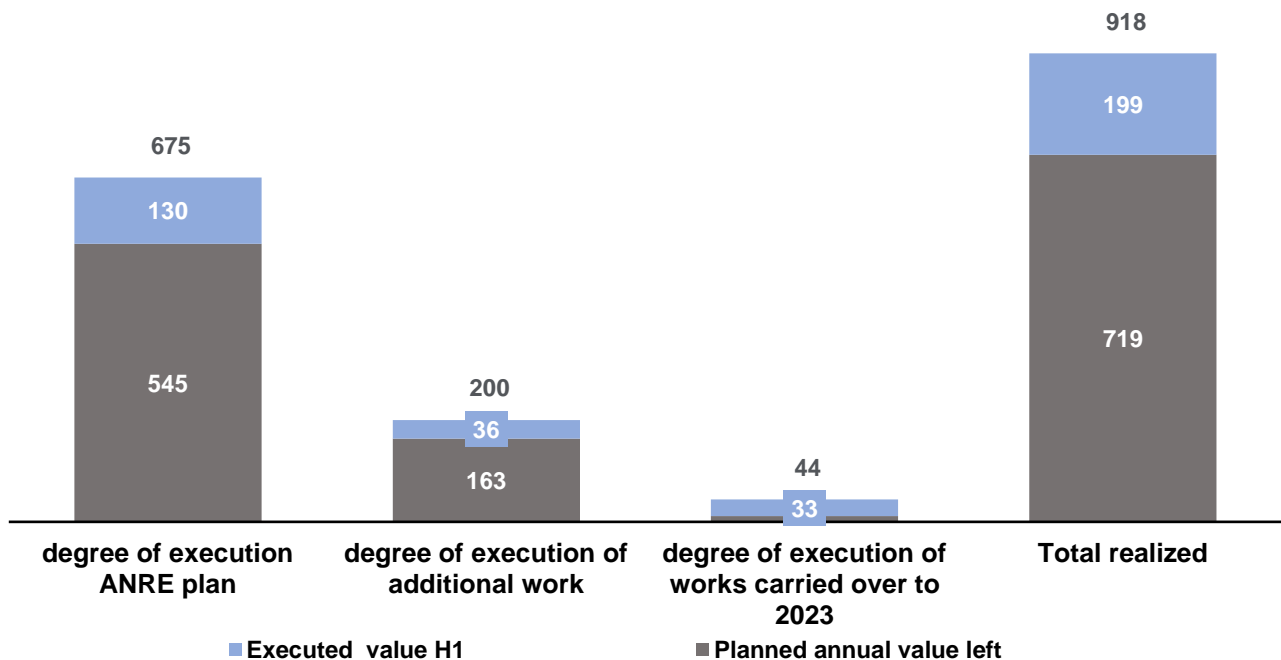
For the year 2024, the following values were budgeted for Distribuție Energie Electrică România (DEER): the CAPEX plan is RON 878 mn. which represents 78% of the total CAPEX plan of the Group in the total amount of RON 1,127.3 mn.. The PIF plan is RON 918 mn., of which: PIF sent to ANRE RON 718 mn. (RON 675 mn. plan related to the year 2024 and RON 44 mn. carried forward values related to the year 2023) to which RON 200 mn. additional works are added compared to the ANRE plan.

The average degree of execution of CAPEX investments in the first semester of 2024 is 123% of the planned value at 6 months (RON 440 mn. estimated against the planned RON 356 mn.), respectively 50% of the planned annual value.

The average degree of execution of PIF investments in the first semester of 2024 is 71.7% of the planned value in 6 months (RON 199.2 mn. against the planned RON 277.9 mn.), respectively 21.7% of the annual value (RON 199.2 mn. out of RON 918 mn.):

- degree of execution of the ANRE 2024 plan: 19.3% (RON 130.1 mn. out of RON 675 mn.);
- degree of execution of additional works: 18.1% (RON 36.2 mn. out of RON 200 mn.);
- degree of execution of works carried over to 2023: 74.6% (RON 32.8 mn. out of RON 44 mn.).

Figure 1: Average degree of PIF execution



Key figures: Financial

Table 2. Consolidated financial result H1 2024 vs H1 2023

(mn. RON)	2024	2023*	Var (abs)	Var (%)
Revenue	4,194.6	4,807.5	(612.8)	-12.7%
Other operating income	525.7	1,874.8	(1,349.1)	-72.0%
Operational costs	(4,397.4)	(6,359.8)	1,962.3	-30.9%
EBITDA ¹	614.7	579.7	35.0	6.0%
EBIT	322.8	322.5	0.3	0.1%
Gross profit	151.8	180.9	(29.1)	-16.1%
Net profit	102.1	142.4	(40.3)	-28.3%

**The amounts related to 2023 have been restated, detailed in chapter 9 of this report*

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 – June 2024 (H1 2024)

During the six months period ended 30 June 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).

▪ 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.

Transactions with related parties

In the first half of 2024, Electrica published 16 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 and EFSA - 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).

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/.

Distribution segment

For or the **distribution segment**, the significant changes in the Romanian legislation were detailed in *Appendix 11.2.1* 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 (PR4) 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 approved by ANRE Order no. 169/2018 – ANRE published for public consultation the draft amending and supplementing order. Main changes:

Controllable Operating and Maintenance Cost (OpexC)

- OpexC and the efficiency factor will be established using the method and comparative analysis indicated in the study elaborated by ANRE;
- Personnel costs (PEX) will not be subject to efficiency;
- OpexC is reduced in conjunction with reducing the amount of power distributed;
- The inflation correction (IR) between the realized and the forecasted IR is fully applied to PEX, and for the rest of the costs only 50% of the difference is applied, in case it is higher than 2 p.p.;
- OpexC will include R&D costs of up to RON 5 mn. per total RP5;
- Expenses from contracts concluded with affiliated companies made by subcontracting services/products to other companies are not recognized;
- DSOs that have their own, distinct organizational structure, with attributions regarding accessing European funds may request from ANRE the approval of values forecasted in uncontrollable Opex (OpexNc).

Investment expenditure

- RRR decreases by 0.5 p.p. if the DSO does not achieve an annual performance level regarding the development of a smart grid, established based on indicators approved by ANRE;
- RRR zero for investments in facilities put into operation in RP5 (administrative buildings and tangible and intangible assets, automotive, computers, machinery, tools);
- The RAB does not recognize increases in the value of existing intangible assets due to updates, updates, improvements, changes on intangible assets, but can be recognized as special expenses within OpexNc, with the prior approval of ANRE;
- The costs with the acquisition of measuring groups, other than smart meters for periodic exchanges, are no longer recognized in the RAB, but in exceptional cases and with the prior approval of ANRE, they can be recognized as special expenses within OpexNc.

Electricity acquisition costs to cover network losses (NL)

- NL targets in LV will decrease linearly by the end of RP5 by at least 15%;
- The NL recognized price shall not exceed the weighted average of the prices realized by the DSO, plus 5%.

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 7%;
 - NL revenue forms the basis for setting NL tariffs, which are not capped and recovered from consumers (DTNL) and producers with installed capacity greater than 5 MW (DTG);
 - 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 published for public consultation the draft order establishing RRR RP5, at 6.75%, and detailed the values of the calculation parameters resulting from the study elaborated for ANRE by the PwC consultant, explaining the differences compared to the 6.39% value approved for RRR RP4.
 - 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 - 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 half 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.

The categories of customers benefiting from electricity cap in 2023 and in the first half 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 half 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.

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 overtaking, 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 first semester 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 June 30, 2024, the estimated amount for subsidies receivables was RON 2,461.5 mn. (December 31, 2023: RON 2,614.5 mn.) of which the amount of RON 1,903.1 mn. represents unpaid requests submitted to the state authorities (of which RON 1,278.8 mn. represents the amount estimated to be received from the Ministry of Energy, respectively RON 624.3 mn. from the Agency County Department of Payments and Social Inspection) and RON 558.4 mn. representing requests that have not yet been submitted to the state authorities as of June 30, 2024.

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=59 MWp;
- Foton Energy S.R.L. - project CEF Bihor 1 with P=73 MWp;
- Crucea Power Plant S.R.L. - Crucea wind farm project with P=121 MWp and 30 MW storage.

The status of the 3 projects is in the final stage of obtaining all the necessary authorizations in order to reach the stage of taking over 100% of the shares.

- ELSA - 35 MWp storage project - Fantanele, internally developed.

Ongoing investment projects

- ELSA - Project Vulturul with P=12 MWp is in the implementation phase of construction with a degree of realization of about 80%, with a completion date of September 2024;
- 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 entering the implementation and execution phase. The project has partial financing from the PNRR program and completion deadline December 2024;

As of June 30, 2024, the total installed capacity for investment projects in progress is 39 MWp and under development at the ready to build stage (all projects at at least 85% development stage) is 288 MWp.

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 for energy storage capacities in batteries and submission of an application for obtaining non-reimbursable funding (PNRR program);
- Carrying out planning activities for the operationalization of the segment/production vertical, phased in line with the development and implementation schedule of energy generation and storage projects.

2.2. Subsequent events

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

Other relevant events

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

On July 22, 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 July 22, 2024, the Central Depository carried out 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.

Transactions with related parties

Subsequent to 30 June 2024, ELSA published 5 current reports, pursuant to Article 108 of Law no. 24/2017, relating to the transactions entered into between DEER - OPCOM, EFSA – OPCOM, DEER – EFSA and EFSA - TEL, 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.

Litigations

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.

Acquisition of shares in associated entities

On 15 July 2024, Electrica announced the closing of the acquisition of the New Trend Energy S.R.L. – the photovoltaic project Satu Mare 3.

Supply Segment

ANRE has 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 end customers, applicable from January 1, 2024 for electricity. The main changes consist in the recognition of the quantity 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 realized by each category of customers (eligible and FUI, including the wholesale market). This procurement cost allocation algorithm significantly impacts the full cost recovery recorded by suppliers. The financial impact of these updates is presented in the Financial Statements published on June 30, 2024.

Subsidies receivables

Between July 1 and August 5, 2024, subsidies in the amount of RON 1,283.7 mn. RON were collected, as follows: from Ministry of Energy - RON 966.8 mn. and from the National Payment and Social Inspection Agency - RON 316.9 mn..

2.3. Summary of financial indicators

A summary of the main financial indicators is presented below:

- In the six month period ended 30 June 2024, EBITDA increased by RON 35.0 mn. as compared with the same period of 2023, recording a positive value of RON 614.7 mn. vs positive value of RON 579.7 mn. in previous year;
- The capital expenses in H1 2024 were of RON 448.2 mn., increasing by approx. 5.7%, compared to RON 423.9 mn. in H1 2023, in line with the annual evolution of the approved investment plans and the investment plan allocation throughout the year;
- The operating result in H1 2024 is a profit of RON 322.8 mn., recording a small increase of RON 0.3 mn. as compared with the same period of the previous year, when the Group recorded a profit of RON 322.5 mn..
- The cost of electricity purchased significantly decreased by RON 2,155.2 mn., or 46.1%, to RON 2,521.3 mn. in the six month period ended 30 June 2024, compared to RON 4,676.5 mn. recorded in the comparative period,

mainly as a result of the decrease in the volumes sold by 3% compared to the similar period of 2023 and the decrease in the electricity purchase price on the supply segment by 47% 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 H1 2024, the revenue from the electricity supply segment decreased by RON 757.2 mn. y-o-y, or 20.5%, to RON 2,937.7 mn. (out of which RON 2,925.2 mn. external revenues) mainly as a net effect of the reduction of the quantity of energy supplied on the retail market by 3% and of the costs recognized with the purchase of electricity (impact stemming from the July 29, 2024 amendment of the ANRE Guide on the allocation of imbalances); the contribution of the supply segment to the Group's consolidated revenues is 69.7%;
- Revenue from the distribution segment increased by RON 291.9 mn., or 15.0%, to RON 2,244.4 mn. (out of which RON 1,240.1 mn. external revenues), compared to H1 2023; the contribution of the electricity distribution segment to the Group's consolidated revenue is of 29.6%.

2.4. Risks and uncertainties

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

Risk description	Mitigation risk actions
<i>Ukraine Crisis</i>	
<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 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. 	<ul style="list-style-type: none"> • The management's opinion is that these risks have already materialized on the market of natural gas, electricity and petroleum products. Mitigation of the impact was possible in the supply activity through the compensation and capping measures established at the national level. In the distribution activity, the directly felt impact was visible through the price at which the electricity related to own technological consumption (NL) could be purchased. These negative influences can be maintained in the next period due to market volatility and possible future regulations with a direct impact on the Group's activity.
<i>Market risk</i>	
<ul style="list-style-type: none"> • Market risk represents the risk that the change in energy and natural gas prices, the reference 	<ul style="list-style-type: none"> • At the level of the supply activity there are implemented policies, procedures and tools for

<p>interest rate, such as share prices, interest rates or exchange rates, will affect the Group's income or the value of its holdings.</p> <ul style="list-style-type: none"> • In Q2 2024, the inflation rate in Romania fell slightly from 8.8% in Q3 2023 to 6.0%, the forecast for the end of Q4 2024 following the same downward trend and estimating a value of 4.9%. • At the same time, energy price inflation in Q1 2023 amounted to 2.5%, up from -2.0% in Q3 30.09.2023. • For 2024, energy goods price inflation is forecast to remain between 2.5% and 3.6%. <p><i>Source: https://www.bnr.ro/Proiectii-BNR-22694-mobile.aspx</i></p>	<p>mitigating market risks to manage and control exposures on the electricity and natural gas market. With this scope, internal projects were started to review the hedging strategy, improving the ability to forecast the demand. There was taken into consideration the adequacy to the reality imposed by the specific markets during this period: the decrease in consumption combined with the increase in purchase prices.</p> <ul style="list-style-type: none"> • Another significant risk factor in this area comes from the lack of production capacities to compensate for extreme scenarios: extremely low temperatures, drought, lack of working fronts for coal, unavailability of primary resources for renewable energy (wind, sun). • In 2023, the company obtained certification for the implementation of standard ISO 50001 Management Systems in Energy in order to improve the services offered and increase the efficiency of the management of resources.
<p><i>Credit and counterparty risk</i></p>	
<p><i>Liquidity risk</i></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. • The management monitors and examines the current exposure, credit limits and counterparty ratings, established provisions. • The current market context implies a significant pressure on the ability of counterparties in the energy market to ensure delivery on time or to pay related compensations. • 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. • 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. • Liquidity risk represents the risk that the Group will not be able to meet its financial obligations when they are due.

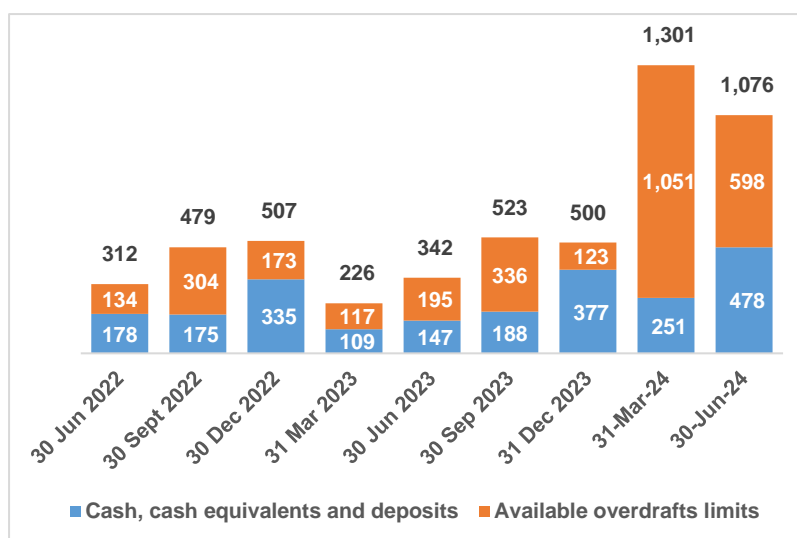
	<ul style="list-style-type: none"> The group carefully monitors, through the treasury structures, the impact and effects on the companies' activity and financial results and has adequate resources to continue its operational activity.
Conformity (Legal) risk	
<ul style="list-style-type: none"> The energy 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.
Operational risk	
<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

2.5. Group liquidity

At Group level, the total liquidity available in cash and overdraft limits as of 30 June 2024 was RON 1,076 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 June 2024 was RON 478 mn., increasing 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 in order to detect any deviation in time.

2.6. Group Investment plan approved for 2024

During the meeting held on 25 March 2024 the Board of Directors of Electrica approved the consolidated value of the Investment Plan (CAPEX) of Electrica Group for 2024, in total amount of RON 1,127.3 mn.

Out of this value:

- RON 878.0 mn. (RON 825.0 mn. in 2023) represents the 2024 annual financial plan of the distribution subsidiary Distribuție Energie Electrica Romania S.A. regarding investments (financial part of the individual investment plan);
- RON 63.0 mn. (RON 65.2 mn. in 2023) represents the 2024 annual financial plan of Electrica Furnizare S.A. regarding investments (financial part of the individual investment plan);
- RON 69.9 mn. (RON 68.3 mn. in 2023) represents the 2024 annual financial plan of Electrica S.A.* individual (ELSA) regarding investments (financial part of the individual investment plan);
- RON 10.3 mn. (RON 10.5 mn. in 2023) represents the 2024 annual financial plan of Electrica Serv S.A. regarding investments (financial part of the individual investment plan);
- RON 106.1 mn. (RON 94.8 mn. in 2023) represents the 2024 annual financial plan of Sunwind Energy S.R.L. (SWE) regarding investments (financial part of the individual investment plan).

** Of the total CAPEX approved for SE Electrica S.A. individually, RON 51.1 mn. represents investments in the merged production segment.*

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 subsidy 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 subsidy on 27 May 2022 as a result of ELSA owning 60% of shares.
- **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 subsidy on 31 July 2023 as a result of ELSA owning

60% of shares.

Table 3. ELSA's subsidiaries

Subsidiary	Activity	Sole registration code	Headquarters	% shareholdings as of 30 June 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	Constanta	60%
Foton Power Energy S.R.L. („FPE”)	Production of electricity	43652555	Constanta	60%

Source: Electrica

*indirect shareholding by ELSA of 100% through its subsidiaries and without any other external holdings.

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 June 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 June 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)	4185041	Bucuresti	7.72%

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 completion of the share capital increase process approved by the EGMS of the Company on 29 May 2023, in which ELSA did not participate, ELSA's holding in the share capital of CCP.RO was reduced to 7.72% as of 18 August 2023.

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.

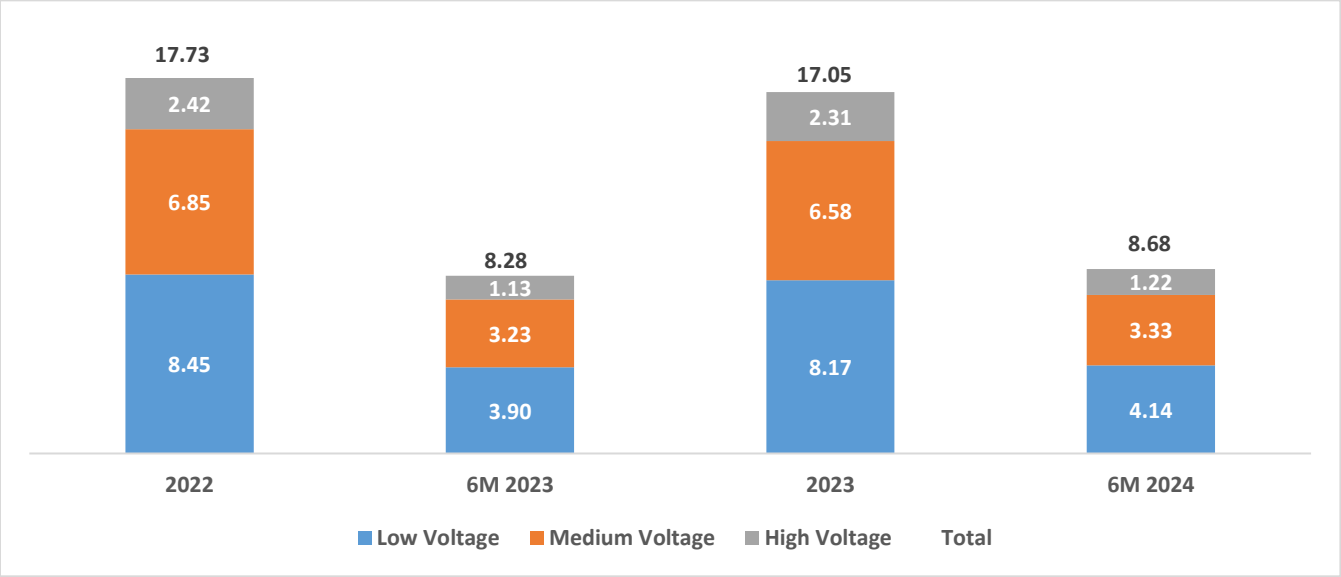
3.3. Key information by segments

Distribution segment

Information for the period ended 30 June 2024:

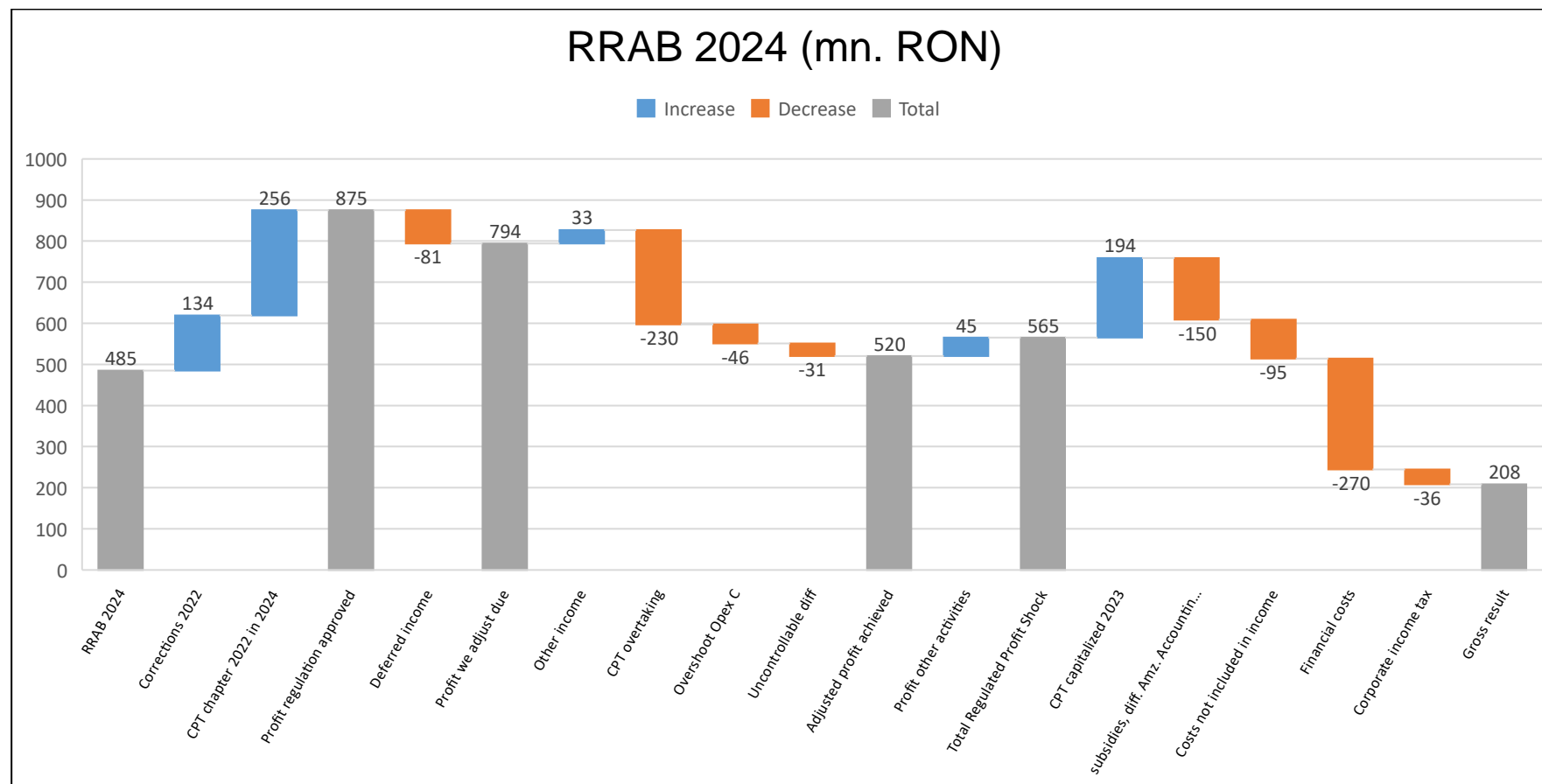
- The estimated Regulated Assets Base (RAB), in nominal terms, with inflation of 4.6% for the year 2024, estimated at the end of the first semester of the year 2024 was RON 7.4 bn;
- 203,815 km of electric lines – 7,604 km for High Voltage ("HV"), 47,024 km for Medium Voltage ("MV") and 149,186 km for Low Voltage ("LV");
- Total area covered: 97.196 km², 40.8% of Romania's territory;
- 3.95 mn. users for the distribution activity;
- 8.68 TWh of electricity distributed in the first semester of the year 2024, a increase of 4.9% as compared to the first semester of the year 2023.

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



Source: Electrica

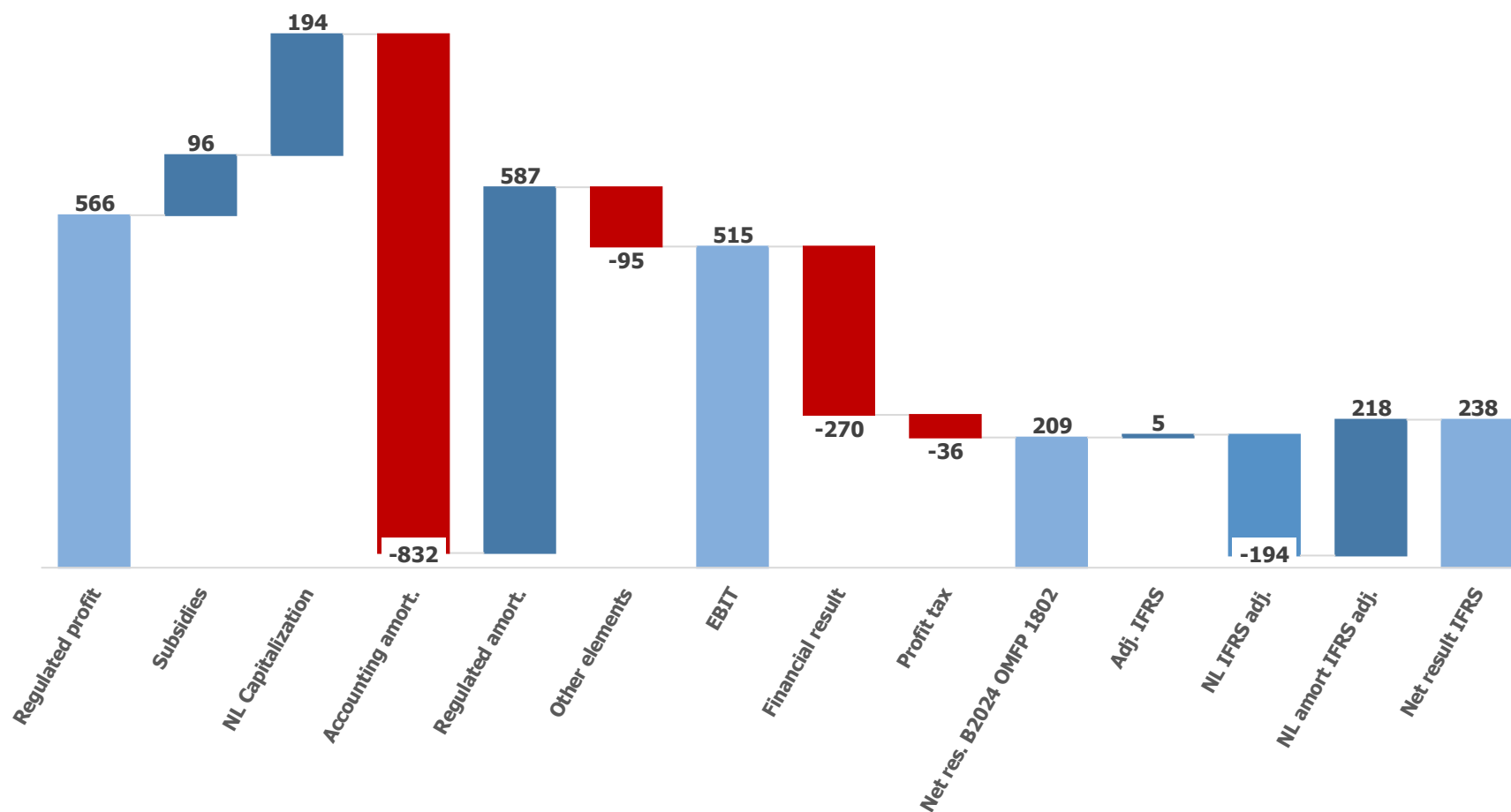
Figure 3: RRAB analysis of the distribution segment result for the year 2024 (RON mn.)



Source: Electrica

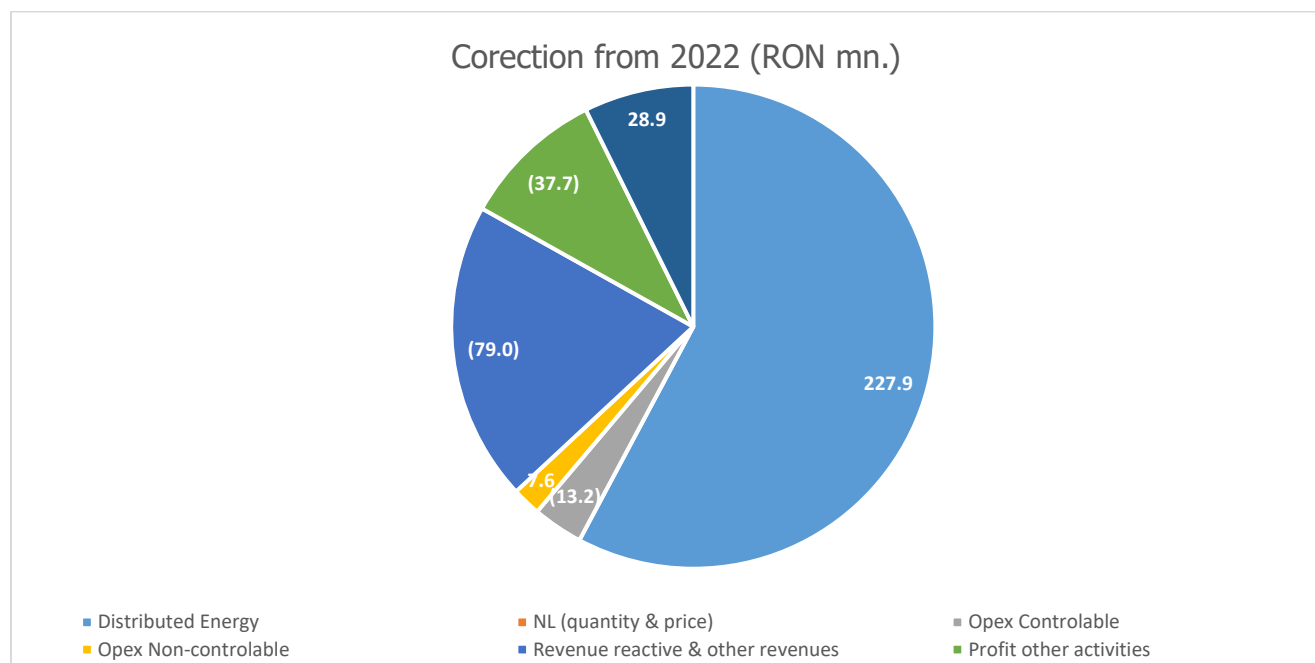
*The corrections for 2022 are worth 390 Mlei and were reflected in the tariffs for 2024

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 April 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 market share of 16.18% and on the competitive market with a share of 10.88% (ANRE report April 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 June 30, 2024, the Group supplied 3.8 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 3,1% compared to the same period of the prior year.

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.

As of 30 June 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	10,423,457	3.0087%	3.0698%
Electrica SA	6,890,593	1.9890%	-
BNY MELLON DRS, New York, USA	2,010,808	0.5804%	0.5922%
Other legal entities*	142,392,006	41.1011%	41.9351%
Individuals	15,680,434	4.5261%	4.6180%
TOTAL	346,443,597	100.0000%	100.0000%

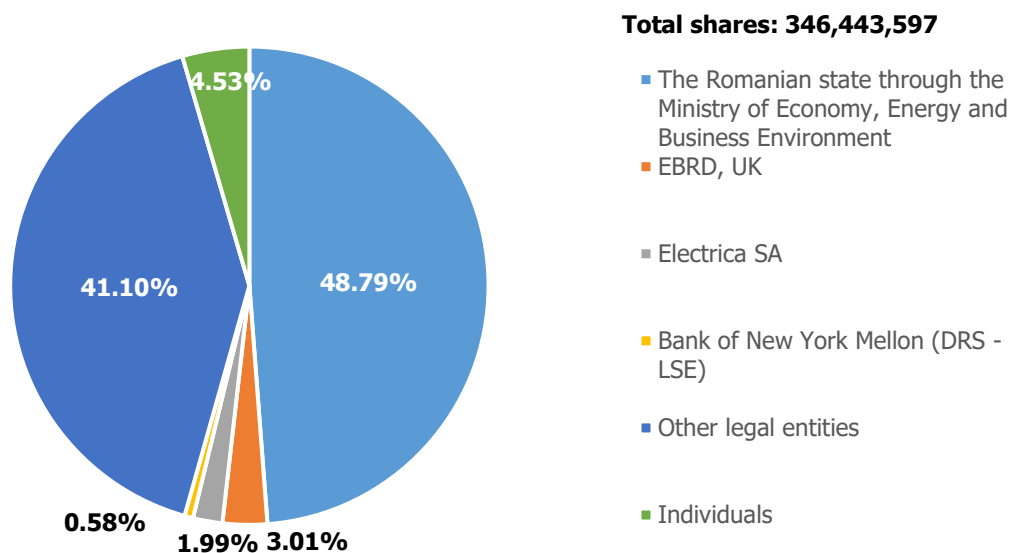
Source: Central Depository, Electrica

Note 1: Shares with voting rights - 339,553,004, representing the total number of shares (346,443,597) without the number of own shares held by Electrica (6,890,593), for which the voting right is suspended

** 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.

Following the stabilization process after the June 2014 IPO, ELSA owns 6,890,593 of its shares, representing 1.989% of the total share capital at 31 December 2022, with suspended voting rights, which does not entitle ELSA the right to receive dividends.

Figure 6: Ownership structure as of 30 June 2024

Source: Central Depository, Electrifica

At the end of June 2023, ELSA's shares were owned by a total of 13,801 shareholders, of which 246 legal entities and 13,555 individuals from 33 countries. 93.37% of the total number of shares (323,469,213 shares) were owned by investors with residence in Romania. Thus, foreign shareholders held 6.63% of the share capital (22,974,384 shares), the largest weight being represented by European citizens. Shareholders in the United Kingdom and Ireland held 3.26% of share capital, while those in the USA held 2.10%, 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 June 2024 (reviewed)	30 June 2023*	Variation (abs.)
Revenues	4,194.6	4,807.5	(612.8)
Other income	525.7	1,874.8	(1,349.1)
Electricity and natural gas purchased	(2,788.8)	(4,941.4)	2,152.6
Construction costs related to concession agreements	(448.2)	(423.9)	(24.3)
Employee benefits	(488.7)	(451.5)	(37.2)
Repairs, maintenance and materials	(30.1)	(49.8)	19.7
Depreciation and amortization	(291.8)	(257.2)	(34.6)
Impairment loss on trade and other receivables, net	(59.6)	(24.3)	(35.4)
Other operating expenses	(290.2)	(211.6)	(78.5)
Operating result	322.8	322.5	0.3
Finance income	3.7	11.4	(7.6)
Finance costs	(174.8)	(153.0)	(21.9)
Net finance cost	(171.1)	(141.6)	(29.5)
Share of the result of the associates	(0)	(0)	-
Result before tax	151.8	180.9	(29.1)
Income tax expense	(49.7)	(38.5)	(11.2)
Net result	102.1	142.4	(40.3)

Source: Electrica

*The amounts for 2023 have been restated, detailed in sub-chapter 9 of this report

Key financial indicators for the period ended 30 June 2024:

- **Revenues: RON 4.2 bn.**, decrease of RON 612.8 mn. as compared to H1 2023;
- **EBITDA: RON 614.7 mn.**, a RON 35.0 mn. increase compared to the same period of last year;
- **EBIT: RON 322.8 mn.**, a RON 0.3 mn. increase compared to H1 2023;
- **EBT: RON 151.8 mn.**, a RON 29.1 mn. decrease compared to H1 2023;
- **Net result: profit of RON 102.1 mn.**, a decrease of RON 40.3 mn. compared to H1 2023.

Revenues and other income

Electrica's revenues and other income for the six-month period ended 30 June 2024 and 30 June 2023 amounted to RON 4,720.3 mn. and RON 6,682.3 mn., respectively, representing a decrease of approx. RON 1,962.0 mn., or 29.4%; 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 H1 2024 compared to H1 2023, a decrease of RON 1,349.1 mn., a negative impact of RON 1,351.2 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 119/2022 (which amended GEO 118/2021 and GEO 27/2022).

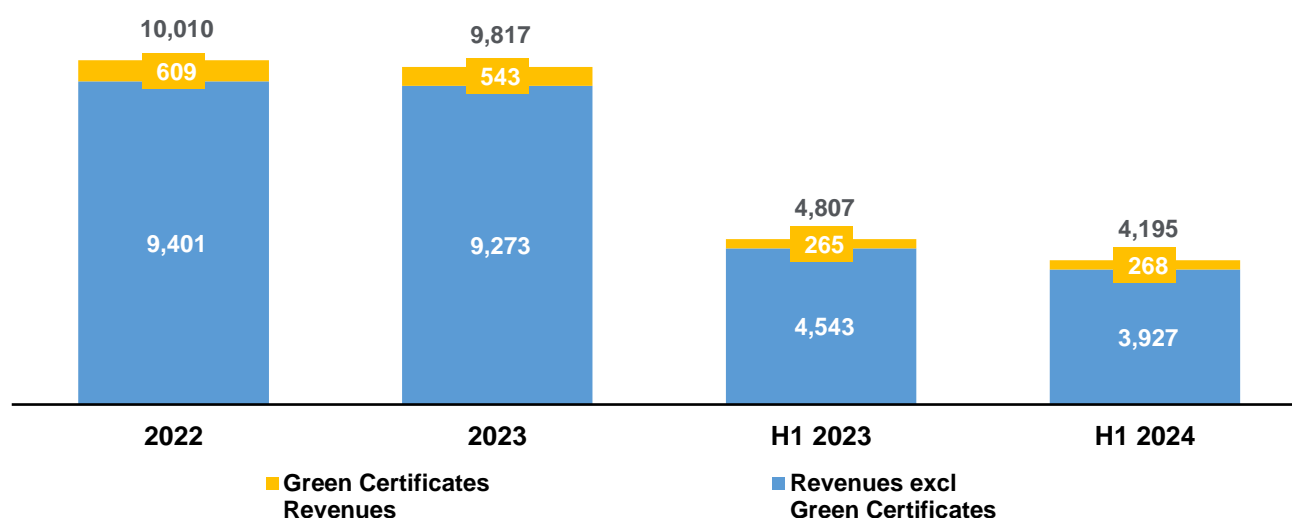
On July 29, 2024, ANRE updated the guidelines for the calculation of the amounts to be recovered from the capping to be carried out based on the provisions of GEO 27/2022, starting January 1, 2024, the way of allocating imbalances and the way of allocating contracts between FUI/non-FUI customer categories are updated. Thus, the subsidy revenues as of June 30, 2024 amounted to RON 463.8 mn. compared to RON 1,815.0 mn. recorded in the same period of last year.

Another factor that motivated the decrease in other income is 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 April 1, 2024 to 700 RON/MWh (according to GEO 32/2024);

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 H1 2024 and comparative information (RON mn.)



Source: Electrica

The revenues decreased by RON 612.8 mn., or 12.7%, being the net effect of the following main factors:

- decrease of RON 757.2 mn. on the supply segment;
- internal revenue (from the Group): the Group's revenues increased by RON 123.2 mn;
- RON 291.9 mn. increase of the distribution segment's revenues;
- decrease of RON 21.3 mn. of the services segment's revenues;
- decrease of RON 3.2 mn. of the production segment's revenues.

During the six months period ended 30 June 2024, revenues from the electricity distribution segment increased by approx. RON 291.9 mn., or 15.0%, to RON 2,244.4 mn., from RON 1,952.4 mn. in the same period of the previous year, as a result of the following factors:

- favorable impact of approx. RON 266.6 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 28/2023 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. 4.9%;
- favorable impact from the evolution of revenues recognized in accordance with IFRIC 12 - the revenues from electricity distribution segment are influenced by the recognition of investments into the network under concession agreements, these revenues increasing in H1 2024 by RON 25.3 mn., compared to the same period last year.

Regarding the supply segment, the revenue from the electricity supply and natural gas decreased in H1 2024 by RON 757.2 mn., or 20.5%, to RON 2,937.8 mn., from RON 3,694.9 mn. in H1 2023.

The change in supply segment revenues is mainly generated by the effect of lower sales volumes (by 3% in electricity) and lower purchase costs (by 49% in electricity). The decrease in the cost of acquisition was seen in the forward and DAM markets. This decrease is also propagated in the decrease of the sales revenue (by approx. 16% for electricity) and the decrease of the subsidy revenue (by approx. 74% - electricity) because, according to GEO 27/2022, as amended, the final price to be invoiced to customers is the minimum value between the capped price, the contract price and the final price calculated with the cost plus method (i.e. realized purchase cost + supply component).

Electricity and gas purchased

In H1 2024, the expense for electricity and gas purchased decreased by RON 2,152.6 mn., or 43.6%, to RON 2,788.8 mn., from RON 4,941.4 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.)

Six months period ending 30 June (RON mn.)	2024	2023	%
Electricity purchased to cover network losses	485.6	601.7	-19.3
Electricity and gas purchased for supply	1,889.4	3,939.0	-52.0
Transmission and system services related to supply activity	146.1	135.8	7.6
Green Certificates	267.6	264.9	1.0

Total electricity purchased	2,788.8	4,941.4	-43.6
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Source: Electrica

The cost of the electricity purchased for supply (including transmission and system services) decreased by RON 2,036.2 mn., or 46.9%, to RON 2,303.1 mn. in H1 2024, from RON 4,339.7 mn. recorded in H1 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.

Regarding the distribution segment, in the six months period ended 30 June 2024, the cost of the electricity purchased to cover network losses decreased by RON 92.0 mn., or 16%, to RON 491 mn., from RON 582 mn., the evolution being generated both by a decrease in the electricity purchase prices of 3% as a result of the implementation of the centralized purchase mechanism MACEE which was modified starting with 1 April 2024 as well as a decrease of 13% in the volumes of electricity needed to cover network losses compared to the same period of last year.

According to the Emergency Ordinance no. 153/2022, during the period January 1, 2023 - March 31, 2025 the centralized electricity purchase mechanism is established, OPCOM being the sole buyer. Distribution operators will buy from OPCOM through an annual/monthly mechanism a minimum of 75% of the forecasted quantity validated by ANRE at the price of 450 RON/MWh, while producers will sell to OPCOM through an annual/monthly mechanism 80% of the forecasted quantity validated by ANRE and Transelectrica at the price of 450 RON/MWh.

GEO 153/2022 was approved by Law 206/2022. Emergency Ordinance no. 32/2024, modifies and completes GEO no. 27/2022, and for the period April 1, 2024 - December 31, 2024 the MACEE is modified, so that generators will voluntarily sell to OPCOM at the price of 400 RON/MWh and OD will buy electricity from OPCOM at the price of 400 RON/MWh.

Construction costs

In H1 2024, the expenses with the construction of the electrical networks in connection with the concession contracts increased by RON 24.3 mn., or 5.7%, to RON 448.7 mn., from RON 423.9 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 37.2 mn, or 8.2%, to RON 488.7 mn. in H1 2024, from RON 451.5.8 mn. in H1 2023, determined mainly from the increase of benefits negotiated through CCM.

Other operating expenses

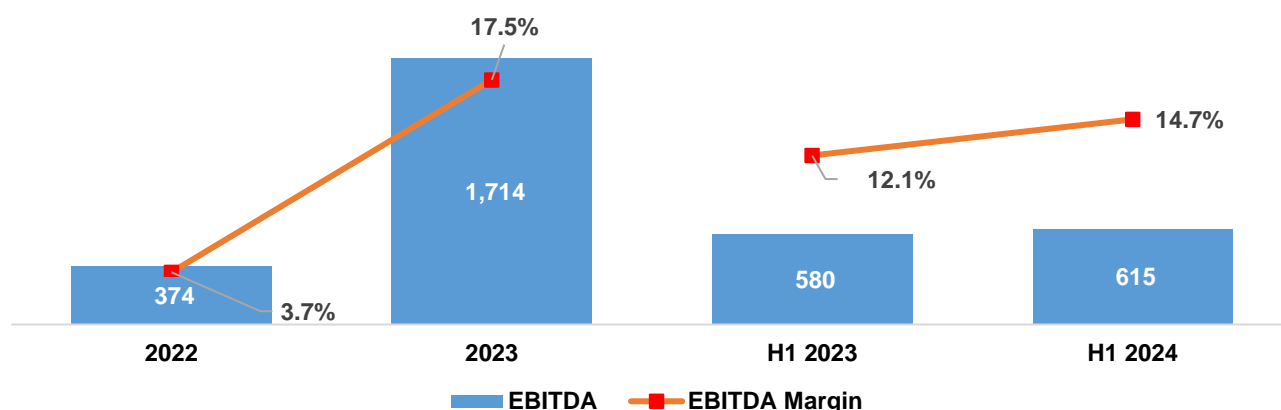
In the six months of 2024, the other operating expenses increased by RON 78.5 mn., or 37.1%, to RON 290.2 mn., from RON 211.6 mn. in the same period of 2023, mainly from:

- the variation of the impairment loss on trade and other receivables, with an impact of RON 16.1 mn;
- operating expenses recorded an increase of RON 59.0 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 increased by approx. RON 35.0 mn. compared to the same period of the previous year, increasing from RON 579.7 mn. in 2023 to RON 614.7 mn. in 2024.

Figure 8: EBITDA and EBITDA margin for H1 2024 and comparative information (RON mn. and %)

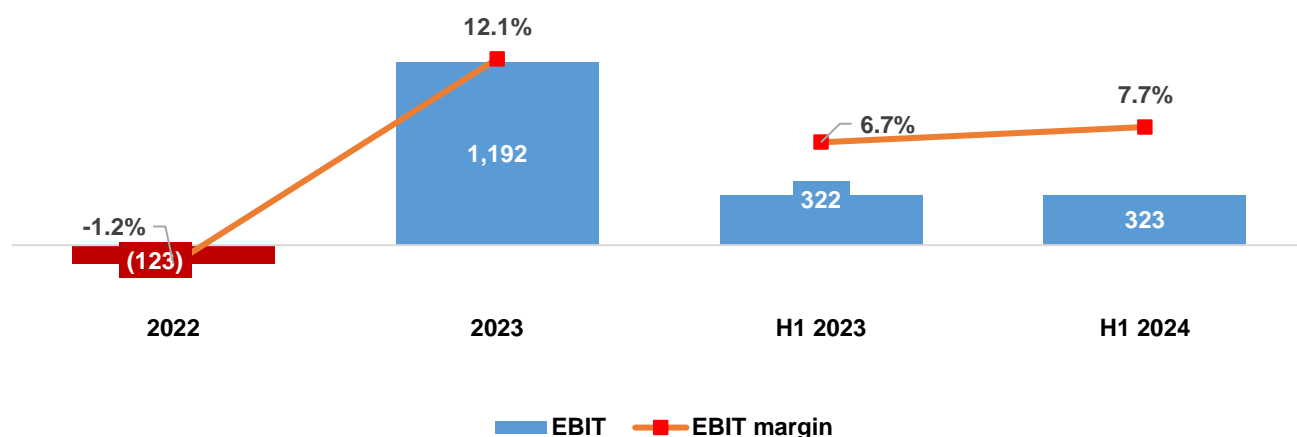


Source: Electrica

Operating result

The Group operating result (EBIT) slightly increased by RON 0.3 mn. y-o-y, from RON 322.5 mn. to RON 322.8 mn..

Figure 9: EBIT and EBIT margin for H1 2024 and comparative information (RON mn. and %)



Source: Electrica

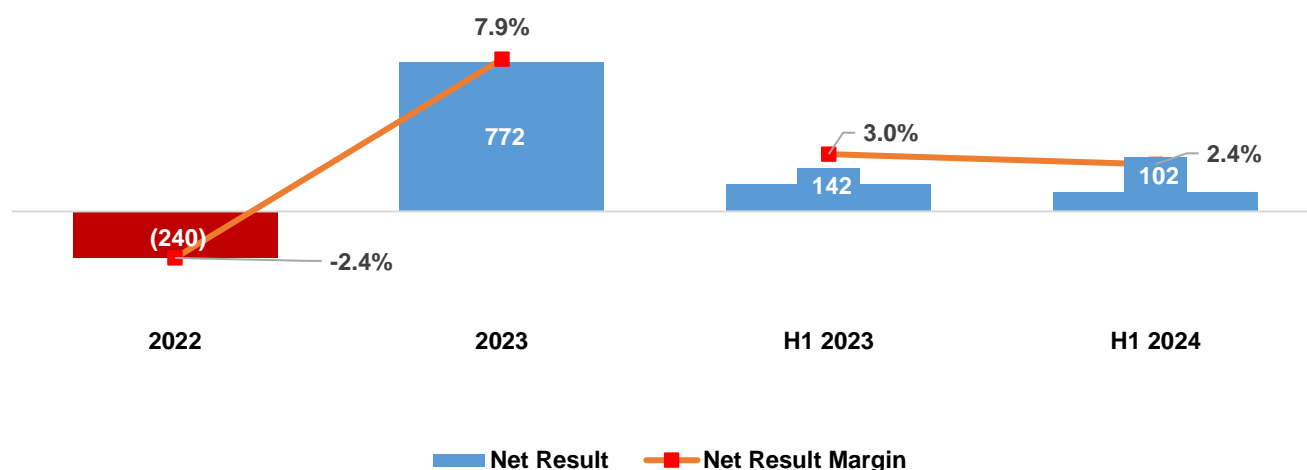
Net finance cost

The net finance cost at group level decreased by RON 29.5 mn. in H1 2024 compared to the similar period in 2023, mainly as a result of the increase of finance expenses of RON 21.9 mn. related to loans for pre-financing the support scheme for electricity and natural gas consumers established by GEO no. 119/2022.

Net result for the period

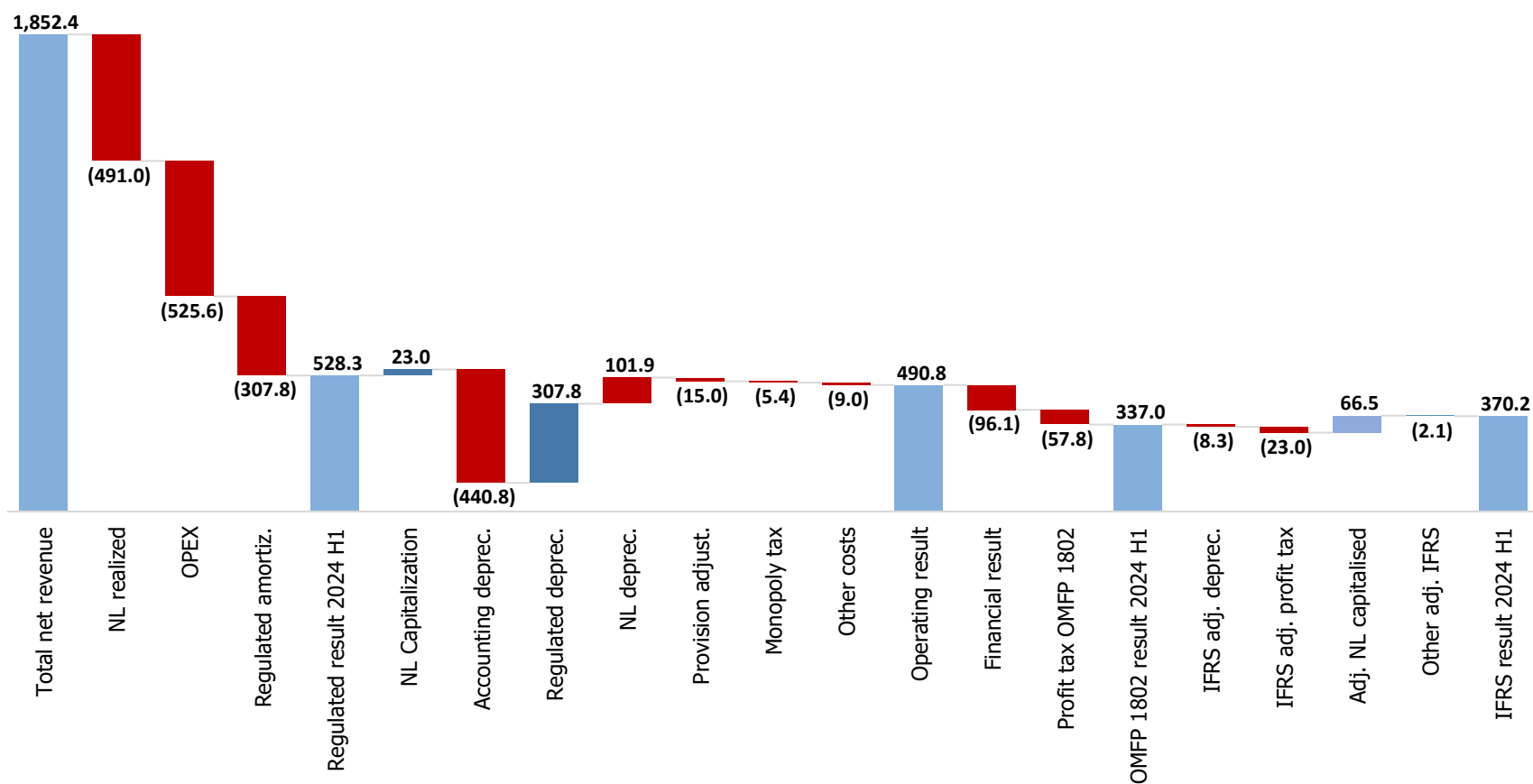
As a result of the above described factors, in the three months period ended 30 June 2024, the net result decreased by RON 40.3 mn., to RON 102.1 mn. (profit), from RON 142.4 mn. (profit) as compared with the similar period from previous year.

Figure 10: Net result and Net result margin for H1 2024 and comparative information (RON mn. and %)



Source: Electrica

Figure 11: Regulated net result - OMFP 1802/2014 – IFRS(EU) for the distribution segment in H1 2024 (RON mn.)



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 June 2024 (reviewed)	31 December 2023 (audited)	Variation (abs.)
ASSETS			
Non-current assets			
Intangible assets related to concession agreements	6,425.7	6,220.5	205.2
Other intangible assets	28.1	27.8	0.3
Goodwill	24.7	24.7	-
Property, plant and equipment	633.9	595.0	38.9
Investments in associates	16.6	16.6	-
Other investments	7.0	7.0	-
Deferred tax assets	72.8	32.4	40.4
Other non-current assets	77.0	52.0	25.0
Right of use assets	50.4	41.0	9.4
Total non-current assets	7,336.2	7,017.0	319.2
Current assets			
Trade receivables	2,996.7	2,540.4	456.3
Other receivables	63.4	93.8	(30.4)
Cash and cash equivalents	478.2	377.2	101.0
Subsidies receivables	2,461.5	2,614.5	(153.0)
Inventories	107.9	115.7	(7.7)
Prepayments	13.1	12.9	0.2
Current income tax receivable	8.7	-	8.7
Assets held for sale	0.3	0.3	-
Total current assets	6,129.9	5,754.9	375.0
Total assets	13,466.1	12,771.9	694.2
EQUITY AND LIABILITIES			
Equity			
Share capital	3,464.4	3,464.4	-
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	159.3	159.5	(0.2)
Legal reserves	449.4	449.4	-
Retained earnings	1,323.6	1,259.4	64.2
Total equity attributable to shareholders of the Company	5,424.4	5,360.4	64.0
Non-controlling interests	(0.6)	(0.5)	(0.2)
Total equity attributable to shareholders of the Company	5,423.8	5,360.0	63.8

	30 June 2024 (reviewed)	31 December 2023 (audited)	Variation (abs.)
Liabilities			
Non-current liabilities			
Lease liability – long term	37.3	29.1	8.2
Deferred tax liabilities	124.3	121.3	3.0
Employee benefits	158.0	151.4	6.7
Other liabilities	35.5	37.2	(1.7)
Long-term bank borrowings	2,252.3	794.3	1,458.0
Total non-current liabilities	2,607.5	1,133.3	1,474.1
Current liabilities			
Lease liability – short term	15.8	14.1	1.8
Bank overdrafts	2,470.6	2,851.2	(380.6)
Trade payables	1,260.3	1,671.5	(411.2)
Other payables	1,001.7	1,035.1	(33.4)
Deferred revenue	8.4	7.8	0.6
Employee benefits	107.2	120.5	(13.4)
Provisions	58.0	41.2	16.9
Current income tax liability	36.2	13.9	22.3
Current portion of long-term bank borrowings	476.6	523.3	(46.7)
Total current liabilities	5,434.8	6,278.6	(843.8)
Total liabilities	8,042.3	7,411.9	630.3
Total equity and liabilities	13,466.1	12,771.9	694.2

Source: Electrica

The materiality threshold established internally at Group level in the analysis of the main indicators (below) is RON 30.7 mn., representing 5% of EBITDA.

Non-current assets

The non-current assets increased by RON 319.2 mn. in H1 2024, or 4.5%, from RON 7,017.0 mn. as of 31 December 2023, to RON 7,336.2 mn. at 30 June 2024, this variation being mainly the effect of:

- an increase of RON 205.2 mn. in network investments made by the distribution subsidiaries (the most relevant investment and commissioning values are presented in Annex 2);
- the increase by RON 38.9 mn. of tangible fixed assets, mainly due to the development of renewable energy production parks (investment works in progress).
- RON 40.4 mn. increase in deferred tax receivables (IAS 12).

Current assets

In 2024, current assets increased by RON 375.0 mn. compared to 31 December 2023, or 6.5%, from RON 5,754.9 mn. to RON 6,129.9 mn., this evolution is mainly due to the increase of RON 456.3 mn. in trade receivables, which was offset by the decrease of RON 153.0 mn. in subsidies receivable at June 30, 2024 compared to December 31, 2023.

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 456.3 mn. in 2024, or 18.0%, from RON 2,540.4 mn. to RON 2,996.7 mn.. RON as of June 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 101.0 mn., or 26.8% from RON 377.2 mn. at December 31, 2023 to RON 478.2 mn. at June 30, 2024.

Table 10. Cash and cash equivalents (RON mn.)

(mn. RON)	30 June 2024	31 December 2023	31 December 2022
Current accounts	382.7	223.2	141.7
Deposits	95.0	154.0	193.2
Cash	0.4	0.0	0.0
Total cash and cash equivalents	478.2	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 2,607.5 mn. at June 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 1,058.6 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 6 months of 2024, current liabilities decreased by RON 843.8 mn. to RON 5,434.8 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 13.3% in the first 6 months of 2024 from RON 2,851.2 mn. at December 31, 2023 to RON 2,470.6 mn. at June 30, 2024 due to the use of the drawdown of the loan with EIB amounting to RON 1,058.6 mn. refinancing the amounts used from other credit lines for the Group's investments.

Trade payables

As of June 30, 2024, trade payables decreased by approximately RON 411.2 mn. to RON 1,260.3 mn. from RON 1,671.5 mn. as of December 31, 2023 (decrease of RON 362.3 mn. DEER and decrease of RON 91.7 mn. EFSA) mainly due to the decrease in energy prices in the first 6 months of 2024.

7. Statement of cash flows IFRS-EU

The following table presents the consolidated statement of cash flows of Electrica Group (amounts in RON mn.):

Table 11. Cash flow (RON mn.)

	30 June 2024 (reviewed)	30 June 2023*	Variation (abs.)
Cash flows from operating activities			
Profit for the period	102.1	142.4	(40.3)
Adjustments for:			
Depreciation	9.0	8,9	0.1
Amortization	282.9	248.3	34.5
(Gain)/Loss on disposal of property, plant and equipment and intangible assets	(0.6)	-	(0.6)
Impairment of trade and other receivables, net	59.6	24.3	35.4
Change in provisions, net	16.9	(9.3)	26.2
Net finance cost	171.1	141.6	29.5
Changes in employee benefits obligations	0.0	-	0.0
Share of loss of associates	0.0	0.0	0.0
Corporate income tax expense	49.7	38.5	11.2
	690.7	594.7	95.9
Changes in:			
Trade receivables	(625.8)	(222.1)	(403.6)
Other receivables	(35.0)	8.4	(29.6)
Prepayments	(0.2)	(6.8)	6.7
Inventories	7.7	19.7	(11.9)
Trade payables	(237.9)	(16.5)	(221.5)
Other payables	(46.5)	426.9	(487.3)
Employee benefits	(8.3)	2.4	(10.7)
Deferred revenue	0.6	(14.7)	15.3
Subsidy receivables	153.0	(1,019.1)	1,172.1
Cash used in operating activities	(101.9)	(227.3)	125.4
Interest paid	(146.9)	(131.2)	(15.7)
Income tax paid	(70.6)	(1.4)	(69.2)
Net cash used in operating activities	(319.3)	(359.9)	40.5
Cash flows from investing activities			
Payments for network construction and rehabilitation	(533.0)	(376.8)	(156.2)
Payments for purchases of property, plant and equipment	(38.3)	(0.9)	(37.7)
Payments for purchase of other intangible assets	(6.3)	(3.0)	(3.3)
Interest received	2.4	1.1	1.3
Payments for subsidiaries acquisition	-	(6.1)	6.1
Net cash used in investing activities	(575.5)	(385.7)	189.7
Cash flows from financing activities			
Proceeds from long-term bank borrowings	1,685.9	450.9	1,235.0

	30 June 2024 (reviewed)	30 June 2023*	Variation (abs.)
Proceeds from overdrafts	(384.6)	188.1	(527.7)
Repayment of long-term bank borrowings	(291.3)	(46.5)	(244.8)
Payment of lease liabilities	(14.2)	(14.6)	0.4
Dividends paid	(0.1)	(20.0)	20.0
Net cash from financing activities	995.8	557.9	437.8
Net increase/(decrease) in cash and cash equivalents	101.0	(187.7)	288.6
Cash and cash equivalents at 1 January	377.2	334.9	42.3
Cash and cash equivalents at 30 June	478.2	147.2	331.0

Source: Electrica

*The amounts for 2023 have been restated, detailed in sub-chapter 9 of this report

The materiality threshold established internally at Group level in the analysis of the main indicators (below) is RON 30.7 mn., representing 5% of EBITDA.

In the first six months of 2024, the net increase in cash and cash equivalents was RON 101.0 mn..

Net cash provided by operating activities was RON 319.3 mn. (negative). The net profit for the period was RON 102.1 mn.; the main adjustments to non-monetary items of the net profit were: the addition of amortization of tangible and intangible fixed assets in the amount of RON 291.8 mn., the elimination of the impact of value adjustments for trade receivables of RON 59.6 mn., the addition of income tax expense of RON 49.7 mn. and net financial loss of RON 171.1 mn..

The changes in working capital had an unfavorable effect of RON 792.4 mn., the highest impact being generated by the negative change in trade receivables of RON 625.8 mn., trade payables of RON 237.9 mn. and the change in other debts in the amount of RON 46.5 mn., the effect being reduced by the positive impact of the changes in subsidies receivable in the amount of RON 153.0 mn.. Interest paid amounted to 146.9 mn. RON

Cash in the amount of RON 577.9 mn. was used for the investment activity, the highest amounts being related to payments for the construction of networks in connection with concession agreements of RON 553.0 mn., which recorded an increase in payments for investments of RON 156.2 mn. compared to the comparative period, and as a result of a higher investment plan realized in 2024 vs. 2023 in the distribution segment.

Financing activity generated an increase in cash and cash equivalents of RON 995.8 mn., the main factors being the drawdowns on long-term bank loans of RON 1,685.9 mn., repayments of overdrafts amounting to RON 384.6 mn. and loans of RON 291.3 mn..

8. 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 2.1 Key events and in Annex A.11.2.1 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.

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 half of 2024, Electrica Furnizare was nominated electricity supplier of last resort in March, 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.

At the end of the first quarter of 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 H1 2024 decreased by about 29%, from 539.5 RON/MWh average price recorded in H1 2023 to 381.63 RON/MWh. However, in June 2024, the average DAM price exceeded the level recorded in 2023. This upward trend in DAM prices manifested at the end of H1, against the background of the increase in energy consumption generated by high temperatures as well as the reduction in the volumes offered for sale in MACEE (until their total lack) influenced the increase in the trading prices in the forward markets, above the limit of 450 RON/MWh.

For natural gas, the trading price on the spot market decreased in H1 2024 by about 40% compared to the trading price realized in H1 2023, from RON 222.56/MWh to RON 134.70/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 H1 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.

Until 30 November 2020, the segment was represented by SEM, and after the absorption merger between SERV and SEM, the segment includes the activity of energy services within SERV.

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.

9. Restatements

During 2023, the Group reassessed its previous position with the consolidated financial statements, related to the recognition of financial asset from the amendment of the concession agreements, for which it was recognised a financial asset in the amount of RON 951,6 mn. for the period 1 January – 31 December 2022 and the comparatives were restated in the financial statements of the year (please see Note 5 of the IFRS financial statements published for 31 December 2023).

As at 31 December 2022, the Group recognized in the balance sheet an financial asset in amount of RON 951,6 mn., as a consequence of this amendment, representing the difference between the net cost with the purchase of the energy for NL and the NL cost included in the regulatory tariff by ANRE, for the period 1 January – 31 December 2022. An equal amount was thereafter recognized in the profit and loss account as "Other income".

As at 30 June 2023, the Group recognized an additional financial asset in amount of RON 56,3 mn. in the balance sheet, as a consequence of this amendment, representing the difference between the net cost with the purchase of the energy for NL and the NL cost included in the regulatory tariff by ANRE for the period 1 January – 30 June 2023. Consequently, an equal amount was recognized in the profit and loss account as "Other income". Further, the depreciation related to the 6 months of 2023 was recognized for the asset recorded in 2022, presented on "Changes in the fair value of financial assets".

The following table summarize the impact on the Group's consolidated financial statements:

Table 12. Statement of financial position (RON mn.)

Indicator	30 June 2023 as reported previously	30 June 2023 Reclassifications	30 June 2023 as restated
Financial assets related to concession arrangements – non current portion	726.5	(726.5)	-
Financial assets related to concession arrangements – current portion	181.6	(181.6)	-
Retained earnings	1,414.4	(762.8)	651.6
Deferred tax liabilities	220.8	(145.3)	75.5
Total assets	12,684.8	(908.1)	11,776.7
Total equity	5,428.2	(762.8)	4,665.4
Total liabilities	7,256.6	(145.3)	7,111.3

Source: Consolidated financial statements of Electrica Group as of 30 June 2024

Table 13. Statement of profit or loss (RON mn.)

Indicator	30 June 2023 as reported previously	30 June 2023 Reclassifications	30 June 2023 as restated
Other income	1,931.0	(56.3)	1,874.8
Changes in FV of the financial assets related to concession	(100.0)	100.0	0.0
Income tax benefit/(expense)	(31.6)	(7.0)	(38.5)
Profit for the year	105.6	37	142
Earnings/(Loss) per share			
Basic and diluted earnings/(loss) per share (RON)	0.31	0.11	0.42

Source: Consolidated financial statements of Electrica Group as of 30 June 2024

Table 14. Statement of cash flow (RON mn.)

Indicator	30 June 2023 as reported previously	30 June 2023 Reclassifications	30 June 2023 as restated
Cash flows from operating activities			
Profit	105.6	36.7	142.4
Other income from initial recognition of financial assets rising from concession agreements amendments	(56.3)	56.3	-
Changes in FV of the financial assets related to concession	100.0	(100.0)	-
Income tax (benefit)/expense	31.6	7.0	38.5
Changes in:			
Other receivables	1.5	7.0	5.5
Other payables	433.8	(7.0)	440.8
Net cash flow used in operating activities	(227.3)	-	(227.3)

Source: Consolidated financial statements of Electrica Group as of 30 June 2024

10. Statements

Based on the best available information, we confirm that the reviewed interim condensed consolidated financial statements for the six month period ended 30 June 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. 14 to ASF Regulation no. 5/2018 for the six months period ended 30 June 2024, comprises accurate and real information regarding the Group's development and performance.

Chair of the Board of Directors,

Dumitru CHIRITA

Chief Executive Officer,

Alexandru-Aurelian CHIRITA

Chief Financial Officer,

Stefan Alexandru FRANGULEA

11. Appendix

11.1. Appendix 1 - Economic and financial indicators of Electrica Group as of 30 June 2024 according to Annex 14/ASF Regulation no. 5/2018

Indicator	Formula	Value
Current liquidity ratio	Current assets/Current liabilities	1.13
Capital Gearing Ratio	Debt/Equity * 100	51.0%
Trade receivables turnover	Average balance trade receivables/ Turnover * 180	119 days
Non-current asset turnover ratio	Turnover/Non-current assets	0.58

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

A.11.2.1 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 Draft order 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 - public consultation The regulated rate of return on invested capital, expressed in real terms, before taxation, applied to the establishment of tariffs for electricity and natural gas transmission and distribution services, for the fifth regulatory period, is proposed at 6.75%. (up from 6.39%). ▪ ANRE Draft order regarding the modification and completion of the Methodology for setting tariffs for the electricity distribution service - public consultation. <ul style="list-style-type: none"> ▪ introduction of a distinct treatment for electricity purchase costs for NL coverage and for the rest of the costs. The regulated income in PR5 related to a year t consists of two categories of income: non- NL regulated income and NL regulated income: <ul style="list-style-type: none"> ○ The provisions on setting NL targets are supplemented with regard to setting NL targets for the HV level if there is a forecast amount of NL related to additional transits and for setting targets for the LV level; ○ The recognized price for the purchase of the electricity required to cover the NL cannot exceed a value equal to the weighted average of the prices realized by the network operators plus 5%. ▪ the introduction of a provision according to which the NL regulated income corresponds to covering the cost of the purchase of electricity to cover the NL and the elimination of congestion and is divided into two categories of regulated income, which are recovered: <ul style="list-style-type: none"> ○ from consumers of the distribution network through a tariff component (TDcpt), applied to distributed electricity; ○ from producers connected to the distribution network through a tariff (TGD), applied to the amount of electricity introduced into the distribution networks of producers, from power plants with an installed capacity of more than 5 MW. ▪ the transfer from the TSO to the DSO of the TG_Tp tariff related to the additional transits from the EDN for the quota related to the producers and the modification of the ANRE regulations so as to provide for the conclusion of contracts for the use of the distribution network between the DSO and the producers. It is proposed to introduce the TG_Tots tariff related to additional transits from EDN for the share related to TSO; ▪ Return on the Regulated Asset Base (RRAB): <ul style="list-style-type: none"> ○ the addition of provisions that establish a mechanism for correlating the level of remuneration of the invested capital with the level of performance achieved by the DSO, thus, in the situation where the DSO does not achieve the level of performance regarding the development of an intelligent network that promotes energy efficiency and the integration of energy produced from renewable sources, established for each year of the regulatory period p+1 based on the set of indicators approved by ANRE, the value of the regulated rate of the approved profitability is reduced by 0.5 percentage points;

2024

- a supplement for determining the forecasted and realized value of the RBAR - administrative buildings and tangible and intangible fixed assets defined in the Investment Analysis Procedure as endowments, such as endowments such as cars, computing equipment, equipment, machinery, are not taken into account tools, etc., put into operation starting from the 5th regulation period, for these fixed assets only costs with depreciation are recognized;
- the value of the investment program in the electrical distribution networks fully or partially financed from own sources for the regulatory period p+1 must be at least equal to the value of the cost with the total forecasted regulated depreciation related to the regulatory period p+1.
- Inflation correction:
 - ANRE determines and annually applies an inflation correction for controllable operation and maintenance costs, other than those with personnel related to year t-1, if the IR achieved in year t-1 and in year t-2 varies by more of two percentage points compared to the predicted IR value. In the situation where the condition for making the correction is met, the realized IR considered in the calculation of the inflation correction is determined by the algebraic summation of the predicted IR value with a percentage of 50% of the difference between the realized IR and the forecasted IR;
 - staff costs: if the realized IR is higher than the forecasted IR, ANRE determines and applies an inflation correction for the staff costs related to year t-1. The recognized value of personnel costs cannot exceed their realized value;
 - establishing regulated income: for the determination of non-NL regulated income as well as NL regulated income in terms of year t+1, it is proposed to take into account the value of the inflation rate achieved for the years prior to year t, respectively forecast for year t and for year t+1. When calculating the corrections related to year t-1, the same IR values used to determine the regulated income for that year are used;
 - when calculating the RAB made, starting with the fifth regulatory period, including for the years related to it, the IR values used to determine the regulated income for that year are used.
- Non-NL regulated income:
 - an increase in the weighted average tariff (expressed in real terms) corresponding to non-NL regulated income cannot exceed the 10% limit from one year to the next.
- Controllable operation and maintenance costs (OPEXC) and the Xinitial efficiency factor are established at the beginning of the regulatory period, using the method and comparative analysis indicated by the consultant in the Regulatory Good Practices Study on the Treatment of Controllable Operation and Maintenance Costs, purchased by ANRE in 2023 (OPEX Study);
- Personnel costs:
 - if the realized and accepted value for personnel costs for a year t is higher than the forecasted value due to the internalization of an activity, the recognized value may exceed the forecasted value, within the limit of the value of the expenses corresponding to their performance with third parties, recorded by the DSO in the year prior to the one in which the internalization took place, but not more than the value corresponding to the reduction in year t of the costs of services performed by third parties;
 - personnel costs and those carried out for the purpose of research and development of the distribution operator are exempted from the application of the factor X_initial annual increase in efficiency established by ANRE.
- Incentives to support research related to the field of activity and to facilitate innovation in areas such as flexibility and interconnection services;
- Incentives for making investments with financing/co-financing from European funds;
- The reduction of the amount of distributed electricity compared to the forecasted quantity at the beginning of the regulatory period must lead to a reduction of OPEXC costs: in the situation where for a year t-1 there is a reduction in the amount of distributed electricity compared to the forecasted distributed amount at the beginning of the period regulation, ANRE calculates and applies an additional negative correction to the controllable operation and maintenance costs recognized for year t-1;
- completion of art. 23 regarding the non-inclusion of some costs in the regulated income, namely:
 - Service contracts – Expenses related to contracts with the object of representing the operator, or consulting services or assistance in the field of regulation, are not recognized;
 - Contracts with affiliated companies – Expenses resulting from a contract fulfilled/achieved through subcontracting by the contract holder of some services/products to other companies are not recognised;
 - expenses with value added tax.
- The recognition in the OPEXNC category of the costs of the works necessary to bring the electrical distribution networks taken over in accordance with the obligation from art. 46 para. (2^3) of the Law;
- Special expenses:
 - value increases or subsequent interventions (updates, updates, improvements, changes) on existing intangible assets will no longer be recognized in the RAB, they are recognized as special expenses under non-controllable Opex (Opex NC);
 - measurement groups for periodic changes will no longer be recognized in the BAR, they will be provided from those dismantled from the installations as a result of the SM installation, and in exceptional cases they will be recognized as special expenses within the Opex NC.

2024	
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 "<i>administrative consumption</i>" and the "<i>own consumption</i>" 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 approval of the Regulation for the granting of licenses and authorizations in the electricity sector - 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; ▪ 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. ▪ 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.

2024	
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 - 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 Technical Norm regarding the delimitation of protection and safety zones related to energy capacities - effective from January 10, 2024 <ul style="list-style-type: none"> ▪ 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. ▪ Draft order 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 - public consultation phase II <ol style="list-style-type: none"> 1. Approval of the Methodology regarding the allocation of electrical network capacity for the connection of electricity production sites <ul style="list-style-type: none"> • The methodology provides for the mechanism for allocating the available capacity of the electrical network, necessary for the connection of new production sites with power ≥ 1 MW, through auctions organized by the TSO: <ol style="list-style-type: none"> a. The mechanism will replace the current mechanism for the participation of producers in the general network strengthening works and will ensure: <ol style="list-style-type: none"> i. the sums required by NO for the development of the relay in order to connect the new production sites; ii. a competitive environment for producers who are going to develop production sites; iii. securing the producers' capacities for subsequent connection to the network, by paying the sums resulting from the auctions. b. Tenders will be organized annually by the TSO, for a period of 10 years, in order to allocate the available capacity in the ETN and in the EDN at the voltage level of 110 kV and MV; c. The methodology provides for the stages preceding tenders, their organization, as well as the rules for allocating capacities in various situations; d. The starting price is determined based on the value of the development work, and the winners enter capacity allocation contracts; e. The sums resulting from the auctions must be paid by the producers in no more than 4 months, and non-compliance with the deadlines attracts penalties; • The methodology will enter into force starting from 01-Jan-2025 2. Amendment of the Regulation regarding the connection of users to public interest electric networks: <ol style="list-style-type: none"> a. OR will require the establishment of financial guarantees, of 5% of the connection tariff, by applicants with production/consumption sites and production sites ≥ 1 MW, regardless of the need for strengthening works; b. The guarantee must be established before the TAC is issued; c. The connection certificate will include the certification of the quality of active customer for users with consumption/consumption and production sites; d. Appendix no. 5 is revised to avoid the transfer to the ownership of users of installations with a voltage of 220 kV or higher, if the upper voltage of the

- transformer station exceeds 110 kV;
- e. Modifying the framework content of the TAC and the connection contract, by revising the provisions regarding the financial guarantees that are constituted in favor of the OR, in accordance with the proposals for revising the Regulation from point 2.
- Compared to the measures proposed in phase I of the public consultation, the project proposed for phase II includes the following changes/completions, mainly related to the following:
 - the installed power of the electricity production facilities changes from 1 MW to 5 MW;
 - the date for the implementation of the provisions of the methodology is moved from January 1, 2025 to January 1, 2026;
 - clarifications were established regarding the calculation of the available capacity, in the sense of specifying the elements considered in the calculation of the available capacities (TAC and NO valid without reinforcement works, contracts for the connection of production/consumption and production sites that provide for reinforcement works carried out , places of consumption and production put into operation);
 - the elements considered for which the DO have the obligation to transmit data and information to the TSO for the calculation of the available capacity of the electrical network, respectively for the 110 kV EDN and MV, up to the MV bars of the transformation stations, were explicitly stated;
 - the elements considered when the TSO developed the global solution study were explicitly mentioned, respectively all the power plants for which technical approvals for connection were issued within the validity period, including the general strengthening works of the related electrical network, executed or which are to be executed according to the provisions of the technical connection notices;
 - the method of calculating the starting price of the auction was revised, by relating the estimated total value of the additional development works to the total available capacity of the electrical networks resulting from the additional development works, compared to the relation of the respective value to the total capacity requested by users for allocation;
 - the obligation of the users to constitute a financial guarantee to the capacity allocation contract, for the payment of the allocated capacity, in the amount of 1% of the contract value, was included;
 - the value of the global solution study carried out by the TSO is allocated pro rata with the capacity allocated to each participant through the auction, compared to the total capacity allocated in one year during the allocation period; the resulting value is added to the value of the allocation contract;
 - the situation of termination of the contract at the user's request was included in the capacity allocation contract, in which case the financial guarantee established by the user is executed, and the amounts already paid according to the contract are not returned.
 - until July 1, 2025, the TSO has the obligation to develop and publish on its website a procedure regarding the implementation of the provisions of this methodology, as well as the guide for using the platform for auctions in order to allocate the available capacity of the electricity network
 - **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;

2024	
	<ul style="list-style-type: none"> 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.
	b) Prosumers <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.
	c) Storage <i>No changes or additions to the legislation were issued until the moment of publication of this report.</i>
	d) Distribution service performance standard <i>No changes or additions to the legislation were issued until the moment of publication of this report.</i>
<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. Draft Order 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 - public debate <ul style="list-style-type: none"> in order to correlate its provisions with those of the Regulation on clauses and conditions for balancing service providers and for frequency stabilization reserve providers, approved by ANRE Order no. 127/2021. 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. Transelectrica, DO and Measurement Operator update their own operational procedures, within 30 days from the entry into force of the provisions of this order.

2024	
<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; ▪ 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). ▪ Draft Order 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 – public consultation <ul style="list-style-type: none"> ▪ is modified considering the provisions of the Electricity and Natural Gas Law no. 123/2012, art. 7[^]2 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.
<u>Primary legislation:</u>	<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

2024	
	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>Electricity market functioning</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: 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: <ul style="list-style-type: none"> ○ 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 <ul style="list-style-type: none"> ▪ 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 <ul style="list-style-type: none"> ▪ 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. <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

2024	
	<p>commercial rules is repealed</p> <ul style="list-style-type: none"> ▪ Draft Order 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 <ul style="list-style-type: none"> ▪ Annex 1 framework contract between the CfD Counterparty and the contribution payer: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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; d. the obligations of the CfD counterparty; e. payment terms. ▪ Draft Order regarding the approval of the Methodology for determining and collecting the CfD contribution - public debate phase II <ul style="list-style-type: none"> ▪ the process of determining the CfD contribution that must be collected by the CfD counterparty according to the provisions of art. 10 para. (8) from HG no. 318/2024 which provide that "<i>Art. 10 - (8) The CfD counterparty notifies the relevant ministry and ANRE by November 1 of each year regarding the necessary amounts that must be collected through the CfD contribution in the following year and by May 20 of the current year regarding to the necessary amounts to be collected through the CfD contribution for the following semester;</i>" ▪ the method of determining the annual costs borne by the CfD Counterparty and the CfD Scheme Operator for the fulfillment of their administrative tasks; ▪ the data collection process necessary for the approval of the CfD contribution until December 20 for the year t+1, as well as for the assessment carried out by ANRE until June 20 of each year, in order to establish the half-yearly correction of the CfD contribution, respectively for the assessment carried out by ANRE until June 20, 2024; ▪ the way to adjust the CfD contribution. ▪ the obligations and rights of the CfD Counterparty, the CfD Scheme Operator, electricity suppliers and consumers.

Source: Electrica

A.11.2.2 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."

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.
- **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.

2024

- **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., Distribuție Energie Electrică România - S.A., Distribuție 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 Națională 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.
- **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.

2024

- 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 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.

Source: Electrica

11.3. Annex 3 - Details of the main investments of Electrica Group during the first semester of 2024

During 1 January 2023 – 30 June 2024, the most significant investments of Electrica Group are the following:

DESCRIPTION	Value (RON mn.)
MUNTENIA NORTH	
Installation of power balance meters in secondary substations, SR Galați area, for preparing the implementation of the smart metering system – 1,694 pcs.	8,78
Implementation of an integrated resource planning system - Workforce Management	7,98
Modernization of 0.4 kV OHL and connections, Fantanele locality, Cojasca com. Dambovita County	6,63
Installation of power balance meters in secondary substations- SR Buzau area, for preparing the implementation of the smart metering system – 1,168 pcs	5,11
Modernization of secondary substations fed from UGC 20kV Blocks 1, Blocks 2, IPL, Trainica 1, Trainica 2, Pucioasa city, Dambovita County	4,33
Installation of power balance meters in secondary substations - SR Braila area, for preparing the implementation of the smart metering system - 800 pcs.	4,20
Installation of power balance meters in SR Focsani area, secondary substations for preparing the implementation of the smart metering system - 832 pcs.	4,07
Modernization of distribution network and connections in Homocea, Vrancea County	4,05
Modernization and integration in SCADA of 110/20 kV Buzau Sud Substation	3,84
Modernization and neutral point treatment of 20/6 kV Slanic Substation, Prahova County	3,42
Installation of power balance meters in secondary substations for preparing the implementation of the smart metering system, SR Ploiesti area - 622 pcs	3,39
Modernization and integration in SCADA of 110/20 kV Potlogi Substation	3,09
Voltage level improvement in Adanca and Sacuieni, Dambovita County	3,07
Modernization of 20 kV OHL Apa Oreavu, Buzau County	2,59
Modernization of 0.4kV OHL and connections with medium voltage distribution and metering in anti-theft solution, Merisu area, Costetsii din Vale, Dambovita County	2,45
Modernization and integration in SCADA of 110/20 kV Zatna Substation, Braila County	2,41
Modernization of LV OHL and power injection in the area of PTA 2036, PTA 2093, PTA 2291, Manesti locality, Dambovita County	2,33
Voltage level improvement in Cranguri locality, Dambovita County	2,26
Power injection, modernization of secondary substations, OHL and connections in Malaiesti village, PTA 3108 CAP Malaiesti area, Rafov commune, Prahova County	2,12
Modernization of Plopeni 20/6 kV Substation; mounting neutral point treatment 6 kV	2,00
Network modernization in Albesti Paleologu locality, Prahova County	1,79

DESCRIPTION	Value (RON mn.)
Network switch over from 6 kV to 20 kV, Floresti locality	1,79
Increasing the power supply reliability of 20kV OHL Plavia - Ax Iordacheanu and 20 kV OHL Mehedinta I	1,75
Voltage level improvement in PTA 3019 Zalhanaua area, Manesti com. Zalhanaua village, Prahova County	1,66
Modernization of LV OHL and power injection in the area of PTA 1,2,3 si 4 Zavoaia, Zavoaia locality, Braila County	1,62
Modernization of LV OHL and power injection in the area of PTA 2070, PTA 2183, PTA 2184, Sperietenii locality, Dambovit County	1,35
Modernization of 20/0.4 kV mounted pole substations, replacement of power transformers SR Buzau	1,26
Modernization of secondary substations fed from 20kV UGC Blocuri 110/20/6 kV Gaesti Substation, Gaesti city, Dambovit County	1,22
Modernization of secondary substations - DEER - Galati Branch (replacement of 20/0.4kV power transformers - 10 pcs)	1,13
Increasing the power supply reliability in area Dorobanti Blvd. Braila municipality	1,10
TRANSILVANIA SOUTH	
Modernization of distribution network in Sacele Municipality by switching from OHL (MV&LV) to UGC (MV&LV), replacing existing UGC with paper insulation by UGC with reticular polyethylene insulation (XLPE), restoring connections and meters relocation (Stage 1)	9.52
Voltage level improvement and modernization of 0.4 kV OHL in Craciunelu de Jos locality, Alba County	5.63
Modernization of distribution network in PT2, PT 11 area, Bran locality, Brasov County-Stage 1	5.40
Modernization of LV network by switchover from 0.4 kV OHL to 0.4 kV UGC, connections modernization and securing in the streets: Fabricii, Tigaretei, Tutunului and Salciilor, Sf. Gheorghe Municipality, Covasna County	4.83
Voltage level improvement and modernization of MV & LV network in Miercurea Sibiului area, Sibiu County	4.78
Implementation of an integrated resource planning system - Workforce Management	2.86
Increasing and modernizing the capacity to compensate the capacitive currents in 20 kV distribution network - 110/20 kV substation Barabant, Alba County	2.84
Modernization of 0.4 kV distribution network in Dumbraveni locality, Sibiu County	2.84
Distribution network modernization, Mihai Viteazu Street, downtown area of the city Intorsura Buzaului, Covasna County	2.79
Implementation of smart metering system in TS area, Aiud, Alba County	2.26
Modernization of 0.4 kV OHL in the central area of Reghin municipality, PT 14, 55/15, 71, 65 area, Mures County	1.71
Voltage level improvement and network modernization in PT5 Bod and PT1 Bod area, Bod Commune, Harghita County	1.58
Modernization and voltage level improvement of 0.4 kV OHL and connections, Cetatuia locality, Harghita County	1.57
Modernization and voltage level improvement of 0.4 kV network, Valea Iubirii street, Corunca locality, Mures County	1.53
Installation of power balance meters in Transilvania Sud secondary substations for preparing the implementation of the smart metering system SR1	1.46

DESCRIPTION	Value (RON mn.)
Installation of power balance meters in Transilvania Sud secondary substations for preparing the implementation of the smart metering system SR2	1.41
Voltage level improvement and modernization and of 0.4 kV OHL and connections, Batos locality, Mures County	1.40
Voltage level improvement and modernization and of 0.4 kV OHL and connections, Sebesel loc. Sasciori com. Alba County	1.37
Network modernization, Bran loc. - Stage 3, PA 1, PT 5, PT 7 Bran, Brasov County	1.26
Modernization of pole mounted substations 20/0.4 kV from DEER Mures Branch, Mures County	1.22
Modernization of 20 kV UGC, Tg. Mures city (20 kV UGC Tudor 1, between PA 19-PT 270, 20 kV UGC Tudor 5, between PA 31-PT 274, kV UGC Scoala Forestiera derivation between PT 301-PT 538), Mures County	1.12
TRANSILVANIA NORTH	
Installation of power balance meters in Transilvania Nord secondary substations for preparing the implementation of the smart metering system - SR Oradea area	7.15
Installation of power balance meters in Transilvania Nord secondary substations for preparing the implementation of the smart metering system - SR Cluj area	6.60
Installation of power balance meters in Transilvania Nord secondary substations for preparing the implementation of the smart metering system - SR Baia Mare	6.13
Replacement of ground conductor from 110 kV OHL Salaj-Jibou and 110KV OHL Jibou-Cehu Silvanie	3.71
WFM - IT tool for planning and monitoring in the field the resources (humans, vehicles, devices, materials, equipment) involved in business processes: operation, maintenance, investment works with own construction teams, network access, measurement.	3.30
Increasing the power supply reliability in Stana de Vale, Coada Lacului area, Bihor county	3.02
Modernization of 0.4 OHL, connections and power injection in Dobroesti locality, PTA3 and PTA 4 area	2.65
Modernization of LV network in Baia Mare locality, historical center area, stage 3	2.58
Neutral point treatment 20 kV in Carpati Substation	2.24
Modernization of pole mounted secondary substations in SDEE TN- Sucursala Cluj-Napoca, COR Dej area, vol.1	2.20
Power injection and LV network modernization in Remeti locality, Boncesti area	1.90
Power injection in Munteni locality	1.70
Power injection and LV OHL and connections modernization in Lesu Ilvei, PTA area	1.52
Modernization of LV OHL and connections in Ilva Mare locality, BN County	1.50
Power injection and LV OHL modernization in Dobresti locality, Bihor County	1.50
Installation of power balance meters in Transilvania Nord secondary substations for preparing the implementation of the smart metering system - SR Zalau area	1.40
Modernization of 110 kV distribution network in the area of substations: Centru, Aeroport, Iosia si Mecanica Oradea	1.33
Modernization of S-axis 20KV Almas	1.30
Modernization MV OHL Axis Lechinta-Teaca, Bistrita Nasaud county	1.23

DESCRIPTION	Value (RON mn.)
Modernization of LV OHL and connections in Anies locality, Bistrita Nasaud county	1.18
Closure of the 20 kV loop between Jucu-Valcele and Jucu Geaca, construction of PTAb 20/0.4 kV - 250 kVA and power injection in Caian Vama	1.11
Voltage level improvement and modernization of 0.4 OHL Chiesd- supplied from PTA Chiesd 1 and PTA Chiesd 2	1.10
Modernization of LV OHL and injection in Serghis, Bihor County	1.10

Source: Electrica

During first semester of 2024, the largest transfers from tangible assets in progress to tangible assets, representing mainly commissioning of investments, are the following:

DESCRIPTION	Value (RON mn.)
MUNTENIA NORTH	
Modernization of secondary substations fed from UGC 20kV Blocks 1, Blocks 2, IPL, Trainica 1, Trainica 2, Pucioasa city, Dambovita County	9.44
Modernization of the 110 kV Hipodrom Substation, replacement of power transformers Trafo 1 (110/20/6kV) & Trafo 2 (110/6kV)	5.03
Installation of power balance meters in SR Galați area, secondary substations for preparing the implementation of the smart metering system – 1,694 pcs.	5.00
Modernization of secondary substations PTZ in Gaestis: PTZ 5016 Blocuri Gaesti, PTZ 5031 Blocuri Gaesti, PTZ 5185 Blocuri Gaesti, PTZ 5136 CTA Gaesti, PTZ 6128 IGO Titu, PTZ 5103 Fca de Gheata, PTAB 5211 13 Decembrie, PA 5002 PTTR, PTZ 514 F-ca de paine 6, PTZ 5127 F-ca de Branza si US 5230 Mogosani	4.23
Improving technical conditions of supply and the voltage level for consumers in Salciile village, Prahova County	3.48
Modernization and consolidation of HW infrastructure and SW of SAP system [SAP-DEER] 2022 Batch1	3.00
Voltage level improvement and modernization of LV OHL and connections in the area of PTA 3038 & PTA 3128 Varnita area, Prahova County	2.95
Network switch over from 6 kV to 20 kV, Floresti locality	2.43
Installation of grounding compensation with BSRC (adjustable arc suppression coil) in 20/6 kV Columbia Substation	2.40
Modernization and integration in SCADA of 110/20 kV Buzau Sud Substation	2.20
Modernization of 20/6 kV Slanic Substation and neutral point treatment, Prahova County	2.13
Voltage level improvement in PTA 3019 Zalhanaua area, Manesti com. Zalhanaua village, Prahova County	2.00
SDEE Ploiesti network modernization for blocks of flats in Ploiesti Nord neighbourhood, Prahova County - STAGE II	1.65

DESCRIPTION	Value (RON mn.)
Modernization of 20kV UGC SD1C-PTZ 2146-PTz 2138- PC 6012 from LEA 20kV Moreni1, 110/20 kV Floresti substation, Filipestii de Padure locality, Prahova County	1.62
Modernization of 20/0.4 kV mounted pole substations, replacement of power transformers in SR Buzau	1.51
Modernization of pole mounted substations, replacement of 20/0.4 kV power transformers with low-loss transformers, 2023 year, SR Focsani-10pcs.	1.32
Increasing the power supply reliability in area Dorobanti Blvd. Braila municipality	1.21
Modernization of 20/6 kV Ploiesti Vest Substation, integration in SCADA system and grounding compensation with BSRC (adjustable arc suppression coil), Prahova County	1.03
Modernization of secondary substations fed from: 10 kV UGC Oras1, Oras 2, Oras 3, Fluide Foraj, Epurare, Fabrica de Confectii, Moreni municipality, Dambovita County	1.03
Network modernization in Albesti Paleologu locality, Prahova County	1.03
Modernization of 0.4 kV OHL and connections, Fantanele locality, Cojasca com. Dambovita County	1.01
TRANSILVANIA SOUTH	
Modernization and consolidation of HW infrastructure and SW of SAP system [SAP-DEER] Batch1	3.00
Modernization of 0.4 kV OHL in the central area of Reghin municipality, PT 14, 55/15, 71, 65 area, Mures County	1.71
Voltage level improvement and modernization and of 0.4 kV OHL and connections, Batos locality, Mures County	1.62
Modernization of 0.4 kV distribution network in Dumbraveni locality, Sibiu County	5.39
Increasing and modernizing the capacity to compensate the capacitive currents in 20 kV distribution network - 110/20 kV substation Barabant, Alba County	3.45
Modernization of distribution network in PT2, PT 11 area, Bran locality, Brasov County - Stage 1	3.67
Distribution network extension for sports facilities and parking - North zone DN12, Sf. Gheorghe, Covasna County	1.56
Network modernization, Bran loc. - Stage 2, PT 4 Bran area, Brasov County	1.04
TRANSILVANIA NORTH	
Increasing reliability of power supply in Floresti town, Cluj County – Vol. 6 Modernization of the Distributor Iazuri	3.95
Replacement of ground conductor from 110 kV OHL Salaj-Jibou and 110KV OHL Jibou-Cehu Silvanie	3.71
Modernization and consolidation of HW infrastructure and SW of SAP system Batch1	3.00
Modernization of pole mounted secondary substations in SDEE TN- Sucursala Cluj-Napoca, COR Dej area, vol.1	2.80
Reinforcement works upstream of the connection point, stage 3	2.59
20 kV Neutral point treatment in Carpati Substation	2.29
Switchover to 20 kV PTM no. 13, 42, 52, 53 Sighetu Marmatiei city	1.90

DESCRIPTION	Value (RON mn.)
Modernization of own services and energy efficiency in 110kV/MT substations: Targu Lapus, Baia Mare 4, Baia Borsa, Tocila	1.41
Modernization of S-axis 20KV Almas	1.40
Closure of the 20 kV loop between Jucu-Valcele and Jucu Geaca, construction of PTA _b 20/0.4 kV - 250 kVA and power injection in Caian Vama	1.32
Modernization of 20 KV OHL Beius - Budureasa	1.13
Implementation of smart metering system in Odoreu, Paulesti and Socond localities, SATU MARE county	1.06

Source: Electrica

11.4. Litigations

Electrica Group litigations in the first semester of 2024:

A.11.4.1 Disputes with ANRE

Nr.	Parties/Case file number	Subject matter	Court	Case status
1	Plaintiff: ELSA; Defendant: ANRE; 361/2/2015	Cancellation of ANRE Order no. 155/2014 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTN).	Bucharest Court of Appeal	The Court dismissed the case on merits. Appealable within 15 days from its communication.
2	Plaintiff: ELSA; Defendant: ANRE; 360/2/2015	Cancellation of ANRE Order no. 156/2014 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTS).	Bucharest Court of Appeal	The Court dismissed the case on merits. Appealable within 15 days from its communication.
3	Plaintiff: ELSA; DEER Defendant: ANRE; 7614/2/2018	Action for partial annulment of ANRE Order no. 169/2018 regarding the approval of the Tariff Setting Methodology for the Electricity Distribution Service.	High Court of Cassation and Justice	Case dismissed on merits; a recourse finally dismissed on 16.05.2023.
4	Plaintiff: ELSA; DEER Defendant: ANRE 7591/2/2018	Action for the annulment of the ANRE Order no. 168/2018 regarding the regulatory rate of return and obliging ANRE to issue a new order.	Bucharest Court of Appeal	Suspended until the final settlement of case no. 541/36/2018 of the Bucharest Court of Appeal.
5	Plaintiff: ELSA, DEER Defendant: ANRE 434/2/2019	Legal action for annulment of ANRE Order 197/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive electric energy for DEER (former SDMN).	Bucharest Court of Appeal	In course of settlement.
6	Plaintiff: ELSA, DEER Defendant: ANRE 435/2/2019	Legal action for annulment of ANRE Order 199/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER former SDTS).	High Court of Cassation and Justice	On 9 June 2020, the court rejected the action as unfounded. An appeal was filed on 26.04.2023 the recourse of DEER and Electrica was admitted. The Court quashes the judgment of 17.03.2020 and the sentence and sends the case back to the same court.
7	Plaintiff: ELSA, DEER Defendant: ANRE 436/2/2019	Legal action for annulment of ANRE Order 198/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER former SDTN).	Bucharest Court of Appeal	In course of settlement.
8	Plaintiff: DEER Defendant: ANRE 184/2/2015	Contentious administrative litigation – Cancellation of ANRE Order no. 146/2014 regarding the setting of the regulated rate of return applied at the approval of the tariffs for the electricity distribution service provided by the DSOs starting with 1st January 2015 and the abrogation of art. 122 of the tariff setting methodology for the electricity distribution service, approved by the ANRE order no. 72/2013.	Bucharest Court of Appeal	On 29.04.2022, the Court dismissed the case. The decision is definitive by non-appeal by the plaintiff.
9	Plaintiff: DEER Defendant: ANRE 309/2/2020	Judicial action on the cancellation of documents issued by regulatory authorities – Order no. 227/2019 regarding the approval of the tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDMN).	Bucharest Court of Appeal	In pronouncement.

Nr.	Parties/Case file number	Subject matter	Court	Case status
10	Plaintiff: DEER Defendant: ANRE 305/2/2020	Action for the cancellation of ANRE's President Order no. 228/2019 regarding the approval of the of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTN).	High Court of Cassation and Justice	Case dismissed on merits, an appeal was filed, in course of settlement.
11	Plaintiff: DEER Defendant: ANRE 371/2/2015*	Cancellation of the ANRE's President Order no. 156/2014 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTS).	Bucharest Court of Appeal	Suspended until the settlement of the case file no. 208/2/2015.
12	Plaintiff: DEER Defendant: ANRE 208/2/2015	Cancellation of the ANRE's President Order no. 146/2014 regarding the establishment of the regulated rate of return applied to the approval of the tariffs for the electricity distribution service provided by DSOs from 1st January 2015 and the abrogation of Art. 122 of the Tariff Pricing Methodology for Electricity Distribution Service, approved by the ANRE Order no. 72/2013.	Bucharest Court of Appeal	A reinstatement request was filed. Attached to case no. 184/2/2015. On 29.04.2022, the Court dismissed the case. The decision is definitive by non-appeal by the plaintiff.
13	Plaintiff: DEER Defendant: ANRE 303/2/2020	Cancellation of the ANRE's President Order no. 229/2019 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTS).	Bucharest Court of Appeal	Suspended on 02.11.2022. Application for reinstatement. On 07.06.2023 - suspend the file.
14	Plaintiff: DEER Defendant: ANRE 53/2/2022	Cancellation of the ANRE's President Order no. 119/2021 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER.	Bucharest Court of Appeal	Suspended until the final settlement of case no. 6176/2/2022.
15	Plaintiff: DEER Defendant: ANRE 6176/2/2022	Action for partial annulment of ANRE Order no. 169/2018 regarding the approval of the Tariff Setting Methodology for the Electricity Distribution Service.	High Court of Cassation and Justice	Case dismissed on merits. Appeal pending.

Source: Electrica

A.11.4.2 Fiscal matter disputes

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Plaintiff: ELSA Defendant: NAFA 17237/299/2017	1. Suspension of forced execution initiated by NAFA-DGAMC in the enforcement file no. 13267221 under the enforceable order no. 13725/3 May 2017 and of the no. 13739/3 May 2017; 2. Cancellation of the enforcement order no. 13725/3 May 2017, of the no. 61/90/1/2017/263129 (which also bears the No. 13739/3 May 2017) issued by NAFA-DGAMC for the amount of RON 39,248,818 and all subsequent execution orders issued in connection with the forced execution of the amount of RON 39,248,818 in the execution file no. 13267221.	Bucharest Tribunal	Action admitted on merits. The Decision was appealed.
2	Plaintiff: ELSA Defendant: NAFA - DGAMC 25091/299/2018	Appeal to execution and suspension of forced execution - cancellation of the enforcement order no. 13566/22 June 2018 and the notice 13567/22 June 2018, issued in the execution file no.13267221/61/90/1/2018/278530, amounting to RON 10,024,825 (representing the partial fine from the Competition Council).	District 1 Court	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
3	Plaintiff: ELSA Defendant: NAFA - DGAMC 2444/2/2021	1. Obligation of NAFA to correct the evidence of tax receivables, held according to art. 153 FPC so that it reflects the decisions given by the courts in the disputes between the parties, through decisions that have come into the power of the judicial work, respectively by: a) Decision no. 1078/17.04.2015 issued by the Bucharest Court of Appeal in case no. 5433/2/2013; b) Decision no. 5154/26.06.2017 issued by Bucharest District 1 Court in case no. 51817/299/2016*; c) Decision no. 624/06.03.2015 issued by the Bucharest Court of Appeal in case no. 7614/2/2013; Obligation of NAFA to draw up those acts or administrative correction operations which: - to reflect Electrica's right to the reimbursement of RON 5,860,080 representing fiscal obligation unlawfully reinstated in the fiscal evidence; - to reflect Electrica's right to the reimbursement of RON 817,521 which was not object of the reimbursement made by NAFA on 22 September 2020, arising from the annulment of the fiscal decision in case mentioned in item 1 above, let. a); 2. Obligation of NAFA to pay the legal interests related to the period 12.12.2016 – 21.09.2020, calculated in a percentage of 0.02%/day of delay for the debt amount of RON 18,687,515 reimbursed on 22.09.2020, in total amount of RON 5,161,491.64; 3. Establishing a 15 days term from the decision so that NAFA-DGAMC to settle the fiscal file as indicated above, imposing late penalties of RON 1,000/day of delay for exceeding this term, due to Electrica by DGAMC.	High Court of Cassation and Justice	On 07.06.2023, the Court admits in part the case. Orders the defendant to correct the records of the tax claims concerning the plaintiff in order to highlight the plaintiff's right to a refund of the amount of RON 5,860,080 and the amount of RON 817,521. Orders the defendant to pay the applicant the amount of RON 5,161,491.64 as interest. Orders the defendant to pay to the plaintiff the amount of RON 49,083.37 in respect of costs. The Decision was appeal – in filter proceedings.
4	Plaintiff: DEER Defendant: NAFA - DGAMC 359/2/2021 (former 1018/2/2016*)	Cancellation of administrative act – Decision no. 462/23 November 2015, litigation amount of RON 7,731,693 (RON 4,689,686 income tax + RON 3,042,007 VAT) and for the amount of RON 6,154,799 (RON 3,991,503 interests/penalties and late fees related to income tax + RON 2,163,296 interests/penalties and delay fees related to the VAT).	Bucharest Court of Appeal - retrial	The court of first instance rejected the action as unfounded. The plaintiff filed an appeal, admitted by the court, which quashes the contested decisions and, re-judging, partially admits the action. Partially annuls Decision no.462/23.11.2015 issued by A.N.A.F–DGSC, regarding point 3. Obliges the defendant A.N.A.F–DGSC to settle on the merits the claim regarding the amount of RON 10,091,323. It sends for retrial to the same court the request regarding the other fiscal obligations retained by the fiscal body, amounting to RON 13,886,492. Final (file no. 1018/2/2016*). In retrial, case no. 1018/2/2016* was registered with a new number, 359/2/2021 - in course of settlement. DGAMG-ANAF rejected by Solution Decision no. 154/02.07.2020, the appeal regarding the amount of RON 10,091,323 (Point 3 of Decision no. 462/2015) reason for which an action for annulment was

Crt. no.	Parties/Case file number	Object	Court	Case status
				filed on 22.12.2020 (file no. 641/42/2020).
5	Plaintiff: DEER Defendant: DGAMC – NAFA 641/42/2020	Annulment of the administrative act of the Settlement Decision 154/02.07.2020 for the amount of RON 10,091,323 (point 3 of the Decision no. 462/23.11.2015)	Ploiesti Court of Appeal	In course of settlement.
6	Plaintiff: DEER Defendant: Galati City Hall - DITVL Galati 263/42/2020	Cancellation of administrative documents issued by the fiscal bodies within the Galati City Hall - DITVL Galati, respectively Fiscal inspection report, taxation decision and decision to resolve the appeal. According to the Fiscal Inspection Report, the control team determined an additional tax on buildings, together with the related accessories, in a total amount of RON 24,831,293, for the 2012-2015 period.	High Court of Cassation and Justice	On merits, the Court dismissed the case as unfounded, a recourse was filed, in course of settlement.
7	Plaintiff: EL SERV Defendant: NAFA 31945/3/2018	Cancellation of administrative decision no. 221/19 July 2017 - cancellation of penalties related to the decision no. 305/2017 from above, RON 118,215.	Bucharest Court	The case has been suspended until the final settlement of the case no. 5786/2/2018 and following the final settlement of the case, this file has been put back on role. Case no. 5786/2/2018 had as object the cancellation of administrative act NAFA RIF 2017 and decision no. 305/30 May 2017, amounting to RON 46,260,952, the amount by which the fiscal loss of the Company was diminished; RON 7,563,561 established as additional VAT for payment by the refusal to deduct the VAT + related accessories. The claim was dismissed.
8	Plaintiff: EFSA Defendant: NAFA – DGAMC 8709/2/2018*	Cancellation of: <ul style="list-style-type: none"> DGSC Decision no. 325/26 June 2018 Decision F-MC 678/28 December 2017 Report F-MC 385/28 December 2017 Decision no. 511/24 October 2018 Decision no. 21095/24 July 2018 Value: RON 11,483,652	Bucharest Court of Appeal	In course of settlement.

Source: Electrica

A.11.4.3 Other significant litigations (with a value higher than EUR 500 thousand)

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Creditor: ELSA Debtor: Petprod S.A. 47478/3/2012/a1	Bankruptcy, registering to the list of creditors for the amount of RON 2,591,163	Bucharest Tribunal	Ongoing procedure.
2	Creditor: ELSA Debtor: CET Braila S.A. 2712/113/2013	Bankruptcy, registering to the list of creditors in amount of RON 3,826,035.	Braila Court	Ongoing procedure.
3	Creditor: ELSA, AAAS, BCR SA and others Debtor: Oltchim S.A. 887/90/2013	Bankruptcy, remaining amount to be recovered – RON 116,058,538.	Valcea Court	Ongoing procedure. The amount is registered in the definitive table of receivables updated following the fact that the Decision EU Tribunal from Luxemburg, establishing that Oltchim S.A. benefited from illegal state aid from a number of

Crt. no.	Parties/Case file number	Object	Court	Case status
				Romanian companies, including ELECTRICA S.A, became definitive.
4	Creditor: ELSA Debtor: Romenergy Industry SRL 2088/107/2016	Bankruptcy, registering to the list of creditors in amount of RON 2,917,266.	Alba Iulia Court of Appeal	The procedure was closed on 12.12.2022, the decision being appealed by DEER – finally dismissed on 06.04.2023
5	Creditor: ELSA Debtor: Transenergo Com S.A. 1372/3/2017	Insolvency proceedings. Amount RON 37,088,830.	Bucharest Court	Ongoing reorganization procedure. On 03.02.2021, the Debtor's reorganization plan was confirmed, according to which unsecured receivables do not participate in distributions. ELSA's appeal against the sentence confirming the reorganization plan was definitively dismissed.
6	Creditor: ELSA Debtor: Electra Management & Supply SRL 41095/3/2016	Bankruptcy. Amount: RON 6,027,537.	Bucharest Court	Ongoing procedure. In case, a request for liability has been filed, representing the object of the associated file no. 41095/3/2016 / a1, in which ELSA has the quality of accessory intervener.
7	Creditor: ELSA Debtor: Fidelis Energy SRL 3052/99/2017	Bankruptcy. Amount: RON 11, 291,747.90.	Iasi Court	Ongoing procedure.
8	Plaintiff: ELSA Defendant: Competition Council 1100/1/2023	Appeal for annulment against civil decision no. 5599 of 22 November 2022, pronounced by ICCJ In file no. 3889/2/2018. Case no. 3889/2/2018 had as object the annulment of Competition Council Decision no. 77/20 December 2017, by which an ELSA charge is set through a fine of RON 10,800,984 and, in the subsidiary, the reduction of the fine set up to the legal minimum of 0.5% of ELSA's turnover, by re-individualizing the alleged anticompetitive facts, with the retention and full use of all mitigating circumstances applicable to ELSA.	High Court of Cassation and Justice	In course of settlement.
9	Plaintiff: ELSA Defendant: Elite Insurance Company 44380/3/2018	Claims - request for equivalent value of the insurance policy issued to guarantee the obligations of Transenergo Com S.A., in the amount of RON 4,000,000.	Bucharest Court	Suspended based on art. 307 Civil Procedure Code.
10	Plaintiff: ELSA Defendant: Silver Broker de Asigurare-Reasigurare SRL (former Zurich Broker de Asigurare Reasigurare SRL) 37068/3/2021/a1 37068/3/2021/a2	Insolvency. Receivable – RON 4,065,408	Bucharest Tribunal	Following the termination of the case 3310/3/2020, based on art. 75 of Law no. 85/2014, ELSA has filed a request for registration at the credit table in the bankruptcy file of Silver Broker de Asigurare-Reasigurare SRL, case no. 37068/3/2021, the claim being dismissed ELSA filed an appeal, object of case no. 37068/3/2021/a1 and no. 37068/3/2021/a2, in course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
11	Plaintiff: ELSA Defendant: former directors and administrators of ELSA 35729/3/2019	Claims - claim for damages calculated as a result of the control of the Court of Accounts, amounting RON 322,835,121.	Bucharest Court	Suspended untill the final settlement of case 2229/2/2017.
12	Plaintiff: VIR Company International S.R.L. Defendant: DEER 7507/105/2017	Claims - the amount requested by VIR Company International SRL consists of: - EUR 5,000,000, damage caused by delayed issuance of the connection certificate for the photovoltaic plant located in Valea Calugareasca commune, Darvari village; - EUR 155,000, equivalent of the amount of electricity produced by the plant during the technological tests period; - EUR 145,000, green certificates related to the amount of energy produced by the photovoltaic plant during the technological tests period. In addition, it requires to DEER to pay the penalty interest of 5.75%/year for all the amounts of money claimed and court costs.	Prahova Court	The court rejects the exceptions of inadmissibility and lack of object of the introductory request invoked by the defendant, as unfounded. Dismisses the introductory request as unfounded. Accepts in part the request made by the defendant regarding the payment of court costs and obliges the plaintiff to the defendant to pay the court costs, respectively to pay the sum of RON 50,000 representing a reduced attorney's fee. Appealable within 15 days from communication. On 07.07.2022, the court partially admitted the request to increase the expert's fee for the amount of RON 13,100 and obliges the plaintiff to pay this amount to the expert. With appeal within 15 days from the notification of the decision.
13	Creditor: DEER Debtor: Transenergo Com S.A. 1372/3/2017	Insolvency proceedings. Amount: RON 9,274,831.	Bucharest Court	Ongoing proceedings. On 3 February 2021, the Debtor's reorganization plan was confirmed, according to which unsecured receivables do not participate in distributions. The Debit represents the accumulated receivables as a result of the distribution subsidiaries merger.
14	Plaintiff: DEER Debtor: ELSA 18976/3/2020 (33763/3/2019)	Claims, according to the Court of Accounts Decision, representing payments not owed of RON 20,350,189 made by DEER (former SDMN).	Bucharest Court	Suspended until the final settlement of case no. 1677/105/2017.
15	Plaintiff: Tutu Daniel and Tudori Ionel Defendant: DEER 180/233/2020*	Claims - equivalent value of land related to the Galati Center Transformation Station – RON 2,500,000.	Galati Tribunal	The court of first instance partially admitted the request to compel the defendants to pay the plaintiffs the sum of EUR 241,600 as compensation for the lack of use of the income. Obliges the defendants to pay to the plaintiffs the legal interest regarding the damages established from the moment of the final stay until the actual payment. It finalizes the experts' fee in the amount of RON 1,600 for expert Bogatu Mirela Dorina and the amount of RON 1,500 for expert Grecu Iulian and obliges the plaintiffs to pay the expert Bogatu Mirela Dorina the amount of RON 600 - the difference between the

Crt. no.	Parties/Case file number	Object	Court	Case status
				expert's fee and to expert Grecu Iulian the amount of. It obliges the defendants to pay the defendant Tutu Daniel the sum of RON 38,605 and the plaintiff Tudori Ionel the sum of RON 12,000 as court costs. Appeal in regularization procedure.
16	Plaintiff: Sinaia City Hall Defendant: DEER 3719/105/2020**	Action in "Obligation to do" administrative litigation. Sinaia City Hall requests: -mainly: obliging MN to comply with LCD 113/2015 in the sense of executing the works regarding the underground location of the technical-municipal networks for the project "Energy efficiency and lighting extension of the historic area - Sinaia" - in the alternative: in case MN will not execute the works in due time and the City Hall will execute the works in our name and on our behalf, MN will be obliged to pay RON 7,659,402.72 + VAT (RON 9,101,192); - updating the amount requested in subsidiary with the inflation rate and legal interest.	Ploiesti Court of Appeal	The Court dismissed the case on merits. A recourse was filed.
17	Plaintiff: DEER Defendant: Romenergy Industry S.A. 2088/107/2016	Bankruptcy - amount: RON 9,224,595.51.	Alba Iulia Court of Appeal	The court of first instance admitted the request to close the bankruptcy procedure. The debit represents the accumulated receivables as a result of the distribution subsidiaries merger. The appeal was rejected on 06.04.2023. Final.
18	Plaintiff: Asirom Vienna Insurance Group S.A. Defendant: DEER 439/111/2017	Recourse claims – for RON 2,842,347, representing the compensation paid by the plaintiff to the insured company SC Ciocorom SRL following a fire that occurred on 7 March 2013. DEER (former SDTN) fault is invoked for the overvoltage after a power outage.	Oradea Court of Appeal	Case dismissed on merits and on the appeal. With recourse within 30 days from the notification of the decision.
19	Plaintiff: Energo Proiect SRL Defendant: DEER, DEER – Oradea Subsidiary 374/1285/2018	Claims of RON 2,387,357.	Cluj Court of Appeal	On merits and in the appeal, the case was dismissed. The Court admits the appeal declared by the plaintiff ENERGO PROIECT S.R.L., cancels the decision and sends the case to a new trial, the same court. Appeal for retrial.
20	Plaintiff: DEER Defendant: ELSA 4469/62/2018	Claims according to the Courts of Account findings – RON 8,951,811	Brasov Court	First instance. The High Court of Cassation and Justice solved the negative competence conflict between Brasov Court and Bucharest Court, the case being in course of settlement at Brasov Court.
21	Plaintiff: DEER Defendant: directors and managers 342/62/2020*	Claims against the former general managers of the company, as a result of the non-fulfillment of some measures ordered by the Court of Accounts for the amount of RON 8,951,812.	Brasov Court	Suspended until the final settlement of case no. 4469/62/2018.
22	Plaintiff: EL SERV Defendant: Servicii	Bankruptcy - amount admitted to the list of creditors RON 72,180,439.68.	Timis Court	Ongoing proceedings.

Crt. no.	Parties/Case file number	Object	Court	Case status
	Energetice Banat S.A. 8776/30/2013 (joint with cu 2982/30/2014)			
23	Plaintiff: EL SERV Defendant: SEO 2570/63/2014	Bankruptcy - amount admitted to the list of creditors RON 26,533,446.	Dolj Court	Ongoing proceedings.
24	Plaintiff: EL SERV Defendant: SED 8785/118/2014	Bankruptcy - amount admitted to the list of creditors: RON 15,130,315.27.	Constanta Court	Ongoing proceedings.
25	Plaintiff: EL SERV Defendant: SE Moldova 4435/110/2015	Bankruptcy – amount: admitted to the list of creditors RON 73,708,082.90.	Bacau Court	Ongoing proceedings.
26	Plaintiff: EL SERV Defendant: New Koppel Romania 20376/3/2016	Claims – EUR 655,164, equivalent of RON 3,210,305.75.	Bucharest Court	Ongoing proceedings.
27	Plaintiff: Integrator S.A. Defendant: EL SERV, SAP Romania 34479/3/2016**	Claims – EUR 1,277,435.25 license + EUR 2,650,855.68 maintenance – RON equivalent 19,321,005.11	Bucharest Court of Appeal	The case was suspended on 12.06.2019 until the jurisdiction was established in case 30 266/2017 registered with the Karlsruhe Court and declined in favor of the Mannheim Court.
28	Plaintiff: EL SERV Defendant: directors and administrators 2013-2014 35815/3/2019	Action in attracting the liability of directors and administrators - measure II.7 of Decision no. 13/27.12.2016 issued by the Romanian Court of Accounts– RON 7,165,549 + legal interest of RON 4,485,340.29.	High Court of Cassation and Justice	The court dismissed the action as prescribed, ordering the plaintiff to pay the judicial costs. Appeal suspended, considering the death of the respondent Popescu Romeo; steps have been initiated to identify the heirs. Case reinstated, appeal dismissed as unfounded. A recourse was filed, in course of settlement.
29	Plaintiff: EL SERV Defendant: directors and administrators 2010-2014 35828/3/2019	Action in attracting the liability of directors and administrators - measure II.8 of Decision no.13/27.12.2016 issued by the Romanian Court of Accounts for the amount of RON 19,611,812 + Legal penalties of RON 14,475,832.43.	High Court of Cassation and Justice	The court dismissed the action as it has been modified and specified, as prescribed. Orders the plaintiff to pay the judicial costs. An appeal was filed, dismissed as unfounded. A recourse was filed, in preliminary proceedings.
30	Creditor: EFSA Debtor: Apaterm S.A. Galati 4783/121/2011*	Bankruptcy – registering to the list of creditors for the amount of RON 2,547,551.	Galati Court	Ongoing proceedings.
31	Creditor: EFSA Debtor: Ariesmin S.A. Branch 7375/107/2008	Bankruptcy - registering to the list of creditors for the amount of RON 20,711,588.	Alba Court	Ongoing proceedings.
32	Creditor: EFSA Debtor: Zlatmin S.A. Branch 6/107/2003	Bankruptcy - registering to the list of creditors for the amount of RON 9,314,176.	Alba Court	Ongoing proceedings.
33	Creditor: EFSA Debtor: Nitramonia S.A.	Bankruptcy - registering to the list of creditors for the amount of RON 2,321,847	Brasov Court	Ongoing proceedings.

Crt. no.	Parties/Case file number	Object	Court	Case status
	1183/62/2004			
34	Creditor: EFSA Debtor: Remin S.A. 32/100/2009	Insolvency proceedings - registering to the list of creditors for the amount of RON 71,443,402.	Timisoara Court	Ongoing proceedings.
35	Creditor: EFSA Debtor: Oltchim S.A. 887/90/2013	Bankruptcy - receivable RON 16,700,311.	Valcea Court	Ongoing proceedings.
36	Creditor: EFSA Debtor: Energon Power and Gas S.R.L. 53/1285/2017	Insolvency proceedings - registering to the list of creditors for the amount of RON 2,421,236.	Cluj Specialized Court	Case closed on 06.06.2023. Final decision.
37	Creditor: EFSA Debtor: CUG S.A. 2145/1285/2005	Bankruptcy - registering to the list of creditors for the amount of RON 7,880,857.	Cluj Specialized Court	Ongoing proceedings.
38	Creditor: EFSA Debtor: Colterm 4657/30/2021	Insolvency - registered to the list of creditors for the amount of RON 2,520,449.97	Timis Court	Ongoing proceedings.
39	Plaintiff: EFSA Defendant: ELSA 6665/3/2019	Claims: request of payment regarding the invoices paid without supporting documents, as it has been stated by the Court of Account – RON 7,025,632.	High Court of Cassation and Justice	The First Instance court dismissed the claim of EFSA. The Decision has been appealed and dismissed by the Court. EFSA filed a recourse, definitively dismissed by the Court.
40	Plaintiff: UAT Targu Secuiesc Defendant: EFSA 886/119/2022	Claims RON 2,718,151.15	Covasna Tribunal	In course of settlement.
41	Reclamant: EDPR Romania SRL Parat: EFSA 19662/3/2022	Claims RON 3,880,124.69	Bucharest Tribunal	The judgment was suspended until the final resolution of file no. 3664/2/2022.
42	Plaintiff: EFSA Defendant: ARC PARC INDUSTRIAL SRL Called into guarantee: VIBRACOUSTIC ROMANIA SRL	Claims: RON 7,294,831.26	Cluj Specialized Court	In course of settlement.
43	Plaintiff: Oradea City Defendant: EFSA 752/111/2023*	Claims: RON 4,177,879	Bihor Court	In course of settlement.
44	Creditor: EFSA Debtor: UZTEL SA 1223/105/2023	Insolvency proceedings - registering to the list of creditors for the amount of RON 2,466,866.78	Prahova Court	Ongoing proceedings.
45	Plaintiff: EFSA Defendant: ARC PARC INDUSTRIAL SRL 253/1285/2023	Claims: RON 2,800,000	Cluj Specialized Court	Approves in part the request for issuing the payment order. Settles the debtor to pay the creditor the amount of RON 393,654.37. Rejects the rest of the claim. Sets a payment deadline of 30 days from the communication of this order. Obliges the debtor to pay

Crt. no.	Parties/Case file number	Object	Court	Case status
				the creditor the sum of RON 200, as court costs. With the right to apply for cancellation claim within 10 days of communication.
46	Plaintiff: Ivan Laura Ionela Ivan Cornel Ionut Ivan Vladimir Mihai Defendant: EL SERV 34705/3/2015	Civil liability - work accident resulting in employee death (amount of compensation claims – EUR 3 mn.).	Bucharest Court	Case suspended according to art. 413 alin. 1 par. 1 Civil Procedure Code. (criminal case ongoing).
47	Plaintiff: Cazacu Maria Defendant: DEER 7212/200/2020	Liability of the principal for the act of the defendant- work accident resulting in death of an AISE employee (amount of compensation claimed: EUR 510,000)	Buzau Court	In course of settlement.
48	Plaintiff: DEER – Defendant: COS Targoviste 1906/120/2013	Insolvency – bancrupcy – RON 1,357,789.92.	Dambovita Court	Ongoing procedure. The current receivables have been fully recovered.
49	Plaintiff: Verta Tel SRL Defendant: DEER 4106/3/2021	Claims – contractual liability: RON 2,009,233	High Court of Cassation and Justice.	Case dismissed on merits. Appeal partially admitted with reference to retrial end 3 request. Recourse rejected on 23.03.2023. Final
50	Plaintiff: DEER Defendant: Getica 95 SRL 1666/114/2021*	Insolvency – registration at the list of creditors for the amount of RON 26,283,220.67	Buzau Court	The court admitted the request to close the insolvency procedure. Definitive. Amount fully recovered. Appeal The admitted appeal sends the case for retrial and continuation of insolvency proceedings.
51	Plaintiff: DEER Defendant: AEM S.A. 1347/119/2021	Claims – contractual liability – RON 2,851,297.30	Covasna Court	In course of settlement.
52	Plaintiff: Rebrean Gheorghe Defendant: DEER 1635/112/2022	Claims - the plaintiff requests moral damages in the amount of EUR 500,000 thousand and RON 370 material damages as a result of the bodily injury by electric shock committed on 12.08.2020.	Bistrita Nasaud Tribunal	The judgment of 29.06.2023 - partially admits the action, orders DEER to pay the amount of EUR 60,000 as moral damages and RON 150 material damages. With appeal within 30 days of service of the decision.
53	Plaintiff: DEER Defendant: Electric Planners SRL 25660/3/2022	Claims – contractual liability – RON – 2,553,038.40.	Bucharest Tribunal	In course of settlement.
54	Plaintiff: Allsys Energy SA Defendant: DEER 25660/3/2022	Aquisition: Annulment of the decision to terminate 5 frame agreements for MM, BH, BN, SJ, SM subsidiaries. Request for payment of damages – RON 8,345,730.71.	Bucharest Tribunal	In course of settlement.

Source: Electrifica

A.11.4.4 Litigations against the Romanian Court of Accounts

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Plaintiff: ELSA Defendant: Romanian Court of Accounts 2229/2/2017*	Partial annulment of Decision no. 12/27 December 2016, issued by the director of the 2 nd Direction from the IV th Department of the Romanian Court of Accounts, regarding the faults from point 1 to 8, with the consequence of dismissing the actions from point 1, 3 to 9 inclusive, imposed to ELSA by the disputed Decision; the partial annulment of the conclusion no. 12/27 February 2017 of the Romanian Court of Accounts, rejecting the objection raised by ELSA against Decision no. 12, regarding the faults and orders mentioned above. In subsidiary, the extension of the deadlines for carrying out all the measures ordered by ELSA through Decision no. 12/27 December 2016 with at least 12 months; the suspension of the enforceability of Decision no. 12 until final settlement of the present dispute.	High Court of Cassation and Justice	On 06.07.2023, the Court partially admitted the request formulated by ELSA and partially annulled Conclusion no. 12 / 27.02.2017 and Decision no. 12 / 27.12.2016, issued by the Romanian Court of Accounts, regarding the deviations from point 1, point 2, point 3, point 4 point 5 partially, for rent exceeding the period 17.07.2013-01.09.2013, point 6, point 7 and regarding the correlative measures, the measure from point II.7 being maintained for the rent related to the period 17.07.2013-01.09.2013. Rejects as unfounded the application and regarding the extension of the implementation deadlines. It notes that the applicant has reserved the right to claim separately the costs incurred in the case. The decision was appealed – in filter proceedings.
2	Plaintiff: EL SERV Defendant: Romanian Court of Accounts 2098/2/2017	Litigations with the Romanian Court of Accounts for the annulment of the administrative act – Decision no. 11/27 February 2017.	Bucharest Court of Appeal	On 31.07.2023, the Court admits the request in part rejects the exception of illegality as unfounded and admits in part the annulment action as specified. Partially annuls conclusion no. 11/27.02.2017, decision no. 13/27.12.2016 and control report no. 9.100 – 15.553/05.12.2016, respectively with regard to the measures provided for in points I.3, II.7 and II.8. Rejects the annulment action as unfounded. Obliges the defendant to pay the plaintiff the sum of RON 24,801.175 as court costs, according to the provisions of art. 453 para. 2 Civil Code With right of appeal within 15 days of communication.
3	Plaintiff: DEER Defendant: Romanian Court of Accounts Intervient: SERV 1677/105/2017	Suspension and annulment of the measures imposed by the Decision of Prahova Court of Accounts no. 45/2016, following the Control Report of the Prahova Court of Accounts no. 6618/11 November 2016.	Prahova Court	Dismisses the application. With recourse within 15 days from the notification of the decision.

Source: *Electrica***A.11.4.5 Other litigations with significant impact**

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Plaintiff: DEER Defendant: Local Council of Oradea City, RCS&RDS 3340/111/2015	Cancellation of Oradea LCD no. 108/17 February 2014 regarding the organization of the public auction for the concession of the 100,000 sqm land area, in order to realize an underground sewerage for the placement of electronic and electrical communications networks.	Bihor Court	At the request of RCS-RDS, the case was suspended until the case file 2414/2/2016 was settled with Delalina SRL, a file that is in the role of the Bucharest Court of Appeal. The file no. 2414/2/2016 was definitively solved on 22.03.2021, without a request for reinstatement

Crt. no.	Parties/Case file number	Object	Court	Case status
				being formulated, following to be ascertained by the court the expiration of the request, DEER no longer having an interest in supporting the request for summons. The Bihor Court found the expiration of the request for summons on 28.03.2023, the solution being final.
2	Plaintiff: Carei City and others Defendant: DEER 15600/211/2016*	Claims - it is requested to grant compensation in the form of material and moral damages, caused, by interrupting the supply of electricity to the consumers, in the Carei municipality, during 31.12.2014-02.01.2015.	Cluj Specialized Court	On 21.04.2021, the court rejects the action of a plaintiff as a result of admitting the exception of lack of capacity to use, rejects the exception of lack of active procedural quality of plaintiffs, invoked by defendants, rejects the exception of lack of passive procedural quality of defendant DEER, rejects the exception of lack of procedural quality liabilities of the defendant Electrica Furnizare SA and admits in part the action in contradiction with the defendant ELECTRICA FURNIZARE SA. Dismisses as unfounded the request for formal proceedings by the applicants in the preceding paragraph in contradiction with DEER. Obliges the defendant ELECTRICA FURNIZARE S.A., to pay the moral damages in favor of the plaintiffs in a differentiated way, in the amount of RON 500 for some of the plaintiffs, RON 750 and RON 1,000 for other plaintiffs, rejecting at the same time the moral damages for other plaintiffs. Appeal filed by Electrica Furnizare. In appeal, the court rejects, as unfounded, the main appeal declared by the appellant Electrica Furnizare SA and rejects, as unfounded, the incidental appeal declared by the respondents TN, and MC. Recourse definitively dismissed. Definitely settled at 20.01.2023
3	Plaintiff: E-Distributie Banat Defendant: ELSA 12857/3/2019	(i) ELSA's compliance with the obligation of not to do regarding the share capital and the AoA of the EDB and the termination of abusive actions consisting of the requests addressed to the ONRC to change the structure of the share capital and the articles of association of the EDB by increasing the share capital with the value of the land in the Certificates of attestation of the property right held by ELSA on the land used by EDB in order to carry out the activity; (ii) Stating the fact that Electrica does not hold the quality of public authority involved in the privatization process and, consequently, acknowledging the absence of the right of ELSA to request ONRC to modify the constitutive act of the EDB by increasing	Bucharest Court of Appeal	Case dismissed on merits; appeal definitively dismissed by the court on 07.03.2023.

Crt. no.	Parties/Case file number	Object	Court	Case status
		the share capital with the value of the land owned by ELSA based on CADP on the used land from EDB; (iii) As against the abusive actions taken in the EDB's opinion, ELSA's obligation to pay the damages whose existence and amount will be proved by the deadline provided by law.		
4	Plaintiff: ELSA, SAPE Defendant: Distributie Banat 949/39/2019	Action for the annulment of Shareholders resolution 5/06.12.2018 (share capital increase for SAPE).	Timisoara Court of Appeal	Case dismissed on merits; an appeal was filed, in course of settlement. At this case was connected the case no. 988/30/2019.
5	Plaintiff: ELSA Defendant: UAT Bicz 91/188/2020	1.obliging the defendant to leave us in full ownership and possession of the land in the area of 10,524 sqm (from documents 22,265 sqm), located in Bicz, Neamt county. 2. rectification of the entries from the land book no. 52954 of Bicz City, in the sense of elimination of inappropriate entries made in it, in order to agree on the tabular status with the real legal situation of the building, respectively the cancellation of the property right of the tabular owner Bicz City and the registration of the property right of Societatea Energetice Electrice Electrica S.A. 3. Order the defendant to pay the court costs.	Bacau Court of Appeal	The court of first instance partially annuls the Decision of the Local Council of Bicz no. 94/25.08.2016, respectively regarding the surface of 10,524 sqm of urban land 3, Bicz, Energiei street (former Plant), located at the last position of the table in the Annex to HCL no. 94/25.08.2016, following the admission of the exception of illegality, invoked by the plaintiff. Dismisses the action brought by ELSA as unfounded. Admits in part the action in the rectification of the land book. It orders the rectification of the Land Book no. 52954 of the City of Bicz, regarding the land with an area of 10,524 sqm, located in Bicz, 3, Energiei street, Neamt County (former Uzinei), in the sense of deleting the property right of the defendant Bicz city, as a result of the partial annulment of HCL no. 94/25.08.2016, regarding this land. Rejects as unfounded the applicant's request to order the rectification of the Land Book no. 52954 of the City of Bicz, regarding the land with an area of 10,524 sqm, located in Bicz, 3, Energiei street, Neamt County (former Uzinei), in the sense of registering the ELSA property right over the above-mentioned land. ELSA filed an appeal, dismissed by the court. The decision was appealed, the recourse being definitively dismissed on 09.01.2023.
6	Plaintiff: DEER Defendant: ANARC (ANCOM) and Telekom Romania Communications SA 7407/2/2020	Appeal against Decision no. 1177 / 13.11.2020 of the ANARC President. It was requested the partial annulment of the ANCOM decision and the complete rejection of the Telekom Romania request.	Bucharest Court of Appeal	Action dismissed on the merits. With appeal within 15 days from communication.
7	Plaintiff: Valenii de Munte City Hall Defendant: DEER 2848/105/2020	Valenii de Munte City Hall requests the obligation of DEER (Ploiesti) to take over public lighting installations and to pay their equivalent value of RON 466,880.	Prahova Court	Action dismissed on the merits. Appeal by the plaintiff.

Crt. no.	Parties/Case file number	Object	Court	Case status
8	Plaintiff: Grup 4 Instalatii Defendant: DEER 375/1285/2021	The obligation of DEER to recognize, to respect the property right of G4Instalatii regarding the buildings located in Cluj Napoca, 28A, Ilie Macelaru Street and 2, Uzinei Electric Street, registered in land book 297841 Cluj Napoca with no. 297841, consisting of land with an area of 10720 sqm and constructions: construction registered in land book with no. 297841-C1, construction of administrative headquarters with an area of 1560 sqm; body A, construction no. 297841- C2 - 512 sqm, building B, construction no. 297841 - C3 - 171 sqm, building C, construction no. 297841 - C4 - 338 sqm, building D, construction no. 297841-C6 - 348 sqm - 110/10 Kw Transformation Station. It is requested the handing over of the above buildings and the rectification of the land book registrations in the sense of: the annulment of the tabulation conclusions by which the DEER property right was registered, the deregistration of the land book property right, the registration of the property right in favor of G4I.	Cluj Court of Appeal	The court admits the exception of the material incompetence of the Cluj Specialized Tribunal, an exception invoked ex officio and consequently declines the competence to resolve the request for summons in favor of the Cluj Tribunal-Civil Section. Case admitted in part. An appeal was filed, in pronouncement.
9	Plaintiff: ELSA Defendant: Kaufland Romania SCS, Deva City, through the Mayor and Deva City Council 156/221/2021*	1. obliging the defendants to leave us in full ownership and possession of the land surfaces that overlap with the ELSA land located in Deva municipality, 1, Dorobanti street, Hunedoara county, as follows: (a) Kaufland Romania SCS - land areas of 15 sqm and 50 sqm (part of the Kaufland Deva parking lot), identified by IE 68452, which overlap to the N-W with the land owned by Electrica; (b) Deva Municipality, through the Mayor and the Local Council of Deva Municipality - land areas: (i) 2 sqm (part of the "Playground for children"), identified by IE 71851, which overlaps to the NE with the land in the ownership of Electrica and (ii) of 23 sqm (part of "Calea Zarandului"), identified by IE 75973, which overlaps to the SW with the land owned by Electrica; 2. the delimitation of the above-mentioned properties, by establishing the boundary line according to the property deeds of the parties; 3. rectification of the entries in the land book regarding the above-mentioned land areas, in the sense of eliminating the inappropriate entries made, in order to reconcile the tabular status with the real legal situation of the real estate, respectively of the cancellation of the property right tabular owners and the registration of the property right of the applicant ELSA over these land areas.	Hunedoara Tribunal	Action admitted in part. ELSA filed an appeal – in course of settlement by Civil Section I of Hunedoara Tribunal (following the settlement of the lack of material competence of the court).
10	Creditor: Eurototal Comp SRL Debtor: DEER 1221/1285/2022	Insolvency – RON 1,255,000	Cluj Court of Appeal	The amount has been entirely paid on 3 January 2023 and the creditor waived the trail of the insolvency request, subsequently filing a recourse. Void recourse. Final.
11	Plaintiff: Sinan Mustafa Defendant: DEER SA 10249/211/2023	Action for contractual liability. Requests the payment of the amount of RON 144,978.69 representing the bonus not granted at the end of the mandate contract, and the related legal penalty interest.	Court Cluj-Napoca	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
12	Plaintiff: Nine Alexandru Defendant: DEER SA	Claims - Requests the payment of the amount of 84,925 euro (419,002.96 RON) representing, damages revocation of mandate contract,	Brasov Court	In course of settlement.
13	Plaintiff: David Eugenia Defendant: DEER	Claim periodic penalty payments 25,424.94 lei/day for non-execution of the coexistence work between the building located in the opening between the pillar 42-43 a LEA 110 kV Obligation resulting from sentence 8581/2021 pronounced in file 20531/197/2020.	Brasov Court	In course of settlement.

Source: Electrica

11.5. Appendix 3 – Table list

Table 1. Company details.....	4
Table 2. Consolidated financial result H1 2024 vs H1 2023.....	9
Table 3. ELSA's subsidiaries	27
Table 4. ELSA's associates	27
Table 5. Long term investments owned by ELSA	27
Table 6. Ownership structure	34
Table 7. Consolidated statement of profit or loss (RON mn.).....	36
Table 8. Structure of the electricity, gas and merchandise purchased (RON mn.).....	38
Table 9. Financial position (RON mn.).....	43
Table 10. Cash and cash equivalents (RON mn.).....	45
Table 11. Cash flow (RON mn.).....	47
Table 12. Statement of financial position (RON mn.).....	54
Table 13. Statement of profit or loss (RON mn.).....	54
Table 14. Statement of cash flow (RON mn.).....	55

11.6. Appendix 4 – Figures list

Figure 1: Average degree of PIF execution	8
Figure 2: Quantity of electricity distributed on voltage levels (TWh).....	30
Figure 3: RRAB analysis of the distribution segment result for the year 2024 (RON mn.)	31
Figure 4: Analysis of regulated profit – IFRS(EU) budgeted result for the distribution segment for the year 2024 (RON mn.).....	32
Figure 5: Corrections approved by ANRE that affect the tariffs for the year 2024 (RON mn.).....	33
Figure 6: Ownership structure as of 30 June 2024	35
Figure 7: Revenue for H1 2024 and comparative information (RON mn.)	37
Figure 8: EBITDA and EBITDA margin for H1 2024 and comparative information (RON mn. and %).....	40
Figure 9: EBIT and EBIT margin for H1 2024 and comparative information (RON mn. and %)	40
Figure 10: Net result and Net result margin for H1 2024 and comparative information (RON mn. and %).....	41
Figure 11: Regulated net result - OMFP 1802/2014 – IFRS(EU) for the distribution segment in H1 2024 (RON mn.).....	42

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