

Summary of Preliminary Consolidated Results for 2023 – 29 February 2024

The evolution of the main indicators for 2023:

- **EBITDA** – RON 1,732.7 mn., an increase of 27.1% or RON 369.8 mn. compared to 2022;
- **Operating income** – RON 13,333.8 mn., a slight decrease of 3.7% compared to 2022;
- **Net result** – net profit of RON 620.4 mn., an increase of 11% or RON 61.6 mn.;
- **CAPEX PIF (commissioned)** – RON 777.1 mn., increase of 62,2% compared to RON 479 mn. in 2022.

Analysis of the consolidated financial indicators

The main results presented below are extracted from the Preliminary Consolidated Financial Statements as of and for the period ended 31 December 2023 prepared in accordance with Order of Ministry of Public Finance 2844/2016:

Financial Results – in RON mn.*	2023	2022	Δ	Δ %
Operating income, out of which	13,333.8	13,840.2	(506.4)	-3.7%
<i>Income from subsidies</i>	<i>3,287.9</i>	<i>2,687.1</i>	<i>600.8</i>	<i>22.4%</i>
<i>Capitalised costs of intangible non-current</i>	<i>18.6</i>	<i>989.3</i>	<i>(970.7)</i>	<i>-98.1%</i>
Operating expense	(12,322.6)	(13,011.2)	688.6	-5.3%
Operating profit	1,011.1	828.9	182.2	22.0%
EBITDA	1,732.7	1,362.9	369.8	27.1%
Financial result	(293.8)	(165.0)	(128.8)	78.1%
Net profit	620.4	558.8	61.6	11.0%

*Amounts are rounded to the nearest whole value

Source: Electrica

In 2023, **EBITDA** at Electrica Group level increased by 27.1%, i.e. by RON 369.8 mn., reaching a value of RON 1,732.7 mn., compared to the value of RON 1,362.9 mn. achieved in 2022.

The **operating profit** had an increase, of 22.0%, reaching a value of RON 1,011.1 mn. due to the positive impact generated by the operating expense decrease of RON 688.6 mn., impact off set by the negative impact of the operating income of RON 506.4 mn.

The **net result** of the Electrica Group for 2023 slightly increase of RON 61.6 mn. (11.0%), result generated mainly by the performance of of the distribution segment in the context of decreasing electricity costs to cover NL, as a result of the implementation of the MACEE centralized purchase mechanism, according to which the producers have the obligation to sell 80% of the available energy at a price of 450 RON/MWh, impact diminished by the increase in the volumes of electricity needed to cover losses in the network.

On **distribution segment**, revenues increased by approximately RON 1,014.8 mn., or 29.9%, to RON 4,411.5 mn., from RON 3,396.6 mn. in 2022 mainly due to the increase in revenues recognized under IFRIC 12 (recognized based on the stage of execution of the works, according to the accounting policy regarding the recognition of income from construction contracts), to which was added the increase in distribution tariffs as well as the decrease in volumes of electricity distributed.

For the **supply segment**, the revenues from electricity and natural gas supply decreased in 2023 by approximately RON 905.8 mn., or 11.1%, to RON 7,280.3 mn. from RON 8,186.0 mn. in 2022 due to the

decrease of quantities of electricity supplied in 2023 by approximately 9%, due to the decrease in the customer portfolio, as well as the decrease in consumption at the national level (as an effect of electricity price increases but also energy efficiency measures implemented). For the supply segment, both in 2023 and in 2022, the effect of retail electricity prices was covered by subsidies received from the state authorities, as a result of the application of the electricity and natural gas price ceiling mechanism, as a result of the application of Ordinance 27/2022, with subsequent amendments and additions.

As at 31 December 2023, the estimated amount for subsidies to be received from the Ministry of Energy is RON 2,595.6 mn. (31 December 2022: RON 1,280.8 mn.) and from County Agency for Payments and Social Inspection is RON 19.0 mn.. From the total amount of subsidies to be received, RON 1,894.8 mn. represent uncollected claims submitted to the state authorities.

OTHER IMPORTANT OPERATIONAL INFORMATION

- **Distributed electricity volumes** – 17.05 TWh, down by 3,8% compared to 2022. DEER serves approx. 3.93 mn. users, over an area covering about 40.8% of Romania;
- **Volumes of electricity supplied to final customers** - 7.8 TWh, down by 9.1% compared to 2022, amid the general downward trend of electricity consumption; Electrica Furnizare supplies electricity to approx. 1.7 mn. consumption places on the competitive market, as well as in universal service and last resort);
- **Supply market share** - Electrica Furnizare is one of the largest suppliers, with a total market share of 16.61% and a competitive market share of 10.25%, according to the latest ANRE report available (November 2023);
- 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 aprox. 300 MW;
- The **estimated Regulated Assets Base (RAB)**, in nominal terms, for the year 2023, estimated at the end of 2023 was RON 7.2 bn.
- At the end of 2023, the operator Distribuție Energie Electrica Romania (DEER) realized and commissioned investments worth RON 777.1 mn, representing 101.7% of the annual value of the commissioning program planned for 2023 (i.e. RON 764.1 mn., of which RON 628.4 mn. is the plan related to 2023 and RON 135.6 mn. is carried over values related to 2022);

The results presented in this release are based on the preliminary consolidated unaudited financial statements prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016. The final results will be published on 6 March 2024, as per the financial calendar.

The documents related to the preliminary 12M 2023 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-2023/>, as well as in the document below.

We remind you that Electrica's management is organising on **11 March 2024, 16:00** (Romanian time), a web conference for analysts and investors: **Presentation of Electrica Group 2023 Financial Results**. The web conference can be accessed online under the following link: <https://87399.themediaframe.eu/links/electrica240311.html>

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SOCIETATEA ENERGETICA ELECTRICA S.A.

Consolidated Preliminary Unaudited Financial Statements

as at and for the year ended

31 December 2023

prepared in accordance with

OMFP no. 2844/2016

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

AS AT 31 DECEMBER 2023

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

	Preliminary 31 December 2023 (unaudited)	31 December 2022 (audited)
ASSETS		
Non-current assets		
Intangible assets related to concession arrangements	6,220,530	5,675,866
Intangible assets from the capitalization of own technological consumption	770,934	951,557
Other intangible assets	27,822	12,854
Goodwill	24,663	12,040
Property, plant and equipment	594,994	499,390
Investments in associates	16,638	18,824
Other investments	7,000	7,000
Deferred tax assets	32,404	30,180
Other non-current assets	51,954	2,393
Right of use assets	40,993	52,152
Total non-current assets	7,787,932	7,262,256
Current assets		
Trade receivables	2,540,442	2,466,002
Subsidies receivable	2,614,535	1,280,788
Other receivables	93,832	127,253
Cash and cash equivalents	377,215	334,887
Inventories	115,659	113,972
Prepayments	12,935	13,874
Current income tax receivable	-	24,000
Assets held for sale	280	280
Total current assets	5,754,898	4,361,056
Total assets	13,542,830	11,623,312
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	159,536	92,117
Legal reserves	449,363	429,583
Retained earnings	1,906,981	1,353,942
Total equity attributable to the owners of the Company	6,008,000	5,367,762
Non-controlling interests	(451)	(516)
Total equity	6,007,549	5,367,246

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	Preliminary 31	31 December 2022
	December 2023	(audited)
	(unaudited)	(audited)
Liabilities		
Non-current liabilities		
Lease liability – long term	29,143	34,462
Deferred tax liabilities	244,666	212,555
Employee benefits	151,358	117,269
Other payables	37,161	72,432
Long-term bank borrowings	794,348	647,193
Total non-current liabilities	1,256,676	1,083,911
Current liabilities		
Current portion of long-term bank borrowings	523,294	113,520
Lease liability – short term	14,052	19,211
Bank overdrafts	2,851,221	2,571,037
Trade payables	1,671,478	1,407,097
Other payables	1,035,084	867,536
Deferred revenue	7,837	24,750
Employee benefits	120,548	114,174
Provisions	41,167	53,701
Current tax liabilities	13,924	1,129
Total current liabilities	6,278,605	5,172,155
Total liabilities	7,535,281	6,256,066
Total equity and liabilities	13,542,830	11,623,312

Chief Executive Officer
Alexandru - Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

28 February 2024

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

FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are in THOUSAND RON, except per share data)

	Preliminary 2023 (unaudited)	2022 (audited)
Revenue	9,816,593	10,009,896
Capitalised costs of intangible non-current assets	18,617	989,291
Other income	3,498,553	2,840,963
Electricity and natural gas purchased	(9,057,976)	(10,506,809)
Construction costs related to concession agreements	(976,436)	(593,490)
Employee benefits	(962,065)	(823,422)
Repairs, maintenance and materials	(95,218)	(88,229)
Depreciation and amortization	(723,721)	(533,987)
Impairment for trade and other receivables, net	(75,820)	(112,311)
Other operating expenses	(431,399)	(352,971)
Operating profit	1,011,128	828,931
Finance income	3,425	9,718
Finance costs	(297,220)	(174,713)
Net finance cost	(293,795)	(164,995)
Share of results of associates	(39)	(13)
Profit before tax	717,294	663,923
Income tax expense	(96,914)	(105,078)
Profit for the year	620,380	558,845
Profit for the year attributable to:		
- owners of the Company	620,494	558,954
- non-controlling interests	(114)	(109)
Profit for the year	620,380	558,845
Earnings per share		
Basic and diluted earnings per share (RON)	1.83	1.65

Chief Executive Officer
Alexandru - Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

28 February 2024

1 Basis of accounting

These preliminary unaudited consolidated financial results are the consolidated financial results of Societatea Energetica Electrica S.A. ("Company" or "Electrica") and they include only the Consolidated statement of financial position and the Consolidated statement of profit or loss.

These preliminary unaudited annual consolidated financial statements have been prepared in accordance with OMFP no. 2844/2016.

These consolidated financial statements are not in compliance with IFRS-EU.

Starting with the consolidated financial statements as at and for the year ended 31 December 2022 the Group's financial statements prepared in accordance with the Order of Ministry of Public Finances 2844/2016 included the capitalization of the additional costs with the purchase of electricity made between 1 January 2022 and 31 March 2025, in order to cover the own technological consumption (NL) for economic operators for energy transport and distribution services, which is capitalized quarterly, the first asset (intangible asset) being registered on 30 September 2022. Order of the Ministry of Public Finance (OMFP) no. 3900/2022 was issued and brings additional accounting specifications to the accounting regulations in force at OMFP no. 2844/2016, which provided for the financial-accounting treatment applied to the additional costs not recovered through the tariff related to the own technological consumption of the distribution operators (OD).

The financial results are prepared and issued prior to the finalization of all usual internal procedures for the preparation of the annual financial reporting, as well as before concluding of the independent auditor report on the annual financial statements and as a result, differences between the preliminary consolidated financial results and the consolidated audited financial statements might occur.

These financial results are not audited or reviewed by an independent auditor and they are not a full set of financial statements in accordance with OMFP no. 2844/2016.

The preliminary unaudited consolidated financial results were authorized for issuance and signed by the management on February 28th, 2024.

Chief Executive Officer
Alexandru – Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

28 February 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in THOUSAND RON, if not otherwise stated)



SOCIETATEA ENERGETICA ELECTRICA S.A.

Separate Preliminary Unaudited Results
as at and for the year ended

31 December 2023

Free translation from Romanian, which is the official and binding version

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE PRELIMINARY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

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

	Preliminary 31 December 2023 (unaudited)	31 December 2022 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	145,084,285	98,939,502
Intangible assets	1,112,707	126,189
Goodwill	1,446,450	-
Investments in subsidiaries	2,309,928,230	2,298,128,361
Investments in associates	16,637,710	18,821,421
Other investments	7,000,000	7,000,000
Loans granted to subsidiaries – long term	1,279,262,987	1,276,325,000
Right of use assets	4,013,286	248,087
Total non-current assets	3,764,485,655	3,699,588,560
Current assets		
Cash and cash equivalents	19,154,241	105,631,939
Trade receivables	1,747,406	795,526
Other receivables	597,845,163	501,493,067
Inventories	2,836	-
Prepayments	1,014,231	1,023,678
Loans granted to subsidiaries – short term	89,659,699	45,034,523
Assets held for sale	279,655	279,655
Total current assets	709,703,231	654,258,388
Total assets	4,474,188,886	4,353,846,948
EQUITY AND LIABILITIES		
Equity		
Share capital	3,464,435,970	3,464,435,970
Share premium	103,049,177	103,049,177
Treasury shares reserve	(75,372,435)	(75,372,435)
Pre-paid capital contributions in kind from shareholders	7,366	7,366
Revaluation reserves	20,763,069	11,806,704
Legal reserves	230,397,105	229,435,101
Other reserves	224,105,807	224,105,807
Retained earnings	13,128,018	38,908,798
Total equity	3,980,514,077	3,996,376,488

(Continued on page 2)

	Preliminary 31 December 2023 (unaudited)	31 December 2022 (audited)
Liabilities		
Non-current liabilities		
Lease liability – long term	3,271,217	54,049
Employee benefits	1,326,142	1,095,651
Long-term bank borrowings	-	100,000,000
Total non-current liabilities	4,597,359	101,149,700
Current liabilities		
Current portion of long-term bank borrowings	216,768,248	-
Bank overdrafts	205,520,079	207,830,772
Lease liability – short term	797,944	215,561
Trade payables	6,645,430	4,744,726
Other payables	51,096,531	36,474,707
Deferred revenue	285,152	173,187
Employee benefits	7,254,982	5,840,131
Provisions	709,084	1,041,676
Total current liabilities	489,077,450	256,320,760
Total liabilities	493,674,809	357,470,460
Total equity and liabilities	4,474,188,886	4,353,846,948

Chief Executive Officer
Alexandru - Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

February 28th, 2024

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE PRELIMINARY STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in RON, if not otherwise stated)

	Preliminary 2023 (unaudited)	2022 (audited)
Other income	1,442,602	5,179,621
Employee benefits	(30,295,203)	(30,156,958)
Depreciation and amortization	(1,448,001)	(1,586,304)
Reversal of impairment of trade and other receivables, net	568,609	101,380
Reversal of impairment/(Impairment) of property, plant and equipment, net	853,836	4,840
Change in provisions for legal cases and non- competete clauses, net	338,045	3,196,438
Other operating expenses	(21,247,445)	(18,538,612)
(Loss)/Profit before finance result	(49,787,557)	(41,799,595)
Finance income	97,634,651	78,298,886
Finance costs	(29,737,518)	(12,440,801)
Net finance income	67,897,133	65,858,085
Share of results of associates	(38,825)	(13,044)
Profit before tax	18,070,751	24,045,446
Income tax benefit	1,134,336	259,439
Profit for the year	19,205,087	24,304,885
Earnings per share		
Basic and diluted earnings per share (RON)	0.06	0.07

Chief Executive Officer
Alexandru - Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

February 28th, 2024

2 Basis of preparation

These preliminary unaudited separate financial statements are the separate financial statements of Societatea Energetica Electrica S.A. ("Company" or "Electrica") and they include only the Separate Statement of Financial Position and the Separate Statement of Profit or Loss.

These preliminary unaudited separate financial statements have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards ("OMFP 2844/2016").

On 20 December 2023, the Extraordinary General Meeting of the Company's Shareholders (AGEA) approved the merger by absorption between Societatea Energetica Electrica SA ("ELSA"), Societatea Electrica Productie Energie SA ("EPE"), Electrica Energie Verde 1 SRL ("EEV1") and Green Energy Consultancy & Investments SRL ("GECI") (together the "Companies") and the participation of the Companies in the merger, with Societatea Energetica Electrica SA as absorbing company, Electrica Productie Energie SA, Electrica Energie Verde 1 SRL and Green Energy Consultancy & Investments SRL as absorbed companies, with the effective date of the merger being 31 December 2023.

The financial results and financial position statement of the absorbed companies are incorporated prospectively from the effective date of the merger, without changing the pre-merger information.

The financial statements are prepared and issued prior to the finalization of all usual internal procedures for the preparation of the annual financial reporting, as well as before concluding of the independent auditor report on the annual financial statements and as a result, differences between the preliminary separate financial statements and the separate audited financial statements might occur.

These financial statements are not audited or reviewed by an independent auditor and they are not a full set of financial statements in accordance with IFRS-UE.

The preliminary unaudited individual financial statements were authorized for issuance and signed by the management on February 28th 2024.

Chief Executive Officer
Alexandru - Aurelian Chirita

Chief Financial Officer
Stefan Alexandru Frangulea

February 28th, 2024