

**To: Bucharest Stock Exchange (BSE)
London Stock Exchange (LSE)
Romanian Financial Supervisory Authority (FSA)**

Current report in compliance with the Law 24/2017 on issuers of financial instruments and market operations, the Romanian Capital Market Law no. 297/2004, FSA Regulation no. 5/2018, and the Bucharest Stock Exchange Code

Report date: **February 26, 2024**

Company name: **Societatea Energetica Electrica S.A. (Electrica)**

Headquarters: **9 Grigore Alexandrescu Street, 1st District, Bucharest, Romania**

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

Fiscal Code: **RO 13267221**

Trade Register registration number: **J40/7425/2000**

Subscribed and paid in share capital: **RON 3,464,435,970**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BSE) and London Stock Exchange (LSE)**

Significant events to be reported: Implementation of measures ordered by CCR - action filed by Electrica against DEER for the recovery of the damages found by the Romanian Court of Accounts's Decision no. 12/27 December 2016

During 19.09.2016 – 29.11.2016, Electrica's activity was subject to an audit by the Court of Accounts, with the topic "*the management of the patrimony for the distribution and supply of electricity*" during the period 01.01.2013 – 30.06.2014.

The findings of the audit team were recorded in the Control Report drawn up on 29.11.2016 by the external public auditors of the Romanian Court of Accounts, Department IV, Directorate 2, registered with Societatea Energetică Electrica SA under no. 9900/20307/29.11.2016.

Through the above-mentioned Control Report, inter alia, the following deviations were found:

1. *"Employment of funds in the estimated amount of 224,622,940 lei (without VAT), for the execution of the investment work "AMR System (Automatic Meter Reading) measurement and consumption dispatcher activities at SC Electrica SA level", for which, although the purchased goods, were highlighted in the accounting, there are not physically found in the patrimony, nor were they used for the activities carried out according to the object of activity;*

2. *Unjustified increase in operating expenses with an estimated amount of 273,500 lei (without VAT) representing studies developed for activities that are not within the scope of activity of SC DFEE "Electrica" SA, being related to activities belonging to other legal entities (their subsidiaries);*

3. *Unjustified increase in expenses for technical assistance services intended for carrying out the activity of other legal entities (distribution subsidiaries), in an estimated amount of 2,337,657.50 lei (without VAT);*

4. *Unjustified increase in operating expenses by the amount of 74,667.60 lei (without VAT), representing maintenance services for communication equipment provided to other legal entities (their subsidiaries).*

Subsequent to the control report, the Decision no. 12/27.12.2016 and the Conclusion no. 12/27/02/2017 were issued.

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

We mention that the first instance admitted Electrica's appeal regarding the above-mentioned violations and abolished them. The Romanian Court of Accounts appealed against the decision of the court of first instance, the appeal being pending before the High Court of Cassation and Justice, with a trial date of 27 March 2024.

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

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

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

CEO
Alexandru Aurelian Chirita