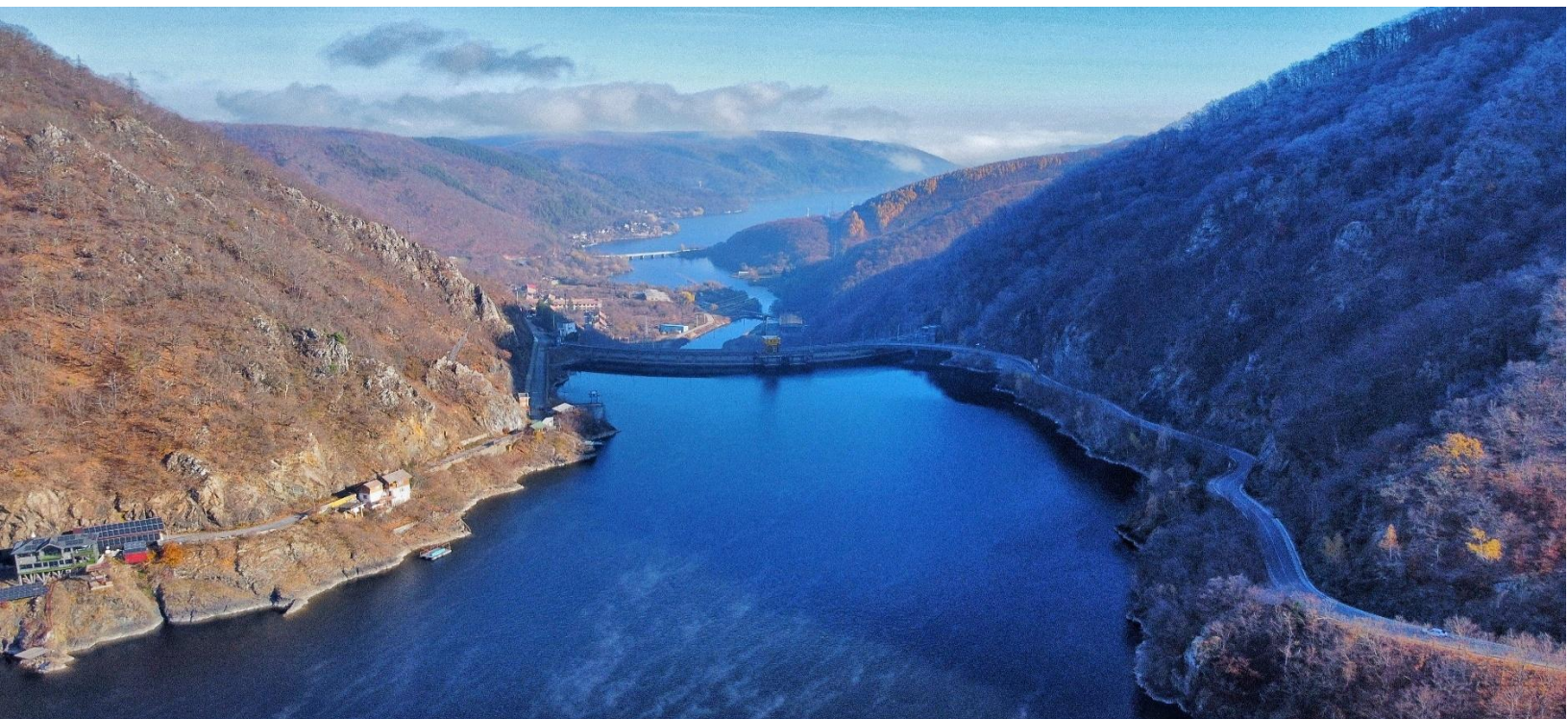




**Consolidated Report of the Management Board  
of Societatea de Producere a Energiei Electrice  
în Hidrocentrale „Hidroelectrica” S.A.  
for H1 2025**



**13 August 2025**



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## Notes:

*This report is based on the interim condensed consolidated financial statements prepared in accordance with IAS 34 Interim Financial Reporting issued by IASB and drafted according to the provisions of Law 24/2017 on financial instruments issuers and market operations, republished, and of Regulation no. 5/2018 issued by the Financial Supervisory Authority.*

*This report does not constitute a recommendation/offer/invitation to purchase shares issued by Hidroelectrica. This report contains consolidated-level information regarding the key operational indicators of the Hidroelectrica Group. Therefore, these pieces of information reflect the results and financial position for the reporting period available as of the date of this report and do not guarantee the future performance of the Group. The information in this document is selective and may require updates, revisions, and modifications under certain circumstances. Hidroelectrica assumes no obligation or commitment to publish any updates, revisions, or modifications to any information contained in this report, unless required by applicable law.*

*Certain figures included in this Report have been subject to rounding adjustments; as a result, figures presented for the same illustrated category in different tables may vary slightly. Additionally, the figures presented as totals in certain tables may not be an arithmetic aggregation of the preceding figures. Moreover, the percentages in the tables have been rounded and, as a result, may not sum up to 100%. Calculations, variations, and other percentages may slightly differ from their actual calculations due to the rounding of underlying financial, statistical, and operational information.*

*In case this report refers to any information from any external source, this information should not be considered adopted/approved by Hidroelectrica as accurate/correct.*

*This report may contain forward-looking statements. These statements reflect the current knowledge of the company as well as expectations and forecasts about future events. By their nature, forward-looking statements are subject to various risks, many of which are beyond the company's control, which could cause the actual results of the company to significantly differ from the expressed or anticipated results and performances. None of the future forecasts in this report should be considered promises, nor should they be considered implying an assurance or guarantee that the assumptions on which the future forecasts were based or the information and statements contained in this report are correct, accurate, or complete.*

*This report does not contain all the information that may be necessary regarding the company and its actions. Each person who accesses this report should conduct their own analysis.*

*The financial information for the six-month period ended 30 June 2025, presented in this report is reviewed.*

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## Identification data of Hidroelectrica

**Report date:** 13 August 2025

**Issuer's name:** Societatea de Producere a Energiei Electrice în Hidrocentrale Hidroelectrica S.A.

**Registered office:** 15-17 Ion Mihalache Boulevard, 10-15 Floors, District 1, Bucharest, Romania

**Phone:** +40 21 303 25 00

**Unique registration code with the Trade Registry:** 13267213

**Fiscal Registration Code:** RO13267213

**Registration number with the Trade Registry:** J40/7426/2000

**Legal Entity Identifier (LEI) Code:** 787200IISRQX09PRB732

**International Securities Identification Number (ISIN):** RO4Q0Z5RO1B6

**Subscribed and paid-up share capital:** RON 4,498,025,670

**Main characteristics of the issued securities:** 449,802,567 ordinary, nominative, freely transferable shares, each with a nominal value of 10 RON/share, issued in dematerialized form.

**Regulated market on which the issued securities are traded:** the company's shares are listed on the Bucharest Stock Exchange (ticker symbol: H2O).

## Summary of H1 2025 Management Board Report

In the first half of 2025, the Hidroelectrica Group posted operational and financial results slightly above the estimates set in the 2025 Budget. The challenging operating environment, marked by unfavorable hydrological conditions, led to a 27% decrease in net electricity production compared to the same period of the previous year. The recovery in Q2 2025 was driven mainly by electricity purchases from the market.

These two major trends – the reduction of own production due to severe drought and the increase in electricity purchases from the market – define the underlying context for a strategic shift: from a model built almost exclusively on its own hydropower generation, the company is evolving towards the profile of an integrated producer and supplier, combining internal generation with growing volumes purchased from the market to sustain delivery performance and maintain its competitive position as a supplier.

- **The H1 2025 results are slightly above the estimates in the 2025 Budget, with gross profit exceeding the forecast level by 1%.**
- **The results for Q2 2025 reflect an improvement in operational and financial performance.**
- **Net electricity production decreased by 27% compared to the same period of the last year**
- **Revenue decreased by 16% compared to the same period of 2024**
- **Operating margin of 41%, decreased by 31% compared to the same period of last year**
- **Net margin of 37%, decreased by 30% compared to the same period of of 2024**
- **Net profit decreased by 41%, from RON 2,690 million to RON 1,587 million**
- **Earnings per share decreased by 41%, to 3.53 RON/share.**

Operational KPIs		6M 25	6M 24	Change (%)
<b>Gross electricity production, out of which:</b>	<i>GWh</i>	<b>6,263</b>	<b>8,515</b>	<b>-26%</b>
Electricity production from hydro (gross)	<i>GWh</i>	6,127	8,361	<b>-27%</b>
<b>Net electricity production, out of which:</b>	<i>GWh</i>	<b>6,068</b>	<b>8,293</b>	<b>-27%</b>
Electricity production from hydro (net)	<i>GWh</i>	5,935	8,140	<b>-27%</b>
Electricity production from wind	<i>GWh</i>	133	154	<b>-14%</b>
<b>External Acquisition GWh</b>	<i>GWh</i>	<b>674</b>	<b>416</b>	<b>62%</b>
<b>Total Electricity sales GWh</b>	<i>GWh</i>	<b>6,742</b>	<b>8,709</b>	<b>-23%</b>
Actual number of Hidroelectrica Employees		3,585	3,594	-0.3%
Actual number of Group Employees		5,289	5,193	2%

Source: Hidroelectrica

Financial KPIs		6M 25	6M 24	Change (%)
Revenue	<i>RON million</i>	4,315	5,150	-16%
EBITDA	<i>RON million</i>	2,201	3,476	-37%
EBITDA Margin	%	51%	67%	-24%
Adjusted EBITDA	<i>RON million</i>	2,200	3,463	-36%
Adjusted EBITDA Margin	%	51%	67%	-24%
Operating Margin (Operating Profit/Revenue*100)	%	41%	59%	-31%
Net Margin (Profit for the period/Revenue*100)	%	37%	52%	-30%
Operating Profit	<i>RON million</i>	1,751	3,027	-42%
Net Profit	<i>RON million</i>	1,587	2,690	-41%
Earnings per share	<i>RON/share</i>	3.53	5.98	-41%

Source: Hidroelectrica

In the first half of 2025, net electricity production reached 6,068 GWh, decreasing by 27% compared to H1 2024. After a start of the year marked by a sharp drop in output due to unfavorable hydrological conditions – namely a period of severe hydrological drought, with the Danube’s average flow in Q1 2025 at only 4,257 m<sup>3</sup>/s, about 40% lower than in the same period of 2024 – **the company achieved a significant recovery in Q2, driven mainly by electricity purchases and a partial rebound in production.**

Revenues totaled RON 4,315 million, 16% below the level recorded in the same period last year, with an operating margin of 41% and a net margin of 37%, reflecting a decline in the company’s traditional competitive edge from low-cost hydropower generation. The increased reliance on the wholesale electricity market and the reshaping of the revenue structure, with a growing share of the supply segment, weighed on margins.

Even in this context, thanks to a prudent commercial policy, rigorous management of procurement risk, and a carefully balanced production–purchase mix, **Hidroelectrica Group delivered a gross profit slightly above the forecast**, demonstrating both resilience in the face of adverse natural cycles and effective management of resources and the transition toward a hybrid production–trading–supply model.

Financial indicators*	RON million		
	H1-2025 Actual	H1-2025 Budget	Degree of achievement (%)
<b>Total Revenue</b>	<b>4,592</b>	<b>4,811</b>	<b>95%</b>
Operating income	4,414	4,664	95%
Financial income	178	147	122%
<b>Total expenses</b>	<b>2,725</b>	<b>2,968</b>	<b>92%</b>
Operating expenses	2,681	2,920	92%
Financial expenses	44	48	91%
<b>Profit before tax</b>	<b>1,867</b>	<b>1,842</b>	<b>101%</b>

\*The indicators are calculated according to the budget forms of Order 3818/2019 and are aligned with the indicators presented in the form S1040 - Annual accounting reporting to ANAF, prepared at the level of Hidroelectrica SA.

Source: Hidroelectrica

The income and expenses budget is prepared at the level of separate financial statements.

## Q2 2025

Operational KPIs		Q2 25	Q2 24	Change (%)
<b>Gross electricity production, out of which:</b>	<b>GWh</b>	3,528	4,112	-14%
Electricity production from hydro (gross)	GWh	3,466	4,054	-15%
<b>Net electricity production, out of which:</b>	<b>GWh</b>	3,414	3,997	-15%
Electricity production from hydro (net)	GWh	3,352	3,939	-15%
Electricity production from wind	GWh	61	58	5%
<b>External Acquisition GWh</b>	<b>GWh</b>	478	236	103%
<b>Total Electricity sales GWh</b>	<b>GWh</b>	3,901	4,234	-8%
Actual number of Hidroelectrica Employees		3,585	3,594	-0.3%
Actual number of Group Employees		5,289	5,193	2%

Source: Hidroelectrica

Financial KPIs		Q2 25	Q2 24	Change (%)
Revenue	RON million	2,447	2,614	-29%
EBITDA	RON million	1,335	1,746	-37%
EBITDA Margin	%	55%	67%	-11%
Adjusted EBITDA	RON million	1,334	1,744	-37%
Adjusted EBITDA Margin	%	55%	67%	-11%
Operating Margin (Operating Profit/Revenue*100)	%	45%	58%	-16%
Net Margin (Profit for the period/Revenue*100)	%	41%	52%	-13%
Operating Profit	RON million	1,108	1,520	-41%
Net Profit	RON million	998	1,364	-39%
Earnings per share	RON/share	2.22	3.03	-39%

Source: Hidroelectrica

As of 30 June 2025, the supply portfolio comprised **768,836 consumption sites (CS)**, up **30% from the 590,898 CSs recorded on the same date in the previous year**. This increase of 177,938 PCs reflects both the acquisition of a significant number of new household customers and strong expansion in the non-household segment.

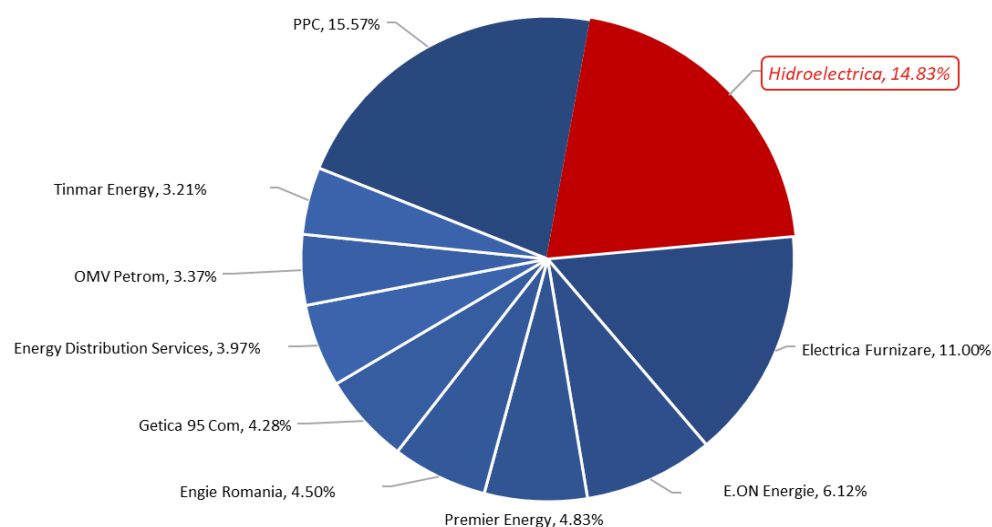
The growth was driven by the announcement of the removal of the electricity price cap starting 1 July 2025, which prompted increased interest in switching suppliers before the cap's expiry. This context encouraged customer migration in both market segments, with a faster pace in the non-household segment, where cost-optimisation decisions are taken more quickly and are directly influenced by market conditions.

Client type	No. CS* 30.06.2025	No. CS* 30.06.2024	Change (%)
Household	730,759	565,306	29%
Non-household	38,077	25,592	49%
<b>Total</b>	<b>768,836</b>	<b>590,898</b>	<b>30%</b>

\*The number of consumption sites in the portfolio (excluding those directly supplied from the hydroelectric plant bars and those supplied from the transmission network/other non-concessionaire distribution operators).

Source: Hidroelectrica

## Competitive market share as at April 2025



Source: ANRE Report on the Results of Electricity Market Monitoring for April 2025

In April 2025, according to ANRE’s monthly report, Hidroelectrica recorded a market share of 14.83%, ranking second among suppliers in the competitive market, following the merger of PPC Energie and PPC Energie Muntenia, both part of the PPC Group in Romania, effective 31 December 2024.

During the first six months of 2025, Hidroelectrica actively pursued its strategic objective of diversifying its renewable energy production portfolio while maintaining its 100% green profile. Activities in this period included identifying, analysing, and documenting new investment opportunities, advancing screening, due diligence, and preliminary structuring processes for potential transactions — both through acquiring stakes in existing projects and developing new generation capacities. These initiatives ran in parallel with the implementation of projects in the operational portfolio, reflecting a balanced approach between sustainable growth and rigorous execution of ongoing projects, with a constant focus on meeting implementation deadlines.

**This integrated approach — exploring external growth opportunities while consolidating internal assets — has the potential to strengthen the company’s competitive advantage, diversify revenue sources, and reduce its structural exposure to seasonal and hydrological risks inherent in hydropower generation.**

In the context of the announced removal of the electricity price cap, the company anticipated an increase in demand for supply services, adopted a proactive stance, and began purchasing a significant share of its energy needs from the Day-Ahead Market (DAM), dynamically adapting to market developments. This decision reflects the transition towards an operational model able to integrate market signals in real time into its supply mix (generation and trading).

# H1 2025 Management Board Report

## I. Company presentation

Societatea de Producere a Energiei Electrice în Hidrocentrale Hidroelectrica S.A. ("Hidroelectrica" or "the Company") is a joint stock company managed in a two-tier system that carries out its activity in accordance with the Romanian legislation, established under the Romanian Government Decision nr. 627 of 13 July 2000, registered in Romania at the Trade Register Office attached to the Bucharest Tribunal under no. J40/7426/2000, with headquarters located in Romania, Bucharest, 15-17 Ion Mihalache Boulevard, floors 10-15, District 1, having sole registration code 13267213 and LEI code 787200IISRQX09PRB732.

Starting 12 July 2023, the regulated market on which the company’s shares are traded is the Bucharest Stock Exchange.

### Organizational structure

Hidroelectrica is the main producer of electricity in Romania, an important player in the hydropower field in Europe and the main system service provider in Romania, with an essential role in the security of the National Power System (“NPS”).

The company owns and operates 188 hydroelectric power plants (including five pumping stations), with a total installed hydropower capacity of approximately 6.3 GW and a wind farm with a total installed capacity of 108 MW.

The company has seven hydroelectric branches and a branch that administrates Crucea wind farm, shown in the image below, Portile de Fier and Valcea being the most important for the Group in terms of their energy production capacities and shares in the Group’s total energy production.



Hidroelectrica’s branches; \*PDF represents Porțile de Fier (Iron Gates)

Source: Hidroelectrica



The company has been committed to producing 100% renewable energy since its foundation and has played, since the beginning, a key role in designing and creating technological and operational concepts that have become the standard in its industry. At the same time, Hidroelectrica is a wholesale seller, as well as a supplier of electricity directly to end costumers, household (residential) and non-household customers (including businesses in various industrial sectors, such as automotive, telecommunications and construction, etc.).

As a energy producer from hydro and, more recently, wind energy, the Company leverages the existing synergies between the production and supply portfolios, as well as those generated through the diversification of the production portfolio (towards other renewable sources, such as wind and solar energy) by blending them with the hydro source.

As of 30 June 2025, Hidroelectrica has the following subsidiaries (together, the “Group”):

Subsidiary	Activity	Registered Office	% participation at 30 June 2025	% participation at 30 June 2024
Hidroserv S.A. (“Hidroserv”, company in reorganization)	Services (maintenance, repairs, construction)	Bucharest, Romania	100%	100%
Uzina de Construcții Mașini Hidroenergetice S.R.L. („UCMH”)	Manufacturing of engines and turbines	Resita, Romania	100%	100%

Source: Hidroelectrica

**Hidroserv** provides maintenance and repair services for the Group’s hydropower facilities, ensuring the operation of the associated hydropower installations. Its portfolio covers a wide range of technical services, including preventive and corrective maintenance, as well as specialised technical consultancy.

Since October 2016, Hidroserv has been undergoing insolvency proceedings, within which a reorganization plan was approved by the Creditors' Meeting in June 2020 and confirmed by the court appointed judge. As of 23 October 2023, Hidroserv successfully fully repaid all registered debts by making early payments for the amounts allocated to the final quarters listed in the "Final list of claims." As a result of the plan’s implementation, Hidroserv exited insolvency on 26 June 2025 and is now preparing for the launch of a new growth cycle.

**UCMH** specialises in the manufacture of equipment and mechanical components for hydropower plants and other energy facilities. It provides technical and production support to Hidroelectrica, contributing to the execution of the maintenance programme and to the refurbishment and modernisation of hydropower equipment and infrastructure.

On 22 February 2023, the company was declared the winner of the sale procedure for the ABC business lines and the Călnicel platform, previously owned by U.C.M. Reșița S.A. In January 2024, following approval by Hidroelectrica’s Extraordinary General Meeting of Shareholders, a new subsidiary, **Uzina de Construcții Mașini Hidroenergetice S.R.L.**, was established to take over the business from U.C.M. Reșița S.A. The new subsidiary’s main activity is the manufacture of engines and turbines (NACE code 2811).



### **Share capital and main characteristics of the shares issued by the Company**

The Company's fully subscribed and paid share capital of RON 4,498,025,670 is divided into 449,802,567 ordinary shares, nominative, freely transferable, fully paid, each with a nominal value of RON 10, issued in dematerialized form, with ISIN code RO4Q0Z5RO1B6 and traded on the regulated market administered by BSE under the symbol "H2O".

### **Group's main activities**

#### ***Generation of Electricity and System Services***

The Group produces electricity by operating 188 hydropower plants (including five pumping stations) and 36 wind turbines of 3MW each, objectives strategically located in eight branches on Romanian territory. The Company's hydropower assets include hydroelectric storage plants, waterline hydropower plants and pumping stations (the main production capacities are Porțile de Fier I and Porțile de Fier II ("Iron Gate I" and "Iron Gate II"), cumulating approximately 27% of the installed capacity and on average 40% of the total electricity produced in the last ten years).

Hidroelectrica entered the wind power generation sector through the acquisition of Crucea Wind Farm, which accounted for 4% of Romania's total wind capacity in 2022. Subsequently, the General Meeting of Shareholders approved the merger by absorption of the company into Hidroelectrica, effective 31 December 2022.

The electricity produced by the Company is capitalized on wholesale energy trading markets, but also on the retail market (by supply to end consumers).

Hidroelectrica is also the main system service provider in Romania, thus ensuring stability of operation of NPS. The Company provides ancillary services (also known as "ancillary technology services") to the national energy system operator, Transelectrica S.A. Thus, Transelectrica purchases system technology services from the Company, based on a procedure regulated by ANRE, on a contractual basis, in order to maintain the level of operational safety of the energy system and the quality of the energy transported at the parameters required by regulations in force.

#### ***Supply of electricity to end costumers***

The electricity market for end consumers in Romania is fully liberalised, meaning that all consumers can choose their electricity supplier and the offer that best meets their needs, with prices negotiated in a competitive market environment.

Starting 1 July 2025, the price cap scheme was removed, and prices are now set exclusively by the market. This change has strengthened the functioning of the competitive market, providing consumers with greater transparency and the ability to compare available offers.

The final supply price includes, in addition to the electricity price itself, regulated tariffs (costs for electricity transmission and distribution, the contribution to the high-efficiency cogeneration support scheme, and the cost of green certificates). Of the final price paid by the customer, Hidroelectrica retains only the portion corresponding to the electricity supplied; the remaining components are collected by Hidroelectrica solely as an intermediary and are transferred in full to the transmission and distribution operators, and to the administrations or special funds managing the cogeneration and green certificate support schemes.

## II. Key Events during the reporting period

### Publication of preliminary results

On 2 February 2025, Hidroelectrica Group published the preliminary key operational indicators for the 2024 financial year, and on 26 February the preliminary financial results for the year 2024 were communicated.

On 29 April 2025, the main preliminary key operational indicators of Hidroelectrica Group for the three-month period ended 31 March 2025 were published.

### GMS Meetings

On 25 February 2025, the **Hidroelectrica Management Board convened the OGMS for 31 March 2025**, following **the request of the shareholder Romanian State through the Ministry of Energy**, , with the following main items on the agenda:

- Approval of the form and content of Addendum no. 2 to the Mandate Agreement concluded with the members of the Supervisory Board of S.P.E.E.H. HIDROELECTRICA S.A., as proposed by the Romanian State shareholder through the Ministry of Energy.
- Approval of the mandate granted to the representative of the Romanian State shareholder through the Ministry of Energy in the Ordinary General Meeting of Shareholders of S.P.E.E.H. HIDROELECTRICA S.A. to sign Addendum no. 2 to the Mandate Agreement with the members of the Supervisory Board.
- Information to the Ordinary General Meeting of Shareholders regarding the Supervisory Board Report of S.P.E.E.H. Hidroelectrica S.A. for H1 2024.

All the items of the agenda were approved on the date of the meeting by the Company's shareholders with the majority of votes cast.

On 6 March 2025, **the Hidroelectrica Management Board convened the OGMS for 10 April 2025**. Following the request of the Romanian State shareholder through the Ministry of Energy to supplement the agenda, the main items submitted for approval, as per the amended convening notice, are as follows:

- Approval of the Revenue and Expenditure Budget of S.P.E.E.H. Hidroelectrica S.A. for 2025.
- Approval of the ratification and confirmation of the acts and/or actions undertaken and/or performed by KPMG Audit SRL, in its capacity as financial auditor, for the purpose of providing limited assurance on the sustainability reporting, in accordance with the requirements of Directive (EU) 2022/2464 on corporate sustainability reporting ("CSRD") and Delegated Act no. 5303/2023 on the European Sustainability Reporting Standards ("ESRS"), supplementing the CSRD Directive and transposed into national legislation by Ministry of Finance Order no. 85/2024 ("OMFP 85/2024"), for the financial year ended 31 December 2024, based on the contract and applicable legal and professional regulations, up to and including the date of this resolution.
- Revocation of the Supervisory Board members due to non-attributable causes, in order to fulfill the milestone no. 121 of the Romania's National Recovery and Resilience Plan, in accordance with the provisions of art. 36.10 of the Mandate Agreement (secret ballot).

- Election of provisional members of the Supervisory Board (secret ballot).
- Approval of the duration of the mandate of the interim members of the Supervisory Board elected in accordance with item 5, for a period of 5 months, in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.
- Establishing the gross fixed monthly remuneration of the interim members of the Supervisory Board elected in accordance with item 5, in the amount established in accordance with the Resolution of the Ordinary General Meeting of Shareholders no. 10/28.03.2023.
- Approval of the form of the Mandate Agreement to be concluded with the provisional members of the Supervisory Board elected according to item 5, in the form proposed by the Ministry of Energy.
- Mandating the representative of the Ministry of Energy in the OGMS to sign, on behalf of and for the Company, the mandate agreements of the provisional members of the Supervisory Board.
- Approval of the initiation of the selection procedure for the vacant Supervisory Board positions, in accordance with GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented. The selection procedure will be conducted by the Ministry of Energy, as the supervisory public authority.

During the **meeting held on 10 April 2025**, the OGMS s adopted the following decisions:

For **item 3** on the agenda, respectively:

Revocation of the Supervisory Board members due to non-attributable causes, in order to fulfill the milestone no. 121 of the Romania's National Recovery and Resilience Plan, in accordance with the provisions of art. 36.10 of the Mandate Agreement (secret ballot),

The OGMS approved the revocation, due to non-attributable causes, of the following Supervisory Board members:

- Mr. Petre-Iulian Nicolescu
- Mr. Mihai-Liviu Mihalache
- Mr. Cristian-Nicolae Stoina

For **item 5** on the agenda, respectively:

Appointment of provisional Supervisory Board members (secret ballot),

The OGMS appointed the following persons as provisional members of the Supervisory Board:

- Mr. Marius Persinaru
- Ms. Anca Mitu
- Mr. Ciprian-Mihail Ene

The remaining items on the agenda of the OGMS were approved by the Company's shareholders on the date of the meeting, with the majority of votes cast.



On 26 March 2025, the **Management Board of Hidroelectrica** convened the **Annual OGMS for 29 April 2025**, with the following main items on the agenda:

- Approval of the audited individual annual financial statements of S.P.E.E.H. Hidroelectrica S.A. as at and for the financial year ended 31 December 2024, prepared in accordance with the Order of the Minister of Public Finance (“O.M.F.P.”) no. 2844/2016.
- Approval of the audited consolidated annual financial statements of S.P.E.E.H. Hidroelectrica S.A. together with its subsidiary, as at and for the financial year ended 31 December 2024, prepared in accordance with O.M.F.P. no. 2844/2016.
- Approval of the audited consolidated annual financial statements of S.P.E.E.H. Hidroelectrica S.A. together with its subsidiary, as at and for the financial year ended 31 December 2024, prepared in accordance with the International Financial Reporting Standards (“IFRS”) adopted by the European Union (“IFRS-EU”).
- The Annual Report of S.P.E.E.H. Hidroelectrica S.A., including the Report of the Management Board and the Report of the Supervisory Board for the financial year ended 31 December 2024.
- Allocation of the net profit for the 2024 financial year, the total gross dividend amounting to RON 4,043,229,023, and the gross dividend per share amounting to RON 8.988897.
- Discharge of liability of the Supervisory Board and the Management Board for the financial year ended 31 December 2024.
- The 2024 Remuneration Report of the Supervisory Board and the Management Board.
- Presentation of the consolidated Revenue and Expenditure Budget of the Hidroelectrica Group for the year 2025.
- Approval of 4 June 2025 as the Registration Date, 3 June 2025 as the Ex Date, and 25 June 2025 as the Payment Date of dividends for the 2024 financial year.
- The Annual Performance Evaluation Report of the members of the Supervisory Board.

All agenda items of the OGMS were approved on the date of the meeting by the Company’s shareholders with the majority of votes cast.

On 19 June 2025, the **Management Board of Hidroelectrica** convened the **EGMS for 28 July 2025**, following requests from the shareholder, the Romanian State through the Ministry of Energy, and subsequently supplemented the agenda with an item regarding the appointment of the financial auditor. The main items on the agenda were:

- Approval of the key financial and non-financial performance indicators resulting from the Management Plan of S.P.E.E.H. Hidroelectrica S.A., which will constitute an annex to the mandate contracts of the members of the Supervisory Board and the Management Board of Hidroelectrica.
- Approval of the form and content of the Addendum to the mandate contract to be concluded with the members of the company’s Supervisory Board, in the form and content proposed by the Ministry of Energy.
- Approval of mandating the representative of the shareholder, the Romanian State through the Ministry of Energy, in the Ordinary General Meeting of Shareholders to sign the Addendum to the Mandate Contract with the members of the Supervisory Board.
- Approval of the full component of the selection plan related to the selection procedure for the vacant positions in the Supervisory Board.



- Approval of the appointment of the financial auditor of S.P.E.E.H. Hidroelectrica S.A., Ernst & Young Assurance Services SRL, for the provision of the services detailed in the substantiation note presented to the shareholders, for a period of three years, namely for the financial years 2025, 2026, and 2027.

All items on the agenda of the EGMS were approved on the date of the meeting by the shareholders of the company, with the majority of votes cast. Further details regarding the dismissal and election of members of the Supervisory Board can be found in the [Subsequent Events](#) section.

#### Appointment of the Chairman of the Supervisory Board and Composition of Advisory Committees

On 5 May 2025, the Supervisory Board decided to appoint Mr. Silviu-Răzvan Avram as Chairman of the Supervisory Board and approved the composition of the advisory committees as follows:

##### **Nomination and Remuneration Committee**

1. George Marius Toniuc – Chair
2. Silviu-Răzvan Avram – Member
3. Carmen Radu – Member
4. Ciprian-Mihail Ene – Member
5. Ana-Barbara Bobircă – Member

##### **Audit Committee**

1. Carmen Radu – Chair
2. George Marius Toniuc – Member
3. Silviu-Răzvan Avram – Member
4. Anca Mitu – Member
5. Ana-Barbara Bobircă – Member

##### **Risk Management Committee**

1. Silviu-Răzvan Avram – Chair
2. Marius Persinaru – Member
3. George Marius Toniuc – Member
4. Ana-Barbara Bobircă – Member
5. Ciprian-Mihail Ene – Member

##### **Governance and Sustainability Committee**

1. Ana-Barbara Bobircă – Chair
2. Anca Mitu – Member
3. George Marius Toniuc – Member
4. Carmen Radu – Member
5. Marius Persinaru – Member

## Other key events

### **Tender finalized for Li-ion storage system at Crucea Nord**

On 7 April 2025, Hidroelectrica announced the completion of the procurement procedure for the Li-ion battery storage installation at the Crucea Nord Wind Farm, through the signing of the contract with the selected bidder: the association formed by Prime Batteries Technology SRL and Enevo Group S.R.L.

The system will be installed at the Crucea Substation within the Crucea Nord Wind Farm, owned and operated by Hidroelectrica, and will have an installed power capacity of 108 MW.

The main objectives of the investment are to reduce internal imbalances at the wind farm, provide balancing services to the national power system, improve wind turbine performance, and reduce wear on the turbines' electromechanical systems.

The contract value is RON 79,832,242 (excluding VAT), and the implementation period is 12 months from the signing date.

Once commissioned, the storage installation will have a nominal power output of 36 MW and an energy storage capacity of 72 MWh.

### **Contract signed for photovoltaic project in Olt River plants**

On 9 May 2025, Hidroelectrica announced the signing of a turnkey works contract for the project titled "Harnessing Photovoltaic Potential at Power Plants Located along the Middle and Lower Sectors of the Olt River."

The contract was awarded following a competitive procedure, with Servelect SRL as the selected contractor and Electroplus SRL as subcontractor.

The contract value is RON 9,047,382.16 (excluding VAT), with an implementation timeline of 24 months — including 4 months for design and 20 months for execution. The photovoltaic system will include 620 W panels, 100 kW inverters, and energy optimizers, with a total installed panel capacity of 2,955.58 kW, and an estimated annual energy output of 3,710.87 MWh.

This investment marks a milestone for the company, representing Hidroelectrica's first project involving the installation of photovoltaic panels. The project aims to harness the region's solar potential by developing renewable electricity production systems, reduce CO<sub>2</sub> emissions, and network losses (NL), thus contributing to production cost optimization and more efficient operation and monetization of the energy produced through the synergy between photovoltaic and hydropower generation.

### **Closure of the insolvency proceedings of S.S.H. Hidroserv S.A.**

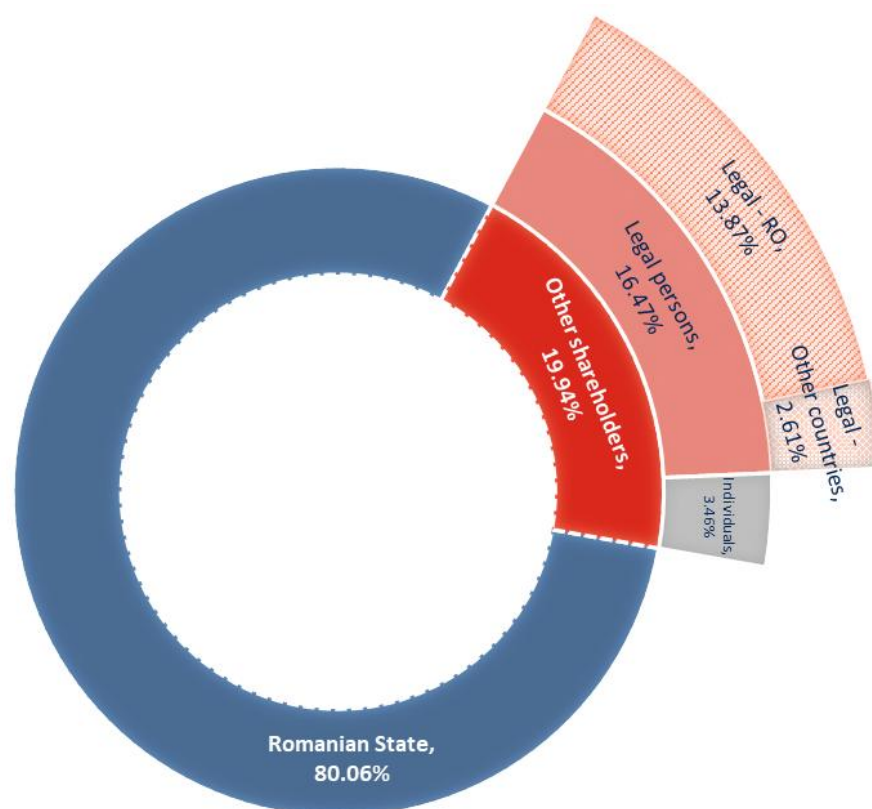
In accordance with the decision pronounced on 25 June 2025 by the Bucharest Tribunal, in case no. 36365/3/2016, the court closed the insolvency proceedings against the debtor S.S.H. Hidroserv S.A., a subsidiary of Hidroelectrica, by reintegration into the economic circuit. It should be recalled that on 10 October 2016, S.S.H. Hidroserv S.A. entered general insolvency proceedings, in accordance with the provisions of Law No. 85/2014.

### Market Maker Services

Starting from 7 March 2025, Hidroelectrica informs shareholders and investors that it benefits from Market Maker services provided by BRK Financial Group, a participant in the BVB trading system, which has undertaken the role of supporting the liquidity of the shares. The provider will display firm buy and sell quotations for a minimum volume of 11,000 shares for at least 90% of the trading session, with a maximum spread of 2.5%.

## III. Shareholders Structure and Share Price Evolution

### Shareholder structure as at 30 June 2025

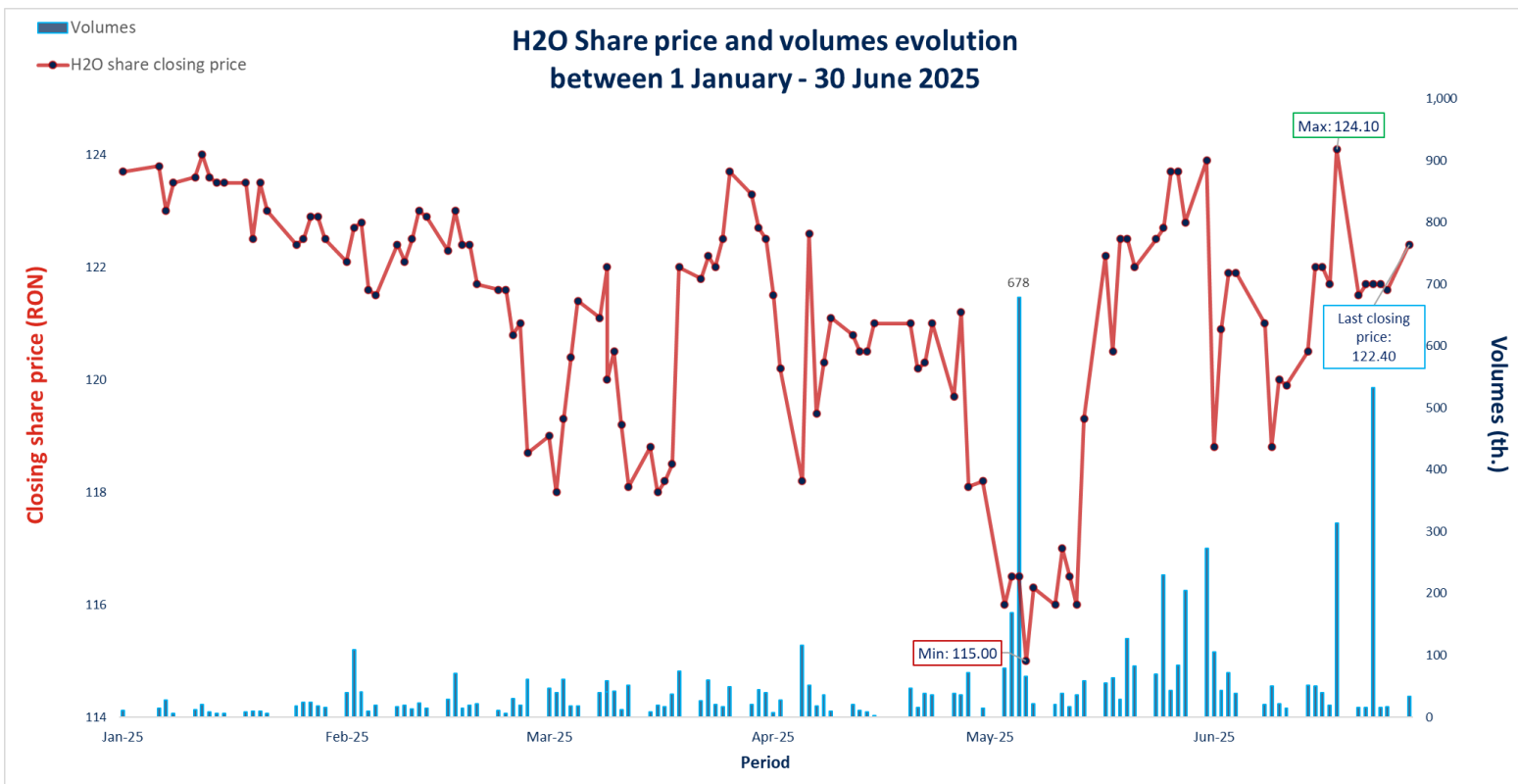


Shareholder	Ownership	Percentage of ownership in the share capital
Romanian State through Ministry of Energy	360.094.390	80,0561%
Legal persons	74.116.246	16,4775%
Individuals	15.591.931	3,4664%
<b>Total</b>	<b>449.802.567</b>	<b>100,0000%</b>

Source: Depozitarul Central, Hidroelectrica



During the period 1 January – 30 June 2025, according to information published by the Bucharest Stock Exchange (BVB), Hidroelectrica shares recorded a minimum closing price of RON 115 (8 May 2025) and a maximum closing price of RON 124.10 (20 June 2025), with an average price of RON 121.06.



Source: BSE, Hidroelectrica

As of 30 June 2025, Hidroelectrica ranked third in the BSE trading volume top for the one-year period, and on the same date the company held the first position in the ranking of Romanian-listed companies by market capitalisation, with a market value of RON 55 billion.

## IV. Financial Results at and for the period of three and six months ended on 30 June 2025

### 1. Financial Indicators

<i>RON million</i>			
<b>Indicators</b>	<b>6M 25</b>	<b>6M 24</b>	<b>Change (%)</b>
Revenue	4,315	5,150	-16%
EBITDA	2,201	3,476	-37%
Operating Profit	1,751	3,027	-42%
Profit for the period	1,587	2,690	-41%
Basic and diluted earnings per share	3,53	5,98	-41%

Source: Hidroelectrica

<b>Indicators</b>	<b>Calculation method</b>	<b>30 June 2025</b>
Current liquidity indicator	Current assets/Current liabilities	3.07
Degree of indebtedness	Borrowed capital/Own capital x 100	1.65
Degree of indebtedness	Borrowed capital/capital employed x 100	1.62
Trade Receivables turnover	Average Trade Receivable balance/Revenue x 180	69.44
Non-current assets turnover	Revenue/Non-current assets	0.22

Source: Hidroelectrica

### Q2 2025

<i>RON million</i>			
<b>Indicators</b>	<b>Q2 24</b>	<b>Q2 23</b>	<b>Change (%)</b>
Revenue	2,447	2,614	-6%
EBITDA	1,335	1,746	-24%
Operating Profit	1,108	1,520	-27%
Profit for the period	998	1,364	-27%
Basic and diluted earnings per share	2.22	3.03	-27%

Source: Hidroelectrica

### 2. Net Debt/ (Cash) Adjusted

<i>RON million</i>		<b>30 June 2025</b>
Bank borrowings		260
Lease liabilities		76
Cash and cash equivalents		(1,258)
Short-term Investments ( investments in corporate bonds and deposits)		(2,112)
Adjusted Net Debt/(Cash)		(3,034)
Adjusted EBITDA		2,200
Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio		(1.38)

Source: Hidroelectrica

### 3. Breakdown of revenue

		6M 25	6M 24	Change (%)
Generation Energy Sold (Net)	GWh	6,068	8,293	-27%
External Acquisitions	GWh	674	416	62%
<b>Total Energy Sale</b>	<b>GWh</b>	<b>6,742</b>	<b>8,709</b>	<b>-23%</b>
<i>Wholesale Energy Sold</i>	<i>GWh</i>	<i>3,235</i>	<i>5,636</i>	<i>-43%</i>
Wholesale Price	RON / MWh	522	441	18%
<b>Wholesale Revenue</b>	<b>RON million</b>	<b>1,687</b>	<b>2,486</b>	<b>-32%</b>
<i>Quantity of electricity-Supply</i>	<i>GWh</i>	<i>3,260</i>	<i>2,488</i>	<i>31%</i>
Supply Prices (ex pass through)	RON / MWh	431	454	-5%
<b>Supply Revenue related to active energy</b>	<b>RON million</b>	<b>1,405</b>	<b>1,130</b>	<b>24%</b>
<b>Transferred costs (pass trough)</b>	<b>RON million</b>	<b>891</b>	<b>723</b>	<b>23%</b>
<i>Quantity of electricity - Balancing</i>	<i>GWh</i>	<i>110</i>	<i>285</i>	<i>-61%</i>
Balancing Price	RON / MWh	1,532	1,580	-3%
<b>Balancing Revenue</b>	<b>RON million</b>	<b>169</b>	<b>450</b>	<b>-62%</b>
<b>System Services (STS) Revenue</b>	<b>RON million</b>	<b>101</b>	<b>191</b>	<b>-47%</b>
<b>Other revenues from customer contracts, out of which:</b>	<b>RON million</b>	<b>62</b>	<b>170</b>	<b>-64%</b>
Positive imbalances revenue*	RON million	(18)	(248)	-93%
Power reduction services revenue	RON million	43	358	-88%
Redistribution of additional revenues	RON million	32	60	-47%
<b>Revenue</b>	<b>RON million</b>	<b>4,315</b>	<b>5,150</b>	<b>-16%</b>

\* The quantity of positive imbalances recorded in the 6-month period ended 30 June 2025 is 136 GWh (six-month period ended 30 June 2024: 301 GWh)

Source: Hidroelectrica

#### Generation Energy Sold (Net)

In the first half of 2025, net electricity production was 6,068 GWh, decreased by 27% compared to H1 2024. After a start of the year marked by a sharp drop in production due to unfavourable hydrological conditions, namely a period of severe hydrological drought, with the Danube's average flow in Q1 2025 at only 4,257 m<sup>3</sup>/s, approximately 40% lower than in the same period of 2024, **the company achieved a significant recovery in Q2.**

#### Wholesale Revenue

In the period January–June 2025, the average wholesale selling price recorded a significant increase of approximately 18% compared to the same period of the previous year. This increase was mainly driven by trading on the forward markets, following the removal of the regulated MACEE mechanism as of 1 January 2025. Trading on the forward markets allowed the company to secure better prices

for the electricity sold, thereby helping to mitigate the impact of low hydrology on wholesale segment revenues.

In the short term, particularly compared to Q1 2024, the reduction in quantities available for sale limited the company's ability to fully capitalise on the wholesale revenue increase. Nevertheless, Hidroelectrica adapted quickly by intensifying forward trading and optimising the production–trading mix, which had a significant impact on increasing the average selling price and protecting the commercial margin during a period of low volumes. This approach offset the Q1 deficit, leading to a 32% decrease in wholesale segment revenues compared to the same period of 2024, versus a 53% drop in Q1.

#### *Supply Revenue related to active energy*

Supply revenues increased by 24% to RON 1,405 million in the first six months of 2025, from RON 1,130 million in the same period of 2024. This performance reflects both an expansion of the customer base and the effective adjustment of the commercial policy in challenging competitive conditions.

The revenue growth was driven by a higher volume of electricity supplied to end consumers (31%), although this positive effect was partially offset by lower average selling prices (–5%), indicating commercial adaptation to market conditions and the maintenance of competitiveness. Against the backdrop of reduced own production, the expansion of the supply segment represents a strategic repositioning: the company is shifting from an “asset-centric” profile (high margins, hydrological volatility) to a “client-centric” one (revenue stability but higher exposure to market and operational risks, integrated with trading activities).

The strategic significance of such an evolution lies in:

- Hydrological risk diversification – a higher share of supply mitigates dependence on hydrology and seasonality. Revenues become less correlated with hydrology but more exposed to purchase prices and trading efficiency.
- Commercial anchoring – a larger customer portfolio (both household and non-household) ensures recurring demand and long-term bargaining power, facilitating forward contracting and optimisation of the average energy cost.
- Platform for RES integration – the supply activity generates demand that can be strategically met through acquisitions and/or the development of new generation capacities, structurally reducing price risk and exposure to the spot market.

The reduction in selling prices applied by the company was mainly influenced by pronounced electricity market volatility, which caused significant fluctuations in the tariffs applied to end consumers. Another relevant factor was the change in the fiscal framework for energy producers, through the lowering of the threshold from which the windfall tax on additional revenues is applied, which indirectly eased pressure on prices in the supply chain.

Secondly, developments in the wholesale market during previous reporting periods, characterised by an imbalance between supply and demand in favour of the former, led to the formation of a surplus of available energy, with a downward effect on trading prices. This market context allowed

competitive suppliers to access electricity at lower costs, which directly influenced the resale prices in the retail segment.

To remain competitive in an environment characterised by increased pressure on commercial margins and high customer mobility, the company adjusted the structure of its commercial offers accordingly, aiming both to maintain the attractiveness of its products and to retain its existing customer portfolio..

### *Balancing Revenues*

Balancing revenue decreased by 62%, to RON 169 million in the first six months of 2025 from RON 450 million in the same period of 2024. The decrease is due to a 61% reduction in the volume of energy in the first six months of 2025 compared to the same period in 2024.

### *Other revenues from customer contracts*

Other revenues from customer contracts decreased by 64%, to RON 62 million in the six-month period ended 30 June 2025, from RON 170 million in the same period of 2024. The evolution of these revenues is influenced by the behavior of the other participants in the electricity market regarding the management of imbalances. The increase in prices recorded on the market for positive imbalances resulted in a RON 230 million increase in Group revenues from positive imbalances during the first six months of 2025 compared to the same period of 2024. At the same time, revenues from power reduction services recorded in the generation segment decreased by RON 315 million compared to the same period of the previous year.

## Q2 2025

		Q2 25	Q2 24	Change (%)
Generation Energy Sold (Net)	<i>GWh</i>	3,414	3,997	-15%
External Acquisitions	<i>GWh</i>	478	236	103%
<b>Total Energy Sale</b>	<b><i>GWh</i></b>	<b>3,901</b>	<b>4,234</b>	<b>-8%</b>
<i>Wholesale Energy Sold</i>	<i>GWh</i>	2,104	2,738	-23%
Wholesale Price	<i>RON / MWh</i>	517	446	16%
<b>Wholesale Revenue</b>	<b><i>RON million</i></b>	<b>1,089</b>	<b>1,221</b>	<b>-11%</b>
<i>Quantity of electricity-Supply</i>	<i>GWh</i>	1,656	1,170	42%
Supply Prices (ex pass through)	<i>RON / MWh</i>	453	435	4%
<b>Supply Revenue related to active energy</b>	<b><i>RON million</i></b>	<b>751</b>	<b>509</b>	<b>48%</b>
<b>Transferred costs (pass trough)</b>	<b><i>RON million</i></b>	<b>424</b>	<b>343</b>	<b>24%</b>
<i>Quantity of electricity - Balancing</i>	<i>GWh</i>	55	191	-71%
Balancing Price	<i>RON / MWh</i>	1,497	1,602	-7%
<b>Balancing Revenue</b>	<b><i>RON million</i></b>	<b>82</b>	<b>305</b>	<b>-73%</b>
<b>System Services (STS) Revenue</b>	<b><i>RON million</i></b>	<b>60</b>	<b>126</b>	<b>-52%</b>
<b>Other revenues from customer contracts, out of which:</b>	<b><i>RON million</i></b>	<b>41</b>	<b>110</b>	<b>-63%</b>
Positive imbalances revenue*	<i>RON million</i>	<b>(13)</b>	<b>(129)</b>	<b>-90%</b>



Power reduction services revenue	RON million	36	214	-83%
Redistribution of additional revenues	RON million	15	24	-38%
<b>Revenue</b>	<b>RON million</b>	<b>2,447</b>	<b>2,614</b>	<b>-6%</b>

\* The quantity of positive imbalances recorded in the 3-month period ended 30 June 2024 is 135 GWh (three-month period ended 30 June 2023: 211 GWh)

Source: Hidroelectrica

## 4. Operating Expenses

	6M 2025	6M 2024	Change
<i>Costs breakdown</i>	RON million	RON million	%
Turbinated water	228	311	-27%
Employee benefits expenses	471	370	27%
Transport and distribution of electricity	736	599	23%
Electricity purchased	225	47	378%
Green certificates expenses	162	112	45%
Depreciation and amortization	440	447	-2%
Impairment loss on property, plant and equipment and intangible assets, net	(1)	(1)	-13%
Impairment loss on trade receivables, net	2	2	41%
Repair, maintenance, materials and consumables	51	25	102%
Tax for electricity producers	120	90	34%
Other operating expenses	152	144	6%

Source: Hidroelectrica

### *Turbinated water*

Turbinated water expenses decreased by 27%, to RON 228 million in the six-month period ended 30 June 2025 from RON 311 million in the same period of 2024. This decrease was caused by the decrease in the quantity of energy produced in the first six months of 2025 as compared to the same period in 2024 as a result of unfavorable hydrological conditions.

### *Employee benefits expenses*

Employees benefits expenses increased by 27% to RON 471 million in the six-month period ended 30 June 2025, from RON 370 million in the same period of 2024. This increase was primarily driven by salary adjustments resulting from negotiations with the employees' union, effective from July 2024 and May 2025. Additionally, the rise reflects an increase in the Group's average number of employees, mainly due to the acquisition of UCM Reșița in March 2024.

### *Transport and distribution of electricity*

Electricity transport and distribution expenses increased by 23% to RON 736 million in the six-month period ended 30 June 2025, from RON 599 million in the same period of 2024. The increase in transport and distribution costs in the first six months of 2025 compared to the same period in 2024 is driven mainly by a 31% increase in the volume of electricity supplied, as well as an average 13% rise in distribution tariffs effective from 1 January 2025.

### Electricity purchased

The electricity purchased increased by 378% to RON 225 million in the six-month period ended 30 June 2025, from RON 47 million in the same period of 2024. This evolution is mainly due to the lower energy production, the increase in the quantity of electricity required for the supply segment, as well as the increase in the average prices related to negative imbalances.

### Green certificates expenses

The green certificates expenses increased by 45% to RON 162 million in the six-month period ended 30 June 2025, from RON 112 million in the same period of 2024. This increase is mainly due to the higher volume of electricity supplied.

## Q2 2025

	Q2 2025	Q2 2024	Change
<i>Costs breakdown</i>	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Turbinated water	129	151	-15%
Employee benefits expenses	252	194	30%
Transport and distribution of electricity	354	255	39%
Electricity purchased	130	36	257%
Green certificates expenses	79	55	42%
Depreciation and amortization	220	225	-2%
Impairment loss on property, plant and equipment and intangible assets, net	(1)	(1)	-16%
Impairment loss on trade receivables, net	(29)	(2)	1168%
Repair, maintenance, materials and consumables	27	10	164%
Tax for electricity producers	104	90	100%
Other operating expenses	77	86	-10%

Source: Hidroelectrica

## 5. Investment activity

	6M 25	6M 24	Change
	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Development Project CAPEX	34	56	-39%
Refurbishment CAPEX	56	25	128%
Maintenance CAPEX	33	22	47%
Standalone equipment and machinery	11	5	137%
<b>TOTAL INVESTMENTS</b>	<b>135</b>	<b>108</b>	<b>25%</b>

Source: Hidroelectrica

The investments presented above are financed from internal sources.

### Development Project CAPEX

In the first six months of 2025, investment achievements in development projects amounted to a total of RON 34 million, RON 22 million less than in the same period of the previous year. The variance is



mainly due to the typology and specifics of Gantt charts, which differ depending on the stage of the projects, as well as to various constraints and conditions associated with them.

The total value of achievements related to development projects is distributed as follows:

1. **Ongoing investments:** For 2025, Hidroelectrica budgeted **RON 188 million** for the continuation of major development projects. As of 30 June 2025, a total of 9 projects were under implementation:
  - Pașcani Hydropower Development (AHE Pașcani)
  - Răstolița Hydropower Development (AHE Răstolița)
  - Surduc–Siriu Hydropower Development (AHE Surduc–Siriu)
  - Cerna–Belareca Hydropower Development (AHE Cerna–Belareca)
  - Bistra–Poiana Mărului Hydropower Development (AHE Bistra–Poiana Mărului)
  - Jiu River Hydropower Development, Livezeni–Bumbești section (AHE Jiu Livezeni–Bumbești)
  - Olt Gorge Hydropower Development (Lotrioara–Câineni–Racoviță)
  - Cerna–Motru–Tismana Stage II Hydropower Complex and Vânători Hydropower Plant (CHE Vânători)
2. **New investments:** For 2025, SPEEH Hidroelectrica budgeted **RON 135 million** for new development projects. In the first half of the year, investments were launched in **photovoltaic energy projects** (Tudor Vladimirescu PV Plant, Nufărul Floating PV Pilot Project, Țara Hațegului PV Park), as well as in **energy storage projects** (Li-ion storage facility in Crucea Nord Wind Farm).

In addition to ongoing contracts, the company is advancing the implementation of new projects at various stages of competitive procurement processes, such as the modernisation of equipment at Nehoiășu II HPP (AHE Surduc–Siriu) and at the Pașcani Dam (AHE Pașcani), the implementation of the Nufărul Floating PV Pilot Project, and the installation of solar panels on power generation infrastructure in the middle and lower sectors of the Olt River.

A significant achievement in H1 2025 was the signing of the contract for the photovoltaic project at hydropower plants along the middle and lower Olt River. The contract, valued at RON 9 million and awarded through a competitive procedure, was signed on 9 May 2025 for turnkey delivery within 24 months. The project aims to increase renewable electricity generation capacity by installing rooftop photovoltaic systems on 20 hydropower plants owned by Hidroelectrica in the middle and lower Olt sector. The PV system consists of 620 W panels, 100 kW inverters, and power optimisers, with an installed panel capacity of 2,955.58 kW and an expected annual output of 3,710.87 MWh. This investment marks a first for the company, being the first rooftop PV project within Hidroelectrica.

The signing of this contract is a first step towards achieving Hidroelectrica’s objective of harnessing photovoltaic potential by building renewable electricity generation systems (SPER), reducing CO<sub>2</sub> emissions, and cutting own technological consumption (CPT), with the effect of optimising production costs and improving the operation and valorisation of generated electricity, thanks to synergies between PV and hydropower capacities on site.

In addition, on 7 April 2025, the procurement procedure for the Li-ion battery storage facility at Crucea Nord Wind Farm was finalised, with the signing of the contract with the winning bidder. The implementation period is 12 months. The facility will be installed at the Crucea Substation in Crucea Nord Wind Farm, owned and operated by Hidroelectrica, with an installed capacity of 108 MW. The main purpose of the investment is to reduce internal imbalances at the wind farm in Hidroelectrica's portfolio, provide balancing services to the National Energy System, improve wind turbine performance, and reduce wear on turbine electromechanical systems. Once commissioned, the storage facility will have a nominal power of 36 MW and a nominal energy storage capacity of 72 MWh.

The integration of storage systems and solar sources into existing infrastructure strengthens Hidroelectrica's position as a 100% green energy supplier and as an operator capable of ensuring continuity and security of electricity supply and the safe, stable operation of the National Energy System, regardless of natural conditions or market volatility.

For the resumption and completion of remaining works to commission projects, important actions were carried out in H1, including:

- **AHE Jiu Livezeni–Bumbești** – permits and agreements for basic works, cadastral and registration activities, technical expertise, SEN connection addendum.
- **AHE Răstolița** – Government Decision for removal from forest fund and partial land transfer; suspension of environmental permit.
- **AHE Surduc–Siriu** – procedures for obtaining environmental permit.
- **AHE Cornetu–Avrig** – land expropriations and documentation, revision of environmental permit with public debates and approval.
- **AHE Cerna–Belareca** – permits and approvals obtained, expropriation documentation, technical expertise, updated feasibility study.
- **Cerna–Motru–Tismana II Complex** – environmental permit procedure with public debate and approval.
- **AHE Cosmești–Movileni** – land expropriation procedures.
- **Tudor Vladimirescu PV Plant** – technical connection permit, construction authorisation, preparation for EPC procurement.

In the first half of 2025, Hidroelectrica initiated new investments with an impact on the structural transformation of its generation portfolio, targeting complementary technologies that are resilient to hydrological variability. These projects mark another stage in Hidroelectrica's transition from a model based predominantly on hydropower to a flexible, adaptable hybrid renewable portfolio, addressing both the objective of technological diversification and the need to mitigate systemic risks — in particular, hydrological risk.

#### *Refurbishment CAPEX*

The refurbishment activity, in line with Hidroelectrica's Investment Strategy, aims to implement the programme for promoting and carrying out modernisation and refurbishment projects for hydropower facilities. This is achieved through the preparation and promotion of refurbishment and modernisation projects for plants, hydro units, related installations, and substations, as well as

through the continuation of those already in progress, at various investment stages (procurement, design, execution, commissioning, warranty period monitoring, etc.).

**The budget allocated to refurbishment and modernisation projects in 2025 is RON 410 million, of which RON 212 million is intended for ongoing contracts, and RON 198 million for advance payments to start new contracts or continue existing ones, according to contractual clauses.**

In the first half of 2025, investments in refurbishment and modernisation projects totalled **RON 56 million – an increase of over 100%** compared to achievements in the first half of the previous year. The portfolio of projects for which refurbishment and/or modernisation works were continued or initiated includes:

- **Refurbishment of Stejaru HPP**
- **Refurbishment of Vidraru HPP**
- **Modernisation of Vaduri HPP** – improvement of hydro unit no. 2 and the 110 kV substation, as well as modernisation of the plant and dam equipment
- **Modernisation of Remeți HPP** – works on hydro unit no. 2 and the 110 kV substation, along with modernisations to the plant's installations, pressure node, and Drăgan dam
- **Modernisation of Arcești HPP** – modernisation of hydro unit no. 2 and replacement of automation and monitoring systems for unit no. 1
- **Modernisation of Stâncă HPP** – modernisation of the 110 kV substation
- **Modernisation of SHEN Iron Gates – Ostrovul Mare** – modernisation of the 110/20/0.6 kV substation
- **Modernisation of Târgu Jiu HPP and Vădeni HPP** – improvement of the 110 kV, 20 kV, and 6.3 kV substations
- **Refurbishment of the Romanian lock at SHEN Iron Gates I** – works to maintain and optimise navigation infrastructure
- **Modernisation of Iron Gates I HPP** – update of the rapid isolation valve (VIR) actuation systems
- **Modernisation of hydromechanical equipment – Iron Gates I HPP** – modernisation of the electrical and hydraulic installations of the spillway dam
- **Modernisation of hydromechanical equipment – Gogoșu HPP, Iron Gates II** – modernisation of the electrical and hydraulic installations of the spillway dam

Regarding the status of the refurbishment and modernisation programme, in addition to ongoing contracts, there are important projects at various stages of the procurement process, such as:

- **Refurbishment of Retezat HPP** – procurement procedure cancelled due to bids exceeding the budget; project under re-approval and documentation preparation for re-tendering
- **Refurbishment of Brădișor HPP** – procurement procedure in the second stage of competitive negotiation, with preparation of technical and financial proposals
- **Refurbishment of pumping stations Petrimanu, Lotru Aval, Jidoaia** – procurement procedure under review, with technical and financial proposals submitted
- **Refurbishment of Stejaru HPP** – contract in the process of being signed for the refurbishment of the pressure node and technical bid analysis for refurbishment of hydro units 1–4 and the plant's installations

- **Refurbishment of Mărișelu HPP** – open tender procedure cancelled due to lack of bids, feasibility study being updated to optimise the technical solution
- **UHE Iron Gates II – HA1** – procurement procedure ongoing for installation and commissioning of hydro unit no. 1 and auxiliary installations
- **Refurbishment of Gogoșu HPP** – technical and economic documentation prepared and under review for approval
- **Modernisation of substations at Golești HPP, Merișani HPP, Băiculești HPP, Budeasa HPP** – procurement procedure cancelled due to bids exceeding the budget; project under re-approval
- **Modernisation of substations at Moroieni HPP, Dobrești HPP, Scropoasa HPP** – procurement procedure ongoing, in the offer submission stage
- **Modernisation of substation at Vânători HPP** – procedure approved and prepared for publication
- **Modernisation of substation at Gilău I HPP** – procurement procedure ongoing, in the offer submission stage
- **Modernisation of SCADA DHE Olt** – procedure completed with contract in the process of being signed, subject to court appeal
- **Modernisation of automation and protection installations at Olt Superior** – technical and economic documentation in preparation for launching the procurement procedure.

#### *Maintenance CAPEX*

Investments in capitalised maintenance works – hydrotechnical constructions increased in the first six months of 2025 compared to the same period of the previous year, from RON 22 million to RON 33 million, representing a year-on-year variation of 47%.

Intervention works on constructions are complex in nature and fall entirely under the provisions of Law no. 10/1995 on construction quality. They require expert assessments, technical designs, obtaining approvals and permits, and execution by certified construction companies.

For 2025, a total of 34 works were planned for execution, with an estimated value of RON 53 million. By 30 June 2025, out of the 34 planned works, 15 had been contracted, with a total value of RON 28.8 million, of which 6 works had been completed, amounting to RON 6.57 million.

Investments in capitalised maintenance works – equipment increased from RON 14 million to RON 26 million, a 90% rise in H1 2025 compared to H1 2024. This was a direct consequence of the 128% increase in the budgeted value for 2025 compared to 2024, from RON 74 million to RON 169 million. Annual planning of maintenance services/works is established according to the maintenance needs of hydropower equipment and installations.

The increase in allocations for refurbishment (+47%) and maintenance (+58%) in 2025 reflects a proactive approach, through which the company aims to mitigate the impact of lower production by improving the technical availability of equipment, reducing technological losses, and preventing incidents.

## 6. Cashflow

	6M 2025	6M 2024	Change
	RON million	RON million	%
Net cash from operating activities	1,967	3,730	-47%
Net cash from investing activity	1,400	2,785	-50%
Net cash used in financing activities	(3,691)	(5,834)	-37%
Net increase/(decrease) in cash and cash equivalents	(323)	682	146%
Cash and cash equivalents at 1 January	1,582	408	288%
Cash and cash equivalents at 30 June	1,258	1,089	16%

Source: Hidroelectrica

### Net cash from operating activities

Net cash from operating activities amounted to RON 1,967 million in the six-month period ended 30 June 2025 as compared to net cash from operating activities of RON 3,730 million in the same period of 2024. This decrease is mainly due to the increase in the working capital by RON 720 million, influenced by the change in trade receivables, and the decrease in net profit by RON 1,100 million in the first six months of 2025 compared to the same period of 2024. As a result, there is a 47% decrease in net cash from operating activities in the first six months of 2025, compared to the same period of 2024.

### Net cash from investing activity

Net cash from investing activities amounted to RON 1,397 million in the six-month period ended 30 June 2025 as compared to the net cash from investing activities used of RON 2,785 million in the same period of 2024. This decrease was mainly driven by lower net cash inflows from investment-purpose deposits, as a result of lower operating results.

### Net cash used in financing activities

Net cash used in financing activities amounted to RON 3,691 million in the six-month period ended 30 June 2025, compared to net cash used in financing activities amounted to RON 5,834 million in the six-month period ended 30 June 2024. The variation reflects a RON 2,147 million decrease in dividends paid during the first six months of 2025 compared to the same period in 2024, following the lower profit recorded in the 2024 financial year versus 2023.

## Q2 2025

	Q2 2025	Q2 2024	Change
	RON million	RON million	%
Net cash from operating activities	984	1,287	-24%
Net cash from investing activity	3,233	5,016	-36%
Net cash used in financing activities	(3,664)	(5,809)	-37%
Net increase/(decrease) in cash and cash equivalents	553	494	-12%
Cash and cash equivalents at 1 January	705	596	18%
Cash and cash equivalents at 30 June	1,258	1,089	15%

Source: Hidroelectrica

## 7. Financial position

<i>RON million</i>	<b>30 June 2025 reviewed</b>	<b>31 December 2024 audited</b>	<b>Change %</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	19,531	19,848	-2%
Intangible assets	37	22	68%
Other non-current assets	277	277	0%
<b>Total non-current assets</b>	<b>19,845</b>	<b>20,147</b>	<b>-1%</b>
<b>Current assets</b>			
Inventories	107	94	14%
Trade receivables	1,696	1,634	4%
Investments in corporate bonds and deposits	2,112	3,476	-39%
Cash and cash equivalents	1,258	1,582	-20%
Restricted cash	30	21	43%
Other current assets	110	24	358%
<b>Total current assets</b>	<b>5,313</b>	<b>6,830</b>	<b>-22%</b>
<b>Total assets</b>	<b>25,158</b>	<b>26,977</b>	<b>-7%</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5,527	5,527	0%
Revaluation reserve	11,316	11,549	-2%
Other reserves	1,026	1,026	0%
Retained earnings	2,526	4,749	-47%
<b>Total equity</b>	<b>20,395</b>	<b>22,851</b>	<b>-11%</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank borrowings	165	208	-21%
Lease liabilities	66	70	-6%
Deferred income	199	202	-1%
Current income tax liabilities	-	8	-100%
Deferred tax liabilities	1,445	1,460	-1%
Employee benefits	128	129	-1%
Provisions	975	944	3%
Other payables	53	53	0%
<b>Total non-current liabilities</b>	<b>3,031</b>	<b>3,074</b>	<b>-1%</b>
<b>Current liabilities</b>			
Bank borrowings	95	93	2%
Lease liabilities	10	9	11%
Trade payables	530	430	23%
Contract liabilities	112	98	14%
Current tax liabilities	194	60	223%
Deferred income	12	6	100%
Employee benefits	94	147	-36%
Provisions	105	82	28%
Tax for electricity producers	24	2	1100%
Other payables	557	124	349%



HIDROELECTRICA

<i>RON million</i>	<b>30 June 2025 reviewed</b>	<b>31 December 2024 audited</b>	<b>Change %</b>
<b>Total current liabilities</b>	<b>1,731</b>	<b>1,051</b>	<b>65%</b>
<b>Total liabilities</b>	<b>4,763</b>	<b>4,125</b>	<b>15%</b>
<b>Total equity and liabilities</b>	<b>25,158</b>	<b>26,977</b>	<b>-7%</b>

Source: Hidroelectrica

### *Investments in deposits*

Investments in deposits decreased by 39% to RON 2,112 million as at 30 June 2025 from RON 3,476 million as at 31 December 2024. This increase was mainly driven by the payment of dividends distributed from the financial year 2024 results.

### *Other non-current assets*

Other non-current assets as at 30 June 2025 increased by 307% to RON 277 million, from RON 68 million as at 31 December 2024. The increase relates to investment prepayments that were reclassified from current to non-current, in line with their nature.

### *Other current assets*

Other current assets as at 30 June 2025 decreased by 53% to RON 110 million, from RON 232 million as at 31 December 2024. The decrease relates to investment prepayments that were reclassified from current to non-current, in line with their nature.

### *Trade payables*

Trade payables at 30 June 2025 increased by 23% to RON 530 million from RON 430 million at 31 December 2024. The increase was primarily due to the purchase of green certificates for the second quarter of 2025, liability that was not included in the balance at the end of 2024, as it was paid in December.

### *Current Tax Liabilities*

Short-term current tax liabilities at 30 June 2025 increased by 223% to RON 194 million from 60 million RON at 31 December 2024. The increase was primarily due to the fiscal incentives the Group benefited from in 2024, reflected in the tax liabilities computed for fourth quarter. Additionally, the net profit recorded in second quarter of 2025 was higher than that of fourth quarter of 2024.

### *Employee benefits*

Short-term employee benefits at 30 June 2025 decreased by 36%, to RON 94 million, from RON 147 million as at 31 December 2024. The decrease was caused by the payment, in the first half of 2025, of the variable component and employee profit-sharing related to the year 2024.

### *Other payables*

Other short-term payables at 30 June 2025 increased by 349% to RON 557 million from RON 124 million at 31 December 2024. The increase was mainly driven by the withholding tax on dividends paid in June for the 2024 financial results.

## 8. Related party transactions

On 13 February 2025, Hidroelectrica reported the transactions carried out between Hidroelectrica and Exim Banca Românească during the period 28 June 2024 – 10 January 2025, prepared in accordance with the provisions of Article 108 of Law No. 24/2017 on issuers of financial instruments and market operations, as republished.

On 30 January 2025 and 30 July 2025, the financial auditor issued the independent limited assurance reports on the significant transactions with related parties reported by Hidroelectrica for H2 2024 and H1 2025, respectively.

The significant transactions with related parties are presented in the Notes to the Financial Statements attached to this report (Note 20).

The legal acts concluded during the period 1 January – 30 June 2025 under the conditions of paragraphs (1) and (3) of Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises are attached to this report, following the Financial Statements.

## V. Litigations

The main litigations involving the Group, with a potential exposure of RON 195 million as at 30 June 2025 and 31 December 2024, are disclosed as contingent liabilities:

- ***Litigation with Tax authorities***

**Potential exposure: RON 64 million as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroelectrica

File no. 638/2/2024 and 1962/2/2024

Subject matter: Annulment of Tax Decision No. A-DAF 6890/11.05.2023

Tax for electricity producers was subject to multiple changes with respect to the method of computation during 2022. The latest change was instated through Law no. 357/2022, which was published on 16 December 2022. The Company applied the provisions of the law starting with 16 December 2022.

The Company was subject to a tax control by the General Antifraud Division of ANAF on the tax for electricity producers. As per the control report on 11 April 2023, the tax authorities applied the



changes introduced by the law retroactively starting 1 September 2022 and therefore computed additional tax of RON 62 million.

On 28 April 2023 the Company received the imposing decision for the amount of RON 62 million. The Group challenged the imposing decision within the procedural term, the challenge being rejected by the General Division for Solving Disputes within the Finance Ministry.

The Company argued in its Court application that successive changes of legislation regarding the calculation methodology of the tax for electricity producers can only be applicable for the future, starting with the date of publication of legislative amendments and not retroactively, as tax authorities considered.

On 17 December 2024, the court ruled in favor of Hidroelectrica and ordered the reimbursement to the claimant of the amount of RON 62 million. The Court of Appeal's decision was communicated on 17 July 2025; the file may be subject to an appeal.

On 7 August 2023 the Company received a decision regarding interest and penalties in the amount of RON 1.5 million related to the previously mentioned imposing decision. The Group challenged the decision, initiating proceedings before the Court of Appeal under file no. 1962/2/2024. The file is suspended until the final resolution of case no. 638/2/2024. In relation to the ruling in file no. 638/3/2024, the management believes that the dispute in file no. 1962/2/2024 will also be ruled in the Group's favor.

- ***Litigation with Hidroconstructia SA***

**Potential exposure: RON 99 million as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroconstructia SA

File no. 12257/3/2022

Subject-matter: Termination of Contract no. 672/1989 regarding the Fagaras-Hoghiz investment project; claims

Hidroconstructia SA filed claims to recover RON 99 million consisting of unrealized profits as a result of the suspension by Hidroelectrica of the construction works related to the Fagaras Hoghiz investment project. Also, Hidroconstructia requested the court to enforce the termination of the underlying contract.

In January 2023, the Court ruled in favor of the Company, rejecting Hidroconstructia's claims. The decision was appealed by Hidroconstructia.

On 12 October 2023, the Court of Appeal set aside the first Court ruling and granted a new hearing on the merits. On 3 July 2025, the court partially admitted the statement of claim, ordering the termination of the contract, while dismissing the remaining claims as unsubstantiated. The file may be subject to an appeal once the Court of Appeal's decision is drafted and communicated.



Based on the legal analysis of the Hidroconstructia claims, the management considers the statement of claims as unsubstantiated. Considering the above, management estimates that the litigation will be ruled in favor of the Group and consequently an outflow of resources is not probable.

- ***Litigation with Hidroconstructia SA***

**Potential exposure: RON 33 million as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroconstructia SA

File no. 44443/3/2016, currently File no. 11314/3/2021

Subject-matter: Claims - the equivalent value of the costs generated by the cessation of construction works related to investment projects in progress.

Hidroconstructia SA claims the costs generated by the suspension of construction works rendered before the Company's insolvency. The Group argues that such claims have no grounds considering the insolvency process of Hidroelectrica and the fact that the claimant lost its right to claims as it failed to register the claim in the table of creditors.

In March 2018 the first Court rejected the claims of Hidroconstructia SA. This ruling was contested by Hidroconstructia SA. The Group also contested the ruling, as it provided for legal fees for Hidroelectrica.

In April 2019 the Court of appeal sent the case back to the first court for reexamination. The dispute was reopened by the first Court (file no. 11314/3/2021).

In April 2022, the Court requested an expertise report in hydrotechnical constructions and an accounting expertise report to be performed by independent experts. Currently, the expert report is being drafted, next term being on 16 September 2025.

Based on the initial first Court ruling, management estimates that the litigation will be ruled in favor of the Group and consequently an outflow of resources is not probable.

## VI. Risk Management

### *Strategic Risk Management at Company Level*

Hidroelectrica plays an essential role in Romania's energy system, being the leader in electricity production and a key provider of technological services for the National Power System. Due to the nature of its operations, the company is exposed to complex risks, and their effective management is a strategic priority. The Management Board continuously monitors the risk management system, assessing long-term sustainability and medium-term liquidity.

### *Climate Risks and Infrastructure Adaptation*

The increasing frequency of extreme weather events highlights the impact of climate change on economic activities. Hidroelectrica implements proactive measures, such as programmes to reduce



the risk of water shortages and floods, strengthening dam safety, investing in new generation capacities, and modernising critical infrastructure. Integrating climate considerations into decision-making processes is essential for maintaining operational resilience.

#### *Sustainability of Production Assets*

Hydropower facilities play a vital role in the country's energy security. Hidroelectrica invests in their modernisation and refurbishment, aiming to extend their lifespan, improve efficiency, and implement modern remote-control solutions (SCADA). The strategy also targets the development of new projects, alongside ensuring the maintenance of existing infrastructure.

#### *Exposure to Energy Price Volatility*

Fluctuations in energy market prices impact the company's revenues and margins. Hidroelectrica applies measures to mitigate price risk, including forward contracts, optimising production based on hydrological conditions, and controlling operating costs.

#### *Cybersecurity*

In the context of accelerated digitalisation and geopolitical risks, the company has strengthened its cyber defence systems through technical solutions, specific procedures, and continuous personnel training. Cyber threats are managed through a multi-layered approach focused on prevention and rapid response.

#### *Regulatory and Energy Policy Risks*

Hidroelectrica is exposed to legislative changes and decisions by authorities that may significantly affect operational activity and financial results. The company maintains constant dialogue with relevant authorities, aiming for quick adaptation to changes in both national and European regulatory policies.

#### *Compliance with Environmental Regulations*

The company operates under strict environmental protection and water management regulations. Activities are carried out in compliance with environmental permits, and the development of new capacities involves complex assessments, especially near protected natural areas. Continuous dialogue with environmental authorities supports compliance and the reduction of related risks.

#### *Health, Safety, and Environmental Protection (HSE)*

The company remains committed to responsible operations, targeting zero accidents and full compliance with all legal requirements. Hidroelectrica continuously monitors HSE risks, conducts training sessions, and promotes an organisational culture based on safety, responsibility, and sustainability.

Credit risk is presented in the Notes to the Financial Statements attached to this report (Note 17).

## VII. Subsequent Events

On 14 July 2025, the company informed stakeholders regarding gender representation within its governance structures. The Supervisory Board consists of 7 non-executive members, of which 4 are male and 3 are female. The underrepresented gender among non-executive members (female) accounts for 43%. **Thus, Hidroelectrica meets the objective set out in Article 109<sup>3</sup> letter a) of Law No. 24/2017, namely that “members of the underrepresented gender shall hold at least 40% of non-executive director positions,” with the share of the underrepresented gender among the non-executive members of the Supervisory Board standing at 43%.**

### Publication of preliminary key operational indicators

On 7 August 2025, the Group’s preliminary key operational indicators for the six-month period ended 30 June 2025 were published.

### GMS Meetings

On 10 July 2025, the **Management Board of Hidroelectrica convened the EGMS for 11 August 2025**, with the following main agenda items:

- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the Supervisory Board’s approval of the updated General Estimate as of 01.09.2024, based on prices valid at 31.08.2024, and the technical-economic indicators of the investment objective “Pașcani Hydropower Development.”
- Approval of the new technical-economic indicators of the investment objective “Răstolița Hydropower Development,” in line with the values resulting from the documentation “Optimisation and update of the technical-economic indicators of the Răstolița Hydropower Development investment objective” – 2025 edition, prepared by the Hidroelectrica Design Department.
- Approval of the implementation of the investment objective “Refurbishment of Râul Mare Retezat HPP,” according to the new technical-economic indicators resulting from the updated General Estimate and technical-economic indicators.
- Approval of the documentation required to obtain the Ownership Right Attestation Certificate for the land within the Portile de Fier I Hydrotechnical Node premises, owned by S.P.E.E.H. Hidroelectrica S.A.
- Approval of the documentation required to obtain the Ownership Right Attestation Certificate for the land within the MHC Baru Mare – Intake and Compensation Basin premises, owned by S.P.E.E.H. Hidroelectrica S.A.
- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the conclusion of the service procurement contract for “Renewal of SAP IS-U, S4HANA Subscriptions, SAP Support Services.”



- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the conclusion of certain transactions with other state-owned enterprises, pursuant to Art. 52 of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.

In the EGMS meeting held on 11 August 2025, all items on the agenda were approved by the Company's shareholders, with the majority of votes held.

On **28 July 2025, the OGMS was held**, with all items on the agenda being approved on the meeting date by the Company's shareholders, with the majority of votes cast. Further details on the agenda items can be found in the [Key events during the reporting period](#) section.

On 1 August 2025, the **Management Board of Hidroelectrica convened the OGMS for 8 September 2025**, following the request of the shareholder, the Romanian State through the Ministry of Energy, with the following main agenda items:

- Revocation of a provisional member of the Supervisory Board due to the expiry of their mandate on 09.09.2025 (secret ballot).
- Election of a provisional member of the Supervisory Board to fill the vacancy referred to in item (1) of the agenda (secret ballot), starting from 10.09.2025.
- Establishing the duration of the mandate of the provisional member elected under item (2) for a period of 2 months, in accordance with the provisions of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.
- Establishing the gross fixed monthly remuneration of the provisional member of the Supervisory Board elected under item (2), in the amount set in accordance with the Resolution of the Ordinary General Meeting of Shareholders no. 10/28.03.2023.
- Approval of the form of the mandate contract to be concluded with the provisional member of the Supervisory Board elected under item (2), in the form proposed by the Ministry of Energy.
- Authorising the representative of the Ministry of Energy in the OGMS to sign, on behalf and for the Company, the mandate contract with the provisional member of the Supervisory Board elected under item (2).
- Extending by 2 months the mandates of 2 (two) provisional members of the Supervisory Board.
- Approval of the conclusion of addenda to the mandate contracts regarding the 2-month extension of the mandates of the provisional members of the Supervisory Board, in the form proposed by the Ministry of Energy, and establishing the remuneration in the amount set in



accordance with the Resolution of the Ordinary General Meeting of Shareholders no. 10/28.03.2023.

- Authorising the representative of the Ministry of Energy in the OGMS to sign, on behalf and for the Company, the addenda to the mandate contracts concluded with the provisional members of the Supervisory Board in the form proposed by the Ministry of Energy.

**Hidroelectrica's Management Board**

**Károly BORBÉLY**

**Chairman of the Management Board**

**Bogdan-Nicolae BADEA**  
**Member of the Management Board**

**Radu-Ioan CONSTANTIN**  
**Member of the Management Board**

**Marian FETITA**  
**Member of the Management Board**

**Ianas RADOI**  
**Member of the Management Board**



# Appendices

## Management Statement

Based on the information available, we confirm that the interim condensed consolidated financial statements prepared for the six-month period ended 30 June 2025, in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting as adopted by the IASB, and the Consolidated Management Board Report for the first half of 2025, prepared in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished, and the provisions of ASF Regulation no. 5/2018, provide a true and fair view of the assets, liabilities, financial position, and profit and loss account of the Hidroelectrica Group, and present accurate and complete information on the Group’s performance available as of the date of this report.

### Hidroelectrica’s Management Board

**Károly BORBÉLY**

**Chairman of the Management Board**

**Bogdan-Nicolae BADEA**  
**Member of the Management Board**

**Radu-Ioan CONSTANTIN**  
**Member of the Management Board**

**Marian FETITA**  
**Member of the Management Board**

**Ianas RADOI**  
**Member of the Management Board**

## Glossary of terms and definitions

<b>GMS</b>	The General Meeting of Shareholders, which can be either the Ordinary General Meeting of Shareholders (AGOA) or the Extraordinary General Meeting of Shareholders (AGEA)
<b>BSE</b>	Bucharest Stock Exchange
<b>FSA</b>	Financial Conduct Authority
<b>ANRE</b>	Romanian Energy Regulatory Authority (Romanian: Autoritatea Nationala de Reglementare in Domeniul Energiei)
<b>CHE</b>	Hydroelectric plant (Romanian: Centrala hidroelectrica)
<b>AHE</b>	Hydropower station (Romanian: Amenajare hidroenergetica)
<b>DHE</b>	Hydropower Dispatch
<b>SB</b>	Supervisory Board
<b>GEO</b>	Government Emergency Ordinance
<b>Hidroserv</b>	Company branch, S,S,H, Hidroserv S,A
<b>GD</b>	Government Decision
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards
<b>LEI</b>	The identification code of the legal entity
<b>M&amp;A</b>	Mergers and acquisitions
<b>MACEE</b>	Centralized Electricity Purchasing Mechanism (Romanian: MACEE)
<b>NRPP (PNRR)</b>	The National Recovery and Resilience Plan (Romanian: PNRR)
<b>GDPR</b>	General Data Protection Regulation
<b>OPCOM</b>	The operator of the electricity and natural gas market in Romania - OPCOM S.A.
<b>PAM (MAP)</b>	Maintenance Assurance Plan
<b>NPS</b>	National Power System (Romanian: SEN)
<b>Hidroelectrica</b>	SOCIETATEA DE PRODUCERE A ENERGIEI ELECTRICE IN HIDROCENTRALE "HIDROELECTRICA" S.A.
<b>Transelectrica or OTS</b>	The national operator of transport and electricity system

- **EBITDA** is defined as profit/(loss) before tax before (i) depreciation and amortization of property, plant and equipment and intangible assets and (ii) interest income and interest expense.
- **EBITDA Margin** is defined as EBITDA divided by revenue.
- **Adjusted EBITDA** is defined as EBITDA adjusted for (a) impairment/reversal of impairment of property, plant and equipment and (b) gain on bargain purchase of subsidiaries.
- **Adjusted EBITDA Margin** is defined as Adjusted EBITDA divided by revenue.
- **Adjusted Net Debt/(Cash)** is defined as bank loans and liabilities related to leasing contracts minus cash and cash equivalents and short-term investments (investments in deposits and government bonds).
- **Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio** is defined as Adjusted Net Debt/(Cash) divided by Adjusted EBITDA



## Consolidated Interim Financial Statements

**S.P.E.E.H. HIDROELECTRICA S.A.**  
**Two-tier system Company**



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**for the six month period ended**  
**30 June 2025**

**Prepared in accordance with IAS 34 Interim Financial Reporting**  
**as adopted by the European Union**

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**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2025

(All amounts are in thousand RON, unless otherwise stated)

	Note	30 June 2025 (reviewed)	31 December 2024 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		19,531,462	19,848,494
Intangible assets		36,684	21,753
Other non-current assets	14	276,722	276,760
<b>Total non-current assets</b>		<b>19,844,868</b>	<b>20,147,007</b>
<b>Current assets</b>			
Inventories		107,356	93,998
Trade receivables	13	1,695,976	1,633,688
Investments in deposits	12	2,111,713	3,475,933
Cash and cash equivalents	11	1,258,212	1,581,617
Restricted cash	11	29,632	21,057
Other current assets	14	110,217	23,926
<b>Total current assets</b>		<b>5,313,106</b>	<b>6,830,219</b>
<b>Total assets</b>		<b>25,157,974</b>	<b>26,977,226</b>
<b>Equity</b>			
Share capital	15	5,526,898	5,526,898
Revaluation reserve		11,316,477	11,548,962
Other reserves		1,025,970	1,025,970
Retained earnings		2,526,007	4,749,312
<b>Total equity</b>		<b>20,395,352</b>	<b>22,851,142</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank borrowings		165,025	207,846
Lease liabilities		66,182	70,110
Deferred income		198,502	201,997
Current tax liabilities		-	8,196
Deferred tax liabilities		1,445,401	1,460,122
Employee benefits		127,507	128,596
Provisions		975,395	943,505
Trade payables		-	999
Other payables	16	53,132	52,512
<b>Total non-current liabilities</b>		<b>3,031,144</b>	<b>3,073,873</b>

(continued on page 2)

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2025

(All amounts are in thousand RON, unless otherwise stated)

	Note	30 June 2025 (reviewed)	31 December 2024 (audited)
<b>Current liabilities</b>			
Bank borrowings		94,595	92,887
Lease liabilities		9,728	9,244
Trade payables		529,514	429,683
Contract liabilities		112,068	97,786
Current tax liabilities	10	194,325	60,329
Deferred income		11,834	6,146
Employee benefits		93,922	147,281
Provisions		104,683	82,470
Tax for electricity producers	7D	23,976	2,136
Other payables	16	556,833	124,249
<b>Total current liabilities</b>		<b>1,731,478</b>	<b>1,052,211</b>
<b>Total liabilities</b>		<b>4,762,622</b>	<b>4,126,084</b>
<b>Total equity and liabilities</b>		<b>25,157,974</b>	<b>26,977,226</b>

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

<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
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**Petronel CHIRIAC**  
Finance Director

**Gabriela VASILESCU**  
Accounting Manager

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Note	Six month period ended	
		30 June 2025 (reviewed)	30 June 2024 (reviewed)
Revenue	6	4,315,368	5,149,895
Other income		23,886	22,962
Turbinated water	7A	(228,096)	(310,817)
Employee benefits expenses		(471,477)	(370,336)
Transport and distribution of electricity	7C	(736,140)	(599,133)
Electricity purchased	7B	(225,457)	(47,124)
Green certificates expenses		(162,176)	(111,907)
Depreciation and amortization		(440,081)	(447,408)
Impairment on property, plant and equipment and intangible assets, net		1,094	1,259
Impairment loss on trade receivables, net		(2,390)	(1,696)
Repair, maintenance, materials and consumables		(50,778)	(25,088)
Tax for electricity producers	7D	(120,137)	(89,848)
Other operating expenses		(152,498)	(143,746)
<b>Operating profit</b>		<b>1,751,118</b>	<b>3,027,013</b>
Finance income	8	173,910	216,799
Finance costs	8	(36,489)	(37,853)
<b>Net finance result</b>		<b>137,421</b>	<b>178,946</b>
<b>Profit before tax</b>		<b>1,888,539</b>	<b>3,205,959</b>
Income tax expense	10	(301,100)	(515,777)
<b>Profit for the period</b>		<b>1,587,439</b>	<b>2,690,182</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (RON)	9	3.53	5.98
<b>Other comprehensive income</b>			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		-	(845)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(845)</b>
<b>Total comprehensive income</b>		<b>1,587,439</b>	<b>2,689,337</b>

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

<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
<b>Petronel CHIRIAC</b> Finance Director		<b>Gabriela VASILESCU</b> Accounting Manager		

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Note	Three month period ended	
		30 June 2025 (reviewed)	30 June 2024 (reviewed)
Revenue	6	2,447,194	2,613,805
Other income		4,529	5,937
Turbinated water	7A	(128,922)	(150,831)
Employee benefits expenses		(251,896)	(194,487)
Transport and distribution of electricity	7C	(354,056)	(255,024)
Electricity purchased	7B	(130,280)	(36,453)
Green certificates expenses		(78,730)	(55,382)
Depreciation and amortization		(220,499)	(224,539)
Impairment on property, plant and equipment and intangible assets, net		1,055	1,259
Impairment loss on trade receivables, net		28,749	2,268
Repair, maintenance, materials and consumables		(27,357)	(10,359)
Tax for electricity producers	7D	(104,399)	(89,848)
Other operating expenses		(77,393)	(86,111)
<b>Operating profit</b>		<b>1,107,995</b>	<b>1,520,235</b>
Finance income		95,588	117,977
Finance costs		(17,497)	(18,875)
<b>Net finance result</b>		<b>78,091</b>	<b>99,102</b>
<b>Profit before tax</b>		<b>1,186,086</b>	<b>1,619,337</b>
Income tax expense	10	(187,871)	(255,310)
<b>Profit for the period</b>		<b>998,215</b>	<b>1,364,027</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (RON)	9	2.22	2.95
<b>Other comprehensive income</b>			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		-	(845)
<b>Total other comprehensive income</b>		-	<b>(845)</b>
<b>Total comprehensive income</b>		<b>998,215</b>	<b>1,363,182</b>

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

<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
<b>Petronel CHIRIAC</b> Finance Director		<b>Gabriela VASILESCU</b> Accounting Manager		

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Attributable to owners of the Company				Total equity
	Share capital	Revaluation reserve	Other reserves	Retained earnings	
<b>Balance at 1 January 2024 (audited)</b>	<b>5,526,898</b>	<b>12,038,616</b>	<b>1,024,034</b>	<b>6,431,686</b>	<b>25,021,234</b>
<b><i>Total comprehensive income for the period</i></b>					
Profit of the period	-	-	-	2,690,182	2,690,182
<b><i>Other comprehensive income for the period</i></b>					
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax	-	(845)	-	-	(845)
<b><i>Total other comprehensive income for the period</i></b>	<b>-</b>	<b>(845)</b>	<b>-</b>	<b>-</b>	<b>(845)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(845)</b>	<b>-</b>	<b>2,690,182</b>	<b>2,689,337</b>
<b><i>Transactions with the owners of the Company</i></b>					
<b>Contributions and distributions</b>					
Dividends	-	-	-	(6,292,738)	(6,292,738)
<b>Total transactions with the owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,292,738)</b>	<b>(6,292,738)</b>
<b><i>Other changes in shareholders' equity</i></b>					
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	(243,331)	-	243,331	-
<b>Balance at 30 June 2024 (reviewed)</b>	<b>5,526,898</b>	<b>11,794,440</b>	<b>1,024,034</b>	<b>3,072,461</b>	<b>21,417,833</b>

*(continued on page 6)*

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Attributable to owners of the Company				
	Share capital	Revaluation reserve	Other reserves	Retained earnings	Total equity
<b>Balance at 1 January 2025 (audited)</b>	<b>5,526,898</b>	<b>11,548,962</b>	<b>1,025,970</b>	<b>4,749,312</b>	<b>22,851,142</b>
<b><i>Total comprehensive income for the period</i></b>					
Profit of the period	-	-	-	1,587,439	1,587,439
<b><i>Other comprehensive income for the period</i></b>					
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax	-	-	-	-	-
<b><i>Total other comprehensive income for the period</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,587,439</b>	<b>1,587,439</b>
<b><i>Transactions with the owners of the Company</i></b>					
<b>Contributions and distributions</b>					
Dividends	-	-	-	(4,043,229)	(4,043,229)
<b>Total transactions with the owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,043,229)</b>	<b>(4,043,229)</b>
<b><i>Other changes in shareholders' equity</i></b>					
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	(232,485)	-	232,485	-
<b>Balance at 30 June 2025 (reviewed)</b>	<b>5,526,898</b>	<b>11,316,477</b>	<b>1,025,970</b>	<b>2,526,007</b>	<b>20,395,352</b>

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

<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
<b>Petronel CHIRIAC</b> Finance Director	<b>Gabriela VASILESCU</b> Accounting Manager			

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Note	Six month period ended	
		30 June 2025 (reviewed)	30 June 2024 (reviewed)
<b>Cash flow from operating activities:</b>			
Profit for the period		1,587,439	2,690,182
<i>Adjustments for:</i>			
Depreciation		438,040	446,507
Amortisation		2,041	901
Impairment on property, plant and equipment and intangible assets, net		(1,094)	(1,259)
Impairment loss on trade receivables, net		2,390	1,696
Write-down of inventories		(645)	(151)
Gain from bargain purchase of subsidiaries		-	(11,736)
Loss/(gain) on disposal of property, plant and equipment		(2,362)	1,517
Net foreign exchange gain		(1,649)	(30)
Interest income		(165,259)	(215,033)
Interest expense		38,123	37,844
Income tax expense		301,101	515,777
		<b>2,198,125</b>	<b>3,466,215</b>
<i>Changes in:</i>			
Trade receivables		(64,678)	459,756
Inventories		(12,713)	(15,389)
Restricted cash		(8,575)	80,000
Other assets		(93,593)	(25,743)
Trade payables		102,386	90,892
Deferred income		2,192	(2,715)
Employee benefits		(54,448)	(29,686)
Provisions		22,728	(403,856)
Other payables		73,022	172,953
<b>Cash generated from operating activities</b>		<b>2,164,446</b>	<b>4,152,427</b>
Interest paid		(6,972)	(10,148)
Income tax paid		(190,011)	(411,953)
<b>Net cash from operating activities</b>		<b>1,967,463</b>	<b>3,730,326</b>
<b>Cash flow from investing activities:</b>			
Payments for acquisition of property, plant and equipment		(119,859)	(135,963)
Payments for acquisition of intangible assets		(16,955)	(2)
Payments for deposits held for investment purposes		(4,605,413)	(4,350,000)
Proceeds from deposits held for investment purposes		5,926,724	7,100,000
Interest received		215,509	239,318
Payments for acquisition of subsidiaries		-	(67,879)
<b>Net cash used in investing activities</b>		<b>1,400,006</b>	<b>2,785,474</b>

*(continued on page 8)*

**S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025  
*(All amounts are in thousand RON, unless otherwise stated)*

	Note	Six month period ended	
		30 June 2025 (reviewed)	30 June 2024 (reviewed)
<b>Cash flow from financing activities:</b>			
Repayment of borrowings		(46,490)	(46,176)
Lease payments		(5,108)	(2,903)
Dividends paid		(3,639,276)	(5,784,930)
<b>Net cash used in financing activities</b>		<b>(3,690,874)</b>	<b>(5,834,009)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(323,405)</b>	<b>681,791</b>
Cash and cash equivalents at 1 January	11	1,581,617	407,634
<b>Cash and cash equivalents at 30 June</b>	<b>11</b>	<b>1,258,212</b>	<b>1,089,425</b>

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

<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
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**Petronel CHIRIAC**  
Finance Director

**Gabriela VASILESCU**  
Accounting Manager

## 1. REPORTING ENTITY AND GENERAL INFORMATION

### (a) General information about the Group

Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A. ("the Company" or "Hidroelectrica") is a joint stock company, domiciled in Romania. The Company's registered office is 15-17 Ion Mihalache Blvd., Tower Center Building, 10-15 floors, Sector 1, Bucharest. The Company is registered at National Trade Register Officer with no. J40/7426/2000 and has unique registration code 13267213.

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred as the "Group").

The Group's main lines of business are power generation (hydro and wind) and electricity supply to end consumers.

As of 30 June 2025, the Romanian State through the Ministry of Energy owns 360,094,390 shares, representing 80.0561% of the share capital and of the total voting rights. The rest of the shares are traded on the Bucharest Stock Exchange as follows: 74,116,246 shares, representing 16.4775% of the share capital are owned by legal persons and 15,591,931 shares representing 3.4664% of the share capital by individuals.

The Company is governed by a two-tier system comprising the Supervisory Board and the Management Board.

#### **Initial public offering ("IPO")**

Between 23 June and 4 July 2023, the Company went through an initial public offer on Bucharest Stock Exchange. The allocation of the shares was carried out on 5 July 2023, the total offer included the entire holding of Fondul Proprietatea, namely 89,708,177 shares, representing 19.9439% of the Company's share capital.

The first trading day of Hidroelectrica shares at the Bucharest Stock Exchange was 12 July 2023.

#### **List of subsidiaries**

As of 30 June 2025 and 31 December 2024 Hidroelectrica has the following subsidiaries:

Subsidiary	Activity	Registered Office	% participation at 30 June 2025	% participation at 31 December 2024
Hidroserv S.A.	Services (maintenance, repairs, construction)	Bucharest, Romania	100%	100%
Uzina de Construcții Mașini Hidroenergetice S.R.L.	Manufacturing of engines and turbines	Resita, Romania	100%	100%

Hidroserv S.A. entered the insolvency proceedings in October 2016. In 2020, a reorganization plan of the subsidiary was approved by the Assembly of Creditors and confirmed by the insolvency judge. On 25 June 2025 the court has officially closed the insolvency proceedings against S.S.H. Hidroserv S.A, by ordering its reintegration into the economic circuit.

On 22 February 2023, the Company was declared winner of the sales procedure of business lines ABC and Calnicel platform, of UCM Resita SA. In January 2024, the Company set-up a new subsidiary, Uzina de Construcții Mașini Hidroenergetice S.R.L., through which it took-over the business from U.C.M. Reșița S.A.. The transaction was completed on 11 March 2024.

All revenue are generated in Romania.

**(b) Regulatory environment**

The activity in the energy sector is regulated by the National Energy Regulatory Authority ("ANRE").

The main responsibilities of ANRE include: licensing the entities operating in the energy sector, issuance of regulations applicable to the electricity market, approval of regulated prices and tariffs and issuance of methodologies used to set regulated prices and tariffs.

**(c) Main operations of the Group**

**Electricity generation and system services**

The Group generates electricity by operating 188 hydropower plants and micro-hydropower plants, including five pumping stations, (the main generation capacities being Portile de Fier I and Portile de Fier II, which represent on average 40% of the total electricity generated in the last ten years) and 36 wind turbines of 3 MW each.

The electricity generated is sold both wholesale and retail (supply to end consumers).

On 1 January 2023 a centralized electricity acquisition mechanism („MACEE”) was implemented by the Government through which the electricity producers shall sell the available (not contracted as of November 2022) quantity of electricity to the market operator, OPCOM, at a fixed price of RON 450 per MWh. OPCOM will resale the electricity to electricity suppliers and certain large consumers (such as electricity distribution operators) at the same price of RON 450 per MWh. This price fixing mechanism is applicable between 1 January 2023 and 31 March 2025. Thus, at the annual auction in December 2023, the delivery obligations on MACEE were established for the period 1 January 2024- 31 December 2024.

In March 2024, the Government issued a new Emergency Ordinance (OUG no. 32/28.03.2024) which states that starting 1 April 2024, the MACEE mechanism becomes voluntary, leaving producers the possibility to sell energy at the price of RON 400/MWh and it applies until 31 December 2024. Thus, for 2024, the price paid by the sole purchaser (OPCOM) to electricity producers who sell electricity through MACEE in monthly auctions is as follows:

- RON 450 /MWh for the electricity contracted until 31 March 2024;
- RON 400 /MWh for the electricity contracted starting 1 April 2024.

For the delivery obligations established in the annual auction that took place in December 2023 for the year 2024, the price is RON 450/MWh.

Starting 1 January 2025, the centralized electricity acquisition mechanism was eliminated.

Hidroelectrica S.A. also provides system services to the national electricity system operator, Transelectrica. The system services involve making an agreed power generation capacity available to Transelectrica within a certain period of time, so that to allow the system operator to achieve permanent balancing of the electricity system.

**Electricity supply to end users**

The electricity market to end users in Romania is liberalized and all consumers are free to choose their electricity supplier from which they can purchase electricity at negotiated prices.

The Group supplies electricity to both non-household consumers at negotiated tariffs and household consumers. The supply price include, in addition to the electricity price, regulated tariffs (the electricity transportation and distribution costs, the contribution to high efficiency co-generation power support scheme, and the cost of green certificates (see *Green certificates* section)).

Starting 1 November 2021, due to the significant increase in energy prices on the international and national markets and the impact thereof on Romanian consumers, the Government implemented consumer support schemes, as follows:

- capping the electricity supply tariffs for household and non-household consumers, while the energy suppliers were receiving a subsidy from the State to partially compensate for the impact of capping mechanism; The impact of this mechanism on the Group's financial performance in the first semester of 2025 was a reduction of revenue due to capped prices by RON 46 million (first semester of 2024: reduction of revenue of RON 25 million, financial year 2024: reduction of revenue of RON 37 million);
- on 7 July 2023, a series of changes were brought to GEO 27/2022 (until 30 June 2025) with impact on the revenue obtained from the Supply activity, respectively on the method of computing the invoiced price to the final consumer, for the consumers for which the electricity consumed is purchased by the Company. In the first semester of 2025, the impact of these changes on the Group's financial performance implied a reduction of revenue by RON 13 million as a consequence of the legal obligation to sell at a price lower than the contractual price (the impact of these changes on the Group's financial performance in 2024 implied a reduction of revenue by RON 6 million as a consequence of the legal obligation to sell at a price lower than the contractual price).

#### *Green certificates ("GC")*

As a producer of electricity from renewable sources (hydroelectric power in refurbished micro-hydropower plants with an installed capacity of no more than 10 MW and with a service life of at least 15 years from the date of commissioning, and wind power), the Group receives green certificates through the green certificates support scheme.

In the first semester of 2025, the Group received 3 green certificates for each MWh generated by the eligible micro-hydropower plant ( in 2024: between 2.92 and 3 green certificates for each MWh generated by eligible micro-hydropower plants, 5 micro-hydropower plants in January 2024, 4 micro-hydropower plants in February and March 2024) and 0.75 green certificates for each MWh generated by the wind farm in the first semester of 2025 and for the year 2024. During the first semester of 2025, the Group generated from its own production portfolio a number of 13,409 GC from hydropower plant and 99,946 GC from wind farm (first semester of 2024: 16,915 GC from hydropower plants and 115,602 GC from wind farm, financial year 2024: 28,089 GC from hydropower plants and 217,200 GC from wind farm).

The green certificates can be sold on the spot and forward market. The selling price must fall between the minimum and maximum values set by law:

- (a) a minimum trading value of EUR 29.4/GC and
- (b) a maximum trading value of EUR 35/GC.

As an electricity supplier, the Group is required to purchase a number of green certificates computed by multiplying the annual mandatory purchase quota of green certificates by the quantity (in MWh) of electricity supplied to end users. ANRE establishes the annual mandatory level of purchase obligations (quotas) of green certificates. Applicable annual estimated quota for 2025 is 0.496 green certificate per MWh (2024: 0.496 green certificate per MWh).

#### *Tax on electricity producers*

The tax for electricity producers is computed as 100% (for the period 1 September 2022 to 31 March 2025) of net monthly average selling price in excess of RON 450 per MWh until 31 March 2024. Starting 1 April 2024, the net monthly average selling price in excess of which the tax is computed is RON 400 per MWh.

In February 2025, the Government issued a new Emergency Ordinance (OUG no. 6/27.02.2024) extending the applicability period of the tax for an additional 3 months until 30 June 2025. Starting with 1 April 2025, the tax for electricity producers is computed as 80% (decreased from 100%) on the difference between the net monthly average selling price and 400 RON per MWh.

The net monthly average selling price is computed based on the monthly revenue of the generation segment, which includes the wholesale of electricity produced and the value of electricity transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supply segment), less monthly cost for imbalances. Starting 1 April 2024, no tax is computed for the wholesale of electricity produced and sold through the centralized electricity acquisition mechanism.

#### *Tax on Special Constructions*

The tax on special constructions is regulated by Government Emergency Ordinance (GEO) 156/2024, with subsequent amendments, applicable starting 1 January 2025. Companies are required to declare this annual tax by 25 May and to pay it in two equal installments, on 30 June and 31 October, respectively, based on the value of the constructions held as of 31 December of the preceding year. According to IFRIC 21 – Levies, and taking into account the provisions of GEO 156/2024, the triggering event that gives rise to the tax is the ownership of the assets and the entity's operational existence as of 1 January.

In accordance with Government Emergency Ordinance no. 21/2025, the tax on special constructions represents a rate of 0.5% on the net value of special constructions for which property tax on buildings is not due, held by the entity, and a rate of 0.25% on the value of special constructions included in the concession contract.

## **2. BASIS OF ACCOUNTING**

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards issued by IASB. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These interim consolidated financial statements were authorized for issue by the Company’s Management Board on 13 August 2025.

The Group also issues an original version of these interim condensed consolidated financial statements prepared in accordance with IFRS Accounting Standards issued by IASB in Romanian language approved at the same date with these financial statements.

## **3. USE OF JUDGEMENTS AND ESTIMATES**

In preparing these interim financial statements, management has made judgements and estimates, including climate-related risks and opportunities, that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the judgement below referring to the fair value of property, plant and equipment.

### **i. Fair value of the property, plant and equipment**

After initial recognition, the Group measures land, buildings and other items of property, plant and equipment at revalued amount. The most recent revaluation of property, plant and equipment was done at 31 December 2023.

Most of the Group's property, plant and equipment are revalued based on the net replacement cost approach, one of the main drivers being the evolution of the cost of construction materials.

As of 31 December 2024 the Group performed an assessment which indicated that the carrying amount of the property plant and equipment does not differ materially from their fair value. The Group will reperform the assessment and the related results will be reflected in the annual Financial Statements as of 31 December 2025.

### **Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities, and non-financial assets (property, plant and equipment).

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 17 Financial instruments.

## **4. CHANGE IN ACCOUNTING POLICY**

Except as described below, the accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024. The policy for recognizing and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in Note 10.

### **A) Standards/amendments that are effective and have been endorsed by the European Union**

- *IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)*. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The newly adopted IFRS Accounting Standard did not have a material impact on the Group's accounting policies.

### **B) Standards issued but not yet effective and not early adopted**

#### **B.1) The standards/amendments that are not yet effective, but have been endorsed by the European Union**

- *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)*. In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, earlier application permitted. Management is in the progress of assessing the impact of this new standard on the annual financial statements.
- *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)*. In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial

Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, earlier application permitted. Management is in the progress of assessing the impact of this new standard on the annual financial statements.

- *Annual Improvements to IFRS Accounting Standards – Volume 11.* Management is in the progress of assessing the impact of this new standard on the annual financial statements.

**B.2) The standards/amendments that are not yet effective and have not yet been endorsed by the European Union**

- *IFRS 18 Presentation and Disclosure in Financial Statements.* In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, earlier application permitted. In the following reporting periods, Management will analyse the requirements of this newly issued standard and assess its impact.
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures.* In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, earlier application permitted. Management is in the progress of assessing the impact of this new standard on the annual financial statements.

**5. OPERATING SEGMENTS**

**A. Basis for segmentation**

The Group has identified two reporting segments based on the operating licenses owned – production of electricity and supply of electricity.

The following summary describes the operations of each reportable segment:

<b>Reportable segment</b>	<b>Operations</b>
Electricity generation	Production of electricity through the operation of hydropower plants, micro-hydropower plants and wind turbines, rendering of system services to the system operator (meaning making available an agreed generation capacity for the balancing needs of the energy system). Electricity produced is sold mainly to electricity suppliers and entities that trade electricity on the wholesale electricity market, as well as supplied to final consumers through the electricity supply segment.
Electricity supply	Supply of electricity to non-households and households final consumers. Electricity supplied to end consumers is mainly generated by the electricity generation segment, and where there is a gap or an opportunity, this is covered through spot or forward electricity purchases.

The Management Board of the Company reviews management reports of each segment. Segment profit before tax is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

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**B. Information about operating segments**

<b>Six month period ended 30 June 2025 (reviewed)</b>	<b>Electricity generation</b>	<b>Electricity supply</b>	<b>Total for reportable segments</b>	<b>Inter-segment eliminations</b>	<b>Consolidated total</b>
External revenue	2,040,064	2,275,304	4,315,368	-	4,315,368
Inter-segment revenue	805,921	-	805,921	(805,921)	-
<b>Segment revenue</b>	<b>2,845,985</b>	<b>2,275,304</b>	<b>5,121,289</b>	<b>(805,921)</b>	<b>4,315,368</b>
<b>Segment profit before tax</b>	<b>1,542,340</b>	<b>346,199</b>	<b>1,888,539</b>	-	<b>1,888,539</b>
Net finance income/ (cost)	128,888	8,533	137,421	-	137,421
Depreciation and amortization	(439,397)	(684)	(440,081)	-	(440,081)
Impairment loss on property, plant and equipment and intangible assets, net	1,094	-	1,094	-	1,094
Electricity purchased	(14,917)	(997,928)	(1,012,845)	787,388	(225,457)
Green certificates expenses	-	(180,709)	(180,709)	18,533	(162,176)
Employee benefits expenses	(457,210)	(14,267)	(471,477)	-	(471,477)
Turbinated water	(228,096)	-	(228,096)	-	(228,096)
Tax for electricity producers	(120,137)	-	(120,137)	-	(120,137)
Transport and distribution of electricity	(31,573)	(704,567)	(736,140)	-	(736,140)
Other expenses	(201,948)	(39,614)	(241,562)	-	(241,562)

<b>Six month period ended 30 June 2024 (reviewed)</b>	<b>Electricity generation</b>	<b>Electricity supply</b>	<b>Total for reportable segments</b>	<b>Inter-segment eliminations</b>	<b>Consolidated total</b>
External revenue	3,502,615	1,647,280	5,149,895	-	5,149,895
Inter-segment revenue	616,927	-	616,927	(616,927)	-
<b>Segment revenue</b>	<b>4,119,542</b>	<b>1,647,280</b>	<b>5,766,822</b>	<b>(616,927)</b>	<b>5,149,895</b>
<b>Segment profit before tax</b>	<b>2,909,960</b>	<b>295,999</b>	<b>3,205,959</b>	-	<b>3,205,959</b>
Net finance income/ (cost)	178,683	263	178,946	-	178,946
Depreciation and amortization	(447,368)	(40)	(447,408)	-	(447,408)
Reversal of impairment loss on property, plant and equipment	1,259	-	1,259	-	1,259
Electricity purchased	(6,688)	(636,445)	(643,133)	596,009	(47,124)
Green certificates expenses	-	(132,825)	(132,825)	20,918	(111,907)
Employee benefits expenses	(359,003)	(11,333)	(370,336)	-	(370,336)
Turbinated water	(310,817)	-	(310,817)	-	(310,817)
Tax for electricity producers	(89,848)	-	(89,848)	-	(89,848)
Transport and distribution of electricity	(41,563)	(557,570)	(599,133)	-	(599,133)
Other expenses	(156,112)	(14,418)	(170,530)	-	(170,530)

Other expenses include the following captions from consolidated statement of profit or loss: Repair, maintenance, materials and consumables, Impairment loss on trade receivables and Other operating expenses. Other income indicator is not presented.

The electricity generation segment includes also system services and production of electricity for system balancing which are billed to the system operator, Transelectrica SA (see details in Note 6).

Inter-segment revenue includes the value of electricity produced and transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supplier segment) of RON 766,273 thousand for the six months ended 30 June 2025 (six months ended 30 June 2024: RON 580,694 thousand) and inter-segment net imbalances of RON 21,115 thousand for the six months ended 30 June 2025 (six months ended 30 June 2024: RON 15,315 thousand). Inter-segment revenue is calculated based on a methodology approved by the Management Board in 2021. The methodology used for

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computing transfer price between segments is based on the average electricity production cost in the last 12 months ending 2 months prior to the calculation month, plus an internal margin.

The decrease in revenue from the electricity generation segment in the first half of 2025, compared to the same period in 2024, was primarily attributable to unfavorable hydrological conditions, which resulted in lower energy production.

The lower profitability of the supply segment in the first six months of 2025 compared to the same period in 2024 is mainly due to the decrease in the selling price. This decrease represents the effect of legislative changes starting from the second quarter of 2024, which generated significant fluctuations in the prices applicable to final consumers, aimed at adapting to market conditions and maintaining competitiveness, as well as the effect of the decrease in Day-Ahead Market prices in Q2 2025 compared to Q2 2024.

All revenue are generated in Romania.

Total segment assets and total segment liabilities are not included in the management reports reviewed by the Management Board.

## 6. REVENUE

### A. Revenue from contracts with customers

The Group generates revenue from:

	Six month period ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)
Wholesale of electricity	1,937,815	3,310,545
Electricity supplied to final consumers (retail sales)	2,275,304	1,647,280
System services	101,355	190,583
Maintenance services	894	1,487
<b>Total</b>	<b>4,315,368</b>	<b>5,149,895</b>

Revenue from electricity supplied to final consumers reflects the value of volume supplied, including positive imbalances, which are based on automated or manual meter readings performed by the distribution operators, self-readings reported by the consumers, or based on volume estimated by distribution operators if readings are not available.

The majority of the Group's supply revenue in the first semester of 2025 represent sales to non-household consumers (approx. 71% of volume, 66% in the first semester of 2024), for which readings are performed at the end of each month, data sent by the distribution operators. Also, approximately 72% (66% in the first semester of 2024) of the volume supplied to household consumers in the six month period ended 30 June 2025 is determined based on meter readings at the end of the period, and the rest is based on estimates of the consumption, all data sent by the distribution operators. Group assesses that the risk of revenue adjustment subsequent to period end that could result from the difference between the meter readings and the estimated volumes would have a limited impact on the financial statements.

For the six month period ended 30 June 2025, the Group produced 6,068 GWh (six month period ended 30 June 2024: 8,293 GWh), and sold 6,742 GWh (six month period ended 30 June 2024: 8,709 GWh). From total quantity sold, 3,260 GWh were supplied to end users in the six month period ended 30 June 2025 (2,488 GWh in the six month period ended 30 June 2024).

Currently, the Group has contracts with customers mainly for periods up to 12 months.

Individual clients who represent more than 10% of the Group's revenue are as follows:

- Transelectrica SA, the electricity system operator - system services and production of electricity for system balancing (latter included in wholesale of electricity) – RON 410,249 thousand in the six month period ended 30 June 2025 (40%), RON 1,290,608 thousand in the six month period ended 30 June 2024 (25%);

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- OPCOM SA, the market operator – wholesale of electricity produced on the market for the centralized acquisition mechanism and on the spot market of RON 185,408 thousand in the six month period ended 30 June 2025 (18%), RON 1,922,812 thousand in the six month period ended 30 June 2024 (37%).

Timing of revenue recognition:

	Six month period ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)
Revenue transferred over time	4,314,474	5,148,407
Revenue transferred at a point in time	894	1,488
<b>Total</b>	<b>4,315,368</b>	<b>5,149,895</b>

## 7. OPERATING EXPENSES

### A. Turbined water

Turbined water represents the water used by the hydropower plants in order to generate electricity. The fee for turbined water established by the National Agency for Water Administration is RON 37 per MWh produced.

### B. Electricity purchased

The Group purchases electricity in order to fulfill the deficit between the electricity contracted for sales and the actual electricity produced or in order to cover the electricity needs of the supply segment.

In the first semester of 2025 the Group purchased 674 GWh (first semester of 2024: 416 GWh) for RON 225,457 thousand (first semester of 2024: RON 47,124 thousand). The increase in electricity purchases in the first semester of 2025 is mainly due to a higher quantity of electricity purchased for the supply segment, as well as the increase in the average prices of negative imbalances.

### C. Transport and distribution of electricity

	Six month period ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)
Injection of electricity produced in the national system	20,138	38,597
Distribution of electricity supplied	576,421	464,238
Transport of electricity supplied	139,581	96,298
<b>Total</b>	<b>736,140</b>	<b>599,133</b>

Tariffs for transport and distribution of electricity are regulated. The 23% increase in transport and distribution costs in the first six months of 2025 compared to the same period in 2024 is driven mainly by a 31% increase in the volume of electricity supplied, as well as an average 13% rise in distribution tariffs effective from 1 January 2025.

### D. Tax for electricity producers

The tax for electricity producers is computed as 100% (for the period 1 September 2022 to 31 March 2025) of net monthly average selling price in excess of RON 450 per MWh until 31 March 2024. Starting 1 April 2024, the net monthly average selling price in excess of which the tax is computed is RON 400 per MWh.

In February 2025, the Government issued a new Emergency Ordinance (OUG no. 6/27.02.2024) extending the applicability period of the tax for an additional 3 months until 30 June 2025. Starting with 1 April 2025, the tax for electricity producers is computed as 80% (decreased from 100%) on the difference between the net monthly average selling price and 400 RON per MWh.

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The net monthly average selling price is computed based on the monthly revenue of the generation segment, which includes the wholesale of electricity produced and the value of electricity transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supply segment), less monthly cost for imbalances. Starting 1 April 2024, no tax is computed for the wholesale of electricity produced and sold through the centralized electricity acquisition mechanism.

The monthly revenue of the generation segment includes, according to the legislation, the wholesale of electricity produced and/or purchased and the value of electricity transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supplier segment). As the legislation does not define and does not include provisions on how the transfer value from producer portfolio to supplier portfolio should be computed, the Company has used its internal methodology for calculation of the transfer price between its licensed activities (generation and supply), which was approved by the Management Board on 8 June 2021, before the issuance of the legislation regarding the tax for electricity producers. This methodology is based on the average electricity production cost in the last 12 months ending 2 months prior to the calculation month, plus an internal margin. This methodology may differ from the methodologies used by other companies taking into consideration that there is no regulation to define or standardize the method of calculation.

The tax computed by the Group for the six month period ended 30 June 2025 is RON 120,137 thousand (for the six month period ended 30 June 2024: RON 89,848 thousand). As at 30 June 2025, the outstanding amount payable is RON 23,976 thousand (31 December 2024: RON 2,136 thousand).

Romanian tax authorities, through the General Antifraud Fiscal Division, performed controls at the Group on the tax for electricity producers for the period September-December 2022. The authorities did not make any changes to the method of computing the tax or to the method of computing the transfer price between the production and supply portfolios, but had a different point of view regarding the date from which Law 357/2023 was applied by the Company. Also, the authorities mentioned in the report that the provisions of the Fiscal Code regarding transfer pricing does not apply in respect of the transfer price of the electricity between the portfolios/ segments, since these provisions regulate the transactions between related parties and not the transactions performed within the same entity.

Law 357/2023 was published by the authorities on 16 December 2022 and modified the method of computing net monthly revenue, by limiting the revenue in scope only to electricity produced and sold or transferred between segments and the costs in scope only to the balancing costs capped to 5% of the revenue from electricity produced and transfer value of electricity transferred between segments. The text of the law mentions that the provisions of the law are applicable starting with 1 September 2022, however the Company applied the law starting with the publication date, 16 December 2022.

As per control report issued on 11 April 2023, the tax authorities applied the law retroactively from 1 September 2022, and therefore computed additional tax of RON 62,052 thousand. The Group paid the additional tax, the amount being presented in other non-current assets as Hidroelectrica challenged the decision, estimating that the asset resulted from the payment will be realized in a period longer than one year. Further analysis on the retroactive application of the law is presented in Note 19 a).

**8. FINANCE RESULT**

	<b>Six month period ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Interest income	165,260	215,033
Other finance income	8,650	1,766
<b>Finance income</b>	<b>173,910</b>	<b>216,799</b>
Interest expense	(6,747)	(9,965)
Unwinding of non-current provisions	(31,376)	(27,879)
Gain or (loss) from foreign exchange differences	1,634	(9)
<b>Finance expenses</b>	<b>(36,489)</b>	<b>(37,853)</b>
<b>Net finance result</b>	<b>137,421</b>	<b>178,946</b>

The evolution of interest income reflects a decrease in the average balance of bank deposits, resulting from lower operating results in the first half of 2025 compared to the same period in 2024.

## 9. EARNINGS PER SHARE

The calculation of earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	Six month period ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)
<b><i>Profit attributable to the owners of the Company</i></b>		
Profit for the period attributable to the owners of the Company	1,587,439	2,690,182
<b>Profit attributable to ordinary shareholders</b>	<b>1,587,439</b>	<b>2,690,182</b>
<b><i>Weighted average number of ordinary shares (basic and diluted)</i></b>		
Issued ordinary shares at 1 January	449,802,567	449,802,567
<b>Weighted average number of ordinary shares at 30 June</b>	<b>449,802,567</b>	<b>449,802,567</b>
<b>Earnings per share (basic and diluted) RON/share</b>	<b>3.53</b>	<b>5.98</b>

## 10. INCOME TAX

In the determination of the current and deferred tax the Group takes into account the impact of uncertain tax positions (see Note 19). This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

The Group considers that the accounting records for income tax due are appropriate for all open tax years, based on assessment made by management taking into account various factors, including the interpretation of tax legislation and previous experience. New information may become available that causes the Group to change its judgment regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will have impact in tax expense in the period that such determination is made.

### (a) Income tax expense for the period

For the interim condensed consolidated financial statements, the income tax expense for the period is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the annual tax rate expected for the full financial year.

The Group's consolidated effective tax rate for the six month period ended 30 June 2025 was 15.94% (six month period ended 30 June 2024: 16.12%).

### (b) Global minimum top-up tax

The Group qualifies as a large-scale domestic group and is subject to the global minimum top-up tax according to Law no. 431/2023. The Law transposes into national legislation the provisions of Directive 2523/2022 on ensuring a minimum level of taxation ("Directive 2523"), the Directive which includes the guidelines from the second pillar of the "Global model rules to combat tax base erosion" (called "GloBE rules ") issued by the OECD/G20 Inclusive Framework on BEPS as well as the Administrative Guidelines on GloBE rules. For the six months period ended 30 June 2025, no top-up tax should be paid by the Group as the adjusted effective tax rate is above 15% (for the year 2024, the Group has recorded an expense and a long-term liability regarding the additional top-up tax amounting to RON 8,196 thousand).

**(c) Current tax liabilities**

As at 30 June 2025 the outstanding amount payable is RON 194,325 thousand (31 December 2024: RON 68,524 thousand) and represents mainly tax liabilities for the second quarter 2025.

**(d) Potential consequences on income tax**

The Group may have potential consequences on corporate income tax that may result from the payment to shareholders of dividends from revaluation reserves transferred to retained earnings which, according to tax law, are taxed at the time of change of destination, to the extent they were previously tax deducted. Thus, the distribution of dividends from such reserves will generate additional income tax. The Company has such reserves transferred to retained earnings at 30 June 2025, which following the distribution would generate additional income tax expense for the Group of RON 23,036 thousand (31 December 2024: RON 18,837 thousand).

The potential tax effect of revaluation reserves taxable at change in destination/distribution (at 16% tax rate) that were not yet transferred to retained earnings, amount to RON 350,732 thousand at 30 June 2025 (RON 354,931 thousand at 31 December 2024).

**11. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

*Cash and cash equivalents*

	<b>30 June 2025</b> <b>(reviewed)</b>	<b>31 December 2024</b> <b>(audited)</b>
Bank accounts	1,042,346	982,016
Bank deposits with a maturity below 3 months	213,660	598,595
Petty cash	154	157
Cash equivalents	2,052	849
<b>Total</b>	<b>1,258,212</b>	<b>1,581,617</b>

*Restricted cash*

As at 30 June 2025, restricted cash comprises a collateral deposit of RON 21,057 thousand at Banca Comerciala Romana for issuance of a bank guarantee in favor of OPCOM, related to transactions on Day-Ahead Market, and the bank accounts designated for dividend payments of RON 8,575 thousand.

The Group does not have access to these funds until they are released for their designated purpose.

**12. INVESTMENTS IN DEPOSITS**

	<b>30 June 2025</b> <b>(reviewed)</b>	<b>31 December 2024</b> <b>(audited)</b>
Bank deposits with maturity less than 1 year held for investment purposes	2,111,713	3,475,933
<b>Total</b>	<b>2,111,713</b>	<b>3,475,933</b>

Bank deposits are short-term deposits with maturity between 3 to 12 months held for investment purposes rather than for short term cash commitments. The average interest rate on term deposits was 6.50 % per year in the first semester of 2025 (first semester of 2024: 5.90 % per year).

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**13. TRADE RECEIVABLES**

	<b>30 June 2025</b> <b>(reviewed)</b>	<b>31 December 2024</b> <b>(audited)</b>
Trade receivables – generation segment (wholesale)	343,662	349,668
Trade receivables – supply segment (retail)	1,591,082	1,520,397
Impairment allowance	(238,768)	(236,377)
<b>Total</b>	<b>1,695,976</b>	<b>1,633,688</b>

The unbilled revenues included in trade receivables amounts to RON 771,192 thousand gross at 30 June 2025, representing 40% of total gross trade receivables (RON 669,127 thousand at 31 December 2024, representing 36% of total gross trade receivables), out of which RON 437,893 thousand gross relate to supply segment (RON 420,642 thousand as at 31 December 2024).

Of the invoiced receivables balance at 30 June 2025, RON 329,565 thousand represent trade receivables for which settlement agreements were signed (31 December 2024: RON 333,510 thousand).

Trade receivables ageing analysis is disclosed in Note 17. Trade receivables due from related parties are disclosed in Note 20.

**14. OTHER ASSETS**

	<b>30 June 2025</b> <b>(reviewed)</b>		<b>31 December 2024</b> <b>(audited)</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Payments made in connection with uncertain tax treatments	-	63,612	-	63,612
Prepayments	94,255	209,263	14,104	208,558
Value added tax receivable	932	-	892	-
Other assets	22,248	3,848	15,833	4,590
Impairment loss on other assets	(7,218)	-	(6,903)	-
<b>Total</b>	<b>110,217</b>	<b>276,722</b>	<b>23,926</b>	<b>276,760</b>

***Payments made in connection with uncertain tax treatments***

According to the General Antifraud Fiscal Division report from 11 April 2023 and related imposing decision, the fiscal authorities applied the Law 357/2022 regarding the tax for electricity producers retrospectively from 1 September 2022 and computed additional tax of RON 62,052 thousand (see Note 7D). On 7 August 2023, the Company received a decision regarding interest and penalties in the amount of RON 1,560 thousand related to the previously mentioned imposing decision. In 2023, the Group paid both the additional tax imposed and the related interest and penalties, the amount being recorded as other non-current assets as Hidroelectrica challenged in Court these decisions, estimating that the assets represented by the payment will be recovered within a period longer than one year. The analysis regarding the retrospective application of the law is presented in Note 19.1. a).

The Group recognized these payments as an asset based on IFRIC 23 *Uncertainty over Income Tax Treatments* because they will either be refunded if the Group is successful in the litigations related to the liability or they will be used to pay the liability in case of loss of the dispute.

Non-current prepayments mainly represent advance payment for the AHE Vidraru refurbishment contract signed in June 2024, and the comparative figures were reclassified accordingly, from current prepayments, in line with their nature.

The increase in current prepayments represents mainly the amounts related to local taxes for the year 2025, including tax on special constructions.

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**15. EQUITY**

*a) Share capital*

At 30 June 2025, the authorized, subscribed share capital of the Company is divided into 449,802,567 ordinary shares (31 December 2024: 449,802,567 ordinary shares) with a nominal value of RON 10 per share. The shareholders are entitled to dividends and each share grants a voting right.

Shareholders	30 June 2025		31 December 2024	
	Number of shares	%	Number of shares	%
Ministry of Energy	360,094,390	80.0561%	360,094,390	80.0561%
Legal persons	74,116,246	16.4775%	73,287,787	16.2933%
Individuals	15,591,931	3.4664%	16,420,390	3.6506%
<b>Total</b>	<b>449,802,567</b>	<b>100%</b>	<b>449,802,567</b>	<b>100%</b>

*b) Dividends*

On 29 April 2025, the Shareholder General Meeting approved the distribution of dividends from the 2024 profit of RON 4,043,229 thousand, representing 100% of the 2024 eligible for distribution net profit in the statutory separate financial statements of the Company.

The value of the distributed dividends per share is 8.988897 RON/share (2024: 13.99 RON/share).

Liabilities in relation to dividends include:

	30 June 2025	31 December 2024
Dividends payable	8,575	5,183
Tax on dividends withheld from shareholders	400,561	470
<b>Total</b>	<b>409,136</b>	<b>5,653</b>

These liabilities are included in "Other payables" disclosed in Note 16.

**16. OTHER PAYABLES**

	30 June 2025 (reviewed)		31 December 2024 (audited)	
	Current	Non-current	Current	Non-current
Payables to the State	69,366	-	39,339	-
Performance deposits from suppliers	6,672	53,017	7,056	52,403
Performance deposits from clients (Note 17)	48,752	-	57,587	-
Liabilities in relation to dividends (Note 15)	409,136	-	5,563	-
Other	22,907	115	14,614	109
<b>Total</b>	<b>556,833</b>	<b>53,132</b>	<b>124,249</b>	<b>52,512</b>

At 30 June 2025, payables to the State represent mainly VAT payable of RON 56,124 thousand (31 December 2024: VAT payable of RON 37,573 thousand).

## 17. FINANCIAL INSTRUMENTS – Fair Values and Risk Management

### (a) Accounting classifications and fair values

In accordance with IFRS 9, the Group's financial assets and liabilities are measured at amortized cost. According to the business model of the Group, financial assets and liabilities are held to collect contractual cash flows and these cash flows are solely payments of principal and interest. The Group did not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

### (b) Financial risk management

#### Credit risk

Credit risk is the risk that the Group will incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and this risk derives mainly from trade receivables, cash and cash equivalents, and investments in deposits.

Cash and bank deposits are placed in financial institutions that are considered to have high creditworthiness, part of these being held by Romanian State such as CEC Bank and Exim Bank.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk.

	<b>30 June 2025</b> <b>(reviewed)</b>	<b>31 December 2024</b> <b>(audited)</b>
Trade receivables	1,695,976	1,633,688
Cash and cash equivalents	1,258,212	1,581,617
Restricted cash	29,632	21,057
Investments in deposits	2,111,713	3,475,933
<b>Total</b>	<b>5,095,533</b>	<b>6,712,295</b>

#### Trade receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each client. The Group has established a credit policy according to which each new business client is analyzed individually from the point of view of creditworthiness before the conclusion of a contract, so that the sale is made to the clients with an adequate creditworthiness. For household clients, such credit risk analysis is not performed due to the nature and volume of the customers and due to the legislation in force. Impairment adjustments of trade receivables reflect the expected credit losses, calculated based on the loss rates.

The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables as at 30 June 2025:

	<b>Expected weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment loss allowance</b>	<b>Net trade receivables</b>
Not past due	1.93%	1,053,664	(20,305)	1,033,359
Past due - from 0 to 3 months	14.78%	139,277	(20,582)	118,695
Past due - from 3 to 6 months	56.00%	56,752	(31,781)	24,971
Past due - from 6 months to 1 year	89.83%	80,890	(72,663)	8,227
Past due - more than 1 year	100.00%	93,437	(93,437)	-
<b>Total</b>		<b>1,424,020</b>	<b>(238,768)</b>	<b>1,185,252</b>
Customers analyzed individually		510,724	-	510,724
<b>Total trade receivables</b>		<b>1,934,744</b>	<b>(238,768)</b>	<b>1,695,976</b>

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The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables as at 31 December 2024:

	<b>Expected weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment loss allowance</b>	<b>Net trade receivables</b>
Not past due	2.21%	803,320	(17,745)	785,476
Past due - from 0 to 3 months	17.80%	140,963	(25,096)	115,867
Past due - from 3 to 6 months	73.31%	69,496	(50,945)	18,550
Past due - from 6 months to 1 year	100.00%	69,294	(69,294)	-
Past due - more than 1 year	100.00%	73,297	(73,297)	-
<b>Total</b>		<b>1,156,270</b>	<b>(236,377)</b>	<b>919,893</b>
Customers analyzed individually		713,795	-	713,795
<b>Total trade receivables</b>		<b>1,870,065</b>	<b>(236,377)</b>	<b>1,633,688</b>

Customers analyzed individually represent outstanding amounts from customers for which the Group believes that there is a negligible risk to collect.

Loss rates for the first semester of 2025 are based on the actual credit loss experienced over the past eight quarters considering the evolution of the supply segment and the delays in invoicing the electricity supplied (31 December 2024: last six quarters).

The Group has guarantees received from customers of RON 592,967 thousand at 30 June 2025 (RON 527,949 thousand at 31 December 2024) in the form of bank letters of guarantee. Starting 2024, the Group also has performance deposits from clients, representing paid guarantees of RON 48,752 thousand at 30 June 2025 (RON 57,587 thousand at 31 December 2024) (see Note 16).

## 18. COMMITMENTS

### 18.1 Contractual commitments

The Group has the following contractual commitments:

	<b>30 June 2025</b>	<b>31 December 2024</b>
Acquisition of property, plant and equipment and intangible assets	1,496,287	1,372,035

### ***AHE Vidraru Refurbishment***

In June 2024, Hidroelectrica signed the contract for refurbishment works of AHE Vidraru with the Consortium formed of ELECTROMONTAJ (Consortium Leader) and Koncar – Engineering Co. Ltd. for production and services (Croatia), with BUTAN GRUP as subcontractor, following the completion of the award procedure through a public tender. The contractual price is RON 937,709 thousand and the works are to be completed within 84 months, according to the execution schedule.

### 18.2 Guarantees

The Group issued performance guarantees amounting to RON 590,293 thousand as at 30 June 2025 (31 December 2024: RON 45,350 thousand), mainly in connection with its payment obligations related to the AHE Vidraru refurbishment contract of RON 520,543 thousand. Other performance guarantees are related to obligations to deliver electricity, and in relation to payment obligations related to electricity purchase transactions on the day-ahead and intra-day markets.

## 19. CONTINGENCIES

### 19.1 Litigation, claims and tax uncertainties

The main litigations involving the Group, with a potential exposure of RON 195,206 thousand as at 30 June 2025 and 31 December 2024, are disclosed as contingent liabilities:

#### *a) Litigation with Tax authorities*

##### **Potential exposure: RON 63,612 thousand as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroelectrica

File no. 638/2/2024 and 1962/2/2024

Subject matter: Annulment of Tax Decision No. A-DAF 6890/11.05.2023

Tax for electricity producers was subject to multiple changes with respect to the method of computation during 2022. The latest change was instated through Law no. 357/2022, which was published on 16 December 2022. The Company applied the provisions of the law starting with 16 December 2022.

As previously mentioned in Note 7 D, the Company was subject to a tax control by the General Antifraud Division of ANAF on the tax for electricity producers. As per the control report on 11 April 2023, the tax authorities applied the changes introduced by the law retroactively starting 1 September 2022, and therefore computed additional tax of RON 62,052 thousand.

On 28 April 2023 the Company received the imposing decision for the amount of RON 62,052 thousand. The Group challenged the imposing decision within the procedural term, the challenge being rejected by the General Division for Solving Disputes within the Finance Ministry.

The Company argued in its Court application that successive changes of legislation regarding the calculation methodology of the tax for electricity producers can only be applicable for the future, starting with the date of publication of legislative amendments and not retroactively, as tax authorities considered.

On 17 December 2024, the court ruled in favor of Hidroelectrica and ordered the reimbursement to the claimant of the amount of RON 62,052 thousand. The Finance Ministry filed an appeal against the court's decision; with the next hearing date to be set.

On 7 August 2023 the Company received a decision regarding interest and penalties in the amount of RON 1,560 thousand related to the previously mentioned imposing decision. The Group challenged the decision, initiating proceedings before the Court of Appeal under file no. 1962/2/2024. The file is suspended until the final resolution of case no. 638/2/2024. In relation to the ruling in file no. 638/3/2024, the management believes that the dispute in file no. 1962/2/2024 will also be ruled in the Group's favor.

#### *b) Litigation with Hidroconstructia SA*

##### **Potential exposure: RON 98,762 thousand as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroconstructia SA

File no. 12257/3/2022

Subject-matter: Termination of Contract no. 672/1989 regarding the Fagaras-Hoghiz investment project; claims

Hidroconstructia SA filed claims to recover RON 98,762 thousand consisting of unrealized profits as a result of the suspension by Hidroelectrica of the construction works related to the Fagaras Hoghiz investment project. Also, Hidroconstructia requested the court to enforce the termination of the underlying contract.

In January 2023, the Court ruled in favor of the Company, rejecting Hidroconstructia's claims. The decision was appealed by Hidroconstructia.

On 12 October 2023, the Court of Appeal set aside the first Court ruling and granted a new hearing on the merits. On 3 July 2025, the court partially admitted the statement of claim, ordering the termination of the contract, while dismissing the remaining claims as unsubstantiated. The file may be subject to an appeal once the Court of Appeal's decision is drafted and communicated.

Based on the legal analysis of the Hidroconstructia claims, the management considers the statement of claims as unsubstantiated. Considering the above, management estimates that the litigation will be ruled in favor of the Group and consequently an outflow of resources is not probable.

**c) Litigation with Hidroconstructia SA**

**Potential exposure: RON 32,832 thousand as at 30 June 2025 and 31 December 2024**

Plaintiff: Hidroconstructia SA

File no. 44443/3/2016, currently File no. 11314/3/2021

Subject-matter: Claims - the equivalent value of the costs generated by the cessation of construction works related to investment projects in progress.

Hidroconstructia SA claims the costs generated by the suspension of construction works rendered before the Company's insolvency. The Group argues that such claims have no grounds considering the insolvency process of Hidroelectrica and the fact that the claimant lost its right to claims as it failed to register the claim in the table of creditors.

In March 2018 the first Court rejected the claims of Hidroconstructia SA. This ruling was contested by Hidroconstructia SA. The Group also contested the ruling, as it provided for legal fees for Hidroelectrica.

In April 2019 the Court of appeal sent the case back to the first court for reexamination. The dispute was reopened by the first Court (file no. 11314/3/2021).

In April 2022, the Court requested an expertise report in hydrotechnical constructions and an accounting expertise report to be performed by independent experts. Currently, the expert report is being drafted, next term being on 16 September 2025.

Based on the initial first Court ruling, management estimates that the litigation will be ruled in favor of the Group and consequently an outflow of resources is not probable.

**19.2 Fiscal environment**

Tax audits are frequent in Romania, consisting of thorough verifications of taxpayers' accounting records. Such audits sometimes take place months or even years after the establishment of the tax liabilities. Consequently, companies may be found liable for significant taxes and fines. In addition, the tax legislation is subject to frequent changes, and the authorities often show inconsistency in the interpretation of law.

Tax returns may be subject to revision and corrections by the tax authorities, generally for a five years period after they are filed with the tax authorities.

Romanian tax authorities carried out tax audits on Hidroelectrica's income tax and value added tax until 20 June 2012, while on Hidroserv's income tax until 31 December 2014.

Management believes that adequate provisions have been recognised in the consolidated financial statements for all significant tax liabilities; however, a risk persists that tax authorities might have different views, representing a normal risk in the accounting/tax environment in Romania.

### 19.3 Decommissioning obligations

The Group identified decommissioning obligations in relation to its hydro-power facilities. Management estimates that, except for the assets abandoned or switched to post-utilisation upon management decisions, and except for its wind farm, for which decommissioning provisions are recognised, the occurrence of events that would require abandonment or switching to post-utilisation of other assets in the public domain or hydro-power plants owned by the Group by the end of the concession contract (29 years from 31 December 2024) is unlikely, considering the long useful life of dams, which can be significantly extended over 100 years by maintenance and improvements.

## 20. RELATED PARTIES

### a) Ultimate controlling party

The Company's ultimate controlling party is the Romanian State, represented by the Ministry of Energy, with a shareholding of 80.0561%.

### b) Transaction with key management personnel

Key management personnel include the members of the Management Board and Supervisory Board.

	Six month period ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)
<b>Management Board remuneration</b>		
<b>Expenses recognized during the period</b>		
Fixed component	1,972	1,972
Variable component accrual	-	-
Reversal of overaccrual of the previous year	(35)	-
<b>Total</b>	<b>1,937</b>	<b>1,972</b>
<b>Payments made in the period</b>		
Fixed component	1,972	1,972
Variable component (for the previous year)	7,855	-
<b>Total</b>	<b>9,827</b>	<b>1,972</b>

The Management Board consists of 5 members appointed for a period of four years.

Remuneration of executive directors consists of a fixed monthly salary limited to six times the average monthly gross salary for the last 12 months prior to appointment published by National Institute of Statistics (INS) for the Company's activity code (CAEN) according to the classification of activities in the national economy, and a variable component calculated on the basis of the financial and non-financial performance indicators, negotiated and approved by the general meeting of shareholders.

In 2024, the General Meeting of Shareholders approved the annual variable component of the remuneration for the Management Board, which is limited to 24 gross monthly fixed components. The annual maximum amount of the variable component for all the Management Board is RON 7,890 thousand.

The financial and non-financial performance indicators based on which the variable remuneration was determined include:

- Financial indicators: EBITDA margin (%), net profit margin, dividend payout rate, current liquidity, the rate of indebtedness.
- Operating indicators: Carrying out the development project execution schedule (%) = carrying out the annual contracted schedule/ planned contract schedule for the current year; Carrying out the execution schedule for rehabilitation/ modernization works (%) = carrying out the schedule contracted annually/ planned contract schedule for the current year; Carrying out the design according to the annual design plan (%); Carrying out the equipment maintenance programme for planned works (%), powerplants availability;

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- Services indicators: Provision of system services necessary to ensure the operational stability of the SEN (secondary control reserve and fast tertiary control reserve) (%); fulfilment of electricity delivery obligations from sales contracts related to supply and trading portfolios (%);
- Corporate governance indicators: implementation of the internal management control system; Development and implementation of an internal procedure for measuring the overall customer satisfaction degree; ESG Strategy Implementation; Human resource development (professional training); Attracting specialized workforce in the field of hydropower.

The Company has no contractual obligations related to pensions to its former directors.

**Supervisory Board remuneration**

	<b>Six month period ended</b>	
	<b>30 June 2025 (reviewed)</b>	<b>30 June 2024 (reviewed)</b>
<b>Expenses recognized during the period</b>		
Fixed component	1,272	891
Variable component accrual	-	-
Reversal of overaccrual of the previous year	(51)	-
<b>Total</b>	<b>1,221</b>	<b>891</b>
<b>Payments made in the period</b>		
Fixed component	1,272	891
Variable component (for the previous year)	1,726	-
<b>Total</b>	<b>2,998</b>	<b>891</b>

The Supervisory Board consists of 7 members appointed for 4 years.

Remuneration of the members of the Supervisory Board was approved by shareholders decisions in 2024 and 2025. According to these decisions, the remuneration of the Supervisory Board members consists of a monthly fixed gross salary, limited to two times the average monthly gross salary for the last 12 months prior to appointment published by National Institute of Statistics for the Company's activity code (CAEN) according to the classification of activities in the national economy and a variable component, calculated on the basis of the financial and non-financial performance indicators, negotiated and approved by the general meeting of shareholders.

In 2024, the General Meeting of Shareholders approved the annual variable component of the remuneration for the Supervisory Board, which is limited to 12 times the gross monthly fixed component. The annual maximum amount of the variable component for all the Supervisory Board members is RON 1,777 thousand.

The financial and non-financial indicators based on which the variable remuneration for the members of the Supervisory Board was determined were the same as for the Management Board.

There were no loans granted to the members of Supervisory Board or Management Board.

No guarantees were granted / received to / from the members of Supervisory Board or Management Board.

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**c) Transactions with other companies in which the State has control or significant influence**

In the normal course of business, the Group has transactions with other entities in which the State has control or significant influence, mainly related to the tax on industrial water, the purchase of electricity, transport and system services and sales of electricity, as follows:

<b>Supplier</b>	<b>Purchases (without VAT) in six months period ended 30 June 2025 (reviewed)</b>	<b>Payables (including VAT) 30 June 2025 (reviewed)</b>
Administratia Nationala Apele Romane	222,048	92,464
Transelectrica (Romanian Electricity System Operator)	309,494	95,461
OPCOM (Romanian Electricity Market Operator)	62,117	8,092
Distributie Energie Electrica Romania	185,470	28,548
Others	312,120	97,627
<b>Total</b>	<b>1,091,249</b>	<b>322,192</b>

<b>Supplier</b>	<b>Purchases (without VAT) in six months period ended 30 June 2024 (reviewed)</b>	<b>Payables (including VAT) 31 December 2024 (audited)</b>
Administratia Nationala Apele Romane	301,406	69,381
Transelectrica (Romanian Electricity System Operator)	682,686	107,498
OPCOM (Romanian Electricity Market Operator)	2,741	150
Distributie Energie Electrica Romania	144,769	59,657
Others	21,913	1,062
<b>Total</b>	<b>1,153,515</b>	<b>237,748</b>

<b>Client</b>	<b>Sales (without VAT)  in six months period ended 30 June 2025 (reviewed)</b>	<b>Receivables Gross Carrying amount (including VAT)</b>	<b>Impairment Loss  30 June 2025 (reviewed)</b>	<b>Receivables Net Carrying amount (including VAT)</b>
Transelectrica (Romanian Electricity System Operator)	410,249	132,765	-	132,765
OPCOM (Romanian Electricity Market Operator)	185,408	1,225	-	1,225
Electrica Furnizare	150,441	27,372	-	27,372
Rompetrol Rafinare	128,359	52,175	-	52,175
Compania municipala Termoenergetica	24,013	17,315	-	17,315
Others	124,268	135,889	(25,054)	110,835
<b>Total</b>	<b>1,022,738</b>	<b>366,741</b>	<b>(25,054)</b>	<b>341,687</b>

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Client	Sales (without VAT)	Receivables Gross Carrying amount (including VAT)	Impairment loss	Receivables Net Carrying amount (including VAT)
	in six months period ended 30 June 2024 (reviewed)		31 Decembrie 2024 (unaudited)	
	Transelectrica (Romanian Electricity System Operator)	1,290,608	192,449	-
OPCOM (Romanian Electricity Market Operator)	1,922,815	73,489	-	73,489
ELECTRICA FURNIZARE	138,772	5,923	-	5,923
ROMPETROL RAFINARE	89,080	64,461	-	64,461
RAJA SA	14,862	5,132	-	5,132
SN RADIOCOMUNICATII SA	19,125	116	-	116
COMPANIA MUNICIPALA TERMOENERGETICA	19,862	6,213	-	6,213
Engie Romania	8,164	-	-	-
Others	125,410	158,406	(34,085)	124,321
<b>Total</b>	<b>3,628,698</b>	<b>506,189</b>	<b>(34,085)</b>	<b>472,104</b>

Other customers include mainly public institutions, local authorities and public educational institutions to which the Company supplied electricity.

<b>Bank balances</b>	Bank current accounts	Bank deposits	Bank current accounts	Bank deposits
	30 June 2025 (reviewed)		31 December 2024 (audited)	
Exim Bank (Banca Românească)	958	660,228	605	1,573,286
CEC Bank	41,902	152,760	38,973	882,191
<b>Total</b>	<b>42,860</b>	<b>812,988</b>	<b>39,578</b>	<b>2,455,477</b>

<b>Bank transactions</b>	Bank deposits placed	Interest income	Bank deposits placed	Interest income
	Six months ended 30 June 2025 (reviewed)		Six months ended 30 June 2024 (reviewed)	
Exim Bank (Banca Romaneasca)	4,310,000	56,787	5,287,000	59,070
CEC Bank	150,000	2,760	2,200,000	44,774
<b>Total</b>	<b>4,460,000</b>	<b>59,547</b>	<b>7,487,000</b>	<b>103,844</b>

## 21. SUBSEQUENT EVENTS

### *Tax for electricity producers and capped prices*

The tax for electricity producers and the electricity price cap scheme were eliminated starting 1 July 2025.

### *Financial and non-financial performance indicators*

On 28 July 2025, the Ordinary General Meeting of Shareholders approved the new key financial and non-financial performance indicators resulting from the Company's Management Plan.

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<b>Karoly BORBELY</b> Chairman of the Management Board	<b>Bogdan-Nicolae BADEA</b> Member of the Management Board	<b>Radu Ioan CONSTANTIN</b> Member of the Management Board	<b>Marian FETIȚA</b> Member of the Management Board	<b>Ianăș RĂDOI</b> Member of the Management Board
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**Petronel CHIRIAC**  
Finance Director

**Gabriela VASILESCU**  
Accounting Manager



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**Shape the future  
with confidence**

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of  
Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A.

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A. and its subsidiaries (together "the Group") for the six months period ended 30 June 2025, which comprise the interim condensed consolidated statement of financial position as of 30 June 2025, the interim condensed consolidated statements of profit and loss and other comprehensive income and cash flows for the six months period then ended and the interim condensed consolidated statement of changes in equity for the six months period then ended and related explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

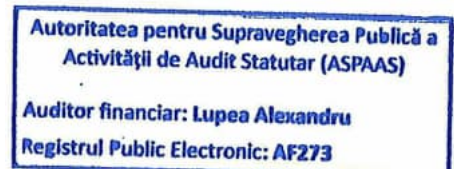
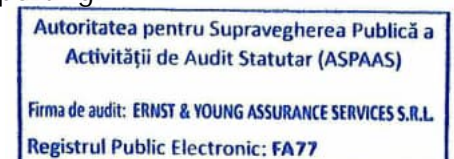
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed financial information consists of making inquiries, primarily of persons responsible 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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

On behalf of,  
Ernst & Young Assurance Services SRL  
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania  
Registered in the electronic Public Register under No. FA 77

Name of the Auditor / Partner: Lupea Alexandru  
Registered in the electronic Public Register under AF273



Bucharest, Romania  
13 August 2025

Transactions according to art. 52 of GEO 109/2011 in the period 01.01.2025 - 10.07.2025

Parts of the legal act	Conclusion date and no. act	Nature of the legal act	description	Total Value Vat (lei or other currencies) fara TVA	Mutual claims	Guarantees	Payment terms and methods	Other significant elements	Comments
S.P.E.E.H. HIDROELECTRICA SA - CNTEE TRANSELECTRICA S.A.	C480/ 05.06.2024	BM Convention	Sale of electricity	152,239,647.85		50,000	Invoices are issued and sent by electronic means (email), in the form of a pdf file. The date of receipt of the e-mail is considered the date of issuance of the invoice. Payment method: bank transfer.	Sale of balancing energy at power increase	01.01.2025-31.05.2025
				34,775,666.64				Provision of services, for the values of the quantities of balancing energy contracted at power reduction, negative prices	01.01.2025-31.05.2025
S.P.E.E.H. HIDROELECTRICA SA - CNTEE TRANSELECTRICA S.A.	C480/ 05.06.2024	BM Convention	Purchase of electricity	20,468.05		50,000	Invoices are issued and sent by electronic means (email), in the form of a pdf file. The date of receipt of the e-mail is considered the date of receipt of the invoice. Payment term: 7 working days from the issuance of the invoice. Payment method: bank transfer.	Balancing energy acquisition at power reduction	01.01.2025-31.05.2025
S.P.E.E.H. HIDROELECTRICA SA - CNTEE TRANSELECTRICA S.A.	C1808/05.06.2025	RSF Contract	Purchase of capacities by RSF	11,487,420.00		The parties warrant to each other that this contract is a valid, legal, enforceable obligation under the terms of this contract.	Invoice issuance deadline: 10 working days from the beginning of the calendar month following the month in which the contracted services were provided. The invoice is issued and sent by electronic means (e-mail) pdf file. Invoice payment deadline: 5 working days from receipt of the invoice. Payment by bank transfer.	RSF capabilities	01.06.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - CNTEE TRANSELECTRICA S.A.	C552/ 19.06.2024	Contract	Sale of balancing capacities	88,051,283.50		The parties warrant to each other that this contract is a valid, legal, enforceable obligation under the terms of this contract.	Invoice issuance deadline: 10 working days from the beginning of the calendar month following the month in which the contracted services were provided. The invoice is issued and sent by electronic means (e-mail) pdf file. Invoice payment deadline: 5 working days from receipt of the invoice. Payment by bank transfer.	Capacities for balancing RRFa increase/reduction, RRFm increase/decrease	01.01.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - CNTEE TRANSELECTRICA S.A.	C 1344/12.02.2025	Contract	Sale of the system service - Reactive energy for voltage regulation in ETG	1,816,288.59		The parties warrant to each other that this contract is a valid, legal, enforceable obligation under the terms of this contract.	Invoice issuance deadline: 10 working days from the beginning of the calendar month following the month in which the contracted services were provided. The invoice is issued and sent by electronic means (e-mail) pdf file. Invoice payment deadline: 5 working days from receipt of the invoice. Payment by bank transfer.		01.01.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - OPCOM	C28135/18.06.2021	ID Convention	Sale of electricity IM	1,404,143.27		-	Hydroelectrica issues the invoices with the date of the last day of the delivery month and sends them by email to OPCOM in the first 3 working days of the month following the delivery month. Daily settlement		01.03.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - OPCOM	C28135/18.06.2021	ID Convention	Services for the purchase of electricity at negative prices from OPCOM	1,425,115.07		-	Hydroelectrica issues the invoices with the date of the last day of the delivery month and sends them, by email, to OPCOM in the first 3 working days of the month following the delivery month. Starting with 01.07.2024, Hydroelectrica issues the invoices with the date of the last day of the delivery month and sends them through SPV ANAF in the first three working days of the month following the delivery month. Daily settlement		01.03.2025-30.06.2025

S.P.E.E.H. HIDROELECTRICA SA - OPCOM	C28135/18.06.2021	ID Convention	Purchase of electricity IM	1,197,070.41		Letter of Bank Guarantee constituted by order of Hidroelectrica in favor of OPCOM, in the amount of RON 1,000,000.00 valid 01.03.2026	OPCOM S.A., as OPEED, issues the invoices with the date of the last day of the delivery month and sends them, electronically signed, by email, to the IP Participants in the first three working days of the month following the delivery month. Starting with 01.07.2024, invoices are sent electronically to SPV-ANAF in the first three working days of the month following the month of delivery	The bank guarantee letter of payment/financial guarantee in the form of a cash deposit remitted to the account of OPCOM S.A. will be executed on the banking day following the day on which the refusal to execute the IDD (direct debit instruction) was received.	01.03.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - OPCOM	C28135/18.06.2021	ID Convention	Trading Fee - IM	11,549.31			OPCOM S.A., as OPEED, issues the invoices with the date of the last day of the delivery month and sends them, electronically signed, by email, to the IP Participants in the first 3 working days of the month following the delivery month. Starting with 01.07.2024, invoices are sent electronically to SPV-ANAF in the first 5 calendar days from the date of issuance of the invoice, from the month following the delivery month for which the electricity sale and purchase transactions were carried out, respectively. The invoices related to the administration fee, respectively for trading on PZU and/or PI are paid within 5 working days from the date of receipt of the invoice Starting with 01.07.2024, invoices are paid within 5 working days from the date of receipt of the invoice in SPV-ANAF.	The bank guarantee letter of payment/financial guarantee in the form of a cash deposit remitted to the account of OPCOM S.A. will be executed on the banking day following the day on which the refusal to execute the IDD (direct debit instruction) was received.	01.03.2025-30.06.2025
S.P.E.E.H. HIDROELECTRICA SA - OPCOM	C28135/18.06.2021	ID Convention	Administration tariffs 2025 DAM/IM	0.00			The invoice related to the administration activity for the tariff period t, (to which VAT is added, as the case may be) for each participant registered with the PZU and/or PI (IDCT and/or IDA), is issued by OPEED within a maximum of 5 working days from the date of approval by the Board of Directors of the tariffs charged by OPEED and is transmitted electronically to SPV-ANAF within 5 calendar days from the date of issuance of the invoice. The payment of the invoice is made by the participant by bank transfer, with a payment order, within 5 working days from the date of issue. The invoice is considered paid on the date of registration of the payment in the bank statement of OPCOM SA.		

